



System Development Charges (SDCs)

City of Tacoma | Environmental Services

City Council
December 2, 2025
Ordinance No. 29084 & 29085



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SDC PROPOSAL REVIEW



✦ Tacoma's wastewater & stormwater systems need capacity upgrades to accommodate growth

✦ ES proposes adopting SDCs to meet this need

- One-time charge for new and upsized connections



*Recovers a Fair Share of
Utility System Cost*



*Funds Capital Projects &
System Expansion*



*Revenue Scales with
the Rate Of Growth*



*Insulates Ratepayers
from the Cost of Growth*



*Common Industry
Funding Mechanism*



*Growth Pays for
Growth*

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WASTEWATER ORDINANCE

- Establishes SDCs
 - Modeled on Tacoma Water's SDC code language
 - Sets effective date July 1, 2026
 - Establishes fee structure
 - Exempts fire service
 - Establishes credit for preexisting service
 - Establishes payment policy
- Repeals Connection Charges-in-Lieu-of



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WASTEWATER ORDINANCE

Connection charge-in-lieu-of-assessment:

- Provided means for parcels not assessed through an LID to pay a fee to connect to City system
 - Based on frontage area
 - Paid historic cost of abutting and adjacent sewer
- Repealed effective June 1, 2026
 - Few unassessed parcels left citywide
 - Charging both SDC & in-lieu would be duplicative
 - Historic in-lieu-of fees excluded from SDC cost basis
 - Included provision against parcels paying charge-in-lieu-of-assessment more than once

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STORMWATER ORDINANCE

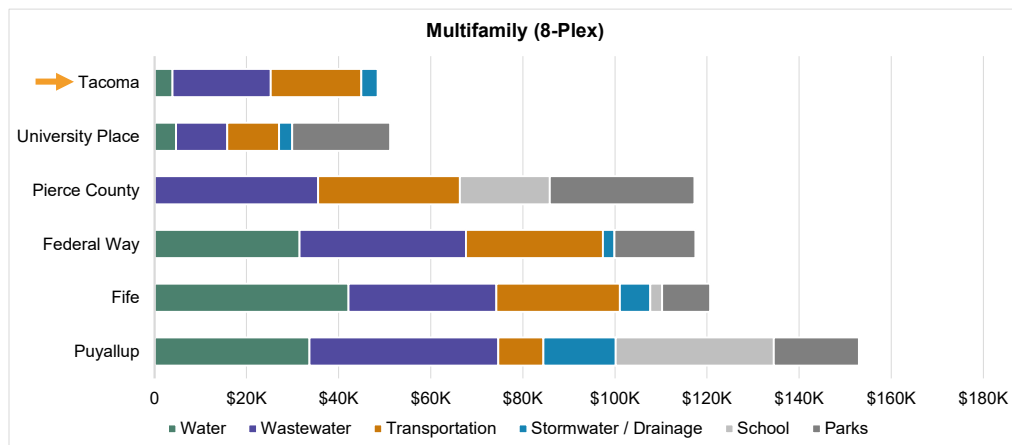


- Establishes SDCs
 - Sets effective date July 1, 2026
 - Establishes charge per sq ft net added impervious surface
 - Establishes payment policy
 - Director will develop an exemptions policy for Council consideration
- Clarifies tie-in w/ Fees-in-Lieu-of Construction
 - Program lets developers purchase share of regional stormwater facility in-lieu-of building treatment onsite
 - Programs can coexist
 - Programs serve distinct purposes
 - Regional stormwater facilities removed from SDC cost basis

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FEE STACKING COMPARISON



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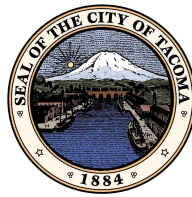
NEXT STEPS



- City Council Consideration – December 9, 2025
- Ordinance Effective Date – July 1, 2026
- Additional Education & Outreach – Quarter 1-2, 2026

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