HISTORIC FRANKLIN TENNESSEE

City of Franklin

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Franklin, TN 37064
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Meeting Minutes

Work Session

Tuesday, September 10, 2024 | **4:30 PM** | **Board Room**

CALL TO ORDER

Mayor Moore called the meeting to order at 04:30 PM

Board Members Present: Clyde Barnhill, Ann Petersen, Patrick Baggett, Jason Potts, Brandy Blanton, Matt Brown, Greg Caesar

Beverly Burger arrived at 4:59 PM

Board Members Absent: None

Staff Present: Eric Stuckey, Mark Hilty, Kristine Brock, Vernon Gerth, Shauna Billingsley, Angie Skarp

CITIZEN COMMENTS

Comments on agenda items may be made in person at City Hall or by emailing recorder@franklintn.gov before noon on the day of the meeting. Comments will be submitted for the record.

WORK SESSION DISCUSSION ITEMS

1. ***Consideration Of Executive Order 2024-01, An Executive Order Regarding The Declaration By The Mayor Of The City Of Franklin For An Emergency Water Shortage Status 1**

   Sponsors: Michelle Hatcher

   Eric Stuckey, City Administrator, and Michelle Hatcher, Director of Water Management, introduced the item. The City of Franklin and the entire middle Tennessee region has not experienced significant rainfall since early July, when the City's Water Reclamation Facility (WRF) recorded 1.59 inches on July 4, 2024.

   In the most recent approved version of the Drought Management Plan (March 2021), drought conditions are alerted when the Harpeth River withdrawals are limited by the ARAPs (Aquatic Resource Alteration Permits) permitted rates and the reservoir cannot be maintained at 60% capacity. The Water Treatment Plant (WTP) stopped pumping water from the Harpeth River on August 9, 2024. As per the Drought Management Plan, the Water Management Department (WMD) alerted Harpeth Valley Utility District (HVUD) about the increased reliance on purchased water, in addition to letting the Tennessee Department of Environment and Conservation (TDEC) know of the situation.

   On September 4, 2024, Mayor Moore signed Executive Order 2024-01, enacting Emergency Water Shortage Status 1 conditions, per the City's Drought Management Plan.

   Alderman Caesar commented on recent community feedback around the water shortage being a result of poor capacity planning for new developments, but wanted to clarify that the opposite is in fact true. The executive order is a function of proactivity due to unforeseen weather conditions.

   The item is planned for the September 10, 2024 Board of Mayor and Aldermen Meeting for consideration.

2. **Development Activity Report**

   Sponsors: Michael Walters Young, Katherine Harelson

The item will be discussed at a future Work Session.

3. ***Consideration Of COF Contract No. 2024-0199, The Interlocal Agreement Between Williamson County, Tennessee And The City Of Franklin, Tennessee To Establish The Terms, Responsibilities, And Obligations Of The City Providing Funds Received From The National Opioid Settlements To The County To Be Allocated For Opioid Abatement And Remediation Projects That Impact The City**

Sponsors: Eric Stuckey, Shauna Billingsley

Mr. Stuckey introduced the item. The City has received funds through the National Opioid Settlements and will combine its funds with the County's to fund the opioid abatement and remediation projects through the Task Force's application process. The City will provide $40,000 to the County as an initial contribution to the County to be allocated for opioid abatement and remediation projects that impact the City. The City will contribute 90% of its annual funds received through the National Opioid Settlements until such time the City deems retainage of the funds in its best interest. Staff recommends that the Board of Mayor and Aldermen approve the interlocal contract between the City of Franklin and Williamson County for funds received from the National Opioid Settlements.

The item is planned for the September 10, 2024 Board of Mayor and Aldermen Meeting for consideration.

4. ***Consideration Of New Wine In Grocery Store License For Mapco Express Inc, D/B/A Mapco #3326, (Marvin Hewatt, Scott Moon, And Bruce Thatcher, Managing Agent) 240 Franklin Road, Franklin, TN 37064**

Sponsors: Angie Skarp

The item was acknowledged and is planned for the September 10, 2024 Board of Mayor and Aldermen Meeting for consideration.

