

BUSINESS SURVEY

City of Portland: 2003



Office of the City Auditor
Portland, Oregon

May 2003

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CITY OF
PORTLAND, OREGON

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May 27, 2003

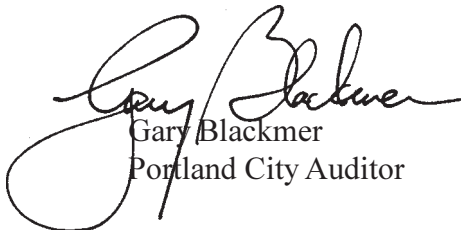
To: Mayor Vera Katz
Commissioner Jim Francesconi
Commissioner Randy Leonard
Commissioner Dan Saltzman
Commissioner Eric Sten

Subject: 2003 City of Portland Business Survey

This is the first business survey produced by the Office of the City Auditor. Its purpose is to inform City Council, managers, and the public about business satisfaction with Portland City government services. It helps provide an important missing piece of information about the City's customer satisfaction.

The survey was mailed in March 2003 to 4,800 businesses randomly selected from the City's Bureau of Licenses database. As of May 1st, 2,037 surveys were returned, for a response rate of 42 percent. Future surveys, if funded, will show changes in satisfaction ratings, by location, business type, and business size.

I believe this survey shows the value of continued business surveying to supplement the annual Citizen Survey prepared by my office for the past twelve years. Both these surveys help improve our accountability to the public and point to areas where we can improve the performance of government services.


Gary Blackmer
Portland City Auditor

INTRODUCTION

This is the first business satisfaction survey by the Office of the City Auditor. The purpose is to help evaluate the performance of City government from the perspective of businesses, and to supplement the annual *citizen* satisfaction survey also published by this office.

Description of respondents

The characteristics of the 2,037 businesses that responded to the survey are similar to the overall business community demographics in Portland.

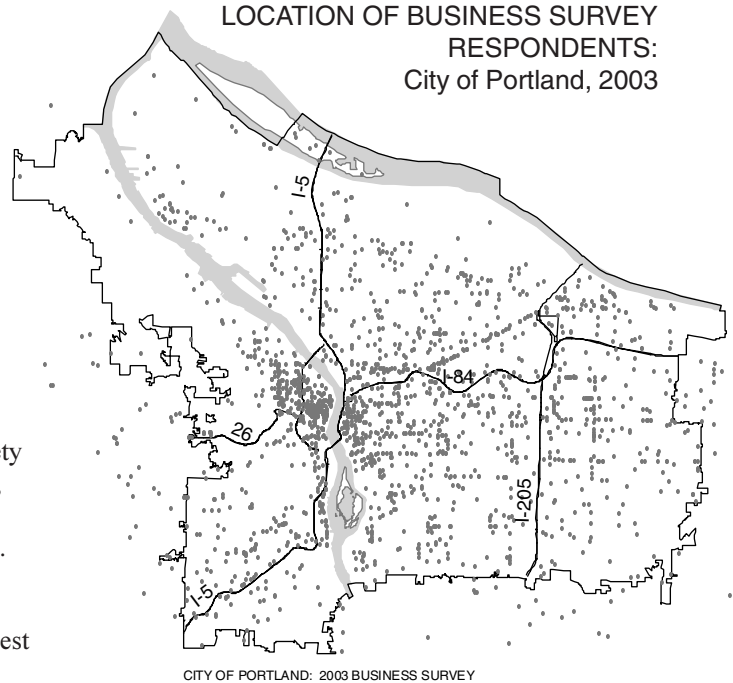
“Services” was by far the most common type of business in the sample. Examples of the wide variety of service businesses include doctors, bookkeepers, dry cleaners, auto repair, and beauty shops. Retail trade comprised the second largest type of business.

Also mirroring Portland business demographics, businesses with one or zero employees was the largest size category. Fifty-four percent of the responding businesses had less than five employees.

Results

The following pages provide a summary of the survey results, highlighting specific findings and comparisons. Because this is the first year of the survey, historical trends are not available.

