



City of Seattle
Office of Economic Development

Memo

Date: July 3, 2012

To: Councilmember Sally Clark
Councilmember Tom Rasmussen
Councilmember Richard Conlin
Councilmember Jean Godden

CC: David Yeaworth, Legislative Assistant to Councilmember Sally Clark

From: Steve Johnson, OED

Re: Restaurant Permit Improvement Process - Update

This memorandum provides background and a progress-to-date report on the City's efforts to make opening a new or modifying an existing restaurant more transparent and efficient.

Background:

In response to Statement of Legislative Intent (SLI) 48-1-A-1 the Department of Finance and Administrative Services (FAS) inventoried and categorized all City-issued licenses and permits required to open and operate a business in Seattle. The SLI recommended mapping the current process to open a restaurant in the City of Seattle.

The Executive decided to move forward with this recommendation and fund the mapping of permitting a restaurant. The restaurant industry was chosen because of the complexity of the permitting and regulatory process. In addition, restaurants are:

- The most frequent type of new business license issued
- Regulated on the City, County and State levels
- Permitting a restaurant interfaces with more departments than other business types
- There are a higher number of immigrant and minority entrepreneurs than in other industries

Work to Date:

Through interviews with subject matter experts in the City and the County, all of the touch points a new restaurant must interface with were identified and catalogued. This information was broken down into what permits were required, what triggered the requirement, what agency issues the permit, and when possible, the cost of the permit.

Coincidentally, in 2011 the State partnered with the King County Health Department and the Washington State Restaurant Association in outreach to restaurants to identify "pain points."

They held several focus groups in a general discussion of what the biggest issues they faced in the opening their restaurant. In late April, OED met with the State Department of Commerce and the Governor's Office of Regulatory Reform to exchange information on our respective initiatives. We have had several meetings to share our information and as a result have included the State's requirements in the matrix of all permits and requirements. Going forward there is interest by the three levels of government to partner in this effort of making opening a restaurant in the Seattle easier, reducing redundancies and eliminating conflicting requirements.

Last Friday, the City and the State are conducted a focus group with five restaurant consultants in an exercise to map an optimal pathway through the process and provide timelines to each step.

Outreach in the 3rd Quarter of 2012:

Staff from OED, the Department of Commerce, and the Governor's Office of Regulatory Reform will be conducting additional outreach to Seattle restaurants. The intent of this outreach is to:

- Validate the previous input is still relevant
- Identify top priorities for process assistance and educational tools
- Identify what "better" and "best" look like
- Identify specific code and requirement conflicts across the agencies

This outreach will help inform us which improvements are the highest priorities for the restaurant industry. It is important to hear their voice to make sure we are truly making a difference for them based on their needs. A final set of recommendations will be presented in September and will be based on their priorities and ranked from the lowest to highest "hanging fruit."

Emerging Recommendations:

Much of what dictates the requirements and permits for opening a restaurant are the City's Land Use Code, International Building Code, International Fire Code, and the State's Health Code. It is not the intent of this project to recommend changes to codes that ensure health and life safety; all agencies will continue to make health and safety their highest priority.

By looking at the process across agency lines, "chunking" begins to appear. This occurs when you have similar requirements across different agencies. The following are surfacing as areas where improvements could occur:

- Licensing: Consider consolidating all the licensing in one location. Other cities have partnered with the State and the State issues a State business license at the same time it issues the license for the city. This would work for all of the on-line or over the counter business license.
- Sharing Existing Educational Material: Provide all existing materials and tools at all major agency contact points both in paper format and on the web sites.
- Inspections: There are multiple inspections from multiple agencies. This is very confusing for the applicant. They do not know who to call or for what and one agency looks like the other in their mind. It is all government. Creating a map or directory of all inspections needed and why and make it available across agency contact points. Consider a long term goal of having one agency make all the inspections.

- Land Use Code, Establish or Change of Use Permits: A “Use” permit is needed to establish or change the use of a building. In other words, if it was a retail space in the past and a new restaurant in moving in they must change the use of the space. This can be confusing and onerous for the restaurant owner. The City should consider a simpler system that still has the necessary safeguards.
- Floor Plans: At least four different agencies require the applicant to submit a floor plan. Each agency has slightly different floor plan requirements. A single floor plan with all the collective requirements should be considered.
- Conflicting Requirements: Many respondents from the State’s outreach effort indicated that different agencies had differing requirements for the same thing. More work will be done this summer to identify and align the differences and create a consistent standard.
- Education: Develop a set of high and low tech tools to help educate the applicant on the process, the requirements, the codes and regulations and timelines. Specifically target hard to reach populations. Consider tools specific to the restaurant industry as opposed to permitting or starting a business in general.

Next Steps:

The targeted outreach that the City and State will conduct this summer will further flesh out the above recommendations and have more detailed recommendations on how to educate and better facilitate the processes for the restaurant owner. Once completed there will be additional recommendations for specific low and high tech tools to assist in the process and “big picture” ideas on interagency improvements to eliminate the redundancies.