

CITY OF HENDERSONVILLE  
 BOARD OF MAYOR AND ALDERMEN  
 January 13, 2026 at 7:00 p.m.  
 101 Maple Drive North, Hendersonville, TN 37075

Pages

I.	Call to Order by the Mayor	
II.	Acceptance of Agenda	
III.	Presentations	
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Clary, Roberson, Evans	2. Reading of Resolution 2025-43, a resolution to authorize waiver of payment into the tree bank fund for qualifying nonprofit organizations	11-14
Dixon	3. Reading of Resolution 2025-44, a resolution to authorize a fee waiver for temporary sign permits for signs placed on city property by qualifying nonprofit organizations	15-23
Martin, Skidmore, Burgdorf, Sasse	4. First reading of Ordinance 2025-23, an ordinance amending the Hendersonville Municipal Code, Title 20 establishing impact fees for the City of Hendersonville	24-116
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Collins, Clary	6. First reading of Ordinance 2025-26, an ordinance amending the Hendersonville Municipal Code, Title 20 establishing credits for assessed impact fees	130-135
Sasse, Burgdorf	7. First reading of Ordinance 2025-24, an ordinance to amend Title 5, Municipal and Taxation, to allow for the acceptance of partial payments for City of Hendersonville real and personal property taxes	136-139

Anyone needing accommodations due to disabilities, please contact the ADA Coordinator at 615-822-1016 at least 24 hours prior to the meeting.

Clary 8. Reading of resolution 2025-45, a resolution to establish a purchasing card policy 140-160  
the City of Hendersonville and to replace the existing credit card policy, dated July  
14, 2009, with said purchasing card policy upon implementation of the purchasing  
card program

IX. Other Agenda Items

9. Appointments and reappointments to boards and committees 161-172
- A. Vote on the reappointment of Ken Brinkley to the Adjustment and Appeals Board
  - B. Vote on the reappointment of Mike McCarroll to the Adjustments and Appeals Board
  - C. Vote on the reappointment of Robbie Borghi to Beautiful Hendersonville
  - D. Vote on the reappointment of Daryl Spindler to the Personnel Board
  - E. Vote on the reappointment of Nancy Golden to the Stormwater Appeals Board
  - F. Vote on the reappointment of Steve Gregory to the Stormwater Appeals Board
  - G. Vote on the appointment of Andrew Hait to the Stormwater Appeals Board
  - H. Vote on the appointment of Sean Campbell to the Industrial Development Board
  - I. Vote on the reappointment of John Sheley to the Industrial Development Board
  - J. Vote on the appointment of Dan Haskell to the Lakeshore Committee
  - K. Vote on the reappointment of Gene Hively to the Arts Council
  - L. Vote on the appointment of Michael Krasnow to the Beer Board

X. Reports

10. Brief Committee Reports:
- 1. General – Garza
  - 2. Public Safety – Goodwin
  - 3. Planning – Martin

11. BOMA Report 173-183

XI. Executive Session: Gary Lynn Ealey vs. City of Hendersonville

12. To consider and vote on a proposed settlement relative to litigation against the  
City: Gary Lynn Ealey vs. City of Hendersonville

XII. Adjournment

MINUTES OF REGULAR MEETING

December 9, 2025

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CITY OF HENDERSONVILLE  
BOARD OF MAYOR AND ALDERMEN  
MINUTES OF REGULAR MEETING  
December 9, 2025, at 7:00 P.M.  
101 Maple Drive North, Hendersonville, TN 37075

**PRESENT**

JAMIE CLARY, MAYOR  
MARK SKIDMORE, VICE-MAYOR, ALDERMAN  
MARK BURGDORF, ALDERMAN  
RACHEL COLLINS, ALDERMAN  
KAREN DIXON, ALDERMAN  
MARK EVANS, ALDERMAN  
JANNA GARTON, ALDERMAN  
BOB GARZA, ALDERMAN  
TERRI GOODWIN, ALDERMAN  
MICHAEL MARTIN, ALDERMAN  
EDDIE ROBERSON, ALDERMAN  
JEFF SASSE, ALDERMAN  
DON WARD, ALDERMAN  
LANCE WRAY, CITY ATTORNEY  
ANNETTE HUNTER, CITY RECORDER DESIGNEE

The December 9, 2025, BOMA meeting was called to order by City Recorder Designee, Annette Hunter. Prayer was led by Chris Wiley, Interim Pastor of Holiday Heights Baptist Church. The Pledge of Allegiance was led by Mayor Clary.

**AGENDA**

Sasse moved; Garton seconded a motion to accept the December 9, 2025, agenda.

Roberson moved; Goodwin seconded a motion to amend the agenda by adding under Item XI. Executive Session “to consider and vote on a proposed settlement relative to the lawsuit against the City with the Nearwater development”.

There was no discussion.

There was a unanimous vote to approve the amendment to the agenda.

Clary declared the motion carried.

There was no additional discussion.

There was a unanimous vote to approve the agenda as amended.

Clary declared the motion carried.

MINUTES OF REGULAR MEETING

December 9, 2025

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**PRESENTATIONS**

Mayor Clary presented a proclamation to Fire Chief Scotty Bush recognizing him for 39 years of service to the City of Hendersonville. He began his career with the City as a Parks employee in 1986. Through the years he has shown dedication and aptitude while working through the ranks from Fire Fighter to Fire Chief. Throughout his tenure, Chief Bush has made significant and lasting contributions to the City. His leadership expertise and commitment to public service added to his success. Gratitude and appreciation mark and honor his dedication and service to all residents of this community. Chief Bush thanked the men and women of the Fire Department and the Police Department and many others that he has worked with for almost 40 years. He thanked the community for their support. Chief Bush accepted the proclamation not for self, but on behalf of every firefighter, every police officer and every servant to the City of Hendersonville. Chief Bush will be retiring on 12/22/2025.

Mayor Clary presented a proclamation to City Recorder Designee Annette Hunter recognizing her for 32 years of service to the City. She was joined by her husband, Brent. She has served the City since 1993 in a variety of roles within the Finance Department beginning with Property Tax, Accounts Payable, Senior Accountant, and currently serves as the City Recorder Designee. She has made significant and lasting contributions to the City enhanced through skill, joy and dedication. The Mayor and BOMA expressed gratitude and appreciation for her service to all the residents of the community. Annette addressed Mayor Clary and the Board in appreciation of all their support and treasured prayers during Brent's illness. Expressing that her years have been a pleasant experience and career with the City, she thanked everyone that has worked with and supported her in every role. She added what a pleasure it has been to work with department heads and all staff, especially the Finance team. Annette will be retiring 1/2/2026.

**PUBLIC HEARING**

None

**MINUTES**

Goodwin moved; Garza seconded a motion to approve the November 18, 2025, BOMA Meeting minutes.

There was no discussion.

There was a unanimous vote to approve the minutes.

Clary declared the motion carried.

**CITIZENS' COMMENTS**

None

MINUTES OF REGULAR MEETING

December 9, 2025

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**CONSENT AGENDA**

None

**ORDINANCES AND RESOLUTIONS**

None

**OTHER AGENDA ITEMS**

None

**BRIEF COMMITTEE REPORTS**

General – Garza

- Met December 9, 2025.
- Combination of five (5) resolutions and ordinances were reviewed.
- Three (3) are going to BOMA with positive recommendations.
- Two (2) regarding impact fees are going to BOMA with neutral recommendations.

Finance – Sasse

- Met December 9, 2025.
- Had discussion on the same impact fee ordinances as General Committee. Sending to BOMA with a neutral recommendation.
- Planning Commission will be reviewing as well and there will be a Public Hearing.
- Discussed an ordinance that will allow partial payments for property taxes coming to BOMA in January.
- Discussed a resolution for the purchasing card policy for the City.

Planning – Martin

- Met December 2, 2025
- **CONSENT AGENDA APPROVED**  
Curtis Crossroads – 244 Curtis Crossroads – Passed 8-0  
  
Bally Creek Subdivision – Passed 8-0
- **CONCEPT PLAN – APPROVED**  
Hendersonville Parks 2025 LPRF Grant – Passed 8-0
- **OTHER APPROVED**  
Cherokee Woods – Waiver – Rebuild from a Fire – Setback Deviation – 112 Lake Terrace Dr. Passed 8-0  
  
Mansker Farms – Waiver – Setback Deviation – Final Plat – 124 Manor Way
- **STAFF-LEVEL PROJECTS, APPROVED:**  
Forest Park – FDP Amendment – 1685 Saundersville Rd

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Highland Acres Lot 88 Resub – Final Plat – 101 Cranwill Drive

Hispanic Baptist Church – Final Plat – 251 Rockland Rd

- STAFF-LEVEL PROJECTS, PENDING:

C.L. Powell Addition – 134 Powell Dr

Meadows of Indian Lake – Final Plat – 344 & 342 Raintree Dr

Molly Walton Industrial – Final Plat – 157 Molly Walton Dr

BOMA Report – Eckenroth

- Public Works Director recruitment – Underway. Have received a lot of quality applicants. The first round of interviews is scheduled for December 18, 2025.
- Fire Chief recruitment is active as well with a lot of good applicants. The first round of interviews is scheduled for December 15, 2025.
- Thanks to the Parks Department for their work on and during the Christmas Parade, the Boat Parade, and the Tree Lighting.
- Festival of Lights – Parks has a map on their Facebook page of the houses that are participating
- Employee Awards given at the Christmas Luncheon today for City Hall Employees:  
Most Impactful Employee of 2025 – Adrian Perry – Responsible for traffic signal maintenance and operation which used to be outsourced. With Adrian on board full-time, costs have been reduced, he has improved our reliability of the system, which has decreased travel time.  
Most Innovative Employee of 2025 – Drew Hayden – Firefighter – Researched and developed the in-house Fire Academy. It's offered through the State but only twice a year. Those that took the courses also earned their EMR certification.
- Beautiful Hendersonville – Thanks for decorations around the City and throughout City Hall.
- BOMA Report:  
Local Sales Tax is up 2.7%.  
Investment earnings are up and above what they were last year. Projections for the budget were under so we're actually over budget projections.  
Operating Expenditures are up about 6%.  
Public Safety calls for service are up in Police and Fire.  
Vacancies are low in Police and Fire.
- Additional comments on Annette's Retirement – Behind the scenes, she works on many things that make the City work; working in Finance, Record Requests, putting the BOMA packets together to name a few. She has her CMFO. While she will be missed, she will enjoy the next chapter of her life with retirement.
- Additional comments on Chief Bush's Retirement – While Jesse hasn't been here long enough to see all that Chief Bush has done, he has been here long enough to see what Chief Bush is capable of. He commends Chief Bush for his dedication and drive to make HFD one of the most respected and the best Fire Department in the State. He appreciates his ability to effectively manage the operational aspects of his job so well that Jesse doesn't have to worry about training, response time, or their

MINUTES OF REGULAR MEETING

December 9, 2025

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equipment because Chief Bush has it covered. He has continued his education setting an example for his department and one of very few employees who hold a master's degree, one of a handful of City paramedics, and one of less than 100 Tennesseans who successfully graduated from the national Fire Academy's Executive Fire Officer Program. Jesse expressed he has learned a lot from Chief Bush and wishes him the best in his retirement. Jesse expressed his thanks for service to both Annette & Chief Bush.

- Sasse inquired about the two leadership positions to be filled with Jesse stating they will remain open until there is a candidate selected.

Executive Session was entered into at 7:21 pm. BOMA returned at 8:24 pm.

Upon motion by Collins and second by Goodwin there was a unanimous vote for approval to adjourn.

The meeting adjourned at 8:24 pm.

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Approved: Jamie Clary, Mayor

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Attest: Tamara Ingersoll, City Recorder





CITY OF HENDERSONVILLE  
101 MAPLE DRIVE NORTH  
HENDERSONVILLE, TN 37075  
(615) 822-1000

## City Hall Special Event Application

### APPLICANT INFORMATION

EVENT NAME: Junior Service League of Hendersonville Annual meeting  
EVENT PRODUCER: Jaci Kirkham  
PRIMARY CONTACT: 615. 419. 6658  
ADDRESS: 204 Ettington Drive  
CITY: Gallatin STATE: TN ZIP: 37066  
PHONE: CELL: 615. 419. 6658 HOME: \_\_\_\_\_  
EMAIL: jaci.kirkham@gmail.com

### EVENT INFORMATION

EVENT DATE(S): February 3<sup>rd</sup> 2026 or February 11<sup>th</sup> 2026  
HOURS OF EVENT: 5:30 - 7:30 pm  
TOTAL ATTENDANCE: MIN #: 20 MAX #: 60

### EVENT DESCRIPTION:

Purpose - The meeting will include presenting annual budget, new board officers proposed events, budget and goals  
- annual meeting for members

SITE PREPARATION DATE & NEEDS: audio/video access

WILL APPLICANT PROVIDE RESTROOMS DURING THE EVENT?  NO  YES

IF YES, PLEASE PROVIDE DETAILS:

N/A

**PROGRAM FINANCIALS:**

IS THERE A PARTICIPATION FEE FOR VENDORS?  NO  YES AMOUNT \_\_\_\_\_

WILL THERE BE A PARKING AND/OR GATE FEE CHARGED FOR THIS EVENT?  NO  YES AMOUNT \_\_\_\_\_

IS THIS EVENT:

FOR PROFIT

NOT FOR PROFIT

CHARITABLE FUNDRAISER

List the Non-Profit Organization that will benefit as the partner of this event:

Junior Service League

List the donation amount and/or fees that will benefit the Non-Profit Organization:

\$

**EVENT DETAILS:**

List all booths, inflatables, cooking equipment, etc. that will be in use during the event:

N/A

VENDORS- List all vendors by name, address, and contact number along with the products and/or services they will be providing at the event. If needed, attached a separate sheet to this application to list the required information.

N/A

GIVE A BRIEF DESCRIPTION OF THE PROGRAM:

annual meeting for members of the non-profit org.

LIST THE BENEFITS THIS EVENT WILL PROVIDE PARTICIPANTS:

org. information for upcoming year

IS THIS EVENT OPEN TO THE GENERAL PUBLIC?  NO  YES

RAIN/CANCELLATION POLICY: Is there a rain policy for your event? If yes, please give a brief description along with optional date(s) and time(s) \_\_\_\_\_

**PLEASE RESPOND TO EACH OF THE FOLLOWING:**

I understand that I will be required to provide a current certificate of insurance naming the City of Hendersonville as an "additional insured" and accept all responsibility prior to the event taking place.  NO  YES

I understand that I will be required to provide the City of Hendersonville a list of all vendors, their current certificate of insurance naming the City of Hendersonville as an "additional insured", and ensure they have all necessary permits as required by the State of Tennessee prior to event set-up. I understand I am responsible for vendors to abide by city policies and return grounds to original state following event.  NO  YES

I have a valid business license.  NO  YES 501

I understand that I will be responsible for informing the City of Hendersonville and all participants of risks involved with participation and/or use of equipment and supplies.  NO  YES

**HOLD HARMLESS CLAUSE**

Program organizer shall save and hold the City of Hendersonville harmless from and against all liability, claims and demands on account of personal injuries (including without limitation to the foregoing worker's compensation and death claims) or property loss or damage of any kind whatsoever, which arises out of or be in any manner connected with the performance of this contract, regardless of whether such injury, loss, or damage shall be caused by, or be claimed to be cause, by the negligence of the permit holder or the City of Hendersonville; or by any agents or employees of any of the foregoing; or by accident; or otherwise. If application is approved, the program organizer is responsible to adhere to all rules and regulations as set forth in the Hendersonville Municipal Code. A copy of these regulations is available at City Hall or on the City's website.

The undersigned agrees to the terms of this agreement as outlined by the City of Hendersonville.

Denied

Approved

Jaci Kirkham  
Signature

12.12.25  
Date

**OFFICE USE ONLY**

Insurance:  Sufficient

Not Sufficient

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Date

Application:  
\_\_\_\_\_

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date



## RESOLUTION 2025-43

**Sponsors:** Clary, Roberson, Evans

### **A RESOLUTION TO AUTHORIZE WAIVER OF PAYMENT INTO THE TREE BANK FUND FOR QUALIFYING NONPROFIT ORGANIZATIONS**

**WHEREAS**, pursuant to section 11.4.12 of the City’s Zoning Ordinance (most recent revisions adopted by Ord. 2025-19), the City of Hendersonville (the “City”) regulates the preservation of mature trees and natural vegetation on development, construction, use of land and other activities when governed by a Site Plan and/or Design Review, which includes replacement options of certain removed trees;

**WHEREAS**, according to subsection 11.4.12(6) of the City’s Zoning Ordinance, when there are site constraints such as excessive rock, drainage problems, or inadequate space making it difficult to locate replacement trees on-site, one such replacement option allows for the developer/owner to make payment into the City’s Tree Bank Fund at the cost of \$50.00 per caliper inch of replacement trees;

**WHEREAS**, the Tree Bank Fund is administered by the Planning Department and used to install trees, landscaping, and related irrigation generally in conjunction with a City-initiated road improvement or beautification plan;

**WHEREAS**, the City finds that nonprofit organizations provide valuable public benefits through charitable, civic, educational, cultural, and other community activities;

**WHEREAS**, the City further finds that waiving the associated Tree Bank Fund payment for qualifying nonprofit organizations is in the public’s best interest;

**WHEREAS**, as such, the City desires to establish a fee waiver program of the Tree Bank Fund payment for qualifying nonprofit organizations:

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF HENDERSONVILLE, TENNESSEE** as follows:

Section One: A “Qualifying Nonprofit Organization” means an entity that:

1. Is recognized as tax-exempt under Internal Revenue Code §501(c) or registered as a nonprofit corporation under Tennessee law; and
2. Is in good standing on the date of application.

Section Two: When application of the City’s Tree Bank Fund payment provided under Section 11.4.12 of the City’s Zoning Ordinance (most recent revisions adopted by Ord. 2025-19) concerns Qualifying Nonprofit Organizations, such organizations shall be exempt from such payments upon approval.

Section Three: All other provisions of the City’s Zoning Ordinance relative to Tree Preservation and Replacement shall remain in effect.

Section Four: Each applicant must submit:

1. A completed waiver application signed by one authorized to sign on behalf of the nonprofit organization; and
2. Proof of nonprofit status (IRS 501(c) letter or current State nonprofit registration); and

Section Five: The intent of this Resolution is to waive only the payment into the Tree Bank Fund for Qualifying Nonprofit Organizations, while maintaining all other requirements of the Zoning Ordinance. Permission granted under this section does not create property or vesting rights of such waiver, and may be revoked at any time by the City.

Section Six: This Resolution shall be effective upon its adoption, and further effective retroactive to January 1, 2025.

ADOPTED this the \_\_\_\_ day of \_\_\_\_\_, 2026.

**APPROVED:**

\_\_\_\_\_  
**JAMIE CLARY, Mayor**

**ATTEST:**

\_\_\_\_\_  
**TAMARA INGERSOLL, City Recorder**

**APPROVED AS TO FORM AND LEGALITY:**

\_\_\_\_\_  
**LANCE A. WRAY, City Attorney**

## **LEGISLATIVE HISTORY**

Resolution 2025-43

**Sponsor:** Clary, Roberson, Evans

**Committee:** General

**Date of Committee Meeting:** December 9, 2025

**Committee Recommendation:** Yes

**BOMA Reading:** January 13, 2026

DATE:	January 13, 2026
ORDINANCE/RESOLUTION #	Resolution 2025-43
SPECIFIC REQUEST/ RECOMMENDATION:	BOMA is being asked to allow some non-profit organization to be exempt from previous resolutions regarding replacement of trees.
REPORT PREPARED BY:	Jamie Clary



<b>BACKGROUND:</b>	<b>1</b>
<p>Currently the City requires that trees that are removed for future development be replaced. The trees may be replaced by the property owner on the property or be replaced via contributions to the city's tree bank. City staff later use the tree bank funds to cover the costs of trees that are planted in other places, generally in conjunction with a city-initiated road improvement or beautification plan. Currently there are no exceptions to this. Non-profit organizations, regardless of their contributions to the community, are expected to replace trees or fund their replacement. Grace Place, currently building on New Shackle Island Road, recently contributed \$58,325 to the tree bank.</p>	

<b>DISCUSSION:</b>	<b>2</b>
<p>The tree replacement expectations apply to development without respect to the positive impact that development might have on the community. Grace Place is a great example of such contributions through its work to provide housing for mothers and children while the mothers learn life skills and find employment. The tree money contributed by Grace Place, more than \$53,000, could be better spent by them on their mission.</p> <p>This resolution recognizes 501(c) organizations and exempts them from the tree replacement requirements. Furthermore, it has a retroactive effective date of January 2, 2025. That will allow the City to repay Grace Place and waive these tree fees for non-profit organizations in the future.</p>	

<b>FISCAL IMPACT:</b>	<b>3</b>
<p>The immediate impact will be \$58,325, money that will be refunded to Grace Place. In the future, the City will lose out on future revenue when non-profit organizations develop property and remove trees.</p>	

<b>ATTACHMENTS:</b>	<b>4</b>
<ul style="list-style-type: none"> <li>• 1. R2025-43 Tree Bank Fees to Non Profits</li> </ul>	

**RESOLUTION 2025-44**

**Sponsor:** Dixon

**A RESOLUTION TO AUTHORIZE A FEE WAIVER FOR TEMPORARY SIGN PERMITS FOR SIGNS PLACED ON CITY PROPERTY BY QUALIFYING NONPROFIT ORGANIZATIONS**

**WHEREAS**, the City of Hendersonville (the “City”) regulates the placement of temporary signs on City-owned property and rights-of-way to promote public safety, traffic visibility, and community aesthetics in a content-neutral manner;

**WHEREAS**, nonprofit organizations provide valuable public benefits through charitable, civic, educational, cultural, and community activities;

**WHEREAS**, allowing nonprofit organizations to display temporary signs on City property, and waiving the associated permit fee, promotes public awareness of community events and nonprofit services while maintaining orderly use of City property;

**WHEREAS**, the City desires to establish a fee waiver program for qualifying nonprofit organizations placing temporary signs on City property under objective, content-neutral standards:

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF HENDERSONVILLE, TENNESSEE** as follows:

Section One: A “Qualifying Nonprofit Organization” means an entity that:

1. Is recognized as tax-exempt under Internal Revenue Code §501(c) or registered as a nonprofit corporation under [State] law; and
2. Is in good standing on the date of application.

Section Two: Qualifying Nonprofit Organizations shall be exempt from payment of the temporary sign permit fee, currently \$26.00 and otherwise required under when placing temporary signs on City property. All other code provisions, including application, size, duration, and location requirements, remain in effect.

Section Three: Each applicant must submit:

1. The completed temporary sign permit application;
2. Proof of nonprofit status (IRS 501(c) letter or current State nonprofit registration); and
3. A signed acknowledgment that the organization assumes responsibility for installation, maintenance, and removal of the signs in accordance with City requirements.

Section Four: The intent of this ordinance is to waive only the permit fee for qualifying nonprofit

temporary signs on City property, while maintaining all safety, time, placement and other requirements. Permission granted under this section does not create a property right and may be revoked at any time for safety, operational, or maintenance reasons.

ADOPTED this the \_\_\_\_ day of \_\_\_\_\_, 2026.

**APPROVED:**

\_\_\_\_\_  
**JAMIE CLARY, Mayor**

**ATTEST:**

\_\_\_\_\_  
**TAMARA INGERSOLL, City Recorder**

**APPROVED AS TO FORM AND LEGALITY:**

\_\_\_\_\_  
**LANCE A. WRAY, City Attorney**

## LEGISLATIVE HISTORY

Resolution 2025-44

**Sponsor:** Dixon

**Committee:** General

**Date of Committee Meeting:** December 9, 2025

**Committee Recommendation:** Yes

**BOMA Reading:** January 13, 2026

<b>DATE:</b>	January 13, 2026
<b>ORDINANCE/RESOLUTION #</b>	<b>Resolution 2025 - 44</b>
<b>SPECIFIC REQUEST/ RECOMMENDATION:</b>	A Resolution amending the Planning Department fee schedule to remove fee cost for temporary signs for non-profits.
<b>REPORT PREPARED BY:</b>	Keith L. Free, MLA, AICP, Planning Director



**STAFF REPORT** 1

The Planning Department is proposing a change to its fee schedule for sign within the City Limits.

**Temporary Sign Permit Fee Reduction (Nonprofits)**

The Department requests reducing the Temporary Sign Permit fee for locally established nonprofit organizations.

- Current Fee: \$27.00
- Proposed Fee: \$0.00

Applies To: Locally established nonprofit organizations that operate exclusively among members, voluntarily, and without remuneration.

Sign Review		
1	Commercial Temporary Sign	\$27
2	Commercial Temporary Sign – Non-Profit Only	\$0
3	Residential Temporary Sign	\$0
4	Permanent Ground Sign	\$200
5	Permanent Wall Sign	\$126

The new fee schedule proposed is shown below.

**RESOLUTION #2025-44**

Review Type		Fee
<b>Rezoning / Annexation Review</b>		
1	Annexation	\$1,681
2	Zoning Map Amendment / Rezoning (Straight Rezoning)	\$1,576
3	Zoning Text Amendment	\$1,891
<b>Development Plan Review</b>		
1	Preliminary Development Plan (PDP)	\$3,992
2	Final Development Plan (FDP)	\$2,627
3	Comprehensive Development Plan (CDP)	\$4,518
4	Major Amendment - Requiring Planning Commission Approval	\$1,786
5	Minor Amendment - Requiring Staff-Level Approval	\$615
6	PDP / FDP Add-Use	\$1,156
7	Revocation of a Development Plan / Overlay (See Rezoning)	\$1,576
8	Future Land Use Amendment	\$1,156
<b>Subdivision Review</b>		
1	Sketch Plat	\$247
2	Preliminary Plat / Final Plat - Requiring Planning Commission Approval	\$998
3	Minor Subdivisions - Requiring Staff-Level Approval	\$1,007
4	Plat Amendments	\$946
5	3-Page Plat Amendments	\$52
6	Expired Plat Renewal	\$242
7	Construction Plans Review	\$3,230
<b>Site Plan Review</b>		
1	<b>Major Site Plan - Requiring Planning Commission Approval</b>	\$2,837
	Includes Multi-Family, Townhome/Villa, HPR, Cell Towers, and Major Commercial Projects	
2	<b>Minor Site Plan - Requiring Staff-Level Approval</b>	\$720
	Includes Minor Buildings, Minor Additions, Canopies, Sheds, Parking Lot Enlargements, Additions to Cell Towers, and External Modifications	
3	<b>Mini Site Plan - Requiring Staff-Level Approval</b>	\$126
	Lower-Level Site Plan, as determined by the Planning Director	
4	Small Cell (Wireless Facility in Right-of-Way) (MAX ALLOWED BY STATE)	\$805
A	+ One-Time Applicant Fee (MAX ALLOWED BY STATE)	\$200
B	+ First 5 Sites (MAX ALLOWED BY STATE)	\$110
C	+ Each Site after 5 (MAX ALLOWED BY STATE)	\$55
5	Revisions to Site Plan	\$893
6	Renewal of Site Plan	\$315
<b>Sign Review</b>		
1	Commercial Temporary Sign	\$27
2	<b>Commercial Temporary Sign - Non-Profit Only</b>	<b>\$0</b>
3	Residential Temporary Sign	\$0
4	Permanent Ground Sign	\$200
5	Permanent Wall Sign	\$126

**RESOLUTION #2025-44**

6	Sign Reface	\$42
7	Development Entryway/Hardscape Feature	\$300
<b>BZA Review</b>		
1	Zoning Variance	\$787
2	Conditional Use	\$946
3	Zoning Interpretation	\$867
4	Administrative Appeal	\$656
<b>Other</b>		
1	Zoning Verification Letter	\$27
2	Zoning Permit Review (To be included with Building Permit)	\$52
3	Minor Occupancy Permit	\$210
4	Minor Occupancy Permit – Non-Profit only	\$27
5	Major Occupancy Permit	\$809
6	Post Planning Commission Review - Projects which require more than 2 corrected sets to be finalized will be required to pay additional review fees for each resubmittal after the second review.	\$210
7	Minor Home Occupation Permit	\$27
8	Any Projects which do not meet any of the above fee types/descriptions, as determined by the Planning Director.	\$126
**The City of Hendersonville is the only entity exempt from paying review fees.**		
***Effective July 1, 2026, the House passed HB 0375/ SB 0988, which requires all local governments to publicly document the cost justification for any development fee exceeding \$250, subject to an annual state audit.		

<b>FISCAL IMPACT:</b>	2
No budget adjustment required, the loss of revenue is insignificant to the FY26 Budget.	

<b>ATTACHMENTS:</b>	3
1. Revised 2026 Planning Department Fee Schedule	



## Planning Department Fees Hendersonville, TN

I. The below Planning Fees are effective January 1, 2026.

Review Type		Fee
<b>Rezoning / Annexation Review</b>		
1	Annexation	\$1,681
2	Zoning Map Amendment / Rezoning (Straight Rezoning)	\$1,576
3	Zoning Text Amendment	\$1,891
<b>Development Plan Review</b>		
1	Preliminary Development Plan (PDP)	\$3,992
2	Final Development Plan (FDP)	\$2,627
3	Comprehensive Development Plan (CDP)	\$4,518
4	Major Amendment – Requiring Planning Commission Approval	\$1,786
5	Minor Amendment – Requiring Staff-Level Approval	\$615
6	PDP / FDP Add-Use	\$1,156
7	Revocation of a Development Plan / Overlay (See Rezoning)	\$1,576
8	Future Land Use Amendment	\$1,156
<b>Subdivision Review</b>		
1	Sketch Plat	\$247
2	Preliminary Plat / Final Plat – Requiring Planning Commission Approval	\$998
3	Minor Subdivisions – Requiring Staff-Level Approval	\$1,007
4	Plat Amendments	\$946



## Planning Department Fees Hendersonville, TN

5	3-Page Plat Amendments	\$52
6	Expired Plat Renewal	\$242
7	Construction Plans Review	\$3,230
<b>Site Plan Review</b>		
1	<b>Major Site Plan</b> – Requiring Planning Commission Approval	\$2,837
	Includes Multi-Family, Townhome/Villa, HPR, Cell Towers, and Major Commercial Projects	
2	<b>Minor Site Plan</b> – Requiring Staff-Level Approval	\$720
	Includes Minor Buildings, Minor Additions, Canopies, Sheds, Parking Lot Enlargements, Additions to Cell Towers, and External Modifications	
3	<b>Mini Site Plan</b> – Requiring Staff-Level Approval	\$126
	Lower-Level Site Plan, as determined by the Planning Director	
4	Small Cell (Wireless Facility in Right-of-Way) (MAX ALLOWED BY STATE)	\$805
A	+ One-Time Applicant Fee (MAX ALLOWED BY STATE)	\$200
B	+ First 5 Sites (MAX ALLOWED BY STATE)	\$110
C	+ Each Site after 5 (MAX ALLOWED BY STATE)	\$55
5	Revisions to Site Plan	\$893
6	Renewal of Site Plan	\$315
<b>Sign Review</b>		
1	Commercial Temporary Sign	\$27
2	Commercial Temporary Sign – Non-Profit Only	\$0
3	Residential Temporary Sign	\$0
4	Permanent Ground Sign	\$200
5	Permanent Wall Sign	\$126



## Planning Department Fees Hendersonville, TN

6	Sign Reface	\$42
7	Development Entryway/Hardscape Feature	\$300
<b>BZA Review</b>		
1	Zoning Variance	\$787
2	Conditional Use	\$946
3	Zoning Interpretation	\$867
4	Administrative Appeal	\$656
<b>Other</b>		
1	Zoning Verification Letter	\$27
2	Zoning Permit Review (To be included with Building Permit)	\$52
3	Minor Occupancy Permit	\$210
4	Minor Occupancy Permit – Non-Profit only	\$27
5	Major Occupancy Permit	\$809
6	Post Planning Commission Review - Projects which require more than 2 corrected sets to be finalized will be required to pay additional review fees for each resubmittal after the second review.	\$210
7	Minor Home Occupation Permit	\$27
8	Any Projects which do not meet any of the above fee types/descriptions, as determined by the Planning Director.	\$126
**The City of Hendersonville is the only entity exempt from paying review fees.**		
***Effective July 1, 2026, the House passed HB 0375/ SB 0988, which requires all local governments to publicly document the cost justification for any development fee exceeding \$250, subject to an annual state audit.		



**ORDINANCE 2025-23**

**Sponsors:** Martin, Skidmore, Burgdorf, Sasse

**AN ORDINANCE AMENDING THE HENDERSONVILLE MUNICIPAL CODE, TITLE 20 ESTABLISHING IMPACT FEES FOR THE CITY OF HENDERSONVILLE**

**WHEREAS**, the City of Hendersonville recognizes the need to fund capital facilities to support growth and maintain service levels for streets and parks; and

**WHEREAS**, The City of Hendersonville has the authority to assess development impact fees pursuant to the authority of Mayor-Aldermanic charter cities as set forth in Sec. 6-2-201 (14) and (15), Tennessee Code Annotated; and

**WHEREAS**, both the population and employment within the City have grown and are projected for further growth, and will create additional demand for new residential and nonresidential development; and

**WHEREAS**, The Board of Mayor and Aldermen wished to examine impact fees and their legal requirements for the City of Hendersonville; and

**WHEREAS**, the Board of Mayor and Aldermen requested and authorized the Planning Department obtain the services of a consultant; and

**WHEREAS**, the chosen consultant, Tischler-Bise, obtained information from city departments and utilized a recognized legal method to determine a set of proposed fees for Parks, Roads, Police and Fire in order to assess associated residential and nonresidential impact fees; and

**WHEREAS**, the Impact Fee Study identifies the maximum allowable impact fees for various development types to ensure new development pays its fair share of infrastructure costs; and

**WHEREAS**, the City desires to adopt impact fees for new development within the city in order to offset costs associated with the impact the development has on city resources at 50% of the maximum allowable amount for streets and parks; and

**WHEREAS**, all costs are in current dollars with no assumed inflation, and fees may be recalculated if costs change significantly;

**WHEREAS**, there is both a rational nexus and a rough proportionality between the development impacts created by each type of development covered by this section; and

**WHEREAS**, the protection of the health, safety, and general welfare of the citizens of the City requires that the park and road facilities of the City be expanded and improved to meet the demands of new development; and

**WHEREAS**, it is the desire of this Board to evaluate the fees and projects to be completed that serve as the basis of the fees, identify a strategy to complete projects, and identify personnel to compute and track fee submittals and monetary balances; and

**WHEREAS**, the Board of Mayor and Aldermen declares it is in the best interest of the City to establish and collect impact fees in a reasonable and equitable manner to fund these future additional public facilities:

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF HENDERSONVILLE, TENNESSEE** as follows:

**SECTION 1.** Enact Title 20, Chapter 14 establishing a new Chapter in the City of Hendersonville Municipal Code entitled “Impact Fees”, to read as follows:

**CHAPTER 14**

**IMPACT FEES**

**SECTION**

- 20-1401. Applicability
- 20-1402. Purpose and Scope
- 20-1403. Definitions
- 20-1404. Impact Fee Administrator
- 20-1405. Fees and Determination
- 20-1406. Vesting and Exemptions
- 20-1407. Credits
- 20-1408. Miscellaneous Provisions
- 20-1409. Appeals
- 20-1410. Violation
- 20-1411. Severability
- 20-1412. Effective Date

**20-1401. Applicability**

The provisions of this chapter shall apply to all new development within the corporate limits of the City of Hendersonville, unless such development is expressly exempted by means described further in this chapter.

**20-1402. Purpose and Intent**

The intent of this chapter is to ensure that development bears a proportionate share of the cost of capital improvements; to ensure that the proportionate share does not exceed the cost of providing such facilities; and to ensure that funds collected from development are actually used to construct improvements that serve new development as outlined in the Impact Fee Study.

**20-1403. Definitions**

- 1) “Applicant” means the applicant for a building permit for which an impact fee is due pursuant to the provisions of this chapter.
- 2) “Building” means any structure built for the support, shelter, or enclosure of persons, chattels, or movable property of any kind, including a mobile home, but excluding buildings used for agricultural purposes.

- 3) “Building Permit” means a permit issued by the building official authorizing performance of a specified activity in or on a structure or building.
- 4) “Capital Improvement” means any road or park capital improvement, including but not limited to planning, preliminary engineering, engineering design studies, land surveys, right-of-way acquisition, engineering, permitting and construction of all the necessary features for any construction project including, but not limited to:
  - (a) Construction of new through lanes;
  - (b) Construction of new turn lanes;
  - (c) Construction of new bridges;
  - (d) Construction of new drainage facilities in conjunction with new road construction;
  - (e) Purchase and installation of traffic signalization (including new and upgraded signalization);
  - (f) Construction of curbs, medians and shoulders in conjunction with new road construction;
  - (g) Relocating utilities to accommodate new road construction;
  - (h) New facilities and buildings as applicable;
  - (i) New parks;
  - (j) New park buildings, equipment and amenities.
- 5) “Developer” means any individual, firm, company partnership, joint venture, association corporation, estate, trust, business trust, receiver, syndicate, or other group, or entity responsible for a new development or a new development project.
- 6) “Development Project” means an interrelated set of developments, approved by the City pursuant to a subdivision plat, planned development or other development plan.
- 7) “Dwelling Unit” means a room, or rooms connected together constituting a separate, independent housekeeping establishment for owner occupancy, rental or lease on a daily, weekly, monthly, or longer basis; physically separated from any other room(s) or dwelling units which may be in the same structure; and containing independent cooking and sleeping facilities.
- 8) “Impact Fee Study” means the most recently prepared Impact Fee Study prepared for the City of Hendersonville by Tischler Bise, Inc, or an updated similar report approved by the Hendersonville Board of Mayor and Aldermen.
- 9) “Multi-Family” means a building used for three or more dwelling units, excluding townhomes.
- 10) “Nonresidential” means the development of any property for any use other than residential use, except as may be exempted by this chapter.
- 11) “Office/Institutional” means buildings housing primarily office or institutional uses, including but not limited to corporate headquarters, medical offices, real estate offices, hospitals government buildings, schools, day care centers, and private lodges.
- 12) “Residential” means single-family or multi-family dwelling units.
- 13) “Retail/Commercial” means shopping centers, commercial land uses and other nonresidential land uses not elsewhere classified in the fee schedule.

- 14) “Impact Fee Administrator” means the Finance Director for the City of Hendersonville or his or her designee.
- 15) “Single Family Dwelling” means a dwelling unit on an individual lot principally used, designed, or adapted for use by a single family.
- 16) “Structure” means anything built, constructed, or erected that is located permanently or semi-permanently on the ground or attached to something having a permanent or semi-permanent location on the ground, but specifically excluding paving or other resurfacing of the ground.
- 17) “Square Feet” means gross floor area, defined as the total area of all floors of a primary building and all associated accessory buildings, measured from the external surface of the outside walls, but excluding covered walkways, open roofed over areas, porches and similar spaces, exterior terraces or steps, chimneys, roof overhangs, and similar features. Excluded areas include basements or attic spaces of less than seven feet in height and vehicular parking and maneuvering areas.
- 18) “Warehouse” means a building primarily devoted to the storage of materials or goods, typically for the purposes of distribution.

