

Office of Scott Taylor Councilman, 6th District at Large

To: Mayor Sly James

From: Councilman Scott Taylor, Chair, Special Committee on Small Business

Rick Usher, Assistant City Manager

Subject: Special Committee on Small Business Implementation Report

Date: January 23, 2013

We are pleased to provide you with an update on the Special Committee on Small Business and announce that City staff and the City Council working together with the small business community have implemented 62 of the 67 recommendations made by the Committee in the last year. This represents a 93% implementation rate in one calendar year. This is quite remarkable progress as there have been a variety of tasks to complete in such a short time. The Committee working with City Staff have been focused on getting results as quickly as possible. The Committee Chair would like to thank the Committee members as this has been 67 additional items to work on during the last year on top of normal City Council committee duties. The remaining four recommendations are in process and on schedule for implementation where possible.

The highlight of our initiatives continues to be the microlending program offered by Justine PETERSEN. Justine PETERSEN is the nation's second largest SBA microlender and they have been operating in Kansas City, Missouri since October 2011 at the request of the Committee. They now have an actual staff person in Kansas City due to the increase in activity. The goal of the microloan program is to provide access to capital for those small businesses, both start-up and existing, and overcome barriers that may exist when seeking financing from mainstream institutions. This provides our citizens with the opportunity to start a small business in every part of the City. In July, the City Council added \$110,000 from an old Tax Increment Finance project surplus to the loan loss reserve creating a total fund of nearly \$1.5 million to loan out to small businesses in Kansas City in loans ranging from \$500 to \$50,000. This spurred on our KC Storefront Initiative, 30% of the funds in the program are targeted at serving small businesses in 5 business corridors around the City, including 18th & Vine, Independence Avenue, Troost Avenue, Southwest Blvd and the Longview area. A veteran's microloan program targeting \$200,000 in lending to veterans was implemented in December. We are now expanding the program with \$30,000 additional loan loss reserve funds or an additional \$300,000 in loans to serve the Northeast area business community. In 2012, Justine PETERSEN provided over \$212,000 in funding to 32 Kansas City, Missouri companies. We hope the momentum continues and additional parties step up to contribute to the microloan program.

The microloan program is just one of the 67 tasks the Committee has been working on in the last few months. The sum of our efforts is starting to gain national attention. We had a conference call with the Mayor of Chicago's office which found our report online and was interested in the unique work of the committee. Additionally in December, I was invited to a White House briefing on Friday December 7th in Washington D.C. and was able to share what we are doing with the Small Business Committee in Kansas City. The next week, I was asked to attend a Holiday Reception at the White House with President Obama and the First Lady on Wednesday, December 12th in large part due to our work on small business issues in Kansas City. Before the reception I was asked by the Deputy Assistant to the President to meet with the Deputy Director of the White House Business Council about our small business work in Kansas City. We agreed to meet again and look for ways to work together for the benefit of Kansas City. I made it clear our intent was to make Kansas City the center of small business activity in the United States. We have a rich history of small business startups that we must continue to emphasize.

Since our last progress update a few months ago much has been completed. The Committee's work on implementing the 67 recommendations in our December 8, 2011 report is now considered "effectively implemented." There is more to be done on a few remaining items but some of these will require more time. We intend to conduct additional community hearings in 2013.

Additional highlighted implementations since our last update include:

Customer Service Initiative - The Committee announced several customer service initiatives that improve City staff customer service including a standardized greeting script as well as a requirement for follow-up and target dates for follow-up items to be provided to our citizens. Jean Ann Lawson will be leading the citywide customer service initiative. First steps include creation of the Customer Service Initiative group on SharePoint which will host the Knowledge Base. This effort will consolidate the customer service survey information and report to the Director's Meetings in short sessions reporting back on findings in a monthly format.

Secret Shopper - A Secret Shopper program was implemented to reward good customer service and identify areas for continual improvement for our customers, the citizens of Kansas City. In September, Secret Shoppers identified 3 city employees for honorable mention and 3 City employees as winners of the program. This program will run quarterly and will honor the recognized employees with an article in the Fountain Pen, a letter from the City Manager and lunch with the City Manager.

Website enhancements - the KCBizCare website has been linked from the City home page Business button. We have enhanced the Resource Guide, added helpful videos, added a twitter dialog box and much more. The web site hits increased from 200 hits the month before the KC BizCare web site was linked to the City home page to approximately 4,000 hits the month after this change.

