


## City of Alexandria, Virginia

27  
6-26-07

## MEMORANDUM

DATE: JUNE 21, 2007

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: RECEIPT OF REPORT FROM THE ALEXANDRIA SMALL BUSINESS TASK FORCE

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**ISSUE:** Receipt of the Small Business Task Force (SBTF) Final Report.

**RECOMMENDATIONS:** That City Council receive the Final Report (Attachment I), thank the SBTF for their work, and request that the City Manager report back to Council before the end of 2007 with an update on the status of the Action Recommendations (Attachment II).

**DISCUSSION:** In June 2006 I created the Small Business Task Force (SBTF) to address issues related to how the City government interacts with small businesses. Such interactions include the full range of government codes, permits and services. The goal for SBTF was to recommend how these interactions can be more efficient and effective, thus creating a more business-friendly environment. The attached report is a compilation of their research and recommendations.

SBTF members were selected to represent a range of interests in the City including both residents and businesses. One business member was nominated by each of the following organizations: Alexandria Chamber of Commerce, KSMET, Eisenhower Partnership, Potomac West Business Association and Queen Street Area Business Association. One resident member was nominated by each of the following organizations: Alexandria Federation of Civic Associations, Del Ray Citizens Association, Inner-City Civic Association and Old Town Civic Association. These association areas were selected because the frequent interactions between residents and small business uses in those communities.

Subsequent to a kick-off meeting I held with the group on June 28, 2006, SBTF members planned its work in the following way: the first meetings as "fact-finding," followed by a series of meetings to craft the assembled information from the fact-finding meetings into recommendations.

At the first four meetings, department directors presented an overview of their departments' work as it pertains to business. The following departments made presentations to the Task Force: Planning and Zoning, Code Enforcement, Finance, and Transportation and Environmental Services. Minutes and select presentation materials from each of these meetings are attached.

The SBTF decided that it would not conduct a public forum or survey, instead revisiting information from other efforts, including lessons learned from the completed Mt. Vernon Avenue Plan, surveys performed by the Alexandria Chamber of Commerce, and results from the City's Economic Development Summit (January 2006).

The effort to compile the information into recommendations included SBTF meetings to brainstorm, prioritize and discuss the issues. Various City staff members were invited and participated as needed to provide additional information.

SBTF recommendations are organized in two parts:

1. Set One Recommendations: Process-oriented improvements
2. Set Two Recommendations: Special Use Permits (SUPs), include Code and process improvement recommendations

Subsequent to the completion of the SBTF report, I requested that the three primary departments involved in the process analyzed by the SBTF review the SBTF report and develop a set of Action Recommendations. Those Action Recommendations which are included as Attachment II are recommended for implementation (some have already implemented such as credit card payments at departmental counters), or will require further study, public discussion, and eventually Council decision making (such as the SBTF recommendation to make certain SUP uses by right).

**ATTACHMENTS:**

Attachment I. Final Report from the Alexandria Small Business Task Force

Attachment II. Action Recommendations from City staff

**STAFF:**

Tom Fairchild, Business Facilitator

Kay Hodges, Administrative Officer, Legislative Director's Office

John Catlett, Director, Code Enforcement

Faroll Hamer, Director, Planning and Zoning

Rich Baier, Director, Transportation and Environmental Services

City of Alexandria  
Small Business Task Force  
Final Report

June 4, 2007

Task Force Members:

- Amy Harris-White, Chair
- Keith Calhoun
- Rob Kaufman
- Christina Richardson
- Mathew Natale
- Tom Welsh
- James H. Buck, Jr.
- Tim Elliott
- Bill Reagan

Staff Support:

- Tom Fairchild, Business Facilitator
- Kay Hodges, Assistant to the Business Facilitator

Background

In June 2006 the Small Business Task Force (SBTF) was assembled by City Manager Jim Hartmann to address issues related to how the City government interacts with small business. Such interactions run the full range of government codes, permits and services. The goal for SBTF is to recommend how these interactions can be more straightforward and effective, thus creating a more business-friendly environment.

SBTF members were selected to represent the gamut of City interests, including both residents and businesses. One business member was nominated by each of the following organizations: Alexandria Chamber of Commerce, KSMET, Eisenhower Partnership, Potomac West Business Association and Queen Street Area Business Association. One resident member was nominated by each of the following organizations: Alexandria Federation of Civic Associations, Del Ray Citizens Association, Inner-City Civic Association and Old Town Civic Association.

At the SBTF kick-off meeting on June 28, 2006, Mr. Hartmann welcomed Task Force members and charged them with developing recommendations to improve the City's processes as they relate to business - balancing both business and citizen interests. Mr. Hartmann indicated that all components of the City's interactions with business - and processes related to that interaction - are on the table for review by the Task Force.

As “food for thought”, Mr. Hartmann distributed a document entitled “Small Business Goals” (see attached). These Goals are a compiled list of ideas for improvement developed by the directors of pertinent City departments and submitted to the City Manager in April 2006.

Deputy City Manager Mark Jinks added that the activity fits well with the City’s continuous improvement goals as set forward by the City Council and Manager. Both Mr. Hartmann and Mr. Jinks emphasized that all City departments had been directed to give full attention to requests from the task force and introduced Tom Fairchild, Business Facilitator, as the staff support to the group. Before leaving the meeting and turning it over to the co-chairs, they reiterated their support, but pledged to allow the group to work independently.

### Work Summary

SBTF members planned the first meetings as “fact-finding,” followed by a series of meetings to mold the assembled information from the fact-finding meetings into recommendations. The group set its target completion date for December 2006.

At the first four meetings, department directors presented an overview of their departments’ work as it pertains to business. Presentations were received from the following departments: Planning and Zoning, Code Enforcement, Finance, and Transportation and Environmental Services. Minutes and select presentation materials from each of these meetings are attached.