LOCATION OF BUSINESS SURVEY RESPONDENTS:
City of Portland, 2003



A description of the survey methodology and the complete questionnaire, with summary results, begins on page 9.

TYPE OF BUSINESSES IN SURVEY		
Services	829	41%
Retail trade	357	18%
Building operators	180	9%
Manufacturing	155	8%
Construction	142	7%
Wholesale trade	126	6%
Finance, insurance, real estate	82	4%
Transportation & public utilities	66	3%
Other	88	4%
Unknown	12	not incl.
TOTAL	2,037	100%

TOTAL EMPLOYEES IN BUSINESSES		
0 or 1	537	29%
2 to 4	489	26%
5 to 9	332	18%
10 to 19	215	12%
20 to 49	185	10%
50 to 99	55	3%
100 to 249	37	2%
250 to 500	9	0%
More than 500	5	0%
Unknown	173	not incl.
TOTAL	2,037	100%

SOURCE: 2003 Portland Business Survey

OVERVIEW OF RATINGS

Businesses were asked to rate the quality of individual City services, as well as specific conditions that affect their business. In addition, we asked businesses to rate the quality of information provided by the City, and the impact of any recent development on their business. Finally, we asked businesses to rate Portland as a place to do business and the overall job that City government does.

Highest ratings. Businesses gave the highest ratings to overall *fire* and *police* services, as well as fire inspections and neighborhood safety ratings. In addition, the businesses with walk-in traffic rated distance to a bus stop very high.

Lowest ratings. The lowest rating was given to *on-street parking* in business neighborhoods. This question, which was asked only of businesses with walk-in traffic, received 31 percent “good” or “very good” ratings, but 43 percent “bad” or “very bad” ratings.

Only two other City services got more “bad” than “good” ratings: the City’s *economic development* and *building permit* services.

OVERALL SERVICE RATINGS	
Percent of businesses rating service	GOOD or VERY GOOD
Fire	85%
Police	77%
Recycling	68%
Street lighting	63%
Water	59%
Sewers	53%
Street maintenance	47%
Storm drainage	46%
Traffic management	42%
Land-use planning	34%
Building permits	29%
Economic development	26%

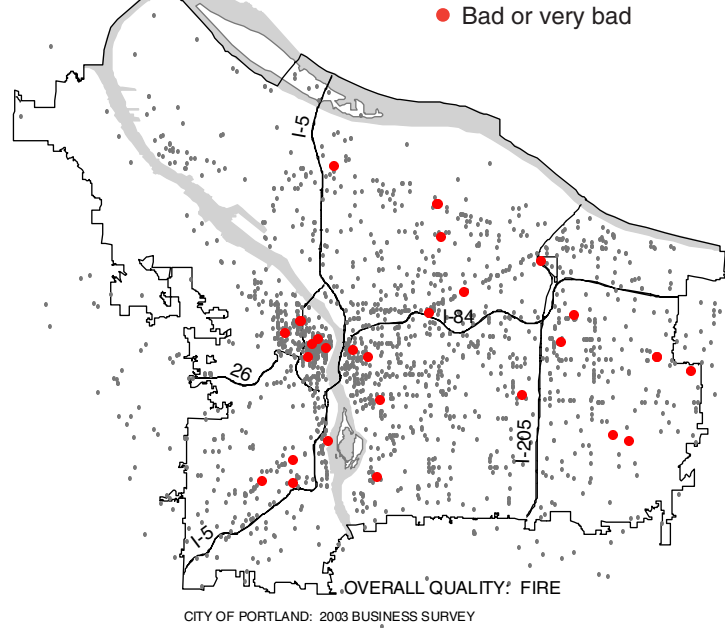
SPECIFIC CONDITION RATINGS	
Percent of businesses rating condition	GOOD or VERY GOOD
Distance to bus *	81%
Fire inspection **	81%
Safety during the day	76%
Pedestrian access *	71%
Neighborhood street cleanliness	63%
Physical condition of buildings	62%
Neighborhood street maintenance	57%
Graffiti	54%
Impact of new commercial development	51%
Neighborhood traffic congestion	49%
Neighborhood traffic speed	46%
Vagrancy	39%
Impact of new residential development	39%
Major streets traffic congestion	38%
On-street parking *	31%

