

STAFF MEMORANDUM

TO: Board of Mayor and Aldermen

FROM: Ryan LaMunyon | AGM-Reclamation
Dan Allen | ACA; GM-Spring Hill Water *DEA*

DATE: 08/10/2026

SUBJECT: 26-XXX: Nelley's Cafe-Request for Additional Sewer Capacity Allocation

STAFF RECOMMENDATION:

That BOMA deny the request for additional sanitary sewer capacity associated with the proposed expansion of Nelly's Italian Cafe at 5441 Main Street.

BACKGROUND:

Nelly's Italian Cafe has requested approval to expand its existing restaurant at 5441 Main Street from 38 seats to 70 seats, an increase of 32 seats. The proposed expansion would increase the sanitary sewer demand associated with the existing approved use.

The applicant submitted an engineering memorandum prepared by M2 Group, LLC evaluating the anticipated wastewater demand for the expansion. Using the City's adopted Appendix C wastewater loading criterion of 35 gallons per day per restaurant seat, the additional 32 seats result in approximately 1,120 gallons per day of additional design wastewater flow. The engineering memorandum also considers historical water usage and indicates that actual wastewater generation may be lower than the City's design loading calculation.

The City evaluates sewer capacity requests under the framework established by Ordinance 25-29, adopted January 5, 2026. Section 3 provides that development or building permit applications requiring sewer service may only be approved when the resulting wastewater flow is equal to or less than the existing or previous wastewater flow unless additional sewer capacity has otherwise been allocated. For consistency in evaluating capacity requests, the City's allocation program relies on the adopted design loading criteria in Ordinance 25-29 and Appendix C rather than historical usage alone.

Because the proposed expansion would increase wastewater flow above the restaurant's existing approved use, an additional sewer capacity allocation is required. Spring Hill Water has determined that sufficient wastewater treatment capacity is not available to support the requested increase while the City remains subject to the sewer moratorium and TDEC Consent Order WPC2025-0093. Staff therefore recommends denial of the requested additional allocation. The existing restaurant may continue operating within its currently approved seating capacity, and the applicant may submit a future request if additional wastewater treatment capacity becomes available or the City's sewer allocation framework is amended.

FINANCIAL IMPACT:

No direct City expenditure or budget amendment is associated with this recommendation.

SUPPORTING DOCUMENTS:

Resolution 26-XXX regarding the sewer capacity allocation request for Nelly's Italian Cafe; Ordinance 25-29; TDEC Consent Order WPC2025-0093; M2 Group, LLC engineering memorandum regarding anticipated wastewater demand for the proposed expansion; City Appendix C wastewater loading criteria