5. **Consideration To Deny Sewer Availability For Skylight Ranch, 2051 Wilson Pike (Map 080, Parcel 05403)**

Sponsors: Michelle Hatcher, Scott Andrews

Ms. Hatcher introduced the item and explained that Staff recommends that the denial request for 2051 Wilson Pike not be granted due to its impact on the rest of the Mayes Creek basin within the Urban Growth Boundary. Staff recommends the applicant be required to extend the infrastructure required to serve the property with City sewer.

Should the applicant's denial request be granted, allowing the applicant to develop without installing the sanitary sewer infrastructure necessary, the Water Management Department recommends the following conditions:

- the granting of easements for the future interceptors required to serve the basin with sanitary sewer service
- the ability to review and approve plats, grading plans, and site plans for the project to ensure the City's easements are not encumbered by anything to be installed in the easement, hindering the ability for sanitary sewer infrastructure to be installed and/or maintained in the easements
- an agreement to be recorded with all lots created as part of the project, related to the participation in a special assessment district should the development in the future connect to the City's sanitary sewer infrastructure

- owners of all properties created as a result of this project be required to pay all appropriate and associated fees at the time of connection to City sewer
- The City of Franklin will have no oversight or maintenance responsibility for any decentralized system created to serve this property; all oversight and maintenance will fully be the responsibility of a third party

Dean White, property owner, was present to answer any questions from the Board. He expressed that his intention for Skylight Ranch is to preserve a certain way of life in Williamson County.

Alderman Barnhill asked Mr. White if he was amenable to the conditions set forth by Staff if the denial request is granted?
Answer: Yes.

Alderman Potts wondered if Staff had a timeline for when sewer lines would be laid in Mayes Creek Basin?
Answer: No. The time frame will be driven by development as approved by the Board in that area. That is why it is essential for us to maintain the easements for the future potential interceptors in that area.

To follow-up, Alderman Potts inquired about the need for additional pumps or sewer infrastructure in that area aside from sewer lines.
Answer: Based on the Mayes Creek Basin study, more sewer infrastructure will not be needed in the area Mr. White plans to develop.

Alderman Baggett wanted to ensure that these Staff conditions, especially the cost burden to future property owners, be recorded. His goal was to make sure that there is no element of surprise down the road when the property owners are expected to pay the fees to connect to City sewer.
Staff assured him that these conditions will be recorded against the final plats.

This item is planned for the September 24, 2024 Board of Mayor and Aldermen Meeting for consideration.

6. **Presentation And Discussion Of Sanitation And Environmental Services (SES) Operations Alternatives**

Sponsors: Mark Hilty, Jack Tucker

Mark Hilty, Assistant City Administrator of Public Works, introduced the item. He reminded the Board that during SES Budget discussions in the last few months, Staff presented a cost of service (COS) analysis and a five-year rate plan to the BOMA for consideration. At that time, it became clear that there is concern from the Board related to the cost of performing the services SES currently offers. Hence, Mr. Hilty took the time to explain current SES operations.

Alderman Caesar asked why 2016 and 2019 reflected a decrease in customer satisfaction as a result of implementing the blue bin recycling rather than the previous method of putting bags and cardboard on the curb.
Answer: Mr. Hilty explained that the introduction of recycling bins was a result of increasing worker safety (an attempt to minimize workers hanging on the backs of trucks to grab recycling), but as a result, the customers' feedback suggested that there is now a constraint on the amount they can recycle. There are inherent limitations due to the size of the bin.

Then, Mr. Hilty identified and explained the following potential SES alternatives to help reduce costs:

- "Pay as you throw" or volume-based programs,
- Frequency of services offered,
- Potential for opting out of services,
- Glass and other materials diversion, and
- Policies for consideration

Vice Mayor Brown discussed interest in exploring the "pay as you throw" collection method. He was especially intrigued by the RFID technology in bins or selling special COF waste bags. He would consider charging for bulky item pickup.