* asked only of those with walk-in customers or visitors
 ** asked only of those who had fire inspection in last year

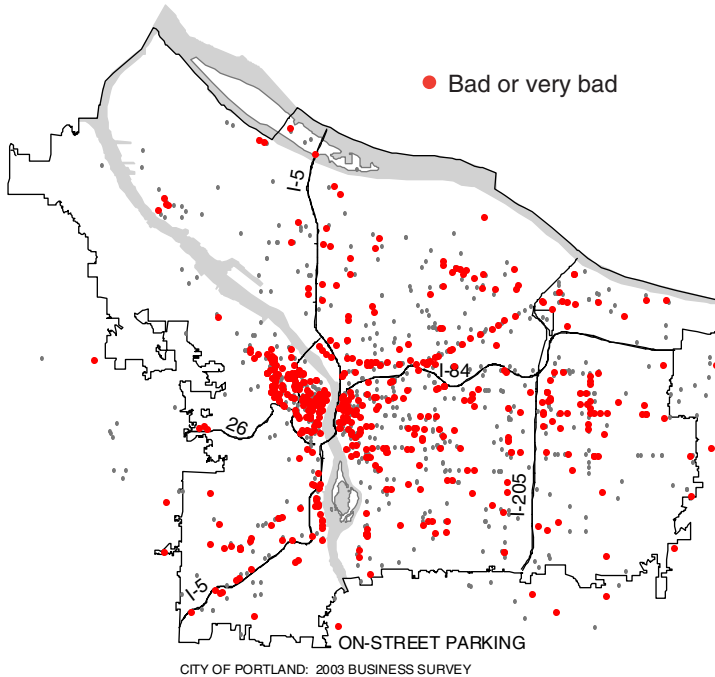
SOURCE: 2003 Portland Business Survey

Satisfaction with *fire* service is consistent throughout the City. Only 32 out of the 2,037 businesses responding rated fire service “bad” or “very bad”.

BUSINESS RATINGS OF FIRE

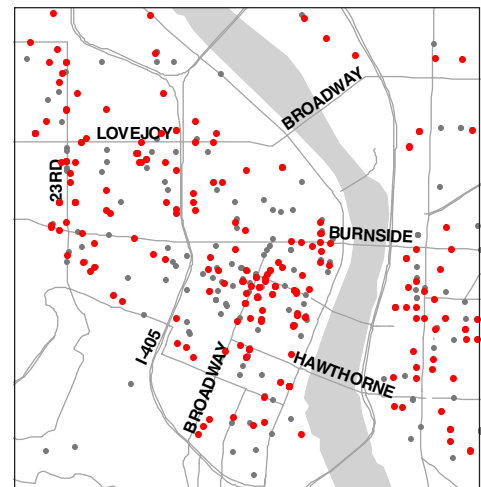


BUSINESS RATINGS OF ON-STREET PARKING*



Dissatisfaction with *on-street parking* occurs in all areas of the City, but is concentrated on major arterials and downtown streets.

On-street parking: Downtown detail



* asked only of those with walk-in customers or visitors

City information. Businesses were asked to comment on how well the City provides information on a variety of topics. Information on *development regulations*, *City business opportunities*, and *financial assistance* were the lowest rated.

While the ratings of information can be compared to each other, they may not be comparable to other items in the survey as some respondents gave low marks if they were not aware of the City information mentioned.

Impact of development. Businesses were also asked if there had been any new residential or commercial development in their business neighborhood in the last year. Those who had development in their neighborhood rated the impact of *commercial development* more favorably than residential (50 percent “good” or “very good” versus 39 percent).

