HISTORIC FRANKLIN TENNESSEE
1799

City of Franklin

109 3rd Ave S
Franklin, TN 37064
(615)791-3217

Meeting Agenda

Work Session

Tuesday, March 22, 2016 **5:00 PM** **Board Room**

Call to Order

Citizen Comments

WORKSESSION DISCUSSION ITEMS

1. 16-0277 Presentation of FranklinForward's Open Data Website

2. 16-0262 Consideration of Event Permit for the Rodeo Parade sponsored by the Franklin Noon Rotary Club on May 14, 2016 in Downtown Franklin. (3-22-16 WS)

Sponsors: Deb Faulkner

Attachments: Rodeo Parade REVISED App 2016.pdf

3. 16-0263 Consideration of Event Permit for Bluegrass Along the Harpeth sponsored by the Williamson County Cultural Arts Commission on July 22 - 23, 2016 in Downtown Franklin. (3-22-16 WS)

Sponsors: Deb Faulkner

Attachments: Bluegrass Along the Harpeth 2016 REVISED App.pdf

4. 16-0264 Consideration Of Event Permit For Wine Down Main Street Sponsored By The Boys And Girls Club Of Middle Tennessee On November 5, 2016 In Downtown Franklin. (3-22-16 WS)

Sponsors: Deb Faulkner

Attachments: WDMS 2016 REVISED app.pdf

5. 16-0242 Consideration of Liquor License Renewal for Case Select Wines and Liquors, (Mr. Thomas Michael Klaritch, Managing Agent) 3046 Columbia Avenue, Franklin, TN 37064. (03-22-16 WS)

Sponsors: Lanaii Benne

Attachments: 2016 CERT Klaritch 04-2016.doc

6. 16-0243 Consideration of Liquor License Renewal for West Main Street Liquors, (Mr. Jose Arredondo, Managing Agent) 1326 West Main Street, Franklin, TN 37064. (03-22-16 WS)

Sponsors: Lanaii Benne

Attachments: 2016 CERT Arredondo, Jose 04-2016.doc

7. 16-0232 Consideration of Certificate of Compliance for Wine in Grocery Store for Kroger #526 located at 2020 Mallory Lane, Franklin, TN, 37067 (Malcolm Gaylor Hill and Anthony John Bastone, Managing Agents; Christine S. Wheatley [President & Secretary] and Todd A. Foley [Vice President & Treasurer], Executive Officers). (03-22-16 WS)

Sponsors: Lanaii Benne

Attachments: 2016-03 Kroger 526 Grocery Store Retail Wine Certificate.pdf

8. 16-0233 Consideration Of Certificate Of Compliance For Wine In Grocery Store For Kroger #568 Located At 411 Whitman Road, Franklin, TN, 37064 (Arthur Everett Golson And Gloria Mollie Anna Soler, Managing Agents; Christine S. Wheatley [President & Secretary] and Todd A. Foley [Vice President & Treasurer], Executive Officers) (03-22-16 WS)

Sponsors: Lanaii Benne

Attachments: 2016-03 Kroger 568 Grocery Store Retail Wine Certificate.pdf

9. 16-0234 Consideration of Certificate of Compliance for Wine in Grocery Store for Kroger #570 located at 3054 Columbia Avenue, Franklin, TN, 37064 (Managing Agents Walter Daniel Seal and Terry W. Marlin; Christine S. Wheatley [President & Secretary] and Todd A. Foley [Vice President & Treasurer], Executive Officers). (03-22-16 WS)

Sponsors: Lanaii Benne

Attachments: 2016-03 Kroger 570 Grocery Store Retail Wine Certificate.pdf

10. 16-0235 Consideration of Certificate of Compliance for Wine in Grocery Store for Kroger #576 located at 595 Hillsboro Road, Franklin, TN, 37064 (Scott W. Sharpe and Jon Kerlikowske, Managing Agents; Christine S. Wheatley [President & Secretary] and Todd A. Foley [Vice President & Treasurer], Executive Officers). (03-22-16 WS)

Sponsors: Lanaii Benne

Attachments: 2016-03 Kroger 576 Grocery Store Retail Wine Certificate.pdf

11. 16-0236

Consideration of Certificate of Compliance for Wine in Grocery Store for Kroger #592 located at 1203 Murfreesboro Road, Franklin, TN, 37067 (Kevin Burrows and Jessica Southern, Managing Agents; Christine S. Wheatley [President & Secretary] and Todd A. Foley [Vice President & Treasurer], Executive Officers). (03-22-16 WS)

Sponsors: Lanaii Benne

Attachments: 2016-03 Kroger 592 Grocery Store Retail Wine Certificate.pdf

12. 16-0254

Consideration of Certificate of Compliance for Wine in Grocery Store for Whole Foods located at 1566 W. McEwen Drive, Franklin, TN 37067 (Heather D. Masullo, Managing Agent and Executive Officers Albert E. Percifal, Roberta L. Lang, and Anthony C. Gallo.) (03-22-16 WS)

Sponsors: Lanaii Benne

Attachments: 2016-03 Whole Foods Retail Food Wine Certificate.docx

13. 16-0255

Introduction of proposed revisions to the 2014 Road Impact Fee Study specifically, including collector roads into the existing methodology.

Sponsors: Eric Stuckey, Vernon Gerth and Paul Holzen

Attachments: Road Impact Fee Study 2016 Revised.pdf

NW Exhibit

14. 15-0872

Consideration of Resolution 2015-76, A Resolution for Adoption of a Debt Management Policy (11/12/15 Finance 4-0; 03/10/16 Finance 3-0; 03-22-16 WS)

Sponsors: Russ Truell and Eric Stuckey

Attachments: Resolution 2015-76 Debt Policy

Debt Policy updated 11.26.13

15-0872 Debt Policy revised 3.10.16 v2.pdf

PFM presentation on Debt Policy revisions

Legislative History

11/12/15	Budget & Finance Committee	referred to the Board of Mayor & Aldermen
3/10/16	Budget & Finance Committee	referred to the Work Session

15. 16-0260

Consideration of Resolution 2016-15, a Resolution for Reimbursement of Expenditures for Public Works Improvement Projects from Bond Proceeds (03-22-16 ws)

Sponsors: Eric Stuckey and Russ Truell

Attachments: 2016-15 RES Franklin 2017 Reimbursement

16. 16-0261 Consideration of Resolution 2016-16, a Resolution for Reimbursement of Expenses for the Wastewater Treatment Plant Improvements from Bond Proceeds (03-22-16 ws)

Sponsors: Eric Stuckey and Russ Truell

Attachments: 2016-16 RES Franklin 2016 Wastewater Bond Reimbursement_Law Approved :

17. 16-0238 Consideration Of An Interlocal Agreement With Williamson County And The Williamson County Emergency Communication District For Creation Of A Consolidated Emergency Communications Center. (COF No. 2016-0046) (03-09-16 WS, 4-12-16 WS)

Sponsors: Eric Stuckey, Deb Faulkner and Rocky Garzarek

Attachments: 2016 04 18 Interlocal_2016 04 Law Approved.pdf

Legislative History

3/8/16	Work Session	referred to the Board of Mayor & Aldermen

Other Business

Adjournment

Anyone requesting accommodations due to disabilities should contact ADA coordinator at 791-3277.

OFFICE USE ONLY

Permit No:

____

HISTORIC FRANKLIN TENNESSEE

CITY OF FRANKLIN
EVENT PERMIT APPLICATION

*Application is Due 90 **Days Prior** to Scheduled Event.*
Please read application carefully and fully complete each section.
A non-refundable application fee of $100 is due at time of filing.

Note: Filing this application does not guarantee that your request will be granted.

Please check all that apply:
- ☐ street closure
- ☐ XX parade
- ☐ other special event
- ☐ beer served ***(separate permit required)***

Please supply the following information. For additional space, use separate sheets of paper and attach to the application.

1) **Location requested (if Temporary Street Closure only, list major roads to be closed):**

_____Aspen Grove Park   _____Liberty Park   _____Eastern Flank Battlefield Park
_____Fieldstone Farms   _____Pinkerton Park
XX_____Jim Warren Park   _____Harlinsdale Farm   Other: ________________

2) **Name/purpose of event:** Frankin Noon Rotary Club Rodeo Parade

3) **Date or dates of event:** May 14, 2016

4) **Time of Event:** 11:45 am - 2:30pm

5) **Time of Street Closure *(if applicable)*:** 11:45 - 2:30

Set-Up Date/Time: May 14, 2016 11:45   ***Tear-down Date/Time:*** ~~May 14, 2016 2pm~~

**Note: Two (2) hours will be added before set-up time and two hours (2) will be added after tear-down to allow time for clean-up. Event is responsible for payment of Franklin Police Officers during this time. Read Additional Requirements section for more information.*

6) **Name of Applicant and Organization Requesting Permit:**
Franklin Noon Rotary Rodeo Parade

a) **Address:** 101 Legends Club Ln, Frankllin

b) **Phone:** 615/585/4722   c) **Cell:** ________   d) **Fax:** ________

e) **E-mail address:** franklinrodeoparadechair@gmail.com

7) **Person in charge on day of event:** Tom Smith

Cell: 615/585/4722   **E-mail address:** SAME

Revised February 2014

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8) **Name and Cell Number of at least two others available on day of event:**

Name: Mark Schweer Cell: 615/445/0613 E-mail address: schweerfour@bellsouth.net

Name: Bill Foley Cell: 615/477/6954 E-mail address: bill.foley@comcast.net

9) **DETAILED description of event (use additional sheets):**
Franklin Noon Rotary Club has produced the Franklin Noon Rotary Rodeo Parade for a number of years as a precursor to the Franklin Noon Rotary Rodeo. It is an annual community service project that has been well attended. It is not a fund raiser for the club but a way to kick off the rodeo. We invite the community to get involved by decorating vehicles and floats and ride and/or march in the parade along with many local middle and high school bands, local elected officials, VIPS, businesses and public and private organizations.

10) **ENCLOSE A DETAILED MAP** of event site, detailing any temporary or permanent structures, street closures, parking, etc. If applicable, list the location, blocks, streets, and/or intersections in which such event will occur. ***For large-scale events, map should be obtained from the City's GIS division.***

11) An estimated number of participants and an estimated number of attendees expected to attend during the course of the event:

Several hundred participants and several thousand spectators

12) **Please attach a list** containing the names, addresses, and phone numbers of the Chairperson of the organization and all other persons involved in the management or control of organization and/or committee.

13) Is your organization based in Williamson County? Circle Yes or No Yes

(if no, please state where:_________)

14) Is your organization authorized to do business in Tennessee? Circle Yes or No Yes

15) Is your organization a tax-exempt organization as described by the Internal Revenue Code Section 501(c)(3) or a not-for-profit organization? Circle Yes or No. If yes, please attach copy of IRS tax exemption letter providing proof of status. Yes, see attached

16) Will you charge an admission/participation fee (including vendors)? If yes, please specify how much per person/vendor. NO

17) Will any charity, gratuity, or offers be solicited or accepted during the event? Circle Yes or No. NO

18) Is this event a fundraiser? Circle Yes or No. If yes, what organization will be benefactor of event? What percentage of funds will they receive? NO

19) Will parking in the area of the event need to be restricted or prohibited? Circle Yes or No. NO

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20) Will any sound amplification equipment be used during the event? Circle Yes or No. If no, please skip to Question #22. Yes

21) For what purpose will sound amplification be used (i.e. announcements, entertainment, etc.)?

WAKM's Tom Lawrence will be announce parade entries from the Franklin Public Square

22) What type of sound amplification will be provided (DJ, Band, etc.)? Please list all that apply.

1 microphone and table Noon to 1 pm

23) During what time period is sound amplification requested?

24) If for entertainment, give details of entertainment being provided (i.e. number of musicians, type of music, amp wattage, etc.).

None

25) Will any stages, amusement attractions, or amusement rides, including inflatables, be erected for the event? Circle Yes or No. If yes, Applicant must give specific details as to the location and type of games/activities, i.e. inflatables, Horseshoes, relay races, etc. along with the name of the company providing the stages and/or activities. **Applicant must also include a copy of that company's insurance certificate indicating coverage and listing the City of Franklin as additional insured.** ***For stages, tents, inflatables, etc. constructed on site prior to the event, that date must be included on Certificate of Insurance provided to the City of Franklin. Stages MUST be removed from site at end of event. ***Rented inflatables/interactives that are set-up and manned by applicant must be included specifically in applicant's Certificate of Insurance. NO

26) What, if any, vendors will be present at event? (i.e medical related, shirts, arts, etc.) **Please provide detailed list.** Use additional sheets. None

27) Will food, beverages, or merchandise be sold or given away? Circle Yes or No. If yes, clean-up is required. Please provide name of clean-up provider, contact, and phone number of person on-site during event. See Question #28.

NONE

28) Events under 200 participants require a $250 refundable security deposit at the time of approval. For events over 200, a $1000 security deposit is required upon approval. If clean-up is not done properly, the organization requesting the permit will be fined (See Attachment A). Applicant's event coordinator or representative and a City of Franklin representative will conduct a Pre-Event meeting prior to event date for Pre-Event Check List Site Review. *At the end of the event, a Post-Event Check List shall be completed by the Applicant's event coordinator, or representative, and a City of Franklin representative to re-assess the site for trash and damage, and to secure with caution tape and signage (provided by event group) any tents left for removal.* Damage deposit will be refunded after a satisfactory Post Event Check List has been completed and signed off on by both the City of Franklin and organization requesting event.

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29) ***NOTE**: Events that include deep frying cooking oil operations are required to have a grease pit on-site and contract with a grease waste hauler to handle the grease waste and removal of the grease pit. A copy of this agreement shall be filed along with this application. The primary event sponsor is required to remove all cooking grease from the site immediately after the event. Illegal dumping of cooking grease will be prosecuted. *Please read Additional Requirements section of this application for more information.*

30) Will you require a temporary water tap? Circle Yes or No. If yes, please list exact locations:
NO

31) Will alcohol, beer, and/or wine be given away or sold? Circle Yes or No. If yes, a permit from the relevant board is required. *Please read Additional Requirements section of this application for more information.*
NO

32) Will your event include tents or other temporary structures, propane use, or open flames? Circle yes or no. Events using tents of size 20 x 10 or larger require permitting from Franklin Fire Department. Safety measures must be provided on all tents, especially those set-up prior to the actual event. Tents should be taken down the date the event has ended. *Please read Additional Requirements section of this application for more information.*
NO

33) Attach Good Neighbor Letter and Mailing List used. *Please read Additional Requirements section of this application for more information.*

TITLE VI OF THE 1964 CIVIL RIGHTS ACT

"No person in the United States shall, on the ground of race, color, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance."

The City of Franklin does not discriminate based on race, color or national origin in federal or state sponsored programs, pursuant to Title VI of the Civil Rights Acts of 1964 (42 U.S.C. 2000d). For more information or to file a complaint against the City of Franklin under Title VI of the 1964 Civil Rights Act, contact the Title VI Coordinator:

Risk Manager
City of Franklin
109 Third Avenue South
Franklin, Tennessee 37064
615.791.3277

The City of Franklin is committed to providing reasonable access and accommodations upon request for people with disabilities. Please call the Risk Management Department at (615)791-3277 for specific requests.

HISTORIC FRANKLIN TENNESSEE

PLEASE READ ATTACHMENTS BEFORE SIGNING APPLICATION.

1) I/We agree to abide by all ordinances and regulations of the City of Franklin and all conditions placed upon the event by the City Administrator and the Board of Mayor and Aldermen.

2) I/We do swear or affirm that all of the information given in this application is true and complete.

3) I/We do hereby agree to assume the defense of and indemnify and save harmless the City, its aldermen, boards, commissions, officers, employees and agents, from all suits, actions, damages or claims to which the City may be subjected of any kind or nature whatsoever resulting from, caused by, arising out of or as a consequence of such event and the activities permitted in connection there with, and to submit a certificate of insurance prior to the event in an amount acceptable to the City Administrator.

4) I/We agree to provide a copy of this signed Event Application to any vendors, planners, and related parties associated with the event to ensure they are familiar with the guidelines set forth herein.

5) I/We understand that I/we assume the responsibility of the actions of any vendors, planners, and related parties for this event.

6) I/We understand that granting of Special Event Permit does not imply granting of other permit that is separately required.

7) The application for an event permit shall be filed not less than 90 days nor more than 364 days prior to the scheduled date of such event. Suggested filing is at least 180 days prior to scheduled event. Events should not be advertised or promoted until an event permit has been obtained from the City. Failure to file in a timely manner may result in denial of a permit.

8) The City reserves the right to require one or more City of Franklin police officers or other emergency personnel be present at any and all events that occur within the city limits. Please budget for this request at a rate of $30 per hour at a minimum of two (2) hours.

BY: Tom Smith Franklin Noon Rotary Parade Chairman Date: 1/13/2016
(Signature and title – must be officer of organization)

Approved by the Board of Mayor and Aldermen on __________, 20___.

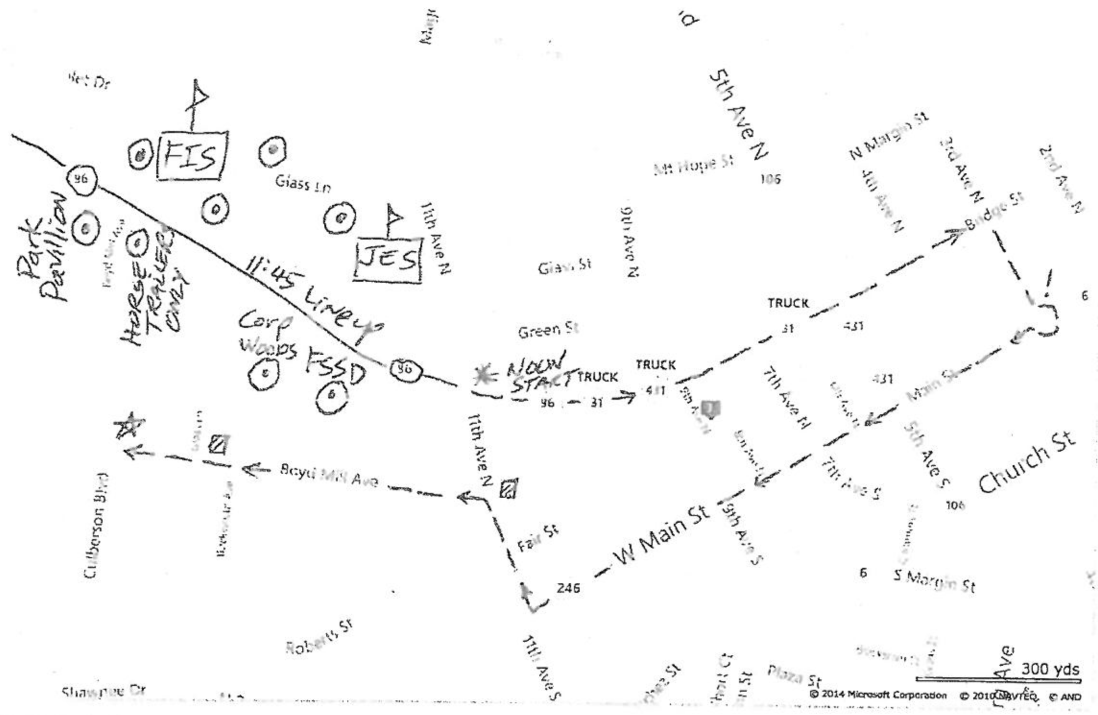
Dr. Ken Moore, Mayor

Eric S. Stuckey, City Administrator

If you have questions concerning your request, please call 615-550-6606.

Return application to:
City Administrator's Office
City Hall
109 Third Ave South
Franklin, TN 37065
615-791-3217
615-790-0469 (FAX)

KEY - * official start ☆ official end ⊙ "staging" areas
– – → Parade Route ! WAKM TOM LAWRENCE



#1 STREET CLOSURES

- Highway 96 W from Jim Warren Park to FIFTH AVENUE NORTH
- BRIDGE STREET from 5th to 3rd
- THIRD AVE. NO. from Bridge to Square
- MAIN STREET from Public Square to FIVE POINTS @ FIFTH AVE
- WEST MAIN ST from FIFTH TO 11th
- 11th Ave NO from West main to Boyd Mill Ave
- BOYD MILL AVE from 11th to Boyd Mill PK

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: MAY 14 2013

FRANKLIN NOON ROTARY CHARITABLE
FOUNDATION INC
130 4TH AVE S
FRANKLIN, TN 37064-4626

Employer Identification Number:
46-2064920
DLN:
17053052381023
Contact Person:
EDWARD J POMERANTZ ID# 31326
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
February 13, 2013
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

FRANKLIN NOON ROTARY CHARITABLE

Sincerely,

Holly O Paz

Holly O. Paz
Director, Exempt Organizations
Rulings and Agreements

Enclosure: Publication 4221-PC

Franklin Rotary Rodeo

City of Franklin
109 Third Avenue South
Franklin, TN 37064

January 15, 2016

RE: Franklin Noon Rotary Club's Rodeo Parade (May 14, 2016)

Dear Historic Downtown Franklin Merchants,

As you may be aware, the Franklin Noon Rotary Club will be organizing its 67th Franklin Rodeo and Rodeo Parade this year. You are encouraged to visit our website for more details at www.franklinrodeo.com or you can contact our Parade chair, Tom Smith, at ParadeChair@franklinrodeo.com. This year's parade will be on Saturday, May 14, 2016 and we'd love to have your participation in our Window Decorating Contest the week before. Judging for the window contest will be held on Tuesday, May 10th. Additionally, if you are interested in participating in the parade (it's free to enter), we'd love to have you. You can get more information at our website above.

The Franklin Noon Rotary Club's Rodeo Parade members will strive to minimally disrupt your businesses. The parade is expected to last less than an hour. It will begin at high noon with road closures starting at 11:45 a.m. The streets should re-open shortly after the parade's end, and the Franklin Streets Department will immediately work on street clean up as they always have.

Our club thanks you for your past and future support in our efforts at keeping this long running tradition alive. We look forward to seeing you at the rodeo.

Sincerely,

James R. Parker

James R. Parker
President, Franklin Noon Rotary

P.O. Box 367 • Franklin, Tennessee 37065-0367

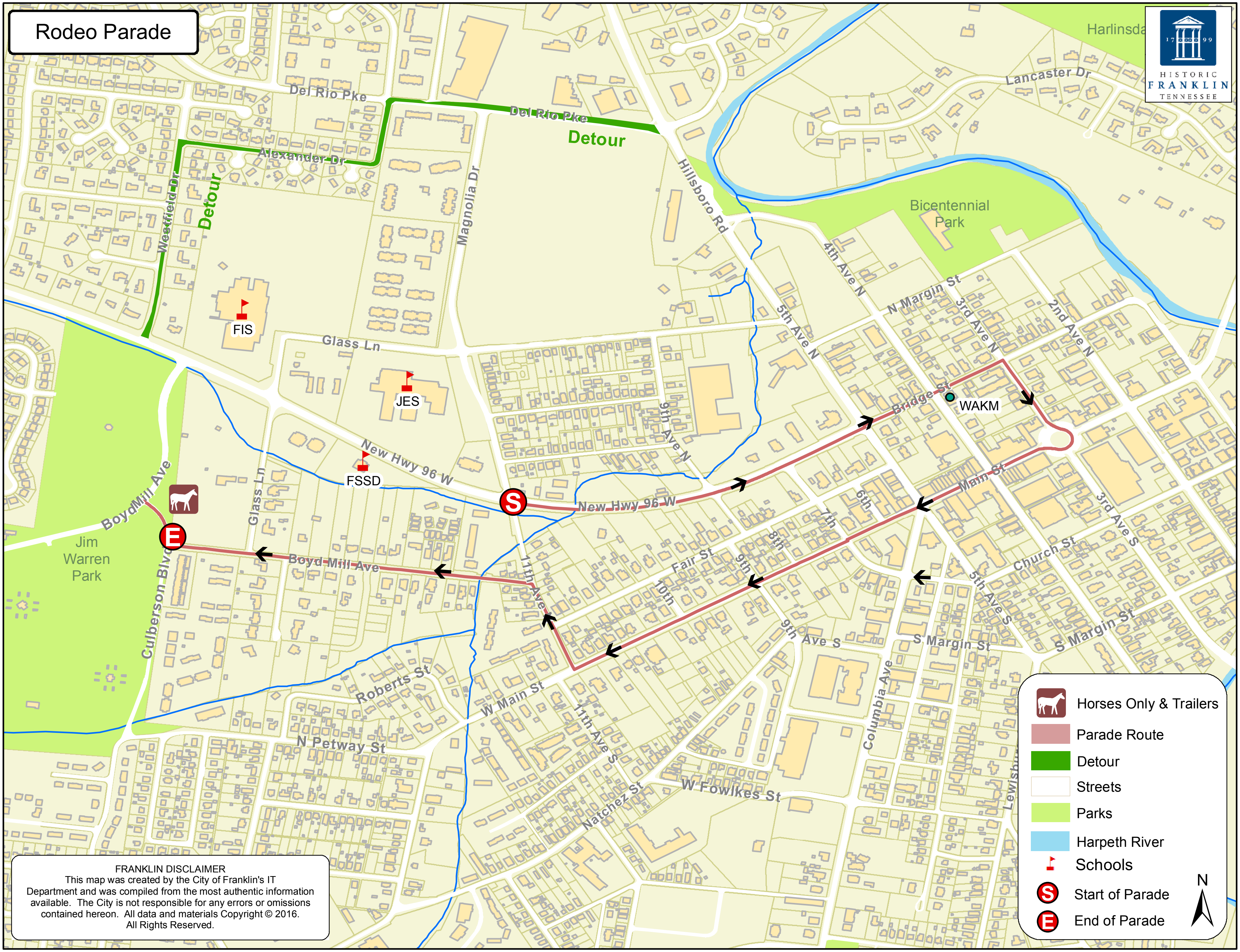
Franklin Noon Rotary Club List of Officers

James R Parker, President
1210 Echo Lane, Franklin
James.parker@mssb.com
615-764-4470

Patrick Baggett, Vice President
619 Finnhorse Ln, Franklin
pbaggatt@fullserviceins.com
615-955-0411

Zane Martin, Treasurer
1536 Brentwood Pt, Franklin
rzmartin@ftb.com
615 852 0759

Tom Smith, Parade Chair
634 Band Drive, Franklin
franklinrodeoparadechair@gmail.com
615-585-4722



Rodeo Parade
HISTORIC FRANKLIN TENNESSEE
17 99
Harlinsda
Lancaster Dr
Del Rio Pke
Del Rio Pke
Detour
Alexander Dr
Detour
Westfield Dr
Magnolia Dr
Hillsboro Rd
Bicentennial Park
4th Ave N
N Margin St
3rd Ave N
2nd Ave N
5th Ave N
Glass Ln
FIS
JES
FSSD
New Hwy 96 W
New Hwy 96 W
9th Ave N
Bridge St
WAKM
Main St
6th
7th
8th
9th
10th
Fair St
Boyd Mill Ave
Boyd Mill Ave
Jim Warren Park
Culberson Blvd
Glass Ln
11th Ave
Church St
3rd Ave S
5th Ave S
S Margin St
S Margin St
9th Ave S
Roberts St
W Main St
N Petway St
11th Ave S
Natchez St
W Fowlkes St
Columbia Ave
Lewisburg
Horses Only & Trailers
Parade Route
Detour
Streets
Parks
Harpeth River
Schools
Start of Parade
End of Parade
N
S
E
FRANKLIN DISCLAIMER
This map was created by the City of Franklin's IT Department and was compiled from the most authentic information available. The City is not responsible for any errors or omissions contained hereon. All data and materials Copyright © 2016. All Rights Reserved.

OFFICE USE ONLY:

Permit No:

____

HISTORIC FRANKLIN TENNESSEE

CITY OF FRANKLIN
EVENT PERMIT APPLICATION

*Application is Due 90 **Days Prior** to Scheduled Event.*
Please read application carefully and fully complete each section.
A non-refundable application fee of $100 is due at time of filing.

Note: Filing this application does not guarantee that your request will be granted.

Please check all that apply:

☒ street closure ☐ parade

☒ other special event ☐ beer served ***(separate permit required)***

Please supply the following information. For additional space, use separate sheets of paper and attach to the application.

1) **Location requested (if Temporary Street Closure only, list major roads to be closed):**

_____Aspen Grove Park _____Liberty Park _____Eastern Flank Battlefield Park
_____Fieldstone Farms _____Pinkerton Park
_____Jim Warren Park _____Harlinsdale Farm Other: Public Square
Main Street

2) **Name/purpose of event:** Bluegrass Along the Harpeth / music festival

3) **Date or dates of event:** July 22, July 23 2016

4) **Time of Event:** Friday: 7:00-10P,Saturday: 10:00 AM - 10:00 PM

5) **Time of Street Closure *(if applicable)*:** Beginning 5:30PM 7/22/16 through Midnight 7/23/16

Set-Up Date/Time: 7/22/16 5:30PM ***Tear-down Date/Time:*** 7/23/16 10:30 PM

**Note: Two (2) hours will be added before set-up time and two hours (2) will be added after tear-down to allow time for clean-up. Event is responsible for payment of Franklin Police Officers during this time. Read* Additional Requirements *section for more information.*

6) **Name of Applicant and Organization Requesting Permit:**
Williamson Count Cultural Arts Commission

a) **Address:** P.O. Box 682733, Franklin, TN 37068

b) **Phone:** 615-892-9735 c) **Cell:** ______ d) **Fax:** ______

e) **E-mail address:** rtrevue@aol.com

7) **Person in charge on day of event:** Tommy Jackson

Cell: 615-390-3588 **E-mail address:** rtrevue@aol.com

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8) **Name and Cell Number of at least two others available on day of event:**

Name: Robin Durdyn **Cell:** 615-210-2076 **E-mail address:** ________________

Name: Carol Grace **Cell:** 615-892-9735 **E-mail address:** ________________

9) **DETAILED description of event (use additional sheets):**

Bluegrass festival - live music and dance competition.

Arts & Crafts on display throughout event

10) **ENCLOSE A DETAILED MAP** of event site, detailing any temporary or permanent structures, street closures, parking, etc. If applicable, list the location, blocks, streets, and/or intersections in which such event will occur. ***For large-scale events, map should be obtained from the City's GIS division.***

11) An estimated number of participants and an estimated number of attendees expected to attend during the course of the event:

5-7000 over the 2 day period

12) **Please attach a list** containing the names, addresses, and phone numbers of the Chairperson of the organization and all other persons involved in the management or control of organization and/or committee. See page 1

13) Is your organization based in Williamson County? Circle Yes or No
(if no, please state where:________)

14) Is your organization authorized to do business in Tennessee? Circle Yes or No

15) Is your organization a tax-exempt organization as described by the Internal Revenue Code Section 501(c)(3) or a not-for-profit organization? Circle Yes or No. If yes, please attach copy of IRS tax exemption letter providing proof of status.

16) Will you charge an admission/participation fee (including vendors)? If yes, please specify how much per person/vendor. No admission charge; vendors are charged by classification of craft

17) Will any charity, gratuity, or offers be solicited or accepted during the event? Circle Yes or No.

18) Is this event a fundraiser? Circle Yes or No. If yes, what organization will be benefactor of event? What percentage of funds will they receive? Williamson County Cultural Arts Commission 100% of profits

19) Will parking in the area of the event need to be restricted or prohibited? Circle Yes or No.

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20) Will any sound amplification equipment be used during the event? Circle Yes or No. If no, please skip to Question #22.

21) For what purpose will sound amplification be used (i.e. announcements, entertainment, etc.)?
annoucements and entertainment

22) What type of sound amplification will be provided (DJ, Band, etc.)? Please list all that apply.
live bands

23) During what time period is sound amplification requested? 7-10PM Friday; 10AM-10PM Saturday

24) If for entertainment, give details of entertainment being provided (i.e. number of musicians, type of music, amp wattage, etc.). live bands

25) Will any stages, amusement attractions, or amusement rides, including inflatables, be erected for the event? Circle Yes or No. <u>If yes, Applicant must give specific details as to the location and type of games/activities, i.e. inflatables, Horseshoes, relay races, etc. along with the name of the company providing the stages and/or activities.</u> **<u>Applicant must also include a copy of that company's insurance certificate indicating coverage and listing the City of Franklin as additional insured.</u>** ***For stages, tents, inflatables, etc. constructed on site prior to the event, that date must be included on Certificate of Insurance provided to the City of Franklin. Stages MUST be removed from site at end of event. ***Rented inflatables/interactives that are set-up and manned by applicant must be included specifically in applicant's Certificate of Insurance.

26) What, if any, vendors will be present at event? (i.e medical related, shirts, arts, etc.) **<u>Please provide detailed list.</u>** Use additional sheets.

27) Will food, beverages, or merchandise be sold or given away? Circle Yes or No. If yes, clean-up is required. Please provide name of clean-up provider, contact, and phone number of person on-site during event. See Question #28. Staff of bluegrass festival

28) Events under 200 participants require a $250 refundable security deposit at the time of approval. For events over 200, a $1000 security deposit is required upon approval. If clean-up is not done properly, the organization requesting the permit will be fined (See Attachment A). Applicant's event coordinator or representative and a City of Franklin representative will conduct a Pre-Event meeting prior to event date for Pre-Event Check List Site Review. *At the end of the event, a Post-Event Check List shall be completed by the Applicant's event coordinator, or representative, and a City of Franklin representative to re-assess the site for trash and damage, and to secure with caution tape and signage (provided by event group) any tents left for removal.* Damage deposit will be refunded after a satisfactory Post Event Check List has been completed and signed off on by both the City of Franklin and organization requesting event.

