

Frequently Asked Questions: The Truth about Restaurants & Connection Charges



Have you ever heard that sewer connection charges are the reason there aren't more quality, sit-down restaurants in Hazel Dell, Salmon Creek and other areas? This perspective is somewhat common within the community, but not true. To provide accurate information, we have prepared answers to the most commonly asked questions on this topic.

Are District sewer connection charges higher than others?

The District offers sewer connection charges that are in the mid to lower range in our region. In fact, the south end of Hazel Dell has the lowest connection charges in the whole county. Connection charges are in the mid-range throughout most of the rest of District's service area.

Connection charges:

Tier 1 - South of 78th St along NE Hazel Dell Ave and NE Hwy 99 \$1,720/ERU
(areas flowing to Vancouver Treatment Plant)

Tier 2 - Felida, Salmon Creek, Brush Prairie, Orchards, Fairgrounds..... \$4,708/ERU
(areas flowing to Salmon Creek Treatment Plant)

Tier 3 - Ridgefield service area... \$7,550/ERU
(areas flowing to Ridgefield/Salmon Creek Treatment Plant)

What is an ERU?

ERU stands for "equivalent residential unit" and is based on the number of seats in the restaurant. For a high-turnover or fast food restaurant, one ERU is calculated for every 12 seats. The District has a special quality restaurant category that reduces the ERU value if certain criteria result in lower customer turnover.

Do sewer connection charges keep investors from opening restaurants in Hazel Dell?

Sewer is not cheap, but it is a relatively small piece of the overall costs of developing a new restaurant - about 5% for a restaurant in a new building. Sewer is only one component of all of the development-related fees (sewer, water, stormwater, traffic). Sewer connection charges actually only account for approximately 10% to 20% of all public service development fees and charges. In addition, Quality restaurants pay lower sewer connection

charges than standard or fast food restaurants with higher turnover rates. Quality restaurants serve fewer people than fast food and standard restaurants because patrons tend to stay longer. This means these restaurants produce lower amounts of waste and pay lower fees accordingly.

What is the District doing to help support and promote restaurants in the area?

In addition, District has implemented some policies to help promote business in general and restaurants in particular, including:

- **Lower charges in Tier 1 and Tier 2** - connection charges were lowered in 2013.
- **Offering financing** of connection charges for commercial properties. This softens the point of entry for new businesses of any type by allowing fees to be paid over a period of time, rather than all up front.
- **Vesting charges** - This policy supports redevelopment. Properties can redevelop once connected to the sewer. For example, if a property owner pays connection charges for a particular use (such as office space) and later decides to change to a different use (such as a new restaurant), the new connection charges will be lower to take into account the charges paid for the previous use.
- **Discounts for quality eateries** with turnover rates of one hour or more. Quality restaurants now see a 31% reduction in connection charges and monthly service fees over other types of restaurants.

What is the real reason there aren't more restaurants in Hazel Dell and other areas?

Many parts of the Hazel Dell area originally developed more than 50 years ago. Some of these areas are in need of revitalization. When reinvestment takes place, investors are willing to bring new opportunities to the area. For example, when the 78th Street area between I-5 and Hazel Dell Avenue redeveloped, several new restaurants and other businesses came to our community. This trend will continue as additional areas are developed and revitalized.

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