The SBTF decided that it would not conduct a public forum or survey, instead revisiting information from completed efforts, including input given to the recently completed Mt. Vernon Avenue Plan, surveys performed by the Alexandria Chamber of Commerce, and outcomes from the City’s Economic Development Summit (January 2006).

The effort to compile the information into recommendations included Task Force meetings to brainstorm, prioritize and discuss the issues. Various City staff members were invited as needed to provide additional information.

Recommendations: The Task Force recommendations have been organized into two parts:

1. Set One Recommendations are a compilation of mostly process-oriented improvements. This set was adopted by SBTF and first presented to Jim Hartmann in draft form on December 5, 2006.
2. Set Two Recommendations: Special Use Permits (SUPs), include code and process improvement recommendations specific to this zoning related permit. This set of recommendations was adopted by the SBTF on December 20, 2006, and is being first presented in this report.

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Although both sets of recommendations have strong support of SBTF members, a separate report was submitted to the City Manager from task force member Tim Elliott. That report discusses his perspective where it differs from the SBTF recommendations shown in this report. It was submitted separately and previously to the release of this report.

### SET ONE RECOMMENDATIONS

#### Recommendations for all City Departments:

1. All counters where permits and licenses are obtained, or where fees are paid, should accept cash/credit/check payments at these service counters.
2. Improve web site functionality. It should be functional not organizationally hierarchical, including answers to frequently asked questions (FAQ) that are helpful, on-line payment for all departments, inspection scheduling, digitize occupancy history cards, on-line applications
3. Enhance customer service: Create and implement a customer service survey that would look at the characteristics below which would be filled out at the end of the process, training for City staff to help them understand where the small business person is coming from and what they need.
4. Provide enhanced training for City staff to accomplish the enhanced level of customer service that is needed to improve the City's image with small business.
  - a. orientation of staff
  - b. expertise
  - c. efficiency
  - d. courteousness
5. Expand the concept of one-stop shopping
6. Consider the establishment of a multi-agency permitting center for reviews of building and business permits.
7. Provide a continuing education program for construction and development related professionals in Alexandria provided by the City. There should be a fee attached to this program.
8. Need training/education for small businesses, and professionals as required for licensed real estate agents with the State's continuing education program.
9. Create and implement a flow diagram to show how the small business process works.

10. Business Facilitator office needs to be re-organized, and take a more pro-active role rather than a re-active role. Its presence must be made better known to the public. The Facilitator is a resource to the City staff, should be looking for best practices across the country, and establish a stronger relationship with department heads.

Recommendations for Code Enforcement:

1. Offer seating in the hallway waiting area for those seeking counter services from Code. Offer pagers (as used by restaurants) so customers could go to other offices in City Hall to use their time more effectively.
2. Assign a single point-of-contact staff person at the beginning of a permit application to help customers through the process. Permit applications typically pass through the hands of several reviewers with no one having overall responsibility.
3. Establish specific regulations for each permit type in advance to save the applicant time and money. These regulations and permit review times should be listed on-line.
4. Expand and implement the pre-inspection service walk through service. In providing this service, an inspector would only indicate whether there would be Code issues for that proposed use, not design the space. And the City would not be liable for any issues that might subsequently arise, e.g., any issues overlooked during the pre-inspection.
5. Provide on-site plan review.
6. Expand the on-line plan and drawing tracker to show both expired and existing permits. Add a bar code to each permit.
7. Alert applicants immediately if they fail a certain part of the review or inspection so they can remedy the failing items as quickly as possible.
8. Allow time for applicant to meet with staff person to discuss failing items.
9. Expand the recently implemented hand held devices in the field for wireless updates immediately upon completing a field inspection.

Recommendations for the Department of Planning and Zoning:

1. Offer more by-right uses (reduce the number of uses that are required to get an SUP.)
2. Expand the use of administrative SUPs.

3. Publish a standard set of requirements for businesses seeking the most typical SUP types. Currently two businesses offering the same service, e.g., restaurants, might have very different sets of regulations based on issues that happen to be listed in their specific SUP.
4. Expand and implement the pre-inspection service/walk through. Similar to recommendation for the Code Enforcement the inspector would only indicate whether there would be Zoning issues for that proposed use, not design the space and the City would incur no liability for this service.
5. Single point of contact person at the beginning of the process to help you through the process. They would contact City staff if there were issues that came up.

Note: The first three of these recommendations are related to the Special Use Permit and are discussed more fully in that set of recommendations.

Recommendations for Department of Transportation and Environmental Services:

1. Accept plans developed or certificated by licensed ESI professionals with minimal or no additional review (self-certification).
2. Implement self-certification guidelines and post online. For example, owner could self-certify-guarantee plan meets conditions with penalties to contractor or engineer for any deficiencies encountered later.
3. Publish a list of standard conditions for various uses such as restaurant, office, and retail.

SET TWO RECOMMENDATIONS: SPECIAL USE PERMITS (SUPs)

Allow the following SUP uses to be approved by-right, with conditions or through an administrative process:

1. Light Auto Repair (if located within an office/industrial park setting, i.e. Eisenhower Avenue Office Commercial zones)
2. Catering operation (if located within an office/industrial park setting, i.e. Eisenhower Avenue Office Commercial zones)
3. Day care centers in commercial zones
4. Health and athletic clubs (in a shopping center or office/mixed use complex)
5. Restaurants (in a shopping center)
6. Restaurants less than a certain number of seats that do not have live

- entertainment, dancing or are a certain distance from residential uses
7. Private schools and nursery schools (of less than a certain enrollment)
  8. Retail bakeries (of a certain floor area)
  9. Garden centers, if located a certain distance from residential
  10. Outdoor food and crafts markets, if located certain distance from residential
  11. Pet supplies, grooming and training with no overnight accommodations (in a shopping center)
  12. Massage if incidental and accessory to another permitted use
  13. Convenience store if incidental to a multifamily or office complex
  14. Allow minor amendments to approved SUPs through an administrative process.