CITY INFORMATION RATINGS

	GOOD or VERY GOOD	NEITHER	BAD or VERY BAD
Reducing pollution, water and energy use	34%	48%	18%
Business licenses	34%	42%	24%
General city govt. information	22%	52%	26%
Zoning	21%	50%	29%
Development regulations	17%	44%	39%
Business opportunities	18%	42%	40%
Financial assistance	13%	45%	42%

SOURCE: 2003 Portland Business Survey

LARGER BUSINESSES GENERALLY LESS SATISFIED

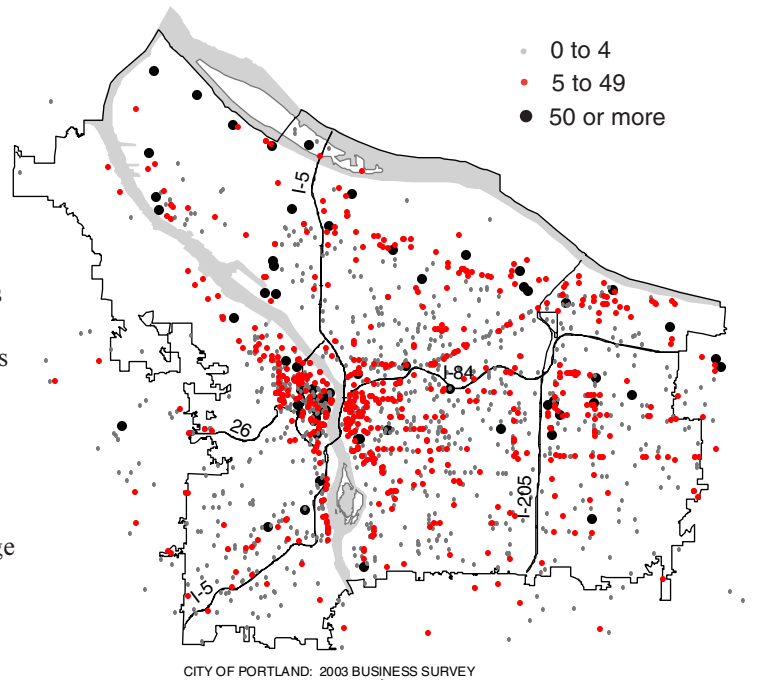
Smaller and larger businesses answered a number of questions differently. While the respondents tended to agree on what services were the best and the worst, *larger businesses* were generally *less satisfied* than smaller businesses.

The tables below show the significant difference between smaller and larger businesses on the two overarching survey questions. Businesses with 50 or more employees are much less satisfied with *City services* and *Portland as a place to do business* than businesses with less than 5 employees.

Other conditions rated lower by bigger businesses include *graffiti*, *vagrancy*, *physical condition of buildings* and *on-street parking*. This may be partially explained by the frequent location of large and mid-sized businesses on busy streets and major arterials.

Recycling, *economic development* and *City information* were also rated lower by the larger businesses.

NUMBER OF EMPLOYEES, BY LOCATION



CITY OF PORTLAND: 2003 BUSINESS SURVEY

CITY GOVERNMENT JOB PROVIDING SERVICES THAT AFFECT BUSINESS			
# of employees	GOOD or VERY GOOD	NEITHER	BAD or VERY BAD
0 or 1	52%	36%	12%
2 to 4	39%	44%	17%
5 to 49	37%	39%	24%
50 or more	36%	38%	26%
AVERAGE	42%	39%	19%

PORTLAND AS A PLACE TO DO BUSINESS			
# of employees	GOOD or VERY GOOD	NEITHER	BAD or VERY BAD
0 or 1	60%	26%	14%
2 to 4	48%	29%	23%
5 to 49	42%	26%	32%
50 or more	44%	21%	35%
AVERAGE	49%	27%	24%

