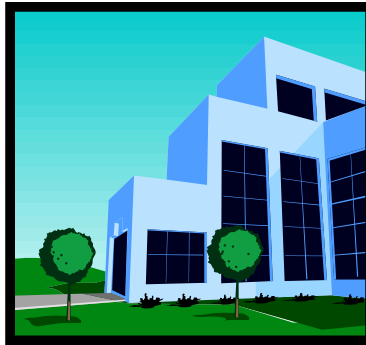


CITY OF PLEASANTON



SURVEYS OF BUSINESS EXECUTIVES

FINAL REPORT

JD FRANZ RESEARCH, INC.
Public Opinion and Marketing Research



Questions. Answers. Results.

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I. INTRODUCTION

The research findings presented in this report derive from two surveys of businesses in the City of Pleasanton. Both surveys were commissioned by the City and conducted by JD Franz Research, Inc. of Sacramento. The first, a telephone survey, encompassed 376 completed interviews and was implemented between April 26 and May 11, 2012.

The second, an online survey, was launched on September 7. Reminders were sent on September 18 and 25, and the survey closed on October 1. Of the 1,028 businesses that were invited to participate and whose email addresses were correct, 176 (17 percent) had submitted completed responses by the deadline.

The primary purposes of the surveys were to measure the extent to which businesses are satisfied with their presence in the city and the services the City provides as well as to assess their expectations for the future. Specific areas of inquiry for the telephone survey were as follows:

- Assessments of Pleasanton as a place to do business
- Reasons for these assessments
- Assessments of Pleasanton's location
- Evaluations of Pleasanton's infrastructure
- Extent to which infrastructure elements are missing

- Elements that are missing
- Assessments of the amenities in Pleasanton
- Importance of selected services the City provides
- Job the city is doing in providing these services
- Involvement in the building permitting process
- Evaluations of the City staff involved in that process
- Assessments of the ease of the process
- Contact with City staff
- Evaluations of the staff
- Use of the City's web site
- Approaches to business promotion
- Probably of being in Pleasanton in the future
- Future revenue predictions
- Future predictions of space use
- Future predictions of employment
- Other comments
- Length of tenure in Pleasanton
- Square feet occupied
- Number of employees in Pleasanton
- Number of employees outside of Pleasanton
- Gross revenues
- Residence in Pleasanton

Specific inquiries in the online survey were as follows:

- Assessments of Pleasanton's location
- Evaluations of components of Pleasanton's infrastructure and services
- Importance of programs and services the City provides to support the local business community
- Job the city is doing in providing these programs and services
- Other things the City should do to recruit and support local businesses
- Involvement in the City's permitting process
- Evaluations of the process
- Evaluations of the City staff involved in that process
- How the process could be improved
- Importance of including various kinds of information on the City's website
- Other kinds of information businesses would like to see on the website
- Length of tenure in Pleasanton
- Probably of being in Pleasanton in the future
- Square feet occupied
- Number of employees in Pleasanton
- Number of employees outside of Pleasanton
- Gross revenues
- Business type
- Residence in Pleasanton

In terms of research methodology, the telephone survey was scientifically designed and administered and can therefore be viewed as being representative of the views of Pleasanton businesses in general. The online survey, on the other hand, was intended primarily to give every holder of a local business license the opportunity to be heard. Thus although the views expressed in that survey genuinely reflect business sentiment, they may or may not be representative of the business population as a whole.

Following this Introduction, the report is divided into three additional sections. **Section II** contains a detailed discussion of the **Research Methods** used in conducting the survey, while **Section III** presents and discusses the **Findings**. Finally, **Section IV** contains the research firm's **Conclusions and Recommendations**.

For reference, there are also three appendices. **Appendix A** contains a copy of the **Survey Instruments** that were used in conducting the research. **Appendix B** includes **Detailed Data Tabulations for the Telephone Survey**, while **Appendix C** includes **Detailed Data Tabulations for the Online Survey**.

II. RESEARCH METHODS

Instrument Design

The survey instruments that were used in conducting this research were designed by the President of JD Franz Research in consultation with the City's Economic Development Director and Economic Vitality Committee. This process took place over multiple meetings and a number of drafts in order to ensure that the information collected would be useful and actionable. Two focus groups with small and medium-sized businesses that were held prior to survey development also facilitated instrument design.

Sample Selection

The samples for the surveys, which were provided by the City, represented its entire business license file with the exception of the largest businesses (those with 100 or more employees). Businesses selected for an interview were randomly sampled from this list. Those surveyed online represented all businesses on the list who had not participated by telephone.

Interviewer Training

All of the interviewers who conducted the telephone survey had undergone intensive training and briefing prior to conducting any actual interviews. Training includes instruction in interviewing techniques, the mechanics of sample selection and recording, a systematic approach to answering respondents'

inquiries, and use of the computer-assisted telephone interviewing (CATI) system as well as extensive practice with actual survey instruments.

Survey Implementation

Interviewing for the telephone survey was conducted from the centralized, CATI-equipped, and fully monitored call center at Pacific Market Research under the ongoing oversight of full-time supervisors. Immediately upon completion of each interview, a supervisor checked it for accuracy, clarity, and completeness. When problems arose that could not be resolved in-house, businesses were called back for clarification or amplification. All calling took place during regular business hours unless a business representative requested otherwise.

The online survey was programmed into ZipSurvey, where it was tested by both the original programmer and an associate. An invitation to participate designed by the Economic Development Director was then emailed to all members of the sample. Both an initial reminder and a final reminder were utilized to encourage responses.

Given a population of 3,616 businesses and a sample size of 376, the margin of error for the telephone survey at the 95 percent confidence level is ± 4.8 percent. The cooperation rate for the survey was 64 percent, which is generally viewed as being good.

The margin of error for the online survey is ± 6.7 percent. Because the response rate is fairly low, however, the results of this survey should probably be treated with caution.

Data Coding, Tabulation, and Analysis

Coding of the surveys' closed-ended questions was accomplished by the interviewers as they conducted the interviews. Coding of the surveys' open-ended questions was then undertaken in three stages.

First, the Data Collection Coordinator at JD Franz Research reviewed all of the responses to the open-ended questions in order to develop a codebook for each question. She then used these codebooks to code the questions to the extent possible, setting aside any responses that failed to conform to the coding scheme for the possible addition of new codes.