HISTORIC
FRANKLIN
TENNESSEE

29) **NOTE*: Events that include deep frying cooking oil operations are required to have a grease pit on-site and contract with a grease waste hauler to handle the grease waste and removal of the grease pit. A copy of this agreement shall be filed along with this application. The primary event sponsor is required to remove all cooking grease from the site immediately after the event. Illegal dumping of cooking grease will be prosecuted. *Please read Additional Requirements section of this application for more information.*

30) Will you require a temporary water tap? Circle Yes or No. If yes, please list exact locations:

t Third Avenue South at City Hall

31) Will alcohol, beer, and/or wine be given away or sold? Circle Yes or No. If yes, a permit from the relevant board is required. *Please read Additional Requirements section of this application for more information.*

32) Will your event include tents or other temporary structures, propane use, or open flames? Circle yes or no. Events using tents of size 20 x 10 or larger require permitting from Franklin Fire Department. Safety measures must be provided on all tents, especially those set-up prior to the actual event. Tents should be taken down the date the event has ended. *Please read Additional Requirements section of this application for more information.*

33) Attach Good Neighbor Letter and Mailing List used. *Please read Additional Requirements section of this application for more information.*

TITLE VI OF THE 1964 CIVIL RIGHTS ACT

"No person in the United States shall, on the ground of race, color, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance."

The City of Franklin does not discriminate based on race, color or national origin in federal or state sponsored programs, pursuant to Title VI of the Civil Rights Acts of 1964 (42 U.S.C. 2000d). For more information or to file a complaint against the City of Franklin under Title VI of the 1964 Civil Rights Act, contact the Title VI Coordinator:

Risk Manager
City of Franklin
109 Third Avenue South
Franklin, Tennessee 37064
615.791.3277

The City of Franklin is committed to providing reasonable access and accommodations upon request for people with disabilities. Please call the Risk Management Department at (615)791-3277 for specific requests.

HISTORIC
FRANKLIN
TENNESSEE

PLEASE READ ATTACHMENTS BEFORE SIGNING APPLICATION.

1) I/We agree to abide by all ordinances and regulations of the City of Franklin and all conditions placed upon the event by the City Administrator and the Board of Mayor and Aldermen.

2) I/We do swear or affirm that all of the information given in this application is true and complete.

3) I/We do hereby agree to assume the defense of and indemnify and save harmless the City, its aldermen, boards, commissions, officers, employees and agents, from all suits, actions, damages or claims to which the City may be subjected of any kind or nature whatsoever resulting from, caused by, arising out of or as a consequence of such event and the activities permitted in connection there with, and to submit a certificate of insurance prior to the event in an amount acceptable to the City Administrator.

4) I/We agree to provide a copy of this signed Event Application to any vendors, planners, and related parties associated with the event to ensure they are familiar with the guidelines set forth herein.

5) I/We understand that I/we assume the responsibility of the actions of any vendors, planners, and related parties for this event.

6) I/We understand that granting of Special Event Permit does not imply granting of other permit that is separately required.

7) The application for an event permit shall be filed not less than 90 days nor more than 364 days prior to the scheduled date of such event. Suggested filing is at least 180 days prior to scheduled event. Events should not be advertised or promoted until an event permit has been obtained from the City. Failure to file in a timely manner may result in denial of a permit.

8) The City reserves the right to require one or more City of Franklin police officers or other emergency personnel be present at any and all events that occur within the city limits. Please budget for this request at a rate of $30 per hour at a minimum of two (2) hours.

BY: [signature] Date: 1-19-16
(Signature and title – must be officer of organization)

Approved by the Board of Mayor and Aldermen on ____________, 20___.

Dr. Ken Moore, Mayor

Eric S. Stuckey, City Administrator

If you have questions concerning your request, please call 615-550-6606.

Return application to:
City Administrator's Office
City Hall
109 Third Ave South
Franklin, TN 37065
615-791-3217
615-790-0469 (FAX)

Internal Revenue Service

Date: October 12, 2005

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:
Sally Froehle
ID# 31-08058
Toll Free Telephone Number:
8:30 a.m. to 5:30 p.m. ET
1-877-829-5500

Federal Identification Number
62-1386211

WILLIAMSON COUNTY CULTURAL ARTS COMMISSION
101 CHURCHILL PLACE
FRANKLIN, TN 37067

Dear Sir or Madam:

This is in response to your request of October 11, 2005 regarding your tax-exempt status and your name change to Williamson County Cultural Arts Commission.

In May 1995 we issued a determination letter that recognized you as exempt from federal income tax. Our records indicate that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records indicate that you are also classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

Our records indicate that contributions to you are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

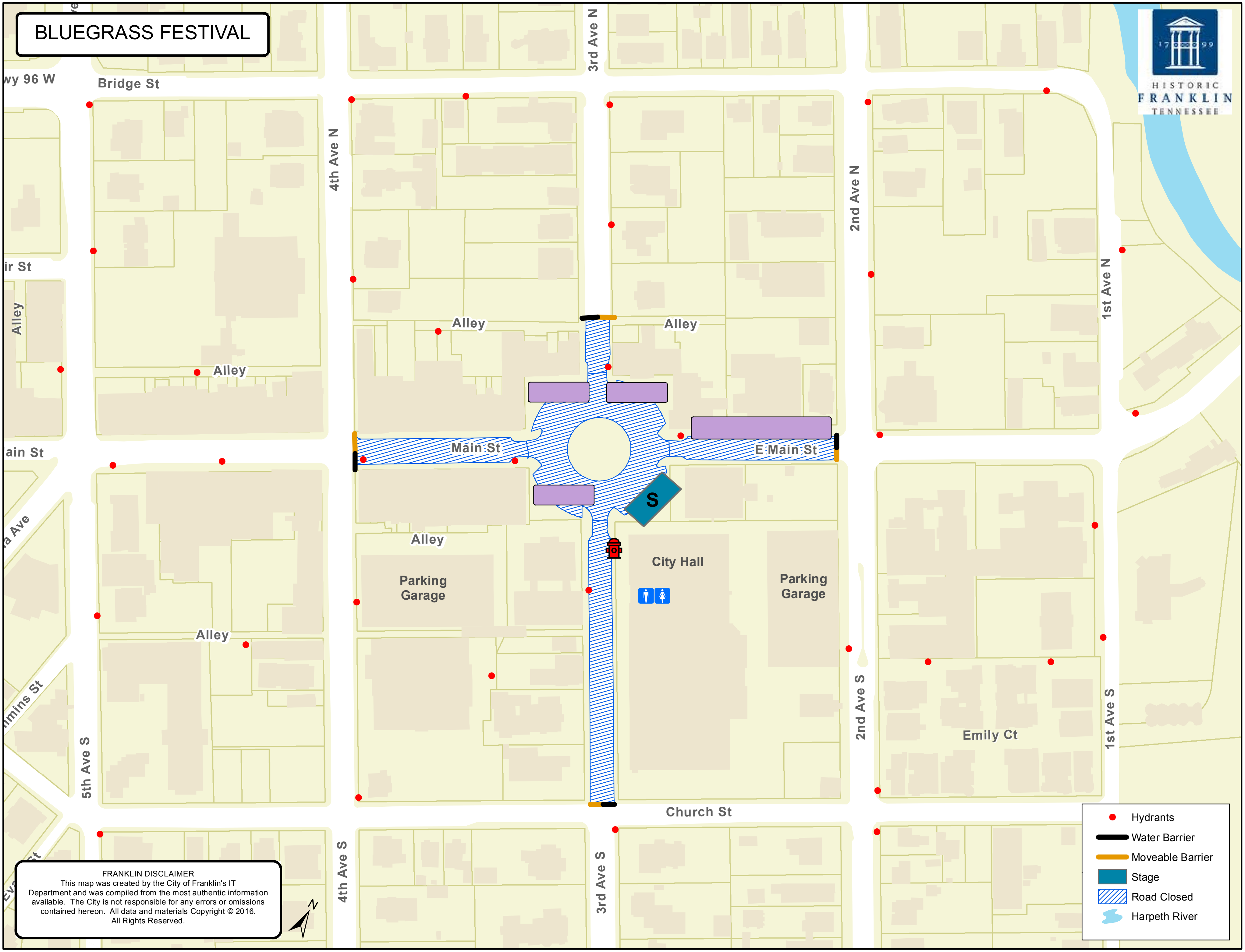
If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,

Cindy M. Westcott

Cindy Westcott
Manager, EO Determinations

Page 2


BLUEGRASS FESTIVAL
HISTORIC
FRANKLIN
TENNESSEE
Bridge St
4th Ave N
3rd Ave N
2nd Ave N
1st Ave N
Alley
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Alley
Alley
Main St
E Main St
S
City Hall
Parking Garage
Parking Garage
5th Ave S
4th Ave S
3rd Ave S
2nd Ave S
1st Ave S
Church St
Emily Ct
Hydrants
Water Barrier
Moveable Barrier
Stage
Road Closed
Harpeth River
N
FRANKLIN DISCLAIMER
This map was created by the City of Franklin's IT Department and was compiled from the most authentic information available. The City is not responsible for any errors or omissions contained hereon. All data and materials Copyright © 2016. All Rights Reserved.

OFFICE USE ONLY:

Permit No: ________

HISTORIC FRANKLIN TENNESSEE

CITY OF FRANKLIN
EVENT PERMIT APPLICATION

*Application is Due 90 **Days Prior** to Scheduled Event.*
Please read application carefully and fully complete each section.
A non-refundable application fee of $100 is due at time of filing.

<u>Note: Filing this application does not guarantee that your request will be granted.</u>

Please check all that apply:
- ☒ street closure
- ☐ parade
- ☐ other special event
- ☒ beer served ***(separate permit required)***

Please supply the following information. For additional space, use separate sheets of paper and attach to the application.

1) **Location requested (if Temporary Street Closure only, list major roads to be closed):**

____Aspen Grove Park ____Liberty Park ____Eastern Flank Battlefield Park
____Fieldstone Farms ____Pinkerton Park
____Jim Warren Park ____Harlinsdale Farm Other: Historic main Street

2) **Name/purpose of event:** Wine Down main Street 16

3) **Date or dates of event:** Saturday November 5, 2016

4) **Time of Event:** 7 Pm to 10 Pm

5) **Time of Street Closure *(if applicable)*:** 3 Pm to 11 Pm

Set-Up Date/Time: 1 Pm (square) 11-5-16 ***Tear-down Date/Time:*** 10 Pm 11-5-16

**Note: Two (2) hours will be added before set-up time and two hours (2) will be added after tear-down to allow time for clean-up. Event is responsible for payment of Franklin Police Officers during this time. Read Additional Requirements section for more information.*

6) **Name of Applicant and Organization Requesting Permit:**
Denise Carothers Boys & Girls Clubs of Middle Tennessee

a) **Address:** 129 West Fowlkes Street suite 100

b) **Phone:** 615-628-8188 c) **Cell:** 615-554-2302 d) **Fax:** 615-794-9662

e) **E-mail address:** dcarothers@bgcmt.org

7) **Person in charge on day of event:** Denise Carothers

Cell: 615-554-2302 **E-mail address:** dcarothers@bgcmt.org

HISTORIC FRANKLIN TENNESSEE 1799

8) **Name and Cell Number of at least two others available on day of event:**

Name: Jennifer Wheeler **Cell:** 615-368-6864 **E-mail address:** jwheeler@bgcmt.org

Name: Joy Lehman **Cell:** 615-668-1181 **E-mail address:** jlehmann@bgcmt.org

9) **DETAILED description of event (use additional sheets):**

Wine tasting event that takes place along historic Main Street. Food samples from local restaurants and live music

10) **ENCLOSE A** DETAILED **MAP** of event site, detailing any temporary or permanent structures, street closures, parking, etc. If applicable, list the location, blocks, streets, and/or intersections in which such event will occur. ***For large-scale events, map should be obtained from the City's GIS division.***

11) An estimated number of participants and an estimated number of attendees expected to attend during the course of the event:

2000

12) **Please attach a list** containing the names, addresses, and phone numbers of the Chairperson of the organization and all other persons involved in the management or control of organization and/or committee.

13) Is your organization based in Williamson County? Circle Yes or No

(if no, please state where:________)

14) Is your organization authorized to do business in Tennessee? Circle Yes or No

15) Is your organization a tax-exempt organization as described by the Internal Revenue Code Section 501(c)(3) or a not-for-profit organization? Circle Yes or No. If yes, please attach copy of IRS tax exemption letter providing proof of status.

16) Will you charge an admission/participation fee (including vendors)? If yes, please specify how much per person/vendor. $75 per person $85 / $125

17) Will any charity, gratuity, or offers be solicited or accepted during the event? Circle Yes or No.

18) Is this event a fundraiser? Circle Yes or No. If yes, what organization will be benefactor of event? What percentage of funds will they receive? Boys & Girls Clubs of Middle Tennessee 100% of proceeds

19) Will parking in the area of the event need to be restricted or prohibited? Circle Yes or No.

HISTORIC
FRANKLIN
TENNESSEE

20) Will any sound amplification equipment be used during the event? Circle Yes or No. If no, please skip to Question #22.

21) For what purpose will sound amplification be used (i.e. announcements, entertainment, etc.)? Main Stage at corner of Fifth and Main, Small Stage on Square

22) What type of sound amplification will be provided (DJ, Band, etc.)? Please list all that apply. bands

23) During what time period is sound amplification requested? 7 Pm to 10 pm

24) If for entertainment, give details of entertainment being provided (i.e. number of musicians, type of music, amp wattage, etc.). 5 piece band Fifth and Main, Trio on Square

25) Will any stages, ~~amusement~~ attractions, or amusement rides, including inflatables, be erected for the event? Circle Yes or No. <u>If yes, Applicant must give specific details as to the location and type of games/activities, i.e. inflatables, Horseshoes, relay races, etc. along with the name of the company providing the stages and/or activities.</u> **<u>Applicant must also include a copy of that company's insurance certificate indicating coverage and listing the City of Franklin as additional insured.</u>** ***For stages, tents, inflatables, etc. constructed on site prior to the event, that date must be included on Certificate of Insurance provided to the City of Franklin. Stages MUST be removed from site at end of event. ***Rented inflatables/interactives that are set-up and manned by applicant must be included specifically in applicant's Certificate of Insurance.

26) What, if any, vendors will be present at event? (i.e medical related, shirts, arts, etc.) **<u>Please provide detailed list.</u>** Use additional sheets.

27) Will food, beverages, or merchandise be sold or given away? Circle ~~Yes or~~ No. If yes, clean-up is required. Please provide name of clean-up provider, contact, and phone number of person on-site during event. See Question #28. City of Franklin Solid Waste

28) Events under 200 participants require a $250 refundable security deposit at the time of approval. For events over 200, a $1000 security deposit is required upon approval. If clean-up is not done properly, the organization requesting the permit will be fined (See Attachment A). Applicant's event coordinator or representative and a City of Franklin representative will conduct a Pre-Event meeting prior to event date for Pre-Event Check List Site Review. *At the end of the event, a Post-Event Check List shall be completed by the Applicant's event coordinator, or representative, and a City of Franklin representative to re-assess the site for trash and damage, and to secure with caution tape and signage (provided by event group) any tents left for removal.* Damage deposit will be refunded after a satisfactory Post Event Check List has been completed and signed off on by both the City of Franklin and organization requesting event.

29) **NOTE*: Events that include deep frying cooking oil operations are required to have a grease pit on-site and contract with a grease waste hauler to handle the grease waste and removal of the grease pit. A copy of this agreement shall be filed along with this application. The primary event sponsor is required to remove all cooking grease from the site immediately after the event. Illegal dumping of cooking grease will be prosecuted. *Please read Additional Requirements section of this application for more information.*

30) Will you require a temporary water tap? Circle Yes or No. If yes, please list exact locations:

____

____

31) Will alcohol, beer, and/or wine be given away or sold? Circle Yes or No. If yes, a permit from the relevant board is required. *Please read Additional Requirements section of this application for more information.*

32) Will your event include tents or other temporary structures, propane use, or open flames? Circle yes or no. Events using tents of size 20 x 10 or larger require permitting from Franklin Fire Department. Safety measures must be provided on all tents, especially those set-up prior to the actual event. Tents should be taken down the date the event has ended. *Please read Additional Requirements section of this application for more information.*

33) Attach Good Neighbor Letter and Mailing List used. *Please read Additional Requirements section of this application for more information.*

HISTORIC
FRANKLIN
TENNESSEE

PLEASE READ ATTACHMENTS BEFORE SIGNING APPLICATION.

1) I/We agree to abide by all ordinances and regulations of the City of Franklin and all conditions placed upon the event by the City Administrator and the Board of Mayor and Aldermen.

2) I/We do swear or affirm that all of the information given in this application is true and complete.

3) I/We do hereby agree to assume the defense of and indemnify and save harmless the City, its aldermen, boards, commissions, officers, employees and agents, from all suits, actions, damages or claims to which the City may be subjected of any kind or nature whatsoever resulting from, caused by, arising out of or as a consequence of such event and the activities permitted in connection there with, and to submit a certificate of insurance prior to the event in an amount acceptable to the City Administrator.

4) I/We agree to provide a copy of this signed Event Application to any vendors, planners, and related parties associated with the event to ensure they are familiar with the guidelines set forth herein.

5) I/We understand that I/we assume the responsibility of the actions of any vendors, planners, and related parties for this event.

6) I/We understand that granting of Special Event Permit does not imply granting of other permit that is separately required.

7) The application for an event permit shall be filed not less than 90 days nor more than 364 days prior to the scheduled date of such event. Suggested filing is at least 180 days prior to scheduled event. Events should not be advertised or promoted until an event permit has been obtained from the City. Failure to file in a timely manner may result in denial of a permit.

8) The City reserves the right to require one or more City of Franklin police officers or other emergency personnel be present at any and all events that occur within the city limits. Please budget for this request at a rate of $30 per hour at a minimum of two (2) hours.

BY: [signature] Area Director Date: 2-4-16
(Signature and title – must be officer of organization)

Approved by the Board of Mayor and Aldermen on ____________, 20___.

____
Dr. Ken Moore, Mayor

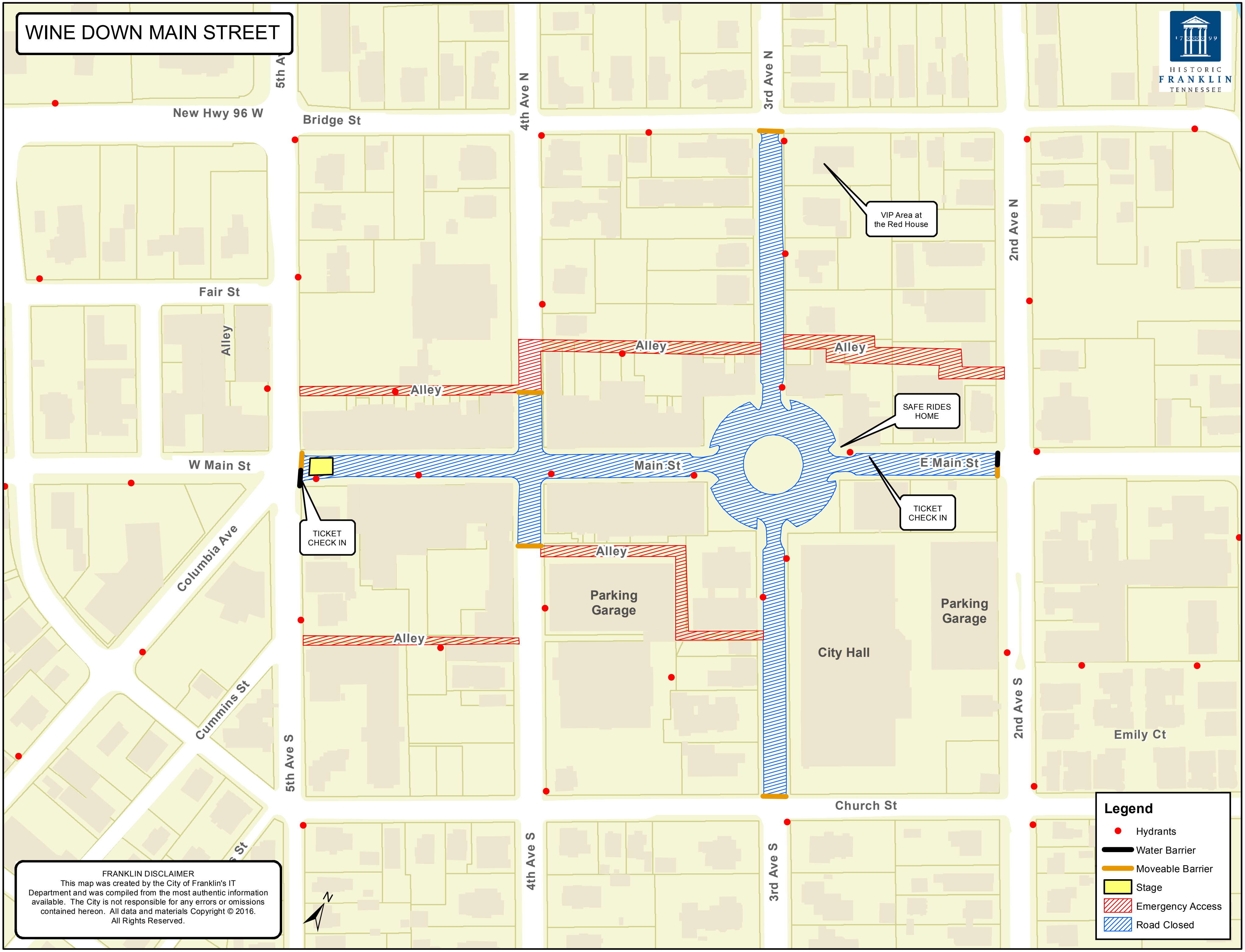
____
Eric S. Stuckey, City Administrator

If you have questions concerning your request, please call 615-550-6606.

Return application to:

City Administrator's Office
City Hall
109 Third Ave South
Franklin, TN 37065
615-791-3217
615-790-0469 (FAX)

Revised February 2014



WINE DOWN MAIN STREET
HISTORIC FRANKLIN TENNESSEE
New Hwy 96 W
Bridge St
5th Av
4th Ave N
3rd Ave N
2nd Ave N
Fair St
Alley
Alley
Alley
Alley
Alley
Alley
VIP Area at the Red House
SAFE RIDES HOME
W Main St
Main St
E Main St
TICKET CHECK IN
TICKET CHECK IN
Columbia Ave
Cummins St
Parking Garage
Parking Garage
City Hall
5th Ave S
4th Ave S
3rd Ave S
2nd Ave S
Church St
Emily Ct
Legend
Hydrants
Water Barrier
Moveable Barrier
Stage
Emergency Access
Road Closed
N
FRANKLIN DISCLAIMER
This map was created by the City of Franklin's IT Department and was compiled from the most authentic information available. The City is not responsible for any errors or omissions contained hereon. All data and materials Copyright © 2016. All Rights Reserved.

Internal Revenue Service

District Director   Delaware-Maryland District

Department of the Treasury

31 Hopkins Plaza, Baltimore, MD 21201

P.O. Box 13163, Room 817
Baltimore, MD 21203

JULY 14, 1998

Employer Identification Number:
62-0540402

BOYS AND GIRLS CLUB OF
MIDDLE TENNESSEE, INC.
PO BOX 110268
NASHVILLE, TN 37222-0268

Person to Contact:
EP/EO Tax Examiner

Telephone Number:
(410) 962-6058

Dear Sir/Madam:

This is in response to your inquiry received JULY 10, 1998, requesting a copy of the letter which granted tax exempt status to the above named organization.

Our records show that the organization was granted exemption from Federal Income Tax under section 501(c)(3) of the Internal Revenue Code effective SEPTEMBER, 1954.

We have also determined that the organization is not a private foundation because it is described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you under section 170 of the Code.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of $100 or more you pay to each of your employees during the calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

You are required to file Form 990, Return of Organization Exempt from Income Tax, only if your gross receipts each year are normally more than $25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally $25,000 or less, and sign the return.

A copy of our letter certifying the status of the organization is not available, however, this letter may be used to verify your tax-exempt status.

Because this letter could help resolve any questions about your exempt status, it should be kept in your permanent records.

Sincerely yours,

BOARD MEMBER BIOGRAPHICAL INFORMATION

(Please indicate principal officers with *)

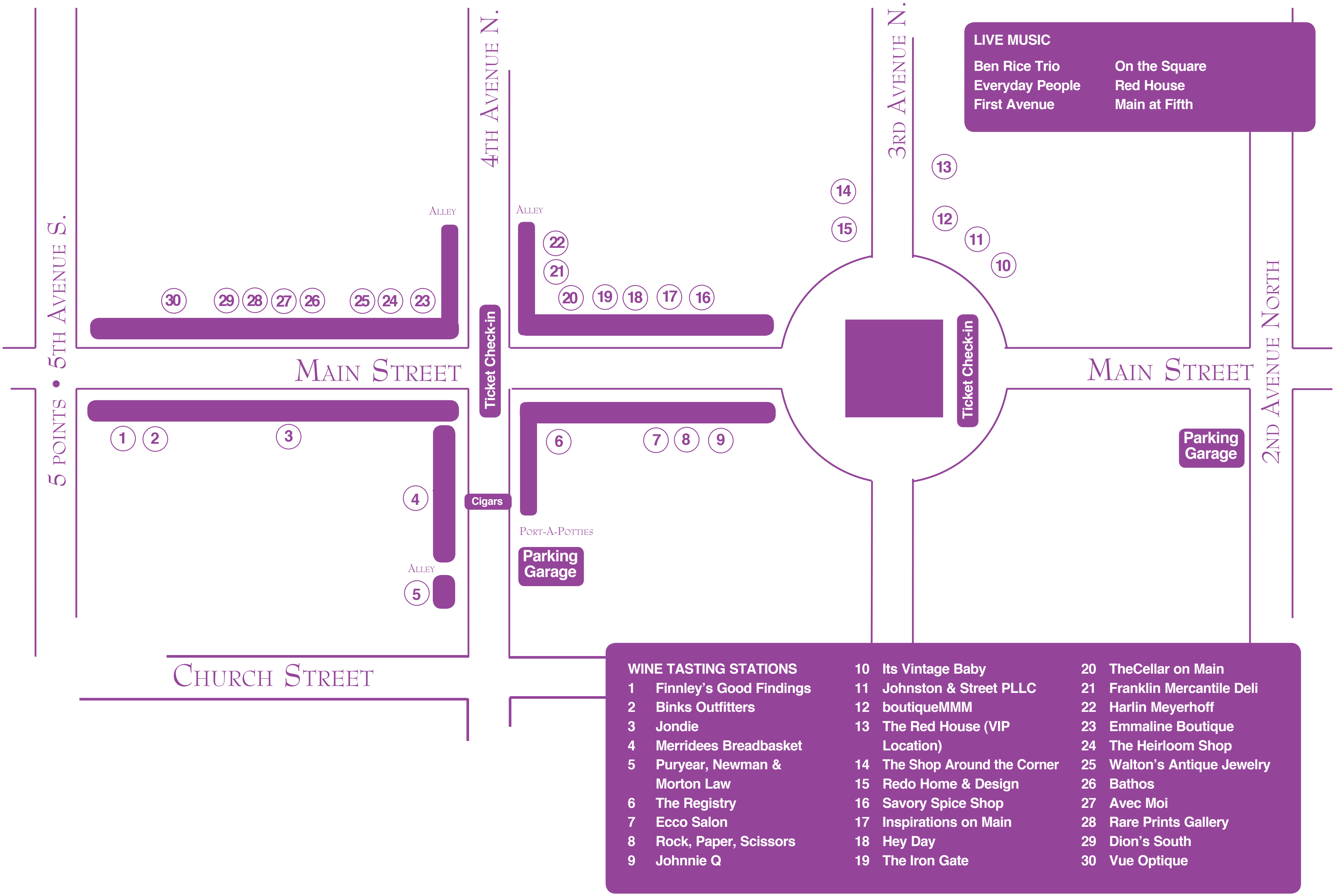
1	Name:Farzin Ferdowsi*	Street: 1728 Gen. George Patton	City: Brentwood	Zip:37027
	Employer: Management Resources Company	Email: rwells@mrco.net	Telephone:615-972-9222	Yrs. on Board:13
2	Name: Lee W. Shaeffer*	Street:722 Newberry Road	City: Nashville	Zip:37205
	Employer: Maverick Properties	Email:lee@maverick-properties.com	Telephone:615-292-7554	Yrs. on Board:14
3	Name: Ward Wilson*	Street:150 4th Avenue North, 3rd Floor	City: Nashville	Zip:37219
	Employer: US Bank	Email:ward.wilson@usbank.com	Telephone:615-251-9253	Yrs. on Board:10
4	Name: Gregory Reidy*	Street:10 Cadillac Drive Suite 200	City: Brentwood	Zip:37027
	Employer: United Healthcare	Email:Gregory_d_reidy@uhc.com	Telephone:615-372-3466	Yrs. on Board:6
5	Name: Peggy Smith	Street: 210 Gloucester Street	City: Franklin	Zip: 37064
	Employer: Retired	Email: peggysmith210@hotmail.com	Telephone: 615-591-9114	Yrs. on Board: 9
6	Name: John Wilson	Street: 604 Cattail Lane	City: Franklin	Zip: 37064
	Employer: Reliant Bank	Email: jwilson@reliantbank.com	Telephone: 615-221-2020	Yrs. on Board: 8
7	Name: Lisa Carson	Street: 617 Hillsboro Road	City: Franklin	Zip: 37064
	Employer: Buerger, Moseley & Carson	Email: lcarson@buergerlaw.com	Telephone: 615-790-6824	Yrs. on Board:10
8	Name: Phil Fawcett	Street: 2000 Meridian Boulevard	City: Franklin	Zip: 37067
	Employer: Boyle, Inc	Email: pfawcett@boyle.com	Telephone: 615-370-5122	Yrs. on Board: 10
9	Name: Phillip Feemster	Street: 200 Valley Ridge Road	City: Franklin	Zip: 37064
	Employer: Franklin Synergy Bank	Email: Philip.feemster@franklinsynergy.com	Telephone: 615-807-1724	Yrs. on Board:4
10	Name: Jim East	Street: 1201 Hourglass Court	City: Franklin	Zip: 37067
	Employer: Home Page Media Group	Email: eastjimeast@aol.com	Telephone: 615-771-8009	Yrs. on Board: 4
11	Name: Keith Danoff	Street: 315 Cool Springs Blvd	City: Franklin	Zip: 37067
	Employer: Mars PetCare	Email: kdanoff76@gmail.com	Telephone: 773-727-2359	Yrs. on Board: 8 mos
12	Name: Cathy Hardcastle	Street: 908 Fair Street	City: Franklin	Zip: 37064
	Employer: Community Volunteer	Email: NA	Telephone: 615-794-1904	Yrs. on Board: 2 years
13	Name: Derek Smith'	Street: 219 3rd Avenue North	City: Franklin	Zip: 37064
	Employer: Attorney	Email: dksmith@dksmithlaw.com	Telephone:615-719-2354	Yrs. on Board: 1 year
14	Name: Toney Sutton	Street: 7301 Clearview Drive	City: Fairview	Zip: 37062
	Employer: Williamson County Sheriffs Dept.	Email: toneys@williamson-tn.org	Telephone: 615-574-8945	Yrs. on Board: 3 years
15	Name: Jon Cherry	Street: PO Box 233	City: Fairview	Zip:37062
	Employer: Big Dog Realty	Email: jcherry@realtracs.com	Telephone: 615-799-9494	Yrs. on Board: 3 years

BOARD MEMBER BIOGRAPHICAL INFORMATION

(Please indicate principal officers with *)

16	Name: Rick Craven	Street: 2430 Douglas Glenn Lane	City: Franklin	Zip: 37064
	Employer: Dell, Inc	Email: rick_craven@dell.com	Telephone: 512-289-1125	Yrs. on Board: 21 months
17	Name:Jackie Moore	Street:199 Azalea Way	City:Franklin	Zip:37064
	Employer: Community Volunteer	Email:Jackie.moore11@gmail.com	Telephone:615-708-6700	Yrs. on Board: I year
18	Name: Michael Williams	Street: 1003 Savato Court	City: Spring Hill	Zip: 37174
	Employer: Renasant Bank	Email:mdwilliams@renasant.com	Telephone:615-764-4114	Yrs. on Board:6 mos
19	Name:	Street:	City:	Zip:
	Employer:	Email:	Telephone:	Yrs. on Board:
20	Name:	Street:	City:	Zip:
	Employer:	Email:	Telephone:	Yrs. on Board:
21	Name:	Street:	City:	Zip:
	Employer:	Email:	Telephone:	Yrs. on Board:
22	Name:	Street:	City:	Zip:
	Employer:	Email:	Telephone:	Yrs. on Board:
23	Name:	Street:	City:	Zip:
	Employer:	Email:	Telephone:	Yrs. on Board:
24	Name:	Street:	City:	Zip:
	Employer:	Email:	Telephone:	Yrs. on Board:
25	Name:	Street:	City:	Zip:
	Employer:	Email:	Telephone:	Yrs. on Board:
26	Name:	Street:	City:	Zip:
	Employer:	Email:	Telephone:	Yrs. on Board:
27	Name:	Street:	City:	Zip:
	Employer:	Email:	Telephone:	Yrs. on Board:
28	Name:	Street:	City:	Zip:
	Employer:	Email:	Telephone:	Yrs. on Board:
29	Name:	Street:	City:	Zip:
	Employer:	Email:	Telephone:	Yrs. on Board:
30	Name:	Street:	City:	Zip:
	Employer:	Email:	Telephone:	Yrs. on Board:

Enjoy your Journey as you "Wine Down Main Street"



ADMINISTRATION

HISTORIC
FRANKLIN
TENNESSEE

Dr. Ken Moore
Mayor

Eric S. Stuckey
City Administrator

RETAILER'S CERTIFICATE
(RENEWAL)

Pursuant to T.C.A. §57-3-208, the City of Franklin hereby certifies the following facts concerning Thomas Michael Klaritch, who has made application for a retailer's license to handle alcoholic beverages at, Case Selects Wines and Liquors, LLC, 3046 Columbia Avenue, Franklin, Tennessee 37064, which is within the corporate limits of the City of Franklin, Williamson County, Tennessee:

1. The applicant or applicants who are to be in actual charge of the business have not been convicted of a felony within a ten year period immediately preceding the date of application, and will not violate any of the provisions of Tennessee Code Annotated, Title 57, Chapter 3.

