



- News
- Classifieds
- Community
- Directory
- Shopping
- My Zwire!

Home -> News -> News -> Top Stories

Monday 17 September, 2007

NEWS SEARCH

[Advanced search](#)

Top Stories

Law lets developers foot infrastructure bills

By: JEFF FARRELL Staff Writer

September 17, 2007

[Email to a friend](#) [Voice your opinion](#)

SEVIERVILLE - The city of Sevierville recently helped add a new tool to the toolbox for public-private partnerships around the state. Monday they'll take the next step to using it.

City officials spent a lot of time during the past Legislative session lobbying for a new law that allows large-scale developers to assess an additional fee on their property to help pay for extra infrastructure needs created by the development. Cities can then obtain low-interest bonds to pay for the infrastructure, with payments coming from the special assessment. To be eligible, a development must be worth at least \$25 million.

"These are expensive bonds," City Administrator Doug Bishop said. "You can't use these for a little project."

The law is actually written to allow local governments to accept public facilities like roads, sidewalks and utilities that are built by a third party, "if the municipality reasonably anticipates that private investment in an amount not less than \$25 million will be made on property adjacent to the public facility." The agreement must be presented by the mayor and approved by the city's legislative body after a public hearing. The legislative body also must determine there will be a public benefit from accepting the property.

Once the city accepts the property, it assess the costs "among each parcel of property that is determined by the legislative body to directly benefit from such public facility on a fair basis."

The way the law is written, cities are not responsible for making bond payments even if the developers default. "The city has no involvement in it and is not on the hook for payments," Bishop said.

News
Top Stories
Sports
Entertainment
Lifestyles
Community News
Police/Courts
Editorial
Obituaries
National Headlines
Weather
Letters to Editor
Business
Classifieds
Search Back
Issues
Links
Business Directory
Our Newspaper
Fun and Games
Consumer Guide
Personal Finance
Lifestyles
Terms & Use



Advertisement

The new at&t

GET FASTACCESS[®] DSL LITE FROM AT&T

\$19⁹⁵ /mo | \$75 cash back on select speeds with qualifying services.

FREE DSL modem after rebate. [LEARN MORE >](#)



The benefits for the developer, Bishop said, are the low interest rates on the bonds and the opportunity to see that infrastructure is completed for the project on their schedule, rather than waiting until a city is ready to tackle a project, or building in phases so the infrastructure keeps up with demands.

"This allows the developer to build the whole thing at once," he said.

The Board of Mayor and Aldermen became a proponent of the new fees after seeing a presentation on them during a board retreat in 2005.

Nelson Biddle, the city's lobbyist, helped draft the legislation. He said he's as proud of it as any of the work he's done in Nashville in his career. "It's one of the most significant things I've passed in terms of economic development at the local level," he said.

The bill started out targeted to serve Sevierville, but other governments became interested as they saw the potential benefit.

Local state Rep. Richard Montgomery (R-Sevierville), who co-sponsored the bill with other Rep. Joe McCord and Sen. Raymond Finney, also noted that change.

"We were targeting it for the Tourism Development Zone and Central Business Improvement District, but when it was amended it was available for everybody," Montgomery said.

He believes the fee will be a major tool for economic development.

If anything comes from this we hope it's more jobs and more economic development."

At least two local developers are already interested in using the fee, and the Board of Mayor and Aldermen will hold a workshop Monday on how that will work.

Jim Calkin, manager and partner in Bridgemont Properties, said he viewed the new fee as something similar to those assessed by property owners associations. "That's the best analogy I can make," he said.

Using the assessment fee can make a difference in the nature of the infrastructure improvements, especially in landscaping and roads, he said.

City governments using revenues from local taxes have to be frugal in their spending, he said. Developers can use the low-interest funds to pay for more elaborate landscaping, wider roads and other improvements a city might not fund on its own, and the costs will be passed on to the businesses that use those benefits.

Developer John Turley has said he hopes to use the impact fee to pay for improvements to roads around his site and to the access road that will run from there to Bryan Road, where he anticipates a new interstate exit at some point. He praised the city for the infrastructure that's already in place and for championing ideas like the assessment fee.

"The town of Sevierville has very forward looking leaders," he said. "they are sowing the seeds for what will be there in a few years.

"They went out on a limb in a way to build the infrastructure, but it will pay off."

©The Mountain Press 2007

[✉ Email to a friend](#) [🗨 Voice your opinion](#) [↑ Top](#)

Send us your community news, events, letters to the editor and other suggestions. Now, you can submit birth, wedding and engagement announcements online too!

Copyright © 1995 - 2007 [Townnews.com](http://www.townnews.com) All Rights Reserved.