Once all of the interviews that failed to conform to the initially established coding scheme had been identified, the Data Collection Coordinator reviewed the uncoded answers and added new codes as appropriate. This approach ensures that there are minimal percentages of "other" responses to open-ended questions.

Finally, in one case, it proved impossible to code even close to a majority of responses to one question in each of the surveys. Accordingly, these answers were transcribed verbatim and are included that way in the report.

The resulting data were then exported into the data analytic software SPSS for Windows and checked for accuracy, adherence to the pre-established coding scheme, and internal logic. In addition, preliminary tabulations were reviewed manually to check for errors. Finally, tabulations, means, and other analyses were prepared using SPSS for Windows.

III. TELEPHONE SURVEY FINDINGS

Findings from the telephone survey are presented here in the same order as the questions were posed to respondents. Readers who are interested in the precise phrasing of the inquiries are invited to consult the copy of the survey instrument that can be found in Appendix A.

Pleasanton as a Place to Do Business

As shown in **Figure 1**, the majority of business representatives are of the opinion that Pleasanton is an excellent place to do business. In addition, close to two in five view it as a good place to do business. When summed, these figures total about nine in ten (91 percent).

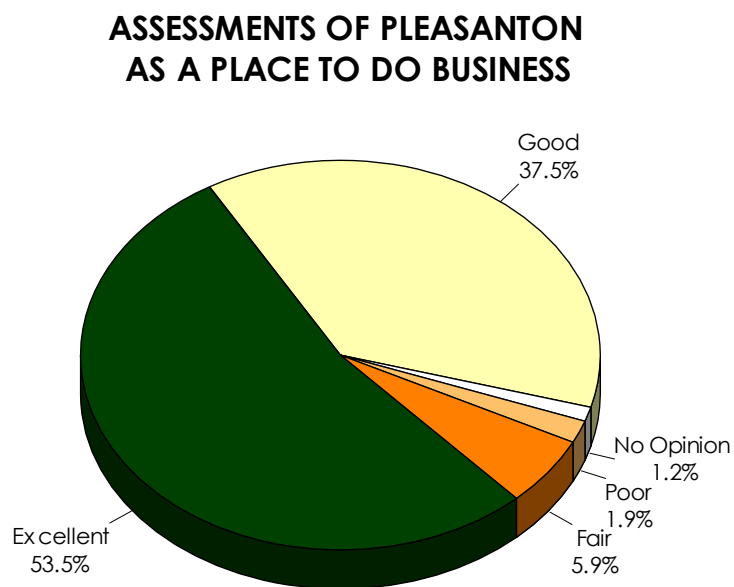


Figure 1

Reasons for positive (excellent or good) assessments of Pleasanton as a place to do business are depicted in **Table 1**. Chief among these reasons are a central location and friendly people, including customers.

REASONS FOR THESE POSITIVE ASSESSMENTS		
	Frequency	Percent
Our Business Is Centrally Located	58	17.0
Friendly Customers/Friendly People	39	11.4
Businesses Are Doing Well In This Economy/Sales Are Up	27	7.9
Close-Knit Community	27	7.9
The Clientele For My Business Is Here/My Clientele Demographic Is Here	26	7.6
The City Is Maintained/City Officials Care About How The City Looks/The City Is Clean	26	7.6
We Have Been Here For A Long Time/We Have Been Here For More Than 20 Years	25	7.3
Our Business Is Close To A Lot Of Other Shops, Restaurants	21	6.1
Safe/Low Crime Rate	18	5.3
The City Is Easy To Work With	17	5.0
I Live Here	17	5.0
Close To Freeway/Easy Highway Access	17	5.0
Everyone Is Supportive	14	4.1
Positive Environment/Positive Business Environment	13	3.8
I Work Here	10	2.9
Customers Are Loyal	9	2.6
The Average Household Income Level Is High	9	2.6
The People Here Are Educated	7	2.0
We Have Had No Issues Here	6	1.8
Family-Friendly	5	1.5
Diverse City	4	1.2
Quiet City	2	.6

Table 1

REASONS FOR THESE POSITIVE ASSESSMENTS

	Frequency	Percent
Permit Fees Are Fairly Priced	2	.6
There Is Lots Of Shopping Available	2	.6
Customers Are Understandable	2	.6
The City Is Helpful	2	.6
We Don't Have A Problem With Bounced Checks	2	.6
Other	110	32.2
None/Nothing	4	1.2
Don't Know	5	1.5

Reasons for negative (fair or poor) assessments of the city as a place to do business were transcribed verbatim due to a lack of sufficient clustering and are presented below. Themes that emerge from these remarks include City rules and regulations that make it hard to get things done and a desire that the City support local businesses more vigorously.

- Too much red tape, nothing gets done. Everything is done by committee. Too time-consuming.
- Too many regulations. Particularly the fire department has it.
- It is a nice environment, no big city problems. It's clean and no commute.
- The school system, downtown and the people it attracts.
- The economy is good, all services are excellent.
- A good place to conduct business and license fees are reasonable.
- A lot of families with a lot of needs.
- Variety of services available. Easy access to main highways and Dublin. There is a variety of things to do. Variety of ways for people to interact with the economy.
- When there are activities or events they make business bad. Every Friday

and first Wednesday of the month, monthly events make business slow and parking becomes very unavailable.

- I'm an acupuncturist and there's a lot that don't support alternative medicine.
- Arbitrary, capricious rules and regulations are in place only to generate fees.
- It depends what people are looking for, it's out of the way for us. It's not a place that we will stay for long and I will say that the city itself hasn't done anything for us.
- The bureaucracy is too thick and it's a hazard to get work done.
- I would think living in Pleasanton my whole entire life, the city would do more for small business owners, instead of chains.
- It depends on what you want to do, what business.
- The planning process of getting buildings built, it has kept us from growing.
- I lived elsewhere, it's better where I live.
- The average household income is based on people who are educated. Education level.
- I am in commercial real estate, and often times city policies get in the way of getting business completely done.
- The city council is not pro business. I think the council and planning commission impede the success of business.
- There is nothing great or bad.
- Business is not that hot, we just can't seem to rent and I think people are downsizing.
- Too many small businesses competing against each other.
- I don't have any complaints about Pleasanton, but property management and shopping center is old. If they would bring more traffic. We're not allowed to put signs because it clutters the city. That's a difficult thing because we're not able to market.
- In this area, they don't have too many industrial parks.
- They do not support us manufacturing.
- Taxes, difficult city processes and it takes a long time to get things done.
- In the paper they have us closed.
- There are so many restrictions and red tape to go through.

