



Memorandum

TO: DRIVING A STRONG ECONOMY
COMMITTEE

FROM: Joseph Horwedel

SUBJECT: PBCE Counter To Council Update

DATE: March 20, 2006

Approved

Date

BACKGROUND

Following the October Getting Families back to Work, Council voted at its November 15, 2005 meeting to have the administration return with priorities, work plan and lead persons for the recommendations presented by the Counter to Council Task Force.

The attached matrix includes all the items discussed at the Counter to Council sessions identified by the work teams, and provides information on the key leads and schedules for those items that the staff and the respective work groups have prioritized as the highest priorities. Not every item has a schedule or staff assigned at this time as resources do not currently exist to work on each item concurrently, and several are of a nature to require separate budget resource decisions. In approving the Mid-Year Budget the Council approved several additions to help address specific areas including additional staff for the public counters, and replacing positions diverted to staff the Small Business Ambassador program.

One of the areas discussed at Counter to Council was the need to provide more support for the small business customers. Staff already initiated the Small Business Ambassador Program. Staff presented to the Driving Strong Economy Committee, at their January 30, 2006 meeting, a briefing of the program. The Committee was impressed with the progress of the program and asked staff to present it to the full Council at the March 7, 2006 Council meeting.

SUMMARY OF INITIATIVES UNDERWAY

Staff is working on a number of initiatives that are a direct result of the Getting Families Back to Work session, and reviewing existing procedures to improve services to the development customers. The individual working groups have assisted staff in priority setting for the items to date. As items are completed, the working groups will continue to prioritize the appropriate next steps and level of activity to meet the industry needs for service and improvement. Each of the working groups has agreed to remain active until at least the July break.

The following thumbnail summaries describe a number of these initiatives underway. The matrix has the full listing of activities underway.

Small Business Ambassador Program and Small Business Center. An expanded program will result in a larger complement of cross-trained staff to assist and coordinate permit issuance and inspections for small businesses. The program assigns a staff member as the Small Business Ambassador to be the single point of contact for a small business owner to help their business relocate, operate or expand in San Jose. If the Small Business Ambassador does not know the answer to a question they have access to a team of experts who will help find it. We are working closely with the Office of Economic Development to integrate the Small Business Ambassador Program and the Small Business Center, the official storefront for small business assistance. Staff is contacting business associations and developing an outreach program to promote more awareness and use of the program.

Re-organize to Improve Staff Project Coordination. Staff is looking at ways to reorganize the Building Division to have individual sections or teams responsible for a project from permit application to certificate of occupancy. This is happening in parallel with the retirements of a number of managers in the Building Division and is intended to minimize the number of handoffs while maximizing oversight and coordination. Initial efforts will focus on small business, homeowner and Code Enforcement cases where the owner typically is not familiar with the development process.

Re-Tool Industrial Permits. The recently completed benchmarking work by the City Manager's Office has identified other model programs for the City to consider implementing. One program is a service similar to an existing program in Phoenix where permits for re-tooling changes at high tech or industrial plants are issued on an annual basis. Retooling is the replacement or relocation in a manufacturing facility of the heavy equipment. The relocation and replacements trigger permit requirements typically for electrical review, but in some case plumbing and mechanical review. Allowing for Retooling Permits has the potential to substantially shortening the tool-change to production cycle time and will assist local companies in staying competitive.

Customer Assistance. Staff is observing patterns in projects where owners have had the greatest tendency to have a poor permitting experience. We are looking at a number of ways to more proactively manage those high-risk projects where experience has shown a lower level of customer satisfaction. One obvious example would be a restaurant locating in space previously never used as a restaurant. Other identified, at risk projects include: retrofit of older or historic older buildings, major changes in occupancy, existing violations, new business start-ups, projects without design professional support, projects with shared utilities and/or infrastructure, redevelopment or adaptive reuse projects and projects with two or more general contractors.

Customer Service Surveys. We currently rely on post-transaction surveys to gauge customer satisfaction with services. This type of survey is an excellent tool to give us a feel for the types of problems our customers are experiencing and also areas where services are greatly valued. Because there is no control over who chooses to return a survey, it is not statistically accurate. We are developing an RFQ for a scientifically valid survey to be prepared annually by an independent consultant in order to obtain an ongoing measure of success and opportunities for improvement in service delivery.

Inspector of Record Program. As of May 2005, nearly 80% of projects were assigned to inspectors of record resulting in the same inspector on the same job throughout the span within each of the four disciplines: building, plumbing, mechanical, and electrical. This program was not intended to provide the same inspector covering all disciplines of a commercial job. From the perspective of an owner who is not experienced in construction, the result is still several inspectors visiting the project and a different inspector delivering a new correction list after previous items from another discipline were completed. We will increase coordination of inspections and outreach through the Small Business Ambassador Program to improve small business owners understanding of this service.

Common Codes and Training. The State is going through the process of adopting the 2006 International Building Code and 2006 International Fire Code for the first time. Our current regulations are based on the 1997 Uniform Building Code and the 1997 Uniform Fire Code. Both documents are no longer published as ICBO merged with the two other national code-writing organizations to form a single nation-wide code. Once the codes are adopted and the transition and training are complete, the use of a single construction code will improve competitiveness. Staff is participating on committees to assist the State in the evaluation of the new codes to minimize both state and local code amendments; and to implement training of staff and customers. The State Fire Marshal will be conducting one of three statewide constituent outreach sessions here at San Jose City Hall on March 24th with the assistance of Silicon Valley Joint Venture.

Neighborhood Business District Parking. Staff from the Redevelopment Agency and the Planning Division are proceeding on an effort to reduce the parking requirements in the neighborhood business districts to accommodate better uses, including restaurants. Meetings with the Council members have occurred. Meetings with the community are underway.

Auto Row Strategies. Staff is preparing a strategy for the two Auto Rows. The Office of Economic Development staff is leading this effort. On Stevens Creek Boulevard, staff is considering mechanisms to protect the district from land use pressures such as housing conversions driving up land prices, coordinating urban design such as signage and street improvements coordinated with the City of Santa Clara, and opportunities to grow the land area by converting adjacent residential parcels to commercial. Initial discussions with Santa Clara have occurred and they were supportive of the effort. For

Capitol Auto Row, the sign regulations were amended several years ago for this auto row to allow greater signage which most dealers have not taken advantage.

Broaden Office Uses Allowed in Industrial Zones. Staff is completing the ordinance changes for approval by the City Council in April. The draft ordinance follows the framework presented to the City Council in December and has been the subject of numerous meetings with industrial developers, most notably those developing industrial condominiums.

CONCLUSION

Staff will continue to look for opportunities to improve the services delivered to our customers. Improvements identified from the Counter to Council Sessions have been reviewed by the individual working groups for priority setting. As items are completed, the working groups will continue to prioritize the appropriate level of activity to meet the industry needs for service and improvement. Each of the working groups has agreed to remain active until at least the July break. The work of the working groups is in some cases flowed into existing meetings with the development community such as the Developers Roundtable, and will be an integral part of the new Construction Roundtable forum being established by the Building Division.

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Attachment: matrix