**ATTACHMENTS:**

1. Small Business Goals, April 4, 2006
2. Code Enforcement, July 13, 2006 - Fact finding session minutes and presentation materials
3. Transportation and Environmental Services, July 20, 2006 - Fact finding session minutes and presentation materials
4. Planning and Zoning, July 27, 2006 and August 10, 2006 (follow-up) - Fact finding sessions minutes and presentation materials
5. Finance, August 3, 2006 - Fact finding session minutes and presentation materials
6. Dissenting Opinion Report – submitted by SBTF member, Tim Elliot



Overall Goal

The charge of this working group is to analyze the regulatory process that small businesses encounter prior to/during their opening. The purpose of this analysis is to reduce the impact of the regulatory process on small businesses while still ensuring applicable state laws are being met and that appropriate levels of protection are being maintained for the surrounding community. Functional areas to be evaluated include the business license process, the special use permit (SUP) process, zoning compliance, building permit process, certificate of occupancy process, and post occupancy periodic inspection process.

Suggested Items for Discussion

- 1) Establish written parameters for Finance to utilize that when the applicant is within those bounds that the business license will not require routing to Planning or Code Enforcement.
- 2) Digitize the history cards to expedite the sign offs of business licenses by Code Enforcement.
- 3) Discuss the concept of expanding the use of administrative approvals of certain types of SUP's. The benefit would be for certain types of operations that a public hearing process would not be necessary.
- 4) Discuss the idea of eliminating the need for SUPs for certain type of low impact uses in specific zoning categories.
- 5) Evaluate the concept of granting a conditional approval of a building permit pending the approval of a SUP. This would entail a business owner proceeding at their own risk.
- 6) Publish plan/permit review times for all components of the building permit process.
- 7) Consider expansion of the walk thru program and/or establish a rapid review program for the building permit process.
- 8) Enhance the records management system so to eliminate records (permit applications, plans) being misplaced.
- 9) Consider the establishment of a multi agency permitting center that would foster a more collaborative effort in the reviewing of building permits.
- 10) Consider the establishment of an e-commerce solution that would allow for trade permits to be applied for and issued via the internet when a plan review is not required.
- 11) Streamline what type of construction permits need to be reviewed by Planning and/or Transportation.
- 12) Implement technology that will provide real time inspection results to owners, contractors

and the certificate of occupancy coordinator. The goal would be to expedite the issuance of certificates and improve communication.

13) Implement technology that would allow scheduling of inspections via the internet.

14) Reorganize the Business and Economy section of the City website - with both functional and organizational links.

ATTACHMENT 2

SMALL BUSINESS TASK FORCE MEETING MINUTES

July 13, 2006, 3pm – City Hall Room 2000

Attendees: Chris Campagna (co-chair), Amy Harris-White (co-chair), Tina Richardson (WEBA), Tom Welsh (DCRA), Lonnie Rich (Chamber), Kevin Reilly (PWBA), James Buck (Queen Street), Van Van Fleet (substituting for Tim Elliott, OTCA), Deborah Johnson (Eisenhower Partnership), Rob Kaufman (KSMET)

Absent: Tim Elliott (TCA), Patricia Schubert (ICCA), Matthew Natale (AFCA)

Also: Art Dahlberg (Director, Code Enforcement), Jannine Pennell (Code Enforcement), Kathleen Beeton (Planning & Zoning), Tom Fairchild (Business Facilitator)

SUBJECT: Code Enforcement

Presenters: Art Dahlberg and Jannine Pennell

Chris Campagna opened the meeting. Each participant gave a brief introduction.

Minutes from the meeting of June 28, 2006 were approved.

The meeting was turned over to Art Dahlberg and Jannine Pennell for discussion about Code Enforcement. They passed out the following:

- Contractor Selection Checklist
- Policy on Certificate of Occupancy Requirements
- Plan Review Time Frames
- Accessibility for existing Buildings and Structures\
- When is a Permit Required?
- Permit Application Procedures
- Trial Programs concerning tenant fire alarm installations
- Property Owner's Affidavit
- Certificate of Occupancy Procedures
- Trial changes to the One-Stop-Shop Program
- An outline for the discussion

Discussion:

I Purpose of Code Enforcement

- Enforcement arm of the fire department
- Combines traditional building inspections, fire prevention and housing inspections in one agency
- Manages the building permit process

- Process is mandated by state regulation – enforcing state law for the purpose of safety, structural and fire prevention.
- Cannot be changed at the local level
- Purpose is to protect health, safety, and welfare of the occupants of the building and the surrounding community
- Code Enforcement is the first stop and last stop for building permits.
- Certificate of Occupancy (CO) culminates the building permitting process (final step).
- Building permits sometimes require written plans from an architect, but not always. Assembly spaces, e.g., restaurants, always require architectural drawings.

## II Programs Available for Small Businesses

- Courtesy inspections prior to lease signing
- “Walk Thru” plan review
- “One Stop Shop” plan review
- Business license review
- Fire Prevention Permit(FPP)

## III Common Problems Faced by Small Businesses

- Failure to check on building code issues during due diligence (courtesy inspection).
- Change of use and its cost implications
  - Chris – this is the biggest issue for businesses
- An incomplete submission to Code Enforcement – a typical problem is when Code Enforcement receives incomplete files (specs) for fire alarm systems (FPP).
- Compliance with ADA (Disabilities) requirements.
- Large developments can pay for and have Code Enforcement personnel on-site during construction. This worked well for the Carlyle development, but it is probably not feasible for smaller projects.
- Building permits should be in the contractors name – keeping them “on the hook.”

