

# 2018 Grays Harbor Business Survey Report for Grays Harbor County

**October 17, 2018**

Submitted by:

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For:

**Greater Grays Harbor, Inc.**

## **SESRC**

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## SPONSORSHIP

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## ABOUT SESRC

The Social and Economic Sciences Research Center (SESRC) at Washington State University is a recognized leader in the development and conduct of survey research.

SESRC-Puget Sound Division provides technical services and consultation to assist clients in acquiring data, understanding what data means, and applying that information to solving problems. The SESRC Puget Sound Division specializes in research design, data collection and analysis, using both qualitative and quantitative methods. The Division also provides interpretive reports, policy studies, presentations and consulting services directly to individual clients, organizations and consortia.

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## ACKNOWLEDGEMENTS

The authors would like to thank Greater Grays Harbor, Inc. for their support of this project. Special thanks goes to GGHI staff for their efforts to advertise the project to regional employers, conduct interviews, and collect the survey data. Finally, this project would not have been possible without the valuable insights contributed by the business owners who participated in the survey, and those individuals who attended the community focus group events.

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## FURTHER INFORMATION

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# EXECUTIVE SUMMARY

## 2018 Grays Harbor County Business Survey

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SOCIAL & ECONOMIC SCIENCES RESEARCH CENTER, PUGET SOUND OFFICE

WASHINGTON STATE UNIVERSITY

OCTOBER 17, 2018

As part of its ongoing mission to serve the needs of its members, partners, and the Grays Harbor region as a whole, Greater Grays Harbor Inc. (GGHI) initiated development of a survey of regional business organizations to solicit their input on the business climate and government support for new and existing businesses in Grays Harbor County. The Washington State University Social and Economic Sciences Research Center (Olympia office), in partnership with GGHI, generated the survey design, conducted data analysis, and produced the report. The survey, which included participation by 122 businesses, collected both quantitative data and qualitative responses. These data were subsequently presented to three (3) focus groups of regional businesses and support organizations, and the results of the meetings were integrated into the final report.

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### THE GRAYS HARBOR BUSINESS CLIMATE

Employer survey research sponsored by GGHI in 2016 focused on the overall business climate within Grays Harbor, including advantages and disadvantages, government regulations and other factors that may affect regional business retention and expansion.<sup>1</sup> At that time, employers reported mixed impressions about the business climate in Grays Harbor, however employers also reported that their attitudes have become more positive over time. The current study focuses specifically on employer perspectives about the climate for new businesses in Grays Harbor county, and ways in which the overall climate for new and existing businesses might be improved.

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### SURVEY RESULTS SUMMARY

**Ease of Starting a Business in Grays Harbor County:** Sixty percent of the respondents reported Grays Harbor County as an easy place to start a business, while 20 percent of respondents considered Grays Harbor a difficult place to start business. When asked what would have made it easier for them to start their business, many reported on the need for a centralized way to provide: relevant information about starting a new business; general and specific rules and regulations, and; better coordination among local, regional, state and federal agencies regarding these requirements. Providing new business

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<sup>1</sup>Hardcastle, A., Wang, Y. and Brooks L. (2016). Business Retention and Expansion Survey Report for Grays Harbor County (2016). Washington State University, Social and Economic Sciences Research Center, for Greater Grays Harbor, Inc. (September).

startups with a “Getting Started” package that contained all of the common explanations, regulations, contact information, forms and other tools they need to make it easier to meet the administrative requirements for starting and operating a new business. Providing improved customer service to new business applicants and mentoring for new startups was also suggested.

**Encouraging Others to Start Businesses in Grays Harbor County:** More than half (58%) of respondents indicated that they would encourage others to start a business in Grays Harbor County; less than one-fifth of the respondents (18%) would discourage others from starting a business in the County.

**County and Municipal (Local) Government Services:** Respondents were asked to rate 17 county and municipal government services or factors as they related to their business. Fire (91% of respondents), Ambulance (90%), and Police Responsiveness (81%) were the three rated most positively among all services listed. Conversely, Zoning landscape requirements (56%), Collaboration between local elected officials (43%), and Historical Preservation (43%) were the three most negatively-rated services.

**Business-Friendliness of County Government Policies and Procedures:** Nearly half of respondents (49%) reported Grays Harbor government policies and procedures to be business-friendly. Nineteen percent of respondents reported Grays Harbor government policies and procedures to be unfriendly to business.

**Experience Interacting with County Government:** When asked to rate their experience interacting with Grays Harbor County government in the past 2 years, more than half of the respondents (56%) rated the experience positively, while 14 percent rated the experience negatively.

**Improving Interactions with County Government:** Suggestions included: Greater clarity on rules and regulations; better coordination between and among County departments, as well as with city, state and federal departments and requirements, to make it easier for business owners to navigate the county’s administrative systems, policies and requirements for new and existing businesses. Also, that elected officials and staff should personally visit local businesses, to build greater awareness of the importance of local business to economic development, to receive direct input about potential policy changes, ways to reduce costs, and to boost support for local businesses.

**Business-Friendliness of Municipal Government Policies and Procedures:** Nearly half of respondents (49%) reported that Grays Harbor municipal (local) government policies and procedures are business-friendly. One-fifth (19%) reported Grays Harbor municipal government policies and procedures are unfriendly to businesses.

**Experience Interacting with Municipal Government:** More than half of the respondents (52%) reported their experience as positive. Less than one-fifth (17%) found the experience negative.

**Improving Interactions with Municipal Government:** Suggestions included: Encourage local elected officials to visit businesses in their communities; encourage coordination between all levels of government, to reduce and simplify the administrative and regulatory burden on local businesses; develop a better ‘customer service’ mindset among staff; and, increase communication between local business organizations and local elected leaders about what types of new businesses (and the jobs they can offer) should be recruited or encouraged to locate in the area.

**Regulations That Could be Streamlined or Simplified:** Respondents were asked to share their thoughts on County or Municipal regulations that could be streamlined or simplified to help support the success of their business. There were many diverse responses to this question, including:

- Make it easier for businesses to understand the multiple layers of rules and regulation tied to starting and maintaining a business in the region—a one-stop approach (centralization) and more clarity about requirements.
- Greater overall coordination between government departments, to reduce administrative burden and time delays for businesses.
- Change the property tax payment schedule to make it easier for seasonally-sensitive businesses to succeed economically from year to year.
- Identify, attract (with incentives) and support new types of businesses to the County—including more high-tech, high-wage employers and services.
- Address about the homeless population and the impact of transients on public health and safety, property damage, customer perceptions and business success.
- Reduce local taxes and permit rates; remove the personal property tax on business owners.

**Automation of Forms:** While some respondents suggested that all forms, applications, permits and payments should be available in online formats, the most commonly-submitted suggestion was to make B & O (Business and Occupation) tax forms and payments possible via a centralized online system.

**Unfair or Excessive Business Fees:** Gross receipts taxes (B&O) were most often noted by respondents as unfair or excessive, followed by personal property taxes on business owners. A variety of other fees were identified by some respondents.

**Review of Fees:** Respondents were asked whether a review of fees paid by business to Grays Harbor County—with an eye towards enhancing fairness and clarity—would be of value to their business. Three-fifths of respondents (60%) agreed that a review of fees paid would be of value. Thirteen percent of the respondents did not agree that such a review would be of value.

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## FOCUS GROUP FEEDBACK

Three community-based focus groups comprising businesses and other invited guests were held in September in central locations in Aberdeen, Elma and Ocean Shores. Each meeting lasted up to two hours. The goal of these meetings was to review and discuss the survey results, collect additional input about the survey topics, and to clarify the meaning for some items.

**Feedback on Overall Survey Results:** Participants from all three of the groups confirmed that the survey findings and summary presented appeared to be accurate and consistent with their personal experiences; no participants took exception to the results, reported inaccuracies or suggested changes to the results presented.

**Input for Greater Grays Harbor, Inc.:** Regarding ways in which Greater Grays Harbor, Inc. (GGHI) can assist the local and regional business community, the three groups collectively expressed support for several topics:

- **Mentorships:** Set up a business mentorship program to assist new business startups and support existing businesses, in coordination with the regional Small Business Development Center (SBDC).
- **Best practices:** Collect and assemble case studies as ‘lessons learned’ from successful, aspiring and unsuccessful businesses, and share this resource with interested entrepreneurs and existing business owners.
- **Integrated event calendar:** Create or integrate a centralized web-based event calendar that links local and regional business organizations, associations and advocacy groups to improve event coordination.
- **New business startup information package:** Create a manual, pamphlets and website resources and make them available to individuals interested in starting up a business in the region.

**Specific Suggestions for County and Municipal Governments:** A wide variety of suggestions were generated by focus group participants that were aimed at improving the support and services provided by County and Municipal (local) governments to new and existing businesses in the region. Some were city or region-specific, but most suggestions generally built upon or refined the survey findings, and were typically discussed by each of the three groups. Some examples:

- Have a centralized resource website that integrates or coordinates county and city rules, and provides step-by-step instructions on requirements and procedures for new and existing businesses in the region. To attract new businesses to the area, include specific information about the local community, including all topics and resources a potential new business might need to re-locate to the local area; housing, health care, amenities, schools, etc.
- Invest in better electronic infrastructure that support businesses in the region, especially high-speed internet and related services.
- Hire sufficient staff to support the service and information needs of new and current businesses. The improving economy and regional housing boom has generated new demand for services and support from city and county governments in recent years; governments have not kept pace with the increasing demand for related services.
- Identify the primary reasons that potential new business owners and current operators may not want to locate or live in the area, so that those challenges can be addressed systematically.

