



## 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- Repealed effective June 1, 2026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

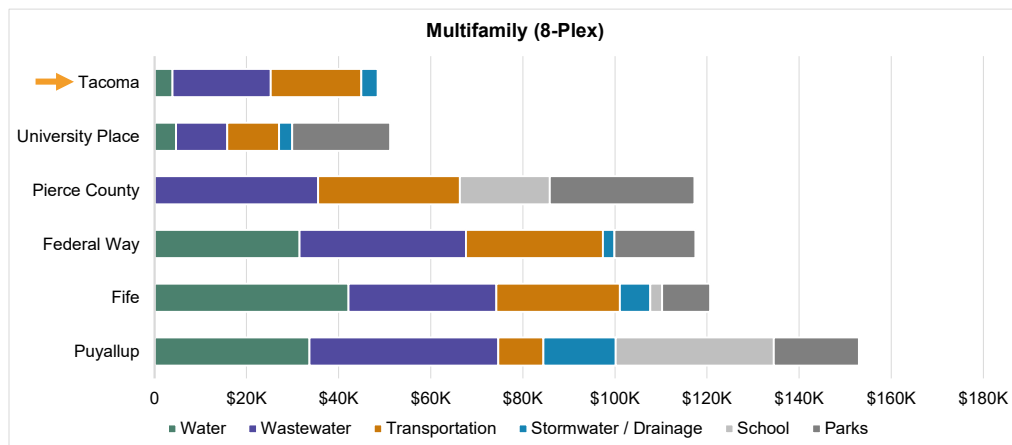


- Establishes SDCs
  - Sets effective date July 1, 2026
  - Establishes charge per sq ft net added impervious surface
  - Establishes payment policy
  - Director will develop an exemptions policy for Council consideration
- Clarifies tie-in w/ Fees-in-Lieu-of Construction
  - Program lets developers 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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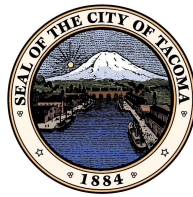
## NEXT STEPS



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

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