Alderman Potts inquired about the idea of increasing the recycling bin to 96-gallons, rather than 64-gallons, to increase the capacity of recycling to meet growing community needs. He also suggested partnering with the County, potentially at the Ag Center, to bring recycling centers back to the City.
Mr. Stuckey supported that suggestion and will make a formal inquiry to the County about a recycling partnership. He also identified a couple city sites that could be used if the Ag Center location does not pan out.

Alderman Petersen asked if it is possible to implement "pay as you throw" recycling?
Answer: The "pay as you throw" method is more applicable to trash collection. In our research, the recycling component was typically a policy decision that was mandated. It is also important to note that in communities evaluated by Staff, there was an annual set-up fee on top of the monthly volume-based fee.

Alderman Baggett recognized that SES operations have become more efficient. He expressed wariness about changing our current operational procedures too much because that's where our efficiencies lie. For example, if we switch to bags, our automated trucks can no longer service the community without being retrofitted. In fact, most suggestions would require significant retrofitting of our current equipment, which begs the question - is the juice worth the squeeze? He agreed with Vice Mayor Brown in that he could envision charging for bulky item pickup. He does not want to eliminate or alter the yard waste debris pickup in any way.

Alderman Burger also supported the switch to bigger recycling bins. She agreed with Alderman Baggett in that the yard waste debris pickup enhances the quality of life in Franklin, and it should not be altered. She expressed concern about the small households with elderly citizens still struggling with the proposed alternatives. Additionally, she mentioned that a local citizen had created a prototype of a mobile waste receptacle to provide a convenient way for people to drop and sort trash. She proposed its use in shopping centers.

Mayor Moore stated that a large majority of the SES fee increase is dependent on fixed costs. With a low variable cost, he argued that there really is not a lot of wiggle room to focus on the proposed alternatives.

Mr. Hilty also wanted the Board to consider the option to opt-out of services or provide an a la carte menu of services.

7. **Presentation And Discussion Of Vested Rights And Vesting Extension Requests**

Sponsors: Emily Wright, Amy Diaz-Barriga, Andrew Orr

Amy Diaz-Barriga, Assistant Director of Planning Development, provided information on state law regarding Vested Rights, how staff tracks Vesting milestones, and how the Vesting extension process works.

Staff wants guidance on how to standardize the vested rights process moving forward.

Vice Mayor Brown appreciated the list of vested projects in the community, and he is excited about the new dashboard presented by Ms. Diaz-Barriga. For a while, it felt like the Board was approving numerous vesting extension requests, so it will be beneficial to keep this process consistent moving forward.

Alderman Baggett wants to provide guidance and clarity to the development community moving forward. We do not want to deter future investment by denying vesting extension rights because it is "no longer in the best interest of the community."

Alderman Potts asked if the determination of vested milestones is an automated process?

Answer: No. However, Ms. Diaz-Barriga explained that there are ways for Staff to determine the milestone based on certain internal checkpoints. For example, if a developer has called for a foundation inspection, that typically means that they have commenced the building stage.
In response, Alderman Potts urged Staff to work towards automation as much as possible to maintain consistency in the process among all developers and/or property owners.

Alderman Blanton appreciates the variation and diversity in development in our community that comes with the different approval timelines. If a project comes in for a vesting extension, she does not necessarily think it should align with current Envision Franklin goals but rather the long-range planning goals from when it was originally approved. If we do not grant vesting extensions, then it ultimately just affects our community members and their ability to find housing.

Alderman Barnhill argued that the developer needs to be held accountable as well. They need to plan for unforeseen obstacles in the early development stages.

Alderman Burger contended that a lot of issues developers face are out of their control.

