



# Regulatory Streamlining – Manufacturing

Update to the Legislature per HB1818 Section 2(9)

## Background

House Bill 1818<sup>1</sup> 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 nonprofits 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 related streamlining effort 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.<sup>2</sup>



The city of Spokane’s *Get Started* roadmap gives entrepreneurs a comprehensive overview of the path to opening a restaurant.

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 providing this assistance through online business planning tools that distill all local, regional and state requirements into easy-to-understand sequential worksheets and checklists for opening a new facility. Startup scenarios for different types of operations identify “trigger issues” to help business owners avoid regulatory surprises. Each roadmap is city- and industry-specific, tailored to the unique needs, city codes and agency requirements for opening their business.

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

<sup>2</sup> 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.

## 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 resources for understanding and accessing state and local permits, licenses and other requirements. It also includes 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 from all the relevant state and local agencies should be integrated.

## 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.

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 city of Marysville recently launched its Manufacturing Roadmap site, part of the Snohomish County pilot project.

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.

Commerce worked with the city of Arlington to customize the first manufacturing roadmap site, which was launched in March 2016. We used that site as a template for the other manufacturing partners. The [Marysville](#) site launched in August 2016, Lynnwood will launch in early 2017 and other partner city roadmaps will follow.

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

- Zoning districts that are feasible for their facility.
- Likely applicable requirements.
- 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.

Feedback on the manufacturing roadmap sites has been very positive, including anecdotal comments from manufacturers about the tools being able to save significant time on a siting project. The central tool on the sites is a custom interactive spreadsheet that asks questions related to regulatory thresholds, and provides the user with the specific requirements that appear to apply to their situation. This customization has been our most significant innovation, while cost and time estimates help owners understand if a potential site will pencil out.

*Regulatory Roadmaps* answer the question a business owner most needs to know about regulatory requirements: how the specifics of their situation changes things. What characteristics of their plans trigger higher regulatory standards and costs? How can they avoid needing to address those standards? Perhaps most importantly, *Regulatory Roadmaps* enable government agencies to get relevant information into business owners’ hands before they waste time and resources pursuing plans they won't be able to complete.

Our interactive tools on the manufacturing roadmaps allow the owner to try out various configurations of the project,

#### STEP 4-A: Parking Spaces Required

The number of off-street parking spaces required is determined by the land use, the gross floor area, and/or the number of employees on the maximum shift. (Note: Step 1 must be completed for this tool to function.)

Select the appropriate category ( check only one box):

Manufacturing and industrial uses of all types, except a building used exclusively for warehouse purposes  
Requires: 1 stall per 500 sq. ft. of gross floor area plus 1 per each 2 employees on maximum working shift

Warehouses, storage and wholesale businesses  
Requires: 1 stall per 2 employees on maximum shift

Estimated Off-Street Parking Calculations		Estimated # of Parking Spaces Required	Existing Parking Spaces	Additional Parking Spaces Needed
Gross Leasable Space 10000 / 500 = 20 spaces	Employees on Shift 10 / 2 = 5 spaces	25 spaces	2 spaces	23 parking spaces required

Important parking considerations:

- Adding >90 parking spaces will trigger SEPA (See Step 6, SEPA Process)

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#### STEP 4-B: Loading Areas Required

The city requires off-street loading and unloading areas based on the gross leasable area of the building. (Note: Step 1 must be completed for this tool to function.)

Gross Leasable Space (From Step 1)	Estimated Loading Areas Required	Existing Loading Areas (From Step 1)	Additional Loading Areas Needed
10,000	0	2	-2

Gross Leasable Area of Building	Required Loading Spaces
Less than 20,000 SF	0
20,000 SF to 50,000 SF	1
More than 50,000 SF	2

Important loading area considerations:

- Minimum dimension for a loading area is 10 x 30 ft. with 14-foot height clearance
- Is there space to add required loading areas?

Interactive worksheets help business owners more easily determine site requirements and improvements before committing resources.

and see which regulatory requirements apply to each. This shows the main cost drivers, and lets the entrepreneur explore alternatives. Washington's *Regulatory Roadmaps* are location- and industry-specific, organized by business goal instead of by agency, while compiling all agencies' requirements. We translate dense regulations into worksheets and checklists that help businesses understand the aspects of their projects that trigger more stringent requirements across several layers of government.

## Moving Forward

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.

A budget proviso for State Fiscal Year 2017 includes \$150,000, and directs Commerce to develop a regulatory roadmap with the construction sector, which is getting underway. Governor Inslee's proposed budget also includes \$300,000 for the 2017-19 Biennium.

### National Recognition

The Washington *Regulatory Roadmap* program was recently recognized as a semi-finalist for the *Innovations in American Government Awards* by the Harvard Kennedy School of Government.

The Harvard Kennedy School awards program recognizes and promotes excellence, and serves as the catalyst for bringing effective solutions to government's most urgent challenges.

The second round of the competition will determine the finalists for the award, with an announcement expected in February 2017.

One of our most significant challenges is meeting the demand for regulatory roadmaps from local jurisdictions and from the business community. The roadmaps are built to help facilitate a specific business goal (i.e., siting a manufacturing facility) and are customized to reflect the local regulations for each participating jurisdiction. This is a fairly time-consuming development process when done jurisdiction-by-jurisdiction because local regulations (city and county) are highly variable. To have a broad impact, we need our roadmap production process to be more efficient to increase the number of jurisdictions that can participate (especially smaller jurisdictions with fewer resources).

A major next step toward broad implementation is building an intake tool that will automate this

process. Using a short questionnaire, the tool would automatically pull together the appropriate modules for a given jurisdiction – saving staff time and resources while significantly increasing the rate of roadmap production.

We believe that the *Regulatory Roadmap Initiative* provides a new model for helping regulatory agencies “stand in the shoes of the entrepreneur,” who need clear information on all local and state regulatory requirements from a single access point, including regulatory thresholds, navigational guidance and planning tools. Making the transition to organizing regulatory information in this manner would be invaluable to the business community, and the time savings would be quantifiable.

Our work with the Standard Cost Model has shown that researching and understanding regulatory requirements requires significant time and can cause project delays and errors that would be avoidable with easier-to-understand information. We recommend exploring the viability of having state agencies follow these principles in providing information to their business customers.

**Contact Information**

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