2. The applicant(s) has secured a location for the business which complies with all restrictions of local law, ordinance, or resolution, duly adopted by the local authorities as to location.

3. The applicant(s) meets all residency requirements established by local authority under Franklin Municipal Code Section 2-108A.

4. The applicant(s) has complied with local laws, ordinances, and resolutions duly adopted by the local authority regulating the number of retail licenses to be issued within the jurisdiction.

This the 12th day of April, 2016.

CITY OF FRANKLIN, TENNESSEE

____

Dr. Ken Moore
MAYOR

Dr. Ken Moore
Mayor

Eric S. Stuckey
City Administrator

HISTORIC
FRANKLIN
TENNESSEE

RETAILER'S CERTIFICATE

Pursuant to T.C.A. §57-3-208, the City of Franklin hereby certifies the following facts concerning application in the name of West Main Street Liquors, owned by the managing agent, Jose Arredondo, who has made application for a retailer's license to handle alcoholic beverages at 1326 West Main, Franklin, TN 37064, which is within the corporate limits of the City of Franklin, Williamson County, Tennessee:

1. The owner(s) who are to be in actual charge of the business have not been convicted of any violation of the laws against possession, sale, manufacture, or transportation of beer or other alcoholic beverages, or of any felony, or of any crime involving moral turpitude, within the past ten (10) years immediately preceding the date of application, and will not violate any of the provisions of Tennessee Code Annotated, Title 57, Chapter 3;

2. The applicant(s) has secured a location for the business which complies with all restrictions of local law, ordinances, or resolutions, duly adopted by the local authorities as to location.

3. The applicant (by and through one or more of its owners) meets all residency requirements established by local authority under Franklin Municipal Code Section 2-108A.

4. The applicant has complied with local laws, ordinances, and resolutions duly adopted by the local authority regulating the number of retail licenses to be issued within the jurisdiction.

This, the 12th Day of April, 2016.

____
Dr. Ken Moore
Mayor

ADMINISTRATION

HISTORIC
FRANKLIN
TENNESSEE

Dr. Ken Moore
Mayor

Eric S. Stuckey
City Administrator

CERTIFICATE OF COMPLIANCE
RETAIL FOOD STORE WINE
(Kroger #526) – (2020 Mallory Lane, Franklin, TN 37067)

The City of Franklin hereby certifies the following facts concerning application in the name of Malcolm Gaylor Hill and Anthony John Bastone, (Managing Agents) with Kroger Limited Partnership 1, 2620 Elm Hill Pike, Nashville, TN 37214, and Executive Officers Christine S. Wheatley (President & Secretary) and Todd A. Foley (Vice President & Treasurer), who have made application for a Certificate of Compliance to sell retail food store wine at 2020 Mallory Lane, Franklin, TN, 37067 which is within the corporate limits of the City of Franklin, Williamson, County, Tennessee:

1. An investigation has been undertaken of the applicant's felony criminal record and of the location of said business, and from said investigation the undersigned certify that the applicant or applicants who are to be in actual charge of the business have not been convicted of a felony within a ten-year period immediately preceding the date of application and, if a corporation, that the executive officers or those in control have not been convicted of a felony within a ten-year period immediately preceding the date of the application;

2. The applicant or applicants have secured a location which lies within the city limits of the City of Franklin which complies with all applicable zoning laws adopted therein by the City.

This the 12th day of April, 2016

____
Dr. Ken Moore, Mayor
City of Franklin

____
Attest:
Eric S. Stuckey, City Administrator/City Recorder

CERTIFICATE OF COMPLIANCE
RETAIL FOOD STORE WINE

(Kroger #568) – (411 Whitman Road, Franklin, TN 37064)

The City of Franklin hereby certifies the following facts concerning application in the name of Arthur Everett Golson and Gloria Mollie Anna Soler (Managing Agents) with Kroger Limited Partnership 1, 2620 Elm Hill Pike, Nashville, TN 37214, and Executive Officers Christine S. Wheatley (President & Secretary) and Todd A. Foley (Vice President & Treasurer), who have made application for a Certificate of Compliance to sell retail food store wine at 411 Whitman Road, Franklin, TN, 37064 which is within the corporate limits of the City of Franklin, Williamson, County, Tennessee:

1. An investigation has been undertaken of the applicant's felony criminal record and of the location of said business, and from said investigation the undersigned certify that the applicant or applicants who are to be in actual charge of the business have not been convicted of a felony within a ten-year period immediately preceding the date of application and, if a corporation, that the executive officers or those in control have not been convicted of a felony within a ten-year period immediately preceding the date of the application;

2. The applicant or applicants have secured a location which lies within the city limits of the City of Franklin which complies with all applicable zoning laws adopted therein by the City.

This the 12th day of April, 2016

____
Dr. Ken Moore, Mayor
City of Franklin

____
Attest:
Eric S. Stuckey, City Administrator/City Recorder

ADMINISTRATION

HISTORIC
FRANKLIN
TENNESSEE

Dr. Ken Moore
Mayor

Eric S. Stuckey
City Administrator

CERTIFICATE OF COMPLIANCE
RETAIL FOOD STORE WINE

(Kroger #570) – (3054 Columbia Avenue, Franklin, TN 37064)

The City of Franklin hereby certifies the following facts concerning application in the name of Terry W. Marlin and Walter Daniel Scul (Managing Agents) with Kroger Limited Partnership 1, 2620 Elm Hill Pike, Nashville, TN 37214, and Executive Officers Christine S. Wheatley (President & Secretary) and Todd A. Foley (Vice President & Treasurer), who have made application for a Certificate of Compliance to sell retail food store wine at 3054 Columbia Avenue, Franklin, TN, 37064 which is within the corporate limits of the City of Franklin, Williamson, County, Tennessee:

1. An investigation has been undertaken of the applicant's felony criminal record and of the location of said business, and from said investigation the undersigned certify that the applicant or applicants who are to be in actual charge of the business have not been convicted of a felony within a ten-year period immediately preceding the date of application and, if a corporation, that the executive officers or those in control have not been convicted of a felony within a ten-year period immediately preceding the date of the application;

2. The applicant or applicants have secured a location which lies within the city limits of the City of Franklin which complies with all applicable zoning laws adopted therein by the City.

This the 12th day of April, 2016

____
Dr. Ken Moore, Mayor
City of Franklin

____
Attest:
Eric S. Stuckey, City Administrator/City Recorder

ADMINISTRATION

HISTORIC
FRANKLIN
TENNESSEE

Dr. Ken Moore
Mayor

Eric S. Stuckey
City Administrator

CERTIFICATE OF COMPLIANCE
RETAIL FOOD STORE WINE
(Kroger #576) – (595 Hillsboro Road, Franklin, TN 37064)

The City of Franklin hereby certifies the following facts concerning application in the name of Scott Sharpe and Jon Kerlikowske (Managing Agents) with Kroger Limited Partnership 1, 2620 Elm Hill Pike, Nashville, TN 37214, and Executive Officers Christine S. Wheatley (President & Secretary) and Todd A. Foley (Vice President & Treasurer), who have made application for a Certificate of Compliance to sell retail food store wine at 595 Hillsboro Road, Franklin, TN, 37064 which is within the corporate limits of the City of Franklin, Williamson, County, Tennessee:

1. An investigation has been undertaken of the applicant's felony criminal record and of the location of said business, and from said investigation the undersigned certify that the applicant or applicants who are to be in actual charge of the business have not been convicted of a felony within a ten-year period immediately preceding the date of application and, if a corporation, that the executive officers or those in control have not been convicted of a felony within a ten-year period immediately preceding the date of the application;

2. The applicant or applicants have secured a location which lies within the city limits of the City of Franklin which complies with all applicable zoning laws adopted therein by the City.

This the 12th day of April, 2016

____
Dr. Ken Moore, Mayor
City of Franklin

____
Attest:
Eric S. Stuckey, City Administrator/City Recorder

ADMINISTRATION

HISTORIC
FRANKLIN
TENNESSEE

Dr. Ken Moore
Mayor

Eric S. Stuckey
City Administrator

CERTIFICATE OF COMPLIANCE
RETAIL FOOD STORE WINE

(Kroger #592) – (1203 Murfreesboro Road, Franklin, TN 37067)

The City of Franklin hereby certifies the following facts concerning application in the name of Kevin Burrows and Jessica Southern (Managing Agents) with Kroger Limited Partnership 1, 2620 Elm Hill Pike, Nashville, TN 37214, and Executive Officers Christine S. Wheatley (President & Secretary) and Todd A. Foley (Vice President & Treasurer), who have made application for a Certificate of Compliance to sell retail food store wine at 1203 Murfreesboro Road, Franklin, TN, 37067 which is within the corporate limits of the City of Franklin, Williamson, County, Tennessee:

1. An investigation has been undertaken of the applicant's felony criminal record and of the location of said business, and from said investigation the undersigned certify that the applicant or applicants who are to be in actual charge of the business have not been convicted of a felony within a ten-year period immediately preceding the date of application and, if a corporation, that the executive officers or those in control have not been convicted of a felony within a ten-year period immediately preceding the date of the application;

2. The applicant or applicants have secured a location which lies within the city limits of the City of Franklin which complies with all applicable zoning laws adopted therein by the City.

This the 12th day of April, 2016

____
Dr. Ken Moore, Mayor
City of Franklin

____
Attest:
Eric S. Stuckey, City Administrator/City Recorder

ADMINISTRATION

Dr. Ken Moore
Mayor

Eric S. Stuckey
City Administrator

HISTORIC
FRANKLIN
TENNESSEE

CERTIFICATE OF COMPLIANCE
RETAIL FOOD STORE WINE

(Whole Foods) – (1566 W. McEwen Drive, Franklin, TN 37067)

The City of Franklin hereby certifies the following facts concerning application in the name of Heather Denice Masullo (Managing Agent) with Whole Foods Market Group, Inc. D/B/A Whole Foods Franklin, 1566 W. McEwen Drive, Franklin, TN, 37067, and Executive Officers Albert E. Percifal, Roberta L. Lang, and Anthony C. Gallo, who have made application for a Certificate of Compliance to sell retail food store wine at 1566 W. McEwen Drive, Franklin, TN, 37067 which is within the corporate limits of the City of Franklin, Williamson, County, Tennessee:

1. An investigation has been undertaken of the applicant's felony criminal record and of the location of said business, and from said investigation the undersigned certify that the applicant or applicants who are to be in actual charge of the business have not been convicted of a felony within a ten-year period immediately preceding the date of application and, if a corporation, that the executive officers or those in control have not been convicted of a felony within a ten-year period immediately preceding the date of the application;

2. The applicant or applicants have secured a location which lies within the city limits of the City of Franklin which complies with all applicable zoning laws adopted therein by the City.

This the 12th day of April, 2016

____
Dr. Ken Moore, Mayor
City of Franklin

____
Attest:
Eric S. Stuckey, City Administrator/City Recorder

CITY OF FRANKLIN
TENNESSEE

2016 REVISONS TO
2014 ROAD IMPACT FEE STUDY

Prepared by

Duncan Associates

February 2016
Public Review Draft

Table of Contents

List of Tables

List of Figures

INTRODUCTION AND SUMMARY

The City of Franklin's current road impact fee is city-wide and covers only the cost of arterial roads. The road impact fee update study completed in 2014 calculated an option to include collector roads as well. It recommended that if collector road costs are included in the fee, the City should consider dividing its jurisdiction into four benefit districts in order to recognize the more localized benefit of collector roads. The City has not yet adopted updated road impact fees based on the 2014 study, but is interested in the possibility of imposing fees for collector roads in the northwest and/or southwest parts of the city, where the collector road system is relatively undeveloped.

The consultant's recommendation is to make revisions to the 2014 study in order to enable the City to charge a collector road impact fee in selected quadrants of the city. The revisions to the 2014 study included in this report redefine the four collector road fee benefit districts proposed in that study into collector road impact fee service areas.

A service area is the area primarily served by the improvements, and is the geographic level at which the fees are calculated. A benefit district, in contrast, is simply a subarea of a service area where fees collected are earmarked to be spent. In order to treat the four quadrants as service areas, it is necessary to conduct an existing level of service analysis for each area. Consequently, this report adds a level of service analysis for each of the four potential service areas.

The resulting collector road impact fees would be the same for all four of the potential collector road impact fee service areas. There are four primary inputs into the consumption-based road impact fee methodology used in the 2014 study:

1. cost per unit of capacity (VMC);
2. level of service (VMC/VMT);
3. travel demand (VMT) per unit of development; and
4. revenue credit per VMT.

There are no differences in any of these inputs by service area, for the following reasons.

(1) The cost per VMC will be essentially the same for all four areas. Construction costs should be relatively similar for all four areas, and right-of-way costs are highly variable from one project to the next, so that an average city-wide estimate is the most reasonable.

(2) The consumption-based methodology uses a system-wide level of service, expressed as a minimum one-to-one ratio of vehicle-miles of capacity (VMC) to vehicle-miles of travel (VMT). This report confirms that the existing level of service in each of the four areas exceeds a 1.00 VMC/VMT ratio.

(3) National travel demand data by land use type from the Institute of Transportation Engineers (ITE) are used in most road impact fee studies, because more localized data are generally not available. If it is reasonable to rely on national travel demand data at the jurisdiction level, it is also reasonable to rely on national travel demand data for subareas of a jurisdiction.

(4) Revenue credits are appropriately calculated at the city-wide level. Most dedicated funding for major road improvements in Franklin comes from motor fuel taxes. Motor fuel taxes will be generated by new development proportional to travel demand, which does not differ by service area, as noted above.

In sum, this report revises the 2014 *Road Impact Fee Update* study to support charging collector road impact fees in one or more quadrants of the city.

Summary of Revisions to 2014 Study

A comprehensive road impact fee update was prepared by this consultant for the City of Franklin in 2014. This report is a slightly revised version of the *Road Impact Fee Update* study that the consultant prepared in March 2014. No changes to data inputs are made, and the methodology is unchanged from the 2014 study. Minor changes are made to accommodate the City's desire to have the option of imposing collector road impact fees only in the west, only in the northwest, or only in the southwest areas of the city. The following changes were made to accommodate the City's intention to charge collector road impact fees only in certain areas of the city.

Show collector fee. The 2014 road impact fee study calculated two alternatives: (1) a city-wide arterial road fee, and (2) a city-wide road fee that includes the costs of both arterials and collector roads. The 2014 study did not specifically calculate a separate, city-wide collector road fee, although such a fee is implied. The collector fee is simply the difference between the arterial road fee and the fee for all major roads. Consequently, this revised version provides an additional table to show the collector road fee option.

Implement collector service areas. The collector road fees implied in the 2014 study were determined at the city-wide level. Four quadrants were proposed as "benefit districts" that could be used to earmark funds collected in an area to be spent in the same area in the event that the "all major road" option was chosen. However, to charge a fee only in a certain area requires some analysis to ensure that the fees charged reflect the demand and cost characteristics of the area, and that the fees do not exceed the existing level of service in the area. Meeting these requirements qualifies an area to be a "service area," in impact fee terminology. Impact fees determined for a service area may be charged in that area, even if they are not charged in other areas of the city. Consequently, this revised study adds a new "Service Area" chapter to provide the necessary analysis.

Approach and Findings

The 2014 study revised the road impact fee calculations by incorporating the most current data, including the most recent road improvement costs and the latest version of the *Trip Generation* manual. The inclusion of collector roads in the road impact fee was the major policy option provided in the 2014 update. The inclusion of collector roads would increase the maximum fees by an average of about 91%. It would also require the City to provide credit against the fees for developer's who dedicate right-of-way or construct collectors within their subdivisions. Finally, it would require the restriction of about 40.5% of the fees collected to be earmarked to be spent in the same benefit district in which it was paid.

The revisions to the 2014 study made in this report determine separate collector road fees that could be charged in one or more collector road service areas, corresponding to the 2014 study benefit district boundaries. Based on the analysis provided in this report, the fees would be the same for all of the service areas. The potential collector road impact fees are shown in Table 1.

Table 1. Potential Collector Road Impact Fees

Land Use Type	Unit	Fee/Unit
Single-Family Detached	Dwelling	$3,340
Multi-Family	Dwelling	$2,121
Mobile Home Park	Site	$1,592
Congregate Care Facility	Dwelling	$743
Hotel/Motel	Room	$1,750
Retail/Commercial		
Shopping Center/Gen. Retail	1,000 sq. ft.	$4,394
Restaurant, Quality	1,000 sq. ft.	$8,186
Restaurant, Fast Food	1,000 sq. ft.	$11,862
Office/Institutional	1,000 sq. ft.	
Office, General	1,000 sq. ft.	$3,170
Hospital	1,000 sq. ft.	$3,653
Nursing Home	1,000 sq. ft.	$2,099
Church	1,000 sq. ft.	$2,218
Elementary/Sec. School	1,000 sq. ft.	$1,091
Industrial		
Manufacturing	1,000 sq. ft.	$1,389
Industrial Park	1,000 sq. ft.	$2,484
Business Park	1,000 sq. ft.	$4,519
Warehouse	1,000 sq. ft.	$1,294
Mini-Warehouse	1,000 sq. ft.	$602

Source: Table 21.

The 2014 update proposed two significant changes to the methodology: design costs were added to construction and ROW costs, and the debt credit was eliminated. Design costs are a necessary component of road improvements, averaging about 6% of total project costs. The debt credit was eliminated in the 2014 update because the City's outstanding road-related debt was for previous arterial street improvements that had created excess capacity for growth, and because road impact fees are being used to retire this debt.

The updated arterial fees are generally somewhat higher than current fees, although there is some variation by land use based on updated travel demand factors (trip generation rates and average trip lengths). The increase is primarily due to increased construction costs and the addition of design costs. If collector roads are added to the city-wide arterial road fee, the resulting fee for all major roads would be significantly higher than the current arterial road fee for all land use categories, as shown in Table 2 below.

Table 2. Comparison of Current and Updated Fees for Arterials and All Major Roads

Land Use Type	Unit	Current Fee (Arterials)	Arterials Only Updated Fee	Arterials Only Percent Change	All Major Roads Potential Fee	All Major Roads Percent Change
Single-Family Detached	Dwelling	$4,227	$4,911	16%	$8,251	95%
Multi-Family	Dwelling	$2,766	$3,112	13%	$5,233	89%
Mobile Home Park	Site	$2,079	$2,338	12%	$3,930	89%
Congregate Care Facility	Dwelling	$943	$1,093	16%	$1,836	95%
Hotel/Motel	Room	$2,350	$2,567	9%	$4,317	84%
Retail/Commercial						
Shopping Center/Gen. Retail	1,000 sq. ft.	$5,996	$6,484	8%	$10,878	81%
Restaurant, Quality	1,000 sq. ft.	$11,104	$12,069	9%	$20,255	82%
Restaurant, Fast Food	1,000 sq. ft.	$16,171	$17,442	8%	$29,304	81%
Office/Institutional						
Office, General	1,000 sq. ft.	$4,045	$4,632	15%	$7,802	93%
Hospital	1,000 sq. ft.	$5,779	$5,359	-7%	$9,012	56%
Nursing Home	1,000 sq. ft.	$2,654	$3,082	16%	$5,181	95%
Church	1,000 sq. ft.	$2,406	$3,258	35%	$5,476	128%
Elementary/Sec. School	1,000 sq. ft.	$1,185	$1,606	36%	$2,697	128%
Industrial						
Manufacturing	1,000 sq. ft.	$1,776	$2,030	14%	$3,419	93%
Industrial Park	1,000 sq. ft.	$3,237	$3,636	12%	$6,120	89%
Business Park	1,000 sq. ft.	$5,934	$6,613	11%	$11,132	88%
Warehouse	1,000 sq. ft.	$1,655	$1,893	14%	$3,187	93%
Mini-Warehouse	1,000 sq. ft.	$809	$885	9%	$1,487	84%

Source: Current fees from Table 3; updated and potential fees from Table 20.

Policy Options

Whether to include collector roads in the road impact fee was the major policy option provided in the 2014 update. While adding collectors would result in higher fees, it would also require the City to provide developer credits against the fees for collector right-of-way dedication and construction. In addition, it would require that a significant portion of the fees collected be earmarked to be spent in the same benefit district in which it was paid. The 2014 study recommended against including collectors in a city-wide road impact fee. The study suggested that the City should weigh the potential additional revenue against (a) the fact that much of the potential "revenue" increase would consist of developer credits for collectors that developers would have installed anyway, and (b) determining the amounts of individual developer credits and tracking them would impose significant administrative costs

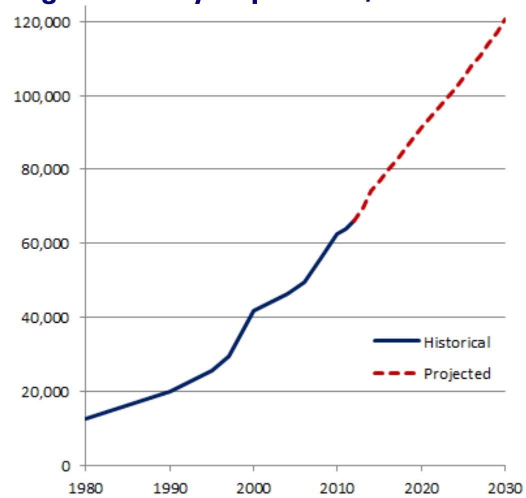
The City has now determined that there may be a benefit to imposing collector road impact fees in certain areas on the western side of the city, where the collector road system is underdeveloped and where developers are less likely to construct improvement. Consequently, these revisions to the 2014 study add the option of imposing a separate collector road impact fee in one or more service areas, which correspond to the benefit districts proposed in the 2014 study.

BACKGROUND AND LEGAL FRAMEWORK

Growth Context

Impact fees are most appropriate for communities that are experiencing rapid growth. The City of Franklin added over 20,000 new residents in each of the last two decades, and is projected to add about 29,000 more in each of the next two decades, as illustrated in Figure 1.[1] This strong growth will necessitate numerous capacity-expanding improvements to the major roadway system. The City's *Major Thoroughfare Plan* projects that the population of the city and its urban growth area will increase from 74,650 in 2008 to 138,819 by 2035, and recommends 80 road construction and road widening projects, most of which will expand capacity to accommodate the resulting increase in traffic.[2]

Figure 1. City Population, 1980-2030



Background

Impact fees are charges that are assessed on new development to help pay for the capital facility costs they impose on the community. Unlike other types of developer exactions, impact fees are based on a standard formula and a pre-determined fee schedule. Essentially, impact fees require that each new residential or commercial project pay its pro-rata share of the cost of new infrastructure facilities required to serve that development.

The City of Franklin has assessed road impact fees since 1988. The road impact fee ordinance requires the City to "revise the road impact fee study and the schedule of impact fees at least once every five years." In addition, when the impact fees were reviewed in 2005, the Board requested subsequent reviews every two to three years. The purpose of this study is to update the City of Franklin's road impact fee based on the most appropriate methodology and the most current data.

In 1987, the City of Franklin sought and obtained authority from the Tennessee legislature to enact road impact fees. That same year, Duncan Associates was commissioned to prepare an impact fee study to calculate the maximum road impact fees that the City could charge. Ordinance 1037 enacting road impact fees was adopted by the City in June of 1988. The fees were adopted at 60 percent of the maximum fees calculated in the original study.

Duncan Associates prepared five subsequent updates of Franklin's road impact fees, as described below.

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[1] City of Franklin, Planning and Sustainability Department, *2012 Development Report*.

[2] Wilbur Smith and Associates, *City of Franklin Major Thoroughfare Plan*, adopted September 23, 2010.

2000. Twelve years after the initial adoption, the City updated the road impact fees, based on a study prepared in 2000. The updated fees were adopted in July 2000 with the increase phased in over two years. No significant changes to the methodology were made in this update.

2005. Five years later, the road fees were updated based on a new study. No significant changes to the methodology were made in this update.

2007. Prior to the 2007 update, the road fees were based the cost of arterial roads, excluding I-65 and the Mack Hatcher expressway, and were based on peak hour travel. The 2007 update added Mack Hatcher to the definition of the major road system and based the fees on average daily travel.

2010-2013. Fees calculated in a study by Duncan Associates in 2010 were adopted in 2011, but phased in over two years (25% on July 1, 2011, 65% on July 1, 2012, and 100% of July 1, 2013). The 2010 update provided the options of including right-of-way (ROW) costs and adding collector costs. The City opted to add ROW costs but to continue to exclude collectors.

2014. A study prepared in 2014 continued to include ROW costs, and calculated an option that would add the cost of collector roads. The fee schedules have not been modified based on the 2014 study.

The fees that have been in effect from 2005 to present are summarized in Table 3.

Table 3. History of Road Impact Fees, 2005-2013

Land Use Type	Unit	2005	2007	2011	2012	2013
Single-Family Detached	Dwelling	$1,617	$2,191	$2,700	$3,514	$4,227
Multi-Family	Dwelling	$896	$1,537	$1,844	$2,336	$2,766
Mobile Home Park	Site	$1,003	$1,144	$1,378	$1,752	$2,079
Congregate Care Facility	Dwelling	$221	$440	$566	$767	$943
Hotel/Motel	Room	$649	$1,126	$1,432	$1,922	$2,350
Retail/Commercial						
Shopping Center/Gen. Retail	1,000 sq. ft.	$3,508	$2,681	$3,510	$4,836	$5,996
Restaurant, Quality	1,000 sq. ft.	$3,773	$4,964	$6,499	$8,955	$11,104
Restaurant, Fast Food	1,000 sq. ft.	$5,609	$7,177	$9,426	$13,023	$16,171
Office/Institutional	1,000 sq. ft.					
Office, General	1,000 sq. ft.	$2,716	$1,891	$2,430	$3,291	$4,045
Hospital	1,000 sq. ft.	$1,199	$2,867	$3,595	$4,760	$5,779
Nursing Home	1,000 sq. ft.	$449	$996	$1,411	$2,074	$2,654
Church	1,000 sq. ft.	$754	$1,127	$1,447	$1,958	$2,406
Elementary/Sec. School	1,000 sq. ft.	$749	$543	$704	$960	$1,185
Industrial						
Manufacturing	1,000 sq. ft.	$1,529	$830	$1,067	$1,445	$1,776
Industrial Park	1,000 sq. ft.	$1,497	$1,513	$1,944	$2,634	$3,237
Business Park	1,000 sq. ft.	$1,998	$2,773	$3,563	$4,828	$5,934
Warehouse	1,000 sq. ft.	$704	$1,078	$1,222	$1,453	$1,655
Mini-Warehouse	1,000 sq. ft.	$417	$388	$493	$662	$809

Notes: Fees effective July 1, 2011 based on 25% of increase from 2007 fees to 2013 fees; fees effective July 1 2012 based on 65% of increase from 2007 fees to 2013 fees; fees effective July 1, 2013 based on Duncan Associates, *Road Impact Fee Update*, November 2010 (which included right-of-way costs).

Legal Framework

Franklin received special authorization to impose a road impact fee from House Bill 1311, which was passed during the 1987 session of the Tennessee legislature. While Franklin's authorizing act provides a broad grant of authority, impact fees must also comply with constitutional standards that have been developed by the courts to ensure that local governments do not abuse their power to regulate the development of land. The courts have gradually developed guidelines for constitutionally valid impact fees, based on a "rational nexus" that must exist between the regulatory fee or exaction and the activity that is being regulated. The standards set by court cases generally require that an impact fee meet a two-part test:

1) The fees must be proportional to the need for new facilities created by the new development; and

2) The expenditure of impact fee revenues must provide benefit to the fee-paying development.

Impact fees for various types of developments should be proportional to the impact of each development on the need to construct additional or expanded facilities. The fees do not have to recover the full cost, but if the fees are reduced by a percentage from the full cost, the percentage reduction should apply evenly to all types of developments.

Impact fees were pioneered by local governments long before state legislatures passed explicit enabling acts. The authority to adopt such fees was found in local government's "police power" to regulate development so as to protect the health, safety and welfare of its citizens. Developers challenged early impact fees, and state court decisions gradually developed a body of case law setting out the standards that should govern impact fees. This section spells out our understanding of the general principles of impact fees and some implications for calculating Franklin's impact fees.

A fundamental principle of impact fees, rooted in both case law and norms of equity, is that impact fees should not charge new development for a higher level of service than is provided to existing development. While the impact fees could be based on a higher level of service than the one existing at the time of the adoption of the fees, two things are required if this is done. First, another source of funding other than impact fees must be identified and committed to fund the capacity deficiency created by the higher level of service. Second, the impact fees must generally be reduced to ensure that new development does not pay twice for the same level of service, once through impact fees and again through general taxes that are used to remedy the capacity deficiency for existing development. In order to avoid these complications, our general practice is to base the impact fees on the existing level of service.

A corollary principle is that new development should not have to pay twice for the same level of service. As noted above, if impact fees are based on a higher-than-existing level of service, the fees should be reduced by a credit that accounts for the contribution of new development toward remedying the existing deficiencies. A similar situation arises when the existing level of service has not been fully paid for. Outstanding debt on existing facilities that are counted in the existing level of service will be retired, in part, by revenues generated from new development. To avoid requiring new development to pay more than its proportional share, impact fees should be reduced to account for future tax payments that will retire outstanding debt on existing facilities.

In general, credit against impact fees is not required for funding that has historically been used for, or that is committed to be used for growth-related, capacity-expanding improvements. While new development may contribute toward such funding, so does existing development, and both existing and new development benefit from the higher level of service that the additional funding makes possible. However, consistent with past studies and standard impact fee practice, credit is provided in this update for State and Federal funding.

The City's road impact fee ordinance allows developers to receive offsets against their impact fees for right-of-way (ROW) dedication or construction of a thoroughfare shown on the Major Thoroughfare Plan map. Prior to the 2010 update, ROW costs had been excluded from the impact fee calculation, because the City required developers to dedicate a minimum of 60-foot ROW width without credit against the impact fee. The City is now obligated to provide credit for ROW dedication. If collectors are included in the fee, or in areas where a separate collector road fees is charged, developers will also need to receive credit for ROW dedications and improvements for collector road dedications and improvements.

BENEFIT DISTRICTS

The 2014 study proposed benefit districts to acknowledge that including city-wide collector road costs in the existing arterial road impact fee this would include costs for collectors, which serve a more limited area than arterials, thus ensuring a stronger nexus between fee payment and benefit received. The current revisions add a new chapter on 'Service Areas," which follows this chapter and addresses the option of assessing a separate collector road impact fee in selected areas of the city. The remainder of this chapter is unchanged from the original 2014 study.

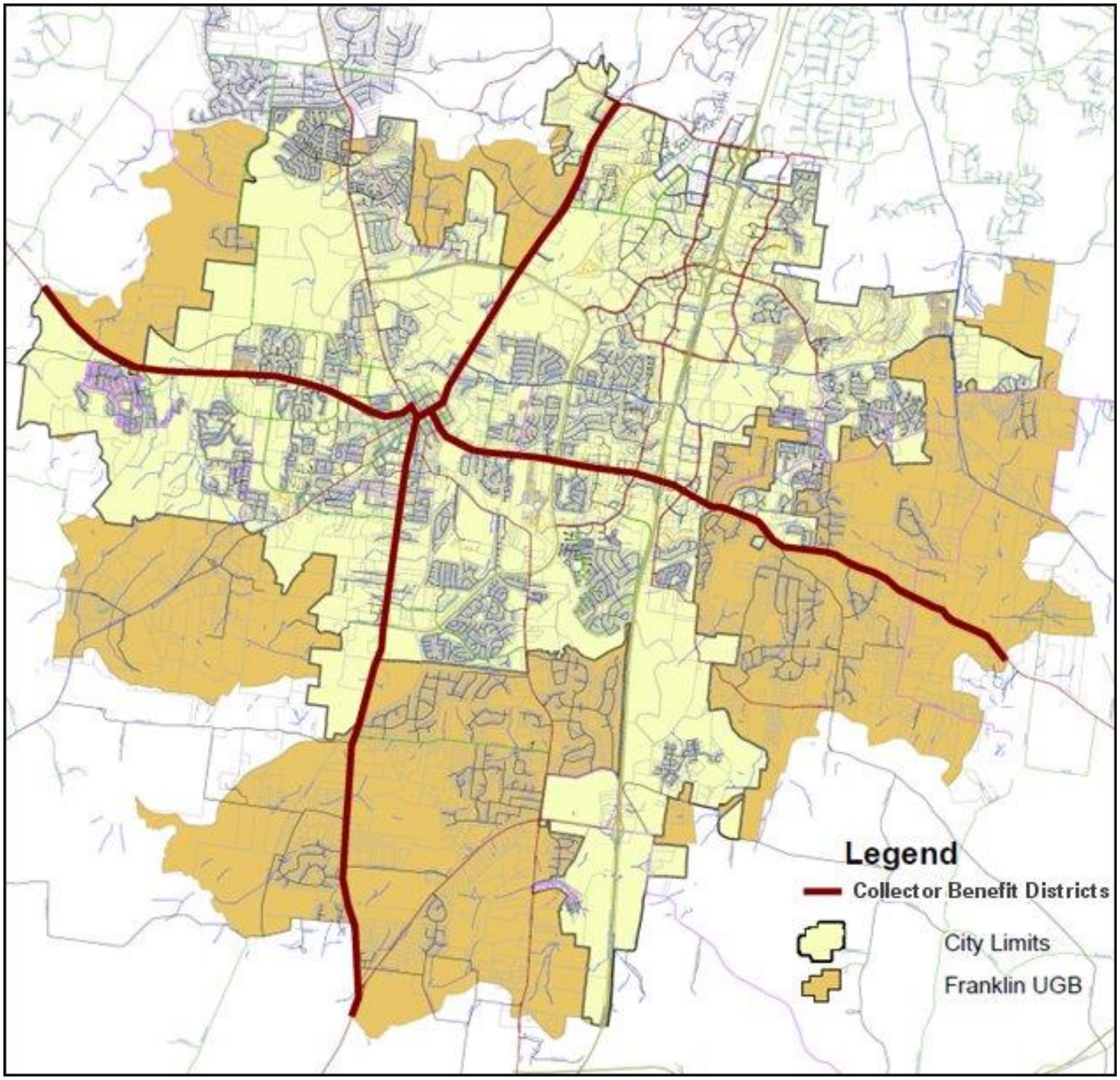
Impact fee case law states that impact fees must be spent so as to provide a reasonable benefit to the fee-paying development. One way of ensuring reasonable benefit is to create multiple benefit districts to ensure that the development fees paid by a development are spent closer to the development than would be the case under a single jurisdiction-wide benefit district. The need for multiple benefit districts increases with the geographic size of the community. On the other hand, the larger the number of benefit districts, the more difficult it is to accumulate sufficient funds in any one district to make any significant improvements. Deciding on the appropriate number and location of benefit districts requires balancing the need to show reasonable benefit to fee payers with the need to maintain sufficient flexibility in impact fee expenditures to address priority improvement needs.

