



City of Franklin, Tennessee

FY 2025 Operating Budget Request

Development Funds

City Facilities Tax Fund

County Facilities Tax Fund

Road Impact Fund

Parkland Dedication Fund



City of Franklin, Tennessee

FY 2025 Budget Request - Development Funds

Outline

- City Facilities Tax**
- County Facilities Tax**
- Road Impact Fund**
- Parkland Dedication Fund**



City of Franklin, Tennessee

FY 2025 Budget Request – City Facilities Tax

Purpose of Department

The Facilities Tax Fund is a special revenue fund used to account for the proceeds authorized by a private act of the Tennessee General Assembly of 1987 for the City to levy and collect a privilege tax on new development to provide that new development contribute its fair share of providing new public facilities made necessary by growth.

Two rules govern use of the City Facilities Tax Fund:

- 1) Can only be used on [police](#), [fire](#), [sanitation](#), and [parks and recreation](#) expenditures.
- 2) Can only be spent on public expenditures [related to growth](#); *(thus new equipment and infrastructure can be funded out of the Facilities Tax fund, but replacement of existing equipment cannot.)*



City of Franklin, Tennessee

FY 2025 Budget Request – City Facilities Tax

	2022	2023	2024		2025	2024 v. 2025	
	Actual	Actual	Budget	EOY	Budget	\$	%
Beginning Fund Balance	11,022,953	13,171,571	14,625,012	14,625,012	13,718,231		
Revenues	2,551,918	1,516,052	2,419,711	2,663,376	1,896,797	-522,914	-21.6%
Expenditures	403,300	62,611	3,762,962	3,570,157	-	-3,762,962	-100.0%
Ending Balance	13,171,571	14,625,012	13,281,761	13,718,231	15,615,028		

Revenues: \$1,869,797 forecast; *highly dependent* upon what is built and when it is built.

Expenses: \$0 forecast. The FY 2025 City Facilities Tax Fund appropriations will be modified throughout Spring 2024 as the Board of Mayor and Alderman revisit prioritizations of the Capital Investment Plan. An amended appropriation proposal based upon that revisitation will be included in the City Administrator's Recommended Budget in May.



City of Franklin, Tennessee

FY 2025 Budget Request – County Facilities Tax

Purpose of Department

The County Facilities Tax Fund is a new special revenue fund used to account for the City's share of the County's Adequate School Facilities Tax. 30% of the proceeds are distributed to incorporated cities within the county, and another 30% is divided pro rata among the incorporated cities based on population in the last decennial census. The City began collecting a share of the County Facilities Tax in FY 2012.

Prior to FY 2017, monies collected had been deposited within the Capital Projects Fund. Funds are to be used for the purpose of providing public facilities.



City of Franklin, Tennessee

FY 2025 Budget Request – County Facilities Tax

	2022	2023	2024		2025	2024 v. 2025	
	Actual	Actual	Budget	EOY	Budget	\$	%
Beginning Fund Balance	4,498,831	4,377,131	4,513,751	4,513,751	5,212,768		
Revenues	878,300	736,620	699,017	699,017	652,474	-58,632	-7.7%
Expenditures	1,000,000	600,000	-	-	-	-1,000,000	100.0%
Ending Balance	4,377,131	4,513,751	5,212,768	5,212,768	5,865,242		

Revenues: \$652,474 forecast; *highly dependent* upon what is built and when it is built.

Expenses: \$0 forecast; The FY 2025 County Facilities Tax Fund appropriations will be modified throughout Spring 2024 as the Board of Mayor and Alderman revisit prioritizations of the Capital Investment Plan. An amended appropriation proposal based upon that revisitation will be included in the City Administrator's Recommended Budget in May.



City of Franklin, Tennessee

FY 2025 Budget Request – Road Impact Fund

Purpose of Fund

The Road Impact Fund is the special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects.



City of Franklin, Tennessee

FY 2025 Budget Request – Road Impact Fund

	2022	2023	2024		2025	2024 v. 2025	
	Actual	Actual	Budget	EOY	Budget	\$	%
Beginning Fund Balance	25,741,274	32,202,321	24,653,640	24,653,640	24,370,917		
Revenues	9,746,863	4,651,737	7,286,688	7,011,210	6,172,176	-1,114,512	-15.3%
Expenditures	3,285,816	12,200,418	7,293,446	7,293,933	6,939,602	-353,844	-4.9%
Ending Balance	32,202,321	24,653,640	24,646,882	24,370,917	23,603,491	-1,043,391	-4.23%

Revenues: \$6,172,176. Include estimates for Road Impact Fees collected from Arterial and Collector Roads. These estimates are ***highly dependent*** upon what is built and when it is built, but forecast is lower than the FY 2024 budget.

Expenses: \$6,939,602. Includes standard reserve for offset agreements and higher debt service payments than previous years, but no new appropriations for Capital projects at this time until reprioritization is completed.



City of Franklin, Tennessee

FY 2025 Budget Request – Parkland Dedication

Purpose of Fund

The Parkland Dedication Fund was created in FY 2015 for the purpose of satisfying requirements of Section 5.5.4 of the City of Franklin Zoning Ordinance.

Funds can be used only for the acquisition or development of public parks, greenways/blueways, open space sites, and related facilities.



City of Franklin, Tennessee

FY 2025 Budget Request – Parkland Dedication

	2022	2023	2024		2025	2024 v. 2025	
	Actual	Actual	Budget	EOY	Budget	\$	%
Beginning Fund Balance	7,550,661	8,451,071	6,281,730	6,281,730	3,626,782		
Revenues	1,275,410	2,330,659	1,071,657	1,102,852	1,147,252	75,595	7.1%
Expenditures	375,000	4,500,000	3,757,800	3,757,800	-	-3,757,800	-100.0%
Ending Balance	8,451,071	6,281,730	3,595,587	3,626,782	4,774,034		

Revenues: \$1,147,252. Estimates are based upon analysis of projects currently within the development process in the City which are eligible to pay Parkland Dedication Fees. These estimates are *highly dependent* upon what is built and when it is built.

Expenses: \$0. The FY 2025 City Facilities Tax Fund appropriations will be modified throughout Spring 2024 as the Board of Mayor and Alderman revisit prioritizations of the Capital Investment Plan. An amended appropriation proposal based upon that revisitation will be included in the City Administrator's Recommended Budget in May.



City of Franklin, Tennessee

FY 2025 Budget Request - Development Funds

Summary:

Forecasts for our Development related funds have had dramatic changes in the last four years. In Spring 2020 we projected severe losses in revenues in both construction and tourist activities. We now know that there was little slow down as a result of the pandemic on development activity. Current economic conditions are even more challenging to forecast, and as always, regardless of economic times, these funds are, of course, **heavily dependent** upon private development.

The positive news to report at this time is all of these funds have healthy fund balances, and as result of prudent usage policies and financial management, the City continues to be well prepared for the ongoing uncertainty of the world the economy as a whole.