



Regulatory Streamlining – Manufacturing

Update to the Legislature per HB1818 Section 2(9)

Background

House Bill 1818¹ provides another opportunity for Commerce to facilitate meaningful improvements to how businesses experience complying with regulatory requirements. Enacted in 2013, the legislation directs the Department of Commerce (Commerce) to lead partnerships of state and local agencies, businesses and non-profits to streamline the business regulatory process. This work was to begin with a pilot project in the manufacturing sector and then expand to one project each year through 2019.

A separate, related and ongoing *Regulatory Roadmap* streamlining program that helps restaurants navigate the myriad state and local requirements for starting a food service business informed this manufacturing project. As part of the restaurant process, Commerce and its partners developed regulatory assistance tools and techniques – and an overall approach to this work – with the expectation that the methods and tactics could be adapted to other sectors.²

The business community has been requesting this type of multi-jurisdictional, multi-agency, from-the-perspective-of-the-business-owner approach for a number of years, and Commerce has made great strides in developing action templates and expanding opportunities for businesses and communities statewide.

Although we faced some challenges in starting the pilot manufacturing sector project, largely due to the match funding requirement, the partnerships are functioning, products have been developed and evaluation/feedback strategies are in place.

Progress to Date

Snohomish County Manufacturing Streamlining Pilot Project

In March 2015, Commerce established a partnership with the cities of Arlington, Bothell, Everett, Marysville and Mukilteo; the Economic Alliance Snohomish County; Impact Washington; and five manufacturers with facilities in Snohomish County. The partners collectively address regulatory barriers and challenges that manufacturers experience.

¹ <http://lawfilesext.leg.wa.gov/biennium/2013-14/Pdf/Bills/Session%20Laws/House/1818.SL.pdf>

² Commerce has assisted the cities of Seattle, Spokane Valley and Spokane to adapt and publish city-specific restaurant online guides. Additional jurisdictions have also expressed interest in doing so, and we are currently working with the cities of Lacey, Olympia and Tumwater to develop a shared three-city online guide.

For this pilot, information gleaned from surveys, group discussions and interviews with manufacturers on their regulatory experiences was compiled and used to prioritize streamlining opportunities. The manufacturer representatives cited lack of predictability and lack of transparency as key factors that affect the cost and success of their expansion projects. The highest identified need was for a guide to de-mystify multi-jurisdictional regulatory requirements and considerations that affect siting or expanding a manufacturing facility in any of the five partner cities.

In June, Commerce produced a comprehensive *Regulatory Roadmap* guide for manufacturers to evaluate the feasibility of potential project sites – before hiring a consultant or acquiring property. The guide was well received and our partners asked Commerce to transform it into online worksheets and checklists, which we have been doing since August 2015. We are in the process of testing the new online guide with several manufacturers.

The initial guide included information useful to manufacturers looking to site in any of the five cities, and information specific to the city of Arlington. Commerce plans to help the other four partner cities adapt the content and deploy similar regulatory roadmap guides for their jurisdictions.

Commerce has spent the full \$49,000 appropriated for 2015, augmented by agency resources in Fiscal Year 2016.

The *Regulatory Roadmap* for manufacturing guide provides manufacturers with concise and city-specific information about:

- Zoning districts that are feasible for their facility.
- Requirements that likely apply.
- Overview of the city’s review processes.
- Time and cost estimates for permits and approvals.
- Sequence of regulatory approvals needed.
- Worksheet for itemizing likely requirements at a specific site.

Regulatory Roadmap

The tools and techniques developed in the manufacturing pilot program and the restaurant program are branded under Washington’s signature *Regulatory Roadmap* umbrella, so businesses know at a glance to expect a standardized and reliable approach to understanding and navigating regulatory requirements.



The brand represents simple and intuitive regulatory “path” graphics and comprehensive online sources for understanding and accessing state and local permits, licenses and other requirements, plus checklists, cost and time information, and value-added tips.

The *Regulatory Roadmap* approach is based on four key principles:

- Information and streamlining efforts should be based on looking through the lens of the businesses that are regulated.
- Information should be presented based on what a business is trying to accomplish and not based on individual permits, licenses or other requirements.
- Regulatory requirements should be communicated as completely and as transparently as possible.
- Because businesses deal with more than one agency, information should be integrated from all the relevant agencies.

Moving Forward

The five-city manufacturing partnership is actively working to complete online roadmap guides in each city. Partner cities are also looking at other industry sectors for future streamlining projects. In addition, other jurisdictions in Snohomish County have expressed interest in joining the project.

Commerce is seeking funding to continue this work. Governor Inslee's budget includes \$150,000 and .5 FTE for Fiscal Year 2017. This would enable us to continue our work and to expand into the maritime sector.

Contact Information

Cheryl Smith, 360-725-2808, cheryl.smith@commerce.wa.gov

Washington Department of Commerce | 1011 Plum St. SE | P.O. Box 42525 | Olympia, WA 98504-2525