The City's current impact fee ordinance designates the entire area within the corporate boundaries as a single benefit district. The fact that the City's road impact fees are currently limited to funding improvements to major thoroughfares strengthens the case for a single benefit district. Major thoroughfares are designed to move traffic from one part of the city to another, and the entire network acts as an integrated system.

In the event that the City decided to expand the road impact fee to cover collector roads, the City should consider dividing its jurisdiction into multiple benefit districts in order to recognize the more localized benefit of collector roads. These benefit districts would earmark the collector portion of the fee to be spent in the same area of the city in which they were collected, while the arterial portion of the fee could still be spent city-wide. While many benefit district configurations are possible, one option would be to divide the city into quadrants defined by US 31 and SR 96, as shown in Figure 2.

If collectors are included, the collector portion would be about 41% of the total fee. This amount could be adopted as a separate fee, with the collector fee earmarked to be spent only on collectors in the same benefit district. Alternatively, a single road fee could be retained, with the collector percentage of the fee paid earmarked to be spent on major road improvements (arterials or collectors) in the benefit district, with the rest of the fee paid put in an account that could be spent anywhere in the city.

Figure 2. City Limits, UGB and Proposed Collector Benefit Districts



SERVICE AREAS

This new chapter has been added to the 2014 study to address the option of imposing a separate collector road impact fee in one or more designated subareas of the city. Assessing a fee in only part of the City's jurisdiction requires some additional analysis beyond that provided in the original 2014 study, and this chapter provides that analysis.

Service Area Structure

The proposed service areas for a separate collector road impact fee are the same as the benefit districts proposed in the 2014 study (see Figure 2 on the previous page). The four potential collector road impact fee service areas would each also be a benefit district. The benefit districts were designed to reflect a reasonable nexus between collector road impacts and benefit from improvements, and are therefore also suited to be service areas for a separate collector road impact fee.

Level of Service Analysis

The consumption-based approach used in this study does not calculate the cost to have all roadways functioning at LOS C, only the cost to replace capacity consumed so that a 1:1 ratio of capacity to demand is maintained system-wide. Dividing the road capacity (vehicle-miles of capacity or VMC) by demand (vehicle-miles of travel or VMT) yields the actual system-wide VMC/VMT ratios for the arterial system, the collector road system for specified service areas, and for the major road system as a whole (arterials plus collectors). As shown in Table 4, the major roadway system provides 1.12 units of capacity for every unit of demand on the arterial system, and 1.23 if collector roads are included in the city-wide road fee.

Table 4 has been relocated to this new chapter and expanded from the 2014 study to show levels of service (VMC/VMT ratios) for potential collector road impact fee service areas. This analysis is based on the addition of collector service areas to the major road inventory in Table 22 (see Appendix). Table 4 shows that the actual existing level of service for collector roads in each of the potential service areas is greater than the 1.00 ratio on which the standard consumption-based road fees calculated in this report are based. This analysis demonstrates that the proposed collector road impact fees are not based on a level of service that exceeds the existing level of service in any of the potential collector road impact fee service areas.

Table 4. Existing Roadway Levels of Service

Functional Class	Total VMC	Total VMT	VMC/VMT
Arterials/Expressways	980,344	874,929	1.12
Collectors, NW Area	98,971	84,150	1.18
Collectors, SW Area	110,747	69,710	1.59
Collectors, NE Area	134,932	69,353	1.95
Collectors, SE Area	116,631	32,131	3.63
Total Major Roads	1,441,625	1,170,660	1.23

Source: Estimated total daily VMT from Table 6; actual total daily VMC from Table 22 in the Appendix.

Potential Fee Differences by Service Area

These revisions use the city-wide fee calculation provided in the 2014 study as a reasonable proxy for the cost of new development on the collector road system within each collector road service area. For all of the inputs (costs, revenue credits and travel demand), the city-wide figures appear to be reasonable for each area, and differential data by area are not available, as explained below.

Road costs. At the time of the 2014 study, there were only two recent collector road improvements that could provide recent collector road cost data. Insufficient data are available to determine differences in collector road improvement costs by service area. There is also reason to believe that the city-wide costs are reasonable for all four areas. Construction costs are unlikely to vary significantly by area, and right-of-way costs are highly variable from one project to another, making recent city-wide average costs the best available.

Revenue credits. In the 2014 study, revenue credits were calculated at the city-wide level to account for potential outside funding, most of which derives from state, local and federal motor fuel taxes, some of which will be generated by new development. All of the credit was attributed to the arterial fee, due to the fact that all recent funding had been for arterial improvements. New development in each collector road service area will receive credit for all of their future gas tax payments that will be used for capacity-expanding road improvements via the arterial road impact fee credit. Consequently, a separate calculation of a collector road impact fee revenue credit for individual service areas is not warranted.

Travel demand. National travel demand data by land use type from the Institute of Transportation Engineers (ITE) are used in most road impact fee studies, because more localized data are generally not available. If it is reasonable to rely on national travel demand data at the jurisdiction level, it is also reasonable to rely on national travel demand data for subareas of a jurisdiction.

Summary

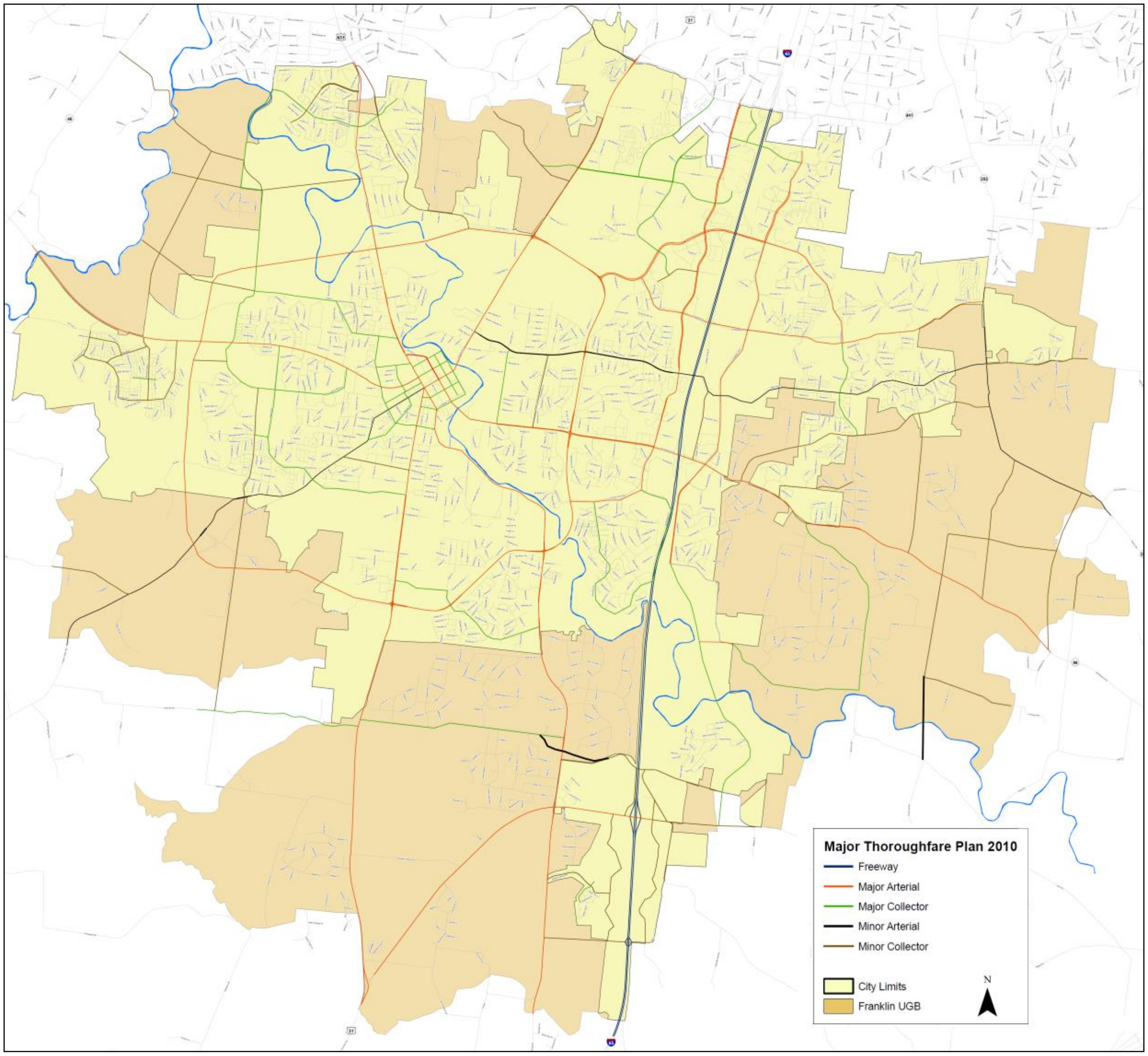
The City can assess collector road impact fees in one or more service areas corresponding to four quadrants of the city defined by US 31 and SR 96. It is reasonable to use city-wide data on road improvement costs, revenue credits and travel demand in the development of collector road impact fees for each of these subareas of the city.

MAJOR ROADWAY SYSTEM

A road impact fee system should include a clear definition of the major roadway system that is to be funded with the impact fees. In the City's current ordinance, the use of impact fee proceeds is restricted to arterial road improvements, which is defined as "any capital improvement, including but not limited to new roads, additional lanes, widened lanes, intersection improvements, turn lanes, bridges, traffic signals, intelligent transportation system (ITS) improvements, and associated drainage facilities, that expands the capacity of the city's arterial road system." The arterial road system is defined as "all existing and planned arterials, excluding Interstate 65, identified on the city's adopted Major Thoroughfare Plan map." The major roadway system includes State roads as well as City roads. The current ordinance and impact fee excludes major and minor collector roads from the impact fee calculations. As mentioned in the introduction, this study includes the option of expanding the impact fee to include collector roads. Including collector roads in the calculation of the impact fee in this update will allow the City to program future impact fee revenue for planned collector road improvements. If this option is adopted, the City would need to amend the impact fee ordinance to allow for the expenditure of impact fee funds for major and minor collector road improvements by amending the definition of major roadway system.

The major roadway system is thus currently defined as existing and planned arterials identified on the adopted Major Thoroughfare Plan map (see Figure 3 on the following page) within the city limits. Interstate 65, which primarily serves through traffic rather than local traffic, is excluded from the arterial roadway system to be funded with the road impact fees. The Major Thoroughfare Plan map also identifies the major and minor collector roads that are included in this update. Currently, capacity-expanding improvements include any improvements to arterial roadways, including signalization and intersection improvements, which primarily have the effect of expanding capacity of the arterial roadway system, rather than providing greater access to a particular development or promoting safety.

Figure 3. Major Thoroughfare Plan Map



METHODOLOGY

Key components of the road impact fee methodology described in this chapter include service units, roadway capacity and the overall formula for calculating the fees. Subsequent chapters address the travel demand schedule, cost per service unit and net cost per service unit (revenue credits). The final chapter presents the updated road impact fee schedule.

Service Units

Service units create the link between supply (roadway capacity) and demand (traffic generated by new development). An appropriate service unit basis for road impact fees is vehicle-miles of travel (VMT). Vehicle-miles is a combination of the number of vehicles traveling during a given time period and the distance (in miles) that these vehicles travel.

The two time periods most often used in traffic analysis are the 24-hour day (average daily trips or ADT) and the single hour of the day with the highest traffic volume (peak hour trips or PHT). As in the prior impact fee study, this update utilizes the ADT for calculating the road cost component of the impact fee and ADT for calculating the credit component of the impact fee. While peak hour trip (PHT) generation rates are appropriate for assessing the impact of a new development on the need for road improvements during the evening peak hour, they tend to be more variable than average daily trips depending on size and demographic make-up of a community. Average daily trips is also the best measure for the amount of motor fuel tax that will be generated by new development, which is used to calculate the revenue credit for each land use type. The Tennessee Department of Transportation measures traffic counts on major roads using average daily trips; as a result, utilizing the ADT for both the cost and credit component of the impact fee eliminates the need to convert available traffic counts and projected volumes into PHT. For these reasons, we recommend continuing to use average daily VMT as the service unit for the road impact fee update.

Roadway Capacity

Nationally-accepted transportation levels of service (LOS) categories have been developed by the transportation engineering profession. Six categories, ranging from LOS A to LOS F, generally describe driving conditions in terms of such factors as speed and travel time, freedom to maneuver, traffic interruptions, comfort and convenience, and safety. LOS A represents free flow, while LOS F represents the breakdown of traffic flow, characterized by stop-and-go conditions.

In contrast to LOS, service volume capacity is a quantitative measure, expressed in terms of the rate of flow (vehicles passing a point during a period of time). Service volume capacity represents the maximum rate of flow that can be accommodated by a particular type of roadway while still maintaining a specified LOS. The service volume capacity at LOS E represents the maximum volume that can be accommodated before the flow breaks down into stop-and-go conditions that characterize LOS F, and thus represents the ultimate capacity of the roadway.

As stated in the City's *Major Thoroughfare Plan*, LOS C is generally considered to be the minimum acceptable LOS for the City of Franklin. This is consistent with the City's road impact fees, which are based on LOS C. The City's 2004 *Major Thoroughfare Plan Update* identifies maximum daily service volumes at LOS C that are appropriate for planning purposes for a wide variety of roadway facilities (see Table 5).

Table 5. Road Capacity by Classification

Functional Classification	No. of Lanes	Vehicles/Day (LOS C)	Capacity/ Lane
Collector	2	9,100	4,550
Collector	3	11,300	3,767
Collector	4	14,900	3,725
Collector	5	19,000	3,800
Arterial	2	11,600	5,800
Arterial	3	14,400	4,800
Arterial	4	19,000	4,750
Arterial	5	21,900	4,380
Expressway	2	28,100	14,050
Expressway	4	56,200	14,050
Expressway	6	84,300	14,050

Source: RPM Transportation Consultants, *City of Franklin Major Thoroughfare Plan Update*, August 2004.

Formula

The methodology used in Franklin's current road impact fee system is based on a "consumption-based" approach. The consumption-based model simply charges a new development the cost of replacing the capacity that it consumes on the major roadway system. That is, for every vehicle-mile of travel (VMT) generated by the development, the road impact fee charges the net cost to construct an additional vehicle-mile of capacity (VMC). The consumption-based methodology is maintained in this update, and credits continue to be provided for outstanding road-related debt and outside funding.

Since travel is never evenly distributed throughout a roadway system, actual roadway systems require more than one unit of capacity for every unit of demand in order for the system to function at an acceptable level of service. Suppose for example, that the City completes a major arterial widening project. The completed arterial is likely to have a significant amount of excess capacity for some period of time. If the entire system has just enough capacity to accommodate all of the vehicle-miles of travel, then the excess capacity on this segment must be balanced by another segment being over-capacity. Clearly, roadway systems in the real world need more total aggregate capacity than the total aggregate demand, because the traffic does not always precisely match the available capacity. Consequently, the standard consumption-based model generally underestimates the full cost of accommodating new development at the existing level of service. Nevertheless, it is a conservative, legally-defensible methodology that is simpler to update and provides more flexibility in the expenditure of funds than the alternative improvements-driven approach.

In most rapidly growing communities, some of the roadways will be experiencing an unacceptable level of congestion at any given point in time. However, it is not necessary to address segment-specific existing deficiencies in a consumption-based system, which, unlike an improvements-driven system, is not designed to recover the full costs to maintain the desired LOS on all roadway segments. Instead, it is only designed to maintain a minimum one-to-one overall ratio between system demand and system capacity. As discussed above, virtually all major roadway systems have more capacity (VMC) than demand (VMT) on a system-wide basis. Consequently, under a consumption-based system, the level of service standard is really a system-wide VMC/VMT ratio of 1.00. Since Franklin's major roadway system currently operates at better than this level of service (see Table 4 on page 11), there are no existing deficiencies on a system-wide basis.

The recommended impact fee formula is presented in Figure 4.

Figure 4. Road Impact Fee Formula

Impact Fee	**=**	**VMT x NET COST/VMT**
VMT	=	TRIPS x %NEW x LENGTH ÷ 2
NET COST/VMT	=	COST/VMC x VMC/VMT - CREDIT/VMT
Where:		
TRIPS	=	Trip ends during an average weekday
2	=	Dividing by two avoids double-counting trips for origin and destination
% NEW	=	Percent of trips that are primary trips, as opposed to pass-by or diverted-linked trips
LENGTH	=	Average length of a trip on the major road system
COST/VMC	=	Average cost to add a new daily vehicle-mile of capacity
VMC/VMT	=	System-wide ratio of VMC to VMT on major road system (assumed 1:1)
CREDIT/VMT	=	Revenue credit per VMT

TRAVEL DEMAND SCHEDULE

The travel demand generated by specific land use types is a product of three factors: 1) trip generation, 2) percent primary trips and 3) trip length. The first two factors are well documented in the professional literature, and the average trip generation characteristics identified in studies of communities around the nation should be reasonably representative of trip generation characteristics in Franklin. In contrast, trip lengths are much more likely to vary between communities, depending on the geographic size and shape of the community and its major roadway system.

Trip Generation

Trip generation rates were based on information published in the most recent edition of the Institute of Transportation Engineers' (ITE) Trip Generation manual. Trip generation rates represent trip ends, or driveway crossings from the site of a land use. Thus, a one-way trip from home to work counts as one trip end for the residence and one trip end for the work place. To avoid over-counting, all trip rates have been divided by two. This places the burden of travel equally between the origin and destination of the trip and eliminates double-charging for any particular trip.

Primary Trip Factor

Trip rates also need to be adjusted by a "primary trip factor" to exclude pass-by and diverted trips. This adjustment is intended to reduce the possibility of over-counting additional travel induced by the new development. Pass-by trips are those trips that are already on a particular route for a different purpose and simply stop at a development on that route. For example, a stop at a convenience store on the way home from the office is a pass-by trip for the convenience store. A pass-by trip does not create an additional burden on the street system and therefore should not be counted in the assessment of impact fees. A diverted-linked trip is similar to a pass-by trip, but a diversion is made from the regular route to make an interim stop. The reduction for pass-by and diverted trips utilized in this study was drawn from the ITE *Trip Generation Handbook* and other published information.

Average Trip Length

The average trip length is the most difficult travel demand factor to determine. In the context of a road impact fee using a consumption-based methodology, the relevant input is the average length of a trip on the major roadway system within the city limits. The starting point is national data for average trip length for specific land uses and trip purposes. However, these national trip lengths are likely to be unrepresentative of travel on the City's major roadway system. An adjustment factor can be derived by dividing the VMT actually observed on the major roadway system by the VMT that would be expected using national average trip lengths and trip generation rates.

The first step in developing the adjustment factor for the local trip length is to estimate the total VMT that would be expected on Franklin's major roadway system based on national travel demand characteristics. Existing land use data for the City were compiled using information from the Franklin Planning Department.

Existing land uses are multiplied by trip generation rates, percent primary trips and average trip lengths and summed to estimate total city-wide VMT. As shown in Table 6, existing land uses within the city limits, using national trip length data, would be expected to generate approximately 2.28 million VMT every day.

Table 6. Expected Vehicle-Miles of Travel

Land Use Type	Unit	Existing Units	Trip Rates	Primary Trips	Daily Trips	Length (miles)	Daily VMT
Single-Family Detached	Dwelling	16,746	4.76	100%	79,711	9.16	730,153
Multi-Family	Dwelling	11,080	3.33	100%	36,896	8.30	306,237
Mobile Home	Dwelling	408	2.50	100%	1,020	8.30	8,466
Gen. Retail/Commercial	1,000 sq. ft.	12,320	21.35	43%	113,104	6.27	709,162
Office/Institutional	1,000 sq. ft.	8,479	5.52	75%	35,103	9.96	349,626
Industrial/Warehouse	1,000 sq. ft.	5,334	3.42	95%	17,330	9.96	172,607
Total					283,164		2,276,251

Source: Existing residential and nonresidential units from City of Franklin, *2012 Development Report*, December 2012; daily trip rates and primary trip factors from Table 10; daily trips is product of trip rate and primary trips; national average trip length from Table 9; daily VMT is product of trips and trip length.

The next step in developing the local trip length adjustment factor is to determine actual daily VMT on the City's major roadway system. An inventory of the existing major roadway system was prepared as part of this study (see Table 22 in the Appendix). Roadway segment lengths and recent traffic volumes are used to estimate actual daily VMT. Since counts were not available for all segments, total VMT must be estimated from VMT for segments for which counts are available. As shown in Table 7, the City's major roadway system has an estimated 1.17 million total daily VMT.

Table 7. Actual Existing Vehicle-Miles of Travel

Functional	Road Segments w/Counts			Total	Total
Classification	VMT	Ln-Mi.	Veh./Ln	Ln-Mi.	VMT
Expressway	138,462	17.60	7,867	17.60	138,459
Other Arterial	613,824	121.27	5,062	145.49	736,470
Subtotal, Arterials	752,286				874,929
Collectors, NW Area	36,649	9.76	3,755	22.41	84,150
Collectors, SW Area	34,649	12.10	2,864	24.34	69,710
Collectors, NE Area	24,691	12.10	2,041	33.98	69,353
Collectors, SE Area	1,754	1.44	1,218	26.38	32,131
Subtotal, Collectors	97,743	35.40	2,761	107.11	295,731
Total	850,028				1,170,660

Source: VMT and lane-miles of segments with traffic counts and total lane-miles from Table 22 in the Appendix; vehicles per lane is VMT on segments with counts divided by lane-miles with counts; total VMT is product of vehicles per lane and total lane-miles.

It should be noted that the collector road VMT for the four service areas sum to less than the collector subtotal, which is derived by multiplying average vehicle trips per lane by total lane-miles. This is attributed to the small sample size of recent traffic counts in the southeast area. Using the weighted average vehicles per lane corrects for this under-estimate of VMT for the southeast area.

Comparing the results of the last two tables, it can be seen that expected VMT using existing land use data and national travel demand characteristics significantly over-estimates VMT actually observed on the major roadway system. This result is not surprising, since the VMT estimate does not include travel on local roads, the Interstate or on any roadways outside of the Franklin city limits. Consequently, it is necessary to develop an adjustment factor to account for this variation. The local travel demand adjustment factor is the ratio of actual to expected VMT on the major roadway system. As shown in Table 8, the national average trip length should be multiplied by a local adjustment factor of 0.384 if the major road system continues to be defined as arterials, and 0.514 if collector roads are included in the impact fee. The difference between the two adjustment factors reflects the share of traffic attributable to collector roads.

Table 8. Local Trip Length Adjustment Factors

	Arterials Only	All Major Roads
Actual Daily Vehicle-Miles of Travel (VMT)	874,929	1,170,660
÷ Expected Daily Vehicle-Miles of Travel (VMT)	2,276,251	2,276,251
Local Adjustment Factor	0.384	0.514

Source: Actual VMT from Table 7; expected VMT from Table 6.

The national average trip lengths derived from the U.S. Department of Transportation's 2009 *National Household Travel Survey* for a variety of trip purposes, including home-to-work, doctor/dentist, school/church, shopping, and other personal trips, have been adjusted by the local trip length adjustment factor. Since this study provides an option to include collector roads, the study will include two separate travel demand schedules: one that reflects travel on arterial roads only and one that reflects travel on both arterial and collector roads. The localized trip lengths are shown in Table 9.

Table 9. Average Trip Length by Trip Purpose

		Arterials Only		All Major Roads	
Trip Purpose	National Trip Length (miles)	Local Adjustment Factor	Local Trip Length (miles)	Local Adjustment Factor	Local Trip Length (miles)
To or from work	11.98	0.384	4.60	0.514	6.16
Office/Industrial	9.96	0.384	3.82	0.514	5.12
Medical/Dental	9.61	0.384	3.69	0.514	4.94
Average	9.28	0.384	3.56	0.514	4.77
Single-Family Det.	9.16	0.384	3.52	0.514	4.71
Multi-Family	8.30	0.384	3.19	0.514	4.27
School/Church	8.47	0.384	3.25	0.514	4.35
Family/Personal	6.61	0.384	2.54	0.514	3.40
Shopping	6.27	0.384	2.41	0.514	3.22

Source: National trip lengths from U.S. Department of Transportation, *National Household Travel Survey*, 2009 (office/industrial is 25% work trip length and 75% average trip length); local adjustment factors from Table 8.

Travel Demand Schedule

The result of combining trip generation rates, primary trip factors and average trip lengths is a travel demand table that establishes the vehicle-miles of travel (VMT) during the average weekday generated by various land use types per unit of development. The recommended travel demand schedules associated with both of the road impact fee options are presented in Table 10.

Table 10. Travel Demand by Land Use

		Daily	%	Arterials Only		All Major Roads	
		Trips/	Primary	Trip	Daily	Trip	Daily
Land Use Type	Unit	Unit	Trips	Length	VMT	Length	VMT
Single-Family Detached	Dwelling	4.76	100%	3.52	16.76	4.71	22.42
Multi-Family	Dwelling	3.33	100%	3.19	10.62	4.27	14.22
Mobile Home Park	Site	2.50	100%	3.19	7.98	4.27	10.68
Congregate Care Facility	Dwelling	1.01	100%	3.69	3.73	4.94	4.99
Hotel/Motel	Room	3.45	100%	2.54	8.76	3.40	11.73
Retail/Commercial							
Shopping Center/Gen. Retail	1,000 sq. ft.	21.35	43%	2.41	22.13	3.22	29.56
Restaurant, Quality	1,000 sq. ft.	44.98	38%	2.41	41.19	3.22	55.04
Restaurant, Fast Food	1,000 sq. ft.	248.06	30%	0.80	59.53	1.07	79.63
Office/Institutional	1,000 sq. ft.						
Office, General	1,000 sq. ft.	5.52	75%	3.82	15.81	5.12	21.20
Hospital	1,000 sq. ft.	6.61	75%	3.69	18.29	4.94	24.49
Nursing Home	1,000 sq. ft.	3.80	75%	3.69	10.52	4.94	14.08
Church	1,000 sq. ft.	4.56	75%	3.25	11.12	4.35	14.88
Elementary/Sec. School	1,000 sq. ft.	7.02	24%	3.25	5.48	4.35	7.33
Industrial	1,000 sq. ft.						
Manufacturing	1,000 sq. ft.	1.91	95%	3.82	6.93	5.12	9.29
Industrial Park	1,000 sq. ft.	3.42	95%	3.82	12.41	5.12	16.63
Business Park	1,000 sq. ft.	6.22	95%	3.82	22.57	5.12	30.25
Warehouse	1,000 sq. ft.	1.78	95%	3.82	6.46	5.12	8.66
Mini-Warehouse	1,000 sq. ft.	1.25	95%	2.54	3.02	3.40	4.04

Source: Trips are ½ of average daily trip ends on a weekday from ITE, *Trip Generation*, 9th ed., 2012 (hotel/motel based on average of two; elementary/secondary based on average of elementary, middle and high school); percent of all trips that are primary trips from ITE, *Trip Generation Handbook*, June 2004; primary trip percentage for schools based on Preston Hitchens, "Trip Generation for Day Care Centers," ITE *1990 Compendium of Technical Papers*, 1990); average trip length from Table 9 (fast food restaurant assumes one-third shopping trip length).

COST PER SERVICE UNIT

The cost per vehicle-mile in this update is based on a set of recent actual major road construction projects that add capacity to the roadway system. Unlike the previous update, the road construction costs include the costs of design. Recent road improvement project costs are summarized in Table 11. These recent projects added lanes and measurable capacity to the roadway system.

Table 11. Road Improvement Costs

Project Name	Improvement	Year	Design/ Construction	ROW	Total Cost
Carothers Pkwy, S Carothers-Ladd Pk	New 2 Lane	2014	$13,818,227	$344,000	$14,162,227
Carothers Pkwy, Liberty Pike-McEwen	New 4 Lane	2009	$6,628,430	$4,000,000	$10,628,430
Mack Hatcher, Hillsoboro-SR 96 W	New 4 Lane	2012	$73,500,000	$12,500,000	$86,000,000
McEwen, Carothers-Cool Spgs	New 4 Lane	2012	$10,172,167	$1,770,384	$11,942,551
McEwen, Cool Spgs-Jordan	Widen 3-5 Lns	2009	$1,444,450	$237,680	$1,682,130
McEwen Dr Temporary Connector	New 4 Lane	2013	$2,263,322	$361,253	$2,624,575
S Carothers Parkway	New 4 Lane	2012	$16,335,000	$1,942,000	$18,277,000
Subtotal, Arterial			$107,826,596	$19,213,317	$145,316,913
3rd Ave N, N Margin-5th Ave	New 2 Lane	2014	$4,856,330	$186,500	$5,042,830
Nichol Mill Ln, Seaboard-Mallory	New 2 Lane	2012	$1,372,742	$800,975	$2,173,717
Subtotal, Collectors			$6,229,072	$987,475	$7,216,547
Total, All Major Roads			$114,055,668	$20,200,792	$152,533,460

Source: City of Franklin, Engineering Department.

The average cost to create an additional lane-mile of roadway can be derived by dividing the cost of the recent capacity-expanding road improvement projects by the additional lane-miles created by the improvements. Based on the cost of recent and current arterial and collector road improvements, the average costs per lane-mile are calculated in Table 12.

Table 12. Road Improvement Cost per Lane-Mile

Project Name	Miles	New Lanes	Lane-Miles	Total Cost	Cost per Lane-Mile
Carothers Pkwy, S Carothers-Ladd Pk	2.00	2	4.00	$14,162,227	$3,540,557
Carothers Pkwy, Liberty Pike-McEwen	0.74	4	2.96	$10,628,430	$3,590,686
Mack Hatcher, Hillsoboro-SR 96 W	3.22	4	12.88	$86,000,000	$6,677,019
McEwen, Carothers-Cool Spgs	0.97	4	3.88	$11,942,551	$3,077,977
McEwen, Cool Spgs-Jordan	0.15	2	0.30	$1,682,130	$5,607,100
McEwen Dr Temporary Connector	0.33	4	1.32	$2,624,575	$1,988,314
S Carothers Parkway	1.70	4	6.80	$18,277,000	$2,687,794
Subtotal, Arterial	7.41		32.14	$145,316,913	$4,521,373
3rd Ave N, N Margin-5th Ave	0.26	2	0.52	$5,042,830	$9,697,749
Nichol Mill Ln, Seaboard-Mallory	0.37	2	0.74	$2,173,717	$2,937,455
Subtotal, Collectors	0.63		1.26	$7,216,547	$5,727,418
Total, All Major Roads	8.04		33.40	$152,533,460	$4,566,870

Source: Miles and number of lanes from City of Franklin Engineering Department; lane-miles is product of new lanes and miles; total cost from Table 11; cost per lane-mile is cost divided by lane-miles.

The average cost per unit of capacity added to the major roadway system can be determined by dividing the average cost of a new lane-mile by the average daily capacity per lane at LOS C. The average daily capacities per new lane added by the set of recent projects are calculated in Table 13.

Table 13. Average Capacity per Lane

Project Name	Improvement	Miles	New Capacity	New VMC	New Ln-Mi.	Capacity/ Lane
Carothers Pkwy, S Carothers-Ladd Pk	New 2 Lane	2.00	9,100	18,200	4.00	4,550
Carothers Pkwy, Liberty Pike-McEwen	New 4 Lane	0.74	19,000	14,060	2.96	4,750
Mack Hatcher, Hillsoboro-SR 96 W	New 4 Lane	3.22	56,200	180,964	12.88	14,050
McEwen, Carothers-Cool Spgs	New 4 Lane	0.97	19,000	18,430	3.88	4,750
McEwen, Cool Spgs-Jordan	Widen 3-5 Lns	0.15	7,500	1,125	0.30	3,750
McEwen Dr Temporary Connector	New 4 Lane	0.33	19,000	6,270	1.32	4,750
S Carothers Parkway	New 4 Lane	1.70	19,000	32,300	6.80	4,750
Subtotal, Arterial		9.11		271,349	32.14	8,443
3rd Ave N, N Margin-5th Ave	New 2 Lane	0.26	9,100	2,366	0.52	4,550
Nichol Mill Ln, Seaboard-Mallory	New 2 Lane	0.37	9,100	3,367	0.74	4,550
Subtotal, Collectors		0.63		5,733	1.26	4,550
Total, All Major Roads		9.74		277,082	33.40	8,296

Source: Improvement length and new lane-miles from Table 12; new capacity added derived from Table 5; new VMC is product of miles and new capacity; capacity per lane is new VMC divided by new lane-miles.

