Developing Relationships with Orem Businesses
Letter from the Office of the Governor received May of 2013

Asked that we conduct a business regulation review

Provided recommended steps

Report the results
- Project was assigned to the Economic Development Division
- Business Regulation Review Committee was created
- Seven city employees from different departments and backgrounds

<table>
<thead>
<tr>
<th>The Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Economic Development Manager</td>
</tr>
<tr>
<td>2) Economic Development Assistant</td>
</tr>
<tr>
<td>3) Planning Section Manager</td>
</tr>
<tr>
<td>4) Private Development Engineer</td>
</tr>
<tr>
<td>5) Business Licensing</td>
</tr>
<tr>
<td>6) Deputy City Attorney</td>
</tr>
<tr>
<td>7) IT Programmer</td>
</tr>
</tbody>
</table>
The Committee

- First meeting September 2013
- Discussed an approach

The Decision

- We should not be the ones to crack the city code
- We are not the ones creating and operating businesses in Orem
- We should ask the business owners
- A survey was determined to be the best approach
The Survey

- After much debate, the committee decided an open format would give a business owner opportunity to bring up any issue or concern
- Mailed a survey with each business license renewal package, 4,014 total
- The survey was also available during the online business license renewal process
Tracking Returned Surveys

- Our programmer created an online survey as part of the renewal process.
- Online surveys were captured by our business license program.
- Surveys were isolated and exported to a spreadsheet.
- Handwritten surveys were entered into the spreadsheet manually.
## Survey Tracking

<table>
<thead>
<tr>
<th>License#</th>
<th>Business Name</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-19873</td>
<td>A MOTHER’S TOUCH CHIROPRACTIC</td>
<td>Not a comment about regulations, but just a note to say “thanks” for your work, and I have entered an email address likely different from the one you have on file. Can you please update your record of my email address. Thanks.</td>
</tr>
<tr>
<td>2002-19868</td>
<td>ANYS MARTIAL ARTS</td>
<td>City regulations on signs and permits are costly and tedious. Promoting and advertising should be a little more accessible to business owners.</td>
</tr>
<tr>
<td>1994-18570</td>
<td>BRODERICK &amp; HENDERSON CONSTRUCTION, LC</td>
<td>Not accepting improvement bonds from a reliable bonding company. Cash improvement bonds or bank letters of credit are a burden.</td>
</tr>
<tr>
<td>2009-25137</td>
<td>BUG BITES PIZZA</td>
<td>Internet sales tax will hurt my business.</td>
</tr>
<tr>
<td>1990-12330</td>
<td>CANYON GATE DENTAL</td>
<td>When our security alarm goes off and summons the police and we are unable to meet the police, we are charged a fee. Wish we wasn’t charged for that.</td>
</tr>
<tr>
<td>2010-28221</td>
<td>CITYWIDE HOME LOANS, A UTAH CORPORATION</td>
<td>Orem City has an unfair illogical business signage law for one section of State Street (where our office is located) that prohibits any sidewalk signs (small triangle easel type sign) or other lawn banners from being displayed. This may not be a bad law in general, but other areas are equally prohibited, including one block further north, or the entire University Parkway corridor. The law should equal permit or permit identical signage through the business corridor.</td>
</tr>
<tr>
<td>2012-27229</td>
<td>CURTIS D HARRIS, PLLC</td>
<td>The initial inspection fee and inspection create a challenge for starting businesses. This fee should be eliminated and the inspection not made where the new business is an office shared space that was already inspected at office space that is leased and advertised as executive office space (many similar). These spaces are likely to have been inspected for the original business or the leasing services activities. Inspecting additional tenants is redundant and a waste of resources.</td>
</tr>
<tr>
<td>1992-10487</td>
<td>DAVENPORT SERVICES/OREM WOMENS</td>
<td>To whom it may concern, We have concerns about certain county (UT county) practices that we feel unreasonably impact our business. Please contact me as it affects two Orem locations.</td>
</tr>
<tr>
<td>2011-26831</td>
<td>DISCOVERY PRESCHOOL OF OREM</td>
<td>No feedback. Happy with regulations.</td>
</tr>
<tr>
<td>2015-36198</td>
<td>DURAND, DURAND</td>
<td>May be selling my pumpkins this year. Yuma address 1110 South 20th Ave Yuma, AZ 85364.</td>
</tr>
<tr>
<td>2009-35444</td>
<td>EXPRESS CABINETS INC</td>
<td>We have not experienced any problems relating to our business.</td>
</tr>
</tbody>
</table>