SOURCE: 2003 Portland Business Survey

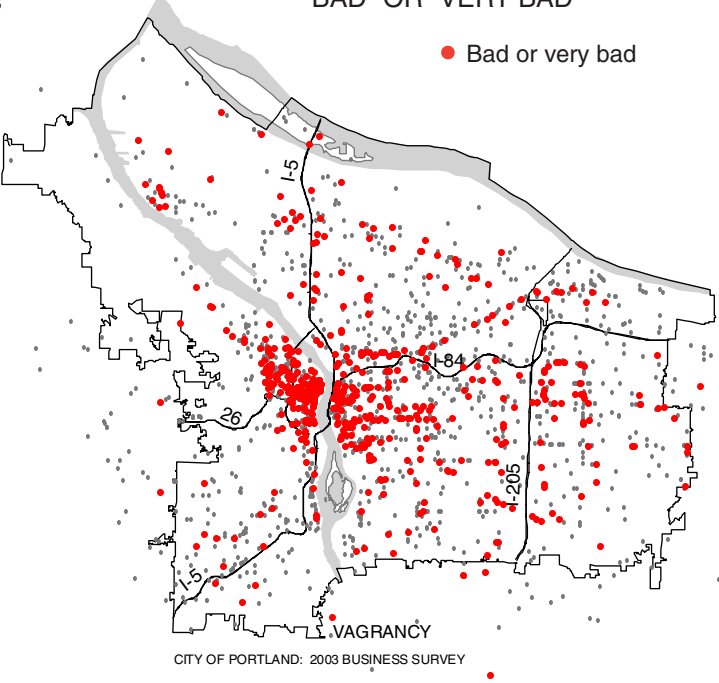
DIFFERENCES AMONG AREAS OF THE CITY

Businesses throughout the City generally rated the same services high or low. For example, all areas rated on-street parking as a problem and all areas gave high ratings to fire and police services.

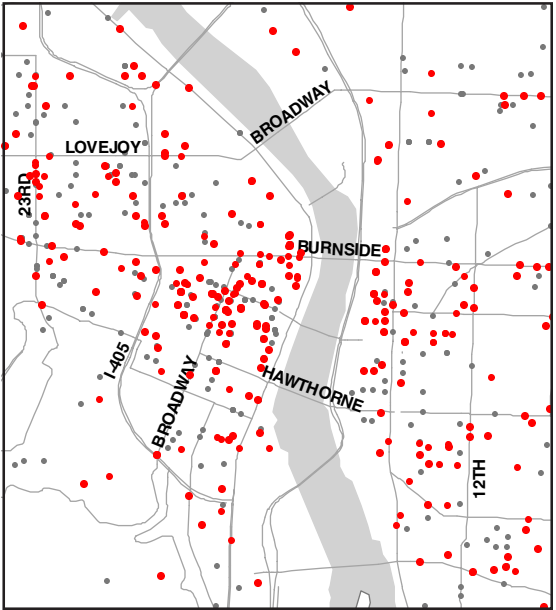
However, some conditions were rated differently in different areas of the City, including:

- vagrancy,
- graffiti, and
- the impact of residential development.

BUSINESSES RATING VAGRANCY "BAD" OR "VERY BAD"



Vagrancy: Downtown detail

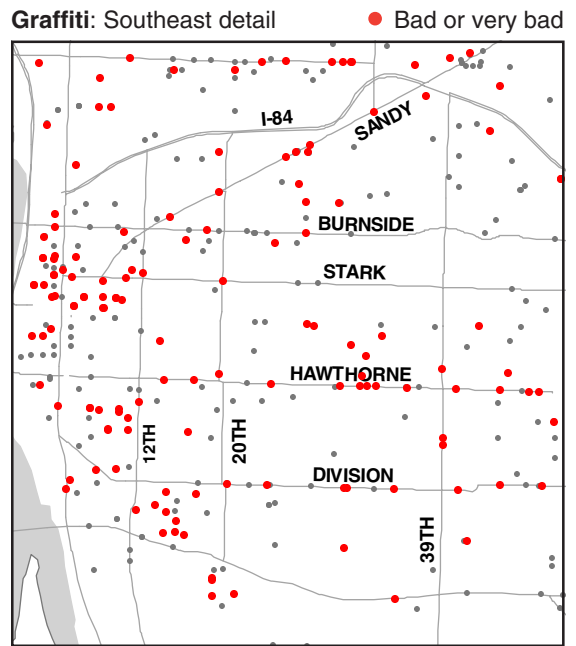


Vagrancy was a cited as a problem for more businesses downtown than in any other area.

