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OFFICE OF THE CITY CLERK  
OAKLAND

# AGENDA REPORT

2012 SEP 27 AM 11:49

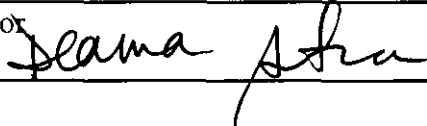
TO: DEANNA J. SANTANA  
CITY ADMINISTRATOR

FROM: Fred Blackwell

SUBJECT: "Open for Business" Pledge

DATE: September 19, 2012

City Administrator  
Approval



Date

9/24/12

COUNCIL DISTRICT: City-Wide

## RECOMMENDATION

Staff recommends that the City Council adopt:

A Resolution Adopting the East Bay Economic Development Alliance's "Open for Business" Pledge

## EXECUTIVE SUMMARY

The East Bay Economic Development Alliance (EBEDA) and its member jurisdictions have developed an "Open for Business" pledge (*Attachment A*), which cities, counties and other public agencies have been asked to adopt in affirmation of a commitment to maintaining a business friendly environment. Key points of the pledge include excellent customer service from all departments, permit streamlining, and creative financing or fiscal incentives to grow business investment, revenue, and jobs.

In the current economic downturn, the hardship experienced by business has had a direct impact on municipalities through reductions in property tax revenues, local business license and sales tax revenues, and the loss of local employment. The loss of redevelopment programs has further hindered cities' ability to provide direct business support. All businesses, and particularly smaller ones with fewer resources, need to be able to focus their energies on serving their customers rather than interacting with government.

Being business-friendly means that state, county and city governments are customer-driven in their interactions with businesses, that government processes are rational, predictable, understandable and timely, and that public and private economic development agencies help businesses thrive and create good quality jobs.

The attached resolution confirms the City's support of business friendly principles to: 1) recognize economic development as a priority; 2) commitment to provide quality municipal

Item: \_\_\_\_\_

Community & Economic Development Committee

October 9, 2012

services to the business community; 3) responsive to business needs; and 4) affirm the City's commitment and engagement in regional economic development efforts. The adoption of the Open for Business pledge will encourage further discussion of how the City can support economic development activities, business investment, growth of revenue and jobs in Oakland, and the implementation of improved customer service practice at the department level.

### **OUTCOME**

Adoption of the pledge by the City Council will signal a commitment to reviewing existing procedures and policies to maximize the ease of compliance by local businesses, and to promote enhanced customer service within key City agencies such as Planning and Building Services, Police, Fire Services, Economic and Workforce Development, Public Works, Neighborhood Investment, Housing and Community Development – Commercial Lending, the City Administrator's Office, and the Business License Tax Office.

### **BACKGROUND/LEGISLATIVE HISTORY**

The City of Oakland is an active member of EBEDA, a member-based organization representing jurisdictions in Alameda and Contra Costa. As a result of the recent assessment of the East Bay Regional economy (*Building on our Assets: Economic Development and Job Creation in the East Bay*), the EBEDA Board of Directors and its Economic Development Managers Council are focusing on four strategic initiatives to improve the East Bay region competitiveness: Business Climate; Education & Workforce Development; Infrastructure, Transportation & Land Use; and Innovation & Marketing.

The Open for Business Pledge was developed by the member cities as a way to improve and support a common friendly business climate. The Open for Business Pledge has already been adopted by thirteen East Bay Cities which have committed to continuing to improve their business environment to attract new businesses and help expanding businesses to locate in the East Bay.

The Pledge does not commit any City to dedicate resources or to revise any specific administrative processes.