Employee engagement - Our City employees have a long history of being charitable but this needs to be encouraged more. The City Council has approved a Special Leave revision to allow City employees to use up to 8 hours per year approved leave for use in the Community Partnership Initiative in any of

the City's Combined Charities organizations. This will encourage more civic involvement with our local community partners and provide a public benefit.

Service Level Agreements - Through the Business Process Management Team formed early in the Small Business Committee formation, City staff has identified enhancements to our processes that will no longer require us to use our customers as our internal communications network, by establishing service level agreements, we are now communicating information interdepartmentally within acceptable timeframes to provide improved customer service.

New Enterprise Software System - It is important for the City to continue to improve its efficiencies including having departments on the same computer system to reduce redundant requirements that force our citizens to continuously provide the same information to the City on a regular basis. Through the BPMT, we are evaluating new enterprise software systems to replace Kiva, Energov, Paragon and other legacy systems that have not been implemented effectively for interdepartmental cooperation and excellent customer service. This is likely a two year project and we are proposing funding in the FY14 budget.

Development Process Enhancements - Several changes have been made to the development process to streamline the process. City Planning & Development has implemented a number of service enhancements including, electronic plans review through eBuilder, a template for a Downtown Streetcar TDD Project Incentive & Coordination Program, successful adoption of an updated KC Building & Rehabilitation Code, Continue to monitor and meet service delivery goals for service response times (e.g. plans reviews, inspections, etc), written documentation of issues discussed at Development Assistance Team (DAT) meetings, Established procedure requiring that staff identify items that are requirements versus recommendations in plan reviews and in meetings with the applicant and enhanced procedures to facilitate increased communication level between project plan reviewers and the applicant's designer.

Open Data - Sharing open data is a modern concept that ties into a lot of areas of focus in the City. This will provide Kansas City entrepreneurs with data needed to develop many new concepts to complement our high-tech community and the Google involvement in our community. The City Manager launched the City's Open Data Catalog on January 15, 2013 with the release of the submitted budget. The open data platform is online at https://data.kcmo.org/. Over the coming months, additional City datasets will be added to the Open Data Catalog.

Resource Guide in Spanish - It is vital that we interact with all of our citizens. We have great entrepreneurial community that interacts with a variety of cultures. Our KCBizCare Business Resource Guide is now available in Spanish. This translation and publication was a partnership of the City and the Hispanic Economic Development Corporation. We are now working on additional information bulletins and documents for translation.

Inventory of loan and incentive programs - It is vital for small businesses to understand loan programs available in addition to the microloan program we developed. Through our partnership with KCSourcelink, KCBizCare staff and our customers have access to online resources identifying loan and

incentive programs in the KCMO area. This information can be printed at our offices for our walk-in customers.

Vine Street Economic Development Plan - The Committee saw the value in getting the award winning Vine Street Plan implemented. The Vine Street Council has been established to oversee plan implementation and meets monthly. A PIEA district is being pursued for the district as recommended in the plan. The district was recently awarded a Main Street Missouri grant for use in establishing the 18th & Vine District as a Main Street Community in partnership with Main Street Missouri.

Increased cap and enhanced SLBE program - It is important to support the continued growth of our small businesses. One of the issues raised during the 17 hearings was the SLBE cap needed to be raised. The SLBE cap for design professionals on Water Services contracts has been increased from \$1.65 million in annual revenues to a higher amount. This enhancement is geared towards mid-tolarge MWBE firms that will provide prime contracting opportunities on the City's Overflow Control Program (OCP).

BuyLocalKC - The Buy Local KC campaign was launched on November 15, 2012, in partnership with KCSourcelink, ChooseKC and Kansas City Metro Area Cash Mob at the New Dime Store in Brookside. This is different from other local campaigns as we have encouraged our citizens to participate in the Kansas City Metro Area Cash Mob to vote on Facebook for Kansas City businesses in December. STUFF, in Brookside, won the vote for the December cash mob whose participants spent \$20 or more at a designated date to support a small business. This campaign has signed up at least 65 businesses to date and will continue after the holidays. January and February can be two of the most difficult months for businesses to thrive. Α accessed our small map can be at http://www.kcsourcelink.com/shop-local

Marathon Permitting Process - The new marathon permitting process was approved by City Council on December 6, 2012, by ordinance 120991. This process will help to ensure that neighborhoods and businesses along the route of a marathon are properly addressed and notified in order to minimize disruption of traffic by residents and customers. Councilwoman Marcason led this long effort and worked with the Committee Chair to add to the ordinance language which will consider the impact of any marathon decisions on small businesses during their operating hours that may be impacted.