**Differences Between Focus Groups:** Although there was considerable overlap in the topics between the three focus groups, some input appeared to be unique and may represent feedback regarding specific conditions in those geographic locations. A short summary of the most-emphasized comments by group/city is included in the body of the report.

# BACKGROUND AND METHODOLOGY

## BACKGROUND

Greater Grays Harbor Inc. (GGHI) serves as the region's Chamber of Commerce and Economic Development Council. As part of its ongoing mission to serve the needs of its members, partners, and the Grays Harbor region as a whole, GGHI initiated development of a survey of regional business organizations for the purpose of obtaining information regarding the regional business climate, including the start-up of new businesses and support by local and county governments. This information is intended to help Grays Harbor County leadership and government enhance their policies, services and support for regional businesses and the Grays Harbor economy as a whole.

## METHODOLOGY

The Washington State University Social and Economic Sciences Research Center (WSU-SESRC Olympia office) was retained to help GGHI design an online survey, conduct the data analysis, lead three community focus groups to review the survey results, and produce the final report. The selection of businesses to include in the survey was based upon the current profile of the business and industry composition of Grays Harbor County, determined through an analysis of the North American Industry Classification System (NAICS) data provided by the U.S. Census Bureau. The goal was to ensure that all major sectors of the Grays Harbor economy were represented by the survey. Targeted businesses were selected and invited by GGHI staff. Data was collected from 122 businesses.<sup>2</sup> The distribution of industry sectors that participated in the study can be found in Appendix A.<sup>3</sup> The Appendix also summarizes a range of demographic information for each participating business.

GGHI staff contacted targeted businesses electronically and invited them to participate in the online survey (see Appendix B). Survey data collection began in April, 2018 and extended through the end of May. All survey participants were assured of confidentiality, and all survey results are presented in aggregate form; no specific breakouts or analyses by industry type or other demographic variables were conducted. Both quantitative responses to specific survey questions, and qualitative data regarding the general reasons behind some responses, were collected and summarized.

Three community-based focus groups comprising businesses and other invited guests were held in September. Each meeting lasted up to two hours. The goal of these meetings was to review and discuss

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<sup>2</sup> Of the 122 businesses that participated in the survey, 75 fully completed the survey and 47 partially completed the survey.

<sup>3</sup> The final distribution of industry sectors showed that the Retail industry and Other Services were somewhat over-represented, while Public Administration, information, Transportation and Warehousing, Wholesale Trade, and Utilities were the most under-represented. There were no respondents from the Mining, Administrative and Support and Waste Management and Remediation Services, and the Educational Services. The distribution of industries is to be expected given the limited sample size and overall representation of each sector in the county's economy.

the survey results, to collect additional input about the survey topics, and to clarify the meaning for some items. This input was summarized and integrated into the report.

The results are organized and reported for two general categories:

1. Employers' perceptions about the current business climate in Grays Harbor County for new businesses, including government policies, regulations and costs for businesses, business owners' interactions with county and local government, and potential improvements, and;
2. An integrated summary of feedback from the three community focus group meetings.

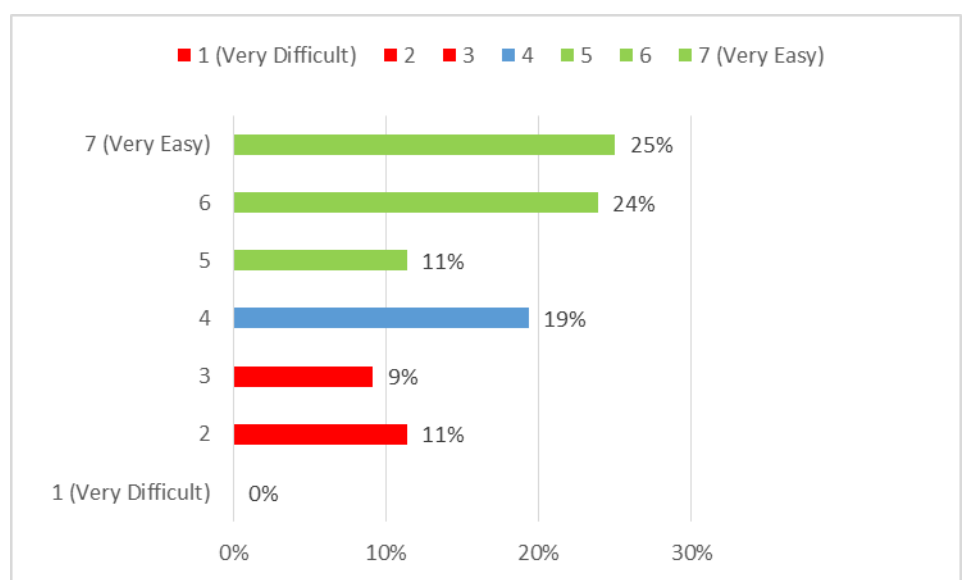
Study Limitations: The sampling procedures and limited number of employers participating in the survey reflects a sample of convenience, which means that the findings cannot reliably or statistically represent the perspectives of the total population of regional employers as a whole. The addition of focus groups to verify the survey findings and expand the inquiry enhances the content validity and clarity of responses to survey items among those who participated.

# SURVEY RESULTS<sup>4</sup>

## EASE OF STARTING A BUSINESS IN GRAYS HARBOR COUNTY

Respondents were asked to rate how easy it was to start a business in Grays Harbor County. As depicted below, sixty percent of the respondents (N=53) reported Grays Harbor County as an easy place to start a business; nineteen percent of the respondents (N=17) reported Grays Harbor County as an average place to start a business; and twenty percent of respondents (N=18) considered Grays Harbor a difficult place to start a business. Nineteen percent of respondents were neutral regarding this question.

**Figure 1. How easy was it to start a business in Grays Harbor County?**



## MAKING IT EASIER TO START A BUSINESS IN GRAYS HARBOR COUNTY

Survey respondents were asked to identify what would have made it easier for them to start their business in Grays Harbor County. Several respondents suggested the need for a centralized way to provide: relevant information about starting a new business; general and specific rules and regulations, and; better coordination among local, regional, state and federal agencies regarding these requirements.<sup>6</sup> One oft-mentioned response was that it would have been easier to start a new business

<sup>4</sup> The total number of responses (N) in this section may vary because not all respondents answered all questions.

<sup>5</sup> More than a quarter of respondents (N=33) reported that they either don't recall if Grays Harbor County was an easy place to start a business, or it doesn't apply to them; more than half of all respondents reported they have been in business in Grays Harbor County for more than 10 years. Also, this survey question may not pertain to current owners who acquired an existing business. To simplify reporting these responses were not included in the calculations or charts.

<sup>6</sup> The recommendations of some current business owners may not have been in place when they were initiating their businesses; some of the ideas suggested may now exist or be underway.

if they had initially been provided a “Getting Started” package that contained all of the common explanations, regulations, contact information, forms and other tools they need to make it easier to meet the administrative requirements for starting and operating a new business.

- The ‘getting started’ package should follow a common process that incorporates all requirements to start and operate a new business. This might include information regarding rules, taxes, regulations and other deadlines that any business owner would need to know and to comply with.
- Ideally this information would streamline and integrate the requirements by all cities in Grays Harbor County (which can differ), so that potential new business owners are clear about which general and also specific rules and processes they must follow.

A second overall theme was the need for greater centralization of information. Several respondents suggested that all federal state county and city information pertaining to the start of a new business should be consolidated and available in one location or ‘hub’ such as a website, or through a lead office with staff that are knowledgeable about all types and levels of requirements. The unique requirements of each city should be called out through this centralized information hub.

A third theme was the need for greater coordination among city, county and state departments that have administrative or regulatory authority over businesses in the region. Several respondents reported that their interactions with some departments had resulted in incomplete information or directions that contradicted the requirements between city, county or state-level departments. Lack of coordination can make it difficult and time-consuming for potential new business owners to resolve.

Several respondents commented on the need to improve customer service to potential new business applicants, including a more receptive and supportive attitude by staff in some departments; several said they would like to have more of a mentoring and supportive relationship with staff at city and county departments, rather than what they said is often a compliance-driven relationship.

Several businesses reported that they would also like to see stronger support for new business startups by existing, established businesses in the region or even prior business owners, acting as mentors and supporters for newly formed businesses, to help ensure their success.

Finally, a few respondents reported that their experience with the new business startup process was positive and they encountered few problems.