8. ***Consideration Of Ordinance 2023-41, An Ordinance To Amend Chapter 4 Of Title 16 Of The Franklin Municipal Code, Concerning Road Impact Fees**

Sponsors: Vernon Gerth, Paul Holzen

Mr. Stuckey and Michael Walters Young, Chief Budget and Performance Officer, introduced the ongoing analysis of the possible financial impacts of revising road impact fees. Beginning in April 2024, Staff presented to the Board of Mayor and Aldermen a revision of the existing Road Impact Fees authorized under Ordinance 1988-13. Over the ensuing five months, a series of discussions, meetings and questions have been had and raised between elected officials, professional staff, and partners in the development community. The modification of road impact fees was initially proposed in Ordinance 2023-41, and Staff is still seeking guidance from the Board on how to modify, and ultimately approve, Ordinance 2023-41.

In reviewing Ordinance 2023-41, both elected officials and partners in the development community asked to consider phasing the fees over a multi-year timeframe. Given the large increase in the fees year over year, Staff has proposed either a two-year or a three-year phase-in of the fees to assist the development community in accommodating the difference. The City's Budget and Performance office also reviewed several multiple-year phase-in projections, including a two-year, a three-year, a four-year and a five-year phase in option. Additionally, he provided an alternative phasing proposal that would spread the implementation over 3 years – 25% in year one, 25% in year two and 50% in year three. Phasing the Road Impact Fee over multiple years would result in unrealized revenue for the City (based upon actual activity FY 2019-2023) from a low of $6.4 million to a high of $25.8 million dollars over a five-year period.

Mr. Walters Young then explained that continued conversations between staff and development professionals have resulted in alternative suggestions for implementation, including variations of "grandfathering" existing entitled projects over a period of time. These continued conversations have yielded proposal from the development community that was shared at the August 27th Board work session:

- For all new developments, implement the full proposed fees, but for all entitled projects "on the books" single-phase developments have up to five years to complete their projects under existing fees (with a 5% escalator annually) and multi-phase developments have up to 15 years to complete their projects under existing fees (again with a 5% escalator annually).

Two alternative versions of the "grandfathering" approach have also emerged from discussion and would include a 10-year window with a 10% annual escalator and a 5% annual escalator for projects entitled before January 1, 2025:

- For all new developments, implement the full proposed fees, but for all projects "on the books", all developments (regardless of the type or phase of development) have up to ten years to complete their projects under existing fees (one with a 10% escalator annually and one with a 5% escalator annually).

The findings of staff's initial costing of these proposals are that the extension of existing fees with an escalator in lieu of the full implementation of proposed Road Impact fees would result in unrealized revenue of between $53.8 million and $60.1 million over the same five-year period compared to the phase-in scenarios presented in Figures 3 and 4, and between $66.6 million over 10 years to $101 million over 15 years, respectively.

Mr. Stuckey noted that each phase-in approach would have an element of indexing to account for inflationary adjustments each year.

Board Comments:
Alderman Barnhill did not support the phase-in options that span longer periods of time because of the differences in collected revenue. He did not favor the "grandfathering" proposals beyond 15 years.

Alderman Potts expressed support for the five-year phasing approach for road impact fee increases. He believed it may be the most palatable for the development community. However, he was concerned about the $25.8 million of unrealized revenue associated with the five-year phasing option. Regarding the "grandfathering" scenarios, he could not justify the 15-year timeline. To align with his five-year phasing approach, he proposed a five-year timeline for grandfathered projects with inflationary escalators.

Alderman Caesar discussed striking a balance between showing appreciation to our development partners for continuing to choose Franklin for projects, but as a taxpayer, not wanting his constituents to subsidize development projects. His goal is to set a new rate plan quickly, hopefully by January 2025, so developers know how much it will cost to build in Franklin. Clarity and transparency is of the utmost importance. That being said, he did not favor the two-year or three-year phasing of new impact fees, as it was too quick. He may be able to support the four-year or five-year options. He also noted that similar to Alderman Potts and Alderman Barnhill, he could not support a 15-year timeline for grandfathering projects. However, he wants to give approved, ongoing developments the chance to move forward with the existing fees, so he can support a 10-year timeline for grandfathered projects.

Alderman Petersen expressed a need for more time to review these proposals. However, she does want to include some elements of "grandfathering" in the new road impact fee proposal.