## IV Current Program Enhancement Efforts

- Laptops with wireless connectivity for field inspectors
- Replacement of integrated voice response system
- Upgrade website to better answer common questions

- Workgroup of city agencies looking at process coordination and streamlining
- Digitize occupancy cards and other records

#### V Other Considerations for Improvement

- Establish review timelines for entire process
- Consider expansion of walk thru program
- Enhance records management system
- Establish a multi agency permitting center
- E-commerce solution to allow permits to be applied for via the web when plan review isn't required

#### VI Other Discussion

- If two inspectors give different requirements to an applicant, this can be settled by the Director of Code Enforcement (Art Dahlberg). However, the City will not be financially liable for any rework, etc. undertaken by the applicant based on incorrect requirements. The bottom line is that the Department is enforcing state law.
- If the applicant is unhappy with the City's requirements for compliance, an appeal process exists to a State board.
- Art D: I try to allow some flexibility for modifications that meet the spirit – if not the letter – of the building code.
- Art D: Also, we try to be more flexible with historic buildings in Old Town, because our requirements can come into conflict with the Board of Architectural Review.
- Education is the critical element.
- Walk-through is an effective program
- Use of licensed contractors that can sign off items when completed
- Use of laptops and wireless technology to enhance continuity and speed for field inspectors
- Need to create time-lines
- "Change of Use" is the biggest cause of angst for the business owner.

ATTACHMENT 3

SMALL BUSINESS TASK FORCE MEETING MINUTES

July 20, 2006, 3pm – City Hall Room 3617

Attendees: Chris Campagna (co-chair), Amy Harris-White (co-chair), Tina Richardson (WEBA), Patricia Schubert (ICCA), Tom Welsh (DCRA), Lonnie Rich (Chamber), Tim Elliott (OTCA), Rob Kaufman (KSMET), Matthew Natale (AFCA)

Absent: Deborah Johnson (Eisenhower), Kevin Reilly (PWBA), James Buck (QSABA),

Also: Rich Baier (Director, Transportation & Environmental Services), Tom Culpepper (T&ES), Tom Fairchild (Business Facilitator)

SUBJECT: Department of Transportation and Environmental Services

Presenters: Rich Baier and Tom Culpepper

Chris Campagna opened the meeting. Each participant gave a brief introduction.

Handout – Whose Job is it?

Interdepartmental review – Infrastructure (hard to evaluate at the conceptual level) and Transportation-Environment

They look at how it works (function) – trash, parking, sewer CSO projects, storm drains)

Change of use seems to be a big part of the issues that arise

Mention of ESI – plan review phase – peer review – plans prepared by ESI certified engineers make walk through the process easier

For reviews a challenge is to get the right people in the room –meaning decision makers

ISSUE – for customers – are you dealing with the decision maker and the correct department – also sometimes all departments are not present

Tom Culpepper's role – get people to the right places for the right things

DUE DILIGENCE is critical for the process – to do before the business person buys or leases – needs the knowledge of the broker, builder, engineer and the buyer too

FLOW DIAGRAM (Rich) – to show how the process works was suggested – if this then next – if this then go this way – if under this then do this – etc

EDUCATION – critical – building owners and the realtors – realtors must understand their obligation to make buyers and lessors aware of code requirements and existing conditions.

What eats up the most of the T&ES time? Plans that need extensive review – average project submission is 2 and ½ times, e.g., “napkin” drawings don’t typically indicate the issues important to T&ES. 15% of time is spent reworking drawings.

Another issue is the way the city creates conflicts by giving different instructions – safety can get into a disagreement with the landscape requirements – takes time – delays and confuses the customer.

ALL DEPTS WHERE THESE HATS – Planning, Functionality, Regulatory

However:

T&ES is mostly operations

P&Z is mostly planning (future)

Code is mostly regulatory

Due to the mission the balance is difference – code enforcement is 145% regulatory for example

Need for a unified voice – the public gets confused – also the issue of development being defaulted as not a good thing – a number of folks in the city are against everything and they can get to the City Council and then decided by the staff things begin to change

City staff does not act as if they trust the engineers and architects – every detail is scrutinized

IMPORTANT POINT – if the mid-level projects were pulled out of the pile via the use of self-certification like an ESI it would save 10-15% of the effort

RICH asked to detail what would be included in directions for self-certification – discussed size of project – impact on traffic, etc. A sheet could be published that gave all of this – this goes back to ESI type recognition

All trust the folks to sign off – like a notary on small projects like steps – little things that are not critical safety issues and take lots of time-

WEB SITE is not friendly – need FAQ;s need to steer people to answers instead of them calling the Mayor and Council for piddly things

Also – lots of time spent on utility work that is not part of the City’s responsibility – people need to know to contact the correct people

SUMMATION –

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Just like code enforcement, Education, Simplification/ one voice, visual aids, ESI (Engineering Surveyors Institute), Web site enhancement, Better record keeping.



ATTACHMENT 4

SMALL BUSINESS TASK FORCE MEETING MINUTES

July 27, 2006, 3pm – City Hall Room 3000

Attendees: Chris Campagna (co-chair), Amy Harris-White (co-chair), Patricia Schubert (ICCA), Tom Welsh (DCRA), Tim Elliott (OTCA), Rob Kaufman (KSMET), Matthew Natale (AFCA), James Buck (QSABA)

Absent: Deborah Johnson (Eisenhower), Kevin Reilly (PWBA), Lonnie Rich (Chamber), Tina Richardson (WEBA)

Also: Rich Josephson (Deputy Director, Planning and Zoning), Kathleen Beeton (P&Z), Tom Fairchild (Business Facilitator)

SUBJECT: Department of Planning and Zoning Session #1

Presenters: Rich Josephson and Kathleen Beeton

Chris Campagna opened the meeting. Each participant gave a brief introduction.

Handouts:

- Outline of briefing
- Powerpoint print-out (Good overview of the briefing)
- Neighborhood Retail Zone
- Zoning Digest
- Guide to Development Process
- “Planning Alexandria’s Future”
- Alexandria: Economic and Demographic Characteristics – Washington Council of Governments.