Improved Monitoring of Compliance with Prevailing Wage and Other Contract Requirements - It is important that Prevailing Wage and MBE/WBE requirements are constantly monitored so there is a fair playing field by those that play by the rules in Kansas City. The Human Relations Department has partnered with labor and construction organizations for increased communications in the monitoring, reporting and enforcement of contracting violations.

Staffing and Technology for Monitoring of Compliance with Prevailing Wage and Other Contract Requirements - Human Relations will reallocate an additional compliance monitor in addition to implementing wage compliance software that will increase contracts monitored from 20% to 90% of City projects.

Labor Ombudsman for City Issues – It is important that there be an open line of communication between our labor community and the City Manager when events arise. The Committee suggested a labor ombudsman that could interact with both parties when those situations arise. Porfirio "Pete" Pete Raya, Business Representative, IBEW 124 has been identified by the City Manager and the Greater Kansas City Building and Construction Trades Council as a conduit for labor relations issues.

Entrepreneurs Video Series - City Communications has produced the first video in a series of four with the remaining videos to be completed in 2013. The series is titled "From Start-Up to Success in KC" Several other company stories will air on Channel 2 in subsequent months. The purpose of this series is to illustrate the great small business start-ups (and their stories) that have helped to create significant employment and investment in our community and enhance the quality of life with community involvement by their employees. We have an entrepreneurial spirit and history that is strong.

Reduced time from bid to notice to proceed on City construction projects and for payments to contractors - A more efficient process that continually improves was another emphasis by the Small Business committee. Performance measures are established and reported monthly to ensure that timely goals are consistently met. The goal is not more than 90 days and departments are averaging 73 days. Implementation of eBuilder project monitoring software on May 1, 2013, will further enhance our ability to monitor this performance measure.

Prompt Payment of City Contractors - The Small Business Committee has been vigilant to make sure the City is promptly paying contractors and that subsequently they are paying subcontractors in a timely manner. City departments are paying contractors within 30 days of acceptance of pay requests as required by Prompt Pay provisions of City ordinances and State Law.

Leveraging our Sister City Program for Small Businesses - The Small Business Committee held a forum at the World War I Museum on November 29, 2012, that included 40 people and small businesses. The meeting was scheduled to inventory all of the resources we have in Kansas City that can be leveraged for small businesses to help them grow and break into export markets. We highlighted the many great sister city relationships and non-profits such as Children International that have a presence in 47 countries which many times include a facility and relationships with local officials in those countries. We developed a contact list for each organization that will be posted on KC BizCare's website as another resource for our businesses once each organization confirms its information.

Ongoing Initiatives:

There are a few items that are still in process but require additional time due to budget issues or requirement of action by the General Assembly

B-3 New Revenue Computer System- Finance plans on implementing Phase I of the new integrated revenue system, RevKC, in Q1 2013.

- **D-1** Liquor Server Permit Fees-Fee reductions in Liquor Server permits are limited by State law and are the subject of one of the City Council's legislative priorities.
- **J-1** Study of Business License Tax- The Municipal Revenue Commission Report has proposed some solutions to modify the business license tax but not eliminate that be considered by the City Council.
- **U-5** BizCare App- Code for America Fellows will be engaging on KC programs in January 2013, a KCBizCare app is a target project for this group.
- **Z-1** Reestablishment of International Office Small businesses need an advocate to grow their businesses in Kansas City into international markets. The Committee is working with the Mayor's office to develop a strategic plan for the office, which is in process.