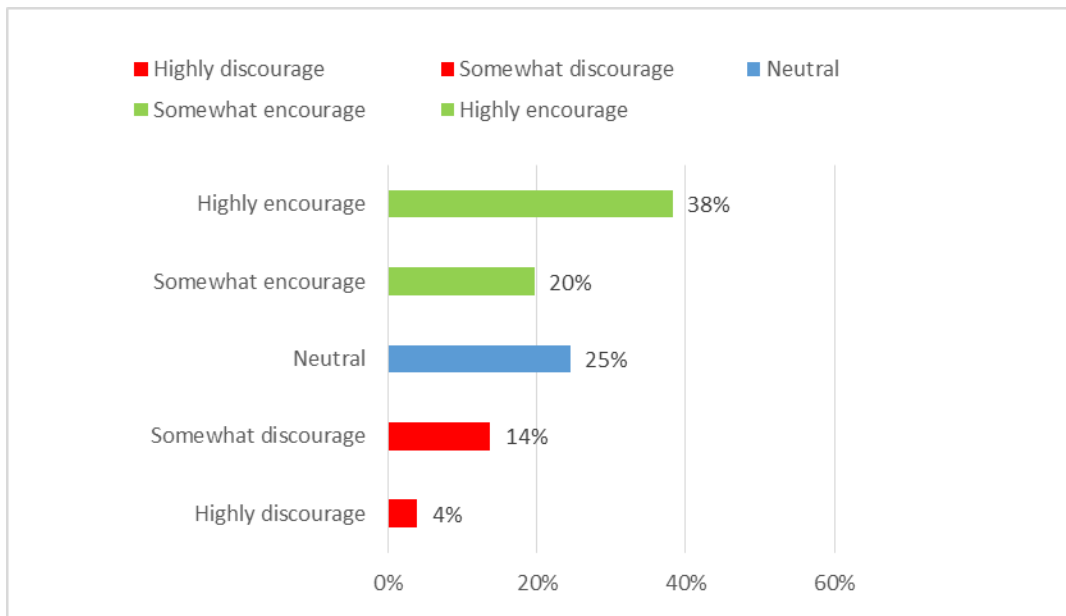


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## ENCOURAGE OTHERS TO START A BUSINESS IN GRAYS HARBOR COUNTY

When asked whether they would discourage or encourage others from starting a business in Grays Harbor, more than half of respondents (N=59, 58%) indicated that they would encourage others to start a business in Grays Harbor County; less than one-fifth of the respondents (N=18, 18%) would discourage others from starting a business in Grays Harbor; and one-fourth (N=25) remained neutral.

**Figure 2. Would you discourage or encourage others from starting a business in Grays Harbor County?**



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## EXPERIENCE INTERACTING WITH COUNTY AND MUNICIPAL GOVERNMENT SERVICES

**Positive Ratings:** Respondents were asked to rate 17 county and municipal government services or factors as they related to their business.<sup>7</sup> As shown below, Fire (N=54, 91%), Ambulance (N=50, 90%), and Police Responsiveness (N=67, 81%) were the three rated most positively among all services listed.

Fire Inspections (N=60, 77%), Obtaining/renewing Business Licenses (N=74, 73%), Restaurant Inspections (N=33, 73%), Code Enforcement (nuisance complaints) (N=56, 57%), Building Permit Inspections (N=50, 56%), were the next most positively-rated services, respectively. All remaining services were rated positively by around 50 percent or less of respondents.

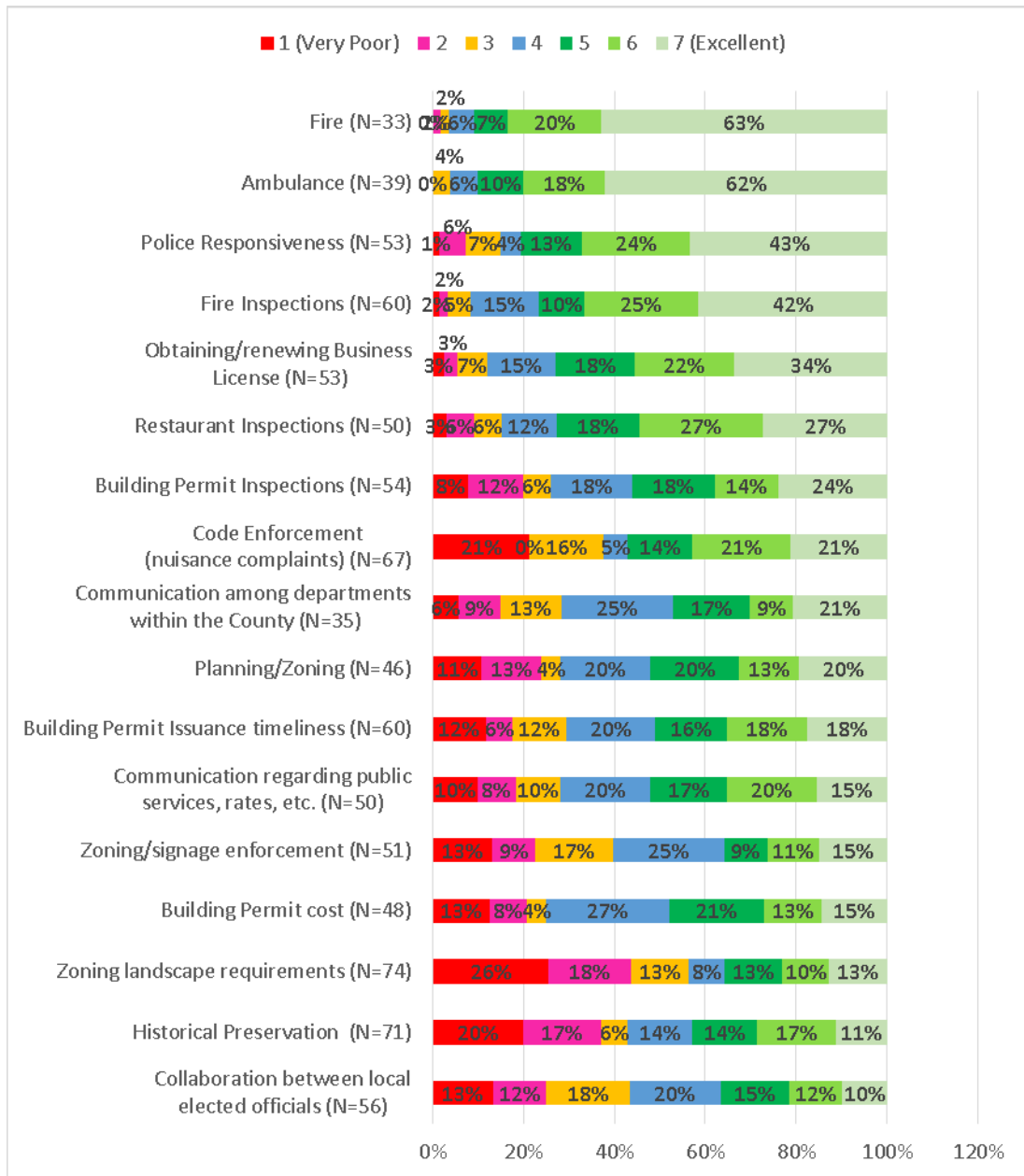
**Negative Ratings:** Among all services, Zoning landscape requirements (N=39, 56%), Collaboration between local elected officials (N=60, 43%), and Historical Preservation (N=35, 43%) were the three most negatively-rated services by respondents, respectively.

Zoning/signage enforcement (N=53, 40%), Code Enforcement (nuisance complaints) (N=56, 38%), Building Permit Issuance timeliness (N=51, 29%), Communication among departments within the County (N=53, 28%), Planning/Zoning (N=46, 28%), and Communication regarding public services, rates, etc. (N=71, 28%), were the next most negatively-rated services, respectively. All remaining services were rated negatively by around 25 percent or less of respondents.

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<sup>7</sup> The values described in this section combine all three positive (or negative) rating response categories. The values for each individual response category are depicted in each Figure.

**Figure 3. Please rate your experience interacting with the following County and Municipal government services it relates to your business.**



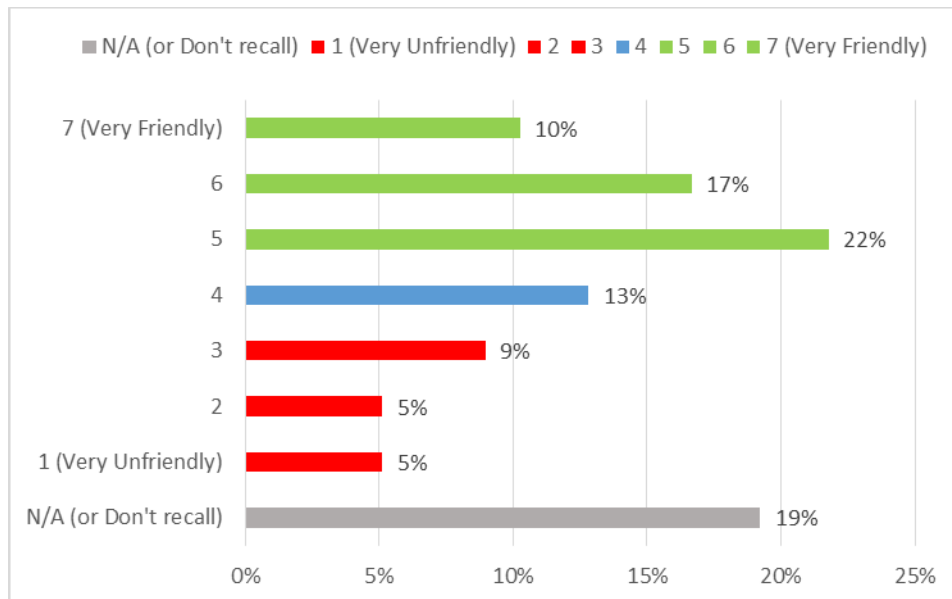
<sup>8</sup> For Restaurant Inspections and Historic preservation, more than half of the respondents reported 'not applicable/don't know' when asked to rate these services. Thus for these topics the values presented are based upon a very limited sample size.