SOURCE: 2003 Portland Business Survey

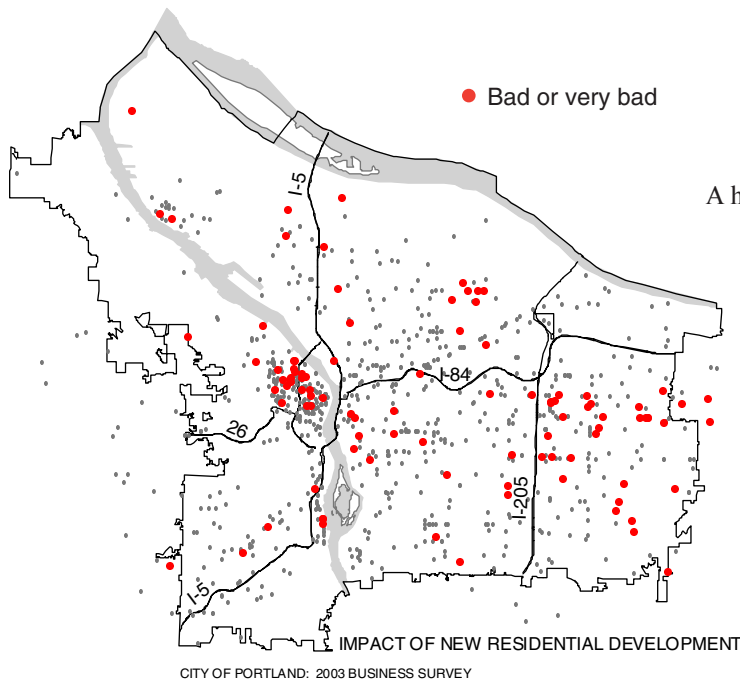
In contrast, while about 20 percent of downtown rated *graffiti* as bad, over 37 percent of the Southeast businesses gave it a bad rating.

As shown in the map detail, the inner Southeast businesses citing problems with graffiti appear in clusters, and in lines along the major arterials.



SOURCE: 2003 Portland Business Survey

BUSINESS RATINGS OF NEW RESIDENTIAL DEVELOPMENT



A higher proportion of the respondents from the East than from other parts of town thought that recent *residential development* had a bad impact on their business.

BUSINESS AND CITIZEN RATINGS DIFFER SLIGHTLY

Comparing business satisfaction to citizen satisfaction ratings from the 2002 Citizen Survey, we found that the highest rated services were similar. In both surveys *fire* was the highest rated service, followed by *distance to a bus/Max stop*.

Businesses rated overall quality of *police* service higher than citizens, but rated the *safety* of their neighborhoods during the day quite a bit lower. In addition, businesses rated *traffic congestion on major streets* higher than citizens, but *congestion on neighborhood streets* lower.

Recycling ratings showed the largest difference between citizens and businesses.

BUSINESS VS. CITIZEN RATINGS

Percent businesses and citizens rating **GOOD** or **VERY GOOD**

	BUSINESS	CITIZEN
HIGHER RATINGS:		
Police	77%	68%
Major streets traffic congestion	38%	27%
LOWER RATINGS:		
Safety during day	76%	88%
Recycling	51%	68%
Overall City job	42%	53%
Neighborhood traffic speed	40%	46%
Neighborhood traffic congestion	38%	49%
Land-use planning	34%	41%

SOURCE: 2003 Portland Business Survey and 2002 Citizen Survey

SURVEY METHODOLOGY

This is the first business satisfaction survey conducted by the Office of the City Auditor. The questions were patterned after those in the Auditor's on-going annual Citizen Survey, with changes to reflect City services most relevant to businesses.