Pleasanton's Location

Figure 2 portrays mean ratings of Pleasanton's location on a scale of one to four where one equals poor and four equals excellent. As this graphic indicates, all of the assessments are around the level of "good," and there is little differentiation among them. The only noticeably lower rating is for finding appropriate business space.

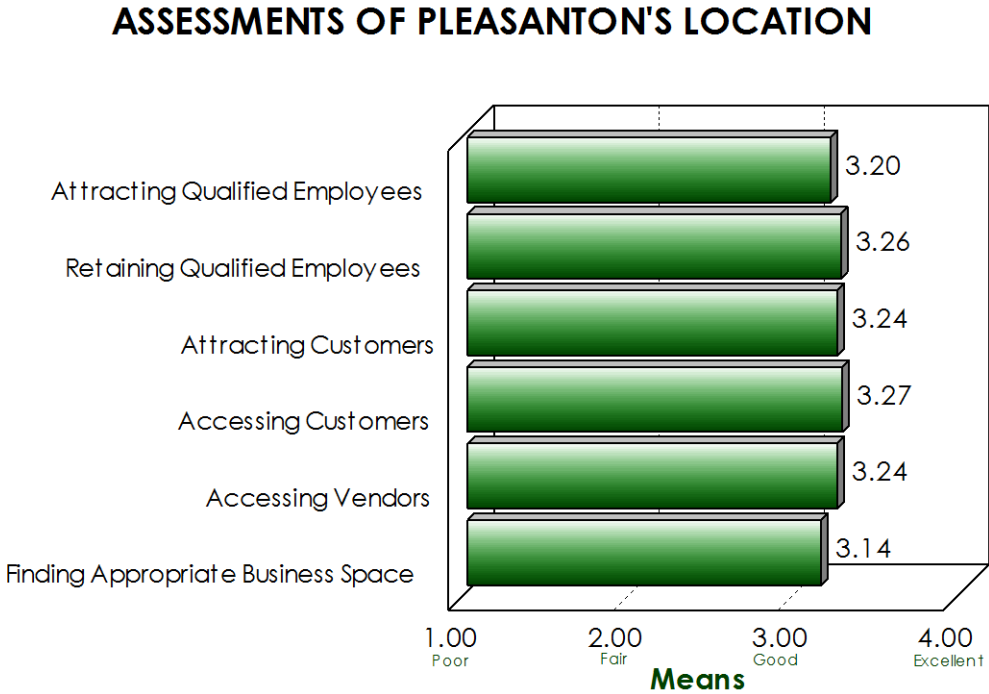


Figure 2

Pleasanton's Infrastructure

Figure 3 displays mean ratings of Pleasanton's infrastructure on the same four-point scale. Here, the assessments range from slightly below the level of good to somewhat above that level. Achieving the highest rating is sewer services; tied for second are roads and electric utility services.

EVALUATIONS OF PLEASANTON'S INFRASTRUCTURE

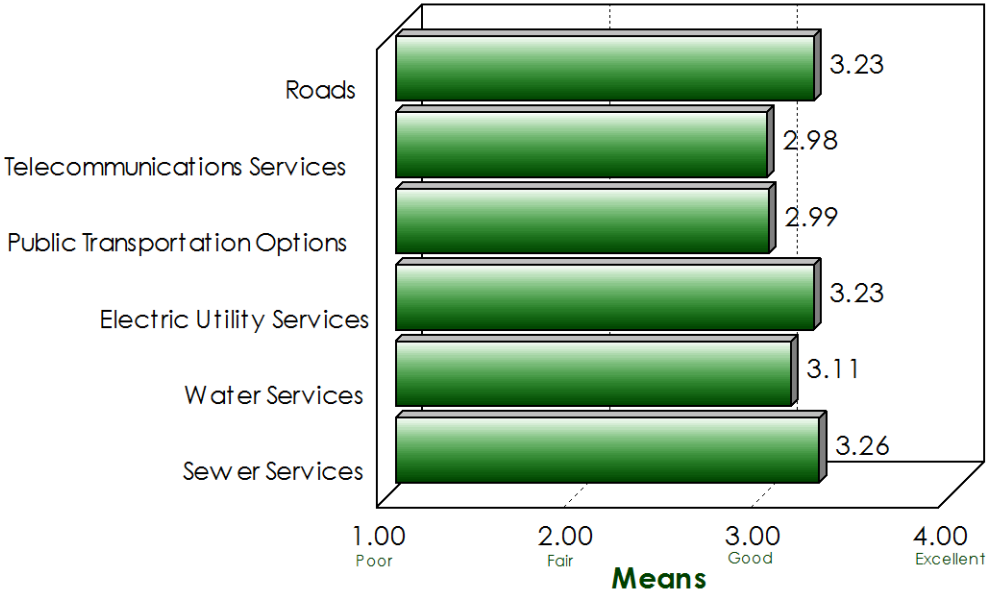


Figure 3

As illustrated in **Figure 4**, by far the majority of business executives do not believe there are any infrastructure elements in Pleasanton that are deficient or missing. Of those who do, as **Table 2** demonstrates, the largest groups cite a shortage of transportation options, a dearth of cell phone towers, and the need for more maintenance of streets and roads.