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## FRIENDLINESS OF GRAYS HARBOR COUNTY GOVERNMENT POLICIES AND PROCEDURES

Nearly half of the respondents (N=38, 49%) reported Grays Harbor government policies and procedures to be business-friendly. Fifteen respondents (19%) reported Grays Harbor government policies and procedures unfriendly. Ten respondents (13%) regarded Grays Harbor government policies and

**Figure 4. How business-friendly are Grays Harbor County government policies and procedures as they relate to your business?**

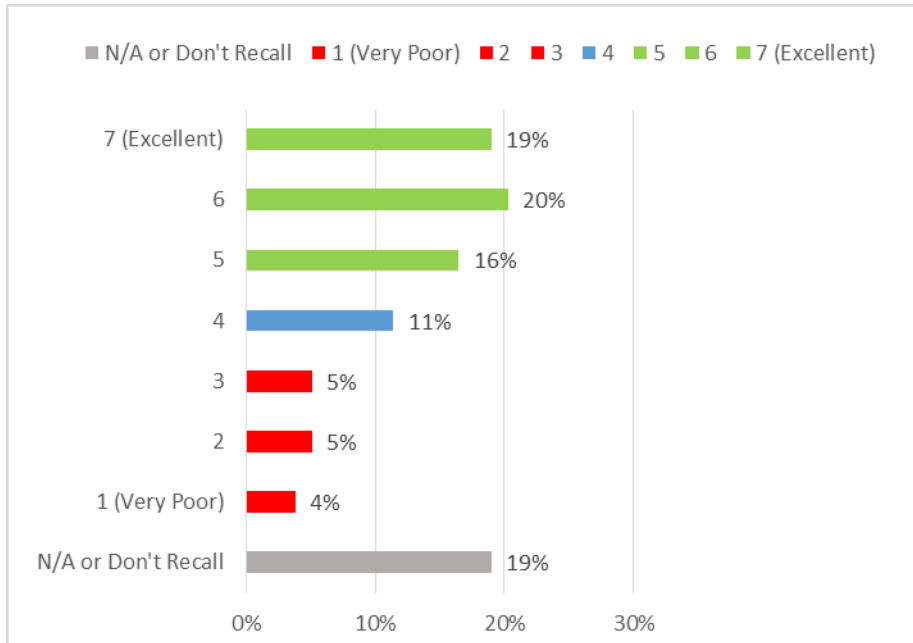


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## EXPERIENCE INTERACTING WITH GRAYS HARBOR COUNTY GOVERNMENT IN THE PAST 2 YEARS

When asked to rate their experience interacting with Grays Harbor County government in the past 2 years, more than half of the respondents (N=44, 56%) rated the experience positively; eleven respondents (14%) rated the experience negatively while nine respondents (11%) rated the experience neutral.

**Figure 5. Please rate your experience interacting with Grays Harbor County government in the past 2 years.**



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## IMPROVING INTERACTIONS WITH COUNTY GOVERNMENT

Respondents were asked how their interactions with County government could be improved. Several of the recommendations regarding County government interactions mirrored those noted earlier regarding new business startups: Greater clarity on rules and regulations, and better coordination between and among County departments, as well as with city, state and federal departments and requirements. Make it easier on business owners to navigate the county’s administrative systems, policies and requirements for new and existing businesses. One business owner noted:

“Increase communications between county government folks and local government folks and make sure they are on the same page with important issues for the business community; if not on the same page, make crystal clear the differences and why those differences exist.”

Several respondents suggested that elected officials and staff should make a point to personally visit local businesses, to build greater awareness of the importance of local business to economic development, to receive direct input about potential policy changes, ways to reduce costs (several noted removing personal property taxes against business owners), and to boost supports that can help businesses thrive.

Some respondents said they have very little contact with county government; others said county staff should be more respectful, “more personable to patrons,” and more responsive to their requests for assistance.

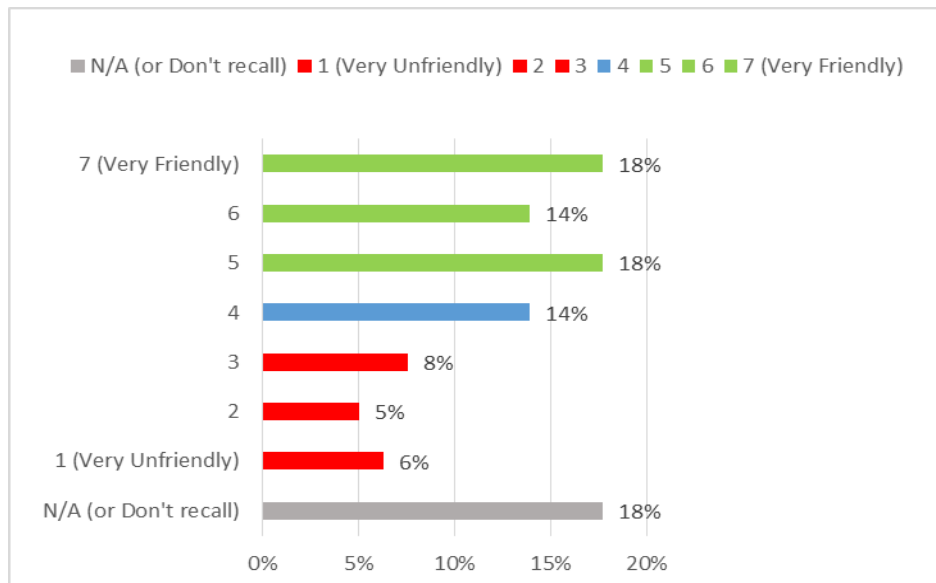
A few respondents reported their interactions with county departments and staff as mostly positive.

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### BUSINESS-FRIENDLINESS OF GRAYS HARBOR MUNICIPAL (LOCAL) GOVERNMENT POLICIES AND PROCEDURES

The respondents were asked how business-friendly Grays Harbor municipal (local) government policies and procedures are as they relate to their business. Close to half of the respondents (N=39, 49%) reported that Grays Harbor municipal (local) government policies and procedures are business-friendly. Fifteen respondents (19%) reported Grays Harbor municipal (local) government policies and procedures are unfriendly to businesses. Eleven respondents (33%) reported the Grays Harbor municipal (local) government policies and procedures are neither friendly nor unfriendly.

**Figure 6. How business-friendly are Grays Harbor municipal (local) government policies and procedures as they relate to your business?**

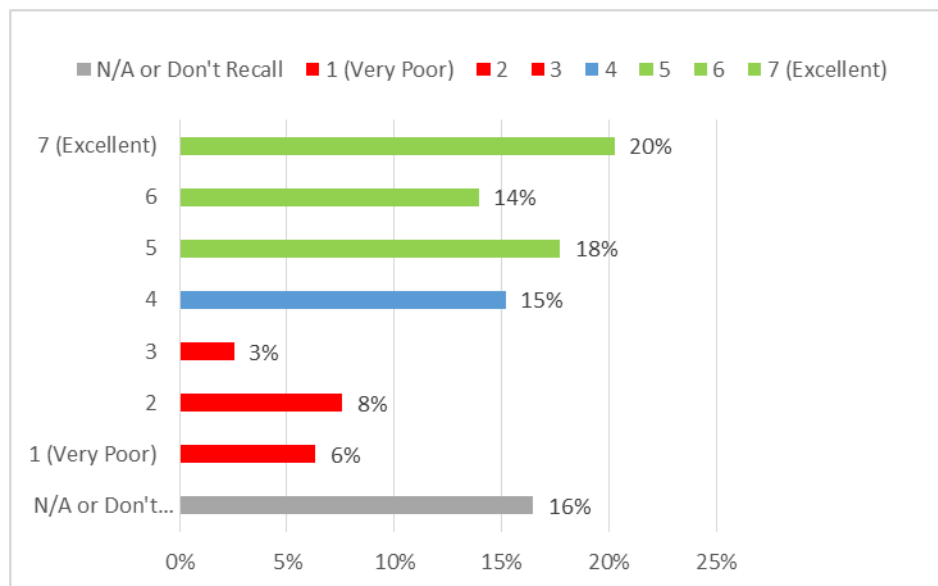


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## EXPERIENCE INTERACTING WITH MUNICIPAL (LOCAL) GOVERNMENT IN THE PAST 2 YEARS

The respondents were then asked to rate their experience interacting with municipal (local) government in the past two years. More than half of the respondents (N=41, 52%) reported their experience as positive. Thirteen respondents (17%) found the experience negative. Twelve respondents (15%) found the experience neither good nor bad.

**Figure 7. Please rate your experience interacting with municipal (local) government in the past 2 years.**



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## IMPROVING INTERACTIONS WITH MUNICIPAL (LOCAL) GOVERNMENT

Respondents were also asked how their interactions with Municipal (local) government could be improved. Encouraging local elected officials to visit businesses in their communities was emphasized for municipal governments. One respondent noted: “They should be prepared to listen, take notes and have an open mind.”

Similarly, additional efforts to encourage coordination between all levels of government were reported by several respondents, to reduce and simplify the administrative and regulatory burden on local businesses, and to help develop a better ‘customer service’ mindset among staff.

Increasing dialogue and communication between local business organizations and local elected leaders about what types of new businesses (and the jobs they can offer) should be recruited or encouraged to locate in the area, was also recommended by several respondents.

Providing and encouraging the use of electronic services that can be used by local businesses to streamline application, regulatory, permitting and payment processes (i.e., quarterly B&O taxes) was mentioned by several respondents.

A few respondents regarded their interactions with city departments and staff as positive.

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## COUNTY OR MUNICIPAL REGULATIONS THAT COULD BE STREAMLINED OR SIMPLIFIED

Respondents were asked to share their thoughts on County or Municipal regulations that could be streamlined or simplified to help support the success of their business. There were many diverse responses to this question. As with earlier survey items, a number of respondents reinforced the need to make it easier for businesses to understand the multiple layers of rules and regulation tied to starting and maintaining a business in the region—a one-stop approach (centralization) and more clarity about requirements was frequently recommended.