The cost per service unit is calculated by dividing the average cost per lane-mile by the average daily capacity added. As shown in Table 14, the arterial cost per service unit is $536 per VMC. If collectors are included, the major road cost per service unit is $550 per VMC.

Table 14. Cost per Vehicle-Mile of Capacity

Arterials Only	
Average Cost per Lane-Mile	$4,521,373
÷ Average Daily Capacity per Lane at LOS C	8,443
Arterial Cost per Vehicle-Mile of Capacity (VMC)	$536
All Major Roads	
Average Cost per Lane-Mile	$4,566,870
÷ Average Daily Capacity per Lane at LOS C	8,296
Major Road Cost per Vehicle-Mile of Capacity (VMC)	$550

Source: Average cost per lane-mile from Table 12; average daily capacity per lane from Table 13.

NET COST PER SERVICE UNIT

As discussed in the Legal Framework chapter, credit is due against impact fees under three situations: (1) there are existing deficiencies, (2) there is outstanding debt on facilities serving existing development, or (3) there are dedicated local revenues or outside funding for the same improvements. These are each addressed below. The resulting revenue credits are deducted from the cost per service unit calculated in the previous chapter in the final section of this chapter to calculate the net cost per service unit.

Existing Deficiencies

From an impact fee perspective, there are no existing deficiencies. The fees are based on a system-wide level of service, defined as a 1-to-1 ratio of system-wide capacity (VMC) to system-wide demand (VMT). There are no existing deficiencies on a system-wide basis as long as the VMC/VMT ratio is greater than 1.00. The actual existing major roadway level of service is a 1.12 VMC/VMT ratio for arterials, and a ratio of between 1.18 and 3.63 for collector roads (see Table 4 above). Because the fees are based on a LOS that is lower than the actual existing LOS, no deficiency credit is warranted.

Outstanding Debt

The City of Franklin currently has seven outstanding debt issues that have been used to fund improvements on the arterial system. As shown in Table 15, the road-related balance for these outstanding debt issues is $41.3 million.

Table 15. Outstanding Road Debt Issues

Bond Issue	Outstanding Balance	Road-Related	Road-Related Balance
General Obligation Refunding Bonds 2004	$1,375,000	55.0%	$756,250
County Club & McEwen Reimbursement 2005	$2,715,000	45.0%	$1,221,750
Capital Improvement Bonds 2007	$20,000,000	43.0%	$8,600,000
Capital Improvement Bonds 2009A	$8,060,000	34.6%	$2,788,760
Capital Improvement Bonds 2009B	$30,625,000	34.6%	$10,596,250
Capital Improvement Bonds 2010	$15,725,000	40.0%	$6,290,000
Capital Improvement Refunding Bonds 2012	$21,710,000	51.0%	$11,072,100
Outstanding Road Debt	$100,210,000		$41,325,110

Source: City of Franklin, December 19, 2013.

In cases where outstanding debt is for improvements that are serving existing development, a credit is due for future taxes that new development will generate that will be used to retire that debt. In the case of Franklin's road impact fees, however, no such credit is warranted. As noted above, the road fees are based on a lower level of service. The cost of the excess capacity in the arterial system alone is significantly greater than the amount of the outstanding road-related debt. The replacement value of the excess arterial capacity is $56.5 million (see Table 16 below), compared to only $41.3 million in outstanding debt.

From the facts presented above, it is clear that the outstanding road debt is for improvements that have built excess capacity into the system to accommodate growth, not improvements that are serving existing development at the level of service on which the impact fees are based. In addition, new development will not be paying the debt. The City is using road impact fees, not ad valorem taxes or general funds, to retire the road-related debt. For these reasons, no debt credit against the road impact fees is warranted.

Table 16. Replacement Value of Excess Arterial Capacity

Existing Arterial Vehicle-Miles of Capacity (VMC)	980,344
– Existing Arterial Vehicle-Miles of Travel (VMT)	-874,929
Existing Excess Arterial Capacity (VMC)	105,415
x Average Arterial Cost per VMC	$536
Replacement Cost of Arterial Excess Capacity	$56,502,440

Source: Arterial VMC and VMT from Table 4; cost per VMC from Table 14.

Outside Funding

The amount of intergovernmental revenue that is applied toward funding capacity-expanding capital improvements in Franklin is based on anticipated funding over a 7-year period covered by the last two adopted regional Transportation Improvement Programs. Only improvements that are both capacity-expanding and on the major road network are eligible for credit. For example, improvements on I-65 unrelated to the major roadway system that the fees are designed to fund. The non-local share includes funds programmed from the portion of State gas tax revenues that the City receives through the State Street Aid program. The improvements and funding are summarized in Table 17 below. The creditable funding over the 7-year period totaled $116.7 million.

Table 17. Road Improvements and Funding, FY 2011-2017

			Non-Local Cost	
Project Name	**Description**	**Total Cost**	**Total**	**Creditable**
Columbia South, Downs to SR 397	New Road	$5,000,000	$0	$0
Franklin Greenway	Multi-Use Path	$1,147,500	$630,000	$0
Franklin Traffic Operations	ITS Infrastructure	$6,000,000	$4,800,000	$4,800,000
Goose Creek Bypass at I-65	New Interchange	$30,000,000	$30,000,000	$0
Goose Creek Bypass	New Road	$2,050,000	$0	$0
Hillsboro Rd, Hwy 96-M. Hatcher	New Road	$25,000,000	$1,250,000	$1,250,000
I-65 Widening from SR 96-SR840	Freeway Widening	$70,000,000	$70,000,000	$0
Mack Hatcher NE Widening	Widen Road	$15,800,000	$15,800,000	$15,800,000
Mack Hatcher NW Extension	Extend Existing Road	$76,500,000	$76,500,000	$76,500,000
Mack Hatcher SE Widening	Widen Road	$15,000,000	$15,000,000	$15,000,000
McEwen Drive Phase 3	Widen Existing Road	$15,000,000	$0	$0
McEwen Drive Phase 4	Widen Existing Road	$17,500,000	$0	$0
McEwen Drive Extension	Extend Existing Road	$12,500,000	$0	$0
Lewisburg Pike, SR 397-Donnellson	Widen Existing Road	$2,800,000	$0	$0
Lewisburg Pike, Donnellson-Old Peyton	Widen Existing Road	$1,000,000	$0	$0
Lewisburg Pike, Old Peyton-Goose Ck	Widen to 4 Lane Divided	$8,010,000	$0	$0
Lewisburg Pike, I-65 to 0.3 mi. west	Widen 2-4 lanes	$1,500,000	$1,500,000	$1,500,000
Franklin ITS Infrastructure	ITS infrastructure	$2,300,000	$1,840,000	$1,840,000
Total, FY 2011-2017		$307,107,500	$217,320,000	$116,690,000

Source: Nashville Area Metropolitan Planning Organization, *Transportation Improvement Program ,FY 2011-2014* and *FY 2014-2017*.

The State and Federal funding credit is shown in Table 18. At the current cost of borrowing, the present value of State and Federal funding revenue that can be anticipated over the next 20 years, which is the typical long-term debt repayment period, is about $243 per daily vehicle-mile of travel on the arterial system, and $182 per VMT when collectors are included.

Table 18. State/Federal Funding Credit

	Arterials Only	All Major Roads
Total Federal/State Capacity Funding, FY 2011-2016	$116,690,000	$116,690,000
÷ Years	7	7
Annual Federal/State Capacity Funding	$16,670,000	$16,670,000
÷ Daily Vehicle-Miles of Travel (VMT)	874,929	1,170,660
Average Annual Funding per VMT	$19.05	$14.24
x Net Present Value Factor (20 Years @ 4.73%)	12.75	12.75
State/Federal Funding Credit per VMT	$243	$182

Source: Total Federal/State capacity funding from Table 17; daily VMT from Table 7; present value factor based on 20 years at 4.73% discount rate based on average interest rate on state and local bonds in December 2013 from the Federal Reserve at http://www.federalreserve.gov/releases/ h15/data.htm.

Net Cost Summary

As shown in Table 19, reducing the cost per service unit associated by the State and Federal funding credit leaves a net cost of $293 per VMT for the arterial system and $368 per VMT if collectors are included.

Table 19. Net Cost per Vehicle-Mile of Travel

Average Cost per VMT, Arterials Only	$536
– State/Federal Funding Credit per VMT	-$243
Arterial Net Cost per Daily VMT	$293
Average Cost per VMT, All Major Roads	$550
– State/Federal Funding Credit per VMT	-$182
All Major Roads Net Cost per Daily VMT	$368

Source: Average cost per VMT based on cost per VMC from Table 14; State/Federal funding credit from Table 18.

POTENTIAL FEE SCHEDULES

The net cost per unit of development is the product of daily vehicle-miles of travel generated by a unit of development and the net cost per VMT. The option of including collector roadways in this update results in two potential impact fee schedules. The final two columns in Table 20 present the updated fees for arterials only and for the total major roadway system, including collector roads.

Table 20. Potential Fee Schedules, Arterial and All Major Roads

		VMT/Unit		Net Cost/VMT		Potential Fee	
Land Use Type	**Unit**	**Arterials**	**Total**	**Arterials**	**Total**	**Arterials**	**Total**
Single-Family Detached	Dwelling	16.76	22.42	$293	$368	$4,911	$8,251
Multi-Family	Dwelling	10.62	14.22	$293	$368	$3,112	$5,233
Mobile Home Park	Site	7.98	10.68	$293	$368	$2,338	$3,930
Congregate Care Facility	Dwelling	3.73	4.99	$293	$368	$1,093	$1,836
Hotel/Motel	Room	8.76	11.73	$293	$368	$2,567	$4,317
Retail/Commercial							
Shopping Center/Gen. Retail	1,000 sq. ft.	22.13	29.56	$293	$368	$6,484	$10,878
Restaurant, Quality	1,000 sq. ft.	41.19	55.04	$293	$368	$12,069	$20,255
Restaurant, Fast Food	1,000 sq. ft.	59.53	79.63	$293	$368	$17,442	$29,304
Office/Institutional	1,000 sq. ft.						
Office, General	1,000 sq. ft.	15.81	21.20	$293	$368	$4,632	$7,802
Hospital	1,000 sq. ft.	18.29	24.49	$293	$368	$5,359	$9,012
Nursing Home	1,000 sq. ft.	10.52	14.08	$293	$368	$3,082	$5,181
Church	1,000 sq. ft.	11.12	14.88	$293	$368	$3,258	$5,476
Elementary/Sec. School	1,000 sq. ft.	5.48	7.33	$293	$368	$1,606	$2,697
Industrial							
Manufacturing	1,000 sq. ft.	6.93	9.29	$293	$368	$2,030	$3,419
Industrial Park	1,000 sq. ft.	12.41	16.63	$293	$368	$3,636	$6,120
Business Park	1,000 sq. ft.	22.57	30.25	$293	$368	$6,613	$11,132
Warehouse	1,000 sq. ft.	6.46	8.66	$293	$368	$1,893	$3,187
Mini-Warehouse	1,000 sq. ft.	3.02	4.04	$293	$368	$885	$1,487

Source: Daily VMT per unit from Table 10; net cost per VMT from Table 19.

The collector road impact fee is the difference between the fee for all major roads and the fee for arterial roads only. The potential collector road fees are shown in Table 21 on the following page.

Table 21. Potential Fee Schedule, Collector Roads

Land Use Type	Unit	Fee for All Major Roads	Fee for Arterials	Fee for Collectors
Single-Family Detached	Dwelling	$8,251	$4,911	$3,340
Multi-Family	Dwelling	$5,233	$3,112	$2,121
Mobile Home Park	Site	$3,930	$2,338	$1,592
Congregate Care Facility	Dwelling	$1,836	$1,093	$743
Hotel/Motel	Room	$4,317	$2,567	$1,750
Retail/Commercial				
Shopping Center/Gen. Retail	1,000 sq. ft.	$10,878	$6,484	$4,394
Restaurant, Quality	1,000 sq. ft.	$20,255	$12,069	$8,186
Restaurant, Fast Food	1,000 sq. ft.	$29,304	$17,442	$11,862
Office/Institutional	1,000 sq. ft.			
Office, General	1,000 sq. ft.	$7,802	$4,632	$3,170
Hospital	1,000 sq. ft.	$9,012	$5,359	$3,653
Nursing Home	1,000 sq. ft.	$5,181	$3,082	$2,099
Church	1,000 sq. ft.	$5,476	$3,258	$2,218
Elementary/Sec. School	1,000 sq. ft.	$2,697	$1,606	$1,091
Industrial				
Manufacturing	1,000 sq. ft.	$3,419	$2,030	$1,389
Industrial Park	1,000 sq. ft.	$6,120	$3,636	$2,484
Business Park	1,000 sq. ft.	$11,132	$6,613	$4,519
Warehouse	1,000 sq. ft.	$3,187	$1,893	$1,294
Mini-Warehouse	1,000 sq. ft.	$1,487	$885	$602

Source: Potential fees for all major roads and arterial roads from Table 20; potential collector road fee is the difference.

APPENDIX

Table 22. Existing Major Roadway Inventory

Roadway	From	To	Serv. Area	Lns	Mi.	Lane-Miles Total	Lane-Miles w/Ct.	ADT	Cap.	VMC	VMT
Mack Hatcher	Hillsboro Rd	Franklin Rd	City	4	1.70	6.80	6.80	17,933	56,200	95,540	30,486
Mack Hatcher	Franklin Rd	Liberty Pike	City	2	1.50	3.00	3.00	21,950	28,100	42,150	32,925
Mack Hatcher	Liberty Pike	Murfreesboro	City	2	0.85	1.70	1.70	13,340	28,100	23,885	11,339
Mack Hatcher	Murfreesboro	Lewisberg Av	City	2	1.30	2.60	2.60	25,057	28,100	36,530	32,574
Mack Hatcher	Lewisberg Av	Columbia Av	City	2	1.75	3.50	3.50	17,793	28,100	49,175	31,138
Subtotal, Expressways					7.10	17.60	17.60			247,280	138,462
3rd Ave North	Main St	5th Ave N	City	2	0.34	0.68	0.68	4,574	11,600	3,944	1,555
3rd Ave South	Main St	S Margin St	City	2	0.24	0.48	0.48	6,142	11,600	2,784	1,474
5th Ave, N	3rd Ave N	Main St	City	4	0.38	1.52	1.52	17,515	19,000	7,220	6,656
5th Ave, S	Main St	S Margin St	City	2	0.24	0.48	0.48	5,752	11,600	2,784	1,380
Carothers Pkwy	S of Moores Ln	Cool Springs	City	4	1.08	4.32	4.32	22,213	19,000	20,520	23,990
Carothers Pkwy	Cool Springs	Murfreesboro	City	4	2.45	9.80	9.80	11,703	19,000	46,550	28,672
Carothers Pw S	Murfreesboro	S Carothers Rd	City	3	1.12	3.36	3.36	6,040	14,400	16,128	6,765
Carters Cr Pike	Downs Blvd	SW City Limit	City	2	0.86	1.72	1.72	6,591	11,600	9,976	5,668
Columbia Ave	Mack Hatcher	Fairground St	City	3	1.25	3.75	3.75	19,090	14,400	18,000	23,863
Columbia Ave	Fairground St	Five Points	City	3	1.00	3.00	3.00	10,542	14,400	14,400	10,542
Columbia Pike	S Boundary	Mack Hatcher	City	2	1.10	2.20	2.20	15,264	11,600	12,760	16,790
Cool Springs	Mack Hatcher	Carothers Pky	City	4	1.93	7.72	7.72	26,217	19,000	36,670	50,599
Cool Springs	Carothers	E McEwen Dr	City	4	1.35	5.40	-	-	19,000	25,650	-
Franklin Rd	E Main St	Mack Hatcher	City	2	1.59	3.18	3.18	16,392	11,600	18,444	26,063
Franklin Rd	Mack Hatcher	Moores Lane	City	2	2.11	4.22	4.22	12,975	11,600	24,476	27,377
Goose Creek By	Lewisburg Pike	I-65	City	4	0.84	3.36	3.36	13,685	19,000	15,960	11,495
Hwy 96 W	W Bndry	11th Ave	City	2	2.72	5.44	5.44	17,541	11,600	31,552	47,712
Hwy 96 W	11th Ave	5th Ave	City	3	0.43	1.29	1.29	18,962	14,400	6,192	8,154
Hillsboro Rd	3rd Ave N	Mack Hatcher	City	3	1.12	3.36	3.36	17,515	14,400	16,128	19,617
Hillsboro Rd	Mack Hatcher	Fieldstone Pw	City	5	1.00	5.00	5.00	16,740	21,900	21,900	16,740
Hillsboro Rd	Fieldstone Pw	N Boundary	City	5	0.93	4.65	4.65	18,710	21,900	20,367	17,400
Lewisburg Ave	S Margin St	Mack Hatcher	City	2	2.10	4.20	4.20	5,165	11,600	24,360	10,847
Lewisburg Pike	Mack Hatcher	Bowman Rd	City	2	1.09	2.18	2.18	9,359	11,600	12,644	10,201
Lewisburg Pike	Old Peytonsville	Goose Cr Byps	City	4	0.55	2.20	-	-	19,000	10,450	-
Liberty Pike	Waverly Pl	Turning Wheel	City	2	1.47	2.94	-	-	11,600	17,052	-
Liberty Pike	Turning Wheel	Carothers Pky	City	2	0.86	1.72	-	-	11,600	9,976	-
Liberty Pike	Carothers Pky	Mallory Lane	City	4	0.51	2.04	-	-	19,000	9,690	-
Liberty Pike	Mallory Lane	Mack Hatcher	City	3	0.95	2.85	2.85	14,238	14,400	13,680	13,526
Liberty Pike	Mack Hatcher	Franklin Rd	City	3	1.15	3.45	3.45	7,528	14,400	16,560	8,657
Main St	1st Ave S	5th Ave	City	2	0.34	0.68	0.68	10,362	11,600	3,944	3,523
W Main St	5th Ave	11th Ave	City	2	0.43	0.86	0.86	7,389	11,600	4,988	3,177
W Main St	11th Ave	Downs Blvd	City	2	1.11	2.22	2.22	7,692	11,600	12,876	8,538
Mallory Lane	Moores Lane	Cool Springs	City	4	1.36	5.44	5.44	24,542	19,000	25,840	33,377
Mallory Lane	Cool Springs	Liberty Pike	City	4	1.50	6.00	6.00	18,279	19,000	28,500	27,419
W McEwen Dr	Cool Springs	I-65	City	4	0.93	3.72	-	-	19,000	17,670	-
E McEwen Dr	I-65	Cool Springs	City	4	1.38	5.52	-	-	19,000	26,220	-
E McEwen Dr	Cool Springs	Wilson Pike	City	2	1.55	3.10	3.10	6,442	11,600	17,980	9,985

Continued on next page

Table 22. Existing Major Roadway Inventory, continued

			Serv.			Lane-Miles					
Roadway	From	To	Area	Lns	Mi.	Total	w/Ct.	ADT	Cap.	VMC	VMT
Murfreesboro Rd	S Margin St	Mack Hatcher	City	2	1.32	2.64	2.64	17,935	11,600	15,312	23,674
Murfreesboro Rd	Mack Hatcher	I-65	City	5	1.13	5.65	5.65	24,796	21,900	24,747	28,019
Murfreesboro Rd	I-65	E Boundary	City	2	1.87	3.74	3.74	23,343	11,600	21,692	43,651
Peytonsville Rd	I-65	Long Lane	City	4	0.17	0.68	-	-	19,000	3,230	-
N Royal Oaks	Liberty Pike	Hwy 96	City	3	0.81	2.43	2.43	15,077	14,400	11,664	12,212
S Royal Oaks	Hwy 96	Mack Hatcher	City	4	1.18	4.72	4.72	19,435	19,000	22,420	22,933
Wilson Pike	N Boundary	Clovercroft Rd	City	2	0.79	1.58	1.58	1,987	11,600	9,164	1,570
Subtotal, Major and Minor Arterials					48.63	145.49	121.27			733,064	613,824
1st Ave N	Bridge St	E. Main St	NW	2	0.12	0.24	-	-	9,100	1,092	-
1st Ave S	E. Main St	S. Margin St	SE	2	0.24	0.48	0.48	3,000	9,100	2,184	720
2nd Ave N	Main St	N Margin St	NW	2	0.24	0.48	-	-	9,100	2,184	-
2nd Ave S	Main St	S. Margin St	SE	2	0.24	0.48	0.48	2,054	9,100	2,184	493
4th Ave N	3rd Ave N	Main St	NW	2	0.37	0.74	-	-	9,100	3,367	-
4th Ave S	Main St	S. Margin St	SE	2	0.24	0.48	0.48	2,253	9,100	2,184	541
9th Ave N	Mt Hope St	SR 96 W	NW	2	0.22	0.44	0.44	2,207	9,100	2,002	486
9th Ave S	SR 96 W	Columbia Ave	SW	2	0.32	0.64	0.64	2,207	9,100	2,912	706
11th Ave, N	Mount Hope	SR 96 W	NW	2	0.20	0.40	0.40	4,338	9,100	1,820	868
11th Ave, S	SR 96 W	Natchez St	SW	2	0.42	0.84	0.84	4,338	9,100	3,822	1,822
Acadia Ave	Championship	Jewell Ave	SW	2	0.59	1.18	-	-	9,100	5,369	-
Addison Ave	Stonewater Bld	State Blvd	SW	2	0.42	0.84	-	-	9,100	3,822	-
Aspen Grove Dr	Jordan Rd	Seaboard Ln	NE	3	0.54	1.62	-	-	11,300	6,102	-
Bakers Bridge Ave	W Terminus	Traffic Circle	NE	4	1.16	4.64	-	-	14,900	17,284	-
Bakers Bridge Ave	Mallory Ln	Carothers Pkwy	NE	4	0.77	3.08	-	-	14,900	11,473	-
Battle Ave	Columbia Ave	W Main St	SW	2	0.68	1.36	1.36	3,666	9,100	6,188	2,493
Boyd Mill Ave	SR 96 W	SR 96 W	SW	2	1.75	3.50	3.50	4,092	9,100	15,925	7,161
Bridge St.	5th Ave N	1st Ave N	NW	2	0.33	0.66	-	-	9,100	3,003	-
Carlisle Ln	SR 96 W	Del Rio Pike	NW	2	0.62	1.24	-	-	9,100	5,642	-
S Carothers Rd	Carothers Pwy	City Limits	SE	2	0.34	0.68	-	-	9,100	3,094	-
Championship Bvd	Stonewater	Acadia	SW	2	0.80	1.60	-	-	9,100	7,280	-
Chester Stevens Rd	SR 96E	East City Limits	NE	2	0.61	1.22	-	-	9,100	5,551	-
Church St	Columbia Ave	1st Ave N	SE	2	0.42	0.84	-	-	9,100	3,822	-
Clovercroft Rd	E City Limits	Wilson Pike	NE	2	0.89	1.78	1.78	3,218	9,100	8,099	2,864
Clovercroft Rd	City Limits	City Limits	NE	2	1.00	2.00	2.00	3,155	9,100	9,100	3,155
Cotton Ln	Del Rio Pike	N City Limits	NW	2	0.18	0.36	-	-	9,100	1,638	-
Crossroads Blvd	Seaboard Ln	City Limits	NE	3	0.24	0.72	-	-	11,300	2,712	-
Del Rio Pike	5th Ave N	Cotton Ln	NW	2	3.21	6.42	6.42	8,519	9,100	29,211	27,346
Donelson Crk Pwy	Southeast Pkwy	Lewisburg Pike	SE	2	1.24	2.48	-	-	9,100	11,284	-
Downs Blvd	Columbia Ave	SR 96 W	SW	2	2.67	5.34	5.34	8,224	9,100	24,297	21,958
Eddy Lane	Liberty Park	Murfreesboro	NE	2	0.77	1.54	1.54	2,126	9,100	7,007	1,637
Fair St	11th Ave N	9th Ave N	SW	2	0.42	0.84	-	-	9,100	3,822	-
Fieldstone Pwy	Bexley Park Dr	Hillsboro Rd	NW	3	0.53	1.59	-	-	11,300	5,989	-
Fieldstone Pwy	Hillsboro Rd	Lexington Pkwy	NW	4	0.53	2.12	-	-	14,900	7,897	-
Fieldstone Pwy	Lexington Pkwy	Cotton Ln	WN	2	0.42	0.84	-	-	9,100	3,822	-
Forest Xing Blvd	S Royal Oaks	Riverview Dr	SE	4	0.46	1.84	-	-	14,900	6,854	-
E Fowlkes St	Lewisburg Ave	Columbia Ave	SE	2	0.15	0.30	-	-	9,100	1,365	-
W Fowlkes St	Columbia Ave	Natchez St	SW	2	0.21	0.42	0.42	2,424	9,100	1,911	509
Galleria Blvd	Bakers Brdg Av	Moorse Ln	NE	3	0.38	1.14	-	-	11,300	4,294	-
Gen. Patton Dr	City Limits	Mallory Station	NE	3	0.60	1.80	-	-	11,300	6,780	-
Horton Ln	Boyd Mill	Main	SW	2	1.15	2.30	-	-	9,100	10,465	-

Continued on next page

Table 22. Existing Major Roadway Inventory, continued

Roadway	From	To	Serv. Area	Lns	Mi.	Lane-Miles Total	Lane-Miles w/Ct.	ADT	Cap.	VMC	VMT
Jewell Ave	Cormac St	Townsend Blvd	SE	2	0.53	1.06	-	-	9,100	4,823	-
Jordan Rd	Mallory Ln	Aspen Grove Dr	NE	2	0.31	0.62	-	-	9,100	2,821	-
Long Ln	Peytonsville Rd	City Limits	SE	2	2.07	4.14	-	-	9,100	18,837	-
Lynnwood Way	Franklin Rd	West City Limits	NW	2	0.59	1.18	1.18	9,486	9,100	5,369	5,597
Magnolia Dr	Del Rio Pike	Mt Hope St	NW	2	0.32	0.64	0.64	5,333	9,100	2,912	1,707
Mallory Sta. Rd	Franklin Rd	Mallory Ln	NE	3	1.49	4.47	4.47	10,490	11,300	16,837	15,630
N Margin St.	5th Ave N	2nd Ave N	NW	2	0.26	0.52	-	-	9,100	2,366	-
S Margin St.	Columbia Ave	5th Ave S	SE	2	0.16	0.32	-	-	9,100	1,456	-
S Margin St.	5th Ave S	1st Ave S	SE	2	0.35	0.70	-	-	9,100	3,185	-
Mount Hope St	5th Ave N	11th Ave N	NW	2	0.34	0.68	0.68	1,902	9,100	3,094	647
Natchez St	W Main St	9th Ave S	SW	2	0.57	1.14	-	-	9,100	5,187	-
Oak Meadow Dr	Royal Oaks	Country Wood	SE	3	0.80	2.40	-	-	11,300	9,040	-
Old Peytonsville	Lewisburg Pike	Goose Ck Bypass	SE	2	1.38	2.76	-	-	9,100	12,558	-
Oxford Glenn	E McEwen Dr	Clovercroft Rd	NE	2	1.08	2.16	-	-	9,100	9,828	-
Peytonsville Rd	Long Lane	South City Limits	SE	2	0.80	1.60	-	-	9,100	7,280	-
Ralston Ln	SR 96 E	Liberty Pike	NE	3	0.77	2.31	2.31	1,824	11,300	8,701	1,404
River View Dr	Forest Crossing	Country Wood	SE	2	1.79	3.58	-	-	9,100	16,289	-
Seaboard Ln	Aspen Grove Dr	Bakers Bridge Av	NE	3	1.32	3.96	-	-	11,300	14,916	-
S Springs Dr	Perimeter Dr	Mallory Ln	NE	4	0.23	0.92	-	-	14,900	3,427	-
Southeast Pkwy	Donelson Ck Pw	Columbia Ave	SE	2	0.55	1.10	-	-	9,100	5,005	-
Spencer Crk Rd	Spencer Crk Ps	Mack Hatcher	NW	2	1.93	3.86	-	-	9,100	17,563	-
State Blvd	Championship	Westhaven	SW	2	0.44	0.88	-	-	9,100	4,004	-
Stonewater Blvd	Fleetwood Dr	SR 96 W	SW	2	0.54	1.08	-	-	9,100	4,914	-
Stream Valley Bvd	Lewisburg Pike	Streamside Ln	SE	2	0.57	1.14	-	-	9,100	5,187	-
Townsend Blvd	Cheltenham Av	Jewell Ave	SW	2	0.41	0.82	-	-	9,100	3,731	-
Westhaven Blvd	Acadia Ave	SR 96 W	SW	2	0.67	1.34	-	-	9,100	6,097	-
Willowsprings Dr	Horton Ln	Boyd Mill Ave	SW	2	0.11	0.22	-	-	9,100	1,001	-
Collectors, Northwest District					10.41	22.41	9.76			98,971	36,649
Collectors, Southwest District					12.17	24.34	12.10			110,747	34,649
Collectors, Northeast District					12.16	33.98	12.10			134,932	24,691
Collectors, Southeast District					12.33	26.38	1.44			116,631	1,754
Subtotal, Major and Minor Collectors					47.07	107.11	35.40			461,281	97,743
Total					102.80	270.20	174.27			1,441,625	850,028

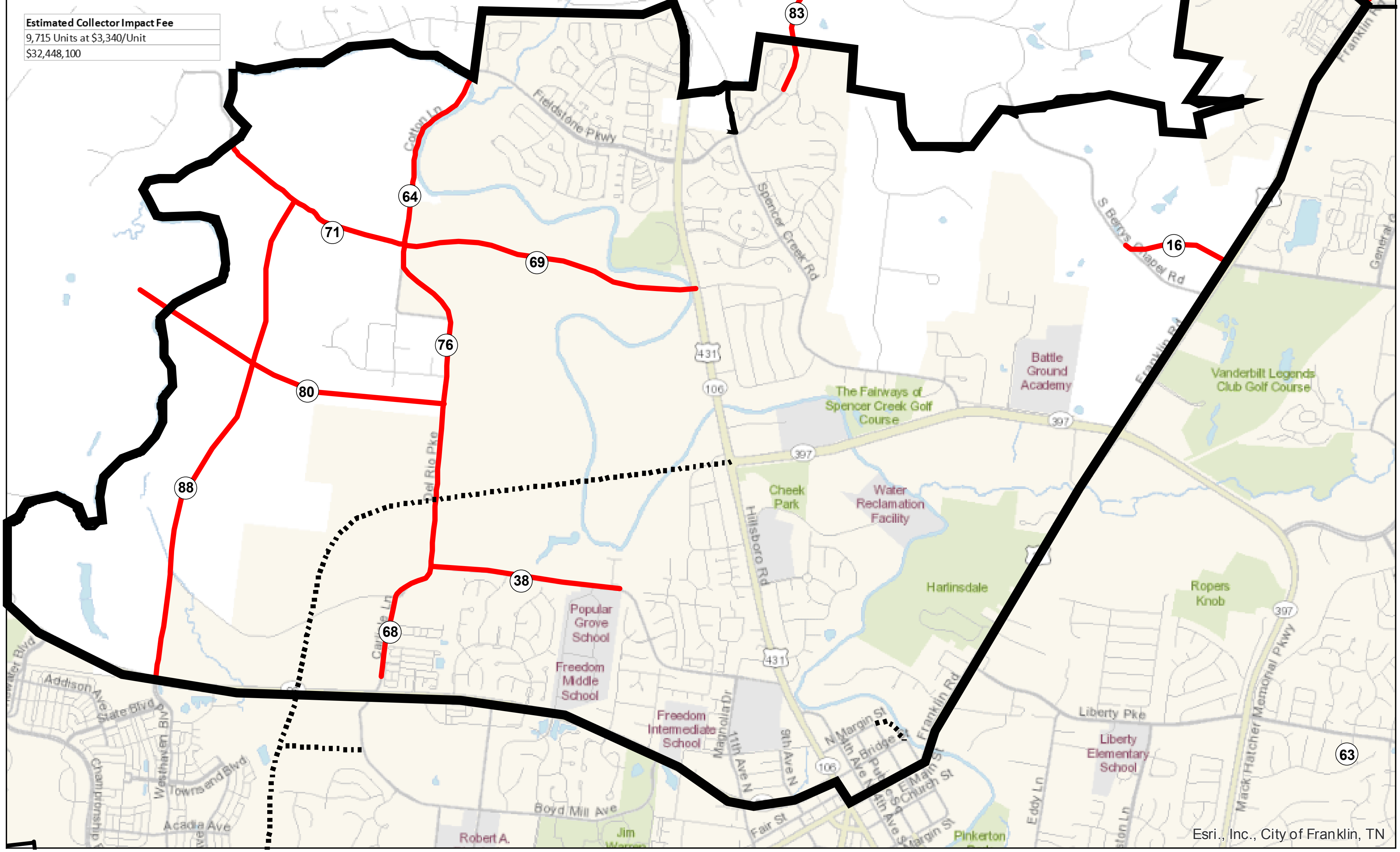
Source: Segment descriptions, lanes and miles from City of Franklin Engineering Department, December 19, 2013; collector road service areas from Duncan Associates based on review of Google maps; average daily traffic counts (ADT) from Tennessee Department of Transportation traffic history (http://www.tdot.state.tn.us/traffichistory/), 2013; "w/ct." indicates lane-miles for which counts are available; "VMT" is vehicle-miles of travel, which is product of miles and ADT for segments with counts; "VMC" is vehicle-miles of capacity, which is product of daily capacity and ADT.