EXTENT TO WHICH INFRASTRUCTURE ELEMENTS ARE MISSING

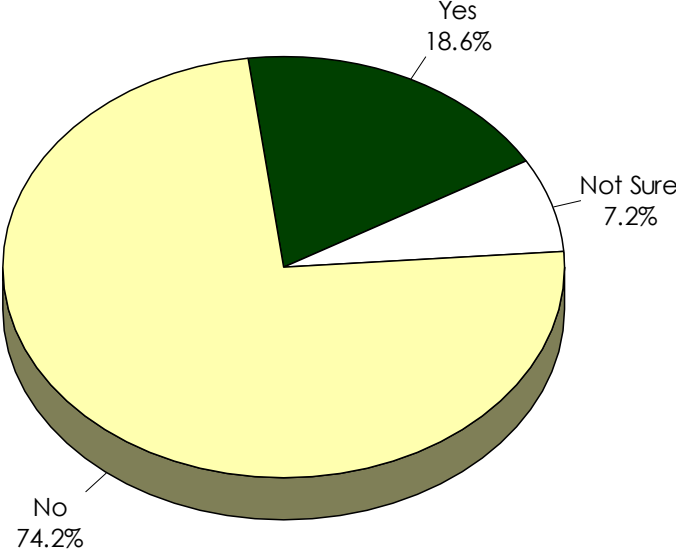


Figure 4

Table 2

ELEMENTS THAT ARE MISSING

	Frequency	Percent
More Transportation Options/More Public Transportation Options	10	14.3
Not Enough Cell Phone Towers/Limited Cell Phone Service	9	12.9
Road Maintenance/Roads Are In Need Of Repair	8	11.4
No Cable Provider	6	8.6
The Freeway Needs To Be Expanded	4	5.7
Improved Internet Access	4	5.7
More Parking	4	5.7
Free Wifi Downtown	2	2.9
Decrease In The Number Of Power Outages	2	2.9
More Traffic Lights	2	2.9
Other	25	35.7
Nothing/None	1	1.4
Don't Know	1	1.4

Amenities in Pleasanton

Figure 5 depicts mean ratings of the amenities or quality of life elements Pleasanton has to offer on the same scale. Here, the values range considerably, from a low of less than good for entertainment options to a high of closer to excellent than to good for the public schools. Community events score almost exactly midway between good and excellent.

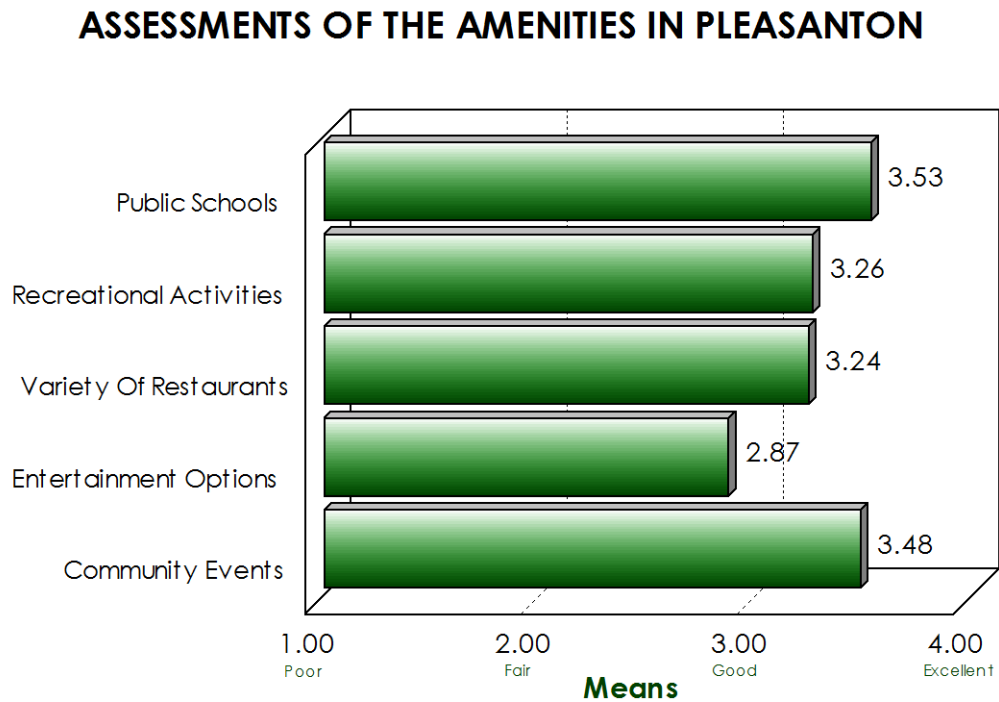


Figure 5

City Services

Figure 6 presents mean ratings of the importance of selected City services on a scale of one to four where one equals not at all important and four equals very important. In this instance, all of the ratings are closer to the level very important than to the level of somewhat important, and there is relatively little differentiation among them. Noticeably the most important is public safety.

IMPORTANCE OF SELECTED SERVICES THE CITY PROVIDES

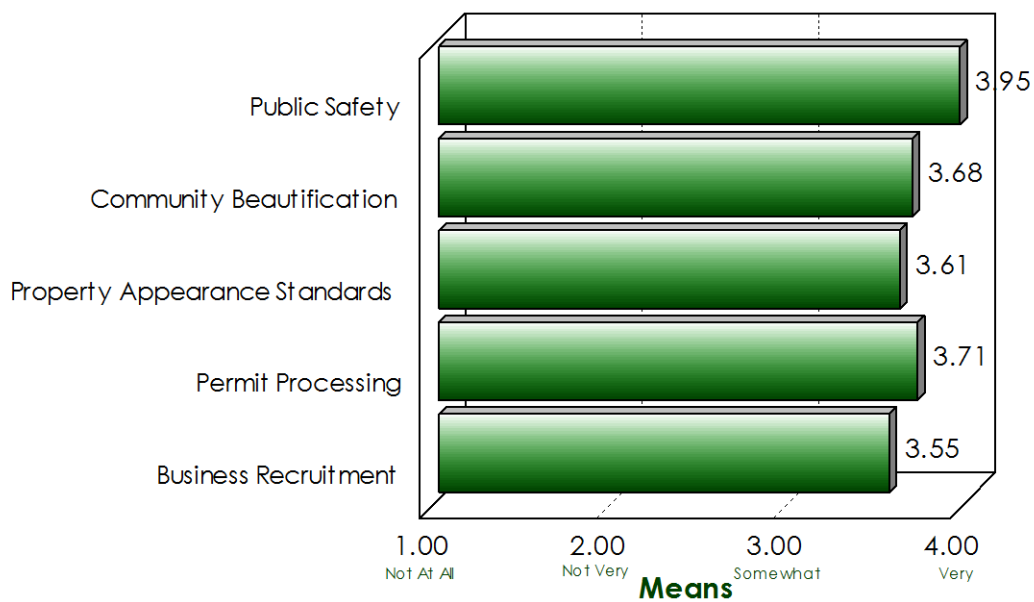


Figure 6

Figure 7 displays mean assessments of the job the City is doing of providing the same services on a four-point scale where one equals poor and four equals excellent. Here, there is a considerable range of assessments, from a low of less than good for business recruitment to a high of midway between good and excellent for public safety.

