

HISTORIC
FRANKLIN
TENNESSEE



SPECIAL ASSESSMENT DISTRICTS in the CITY OF FRANKLIN

PRESENTATION TO THE
WILLIAMSON COUNTY
ASSOCIATION OF REALTORS

BY

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FRANKLIN

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WHAT ARE SPECIAL ASSESSMENTS?

- Special Assessments are fees collected by the City for improvements or services the City provides that benefit property, including (but not limited to) street improvements and installation of utilities.
- Special Assessment Districts are specific geographic areas in which the market value of real estate is enhanced due to the influence of public improvements and in which a special assessment is apportioned to recover the costs of the improvement.
- Types of Special Assessment Districts approved by TN Legislature for financing public improvements:
 1. Central Business Improvement District (T.C.A. 7-84-101 to 420) – used to fund Streetscape project in 1989
 2. Special Assessment Districts - Streets (T.C.A. 7-32-101 et seq.) – not used currently
 3. Special Assessment with Improvement Bonds (T.C.A. 7-33-301 et seq.) – being used to extend sewer to specific properties and is being used to provide sanitary sewer to specific areas upon request by the benefiting property owners



SPECIAL ASSESSMENT with IMPROVEMENT BONDS (Type 3)

- May be set up for all manner of public improvements (storm drains, sanitary sewers, the undergrounding of utilities, street reconstruction or widening and streetscape improvements).
- This allows for assessment to adjacent property owners up to 100% (if the municipality pledges its full faith and credit behind any bonds that are issued).
- Costs assessed to the property owners can include labor, materials, equipment, and any other necessary expenses connected with an improvement, including surveys, inspections, and other professional expenses including (but not limited to) engineers' and attorneys' fees.
- Becomes a lien against the property.
- Limited to areas where a majority of the lots or parcels of land contain buildings or other structures (i.e. developed).
- District must be established and properties identified before improvements made.
- Assessment made after construction completed and costs are final.



SEWER EXTENSIONS – HOW?

Franklin policy is to use gravity systems where possible

GRAVITY SYSTEMS

- Less expensive to operate and maintain resulting in less ongoing maintenance expense by property owners.
- May be more expensive to construct and install main lines due to:
 - Topography (rock, elevations)
 - Deeper cuts
 - Larger lines
 - Lines typically in roadway (repaving)
- Used for:
 - Hooper Lane
 - Monticello

PRESSURIZED (GRINDER) SYSTEMS

- Requires ongoing maintenance by property owners (grinder pumps are installed & maintained at property owner expense).
- Typically less expensive to construct and install main lines due to:
 - Reduced requirement for deep cuts
 - Smaller lines
 - Lines may be thru easements
- Used for:
 - Highgate (City project)
 - Meadowgreen (County project)



WHAT IS THE RESPONSIBILITY of the PROPERTY OWNER?

- 1) **Assessment** – The owner is responsible for paying the assessment. That is the mechanism for funding extension and is paid by benefiting property owners to the COF to reimburse City for the cost of installing main sewer lines; cost varies due to the cost of construction and the number of properties; may be paid over time with utility bill from City; subject to change if not paid in full.
- 2) **Connection and Permit Fees** – These are fees and are paid in full to COF for “buying into the sewer system”; are one-time fees paid prior to initiating onsite property connection activities; fees are predetermined by Municipal Code but BOMA has authority to waive. Owner does not have to pay fees and connect to COF sanitary sewer as long as system is operating safely.
- 3) **Onsite connection** – The owner is to obtain services and pay licensed plumber to connect existing wastewater lines to main sanitary lines of the City; costs are variable as it may include installation of grinder pump and re-plumbing lines on property; owner is responsible for maintaining system on the property (ongoing grinder pump maintenance required).
- 4) **Septic system** – The owner must contract to dispose of existing septic system in accordance with Williamson County provisions. May continue with existing septic system but must inspect & provide documentation to City every three years; if system fails must connect within 10 days.
- 5) **Monthly service fees** – The owner (tenant) is to pay for monthly sewer service upon connection or 10 days after notice to connect even if not connected.



OWNER RESPONSIBILITY

(continued)

(1) ASSESSMENT

- Costs vary from district to district.
- BOMA has approved to be paid over time.
- District (benefiting properties) is identified and approved; **MUST** be done prior to bid and award of construction contract.
- Includes costs that the City incurs for the design, engineering, ROW and easement acquisitions, and construction of the main lines within the subdivision.
- The assessment does not occur until construction is complete and all costs are finalized.
- Made against each affected property based on the current proportionate assessed value of the property compared to the current total assessed value of the district.
- Done annually against properties that have not paid the Assessment in full for the duration of the assessment period.
- **NOT TRANSFERRABLE/ASSUMABLE**

(2) CONNECTION & PERMIT FEES

- Paid **IN FULL** prior to initiating onsite work.
- Application Fee (\$25) – provides for the cost to establish billing mechanism.
- Access Fee (\$2,100) – provides funds for additions, replacements, improvements and extensions because of growth.
- Installation Fee (\$263 if tap made OR \$1,240 if not made) – reimburse COF for costs to physically connect to sanitary sewer main.
- System Development Fee (\$1,444) – the SDF enables the city to repair and replace facilities as necessary.
- Effluent Disposal Fee (\$450) – the EDF enables the city to dispose of treated wastewater and to expand its reclaimed water facilities.
- Building permits (plumbing is \$37; electrical required if grinder pump required \$27) – paid to reimburse the city



OWNER RESPONSIBILITY

(continued) (4) SEPTIC SYSTEM DISPOSAL

(3) ONSITE CONNECTION

- Includes costs that the property owner incurs to connect and maintain existing wastewater lines inside the residence and on the property to the city's main lines.
- Occurs after Connection/Permit fees are paid to the City of Franklin.
- Must be performed by licensed plumber; City does not recommend contractors or perform this work.
- One time connection costs borne by property owner and can vary significantly due to specific site requirements.
- May require ongoing costs due to periodic maintenance cost of operating a grinder pump.
- Costs estimated to be \$7,500 - \$9,000 with grinder pump (Meadowgreen estimate data).

