CITY OF FRANKLIN
DEVELOPMENT SERVICES ADVISORY COMMISSION

A meeting of the Development Services Advisory Commission was held at City Hall, on Tuesday, June 4th, 2024, 8:00 am – 9:00 am.

Committee Members		Employees Present
Dwight Kiser, Chair	A	Vernon Gerth, Assistant City Administrator
Alan Thompson, Co-Chair	A	Emily Wright, Director of Planning &Sustainability
Robert Winston	P	Amy Diaz-Barriga, Asst. Director of Planning & Sustainability
Nathan Zipper	A	Jimmy Wiseman, Asst. Director of Engineering
Matt Bryant	A	Tom Marsh, Director of Building & Neighborhood Services
Scot Dever	A	Mark Hilty, Assistant City Administrator
Mary McGowan	P	Katherine Harelson, Dev. Services Ops. Analyst
Paige Parham	A	
Dana Kose	P	
Michael Walters Young	P	
Matt Brown	P	

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

Michael Walters Young, began the meeting at 8:05 am.

1. **Approval of Minutes/Review of Meeting Notes from May 14, 2024, meeting.**
   - Meeting minutes were approved by acclamation.
   - There was a motion to move item 3 up to item 2. All approved by acclamation.

2. **Discussion on the Timing of Impact Fee Payments.**
   - Michael Walters Young began the discussion by recapping the last Board of Mayor and Aldermen meeting. The road impact fee update was on the agenda for public hearing, and the Board received feedback that this update was a surprise to them.
     - Vice Mayor Brown agreed saying that he believes that this has been a fair and transparent process, but there is a concern regarding projects that have already been approved. The Board generally agreed that the hearing needed to be delayed to have further conversations with the development community. The hearing is deferred to Tuesday, September 10th.
     - He is worried about approving projects without additional funding for infrastructure.

- Michael asked Vernon Gerth if he could update the group on how the City will continue to have conversations with the development community.
    - Vernon responded that staff already has an established group of developers and design professionals that used to meet once a month, but they now meet quarterly to discuss issues or updates in development services.
        - The goal was that once the impact fees are updated, the City would match the impact fee annually to a national highway index, so there wouldn't be any large increases in the future.
    - NAIOP is another group that staff will continue to engage with over the next three months to address the concerns surrounding the impact fee increases.
- There have also been questions regarding how other communities handle impact fees. States such as Texas and Florida commonly use impact fees to address infrastructure needs.
- Katherine Harelson provided some additional information regarding the timing of impact fee payments, including research from peer cities in Tennessee and across the country.
    - Katherine began her presentation by demonstrating how these communities were deemed "peer cities". For example, all the communities were AAA+ bond rated, located in metropolitan areas, and experiencing large growth over the last few decades.
    - The data showed that progressive, growing communities overwhelmingly collect impact fees at the building permit stage. This is considered best practice because the development is designed and finalized, and it allows infrastructure funding prior to the impact taking affect.
        - Specific examples provided in the presentation were Cary, North Carolina; Round Rock, Texas; and Sandy Springs, Georgia.
        - Several cities provide other options for impact fee payments, but they are often on a case-by-case basis.
        - The only peer city that had a process where impact fees were paid at a later date was Murfreesboro, Tennessee. The City of Murfreesboro collected fees at the time of final building inspection.
    - Several cities offer impact fee waivers or reimbursements, but those developments usually must include an affordable or workforce housing component.
- Vernon added that other communities allow developments to submit a third-party traffic study to determine a specific impact fee. The City requires third party traffic impact studies, and staff validates the study.
- Mary McGowan said that Metro Nashville offers that developers can make a "capacity request." The development can pay 30% of the fee in the first 90 days. Extensions are also offered.
    - Vernon stated that processes like these add an administrative burden. The City of Franklin wants to remain predictable and adding more layers to the process adds bureaucracy and can unintentionally make the process less predictable.
    - Vernon asked if Metro Nashville requires developers to make improvements and if they get reimbursed for those improvements.
        - Nashville does not have roadway impact fees. They do have to do traffic impact studies, but offsite improvements are often not required.
    - Dana Kose asked if Metro has problems getting improvements done. Mary said that it just depends.
- Mary also added that parkland impact fees are collected at the final plat stage rather than building permit. She asked if it would make more sense to collect all fees at the same time.
    - Vernon said that not every project requires a final plat nor does every project qualify to pay parkland impact fees.

- Another point that has been brought up by the development community pertains to vesting. The request has been to "lock in" impact fees at the time a project is vested.
    - Amy Diaz-Barriga explains the state vesting legislation. A vested project means that the development standards at the time of entitlement are the standards in place for the entirety of the project.
    - There are milestones associated with this. A project has three years to begin site preparation. This is typically putting utilities in the ground or demolishing some buildings. Projects then have two more years to commence construction or "going vertical." The project then gets a total of ten years to finish a single-phase project and fifteen years for a multi-phased project.
    - Vernon added that the state vesting legislation does not include fees. If the Board of Mayor and Aldermen decides to go down this route, fees could be locked in for as long as fifteen years.

3. **Continued Discussion of the Surety Process.**
    - This item will be deferred as there was not enough time to discuss.

- **Next meeting – Tuesday, July 2nd, 2024**

4. **Adjourn.**