Proposed Collector Roadway Projects NW

Collector Roadway Projects NW

Project Number	Project Name	To	From	Length (Miles)	Est. Cost
16	South Berrys Chapel Road	South Berrys Chapel Road	Mallory Station Road	0.47	$3,486,014.49
38	Del Rio Pike	Carlisle Lane	Poplar Grove Elementary School	0.81	$6,007,812.21
64	Cotton Lane	Fieldstone Parkway	Del Rio Pike	0.84	$6,786,386.97
68	Carlile Lane	SR 96	Mack Hatcher NW Extention	0.85	$6,847,285.74
69	New Roadway	Cotton Lane	Hillsboro Road (SR-106/US-431)	1.27	$11,440,370.78
71	Del Rio Pike	Old Hillsboro Road (SR-46)	Cotton Lane	0.88	$7,109,548.26
74	Lynnwood Way	Northwest Urban Growth	Franklin Road (SR-6/US-431)	0.61	$4,524,401.79
76	Del Rio Pike	Cotton Lane	Carlisle Lane	1.16	$9,371,677.25
80	New Roadway	Old Hillsboro Road (SR-46)	Del Rio Pike	1.30	$10,502,741.74
83	Fieldstone Parkway Extension	South Berrys Chapel Road	Bexley Park Drive	0.30	$2,423,709.63
88	New Roadway	SR 96	Existing Del Rio Pike	2.19	$16,212,158.78
				Total Est. Cost	$84,712,107.63

Estimated Collector Impact Fee
9,715 Units at $3,340/Unit
$32,448,100



RESOLUTION 2015-76

TO BE ENTITLED: "A RESOLUTION OF THE BOARD OF MAYOR AND ALDERMEN FOR ADOPTION OF A DEBT MANAGEMENT POLICY"

WHEREAS, the City of Franklin, by action of the Board of Mayor and Aldermen in 2009, adopted a debt management policy to guide the City of Franklin in its undertaking of financial obligations, maintain a sustainable financial position, and assist in analyzing the use of debt for capital projects, and

WHEREAS, the Board of Mayor and Aldermen wishes to continue to maintain a debt management policy, and

WHEREAS, the debt management policy will need to be modified and updated from time to time to conform to state requirements, market conditions, and rating implications, and best serve the needs of the City.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Mayor and Aldermen for the City of Franklin as follows:

Section 1. That the Debt Management Policy, as amended, is hereby adopted.

Section 2. That this Resolution shall be effective upon adoption.

IT IS SO RESOLVED AND DONE on this 12th day of April, 2016.

ATTEST:	**CITY OF FRANKLIN, TENNESSEE**
By: ______________________	**By:** ______________________
Eric Stuckey	**Ken Moore**
City Administrator	**Mayor**

CITY OF FRANKLIN

T E N N E S S E E

Debt Management Policy

Prepared by
Public Financial Management
Submitted April 13, 2009
Adopted by Finance Committee, May 21, 2009
Adopted by Board of Mayor & Aldermen, June 23, 2009
Amended November 26, 2013

Table of Contents

Introduction

Debt management policies are written guidelines and restrictions that affect the amount and type of debt issued by a state or local government, the issuance process, and the management of a debt portfolio. A debt management policy improves the quality of decisions, provides justification for the structure of debt issuance, identifies policy goals, and demonstrates a commitment to long-term financial planning, including a multi-year capital plan. Adherence to a debt management policy signals to rating agencies and the capital markets that a government is well managed and should meet its obligations in a timely manner.

Debt levels and their related annual costs are important long-term obligations that must be managed within available resources. An effective debt management policy provides guidelines for a government to manage its debt program in line with those resources.

Since the guidelines contained in the Policy require regular updating in order to maintain relevance and to respond to the changes inherent in the capital markets, the City plans to revisit the Policy from time to time.

City of Franklin
Debt Management Policy

I. Policy Statement

In managing its debt, it is the City's policy to:

- Achieve the lowest cost of capital
- Ensure high credit quality
- Assure access to the capital credit markets
- Preserve financial flexibility
- Manage interest rate risk exposure

II. Goals & Objectives

Debt policies and procedures are tools that ensure that financial resources are adequate to meet the City's long-term planning objectives. In addition, the Debt Management Policy ("Policy") helps to ensure that financings undertaken by the City satisfy certain clear objective standards which allow the City to protect its financial resources in order to meet its long-term capital needs. The adoption of clear and comprehensive financial policies enhances the internal financial management of the City.

The Policy formally establishes parameters for issuing debt and managing a debt portfolio which considers the City's specific capital improvement needs; ability to repay financial obligations; the existing legal, economic, and financial and debt market conditions. Specifically, the policies outlined in this document are intended to assist in the following:

- To guide the City and its managers in policy and debt issuance decisions
- To maintain appropriate capital assets for present and future needs
- To promote sound financial management
- To protect the City's credit rating
- To ensure the legal use of City's debt issuance authority
- To promote cooperation and coordination with other stakeholders in the financing and delivery of services
- To evaluate debt issuance options

III. Issuance Process

The City charter, which was approved by private Act of the Tennessee Legislature as Chapter 126 in 1967, as amended, authorizes the City to issue general obligation bonds subject to the adoption of a bond resolution by the Board of Mayor and Aldermen. Other sections of the Tennessee Code Annotated and the Federal Tax Code may govern the issuance or structure of the City's bonds.

These provisions serve as a basis for the City's affordability guidelines described later in this policy.

IV. Credit Quality and Credit Enhancement

The City's debt management activities will be conducted to receive the highest credit ratings possible, consistent with the City's financing objectives. The Chief Financial Officer will be responsible for maintaining relationships and communicating with the rating agencies that assign ratings to the City's debt. The Chief Financial Officer will provide the rating agencies with periodic updates of the general financial condition of the City. Full disclosure of operations and open lines of communication shall be maintained with the rating agencies. The City, together with the Financial Advisor, shall prepare presentations to the rating agencies to assist credit analysts in making an informed decision. The Chief Financial Officer shall be responsible for determining whether or not a rating shall be requested on a particular financing, and which of the major rating agencies will be asked to provide such rating.

The City will make an annual credit presentation to the Board of Mayor and Aldermen, explaining the City's current rating, rating agency views on the City's performance and current items which may positively or adversely affect the City's General Obligation credit rating.

The City will consider the use of credit enhancements on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when clearly demonstrable savings can be shown shall an enhancement be considered. The City will consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancements:

1. **Bond Insurance**
   The City may purchase bond insurance when such purchase is deemed prudent and advantageous for negotiated sales. The predominant determination shall be based on such insurance being less costly than the present value of the difference in the interest on insured bonds versus uninsured bonds. For competitive sales, the purchaser of the bonds will determine whether bond insurance will be used.

   The City will solicit quotes for bond insurance from interested providers, or in the case of a competitive sale, allow bidders to request bond insurance. In a negotiated sale, the City will select a provider whose bid is most cost effective and whose terms and conditions governing the guarantee are satisfactory to the City. The winning bidder in a competitive sale will determine the provider of bond insurance.

2. **Letters of Credit**
   The City may enter into a letter-of-credit (LOC) agreement when such an agreement is deemed prudent and advantageous. The City will prepare and distribute a request for qualifications to qualified banks or other qualified financial institutions which includes terms and conditions that are acceptable to the City.

V. Debt Affordability

The ratios and standards identified below are intended to provide guidelines which permit and facilitate long-term access to capital while ensuring that financial leveraging decisions do not negatively impact the City's annual operations. The City shall consider the ability to repay debt as it relates to the total budget resources, the wealth and income of the community and the property tax base:

Debt Affordability Ratios	**Benchmarks**

(I.) Total Budget Resources: 1.Debt Service as a Percent of Operating Expenditures – *Measures debt liability relative to total budget resources*	**Total GO Debt** **< 12%** **Less Self-Supporting Debt** **<8%**
Supporting Data	S&P (04/08) cites <8% as low, 8%-15% as moderate Moody's, 2008 AAA Cities, Population 50k-100k Median @ 8.97%
Brentwood @	11.40%
Germantown @	8.00%
Franklin - Total GO Debt @	**9.78%**
Franklin - Less Self-Supporting @	**4.77%**
Chattanooga @ [AA/AA+]	9.14%
Clarksville @ [Aa3]	17.05%
Murfreesboro @ [A1]	17.31%
Alpharetta, GA @	21.00%
Dublin, OH @	11.37%
Naperville, IL @	6.69%

(II.) Wealth and Income of Community: 2. Direct Debt Per Capita – *Measures net debt to population*		**< $2,000**
Supporting Data		S&P (4/08) cites < $1,000 as very low, $1,000-$2,000 as low and $2,000-$3,000 as moderate
Brentwood @	$	669.70
Germantown @	$	535.30
Franklin - Total GO Debt @	**$**	**1,442.88**
Franklin - Less Self-Supporting @	**$**	**799.01**
Chattanooga @ [AA/AA+]	$	566.84
Clarksville @ [Aa3]	$	383.30
Murfreesboro @ [A1]	$	1,865.21
Alpharetta, GA @	$	941.43
Dublin, OH @	$	999.90
Naperville, IL @	$	587.40

2b. Per Capita Debt/Per Capita Income – *Measures each person's estimated ability to back their portion of debt based on personal income per capita*	**< 3.00%**
Supporting Data	
Brentwood @	1.22%
Germantown @	0.87%
Franklin - Total GO Debt @	**2.78%**
Franklin - Less Self-Supporting @	**1.54%**
Chattanooga @ [AA/AA+]	1.74%
Clarksville @ [Aa3]	0.96%
Murfreesboro @ [A1]	5.95%
Alpharetta, GA @	2.02%
Dublin, OH @	2.43%
Naperville, IL @	1.48%

(III) Property Tax Base: 3. Direct Debt as a % of Market Value – the government's jurisdiction *Overall Net Debt divided by the fiscal year or most recent Total Full Value – Measures the overall debt to all taxable property within the government's jurisdiction*	**0.4% - 0.8%**
Supporting Data	Moody's, 2008 AAA Cities, Population 50k-100k Median @ 0.5%
Brentwood @	0.3%
Germantown @	0.4%
Franklin - Total GO Debt @	**1.0%**
Franklin - Less Self-Supporting @	**0.6%**
Chattanooga @ [AA/AA+]	0.7%
Clarksville @ [Aa3]	0.8%
Murfreesboro @ [A1]	2.5%
Alpharetta, GA @	0.4%
Dublin, OH @	0.7%
Naperville, IL @	0.4%

3b. Debt Burden (Overall Net Debt as a % of Market Value) – *Measures the overall debt burden to the taxable market value of the tax base*	**3% - 6%**
Supporting Data	S&P (04/08) cites < 3% as low, 3%-6% as moderate Moody's 2008 AAA Cities, Population 50k-100k, Median @ 1.77%
Brentwood @	2.05%
Germantown @	3.32%
Franklin - Total GO Debt @	**3.47%**
Chattanooga @ [AA/AA+]	1.80%
Clarksville @ [Aa3]	4.56%
Murfreesboro @ [A1]	4.51%
Alpharetta, GA @	0.68%
Dublin, OH @	0.76%
Naperville, IL @	2.27%

VI. Bond Structure

The City shall establish all terms and conditions relating to the issuance of bonds and will invest all bond proceeds pursuant to the terms of the City's Investment Policy. Unless otherwise authorized by the City, the following shall serve as the Policy for determining structure:

1. **Term**
   All capital improvements financed through the issuance of debt will be financed for a period not to exceed the useful life of the improvements, and in consideration of the ability of the City to absorb the additional debt service expense within the debt affordability guidelines, but in no event will the term exceed thirty (30) years.

2. **Capitalized Interest**
   From time to time certain financings may require the use of capitalized interest from the issuance date until the City has beneficial use and/or occupancy of the financed project. Interest may be financial (capitalized) through a period permitted by federal law and State statute if it is determined that doing so is beneficial to the financing by the Chief Financial Officer.

3. **Debt Service Structure**
   General Obligation debt issuance shall be planned to achieve relatively net level debt service or level principal amortization considering the City's outstanding debt obligations, while matching debt service to the useful life of facilities. The City shall avoid the use of bullet or balloon maturities, absent sinking fund requirements, except in those instances where these maturities serve to make existing overall debt service level or to match a specific income stream.

   Debt which is supported by project revenues and is intended to be self-supporting will be structured to achieve level proportional coverage to expected available revenues.

4. **Call Provisions**
   In general, the City's securities will include a call feature no later than ten (10) years from the date of delivery of the bonds. The City will avoid the sale of long-term non-callable bonds absent careful evaluation by the City's Chief Financial Officer with respect to the value of the call option.

5. **Original Issuance Discount/Premium**
   Bonds with original issuance discount/premium will be permitted.

6. **Deep Discount Bonds**
   Deep discount bonds may provide a lower cost of borrowing in certain capital markets. The City's Chief Financial Officer will carefully consider their value and effect on any future refinancing as a result of the lower-than-market coupon.

7. **Structured Products**
   The determination of the City to consider the use of structured products as a hedge against interest rate risk or a method to lower its cost of borrowing will be made by the Chief Financial Officer. The City will comply with state guidelines and will be able to quantify and understand the potential risks or to achieve fixed and/or variable rate exposure targets. The City will not use structured products for speculative purposes.

VII. Types of Debt

When the City determines that the use of debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued.

Security Structure

1. **General Obligation Bonds**
   The City may issue general obligation bonds supported by the full faith and credit of the City. General Obligation bonds shall be used to finance capital projects that do not have independent creditworthiness and significant ongoing revenue streams. The City may also use its General Obligation pledge to support other revenue-supported bond issues, if such support improves the economics of the other bond issue and is used in accordance with these guidelines. The City may also issue General Obligation bonds to obtain funding for certain unfunded pension liabilities, subject to TCA 9-21-105(4) and 9-21-127.

2. **Revenue Bonds**
   The City may issue revenue bonds, where repayment of the debt service obligations of the bonds will be made through revenues generated from specifically designated sources. Revenue bonds will typically be issued for capital projects which can be supported from project or enterprise-related revenues.

3. **Capital Leases**
   The City may use capital leases to finance short-term projects.

Duration

1. **Long-Term Debt (maturing after 3 years)**
   The City may issue long-term debt where it is deemed that capital improvements should not be financed from current revenues or short-term borrowings. Long-term borrowing will not be used to finance current operations or normal maintenance. Long-term debt will be self-supporting and structured such that financial obligations do not exceed the expected useful life of the project(s).

   a) *Serial and Term Bonds* may be issued in either fixed or variable rate modes to finance capital infrastructure projects with an expected life of three years or greater.

   b) *Capital Outlay Notes* may be issued to finance capital infrastructure projects with an expected life of three to seven years.

2. **Short-Term Debt (maturing within three years)**
   Short-term borrowing may be utilized for the construction period of a long-term project or for the temporary funding of operational cash flow deficits or anticipated revenues (defined as an assured source with the anticipated amount based on conservative estimates) subject to the following policies:

   a) *Bond Anticipation Notes (BANs)*, including commercial paper notes issued as BANs, may be issued instead of capitalizing interest to reduce the debt service during the construction period of a project or facility. The BANs shall not mature more than 2 years from the date of issuance. BANs can be rolled in accordance with federal law and State statute. BANs shall mature within 6 months after substantial completion of the financed facility.

   b) *Revenue Anticipation Notes (RANs) and Tax Anticipation Notes (TANs)* shall be issued only to meet cash flow needs consistent with a finding by bond counsel that the sizing of the issue fully conforms to Federal IRS and state requirements and limitations.

c) *Lines of Credit* shall be considered as an alternative to other short-term borrowing options. A *line* of credit shall be structured to limit concerns as to the Internal Revenue Code.

d) *Intrafund Loans* shall only be used to fund operational deficiencies among accounts or for capital projects to be paid from current fiscal year revenues. Such intrafund loans shall in no event extend beyond twelve (12) months and shall only be issued in compliance with state regulations and limitations.

e) *Other Short-Term Debt*, including commercial paper notes, may be used when it provides an interest rate advantage or as interim financing until market conditions are more favorable to issue debt in a fixed rate mode. The City will determine and utilize the least costly method for short-term borrowing. The City may issue short-term debt when there is a defined repayment source or amortization of principal.

Interest Rate Modes

Fixed Rate Debt

To maintain a predictable debt service burden, the City may give preference to debt that carries a fixed interest rate.

Variable Rate Debt

The percentage of net variable rate debt outstanding (excluding (1) debt which has been converted to synthetic fixed rate debt and (2) an amount of debt considered to be naturally hedged to short-term assets in the Unreserved Fund Balance) shall not exceed 20% of the City's total outstanding debt and will take into consideration the amount and investment strategy of the City's operating cash.

1. The following circumstances may result in the consideration of issuing variable rate debt:

a) Asset-Liability Matching

b) Construction Period Funding

c) High Interest Rates. Interest rates are above historic averages.

d) Variable Revenue Stream. The revenue stream for repayment is variable, and is anticipated to move in the same direction as market-generated variable interest rates, or the dedication of revenues allows capacity for variability.

e) Adequate Safeguards Against Risk. Financing structure and budgetary safeguards are in place to prevent adverse impacts from interest rate shifts; such structures could include, but are not limited to, interest rate caps and short-term cash investments in the City's General Fund.

f) Financial Advisor Analysis. An analysis from the City's Financial Advisor evaluating and quantifying the risks and returns involved in the variable rate financing and recommending variable rate as the lowest cost option.

g) *As a Component to Synthetic Fixed Rate Debt.* Variable rate bonds may be used in conjunction with a financial strategy, which results in synthetic fixed rate debt. Prior to using synthetic fixed rate debt, the City shall certify that present value savings of at least 3% results from issuing synthetic fixed rate debt relative to traditional fixed rate debt.

VIII. Use of Synthetic Debt

The Chief Financial Officer will determine whether the use of synthetic debt is appropriate and will comply with the state statutes regulating the use of synthetic debt.

Swaps are appropriate to use when they achieve a specific objective consistent with overall financial policy. Swaps may be used, for example, to lock-in a current market fixed rate or create additional variable rate exposure. Swaps may be used to produce interest rate savings, alter the pattern of debt service payments, or for asset/liability matching purposes. Swaps may be used to cap, limit or hedge variable rate payments.

Options granting the right to commence or cancel an underlying swap may be used to the extent the swap itself is otherwise consistent with these guidelines; however, the Chief Financial Officer must determine if the use of any such option is appropriate and warranted given the potential benefit, risks, and objectives of the City.

IX. Refinancing Outstanding Debt

The Chief Financial Officer with assistance from the City's Financial Advisor shall have the responsibility to analyze outstanding bond issues for refunding opportunities. The Chief Financial Officer will consider the following issues when analyzing possible refunding opportunities:

1. **Debt Service Savings**
   Absent other compelling considerations such as the opportunity to eliminate onerous or restrictive covenants contained in existing debt documents, the Chief Financial Officer establishes a minimum present value savings threshold of 3.0% of the advanced refunded bond principal amount. The present value savings will be net of all costs related to the refinancing. If present value savings is less than 3.0%, the Chief Financial Officer may consider the option value captured as a percent of total savings. If the option value exceeds 70% and present value savings is less than 3.0%, the Chief Financial Officer may opt to complete a refunding. If the present value savings per maturity is at least 3.0% but less than 70% of the option value, the Chief Financial Officer may opt to complete a refunding. The decision to take savings on an upfront or deferred basis must be explicitly approved by the Board of Mayor and Alderman. Current refunding opportunities will be considered by the Chief Financial Officer if the refunding generates positive present value savings.

2. **Restructuring for economic purposes**
   The City will refund debt when it is in the best financial interest of the City to do so. Such refunding will be limited to restructuring to meet unanticipated revenue expectations, achieve cost savings, mitigate irregular debt service payments, release reserve funds or remove unduly restrictive bond covenants.

3. **Term of Refunding Issues**
   The City will refund bonds within the term of the originally issued debt. However, the Chief Financial Officer may consider maturity extension, when necessary to achieve a desired outcome, provided that such extension is legally permissible. The Chief Financial Officer may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter-generational equity should guide this decision.

4. **Escrow Structuring**
   The City shall utilize the least costly securities available in structuring refunding escrows. In the case of open market securities, a certificate will be provided by a third party agent, who is not a broker-dealer stating that the securities were procured through an arms-length, competitive bid process, that such securities were more cost effective than State and Local Government Obligations (SLGS), and that the price paid for the securities was reasonable within Federal guidelines. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the City from its own account.

5. **Arbitrage**
   The City shall take all necessary steps to optimize escrows and to avoid negative arbitrage in its refunding subject to the City's investment policies. Any positive arbitrage will be rebated as necessary according to Federal guidelines.

X. Methods of Issuance

The City or its designee will determine the method of issuance on a case-by-case basis.

1. **Competitive Sale**
   In a competitive sale, the City's bonds shall be awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale.

2. **Negotiated Sale**
   While the City prefers the use of a competitive process, the City recognizes that some securities are best sold through negotiation. In its consideration of a negotiated sale, the City shall assess the following circumstances:

   a. State prohibitions against negotiated sales,

   b. A structure which may require a strong pre-marketing effort such as a complex transaction or a "story" bond,

   c. Size of the issue which may limit the number of potential bidders,

   d. Market volatility is such that the City would be better served by flexibility in timing a sale,

   e. Whether the Bonds are issued as variable rate demand obligations,

   f. Whether an idea or financing structure is a proprietary product of a single firm.

3. **Private Placement**
   From time to time the City may elect to privately place its debt. Such placement shall only be considered if this method is demonstrated to result in a cost savings to the City relative to other methods of debt issuance.

XI. Underwriter Selection (Negotiated Transaction)

Senior Manager Selection
The Board of Mayor and Alderman or its designee shall select the senior manager for a proposed negotiated sale. If there is no financial advisor, the underwriter in a publicly offered, negotiated sale shall be required to provide pricing information both as to interest rates and to takedown per maturity to the Board of Mayor and Alderman or its designated official in advance of the pricing of the debt.

The selection criteria shall include but not be limited to the following:

- The firm's ability and experience in managing complex transactions
- Prior knowledge and experience with the City
- The firm's willingness to risk capital and demonstration of such risk
- Quality and experience of personnel assigned to the City's engagement
- Financing ideas presented
- Underwriting fees

Co-Manager Selection
Co-managers will be selected on the same basis as the senior manager. In addition to their qualifications, co-managers appointed to specific transactions will be a function of transaction size and the necessity to ensure maximum distribution of the City's bonds.

Selling Groups
The City may use selling groups in certain transactions. To the extent that selling groups are used, the Chief Financial Officer at his or her discretion may make appointments to selling groups as the transaction dictates.

Underwriter's Counsel
In any negotiated sale of City debt in which legal counsel is required to represent the underwriter, the appointment will be made by the Senior Manager with input from the City.

Underwriter's Discount
The Chief Financial Officer will evaluate the proposed underwriter's discount against comparable issues in the market. If there are multiple underwriters in the transaction, the Chief Financial Officer will determine the allocation of fees with respect to the management fee, if any. The determination will be based upon participation in the structuring phase of the transaction.

All fees and allocation of the management fee will be determined prior to the sale date; a cap on management fee, expenses and underwriter's counsel will be established and communicated to all parties by the Chief Financial Officer. The senior manager shall submit an itemized list of expenses charged to members of the underwriting group. Any additional expenses must be substantiated.

Evaluation of Underwriter Performance
The Chief Financial Officer with assistance of an independent Financial Advisor will evaluate each bond sale after completion to assess the following: costs of issuance including underwriters' compensation, pricing of the bonds in terms of the overall interest cost and on a maturity-by-maturity basis, and the distribution of bonds and sales credits.

Following each sale, the Chief Financial Officer shall provide a report to the Board of Mayor and Aldermen on the results of the sale.

Syndicate Policies
For each negotiated transaction, the Chief Financial Officer will prepare syndicate policies that will describe the designation policies governing the upcoming sale. The Chief Financial Officer shall ensure receipt of each member's acknowledgement of the syndicate policies for the upcoming sale prior to the sale date.

Designation Policies
To encourage the pre-marketing efforts of each member of the underwriting team, orders for the City's bonds will be net designated, unless otherwise expressly stated. The City shall require the senior manager to:

- Equitably allocate bonds to other managers and the selling group
- Comply with Municipal Securities Rulemaking Board (MSRB) regulations governing the priority of orders and allocations
- Within 10 working days after the sale date, submit to the Chief Financial Officer a detail of orders, allocations and other relevant information pertaining to the City's sale

XII. Consultants

Financial Advisor
The City shall select a financial advisor (or advisors) to assist in its debt issuance and debt administration processes. The City will enter into a written agreement with each person and/or firm serving as financial advisor in debt management and transactions.

In a competitive sale, the financial advisor (*either*):

- shall not be permitted to bid on an issue for which they are or have been providing advisory services; **or**
- may bid on an issue for which they are providing advisory services only if (i) the governing body or designated official grants in writing specific authority on a transaction by transaction basis, (ii) such sale is properly carried out through a widely and publicly advertised sale, during normal bond sale hours, and through an industry standard, electronic bidding platform not requiring verification by the financial advisor, and (iii) the financial advisor fee is separately disclosed and billed from the underwriting fee.

In a publicly offered, negotiated sale, the financial advisor (*either*):

- shall not be permitted to resign as financial advisor in order to underwrite an issue for which they are or have been providing advisory services; **or**

- may resign as financial advisor in advance of negotiations in order to underwrite an issue for which they are or have been providing advisory services.

Selection of the City's financial advisor(s) shall be based on, but not limited to, the following criteria:

- Overall quality of the firm's proposal as an indicator of its probability for success.
- Relevant Financial Advisor experience with municipal government issuers and the public sector.
- Indication that the firm has a broadly based background and is therefore capable of balancing the City's overall needs for continuity and innovation in capital planning and debt financing.
- Experience and demonstrated success as indicated by its listing of current major clients.
- The firm's professional reputation for integrity and compliance with state and federal law.
- Independence from municipal bond underwriting, trading, or other clients, activities, or events which could result in a conflict of interest.
- Professional qualifications and experience of principal employees who will work for the City.
- Commitment to fair and equitable employment practices.
- Significant consideration will be given to the proposed fee structure and estimated costs, but price will not be the sole determining factor.

Financial Advisory Services

Financial advisory services provided to the City shall include, but shall not be limited to the following:

- Advise the City on financial matters relating to proposed capital financing projects.
- Analyze the current debt profile and recommend appropriate changes to ensure correct mix of fixed rate debt, variable rate debt and structured products to accomplish the City's immediate and long-term fiscal objectives.
- Working with the City staff and their legal advisors, prepare Preliminary Official Statement, Official Statement, Notice of Bond Sale and other related documents.
- Advise and assist in presentations to rating agencies.
- Assist the City in obtaining competitive bids from bond underwriters, trustees, paying agents/registrars, printers and escrow verification agents, as necessary.
- In the event the City undertakes negotiated underwritings, the Financial Advisor shall represent the City's interests in all aspects of the negotiated transaction, including underwriter selection, revenue and transaction structuring, credit enhancement and pricing scales.
- Arrange for electronic disclosure and bidding services.
- Develop five and ten year debt strategies that incorporate the City's capital financing plans and revenue constraints. Discuss funding alternatives and cost benefits of proposed

strategies. Determine the City's debt or bonding capacity and the revenue impact of capital projects.

- Assist the City in identifying and obtaining new sources of funding for capital needs such as new revenues, asset sales, state and/or federal grants or incentive programs.
- Assess use of swaps and other structured products, and propose strategies, to meet the City's financing objectives.
- Develop a formal written debt policy, which incorporates the City's financial and operational objectives.
- Conduct necessary analysis and feasibility studies relating to financing of City projects, including cash flows, sources and uses, and sensitivity analysis of variables in a financing, such as interest rate, maturities, and rate of principal redemption.
- Propose innovative financing techniques, which may assist the City in minimizing costs, simplifying debt financing or achieving the City's objectives.
- Provide consultation and research on tax issues faced by the City relative to the financing of public infrastructure.
- Advise the City in complying with and preparing continuing disclosure information pursuant to Security and Exchange Commission rules.
- Cooperate and confer with the City's Bond Counsel and other advisors retained by the City.
- Review all financing documents and advise the City's Chief Financial Officer accordingly.
- Undertake such additional actions as will lead to the prompt and successful delivery of the proceeds and the production and availability of bonds.
- Make recommendations on legislation, as requested, which may significantly affect the bond's cost of financing.

Conflict of Interest

The City requires that its consultants and advisors provide objective advice and analysis, maintain the confidentiality of City financial plans, and be free from any conflicts of interest.

Professionals involved in a debt transaction hired or compensated by the City shall be required to disclose to the City existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include that information reasonably sufficient to allow the City to appreciate the significance of the relationships.

Professionals who become involved in the debt transaction as a result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard, electronic bidding platform are not subject to this disclosure. No disclosure is required that would violate any rule or regulation of professional conduct.

Bond Counsel

City debt will include a written opinion by legal counsel affirming that the City is authorized to issue the proposed debt, that the City has met all legal requirements necessary for issuance, and a determination of the proposed debt's federal income tax status. The approving opinion and other documents relating to the issuance of debt will be prepared by counsel with extensive experience in public finance and tax issues. The Counsel will be selected by the City and will enter into an engagement letter agreement with each lawyer and/or law firm representing the City in a debt transaction.

Disclosure by Financing Team Members
All financing team members will be required to provide full and complete disclosure, relative to agreements with other financing team members and outside parties. The disclosure of transactional fees paid to the financing team member (including interest, issuance, continuing, and one-time) shall be disclosed to the City Administrator and the Chief Financial Officer prior to the completion of a transaction. The City Administrator and the Chief Financial Officer shall disclose this information to citizens and the Board of Mayor and Alderman in a timely manner. The extent of disclosure may vary depending on the nature of the transaction. However, in general terms, no agreements shall be permitted which could compromise the firm's ability to provide independent advice which is solely in the City's best interests or which could reasonably be perceived as a conflict of interest.

XIII. Disclosure

The City will provide annual financial and economic information to all Nationally Recognized Municipal Information Repositories (NRMSIRs) designated by the SEC and the State Information Depository (SID). The City will also notify the NRMSIRs and SID of any of the following material events:

- Principal and interest payment delinquencies
- Nonpayment-related defaults
- Unscheduled draws on bond-related reserves
- Unscheduled draws on credit enhancements
- Substitution of credit or liquidity providers or the failure of performance on the part of a liquidity provider
- Adverse tax opinions or events affecting the tax-exempt status of any bonds
- Modifications to rights of bond holders
- Bond calls
- Defeasances
- Matters affecting collateral
- Rating changes

The City will also maintain a system of record keeping and reporting which complies with the arbitrage rebate compliance requirements of the federal tax code.

XIV. Debt Policy Review

The debt policy guidelines outlined herein are only intended to provide general direction regarding the future use and execution of debt, interest rate swaps and options. The City maintains the right to modify these guidelines and may make exceptions to any of them at any time to the extent that the execution of such debt, swap or option achieves City goals.

This policy will be reviewed no less frequently than annually. At that time the Chief Financial Officer will consider any recommendations for any amendments, deletions, additions, improvements or clarification.

CITY OF FRANKLIN

T E N N E S S E E

Debt Management Policy

Prepared by
Public Financial Management
Submitted April 13, 2009
Adopted by Finance Committee, May 21, 2009
Adopted by Board of Mayor & Aldermen, June 23, 2009
Revised 2016

Table of Contents

Introduction

Debt management policies are written guidelines and restrictions that affect the amount and type of debt issued by a state or local government, the issuance process, and the management of a debt portfolio. A debt management policy improves the quality of decisions, provides justification for the structure of debt issuance, identifies policy goals, and demonstrates a commitment to long-term financial planning, including a multi-year capital plan. Adherence to a debt management policy signals to rating agencies and the capital markets that a government is well managed and should meet its obligations in a timely manner.

Debt levels and their related annual costs are important long-term obligations that must be managed within available resources. An effective debt management policy provides guidelines for a government to manage its debt program in line with those resources.

Since the guidelines contained in the Policy require regular updating in order to maintain relevance and to respond to the changes inherent in the capital markets, the City plans to revisit the Policy from time to time.

City of Franklin
Debt Management Policy

I. Policy Statement

In managing its debt, it is the City's policy to:

- Achieve the lowest cost of capital
- Ensure high credit quality
- Assure access to the capital credit markets
- Preserve financial flexibility
- Manage interest rate risk exposure

II. Goals & Objectives

Debt policies and procedures are tools that ensure that financial resources are adequate to meet the City's long-term planning objectives. In addition, the Debt Management Policy ("Policy") helps to ensure that financings undertaken by the City satisfy certain clear objective standards which allow the City to protect its financial resources in order to meet its long-term capital needs. The adoption of clear and comprehensive financial policies enhances the internal financial management of the City.

The Policy formally establishes parameters for issuing debt and managing a debt portfolio which considers the City's specific capital improvement needs; ability to repay financial obligations; the existing legal, economic, and financial and debt market conditions. Specifically, the policies outlined in this document are intended to assist in the following:

- To guide the City and its managers in policy and debt issuance decisions
- To maintain appropriate capital assets for present and future needs
- To promote sound financial management
- To protect the City's credit rating
- To ensure the legal use of City's debt issuance authority
- To promote cooperation and coordination with other stakeholders in the financing and delivery of services
- To evaluate debt issuance options

III. Issuance Process

The City charter, which was approved by private Act of the Tennessee Legislature as Chapter 126 in 1967, as amended, authorizes the City to issue general obligation bonds subject to the adoption of a bond resolution by the Board of Mayor and Aldermen. Other sections of the Tennessee Code Annotated and the Federal Tax Code may govern the issuance or structure of the City's bonds.