DISPOSAL

- Existing septic system must be disconnected from residence and lines rerouted to connect to new wastewater lines on the property.
- System vault/tank disposal or destruction must meet Williamson County requirements.
- Williamson County disposal process is on their website at <http://www.williamsoncounty-tn.gov/DocumentView.aspx?DID=1651>
- County contact is Brian K. Corwin, Director Dept of Sewage Disposal Mgmt, Suite 141 of Admin Complex (615) 790-5751 or at brianc@williamson-tn.org



OWNER RESPONSIBILITY

(5) MONTHLY SERVICE (continued)

FEE

- Owner (tenant) is responsible for ongoing sewer service fees.
- Service fee is based on water consumed using approved sewer rates.
- Service fee starts upon connection.
- Owner is not required to connect until system fails.
- If not connected within 10 days of notice to connect (issued with notice of assessment), then service fees apply even if customer chooses not to connect.
- Owner (tenant) is subject to disconnection if monthly sewer service fee is not paid.

What if OWNER chooses not to connect?

- Owner DOES NOT have to connect until system fails (COF Ordinance 2009 - 31 approved by BOMA July 28, 2009).
- Owner incurs ongoing testing/inspection responsibility and provides City results.
- Owner is to connect immediately (with 10 days) if system no longer complies with County health requirements or if property poses unacceptable health risk.
- All connection fees apply at the rate in effect at the time the fees are paid (fee rates are not “grandfathered”).
- Still subject to assessment provisions.
- **Pays for monthly service even if not connected.**



WHERE ARE APPROVED SEWER ASSESSMENT DISTRICTS?

The following have been approved and sewer connections made

HIGHGATE

- Annexation approved 2/14/06
- Scoping discussions ensued
- Assessment District approved 7/8/08
- Construction contract awarded to Civil Contractors on 1/27/09
- Construction completed May 2009
- Final construction cost assigned to the Assessment District was \$204,586.50
- Assessment approved by BOMA 5/26/09 for 29 properties (avg. is \$7,067); 10 year repayment approved. Notice to Connect given to customers.
- First customer connected July 2009
- December 2009 monthly service billed if not connected (notice was prior to 2009-31)

HOOPER LANE

- District approved 9/23/08
- Construction contract awarded to L&C Contractors on 2/24/09
- Construction completed June 2009
- Final design & construction cost assigned to the district was \$76,310.35
- Assessment approved by BOMA 7/28/09 for 10 properties (avg. is \$7,837); 10 year repayment approved. Notice to Connect given to homeowners.
- First customer connected August 2009
- October 2009 monthly service billed if not connected



APPROVED SEWER ASSESSMENT DISTRICTS

The following have been approved; construction begun but no sewer connections made (continued)

MONTICELLO

- Annexation approved 9/11/07 (three separate sections of Monticello)
- Scoping discussions ensued; finalized & owners notified of expectations 5/18/09
- District approved 6/9/09
- Constr. contract awarded 7/28/09 for \$1,322,247.50 (City pays paving portion)
- Construction schedule of 330 days.
- Owners being notified Sept. 2009 of expected costs based on constr. award.
- 108 properties with a 2008 assessed value of \$5,586,550 and would average \$11,606 per parcel with 20

MEADOWGREEN

Williamson County project

Not in the city limits or UGB of Franklin

The City provides water and will bill/collect for sewer service (processed by City)

- Meadowgreen, Hillsboro Acres and Farmington (selected) – 451 homes
- City & County agree to cooperate 12/9/08
- Constr. contract awarded 5/19/09 with final estimated cost of \$2.154 million
- Estimated cost is \$4,775/parcel; 20 year repayment approved by County
- Const. started July 2009 and estimated to be completed December 2010



FUTURE

PRELIMINARY EVALUATIONS

- GARDNER ESTATES
- COUNTRY ROAD
- BOYD MILL AVENUE

POTENTIAL

Policy is for sewer extensions for new development to be by the developer.

Existing subdivisions/areas with septic systems within the UGB of Franklin would be at homeowner expense (assessment).

Some selected subdivisions in the Franklin UGB with septic are:

- **SOUTH** - Oakwood, Redwing Farms, Redwing Meadows, Ellington Park, Leeland, Windsor Park, Douglas Glen, Goose Creek Estates, Green Valley)
- **EAST** – Breckenridge, Barrington, Cross Creek, Cedarmont Farms
- **NORTH** – Deerfield Estates
- **WEST** - Whitehall



CITY of FRANKLIN RESOURCES

CITY WEBSITE

<http://www.franklintn.gov/>

CODE or INSTALLATION QUESTIONS

Chris Bridgewater at 615-550-6603 or chris.bridgewater@franklintn.gov)

FINANCIAL or PAYMENT QUESTIONS

Steve Sims at 615-550-6704 or steves@franklintn.gov