Alderman Burger noted that while there may be unrealized revenue for longer phase-ins of these fees, we also need to account for the potential uncollected revenue if these developments never even get built. For that reason, we need to ensure we grandfather the rates for already entitled projects, but she is comfortable with a five to ten year timeline, rather than 15 years. She supported Alderman Caesar's urgency that the new rate plan get set quickly.

Alderman Baggett expressed hesitation about dumping the new fee on all new development because the goal should be for developers, who may get current projects grandfathered in, to come back for future developments. Hence, he thinks that perhaps the goal should be a phase-in implementation of the new fees and a phase-in for the grandfathering. Or, maybe even eliminate grandfathering altogether and just see a 10-year phasing approach across the board, which would not impact the new development projects as severely.

Vice Mayor Brown stated his frustration with continuing to kick this down the road. The longer we wait to make a decision, the less predictability we can provide to developers. If he were to vote as the options stand, he would support the three-year new road impact fee phase-in because it is fair and is an appropriate amount of time without putting us too far in the hole. He also proposed a five-year timeline for grandfathered projects.

Alderman Blanton recognized that we put ourselves in this predicament with the road impact fees, so we need to give developers a grace period by offering a grandfathering element to the new proposal. She expressed support for a five-year rate plan phasing approach and a 10-year timeline for the grandfathered projects. She also supported the idea of indexing that Mr. Stuckey brought to the Board's attention.

Mayor Moore was cognizant of the fact that whatever we decide for road impact fees, will likely translate to updates to water and sewer impact fees as well. He wants to offer certainty to the development community by getting a new rate plan set. He supported a three-year phase-in for new projects, and a three-year timeline for grandfathered projects. He proposed that these entitled projects would see a 25% increase in year one, a 25% increase in year two, and a 50% increase in year three to encourage the project to continue progressing.

Public Comment:
Rachel Blackhurst, PO Box 3141, Brentwood, TN, appreciated the Board's consideration for grandfathering certain projects at the existing road impact fee rates. She believed that the development community would be flexible with the timeline for grandfathering projects.

Glenn McGehee, Franklin, TN, discussed the importance of doing this rate increase properly because it impacts not only developers but the future landscape of Franklin. Businesses and developers choose to come here and enhance our community, but they don't have to.

Ralph Knauss, Franklin, TN, urged the Board to really consider the grandfathering component as they move forward with the new road impact fee plan. He also supported a three to five-year phasing for fees for new projects.

This item is planned for the September 10, 2024 Board of Mayor and Aldermen Meeting for consideration on Second Reading.

9. **Discussion Of South Clean Water Plant Size And Phasing**

Sponsors: Michelle Hatcher, Brian Goodwin

Mr. Hilty and Ms. Hatcher introduced the discussion of the South Clean Water Plant size and phasing. In summary, the takeaways are listed below:

- Staff recommends a 6 MGD facility with up to 2 MGD (included) advanced treatment to reservoir - current needs require a 4 MGD facility to accommodate existing approvals and vested developments.
- Growth (water and sewer) has proceeded thus far assuming additional treatment capacity will be available when growth needs.
- Assumes new Clean Water Facility online by 2034.
- Provides 10 years of planning capacity beyond facility start-up (minimum of 5 will be taken up by planning & design).
- Future phasing beyond the initial 4 MGD advanced treatment require upgrade to WTP, which may affect future costs.
- Current impact fee does not cover the cost of future capacity needs based on the current growth rate.

Mr. Stuckey added that once we know what sizing/capacity the Board desires for the new facility, then Staff can move forward and propose a fee structure to match that goal.