JOB THE CITY IS DOING IN PROVIDING THESE SERVICES

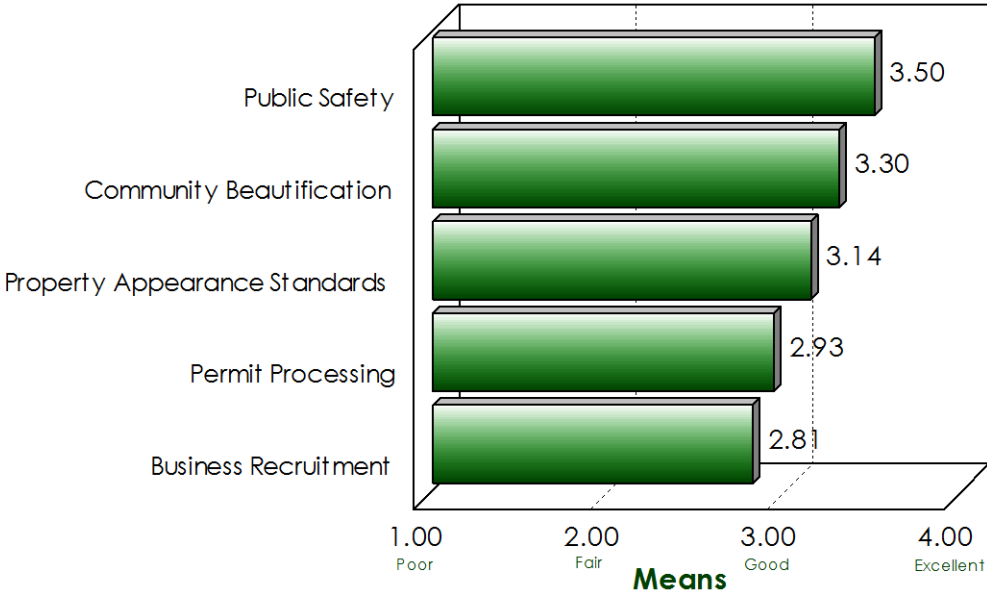


Figure 7

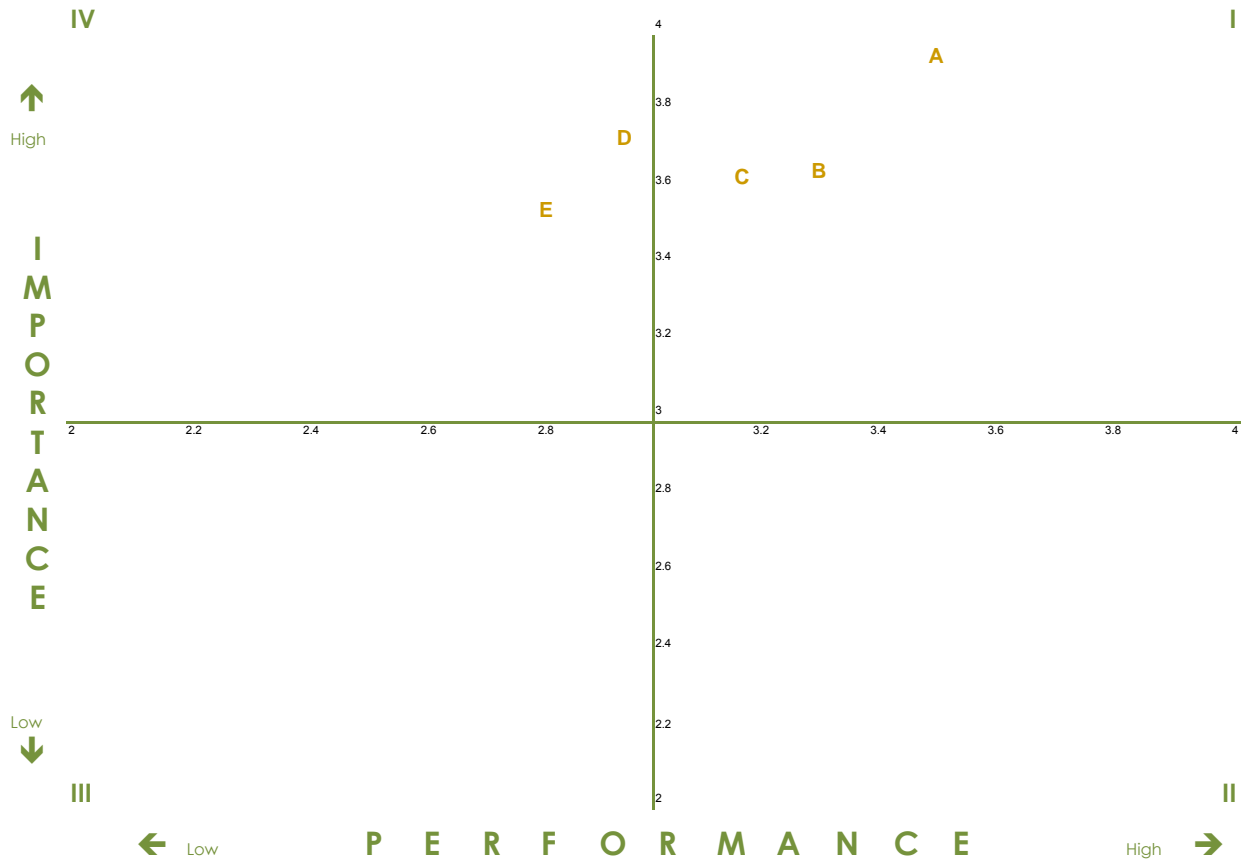
Figure 8 is an importance/performance matrix showing the relationship between the importance of the activities listed on the questionnaire and the job the City is doing in providing them. This matrix can be interpreted as follows.

Services in Quadrant I (High Importance, High Performance) are important and are being performed well. No attention would appear to be needed relative to these services. In the case of the City of Pleasanton, Quadrant I services include public safety, community beautification, and enforcement of property appearance standards.

Services in Quadrant II (Low Importance, High Performance) are not very important but are being performed well. It may well be the case that the delivery of these services should be de-emphasized. Services in Quadrant III (Low Importance, Low Performance) are not very important and are not being performed very well. Consideration might be given to discontinuing or de-emphasizing these services. For the City of Pleasanton, however, no services appear in either of these quadrants.