Special Committee on Small Business Recommendation Status Report January 23, 2013

#:	Recommendation:	Lead Agency:	Status:
A-1	Create a positive, business friendly culture of customer service at City Hall.	City Manager's Office	
A-2	Implement a Secret Shopper program as an incentive to provide excellent customer service.	Human Resources	
A-3	Publish "thank you" letters received by City staff in the Fountain Pen.	City Communications	
A-4	Overhaul the City's website to highlight the Business-Friendly City initiative and create an easily followed path to a complete online directory of KC BizCare services including links to follow us on twitter, LinkedIn and facebook.	City Communications	
A-5	Expand the Rich Noll Pacesetter Award Program to include a City-wide Employee of the Month Program to recognize excellent customer service to include a photo or story on Channel 2.	Human Resources	
A-6	Increase City employee involvement in the community through engagement with neighborhood and business associations, civic groups, charitable organizations, and others in order to build goodwill.	City Manager's Office and Human Resources	
A-7	Revise the Leadership Performance Appraisal for exempt employees to include a specific professional skill and competency category for support of the customer service culture.	Human Resources	

B-1	Create a process for City staff to share ideas and best practices for providing excellent customer service and innovation of City processes.	City Manager's Office	
B-2	Establish service level agreements describing purpose of agreement, services to be provided and performance measures to be achieved with each City Department and division.	City Manager's Office	
B-3	Implement a new Integrated Revenue System.	Finance	In Process (2)
C-1	Reduce or eliminate employee-paid fees for food handler permits which are seen as a barrier to employment.	Health	
C-2	Remove the requirement for food handler certification which is seen as a barrier to employment.	Health	
D-1	Reduce or eliminate employee-paid fees for Liquor Server permits which are seen as a barrier to employment.	Neighborhood & Community Services	In Process (2)
E-1	Eliminate the requirement for notarized consent signatures and implement a procedure of direct verification of consent for liquor licensing.	Neighborhood & Community Services	
F-1	Eliminate the requirement for a Tax Clearance letter for applications for liquor license issuance or renewal.	Neighborhood & Community Services	
G-1	Streamline the application processes for issuance of sidewalk cafe' permits.	Neighborhood & Community Services and City Planning & Development	

H-1	Revise regulations and notification processes for marathons using city streets to allow business continuity during events.	Public Works	
I-1	Establish a coordinated program to ensure City departments are cooperating with the land development community to provide a high level of predictability and certainty to the process.	City Manager's Office	
I-2	Provide written documentation of issues discussed at Development Assistance Team meetings.	City Manager's Office	
I-3	Require City staff to clearly define the difference between "requirements" and "recommendations" in discussions with clients, plans review comments and staff reports.	City Manager's Office	
I-4	Encourage City staff involved in the plans review process to contact the owner's design team for information or clarification of issues during the first review of the plans.	City Manager's Office	
I-5	Continue the practice of including business surveys in the process of establishing area plans and integrate this program into the EDC's annual business survey program.	City Planning & Development	
J-1	Review options for elimination of the business license tax while maintaining General Fund revenues.	Citizens' Commission on Municipal Revenue	Referred (2, 3)
K-1	Continue to enhance and expand KC BizCare services to the business community.	KC BizCare	

K-2	Work with City departments and related business support agencies to develop business intelligence data that can be shared with our clients to support their business decisions.	KC BizCare	
K-3	Empower KC BizCare staff to act as mediators and break log jams for the business community when and where ambiguity exists in the process of obtaining City approvals.	KC BizCare	
K-4	Create formal relationships between KC BizCare and Human Relation's Small Business Division and schools of business at area colleges and universities to provide free business consulting resources for small business, internships and other collaborative partnerships.	KC BizCare	
K-5	Open source City database information and provide access online to enable greater use of the City's data in developing apps and programs.	City Manager's Office & Information Technology	
K-6	Expand support for micro-enterprise start-up services offered by Human Relation's Small Business Division.	Human Relations	
L-1	Create a public private partnership with the EDC for the economic benefit of the City and our citizens.	City Manager's Office	
L-2	Establish service level agreements with Public- Private Partners describing purposed of partnership, services to be provided and performance measures to be achieved with each partner served by the City.	City Manager's Office	
L-3	Implement use of the City's 311 Action Center by KC BizCare and EDC staff for business related issues.	City Manager's Office	