10. **Consideration Of Ordinance 2024-20, An Ordinance To Rezone 192.688 Acres From Agricultural (AG) District To Planned (PD 4.34/103,750/75) District For The Property Located West Of Mack Hatcher Memorial Parkway And East Of Old Charlotte Pike East, Located At 1740 New Highway 96 West. (Armistead PUD Subdivision). Establishing A Public Hearing On October 22, 2024**

Sponsors: Emily Wright, Amy Diaz-Barriga, Chelsea Randolph

Chelsea Randolph, Planner, introduced the item. Franklin Municipal Planning Commission recommends approval of Ordinance 2024-20 by a vote of 5-2. Staff recommends that the Board of Mayor and Aldermen disapprove Ordinance 2024-20. City staff review proposed development projects' impacts on city infrastructure. Traffic continues to be the number one quality of life concern for Franklin residents. As presented to the Joint Conceptual Workshop on June 27th 2024, there are extreme delays in the study area that do not meet the City of Franklin's level of service requirements. Staff received feedback at the meeting that the Planning Commission and Board of Mayor and Alderman may support this development even with the delays identified in the study area. Separate from this informal feedback, staff's role is to report when projects are not fully addressing our approved development standards. Therefore, staff must still recommend disapproval given the lack of level of service standards being met at the intersections of Hillsboro Road and Mack Hatcher and Franklin Road and Mack Hatcher.

The development team was present to answer any questions from the Board.

Alderman Blanton fully supports this development project. She is excited to see a new creative project with a diverse offering of housing options as well.

Vice Mayor Brown echoed Alderman Blanton's statements about this development. He heard staff concerns regarding traffic, but he is hopeful that state funding could help alleviate anticipated traffic issues in that area.

Alderman Baggett made some comments about the design choices on the development plan documents. He wanted to ensure that the public could properly visualize the development.

Alderman Potts supported the design of the proposed development, but he also had concerns about the traffic issues.

Public Comment:
Dorinda Smith, 1049 Carlisle Lane, Franklin, TN, supported the project. She loved that it is an agri-hood that pays homage to the heritage of the community, but she also expressed wariness about the traffic.

The item is planned for the September 24, 2024 Board of Mayor and Aldermen Meeting for consideration.

11. **Consideration Of Resolution 2024–43, A Resolution Approving A Development Plan For Armistead PUD Subdivision With 9 Modifications Of Development Standards (Scenic Corridor Overlay Landscape, Building Types, Pedestrian Circulation, Minimum Parking, Open Space, And Signage), For The Property Located West Of Mack Hatcher Memorial Parkway And East Of Old Charlotte Pike East, Located At 1740 New Highway 96 West. Establishing A Public Hearing On October 22, 2024**

Sponsors: Emily Wright, Amy Diaz-Barriga, Chelsea Randolph

This item was heard concurrently to Item 10.

The item is planned for the September 24, 2024 Board of Mayor and Aldermen Meeting for consideration on First Reading.

12. **Consideration Of Resolution 2024-66, A Resolution Amending Gateway Village PUD Subdivision, Revision 7 To Extend The Vested Rights For The Property Located West Of Franklin Road And South Of Lynnwood Way, Located At 120 Davenport Boulevard. Establishing A Public Hearing On October 8, 2024**

Sponsors: Emily Wright, Amy Diaz-Barriga, Joseph Bryan

Joseph Bryan, Principal Planner, introduced the item, which concerns a vesting extension request for the Gateway Village PD Subdivision. The request is to extend the vesting period for eighteen months, October

11, 2024 until April 10, 2026, to allow the applicant to secure any necessary permits and commence site preparation for their last remaining mixed-use building.

The item is planned for the October 8, 2024 Board of Mayor and Aldermen Meeting for consideration.

13. **Discussion Of Possible City Naming Policy**

Sponsors: Lisa Clayton, Blake Harper

The item will be discussed at a future Work Session.

14. **Discussion Of Board Of Mayor And Aldermen Pay**

Sponsors: Alderman Beverly Burger

The item will be discussed at a future Work Session.

15. **Discussion Of City Hall Commercial Space Options**

Sponsors: Alderman Patrick Baggett

The item will be discussed at a future Work Session.

OTHER BUSINESS

ADJOURN

Work Session Adjourned @ 7:20 PM

Dr. Ken Moore, Mayor

Minutes Prepared by Sarah Schilling, Assistant Deputy City Recorder, City Adminsitrator's Office - 9/18/2024, 11:32AM