The need for greater overall coordination between government departments, to reduce administrative burden and time delays for businesses, also surfaced as a leading recommendation. Increasing coordination and communication among specific county and city departments was raised by several respondents. Specific examples included better coordination between building and health departments (to streamline processes, enable enforcement, and avoid contradictory requirements by inspectors), and overall coordination of building permits—led by the county—for all city and county building code and compliance issues. One employer described a specific approach:

“This could easily be accomplished with the appropriate technology and cooperation between the local cities and the county. The applicant could complete the initial forms, have the information forwarded to the appropriate jurisdiction, and then have the jurisdiction respond back within a set time frame, depending on the type of building request.”

Another specific suggestion was to change the property tax payment schedule to make it easier for seasonally-sensitive businesses to succeed economically from year to year. One employer noted: “First half property tax comes due right as we start to ramp up for the season - the worst possible time for cash flow. You can’t pay early because they won’t accept payments until the assessments are made. It would be easier to be able to pay in full in October.”

Identifying, attracting and supporting new types of businesses to the County—including more high-tech, high-wage employers and services—was also suggested by several respondents. Providing incentives, tax breaks or regulatory relief was suggested to help support growth of new small businesses in the region, and to encourage building upgrades and renovation.

Several respondents expressed concerns about the homeless population and the impact of transients on public health and safety, property damage, customer perceptions and business success.

Lower local taxes and permit rates were also recommended by several respondents. One employer replied: “Remove the personal property tax. You already tax us when we buy the equipment, you tax us



on income from the equipment, then you tax us because we own the equipment. Sounds like 3 taxes for the same thing to me.”

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## THE AUTOMATION OF FORMS

Respondents were asked what paper forms they currently fill out that should be available online for completion and submission. While some respondents suggested that all forms, applications, permits and payments should be available in online formats, the most commonly-submitted suggestion was to make B & O (Business and Occupation) tax forms and payments possible via a centralized online system.

Automating city business license renewals, building permits and payments, excise taxes, and personal property listings were also mentioned by some respondents.

One respondent expressed concern about data security for an online application and payment system, while another cautioned that over-automation of forms and business processes can sometimes create more work—not less—for local businesses.

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## UNFAIR OR EXCESSIVE BUSINESS FEES

Respondents were asked if there are certain business-related fees that they consider to be unfair or excessive, and if so, to describe them. Gross receipts taxes (B&O) were most often noted by respondents as unfair or excessive, followed by personal property taxes on business owners. One business owner noted: “The gross receipts tax for the city B&O is a painful check to write. My small business has small income and writing a check for a few thousand dollars every quarter is painful.”

There were also a variety of other taxes, fees and charges that some businesses identified as unfair or excessive, including:

- Vendor fees (a relatively new fee) charged by the health department. One respondent reported that temporary vendors are not required to pay B&O taxes or have a city business license, which was viewed as a loss of potential revenue to cities and unfair to the local, permanent businesses that do pay.
- Parking charges for downtown businesses.<sup>9</sup> One respondent added: “None of the benefits of the fee ever make it to K street. Steam cleaning sidewalks, leaf blowing the fall leaves off the sidewalk, parking enforcement, litter pick up, flowers, holiday decorations... nothing.”
- Inspection fees, plan review and permit fees, and water/sewer connection fees were mentioned by a few respondents as being too high.

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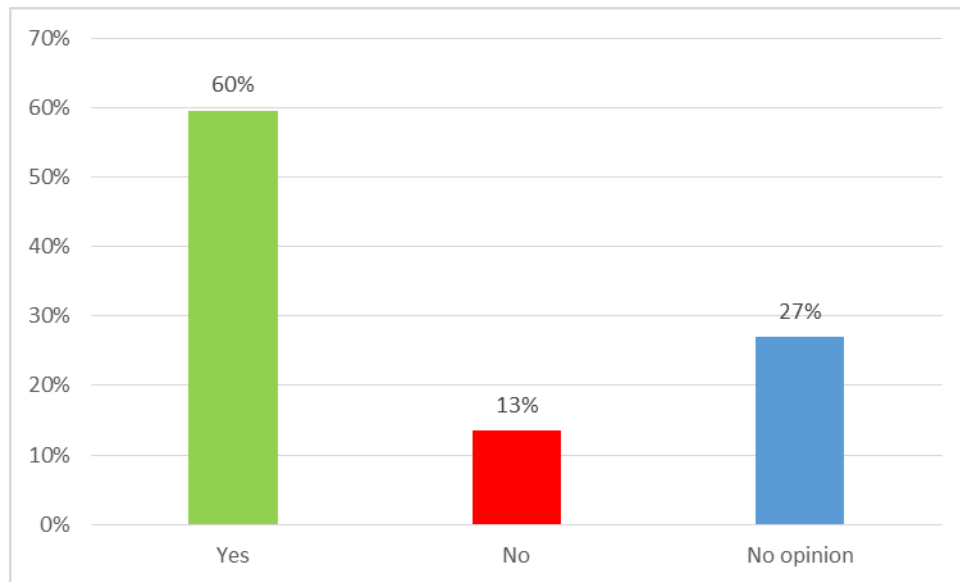
<sup>9</sup> This reference was specific to the city of Aberdeen, and did not apply to all three groups.

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## REVIEW OF FEES

Respondents were asked whether a review of fees paid by business to Grays Harbor County—with an eye towards enhancing fairness and clarity—would be of value to their business. As shown below, three-fifths of the respondents (N=31, 60%) agreed that a review of fees paid would be of value. Thirteen percent of the respondents (N=7) didn't agree that such a review would be of value to their business. More than one quarter of the respondents (N=14, 27%) reported no opinion.

**Figure 8. Fees paid by businesses to Grays Harbor County may be reviewed, with an eye towards enhancing fairness and clarity. Would this initiative be of value to your business?**



# FOCUS GROUP INPUT

## FOCUS GROUP PROCESS AND INPUT

Three community-based focus groups comprising businesses and other invited guests were held in September in central locations in Aberdeen, Elma and Ocean Shores. Each meeting lasted up to two hours. The goal of these meetings was to review and discuss the survey results, to collect additional input about the survey topics, and to clarify the meaning for some items.

The research team prepared a summary of the survey research findings for display. It was determined that not all survey topics should be included in the presentation, due to the limited time available to discuss the full range of results during the focus group meetings, and to enable the discussions to center on a limited, primary set of topics. Specific topics included:

- Ease of Starting A Business in Grays Harbor County
- Experience Interacting with County and Municipal Government Services
- Business-Friendliness of Grays Harbor County Government Policies and Procedures
- Business-Friendliness of Municipal (Local) Government Policies and Procedures
- County or Municipal Regulations That Could Be Streamlined or Simplified
- Unfair or Excessive Business Fees; whether to conduct a review of fees paid by businesses.

Following the presentation of the survey results, the researcher-facilitator asked for feedback from focus group participants on three levels regarding the survey findings: The overall survey results, input for Greater Grays Harbor, Inc., and suggestions for County and Municipal Governments. A summary of the combined feedback on each topic is provided below.

### 1. Feedback on Overall Survey Results

The researcher-facilitator asked each group whether the summary of survey findings presented during the meeting seemed accurate and consistent with their understandings and personal experiences as business owners or as supporters of business development in the region. Participants from all three of the groups confirmed that the survey findings and summary presented appeared to be accurate and consistent with their personal experiences; no participants took exception to the results, reported inaccuracies or suggested changes to the results presented.<sup>10</sup>

### 2. Input for Greater Grays Harbor, Inc.

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<sup>10</sup> Not all survey findings were presented to the groups, therefore confirmation for all questions, which comprise mostly secondary topics such as demographic information, is not included nor assumed.

Regarding ways in which Greater Grays Harbor, Inc. (GGHI) can assist the local and regional business community, the three groups collectively expressed support for several topics that were embedded in the survey findings, as well as additional suggestions for enhancing support for new and current businesses in the region. Topics emphasized by the groups included:

- Mentorship program: Set up a business mentorship program to assist new business startups and support existing businesses, in coordination with the regional Small Business Development Center (SBDC); highlight and include successful business owners to serve as examples and support new startups.
- Best practices: Collect and assemble case studies as 'lessons learned' from successful, aspiring and unsuccessful businesses, and share this resource with interested entrepreneurs and existing business owners.
- Integrated event calendar: Create or integrate a centralized web-based event calendar that links local and regional business organizations, associations and advocacy groups to improve event coordination and provide a one-stop approach to event publicity and awareness for business owners and operators.
- New business startup information package: Create a manual, pamphlets and website resources and make them available to individuals interested in starting up a business in the region. These resources should include a list of required rules, policies and procedures, and applications/forms required. Some participants suggested including information regarding community services and resources, such as regional housing, childcare providers, health care providers, information about schools (especially for those new to the area or considering relocating to start a business), and other information that prospective and current business owners most often request.<sup>11</sup>

### 3. Specific suggestions for County and Municipal Governments

Several suggestions were generated by focus group participants that were aimed at improving the support and services provided by County and Municipal (local) governments to new and existing businesses in the region. Some were city or region-specific (described in the next section), but the suggestions and input described below generally cut across the three groups; some suggestions build upon or extend those suggested for GGHI.

- Simplify certain policies and tailor the policies to be more targeted for rural communities instead of copying from the Seattle Index, which is tailored for the Seattle area and its unique conditions.
- Have clear and simplified taxes and payment schedules.

