



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2008 DEC 11 PM 4:34

CITY OF OAKLAND
CITY COUNCIL

To: Members of the CED Committee
From: Elinor Buchen, Legislative Analyst
Date: December 16, 2008
Re: **Business Assistance Center**

This report outlines Councilmember Brunner's proposal for an Oakland Business Assistance Center.

SUMMARY

The proposed Oakland Business Assistance Center (the Center) would be a visible, easily accessible, one-stop shop for businesses to get the assistance they need to operate a business successfully in Oakland. The Center would be located on the ground floor of 250 Frank H. Ogawa Plaza. The proposed goals of the Center are:

1. To welcome all new businesses to Oakland and provide them with information on how to start, finance, and run a small business in Oakland, as well as provide referrals to our network of business support organizations.
2. To guide new and existing businesses through the necessary City processes including making appointments with staff in other departments and providing detailed information about city requirements and processes.
3. To advocate and facilitate inter-departmental solutions for businesses that encounter difficulties with City policies or processes.

The Center would be staffed by two customer service oriented City employees with experience working with small businesses. The recommendation is to direct staff to return with a complete plan, including a marketing plan for the Center.

BACKGROUND

Small businesses are the engine of Oakland's local economy. Ninety percent of Oakland businesses employ 20 or fewer employees (according to data from

Demographics Now). Successful local businesses mean more job opportunities for Oakland residents. With the current downturn in the economy, it's a critical time for the City to focus on assisting new and existing small businesses to thrive in Oakland.

The idea for a center to assist small businesses has been discussed for a number of years. The Mayor's Small Business Task Force recommended the creation of a Business Assistance Center in their report and City staff has included a description of a Business Access Center in their Economic Development Framework report. This report is intended to provide the Council with Councilmember Brunner's vision for the development of a new Business Assistance Center in Oakland and to direct staff to return with a complete plan for the Center.

Outreach

In researching this proposal, Councilmember Brunner and staff conducted meetings with local businesses, including the leaders of the Mayor's Small Business Task Force, as well as with staff from the Economic Development divisions as well as representatives from the Fire Department, Building Services, Planning and Business Tax, to find out what services should be provided to small businesses in a Business Assistance Center.

Small business owners often have very limited time and are often unfamiliar with City processes and requirements. As a result, many of them become frustrated when trying to obtain the permits or inspections required by the City. Many businesses also felt helpless when they ran into obstacles and felt that they needed an ally to help resolve issues. Economic Development staff noted that often businesses were not aware of the services or resources that the City has to offer. Staff and businesses both stated that small start-up businesses need a lot of assistance, from business plan counseling, to sources of capital, to training, but not all of those services should be provided by the City.

Other Cities

Councilmember Brunner, Gregory Hunter, Deputy Director of Redevelopment and Economic Development, Michael McPherson, Urban Economic Analyst, and Elinor Buchen, Legislative Analyst also conducted visits to other cities to learn about their programs to assist businesses. Elements of the programs in the following cities have been incorporated into this proposal.

San Jose has a Small Business Ambassador program. The Small Business Ambassador is a planner within the Planning Department who is assigned to work specifically with small businesses. The Ambassador sits down to meet individually

with businesses to prepare for and navigate the development review and permitting process successfully. The Ambassador also coordinates interdepartmental meetings to resolve issues that come up during the planning process.

San Francisco recently created the Small Business Assistance Center (SBAC) through a ballot measure in November 2007. The SBAC is located in the Treasurer's Office where businesses come to pay their business license tax. At the SBAC, business counselors sit down with new and existing businesses to determine what their needs are. Counselors refer them to the right city staff and make phone calls to help them if they are having trouble. They track their client interactions using Salesforce.com, a web-based database system, to track interactions with clients, save and organize information for businesses, and send out surveys to clients. The SBAC staff also work closely with their network of Neighborhood Economic Development Organizations to refer businesses to the right non-profit for more intensive counseling and/or technical assistance.

KEY ISSUES AND IMPACTS

Objectives

The purpose of the Oakland Business Assistance Center (the Center) is to create a visible, easily accessible, one-stop shop for businesses to get the assistance they need to operate a business successfully in Oakland. The three main objectives of the Center would be:

1. To welcome all new businesses to Oakland and provide them with information on how to start, finance, and run a small business in Oakland, as well as provide referrals to the City's network of business support organizations.
2. To guide new and existing businesses through the necessary City processes including making appointments with staff in other departments and providing detailed information about city requirements and processes.
3. To advocate and facilitate inter-departmental solutions for businesses that encounter difficulties with City policies or processes.