---

**Business Regulation Review**
Comment Resolution

- Results were received throughout the end of 2013 and the beginning of 2014
- The committee met four different times to review comments, determine if anything could be done, and to assign a committee member to follow-up
  - 2013 December
  - 2014 January
  - 2014 April
  - 2014 June

<table>
<thead>
<tr>
<th>Assigned To</th>
<th>Contact Made</th>
<th>Resolved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ladonna</td>
<td>Letter</td>
<td>X</td>
</tr>
<tr>
<td>Ryan</td>
<td>LM 1-3-14</td>
<td>X</td>
</tr>
</tbody>
</table>
### Metrics

- **4,014 surveys mailed**
- **157 responses received**
  - 3.9% response rate
- **71 complaints**
  - 1.8% complaint rate

### Table 1: Subject Matter of 157 Survey Responses

<table>
<thead>
<tr>
<th>Subject</th>
<th>Number of Surveys</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Comment, or N/A</td>
<td>75</td>
</tr>
<tr>
<td>Business Signs</td>
<td>25</td>
</tr>
<tr>
<td>Offered the City Praise</td>
<td>11</td>
</tr>
<tr>
<td>Complaint about a State or County Issue</td>
<td>6</td>
</tr>
<tr>
<td>Complaint about needing a Business License (mostly attorneys)</td>
<td>5</td>
</tr>
<tr>
<td>Business Licenses Cost too Much</td>
<td>5</td>
</tr>
<tr>
<td>Complaint about the Personal Property Tax Process</td>
<td>5</td>
</tr>
<tr>
<td>Requested Assistance or the Answer to a Question</td>
<td>5</td>
</tr>
<tr>
<td>Complaint about Waste Water Inspections</td>
<td>3</td>
</tr>
<tr>
<td>Miscellaneous Complaints</td>
<td>17</td>
</tr>
</tbody>
</table>
Sample Responses

“Personal Property tax is very difficult to keep track of as a small business owner. I find this makes me pull my hair out every year. Please find an easier way of doing this. Utah County recently took their system online and it is much easier than in the past but I still hate the tax.”

“I have not had concerns about city regulations, but the county tax on business property is crazy. They told me I must pay a property tax on anything I "touch" related to my business. I already pay sales tax on things I buy. If there is any way the city can work to convince the County to get rid of this crazy tax, I would appreciate it.”
Sample Response

“Where to get started? I could write a book filled with opinions about business regulations (city, county, state, & federal). Because this form came with my business license renewal, I will focus on that. What good purpose does a business license actually serve? A license is defined as "permision granted"...to exercise a...privelege that...would [otherwise] constitute an illegal act. The freedom to exchange money or trade for goods and services is the fundamental freedom behind free enterprise. To say that to buy or sell something constitutes an illegal act is the epitome of despotism and the anti-thesis of freedom. Also the method of collecting comes at a high cost to businesses and is inefficient as a method of tax collection (and enforcement resources). The business must employ someone to take time out every year to process the license request and receive an "inspector". The amount of time and/or cost varies from business to business, but I would estimate its value to be from $10 to $100 each year plus the cost of the license. The collection method is also inefficient because staff @ the city must process the billing & collections as well as "inspect" the business premises. I suspect that the business licensing office uses @ least 50% of the revenues collected( @ least for the small businesses). Rather the city could obtain tax revenue by increasing sales or property taxes a fraction of a percent without increasing any staff to collect. That = 100% efficient tax collection method” - Attorney
Sample Response