These provisions serve as a basis for the City's affordability guidelines described later in this policy.

IV. Credit Quality and Credit Enhancement

The City's debt management activities will be conducted to receive the highest credit ratings possible, consistent with the City's financing objectives. The Finance Director will be responsible for maintaining relationships and communicating with the rating agencies that assign ratings to the City's debt. The Finance Director will provide the rating agencies with periodic updates of the general financial condition of the City. Full disclosure of operations and open lines of communication shall be maintained with the rating agencies. The City, together with the Financial Advisor, shall prepare presentations to the rating agencies to assist credit analysts in making an informed decision. The Finance Director shall be responsible for determining whether or not a rating shall be requested on a particular financing, and which of the major rating agencies will be asked to provide such rating.

The City will make an annual credit presentation to the Board of Mayor and Aldermen, explaining the City's current rating, rating agency views on the City's performance and current items which may positively or adversely affect the City's General Obligation credit rating.

The City will consider the use of credit enhancements on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when clearly demonstrable savings can be shown shall an enhancement be considered. The City will consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancements:

1. **Bond Insurance**
   The City may purchase bond insurance when such purchase is deemed prudent and advantageous for negotiated sales. The predominant determination shall be based on such insurance being less costly than the present value of the difference in the interest on insured bonds versus uninsured bonds. For competitive sales, the purchaser of the bonds will determine whether bond insurance will be used.

   The City will solicit quotes for bond insurance from interested providers, or in the case of a competitive sale, allow bidders to request bond insurance. In a negotiated sale, the City will select a provider whose bid is most cost effective and whose terms and conditions governing the guarantee are satisfactory to the City. The winning bidder in a competitive sale will determine the provider of bond insurance.

2. **Letters of Credit**
   The City may enter into a letter-of-credit (LOC) agreement when such an agreement is deemed prudent and advantageous. The City will prepare and distribute a request for qualifications to qualified banks or other qualified financial institutions which includes terms and conditions that are acceptable to the City.

V. Debt Affordability

The ratios and standards identified below are intended to provide guidelines which permit and facilitate long-term access to capital while ensuring that financial leveraging decisions do not negatively impact the City's annual operations. The City shall consider the ability to repay debt as it relates to the total budget resources and the property tax base:

Total Budget Resources

- Net Direct Debt divided by Operating Revenues $\leq$ 3.00X

As defined by Moody's US Local Government General Obligation Debt report dated January 15, 2014.

- Total Governmental Funds Debt Service as a percent of Expenditures $\leq$ 25%

As defined by Standard & Poor's U.S. Local Governments General Obligation Ratings: Methodology and Assumptions dated September 12, 2013.

Property Tax Base

- Net Direct Debt as a percent of Full Value (Market or Taxable Value) $\leq$ 1.75%

As defined by Moody's US Local Government General Obligation Debt report dated January 15, 2014.

As part of the City's effort to manage these metrics and the impact such have on the City's credit rating, the City, along with its Financial Advisor, will calculate the indicative ratings per Moody's and S&P's applicable local government criteria.

VI. Bond Structure

The City shall establish all terms and conditions relating to the issuance of bonds and will invest all bond proceeds pursuant to the terms of the City's Investment Policy. Unless otherwise authorized by the City, the following shall serve as the Policy for determining structure:

1. **Term**
   All capital improvements financed through the issuance of debt will be financed for a period not to exceed the useful life of the improvements, and in consideration of the ability of the City to absorb the additional debt service expense within the debt affordability guidelines, but in no event will the term exceed thirty (30) years.

2. **Capitalized Interest**
   From time to time certain financings may require the use of capitalized interest from the issuance date until the City has beneficial use and/or occupancy of the financed project. Interest may be financial (capitalized) through a period permitted by federal law and State statute if it is determined that doing so is beneficial to the financing by the Finance Director.

3. **Debt Service Structure**
   General Obligation debt issuance shall be planned to achieve relatively net level debt service or level principal amortization considering the City's outstanding debt obligations, while matching debt service to the useful life of facilities. The City shall avoid the use of bullet or balloon maturities, absent sinking fund requirements, except in those instances where these maturities serve to make existing overall debt service level or to match a specific income stream. Debt which is supported by project revenues and is intended to be self-supporting will be structured to achieve level proportional coverage to expected available revenues.

4. **Call Provisions**
   In general, the City's securities will include a call feature no later than ten (10) years from the date of delivery of the bonds. The City will avoid the sale of long-term non-callable bonds absent careful evaluation by the City's Finance Director with respect to the value of the call option.

5. **Original Issuance Discount/Premium**
   Bonds with original issuance discount/premium will be permitted.

6. **Deep Discount Bonds**
   Deep discount bonds may provide a lower cost of borrowing in certain capital markets. The City's Finance Director will carefully consider their value and effect on any future refinancing as a result of the lower-than-market coupon.

7. **Structured Products**
   The determination of the City to consider the use of structured products as a hedge against interest rate risk or a method to lower its cost of borrowing will be made by the Finance Director. The City will comply with state guidelines and will be able to quantify and understand the potential risks or to achieve fixed and/or variable rate exposure targets. The City will not use structured products for speculative purposes.

VII. Types of Debt

When the City determines that the use of debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued.

Security Structure

1. **General Obligation Bonds**
   The City may issue general obligation bonds supported by the full faith and credit of the City. General Obligation bonds shall be used to finance capital projects that do not have independent creditworthiness and significant ongoing revenue streams. The City may also use its General Obligation pledge to support other revenue-supported bond issues, if such support improves the economics of the other bond issue and is used in accordance with these guidelines.

2. **Revenue Bonds**
   The City may issue revenue bonds, where repayment of the debt service obligations of the bonds will be made through revenues generated from specifically designated sources. Revenue bonds will typically be issued for capital projects which can be supported from project or enterprise-related revenues.

3. **Capital Leases**
   The City may use capital leases to finance short-term projects.

Duration

1. **Long-Term Debt (maturing after 3 years)**
   The City may issue long-term debt where it is deemed that capital improvements should not be financed from current revenues or short-term borrowings. Long-term borrowing will not be used to finance current operations or normal maintenance. Long-term debt will be self-supporting and structured such that financial obligations do not exceed the expected useful life of the project(s).

a) *Serial and Term Bonds* may be issued in either fixed or variable rate modes to finance capital infrastructure projects with an expected life of three years or greater.

b) *Capital Outlay Notes* may be issued to finance capital infrastructure projects with an expected life of three to seven years.

2. Short-Term Debt (maturing within three years)

Short-term borrowing may be utilized for the construction period of a long-term project or for the temporary funding of operational cash flow deficits or anticipated revenues (defined as an assured source with the anticipated amount based on conservative estimates) subject to the following policies:

a) *Bond Anticipation Notes (BANs)*, including commercial paper notes issued as BANs, may be issued instead of capitalizing interest to reduce the debt service during the construction period of a project or facility. The BANs shall not mature more than 2 years from the date of issuance. BANs can be rolled in accordance with federal law and State statute. BANs shall mature within 6 months after substantial completion of the financed facility.

b) *Revenue Anticipation Notes (RANs) and Tax Anticipation Notes (TANs)* shall be issued only to meet cash flow needs consistent with a finding by bond counsel that the sizing of the issue fully conforms to Federal IRS and state requirements and limitations.

c) *Lines of Credit* shall be considered as an alternative to other short-term borrowing options. A *line* of credit shall be structured to limit concerns as to the Internal Revenue Code.

d) *Intrafund Loans* shall only be used to fund operational deficiencies among accounts or for capital projects to be paid from current fiscal year revenues. Such intrafund loans shall in no event extend beyond twelve (12) months and shall only be issued in compliance with state regulations and limitations.

e) *Other Short-Term Debt*, including commercial paper notes, may be used when it provides an interest rate advantage or as interim financing until market conditions are more favorable to issue debt in a fixed rate mode. The City will determine and utilize the least costly method for short-term borrowing. The City may issue short-term debt when there is a defined repayment source or amortization of principal.

Interest Rate Modes

Fixed Rate Debt

To maintain a predictable debt service burden, the City may give preference to debt that carries a fixed interest rate.

Variable Rate Debt

The percentage of <u>net</u> variable rate debt outstanding (excluding (1) debt which has been converted to synthetic fixed rate debt and (2) an amount of debt considered to be naturally hedged to short-term assets in the Unreserved Fund Balance) shall not exceed 20% of the

City's total outstanding debt and will take into consideration the amount and investment strategy of the City's operating cash.

1. The following circumstances may result in the consideration of issuing variable rate debt:
   a) *Asset-Liability Matching*
   b) *Construction Period Funding*
   c) *High Interest Rates.* Interest rates are above historic averages.
   d) *Variable Revenue Stream.* The revenue stream for repayment is variable, and is anticipated to move in the same direction as market-generated variable interest rates, or the dedication of revenues allows capacity for variability.
   e) *Adequate Safeguards Against Risk.* Financing structure and budgetary safeguards are in place to prevent adverse impacts from interest rate shifts; such structures could include, but are not limited to, interest rate caps and short-term cash investments in the City's General Fund.
   f) *Financial Advisor Analysis.* An analysis from the City's Financial Advisor evaluating and quantifying the risks and returns involved in the variable rate financing and recommending variable rate as the lowest cost option.
   g) *As a Component to Synthetic Fixed Rate Debt.* Variable rate bonds may be used in conjunction with a financial strategy, which results in synthetic fixed rate debt. Prior to using synthetic fixed rate debt, the City shall certify that present value savings of at least 3% results from issuing synthetic fixed rate debt relative to traditional fixed rate debt.

VIII. Use of Synthetic Debt

The Finance Director will determine whether the use of synthetic debt is appropriate and will comply with the state statutes regulating the use of synthetic debt.

Swaps are appropriate to use when they achieve a specific objective consistent with overall financial policy. Swaps may be used, for example, to lock-in a current market fixed rate or create additional variable rate exposure. Swaps may be used to produce interest rate savings, alter the pattern of debt service payments, or for asset/liability matching purposes. Swaps may be used to cap, limit or hedge variable rate payments.

Options granting the right to commence or cancel an underlying swap may be used to the extent the swap itself is otherwise consistent with these guidelines; however, the Finance Director must determine if the use of any such option is appropriate and warranted given the potential benefit, risks, and objectives of the City.

IX. Refinancing Outstanding Debt

The Finance Director with assistance from the City's Financial Advisor shall have the responsibility to analyze outstanding bond issues for refunding opportunities. The Finance Director will consider the following issues when analyzing possible refunding opportunities:

1. **Debt Service Savings**
Absent other compelling considerations such as the opportunity to eliminate onerous or restrictive covenants contained in existing debt documents, the Finance Director establishes a minimum present value savings threshold of 3.0% of the advanced refunded bond principal amount. The present value savings will be net of all costs related to the refinancing. If present value savings is less than 3.0%, the Finance Director may consider the option value captured as a percent of total savings. If the option value exceeds 70% and present value savings is less than 3.0%, the Finance Director may opt to complete a refunding. If the present value savings per maturity is at least 3.0% but less than 70% of the option value, the Finance Director may opt to complete a refunding. The decision to take savings on an upfront or deferred basis must be explicitly approved by the Board of Mayor and Alderman. Current refunding opportunities will be considered by the Finance Director if the refunding generates positive present value savings.

2. **Restructuring for economic purposes**
The City will refund debt when it is in the best financial interest of the City to do so. Such refunding will be limited to restructuring to meet unanticipated revenue expectations, achieve cost savings, mitigate irregular debt service payments, release reserve funds or remove unduly restrictive bond covenants.

3. **Term of Refunding Issues**
The City will refund bonds within the term of the originally issued debt. However, the Finance Director may consider maturity extension, when necessary to achieve a desired outcome, provided that such extension is legally permissible. The Finance Director may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter-generational equity should guide this decision.

4. **Escrow Structuring**
The City shall utilize the least costly securities available in structuring refunding escrows. In the case of open market securities, a certificate will be provided by a third party agent, who is not a broker-dealer stating that the securities were procured through an arms-length, competitive bid process, that such securities were more cost effective than State and Local Government Obligations (SLGS), and that the price paid for the securities was reasonable within Federal guidelines. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the City from its own account.

5. **Arbitrage**
The City shall take all necessary steps to optimize escrows and to avoid negative arbitrage in its refunding subject to the City's investment policies. Any positive arbitrage will be rebated as necessary according to Federal guidelines.

X. Methods of Issuance

The City or its designee will determine the method of issuance on a case-by-case basis.

1. **Competitive Sale**
In a competitive sale, the City's bonds shall be awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale.

The City's Financial Advisor shall not be permitted to bid on the City's competitive bond sale.

2. **Negotiated Sale**
While the City prefers the use of a competitive process, the City recognizes that some securities are best sold through negotiation. In its consideration of a negotiated sale, the City shall assess the following circumstances:

a. State prohibitions against negotiated sales,
b. A structure which may require a strong pre-marketing effort such as a complex transaction or a "story" bond,
c. Size of the issue which may limit the number of potential bidders,
d. Market volatility is such that the City would be better served by flexibility in timing a sale,
e. Whether the Bonds are issued as variable rate demand obligations,
f. Whether an idea or financing structure is a proprietary product of a single firm.

The City's Financial Advisor shall not be permitted to serve as the underwriter on the City's negotiated bond sale.

3. **Private Placement**
From time to time the City may elect to privately place its debt. Such placement shall only be considered if this method is demonstrated to result in a cost savings to the City relative to other methods of debt issuance.

The City's Financial Advisor shall not be permitted to purchase the City's debt through a private placement.

XI. Underwriter Selection (Negotiated Transaction)

Senior Manager Selection
The Board of Mayor and Alderman or its designee shall select the senior manager for a proposed negotiated sale. The selection criteria shall include but not be limited to the following:

- The firm's ability and experience in managing complex transactions
- Prior knowledge and experience with the City
- The firm's willingness to risk capital and demonstration of such risk
- Quality and experience of personnel assigned to the City's engagement
- Financing ideas presented
- Underwriting fees

Co-Manager Selection
Co-managers will be selected on the same basis as the senior manager. In addition to their qualifications, co-managers appointed to specific transactions will be a function of transaction size and the necessity to ensure maximum distribution of the City's bonds.

Selling Groups

The City may use selling groups in certain transactions. To the extent that selling groups are used, the Finance Director at his or her discretion may make appointments to selling groups as the transaction dictates.

Underwriter's Counsel

In any negotiated sale of City debt in which legal counsel is required to represent the underwriter, the appointment will be made by the Senior Manager with input from the City.

Underwriter's Discount

The Finance Director will evaluate the proposed underwriter's discount against comparable issues in the market. If there are multiple underwriters in the transaction, the Finance Director will determine the allocation of fees with respect to the management fee, if any. The determination will be based upon participation in the structuring phase of the transaction.

All fees and allocation of the management fee will be determined prior to the sale date; a cap on management fee, expenses and underwriter's counsel will be established and communicated to all parties by the Finance Director. The senior manager shall submit an itemized list of expenses charged to members of the underwriting group. Any additional expenses must be substantiated.

Evaluation of Underwriter Performance

The Finance Director with assistance of an independent Financial Advisor will evaluate each bond sale after completion to assess the following: costs of issuance including underwriters' compensation, pricing of the bonds in terms of the overall interest cost and on a maturity-by-maturity basis, and the distribution of bonds and sales credits.

Following each sale, the Finance Director shall provide a report to the Board of Mayor and Aldermen on the results of the sale.

Syndicate Policies

For each negotiated transaction, the Finance Director will prepare syndicate policies that will describe the designation policies governing the upcoming sale. The Finance Director shall ensure receipt of each member's acknowledgement of the syndicate policies for the upcoming sale prior to the sale date.

Designation Policies

To encourage the pre-marketing efforts of each member of the underwriting team, orders for the City's bonds will be net designated, unless otherwise expressly stated. The City shall require the senior manager to:

- Equitably allocate bonds to other managers and the selling group
- Comply with Municipal Securities Rulemaking Board (MSRB) regulations governing the priority of orders and allocations
- Within 10 working days after the sale date, submit to the Finance Director a detail of orders, allocations and other relevant information pertaining to the City's sale

XII. Consultants

Financial Advisor

The City shall select a financial advisor (or advisors) to assist in its debt issuance and debt administration processes. Selection of the City's financial advisor(s) shall be based on, but not limited to, the following criteria:

- Overall quality of the firm's proposal as an indicator of its probability for success.
- Relevant Financial Advisor experience with municipal government issuers and the public sector.
- Indication that the firm has a broadly based background and is therefore capable of balancing the City's overall needs for continuity and innovation in capital planning and debt financing.
- Experience and demonstrated success as indicated by its listing of current major clients.
- The firm's professional reputation for integrity and compliance with state and federal law.
- Independence from municipal bond underwriting, trading, or other clients, activities, or events which could result in a conflict of interest.
- Professional qualifications and experience of principal employees who will work for the City.
- Commitment to fair and equitable employment practices.
- Significant consideration will be given to the proposed fee structure and estimated costs, but price will not be the sole determining factor.

Financial Advisory Services

Financial advisory services provided to the City shall include, but shall not be limited to the following:

- Advise the City on financial matters relating to proposed capital financing projects.
- Analyze the current debt profile and recommend appropriate changes to ensure correct mix of fixed rate debt, variable rate debt and structured products to accomplish the City's immediate and long-term fiscal objectives.
- Working with the City staff and their legal advisors, prepare Preliminary Official Statement, Official Statement, Notice of Bond Sale and other related documents.
- Advise and assist in presentations to rating agencies.
- Assist the City in obtaining competitive bids from bond underwriters, trustees, paying agents/registrars, printers and escrow verification agents, as necessary.
- In the event the City undertakes negotiated underwritings, the Financial Advisor shall represent the City's interests in all aspects of the negotiated transaction, including underwriter selection, revenue and transaction structuring, credit enhancement and pricing scales.
- Arrange for electronic disclosure and bidding services.
- Develop five and ten year debt strategies that incorporate the City's capital financing plans and revenue constraints. Discuss funding alternatives and cost benefits of proposed

strategies. Determine the City's debt or bonding capacity and the revenue impact of capital projects.

- Assist the City in identifying and obtaining new sources of funding for capital needs such as new revenues, asset sales, state and/or federal grants or incentive programs.
- Assess use of swaps and other structured products, and propose strategies, to meet the City's financing objectives.
- Develop a formal written debt policy, which incorporates the City's financial and operational objectives.
- Perform annual credit/scorecard calculations using the applicable local government criteria as provided by Moody's and Standard & Poor's.
- Perform bi-annual review of the City's credit/scorecard calculations in comparison to peer cities.
- Conduct necessary analysis and feasibility studies relating to financing of City projects, including cash flows, sources and uses, and sensitivity analysis of variables in a financing, such as interest rate, maturities, and rate of principal redemption.
- Propose innovative financing techniques, which may assist the City in minimizing costs, simplifying debt financing or achieving the City's objectives.
- Provide consultation and research on tax issues faced by the City relative to the financing of public infrastructure.
- Advise the City in complying with and preparing continuing disclosure information pursuant to Security and Exchange Commission rules.
- Cooperate and confer with the City's Bond Counsel and other advisors retained by the City.
- Review all financing documents and advise the City's Finance Director accordingly.
- Undertake such additional actions as will lead to the prompt and successful delivery of the proceeds and the production and availability of bonds.
- Make recommendations on legislation, as requested, which may significantly affect the bond's cost of financing.

Conflict of Interest

The City requires that its consultants and advisors provide objective advice and analysis, maintain the confidentiality of City financial plans, and be free from any conflicts of interest. Specifically, underwriters shall clearly identify itself in writing as an underwriter and not a financial advisor from the earliest stages of its relationship with the City. The underwriter must clarify its primary role as a purchaser of securities in an arms-length commercial transaction and that it has financial and other interests that differ from those of the City.

Bond Counsel

The City shall enter into an engagement letter agreement with the legal counsel representing the City in a debt transaction. City debt will include a written opinion by legal counsel affirming that the City is authorized to issue the proposed debt, that the City has met all legal requirements necessary for issuance, and a determination of the proposed debt's federal income tax status.

The approving opinion and other documents relating to the issuance of debt will be prepared by counsel with extensive experience in public finance and tax issues.

Disclosure by Financing Team Members
All financing team members, and their associated costs to perform such services, either on an on-time or continued basis, will be required to provide full and complete disclosure to the City and its governing body. Any and all Financing Team Members shall also disclose agreements with other financing team members and outside parties. The extent of disclosure may vary depending on the nature of the transaction. However, in general terms, no agreements shall be permitted which could compromise the firm's ability to provide independent advice which is solely in the City's best interests or which could reasonably be perceived as a conflict of interest.

XIII. Disclosure

The City will provide annual financial and economic information to the Electronic Municipal Market Access facility of the Municipal Securities Rulemaking Board. The City will also notify the MSRB of any of the following material events:

- Principal and interest payment delinquencies
- Nonpayment-related defaults
- Unscheduled draws on bond-related reserves
- Unscheduled draws on credit enhancements
- Substitution of credit or liquidity providers or the failure of performance on the part of a liquidity provider
- Adverse tax opinions or events affecting the tax-exempt status of any bonds
- Modifications to rights of bond holders
- Bond calls
- Defeasances
- Matters affecting collateral
- Rating changes

The City will also maintain a system of record keeping and reporting which complies with the arbitrage rebate compliance requirements of the federal tax code.

XIV. Debt Policy Review

The debt policy guidelines outlined herein are only intended to provide general direction regarding the future use and execution of debt, interest rate swaps and options. The City maintains the right to modify these guidelines and may make exceptions to any of them at any time to the extent that the execution of such debt, swap or option achieves City goals.

This policy will be reviewed no less frequently than annually. At that time the Finance Director will consider any recommendations for any amendments, deletions, additions, improvements or clarification.

HISTORIC
FRANKLIN
TENNESSEE

City of Franklin Credit Scorecard & Debt Management Policy

Prepared for the City of Franklin, TN

March 10, 2016

The PFM Group
Financial & Investment Advisors

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Recap and Update

Recap

- In September 2015, PFM presented to the Board of Mayor and Alderman (BOMA) the Moody's and Standard & Poor's local government criteria .
- In November 2015, PFM presented the City's indicative scorecard results to the BOMA.

Update

- PFM has updated the City's indicative scorecard results based on the City's FY 2015 CAFR.
- With this information, we have proposed modifications/modernizations to the City's Debt Management Policy.

Existing Debt Management Policy – Debt Affordability

The City's Debt Management Policy was adopted in June 2009 and addresses Debt Affordability in section V through the following ratios:

- *Debt Service as % of Operating Expenditures;*
- *Debt Per Capita; Per Capita Debt/Per Capita Income;*
- *Debt as % of Property Tax Base (Taxable or Market Value);*
- *Overall Debt as % of Property Tax Base (includes overlapping debt)*

Two of the metrics and the benchmarking used to set such metrics.

Debt Affordability Ratios	Benchmarks	
(I.) Total Budget Resources: 1.Debt Service as a Percent of Operating Expenditures – *Measures debt liability relative to total budget resources*	**Total GO Debt** **< 12%** **Less Self-Supporting Debt** **<8%**	
Supporting Data	S&P (04/08) cites <8% as low, 8%-15% as moderate Moody's, 2008 AAA Cities, Population 50k-100k Median @ 8.97%	
Brentwood @	11.40%	
Germantown @	8.00%	
Franklin - Total GO Debt @	**9.78%**	
Franklin - Less Self-Supporting @	**4.77%**	
Chattanooga @ [AA/AA+]	9.14%	
Clarksville @ [Aa3]	17.05%	
Murfreesboro @ [A1]	17.31%	
Alpharetta, GA @	21.00%	
Dublin, OH @	11.37%	
Naperville, IL @	6.69%	
(II.) Wealth and Income of Community: 2. Direct Debt Per Capita – *Measures net debt to population*	**< $2,000**	
Supporting Data	S&P (4/08) cites < $1,000 as very low, $1,000-$2,000 as low and $2,000-$3,000 as moderate	
Brentwood @	$	669.70
Germantown @	$	535.30
Franklin - Total GO Debt @	**$**	**1,442.88**
Franklin - Less Self-Supporting @	**$**	**799.01**
Chattanooga @ [AA/AA+]	$	566.84
Clarksville @ [Aa3]	$	383.30
Murfreesboro @ [A1]	$	1,865.21
Alpharetta, GA @	$	941.43
Dublin, OH @	$	999.90
Naperville, IL @	$	587.40

Moody's Scorecard Results (as of June 30, 2015)

- The final scores for each metric are assigned a numerical value, and averaged according to their individual weighting.
- Franklin's overall indicated current rating is **Aa1.**
- The indicated rating is one component of Moody's overall rating process, and may not always be the final rating an entity receives due to qualitative "below the line" adjustments.

Current Score Estimates

Category	Weight	Indicated Rating
Economy/Tax Base	30%	1.45
Fund Balance	15%	1.14
Cash Balance	15%	1.89
Management	20%	1.42
Direct Debt	10%	2.55
Pension Liability	10%	1.75
Indicated Rating Score	100%	1.60
Indicated Rating	-	**Aa1**

Indicated Rating	Overall Weighted Score
Aaa	0.5 to 1.5
Aa1	1.5 to 1.83
Aa2	1.83 to 2.17
Aa3	2.17 to 2.5
A1	2.50 to 2.83
A2	2.83 to 3.17
A3	3.17 to 3.5
Baa1	3.50 to 3.83

Indicated Rating	Overall Weighted Score
Baa2	3.83 to 4.17
Baa3	4.17 to 4.50
Ba1	4.50 to 4.83
Ba2	4.83 to 5.17
Ba3	5.17 to 5.50
B1	5.50 to 5.83
B2	5.83 to 6.17
B3	6.17 to 6.50

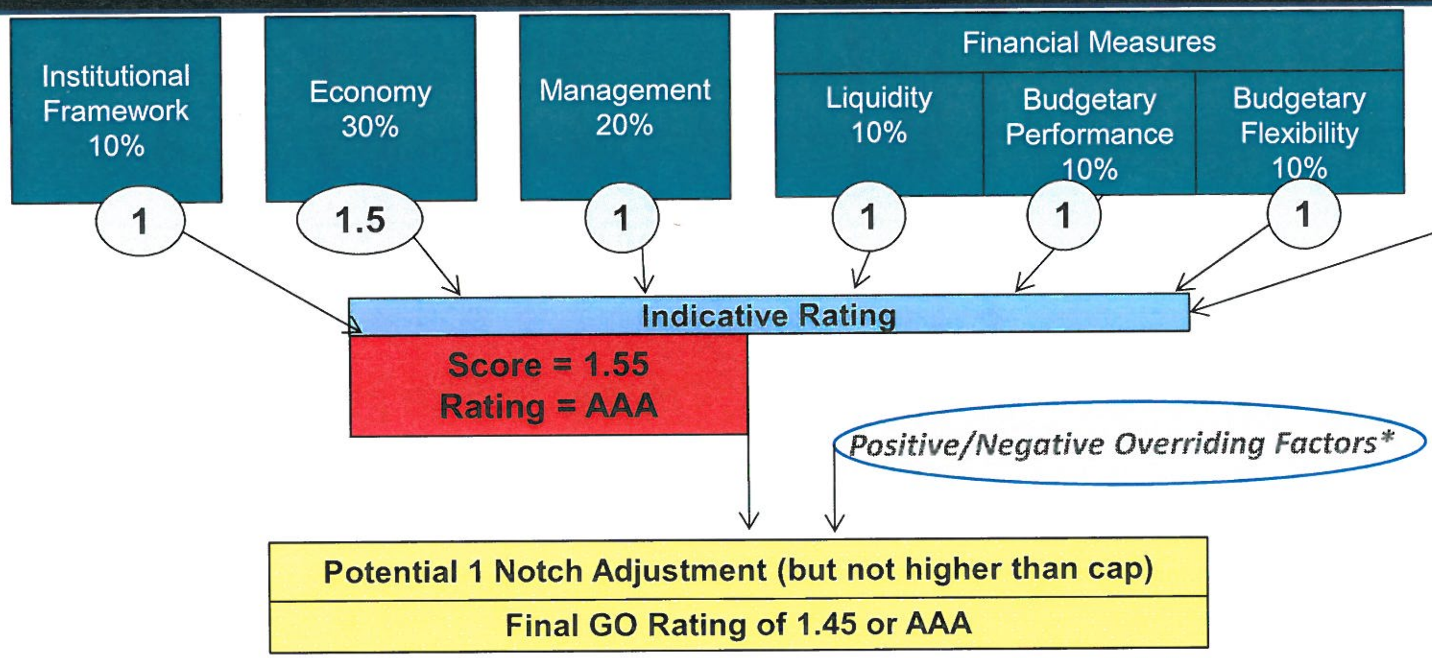
Moody's Scorecard Results - Other Considerations

- A number of other factors do not appear on the scorecard or as a below-the-line adjustment, but are considered in our ratings and are frequent topics of discussion in our analysis*.

  - Per capita income
  - Composition of workforce/employment opportunities
  - Proportion of tax base that is vacant or exempt from taxes
  - Median home value
  - Trend of real estate values
  - Population trends
  - Property tax appeals outstanding
  - Unusually significant tax base declines or growth

*Other Considerations on page 11 of Moody's Rating Methodology: US Local Government General Obligation Debt

S&P Indicative Score (as of June 30, 2015)



Indicative Rating Outcomes Resulting From The Weighted Average Of Seven Factors

Factor Score Weighted Average	Indicative Rating
1.00 – 1.64	AAA
1.65 – 1.94	AA+
1.95 – 2.34	AA
2.35 – 2.84	AA-
2.85 – 3.24	A+
3.25 – 3.64	A
3.65 – 3.94	A-
3.95 – 4.24	BBB+
4.25 – 4.54	BBB
4.55 – 4.74	BBB-

*The rating listed is approximate, and is subject to change based on incorporation of the overriding factors, qualitative considerations, and Standard and Poor's own interpretation of the methodology and its components. For more information on Positive/Negative Overriding Factors please see slide 14.

Proposed Updates to the Debt Management Policy

- The scorecard concept should be used as a tool to understand the factors and weights that impact an issuer's credit rating.
- The City's current Debt Management Policy include several affordability metrics:
  1. Debt Service as % of Operating Expenditures
  2. Debt Per Capita
  3. Per Capita Debt/Per Capita Income
  4. Debt as % of Property Tax Base (Taxable or Market Value)
  5. Overall Debt as % of Property Tax Base (includes overlapping debt)
- Proposal for modernizing the Debt Management Policy based on the rating agencies criteria:
  1. Direct debt as a % of Full Value $\leq$ 1.75%
  2. Direct debt of Operating Revenues of $\leq$ 3.00X
  3. Total Governmental Funds Debt Service as % of expenditures of $\leq$ 25%
- Proposal to annually calculate the City's indicative ratings per Moody's and S&P's local government criteria
- Proposal to bi-annually review the City's indicative ratings along with peer cities

Appendix

Moody's Scorecard and Below-the-Line Adjustments

Scorecard Category	Weight
Economy/Tax Base	30%
Finances	30%
Management	20%
Debt/Pensions	20%

Economy/Tax Base (30% of total score):

- Institutional presence (positive)
- Regional economic center (positive)
- Economic concentration (negative)
- Outsized unemployment or poverty levels (negative)

Finances (30% of total score):

- Outsized enterprise of contingent liability risk (negative)
- Unusually volatile revenue structure (negative)

Management (20% of total score):

- State oversight or support (positive or negative)
- Unusually strong or weak budget management and planning (positive or negative)

Debt/Pension (20% of total score):

- Unusually strong or weak security features (positive or negative)
- Unusual risk posed by debt structure (negative)
- History of missed debt service payments (negative)

Moody's Economy/Tax Base Score

Scorecard Category	Weight
Economy/Tax Base	30%
Finances	30%
Management	20%
Debt/Pensions	20%

- Franklin's score in the Economy/Tax Base Section is 1.45 (Aaa)
  - The tax base size of $11.4B receives a rating of **Aa**.
  - The tax base per capita of $161,642 receives a rating of **Aaa.**
  - The median family income as a percentage of the US Median of 157.31% receives a rating of **Aaa.**

Economy/Tax Base							
	Aaa	Aa	A	Baa	Ba	B and Below	Weight
Tax Base Size: Full Value	>$12B	$12B≥ n > $1.4B	$1.4B ≥ n > $240M	$240M ≥ n > $120M	$120M ≥ n > $60M	≤ $60M	10%
Tax Base per Capita	>$150,000	$150,000 ≥ n > $65,000	$65,000 ≥ n > $35,000	$35,000 ≥ n > $20,000	$20,000 ≥ n > $10,000	≤ $10,000	10%
Median Family Income as a % of U.S. Median	>150% of US median	150% to 90% of US median	90% to 70% of US median	70% to 50% of US median	50% to 40% of US median	≤ 40% of US median	10%

Moody's Finances Score

Scorecard Category	Weight
Economy/Tax Base	30%
Finances	30%
Management	20%
Debt/Pensions	20%

- Franklin's score in the Finances Section is 1.52 (Aa1)
  - The fund balance as a percentage of revenues of 56.20% receives a rating of **Aaa**.
  - The 5-year dollar change in fund balance as a percentage of revenues of 14.62% receives a rating of **Aa.**
  - The cash balance as a percentage of revenues of 33.16% receives a rating of **Aaa**.
  - The 5-year dollar change in cash balance as a percentage of revenues of -2.75% receives a rating of **Baa.**

Finances							
	Aaa	Aa	A	Baa	Ba	B and Below	Weight
Fund Balance as % of Revenues	>30.0%	30.0% ≥ n > 15.0%	15.0% ≥ n > 5.0%	5.0% ≥ n > 0.0%	0.0% ≥ n > -2.5%	≤ -2.5%	10%
5-Year Dollar Change in Fund Balance as % of Revenues	>25.0%	25.0% ≥ n > 10.0%	10.0% ≥ n > 0.0%	0.0% ≥ n > -10.0%	-10.0% ≥ n > -18.0%	≤-18.0%	10%
Cash Balance as % of Revenues	>25.0%	25.0% ≥ n > 10.0%	10.0% ≥ n > 5.0%	5.0% ≥ n > 0.0%	0.0% ≥ n > -2.5%	≤-2.5%	10%
5-Year Dollar Change in Cash Balance as % of Revenues	>25.0%	25.0% ≥ n > 10.0%	10.0% ≥ n > 0.0%	0.0% ≥ n > -10.0%	-10.0% ≥ n > -18.0%	≤-18.0%	5%

Moody's Management Score

Scorecard Category	Weight
Economy/Tax Base	30%
Finances	30%
Management	20%
Debt/Pensions	20%

- Franklin's score in the Management Section is 1.42 (Aaa)
  - The 5-year average of operating revenues of 1.04X of operating expenditures receives a rating of **Aa**.
  - The institutional framework score is **Aaa**.