Finally, services in Quadrant IV (High Importance, Low Performance) are important but are not being performed very well. These activities appear to merit improvement. In the City of Pleasanton's case, this quadrant includes permit processing and business recruitment.

IMPORTANCE/PERFORMANCE MATRIX



- A = Public Safety
- B = Community Beautification
- C = Enforcement Of Property Appearance Standards
- D = Permit Processing
- E = Business Recruitment

Figure 8

The Permitting Process

Figure 9 shows that close to one in five business representatives have been involved in the City's building permitting process in the year preceding the survey. These representatives' assessments of various aspects of the process are portrayed in **Figure 10**. In this case, all of the ratings are above the level of good. Although there is minimal differentiation among the ratings, they do range somewhat, from a low of close to good for "consistent in their instructions" to a high of between good and excellent for "courteous."

INVOLVEMENT IN THE BUILDING PERMITTING PROCESS

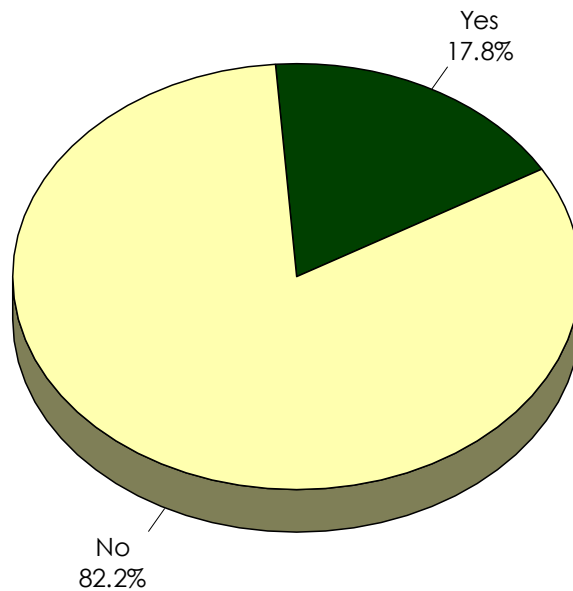


Figure 9

EVALUATIONS OF THE CITY STAFF INVOLVED IN THAT PROCESS

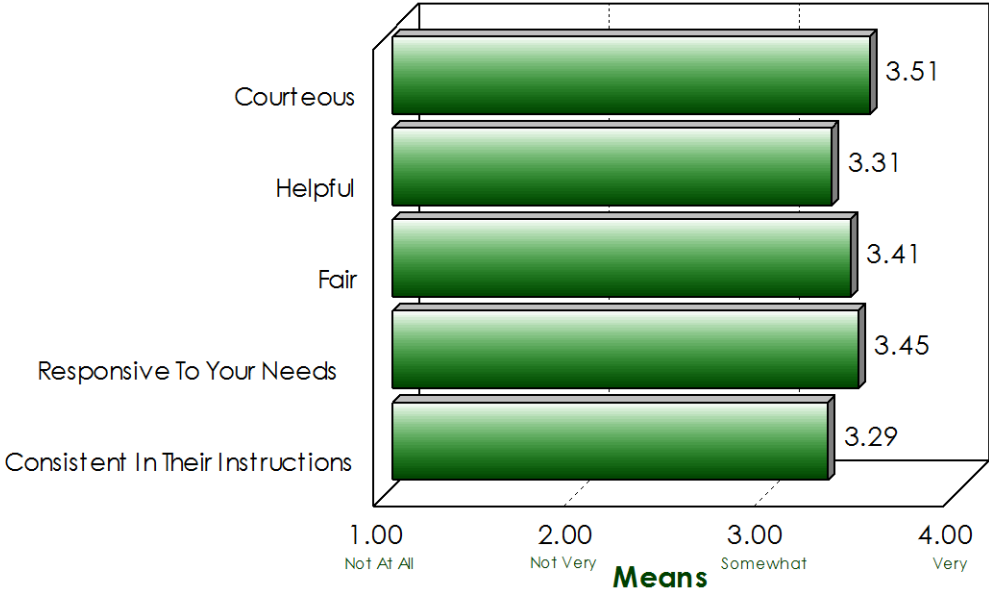


Figure 10

As **Figure 11** demonstrates, the largest group of representatives view the permitting process as being somewhat difficult. In addition, somewhat over one in ten find it very difficult. These figures total close to half (48 percent). Responses of very or somewhat easy, however, sum to the majority (51 percent).

ASSESSMENTS OF THE EASE OF THE PROCESS

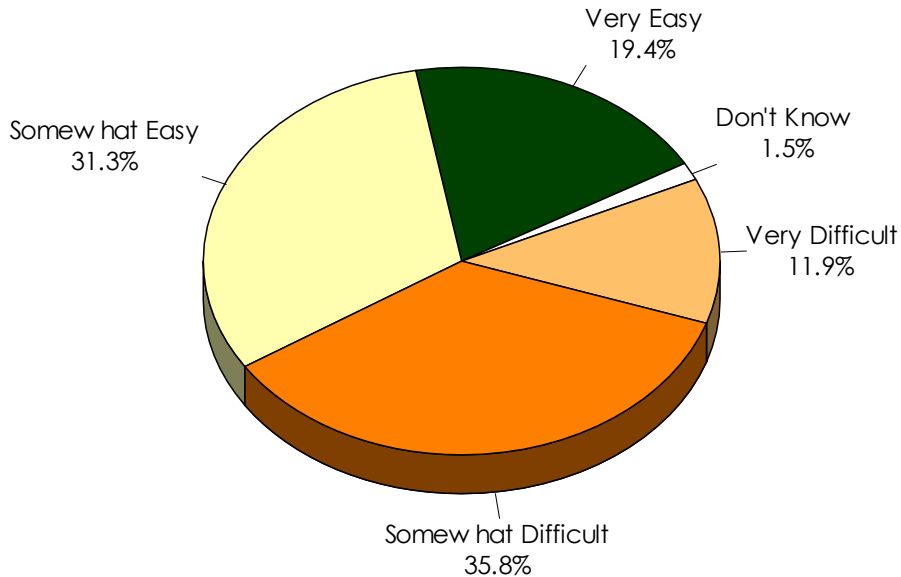


Figure 11

As **Figure 12** illustrates, about a third of business representatives contacted members City staff other than those involved in the building permitting process during the year preceding the survey. These businesses' mean assessments of the presence of various characteristics among the staff on a scale of one to four where one equals not at all and four equals very are presented in **Figure 13**. As this graphic indicates, all of the characteristics rate highly to very highly, with courteousness achieving the highest score.