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<sup>11</sup> GGHI staff reported during each focus group discussion that based on the initial survey results, GGHI had already begun developing written and digital resources that can be offered through the GGHI website to assist businesses in their efforts to start, operate or expand operations in the region.

- Have a centralized resource website that integrates or coordinates county and city rules, and provides step-by-step instructions on requirements and procedures for new and existing businesses in the region.
- To attract new businesses to the area, include specific information about the local community, including all topics and resources a potential new business might need to re-locate to the local area; housing, health care, amenities, schools, etc.
- Convert all required forms and applications for potential new businesses into a digital format with detailed instructions, and make them available via one central website, so entrepreneurs can easily access and download them from one place. (Need step-by-step instructions.)
- Invest in better electronic infrastructure that support businesses in the region, especially high-speed internet and related services.
- Provide grants, funding and other incentives to help stimulate new business start-ups.
- Hire sufficient staff to support the service and information needs of new and current businesses. The improving economy and regional housing boom has generated new demand for services and support from city and county governments in recent years; governments have not kept pace with the increasing demand for related services.
- Provide transparent instructions, expectations and administrative timelines for applicants regarding business startups, requirements and next steps, so new and existing business owners know what to expect and can plan for and complete each step effectively and efficiently.
- Change how governments charge for businesses licenses to an annual cycle, with a lower price, which will enable compiling a current, comprehensive public business directory for the region.
- Set up flexible tax schedules so that seasonal businesses can make payments on a schedule that is aligned with seasonal revenue.
- Identify the primary reasons that potential new business owners and current operators may not want to locate or live in the area, so that those challenges can be addressed systematically.
- Make local areas more attractive structurally and aesthetically (renovation, landscaping, access, etc.) to entrepreneurs, existing businesses and potential customers.
- Invest in applications such as Geofencing (which uses GPS or RFID technology to create a virtual geographic boundary, enabling software to trigger a response when a mobile device enters or leaves a particular area) to enable expanded marketing of regional businesses, services, amenities and community character to prospective new businesses, residents and potential customers who pass through the area.
- Work more closely with local colleges to ensure that graduates can find a job in the region after graduation.

Although there was considerable overlap in the topics between the three groups, there were also some comments that surfaced that were unique or emphasized by participants, and may represent feedback regarding specific conditions in those geographic locations. A short summary of the most-emphasized comments by city is included below.

#### Aberdeen:

- Government services that support local businesses are not available at all times needed by businesses in the area. City hall and some other administrative offices are not open or

adequately staffed during the lunch hour, which is the only time many small businesses are free to conduct work directly with those offices.

- Most government offices and many related services are not open or available during weekends; there is no or limited services available to tourists that come to the region during weekends.
- No ongoing, updated listing of available commercial and residential properties.
- A growing number of building owners are located outside the region, are not physically around to address inquiries or questions, and it can be difficult to contact them.

#### Ocean Shores:

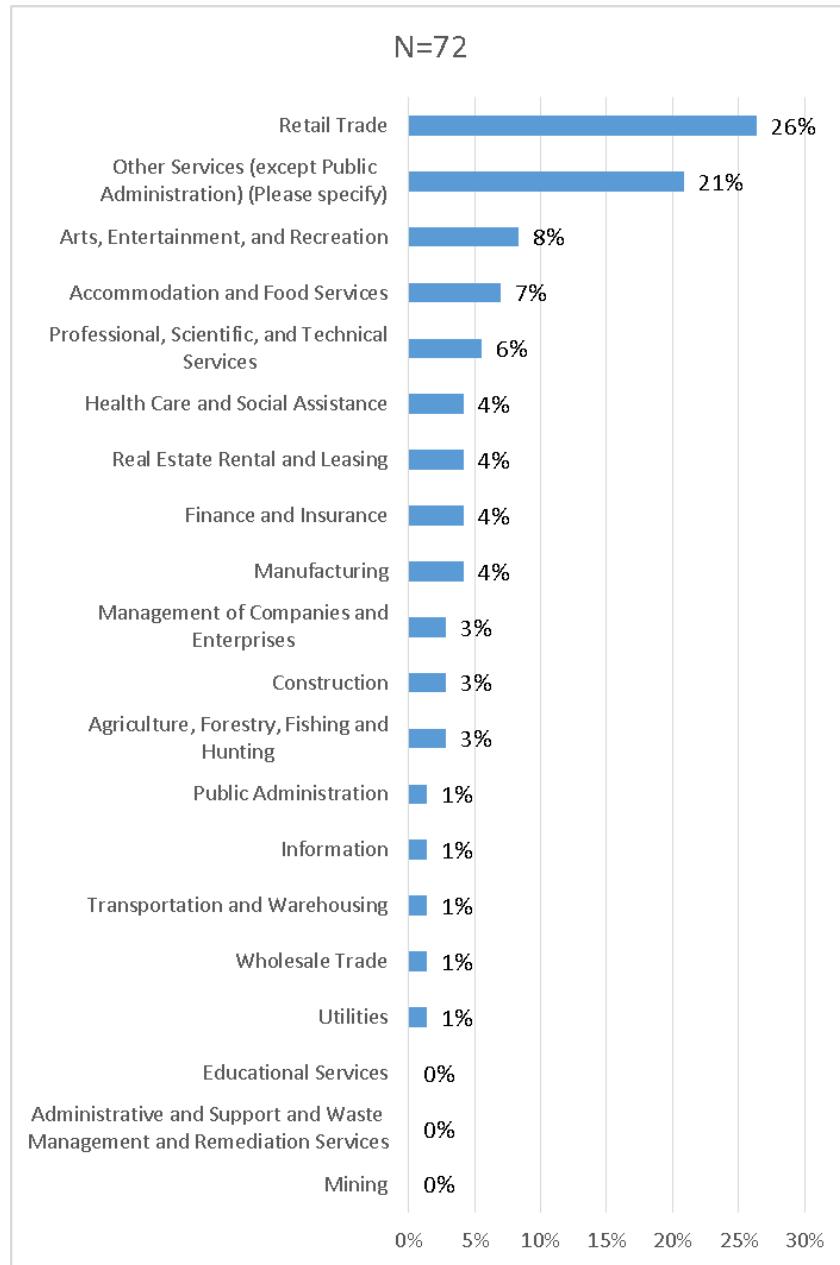
- Lack of qualified workforce in the region. Hard to train the younger generation; many have different work ethic, values and expectations than what employers need or want.
- Need better infrastructure like high speed internet.
- The process of figuring out the exact requirements (reports, fees, what is taxable, etc.) at all levels is extremely complicated and should be simplified.
- There are inequities in how cannabis tax revenues are collected and distributed back to local governments.

#### Elma:

- Lack of affordable housing in the region makes it hard to attract new employees to the area
- Child care services are limited and expensive
- Lack of adequate health care providers in the area; many shortages in professional and support staff positions.
- There is a perception that the quality of public schools is not good.

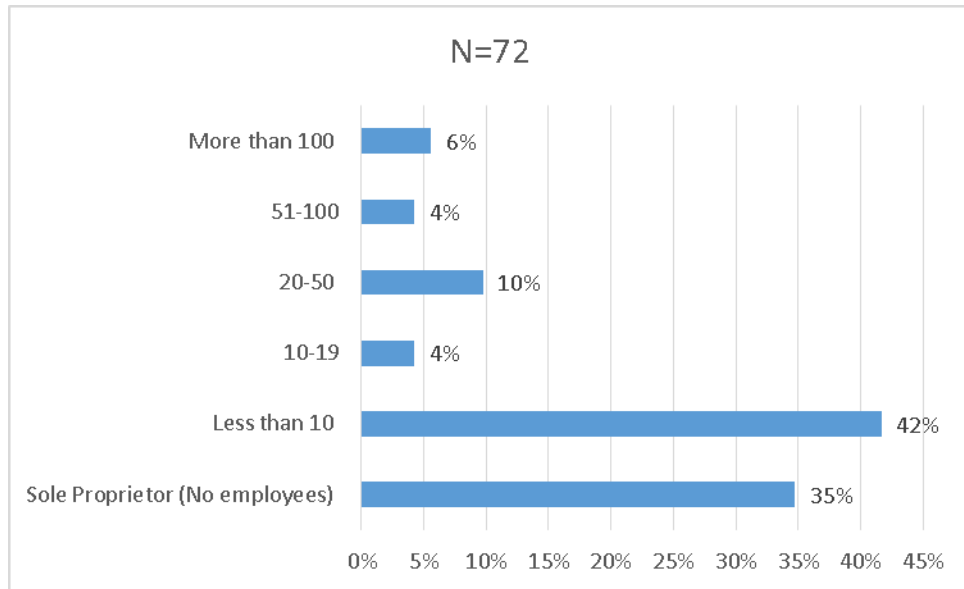
# APPENDIX A: SURVEY RESPONDENT DEMOGRAPHICS<sup>12</sup>

Figure 9. What is your firm or organization's primary line of business?