**20-1404. Impact Fee Administrator**

Staffing will be provided for an impact fee administrator with experience and/or education in municipal finance. The duties of the impact fee administrator shall include:

- (1) Coordination with Planning, Public Works, Parks, and Codes staff to ensure proper fees are collected.
- (2) Collection of fees from assigned collection department, ensuring fees go to specified accounts.
- (3) Assisting applicants with questions regarding their impact fees and associated inquiries.
- (4) Maintaining records of applicants who have paid impact fees.
- (5) Tracking of project expenditures, including other sources of project funds.
- (6) Coordination with Public Works, Parks, Police, and Fire staff to track projects and completion.
- (7) Staff reviews with Public Works and Parks to review potential credits.
- (8) Coordinate with applicant on results of appraisals, when necessary. Write memo to detail the results of any request for impact fee credits and report results to Board. Hire appraiser and coordinate with applicant and Board for resolution as needed.
- (9) Assisting various departments with programming and budgeting of funds for projects that serve as the nexus for impact fees.
- (10) Tracking and payment of refunds.

**20-1405. Determination of Fees and Refunds**

- (1) Fee Schedule. Any person who applies for a building permit for an impact—generating development, except those exempted, shall pay an impact fee in accordance with the following fee schedule prior to the issuance of a building permit. If any credit is due pursuant to section 20-1407, the amount of such credit shall be deducted from the amount of the fee to be paid. Fees per 1,000 square feet shall be based on square feet, as herein defined, and shall be prorated to the nearest dollar.

(2) Fee Table.

Residential Development shall be assessed on a per unit basis for Single Family and Multi Family Dwellings with the following rates:

	Street	Parks	Total
Single-Family	\$5,418	\$3,598	\$9,016
Multi-Family	\$3,873	\$2,435	\$6,308

Commercial and Industrial Development shall be assessed on a per 1,000 square foot of floor area basis with the following rates:

	Street	Parks	Total
Commercial	\$4,786	\$0	\$4,786
Office & Other Services	\$3,186	\$0	\$3,186
Industrial	\$1,396	\$0	\$1,396
Institutional	\$4,382	\$0	\$4,382

- (3) Collection of Fees. Impact fees shall be collected at the time of building permit issuance or as otherwise determined by the City, unless deferred by agreement with the City, subject to conditions ensuring payment prior to occupancy. All new development in the City shall be subject to the assessment and collection of impact fees unless otherwise expressly provided herein. The City will not issue a certificate of occupancy for any Structure until the required impact fee has been paid in full. For other uses not requiring a Building Permit, the City will not approve a development plan until the requisite impact fee has been paid in full. In addition, the City will issue a stop work order on any development for which the applicable impact fee has not been paid as required.
- (4) Uses Not Listed. The impact fee administrator shall be responsible for calculating the appropriate fee for all building permit applications. If the type of development activity for which a building permit is applied is not specified on the fee schedule, the impact fee administrator shall use the fee applicable to the most nearly comparable type of land use on the fee schedule. The impact fee administrator shall consult the Planning Department and Zoning Ordinance to determine what the use most closely corresponds to, based primarily on traffic generated and impact, which shall be used as the basis of the determination.
- (5) Expansions and Change of Use. If the type of development for which a building permit is requested is for an expansion of an existing building, the fee shall be based on the square footage

added and based on the planned use as provided by the applicant. Remodeling activity that does not increase the number of residential units or the amount of nonresidential square footage shall not require payment of an impact fee.

- (6) If the planned use for any development as stated by the applicant was misrepresented or changes within one (1) year of the building permit, the impact fee administrator and city reserves the right to recoup any difference from the fee collected.
- (7) Impact Fee Calculation Errors. If the impact fee has been calculated and paid based on error or misrepresentation, it shall be recalculated and the difference refunded to the original payer or assignee. If impact fees are owed, no permit of any type may be issued for the building or structure in question, or for any other portion of a development of which the building or structure in question is a part, until impact fees are paid.
- (8) Refund. If an applicant has paid an impact fee required by this chapter and the building permit later expires without the possibility of further extension, and the development activity for which the impact fee was imposed did not occur and no impact has resulted, then the applicant who paid such fee shall be entitled to a refund of the fee paid, without interest. In order to be eligible to receive such refund, the applicant who paid such fee shall be required to submit an application requesting such refund within thirty (30) days after the expiration of the permit or extension for which the fee was paid. The City shall charge an administrative fee for verifying and computing the refund of 3% of the amount of the refund.

#### **20-1406. Vesting and Exemptions**

In order to address legal questions of vesting, projects and property with an associated Planned Development, site plan, or preliminary/final subdivision plat approved prior to \_\_\_\_\_ shall be exempt from impact fees, provided the approval has not expired. Exempt applicants include prior development agreements and per lot fees. Other exemptions include:

- (1) Developments that received a final site plan approval or building permit prior to the effective date of the Ordinance.
- (2) Building permits for Forest Park and Glenbrook Village North, whose development plans were approved with the provision that the developer would not be responsible for future impact fees.
- (3) Residential Alterations. Alterations of an existing dwelling unit where no additional dwelling units are created.
- (4) Residential Replacement. Replacement of a destroyed, partially-destroyed or moved residential building or structure with a new building or structure of the same use, and with the same number of dwelling units.
- (5) Nonresidential Replacement. Replacement of destroyed, partially-destroyed or moved nonresidential building or structure with a new building or structure of the same gross floor area and use.

- (6) No Waivers; Payment of Fees by City. Other than exempted development, impact fees shall not be waived. In order to promote the economic development of the City or the public health, safety, and general welfare of its residents, the Board of Mayor and Aldermen may agree to pay some or all of the impact fees imposed on a proposed development or redevelopment from other funds of the City that are not restricted to other uses. Any such decision to pay impact fees on behalf of an applicant shall be at the discretion of the Board of Mayor and Aldermen of the City of Hendersonville and shall be made pursuant to goals and objectives articulated by the Board.

#### **20-1407. Credits**

Credit against the road and park impact fees shall be provided for contributions toward the major road and park systems included in the calculation of the impact fee.

- (1) Reimbursement Credits Available. The City may provide reimbursement from the impact fee account for qualifying contributions toward the road and parks system.
  - (a) Approved reimbursements for construction shall generally become effective when the improvements have been completed and have been accepted by the City under the provision of an agreement approved by the City Board of Mayor and Aldermen.
  - (b) Approved reimbursements for land dedication shall become effective only upon conveyance of land that the City, in its sole discretion, elects to accept; nothing herein shall obligate the City to accept any proposed dedication.

For the purposes of this section a “Qualifying Contribution” means as follows:

- (2) Land Valuation. Credit for a Qualifying Contribution of dedication of land for park or park improvement shall be assessed on the value of the land to be dedicated. The value of any land required or offered to be dedicated during the subdivision process, Planned Development rezoning, or other approval shall be based upon the fair market value and open-space use of the land at the time of agreement, and agreed upon by both the applicant(s) and the City Board of Mayor and Aldermen. The value shall be determined by a certified appraiser who is selected and paid for by the applicant, and who uses generally accepted appraisal techniques. If the City disagrees with the appraised value, the City may engage another appraiser at the City's expense, and the value shall be an amount equal to the average of the two appraisals. If either party rejects the average of the two appraisals, the cost may be negotiated. Approved credits for dedicated land shall become effective when the land has been conveyed to the City and has been accepted by the City.

- (3) Construction Cost. In order to receive credit for major parks system improvements, the developer shall submit complete engineering drawings, specifications, and construction cost estimates or property appraisals to the Impact Fee Administrator. The Impact Fee Administrator shall review submittal with Public Works, Planning, and/or Parks Directors or their designee(s) whose departmental responsibility is to work with the specific project to determine the amount of reimbursement credit due based on the information submitted.

(4) Developer Agreement. To qualify for an impact fee credit, the developer must enter into an agreement with the City. At a minimum, the developer agreement shall specify the amount of the credit. If adequate fees are not available in the impact fee account, an agreement for repayment may be negotiated with the City Board of Mayor and Aldermen with the assistance of Finance staff.

(5) Expiration of Credits. Credits provided pursuant to this chapter shall be valid from the effective date of such credits until ten (10) years after such date.

(6) Pre Ordinance Offset Credits. Developers and applicants exempt from impact fees shall not be eligible to obtain reimbursement credits for improvements completed prior to the effective date of this chapter.

#### **20-1408. Miscellaneous Provisions**

(1) Developer Exactions. Nothing in this chapter shall restrict the City from requiring the construction of necessary improvements required (e.g. the addition of required open space; or a traffic study show a reduction in level of service to justify the addition of a turn lane) to serve the development project, whether or not such improvements are of a type for which credits are available.

(2) Use of Impact Fees and Segregation of Funds. Impact fee funds that are distinct from the general fund of the City are hereby created, and the impact fees received will be deposited in each of the interest-bearing accounts of the associated impact fee. Eligible expenditures from the monies in the impact fee accounts shall be used only for following:

- (a) Impact fee revenues shall be used exclusively for capital improvements or equipment for streets and parks, as applicable, to serve new development and as approved by the Board of Mayor and Aldermen. Funds shall be maintained in separate accounts for roads impact fees and parks impact fees.
- (b) Qualifying project costs include project engineering costs; the acquisition cost of rights of way and easements, including legal costs; the construction cost of improvements, including, but not limited to, public street travel lanes, public pedestrian and bicycle pathways, turning lanes or the portion thereof located within the right of way of a public street, lighting, signalization, signage, equipment, and landscaping improvements that are required for the road improvement to function effectively or associated with the park improvements; and the principal, interest and other financing costs of bonds, notes or other obligations issued by or on behalf of the City to finance qualified improvements.

(3) Ineligible expenses. Ongoing operational costs, maintenance of existing facilities. In addition, rehabilitation, reconstruction, replacement or capital equipment, except to the extent that the projects increase the capacity to serve new development.

(4) Recordkeeping. The impact fee administrator shall maintain accurate records of the impact fees paid, including the name of the person paying such fees, the project for which the fees were paid, the date of payment of each fee, the amounts received in payment for each fee, and any other matters that the City deems appropriate of necessary to the accurate accounting of such fees. Records shall be available for review by the public during normal business hours and with reasonable advance notice pending the availability of the impact fee administrator.

(5) Programming of Funds. The City shall assign monies from the impact fee fund to specific projects and related expenses for eligible improvements of the type for which the fees in that fund were paid. Any monies, including any accrued interest, not assigned to specific projects within such capital improvements program and not expended shall be retained in the same impact fee fund until the next fiscal year.

(6) Underpayment or Overpayment. If an impact fee has not been paid, has been underpaid or overpaid for any reason, the underpayment or overpayment shall be remedied as soon as possible after it is discovered. Any amounts overpaid by an applicant shall be refunded by the impact fee administrator to the applicant within thirty (30) days after the discovery of the overpayment, with interest since the date of such overpayment. Any amounts not paid or underpaid by the applicant shall be paid to the impact fee administrator within thirty (30) days after notice is given to the applicant of the amount due. In the case of a nonpayment or underpayment, the City shall not issue any additional permits or approvals for the project for which the impact fee was previously underpaid until such underpayment is corrected, and if amounts owed to the City are not paid within such thirty (30) day period, the City may also rescind any permits issued in reliance on the previous payment of such impact fee.

(7) Periodic Updates. The study will be revisited from time to time, at approximately five (5) year intervals, for adjustments to the fee schedule, or at the request of the Board of Mayor and Aldermen.

**20-1409. Appeals**

Any determination made by the impact fee administrator charged with the administration of any part of this chapter may be appealed to the Board of Mayor and Aldermen within thirty (30) days from the date of the decision to be appealed.

**20-1410. Violation**

Furnishing false information on any matter relating to the administration of this chapter, including without limitation the furnishing of false information regarding the expected size, use, or impacts from a proposed development, shall be a violation of this chapter.

**20-1411. Severability**

If a provision of this chapter or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the division that can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

**20-1412. Effective Date**

This ordinance shall become effective for any submittals received after \_\_\_\_\_ that do not meet the vesting standards as set forth by the ordinance.

First Reading: \_\_\_\_\_

Second Reading: \_\_\_\_\_

APPROVED:

\_\_\_\_\_  
**JAMIE CLARY**, Mayor

ATTEST:

\_\_\_\_\_  
**TAMARA INGERSOLL**, City Recorder

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
**LANCE A. WRAY**, City Attorney

## **LEGISLATIVE HISTORY**

Ordinance 2025-23

**Sponsor:** Martin, Skidmore, Burgdorf, Sasse

**Committee:** General

**Date of Committee Meeting:** December 9, 2025

**Committee Recommendation:** Yes

**Committee:** Finance

**Date of Committee Meeting:** December 9, 2025

**Committee Recommendation:** Yes

**First BOMA Reading:** January 13, 2026

DATE:	January 13, 2026
ORDINANCE/RESOLUTION #	Ordinance 2025-23
SPECIFIC REQUEST/ RECOMMENDATION:	That the Board of Mayor and Alderman consider adopting impact fees for residential and nonresidential development.
REPORT PREPARED BY:	Zachary Coleman, Senior Planner Keith L. Free, Planning Director Jesse Eckenroth, COO



**BACKGROUND:** 1

Impact fees are defined as one-time charges levied by local governments on new development. They are charged to developers to help municipalities recover infrastructure and public service costs. These collected fees are often used by agencies to mitigate the impacts that new developments incur with respect to traffic congestion, infrastructure (water, sewer, traffic signals), public parks, public safety and more.

Impact fees are commonly used by cities across the nation. The State of Tennessee allows municipalities to impose impact fees on new development. The City of Hendersonville’s charter also establishes the City’s authority to enact impact fees, subject to the Board’s adoption.

Cities in close proximity to Hendersonville that have implemented impact fees, include but are not limited to: Franklin, Murfreesboro, La Vergne, Smyrna and White House.

The City has discussed impact fees at BOMA meetings, committee meetings and at standalone public workshops. In 2019, BOMA voted not to enact impact fees at that time primarily due to the potential impact on commercial and industrial development in the city limits, as opposed to neighboring cities with no commercial impact fees. As such, at no time has the City ever had a formal impact fee. However, at times some developments have offered the City voluntary fees which were accepted, but no formal fee has ever been required.

**DISCUSSION:** 2

Impact fees differ for residential and nonresidential use. Residential use includes single-family dwellings and multi-family dwellings. The only difference, from an impact study perspective, between single-family and multi-family dwellings is the higher occupancy rate of 2.56 per single-family dwelling versus the occupancy rate of 1.65 per multi-family dwelling. The higher occupancy rate of single-family dwellings equates to more demand (use) on the system and therefore the fee reflects the mathematical equity according to occupancy rate. Nonresidential uses include commercial, office, industrial and institutional. Fees for nonresidential uses are based on the demand that those types of uses/developments typically generate. For example, impact fees are higher for commercial development (shopping center) versus industrial development (manufacturing plant) due to the increased traffic (vehicle trips) and demand on city services that commercial uses produce vs. industrial uses.

The Impact Fee Study identified the maximum allowable impact fees for various development types to ensure new development pays its fair share of infrastructure costs. The proposed ordinance imposes impact fees for all (residential and nonresidential) new development within the city in order to offset costs associated with mitigating the development's impact on the city. The impact fees are structured to collect 50% of the maximum allowable amount for Roads (transportation) and Parks. However, Parks impact fees are only assessed to residential building projects and are not assessed to commercial and industrial (nonresidential) projects.

Residential development shall be assessed on a per unit basis for Single-Family and Multi-Family Dwellings with the following rates:

	Street	Parks	Total
Single-Family	\$5,418	\$3,598	<b>\$9,016</b>
Multi-Family	\$3,873	\$2,435	<b>\$6,308</b>

Commercial and Industrial Development shall be assessed on a per 1,000 square feet of floor area basis with the following rates:

	Street	Parks	Total
Commercial	\$4,786	\$0	<b>\$4,786</b>
Office & Other Services	\$3,186	\$0	<b>\$3,186</b>
Industrial	\$1,396	\$0	<b>\$1,396</b>
Institutional	\$4,382	\$0	<b>\$4,382</b>

#### FISCAL IMPACT:

3

Revenue generated by impact fees is only eligible for use on capital expenditures that mitigate impacts of new developments. Total revenue collections are determined by the level of activity but can be calculated for residential by multiplying the number of residential units built by the amount of the fee and for nonresidential by multiplying the square footage/1,000 by fee amount.

In calendar year 2024 there were 285 single-family dwelling units constructed and zero multi-family units which would have produced a total fee revenue of \$2,569,560, with \$1,544,130 for Roads and

\$1,025,430 for Parks. There were also 16,872 sq. ft. of Commercial, 5,660 sq. ft. of Industrial, 22,072 of Office, and 48,615 sq. ft. of Institutional permitted which would have contributed an additional \$326,601 to Roads, bringing the total in 2024 to \$1,870,731 for Roads and \$1,025,430 for parks (total revenue of \$2,896,161).

By comparison, in calendar year 2023 there were 264 single-family units and 247 multi-family units permitted, which would have produced a fee revenue of \$2,238,224 and \$1,558,076 respectively (\$3,938,300 total revenue, \$2,386,983 for Roads and \$1,551,317 for Parks). An additional 311,687 sq ft of Commercial was permitted, with no Industrial, Institutional, or Office permitted, adding \$1,491,734 of revenue for Roads, and bringing the total to \$3,878,717 for Roads and \$1,551,317 for Parks (total revenue of \$5,430,034).

#### ADDITIONAL INFORMATION / PHOTOS:

4

Impact studies benefit from scheduled updates to keep current with costs and new developments. If the city implements impact fees an update to the study will be pursued, ideally the time between updates would be five (5) years or less. The cost to update the impact fee study can be calculated into the development fees.

#### ATTACHMENTS:

5

1. October 29, 2025, Impact Fee Study - Public Safety & Transportation
2. January 26, 2024, Impact Fee Report - Parks
3. Spreadsheet – Impact Fee Study – Comparison to Other Cities with BOMA Options
4. Impact Fee Examples - Based on sample projects
5. Ordinance 2025-23

# Impact Fee Study

Prepared for:  
**City of Hendersonville, Tennessee**

October 29, 2025



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Suite S240  
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## EXECUTIVE SUMMARY

The City of Hendersonville, Tennessee, retained TischlerBise to prepare this study to analyze the impacts of development on City capital facilities and to calculate impact fees based on that analysis. Through interviews and discussions with City staff, TischlerBise developed the proposed impact fees discussed in this study. Methodologies and calculations are presented in this report as supporting documentation for an update to the Impact Fee program in the City of Hendersonville.

Impact fees are collected from new construction at the time a building permit is issued and used to construct system improvements needed to accommodate new development. An impact fee represents future development's proportionate share of capital facility needs. Impact fees do have limitations and should not be regarded as the total solution for infrastructure funding. Rather, they are one component of a comprehensive funding strategy to ensure provision of adequate public facilities. Impact fees may only be used for capital improvements or debt service for growth-related infrastructure. In contrast to general taxes, impact fees may not be used for operations, maintenance, replacement of infrastructure, or correcting existing deficiencies. This update of Hendersonville's impact fees includes the following components:

1. Fire
2. Police
3. Transportation

## Tennessee Legal Framework

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While the State of Tennessee does not have specific authorizing legislation for impact fees, the State does grant the power for municipalities with a mayor-aldermanic charter to impose impact fees on new development. As a mayor-aldermanic charter city, the City of Hendersonville may:

"Establish, open, relocate, vacate, alter, widen, extend, grade, improve, repair, construct, reconstruct, maintain, light, sprinkle and clean public highways, streets, boulevards, parkways, sidewalks, alleys, parks, public grounds, public facilities, libraries and squares, wharves, bridges, viaducts, subways, tunnels, sewers and drains within or without the corporate limits, regulate their use within the corporate limits, assess fees for the use of or impact upon such property and facilities, and take and appropriate property therefor under § 7-31-107 -- 7-31-111 and § 29-16-203, or any other manner provided by general laws." (Tenn. Code Ann. § 6-2-201 (15))

## General Legal Framework

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Both state and federal courts have recognized the imposition of impact fees as a legitimate form of land use regulation, provided the fees meet standards intended to protect against regulatory takings. Land use regulations, development exactions, and impact fees are subject to the Fifth Amendment prohibition on taking of private property for public use without just compensation. To comply with the Fifth Amendment, development regulations must be shown to substantially advance a legitimate governmental interest. In the case of impact fees, that interest is in the protection of public health, safety, and welfare by ensuring development is not detrimental to the quality of essential public services. The means to this end are also important, requiring both procedural and substantive due process. The process followed to receive

community input (i.e., stakeholder meetings, work sessions, and public hearings) provides opportunities for comments and refinements to the impact fees.

There is little federal case law specifically dealing with impact fees, although other rulings on other types of exactions (e.g., land dedication requirements) are relevant. In one of the most important exaction cases, the U. S. Supreme Court found that a government agency imposing exactions on development must demonstrate an “essential nexus” between the exaction and the interest being protected (see *Nollan v. California Coastal Commission*, 1987). In a more recent case (*Dolan v. City of Tigard, OR*, 1994), the Court ruled that an exaction must also be “roughly proportional” to the burden created by development. However, the *Dolan* decision appeared to set a higher standard of review for mandatory dedications of land than for monetary exactions such as impact fees.

There are three reasonable relationship requirements for impact fees that are closely related to “rational nexus”, or “reasonable relationship” requirements enunciated by a number of state courts. Although the term “dual rational nexus” is often used to characterize the standard by which courts evaluate the validity of impact fees under the U.S. Constitution, we prefer a more rigorous formulation that recognizes three elements: “need,” “benefit,” and “proportionality.” The dual rational nexus test explicitly addresses only the first two, although proportionality is reasonably implied, and was specifically mentioned by the U.S. Supreme Court in the *Dolan* case. Individual elements of the nexus standard are discussed further in the following paragraphs.

All new development in a community creates additional demands on some, or all, public facilities provided by local government. If the capacity of facilities is not increased to satisfy that additional demand, the quality or availability of public services for the entire community will deteriorate. Impact fees may be used to recover the cost of development-related facilities, but only to the extent that the need for facilities is a consequence of development that is subject to the fees. The *Nollan* decision reinforced the principle that development exactions may be used only to mitigate conditions created by the developments upon which they are imposed. That principle clearly applies to impact fees. In this study, the impact of development on infrastructure needs is analyzed in terms of quantifiable relationships between various types of development and the demand for specific capital facilities, based on applicable level-of-service standards.

The requirement that exactions be proportional to the impacts of development was clearly stated by the U.S. Supreme Court in the *Dolan* case and is logically necessary to establish a proper nexus. Proportionality is established through the procedures used to identify development-related facility costs, and in the methods used to calculate impact fees for various types of facilities and categories of development. The demand for capital facilities is measured in terms of relevant and measurable attributes of development (e.g., a typical housing unit’s average weekday vehicle trips).

A sufficient benefit relationship requires that impact fee revenues be segregated from other funds and expended only on the facilities for which the fees were charged. Impact fees must be expended in a timely manner and the facilities funded by the fees must serve the development paying the fees. However, nothing in the U.S. Constitution or the state enabling legislation requires that facilities funded with fee revenues be available *exclusively* to development paying the fees. In other words, benefit may extend to a general area including multiple real estate developments. Procedures for the earmarking and

expenditure of fee revenues are discussed near the end of this study. All of these procedural as well as substantive issues are intended to ensure that new development benefits from the impact fees they are required to pay. The authority and procedures to implement impact fees is separate from and complementary to the authority to require improvements as part of subdivision or zoning review.

As documented in this report, the City of Hendersonville has complied with applicable legal precedents. Impact fees are proportionate and reasonably related to the capital improvement demands of new development. Specific costs have been identified using local data and current dollars. With input from City staff, TischlerBise identified demand indicators for each type of infrastructure and calculated proportionate share factors to allocate costs by type of development. This report documents the formulas and input variables used to calculate the impact fees for each type of public facility. Impact fee methodologies also identify the extent to which new development is entitled to various types of credits to avoid potential double payment of growth-related capital costs.

## **General Methodologies**

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There are three general methodologies for calculating impact fees. The choice of a particular methodology depends primarily on the timing of infrastructure construction (past, concurrent, or future) and service characteristics of the facility type being addressed. Each methodology has advantages and disadvantages in a particular situation, and can be used simultaneously for different cost components.

Reduced to its simplest terms, the process of calculating impact fees involves two main steps: (1) determining the cost of development-related capital improvements and (2) allocating those costs equitably to various types of development. In practice, though, the calculation of impact fees can become quite complicated because of the many variables involved in defining the relationship between development and the need for facilities within the designated service area. The following paragraphs discuss three basic methodologies for calculating impact fees and how those methodologies can be applied.

### **Cost Recovery (Past Improvements)**

The rationale for recoupment, often called cost recovery, is that future development is paying for its share of the useful life and remaining capacity of facilities already built, or land already purchased, from which future development will benefit. This methodology is often used for utility systems that must provide adequate capacity before future development can take place.

### **Incremental Expansion (Concurrent Improvements)**

The incremental expansion methodology documents current level-of-service (LOS) standards for each type of public facility, using both quantitative and qualitative measures. This approach assumes there are no deficiencies or surplus capacity in existing infrastructure, and future development is paying only its proportionate share for growth-related infrastructure. Revenue will be used to expand or provide additional facilities, as needed, to accommodate future development. An incremental expansion cost methodology is best suited for public facilities that will be expanded in regular increments to keep pace with development.

## Plan-Based (Future Improvements)

The plan-based methodology allocates costs for a specified set of improvements to a specified amount of development. Improvements are typically identified in a long-range facility plan and development potential is identified by a land use plan. There are two options for determining the cost per demand unit: (1) total cost of a public facility can be divided by total demand units (average cost), or (2) the growth-share of the public facility cost can be divided by the net increase in demand units over the planning timeframe (marginal cost).

## Conceptual Impact fee Calculation

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In contrast to project-level improvements, impact fees fund growth-related infrastructure that will benefit multiple development projects, or the entire jurisdiction (referred to as system improvements). The first step is to determine an appropriate demand indicator for the particular type of infrastructure. The demand indicator measures the number of demand units for each unit of development. For example, an appropriate indicator of the demand for park facilities is population growth, and the increase in population can be estimated from the average number of residents per housing unit. The second step in the impact fee formula is to determine infrastructure units per demand unit, typically called level-of-service (LOS) standards. In keeping with the parks example, a common LOS standard is park amenities per resident. The third step in the impact fee formula is the cost of various infrastructure units. To complete the parks example, this part of the formula would establish the cost for purchasing and/or constructing new park amenities.

## Credits

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Regardless of the methodology, a consideration of credits is integral to the development of a legally defensible impact fee. There are two types of credits that should be addressed in impact fee studies and ordinances. The first is a revenue credit due to possible double payment situations, which could occur when other revenues may contribute to the capital costs of infrastructure covered by the impact fee. This type of credit is integrated into the fee calculation, thus reducing the fee amount. The second is a site-specific credit or developer reimbursement for dedication of land or construction of system improvements. An example would be if a developer builds a park with improvements and dedicates to the City. This type of credit is addressed in the administration and implementation of the development fee program. For ease of administration, TischlerBise normally recommends developer reimbursements for system improvements.

## Proposed Impact Fee Components

Figure 1 summarizes service areas, methodologies, and cost components for the proposed fees.

**Figure 1: Proposed Service Areas, Methodologies, and Cost Components**

Necessary Public Services	Service Area	Cost Recovery	Incremental Expansion	Plan-Based	Cost Allocation
Fire	Citywide	N/A	Fire Facilities, Fire Apparatus	Development Fee Report	Population, Vehicle Trips
Police	Citywide	N/A	Police Facilities, Police Vehicles	Development Fee Report	Population, Vehicle Trips
Transportation	Citywide	N/A	Street Improvements	Development Fee Report	VMT

Calculations throughout this report are based on an analysis conducted using Excel software. Most results are discussed in the report using two, three, and four decimal places, which represent rounded figures. However, the analysis itself uses figures carried to their ultimate decimal places; therefore, the sums and products generated in the analysis may not equal the sum or product if the reader replicates the calculation with the factors shown in the report (due to the rounding of figures shown, not in the analysis).

## Proposed Impact Fees

Proposed impact fees will be assessed per dwelling unit for residential development, and per 1,000 square feet of floor area for nonresidential development. The proposed impact fees represent the maximum allowable amount feasible for each development type, and this represents future development’s fair share of the cost for the appropriate capital facilities.

Hendersonville may adopt fees that are less than the amounts shown; however, a reduction in impact fee revenue will necessitate an increase in other revenues, a decrease in planned capital improvements, and/or a decrease in level-of-service standards. All costs in the Impact Fee Study represent current dollars with no assumed inflation over time. If costs change significantly over time, impact fees should be recalculated.

**Figure 2: Proposed Impact Fees**

Residential Fees per Unit				
Unit Size	Fire	Police	Street	Proposed Fees
Single Family	\$1,198	\$657	\$10,836	\$12,691
Multi-Family	\$772	\$423	\$7,745	\$8,940

Nonresidential Fees per 1,000 Square Feet				
Development Type	Fire	Police	Street	Proposed Fees
Industrial	\$337	\$185	\$2,792	\$3,314
Commercial	\$1,728	\$948	\$9,571	\$12,247
Office & Other Services	\$767	\$421	\$6,371	\$7,559
Institutional	\$1,054	\$579	\$8,763	\$10,396

## FIRE

### Methodology

The fire impact fee includes components for fire facilities, fire apparatus, the cost of calculating the fire impact fees, and a credit for existing fire debt. Fire impact fees are based on the incremental expansion methodology for facilities and apparatus and the plan-based methodology for the cost of calculating fire impact fees. Costs are allocated to both residential and nonresidential development using different demand indicators for each type of development. Residential impact fees are calculated on a per capita basis, then converted to an appropriate amount for each type of housing unit based on persons per housing unit factors. Nonresidential impact fees are calculated using nonresidential vehicle trips. Trip generation rates are highest for commercial/retail development and lowest for industrial development, whereas trip rates for office/institutional development fall between the other two categories. Using vehicle trip rates ensures that impact fees are consistent with the relative demand for fire services from nonresidential development.

### Proportionate Share

TischlerBise recommends functional population to allocate the cost of fire infrastructure to residential and nonresidential development. Functional population is similar to what the U.S. Census Bureau calls "daytime population." This approach accounts for people living and working in a jurisdiction, but it also considers commuting patterns and time spent at home and at nonresidential locations. OnTheMap is a web-based mapping and reporting application that shows where workers are employed and where they live. It describes geographic patterns of jobs by their employment locations and residential locations as well as the connections between the two locations. OnTheMap was developed through a unique partnership between the U.S. Census Bureau and its Local Employment Dynamics (LED) partner states.

Residents that do not work are assigned 20 hours per day to residential development and 4 hours per day to nonresidential development (annualized averages). Residents that work in Hendersonville are assigned 14 hours to residential development and 10 hours to nonresidential development. Residents that work outside Hendersonville are assigned 14 hours to residential development. Inflow commuters are assigned 10 hours to nonresidential development. Based on 2022 functional population data for Hendersonville, the most recent year available, the cost allocation for residential development is 76 percent while nonresidential development accounts for 24 percent of the demand for fire infrastructure.

Figure F1: Functional Population

Demand Units in 2022				
<b>Residential</b>			Demand Hours/Day	Person Hours
Total Population	61,321			
Residents Not Working	31,688		20	633,760
Employed Residents	29,633			
Employed in Hendersonville	3,880	14		54,320
Employed outside Hendersonville	25,753	14		360,542
Residential Subtotal				1,048,622
			<b>Residential Share</b>	<b>76%</b>
<b>Nonresidential</b>				
Non-working Residents	31,688		4	126,752
Jobs Located in Hendersonville	20,667			
Residents Employed in Hendersonville	3,880	10		38,800
Non-Resident Workers (inflow commuters)	16,787	10		167,870
Nonresidential Subtotal				333,422
			<b>Nonresidential Share</b>	<b>24%</b>
Total				1,382,044

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics, Version 6.23.4 (employment).

## Service Units

### Residential

The “service unit” used for residential development is persons per housing unit (PPHU). This is a measure of, on average, the number of persons residing in each housing unit. As shown in Figure F2, there are 2.56 persons per single family unit and 1.65 persons per multifamily unit. Factors have been calculate based on data provided by the U.S. Census Bureau’s 2023 ACS 5-year estimates (further discussed in Appendix A).

Figure F2: Persons Per Housing Unit (PPHU)

Residential Development per Unit	
Development Type	Persons per Housing Unit <sup>1</sup>
Single Family	2.56
Multi-Family	1.65

1. See Land Use Assumptions

## Nonresidential

TischlerBise recommends using nonresidential vehicle trips as the nonresidential service unit for fire infrastructure. Average weekday vehicle trip ends for nonresidential development are from the 11<sup>th</sup> edition of the reference book, *Trip Generation*, published in 2021 by the Institute of Transportation Engineers. A trip end represents a vehicle either entering or exiting a development (as if a traffic counter were placed across a driveway). Trip ends for nonresidential development are calculated per thousand square feet.

The basic trip adjustment factor is 50 percent for all nonresidential development except commercial and institutional. For commercial and institutional development, the trip adjustment factor is less than 50 percent because retail uses attract vehicles as they pass by on arterial and collector roads. For example, when someone stops at a convenience store on the way home from work, the convenience store is not the primary destination. For an average size shopping center, the ITE (2017) indicates that on average 34 percent of the vehicles that enter are passing by on their way to some other primary destination. The remaining 66 percent of attraction trips have the shopping center as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor ( $0.66 \times 0.50 = 0.33$ ) is approximately 33 percent of the trip ends.

Using the current estimates of nonresidential square footage, TischlerBise applies the trip generation rates and adjustment factors to calculate average weekday vehicle trips for nonresidential development in Hendersonville. TischlerBise estimates that there are 69,915 average weekday vehicle trips attributable to existing nonresidential development in Hendersonville.

**Figure F3: Current Estimate of Nonresidential Vehicle Trips**

Development Type	Dev Unit	ITE Code	Avg Wkday VTE	Trip Adjustment	Adjusted Wkday VTE	2025 Dev Units	2025 Veh Trips
Industrial	KSF	110	4.75	50%	<b>2.38</b>	2,758	6,550
Commercial	KSF	820	37.01	33%	<b>12.21</b>	3,101	37,877
Office & Other Services	KSF	710	10.84	50%	<b>5.42</b>	1,908	10,341
Institutional	KSF	520	22.59	33%	<b>7.45</b>	2,032	15,147
<b>Total Nonresidential Trips</b>							<b>69,915</b>

## Fire Facilities – Incremental Expansion

### Existing Standards and Cost Factors

Hendersonville currently provides 53,357 square feet of fire facilities to existing development and plans to maintain the existing level of service by constructing additional fire facilities to serve future development. To allocate the proportionate share of demand to residential and nonresidential development, this analysis uses proportionate share factors shown in Figure F1. Hendersonville’s existing LOS for residential development is 0.6062 square feet per person (53,357 square feet X 76 percent residential share / 66,898 persons). The nonresidential level of service is 0.1832 square feet per vehicle trip (53,357 square feet X 24 percent nonresidential share / 69,915 vehicle trips). Based on recent fire station construction costs in Tennessee this analysis uses a construction cost estimate of \$450 per square foot. For fire facilities, the cost is \$272.78 per person (0.6062 square feet per person X \$450 per square foot) and \$82.42 per vehicle trip (0.1832 square feet per vehicle trip X \$450 per square foot).

**Figure F4: Existing Standards for Fire Facilities**

Description	Square Feet
Station 1	4,880
Station 2	14,460
Station 3	8,434
Station 4	3,200
Station 5	7,354
Station 6	6,000
Station 7	9,029
<b>Total</b>	<b>53,357</b>

Cost Factors	
Cost per Square Foot	\$450

Level-of-Service (LOS) Standards	
Existing Square Feet	53,357
Residential	
Residential Share	76%
2025 Population	66,898
Square Feet per Person	0.6062
<b>Cost per Person</b>	<b>\$272.78</b>
Nonresidential	
Nonresidential Share	24%
2025 Vehicle Trips	69,915
Square Feet per Vehicle Trip	0.1832
<b>Cost per Vehicle Trip</b>	<b>\$82.42</b>

Source: Hendersonville Fire Department

## Projected Demand

Hendersonville plans to maintain the existing level of service for fire facilities over the next 10 years. Based on a projected population increase of 10,455 persons, future residential development demands approximately 6,338 square feet of fire facilities (10,455 additional persons X 0.6062 square feet per person). With projected nonresidential growth of 9,478 vehicle trips, future nonresidential development demands approximately 1,736 square feet of fire facilities (9,478 additional vehicle trips X 0.1832 square feet per vehicle trip). The growth-related cost of fire facilities is \$3,633,057 (8,073 square feet X \$450 per square foot).

**Figure F5: Growth-Related Need for Fire Facilities**

Type of Infrastructure	Level of Service	Demand Unit	Cost per Sq Ft
Fire Facilities	0.6062 Square Feet	per Person	\$450
	0.1832 Square Feet	per Vehicle Trip	

Demand for Fire Facilities					
Year	Population	Vehicle Trips	Square Feet		
			Residential	Nonresidential	Total
2025	66,898	69,915	40,551	12,806	53,357
2026	67,943	70,803	41,185	12,968	54,153
2027	68,989	71,703	41,819	13,133	54,952
2028	70,034	72,616	42,453	13,300	55,753
2029	71,080	73,542	43,086	13,470	56,556
2030	72,125	74,482	43,720	13,642	57,362
2031	73,171	75,436	44,354	13,817	58,171
2032	74,216	76,404	44,988	13,994	58,982
2033	75,262	77,386	45,621	14,174	59,795
2034	76,307	78,382	46,255	14,356	60,612
2035	77,353	79,393	46,889	14,542	61,430
Increase	10,455	9,478	6,338	1,736	8,073
Growth-Related Expenditures			\$2,851,877	\$781,180	\$3,633,057

## Fire Apparatus – Incremental Expansion

### Existing Standards and Cost Factors

Hendersonville currently provides 36 units of fire apparatus to existing development and plans to maintain the existing level of service by acquiring additional apparatus to serve future development. Based on costs provided by staff, the weighted average cost of the existing fleet is \$554,613 per unit. The analysis uses this cost as a proxy for future apparatus costs.

**Figure F6: Existing Fire Apparatus Inventory**

Description	Units	Unit Cost	Total Cost
1999 American Eagle Pumper	1	\$992,967	\$992,967
Tactical Rescue Trailer	1	\$9,000	\$9,000
Jet Skis	2	\$30,000	\$60,000
2007 E-One Pumper Custom Chassis	1	\$875,000	\$875,000
2011 E-One 100' Platform Ladder Truck	1	\$2,000,000	\$2,000,000
2012 Chevrolet Silverado 2500	1	\$46,703	\$46,703
2012 Chevrolet Tahoe	1	\$46,703	\$46,703
2012 E-One Pumper Custom Chassis	1	\$910,000	\$910,000
CBRNE Fire/Rescue Boat (33-FT)	1	\$400,000	\$400,000
12 Ft. Rigid Hull Inflatable Boat with Motor	2	\$22,000	\$44,000
2013 E-One Typhoon Pumper	1	\$992,967	\$992,967
2013 E-One Cyclone 100' Ladder Truck	1	\$1,999,565	\$1,999,565
2015 Chevrolet Silverado	2	\$95,000	\$190,000
2015 SUTPHEN Engine	1	\$992,967	\$992,967
2015 Spartan	1	\$1,100,000	\$1,100,000
2016 Kawasaki Mule	1	\$16,000	\$16,000
2017 Chevrolet Silverado	2	\$46,703	\$93,406
2018 Chevrolet Silverado 1500	2	\$46,703	\$93,406
2018 Pierce Enforcer Pumper	2	\$1,985,934	\$3,971,868
2019 Chevrolet Tahoe	1	\$46,703	\$46,703
2019 Chevrolet Silverado 1500	1	\$46,703	\$46,703
2021 Chevrolet Silverado 2500	1	\$46,703	\$46,703
2022 Ford PPV Explorer	1	\$46,703	\$46,703
2022 Pierce Enforcer Pumper	1	\$992,967	\$992,967
2023 Chevrolet Tahoe	1	\$46,703	\$46,703
2025 Chevrolet Silverado 2500	2	\$46,703	\$93,406
2023 Pierce Enforcer Pumper	1	\$819,090	\$819,090
2024 Pierce Enforcer Pumper	1	\$992,967	\$992,967
2025 Pierce Enforcer Aerial 107' Ladder Truck	1	\$1,999,565	\$1,999,565
<b>Total</b>	<b>36</b>	<b>\$554,613</b>	<b>\$19,966,062</b>

To allocate the proportionate share of demand to residential and nonresidential development, this analysis uses proportionate share factors shown in Figure F1. Hendersonville’s existing LOS for residential development is 0.00041 units per person (36 units X 76 percent residential share / 66,898 persons). The nonresidential level of service is 0.00012 units per vehicle trip (36 units X 24 percent nonresidential share / 69,915 vehicle trips). For fire apparatus, the cost is \$226.83 per person (0.00041 units per person X \$554,613 per unit) and \$68.54 per vehicle trip (0.00012 units per vehicle trip X \$554,613 per unit).

