



SYSTEM DEVELOPMENT FEE STUDY

Requested Action: Review study. It must be made available for at least 45 days before official adoption. Staff will place the adoption of the study on the agenda at a later date.

SUMMARY

Gavel & Dorn conducted a system development fee study for Boiling Springs and Mr. Eric Medaugh will be attending the meeting to present their study.

A system development fee is defined in the general statutes as: “A charge or assessment for service...imposed with respect to new development to fund costs of capital improvements necessitated by and attributable to such new development, to recoup costs of existing facilities which serve such new development, or a combination of those costs...” [G.S. 162A-201\(9\)](#); *see also* [G.S. 162A-203\(a\)](#). The three definitions of “new development” (aka three triggers for these fees) are:

- Subdivision of land.
- Construction, reconstruction, redevelopment, conversion, structural alteration, relocation, or enlargement of any structure which increases the number of service units. (Service units are a unit of measure for capacity need. They are typically expressed as an equivalent residential unit.)
- Any use or extension of the use of land which increases the number of service units.

For a deep dive into SDF's, review the SOG's blog post [here](#).

[NCGS Chapter 162A, Article 8](#) outlines the specifics of how a system development fee study must be conducted. Gavel & Dorn have followed these requirements and the staff is satisfied with the resulting study.

MATERIALS PROVIDED

- **Gavel & Dorn System Development Fee Study**