



**City of Seattle**  
Office of Economic Development

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**Memo**

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**Date:** September 7, 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, Director, Office of Economic Development

**Re:** Mapping the Restaurant Permit Process

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**Background**

In response to Statement of Legislative Intent (SLI) 48-1-A-1 the Department of Fleets 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
- The industry employs 10% of the State's workforce population and generates \$10.4 billion in sales.

In March OED presented our approach to the task and in July we provided a brief status update.

The purpose of this briefing is to deliver the recommendations for moving forward with the task of making opening a new or modifying an existing restaurant more streamlined and transparent.

**Feedback from the Industry**

Outreach was conducted on a number of levels to reach our recommendations. Focus groups were held in 2011 in collaboration with the State of Washington, King County and the Washington State Restaurant Association and the City of Seattle's consultant conducted

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interviews with eight restaurant consultants and 20 restaurateurs. Feedback received from the industry was very consistent:

- Provide materials such as a roadmap and series of checklists to help guide them through the process.
- Create a master application through a shared State, City County data base eliminating the need to input the same information on countless forms and applications throughout the permitting process.
- Shift our approach from an enforcer mentality to one of problem solving.
- Provide a concierge service to assist the applicant through parts or all of the process and to be able to assist across agency lines.

We also benchmarked 12 other cities across the United States, all of similar size or larger than Seattle. Of those, six provided no business specific permitting assistance and there was a wide range of assistance in the remaining six cities. Only Los Angeles and New York target the food and beverage industry and provide a high level assistance to future restaurateurs. New York has an on-line “wizard” tool which identifies all of the permits needed to open any business and they have created a New Business Acceleration Team (NBAT) which assists specific types of new businesses through the various processes and regulations. Los Angeles employs four Hospitality Case Managers specifically for food and beverage establishments and is adding two additional staff next year.

### **What Can Seattle Do?**

#### Near-Term in 2012

- Share educational materials – Since the process of opening a restaurant doesn’t have a specific starting point, it would be helpful to have all educational materials readily available at all of the agencies both in printed and electronic form. This would give the prospective applicant some idea of the regulatory world in front of them.
- Create a checklist of permits and inspections – There are over 25 possible permits from the City of Seattle and King County and over 60 inspections required.
- Improve customer service – An increased emphasis on customer service is needed to ensure that the agency’s customer service philosophy is being applied at all points of contact in the process.

#### Mid-Term in 2013

- Create a road map – Much of the work on creating a roadmap has been completed through this project and in cooperation with the State and the County. This needs to be formalized, published and widely distributed.
- Consolidate floor plan requirements – Four different agencies require floor plan submittals. It would be helpful to consolidate this into a single submittal.
- Align conflicting requirements across agencies – There are eight different codes or sets of requirements that a new restaurant must adhere to. Some of these are in conflict with each other. Through focused work these inconsistencies can be identified and solved.

#### Long-Term 2014-2015

- Implement a concierge service – If we could do one single thing to assist this industry to stimulate the economy and provide more jobs it would be to provide a concierge service. Each of the agencies involved have done a good job of streamlining their systems within their silo. But there is no cross-silo communication or information sharing. A case manager could connect all of the silos and move them through the process more quickly.

- Create a “wizard” electronic tool – To compliment the case managers, creating an electronic tool for education and outreach would reduce time and costs. A component of this tool would develop a shared data base across agencies that would populate all forms, applications, licenses and permits eliminating redundancy.
- Consolidate inspections – With over 60 possible inspections, the agencies need to work together to consolidate inspection efforts and reduce the number of inspections and inspectors.
- Re-evaluate the Change or Establish Use provision in the Land Use Code – Parking requirements were the main driver for the “Use” provision in the Land Use Code. Parking requirements have since been eliminated. A simplification of the Code should be addressed.

### **Next Steps**

Some of the lower impact recommendations should be completed, such as sharing materials across agencies and creating and distributing a published roadmap and comprehensive checklist of permits and inspections. Much of the background information gathering was accomplished as part of this project and all that remains is formatting and publication.

However, as previously noted, the most dynamic, effective and helpful change the City could make would be to provide a concierge service for prospective restaurant owners. Through this service many of the other mid-term improvements would be accomplished through that service.

Clear prioritization and the resources required to implement the appropriate recommendations require direction from the Executive and Council. OED looks forward to working with you and the departments to clearly lay out a plan for moving forward.