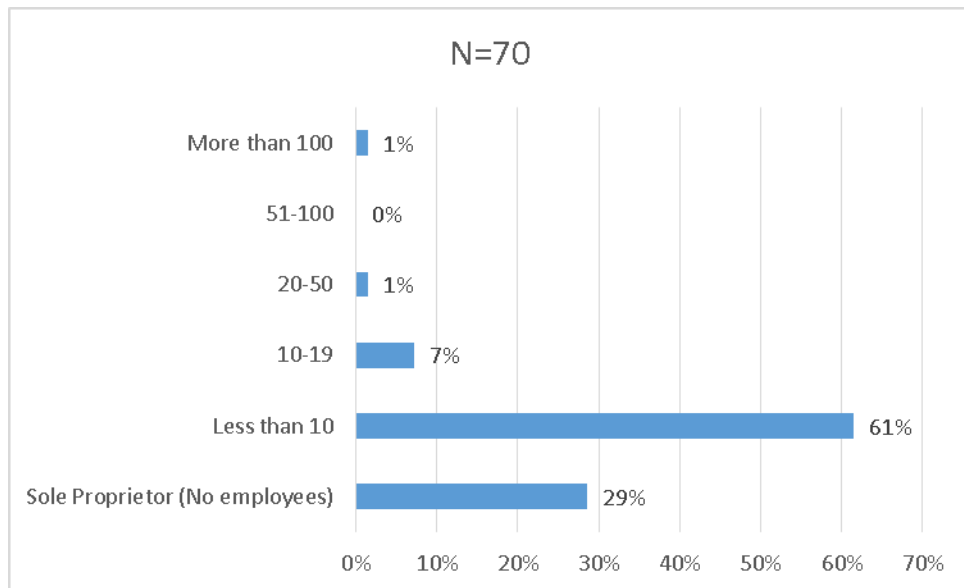


<sup>12</sup> The total number of responses (N) in this section may vary because not all respondents answered all questions.

**Figure 10. How many full-time employees do you have (40 plus hours per week) in Grays Harbor county?**

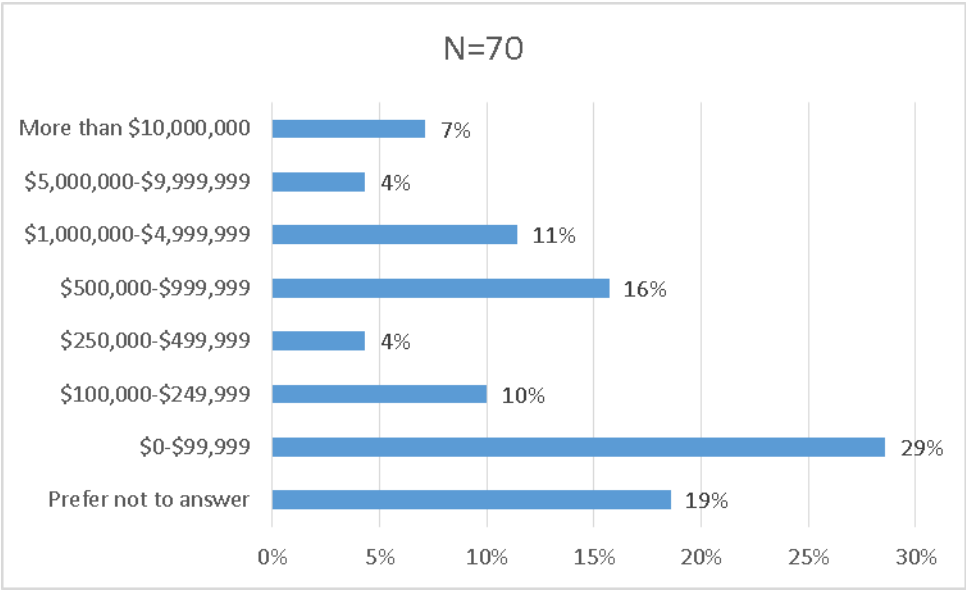


**Figure 11. How many PART-TIME employees do you have (less than 40 plus hours per week) in Grays Harbor County?**

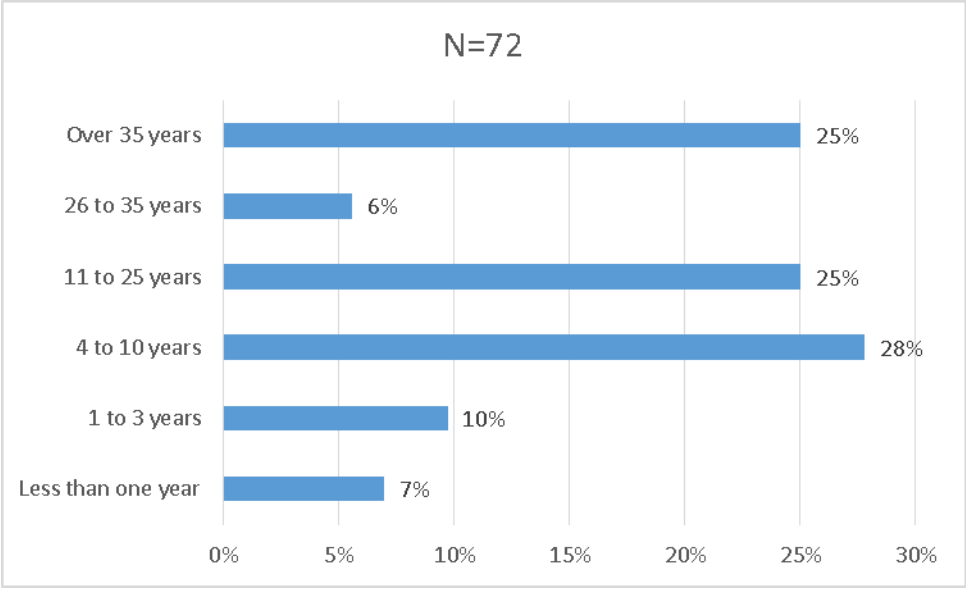




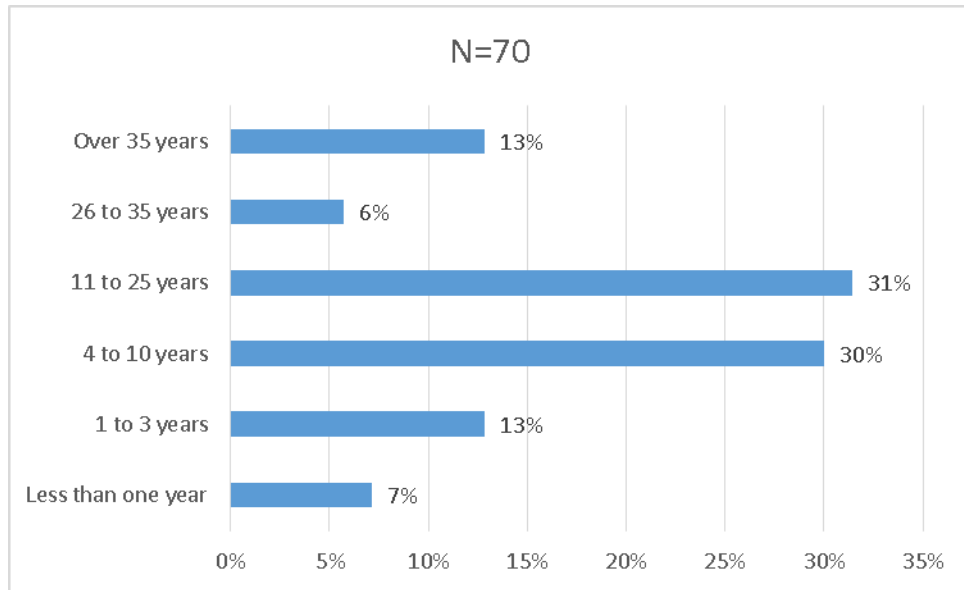
**Figure 12. Which of the following is the best estimate of your annual sales at this location for your business?**



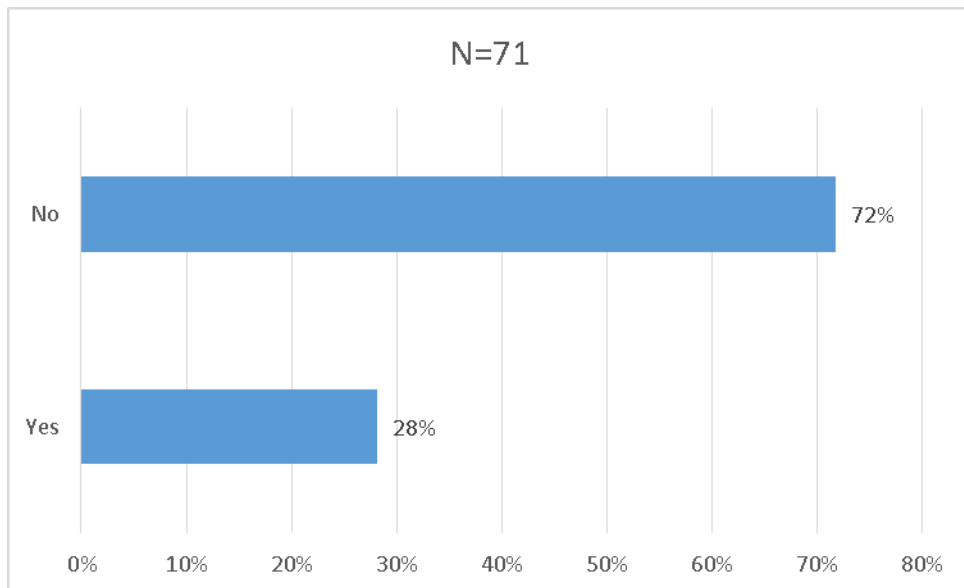
**Figure 13. How many years has your business been in operation in Grays Harbor County?**