## ANALYSIS

### "Open for Business" Pledge

- *To provide senior management leadership and support for permit streamlining and empower the staff to act administratively.*
- *To conduct periodic reviews of our practices to ensure that we are current with changes in regulations, technology, and codes - including green building codes.*
- *To proactively seek customer feedback regularly, positive and negative, and to respond appropriately.*
- *To provide transparent, easy to understand fee schedules and applications online.*
- *To provide staff with training in order to achieve high levels of consistency related to permitting.*
- *To provide clear guidance on project schedules and milestones early in the process and to strive to meet to that schedule.*
- *To respond to all communication, whether phone, email, written or in-person, within 2 business days.*
- *To share best practices amongst East Bay EDA's localities.*
- *To recognize exemplary operations and staff, both internally and externally to the organization*

The Office of Economic and Workforce Development recommends that the Oakland City Council adopt the Open for Business pledge for several reasons:

- The City of Oakland is underway with a development of an Economic Development Strategy. A pledge to be a "friendlier and efficient city" is important to attracting new businesses as well as supporting existing businesses.
- The Open for Business pledge is a positive statement about the City, demonstrating to customers, residents, and existing and prospective businesses that the City is committed to efficient and effective business development services.
- As the largest city in the East Bay, Oakland should show leadership.
- Economic development has been noted as one of the City Council and City Administrator's priorities. The Open for Business pledge is a good mechanism to reaffirm this priority.

Recent business climate initiatives in the City of Oakland include the creation of the Business Assistance Center which monthly serves over 400 businesses; continued coordination with over 25 Oakland business service providers, collaboration with Inner City Advisors and the Oakland Metropolitan Chamber of Commerce on key business attraction and expansion efforts, and creation of the Oakland Retail Advisory Taskforce and the Oakland CBD/BID Managers Forum with the Chamber. The City has also completed the citywide zoning update, developed four Specific Plans, and implemented the Green Building Ordinance. The establishment of the Office

of Economic and Workforce Development is also significant in that business development activities are now directly related to the Office of the City Administrator and better coordinated with Workforce Development and Marketing Services.

#### **Review of the Open for Business pledge**

The City Administrator directed key City departments and units whose work affects Oakland businesses to meet prior to the presentation of the pledge to the City Council, to review the pledge, identify current or past efforts in support of the pledge, and determine which activities can be improved. The meeting was facilitated by Assistant City Administrator Fred Blackwell and staff from the Office of Economic and Workforce Development. The proposed pledge focuses on four general themes: leadership and management; best practices; organizational transparency and technology; and communication.

Overall, staff concluded that the pledge activities were important to demonstrating the City's commitment to business development and that the activities were achievable over time. Staff identified some challenges and questions but did agree overall that the Open for Business pledge is important. All agreed that it would be beneficial to continue to meet and work on business climate initiatives.

#### **Leadership and Management**

The City Administrator has identified public safety and economic development as priorities. Overall staff agreed that it would be important for each agency to have a contact for economic development/business cases that might require a coordinated multi-departmental action. Economic Development staff will be following up with each agency participant to identify key contact. Economic Development staff will act as the key business liaison and when necessary will bring key business development cases to the City Administrator's Senior Staff meeting. The Building Services Division has undergone substantial review of its management and processes, and the Building Services Improvement Taskforce recommended key areas for improvement that can position the division to provide more timely and predictable development services processes. The recommendations are in line with the pledge. Both Building Services and Planning & Zoning staff reviewed examples of opportunities to increase the use of ministerial decision-making on applications, reducing permits process time and costs. OPD discussed how Problem Solving Officers are working in conjunction with Neighborhood Services Division staff.

#### **Best Practices: Municipal Business Development Services**

Building Services has had consultants review its performance practices in comparison to a number of other cities (Anaheim, San Jose, Sacramento among others), with a positive conclusion that that division is undertaking local best practices in many areas. Planning and Building together undertook major revisions to the Building Code to encourage and mandate levels of green building construction. Planning has completed a multi-year Zoning Update and seen through the adoption of the Green Building Ordinance.

Item: \_\_\_\_\_

Specific Planning Department streamlining measures included Chinatown ground floor commercial flexibility, Mobile Food and Urban Agriculture regulation reform, and simplified procedure for downtown full service restaurants with bars. The Zoning Update in particular involved significant public participation, and sought to include make more uses permitted outright with specific conditions, rather than requiring more onerous levels of approval.

#### **Organizational Transparency & Technology**

Building Services has undertaken a multi-year effort to adopt new technology from Accela, Inc. to allow more transparency and on-line access in its permitting system. This system will also include Planning application functions and allow applicants to continually monitor project approval status. The Fire Department will also be included in the technology upgrades, so that all three permitting functions shall be internally interactive, with levels of accessibility to the public applicant. The conversion of the current Permit Tracking System (PTS) to Accela's product will be complete by June 2013, allowing the citizen/applicant to have a roadmap of their permit process.