- I. Overview of the Department of Planning and Zoning
  - a. Area Plan Development
    - i. Example: King Street Retail Strategy
      1. Tremendous outside input
      2. Outside consultants
      3. Goal includes making area more vibrant for retail
      4. Rob K: “Plans are good, but what about budgeting for plan implementation?”
  - b. Development Process
    - i. Big discussion about City Architect working in concert with developers to give advice early in the process.
- II. Planning and Zoning Issues Faced by Small Businesses
  - a. Land use and permit approval process
  - b. Special User Permit (SUP) Process

- c. Board of Architectural Review (BAR / Old & Historic District and Parker-Gray District) Process and Requirements
    - i. 7 Citizens on both BAR panels – each appointed by City Council
    - ii. Protect all buildings within district
    - iii. Protect all exterior changes visible from the public right-of-way
    - iv. Recent enlargement of District
  - d. Special Zoning Requirements (King St., Mt. Vernon Ave., Arlandria)
- III. Processing Requirements
- a. Permits (Building, Sign)
  - b. Business License
  - c. Certificate of Occupancy
  - d. BAR
  - e. SUP
- IV. Services Provided to Small Businesses
- a. Review timelines
  - b. Technical Assistance (including Language Translation Assistance)
  - c. Zoning Assistance/Information
  - d. Referral to Other City Departments / Agencies (AEDP, SBDC, etc.)
  - e. Courtesy Inspections for SUP Compliance
  - f. Coordination with Other City Agencies (SUP team meetings; “One Stop Shop”)
  - g. Administrative SUP Processes (Outdoor Dining, Valet Parking, Uses)
  - h. Small Business Website
  - i. Presentations to Business Associations
- V. Potential Improvements/Services
- a. SUP Revisions (Administrative Uses)
  - b. Credit Card Machine at Zoning Counter
  - c. Revising Applications to Make More User-friendly
  - d. Speakers Bureau

Because of the limitation of time – and the desire to discuss the Special Use Permit Process thoroughly, it was decided to have Planning and Zoning come back for another meeting on August 10. Rich Josephson and Kathleen Beeton agreed that they could be available for that date.

ATTACHMENT 5

SMALL BUSINESS TASK FORCE MEETING MINUTES

August 3, 2006, 3pm – City Hall Room 3000

Attendees: Chris Campagna (co-chair), Tom Welsh (DCRA), Rob Kaufman (KSMET), Matthew Natale (AFCA), James Buck (QSABA), Tina Richardson (WEBA)

Absent: Deborah Johnson (Eisenhower), Kevin Reilly (PWBA), Lonnie Rich (Chamber),

Also: Dan Neckel (Director, Finance), Debbie Kidd (Division Chief, Revenue Administration), Cindy Robinson (Supervisor, Business Tax), Mark Jinks (Deputy City Manager), Tom Fairchild (Business Facilitator)

SUBJECT: Department of Finance

Presenters: Dan Neckel, Debbie Kidd, Cindy Robinson

Chris Campagna opened the meeting. Each participant gave a brief introduction.

Handouts:

- Business License Application
- Inter-departmental Referral Form
- Personal Property Return
- “Small Business Resource Guide”

Discussion by Dan of the taxes affecting small business

Business license

Not regulatory – revenue – return based on calendar year

\$30 Mil revenue to the City

Tax is on gross receipts – State code sets the max – Dan talked about the % of tax for each category. This is a value-added tax structure

Last year was the first full year for new process for new business:

1<sup>st</sup> year new business expected revenue under \$100,000 – 0 tax – \$100,000 – 2 mil expected revenue – tax is \$50 – next year based on gross receipts 1<sup>st</sup> year. This is an improvement that has very little impact on City revenues, but has greatly simplified the start-up for new business. To date, Alexandria is the only jurisdiction in the region that offers this simplified process.

Discussion about different rates for different business types.

Steps to licensing with the City:

1. What type of Business?

2. Fill out Business License Application and submit
3. InterDepartmental Approval Forms (e.g., is business zoned appropriately?)

Consideration of simplification process for home –based business

### Personal Property Taxes (aka BPOL)

Based on what is property as of Jan 1 – if purchase is after Jan 2 – no tax that year - % of estimate BPOL tax based on depreciation

Other taxes – such as sales tax/ transient taxes – business is custodian – passes through to customer – due 30 days after close of the month

### SOME ISSUES –

- Taxes are on the gross – businesses sometimes expect them to be on the net (Gross receipts is not the same as income!)
- Some businesses perceive the tax as regulatory and are confused – has nothing to do with regulation (Finance is about revenue generation)
- The process of payments and going back and forth can be confusing & time consuming
- Credit card payment discussion – using Discover – can use Visa/MC if pay on internet (the issue is that Discover is the only card that allows its fees to be passed to customers.)
- Mark Jinks: Raised one –stop shop again
- Building design is not a help if trying to put one-stop shop
- Suggestion of web-based application – e-commerce, also for trade/electrician
- Mention of the need to find out the new businesses – some do not know they have to have a license – AEDP should be asked to provide info they get

Timothy S. Elliott  
422 So. Fairfax St.  
Alexandria, VA 22314-3810

Memorandum

To: City Manager

From: Tim Elliott

Date: January 16, 2007

Subject: Small Business Task Force Recommendations

I was appointed to your Small Business Task Force as a representative of the Old Town Civic Association (OTCA). During the latter half of 2006, the Task Force met several times and, because of the nature of discussions on the Special Use Permit (SUP) process, appointed a subcommittee to focus on that process. I was also a member of the subcommittee. At our first meeting, you discussed your concerns about small businesses and their perceived reception by the city. You also outlined your belief that the Task Force needed to consider ways to improve the City's relations with small businesses while ensuring that any negative impacts of such businesses on residential areas near businesses not exacerbate the quality of life for those residents.