Staffing

The BAC would be staffed by two business liaisons. Both positions would be responsible for meeting with businesses. One staff person (an Urban Economic Analyst IV) would oversee the other staff person (likely an Urban Economic Analyst I or II), manage relationships with other departments and business service

organizations, and generate necessary reports. The Urban Economic Analyst IV business liaison would report to the Economic Development Manager.

The selection, training and management of staff for this center are critical to the effectiveness of the Center. Business liaisons must have a significant knowledge of the City of Oakland, and specific knowledge of the requirements for businesses. Staff must also have knowledge about small businesses and ideally have worked for or owned a small business. Staff must have a customer-service orientation as well and focus on delivering quality customer service to business clients.

Operations

The Center would serve all types of businesses, but would especially be geared towards small businesses. Larger businesses seeking more intensive business services would be referred to the Economic Development staff person who serves that particular sector.

Business liaisons would conduct one-on-one consultations with businesses to determine what their needs are and what the best path would be for each client. Businesses can access the Center's services by walking in to the ground floor location, by calling or emailing the Center, or through the City's website. Business liaisons should offer the following services:

1. Appointments

- a. Once a business has determined what department they need to work with, business liaisons may be able to make appointments with necessary staff through the Center. The Center would include space for appointments to take place. The following departments or divisions would coordinate with the Center Supervisor to identify an on-call staff contact for the Center and to create a system for communicating about small business needs: Economic Development, Planning, Zoning, Building, Fire Inspections, Business Tax, Code Compliance, Commercial Lending, Tenant and Façade Improvements.

2. Referrals

- a. For City departments that may not be able to coordinate appointments through the Center or for clients who do not wish to make an appointment through the Center, business liaisons would offer referrals to the relevant staff person and provide them with a list of requirements. Business liaisons would follow-up on referrals.

- b. For training, loans, more in-depth counseling and technical assistance, business liaisons would provide referrals to non-profit Business Service Organizations (BSOs). Staff must have an understanding of the approximately 60 BSOs that serve local businesses. It would be the Urban Analyst IV's responsibility to keep in contact with BSOs and ensure that staff are trained in the services and processes that these organizations offer, the types of businesses that they serve and the process for receiving those services.

3. Advocacy and Facilitation

- a. When businesses encounter difficulties with City policies or processes, business liaisons would follow- up with City staff on behalf of businesses.
- b. When businesses encounter conflicts between the requirements of different departments. Business liaisons would set meetings to facilitate inter-departmental solutions for businesses. This would require coordination and cooperation from the departments listed in section 2A.

4. Information:

- a. The Center would offer basic informational materials about City, County and State requirements and resources, and collateral materials from other business service organizations about their services.

PROGRAM COST

It is estimated that the Business Assistance Center would cost between \$147,000 and \$414,000 for Fiscal Year 2009-2010 depending on which of the two following scenarios Council decides to pursue.

Scenario 1:

Two existing Economic Development staff could be re-assigned to work in the Center. This scenario does not require additional staffing costs.

Cost Estimate: Scenario 1	
Operational Costs	\$77,000
Build out (one time cost)	\$70,000
Total cost for Year 1	\$147,000

Scenario 2:

Two new positions would be added to staff the center.

Cost Estimate: Scenario 2	
2 business liaisons (one Urban Economic Analyst IV and one Urban Economic Analyst II)	\$267,000
Operational Costs	\$77,000
Build out (one time cost)	\$70,000
Total cost for Year 1	\$414,000

There is funding available in Central District Operations Fund for the build out and a portion of the operating costs. The remaining funds could be generated through small increases in the registration fee for new businesses, and/or increases in the zoning, building and fire permitting fees. Staff could also pursue State and Federal funding opportunities for the Center.

INFORMATION TRACKING

The Center would use Salesforce.com, a web-based client tracking database system to track interactions with clients, save and organize information for businesses, and share information with other Economic Development staff. The database could be used to create customized "road maps" of city requirements for different types of businesses. Salesforce.com should also be used to generate surveys for businesses that have been served to evaluate customer service and effectiveness of the Center.

SITE

The Center would be located in a currently vacant space on the ground floor of 250 Frank H. Ogawa Plaza. The office should include clear signage, a reception counter, cubicles for business consultations and appointments with staff, as well as an enclosed conference room for meetings and consultations.

RECOMMENDATION

It is recommended that Council review this proposal, make recommendations regarding funding, staffing and services and direct staff to return with a complete plan for the Business Assistance Center, including a marketing plan.