Business License (Revenue Division) has reviewed best practices and models from other cities (including San Jose) to allow for better public outreach, as well as making licenses and related information easily available to Business Licensees. The Public Works Agency has had great success with its participation in the "See/Click/Fix" mobile application, allowing residents and business owners to report public nuisances, blight and dumping in real time through a photo application sent directly to the PWA Call Center for action. The Call Center assigns a tracking number to these cases so the caller may inquire further if results are not achieved. Fire Department is amending the procedure by which they pick up hazardous waste material dumped on the streets so respond to the concerns of the commercial business community, where dumping of such materials is a daily occurrence.

#### **Communication and Marketing**

Overall staff agreed that it is important to provide better outreach materials to the business community in terms of the development process, permits and business services that the City of Oakland offers. The new Accela system will be broadcast and marketed upon its inauguration and thereafter. A Customer Survey is circulated by the Building Department (hard copy, available at the Information Counter). A similar Survey is available at the Fire Department's public Plan Check counter. The Business Assistance Center tracks activities using Salesforce software, and receives responses and feedback from its on-line clients. Economic Development staff will be working with the Marketing Unit to look at ways to provide more information on the City's website and other venues to market city services. In addition, staff recognized that it is important to share the number of advancements that have been made by the City through newsletters, website and publications.

#### **Challenges**

Overall various staff groups expressed willingness and commitment to incorporate the Open for Business pledge in their work areas. Staff did identify some constraints to the immediate

implementation of all pledge activities, but all recognize and value the practices promoted in the pledge. The primary challenges identified included:

### **Fees & Transparency**

While the full Master Fee Schedule is online and available to the public, its complexity requires experience in the interpretation. Often a business may believe it only requires certain permits, only to discover after applications are submitted that it has other requirements as well. Fire Department permits mirror the complexity of Building Permits in some cases, and may need more explanation than what is available on the web. Staff recognizes that it is important to provide clearer information to the public and will continue to work on this issue.

### **Guidance on Project Schedules**

Often permit reviewers find new regulatory requirements arise as additional information is provided by the applicant, and or application s may be delivered incomplete for processing. In such cases, this may obscure the impression of "transparency" and or full up-front disclosure of the fees and permits required.

On major projects with foreseeable lead time, a "roadmap" to the required permits and fees might be possible. One way of addressing could be to revive the past Development Review Advisory Committee (DTRAC) process, which involved staff of various disciplines and skills meeting weekly to preview the more complex incoming projects along with the applicants, making expectations more clear in the early stages.

### **Customer Service/ 48 Hour Response to calls**

Occasionally due to staffing shortages or City business shutdown days, a 48-hour response to all communications is not always possible. However, staff did acknowledge that it is important to acknowledge all inquiries within that timeframe. The See/Click/Fix provides an electronic "acknowledgement." PWA Call Center staff attempts to handle litter abatement complaints within 48-hours and has a tracking number the customer can call. Overall, staff agreed that it was important to acknowledge a business client's inquiry within the 48-hour timeframe and work to resolve as quickly as possible.

### **Best Practices Information Sharing**

Training resources have become more scarce, and with current case loads many staff have not had an opportunity to receive current technical or business customer service training. The City Administrator has recognized this need and has committed to offer more staff access to training webinars. In addition, Economic Development staff will work with Agency Directors to identify private company or public agency individuals that could provide presentations to staff on economic development issues and approaches. In addition, the Office of Economic and Workforce Development will request that the EBEDA provide training and information on best practices in the various disciplines that provide business development services.

Item: \_\_\_\_\_

### **PUBLIC OUTREACH/INTEREST**

Staff encourages the presentation of the "Open for Business" pledge at Chamber and commerce association events, and to business improvement district and merchant organization meetings. The adoption of the pledge should be visible at public service counters, and should be openly publicized on City marketing materials and available in multiple languages.

