



**HISTORIC
FRANKLIN
TENNESSEE**

**CITY OF FRANKLIN
DEVELOPMENT SERVICES ADVISORY COMMISSION**

A meeting of the Development Services Advisory Commission was held at Eastern Flank Battlefield Park Event Facility, on Tuesday, March 4th, 2025, 8:00 am – 9:00 am.

Committee Members

Matt Bryant, Chair	P
Robert Winston, Vice Chair	P
Kate McDonald	A
Nathan Zipper	A
Ben Crenshaw	P
Scotty Bernick	P
Mary McGowan	P
Paige Parham	A
Dana Kose	P
Michael Walters Young	P
Matt Brown	A

Employees Present

Vernon Gerth, Assistant City Administrator
Emily Wright, Director of Planning & Sustainability
Amy Diaz-Barriga, Asst. Director of Planning & Sustainability
Andrew Orr, Long Range Planning Supervisor
Eric Conner, Long Range Planner
Dillon Gaster, Management Fellow

The purpose of the regular meeting will be to discuss matters regarding Development Services and will include the following items:

Matt Bryant, Chair began the meeting at 8:00 am.

1. Approval of Minutes/Review of Meeting Notes from February 4, 2025, meeting.

- Meeting minutes were approved by acclamation. Item was approved at the end of the meeting due to a lack of a quorum in the beginning.

2. Discussion of the Annexation Return on Investment (ROI) Study.

- Eric Conner introduced himself and introduced a return on investment (ROI) calculator that could be used for annexation requests.
 - Lately, the City has received several annexation requests that are not contiguous, and staff has been directed to look into the fiscal impacts for these annexations such as costs for city services or increased infrastructure needs (road, fire station, etc.). The goal is to show Planning Commission and the Board of Mayor and Aldermen the potential fiscal impacts of annexing properties for new development.



- In 2006, the City did an annexation feasibility study, but this was under a different state law. At that time, the City had much more control over the properties that were annexed.
- Staff analysis draws a lot from the City of Fate, Texas, which created a more in-depth look into fiscal impacts of new developments. They do this step at a later stage of the development process, so staff adapted the spreadsheet to fit after the draft plan of services. The study would take place after formal annexation has been initiated. Fate uses this tool for educational purposes during the entitlement process.
- Staff is looking into potential revenues, particularly one-time fees and property tax revenue. Sales tax revenue is also being looked at, but it is still in progress. Costs are focused on infrastructure costs and maintenance costs.
- Eric asked the group if staff is missing potential revenue or cost categories.
 - Michael Walters Young responded that the majority of the general fund revenue comes from sales tax. Staff understands that we need to estimate sales tax to make this tool work, but it is a difficult revenue source to estimate.
 - Emily Wright added that most annexations just come with a general zoning. Others come with a rezoning and development plan. So, staff sometimes only knows general information. In those cases, staff may need to ask more questions.
- Mary McGowan asked if a property is in the UGB but does not want to be annexed into the City, do they have to have a letter from the City saying they will only develop into the County?
 - Emily says they have to go to the County first, and the County requires a denial of sewer availability from the City. The City looks at if sewer denial will negatively impact potential developments around the property. This doesn't happen often, but it can happen if a property is critical to developing the City's sewer infrastructure.
- Robert asked how many annexation requests staff receives every year.
 - Eric said it depends. Last year was only one. Other years have gotten five.
 - Emily added that we have three requests this year. Amy also added that one annexation could be 800 acres.
 - Vernon Gerth also added that the City is looking to build a new sewer treatment plant in the Goose Creek area, which will cost several hundred million dollars. It will be important to look at the return on investment when these properties get annexed into the City.
- Emily added that staff spoke with the planners in Fate, Texas about this tool. The planners said that this tool is not a deciding factor for developments. It's a tool to give elected and appointed officials cost information for a development. In fact, elected officials will often add other reasons a development will be beneficial to the community.
 - Matt Bryant said that his concern is that the Board will look at this tool and see it as a deciding factor to approve or disapprove a project.
 - Ben Crenshaw wanted to understand if this is a regulatory piece of the annexation approval process. At this time, applicants have spent a lot of time and money on the project, and it is a concern that projects will get disapproved because of the tool.
 - Emily agreed and said that these concerns will be brought up to the Board of Mayor and Aldermen. The Board has also requested staff to create something like this specifically for annexations.
- Ben asked how much of the overall UGB hasn't been annexed.
 - Eric showed the new UGB layout, and there is still a substantial amount of property left to be annexation.



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- Emily added that the basin the annexation is located in matters a lot. Sewer infrastructure is harder to extend in some basins versus others.
 - Vernon said that staff has seen an increasing trend of developers asking the Board to invest money into building out infrastructure for their developments. With the change in state law several years ago, it has opened up more opportunity for non-contiguous annexation.
 - Vernon added that doing a cost-of-service study on a particular development or neighborhood could be eye opening. Especially with the property tax rate being so low.
 - Mary asked if the spreadsheet would be available online for the applicants to fill out.
 - Eric responded that staff would request the needed information from applicants and run the analysis. That way, the burden isn't all on the applicants.
 - Scotty Bernick said that it is probably good for the City to have this kind of information, but it will likely make the development community nervous. It is probably good to do this earlier in the process and can help set client expectations.
 - Eric asked if it would make the development community more comfortable if the spreadsheet was online. That way, applicants can fill in the information and see how everything is calculated.
 - Matt said the tricky part is knowing how the Board is going to interpret the information.
 - Ben added that it can add more uncertainty to the process. Most applicants know who their aldermen are and have spoken with them. The worry is that there is another layer of uncertainty that the development community can't manage.
 - Vernon asked if staff should first look into the cost to serve a residential neighborhood. A project may not have a return on investment, but it can contribute to building a community. It can also provide other property owners the opportunity to grow the community as well and add to the quality of life.
 - Michael agreed and added that he has found that in his time on the Commission, one of the biggest desires of the development community is to know where their money is going and if the money they pay is their proportionate share. This tool can be used as an opportunity to show that kind of information.
 - Matt asked how Fate is using their tool.
 - Eric responded that they are using it for every project and that it is not used as a deciding factor on approving or disapproving a project. Very few developments reach that "break even" mark. Fate's staff also mentioned that developers do disagree with their methodology from time to time, and developers have the opportunity to make their case. Overall, the staff is very happy with the tool and continue to work to improve it.
 - Emily also added that this tool opens the door to talk about other benefits an annexation can bring to the City that is not financial. It can set it up to have a productive conversation.
 - Dana Kose asked if staff can make it clear in the packet that the fiscal analysis is only a small piece of the puzzle.
 - Vernon brought up that staff completed an Annexation Feasibility Study of all the drainage basins in the City. Staff looks at all the various infrastructure needs and see which basins have the biggest chance of long-term and mid-term growth success. The Mayes Creek, West, and Goose Creek basins showed the most suited for short and mid-term growth capabilities. Staff also assigned costs for road improvements, fire stations, sewer lines, and more and assigned a developable cost per acre. All basins needed substantial improvements for sewer and road infrastructure, so the developable



cost per acre was actually very similar between all the basins. That is why staff has pivoted to more of an annexation by annexation type of analysis.

- **Next meeting – Tuesday, May 6th, 2025**

3. Adjourn.