As you know, the Task Force met on December 20 to consider final recommendations to you. The Task Force took no formal vote on its recommendations and I am afraid I do not have a copy of them. Because I disagreed with a few of the recommendations, particularly as regards SUPs, I advised the group that I would report to the Board of the OTCA on the recommendations as I understood them and voice my concern with those few for which I would not have voted had a formal vote been taken. Most of the recommendations regarding Special Use Permits (SUPs) were taken from suggestions presented to the Task Force by Rich Josephson, the acting Director of the Planning and Zoning Department. Many of his suggestions deserve serious consideration for future dealings with businesses in the city. The recommendations as I believe they were edited by the Task Force, based on my notes from the December 20, 2006 meeting, are attached as part of this report.<sup>1</sup> Below are my reactions and 'votes' on them:

- A. I expressed no objection to numbers 1-5. Shopping centers are mentioned as being in zones CDD and CG. While there are a few of such zones in or near old town, for example the entire block bounded by Madison, No. Fairfax, Montgomery, and No. Royal Streets, this did not seem to me to be likely to raise problems with the residential areas nearby.

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<sup>1</sup> The recommendations, as we considered them, did not have numbers; for ease of reference, I have inserted numbers.

- B. I oppose number 6 for several reasons: restaurants in the King St. area are governed by the Old town Restaurant Policy of 1990, I believe that policy was re-affirmed within the last year by City Council when it adopted the King St. Retail Strategy and I believe there was no evidence or reason presented to the Task Force that dictated a need for the city to revisit the policy so soon after that action. I questioned and suggested that the Task Force ought to specify the number of seats and the distance, but the Task force concluded that such specificity is not within the purview of the Task Force and is better left to the Planning Commission and City Council. Since I see no need to re-visit the Old Town Restaurant Policy, I proposed that we add to the recommendation “save and except the Old and Historic District and the Parker-Gray Historic District”. The Task Force did not adopt that proposal.
- C. I did not object to numbers 7, 9, 11, 12, or 13. As for 13, I did suggest that rather than the words ‘incidental and accessory to’, we substitute the word ‘within’. While a number of the group appeared to agree with this substitution, no vote was taken.
- D. I opposed number 8 for essentially the same reasons as number 6. It occurs to me that without some specificity, the ‘bakery’ could actually be akin to a restaurant.
- E. As for number 10, I suggested that we add language to make sure that what is meant is periodic or temporary markets, not unlike the Market Square and Del Ray markets. Members of the Task Force expressed the belief that is what an outdoor market is; that it cannot be interpreted to be permanent. I disagree, citing such markets as one can find in Front Royal and along I-95 north of Jacksonville, FL where there are table or other minor structures left on site during times when the markets are not open. Even the Market Square market has need of indoor space for certain purposes (it is provided in City Hall), so I am concerned that any new market might require a more or less permanent space.
- F. As for number 14, while I tend to agree, I am concerned that such a policy will bring a plethora of requests for alterations to SUP approved through the current process. While some such requests might be justified and fair, it might also open up a new bureaucracy within the city government.

While the title of the Task Force would lead to a conclusion that it was to concentrate on small businesses, the recommendations appear not to make a distinction. We did not consider development SUPs so to that degree, the recommendations do not take into account larger businesses. We did not, however, define small businesses. There was some discussion as to ‘chains’ and the Task Force decided not make any recommendations regarding them; however, there was some thought that the city staff or policy makers do not favor chains operating in the city.

You were provided a group of earlier recommendations of a general nature that affect the operations of some of the city departments that interact most frequently with businesses. I have no major quarrel with those.

### Other Thoughts.

Some members argued that businesses are not locating here because of the SUP process, although they could not cite a single instance of that (their argument is that we don't see them because a prospective business person finds out about the process and decides to locate in Arlington or Fairfax). Mr. Josephson advised us that there were approximately 10 restaurant SUPs issued and none denied in the King St. corridor over the last year<sup>2</sup>. He also said there was only one application for an administrative SUP in Arlandria last year and it was withdrawn for reasons unassociated with the process. It seems to me that if the administrative process is intended to be an incentive for businesses to locate in Alexandria, there is no evidence that it works and there has been too little time where it is permitted to use it as a model for the rest of the city. My view is that there seems to be a surfeit of restaurants along the King Street corridor, probably 100 or more. One might not like the quality of the fare, but none of the recommendations of the Task force will change that can be said to be geared to improve the food.

Members of the group argued that it takes six months to go through the SUP process, Mr. Josephson and the Planning schedule for 2006 indicate that it should take no more than 3 months, unless someone decides to file paperwork on March 29. The rejoinder to this is that one does not have to wait even three months in Arlington, which then led to assertions that we should have only an administrative process after City Council adopts a set of uniform standards for applicants to meet. Then the applicant certifies and files paperwork to show he meets the standards and the Planning Department merely matches the assertions and paperwork against the standards and that should take no more than a few minutes.

The Task Force had scant discussion of the effects on local residents of the changes envisioned by the recommendations, despite you charge to us. Some of the discussions was to the effect that there are chronic complainers about new development in the city and "we all know who they are" (who they are was never stated to the group). There was also discussion to the effect that when applications get to the Planning Commission and City Council, politics (meaning, I think, public involvement) enters into the process and that is not desirable. In fairness, some members did note, and the Task Force included a recommendation, to continue some sort of notification to, and involvement of, the public.

There are other problems affecting businesses and residents in Alexandria, at least along the King St. area which were not discussed. I should have mentioned them, but did not. These include such matters as use of restrooms by non-customers; 'permanent' occupation of the sidewalks by those restaurants with sidewalk dining for their chairs and 'fencing' beyond the outside dining season; bolting the 'fencing' into the public sidewalk; deciding whether the King Street 100 block closing is good or bad for business and if good, then good for which businesses and, based on that, whether it should be expanded in time and space.

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<sup>2</sup> From our discussions, it seems that the problems perceived by staff and the members of the Task Force pertain primarily to restaurants. One member indicated that it might also apply to a establishment like a hardware store, but there was no discussion of that in any detail.

I apologize for the length of this memorandum, but I suspect reading it will take less time than the Task Force took in considering its recommendations.