**Figure F7: Existing Standards for Fire Apparatus**

Cost Factors	
Weighted Average per Unit	\$554,613

Level-of-Service (LOS) Standards	
Existing Units	36
Residential	
Residential Share	76%
2025 Population	66,898
Units per Person	0.00041
Cost per Person	\$226.83
Nonresidential	
Nonresidential Share	24%
2025 Vehicle Trips	69,915
Units per Vehicle Trip	0.00012
Cost per Vehicle Trip	\$68.54

Source: Hendersonville Fire Department

## Projected Demand

Hendersonville plans to maintain the existing level of service for fire apparatus over the next 10 years. Based on a projected population increase of 10,455 persons, future residential development demands approximately 4.3 units (10,455 additional persons X 0.00041 units per person). With projected nonresidential growth of 9,478 vehicle trips, future nonresidential development demands approximately 1.2 units (9,478 vehicle trips X 0.00012 units per vehicle trip). The growth-related cost of fire apparatus is \$3,021,069 (5.4 units X \$554,613 per unit).

**Figure F8: Growth-Related Need for Fire Apparatus**

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Fire Apparatus	0.00041 Units	per Person	\$554,613
	0.00012 Units	per Vehicle Trip	

Demand for Fire Apparatus					
Year	Population	Vehicle Trips	Units		
			Residential	Nonresidential	Total
2025	66,898	69,915	27.4	8.6	36.0
2026	67,943	70,803	27.8	8.7	36.5
2027	68,989	71,703	28.2	8.9	37.1
2028	70,034	72,616	28.6	9.0	37.6
2029	71,080	73,542	29.1	9.1	38.2
2030	72,125	74,482	29.5	9.2	38.7
2031	73,171	75,436	29.9	9.3	39.2
2032	74,216	76,404	30.4	9.4	39.8
2033	75,262	77,386	30.8	9.6	40.3
2034	76,307	78,382	31.2	9.7	40.9
2035	77,353	79,393	31.6	9.8	41.4
Increase	10,455	9,478	4.3	1.2	5.4
Growth-Related Expenditures			\$2,371,479	\$649,590	\$3,021,069

## Impact Fee Study – Plan-Based

The cost to prepare the fire impact fee equals \$20,274. TischlerBise recommends that Hendersonville update its report every five years. Based on this cost, proportionate shares, and five-year projections of new development from the Land Use Assumptions detailed in Appendix A, the cost is \$2.95 per person and \$1.07 per vehicle trip.

**Figure F9: Impact Fee Study Expense**

Necessary Public Service	Cost	Proportionate Share		Service Unit	5-Year Change	Cost per Service Unit
Fire	\$20,274	Residential	76%	Population	5,228	\$2.95
		Nonresidential	24%	Vehicle Trips	4,567	\$1.07

## Debt Credit

The fire impact fees include a credit for existing debt service. Hendersonville has bond financed recent fire facilities construction and the purchase of fire apparatus. A credit is necessary since new development will pay the fire impact fee and will also generate property tax revenue used to repay existing debt service. As shown in Figure F10, the principal portion of existing debt service equals \$3,742,747 over the next 9 years. To allocate the proportionate share of demand to residential and nonresidential development, this analysis uses proportionate share factors shown in Figure F1. Annual principal payments are divided by projected population and vehicle trips in each year to estimate the principal payment per person and vehicle trip. To account for the time value of money, annual principal payments per person and trip are discounted using a net present value formula based on an interest rate of 4.0 percent. The total net present value of future principal payments is \$34.46 per person and \$10.49 per vehicle trip.

**Figure F10: Fire Debt Credit**

Year	Principal <sup>1</sup>	Residential Share (76%)	Population	Per Person	Nonresidential Share (24%)	Vehicle Trips	Per Vehicle Trip
2025	\$593,649	\$451,173	66,898	\$6.74	\$142,476	69,915	\$2.04
2026	\$600,429	\$456,326	67,943	\$6.72	\$144,103	70,803	\$2.04
2027	\$427,381	\$324,810	68,989	\$4.71	\$102,571	71,703	\$1.43
2028	\$429,153	\$326,156	70,034	\$4.66	\$102,997	72,616	\$1.42
2029	\$432,697	\$328,850	71,080	\$4.63	\$103,847	73,542	\$1.41
2030	\$434,469	\$330,197	72,125	\$4.58	\$104,273	74,482	\$1.40
2031	\$274,989	\$208,992	73,171	\$2.86	\$65,997	75,436	\$0.87
2032	\$274,989	\$208,992	74,216	\$2.82	\$65,997	76,404	\$0.86
2033	\$274,989	\$208,992	75,262	\$2.78	\$65,997	77,386	\$0.85
<b>Total</b>	<b>\$3,742,747</b>	<b>\$2,844,487</b>		<b>\$40.48</b>	<b>\$898,259</b>		<b>\$12.33</b>

Discount Rate	4.0%
<b>Net Present Value</b>	<b>\$34.46</b>

Discount Rate	4.0%
<b>Net Present Value</b>	<b>\$10.49</b>

1. Sum of the four current bonds for fire stations and apparatus

## Proposed Fire Impact Fees

Infrastructure components and cost factors used to calculate the proposed fire impact fees are summarized in the upper portion of Figure F11. The total capital cost is \$468.10 per person and \$141.54 per vehicle trip.

Fire impact fees for residential development are assessed per housing unit and vary proportionately according to the number of persons per housing unit. For a single-family unit, the fee of \$1,198 is calculated using a cost of \$468.10 per person multiplied by 2.56 persons per housing unit.

Fire impact fees for nonresidential development are assessed per 1,000 square feet and vary proportionately according to the number of average weekday vehicle trips. For industrial development, the fee of \$337 per 1,000 square feet is calculated using a cost of \$141.54 per vehicle trip multiplied by 2.38 AWVT per 1,000 square feet.

**Figure F11: Proposed Fire Impact Fees**

Fee Component	Cost per Person	Cost per Trip
Fire Facilities	\$272.78	\$82.42
Fire Apparatus	\$226.83	\$68.54
Development Fee Report	\$2.95	\$1.07
Fire Debt Credit	(\$34.46)	(\$10.49)
<b>Total</b>	<b>\$468.10</b>	<b>\$141.54</b>

Residential Fees per Unit		
Unit Type	Persons per Housing Unit <sup>1</sup>	Proposed Fees
Single Family	2.56	\$1,198
Multi-Family	1.65	\$772

Nonresidential Fees per 1,000 Square Feet		
Development Type	AWVT per 1,000 Sq Ft <sup>1</sup>	Proposed Fees
Industrial	2.38	\$337
Commercial	12.21	\$1,728
Office & Other Services	5.42	\$767
Institutional	7.45	\$1,054

1. See Land Use Assumptions

## Projected Revenue from Fire Impact Fees

This section summarizes the potential cash flow to Hendersonville based on adoption of the proposed fire impact fees. The cash flow projections are based on the development projections discussed in the Land Use Assumptions section and the proposed fire impact fees. If development occurs at a more rapid rate than projected, the demand for infrastructure and the impact fee revenue will increase at a corresponding rate. If development occurs at a slower rate than projected, the demand for infrastructure and the impact fee revenue will decrease at a corresponding rate. Projected impact fee revenue equals \$6,233,403 over the next 10 years and total projected expenditures equal \$6,674,400.

**Figure F12: Projected Revenue from Fire Impact Fees**

Fee Component	Growth Share	Existing Share	Total
Fire Facilities	\$3,633,057	\$0	\$3,633,057
Fire Apparatus	\$3,021,069	\$0	\$3,021,069
Development Fee Report	\$20,274	\$0	\$20,274
<b>Total</b>	<b>\$6,674,400</b>	<b>\$0</b>	<b>\$6,674,400</b>

		Single Family \$1,198 per unit	Multi-Family \$772 per unit	Industrial \$337 per KSF	Commercial \$1,728 per KSF	Office & Other \$767 per KSF	Institutional \$1,054 per KSF
Year		Hsg Unit	Hsg Unit	KSF	KSF	KSF	KSF
Base	2025	21,032	6,106	2,758	3,101	1,908	2,032
Year 1	2026	21,388	6,188	2,770	3,133	1,948	2,065
Year 2	2027	21,743	6,270	2,783	3,165	1,990	2,099
Year 3	2028	22,098	6,353	2,795	3,198	2,032	2,134
Year 4	2029	22,454	6,435	2,807	3,231	2,075	2,169
Year 5	2030	22,809	6,517	2,820	3,264	2,119	2,205
Year 6	2031	23,164	6,600	2,833	3,297	2,164	2,241
Year 7	2032	23,520	6,682	2,845	3,331	2,210	2,278
Year 8	2033	23,875	6,764	2,858	3,365	2,256	2,316
Year 9	2034	24,230	6,847	2,871	3,400	2,304	2,354
Year 10	2035	24,586	6,929	2,883	3,435	2,353	2,393
10-Year Increase		3,553	823	126	334	445	361
<b>Projected Revenue</b>		<b>\$4,256,893</b>	<b>\$635,613</b>	<b>\$42,315</b>	<b>\$576,449</b>	<b>\$341,419</b>	<b>\$380,713</b>

Projected Fee Revenue	\$6,233,403
Total Expenditures	\$6,674,400

## POLICE

### Methodology

The components of Hendersonville’s police impact fee include facilities, vehicles, and the cost of calculating the police impact fees. Police impact fees are based on the incremental expansion methodology for facilities and vehicles, and the plan-based methodology for the cost of calculating police impact fees. Costs are allocated to both residential and nonresidential development using different demand indicators for each type of development. Residential impact fees are calculated on a per capita basis, then converted to an appropriate amount for each type of housing unit based on persons per housing unit factors. Nonresidential impact fees are calculated using nonresidential vehicle trips. Trip generation rates are highest for commercial/retail development and lowest for industrial development, whereas trip rates for office/institutional development fall between the other two categories. Using vehicle trip rates ensures that impact fees are consistent with the relative demand for police services from nonresidential development.

### Proportionate Share

TischlerBise recommends functional population to allocate the cost of police infrastructure to residential and nonresidential development. Functional population is similar to what the U.S. Census Bureau calls "daytime population." This approach accounts for people living and working in a jurisdiction, but it also considers commuting patterns and time spent at home and at nonresidential locations. OnTheMap is a web-based mapping and reporting application that shows where workers are employed and where they live. It describes geographic patterns of jobs by their employment locations and residential locations as well as the connections between the two locations. OnTheMap was developed through a unique partnership between the U.S. Census Bureau and its Local Employment Dynamics (LED) partner states.

Residents that do not work are assigned 20 hours per day to residential development and 4 hours per day to nonresidential development (annualized averages). Residents that work in Hendersonville are assigned 14 hours to residential development and 10 hours to nonresidential development. Residents that work outside Hendersonville are assigned 14 hours to residential development. Inflow commuters are assigned 10 hours to nonresidential development. Based on 2022 functional population data for Hendersonville, the most recent year available, the cost allocation for residential development is 76 percent while nonresidential development accounts for 24 percent of the demand for police infrastructure.

Figure P1: Functional Population

Demand Units in 2022				
<b>Residential</b>			Demand Hours/Day	Person Hours
Total Population	61,321	↘		
Residents Not Working	31,688		20	633,760
Employed Residents	29,633	↘		
Employed in Hendersonville	3,880		14	54,320
Employed outside Hendersonville	25,753		14	360,542
Residential Subtotal				1,048,622
			<b>Residential Share</b>	<b>76%</b>
<b>Nonresidential</b>				
Non-working Residents	31,688		4	126,752
Jobs Located in Hendersonville	20,667	↘		
Residents Employed in Hendersonville	3,880		10	38,800
Non-Resident Workers (inflow commuters)	16,787		10	167,870
Nonresidential Subtotal				333,422
			<b>Nonresidential Share</b>	<b>24%</b>
Total				1,382,044

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics, Version 6.23.4 (employment).

## Service Units

### Residential

The “service unit” used for residential development is persons per housing unit (PPHU). This is a measure of, on average, the number of persons residing in each housing unit. As shown in Figure P2, there are 2.56 persons per single family unit and 1.65 persons per multifamily unit. Factors have been calculate based on data provided by the U.S. Census Bureau’s 2023 ACS 5-year estimates (further discussed in Appendix A).

Figure P2: Persons Per Housing Unit (PPHU)

Residential Development per Unit	
Development Type	Persons per Housing Unit <sup>1</sup>
Single Family	2.56
Multi-Family	1.65

1. See Land Use Assumptions

## Nonresidential

TischlerBise recommends using nonresidential vehicle trips as the nonresidential service unit for police infrastructure. Average weekday vehicle trip ends for nonresidential development are from the 11<sup>th</sup> edition of the reference book, *Trip Generation*, published in 2021 by the Institute of Transportation Engineers. A trip end represents a vehicle either entering or exiting a development (as if a traffic counter were placed across a driveway). Trip ends for nonresidential development are calculated per thousand square feet.

The basic trip adjustment factor is 50 percent for all nonresidential development except commercial and institutional. For commercial and institutional development, the trip adjustment factor is less than 50 percent because retail uses attract vehicles as they pass by on arterial and collector roads. For example, when someone stops at a convenience store on the way home from work, the convenience store is not the primary destination. For an average size shopping center, the ITE (2017) indicates that on average 34 percent of the vehicles that enter are passing by on their way to some other primary destination. The remaining 66 percent of attraction trips have the shopping center as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor ( $0.66 \times 0.50 = 0.33$ ) is approximately 33 percent of the trip ends.

Using the current estimates of nonresidential square footage, TischlerBise applies the trip generation rates and adjustment factors to calculate average weekday vehicle trips for nonresidential development in Hendersonville. TischlerBise estimates that there are 69,915 average weekday vehicle trips attributable to existing nonresidential development in Hendersonville.

**Figure P3: Current Estimate of Nonresidential Vehicle Trips**

Development Type	Dev Unit	ITE Code	Avg Wkday VTE	Trip Adjustment	Adjusted Wkday VTE	2025 Dev Units	2025 Veh Trips
Industrial	KSF	110	4.75	50%	<b>2.38</b>	2,758	6,550
Commercial	KSF	820	37.01	33%	<b>12.21</b>	3,101	37,877
Office & Other Services	KSF	710	10.84	50%	<b>5.42</b>	1,908	10,341
Institutional	KSF	520	22.59	33%	<b>7.45</b>	2,032	15,147
<b>Total Nonresidential Trips</b>							<b>69,915</b>

## Police Facilities – Incremental Expansion

### Existing Standards and Cost Factors

Hendersonville currently provides 29,373 square feet of police facilities to existing development and plans to maintain the existing level of service by constructing additional police facilities to serve future development. To allocate the proportionate share of demand to residential and nonresidential development, this analysis uses proportionate share factors shown in Figure P1. Hendersonville’s existing LOS for residential development is 0.3337 square feet per person (29,373 square feet X 76 percent residential share / 66,898 persons). The nonresidential level of service is 0.1008 square feet per vehicle trip (29,373 square feet X 24 percent nonresidential share / 69,915 vehicle trips).

Based on recent police station construction costs in Tennessee this analysis uses a construction cost estimate of \$500 per square foot. For police facilities, the cost is \$166.85 per person (0.3337 square feet per person X \$500 per square foot) and \$50.41 per vehicle trip (0.1008 square feet per trip X \$500 per square foot).

**Figure P4: Existing Standards for Police Facilities**

Description	Square Feet
Police Department	17,740
Police Annex	11,633
<b>Total</b>	<b>29,373</b>

Cost Factors	
Cost per Square Foot	\$500

Level-of-Service (LOS) Standards	
Existing Square Feet	29,373
Residential	
Residential Share	76%
2025 Population	66,898
Square Feet per Person	0.3337
<b>Cost per Person</b>	<b>\$166.85</b>
Nonresidential	
Nonresidential Share	24%
2025 Vehicle Trips	69,915
Square Feet per Vehicle Trip	0.1008
<b>Cost per Vehicle Trip</b>	<b>\$50.41</b>

Source: Hendersonville Police Department

## Projected Demand

Hendersonville plans to maintain the existing level of service for police facilities over the next 10 years. Based on a projected population increase of 10,455 persons, future residential development demands approximately 3,489 square feet of police facilities (10,455 additional persons X 0.3337 square feet per person). With projected nonresidential growth of 9,478 vehicle trips, future nonresidential development demands approximately 956 square feet of police facilities (9,478 additional vehicle trips X 0.1008 square feet per vehicle trip). The growth-related cost of police facilities is \$2,222,217 (4,444 square feet X \$500 per square foot).

**Figure P5: Growth-Related Need for Police Facilities**

Type of Infrastructure	Level of Service	Demand Unit	Cost per Sq Ft
Police Facilities	0.3337 Square Feet	per Person	\$500
	0.1008 Square Feet	per Vehicle	

Demand for Police Facilities					
Year	Population	Vehicle Trips	Square Feet		
			Residential	Nonresidential	Total
2025	66,898	69,915	22,323	7,050	29,373
2026	67,943	70,803	22,672	7,139	29,811
2027	68,989	71,703	23,021	7,230	30,251
2028	70,034	72,616	23,370	7,322	30,692
2029	71,080	73,542	23,719	7,415	31,134
2030	72,125	74,482	24,068	7,510	31,578
2031	73,171	75,436	24,417	7,606	32,023
2032	74,216	76,404	24,766	7,704	32,469
2033	75,262	77,386	25,115	7,803	32,917
2034	76,307	78,382	25,463	7,903	33,367
2035	77,353	79,393	25,812	8,005	33,817
10-Yr Increase	10,455	9,478	3,489	956	4,444
Growth-Related Expenditures			\$1,744,396	\$477,821	\$2,222,217

## Police Vehicles – Incremental Expansion

### Existing Standards and Cost Factors

Hendersonville currently provides 171 police vehicles to existing development and plans to maintain the existing level of service by acquiring additional vehicles to serve future development. Based on costs provided by the Hendersonville Police Department, the weighted average cost of the existing fleet is \$44,630 per unit. The analysis uses this cost as a proxy for future vehicle costs. To allocate the proportionate share of demand to residential and nonresidential development, this analysis uses proportionate share factors shown in Figure P1. Hendersonville’s existing LOS for residential development is 0.0019 units per person (171 units X 76 percent residential share / 66,898 persons). The nonresidential level of service is 0.0006 units per vehicle trip (171 units X 24 percent nonresidential share / 69,915 vehicle trips). For police vehicles, the cost is \$86.70 per person (0.0019 units per person X \$44,630 per unit) and \$26.20 per vehicle trip (0.0006 units per vehicle trip X \$44,630 per unit).

**Figure P6: Existing Standards for Police Vehicles**

Description	Units	Unit Cost	Total Cost
SUVs	143	\$45,101	\$6,449,449
Pickup Trucks	11	\$46,860	\$515,460
Sedans	17	\$39,229	\$666,900
<b>Total</b>	<b>171</b>	<b>\$44,630</b>	<b>\$7,631,809</b>

Cost Factors	
Weighted Average per Unit	\$44,630

Level-of-Service (LOS) Standards	
Existing Units	171
Residential	
Residential Share	76%
2025 Population	66,898
Units per Person	0.0019
<b>Cost per Person</b>	<b>\$86.70</b>
Nonresidential	
Nonresidential Share	24%
2025 Vehicle Trips	69,915
Units per Vehicle Trip	0.0006
<b>Cost per Vehicle Trip</b>	<b>\$26.20</b>

Source: Hendersonville Police Department

## Projected Demand

Hendersonville plans to maintain the existing level of service for police vehicles over the next 10 years. Based on a projected population increase of 10,455 persons, future residential development demands approximately 20.3 units (10,455 additional persons X 0.0019 units per person). With projected nonresidential growth of 9,478 vehicle trips, future nonresidential development demands approximately 5.6 units (9,478 additional vehicle trips X 0.0006 units per vehicle trip). The growth-related cost of police vehicles is \$1,154,771 (25.9 units X \$44,630 per unit).

**Figure P7: Growth-Related Need for Police Vehicles**

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Police Vehicles	0.0019 Units	per Person	\$44,630
	0.0006 Units	per Vehicle	

Demand for Police Vehicles					
Year	Population	Vehicle Trips	Units		
			Residential	Nonresidential	Total
2025	66,898	69,915	130.0	41.0	171.0
2026	67,943	70,803	132.0	41.6	173.6
2027	68,989	71,703	134.0	42.1	176.1
2028	70,034	72,616	136.1	42.6	178.7
2029	71,080	73,542	138.1	43.2	181.3
2030	72,125	74,482	140.1	43.7	183.8
2031	73,171	75,436	142.1	44.3	186.4
2032	74,216	76,404	144.2	44.8	189.0
2033	75,262	77,386	146.2	45.4	191.6
2034	76,307	78,382	148.2	46.0	194.2
2035	77,353	79,393	150.3	46.6	196.9
10-Yr Increase	10,455	9,478	20.3	5.6	25.9
Growth-Related Expenditures			\$906,472	\$248,299	\$1,154,771

## Impact Fee Study – Plan-Based

The cost to prepare the police impact fee equals \$20,274. TischlerBise recommends that Hendersonville update its report every five years. Based on this cost, proportionate share, and five-year development projections from the Land Use Assumptions in Appendix A, the cost is \$2.95 per person and \$1.07 per vehicle trip.

**Figure P8: Impact Fee Study Expense**

Necessary Public Service	Cost	Proportionate Share		Service Unit	5-Year Change	Cost per Service Unit
Police	\$20,274	Residential	76%	Population	5,228	\$2.95
		Nonresidential	24%	Vehicle Trips	4,567	\$1.07

## Proposed Police Impact Fees

Infrastructure components and cost factors used to calculate the proposed police impact fees are summarized in the upper portion of Figure P9. The total capital cost is \$256.50 per person and \$77.68 per vehicle trip.

Police impact fees for residential development are assessed per housing unit and vary proportionately according to the number of persons per housing unit. For a single-family unit, the fee of \$657 is calculated using a cost of \$256.50 per person multiplied by 2.56 persons per housing unit.

Police impact fees for nonresidential development are assessed per 1,000 square feet and vary proportionately according to the number of vehicle trips. For industrial development, the fee of \$185 per 1,000 square feet is calculated using a cost of \$77.68 per vehicle trip multiplied by 2.38 vehicle trips per 1,000 square feet.

**Figure P9: Proposed Police Impact Fees**

Fee Component	Cost per Person	Cost per Trip
Police Facilities	\$166.85	\$50.41
Police Vehicles	\$86.70	\$26.20
Development Fee Report	\$2.95	\$1.07
<b>Total</b>	<b>\$256.50</b>	<b>\$77.68</b>

Residential Fees per Unit		
Unit Type	Persons per Housing Unit <sup>1</sup>	Proposed Fees
Single Family	2.56	\$657
Multi-Family	1.65	\$423

Nonresidential Fees per 1,000 Square Feet		
Development Type	AWVT per 1,000 Sq Ft <sup>1</sup>	Proposed Fees
Industrial	2.38	\$185
Commercial	12.21	\$948
Office & Other Services	5.42	\$421
Institutional	7.45	\$579

1. See Land Use Assumptions

## Projected Revenue from Police Impact Fees

This section summarizes the potential cash flow to Hendersonville based on adoption of the proposed police impact fees. The cash flow projections are based on the development projections discussed in the Land Use Assumptions section and the proposed police impact fees. If development occurs at a more rapid rate than projected, the demand for infrastructure and the impact fee revenue will increase at a corresponding rate. If development occurs at a slower rate than projected, the demand for infrastructure and the impact fee revenue will decrease at a corresponding rate. Projected impact fee revenue equals \$3,418,827 over the next 10 years and total projected expenditures equal \$3,397,262.

**Figure P10: Projected Revenue from Police Impact Fees**

Fee Component	Growth Share	Existing Share	Total
Police Facilities	\$2,222,217	\$0	\$2,222,217
Police Vehicles	\$1,154,771	\$0	\$1,154,771
Development Fee Report	\$20,274	\$0	\$20,274
<b>Total</b>	<b>\$3,397,262</b>	<b>\$0</b>	<b>\$3,397,262</b>

		Single Family \$657 per unit	Multi-Family \$423 per unit	Industrial \$185 per KSF	Commercial \$948 per KSF	Office & Other \$421 per KSF	Institutional \$579 per KSF
Year		Hsg Unit	Hsg Unit	KSF	KSF	KSF	KSF
Base	2025	21,032	6,106	2,758	3,101	1,908	2,032
Year 1	2026	21,388	6,188	2,770	3,133	1,948	2,065
Year 2	2027	21,743	6,270	2,783	3,165	1,990	2,099
Year 3	2028	22,098	6,353	2,795	3,198	2,032	2,134
Year 4	2029	22,454	6,435	2,807	3,231	2,075	2,169
Year 5	2030	22,809	6,517	2,820	3,264	2,119	2,205
Year 6	2031	23,164	6,600	2,833	3,297	2,164	2,241
Year 7	2032	23,520	6,682	2,845	3,331	2,210	2,278
Year 8	2033	23,875	6,764	2,858	3,365	2,256	2,316
Year 9	2034	24,230	6,847	2,871	3,400	2,304	2,354
Year 10	2035	24,586	6,929	2,883	3,435	2,353	2,393
10-Year Increase		3,553	823	126	334	445	361
<b>Projected Revenue</b>		<b>\$2,334,540</b>	<b>\$348,270</b>	<b>\$23,229</b>	<b>\$316,246</b>	<b>\$187,402</b>	<b>\$209,139</b>

Projected Fee Revenue	\$3,418,827
Total Expenditures	\$3,397,262

## TRANSPORTATION

### Methodology

The transportation impact fee includes components for street improvements, and the cost of calculating the transportation impact fees. The incremental expansion methodology is used for street improvements, and the plan-based methodology is used for the cost of calculating the transportation impact fees.

### Proportionate Share

The transportation impact fees will allocate the cost between residential and nonresidential based on trip generation rates, trip adjustment factors, and trip lengths.

### Vehicle Trip Generation Rates and Adjustments

Average weekday vehicle trips are used as a measure of demand by land use. Vehicle trips are estimated using average weekday vehicle trip ends from the reference book, *Trip Generation, 11<sup>th</sup> Edition*, published by the Institute of Transportation Engineers (ITE) in 2021. A vehicle trip end represents a vehicle entering or exiting a development (as if a traffic counter were placed across a driveway). To calculate the impact fees, trip generation rates are adjusted to avoid double counting each trip at both the origin and destination points. The basic trip adjustment factor is 50 percent. As discussed further below, the impact fee methodology includes additional adjustments to make the fees proportionate to the infrastructure demand for particular types of development.

### Residential Trip Generation Rates

For residential development, TischlerBise uses trip generation rates published in Trip Generation, Institute of Transportation Engineers (ITE), 11<sup>th</sup> Edition (2021). The prototype for single-family development is Single-Family Detached Housing (ITE 210) which generates 9.43 average weekday vehicle trip ends per dwelling unit. The prototype for multi-family development is Multifamily Housing Low-Rise (ITE 220) which generates 6.74 average weekday vehicle trip ends per dwelling unit.

## Nonresidential Trip Generation Rates

For nonresidential development, TischlerBise uses trip generation rates published in Trip Generation, Institute of Transportation Engineers, 11<sup>th</sup> Edition (2021). The prototype for industrial development is Manufacturing (ITE 140) which generates 4.75 average weekday vehicle trip ends per 1,000 square feet of floor area. For office development, the proxy is General Office (ITE 710), and it generates 10.84 average weekday vehicle trip ends per 1,000 square feet of floor area. The prototype for commercial development is Shopping Center (ITE 820) which generates 37.01 average weekday vehicle trips per 1,000 square feet of floor area. For institutional development, the proxy is Government Office (ITE 730), and it generates 22.59 average weekday vehicle trip ends per 1,000 square feet of floor area.

**Figure T1: Average Weekday Vehicle Trip Ends by Land Use**

ITE Code	Land Use / Size	Demand Unit	Wkdy Trip Ends Per Dmd Unit <sup>1</sup>	Wkdy Trip Ends Per Employee <sup>1</sup>	Employees Per Demand Unit	Square Feet Per Employee
110	Light Industrial	1,000 Sq Ft	4.87	3.10	1.57	637
130	Industrial Park	1,000 Sq Ft	3.37	2.91	1.16	864
140	Manufacturing	1,000 Sq Ft	4.75	2.51	1.89	528
150	Warehousing	1,000 Sq Ft	1.71	5.05	0.34	2,953
254	Assisted Living	bed	2.60	4.24	0.61	na
254	Assisted Living	1,000 Sq Ft	4.19	4.24	0.99	1,012
310	Hotel	room	7.99	14.34	0.56	na
610	Hospital	1,000 Sq Ft	10.77	3.77	2.86	350
710	General Office (avg size)	1,000 Sq Ft	10.84	3.33	3.26	307
720	Medical-Dental Office	1,000 Sq Ft	36.00	8.71	4.13	242
730	Government Office	1,000 Sq Ft	22.59	7.45	3.03	330
750	Office Park	1,000 Sq Ft	11.07	3.54	3.13	320
760	Research & Dev Center	1,000 Sq Ft	11.08	3.37	3.29	304
770	Business Park	1,000 Sq Ft	12.44	4.04	3.08	325
820	Shopping Center (avg size)	1,000 Sq Ft	37.01	17.42	2.12	471

1. Trip Generation, Institute of Transportation Engineers, 11th Edition (2021).

## Trip Rate Adjustments

To calculate transportation impact fees, trip generation rates require an adjustment factor to avoid double counting each trip at both the origin and destination points. Therefore, the basic trip adjustment factor is 50 percent. As discussed further in this section, the development fee methodology includes additional adjustments to make the fees proportionate to the infrastructure demand for particular types of development.

## Commuter Trip Adjustment

Residential development has a larger trip adjustment factor of 63 percent to account for commuters leaving Hendersonville for work. According to the 2009 National Household Travel Survey (see Table 30) weekday work trips are typically 31 percent of production trips (i.e., all out-bound trips, which are 50 percent of all trip ends). As shown in Figure T2, the U.S. Census Bureau’s OnTheMap web application indicates 87 percent of resident workers traveled outside of Hendersonville for work in 2022. In combination, these factors ( $0.31 \times 0.50 \times 0.87 = 0.13$ ) support the additional 13 percent allocation of trips to residential development.

**Figure T2: Commuter Trip Adjustment**

Trip Adjustment Factor for Commuters	
Residents Living and Working in Hendersonville	3,880
Residents Commuting Outside Hendersonville for Work	25,753
Employed Residents	29,633
Share of Employed Residents Commuting Outside Hendersonville for Work	87%
Base Production Trips <sup>1</sup>	50%
Additional Production Trips <sup>1</sup>	13%
Residential Trip Adjustment Factor	63%

Source: U.S. Census Bureau, OnTheMap Application (version 6.23.4) and LEHD Origin-Destination Employment Statistics, 2021.

1. According to the National Household Travel Survey (2009)\*, published in December 2011 (see Table 30), home-based work trips are typically 30.99 percent of “production” trips, in other words, out-bound trips (which are 50 percent of all trip ends). Also, LED OnTheMap data from 2022 indicate that 87 percent of Hendersonville’s workers travel outside the city for work. In combination, these factors ( $0.3099 \times 0.50 \times 0.87 = 0.13$ ) account for 13 percent of additional production trips. The total adjustment factor for residential includes attraction trips (50 percent of trip ends) plus the journey-to-work commuting adjustment (13 percent of production trips) for a total of 63 percent.

\*<http://nhts.ornl.gov/publications.shtml> ; Summary of Travel Trends - Table "Daily Travel Statistics by Weekday vs. Weekend"

## Adjustment for Pass-By Trips

For commercial and institutional development, the trip adjustment factor is less than 50 percent because this type of development attracts vehicles as they pass by on arterial and collector roads. For example, when someone stops at a convenience store on the way home from work, the convenience store is not the primary destination. For the average shopping center, ITE data indicate 34 percent of the vehicles that enter are passing by on their way to some other primary destination. The remaining 66 percent of attraction trips have the commercial site as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor is 66 percent multiplied by 50 percent, or approximately 33 percent of the trip ends.

### Average Weekday Vehicle Trips

Shown below in Figure T3, multiplying average weekday vehicle trip ends and trip adjustment factors by Hendersonville’s existing development units provides the average weekday vehicle trips generated by existing development. As shown below, Hendersonville’s existing development generates 220,792 vehicle trips on an average weekday.

**Figure T3: Average Weekday Vehicle Trips by Land Use**

Development Type	Dev Unit	ITE Code	Avg Wkdy VTE	Trip Adj	2025 Dev	2025 AWVT
Single Family	HU	210	9.43	63%	21,032	124,952
Multi-Family	HU	221	6.74	63%	6,106	25,925
Industrial	KSF	110	4.75	50%	2,758	6,550
Commercial	KSF	820	37.01	33%	3,101	37,877
Office & Other Services	KSF	820	10.84	50%	1,908	10,341
Institutional	KSF	710	22.59	33%	2,032	15,147
<b>Total</b>						<b>220,792</b>

## Vehicle Miles Traveled (VMT)

The analysis uses vehicle miles traveled (VMT) as a measure of demand by land use. Components used to determine VMT include average weekday vehicle trip generation rates, adjustments for commuting patterns and pass-by trips, and trip length weighting factors.

### National Average Trip Length

To calculate transportation impact fees, it is necessary to determine the average trip length on Hendersonville’s street network. To do this, the analysis uses national trip generation rates and average trip lengths from the 2022 National Household Travel Survey.

**Figure T4: National Average Trip Length**

Development Type	National Avg Trip Length
Single Family	13.50
Multi-Family	13.50
Industrial	8.70
Commercial	5.80
Office & Other Services	8.70
Institutional	8.70
<b>Total</b>	

Source: U.S. Department of Transportation, Federal Highway Administration, 2022 National Household Transportation Survey, adjusted for land use

### Expected Vehicle Miles Traveled

The national average trip length should be adjusted to reflect actual demand on Hendersonville’s existing street network. To do this, TischlerBise determines expected demand (VMT) on the existing arterial network by multiplying the national average trip lengths by average weekday vehicle trips. Based on this analysis, existing development in Hendersonville generates an expected 2,535,259 VMT.

**Figure T5: Expected Vehicle Miles Traveled**

Development Type	Avg Weekday Vehicle Trips <sup>1</sup>	National Avg Trip Length <sup>2</sup>	Expected VMT <sup>3</sup>
Single Family	124,952	13.50	1,686,846
Multi-Family	25,925	13.50	349,994
Industrial	6,550	8.70	56,986
Commercial	37,877	5.80	219,689
Office & Other Services	10,341	8.70	89,968
Institutional	15,147	8.70	131,777
<b>Total</b>			<b>2,535,259</b>

1. TischlerBise estimate from Figure T3
2. 2022 National Household Transportation Study
3. TischlerBise calculation, Average Weekday Vehicle Trips X National Average Trip Length

## Actual Vehicle Miles Traveled

The Hendersonville Public Works Department provided average daily trip counts on the existing street network. Multiplying average daily trips for each segment by the segment length provides vehicle miles traveled (VMT) for each segment. Multiplying the segment length by the vehicle capacity of each segment provides vehicle miles of capacity (VMC). The existing arterial network experiences 607,207 VMT and provides 1,181,204 VMC.

**Figure T6: Actual Vehicle Miles Traveled**

Road	From - To	Class	Length (miles)	Total Lanes	Lane Miles	Capacity per Lane	Vehicle Miles of Capacity	Avg. Daily Traffic Counts	Actual VMT
West Main Street	Mansker Creek - SR386 Interchange Exit 3	Major A	0.80	6	4.80	9,983	47,920	32,218	25,774
West Main Street	SR386 Interchange Exit 3 - Sanders Ferry	Major A	2.38	4	9.52	9,950	94,724	23,359	55,594
East Main Street	Sanders Ferry - Indian Lake Blvd - SR386 ramp/overpass	Major A	0.65	4	2.61	9,950	25,926	30,540	19,894
East Main Street	Indian Lake Blvd - SR386 ramp/overpass	Major A	2.91	4	11.63	9,950	115,762	24,600	71,552
New Shackle Island Road	West Main - Iris	Minor A	1.30	2	2.60	8,850	23,010	13,576	17,649
New Shackle Island Road	Iris - Glenbrook Way	Minor A	1.09	4	4.36	9,950	43,382	29,527	32,184
New Shackle Island Road	Glenbrook Way - Stop Thirty Road	Minor A	0.41	4	1.64	9,950	16,318	29,527	12,106
Center Point Road	West Main - Hunt Lane	Major C	2.15	2	4.30	8,850	38,055	7,736	16,632
Drakes Creek Road	Indian Lake Blvd - Avant	Major C	2.82	2	5.64	8,850	49,914	8,896	25,087
Indian Lake Blvd	East Main - Drakes Creek Road	Major C	2.05	4	8.20	9,950	81,590	18,178	37,265
Old Shackle Island Road	West Main - NSIR	Major C	1.37	2	2.74	8,850	24,249	11,510	15,769
Sanders Ferry Road	East Main - Curtis Crossroads	Major C	3.40	2	6.80	8,850	60,180	10,364	35,238
Walton Ferry Road	West Main Street - Curtis Crossroads	Major C	2.91	2	5.82	8,850	51,507	13,004	37,842
Curtis Crossroads	Walton Ferry - Sanders Ferry	Major C	1.25	2	2.50	8,850	22,125	3,134	3,918
Indian Lake Road	East Main - Lake Terrace	Major C	2.96	2	5.92	8,850	52,392	10,821	32,030
Saundersville Road	Scotch - Indian Lake Blvd	Major C	0.62	2	1.24	8,850	10,974	1,289	799
Saundersville Road	Indian Lake Blvd - SR386 Interchange Exit 8	Major C	1.80	4	7.20	9,950	71,640	10,328	18,590
Saundersville Road	SR386 Interchange Exit 8 - Innsbrook	Major C	0.70	4	2.80	9,950	27,860	13,870	9,709
Saundersville Road	Innsbrook - Cannon Crossing	Major C	1.60	2	3.20	8,850	28,320	13,870	22,192
Stop Thirty Road	NSIR - Jones Lane	Major C	1.86	2	3.72	8,850	32,922	7,355	13,680
Forest Retreat Road	Alexandria Pl - NSIR	Major C	0.95	2	1.90	8,850	16,815	7,190	6,831
*Forest Retreat Road	Boone Holman - Limb Dump	Major C	0.90	2	1.80	8,850	15,930	4,000	3,600
Rockland Road	West Main - Imperial	Major C	1.46	2	2.92	8,850	25,842	11,769	17,183
Imperial Blvd	West Main Street - Sanders Ferry Road	Major C	1.10	2	2.20	8,850	19,470	10,675	11,743
Anderson Lane	East Main - Cumberland Hills Dr	Major C	1.12	2	2.24	8,850	19,824	4,436	4,968
Cumberland Hills Dr	Anderson Ln - East Dr	Major C	2.43	2	4.86	8,850	43,011	4,436	10,779
*East Drive	Indian Lake Rd - Indian Lake Rd	Major C	0.65	2	1.30	8,850	11,505	6,000	3,900
Bonita Parkway	East Main - Cumberland Hills DR	Major C	1.52	2	3.04	8,850	26,904	6,195	9,416
Glenbrook Way	Andrews Run - NSIR	Major C	0.51	4	2.04	9,950	20,298	21,742	11,088
*Caldwell Drive	County Line - Center Point Road	Major C	1.09	2	2.18	8,850	19,293	10,153	11,067
Cages Bend Road	Gaston - Douglas Bend	Major C	1.62	2	3.24	8,850	28,674	5,700	9,234
Freehill Road	Rockland Road - Boone Holman	Major C	0.62	2	1.24	8,850	10,974	4,861	3,014
*Boone Holman	Freehill Road - Forest Retreat	Major C	0.22	2	0.44	8,850	3,894	4,000	880
<b>Total</b>			<b>49.22</b>		<b>126.64</b>		<b>1,181,204</b>	<b>414,859</b>	<b>607,207</b>

Source: Hendersonville Public Works

\*Counts estimated based on other comparable roadway volumes and/or prior study volumes

## Local Adjustment Factor

Expected VMT reflects anticipated travel demand on the entire roadway system; therefore, it is necessary to calibrate demand. To calibrate demand on the street network, actual travel demand of 602,207 VMT, based on local traffic counts provided by Hendersonville Public Works, is compared to expected travel demand of 2,535,259 VMT. The ratio between actual VMT and expected VMT equals 0.240, and this ratio provides the local adjustment factor used to adjust national average trip lengths by type of land use.