The survey was mailed to 4,800 businesses, drawn randomly by the City's Bureau of Licenses from the approximately 145,000 locations in their business license database. Some of the businesses are located outside of the City limits, but have licenses for business conducted inside the City.

The survey was mailed in March 2003, with a follow-up reminder mailed in April. As of May 1, a total of 2,037 surveys were returned, for a response rate of 42 percent. At the conventional 95 percent confidence level, the margin of error is plus or minus 2 percent.

The survey was confidential, but the location of each business was geo-coded so survey results could be displayed in maps. The *type* of business was retained from the original Bureau of Licenses data, but no other identifying information was kept.

The survey questions and results follow. A percentage is reported for the responses to each question. The number of businesses that answered each question is noted in parentheses. "Don't know" and blank responses are not included in the percentages or in the count of responses.

2003

City of Portland BUSINESS SURVEY

INSTRUCTIONS: For each question, check the one box that best represents the point of view of **your business**. *If you have more than one business location, please think of **one primary** location when answering.*

1. How do you rate traffic congestion as it affects your business:

- on major streets and thoroughfares (excluding freeways)?
Very good 6%
Good 32%
Neither good nor bad 38%
Bad 19%
Very bad 5%
(1,942)
- on your neighborhood streets?
Very good 11%
Good 38%
Neither good nor bad 35%
Bad 12%
Very bad 4%
(1,835)

2. Thinking about your business, how do you rate your neighborhood area on:

- graffiti?
Very good 16%
Good 38%
Neither good nor bad 23%
Bad 19%
Very bad 4%
(1,951)
- physical condition of buildings?
Very good 14%
Good 48%
Neither good nor bad 28%
Bad 8%
Very bad 2%
(1,965)
- vagrancy?
Very good 12%
Good 27%
Neither good nor bad 30%
Bad 22%
Very bad 9%
(1,900)

3. Thinking about how the following neighborhood conditions affect your business, how do you rate:

- street maintenance?
Very good 10%
Good 47%
Neither good nor bad 26%
Bad 13%
Very bad 4%
(1,975)
- street cleanliness?
Very good 11%
Good 52%
Neither good nor bad 25%
Bad 10%
Very bad 2%
(1,967)
- traffic speed?
Very good 6%
Good 40%
Neither good nor bad 31%
Bad 18%
Very bad 5%
(1,966)

4. Does your business location have walk-in customers or other visitors?

Yes 67%

If YES → Please rate the following conditions on how they affect your business:

- on-street parking?
Very good 6%
Good 25%
Neither good nor bad 26%
Bad 26%
Very bad 17%
(1,317)
- pedestrian access?
Very good 17%
Good 54%
Neither good nor bad 19%
Bad 7%
Very bad 3%
(1,335)
- distance to a bus stop (or Max)?
Very good 38%
Good 43%
Neither good nor bad 12%
Bad 5%
Very bad 2%
(1,343)

5. Has there been any new residential development in, or near, your business neighborhood in the last 12 months?

Yes 51%

If YES → How do you rate its impact on improving the neighborhood as a place to do business?

Very good 9%
Good 30%
Neither good nor bad 50%
Bad 7%
Very bad 4%
(905)

6. Has there been any new commercial development in, or near, your business neighborhood in the last 12 months?

Yes 58%

If YES → How do you rate its impact on improving the neighborhood as a place to do business?