“Orem City has an unfair illogical business signage law for one section of State Street (where our office is located) that prohibits any sidewalk signs (small triangle easel type signs) or other lawn banners from being displayed. This may not be a bad law in general, but no other areas are equally prohibited, including one block further north, or the entire University Parkway corridor. The law should equal prohibit or permit identical signage through the business corridor.”
Findings

- Personal property tax is a frustration for small business owners.
- Attorneys do not like paying for a business license!
- State Street businesses were not happy with proposed revisions to the city’s sign ordinance.
Findings Continued

- Some complaints and suggestions were above the local government level. These were included in the report to the Governor.

“The current city regulations seem to be fine. However, insurance companies frequently dictate how collision repair shops fix cars and if we will get paid or not. This is crippling our industry. If there was a way to create a regulation to assist businesses like ours in having a fair playing ground with insurance companies, it would definitely help. Body shops should be empowered to bill insurance companies for the work that was done and be paid for it.”

- Survey responder
State Street Sign Ordinance

- Received 25 business sign complaints

- Most complaints mentioned deliberations by the City Council

- During the survey period, due to feedback received, the City Council modified its course in amending the city’s sign ordinance

- Orem’s planning staff created business resource materials that clarified changes to the sign ordinance

- A postcard was mailed to all State Street businesses directing them to the new signage ordinance information on the city’s website
Sign Ordinance Clarification

Portable Signs

0.50 SQ. FEET PER FEET OF FRONTAGE

- Located in landscaped area when possible
- Placed in the front of a business
- Displayed during business hours only (baking in after store hours)

A-frame signs permitted

Banner Signs

- A maximum of two (2) portable signs are allowed if frontage requirements and landscaping requirements (if applicable) are met, otherwise none (0) portable signs (A-frame, banner, blade, or banner) is permitted.
Remaining Complaints

- The committee determined if anything could be done to improve the situation
- If so, the complaint was assigned to a committee member for follow-up
- The business was contacted to discuss the complaint
- In some cases, additional education for why a regulation was in place was enough to satisfy the business owner
Summary

- Business owners seemed surprised that we made the effort to solicit input and were pleased to receive a follow-up phone call or email.

- Some regulations are necessary, no matter how much complaining takes place.

- A complaint rate of 1.8 percent suggested that Orem is already making an effort in staying out of the way of business and/or most are not too concerned with current regulations/ordinances.

- When the business community speaks, Orem does its best to listen.

- We can’t make everyone happy, but we can acknowledge concerns and work to provide additional education or facilitate changes, if needed.
Examples of Ongoing Efforts

- Orem recently completed a comprehensive State Street Corridor Master Plan

- Unprecedented community outreach effort
  
  • MindMixer/MySidewalk Website – 10 months
    - 35,000 page views
    - 11,000 unique visitors
    - 800 active participants
    - Most topics received 500 to 1,500 percent more participants than the average MindMixer topic
- Six public open houses
- Businesses invited to participate as members of the stakeholder committee
- State Street business lunch meeting with over 60 people in attendance
- Seven developer meetings to solicit feedback
- Presentations to the Utah Valley Chamber of Commerce
- Public participation exceeded all prior Orem public outreach projects
Examples of Ongoing Efforts

- Parking requirements based upon building square footage will restrict future campus expansion
- Moxtek does not need the parking required by code
- Many buildings contain cleanrooms that utilize less employees than what other users might require in the same space
Examples of Ongoing Efforts

- The city is concerned that if Moxtek were to ever leave, a new user would not have adequate parking.

- On the other hand, we want Moxtek to stay and grow and continue to provide high-paying jobs and property tax.

- We are working together to create a Planned Development (PD) Zone that will create new parking requirements that meet Moxtek’s needs, allows for continued campus expansion, and will protect the city’s interests long-term.
Questions ??