



**Response to the
Seattle City Council's
Statement of Legislative Intent
48-1-A-1**

Department of Finance and Administrative Services
September 23, 2011

Business Permit & Licensing Review

- In the fall of 2010, the Seattle City Council issued a Statement of Legislative Intent requesting that the Department of Finance and Administrative Services (FAS) lead an interdepartmental team to report on the following:
 - Identify and categorize all City-issued licenses and permits required to open and operate a business in Seattle;
 - Analyze the original purpose of each license and permit requirement and analyze whether the license or permit continues to achieve its intended purpose;
 - Identify any opportunities for consolidation or change of licensing and permitting requirements; and
 - Establish a scope for analyzing the feasibility of developing a one-stop license and permit service that the City would implement, including what staff resources would be needed to do the analysis and a timeline for the analysis

Interdepartmental Team

- In response to the Council's request, staff from FAS convened an interdepartmental team composed of representatives from the:
 - Department of Planning and Development (DPD)
 - Seattle Department of Transportation¹ (SDOT)
 - Seattle Fire Department (SFD)
 - Seattle Public Utilities (SPU)
 - Office of Economic Development (OED)
 - Seattle/King County Public Health (S-KCPH)

Opportunities for Consolidation or Change of Licensing/Permitting Requirements

- A multitude of licenses/permits *may be required* to operate a business in the City.
- It all depends on *what type of business is being conducted* and *whether there are changes of use or occupancy* to the business location.
- As a result, all, some or very few of the licenses/permits identified may be required.
- Based on staff input, there do not appear to be opportunities for consolidation of permitting requirements due to the discrete nature and purpose of the various permits.
 - Some are intended strictly to generate revenue; others are intended to protect the public health, safety and welfare; while others are intended to manage the City's public right-of-way in order to deliver a safe, reliable, efficient and socially equitable transportation system.
- Potential opportunities might exist in deregulating some of the regulatory licenses issued by FAS where there are only a handful of licenses issued. However, more thorough analyses related to the risks and policy implications of any deregulation need to be conducted before any are recommended for deregulation.

Feasibility of One-Stop Licensing and Permit Service

- Due to the discrete nature and purpose of the various licenses/permits and the cost impacts and staffing challenges of establishing a physical one-stop license/permit service, it is recommended that the City consider a technological solution to assist business owners in determining permits, licenses, and other inspections or plan reviews that may be required.
- Proposed technological options:
 - Develop online Business Assistance Memos for 10-20 of the most common types of businesses needing permits.
 - Initial costs: approximately \$150,000
 - Develop an industry-specific web-based checklist.
 - Initial costs: approximately \$330,000
 - Develop an on-line portal, similar to New York City's "Business Express" permitting wizard. After business owners input basic information about their business, they receive assistance in determining permits, licenses, and other inspections or plan reviews that may be required.
 - Costs: approximately \$1.5 million per type of business

Recommendation

- Acknowledging current economic conditions and understanding that the City is probably not in a position to commit the level of funding to develop an on-line portal similar to the New York City permitting wizard, it is recommended that the City conduct an industry-specific feasibility study related to the restaurant industry.
- This study would take a closer look at licenses and permits related to opening a restaurant and determine whether the identified licenses and permits could be consolidated as part of the approval process for a restaurant.
- During the initial stage of this work, FAS would redirect the responsibilities of an analyst to coordinate the project. Staff time would be required of OED, DPD, SFD, SDOT, and S-KCPH as well.
- At some point in 2012, outside consulting services that are currently unbudgeted might be required to assist with permit process mapping.
- If it is decided to continue toward a one-stop technology solution for the restaurant industry, additional resources would be required to design the online portal and develop it.