CONTACT WITH CITY STAFF

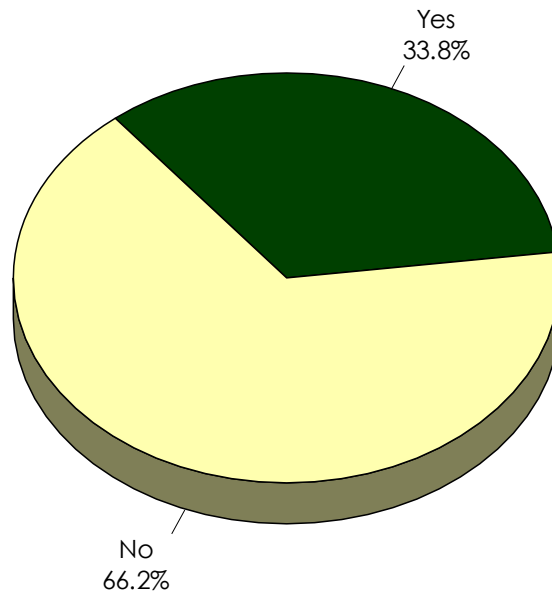


Figure 12

EVALUATIONS OF THE STAFF

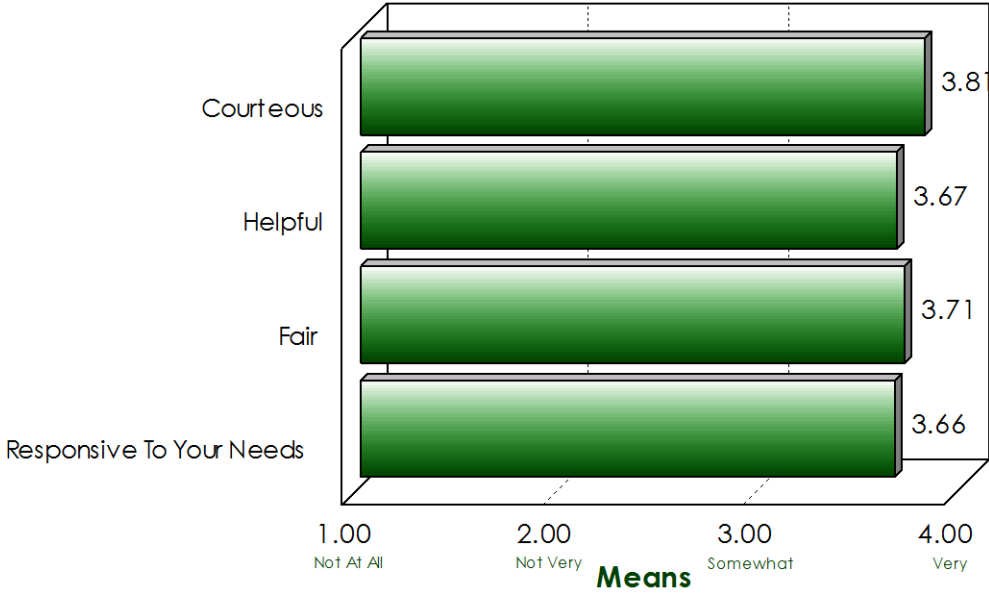


Figure 13

City Web Site Use

As **Figure 14** indicates, about two-fifths of business representatives have used the City's Web site for business purposes. The majority, however, have not.

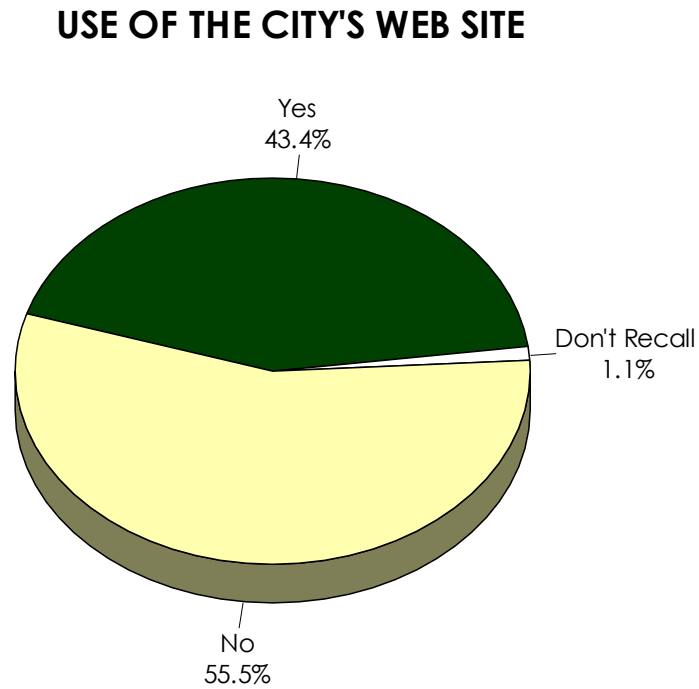


Figure 14

Business Promotion

Figure 15 displays the proportions of business representatives who say they promote their businesses in various ways. Most likely to be used is a Web site; least likely is direct mail.