Very good 11%
Good 40%
Neither good nor bad 42%
Bad 4%
Very bad 3%
(1,050)

7. How do you rate the City of Portland's job providing information on the following?

- programs to help businesses reduce pollution, water and energy use

Very good 5%
Good 29%
Neither good nor bad 48%
Bad 14%
Very bad 4%
(1,699)

- business opportunities with the City

Very good 2%
Good 16%
Neither good nor bad 42%
Bad 26%
Very bad 14%
(1,674)

- business licenses

Very good 5%
Good 29%
Neither good nor bad 42%
Bad 15%
Very bad 9%
(1,858)

- financial assistance for business development
 - Very good 2%
 - Good 11%
 - Neither good nor bad 45%
 - Bad 27%
 - Very bad 15%

(1,460)
- zoning
 - Very good 3%
 - Good 18%
 - Neither good nor bad 50%
 - Bad 17%
 - Very bad 12%

(1,555)
- development regulations
 - Very good 3%
 - Good 14%
 - Neither good nor bad 44%
 - Bad 21%
 - Very bad 18%

(1,538)
- general City government questions
 - Very good 3%
 - Good 19%
 - Neither good nor bad 52%
 - Bad 17%
 - Very bad 9%

(1,580)

8. How do you rate the safety of your business neighborhood during the day?
- Very good 20%
 - Good 56%
 - Neither good nor bad 17%
 - Bad 6%
 - Very bad 1%
- (1,978)

9. Did your business have any inspections by the Fire Bureau in the last 12 months?
- Yes 70%

- If YES** → How do you rate the quality of the inspections?
- Very good 29%
 - Good 52%
 - Neither good nor bad 14%
 - Bad 3%
 - Very bad 2%
- (1,347)

10. OVERALL:

How do you rate the quality of each of the following City services from the point of view of your business?

•	Police		
	Very good	22%	
	Good	55%	
	Neither good nor bad	17%	
	Bad	5%	
	Very bad	1%	
			(1,943)
•	Fire		
	Very good	29%	
	Good	56%	
	Neither good nor bad	13%	
	Bad	1%	
	Very bad	1%	
			(1,889)
•	Water		
	Very good	13%	
	Good	46%	
	Neither good nor bad	24%	
	Bad	10%	
	Very bad	7%	
			(1,915)
•	Sewers		
	Very good	11%	
	Good	42%	
	Neither good nor bad	28%	
	Bad	11%	
	Very bad	8%	
			(1,887)
•	Storm drainage		
	Very good	9%	
	Good	37%	
	Neither good nor bad	32%	
	Bad	15%	
	Very bad	7%	
			(1,874)
•	Recycling		
	Very good	18%	
	Good	50%	
	Neither good nor bad	24%	
	Bad	6%	
	Very bad	2%	
			(1,895)

• Land-use planning	
Very good	7%
Good	27%
Neither good nor bad	39%
Bad	16%
Very bad	11%
	(1,612)
• Building permits	
Very good	5%
Good	24%
Neither good nor bad	37%
Bad	17%
Very bad	17%
	(1,567)
• Economic development	
Very good	4%
Good	22%
Neither good nor bad	40%
Bad	21%
Very bad	13%
	(1,602)
• Street maintenance	
Very good	6%
Good	41%
Neither good nor bad	33%
Bad	14%
Very bad	6%
	(1,958)
• Street lighting	
Very good	9%
Good	54%
Neither good nor bad	27%
Bad	8%
Very bad	2%
	(1,974)
• Traffic management	
Very good	5%
Good	37%
Neither good nor bad	36%
Bad	15%
Very bad	7%
	(1,956)

11. Overall, how good a job do you think City government is doing at providing services that affect your business?

Very good	5%
Good	36%
Neither good nor bad	39%
Bad	13%
Very bad	7%
	(1,939)

12. OVERALL, how do you rate Portland as a place to do business?

Very good	8%
Good	40%
Neither good nor bad	26%
Bad	16%
Very bad	10%
	(1,996)

How many employees are in your business at this location?

0 to 1	556
2 to 4	521
5 to 9	331
10 to 19	209
20 to 49	170
50 to 99	43
100 to 249	23
250 to 500	6
More than 500	1
<i>Unknown</i>	177
	(2,037)

Total number of employees, at all locations, in Portland:

0 to 1	537
2 to 4	489
5 to 9	332
10 to 19	215
20 to 49	185
50 to 99	55
100 to 249	37
250 to 500	9
More than 500	5
<i>Unknown</i>	173
	(2,037)