**Figure T7: Local Adjustment Factor**

Local Adjustment Factor	
Actual VMT	607,207
Expected VMT	2,535,259
Actual to Expected VMT	0.240

## Local Trip Lengths

Shown below in Figure T8, TischlerBise applies the local adjustment factor to the national average trip lengths to calculate local trip lengths. The analysis uses local trip lengths shown below to calculate VMT.

**Figure T8: Local Trip Lengths**

Development Type	National Avg Trip Length	Local Adj Factor	Local Trip Length
Single Family	13.50	0.240	3.23
Multi-Family	13.50	0.240	3.23
Industrial	8.70	0.240	2.08
Commercial	5.80	0.240	1.39
Office & Other Services	8.70	0.240	2.08
Institutional	8.70	0.240	2.08

Source: 2022 NHTS and TischlerBise analysis for local adjustment factor

## Local Vehicle Miles Traveled

Multiplying average weekday vehicle trips and local trip lengths by existing development units provides VMT generated by existing development. Existing development generates 607,207 VMT.

**Figure T9: Existing VMT by Land Use**

Development Type	Dev Unit	ITE Code	Avg Wkdy Veh Trips	Local Trip Length	2025 Dev	2025 VMT
Single Family	HU	210	5.94	3.23	21,032	404,008
Multi-Family	HU	221	4.25	3.23	6,106	83,825
Industrial	KSF	110	2.38	2.08	2,758	13,648
Commercial	KSF	820	12.21	1.39	3,101	52,617
Office & Other Services	KSF	820	5.42	2.08	1,908	21,548
Institutional	KSF	710	7.45	2.08	2,032	31,561
<b>Total</b>						<b>607,207</b>

## Street Network Capacity and Usage

As shown in Figure T6, Hendersonville provided an inventory of road segments including segment lengths and lane quantities. The analysis uses average daily traffic counts provided by Hendersonville’s Public Works Department. Multiplying each segment’s length by the number of lanes yields the number of lane miles per segment, and multiplying the traffic counts by the segment lengths provides the average weekday vehicle miles traveled (VMT). Hendersonville’s existing arterial network supports 607,207 VMT on 126.64 lane miles.

Shown below, Figure T10 documents the capacity of Hendersonville’s street network. Based on a total of 1,181,204 vehicle miles of capacity (VMC), the street network provides a capacity of 9,327 vehicles per lane mile, (126.64 lane miles / 1,181,204 VMC). The current daily volume on Hendersonville’s street network is 607,207 VMT. The resulting ratio is 1.95 VMC / VMT (1,181,204 VMC / 607,207 VMT). The baseline VMC / VMT ratio for any incremental expansion method is 1.0 (i.e., VMC = VMT); therefore, the current ratio of 1.95 VMC / VMT exceeds the current LOS ensuring new capacity built with impact fees will not exceed the current LOS.

**Figure T10: Arterial Network Capacity and Usage**

Arterial Capacity Ratio	
Total Lane Miles	126.64
Vehicle Miles of Capacity	1,181,204
Capacity per Lane Mile	9,327
Vehicle Miles of Travel	607,207
VMT per Lane Mile	4,795
VMC / VMT Ratio	1.95

## Projected VMT

Transportation impact fees rely on data pertaining to existing and future average weekday VMT. Multiplying the average weekday VMT rates for new development prototypes by the projection of new residential and nonresidential development provides existing and projected VMT. As shown in Figure T11, existing development generates 602,207 VMT, and projected development generates an additional 96,478 VMT over the next 10 years.

Shown below, Hendersonville currently serves existing development with 126.64 lane miles in its existing street network. To account for excess capacity in the street network, the analysis divides existing arterial lane miles by the VMC / VMT ratio to calculate 65.10 adjusted lane miles (126.64 lane miles / 1.95 VMC per VMT). Hendersonville needs to construct approximately 10.3 lane miles of street improvements over the next 10 years to maintain the existing levels of service.

**Figure T11: Projected VMT**

Development Type	Dev Unit	ITE Code	Avg Wkdy VTE	Trip Adjustment	Local Trip Length	Avg Wkdy VMT
Single Family	HU	210	9.43	63%	3.23	19.21
Multi-Family	HU	221	6.74	63%	3.23	13.73
Industrial	KSF	110	4.75	50%	2.08	4.95
Commercial	KSF	820	37.01	33%	1.39	16.97
Office & Other Services	KSF	820	10.84	50%	2.08	11.29
Institutional	KSF	710	22.59	33%	2.08	15.53

Hendersonville, Tennessee	Base 2025	1 2026	2 2027	3 2028	4 2029	5 2030	10 2035	10-Year Increase
Single-Family Units	21,032	21,388	21,743	22,098	22,454	22,809	24,586	3,553
Multi-Family Units	6,106	6,188	6,270	6,353	6,435	6,517	6,929	823
Industrial KSF	2,758	2,770	2,783	2,795	2,807	2,820	2,883	126
Commercial KSF	3,101	3,133	3,165	3,198	3,231	3,264	3,435	334
Office & Other Services	1,908	1,948	1,990	2,032	2,075	2,119	2,353	445
Institutional KSF	2,032	2,065	2,099	2,134	2,169	2,205	2,393	361
Single-Family Trips	124,952	127,063	129,174	131,285	133,396	135,507	146,062	21,110
Multi-Family Trips	25,925	26,275	26,625	26,974	27,324	27,673	29,422	3,496
Residential Trips	150,877	153,338	155,798	158,259	160,719	163,180	175,483	24,606
Industrial Trips	6,550	6,579	6,609	6,638	6,668	6,698	6,848	298
Commercial Trips	37,877	38,266	38,659	39,056	39,457	39,862	41,952	4,074
Office & Other Services	10,341	10,560	10,784	11,013	11,246	11,484	12,754	2,413
Institutional Trips	15,147	15,397	15,651	15,909	16,171	16,438	17,839	2,693
Nonresidential Trips	69,915	70,803	71,703	72,616	73,542	74,482	79,393	9,478
Total Vehicle Trips	220,792	224,140	227,501	230,875	234,262	237,662	254,876	34,084
<b>Total VMT</b>	<b>607,207</b>	<b>616,741</b>	<b>626,300</b>	<b>635,883</b>	<b>645,491</b>	<b>655,124</b>	<b>703,685</b>	<b>96,478</b>
Annual Increase		9,534	9,558	9,583	9,608	9,633	9,766	<b>9,766</b>
Actual Lane Miles	126.64	128.6	130.6	132.6	134.6	136.6	146.8	20.1
Annual Increase		2.0	2.0	2.0	2.0	2.0	2.0	2.0
Adjusted Lane Miles	65.10	66.1	67.1	68.2	69.2	70.2	75.4	10.3
Annual Increase		1.0	1.0	1.0	1.0	1.0	1.0	1.0

## Capacity Improvements – Incremental Expansion

The transportation impact fee includes a component for construction of additional capacity improvements, and the analysis uses an incremental methodology to maintain the existing level of service for capacity improvements. As shown in Figure T12, the analysis uses VMT to calculate existing level-of-service standards. Hendersonville currently provides 126.6 lane miles of capacity improvements, so the existing level of service is 1.070 lane miles per 10,000 VMT (126.6 lane miles / 1.95 VMC per VMT / (607,207 VMT / 10,000)). As shown in Figure T12, the analysis uses a cost of \$5,269,267 per lane mile, which was provided by Hendersonville’s Public Works Department. For capacity improvements, the cost is \$563.57 per VMT (126.6 lane miles / 1.95 VMC per VMT / 607,207 VMT X \$5,269,267 per lane mile).

**Figure T12: Existing Standards for Capacity Improvements**

Cost Factors	
Cost per Lane Mile	\$5,269,267

Level-of-Service (LOS) Standards	
Existing Lane Miles	126.6
VMC / VMT Ratio	1.95
Adjusted Lane Miles	64.9
2025 VMT	607,207
Lane Miles per 10,000 VMT	1.070
<b>Cost per VMT</b>	<b>\$563.57</b>

Source: Hendersonville Public Works Department

## Development Fee Report – Plan-Based

The cost to prepare the transportation impact fee equals \$27,032. TischlerBise recommends that Hendersonville updates its report every five years. Based on the 5-year cost, proportionate share, and 5-year projections of future development from the *Land Use Assumptions* document, the cost is \$0.56 per VMT.

**Figure T13: Impact Fee Study Expense**

Necessary Public Service	Cost	Proportionate Share		Service Unit	5-Year Change	Cost per Service Unit
Street	\$27,032	All	100%	VMT	47,917	\$0.56

## Proposed Transportation Impact Fees

Input variables for the transportation impact fee are shown in the upper section of Figure T14. The total capital cost is \$564.13 per VMT.

Transportation impact fees for residential development are assessed per housing unit and vary proportionately according to the number of VMT per housing unit. For a single-family unit, the fee of \$10,836 is calculated using a cost of \$564.13 per VMT multiplied by 19.21 VMT per housing unit.

Transportation impact fees for nonresidential development are assessed per 1,000 square feet and vary proportionately according to the number of VMT. For industrial development, the fee of \$2,792 per 1,000 square feet is calculated using a cost of \$564.13 per VMT multiplied by 4.95 VMT per 1,000 square feet.

**Figure T14: Proposed Transportation Impact Fees**

Fee Component	Cost per VMT	
Street Improvements	\$563.57	
Development Fee Report	\$0.56	
<b>Total</b>	<b>\$564.13</b>	

Residential Fees per Unit		
Unit Size	Avg Weekday VMT	Proposed Fees
Single Family	19.21	\$10,836
Multi-Family	13.73	\$7,745

Nonresidential Fees per 1,000 Square Feet		
Development Type	Avg Weekday VMT	Proposed Fees
Industrial	4.95	\$2,792
Commercial	16.97	\$9,571
Office & Other Services	11.29	\$6,371
Institutional	15.53	\$8,763

## Projected Revenue from Transportation Impact Fees

This section summarizes the potential cash flow to Hendersonville based on adoption of the proposed transportation impact fees. The cash flow projections are based on the development projections discussed in the Land Use Assumptions section and the proposed transportation impact fees. If development occurs at a more rapid rate than projected, the demand for infrastructure and the impact fee revenue will increase at a corresponding rate. If development occurs at a slower rate than projected, the demand for infrastructure and the impact fee revenue will decrease at a corresponding rate. Projected impact fee revenue equals \$54,425,254 over the next 10 years and total projected expenditures equal \$54,503,556.

**Figure T15: Projected Revenue from Transportation Impact Fees**

Fee Component	Growth Share	Existing Share	Total
Street Improvements	\$54,503,556	\$0	\$54,503,556
Development Fee Report	\$27,032	\$0	\$27,032
<b>Total</b>	<b>\$54,503,556</b>	<b>\$0</b>	<b>\$54,503,556</b>

		Single Family \$10,836 per unit	Multi-Family \$7,745 per unit	Industrial \$2,792 per sq ft	Commercial \$9,571 per sq ft	Office & Other \$6,371 per sq ft	Institutional \$8,763 per sq ft
Year		Hsg Unit	Hsg Unit	KSF	KSF	KSF	KSF
Base	2025	21,032	6,106	2,758	3,101	1,908	2,032
Year 1	2026	21,388	6,188	2,770	3,133	1,948	2,065
Year 2	2027	21,743	6,270	2,783	3,165	1,990	2,099
Year 3	2028	22,098	6,353	2,795	3,198	2,032	2,134
Year 4	2029	22,454	6,435	2,807	3,231	2,075	2,169
Year 5	2030	22,809	6,517	2,820	3,264	2,119	2,205
Year 6	2031	23,164	6,600	2,833	3,297	2,164	2,241
Year 7	2032	23,520	6,682	2,845	3,331	2,210	2,278
Year 8	2033	23,875	6,764	2,858	3,365	2,256	2,316
Year 9	2034	24,230	6,847	2,871	3,400	2,304	2,354
Year 10	2035	24,586	6,929	2,883	3,435	2,353	2,393
10-Year Increase		3,553	823	126	334	445	361
Projected Revenue		#####	\$6,376,717	\$350,571	\$3,192,821	\$2,835,961	\$3,165,263

Projected Fee Revenue	\$54,425,254
Total Expenditures	\$54,503,556

## APPENDIX A: LAND USE ASSUMPTIONS

The City of Hendersonville, Tennessee, retained TischlerBise to analyze the impacts of development on its capital facilities and prepare impact fees based on that analysis. The population, housing unit, and job projections contained in this document provide the foundation for the impact fee study. To evaluate demand for growth-related infrastructure from various types of development, TischlerBise prepared documentation on demand indicators by type of housing unit, jobs and floor area by type of nonresidential development, and average weekday vehicle trip generation rates. These are the service units and demand indicators used in the impact fee study.

Impact fees are based on the need for growth-related improvements, and they must be proportionate by type of land use. The demographic data and development projections are used to demonstrate proportionality and to anticipate the need for future infrastructure. These metrics are used to allocate costs of development equitably among various types of development. To calculate base year estimates, the analysis uses data from the U.S. Census Bureau, Esri Business Analyst, and information from Hendersonville staff. Impact fee studies typically consider a ten-year horizon, with the expectation that fees will be updated every three to five years.

### Residential Development

#### Persons Per Housing Unit

According to the U.S. Census Bureau, a household is a housing unit occupied by year-round residents. Development fees often use per capita standards and persons per housing unit (PPHU) or persons per household (PPH) to derive proportionate share fee amounts. When PPHU is used in the fee calculations, infrastructure standards are derived using year-round population. When PPH is used in the fee calculations, the development fee methodology assumes a higher percentage of housing units will be occupied, thus requiring seasonal or peak population to be used when deriving infrastructure standards. TischlerBise recommends that impact fees for residential development in Hendersonville be imposed according to the number of year-round residents per housing unit. This methodology assumes some portion of the housing stock will be vacant during the year.

Persons per housing unit (PPHU) calculations require data on population and the types of units by structure. Since 2010, the census has not obtained detailed information using a “long-form” questionnaire. Instead, the U.S. Census Bureau uses a continuous monthly mailing of surveys, known as the American Community Survey (ACS), which has limitations due to sample-size constraints. For example, data on detached housing units are now combined with attached single units (commonly known as townhouses). For development fees in Hendersonville, single-family units include detached stick-built units, attached units, and mobile homes. Multi-family units include structures with two or more units, and all other housing units.

Figure A1 below shows the 2019-2023 5-year ACS estimates for Hendersonville. Single-family units averaged 2.56 persons per housing unit (52,188 persons / 20,379 housing units) and multi-family units averaged 1.65 persons per housing unit (9,843 persons / 5,949 housing units). In 2023, Hendersonville’s housing stock averaged 2.36 persons per housing unit. Housing unit estimates from ACS will not equal

decennial census counts of units. These data are used only to derive the custom PPHU factors for each type of unit.

**Figure A1: Persons per Housing Unit**

Housing Type	Persons	Households	Persons per Household	Housing Units	Persons per Housing Unit	Housing Mix	Vacancy Rate
Single-Family <sup>1</sup>	52,188	19,440	2.68	20,379	<b>2.56</b>	77.4%	4.61%
Multi-Family <sup>2</sup>	9,843	5,484	1.79	5,949	<b>1.65</b>	22.6%	7.82%
<b>Total</b>	<b>62,031</b>	<b>24,924</b>	<b>2.49</b>	<b>26,328</b>	<b>2.36</b>	<b>100.0%</b>	<b>5.33%</b>

Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates

1. Includes detached, attached (townhouse), and mobile home units.
2. Includes dwellings in structures with two or more units, RVs, and all other units.

### Existing Population and Housing Units

The 2020 Census estimates for Hendersonville include 61,753 persons and 24,963 housing units. By applying the building permit data shown below in Figure A2 to 2020 US Census estimates, TischlerBise estimates the 2025 housing stock includes 27,138 housing units – 21,032 single-family units and 6,106 multi-family units. The analysis converts housing units to population using the occupancy factors shown in Figure A1. The 2025 population estimate is 66,898 persons.

**Figure A2: Recent Historical Housing Permit Data**

Residential Construction Trends			
Year	Single Family	Multifamily	Total Units
2019	422	29	451
2020	321	0	321
2021	456	138	594
2022	384	80	464
2023	264	247	511
2024	285	0	285
<b>Total</b>	<b>2,132</b>	<b>494</b>	<b>2,626</b>
<b>Annual Average</b>	<b>355</b>	<b>82</b>	<b>438</b>

### Projected Population and Housing Units

To project future population growth, the analysis uses the residential construction data shown in Figure A2. This results in an estimated total increase of 4,377 housing units by 2035. To project future population, the analysis holds the occupancy rate factors in Figure A1 constant throughout the 10-year time horizon. Applying the PPHU factors to the projected housing unit increase results in an estimated increase of 10,455 persons over the next ten years.

**Figure A3: Residential Development Projections**

Hendersonville, Tennessee	2025	2026	2027	2028	2029	2030	2035	10-Year Increase
	Base Year	1	2	3	4	5	10	
<b>Population</b>	<b>66,898</b>	<b>67,943</b>	<b>68,989</b>	<b>70,034</b>	<b>71,080</b>	<b>72,125</b>	<b>77,353</b>	<b>10,455</b>
<b>Housing Units</b>								
Single Family	21,032	21,388	21,743	22,098	22,454	22,809	24,586	3,553
Multi-Family	6,106	6,188	6,270	6,353	6,435	6,517	6,929	823
<b>Total</b>	<b>27,138</b>	<b>27,576</b>	<b>28,013</b>	<b>28,451</b>	<b>28,889</b>	<b>29,326</b>	<b>31,515</b>	<b>4,377</b>

## Nonresidential Development

In addition to data on residential development, the calculation of development impact fees requires data on nonresidential development. TischlerBise uses the term jobs to refer to employment by place of work. In Figure A4, gray shading indicates the nonresidential development prototypes used by TischlerBise to derive nonresidential floor area and average weekday vehicle trips.

The prototype for industrial development is Manufacturing (ITE 140) with an average of 528 square feet of floor area per employee. For office & other services development, the proxy is General Office (ITE 710) with an average of 307 square feet of floor area per employee. Institutional development uses Government Office (ITE 730) with an average of 350 square feet of floor area per employee. The prototype for commercial development is Shopping Center (ITE 820) with an average of 471 square feet of floor area per employee.

**Figure A4: Nonresidential Demand Units**

ITE Code	Land Use / Size	Demand Unit	Wkdy Trip Ends Per Dmd Unit <sup>1</sup>	Wkdy Trip Ends Per Employee <sup>1</sup>	Employees Per Demand Unit	Square Feet Per Employee
110	Light Industrial	1,000 Sq Ft	4.87	3.10	1.57	637
130	Industrial Park	1,000 Sq Ft	3.37	2.91	1.16	864
140	Manufacturing	1,000 Sq Ft	4.75	2.51	1.89	528
150	Warehousing	1,000 Sq Ft	1.71	5.05	0.34	2,953
254	Assisted Living	bed	2.60	4.24	0.61	na
254	Assisted Living	1,000 Sq Ft	4.19	4.24	0.99	1,012
310	Hotel	room	7.99	14.34	0.56	na
610	Hospital	1,000 Sq Ft	10.77	3.77	2.86	350
710	General Office (avg size)	1,000 Sq Ft	10.84	3.33	3.26	307
720	Medical-Dental Office	1,000 Sq Ft	36.00	8.71	4.13	242
730	Government Office	1,000 Sq Ft	22.59	7.45	3.03	330
750	Office Park	1,000 Sq Ft	11.07	3.54	3.13	320
760	Research & Dev Center	1,000 Sq Ft	11.08	3.37	3.29	304
770	Business Park	1,000 Sq Ft	12.44	4.04	3.08	325
820	Shopping Center (avg size)	1,000 Sq Ft	37.01	17.42	2.12	471

1. Trip Generation, Institute of Transportation Engineers, 11th Edition (2021).

## Existing Employment and Floor Area

TischlerBise obtains 2024 employment estimates for Hendersonville from Esri Business Analyst. To estimate floor area, the analysis multiplies each sector’s employment total by the employment density factors shown in Figure A4. For 2024, total employment equals 23,861 jobs and estimated floor area equals 9,682,706 square feet.

**Figure A5: Existing Nonresidential Development**

Nonresidential Category	2024 Jobs <sup>1</sup>	Percent of Total Jobs	Square Feet per Job <sup>2</sup>	2024 Estimated Floor Area <sup>3</sup>
Industrial <sup>4</sup>	5,196	22%	528	2,745,676
Commercial <sup>5</sup>	6,522	27%	471	3,069,798
Office & Other Services <sup>6</sup>	6,082	25%	307	1,868,363
Institutional <sup>7</sup>	6,061	25%	330	1,998,869
<b>Total</b>	<b>23,861</b>	<b>100%</b>		<b>9,682,706</b>

1. Esri Business Analyst Online, Business Summary, 2024.
2. Trip Generation, Institute of Transportation Engineers, 11th Edition (2021).
3. TischlerBise calculation (2024 jobs X square feet per job).
4. Major sectors are Construction; Manufacturing.
5. Major sectors are Retail; Accommodation & Food Services.
6. Major sectors are Other Services; Professional, Scientific & Tech Services.
7. Major sectors are Educational Services; Health Care & Social Assistance.

## Projected Employment and Floor Area

The analysis uses employment and floor area projections to illustrate the possible future pace of service demands, revenues, and expenditures. To the extent these factors change, the projected need for infrastructure will also change. If development occurs at a more rapid rate than projected, the demand for infrastructure will increase at a corresponding rate. If development occurs at a slower rate than projected, the demand for infrastructure will also decrease.

The projections are based on compound annual growth rates for Industrial, Commercial and Office & Institutional jobs, which were derived from the Nashville Area Metropolitan Planning Organization’s job estimates for Sumner County in 2017 and 2045. The MPO estimates Industrial jobs will grow by 0.45% per year, Commercial jobs by 1.03% per year, Office & Other Services jobs by 2.12% per year, and Institutional Jobs by 1.65% per year. These growth rates were then applied to the 2024 ESRI job figures to produce estimates for 2025 through 2035. Nonresidential floor area growth was calculated by applying the employee density factors shown in Figure A4 to the growth in jobs.

Based on these assumptions, the 10-year projections include an increase of 3,435 jobs and approximately 1.25 million square feet of nonresidential development in Hendersonville.

**Figure A6: Nonresidential Development Projections**

Hendersonville, Tennessee	2025 Base Year	2026 1	2027 2	2028 3	2029 4	2030 5	2035 10	10-Year Increase
<b>Employment</b>								
Industrial	5,219	5,242	5,266	5,289	5,313	5,337	5,457	237
Commercial	6,589	6,657	6,725	6,794	6,864	6,934	7,298	702
Office & Other Services	6,211	6,343	6,477	6,614	6,754	6,897	7,660	1,419
Institutional	6,161	6,263	6,366	6,471	6,578	6,686	7,256	1,077
<b>Total</b>	<b>24,180</b>	<b>24,504</b>	<b>24,834</b>	<b>25,169</b>	<b>25,509</b>	<b>25,855</b>	<b>27,671</b>	<b>3,435</b>
<b>Nonres. Floor Area</b>								
Industrial	2,757,927	2,770,234	2,782,595	2,795,011	2,807,483	2,820,010	2,883,490	125,005
Commercial	3,101,321	3,133,168	3,165,342	3,197,846	3,230,684	3,263,859	3,434,915	330,202
Office & Other Services	1,907,956	1,948,388	1,989,677	2,031,840	2,074,897	2,118,867	2,353,092	435,899
Institutional	2,031,845	2,065,364	2,099,437	2,134,072	2,169,278	2,205,065	2,393,052	355,346
<b>Total</b>	<b>9,799,050</b>	<b>9,917,154</b>	<b>10,037,050</b>	<b>10,158,769</b>	<b>10,282,342</b>	<b>10,407,801</b>	<b>11,064,549</b>	<b>1,246,452</b>

## Development Projections

Provided below is a summary of Citywide development projections used in the impact fee study. Base year estimates for 2025 are used in the impact fee calculations. Development projections are used to illustrate a possible future pace of demand for service units and cash flows resulting from revenues and expenditures associated with those demands.

**Figure A7: Development Projections Summary**

Hendersonville, Tennessee	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	10-Year Increase
	Base Year	1	2	3	4	5	6	7	8	9	10	
<b>Population</b>	<b>66,898</b>	<b>67,943</b>	<b>68,989</b>	<b>70,034</b>	<b>71,080</b>	<b>72,125</b>	<b>73,171</b>	<b>74,216</b>	<b>75,262</b>	<b>76,307</b>	<b>77,353</b>	<b>10,455</b>
<b>Housing Units</b>												
Single Family	21,032	21,388	21,743	22,098	22,454	22,809	23,164	23,520	23,875	24,230	24,586	3,553
Multi-Family	6,106	6,188	6,270	6,353	6,435	6,517	6,600	6,682	6,764	6,847	6,929	823
<b>Total</b>	<b>27,138</b>	<b>27,576</b>	<b>28,013</b>	<b>28,451</b>	<b>28,889</b>	<b>29,326</b>	<b>29,764</b>	<b>30,202</b>	<b>30,639</b>	<b>31,077</b>	<b>31,515</b>	<b>4,377</b>
<b>Employment</b>												
Industrial	5,219	5,242	5,266	5,289	5,313	5,337	5,360	5,384	5,408	5,433	5,457	238
Commercial	6,589	6,657	6,725	6,794	6,864	6,934	7,006	7,077	7,150	7,224	7,298	709
Office & Other Services	6,211	6,343	6,477	6,614	6,754	6,897	7,044	7,193	7,345	7,501	7,660	1,449
Institutional	6,161	6,263	6,366	6,471	6,578	6,686	6,797	6,909	7,023	7,138	7,256	1,095
<b>Total</b>	<b>24,180</b>	<b>24,504</b>	<b>24,834</b>	<b>25,169</b>	<b>25,509</b>	<b>25,855</b>	<b>26,206</b>	<b>26,563</b>	<b>26,926</b>	<b>27,296</b>	<b>27,671</b>	<b>3,491</b>
<b>Nonres. Sq. Ft. (x1,000)</b>												
Industrial	2,758	2,770	2,783	2,795	2,807	2,820	2,833	2,845	2,858	2,871	2,883	126
Commercial	3,101	3,133	3,165	3,198	3,231	3,264	3,297	3,331	3,365	3,400	3,435	334
Office & Other Services	1,908	1,948	1,990	2,032	2,075	2,119	2,164	2,210	2,256	2,304	2,353	445
Institutional	2,032	2,065	2,099	2,134	2,169	2,205	2,241	2,278	2,316	2,354	2,393	361
<b>Total</b>	<b>9,799</b>	<b>9,917</b>	<b>10,037</b>	<b>10,159</b>	<b>10,282</b>	<b>10,408</b>	<b>10,535</b>	<b>10,665</b>	<b>10,796</b>	<b>10,929</b>	<b>11,065</b>	<b>1,265</b>

## APPENDIX B: LAND USE DEFINITIONS

### Residential Development

As discussed below, residential development categories are based on data from the U.S. Census Bureau, American Community Survey. Hendersonville will collect impact fees from all new residential units. One-time impact fees are determined by site capacity (i.e., number of residential units).

#### Single-Family:

1. Single-family detached is a one-unit structure detached from any other house, that is, with open space on all four sides. Such structures are considered detached even if they have an adjoining shed or garage. A one-family house that contains a business is considered detached as long as the building has open space on all four sides.
2. Single-family attached (townhouse) is a one-unit structure that has one or more walls extending from ground to roof separating it from adjoining structures. In row houses (sometimes called townhouses), double houses, or houses attached to nonresidential structures, each house is a separate, attached structure if the dividing or common wall goes from ground to roof.
3. Mobile home includes both occupied and vacant mobile homes, to which no permanent rooms have been added, are counted in this category. Mobile homes used only for business purposes or for extra sleeping space and mobile homes for sale on a dealer's lot, at the factory, or in storage are not counted in the housing inventory.

#### Multi-Family:

1. 2+ units (duplexes and apartments) are units in structures containing two or more housing units, further categorized as units in structures with "2, 3 or 4, 5 to 9, 10 to 19, 20 to 49, and 50 or more apartments."
2. Boat, RV, Van, etc. includes any living quarters occupied as a housing unit that does not fit the other categories (e.g., houseboats, railroad cars, campers, and vans). Recreational vehicles, boats, vans, railroad cars, and the like are included only if they are occupied as a current place of residence.

## Nonresidential Development

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The proposed general nonresidential development categories (defined below) can be used for all new construction within Hendersonville. Nonresidential development categories represent general groups of land uses that share similar average weekday vehicle trip generation rates and employment densities (i.e., jobs per thousand square feet of floor area).

**Commercial:** Establishments primarily selling merchandise, eating/drinking places, and entertainment uses. By way of example, *Commercial* includes shopping centers, supermarkets, pharmacies, restaurants, bars, nightclubs, automobile dealerships, and movie theaters.

**Industrial:** Establishments primarily engaged in the production, transportation, or storage of goods. By way of example, *Industrial* includes manufacturing plants, distribution warehouses, trucking companies, utility substations, power generation facilities, and telecommunications buildings.

**Institutional:** Public and quasi-public buildings providing educational, social assistance, or religious services. By way of example, *Institutional* includes schools, universities, churches, daycare facilities, hospitals, and government buildings.

**Office:** Establishments providing management, administrative, professional, or business services. By way of example, *Office* includes banks, business offices, medical offices, and veterinarian clinics.

# Impact fee Report

Prepared for:  
**Hendersonville, Tennessee**

**January 26, 2024**



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## EXECUTIVE SUMMARY

In 2023, the City of Hendersonville retained TischlerBise to analyze the impacts of future development on park facilities and to calculate impact fees based on that analysis. Through interviews and discussions with staff, TischlerBise developed the proposed impact fees discussed in this report. Impact fees are collected from new construction at the time a building permit is issued and used to construct system improvements needed to accommodate future development. An impact fee represents future development's proportionate share of capital facility needs. Impact fees do have limitations and should not be regarded as the total solution for infrastructure funding needs. Rather, they are one component of a comprehensive portfolio to ensure provision of adequate public facilities needed to serve future development. In contrast to general taxes, impact fees may not be used for operations, maintenance, replacement of infrastructure, or correcting existing deficiencies.

The City of Hendersonville has experienced steady residential growth in recent years, and this growth is expected to continue in the future. As a result, Hendersonville must plan for future park improvements if existing levels of service are to be maintained.

### TENNESSEE LEGAL FRAMEWORK

While the State of Tennessee does not have specific authorizing legislation for impact fees, the State does grant the power for municipalities with a mayor-aldermanic charter to impose impact fees on new development. As a mayor-aldermanic charter city, the City of Hendersonville may:

"Establish, open, relocate, vacate, alter, widen, extend, grade, improve, repair, construct, reconstruct, maintain, light, sprinkle and clean public highways, streets, boulevards, parkways, sidewalks, alleys, parks, public grounds, public facilities, libraries and squares, wharves, bridges, viaducts, subways, tunnels, sewers and drains within or without the corporate limits, regulate their use within the corporate limits, assess fees for the use of or impact upon such property and facilities, and take and appropriate property therefor under § 7-31-107 -- 7-31-111 and § 29-16-203, or any other manner provided by general laws." (Tenn. Code Ann. § 6-2-201 (15))

### GENERAL LEGAL FRAMEWORK

Both state and federal courts have recognized the imposition of impact fees as a legitimate form of land use regulation, provided the fees meet standards intended to protect against regulatory takings. Land use regulations, development exactions, and impact fees are subject to the Fifth Amendment prohibition on taking of private property for public use without just compensation. To comply with the Fifth Amendment, development regulations must be shown to substantially advance a legitimate governmental interest. In the case of impact fees, that interest is in the protection of public health, safety, and welfare by ensuring development is not detrimental to the quality of essential public services. The means to this end are also important, requiring both procedural and substantive due process. The process followed to receive community input (i.e., stakeholder meetings, work sessions, and public hearings) provides opportunities for comments and refinements to the impact fees.

There is little federal case law specifically dealing with impact fees, although other rulings on other types of exactions (e.g., land dedication requirements) are relevant. In one of the most important exaction cases, the U. S. Supreme Court found that a government agency imposing exactions on development must demonstrate an "essential nexus" between the exaction and the interest being protected (see *Nollan v.*

*California Coastal Commission*, 1987). In a more recent case (*Dolan v. City of Tigard, OR*, 1994), the Court ruled that an exaction must also be “roughly proportional” to the burden created by development. However, the *Dolan* decision appeared to set a higher standard of review for mandatory dedications of land than for monetary exactions such as impact fees.

There are three reasonable relationship requirements for impact fees that are closely related to “rational nexus”, or “reasonable relationship” requirements enunciated by a number of state courts. Although the term “dual rational nexus” is often used to characterize the standard by which courts evaluate the validity of impact fees under the U.S. Constitution, we prefer a more rigorous formulation that recognizes three elements: “need,” “benefit,” and “proportionality.” The dual rational nexus test explicitly addresses only the first two, although proportionality is reasonably implied, and was specifically mentioned by the U.S. Supreme Court in the *Dolan* case. Individual elements of the nexus standard are discussed further in the following paragraphs.

All new development in a community creates additional demands on some, or all, public facilities provided by local government. If the capacity of facilities is not increased to satisfy that additional demand, the quality or availability of public services for the entire community will deteriorate. Impact fees may be used to recover the cost of development-related facilities, but only to the extent that the need for facilities is a consequence of development that is subject to the fees. The *Nollan* decision reinforced the principle that development exactions may be used only to mitigate conditions created by the developments upon which they are imposed. That principle clearly applies to impact fees. In this study, the impact of development on infrastructure needs is analyzed in terms of quantifiable relationships between various types of development and the demand for specific capital facilities, based on applicable level-of-service standards.

The requirement that exactions be proportional to the impacts of development was clearly stated by the U.S. Supreme Court in the *Dolan* case and is logically necessary to establish a proper nexus. Proportionality is established through the procedures used to identify development-related facility costs, and in the methods used to calculate impact fees for various types of facilities and categories of development. The demand for capital facilities is measured in terms of relevant and measurable attributes of development (e.g., a typical housing unit’s average weekday vehicle trips).

A sufficient benefit relationship requires that impact fee revenues be segregated from other funds and expended only on the facilities for which the fees were charged. Impact fees must be expended in a timely manner and the facilities funded by the fees must serve the development paying the fees. However, nothing in the U.S. Constitution or the state enabling legislation requires that facilities funded with fee revenues be available *exclusively* to development paying the fees. In other words, benefit may extend to a general area including multiple real estate developments. Procedures for the earmarking and expenditure of fee revenues are discussed near the end of this study. All of these procedural as well as substantive issues are intended to ensure that new development benefits from the impact fees they are required to pay. The authority and procedures to implement impact fees is separate from and complementary to the authority to require improvements as part of subdivision or zoning review.

As documented in this report, the City of Hendersonville has complied with applicable legal precedents. Impact fees are proportionate and reasonably related to the capital improvement demands of new development. Specific costs have been identified using local data and current dollars. With input from City

staff, TischlerBise identified demand indicators for each type of infrastructure and calculated proportionate share factors to allocate costs by type of development. This report documents the formulas and input variables used to calculate the impact fees for each type of public facility. Impact fee methodologies also identify the extent to which new development is entitled to various types of credits to avoid potential double payment of growth-related capital costs.

## GENERAL METHODOLOGIES

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There are three general methodologies for calculating impact fees. The choice of a particular methodology depends primarily on the timing of infrastructure construction (past, concurrent, or future) and service characteristics of the facility type being addressed. Each methodology has advantages and disadvantages in a particular situation, and can be used simultaneously for different cost components.

Reduced to its simplest terms, the process of calculating impact fees involves two main steps: (1) determining the cost of development-related capital improvements and (2) allocating those costs equitably to various types of development. In practice, though, the calculation of impact fees can become quite complicated because of the many variables involved in defining the relationship between development and the need for facilities within the designated service area. The following paragraphs discuss three basic methodologies for calculating impact fees and how those methodologies can be applied.

### Cost Recovery (Past Improvements)

The rationale for recoupment, often called cost recovery, is that future development is paying for its share of the useful life and remaining capacity of facilities already built, or land already purchased, from which future development will benefit. This methodology is often used for utility systems that must provide adequate capacity before future development can take place.

### Incremental Expansion (Concurrent Improvements)

The incremental expansion methodology documents current level-of-service (LOS) standards for each type of public facility, using both quantitative and qualitative measures. This approach assumes there are no deficiencies or surplus capacity in existing infrastructure, and future development is paying only its proportionate share for growth-related infrastructure. Revenue will be used to expand or provide additional facilities, as needed, to accommodate future development. An incremental expansion cost methodology is best suited for public facilities that will be expanded in regular increments to keep pace with development.

### Plan-Based (Future Improvements)

The plan-based methodology allocates costs for a specified set of improvements to a specified amount of development. Improvements are typically identified in a long-range facility plan and development potential is identified by a land use plan. There are two options for determining the cost per demand unit: (1) total cost of a public facility can be divided by total demand units (average cost), or (2) the growth-share of the public facility cost can be divided by the net increase in demand units over the planning timeframe (marginal cost).

### CONCEPTUAL IMPACT FEE CALCULATION

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In contrast to project-level improvements, impact fees fund growth-related infrastructure that will benefit multiple development projects, or the entire jurisdiction (referred to as system improvements). The first step is to determine an appropriate demand indicator for the particular type of infrastructure. The demand indicator measures the number of demand units for each unit of development. For example, an appropriate indicator of the demand for park facilities is population growth, and the increase in population can be estimated from the average number of residents per housing unit. The second step in the impact fee formula is to determine infrastructure units per demand unit, typically called level-of-service (LOS) standards. In keeping with the parks example, a common LOS standard is park amenities per resident. The third step in the impact fee formula is the cost of various infrastructure units. To complete the parks example, this part of the formula would establish the cost for purchasing and/or constructing new park amenities.