Management							
	Aaa	Aa	A	Baa	Ba	B and Below	Weight
Institutional Framework	Very strong legal ability to match resources with spending	Strong legal ability to match resources with spending	Moderate legal ability to match resources with spending	Limited legal ability to match resources with spending	Poor legal ability to match resources with spenidng	Very poor legal ability to match resources with spending	10%
Operating History: 5-Year Average of Operating Revenues/ Operating Expenditures	>1.05x	1.05x ≥ n > 1.02x	1.02x ≥ n > 0.98x	0.98x ≥ n > 0.95x	0.95x ≥ n > 0.92x	≤ 0.92x	10%

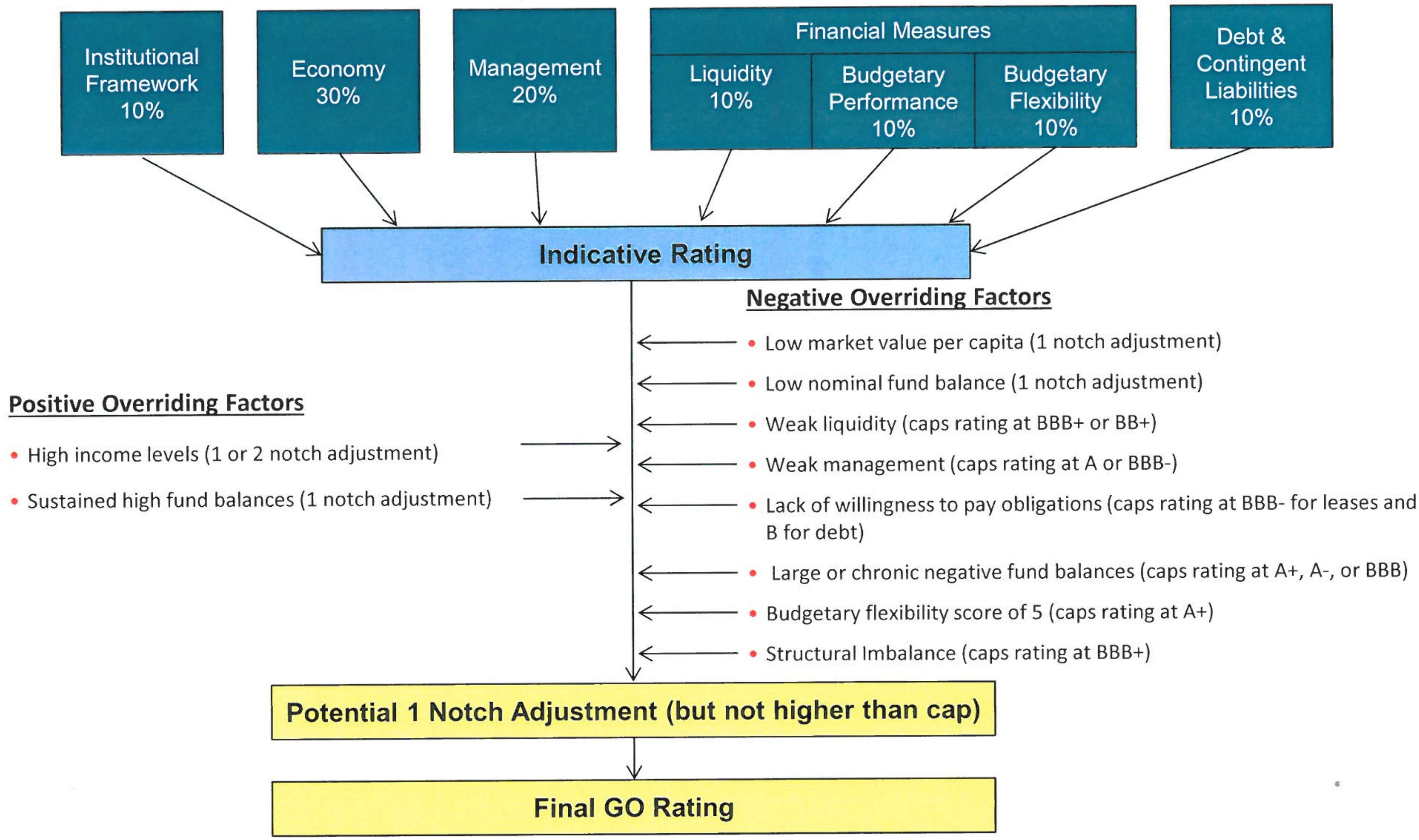
Moody's Debt/Pensions Score

- Franklin's score in the Debt/Pensions Section is 2.15 (Aa2)
  - The net direct debt as a percentage of full value of 1.24% receives a rating of **Aa**.
  - The net direct debt 2.08x of operating revenues receives a rating of **A.**
  - The 3-year average of Moody's Adjusted Net Pension Liability as a percentage of full value of 0.47% receives a rating of **Aaa**.
  - The 3-year average of Moody's Adjusted Net Pension Liability of 0.79x of operating revenues receives a rating of **Aa**.

Scorecard Category	Weight
Economy/Tax Base	30%
Finances	30%
Management	20%
Debt/Pensions	20%

Debt/Pensions							
	Aaa	Aa	A	Baa	Ba	B and Below	Weight
Net Direct Debt/Full Value	<0.75%	0.75% ≤ n < 1.75%	1.75% ≤ n < 4.00%	4.00% ≤ n < 10.00%	10.00% ≤ n < 15.00%	≥ 15.00%	5%
Net Direct Debt/ Operating Revenues	<0.33x	0.33x ≤ n < 0.67x	0.67x ≤ n < 3.00x	3.00x ≤ n < 5.00x	5.00x ≤ n < 7.00x	≥ 7.00x	5%
3-Year Average of Moody's Adjusted Net Pension Liability / Full Value	<0.90%	0.90% ≤ n < 2.10%	2.10% ≤ n < 4.80%	4.80% ≤ n < 12.00%	12.00% ≤ n < 18.00%	≥ 18.00%	5%
3-Year Average of Moody's Adjusted Net Pension Liability / Operating Revenues	<0.40x	0.40x ≤ n < 0.80x	0.80x ≤ n < 3.60x	3.60x ≤ n < 6.00x	6.00x ≤ n < 8.40x	≥ 8.40x	5%

S&P Analytical Framework & Overriding Factors



Source: S&P's U.S. Local Governments General Obligations Ratings: Methodology and Assumptions, September, 2013.

S&P Institutional Framework (10%)

- Institutional Framework (Score: 1)
  - All Local Governments in Tennessee have the same score for this factor.
  - The full list of institutional framework scores for state and client type combinations was released by S&P on September 12, 2013.

Score Range	Institutional Framework Score
1 - 1.5	1 (Very Strong)
1.75 - 2.75	2 (Strong)
3 - 3.75	3 (Adequate)
4 - 4.5	4 (Weak)
4.75 - 5	5 (Very Weak)

S&P Economy (30%)

- Economic Score (Score: 1.5)
  - Current market value per capita is $161,642
  - Projected per capita effective buying income is 162.59% of the U.S.

	Market Value/ Capita				
Projected Per Capita EBI as % of US	>$195,000	$195,000-$100,000	$100,000-$80,000	$80,000-$55,000	<$55,000
> 150	**1**	**1.5**	**2**	**2.5**	**3**
110-150	**1.5**	**2**	**2.5**	**3**	**3.5**
85-110	**2**	**2.5**	**3**	**3.5**	**4**
70-85	**2.5**	**3**	**3.5**	**4**	**4.5**
<70	**3**	**3.5**	**4**	**4.5**	**5**

S&P Management (20%)

- Management Score (Score: 1)
  - Based on the most recent S&P report on the Franklin, TN dated March 23, 2015, S&P characterizes the financial management practices “strong” under its FMA methodology, which equates to a score of 1.

Rounded Score	Characteristics
1	FMA score of "Strong" and none of the factors in score 5 are present
2	FMA score of "Good" and none of the factors in score 5 are present
3	FMA score of "Standard" and none of the factors in score 5 are present
4	• There is a financial reporting statement that has a material negative impact • Any of the conditions in score 5 existed in the past 3 years • The structural imbalance override condition exists or has existed within the past 3 years • Very high debt, pension, or OPEB burden
5	Regardless of FMA score, any of the following is present: • A Management team that lacks relevant skills resulting in a weak capacity for planning, monitoring, and management • An auditor has delivered a going concern opinion • The government has shown an unwillingness to support a debt or capital lease obligation • The government is actively considering bankruptcy in the near term • Any of the conditions in score 5 existed in the past 3 years • The structural imbalance override condition exists or has existed within the past 3 years • Very high debt, pension, or OPEB burden

S&P Budgetary Flexibility (10%)

- Financial Measures: Budgetary Flexibility Score (Score: 1)
  - Available Fund Balance to General Fund Expenditures ratio is $38,219,753 / $57,489,269 = 75.17%

	Available Fund Balance as a % of Expenditures				
%	>15	8-15	4-8	1-4	<1
Score	1	2	3	4	5

S&P Budgetary Performance (10%)

- Financial Measures: Budgetary Performance Score (Score: 1)
  - Total governmental funds net result: net total governmental funds / governmental expenditures is ($12,248,781/ $79,599,702 = 15.39%
  - General Fund net result: General Fund Operating Balance / General Fund Expenditures (including transfers) is $3,182,797 / $50,843,243 = 6.26%

	Total Governmental Funds Net Result (%)				
General Fund Net Result (%)	>-1	-1 to -5	-5 to -10	-10 to -15	< -15
Limited (>5)	1	2	3	4	5
Balanced (-1 to 5)	2	2	3	4	5
Pressured (<-1)	3	2	3	4	5

S&P Liquidity (10%)

- Financial Measures: Liquidity Score (Score: 1)
  - Total government cash / total governmental funds debt service is $37,674,481/ $12,244,986 = 307.67%
  - Total cash / total governmental funds expenditures is $37,674,481/ $79,599,702 = 47.33%

	Total Governmental Cash as % of Total Governmental Funds Debt Service				
Total Cash as a % of Total Governmental Funds Expenditures	>120	120-100	100-80	80-40	<40
>15	1	2	3	4	5
8-15	2	2	3	4	5
4-8	3	2	3	4	5
1-4	4	2	3	4	5
<1	5	2	3	4	5

S&P Debt & Contingent Liability (10%)

- Debt and Contingent Liability (Score: 5)
  - Total governmental funds debt service / expenditures ➔ $12,244,986/ $79,599,702 = 15.38%
  - Net direct debt / total governmental funds revenue ➔ $141,546,047/ $91,848,483 = 154.11%

	Net Direct Debt as % of Total Governmental Funds Revenue				
Total Governmental Funds DS as % of Total Governmental Funds Expenditures	>30	30-60	60-120	120-180	>180
<8	1	2	3	4	5
8-15	2	3	4	4	5
15-25	3	4	5	5	5
25-35	4	4	5	5	5
>35	4	5	5	5	5

Approach to Analysis

DISCLAIMER FOR OVERVIEW OF MOODY'S INVESTORS SERVICE REVISED METHODOLOGY FOR LOCAL GOVERNMENT GENERAL OBLIGATION DEBT:

- The calculations included in this document are based on PFM's interpretation of Moody's revised methodology for U.S. local governments general obligation debt as detailed in the July 24th, 2014 Moody's Investors Service publication. Calculations and supporting data do not represent actual figures nor are they definitive representations of Moody's final calculations. Calculations do not include the application of Moody's qualitative considerations or below-the-line adjustments. Calculations are subject to change based on changes to the underlying data. Results are estimates only and should not be used for actual reporting or assumptions regarding Moody's calculations. Resultant figures are not confirmed by Moody's and are indicative interpretations only.

DISCLAIMER FOR OVERVIEW OF STANDARD AND POOR'S PROPOSED CHANGES TO LOCAL GOVERNMENT RATINGS METHODOLOGY:

- The calculations included in this document are based on PFM's interpretation of Standard and Poor's adjustments to U.S. local governments general obligation bond rating methodology as detailed in the September 12, 2013 Standard and Poor's publication. Calculations and supporting data do not represent actual figures nor are they definitive representations of Standard and Poor's final calculations. Calculations do not include the application of Standard and Poor's qualitative considerations or overriding factors. Calculations are subject to change based on changes to the underlying data. Results are estimates only and should not be used for actual reporting or assumptions regarding Standard and Poor's calculations. Resultant figures are not confirmed by Standard and Poor's and are indicative interpretations only.

Resolution 2016-15

A RESOLUTION DECLARING THE INTENT OF THE CITY OF FRANKLIN TO REIMBURSE ITSELF FOR CERTAIN EXPENDITURES RELATING TO PUBLIC WORKS PROJECTS WITH THE PROCEEDS OF BONDS OR OTHER DEBT OBLIGATIONS TO BE ISSUED BY THE CITY OF FRANKLIN, TENNESSEE IN AN APPROXIMATE AMOUNT OF $25,000,000.

WHEREAS, it is the intention of the Board of Mayor and Aldermen (the "Board") of the City of Franklin, Tennessee (the "Municipality") to provide funds for the (i) construction of and improvements to roads and sidewalks; (ii) acquisition of land and site development for and the design, construction, renovation, repair and equipping of parks and fire stations; (iii) construction and improvements to public buildings and public facilities; and (iv) payment of legal, fiscal, administrative, architectural and engineering costs incident thereto (the "Projects"); and

WHEREAS, it is the intention of the Board to pay all or a portion of the costs of the Projects by the sale of general obligation bonds (the "Bonds") or other debt obligations of the Municipality; and

WHEREAS, it is anticipated that it will be necessary to make expenditures in payment of costs of the Projects prior to the issuance of the Bonds or other debt obligations of the Municipality; and

WHEREAS, the Board wishes to state its intentions with respect to reimbursements for said expenditures in accordance with the requirements of final regulations applicable thereto promulgated by the United States Department of the Treasury.

NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen of the City of Franklin, Tennessee, as follows:

Section 1. It is reasonably expected that the Municipality will reimburse itself for certain expenditures in an amount not to exceed Twenty-Five Million Dollars ($25,000,000.00) made by the Municipality in connection with the Projects. The Municipality intends to reimburse all such expenditures through issuance of the Bonds or other debt obligations of the Municipality. The expenditures made prior to the issuance of the Bonds or other debt obligations of the Municipality are expected to be paid from the Municipality's General Fund and reimbursement shall be made to said fund. Debt service on the Bonds or other debt obligations issued for the purposes herein is expected to be paid from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality.

Section 2. The approximate principal amount of the Bonds, or other debt obligations of the Municipality, are expected to be issued to finance the Projects is Twenty-Five Million Dollars ($25,000,000.00).

Section 3. This resolution shall be placed in the minutes of the Board and shall be made available for inspection by the general public at the office of the City Recorder.

Section 4. It is the Municipality's reasonable expectation that it will reimburse the original expenditures for the Project, or a portion thereof, from the proceeds of the Bonds or other debt obligations of the Municipality.

Section 5. This resolution constitutes a declaration of official intent under Treas. Reg. §1.150-2.

Section 6. All resolutions or parts of resolutions in conflict herewith are hereby repealed, and this resolution shall be in immediate effect from and after its adoption.

Adopted and approved this 12th day of April, 2015.

City of Franklin, Tennessee

____
Dr. Ken Moore
Mayor

ATTEST:

____
Eric Stuckey
City Administrator/Recorder

Approved as to form by:

____
Shauna R. Billingsley
City Attorney

Resolution 2016-16

A RESOLUTION DECLARING THE INTENT OF THE CITY OF FRANKLIN TO REIMBURSE ITSELF FOR CERTAIN EXPENDITURES RELATING TO PUBLIC WORKS PROJECTS WITH THE PROCEEDS OF BONDS OR OTHER DEBT OBLIGATIONS TO BE ISSUED BY THE CITY OF FRANKLIN, TENNESSEE IN AN APPROXIMATE AMOUNT OF $100,000,000.

WHEREAS, it is the intention of the Board of Mayor and Aldermen (the "Board") of the City of Franklin, Tennessee (the "Municipality") to provide funds for the (i) construction of improvements to the existing wastewater treatment plant; (ii) acquisition of equipment and materials for site development and the design, construction, renovation, expansion, repair and equipping of the wastewater plant; (iii) professional construction administration and engineering services providing oversight of the improvement project; and (iv) payment of legal, fiscal, administrative, architectural and engineering costs incident thereto (the "Project"); and

WHEREAS, it is the intention of the Board to pay all or a portion of the costs of the Project by the sale of general obligation or revenue bonds (the "Bonds") or other debt obligations of the Municipality; and

WHEREAS, it is anticipated that it will be necessary to make expenditures in payment of costs of the Projects prior to the issuance of the Bonds or other debt obligations of the Municipality; and

WHEREAS, the Board wishes to state its intentions with respect to reimbursements for said expenditures in accordance with the requirements of final regulations applicable thereto promulgated by the United States Department of the Treasury.

NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen of the City of Franklin, Tennessee, as follows:

Section 1. It is reasonably expected that the Municipality will reimburse itself for certain expenditures in an amount not to exceed One Hundred Million Dollars ($100,000,000.00) made by the Municipality in connection with the Projects. The Municipality intends to reimburse all such expenditures through issuance of the Bonds or other debt obligations of the Municipality. The expenditures made prior to the issuance of the Bonds or other debt obligations of the Municipality are expected to be paid from the Municipality's Water Management Operating Funds and reimbursement shall be made to said funds. Debt service on the Bonds or other debt obligations issued for the purposes herein is expected to be paid from revenues of the system and/or unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality.

Section 2. The approximate principal amount of the Bonds, or other debt obligations of the Municipality, are expected to be issued to finance the Projects is One Hundred Million Dollars ($100,000,000.00).

Section 3. This resolution shall be placed in the minutes of the Board and shall be made available for inspection by the general public at the office of the City Recorder.

Section 4. It is the Municipality's reasonable expectation that it will reimburse the original expenditures for the Project, or a portion thereof, from the proceeds of the Bonds or other debt obligations of the Municipality.

Section 5. This resolution constitutes a declaration of official intent under Treas. Reg. §1.150-2.

Section 6. All resolutions or parts of resolutions in conflict herewith are hereby repealed, and this resolution shall be in immediate effect from and after its adoption.

Adopted and approved this 12th day of April, 2016.

City of Franklin, Tennessee

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Dr. Ken Moore
Mayor

ATTEST:

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Eric Stuckey
City Administrator/Recorder

Approved as to form by:

____
Shauna R. Billingsley
City Attorney

INTERLOCAL AGREEMENT BETWEEN
WILLIAMSON COUNTY, TENNESSEE, AND THE CITY OF FRANKLIN, TENNESSEE
COF Contract No 2016-0046

THIS INTERLOCAL AGREEMENT, ("Agreement"), is made and entered into pursuant to Tennessee law, by and between **WILLIAMSON COUNTY, TENNESSEE,** (hereinafter "County"), **WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT** (hereinafter "ECD"), and the **CITY OF FRANKLIN**, **TENNESSEE**, (hereinafter "City"), concerning the transition of City emergency communications/dispatch employees' positions and equipment, if applicable, to the County, whereby the City would cease dispatch services altogether.

WHEREAS, the parties have the express authority, upon approval of their governing bodies, to enter into interlocal agreements pursuant to *Tennessee Code Annotated*, Section 12-9-104 to perform any governmental service, activity or undertaking which each public agency entering into the contract is authorized by law to perform; and

WHEREAS, the City operates and maintains a dispatch division within its Police Department, that includes 14 dispatcher positions; and

WHEREAS, the County maintains and operates an Office of Public Safety, and it contracted with the ECD to provide employees to operate the ECD's emergency communication dispatch center; and

WHEREAS, the ECD, in 1988 adopted the transfer method, and is only responsible for answering 911 calls and then transferring the calls to the appropriate public safety agency; and

WHEREAS, since 1998 the ECD has maintained an interlocal agreement with Williamson County where the ECD answers all 911 calls from within the District and reimburses the County for the salaries of the employees operating the dispatch center on behalf of the ECD; and

WHEREAS, the parties recognize and believe that discontinuing the City's emergency communications/dispatch division, personnel and equipment, and transferring those functions to the County's dispatch/ emergency communications division would be more efficient and in the best interest of the parties.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

1. **PURPOSE**. The purpose of this Agreement is to define the obligations of the parties necessary to carry out the intent of this Agreement for transferring the City's emergency communications/dispatch division to the County. This Agreement does not create a separate entity, nor shall it be interpreted as creating a separate entity under any circumstances.

2. TERM. This Agreement shall become effective on the date it is fully executed and shall continue for five (5) years. This Agreement shall not be extended unless approved by each party's governing body and signed by the parties' authorized representatives. In no case shall the City's contributions in years three (3) through five (5) exceed the City's contribution in year two (2).

3. TRANSFER OF POSITIONS.

a. Employees. Subject to review of appropriate background checks and subject to at least a "meets expectations" evaluation score, the County agrees to offer employment to the currently employed City dispatch employees who are employed at the time this Agreement is executed by all parties (hereinafter "Employees") on the terms and conditions set out herein. Upon employment by the County, such Employees will be subject to the terms and conditions of employment applicable to all other County employees, except as otherwise specifically stated herein. Nothing herein shall be interpreted to change the status of all dispatch employees, whether originally employed by City or County, as "at will" employees of the County. The date of employment shall be on a date agreed by the parties but in no event shall begin after July 1, 2016.

b. Salary.

i. The City shall pay the ECD for 14 dispatch positions. For those filled positions, the City will pay to the ECD an amount equal to the annual salary for each position at the salary rate the Employees are earning as of the date this Agreement is signed by all parties. In addition, the City shall also pay to the ECD an amount equal to the annual salary of a position salaried at $16.24 per hour for each vacant communication officer position transferred to the County. The City shall pay the full amounts due to the ECD for the communication officer positions prior to the 1st day of August of the fiscal year.

ii. The County shall pay each Employee transferring, an amount equal to the hourly rate the Employee is earning as of the date this Agreement is signed by all parties. The ECD agrees to reimburse the County the actual amount the County pays for both the transferring Employees' salaries and the vacant positions salaries in the manner as provided in the current contract between ECD and the County. Payment to the County shall be in one annual payment. Williamson County shall be responsible for the costs of overtime as of the date of employment.

c. Dental, Health and Life Insurance Benefits. The Employees will receive dental, health and life insurance benefits from the County on the same terms as such benefits are available to other County employees after thirty (30) continuous days from the date of employment with the

County. The City will provide dental, health and life insurance benefits for the Employees during the thirty (30) initial days with the County

d. Length of Service. The County shall incorporate the time each Employee has with the City for the purposes of determining work schedules, including vacation leave, and other operational related needs for which Length of Service is considered as a factor by the County.

e. Vacation/Sick Leave.

i. The City shall pay each Employee for vacation days accrued with the City prior to June 30, 2016. The Employees will begin accruing time with the County as of July 1, 2016.

ii. The County agrees to make a good faith effort, consistent with operational need and supervisor discretion, to accommodate vacation requests that were approved prior to July 1, 2016, but that are scheduled to occur after July 1, 2016.

iii. The date in which an Employee was hired by the City, as a full time employee, will be used by the County for the purposes of determining each Employee's vacation accrual rate. At the time of the merger of the Emergency Communications operations of the City and County, each Employee will be credited with up to 56 hours of the sick time he/she accrued as an employee of the City as of June 30, 2016. On the date of the Employees employment with the County, the sick hours will be converted to Administrative Leave hours that each Employee may use in lieu of sick pay for absences that would be considered paid absences under the County's Sick Pay policy. Should an Employee have less than 56 hours of sick leave at the time of the merger, the Employee will be credited with the number of hours or sick leave accumulated at the time of the merger as Administrative Leave hours.

iv. Any Employee who resigns or is terminated as an employee of the County shall lose any and all unused Administrative Leave time. Employees shall not receive any compensation for unused Administrative Leave hours upon termination of the Employee's employment with the County nor shall the unused Administrative Leave hours be considered part of the Employee's sick time account in the future.

v. To off-set the cost of the County concerning absorbing the additional Administrative Leave hours, the City shall pay directly to the County an amount equal to the costs of absorbing the Employees' Administrative Leave hours. Should an Employee leave employment with the County with an unused amount of Administrative Leave, the County shall report the number of unused Administrative Leave hours to the City and the City will reduce its annual payment to the ECD for year two (2) of the Agreement by that amount.

vi. The City will make any consideration to the Employees it deems appropriate to address the balance of the Employee's sick hours in excess of the 56 hours transferred to the County. All vested Employees will receive the balance of the sick time exceeding 56 hours which will be credited to the Employee's City pension. Said balance of sick time will be capped at 120 days.

vii. A copy of the section of the Agreement addressing sick time will be placed in each transferring Employee's personnel file for future reference. The County Emergency Communications Director will be responsible for recording the use of the Administrative Leave hours in a manner approved by the County Accounting Department.

viii. The parties agree that each Employee will be given the protection of FMLA so long as the Employee has been with the County for more than one (1) year and otherwise meets the requirements of federal law for FMLA eligibility. At the discretion of the Department Head and the Human Resources Director and subject to the County's personnel policies and applicable law, personal leave may be granted to the Employees during the Employees' first year of employment.

f. Retirement Benefits.

i. The Employees will be placed in the County's TCRS program.

ii. Those Employees not yet vested with the City's Pension will receive from the City the full amount each Employee contributed plus the City's contribution to the City's Pension.

iii. Employees vested in the City's pension plan will be eligible for pension benefits as any other former City employee.

g. Raises. Employees shall be eligible for across the board raises provided to other County employees beginning after fiscal year 2017-2018. The County makes no commitment that the Employees will be given raises in the first year of employment with the County while the City is reimbursing the Employees' salaries. Should the County's legislative body approve an annual salary increase for other County employees for the fiscal years 2017-2018, at the discretion of the County, adjustments to the Employees' raises may be made for the purposes of pay equity.

4. PAYMENT OF SERVICES. Beginning on July 1, 2016, and continuing for two (2) additional fiscal years ending on June 30, 2018, the City shall pay to the ECD an amount equivalent to the salary-only portion for all Employees and an amount equal to the annual salary of all transferring positions salaried at $16.24 per hour for each vacant communication officer position, which will total fourteen (14) dispatch positions. The ECD shall pay to the County an amount equal to the salaries of the positions for the period in which the ECD receives payment from the City. The ECD shall formulate and provide to the City the formula that will be used by the ECD to calculate the City's payment for dispatch services for the fiscal years beginning July 1, 2018 and continuing until June 30, 2021, but in no case shall the City's contribution exceed the City's contribution in year two (2). This provision in no way effects the obligations contained in the interlocal agreement between the County and ECD for the provision and costs of providing the operation of the emergency communication dispatch center.

5. **TRANSFER OF EQUIPMENT**. The parties will mutually agree what, if any, equipment that will transfer. Title to any equipment transferred, if any, shall be solely in the County's name and the City agrees to execute any needed documentation evidencing the transfer of ownership. The parties agree to the free exchange of data, specifically CAD data.

6. **USER GROUP MEETINGS.** The parties agree to establish a User Group consisting of the City Administrator, Police Chief, Fire Chief, the Williamson County Public Safety Director, Emergency Management Director, Sheriff, Emergency Communications Director and others as deemed necessary, who will meet at least quarterly to discuss issues concerning dispatch, equipment, or any other related issue of concern of the parties. All policies and procedures shall be reviewed by the User Group prior to implementation to ensure that the City maintains compliance with CALEA standards, fire accreditation standards, ISO accreditation and compliance with NFPA 1221 and NFPA 1710. Any policies and procedures concerning or related to answering or transferring 911 calls shall be subject to final approval by the ECD to be effective. The User Group shall not take any actions or approve any policies or procedures that may result in the statewide emergency communications board withholding any revenue due to the ECD.

7. **DATA AND SYSTEMS ACCESS.** The City shall have access to the information below subject to the terms of this Agreement and applicable law. The User Group may require other information be shared, as long as the parties are permitted by law to share such information. If that is the case, the parties agree that the User Group can make that decision without requiring each party to amend this Agreement in writing.

i. CALEA standards of compliance matters;

ii. CAD access, to include data separation for Franklin PD jurisdiction;

iii. Administrative access to CAD software for audit report generating;

iv. AVL reporting system and GPS mapping audit access to include report generating capabilities;

v. Administration rights to access 911 telephone call recording and copying capabilities;

vi. Non-emergency telephone call recording access and copying capabilities;

vii. Radio traffic recording access for all channels used by the City;

viii. TIBRS audit reporting access;

ix. CJ portal audit access;

x. NCIC audit reporting access;

xi. Vehicle stop data entry location in CAD system report auditing access;

xii. Chat room reporting audit access; and

xiii. Administrative access to dispatch telephone recordings;

8. **NO THIRD PARTY BENEFICIARIES**. There are no third party beneficiaries to this Agreement. No person or entity other than a party to this Agreement shall have any rights hereunder or any authority to enforce its provisions, and any such rights or enforcement must be consistent with and subject to the terms of this Agreement.

9. **AUTHORITY TO ENTER INTO AGREEMENT.** This Agreement is made and entered into pursuant to the authority granted by the parties under the *Interlocal Cooperation Act*, T.C.A. 12-9-101, et. seq. The parties agree that all approvals and filings required by the terms of said Act shall be achieved as soon as possible from and after the execution of this Agreement.

10 **NOTICE**. All notices under this Agreement shall be given in writing and addressed to the following persons:

To: Williamson County
Attn: Williamson County Mayor
1320 West Main St., Suite 125
Franklin, TN 37064

To: City of Franklin
Attn: City Administrator
103 3rd Avenue South
Franklin, TN 37064

To: Emergency Communications District
Attn: Bill Jorgensen
304 Beasley Dr
Franklin, TN 37064

Written notices shall be deemed received three (3) days after the same are deposited in the United States Mail, postage prepaid, addressed as provided above.

11. MISCELLANEOUS.

a. Relationship. In consideration of the mutual covenants provided herein, the parties agree that nothing contained herein is intended to be or should be construed in any manner as creating or establishing the relationship of co-partners between the parties hereto or as constituting an agency relationship in any manner whatsoever. The individual parties are and shall remain independent entities with respect to this Agreement.

b. Binding. This Agreement shall be binding upon the parties and shall take effect from and after its ratification and signing by all parties after obtaining appropriate approval pursuant to the requirements of applicable law.

c. Dispute Resolution. The parties may agree to participate in non-binding mediation in an attempt to resolve any disputes. Notwithstanding the foregoing statement, any claims, disputes or other matters in question between the parties to this Agreement, arising out of or relating to this Agreement or breach thereof, shall be subject to and decided by a court of law.

d. Severability. The parties agree that if any part, term, or provision of this Agreement is determined to be illegal or in conflict with any law of the State of Tennessee by any court with jurisdiction, the validity of the remaining portions or provisions shall not be affected. The rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term, or provision held to be invalid.

e. Specific Performance. The parties recognize that the rights afforded to each under this Agreement are unique and, accordingly, the individual agencies shall, in addition to such other remedies as may be available to them in equity, have the right to enforce their respective rights hereunder by an action for injunctive relief and/or specific performance to the extent permitted by law.

f. Cooperation. The parties agree to cooperate fully in order to successfully execute the terms and conditions of this Agreement, including obtaining all regulatory and governmental approvals required to carry out the terms of this Agreement, recognizing that the intent of each party to the other is to serve the individual interests of each party while respecting the conditions and obligations of this Agreement.

g. Assignment. The rights and obligations of this Agreement are not assignable.

h. Law/Venue. This Agreement shall be exclusively governed by the laws of the State of Tennessee. In the event that any section and/or term of this Agreement, or any exhibits hereto, become subject to litigation, the venue for such action will be exclusively maintained in a court of competent jurisdiction sitting in Williamson County, Tennessee.

i. Entire Agreement. This Agreement represents the entire agreement between the parties and supersedes all prior negotiations, representations, or agreements, either written or oral, with respect to the subject matter hereof. This Agreement may be amended only by written instrument signed by all parties.

IN WITNESS WHEREOF, each party has caused this Agreement to be executed by an authorized person effective as of the date and year written below.

Williamson County, Tennessee:

By: ______________________________

Date: __________________

City of Franklin:

By: _________________________________

Date: _________________

Attest:

By: _________________________________

Date: _________________________________

Approved as to form and legality:

____

Robert Cook
County Attorney

Approved as to form and legality:

____

Shauna R. Billingsley
City Attorney

Williamson County Emergency Communications District

By: ________________________________

Date: ______________________________

Approved as to form and legality:

____

Ken Young
Counsel