

Fee seen as a bar to new business

By DALE P. FAULKNER / Sun Staff Writer | Posted: Monday, February 20, 2012 9:00 am

WESTERLY - An impact fee assessed for anticipated sewer system use is drawing criticism as a hindrance to new business.

Patricia Isted, who is developing the Twisted Vine Wine Bar at 3 Canal St., recently asked the Town Council to review the fee and how it is administered and disclosed to those opening new businesses in the town. Isted said that while she had a vague memory of the fee from a discussion with an established business owner, it came as a surprise when she was informed that she would have to pay more than \$7,000 before she could get the building permit she needed to start work at her Canal street site.

"I know for myself and I'm sure for many other business people that are coming into the community, it is a financial hardship. In the beginning when you're trying to open a business you're budgeting every nickel," Isted said.

Paul Corina, Westerly Utilities superintendent, said the fee is based on national standards that assume a 10-seat restaurant is responsible for 700 gallons of wastewater daily. The local fee was established by a town ordinance in 2004, replacing a \$1,200 flat fee that had been levied previously.

The fee is based on a \$2.66 per gallon charge. In addition to restaurants, other new businesses and new homes are also assessed a one-time impact fee based on flow projections. For restaurants the fee amounts to about \$186 per seat.

Money collected from the fees is used for capital projects and infrastructure improvement.

Isted said she was pleased to learn that she could pay the fee in increments according to a payment schedule established with Town Manager Steven Hartford. She described herself as an environmentalist and stressed that she understood the need to keep the system running properly to ensure clean water, but she asked the council to review the fee with an eye toward making it easier on new businesses.

The Town Council gave Hartford the authority to enter into payment agreements for the fees with new businesses. Within the past 18 months, Hartford said he had established about five payment plans.

Lisa Konicki, Greater Westerly-Pawcatuck Area Chamber of Commerce executive director, discussed the impact fee with the Economic Development Commission recently and asked the commission to consider pushing to have it removed. In a recent interview Konicki said the fee is a deterrent to new businesses, particularly restaurants and cafes.

Hartford agreed that the town should review the impact fee. As the Town Council prepares to start its budget negotiations he said he hoped to present the council with a three- to five-year history of the fee and the amount of money it has generated. If the fee was eliminated, Hartford said officials would have to find another way to raise money for capital projects and infrastructure improvement.

"We definitely don't want to stand in the way of the development of new business opportunities in the town but we also have to be mindful of the hard facts and how to fund the system. There are real infrastructure needs that have to be addressed," Hartford said.