### CREDITS

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Regardless of the methodology, a consideration of credits is integral to the development of a legally defensible impact fee. There are two types of credits that should be addressed in impact fee studies and ordinances. The first is a revenue credit due to possible double payment situations, which could occur when other revenues may contribute to the capital costs of infrastructure covered by the impact fee. This type of credit is integrated into the fee calculation, thus reducing the fee amount. The second is a site-specific credit or developer reimbursement for dedication of land or construction of system improvements. An example would be if a developer builds a park with improvements and dedicates to the City. This type of credit is addressed in the administration and implementation of the development fee program. For ease of administration, TischlerBise normally recommends developer reimbursements for system improvements.

### PROPOSED FEE METHODOLOGIES AND COST COMPONENTS

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Shown below, Figure 1 summarizes the methodology and cost allocation components used for Hendersonville’s parks impact fee report. Costs were allocated only to residential development, as nonresidential development generated negligible demand for park facilities. Population was used as the cost allocation factor.

**Figure 1: Proposed Impact fee Methodologies and Cost Components**

Infrastructure Category	Service Area	Cost Recovery	Incremental Expansion	Plan-Based	Cost Allocation
Parks	Citywide	N/A	Park Land, Park Improvements	N/A	Population

**IMPACT FEE SCHEDULE**

Impact fees for residential development will be assessed per dwelling unit, based on the type of unit. The fees shown in Figures 2 represent the maximum allowable impact fees – the proposed impact fees fund 100 percent of growth-related park infrastructure. Hendersonville may adopt impact fees that are less than the amounts shown; however, a reduction in impact fee revenue will necessitate an increase in other revenues, a decrease in planned capital improvements and/or a decrease in Hendersonville’s LOS standards. All costs in the impact fee study are in current dollars with no assumed inflation rate over time. If cost estimates change significantly over time, impact fees should be recalculated.

**Figure 2: Maximum Allowable Impact fees**

Residential Development	Fees per Unit	
Development Type	Persons per Housing Unit <sup>1</sup>	Proposed Fees
Single Family	2.63	<b>\$7,197</b>
Multi-Family	1.78	<b>\$4,871</b>

1. See Land Use Assumptions

A note on rounding: Calculations throughout this report are based on an analysis conducted using Excel software. Most results are discussed in the report using one-, two-, and three-digit places, which represent rounded figures. However, the analysis itself uses figures carried to their ultimate decimal places; therefore, the sums and products generated in the analysis may not equal the sum or product if the reader replicates the calculation with the factors shown in the report (due to the rounding of figures shown, not in the analysis).

## PARKS IMPACT FEES

### METHODOLOGY

The Parks impact fee includes components for park land and park improvements. Parks impact fees use the incremental expansion methodology. Costs are allocated only to residential development using persons per housing unit to allocate costs.

### PROPORTIONATE SHARE

TischlerBise recommends allocating 100 percent of the cost of parks infrastructure to residential development since nonresidential development generates negligible demand for parks infrastructure.

### DEMAND UNITS

Residential impact fees are calculated on a per capita basis, then converted to an appropriate amount for each type of housing unit based on the number of persons per housing unit (PPHU). As shown in Figure PR1, the current PPHU factors are 2.63 persons per single-family unit and 1.78 persons per multi-family unit. These factors are based on the U.S. Census Bureau's 2017-2021 American Community Survey 5-year estimates (further discussed in Appendix A).

Figure PR1: Demand Units

Development Type	Persons per Housing Unit <sup>1</sup>
Single Family	2.63
Multi-Family	1.78

Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates

1. Single-Family includes detached, attached (i.e. townhouses)

### PARK LAND – INCREMENTAL EXPANSION

As shown below in Figure PR2, the City of Hendersonville has 514 acres of existing park land. In order to maintain existing levels of service the City plans to expand its current inventory of park land to serve future development. To determine the existing level of service, the current land inventory is compared to the current number of residents in the City. This results in a level of service of 0.0079 acres per person (514 acres X 100 percent residential share / 65,059 persons).

The cost of an acre of land is estimated at \$275,000, based on an estimate provided by the City. For park land, the cost per demand unit is \$2,172.65 per person (0.0079 acres per person X \$275,000 per acre).

**Figure PR2: Park Land Level of Service**

Description	Acres
Batey Farm	75
Drakes Creek Park	135
Mallard Point Boat Launch	4
Memorial Park	44
Rugby Park	13
Sander Ferry Park	70
Veterens Park	28
Volunteer Park	45
Warrior Bike Trail	24
Durham Farm Parkland	76
<b>Total</b>	<b>514</b>

Cost Allocation Factors	
Cost per Acre	\$275,000

Level-of-Service (LOS) Standards	
Existing Acres	514
Residential	
Residential Share	100%
2023 Population	65,059
Acres per Person	0.0079
<b>Cost per Person</b>	<b>\$2,172.65</b>

Source: Hendersonville, Tennessee

**PARK IMPROVEMENTS – INCREMENTAL EXPANSION**

As shown in Figure PR3 below, City of Hendersonville parks contain 142 improvements. The City plans to expand its current inventory of 142 park improvements to serve future development. The analysis allocates 100 percent of demand for park improvements to residential development. Hendersonville’s existing level of service is 0.0022 improvements per person (142 improvements X 100 percent residential share / 65,059 persons).

Based on the total replacement cost of \$36,687,141 for Hendersonville’s existing 142 park improvements, the average replacement cost is \$259,273 per improvement. For park improvements, the cost per demand unit is \$563.91 per person (0.0022 improvements per person X \$259,273 per improvement).

**Figure PR3: Park Improvements Level of Service**

Description	Improvements	Unit Cost	Replacement Cost
Concession Stand	8	\$391,597	\$3,132,773
Boat/Kayak Access	2	\$48,680	\$97,360
Fishing Pier	2	\$53,505	\$107,010
Disc Golf Course	1	\$16,038	\$16,038
Playground	11	\$261,214	\$2,873,359
Football Field	1	\$315,618	\$315,618
Baseball / Softball Field	16	\$237,743	\$3,803,881
Batting Cage	5	\$51,198	\$255,988
Basketball Court	1	\$15,000	\$15,000
Lacrosse Field	2	\$1,286	\$2,572
Soccer Field	24	\$618,529	\$14,535,424
Multi-Purpose Field	3	\$200,000	\$600,000
Tennis / Pickleball	12	\$126,612	\$1,519,339
In-line Hockey Rink	2	\$2,000,000	\$4,000,000
Sand Volleyball	3	\$10,000	\$30,000
Picnic Shelters	21	\$102,384	\$2,150,054
Charcoal Grill	10	\$500	\$5,000
Skate Park	1	\$130,178	\$130,178
Dog Park	1	\$39,097	\$39,097
Model Airplane Field	1	\$28,591	\$28,591
Maintenance Facility	1	\$243,883	\$243,883
Restroom Facility	14	\$198,998	\$2,785,976
<b>Total</b>	<b>142</b>	<b>\$259,273</b>	<b>\$36,687,141</b>

Cost Allocation Factors	
Cost per Improvement	\$259,273

Level-of-Service (LOS) Standards	
Existing Improvements	142
Residential	
Residential Share	100%
2023 Population	65,059
Improvements per Person	0.0022
<b>Cost per Person</b>	<b>\$563.91</b>

Source: Hendersonville, Tennessee

**PROJECTED DEMAND FOR GROWTH-RELATED PARKS INFRASTRUCTURE**

**Park Land**

To accommodate projected development over the next ten years, Hendersonville will acquire additional park land as development occurs. Figure PR4 forecasts growth-related demand for park improvements. Hendersonville’s population is projected to increase by 11,127 persons by 2033. Using the 2023 LOS, future residential development will demand approximately 88 additional park acres (11,127 additional persons X 0.0079 acres per person). Based on demand for 88 park acres and a cost of \$275,000 per acre, the growth-related expenditure on park improvements is \$24,175,912.

**Figure PR4: Growth-Related Demand for Park Land**

Type of Infrastructure	Level of Service		Demand Unit	Cost per Acre
Park Land	0.0079	Acres	per Person	\$275,000

Demand for Park Land		
Year	Population	Acres
2023	65,059	514
2024	66,172	523
2025	67,284	532
2026	68,397	540
2027	69,510	549
2028	70,623	558
2029	71,735	567
2030	72,848	576
2031	73,961	584
2032	75,074	593
2033	76,186	602
10-Yr Increase	11,127	88

Growth-Related Expenditures	\$24,175,912
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### Park Improvements

To accommodate projected development over the next ten years, Hendersonville will construct additional park improvements as development occurs. Figure PR5 forecasts growth-related demand for park improvements. Hendersonville’s population is projected to increase by 11,127 persons by 2033. Using the 2023 LOS, future residential development will demand approximately 24.2 additional park improvements (11,127 additional persons X 0.0022 improvements per person). Based on demand for 24.2 park improvements and an average cost of \$259,273 per improvement, the growth-related expenditure on park improvements is \$6,274,815.

**Figure PR5: Growth-Related Demand for Park Improvements**

Type of Infrastructure	Level of Service		Demand Unit	Cost per Unit
Park Improvements	0.0022	Units	per Person	\$259,273

Demand for Park Amenities		
Year	Population	Units
2023	65,059	141.5
2024	66,172	143.9
2025	67,284	146.3
2026	68,397	148.8
2027	69,510	151.2
2028	70,623	153.6
2029	71,735	156.0
2030	72,848	158.4
2031	73,961	160.9
2032	75,074	163.3
2033	76,186	165.7
10-Yr Increase	11,127	24.2

Growth-Related Expenditures	\$6,274,815
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### MAXIMUM ALLOWABLE PARKS IMPACT FEES

Infrastructure components and cost factors used to calculate maximum allowable Parks impact fees are summarized in the upper portion of Figure PR6. Residential impact fees are calculated using a cost of \$2,736.55 per person and the average number of persons per housing unit. For a single-family unit, the fee of \$7,197 is calculated using a cost of \$2,736.55 per person multiplied by 2.63 persons per housing unit.

**Figure PR6: Maximum Allowable Parks Impact fees**

Fee Component	Cost per Person
Park Land	\$2,172.65
Park Improvements	\$563.91
<b>Total</b>	<b>\$2,736.55</b>

Residential Development	Fees per Unit	
Development Type	Persons per Housing Unit <sup>1</sup>	Proposed Fees
Single Family	2.63	\$7,197
Multi-Family	1.78	\$4,871

1. See Land Use Assumptions

**PROJECTED PARKS IMPACT FEE REVENUE**

Revenue projections assume implementation of the maximum allowable Parks impact fees and that development over the next ten years is consistent with the development projections in Appendix A. To the extent the rate of development either accelerates or slows down, there will be a corresponding change in the impact fee revenue. As shown in Figure PR7, projected fee revenue equals approximately \$30 million over the next ten years compared to projected expenditures of approximately \$30 million.

**Figure PR7: Projected Parks Impact fee Revenue**

Fee Component	Growth Share	Existing Share	Total
Park Land	\$24,175,912	\$0	\$24,175,912
Park Improvements	\$6,274,815	\$0	\$6,274,815
<b>Total</b>	<b>\$30,450,726</b>	<b>\$0</b>	<b>\$30,450,726</b>

		Single Family \$7,197 per unit	Multi-Family \$4,871 per unit
Year		Hsg Unit	Hsg Unit
Base	2023	19,799	6,421
Year 1	2024	20,063	6,655
Year 2	2025	20,328	6,889
Year 3	2026	20,593	7,123
Year 4	2027	20,857	7,357
Year 5	2028	21,122	7,592
Year 6	2029	21,387	7,826
Year 7	2030	21,652	8,060
Year 8	2031	21,916	8,294
Year 9	2032	22,181	8,528
Year 10	2033	22,446	8,762
10-Year Increase		2,647	2,340
<b>Projected Revenue</b>		<b>\$19,050,813</b>	<b>\$11,399,913</b>

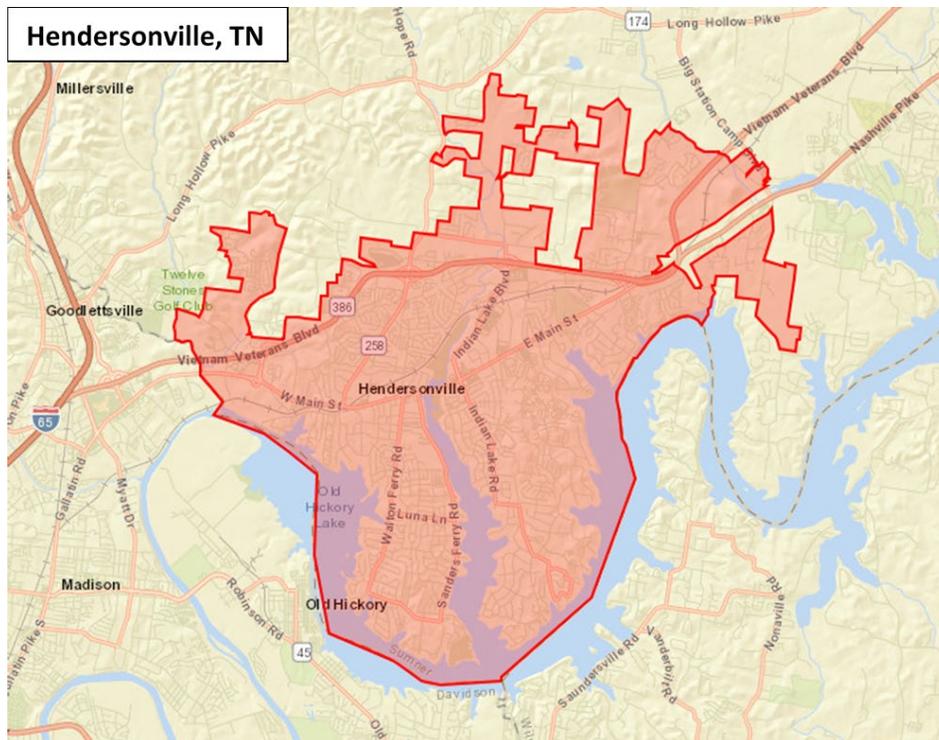
Projected Fee Revenue	\$30,450,726
Existing Development Share	\$0

## APPENDIX A: LAND USE ASSUMPTIONS

The City of Hendersonville retained TischlerBise to prepare this study to analyze the impacts of development on the city's capital facilities and to calculate development impact fees based on that analysis. The population and housing unit projections contained in this document provide the foundation for the development impact fee study. To evaluate the demand for growth-related infrastructure from various types of development, TischlerBise prepared documentation on demand indicators by type of housing unit. These metrics are the service units and demand indicators used in the development impact fee study.

Development impact fees are based on the need for growth-related improvements, and they must be proportionate by type of land use. The demographic data and development projections are used to demonstrate proportionality and anticipate the need for future infrastructure. Development impact fee studies typically look out five to ten years, with the expectation that fees will be updated every three to five years. The estimates and projections of residential and nonresidential development in this Land Use Assumptions document are for areas within the boundaries of Hendersonville, Tennessee. The map below illustrates the areas within the Hendersonville Development Impact Fee Service Area.

**Figure A1: Development Impact Fee Service Area Map**



## **SUMMARY OF GROWTH INDICATORS**

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Key development projections for the Hendersonville development impact fee study include housing units and nonresidential floor area. TischlerBise estimates population and housing units using US Census data. The projections contained in this document provide the foundation for the Development Impact Fee Study.

These projections are used to estimate development impact fee revenue and to indicate the anticipated need for growth-related infrastructure. The goal is to have reasonable projections without being overly concerned with precision. Because development impact fee methods are designed to reduce sensitivity to development projections in the determination of the proportionate-share fee amounts, if actual development is slower than projected, fee revenue will decline, but so will the need for growth-related infrastructure. In contrast, if development is faster than anticipated, Hendersonville will receive more fee revenue, but will also need to accelerate infrastructure improvements to keep pace with the actual rate of development.

During the next 10 years, TischlerBise projects an average annual increase of 499 housing units per year.

## RESIDENTIAL DEVELOPMENT

Current estimates and future projections of residential development are detailed in this section including population and housing units by type.

### Persons Per Housing Unit

According to the U.S. Census Bureau, a household is a housing unit occupied by year-round residents. Development impact fees often use per capita standards and persons per housing unit (PPHU) or persons per household (PPH) to derive proportionate share fee amounts. When PPHU is used in the fee calculations, infrastructure standards are derived using year-round population. When PPH is used in the fee calculations, the development impact fee methodology assumes a higher percentage of housing units will be occupied, thus requiring seasonal or peak population to be used when deriving infrastructure standards. TischlerBise recommends that Hendersonville impose development impact fees for residential development according to the number of persons per housing unit.

Occupancy calculations require data on population and the types of units by structure. The 2020 census did not obtain detailed information using a “long-form” questionnaire. Instead, the U.S. Census Bureau switched to a continuous monthly mailing of surveys, known as the American Community Survey (ACS), which has limitations due to sample-size constraints. For example, data on detached housing units are now combined with attached single units (commonly known as townhouses, which share a common sidewall, but are constructed on an individual parcel of land). For development impact fees in Hendersonville, detached stick-built units, attached units, and mobile home units are included in the “Single-Family” category. The second residential category includes duplexes and all other structures with two or more units on an individual parcel of land. This is referred to as “Multi-Family” category. (Note: housing unit estimates from ACS will not equal decennial census counts of units. These data are used only to derive the custom PPHU factors for each type of unit).

Figure A2 below shows the ACS 2021 5-Year Estimates for Hendersonville. Single-family units averaged 2.63 persons per housing unit (50,101 persons / 19,038 housing units) and multi-family units had an average of 1.78 persons per housing unit (10,350 persons / 5,805 housing units).

**Figure A2: Persons per Housing Unit by Type of Housing**

Housing Type	Persons	Households	Persons per Household	Housing Units	Persons per Housing Unit	Housing Mix	Vacancy Rate
Single-Family Units <sup>1</sup>	50,101	18,403	2.72	19,038	<b>2.63</b>	76.6%	3.30%
Multi-Family Units <sup>2</sup>	10,350	5,162	2.01	5,805	<b>1.78</b>	23.4%	11.10%
Total	60,451	23,565	2.57	24,843	<b>2.43</b>	100.0%	5.10%

Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates

1. Includes detached, attached (i.e. townhouses).
2. Includes dwellings in structures with two or more units, and mobile home units.

## Residential Estimates

This analysis projects housing units based on building permit data provided by Hendersonville staff. By applying the building permit data shown below in Figure A3 to 2020 US Census estimates, TischlerBise estimates the 2023 housing stock includes 26,220 housing units – 19,799 single-family units and 6,421 multi-family units. The analysis converts housing units to population using the occupancy factors shown in Figure A2. The 2023 population estimate is 65,059 persons.

**Figure A3: Residential Building Permits**

Year	Single	Multi	Total
2019	344	97	441
2020	245	137	382
2021	230	328	558
2022	202	115	317
2023*	303	493	796
<b>AVERAGE</b>	<b>265</b>	<b>234</b>	<b>499</b>

\*Prorated

## Residential Projections

TischlerBise projects future residential development beyond the 2023 base year using the building permit data shown in Figure A3. Over the next 10 years, this results in an increase of 2,647 single-family units and 4,166 multi-family units. To project future population, the analysis converts housing units to population using the occupancy factors shown in Figure A2. For this study, it is assumed that the housing unit size will remain constant. TischlerBise projects a 10-year increase of 4,987 housing units and 11,127 persons (2,647 single-family units X 2.63 persons per housing unit + 4,166 multi-family units X 1.78 persons per housing unit).

**Figure A4: Residential Development Projections**

Hendersonville	2023	2024	2025	2026	2027	2028	2033	10-Year Increase
	Base Year	1	2	3	4	5	10	
<b>Population</b>								
Single Family	52,961	53,657	54,353	55,049	55,745	56,441	59,922	<b>6,962</b>
Multi-Family	12,098	12,515	12,931	13,348	13,765	14,181	16,264	<b>4,166</b>
<b>Population</b>	<b>65,059</b>	<b>66,172</b>	<b>67,284</b>	<b>68,397</b>	<b>69,510</b>	<b>70,623</b>	<b>76,186</b>	<b>11,127</b>
<b>Housing Units</b>								
Single Family	19,799	20,063	20,328	20,593	20,857	21,122	22,446	<b>2,647</b>
Multi-Family	6,421	6,655	6,889	7,123	7,357	7,592	8,762	<b>2,340</b>
<b>Total</b>	<b>26,220</b>	<b>26,719</b>	<b>27,217</b>	<b>27,716</b>	<b>28,215</b>	<b>28,714</b>	<b>31,207</b>	<b>4,987</b>

## APPENDIX B: LAND USE DEFINITIONS

### RESIDENTIAL DEVELOPMENT

As discussed below, residential development categories are based on data from the U.S. Census Bureau, American Community Survey. The City of Hendersonville will collect impact fees from all new residential units. One-time impact fees are determined by site capacity (i.e., number of residential units).

#### Single-Family Units:

1. Single-family detached is a one-unit structure detached from any other house, that is, with open space on all four sides. Such structures are considered detached even if they have an adjoining shed or garage. A one-family house that contains a business is considered detached as long as the building has open space on all four sides.
2. Single-family attached (townhouse) is a one-unit structure that has one or more walls extending from ground to roof separating it from adjoining structures. In row houses (sometimes called townhouses), double houses, or houses attached to nonresidential structures, each house is a separate, attached structure if the dividing or common wall goes from ground to roof.

#### Multi-Family Units:

1. 2+ units (duplexes and apartments) are units in structures containing two or more housing units, further categorized as units in structures with “2, 3 or 4, 5 to 9, 10 to 19, 20 to 49, and 50 or more apartments.”
2. Boat, RV, Van, Etc. includes any living quarters occupied as a housing unit that does not fit the other categories (e.g., houseboats, railroad cars, campers, and vans). Recreational vehicles, boats, vans, railroad cars, and the like are included only if they are occupied as a current place of residence.
3. Mobile home includes both occupied and vacant mobile homes, to which no permanent rooms have been added. Mobile homes used only for business purposes or for extra sleeping space and mobile homes for sale on a dealer's lot, at the factory, or in storage are not counted in the housing inventory.

## DEVELOPMENT IMPACT FEE COMPARISONS WITH OTHER MID-TN COMMUNITIES

12/3/2025	<u>Single-Family</u>	<u>Multi-Family</u>	<u>Gen. Commercial</u>	<u>Office</u>	<u>Public/Institutional</u>	<u>Industrial</u>
<b>Hendersonville</b> (100% Based on Fee Study) (Parks, Streets, Fire & Police All Uses)	\$19,888	\$13,811	\$12,247/1,000 sf	\$7,559/1,000 sf	\$10,396/1,000 sf	\$3,314/1,000 sf
<b>Hendersonville</b> (Ordinance Proposal #1) (Residential+Comm @50%) (Parks & Streets only)	\$9,016	\$6,308	\$4,786/1,000 sf	\$3,186/1,000 sf	\$4,382/1,000 sf	\$1,396/1,000 sf
<b>Hendersonville</b> (Ordinance Proposal #2 in 3/2026) (Residential Only @50%) (Parks & Streets only)	\$5,000	\$3,498	\$0/1,000 sf	\$0/1,000 sf	\$0/1,000 sf	\$0/1,000 sf
<b>Hendersonville</b> (Ordinance Proposal #2 in 2035) (Residential Only @50%) (Parks & Streets only)	\$6,500	\$4,547	\$0/1,000 sf	\$0/1,000 sf	\$0/1,000 sf	\$0/1,000 sf
<b>Franklin</b>	\$9,537	\$7,416	\$10,878-\$29,304/1,000 sf	\$7,802/1,000 sf	\$2,697-\$9,012/1,000 sf	\$1,487-\$11,132/1,000 sf
<b>Murfreesboro</b>	\$2.00/sf not to exceed \$10,952 per dwelling	\$7624 per dwelling unit	\$5,030/1,000 sf	\$1,932/1,000 sf	\$3,872/1,000 sf	\$984/1,000 sf
<b>La Vergne</b>	\$6,833	\$5,247 per dwelling unit	\$7,806/1,000 sf	\$5,971/1,000 sf	\$1,968-4,846/1,000 sf	\$2,269/1,000 sf
<b>Mt. Juliet</b>	\$0.50/sf	\$0.50/sf	\$0	\$0	\$0	\$0
<b>Smyrna</b>	\$5,786	\$3,359	\$5,879/1,000 sf	\$6,732/1,000 sf	\$1,806/1,000 sf	\$4,076/1,000 sf
<b>Springfield</b>	\$4,555	\$2,551	\$5,935/1,000 sf	\$3,151/1,000 sf	\$2,240/1,000 sf	\$1,015/1,000 sf
<b>White House</b>	\$3,740	\$2,381	\$1,224-\$24,496/1,000 sf	\$3,857-4,659/1,000 sf	\$269-3,409/1,000 sf	\$2,119/1,000 sf
<b>Lebanon</b>	\$1,500/1,000 sf	\$1,000	1/2 building permit fee	1/2 building permit fee	1/2 building permit fee	1/2 building permit fee

## Commercial Examples:

### New Shackle Island Subway

Building Square Footage: 1,500



Hville DIF Study	\$18,371
Hville Ord 2025-00	\$7,179
Hville Ord 2025-00 2026	\$0
Hville Ord 2025-00 2030	\$0
Franklin	\$16,317 - 43,956
Murfreesboro	\$7,545
La Vergne	\$11,709
Mt. Juliet	\$0.00
Smyrna	\$8,818
Springfield	\$8,903
White House	\$1,836 - 36,744
Lebanon	\$225

### Chick-fil-A (Mayfair)

Building Square Footage: 6,108



H DIF Study	\$74,805
H Ord 2025-00	\$29,232
H Ord 2025-00 2026	\$0
H Ord 2025-00 2030	\$0
Franklin	\$66,443 - 178,989
Murfreesboro	\$30,723
La Vergne	\$47,679
Mt. Juliet	\$0
Smyrna	\$35,909
Springfield	\$26,251.00
White House	\$7,476.00 - 149,622.00
Lebanon	\$916.00

## Costco

Building Square Footage: 156,309



H DIF Study	\$1,914,316
H Ord 2025-00	\$748,094
H Ord 2025-00 2026	\$0
H Ord 2025-00 2030	\$0
Franklin	\$1,700,329 - 4,580,478
Murfreesboro	\$786,234
La Vergne	\$1,220,148
Mt. Juliet	\$0.00
Smyrna	\$918,941
Springfield	\$927,694
White House	\$191,322 - 3,828,945
Lebanon	\$7,815

**Office Example:**

**ParkView Office/Retail**  
 Building Square Footage: 15,956



H DIF Study	\$120,611
H Ord 2025-00	\$50,836
H Ord 2025-00 2026	\$0
H Ord 2025-00 2030	\$0
Franklin	\$124,488
Murfreesboro	\$30,827
La Vergne	\$95,273
Mt. Juliet	\$0
Smyrna	\$107,416
Springfield	\$50,277
White House	\$45,586 – 74,339
Lebanon	\$1,125

**Southview Professional Plaza Ph 1**  
 Building Square Footage: 7,500



H DIF Study	\$56,693
H Ord 2025-00	\$23,895
H Ord 2025-00 2026	\$0
H Ord 2025-00 2030	\$0
Franklin	\$58,515
Murfreesboro	\$14,490
La Vergne	\$44,033
Mt. Juliet	\$0
Smyrna	\$50,490
Springfield	\$23,633
White House	\$28,928 – 34,943
Lebanon	\$1,596

## Industrial Example:

230 Innovation Way  
 Building Square Footage: 107,500



H DIF Study	\$356,255
H Ord 2025-00	\$159,070
H Ord 2025-00 2026	\$0
H Ord 2025-00 2030	\$0
Franklin	\$159,853 – 1,196,690
Murfreesboro	\$105,780
La Vergne	\$243,918
Mt. Juliet	\$0.00
Smyrna	\$438,170
Springfield	\$109,113
White House	\$227,793
Lebanon	\$5,375

# Residential Examples:

The Hickory (Multi-Family 212 Units)  
 Building Square Footage: 285,010



H DIF Study	\$2,927,932
H Ord 2025-00	\$1,337,296
H Ord 2025-00 2026	\$741,576
H Ord 2025-00 2030	\$963,964
Franklin	\$1,572,192
Murfreesboro	\$1,616,288
La Vergne	\$1,112,364
Mt. Juliet	\$142,505
Smyrna	\$712,108
Springfield	\$540,812
White House	\$504,772
Lebanon	\$212,000

822 Nightingale Ave (Durham Farms)  
 Building Square Footage: 2,972



H DIF Study	\$19,888
H Ord 2025-00	\$9,016
H Ord 2025-00 2026	\$5,000
H Ord 2025-00 2030	\$6,500
Franklin	\$9,537
Murfreesboro	\$5,944
La Vergne	\$6,833
Mt. Juliet	\$1,486
Smyrna	\$5,786
Springfield	\$4,555
White House	\$3,750
Lebanon	\$4,458



## **ORDINANCE 2025-25**

**Sponsors:** Collins, Clary

### **AN ORDINANCE AMENDING THE HENDERSONVILLE MUNICIPAL CODE, TITLE 20 ESTABLISHING IMPACT FEES FOR THE CITY OF HENDERSONVILLE**

**WHEREAS**, the City of Hendersonville recognizes the need to fund capital facilities to support growth and maintain service levels for streets and parks; and

**WHEREAS**, The City of Hendersonville has the authority to assess development impact fees pursuant to the authority of Mayor-Aldermanic charter cities as set forth in Sec. 6-2-201 (14) and (15), Tennessee Code Annotated; and

**WHEREAS**, the population within the City has grown and is projected for further growth, and will create additional demand for new residential and nonresidential development; and

**WHEREAS**, the Board of Mayor and Aldermen wished to examine impact fees and their legal requirements for the City of Hendersonville; and

**WHEREAS**, the Board of Mayor and Aldermen requested and authorized the Planning Department obtain the services of a consultant; and

**WHEREAS**, the chosen consultant, Tischler-Bise, obtained information from city departments and utilized a recognized legal method to determine a set of proposed fees for Parks, Roads, Police and Fire in order to assess associated residential and nonresidential impact fees; and

**WHEREAS**, the Impact Fee Study identifies the maximum allowable impact fees for various development types to ensure new development pays its fair share of infrastructure costs; and

**WHEREAS**, the City recognizes the additional net-positive tax and other fiscal contributions provided by nonresidential development property owners, including among other things, the contribution made or to be made in the future in cash, higher property tax rates, sales tax, fees or assessments by nonresidential property owner towards the capital costs of the necessary public service covered by these development impact fees, and thus at this time the determination that these long-term year over year contributions are more desirable and significant than the amount of the development impact fees that would otherwise be imposed on new nonresidential development; and

**WHEREAS**, the City finds that at present, there is both a rational nexus and a rough proportionality between the development impacts created by residential development and the types of impact covered by this section, and

**WHEREAS**, the City desires to build in an annual adjustment tied to a recognized economic index in order to provide consistency, predictability, and transparency, and to review at no longer than a biennial basis to ensure the ongoing proportionality between the fee amounts, the types of development assessed and the costs of required infrastructure such that the collection of impact fees are done in a reasonable and equitable manner to fund future additional public facilities; and

**WHEREAS**, the City desires to adopt impact fees for new residential development within the city in order to offset costs associated with the impact the development has on city resources; and

**WHEREAS**, the protection of the health, safety, and general welfare of the citizens of the City requires that the park and road facilities of the City be expanded and improved to meet the demands of new residential development; and

**WHEREAS**, it is the desire of this Board to evaluate the fees and projects to be completed that serve as the basis of the fees, identify a strategy to complete projects, and identify personnel to compute and track fee submittals and monetary balances; and

**WHEREAS**, the Board of Mayor and Aldermen declares it is in the best interest of the City to establish and collect impact fees in a reasonable and equitable manner to fund these future additional public facilities.

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF HENDERSONVILLE, TENNESSEE** as follows:

**SECTION 1.** Enact Title 20, Chapter 14 establishing a new Chapter in the City of Hendersonville Municipal Code entitled “Impact Fees”, to read as follows:

#### **CHAPTER 14**

#### **IMPACT FEES**

##### **SECTION**

- 20-1401. Applicability
- 20-1402. Purpose and Scope
- 20-1403. Definitions
- 20-1404. Impact Fee Administrator
- 20-1405. Fees and Determination
- 20-1406. Vesting and Exemptions
- 20-1407. Reserved
- 20-1408. Miscellaneous Provisions
- 20-1409. Appeals
- 20-1410. Violation
- 20-1411. Severability
- 20-1412. Effective Date

##### **20-1401. Applicability**

The provisions of this chapter shall apply to all new development within the corporate limits of the City of Hendersonville, unless such development is expressly exempted by means described further in this chapter.

##### **20-1402. Purpose, Intent and Findings**

The intent of this chapter is to ensure that new development bears a proportionate share of the cost of capital improvements; to ensure that the proportionate share does not exceed the cost of providing such facilities; and to ensure that funds collected from new development are actually used to construct improvements that serve new development as outlined in the Impact Fee Study. The City of Hendersonville recognizes and finds that:

- 1) At present, the additional net-positive tax and other fiscal contributions provided by nonresidential development property owners, including among other things, the contribution made or to be made in the future in cash or by taxes, fees or assessments by nonresidential property owner towards the capital costs of the necessary public service covered by these development impact fees, outweigh the amount of the development impact fees that would otherwise be imposed on new nonresidential development.
- 2) The transaction privilege tax revenues generated by nonresidential development is a substantial source of revenue justifying non-imposition of development impact fees at this time.
- 3) The City requires nonresidential development, at the time of development, to mitigate traffic and other impacts through the construction of new or improved infrastructure in the public right of way including but not limited to, new turn lanes, new through lanes, road widening, new traffic signals, new stormwater infrastructure and other infrastructure as deemed appropriate by traffic studies and the City Engineer.
- 4) The City has a rational basis for determining that tax revenues and other fiscal contributions fairly and adequately offset foregone development impact fees on nonresidential development while by contrast, the City believes that at present, residential development may approximately generate more expenses than revenue.
- 5) There is both a rational nexus and a rough proportionality between the development impacts created by residential development and the types of impact covered by this section..

**20-1403. Definitions**

- 1) “Applicant” means the applicant for a building permit for which an impact fee is due pursuant to the provisions of this chapter.
- 2) “Building” means any structure built for the support, shelter, or enclosure of persons, chattels, or movable property of any kind, including a mobile home, but excluding buildings used for agricultural purposes.
- 3) “Building Permit” means a permit issued by the building official authorizing performance of a specified activity in or on a structure or building.
- 4) “Capital Improvement” means any road or park capital improvement, including but not limited to planning, preliminary engineering, engineering design studies, land surveys, right-of-way acquisition, engineering, permitting and construction of all the necessary features for any construction project including, but not limited to:
  - (a) Construction of new through lanes;
  - (b) Construction of new turn lanes;
  - (c) Construction of new bridges;
  - (d) Construction of new drainage facilities in conjunction with new road construction;
  - (e) Purchase and installation of traffic signalization (including new and upgraded signalization);
  - (f) Construction of curbs, medians and shoulders in conjunction with new road construction;
  - (g) Relocating utilities to accommodate new road construction;
  - (i) New parks;

- (j) New park buildings, equipment and amenities; and
- 5) “Developer” means any individual, firm, company partnership, joint venture, association corporation, estate, trust, business trust, receiver, syndicate, or other group, or entity responsible for a new development or a new development project.
  - 6) “Development Project” means an interrelated set of developments, approved by the City pursuant to a subdivision plat, planned development or other development plan.
  - 7) “Dwelling Unit” means a room, or rooms connected together constituting a separate, independent housekeeping establishment for owner occupancy, rental or lease on a daily, weekly, monthly, or longer basis; physically separated from any other room(s) or dwelling units which may be in the same structure; and containing independent cooking and sleeping facilities.
  - 8) “Impact Fee Study” means the most recently prepared Impact Fee Study prepared for the City of Hendersonville by Tischler Bice, Inc, or an updated similar report approved by the Hendersonville Board of Mayor and Aldermen.
  - 9) “Multi-Family” means a building used for three or more dwelling units, excluding townhomes.
  - 10) “Nonresidential” means the development of any property for any use other than residential use, except as may be exempted by this chapter.
  - 11) “Office/Institutional” means buildings housing primarily office or institutional uses, including but not limited to corporate headquarters, medical offices, real estate offices, hospitals government buildings, schools, day care centers, and private lodges.
  - 12) “Residential” means single-family or multi-family dwelling units.
  - 13) “Retail/Commercial” means shopping centers, commercial land uses and other nonresidential land uses not elsewhere classified in the fee schedule.
  - 14) “Roads” means transportation system, including but not limited to streets, traffic signals and signs, bicycle lanes, curb and gutter, medians and sidewalks.
  - 15) “Impact Fee Administrator” means the City of Hendersonville Finance Director, or his or her designee.
  - 16) “Single Family Dwelling” means a dwelling unit on an individual lot principally used, designed, or adapted for use by a single family.
  - 17) “Structure” means anything built, constructed, or erected that is located permanently or semi-permanently on the ground or attached to something having a permanent or semi-permanent location on the ground, but specifically excluding paving or other resurfacing of the ground.
  - 18) “Square Feet” means gross floor area, defined as the total area of all floors of a primary building and all associated accessory buildings, measured from the external surface of the outside walls, but excluding covered walkways, open roofed over areas, porches and similar spaces, exterior terraces or steps, chimneys, roof overhangs, and similar features. Excluded

areas include basements or attic spaces of less than seven feet in height and vehicular parking and maneuvering areas.

- 19) “Warehouse” means a building primarily devoted to the storage of materials or goods, typically for the purposes of distribution.

**20-1404. Impact Fee Administrator**

Staffing will be provided for an impact fee administrator with experience and/or education in municipal finance. The duties of the impact fee administrator shall include:

- (1) Coordination with Planning, Public Works, Parks, and Codes staff to ensure proper fees are collected.
- (2) Collection of fees from assigned collection department, ensuring fees go to specified accounts.
- (3) Assisting applicants with questions regarding their impact fees and associated inquiries.
- (4) Maintaining records of applicants who have paid impact fees.
- (5) Tracking of project expenditures, including other sources of project funds.
- (6) Coordination with Public Works, Parks, Police, and Fire staff to track projects and completion.
- (7) Staff reviews with Public Works and Parks to review potential credits.
- (8) Coordinate with applicant on results of appraisals, when necessary. Write memo to detail the results of any request for impact fee credits and report results to Board. Hire appraiser and coordinate with applicant and Board for resolution as needed.
- (9) Assisting various departments with programming and budgeting of funds for projects that serve as the nexus for impact fees.
- (10) Tracking and payment of refunds.

**20-1405. Determination of Fees and Refunds**

- (1) Fee Schedule. Any person who applies for a building permit for an impact—generating development, except those exempted, shall pay an impact fee in accordance with the following fee schedule prior to the issuance of a building permit. If any credit is due pursuant to section 20-1407, the amount of such credit shall be deducted from the amount of the fee to be paid. Fees per 1,000 square feet shall be based on square feet, as herein defined, and shall be prorated to the nearest dollar.

- (2) Fee Table.

