



CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

SUBMITTER: Adam Steurer **MEETING DATE:** 03/07/2024
AGENDA SECTION: Public Hearing **DEPARTMENT:** Utilities
TITLE OF ITEM: Water and Sewer System Development Fees (SDFs) – *Adam Steurer, Utilities Director*

SUGGESTED MOTION(S):

I move City Council adopt a System Development Fee Analysis, amend Chapter 52 Article I and II of the City Code of Ordinances, and amend the 23-24 Budget Ordinance to adopt and implement a System Development Fee.

SUMMARY:

Hendersonville City Council directed Staff to further pursue information on water and sewer System Development Fees (SDFs). SDFs are a one-time fee paid by new development requiring water and/or sewer services to recover a portion or all of the cost of constructing water and/or sewer system capacity. The fees can also be assessed to existing development requiring increased system capacity. In general, SDFs are based upon the costs of current and/or future utility infrastructure including, but not limited to, water supply facilities, treatment facilities, effluent disposal facilities, and transmission mains. SDFs serve as the mechanism by which growth can “pay its own way” and minimize the extent to which existing customers must bear the cost of facilities that will be used to serve new customers. Currently, the City does not assess SDFs and therefore does not recover the cost of providing water and sewer capacity from new development connecting to the utility systems.

Staff have worked with the qualified financial professional consulting firm, Stantec, to explore various SDF scenarios and impacts. Stantec has prepared a SDF Fee Analysis Report, which has been posted on the City’s website for public comment. No public comments were received.

BUDGET IMPACT: N/A

Is this expenditure approved in the current fiscal year budget? N/A

If no, describe how it will be funded. N/A

ATTACHMENTS:

DRAFT Water and Sewer System Development Fee Ordinance
Water and Sewer System Development Fee Analysis Report