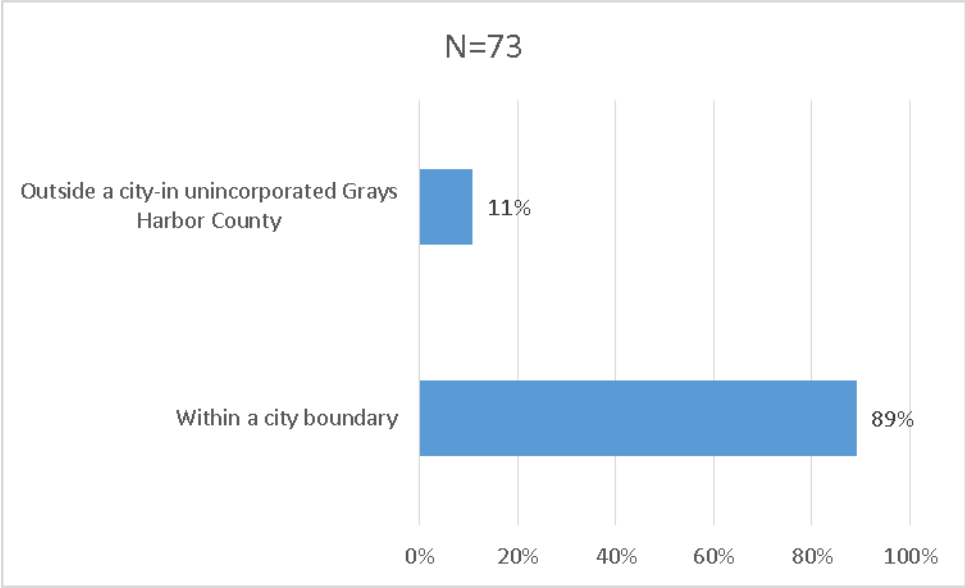
**Figure 14. How many years have the current owner/owners been operating this business?**



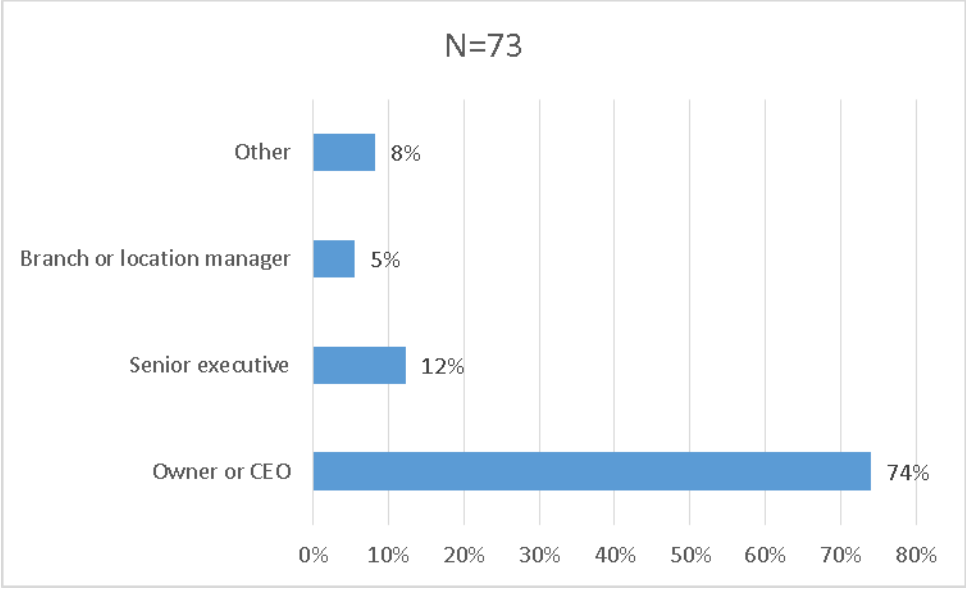
**Figure 15. Does this business have more than one physical location?**



**Figure 16. Is your primary business location within a city, or in an unincorporated area in Grays Harbor County?**



**Figure 17. Which of the following best describes your title with the company?**



Other specified:

- County elected official
- Executive
- wife
- company officer

# APPENDIX B: SURVEY QUESTIONNAIRE

## 2018 Grays Harbor County Business Survey

Start of Block: Default Question Block

QQ In an ongoing effort to improve business conditions in Grays Harbor County, Greater Grays Harbor, Inc. is conducting this survey to better understand ways that County leadership and local government can enhance their services and support for regional businesses. Your feedback will be treated confidentially and will help identify potential changes that can have a positive impact on your organization, local communities and the regional economy.

As a reminder, this survey is designed for current business owners.

Q1 Please answer the following questions using the scale provided.

How easy was it to start a business in Grays Harbor County?

	1 (Very Difficult)	2	3	4	5	6	7 (Very Easy)	Not Applicable (N/A) or Don't Recall
Rating	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q2 What would have made it easier for you to start your business in Grays Harbor County?

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Q3 Would you discourage or encourage others from starting a business in Grays Harbor County?

- Highly encourage
- Somewhat encourage
- Neutral
- Somewhat discourage
- Highly discourage

Q4 Please rate your experience interacting with the following County and Municipal government services as it relates to your business.

	1 (Very Poor)	2	3	4	5	6	7 (Excellent)	N/A or Don't Recall
Code Enforcement (nuisance complaints)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Communication regarding public services, rates, etc.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Obtaining/renewing Business License	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Building Permit <u>cost</u>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Building Permit Issuance <u>timeliness</u>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Building Permit <u>Inspections</u>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fire Inspections	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Planning/Zoning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Historical Preservation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q4A Please rate your experience interacting with the following County and Municipal government services as it relates to your business. (Continued from previous question.)

	1 (Very Poor)	2	3	4	5	6	7 (Excellent)	N/A or Don't Recall
Police Responsiveness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fire	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ambulance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Communication among departments within the County	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Collaboration between local elected officials	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Zoning/signage enforcement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Zoning landscape requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Restaurant Inspections	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q5 How business-friendly are Grays Harbor County government policies and procedures as they relate to your business?

	1 (Very Unfriendly)	2	3	4	5	6	7 (Very Friendly)	N/A (or Don't recall)
Rate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Q6 Please rate your experience interacting with Grays Harbor County government in the past 2 years.

	1 (Very Poor)	2	3	4	5	6	7 (Excellent)	N/A or Don't Recall
Rating	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q7 How can your interactions with County government be improved?

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Q8 How business-friendly are Grays Harbor Municipal (local) government policies and procedures as they relate to your business?

	1 (Very Unfriendly)	2	3	4	5	6	7 (Very Friendly)	N/A (or Don't recall)
Rate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q9 Please rate your experience interacting with Municipal (local) government in the past 2 years.

	1 (Very Poor)	2	3	4	5	6	7 (Excellent)	N/A or Don't Recall
Rating	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q10 How can your interactions with Municipal (local) government be improved?

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Q11 Please share your thoughts on County or Municipal regulations that could be streamlined or simplified to help support the success of your business.

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**Q12 County and Municipal governments are considering making certain improvements, and would appreciate your input on the following:**

**Automation of forms:**

What paper forms do you currently fill out that should be available online for completion and submission? (Skip if none.)

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**Q13 Business Fees:**

Are there certain business-related fees that you consider to be unfair or excessive? If so, please describe in the box below.

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**Q14 Review of Fees:**

Fees paid by businesses to Grays Harbor County may be reviewed, with an eye towards enhancing fairness and clarity. Would this initiative be of value to your business?

Yes

- No
- Don't know
- No opinion

Q15 What is your firm's or organization's primary line of business? (Main products or services—also known as NAICS code.)

- Agriculture, Forestry, Fishing and Hunting
- Mining
- Utilities
- Construction
- Manufacturing
- Wholesale Trade
- Retail Trade
- Transportation and Warehousing
- Information
- Finance and Insurance
- Real Estate Rental and Leasing
- Professional, Scientific, and Technical Services
- Management of Companies and Enterprises
- Administrative and Support and Waste Management and Remediation Services
- Educational Services
- Health Care and Social Assistance

- Arts, Entertainment, and Recreation
- Accommodation and Food Services
- Other Services (except Public Administration) (Please specify)  
\_\_\_\_\_
- Public Administration

Q16 How many FULL-TIME employees do you have (40 plus hours per week) in Grays Harbor County?

- Sole Proprietor (No employees)
- Less than 10
- 10-19
- 20-50
- 51-100
- More than 100

Q17 How many PART-TIME employees do you have (less than 40 plus hours per week) in Grays Harbor County?

- Sole Proprietor (No employees)
- Less than 10
- 10-19
- 20-50
- 51-100
- More than 100

Q18 Which of the following is the best estimate of your annual sales at this location for your business?

- \$0-\$99,999
- \$100,000-\$249,999
- \$250,000-\$499,999
- \$500,000-\$999,999
- \$1,000,000-\$4,999,999
- \$5,000,000-\$9,999,999
- More than \$10,000,000
- Don't know
- Prefer not to answer

Q19 How many years has your business been in operation in Grays Harbor County?

- Less than one year
- 1 to 3 years
- 4 to 10 years
- 11 to 25 years
- 26 to 35 years
- Over 35 years

Q20 How many years have the current owner/owners been operating this business?

- Less than one year
- 1 to 3 years
- 4 to 10 years
- 11 to 25 years
- 26 to 35 years
- Over 35 years

Q21 Does this business have more than one physical location?

- Yes
- No
- Not applicable

Q22 Is your primary business location within a city, or in an unincorporated area in Grays Harbor County?

- Within a city boundary
- Outside a city-in unincorporated Grays Harbor County

Q23 Which of the following best describes your title with the company?

- Owner or CEO
- Senior executive
- Branch or location manager
- Other (Please specify) \_\_\_\_\_