Residential Development shall be assessed on a per unit basis for Single Family and Multi Family Dwellings with the following rates for calendar years 2026-2030:

Residential - Impact Fee by Type					
	2026	2027	2028	2029	2030
<b>Single Family</b>	\$ 5,000	\$ 5,000	\$ 5,500	\$ 6,000	\$ 6,500
<b>Multi-Family</b>	\$ 3,498	\$ 3,498	\$ 3,848	\$ 4,198	\$ 4,547

Single Family - Impact Fee Allocation					
	2026	2027	2028	2029	2030
1/3 Parks	\$ 1,667	\$ 1,667	\$ 1,833	\$ 2,000	\$ 2,167
2/3 Roads	\$ 3,333	\$ 3,333	\$ 3,667	\$ 4,000	\$ 4,333
<b>Total</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 5,500</b>	<b>\$ 6,000</b>	<b>\$ 6,500</b>

Multi Family - Impact Fee Allocation					
	2026	2027	2028	2029	2030
1/3 Parks	\$ 1,166	\$ 1,166	\$ 1,283	\$ 1,399	\$ 1,516
2/3 Roads	\$ 2,332	\$ 2,332	\$ 2,565	\$ 2,798	\$ 3,032
<b>Total</b>	<b>\$ 3,498</b>	<b>\$ 3,498</b>	<b>\$ 3,848</b>	<b>\$ 4,198</b>	<b>\$ 4,547</b>

- (3) Collection of Fees. Impact fees shall be collected at the time of building permit issuance or as otherwise determined by the City, unless deferred by agreement with the City, subject to conditions ensuring payment prior to occupancy. All new development in the City shall be subject to the assessment and collection of impact fees unless otherwise expressly provided herein. The City will not issue a certificate of occupancy for any Structure until the required impact fee has been paid in full. For other uses not requiring a Building Permit, the City will not approve a development plan until the requisite impact fee has been paid in full. In addition, the City will issue a stop work order on any development for which the applicable impact fee has not been paid as required.
- (4) If the planned use for any development as stated by the applicant was misrepresented or changes within one (1) year of the building permit, the impact fee administrator and city reserves the right to recoup any difference from the fee collected.
- (5) Impact Fee Calculation Errors. If the impact fee has been calculated and paid based on error or misrepresentation, it shall be recalculated and the difference refunded to the original payer or assignee. If impact fees are owed, no permit of any type may be issued for the building or structure in question, or for any other portion of a development of which the building or structure in question is a part, until impact fees are paid.
- (6) Refund; Permit Expiration. If an applicant has paid an impact fee required by this chapter and the building permit later expires without the possibility of further extension, and the development activity for which the impact fee was imposed did not occur and no impact has

resulted, then the applicant who paid such fee shall be entitled to a refund of the fee paid, without interest. In order to be eligible to receive such refund, the applicant who paid such fee shall be required to submit an application requesting such refund within thirty (30) days after the expiration of the permit or extension for which the fee was paid. The City shall charge an administrative fee for verifying and computing the refund of 3% of the amount of the refund.

**20-1406. Vesting and Exemptions**

In order to address legal questions of vesting, projects and property with an associated Planned Development, site plan, or preliminary/final subdivision plat approved prior to \_\_\_\_\_ shall be exempt from impact fees, provided the approval has not expired. Exempt applicants include prior development agreements and per lot fees. Other exemptions include:

- (1) Developments that received a final site plan approval or building permit prior to the effective date of the Ordinance.
- (2) Building permits for Forest Park and Glenbrook Village North, whose development plans were approved with the provision that the developer would not be responsible for future impact fees.
- (3) Residential Alterations. Alterations of an existing dwelling unit where no additional dwelling units are created.
- (4) Residential Replacement. Replacement of a destroyed, partially-destroyed or moved residential building or structure with a new building or structure of the same use, and with the same number of dwelling units.
- (5) Nonresidential Development.
- (6) No Waivers; Payment of Fees by City. Other than exempted development, impact fees shall not be waived. In order to promote the economic development of the City or the public health, safety, and general welfare of its residents, the Board of Mayor and Aldermen may agree to pay some or all of the impact fees imposed on a proposed development or redevelopment from other funds of the City that are not restricted to other uses. Any such decision to pay impact fees on behalf of an applicant shall be at the discretion of the Board of Mayor and Aldermen of the City of Hendersonville and shall be made pursuant to goals and objectives articulated by the Board.

**20-1407. Reserved**

**20-1408. Miscellaneous Provisions**

- (1) Developer Exactions. Nothing in this chapter shall restrict the City from requiring the construction of necessary improvements required (e.g. the addition of required open space; or a traffic study show a reduction in level of service to justify the addition of a turn lane) to serve the development project, whether or not such improvements are of a type for which credits are available.

(2) Use of Impact Fees and Segregation of Funds. Impact fee funds that are distinct from the general fund of the City are hereby created, and the impact fees received will be deposited in each of the interest-bearing accounts of the associated impact fee. Eligible expenditures from the monies in the impact fee accounts shall be used only for following:

- (a) Impact fee revenues shall be used exclusively for capital improvements or equipment for streets and parks, as applicable, to serve new development and as approved by the Board of Mayor and Aldermen. Funds shall be maintained in separate accounts, one fund for Parks Development Impact Fees and one fund for Roads Development Impact Fees.
- (b) Qualifying project costs include project engineering costs; the acquisition cost of rights of way and easements, including legal costs; the construction cost of improvements, including, but not limited to, public street travel lanes, public pedestrian and bicycle pathways, turning lanes or the portion thereof located within the right of way of a public street, lighting, signalization, signage, equipment, and landscaping improvements that are required for the road improvement to function effectively or associated with the park improvements; and the principal, interest and other financing costs of bonds, notes or other obligations issued by or on behalf of the City to finance qualified improvements.

(3) Ineligible expenses. Ongoing operational costs and maintenance of existing facilities. Rehabilitation, reconstruction, replacement or capital equipment except to the extent that the projects increase the capacity to serve new development..

(4) Recordkeeping. The impact fee administrator shall maintain accurate records of the impact fees paid, including the name of the person paying such fees, the project for which the fees were paid, the date of payment of each fee, the amounts received in payment for each fee, and any other matters that the City deems appropriate of necessary to the accurate accounting of such fees. Records shall be available for review by the public during normal business hours and with reasonable advance notice pending the availability of the impact fee administrator.

(5) Programming of Funds. The City shall assign monies from the impact fee fund to specific projects and related expenses for eligible improvements of the type for which the fees in that fund were paid. Any monies, including any accrued interest, not assigned to specific projects within such capital improvements program and not expended shall be retained in the same impact fee fund until the next fiscal year.

(6) Underpayment or Overpayment. If an impact fee has not been paid, has been underpaid or overpaid for any reason, the underpayment or overpayment shall be remedied as soon as possible after it is discovered. Any amounts overpaid by an applicant shall be refunded by the impact fee administrator to the applicant within thirty (30) days after the discovery of the overpayment, with interest since the date of such overpayment. Any amounts not paid or underpaid by the applicant shall be paid to the impact fee administrator within thirty (30) days after notice is given to the applicant of the amount due. In the case of a nonpayment or underpayment, the City shall not issue any additional permits or approvals for the project for which the impact fee was previously underpaid until such underpayment is corrected, and if amounts owed to the City are not paid within such thirty (30) day period, the City may also rescind any permits issued in reliance on the previous payment of such impact fee.

(7) Periodic Updates. The study will be revisited from time to time, or at the request of the Board of Mayor and Aldermen, but said review to be no longer than a biennial basis to ensure the ongoing proportionality between the fee amounts, the types of development assessed and the costs of required infrastructure such that the collection of impact fees are done in a reasonable and equitable manner to fund future additional public facilities.

**20-1409. Appeals**

Any determination made by the impact fee administrator charged with the administration of any part of this chapter may be appealed to the Board of Mayor and Aldermen within thirty (30) days from the date of the decision to be appealed.

**20-1410. Violation**

Furnishing false information on any matter relating to the administration of this chapter, including without limitation the furnishing of false information regarding the expected size, use, or impacts from a proposed development, shall be a violation of this chapter.

**20-1411. Severability**

If a provision of this chapter or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the division that can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

**20-1412. Effective Date**

This ordinance shall become effective for any submittals received after \_\_\_\_\_ that do not meet the vesting standards as set forth by the ordinance.

First Reading: \_\_\_\_\_

Second Reading: \_\_\_\_\_

APPROVED:

\_\_\_\_\_  
**JAMIE CLARY, Mayor**

ATTEST:

\_\_\_\_\_  
**TAMARA INGERSOLL, City Recorder**

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
**LANCE A. WRAY, City Attorney**

## LEGISLATIVE HISTORY

Ordinance 2025-25

**Sponsor:** Collins, Clary

**Committee:** General

**Date of Committee Meeting:** December 9, 2025

**Committee Recommendation:** Yes

**Committee:** Finance

**Date of Committee Meeting:** December 9, 2025

**Committee Recommendation:** Yes

**First BOMA Reading:** January 13, 2026

DATE:	January 13, 2026
ORDINANCE/RESOLUTION #	Ordinance 2025-25
SPECIFIC REQUEST/ RECOMMENDATION:	That the Board of Mayor and Alderman consider adopting impact fees for new residential development (single family and multi-family dwellings).
REPORT PREPARED BY:	Zachary Coleman, Senior Planner Keith L. Free, Planning Director Jesse Eckenroth, COO



**BACKGROUND:** 1

Impact fees are defined as one-time charges levied by local governments on new development. They are charged to developers to help municipalities recover infrastructure and public service costs. These collected fees are often used by agencies to mitigate the impacts that new developments incur with respect to traffic congestion, infrastructure (water, sewer, traffic signals), public parks, public safety and more.

Impact fees are commonly used by cities across the nation. The state of Tennessee allows municipalities to impose impact fees on new development. The City of Hendersonville’s charter also establishes the City’s authority to enact impact fees, subject to the Board’s adoption.

Cities in close proximity to Hendersonville that have implemented impact fees, include but are not limited to: Franklin, Murfreesboro, La Vergne, Smyrna and White House.

The City has discussed impact fees at BOMA meetings, committee meetings and at standalone public workshops. In 2019, BOMA voted not to enact impact fees at that time primarily due to the potential impact on commercial and industrial development in the city limits, as opposed to neighboring cities with no commercial impact fees. As such, at no time has the City ever had a formal impact fee. However, at times some developments have offered the City voluntary fees which were accepted, but no formal fee has ever been required.

**DISCUSSION:** 2

Impact fees for residential use include single-family dwellings and multi-family dwellings. The only difference, from an impact study perspective, between single-family and multi-family dwellings is the higher occupancy rate of 2.56 per single-family dwelling versus the occupancy rate of 1.65 per multi-family dwelling. The higher occupancy rate of single-family dwellings equates to more demand (use) on the system and therefore the fee reflects the mathematical equity according to occupancy rate.

The Impact Fee Study identified the maximum allowable impact fees for various development types to ensure new development pays its fair share of infrastructure costs. The proposed ordinance does not impose any impact fees on commercial development and proposes residential fees at less than half of the maximum allowable limit. Residential development shall be assessed on a per unit basis for single-family and multi-family dwellings, with one-third of the revenue generated from impact fees dedicated exclusively to parks and two-thirds dedicated exclusively to roads (transportation infrastructure).

The following table details the total fee per type of dwelling and the amount of the fee dedicated to parks and to roads:

**2026 and 2027**

	Roads	Parks	Total
Single-Family	\$3,333	\$1,667	<b>\$5,000</b>
Multi-Family	\$2,332	\$1,166	<b>\$3,498</b>

**2028**

	Roads	Parks	Total
Single-Family	\$3,667	\$1,833	<b>\$5,500</b>
Multi-Family	\$2,565	\$1,283	<b>\$3,848</b>

**2029**

	Roads	Parks	Total
Single-Family	\$4,000	\$2,000	<b>\$6,000</b>
Multi-Family	\$2,798	\$1,399	<b>\$4,198</b>

**2030**

	Roads	Parks	Total
Single-Family	\$4,333	\$2,167	<b>\$6,500</b>
Multi-Family	\$3,032	\$1,516	<b>\$4,547</b>

## FISCAL IMPACT:

3

Revenue generated by impact fees is only eligible for use on capital expenditures that mitigate impacts of new developments. Total revenue collections are determined by the level of activity but can be calculated by multiplying the number of residential units built by the amount of the fee. In calendar year 2024 there were 285 single-family dwelling units and zero multi-family units permitted which would have produced a total fee revenue of \$1,425,000 using the 2026 impact fee of \$5,000 for single-family units (\$950,000 for Roads and \$475,000 for Parks). By comparison, in calendar year 2023 there were 264 single-family units and 247 multi-family units permitted, producing a fee revenue of \$2,184,006 (using 2026 impact fees of \$1,320,000 and \$864,006 respectively).

Beginning in 2028, this ordinance proposes a fee increase as noted in the preceding charts for single-family and multi-family dwellings.

## ADDITIONAL INFORMATION / PHOTOS:

4

Impact studies benefit from scheduled updates to keep current with costs and new developments. If the city implements impact fees an update to the study will be pursued, ideally the time between updates would be five (5) years or less. The cost to update the impact fee study can be calculated into the development fees.

## ATTACHMENTS:

5

1. October 29, 2025, Impact Fee Study - Public Safety & Transportation
2. January 26, 2024, Impact Fee Report – Parks
3. Spreadsheet – Impact Fee Study – Comparison to Other Cities with BOMA Options
4. Impact Fee Examples – Based on sample projects

*\*Items 1-4 for this ordinance are the same as the attachments to ORD2025-23 and can be found on pages xx-xx of the packet.*

5. Ordinance 2025-25



**ORDINANCE 2025-26**

**Sponsors:** Collins, Clary

**AN ORDINANCE AMENDING THE HENDERSONVILLE MUNICIPAL CODE, TITLE 20 ESTABLISHING CREDITS FOR ASSESSED IMPACT FEES**

**WHEREAS** the City of Hendersonville is authorized by Tennessee Code Annotated (TCA) §§ 13-3-401 et seq. and §§ 13-4-301 et seq., and by its general municipal powers under TCA § 6-2-201, to assess and collect development impact fees for roads and parks in order to ensure that new development pays its proportionate share of the cost of public facilities needed to serve it; and

**WHEREAS**, from time-to-time, developers construct or fund eligible road and park improvements, or dedicate land for parks, that directly offset the need for the City to construct or acquire such facilities with impact fee revenues; and

**WHEREAS** Tennessee law and sound public policy require that developers who provide such eligible improvements or land receive appropriate credit against applicable impact fees, or reimbursement from impact fee funds; and

**WHEREAS** the Board of Mayor and Aldermen find that establishing a clear, uniform, and transparent process for the award, valuation, and administration of impact fee credits and reimbursements will promote fairness, encourage voluntary provision of needed public facilities by the development community, and ensure compliance with Tennessee law.

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF HENDERSONVILLE, TENNESSEE** as follows:

**SECTION 1.** Enact Title 20, Chapter 14, Section 1407 establishing credits for assessed impact fees to read as follows:

**CHAPTER 14**

**IMPACT FEES**

**SECTION**

**20-1407. Credits**

**20-1407. Credits**

Credit against the road and park impact fees shall be provided for contributions toward the major road and park systems included in the calculation of the impact fee.

(1) Reimbursement Credits Available. The City may provide reimbursement from the impact fee account for qualifying contributions toward the road and parks system that are included in the calculation of the impact fee.

(a) Approved reimbursements for construction shall generally become effective when the improvements have been completed and have been accepted by the City under the provision of an agreement approved by the City Board of Mayor and Aldermen.

(b) Approved reimbursements for land dedication shall become effective only upon conveyance of land that the City, in its sole discretion, elects to accept; nothing herein shall obligate the City to accept any proposed dedication.

For the purposes of this section a “Qualifying Contribution” means as follows:

(2) Land Valuation. Credit for dedication of land for park or park improvement shall be assessed on the value of the land to be dedicated. The value of any land required or offered to be dedicated during the subdivision process, Planned Development rezoning, or other approval shall be based upon the fair market value for park and open-space use of the land at the time of agreement, and agreed upon by both the applicant(s) and the City Board of Mayor and Aldermen. The value shall be determined by a certified appraiser who is selected and paid for by the applicant, and who uses generally accepted appraisal techniques. If the City disagrees with the appraised value, the City may engage another appraiser at the City's expense, and the value shall be an amount equal to the average of the two appraisals. If either party rejects the average of the two appraisals, the cost may be negotiated. Approved credits for dedicated land shall become effective when the land has been conveyed to the City and has been accepted by the City.

(3) Construction Cost. In order to receive credit for major parks system improvements, the developer shall submit complete engineering drawings, specifications, and construction cost estimates or property appraisals to the Impact Fee Administrator. The Impact Fee Administrator shall review submittal with Public Works, Planning, and/or Parks Directors or their designee(s) whose departmental responsibility is to work with the specific project to determine the amount of reimbursement credit due based on the information submitted.

(4) Developer Agreement. To qualify for an impact fee credit, the developer must enter into an agreement with the City. At a minimum, the developer agreement shall specify the amount of the credit. If adequate fees are not available in the impact fee account, an agreement for repayment may be negotiated with the City Board of Mayor and Aldermen with the assistance of Finance staff.

(5) Expiration of Credits. Credits provided pursuant to this chapter shall be valid from the effective date of such credits until ten (10) years after such date.

(6) Pre Ordinance Offset Credits. Developers and applicants exempt from impact fees shall not be eligible to obtain reimbursement credits for improvements completed prior to the effective date of this chapter.

First Reading: \_\_\_\_\_

Second Reading: \_\_\_\_\_

APPROVED:

\_\_\_\_\_  
**JAMIE CLARY**, Mayor

ATTEST:

\_\_\_\_\_  
**TAMARA INGERSOLL**, City Recorder

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
**LANCE A. WRAY**, City Attorney

## LEGISLATIVE HISTORY

Ordinance 2025-26

**Sponsor:** Collins, Clary

**Committee:** General

**Date of Committee Meeting:** December 9, 2025

**Committee Recommendation:** Yes

**Committee:** Finance

**Date of Committee Meeting:** December 9, 2025

**Committee Recommendation:** Yes

**First BOMA Reading:** January 13, 2026

DATE:	January 13, 2026
ORDINANCE/RESOLUTION #	Ordinance 2025-26
SPECIFIC REQUEST/ RECOMMENDATION:	That the Board of Mayor and Alderman consider adopting impact fee credits for residential development.
REPORT PREPARED BY:	Zachary Coleman, Senior Planner Keith L. Free, Planning Director Jesse Eckenroth, COO



**BACKGROUND:** 1

Impact fees are defined as one-time charges levied by local governments on new development. They are charged to developers to help municipalities recover infrastructure and public service costs. These collected fees are often used by agencies to mitigate the impacts that new developments incur with respect to traffic congestion, infrastructure (water, sewer, traffic signals), public parks, public safety and more.

Impact fees are commonly used by cities across the nation. The State of Tennessee allows municipalities to impose impact fees on new development. The City of Hendersonville’s charter also establishes the City’s authority to enact impact fees, subject to the Board’s adoption.

Cities in close proximity to Hendersonville that have implemented impact fees, include but are not limited to: Franklin, Murfreesboro, La Vergne, Smyrna and White House.

The city has discussed impact fees at BOMA meetings, committee meetings and at standalone public workshops. In 2019, BOMA voted not to enact impact fees at that time primarily due to the potential impact on commercial and industrial development in the city limits, as opposed to neighboring cities with no commercial impact fees. As such, at no time has the City ever had a formal impact fee. However, at times some developments have offered the City voluntary fees which were accepted, but no formal fee has ever been required.

**DISCUSSION:** 2

The ultimate goal of impact fees is to enhance infrastructure to minimize the negative effects of new development, for example, traffic congestion. The sooner the additional infrastructure is built the sooner city residents will experience the benefits of the improvements; therefore, it is beneficial to complete the infrastructure improvements as quickly as possible. If the city adopts a credit system that recognizes and/or incentivizes the developer to build system-wide infrastructure, rather than the city, the project can typically be completed more expediently and at a lower cost. Not all developers/developments will be in a position to build system-wide infrastructure, but those that can and are willing could be eligible for credits against impact fees. Ordinance 2025-26 recognizes that developments may not be subject to all or a part of the impact fees if the development constructs or donates qualifying infrastructure or land.

**FISCAL IMPACT:****3**

The Impact Fee Study identified the maximum allowable impact fees for various development types to ensure new development pays its fair share of infrastructure costs. The city may provide reimbursement from the impact fee account for contributions toward the road and parks system that are included in the calculation of the impact fee.

**ADDITIONAL INFORMATION / PHOTOS:****4**

Impact studies benefit from scheduled updates to keep current with costs and new developments. If the city implements impact fees an update to the study and credits will be pursued, ideally the time between updates would be five (5) years or less. The cost to update the impact fee study can be calculated into the development fees.

**ATTACHMENTS:****5**

1. Ordinance 2025-26

**ORDINANCE 2025-24**

**Sponsor:** Sasse, Burgdorf

**AN ORDINANCE TO AMEND TITLE 5, MUNICIPAL FINANCE AND TAXATION, TO ALLOW FOR THE ACCEPTANCE OF PARTIAL PAYMENTS FOR CITY OF HENDERSONVILLE REAL AND PERSONAL PROPERTY TAXES**

**WHEREAS**, T.C.A. § 6-56-109(a) authorizes any municipality that collects its own property taxes to accept partial payments of local property taxes; and

**WHEREAS**, the Board of Mayor and Aldermen of the City of Hendersonville believe that such a program is in the best interest of the City;

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF HENDERSONVILLE, TENNESSEE** that Title 5, Municipal Finance and Taxation of the Hendersonville Municipal Code shall be amended to include the following as a new chapter 7:

**CHAPTER 7 – PROPERTY TAX PAYMENTS AND REFUNDS**

**5-701 - Partial Payments of Property Taxes**

(1) The City shall accept partial payments of annual real property taxes beginning with the 2026 tax year. Notwithstanding the following schedule, the entire amount of taxes due must be paid in full prior to the first day of March or shall be considered delinquent. Any unpaid amount shall begin accruing interest on March 1<sup>st</sup> pursuant to T.C.A § 67-5-2010(a)(1).

(2) Partial payments will be accepted according to the following Schedule:

**A maximum of five (5) monthly payments may be made between October and February with the final payment due prior to the first day of March.**

(3) Partial payment of property taxes may not be made in installments of less than fifty dollars (\$50.00), except for a final payment.

(4) Any voucher issued pursuant to a relief program shall be used as all or a portion of the final payment.

(5) Partial payments will be accepted in the form of cash, check, money order or credit card.

(6) Notwithstanding the schedule in subsection (2), no penalties, fines, interest or other fees shall be assessed against the taxpayer except as provided by T.C.A. § 67-5-2010(a)(1).

(7) Prior to the final reading of this ordinance, the City Recorder shall transmit to the State Comptroller of the Treasury a copy of this ordinance, which shall serve as

the plan required by T.C.A. § 6-56-109 (b). To fulfill the requirements of that Section, the City hereby declares that:

- (a) The City has the appropriate accounting technology to implement this program; and,
- (b) The City can implement this program within existing resources.

This ordinance shall take effect at the earliest date allowed by law.

First Reading: \_\_\_\_\_

Second Reading: \_\_\_\_\_

**APPROVED:**

\_\_\_\_\_  
**JAMIE CLARY, Mayor**

**ATTEST:**

\_\_\_\_\_  
**TAMARA INGERSOLL, City Recorder**

**APPROVED AS TO FORM AND LEGALITY:**

\_\_\_\_\_  
**LANCE A. WRAY, City Attorney**

## **LEGISLATIVE HISTORY**

Ordinance 2025-24

**Sponsors:** Sasse, Burgdorf

**Committee:** Finance

**Date of Committee Meeting:** December 9, 2025

**Committee Recommendation:** Yes

**BOMA First Reading:** January 13, 2026

DATE:	January 13, 2026
ORDINANCE/RESOLUTION #	Ordinance 2025-24
SPECIFIC REQUEST/ RECOMMENDATION:	That the Board of Mayor and Alderman consider Ordinance 2025-24, approving an update to the Municipal Code to allow the acceptance of partial payments for property taxes.
REPORT PREPARED BY:	Tamara Ingersoll, Finance Director



<b>BACKGROUND:</b>	1
<p>Historically, due to constraints of the City’s financial system, property taxes have only been accepted in the full amount of the bill. No payment plans or partial payments have been accepted. The City recently implemented a new financial system that has functionality to accept partial payments for property tax bills.</p> <p>Each year, there are several citizens that ask about setting up a payment plan. They are typically citizens who qualify for the tax freeze or tax relief programs. Historically, these citizens have been told that we cannot do this for them. Approval of ordinance 2025-24 would allow staff to accommodate the requests of these citizens.</p>	

<b>DISCUSSION:</b>	2
<p>Currently Sumner County and several surrounding cities accept partial payments for property taxes. By approving this ordinance, citizens that currently are able to establish a payment plan with Sumner County, would be able to set up the same type of payment plan with the city.</p> <p>This ordinance would set the parameters for the allowance of partial payments in a manner that will benefit citizens and have minimal impact on staff. The city now has the technology to implement this program and can do so with existing staffing resources.</p>	

<b>FISCAL IMPACT:</b>	3
<p>There is no impact to the budget for the adoption of this ordinance.</p>	

<b>ATTACHMENTS:</b>	4
<p>1. Ordinance 2025-24</p>	

**RESOLUTION 2025-45**

**Sponsor:** Clary

**A RESOLUTION TO ESTABLISH A PURCHASING CARD POLICY FOR THE CITY OF HENDERSONVILLE AND TO REPLACE THE EXISTING CREDIT CARD POLICY, DATED JULY 14, 2009, WITH SAID PURCHASING CARD POLICY UPON IMPLEMENTATION OF THE PURCHASING CARD PROGRAM**

**WHEREAS**, the City wishes to implement a purchasing card (P-card) program; and

**WHEREAS**, implementation of a P-card program will enhance the oversight of the use of credit cards for City business and is designed to safeguard the City’s assets and ensure compliance with governing laws, rules, regulations, policies and procedures; and

**WHEREAS**, implementation of a P-card program provides many benefits to the City’s departments; and

**WHEREAS**, this RESOLUTION will provide the City with a comprehensive policy that defines how the P-card program shall be administered:

**NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF HENDERSONVILLE, TENNESSEE**, that the City adopt the Purchasing Card Policy as attached hereto as Exhibit A and replace the existing Credit Card Policy, dated July 14, 2009, with said Purchasing Card Policy upon implementation of the purchasing card program. This policy shall be effective upon passage of this resolution.

Adopted this the \_\_\_\_ day of \_\_\_\_\_, 2026.

**APPROVED:**

\_\_\_\_\_  
**JAMIE CLARY**, Mayor

**ATTEST:**

\_\_\_\_\_  
**TAMARA INGERSOLL**, City Recorder

**APPROVED AS TO FORM AND LEGALITY:**

\_\_\_\_\_  
**LANCE A. WRAY**, City Attorney

## LEGISLATIVE HISTORY

**Sponsor:** Clary

**Committee:** Finance

**Date of Committee Meeting:** December 9, 2025

**Committee Recommendation:** Yes

**BOMA Reading:** January 13, 2026

DATE:	January 13, 2026
ORDINANCE/RESOLUTION #	Resolution 2025-45
SPECIFIC REQUEST/ RECOMMENDATION:	That the Board of Mayor and Alderman consider Resolution 2025-45, approving the Purchasing Card Policy
REPORT PREPARED BY:	Tamara Ingersoll, Finance Director



<b>BACKGROUND:</b>	1
<p>The existing credit card policy was implemented in 2009 and no longer meets the needs of the city. There are currently seven credit cards with six departments having a single card each and one additional card held in Finance that can be utilized by the other three departments. Each time an employee uses the credit card to make a purchase they must check out the card and then check it back in when they have completed the purchase. This process is inefficient and does not follow best practices for credit card usage and internal controls.</p> <p>Additionally, the current credit limit is very low, requiring that a payment be made weekly to the credit card company.</p> <p>Most agencies have moved from the current model for credit cards to a purchasing card (P-Card) program.</p>	

<b>DISCUSSION:</b>	2
<p>This P-Card Policy is a comprehensive policy defining the benefits of P-Cards, establishing roles and responsibilities related to P-Cards, establishing the limits for P-Cards, defining allowed and prohibited uses of P-Cards, detailing violations of the policy, defining the required security for P-Cards and establishing the documentation required for each purchase.</p> <p>The approval of the P-Card policy and implementation of the P-Card program will result in increased internal controls as there will no longer be card sharing among staff. We will also see efficiencies as employees will no longer have to check out a card in order to make purchases.</p> <p>Each employee that is issued a card will have set limits that are requested by the department head and approved by the Finance Director based upon their role and the needs of the department. Prior to cards being issued, employees will be provided training on the policy and expectations related to the use of the cards.</p>	

**FISCAL IMPACT:**

**3**

There is no impact to the budget for the adoption of this resolution.

**ATTACHMENTS:**

**4**

1. Resolution 2025-45
2. Exhibit A - P-Card Policy
3. Exhibit B - Existing Credit Card Policy



## OPERATING POLICY AND PROCEDURE

<b>CATEGORY:</b>	FINANCE	<b>EFFECTIVE DATE:</b>	XX/XX/XXXX
<b>POLICY:</b>	FIN20	<b>IMPLEMENTED:</b>	XX/XX/XXXX
<b>SUBJECT:</b>	PROCUREMENT CARD POLICY	<b>REVIEWED:</b>	12/01/2025
		<b>TOTAL PAGES:</b>	11

### Introduction

The intent of this policy is to govern the use of purchasing cards (P-cards). P-cards are similar to credit cards and are intended for the purchase of relatively small dollar items. P-cards can make purchasing more efficient for the City by reducing the need for vendor invoicing, vendor payment by check, and petty cash reimbursements. P-card purchases can be completed with vendors over the phone, internet, or in person.

This policy supplements the City of Hendersonville's Purchasing Policy & Procedures by adding purchasing card procedures. All purchases made with a (P-card) shall adhere to the policies as defined in the Purchasing Policy & Procedures.

Documentation and controls over the use of the P-cards are designed to safeguard the City of Hendersonville's assets and to ensure compliance with governing laws, rules, regulations, policies and procedures. Training is required for all employees that will be issued a P-card as well as their department heads. Cardholders shall sign a written statement acknowledging that they have received a copy of, and will comply with, this policy.

P-cards are the property of the City of Hendersonville. They shall be issued to individuals as selected by department heads. The cardholder is the only person allowed to use the card, and the card shall only be used for official City business. The cardholder's department head shall recommend dollar limits and the types of items that can be purchased with the card within the overall parameters established by this policy.

### Purpose

This Procurement Card Policy and Procedures shall provide all departments with a comprehensive guide of policy and procedures necessary to utilize P-cards for the purchase of items as allowed under this policy. All P-card holders shall adhere to the policies and procedures as detailed in this policy.

### Section 1. Amending or Changing Policy

The Board of Mayor and Aldermen (BOMA) may amend this policy. The Finance Director, after approval from the City Attorney and the COO, may amend this policy to comply with federal, state and local guidelines. The Finance Director may also make administrative amendments to this policy in order to effectively and efficiently administer the policy. All non-administrative amendments, unless required by law, must be approved by BOMA.

After approval, the Finance Director shall distribute updates.

## **Section 2. Availability of Policy**

This policy shall be made available to employees and to the public via the City's website.

## **Section 3. Purchasing Card Benefits**

- Reduces the number of petty cash transactions, accounts payable invoices under \$ 2,500, and other time-consuming purchasing activities
- Enables vendors to receive payment quickly
- Improves Accounts Payable operations with fewer checks to process
- Empowers cardholders to make purchases directly with vendors
- Offers a simple and easy-to-use payment method
- Allows for individual employees to be identified on all purchases
- Offers all cardholders consistent credit limits
- Cardholders will not have to check out a credit card
- Eliminates card sharing among City staff
- Improves internal controls

## **Section 4. General Guidelines**

- All purchases must be made within the approved budget
- All purchases made utilizing a P-card must be made following the framework of this policy
- All appropriate purchasing documentation must be submitted to and retained by Finance, per the records retention policy

## **Section 5. Roles and Responsibilities**

### **Cardholder**

- Makes purchases in accordance with approved card uses and all governing laws, rules, regulations, policies and procedures
- Knows his/her assigned spending limits
- Provides Department Level Administrator with all necessary documentation to process check requests, including itemized receipts for all purchases
- Notifies vendors at the point of purchase that purchases are tax exempt and ensures sales tax is not charged
- Reports a lost or stolen P-card as soon as possible, but no later than the beginning of the following working day

### **Department Level Administrator**

- This individual is assigned by the Department Head of each department
- Initiates applications for a P-card
- Serves as the P-card program primary point of contact for the department
- Responsible for entering all P-card purchases to the correct general ledger account in the City's accounting software system

- Reconciles all department P-card transactions to the monthly P-card statement
- Ensures itemized receipts are submitted to Finance for all transactions
- Communicates changes in cardholder employment status to the Purchasing Card Program Administrator
- There should be at least one individual that serves as a backup Department Level Administrator should the primary Department Level Administrator be out of the office

### **Department Head**

- Identifies staff that have a business need for a P-card
- Approves P-card applications for staff of his or her department
- Recommends defined limits on individual P-cards in accordance with this policy
- Approves the use of the P-card for specific purchases
- Designates a Department Level Administrator (and backup) for his or her department
- Reviews and approves the monthly reconciliation of P-card transactions to the monthly P-card statement
- There should be a backup Department Head approver

### **Purchasing Card Program Administrator**

- Role located within the Finance Department and assigned by Finance Director
- Processes P-card applications
- Implements card limits as requested by department heads and approved by the Finance Director
- Approves the use of the P-card for specific purchases
- Provides oversight of Finance Accounts Payable
- Issues P-cards
- Terminates P-cards
- Serves as bank liaison
- Serves as dispute resolution facilitator
- Conducts periodic inventory of P-cards
- Provides training on the use of the City of Hendersonville P-cards
- Conducts an annual review of this policy
- Recommends updates to this policy
- There should be a backup Purchasing Card Program Administrator should the primary Purchasing Card Program Administrator be out of office

### **Purchasing Agent**

- Role located within the Finance Department
- Processes purchasing card transactions \$2,500 or more
- Will assist departments in the procurement process with any transaction \$2,500 or more
- There should be a backup Purchasing Agent should the primary Purchasing Agent be out of office

### **Finance Accounts Payable**

- Verifies reconciled statements and reviews them for accuracy
- Reviews all submitted receipts and statements prior to payment
- Communicates any missing receipts to the Department Level Administrator
- Participates in P-card training

### **Finance Director**

- Approves all P-card applications and limits for all but Finance Department purchasing staff
- Provides oversight of Purchasing Card Program Administrator
- Reviews and approves all P-card transactions prior to payment being issued
- Investigates unusual P-card activity
- Reviews this policy annually; makes updates as needed

#### **Chief Operating Officer (COO)**

- Approves P-card applications and limits for Finance Department purchasing staff

### **Section 6. Related Policies**

- Purchasing Policy & Procedures
- TCA – Purchasing
- Travel Policy
- Credit Card Policy
- Records Retention Policy
- Personnel Policy

### **Section 7. Purchasing Card Request and Issuance**

The City of Hendersonville P-cards shall be issued to authorized and designated individual employees and other officials of the City who frequently purchase authorized goods and services for the City. P-cards shall be issued with various purchase limitations as requested by the cardholder's department head and approved by the Finance Director or their designees in compliance with this policy.

#### **To be eligible for a P-card, an employee:**

- Must be a current, active employee of the City
- Must be in a position that requires routine purchasing of goods or services on behalf of the City
- Must be authorized by their department head to spend against the department budget
- Must have no active disciplinary actions related to fraud, theft or misuse of City funds
- Must complete the mandatory P-card training covering allowable purchases, documentation and reconciliation
- Must complete and sign the Employee Procurement Card Acceptance and Use Agreement
- Must have a Procurement Card Request Form approved by the department head, and Finance Director

The P-Card will have the cardholder's name, the City of Hendersonville's tax-exempt number, the City of Hendersonville logo and the expiration date embossed on the face of the card. The bank will not have individual cardholder information other than cardholder name, social security number and department of employment. No credit records of the cardholder are maintained by either the City or the bank, and social security numbers are maintained for identification purposes only.

The department head must make all requests for new cards or changes to current cardholder accounts by submitting a Purchasing Card Request Form to the Purchasing Card Program Administrator. The Purchasing Card Program Administrator will schedule training for employees nominated to receive a P-card prior to receiving their P-card. The Purchasing Card Program Administrator will not issue a P-card until the employee completes the training.

The cardholder will receive an electronic copy of these Procurement Card Policies & Procedures and training on the program before he or she receives the card. When the Purchasing Card Program Administrator receives a purchasing card from the bank, the cardholder will be required to complete the Employee Procurement Card Acceptance and Use Agreement and personally take receipt of the card. The Purchasing Card Program Administrator will retain the original Agreement, and the employee and department head will receive an electronic copy.

## **Section 8. Credit Limits and Use of Available Credit**

Employees who have been approved to receive a P-card will also be approved for a credit limit that may only be used to make purchases for official City business. Credit limits will vary from one cardholder to another depending on the needs of the department. Approval of credit limits shall be based on the operational needs of the department and prior to approval the Finance Director or Chief of Operations shall confirm that the limit requested is appropriate for the role of the employee in order to keep the City's liability to a minimum and allow for operational flexibility.

In emergency situations, the monthly, daily and single transaction limits may be temporarily increased. This temporary increase would only be granted to key employees as identified by department heads and approved by the Chief of Operations.

- **Monthly Credit Limit**

This credit limit is the maximum allowable amount of all purchases combined over the course of a billing cycle for an individual cardholder. The monthly transaction limit cannot exceed \$5,000 for staff outside of the Finance Department Purchasing Agent. (Finance Department Purchasing Staff limits are at the discretion of the Finance Director and COO).

- **Daily Credit Limit**

This credit limit is the maximum allowable amount of all purchases combined over the course of any one day for an individual cardholder. The daily transaction limit cannot exceed \$2,500 for staff outside of the Finance Department Purchasing Agent. (Finance Department Purchasing Agent limits are at the discretion of the Finance Director and COO).

- **Single Transaction Limit**

This credit limit is the maximum allowable amount for a single transaction. The single transaction limit cannot exceed \$2,500 for staff outside of Finance Department Purchasing Agent. (Finance Department Purchasing Agent limits are at the discretion of the Finance Director and COO).

- **Available Credit**

The unspent portion of the credit limit is considered available. These are available to use for purchases at any time as long as the department has available budget appropriations.

- **Purchases made with Available Credit**

Cardholders will be required to turn in to their Department Level Administrator an itemized receipt for each transaction within three business days of making the purchase. Cardholders may also be required to verify transactions electronically if requested to do so by the Purchasing Card Program Administrator.

- **Purchases that Exceed Credit Limit or Available Credit**

Cardholders may not make purchases with a P-card that exceed their credit limit or available credit. In this situation, another cardholder in the same department may make the purchase if they have available credit

limit. The cardholder may also request that a requisition be submitted through the City's accounting software system and the Purchasing Agent can make the purchase for the department.

- **Changes to Credit Limits**

Any requests to change credit limits will be made utilizing the Purchasing Card Request Form submitted by the department to the Purchasing Card Program Administrator. Changes to credit limits will be made within 5 business days of receipt and approval of the Purchasing Card Request Form.

- **Purchasing Card Program Rebates and Rewards**

Any rebates and/or rewards from the use of the Purchasing Card Program will be recorded as revenue in the General Fund.