Timothy Elliott

enclosure





"Bill Reagan"  
<billr@alexandriasbdc.org>  
04/27/2007 02:40 PM

To <white621n@att.net>, "Christopher M. Campagna"  
<chracam@tartanproperties.com>  
cc <Tom.Fairchild@alexandriava.gov>

bcc

Subject Task Force recommendations

Amy and Chris:

I understand from Tom Fairchild that he has re-capped the recommendations of the Task Force in two documents – a final report draft and one called SUP uses. I asked if he would copy me and was able to open only the final draft document. It looked pretty good, but my suspicion is that the SUP recommendations - or whatever they are - will be the ones where there are more hangups. I was surprised that our recommendations were ready to submit to the Manager without any further interaction by the Task Force.

The process changes will not be that challenging for the Manager to implement if and when there is adequate funding. The SUP changes (more administrative approvals) will meet greater resistance from all sorts of places and I feel like our job is not done. It might not be our Task Force but somebody ought to consider conflict management approaches to get broader recognition of the concerns of residents and the concerns of would-be business owners and look for common ground. Tom made a good point when he mentioned that administrative approvals will provide clarity to both groups. I'm concerned that our Task Force recommendations will wind up with a lot of others gathering dust on the shelf unless we consider how to implement them.

**Bill Reagan**

Executive Director, Alexandria Small Business Development Center  
801 N. Fairfax Street, Suite 402  
Alexandria, VA 22314  
(703) 778-2958 Fax (703) 778-1293

*We help businesses succeed!*



"Anne Welsh"  
<awelsh@annewelshsalon.com>

05/24/2007 04:17 PM

To <Tom.Fairchild@alexandriava.gov>

cc

bcc

Subject my response

History: This message has been forwarded.

Tom

Sorry for the delay in replying to you email. I will be frank about this;

I feel that this group which started out almost a year ago was a great idea; I was hoping that we would be able to make some good contributions to the city manager. I look back to when we started and I feel that we hit the ground running and then we lost momentum. Our participants came and went and we rushed to finish this by Dec 06. Now 6 months later we are finally presenting this to the city manager. I don't know why it took so long to finalize this but I feel that we have lost most of the sense of urgency and need that we were tasked with. I believe that small businesses find it difficult to get consistent help and direction from the city when they are trying to open here. I esp. find the SUP process to be very difficult to navigate and very time consuming. I think this is the main reason that the city has such a bad reputation re small businesses. I believe that the Code Enforcement Dept needs to be much more service oriented and the Planning and Zoning Dept many times gets lost in its own self. I am disappointed that we were asked to put in so much of our time and now the process seems to finally make its way to the city managers desk, I wonder how much weight this will carry, I hope that this was not a waste of our time.

Sincerely

Tom Welsh

*City of Alexandria, Virginia*

**MEMORANDUM**

DATE: JUNE 20, 2007

TO: JAMES K. HARTMANN, CITY MANAGER

FROM: JOHN CATLETT, DIRECTOR, CODE ENFORCEMENT  
FAROLL HAMER, DIRECTOR, P&Z  
RICH BAIER, DIRECTOR, T & ES

SUBJECT: RECOMMENDATIONS OF SMALL BUSINESS TASK FORCE

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The Departments of Code Enforcement, Planning and Zoning, and Transportation and Environmental Services have analyzed the recommendations of the Small Business Task Force and are pleased to submit our recommendations for implementation.

As you will see, we believe that many of these recommendations can be implemented within the next three to six months. Some can be implemented within 12 months to 2 years, and a few need to be studied further.

We agree that implementation of these recommendations will result in a more favorable regulatory environment for small businesses, without eliminating protections for the surrounding community.

Attachments

### SMALL BUSINESS TASK FORCE REPORT RECOMMENDATIONS

SET ONE RECOMMENDATIONS (General for all departments)	Action Required
1. All counters where permits and licenses are obtained, or where fees are paid, should accept cash/credit/check payments at these service counters.	All departments accept credit card payments. TES accepts cash and check payments at this time. P & Z and Code will investigate what is necessary to accept cash and check payments with an anticipated implementation within 3 months.
2. Improve web site functionality. It should be functional not organizationally hierarchical, including answers to frequently asked questions (FAQ) that are helpful, on-line payment for all departments, inspection scheduling, digitize occupancy history cards, on-line applications	Code is in the process developing a revised web site. TES and P&Z will revisit their web site with an eye towards improvement. Recent actions by all three departments to look at technology upgrades may bring additional capacity for better online services to include on-line permitting. (6 months)
3. Enhance customer service: Create and implement a customer service survey that would look at the characteristics below which would be filled out at the end of the process, training for City staff to help them understand where the small business person is coming from and what they need.	The three departments will work with the Business Facilitator to develop the areas of measurement intended by the participants of the group. (6 months)
4. Provide enhanced training for City staff to accomplish the enhanced level of customer service that is needed to improve the City's image with small business.	New staff is provided department operational training. Efforts are underway to develop cross training and orientation of operations between departments. Each department will perform a review to see that all staff has attended City sponsored customer service training. Additional staff training to improve technical proficiency is being studied. (6 months)
a. orientation of staff	
b. expertise	
c. efficiency	
d. courteousness	
5. Expand the concept of one-stop shopping	The three departments have been studying this issue with recommendations to follow. (6 months)
6. Consider the establishment of a multi-agency permitting center for reviews of building and business permits.	The three departments have been studying this issue with recommendations to follow. (6 months)
7. Provide a continuing education program for construction and development related professionals in Alexandria provided by the City. There should be a fee attached to this program.	Code is in the process of implementing a contractor/designer training program for specific technical areas of the building code. P & Z and TES to study. (6 months)
8. Need training/education for small businesses, and professionals as required for licensed real estate agents with the State's continuing education program.	Will need clarification from Business Facilitator as to the intent. This may be outside the scope of the three development related departments.
9. Create and implement a flow diagram to show how the small business process works.	The three departments will work with the Business Facilitator to determine the scope of the flow diagrams. (3-6 months)
10. Business Facilitator office needs to be re-organized, and take a more pro-active role rather than a re-active role. Its presence must be made better known to the public. The Facilitator is a resource to the City staff, should be looking for best practices across the country, and establish a stronger relationship with department heads.	The Mayor's Economic Sustainability Work Group has recommended that this function be moved to AEDP. The City Manager's Office and the new AEDP Executive Director will review this recommendation and develop a recommended action.

