



HISTORIC
FRANKLIN
TENNESSEE

ITEM #18
BOMA
01/11/2011

MEMORANDUM

January 3, 2010

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Vernon Gerth, ACA - Community and Economic Development
Gary Luffman, Building & Neighborhood Services Director

SUBJECT: Consideration of Ordinance 2011-02 regarding the method used to calculate building permit fees for detached, single-family dwellings.

Purpose

Ordinance 2011-02 changes the current method of calculating building permit fees for detached, single-family dwellings from construction value to a fee based on habitable square footage.

Background

The City of Franklin presently calculates building permit fees based on the value of construction. Since the value of construction varies greatly on the contractor and structure amenities, staff proposes to base building permit fees for new, detached single-family dwellings and additions, on the habitable square footage. The habitable square footage is easily calculated and there would be no need for staff to question the applicant's value of construction.

In November, staff presented the Board of Mayor and Alderman an analysis of recently issued building permits within Franklin and surrounding communities. The analysis adjusted permit fees based on square footage and revealed that Franklin charges the equivalent of .37 per square foot permit fee for new, detached single-family residential dwellings. Implementing the proposed building permit fee based on square footage provides a clear and predictable fee methodology for staff and our customers.

Financial Impact

The proposed change should not result in a change in building permit revenue. It will however, allow staff to routinely forecast building permit revenue based on anticipated residential development activity and approved dwelling types as compared it to the corresponding inspection service level.

Recommendation

A motion to approve is recommended.

Enclosure

Ordinance 2011-02

ORDINANCE NUMBER 2011-02

TO BE ENTITLED: “AN ORDINANCE TO AMEND THE CITY OF FRANKLIN MUNICIPAL CODE, TITLE 22 – COMPREHENSIVE FEES AND PENALTIES, CHAPTER 12 RELATING TO BUILDING PERMIT FEES FOR DETACHED, SINGLE-FAMILY DWELLINGS.”

WHEREAS, for the purpose of promoting the public health, safety, comfort, convenience, and general welfare of the people of Franklin, Tennessee the Board of Mayor and Aldermen is authorized to prescribe regulations and standards that encourage and advance the quality of life within the City; and

WHEREAS, in its legislative judgment, the Board of Mayor and Aldermen has found that ordinances and policies that regulate land use, guide the maintenance of the city’s infrastructure, and delivery of essential services must be dynamic and modified from time to time to reflect changes in best practices, model codes, land and labor costs, and safety standards necessary to preserve and promote the private and public interest; and

WHEREAS, the Board of Mayor and Aldermen has determined to assess building permit fees for detached, single-family dwellings and additions to detached single-family dwellings based on square footage; and

WHEREAS, the Board of Mayor and Aldermen decided to create a separate title in the Franklin Municipal Code for the sole purpose of listing all the fees and penalties charged and assessed by the city, entitled Title 22 - Comprehensive Fees and Penalties.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE AS FOLLOWS:

SECTION I: That Title 22, Chapter 12 of the City of Franklin Municipal Code is hereby amended by inserting the following text highlighted in **bold and underlined**, and is approved to read as follows:

CHAPTER 12
Building, Utility, Etc. Codes

<u>Building Permit Fees for all buildings and structures except for detached, single-family dwellings and additions to detached, single-family dwellings.</u>	
<u>Total Valuation</u> \$1 - \$999	\$30
\$1,000 - \$4,999	\$30 for the first \$1,000 plus \$8.50 for each additional \$1,000 or fraction thereof.
\$5,000 - \$14,999	\$64 for the first \$5,000 plus \$6.75 for each additional \$1,000 or fraction thereof.
\$15,000 – \$39,999	\$132 for the first \$15,000 plus \$4.75 for each additional \$1,000 or fraction thereof.

\$40,000 - \$99,999	\$251.00 for the first \$40,000 plus \$4.00 for each additional \$1,000 or fraction thereof.
\$100,000 - \$499,999	\$491.00 for the first \$100,000 plus \$2.50 for each additional \$1,000 or fraction thereof.
\$500,000 - \$999,999	\$1,491.00 for the first \$500,000 plus \$1.75 for each additional \$1,000 or fraction thereof.
\$1,000,000 <u>and above</u>	\$2,366.00 for the first \$1,000,000 plus \$1.25 for each additional \$1,000 or fraction thereof.
<u>Building Permit Fees for detached, single-family dwellings and additions to detached, single-family dwellings.</u>	<u>\$0.37 per square foot of habitable living area including storage areas accessible by permanent stairways – minimum fee \$75</u>

SECTION II. BE IT FINALLY ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE, that this Ordinance shall take effect for building permit applications received on or after March 1, 2011.

ATTEST:

CITY OF FRANKLIN, TENNESSEE

BY: _____
ERIC S. STUCKEY
City Administrator/ Recorder

BY: _____
JOHN C. SCHROER
Mayor

PASSED FIRST READING: _____

PASSED SECOND READING: _____