## Section 9. Training

Prior to receiving a P-card, employees must complete the appropriate training program for their level of responsibility. The Purchasing Card Program Administrator or designee will conduct the training providing information and basic instructions on how to use the card for cardholders, department heads and Department Level Administrators. The Purchasing Card Program Administrator or designee will provide training updates as needed.

The training program will cover, at a minimum, the following topics:

- Internal procedures for using the P-card such as verifying that appropriations are available for a purchase, documenting purchases, reviewing the statement of account, matching itemized receipts to billing statement and handling disputes
- Cardholder and Department Level Administrator responsibilities
- Procurement procedures and purchasing ethics such as determining price reasonableness and the prohibition against splitting requirements
- Cardholder must acknowledge reading this policy and the Purchasing Policy.
- Use of the P-card in accordance with this policy

All cardholders must sign the Employee Procurement Card Acceptance and Use Agreement before receiving their P-card. Their signature acknowledges:

- They have read and understand this policy
- They have attended P-card training and understand the material presented
- They understand the consequences of misuse of the P-card

## Section 10. Review and Monitoring

The Purchasing Card Program Administrator shall conduct a periodic P-card inventory in which cardholders will need to physically show their P-cards to the Purchasing Card Program Administrator.

The Purchasing Card Program Administrator will monitor the online transaction history with the bank and identify any denied transactions for purchases from unauthorized merchants, violations of limits, and other irregular activity. Reviews will be conducted immediately when violations are noted.

Department heads will, on an annual basis, confirm their department's P-card holders and individual limits.

Review results will remain on file in the Finance Department for three (3) years. Copies of the results are forwarded to the department head, the cardholder's supervisor (if someone other than the department head) and the cardholder. The Purchasing Card Program Administrator will meet with the cardholder and department head to discuss each finding of noncompliance.

### **Section 11. Allowed and Prohibited Uses for P-Cards**

All purchases made on the P-card shall be for official City business only.

#### **Examples of Allowed Uses for Official Business Include:**

- Operating materials and supplies
- Office supplies
- Publications
- Purchase of repair and maintenance of small tools and supplies
- Dues for memberships in business organizations
- Registration fees for seminars and training
- Travel expenses such as hotel charges, airline tickets, meals, parking, and rental cars. All travel expenses shall be in compliance with the Travel Policy.
- Emergency equipment repair
- Shipping charges
- Printing services

#### **Examples of Prohibited Uses Include:**

- Alcoholic beverages
- Capital assets, as defined in the Capital Assets Policy
- Cash advances, money orders, gift cards, bank drafts, etc.
- Contracted services, long-term agreements, rental or leasing of equipment (with the exception of short-term vehicle rentals required for travel purposes for conferences, trainings or meetings)
- Non-municipal use
- Personal use
- Temporary help
- Any supplies, materials or services which violate any governing laws, rules, regulations, policies or procedures
- Betting (including lottery tickets, casino gaming chips, off-track betting & wagers)
- Personal telephone calls
- Entertainment during travel
- Splitting of total purchase cost, singly or between cardholders to avoid transaction or bid limits
- Payment of vendor statements. Such use could result in both the vendor statement and the vendor invoice being paid, resulting in a duplicate payment
- Recurring monthly payments unless pre-approved by the Purchasing Card Program Administrator, and department must verify charges are still valid on a quarterly basis

## Section 12. Violations

Any willful, intentional abuse or misuse involving fraud or theft may result in disciplinary action up to and including termination in accordance with City of Hendersonville personnel policy, in addition to any criminal penalties that may apply. The employee shall reimburse the City for any such purchases and any incidental costs. If reimbursement is not made within 60 days, the amount may be withheld from the employee's paycheck. The privilege of using the P-card may be suspended immediately upon identification of fraud or theft.

Any purchase of items for personal use will result in suspension of P-card for 60 days and potential disciplinary action. Subsequent purchases of items for personal use will result in the P-card being revoked and disciplinary action.

Any other purchases made that violate this policy will result in the P-card being suspended for 30 days for the first violation, suspended 60 days for the second violation and permanently revoked if a third violation is identified. Purchases made that violate this policy may also result in disciplinary action.

### Example of Violations

- Attempting to make purchases that exceed limits. It is the responsibility of the cardholder to ensure all "extra" charges such as freight, handling, set up, etc. are considered before a card transaction is made. A vendor's willingness to honor a transaction exceeding the limit does not authorize a cardholder to make such purchases.
- Knowingly making a purchase from a vendor that is a conflict of interest (e.g., companies owned by the cardholder).
- Multiple transactions to circumvent card or purchasing limits.
- Purchase of prohibited goods or services.
- Failure to make purchases utilizing the City's tax-exempt status.
- Failure to consistently produce proper documentation and itemized receipts by established deadlines.
- Failure to properly report a lost or stolen P-card.
- Failure to follow this policy when making purchases.

This list is not exhaustive.

## Section 13. Disputes

If goods and services purchased with the P-card are defective or faulty, the cardholder has the responsibility to notify his or her Department Level Administrator and to return the item(s) to the merchant for replacement, receive credit on the purchase, or request the service be performed at a satisfactory level. CASH REFUNDS WILL NOT BE PERMITTED. If the merchant refuses to replace or correct the faulty item, then the purchase of this item will be considered in dispute. The cardholder shall notify his or her Department Level Administrator who in turn shall notify the Purchasing Card Program Administrator who in turn shall notify the bank and the merchant of the dispute. The cardholder may also be required to confirm the dispute with the bank.

To manage the dispute, it must be documented on the bank's disputed item form with appropriate documentation attached, if necessary. This form shall be completed by the cardholder and the Department Level Administrator and then forwarded to Purchasing Card Program Administrator. The Purchasing Card Program Administrator will hold all documentation until the dispute is resolved, and the transaction(s) is (are) ultimately reconciled.

It is essential that the time frames and documentation requirements established by the bank be followed to protect the cardholder's rights in dispute. Dispute policies and procedures of the bank will be the subject of purchasing card training and will be provided at the time the cards are issued to cardholders.

#### **Section 14. Billing Discrepancies**

If the amount on the receipt differs from the billing cycle statement, then the Department Level Administrator shall contact the vendor and reconcile the difference whenever possible. If it is not possible for the Department Level Administrator to reconcile the difference, then the Department Level Administrator shall notify the Purchasing Card Program Administrator and ask for assistance with the matter.

If a fraud is suspected, then the Department Level Administrator shall contact the Purchasing Card Program Administrator immediately, but no later than the next business day.

#### **Section 15. Security**

P-cards shall be issued in the names of individual employees. It is therefore the responsibility of the employee to secure both the purchasing card and the purchasing card number. Cardholders should always treat both the purchasing card and the purchasing card number with great care. The cardholder shall take such action as is necessary to protect his or her card against loss or theft.

Employees who are issued a P-card must:

- Not allow others to use their P-card
- Always maintain the P-card in a secure place
- Carefully guard the P-card number
- Not store the P-card number on an electronic device
- As soon as possible (but no later than the start of the next working day) after concluding that his or her card has been lost, stolen or compromised, notify his or her Department Level Administrator who is then to notify the Purchasing Card Program Administrator who will notify the bank. In the event the Department Level Administrator is not available, the cardholder should directly notify the Purchasing Card Program Administrator. In the event the Purchasing Card Program Administrator is not available, the cardholder or Department Level Administrator should directly notify the Finance Director.
- Return the P-card to the Department Level Administrator upon concluding employment with the City of Hendersonville. The Department Level Administrator will return the P-card to the Purchasing Card Program Administrator who will cancel the card with the bank.

#### **Section 16. Documentation**

The City of Hendersonville is exempt from federal, state, and local taxes except in certain prescribed cases. A tax-exempt form is available from the Finance Department and should be furnished to any of the City's vendors to ensure that no sales taxes are applied to purchases of all goods and services procured on the City's behalf. It is the responsibility of the cardholder to ensure that all purchases take advantage of the City's tax-exempt status. Cardholders must notify vendors of the City of Hendersonville's tax-exempt status before the order is placed.

Any time a purchase is made with the card, the cardholder is to obtain an itemized receipt, which will become the accountable document. When an itemized receipt is not provided with the order, the cardholder shall request a duplicate receipt/invoice from the vendor. Once all avenues to obtain the documentation have been exhausted, the cardholder shall provide a written statement explaining why (e.g., that it was a telephone, fax or internet purchase) an itemized receipt wasn't provided and provide a written description of the item, date of purchase, merchant name and total price including shipping and handling. For internet transactions, the cardholder shall print out the order confirmation and attach it to the written explanation. For telephone orders, the cardholder should request that an order confirmation be emailed to them.

Submit all documentation (including receipts, packing slips, charge slips, etc.) to the Department Level Administrator within three business days of the purchase. The Department Level Administrator will track all transactions and submit all documentation to Finance Accounts Payable within five business days of receipt of the monthly billing statement.

If for some reason the cardholder does not have appropriate documentation for a transaction, he or she must attach an explanation that includes an item description, date of purchase, merchant name, amount charged and a statement as to why there is no supporting documentation. Consistent abuse of this provision is a violation of card use and may result in card suspension or cancellation.

### **Section 17. Reconciliation**

The bank will provide Finance Accounts Payable at the end of each billing cycle with a regular account statement detailing each cardholder's charges and a consolidated master statement. This statement of account will list all purchases processed in the previous billing cycle.

The cardholder must provide the Department Level Administrator with all sales receipts and other appropriate transactional documentation within three business days of the purchase. The Department Level Administrator will maintain a record of all purchases and compare them to verify that purchases and returns are accurately listed in the statement and that there are no errors in billing. Once the statement is reconciled, the Department Level Administrator will have the cardholder sign the bottom of the statement certifying that the listed items were purchased exclusively for City of Hendersonville use; the department head will also sign verifying that the expenses were necessary for department operations. The reconciliation and all documentation (receipts, packing slips, etc.) will be scanned and submitted to the Finance Department for review within five business days of receipt of the billing statement.

Finance Accounts Payable will review the reconciliation submitted by the Department Level Administrator for each department. Accounts Payable will verify that the detailed reconciliation matches the account statement. Discrepancies will be reported to the Department Level Program Administrator and resolved with the department head.

### **Section 18. Separation or Transfer**

Cardholders who leave the City of Hendersonville's employment must surrender the card to the Department Level Administrator when the separation is scheduled. The cardholder's supervisor or department head shall, as soon as possible, notify the Department Level Administrator of the planned separation. The Department Level Administrator is responsible for collecting the card as soon as possible upon being made aware of the planned separation but no later than on the cardholder's last day of work, forwarding it to the Purchasing Card Program Administrator and notifying the department head that the card has been surrendered. The Purchasing Card Program Administrator will destroy the card and notify the bank to cancel the purchasing card. A reconciliation of the final billing statement must also be completed prior to the employee's last day of employment.

For interdepartmental transfers, cardholders must surrender the card as indicated above. Cardholders may reapply for a new purchasing card if approved by the department head for the department to which the employee has transferred.

If the Department Level Administrator is unable to collect the card in a timely fashion as described above, he or she will notify the Purchasing Card Program Administrator who will immediately cancel the purchasing card. The Purchasing Card Program Administrator will notify Human Resources and request that they attempt to recover the card at the exit interview.

### **Section 19. Renewal and Expiration**

City of Hendersonville P-cards will be issued for two (2) years. Department heads will recommend, and the Finance Director will approve the reissue of cards beyond the two (2) year period.

# CREDIT CARD POLICY

FOR THE

CITY OF  
HENDERSONVILLE

07/14/2009

## CITY OF HENDERSONVILLE CREDIT CARD POLICY

This policy is designed to minimize the financial risk to the City of Hendersonville of the issuance of credit cards and to ensure the integrity of cardholder purchases.

A credit card is **NOT** be used in place of regular purchasing methods (charge accounts, POs, etc), but is to be used in situations where other purchasing methods are not available.

1. The Mayor or Finance Director shall have the authority to revoke credit card use privileges or to discontinue the credit card program. **This will occur if these policies and procedures are not followed.**
2. A city credit card shall only be used for authorized City of Hendersonville business expenses. Personal use of a City credit card is prohibited, regardless of whether the employee intends to reimburse the City. Violation of this rule will result in disciplinary action up to termination of employment.
3. All purchasing rules and regulations apply to credit card purchases the same as purchases that are made by purchase order or check request. (advertised bids, informal quotes, etc.)
4. All travel policies and procedures apply to credit card purchases the same as purchases made by purchase order or check request.
5. The Mayor, department heads, and department head designees are authorized to use a City credit card to make purchases on behalf of the City, after they have received a copy of the credit card policy and submitted the appropriate form to the Finance Director. (Form A or Form B)
6. Department heads that authorize designees to make credit card purchases remain responsible for their designees' credit card purchases.
7. The credit cards may be used to pay for official City purchases of goods and services in the categories listed below:
  - a. Hotel reservations and expenses for authorized purchases only.
  - b. Airline tickets
  - c. Rental Car expenses
  - d. Parking
  - e. Purchase or repair and maintenance of small tools and supplies
  - f. Office and operating supplies
  - g. Recreational program activities in parks department.

- h. Background and credit checks
  - i. Printing and binding services
  - j. Registration for seminars and conferences
  - k. Dues for memberships in business organizations
  - l. Costs associated with hosting training seminars & association meetings.
8. Examples of prohibited uses of the credit card include:
- a. Alcoholic beverages
  - b. Tobacco products
  - c. Cash advances or withdrawals
  - d. Gift cards
  - e. Personal use (even if you intend to reimburse City at a later date)
  - f. Entertainment expenses
  - g. Unauthorized travel expenses (i.e. movies, family meals, etc.)
9. Department Heads may receive a credit card from the Finance Director after submitting the acknowledgement form A. It is the responsibility of each department head to safeguard and secure the City credit card while in use by any employees within their department.
10. A department head may authorize an employee to use the credit card only if the employee has signed the acknowledgement form B and submitted a copy to the Finance Department.
11. Any employee that takes a credit card into his/her possession is responsible for securing the card. If a card is misplaced or stolen, the employee must notify his supervisor and department head immediately. The department head shall then notify the Finance Director immediately so the card can be cancelled. The employee is subject to disciplinary action and prohibited from future use of City credit cards.
12. After making a purchase, the employee shall sign the receipt or invoice and submit it to their department head. Receipts shall be the actual receipt showing the details of the goods and services purchased; not the credit card receipt that shows only the total charged to the card. If a receipt is lost, the responsible employee will be required to sign an affidavit. If this occurs three times, the employee is prohibited from future use of the credit card.
13. Each department head will receive a monthly credit card statement. The department head shall reconcile all invoices/receipts with the statement noting any discrepancies. The department head will then prepare a check request showing the account code(s) in which to charge the purchases in their budget. The check request, invoices, receipts and any supporting documentation such as bid documentation shall be submitted to the Finance department for payment in sufficient time to avoid penalties and late fees. Failure to submit receipts on time may result in loss of credit card use privileges.

14. The Finance department has an additional credit card available for department heads or authorized employees to check out when their departmental card is unavailable. Receipts for purchases made on this card shall be approved and coded by the department head. The approved receipt and the credit card shall be submitted to the Finance department immediately following each purchase and no later than the next business day.
15. Refunds for return of purchases shall be deposited back onto the card originally used for the purchase. If cash is given to the employee by the merchant, the employee shall remit the cash refund to the Finance department immediately.
16. Any disputed charges or discrepancy between a receipt and the statement shall be resolved by the Finance department and the department head making the purchase.
17. Rebates based on prompt payments shall be recorded as revenue to the City of Hendersonville. Refunds for return of purchases and manufacturer's rebates shall be credited to the department that charged the purchase.
18. The City may take steps to recover the cost of any improper or fraudulent purchase made by an employee, including, as necessary, through payroll deduction. Any employee found guilty of fraud or found to have abused a credit card shall be subject to disciplinary action up to termination of employment.
19. The Finance Director may establish other administrative procedures for credit cards needed to maintain proper internal controls to minimize the financial risk to the City of Hendersonville and to ensure the integrity of credit card purchases.

# FORM A

## CITY OF HENDERSONVILLE

### CREDIT CARD POLICY FOR DEPARTMENT HEADS

I hereby acknowledge receipt of City of Hendersonville credit card policy. I understand it is my responsibility as a department head to know the policies and procedures on the proper use of the credit card.

I understand that any purchases made with the credit card outside the scope of this policy are prohibited and I authorize the City of Hendersonville to recover those charges by any lawful means including payroll deduction.

It is also my responsibility to ensure all employees that I authorize to use the credit card understand the policies and procedures on the proper use of the credit card and have signed and submitted an acknowledgement FORM B.

I understand that I remain responsible for the purchases charged by employees in my departments.

\_\_\_\_\_  
Department Head Authorization

\_\_\_\_\_  
Date

# FORM B

## CITY OF HENDERSONVILLE

### CREDIT CARD POLICY FOR AUTHORIZED EMPLOYEES

I hereby acknowledge receipt of City of Hendersonville credit card policy. I understand it is my responsibility to know the policies and procedures on the proper use of the credit card.

I understand that any purchases made with the credit card outside the scope of this policy are prohibited and I authorize the City of Hendersonville to recover those charges by any lawful means including payroll deduction.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date





TO: Board of Mayor and Aldermen

I hereby nominate for reappointment, Ken Brinkley, to serve a  
4 year term on the Adjustment and Appeals Board  
(Name of Board)

Ward: 5

Mayor/Alderman

N/A

Ward

10-30-25

Date



TO: Board of Mayor and Aldermen

I hereby nominate for reappointment, Mike McCarroll, to serve a  
4 year term on the Adjustments and Appeals Board  
(Name of Board)

Ward: 6

Mark J. Evans  
Mayor/Alderman

6  
Ward

1-7-26  
Date

Edin Robinson



TO: Board of Mayor and Aldermen

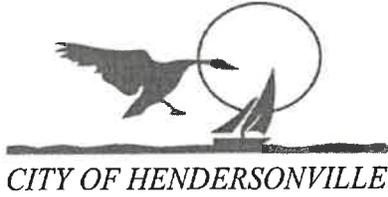
I hereby nominate for reappointment, Robbie Borghi, to serve a  
3 year term on the Beautiful Hendersonville.  
(Name of Board)

Ward: 2

Don Wood  
Mayor/Alderman

2  
Ward

10/24/25  
Date



TO: Board of Mayor and Aldermen

I hereby nominate for reappointment, Daryl Spindler, to serve a  
5 year term on the Personnel Board.  
(Name of Board)

Ward: 1

Jamie Clay  
Mayor/Alderman

N/A  
Ward

10-20-25  
Date



TO: Board of Mayor and Aldermen

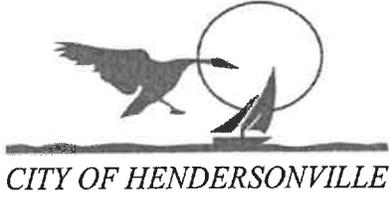
I hereby nominate for reappointment, Nancy Golden, to serve a  
4 year term on the Stormwater Appeals Board.  
(Name of Board)

Ward: 5

*Jamie Glass*  
Mayor/Alderman

N/A  
Ward

10-30-25  
Date



TO: Board of Mayor and Aldermen

I hereby nominate for reappointment, Steve Gregory, to serve a  
2 year term on the Stormwater Appeals Board.  
(Name of Board)

Ward: 4

[Signature]  
Mayor/Alderman

N/A  
Ward

10-30-25  
Date



TO: Board of Mayor and Aldermen

I hereby nominate Andrew W. Hait to serve a 2 year term on the  
Stormwater Appeals Committee  
(Name of Board)

Incumbent's Name: Mike Wessel

Ward: 1

Mayor/Alderman

N/A  
Ward

1-6-26  
Date

TO: Board of Mayor and Aldermen

I hereby nominate Sean Campbell to serve a 2 year term on the  
Industrial Development Board  
(Name of Board)

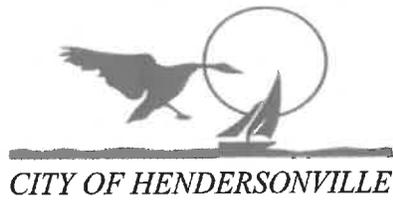
Incumbent's Name: John Zobel

Ward: 5

  
\_\_\_\_\_  
Mayor/Alderman

5  
Ward

12/19/2025  
Date



TO: Board of Mayor and Aldermen

I hereby nominate for reappointment, John Sheley, to serve a  
6 year term on the Industrial Development Board  
(Name of Board)

Ward: 1

  
\_\_\_\_\_  
Mayor/Alderman

1  
Ward

1-6-26  
Date



CITY OF HENDERSONVILLE

As a citizen interested in serving my local government as a member of the Lake Shore Committee, I submit to you this summary of my qualifications for your consideration.

NAME: Dan Haskell

ADDRESS: 145 Bay Dr.

E-MAIL ADDRESS: dlee.haskell@gmail.com

HOME PHONE #: 615 478 4994 WORK PHONE #: same

NUMBER OF YEARS AS RESIDENT: 36 WARD: \_\_\_\_\_

OCCUPATION: retired attorney

RELEVANT PRIOR EMPLOYMENT ACTIVITIES:

50 yr law practice - General Counsel, Tenn Hospitality Asso., Tennessee Business Roundtable, Nashville Business Coalition

COMMUNITY AND CIVIC INVOLVEMENT:

member - Advisory Commission on Open Government

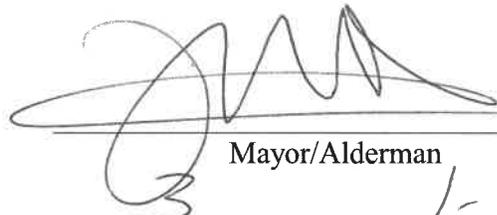
<u>Dan Haskell</u>		<u>11.1.25</u>
Signature		Date
<u>Jimmie Chavis</u>	<u>N/A</u>	<u>1-2-26</u>
Mayor/Alderman	Ward	Date



TO: Board of Mayor and Aldermen

I hereby nominate for reappointment, Gene Hively, to serve a  
3 year term on the Arts Council.  
(Name of Board)

Ward: 3

  
\_\_\_\_\_  
Mayor/Alderman  
3 1-6-26  
Ward Date



As a citizen interested in serving my local government as a member of the

Beer Board \_\_\_\_\_, I submit to you this  
(Name of Board)  
summary of my qualifications for you consideration.

NAME: Michael A. Krasnow

ADDRESS: 368 Gingerwood Lane, Hendersonville

\_\_\_\_\_ E-MAIL ADDRESS: mkrasnow18@yahoo.com

HOME PHONE #: 214-763-4783 WORK PHONE #: 214-763-4783

NUMBER OF YEARS AS RESIDENT: 4 WARD: 6

OCCUPATION: Retired

RELEVANT PRIOR EMPLOYMENT ACTIVITIES:

Sr. Director of Operations for Zales Jewelers

Director of Operations for Chair King Backyard Stores

COMMUNITY AND CIVIC INVOLVEMENT:

Worked with the City and builder for sidewalk improvements

Working with the county & state on road improvements (Old Drakes Creek / New Shackle Island)

Michael A. Krasnow  
Signature

12/16/2025  
Date

[Signature]  
Mayor/Alderman

6  
Ward  
6

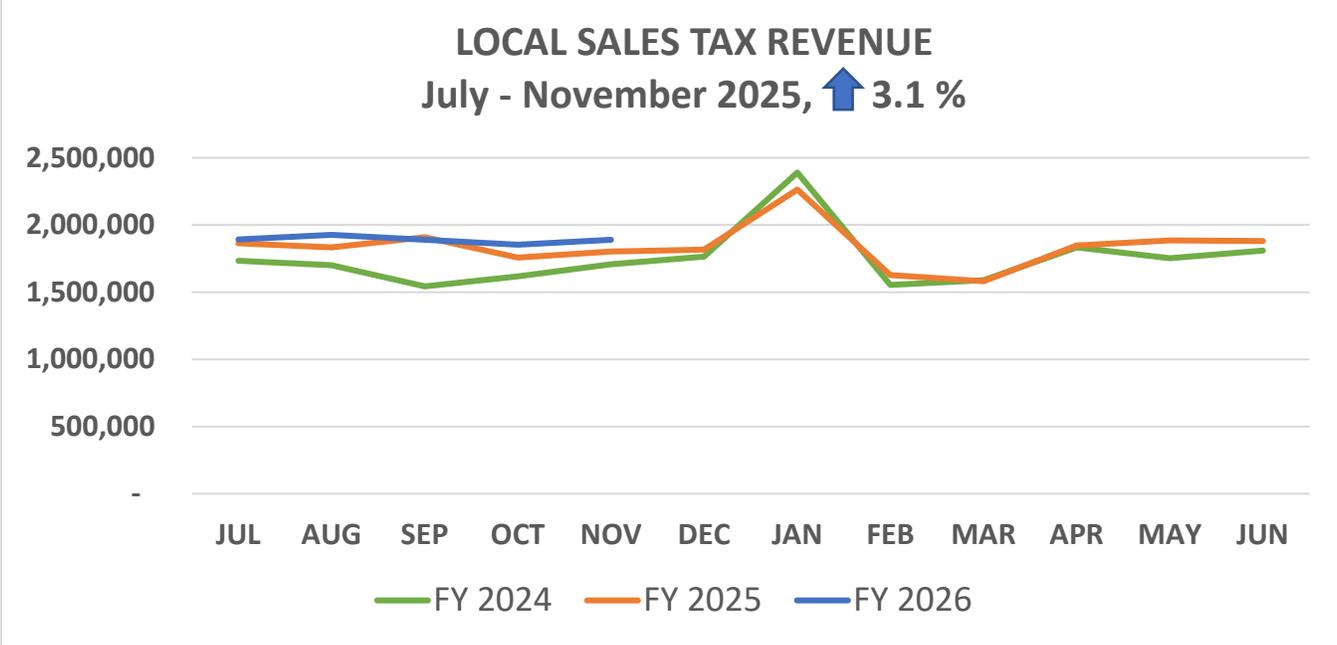
12/31/2025  
Date

Mark J. Evan

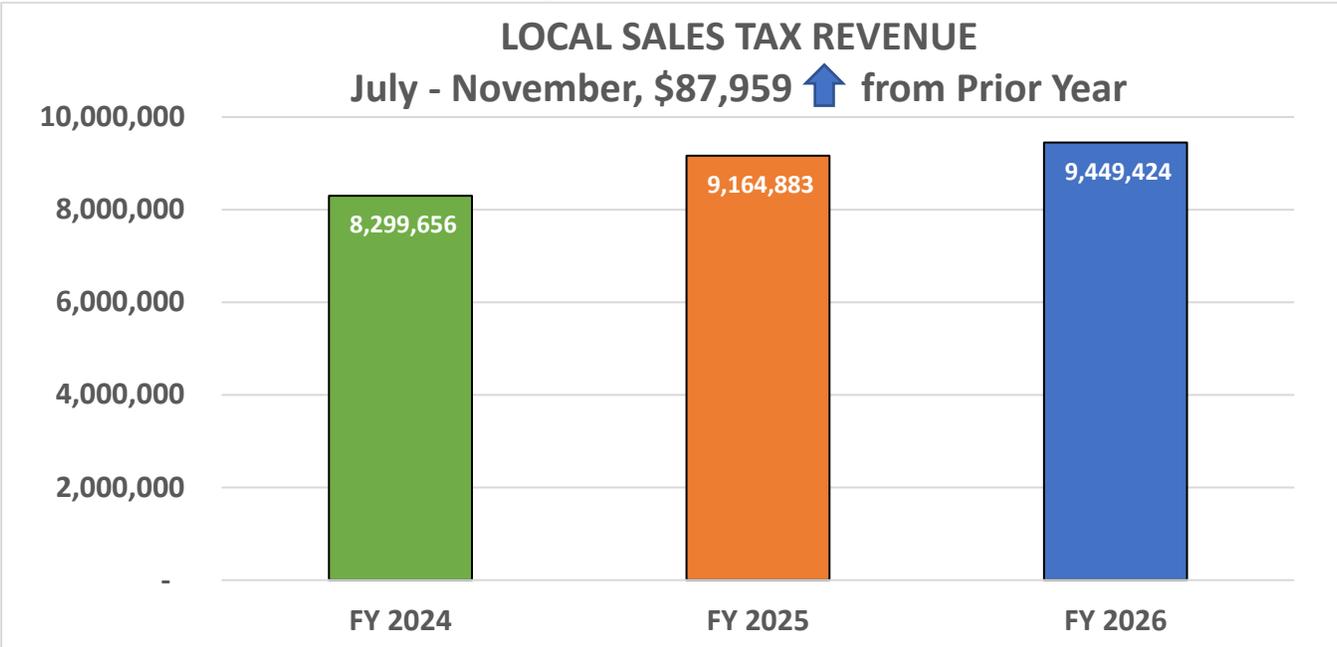
11/6/26



**FINANCE**

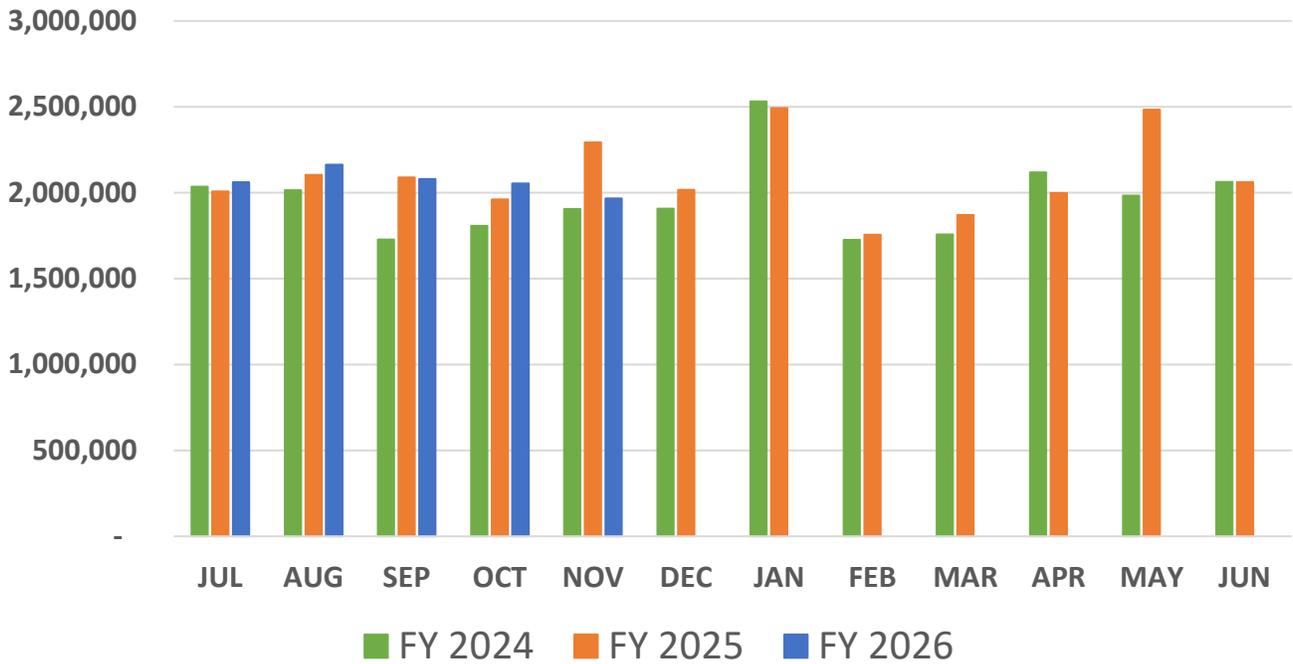


**November 2024 vs. November 2025**  
**Local Sales Tax = \$1,802,264 vs. \$1,890,223 = \$87,959 More**  
**Investment Earnings = \$87,923 vs. \$97,106 = \$9,183 More**



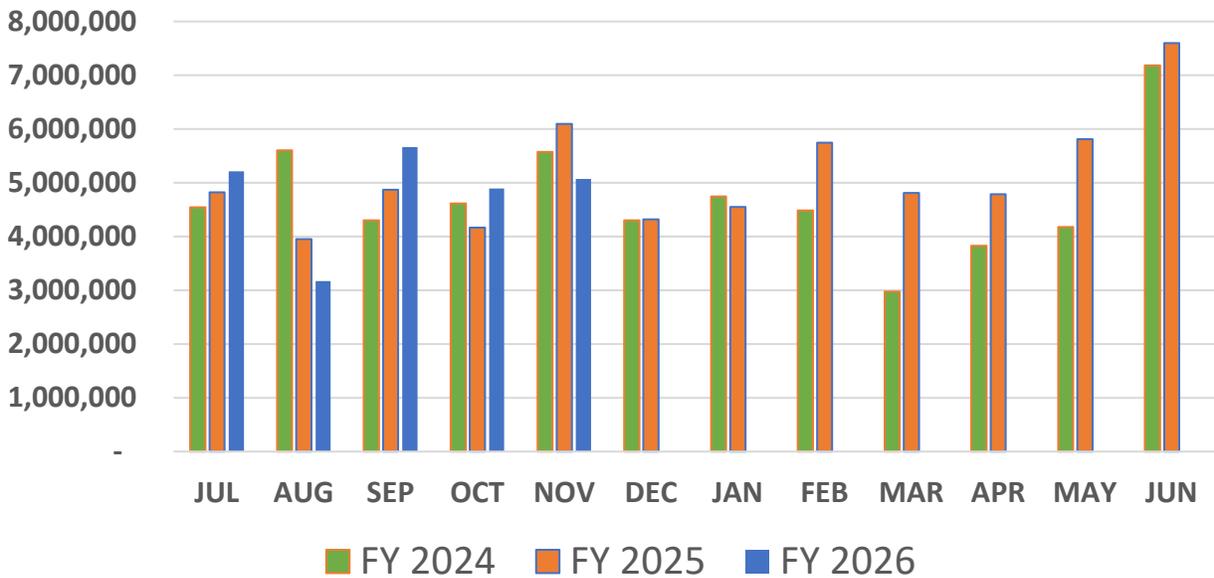
### LOCAL SALES TAX & PERMIT REVENUE

July - November YTD ↓ - 1.24%

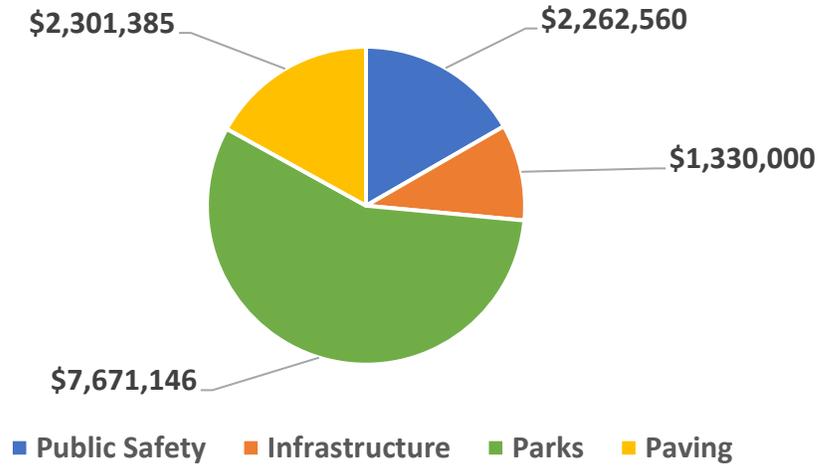


### GENERAL FUND OPERATING EXPENDITURES

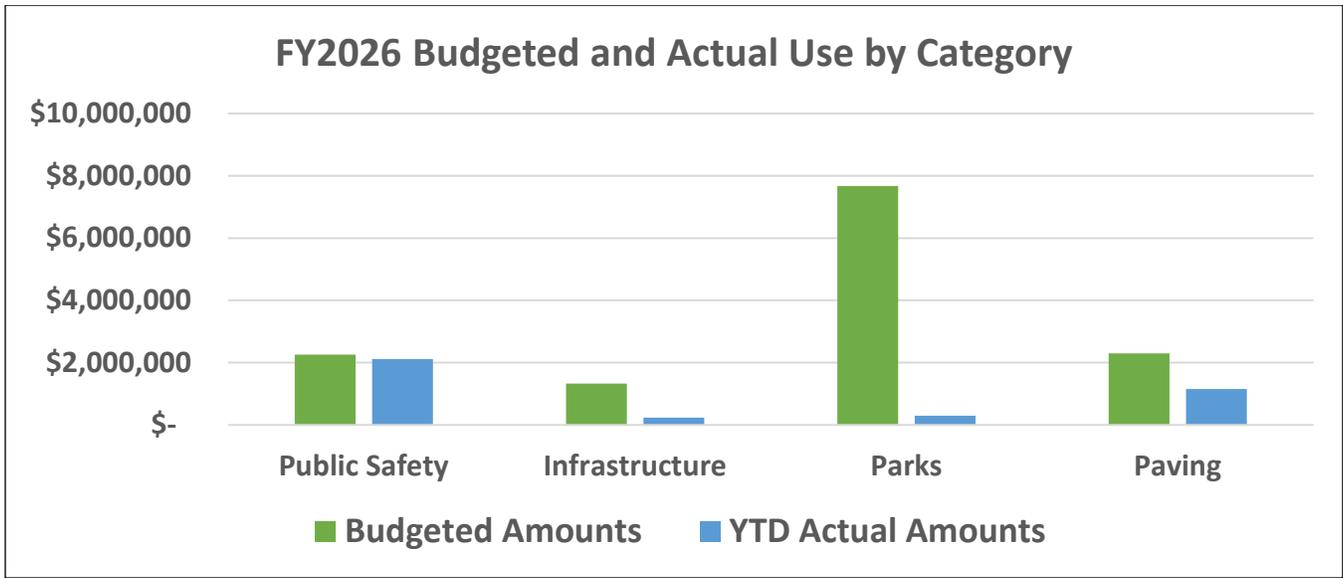
YTD ↑ 0.44%



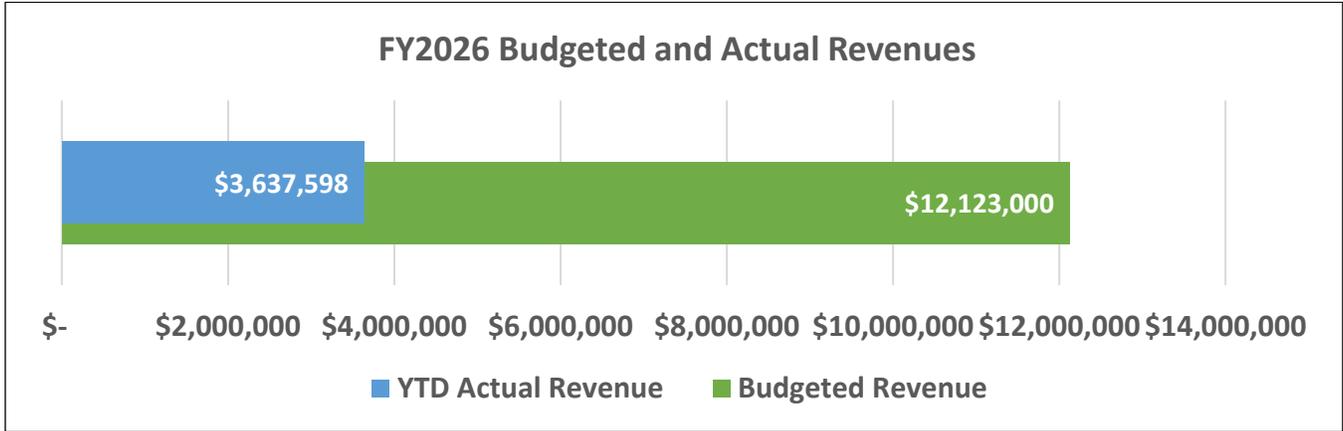
### FY2026 Expenditure Budget by Category