### **COORDINATION**

Economic development is evolving from being single program managed and controlled by a single department into a much more holistic approach and responsibility shared across many city agencies. Economic development is more often used as a way of thinking about the city and its economy, and requires many different programs and activities to work together. Every Agency in the City contributes to economic development. The formation, expansion, retention, and attraction of enterprises are an outcome of how everyone in a city and region leverages their respective strengths to create advantages for local business. In this way, economic development is a new way to link efforts across all agencies.

### **COST SUMMARY/IMPLICATIONS**

There are no negative fiscal implications to the adoption of the "Open for Business" pledge. It is expected that the adoption could spur the increased attraction of business to Oakland, and thereby increase revenue to the City through licenses, fees, increased property tax and local employment.

### **SUSTAINABLE OPPORTUNITIES**

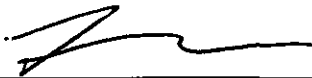
*Economic:* The Open for Business pledge will assist the City in its economic development efforts to increase private investment and development in Oakland. The pledge can assist the City in its marketing efforts to new businesses, and demonstrates to existing businesses that City is focused on quality services.

**Environmental:** Green businesses and sustainable business practices are important in Oakland's economic development efforts. Providing technical assistance, materials and outreach to new and existing green businesses is part of a business friendly city.

**Social Equity:** The growth and sustainability of local businesses, attraction of new businesses, and fostering of a positive environment for new business start-ups and expansion is a critical component of Oakland's efforts to provide more employment opportunities. Job creation is critical to improve the quality of life for Oakland residents. Committing to providing a business friendly environment can assist efforts to grow and sustain employment and service opportunities for Oakland residents.

For questions regarding this report please contact Aliza Gallo, Economic Development Manager, at (510) 238-7405.

Respectfully submitted,



Fred Blackwell,  
Assistant City Administrator

Reviewed by: Aliza Gallo  
Economic Development Manager  
Office of Economic & Workforce Development

Prepared by:  
Margot Lederer Prado,  
Economic Development Specialist  
Office of Economic & Workforce Development

Attachment A: "Open for Business" Pledge





## CITY OF OAKLAND "OPEN FOR BUSINESS" PLEDGE

Because we recognize and understand the critical importance of providing excellent customer service to all our customers -but particularly the business community, and, because we recognize that our policies and practices have a direct impact on the East Bay's business climate and the ability of companies in the region to create jobs, the City of Oakland officially endorses East Bay EDA's Open for Business Pledge.

### *We Pledge:*

- To provide senior management leadership and support for permit streamlining and empower the staff to act administratively.
- To conduct periodic reviews of our practices to ensure that we are current with changes in regulation, technology, and codes- including green building codes;
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OFFICE OF THE CITY CLERK  
OAKLAND

# OAKLAND CITY COUNCIL

K. Jain  
City Attorney

RESOLUTION No. \_\_\_\_\_ C.M.S.  
Introduced by Councilmember \_\_\_\_\_

2012 SEP 27 AM 11:49

## RESOLUTION ADOPTING THE EAST BAY ECONOMIC DEVELOPMENT ALLIANCE'S "OPEN FOR BUSINESS" PLEDGE

**WHEREAS**, the City Council has placed a high priority on proactive economic development and support for the business community; and

**WHEREAS**, the City is an active participant in the East Bay Economic Development Alliance (EDA) and wishes to endorse their "Open for Business" Pledge, which is aimed at promoting the pro-business environment that exists in the East Bay; and

**WHEREAS**, the City understands that many municipalities have been hit hard by the economic recession and the elimination of redevelopment agencies. This Pledge intends to reassure the development and business community that communities in the East Bay stand ready to assist in business attraction, expansion and retention efforts to create jobs; and

**WHEREAS**, the City of Oakland has demonstrated a leadership role in local and regional economic development efforts, achieving all of the items included in the Pledge; now, therefore be it

**RESOLVED:** That the City Council of the City of Oakland does hereby adopt the East Bay Economic Development Alliance's "Open for Business" Pledge, attached hereto as *Exhibit A*.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF and PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California

## EXHIBIT A



### CITY OF OAKLAND "OPEN FOR BUSINESS" PLEDGE

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