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SMALL BUSINESS TASK FORCE REPORT RECOMMENDATIONS

CODE ENFORCEMENT	
1. Offer seating in the hallway waiting area for those seeking counter services from Code. Offer pagers (as used by restaurants) so customers could go to other offices in City Hall to use their time more effectively.	Reconfiguration of existing space that is underway will open a seating area. The space will ultimately be provided with permit application kiosk and informational displays. Completion of initial space reconfiguration by end of August 07. Additional work should be completed in 6 months. Will study cost and use of pagers.
2. Assign a single point-of-contact staff person at the beginning of a permit application to help customers through the process. Permit applications typically pass through the hands of several reviewers with no one having overall responsibility.	This item will be studied along with General Recommendations 5 and 6 with recommendation within 6 months.
3. Establish specific regulations for each permit type in advance to save the applicant time and money. These regulations and permit review times should be listed on-line.	To be studied. There are several variables and options for compliance with the building code. However, there are some common requirements for each type of permit that could be incorporated in to informational handouts. (6 month)
4. Expand and implement the pre-inspection service walk through service. In providing this service, an inspector would only indicate whether there would be Code issues for that proposed use, not design the space. And the City would not be liable for any issues that might subsequently arise, e.g., any issues overlooked during the pre-inspection.	To be studied. (6 months)
5. Provide on-site plan review.	To be studied and clarified. (12 months)
6. Expand the on-line plan and drawing tracker to show both expired and existing permits. Add a bar code to each permit.	This is included in current planning to upgrade our web site and internet service delivery/on line permitting. Various elements will be completed over the next twelve months.
7. Alert applicants immediately if they fail a certain part of the review or inspection so they can remedy the failing items as quickly as possible.	Inspectors currently leave results in writing immediately after conducting an inspection. Plans examiners contact and email permit applicants plan review comments upon completion of the review. Will study and clarify the intent of the recommendation.
8. Allow time for applicant to meet with staff person to discuss failing items.	Will study why comment exist.
9. Expand the recently implemented hand held devices in the field for wireless updates immediately upon completing a field inspection.	Expansion of mobility capability is currently being considered. Additional mobility applications will be incrementally brought on line over the next year to two years.

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SMALL BUSINESS TASK FORCE REPORT RECOMMENDATIONS

<u>PLANNING &amp; ZONING:</u>	
1. Offer more by-right uses (reduce the number of uses that are required to get an SUP.)	This issue is part of a continuing discussion of land use regulations with an anticipated recommendation by the end of fall 2007.
2. Expand the use of administrative SUPs.	This issue is part of a continuing discussion of land use regulations with an anticipated recommendation by the end of fall 2007.
3. Publish a standard set of requirements for businesses seeking the most typical SUP types. Currently two businesses offering the same service, e.g., restaurants, might have very different sets of regulations based on issues that happen to be listed in their specific SUP.	Currently have standard requirements for some typical SUP uses; will prepare handouts and lists for website in the next 3-6 months
4. Expand and implement the pre-inspection service/walk through. Similar to recommendation for the Code Enforcement the inspector would only indicate whether there would be Zoning issues for that proposed use, not design the space and the City would incur no liability for this service.	To be studied. (6 months)
5. Single point of contact person at the beginning of the process to help you through the process. They would contact City staff if there were issues that came up.	To be studied. (6 months)
6. SEE SET TWO RECOMMENDATIONS: SPECIAL USE PERMITS (SUPs)	

SMALL BUSINESS TASK FORCE REPORT RECOMMENDATIONS

TRANSPORTATION & ENVIRONMENTAL SERVICES	
1. Accept plans developed or certified by licensed ESI professionals with minimal or no additional review (self-certification).	Will study and request clarification. (3 months)
2. Implement self-certification guidelines and post online. For example, owner could self-certify-guarantee plan meets conditions with penalties to contractor or engineer for any deficiencies encountered later.	Will study and request clarification. (3 months)
3. Publish a list of standard conditions for various uses such as restaurant, office, and retail.	Staff will develop within three months.

SMALL BUSINESS TASK FORCE REPORT RECOMMENDATIONS

SET TWO RECOMMENDATIONS: SPECIAL USE PERMITS (SUPs)	
Allow the following SUP uses to be approved by-right, with conditions or through an administrative process:	For the following SUP uses, develop recommendations for consideration by City Council in Fall 2007
1. Light Auto Repair (if located within an office/industrial park setting, i.e. Eisenhower Avenue Office Commercial zones)	
2. Catering operation (if located within an office/industrial park setting, i.e. Eisenhower Avenue Office Commercial zones)	
3. Day care centers in commercial zones	
4. Health and athletic clubs (in a shopping center or office/mixed use complex)	
5. Restaurants (in a shopping center)	
6. Restaurants less than a certain number of seats that do not have live entertainment, dancing or are a certain distance from residential uses	
7. Private schools and nursery schools (of less than a certain enrollment)	
8. Retail bakeries (of a certain floor area)	
9. Garden centers, if located a certain distance from residential	
10. Outdoor food and crafts markets, if located certain distance from residential	
11. Pet supplies, grooming and training with no overnight accommodations (in a shopping center)	
12. Massage if incidental and accessory to another permitted use	
13. Convenience store if incidental to a multifamily or office complex	
14. Allow minor amendments to approved SUPs through an administrative process.	

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