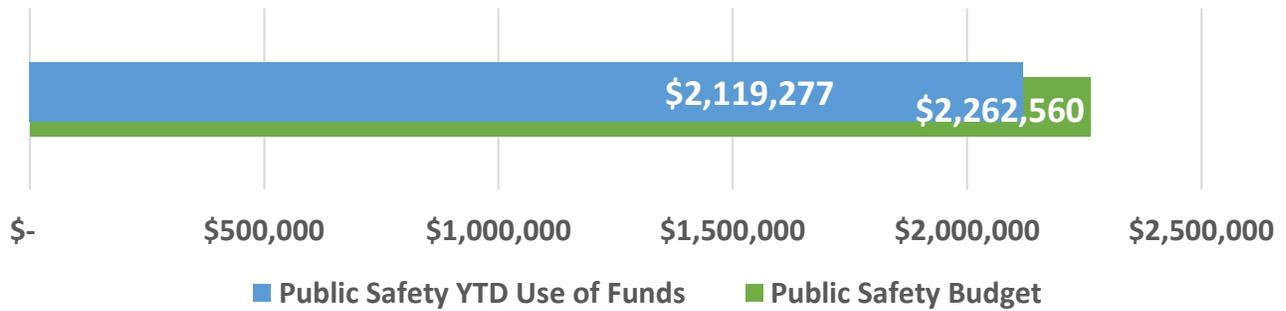
### FY2026 Budgeted and Actual Use by Category



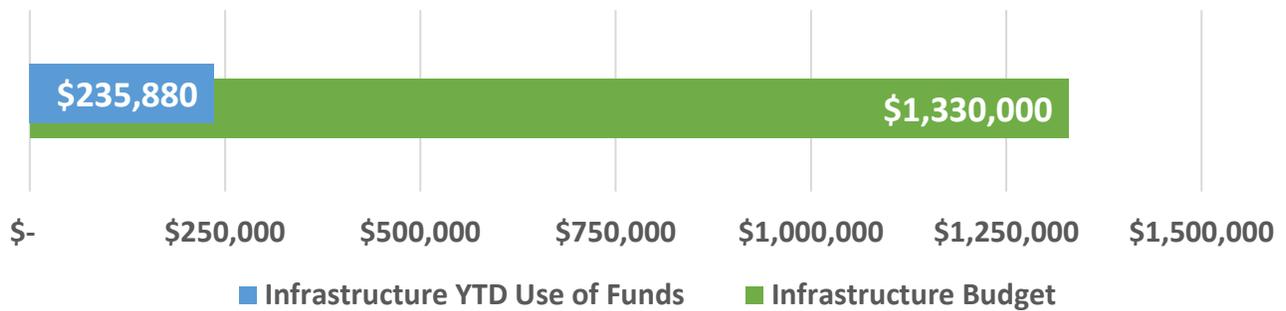
### FY2026 Budgeted and Actual Revenues



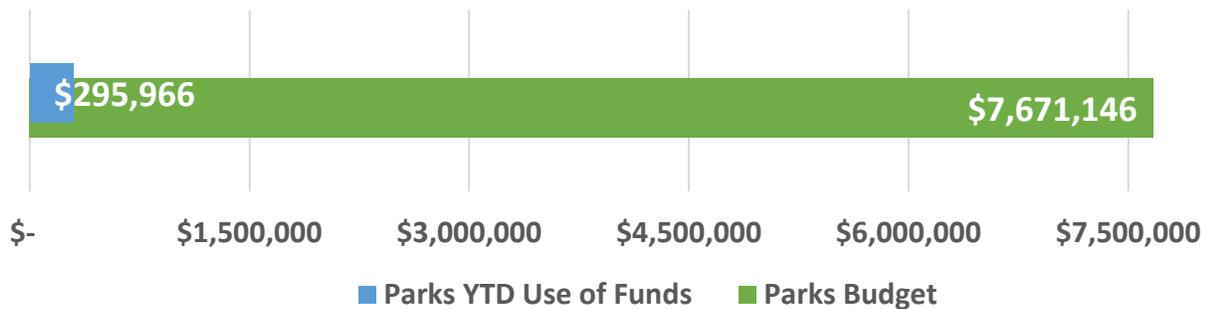
### FY26 Public Safety Budget and Actual Use of Funds



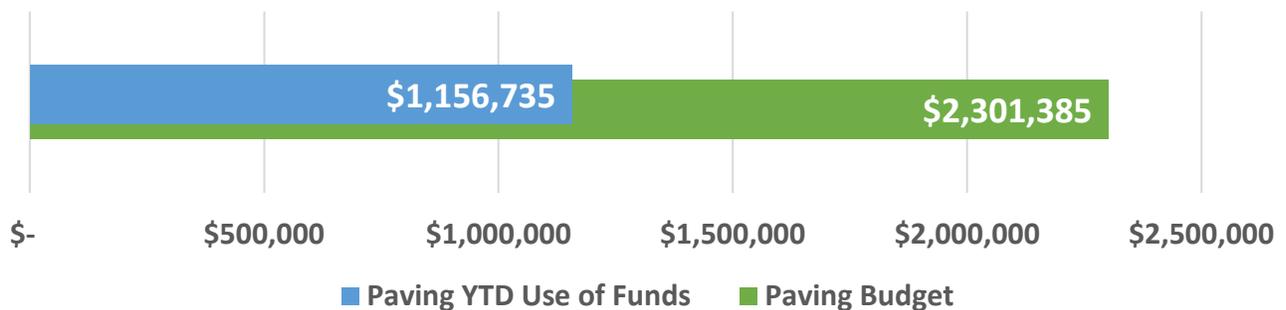
### FY26 Infrastructure Budget and Actual Use of Funds



### FY26 Parks Budget and Actual Use of Funds

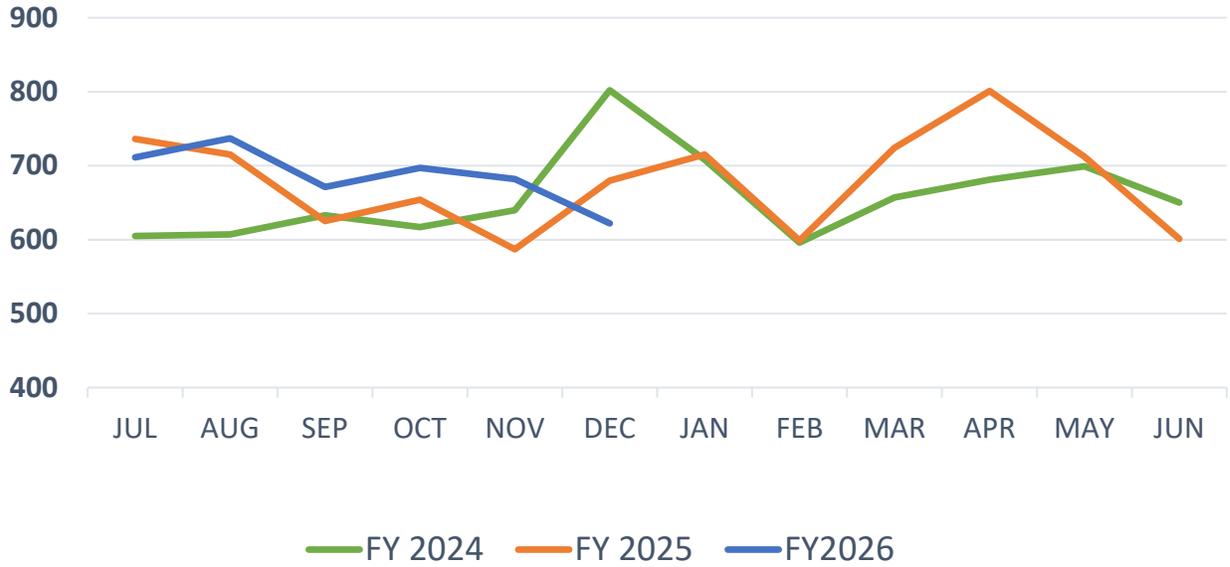


### FY26 Paving Budget and Actual Use of Funds

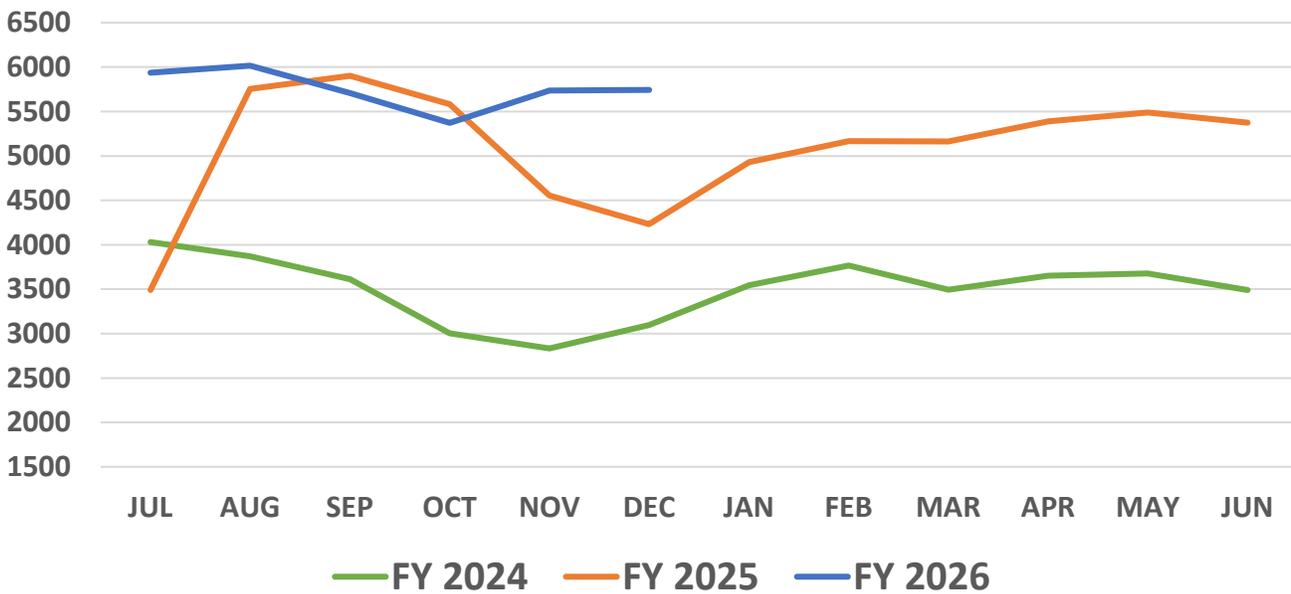


# PUBLIC SAFETY

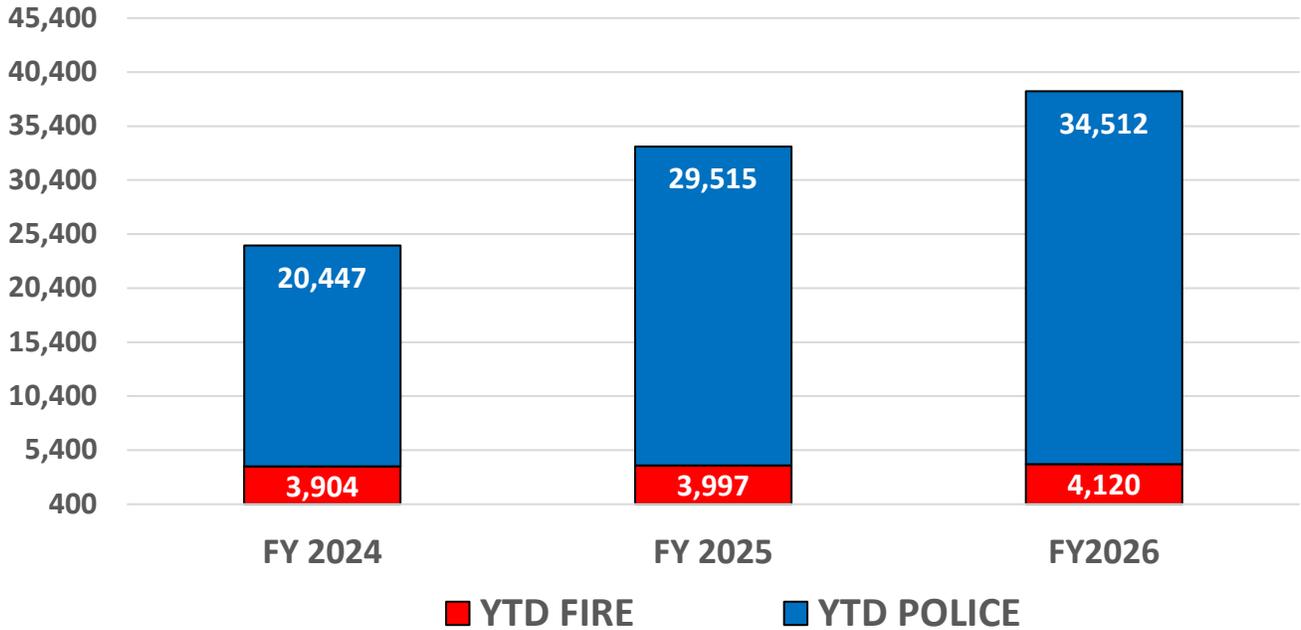
**HFD - CALLS FOR SERVICE**  
 July - December, YTD ▲ 3.08 %



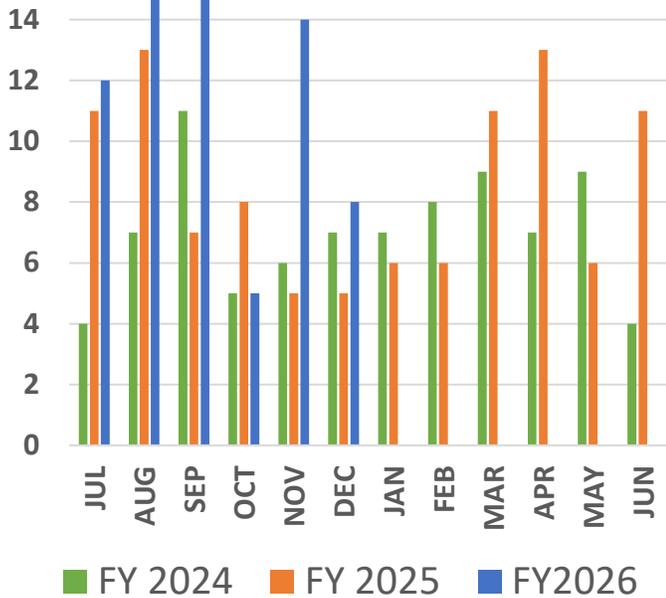
**POLICE - CALLS FOR SERVICE**  
 July - December, YTD ▲ 16.9 %



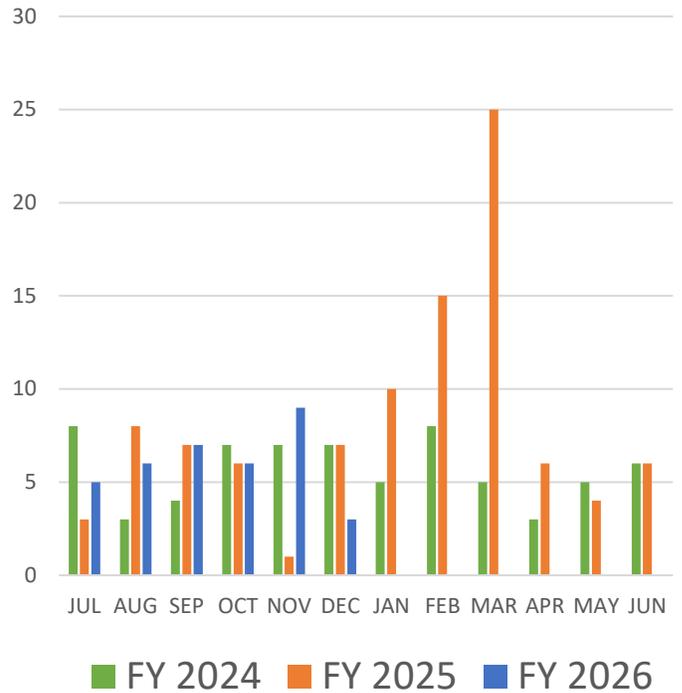
### CALLS FOR SERVICE, July - December



### HFD - FIRES WORKED July - December, YTD ↑ 53 %

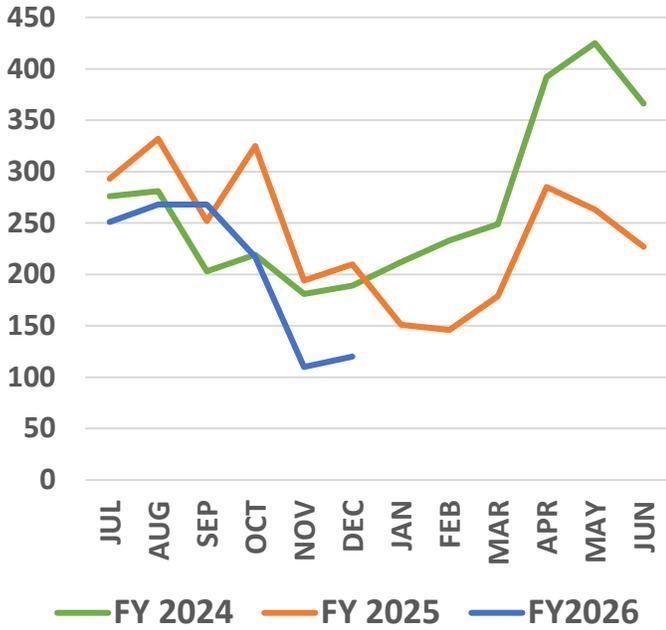


### HPD - LPR CONTACTS

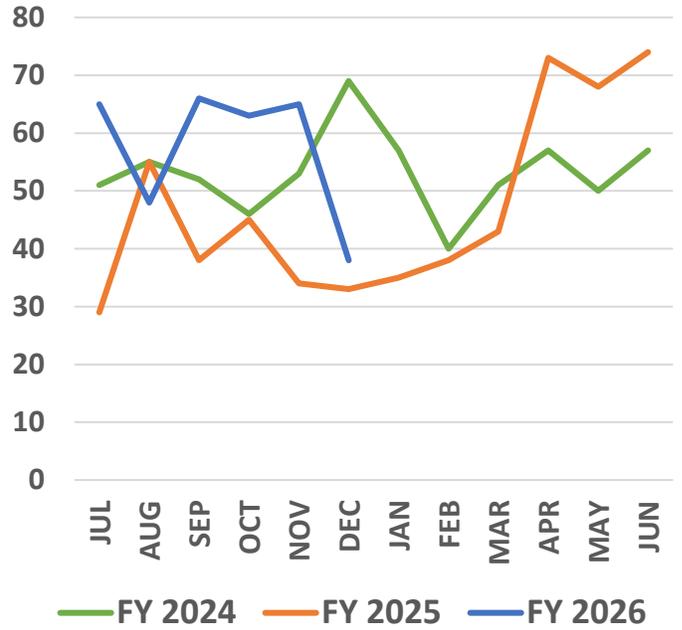


# CODES

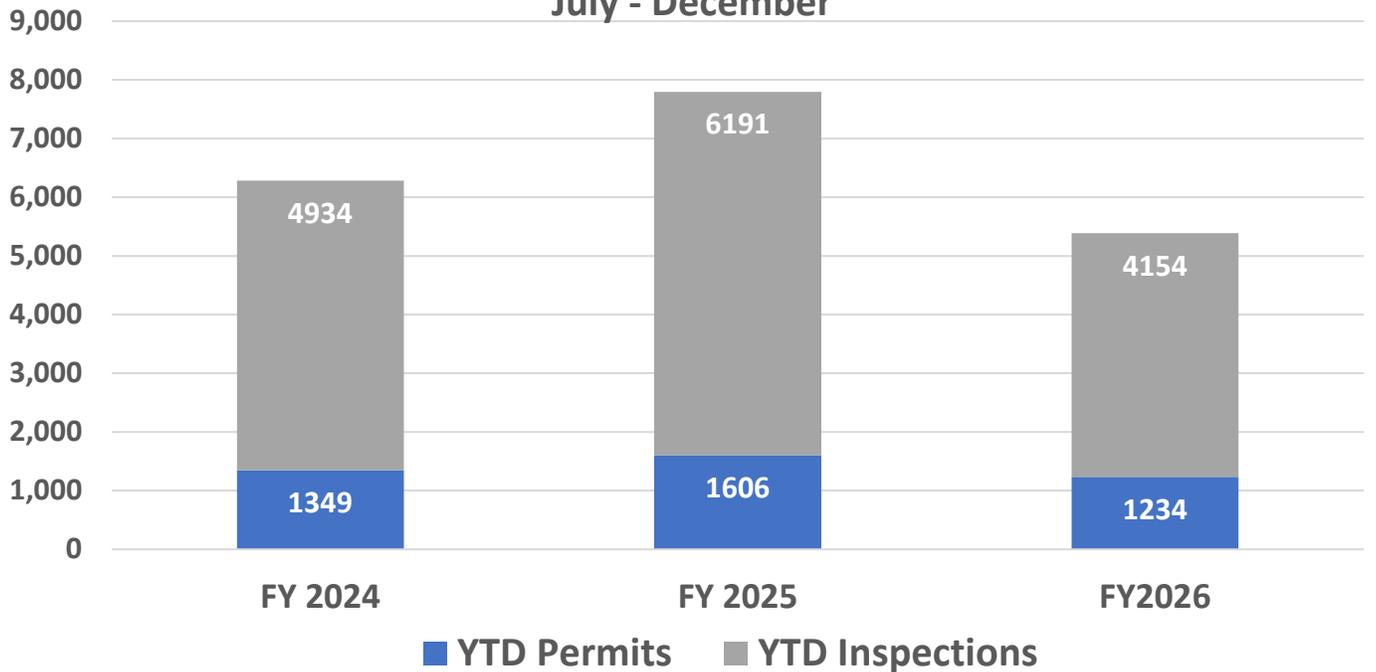
**RESIDENTIAL PERMITS ISSUED**  
July - December, ↓ -23.2 %



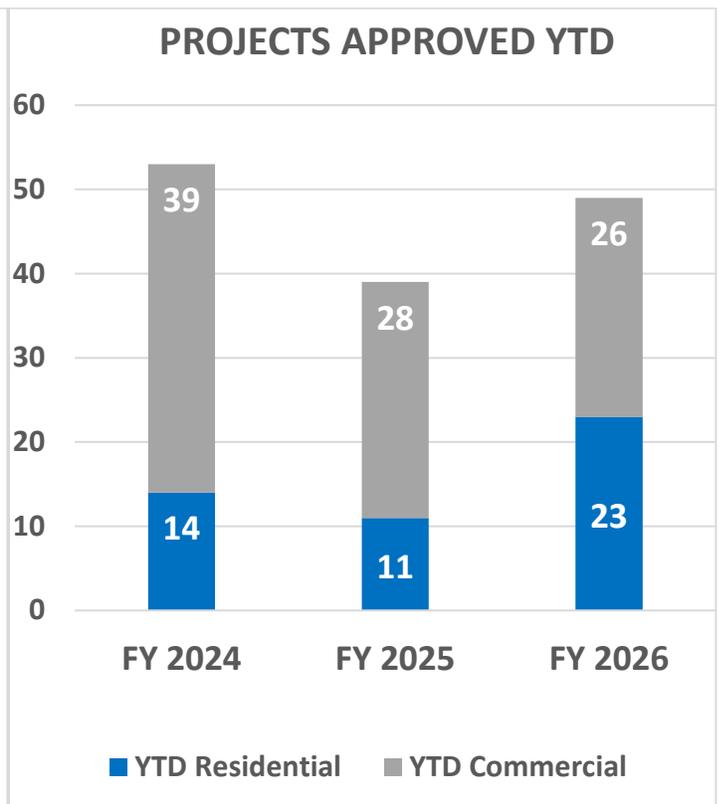
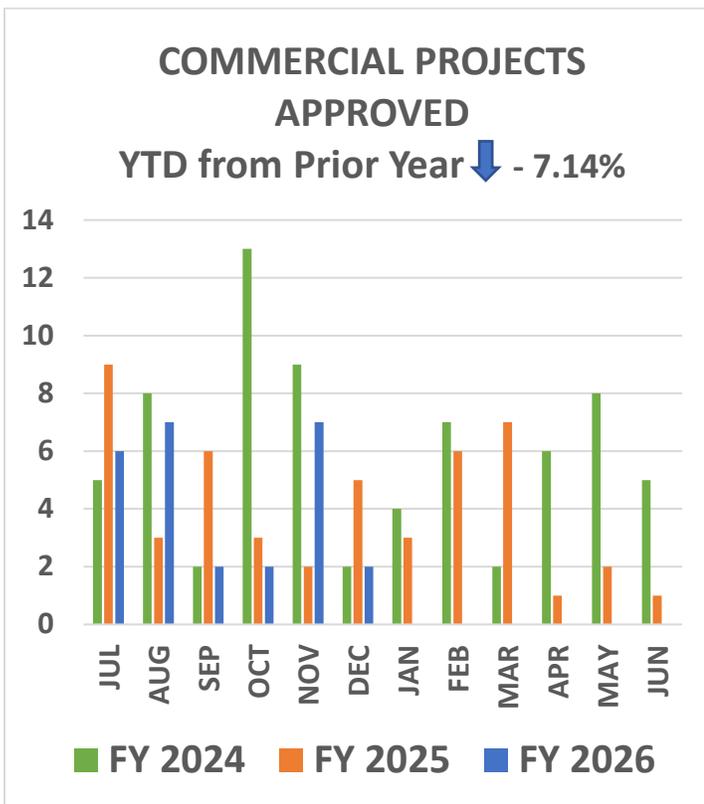
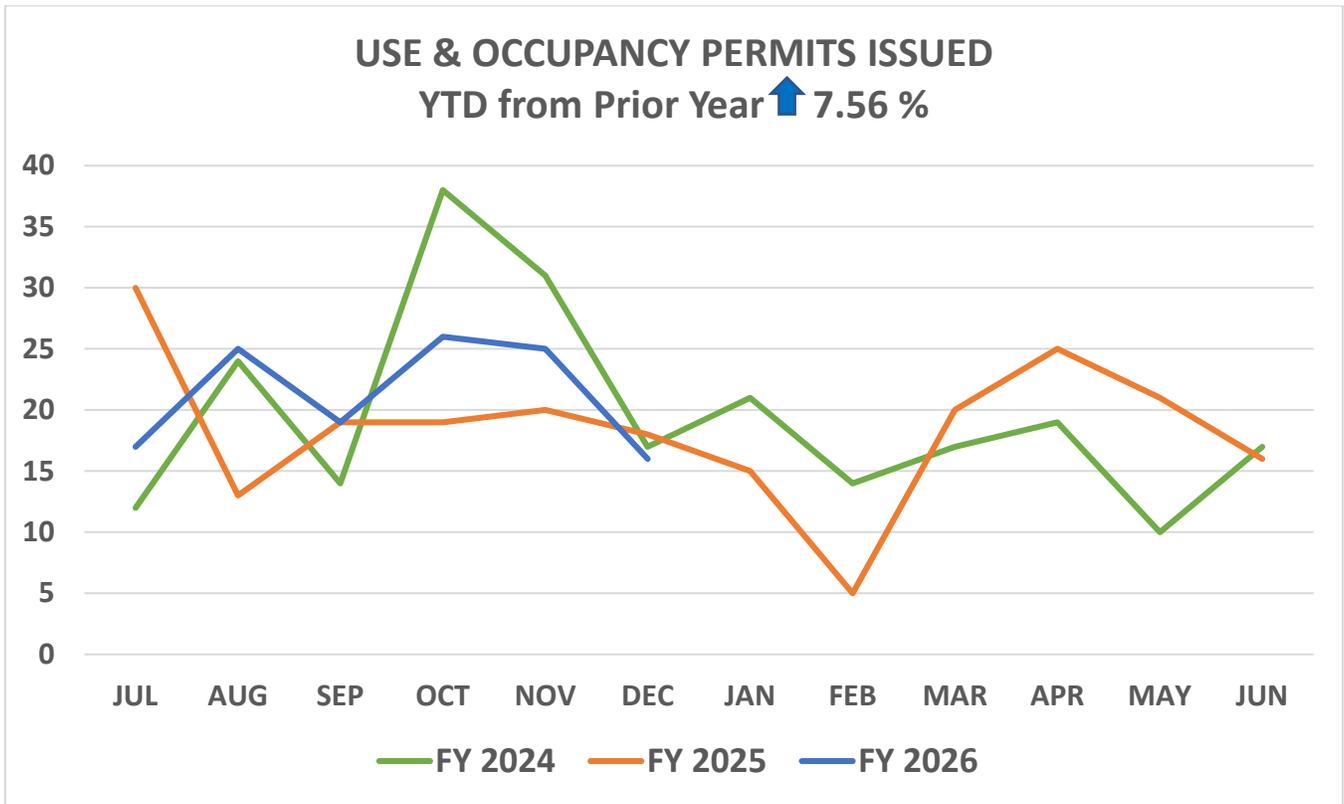
**COMMERCIAL PERMITS ISSUED**  
July - December ↑ 47.4 %



**RESIDENTIAL ACTIVITY**  
July - December



# PLANNING



# PARKS

JANUARY	EVENT	LOCATION
January 3rd	HHS Winter Hitting Clinic	Drakes Creek Park
FEBRUARY	EVENT	LOCATION
February 13-14	HHS Middle School Playday	Drakes Creek Park
February 14th	UT Rugby	Rugby Park
February 15th	Couples Shuffle 15k	Veterans Park
February 20-22	Beech Middle School Playday	Drakes Creek Park
February 21-22	Ball Hockey Boot Camp	Volunteer Park
February 28th	Station Camp Softball Playday	Drakes Creek Park

Thank you to all who visited Memorial Park for the Festival of Lights!

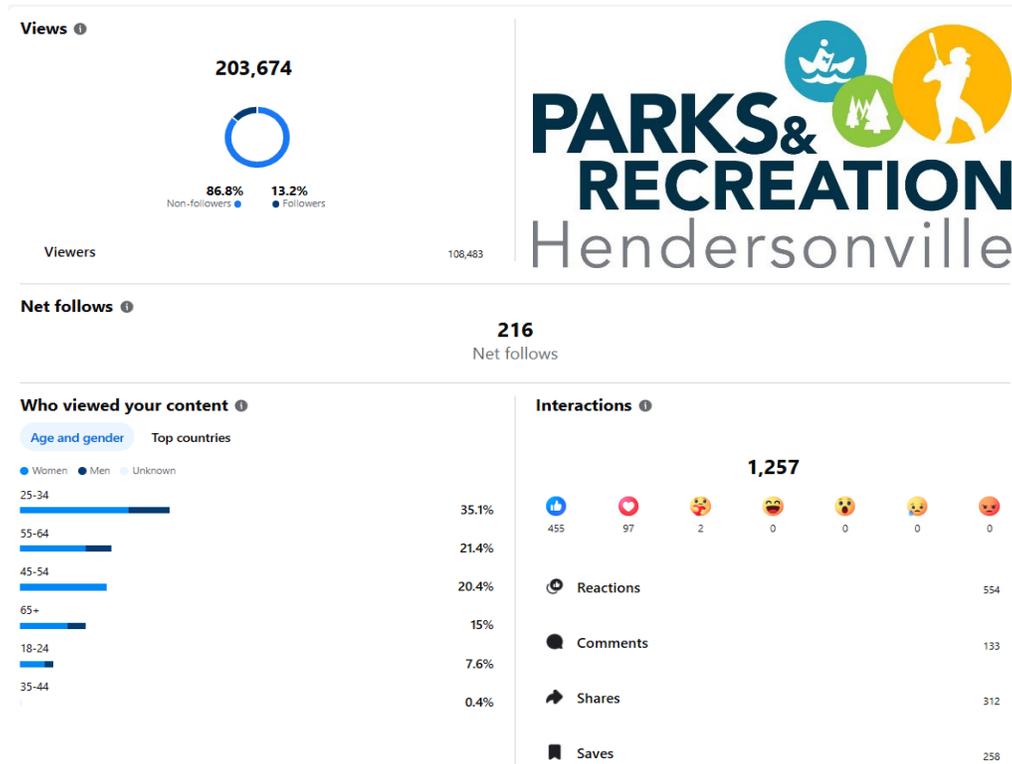
Attached below is the data from Memorial Park that shows all of the visitors throughout the month of December and all of the accounts that were reached, along with the interactions.

This is something we look forward to seeing each month!

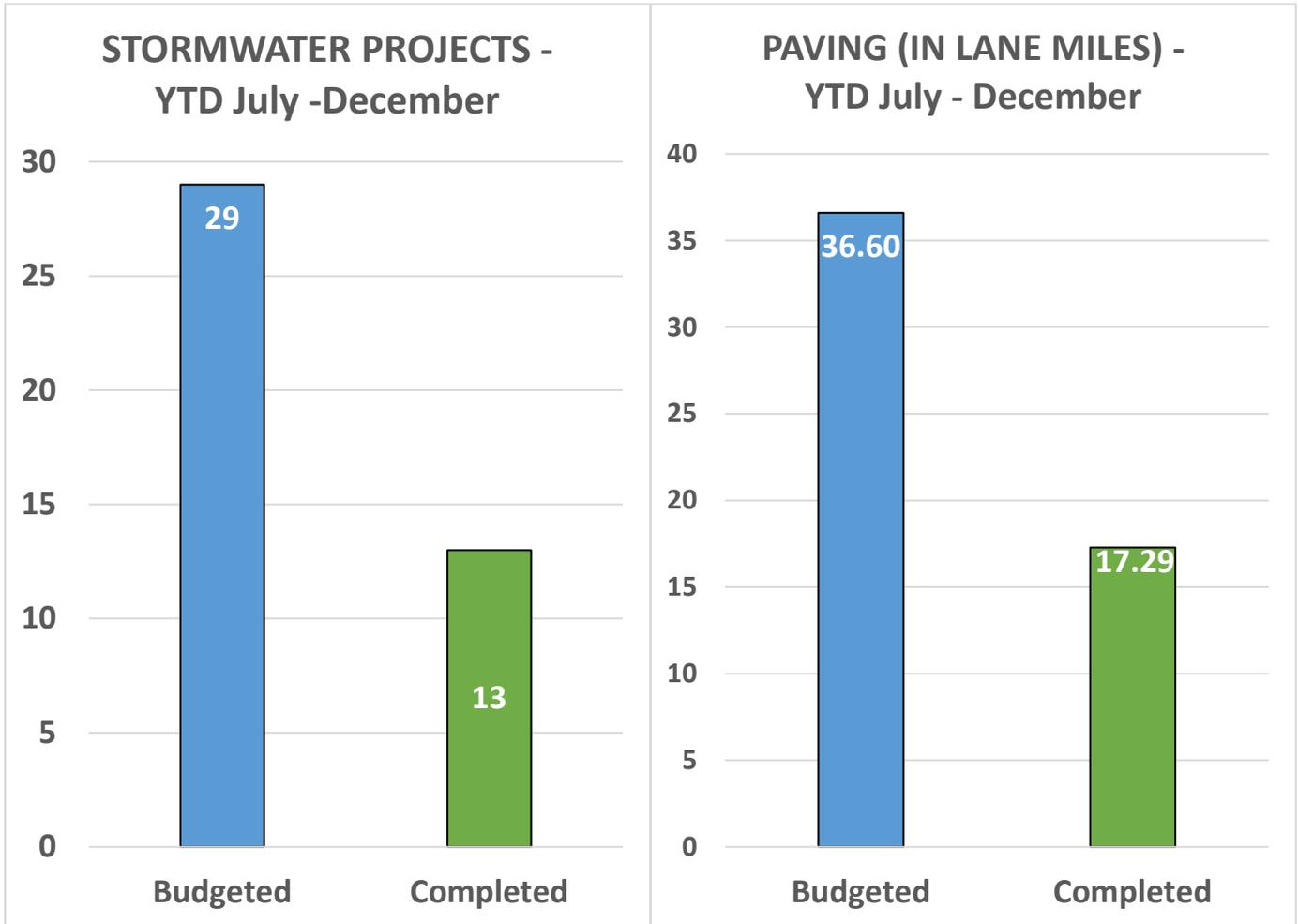
Memorial Park  
East Main Street, Hendersonville, TN



Visits	10.5K	Avg. Dwell Time	49 Min
Visits / sq ft	0	Panel Visits	1K
Size - sq ft	3.5M	Visits YoY	+6.2%
Visitors	8.3K	Visits Yo2Y	0%
Visit Frequency	1.26	Visits Yo3Y	+11.5%



# PUBLIC WORKS

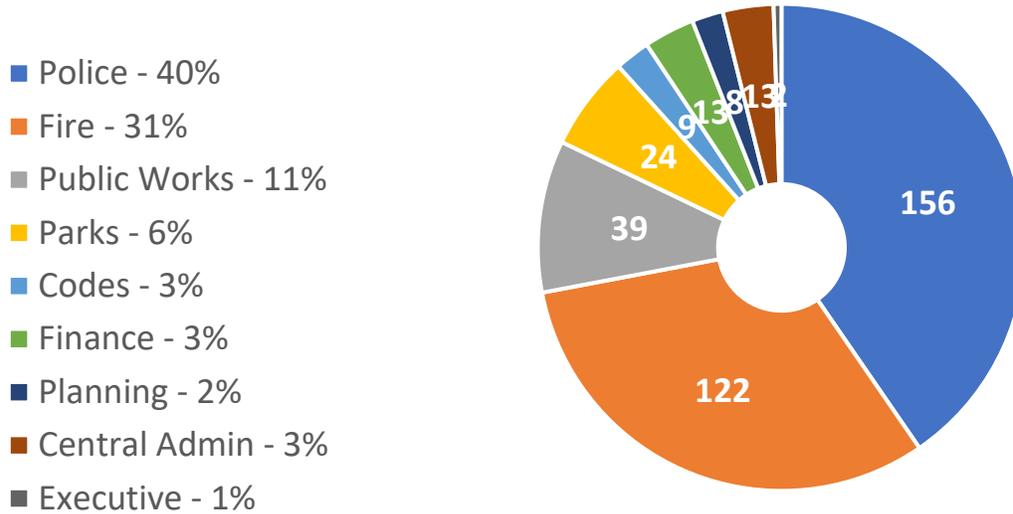


## CAPITAL PROJECTS RIGHT OF WAY (ROW)

Project	Property Limits Determined		Survey Work		Appraisals		Offers	
	Total Tracts	Complete	Ordered	Complete	Ordered	Complete	Submitted	Accepted
Walton Ferry / Old Shackle Realignment	86	86	86	86	86	86	86	86
Drakes Creek at Stop 30	11	11	11	11	11	11	11	11
Exit 8	13	13	5	5	5	0	0	0

# HUMAN RESOURCES

## 386 Budgeted Fulltime Positions by Department FY2025



### LIST OF ACTIVE RECRUITMENTS

TITLE	DEPARTMENT
Intern	Parks
Program Supervisor (Gym) - Seasonal	Parks
Recreation Supervisor	Parks
Permit Technician I	Codes
Police Purchasing Technician (INTERNAL)	Police
Fire Chief	Fire
Public Works Director	Public Works & Roads
Equipment Operator III	Public Works & Roads
Police Officer	Police
School Patrol Officer	Police
City Recorder - Designee	Finance

SAFETY STAFFING	FIRE	POLICE
Budgeted Positions	122	156
Administrative	2	15
Sworn – in service	118	117
In Training	0	17
Vacancies	2	6