



System Development Charges (SDCs)

City of Tacoma | Environmental Services

City Council Meeting
February 24, 2026
Ordinance No. 29084 & 29085



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*



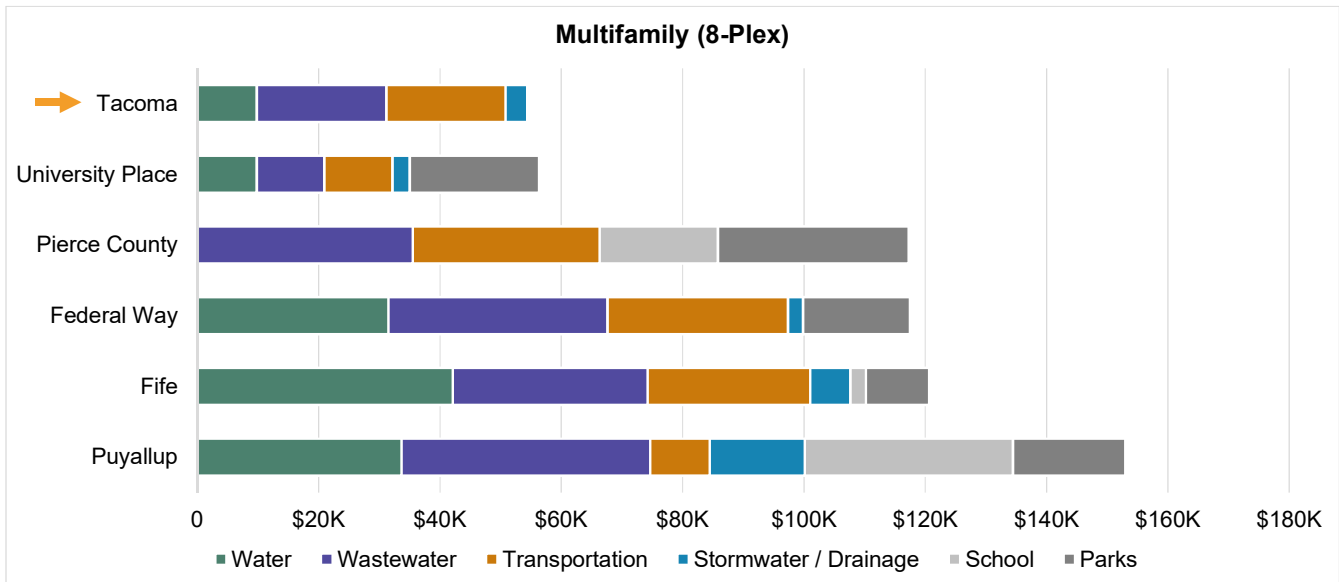
*Common Industry
Funding Mechanism*



*Growth Pays for
Growth*



FEE STACKING COMPARISON



**Uses Tacoma Water's final 2030 multifamily SDC rate after 5-year phase-in*



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





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

5



NEXT STEPS



- City Council Consideration: February 24, 2026
- Additional Education & Outreach: Quarter 1-2, 2026
- Ordinance Effective Date: July 1, 2026
- Exemptions Ordinance Study: Quarter 1-3, 2026
- Exemptions Presented for Council Action: Quarter 4, 2026

6



System Development Charges

City of Tacoma | Environmental Services

**City Council Meeting
February 24, 2026
Ordinance No. 29084 & 29085**