L-4	Partner with the Greater Kansas City Chamber of Commerce for the success of the Big 5's "The Making of the Most Entrepreneurial City" initiative.	City Manager's Office	
M-1	Provide City services and documents in multi-lingual formats to increase business opportunities.	KC BizCare	
M-2	Translate KC BizCare's Business Resource Guide into Spanish.	KC BizCare	
N-1	Increase the City's participation in the <u>Justine</u> <u>PETERSEN</u> micro-loan program by providing additional funding of the loan loss reserve.	City Manager's Office	
N-2	Support creation of additional micro-loan programs for micro-business enterprises.	City Manager's Office	
O-1	Create an comprehensive inventory of financing and incentive programs offered by the myriad of local and regional resources including the Economic Development Corporation of Kansas City , Missouri, Clay County EDC , Hispanic EDC , Community Development Financial Intuitions (CDFIs), etc.	EDC	
O-2	Establish a State legislative priority to support legislation that would incentivize private investors from both inside and outside the State of Missouri to invest in businesses and State-sponsored venture capital funds.	Legislative Committee	
P-1	Partner with the EDC, the <u>Chamber</u> , <u>Downtown</u> <u>Council</u> and others in developing and implementing recommendations based on the EDC Business Survey.	City Manager's Office	

P-2	Incorporate Crime Prevention Through Environmental Design (CPTED) assessments by the Kansas City Police Department into information provided at KC BizCare.	KC BizCare	
P-3	Establish KC BizCare interface with <u>Jackson County</u> <u>Prosecutor</u> 's Office's Red Target program to encourage small businesses to participate.	KC BizCare	
P-4	Conduct the EDC Business Survey annually and ensure that future surveys are statistically valid within the 18 City Planning & Development area plan geographic areas.	EDC	
P-5	Map EDC business survey responses to identify specific geographic areas where resources can be targeted for the highest impact of city investment to address these concerns.	EDC	
P-6	Require City Departments to identify in their annual budget requests how they will address each of the EDC business survey priorities through program activities and/or funding or staffing allocations.	City Manager's Office	
Q-1	Increase opportunities for DWMBEs doing business in and with the City through a program of ensuring that there are at least two eligible DWMBE businesses in each scope of work category for City contracts.	Human Relations	
Q-2	Establish or partner with existing programs to provide business management, bidding and human resources training for DWMBEs to increase their chances of winning and successfully completing City contracts.	Human Relations	
Q-3	Increase the annual gross receipts cap in the SLBE program in order to allow firms to grow to a more competitive level.	Human Relations	

R-1	Review best practices for local preference for city contractors or vendors in US and propose changes where it can be shown that there is economic benefit to the City.	Human Relations	
S-1	Improve the City's monitoring capabilities related to compliance with contract wage requirements.	Human Relations	
S-2	Increase staffing in Human Relations by two employees to increase monitoring of contracts for compliance with prevailing wage, DMBWE requirements, etc.	Human Relations	
S-3	Create a volunteer labor ombudsman position to interact with the City Manager's Office on labor issues.	City Manager's Office	
T-1	Strengthen debarment regulations for contractors and principal officers violating City contract requirements.	Human Relations	
U-1	Expand marketing and outreach efforts to promote the Kansas City Business-Friendly Initiative.	KC BizCare	
U-2	Produce a KC BizCare video to be posted online and on Channel 2.	City Communications	
U-3	Produce a <u>Small Business Division video</u> to be posted online and on Channel 2.	City Communications	

U-4	Produce an Entrepreneurs Video Series highlighting KC's entrepreneurial success stories to be posted online and on Channel 2.	City Communications	
U-5	Create a KC Bizcare app that will provide mobile access to City Services available at www.kcbizcare.com.	City Manager's Office	In Process (1)
U-6	Implement the Vine Street Economic Development Plan.	City Planning & Development	
V-1	Establish website for public participation to enable business owners who cannot take time away from work to provide input to the committee.	City Communications	
V-2	Integrate ideas from http://www.KCMOmentum.com into report recommendations and post response online.	City Manager's Office	
W-1	Use technology to rapidly inform business and property owners of scheduled and/or emergency work that may affect their business. Twitter feeds: @KCMO @KCMOWater @KCPolice @KCMOOem @KCMOOem @KCFDtweets	City Manager's Office	
X-1	Create a "Buy Local KC" campaign to promote and support locally-owned businesses.	City Manager's Office	
Y-1	Revise the City processes and procedures required to issue a notice to proceed on City contracts to provide for a concurrent and cooperative time and cost saving process.	City Manager's Office	

Y-2	Review and revise contractor and sub-contractor payment procedures in projects funded by the City in order to provide reimbursements in a timely manner.	City Manager's Office	
Z-1	Working with the Office of the Mayor, establish one position to head an International Office for Business for the City.	Mayor's Office	In Process
Z-2	Leverage the City's <u>Sister City program</u> to advance international trade through local small businesses.	Mayor's Office	
Administrative Change			