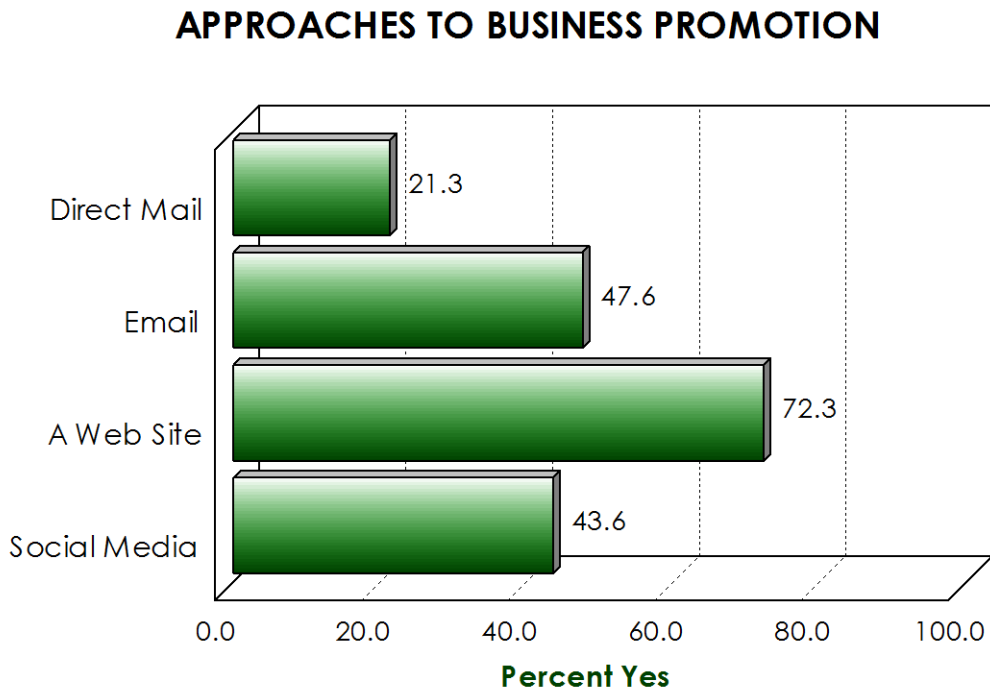


Figure 15

Future Projections

Figure 16 demonstrates that almost all business representatives expect their businesses to be in Pleasanton one year from now. This proportion decreases over time but still remains close to eight in ten five years from now.

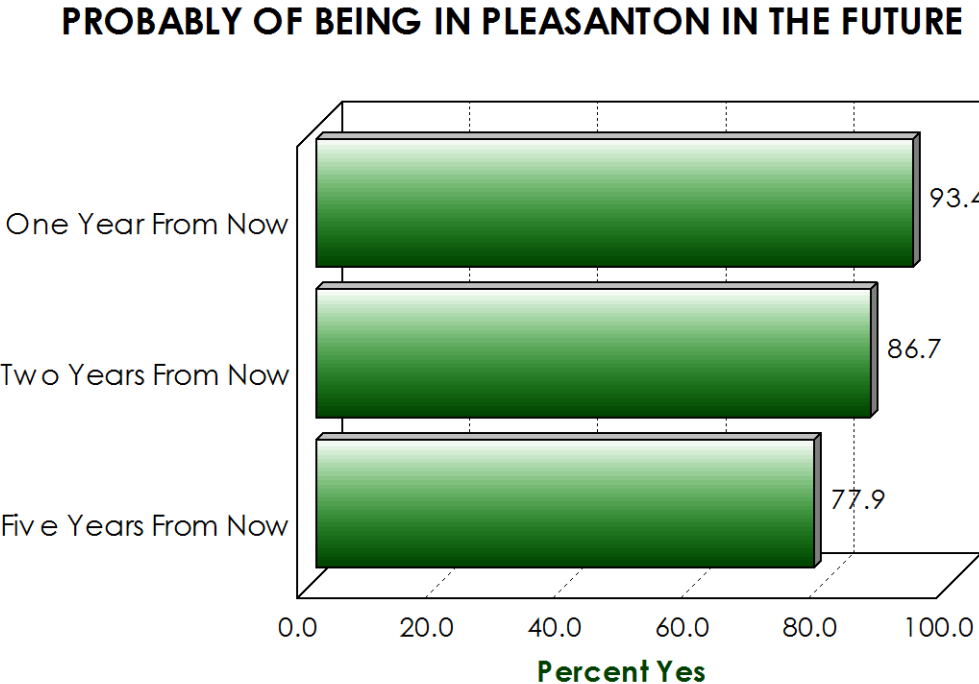


Figure 16

Future revenue projections are depicted in **Figure 17**. The consistent trend here is an expectation of more revenue, with the proportion holding this expectation increasing from next year to the following year and then decreasing somewhat for five years from now.

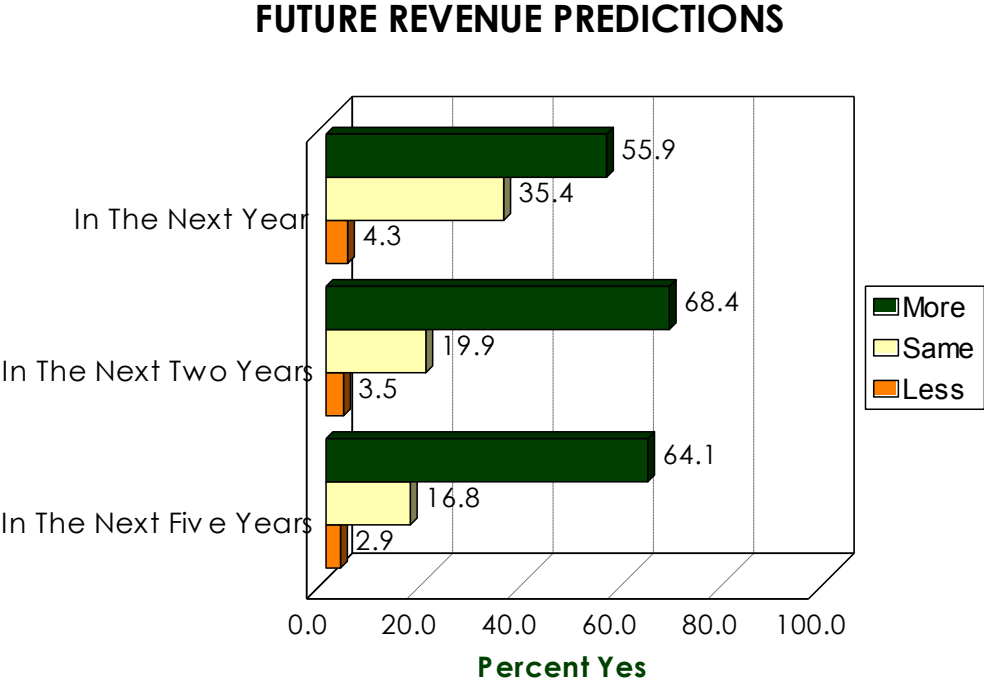


Figure 17

The proportions of business representatives who expect that their businesses will increase the amount of space it occupies over time are portrayed in **Figure 18**. In this case, the proportions expecting to see an increase are modest, holding at about one in five over the course of the next several years.

FUTURE PREDICTIONS OF SPACE USE

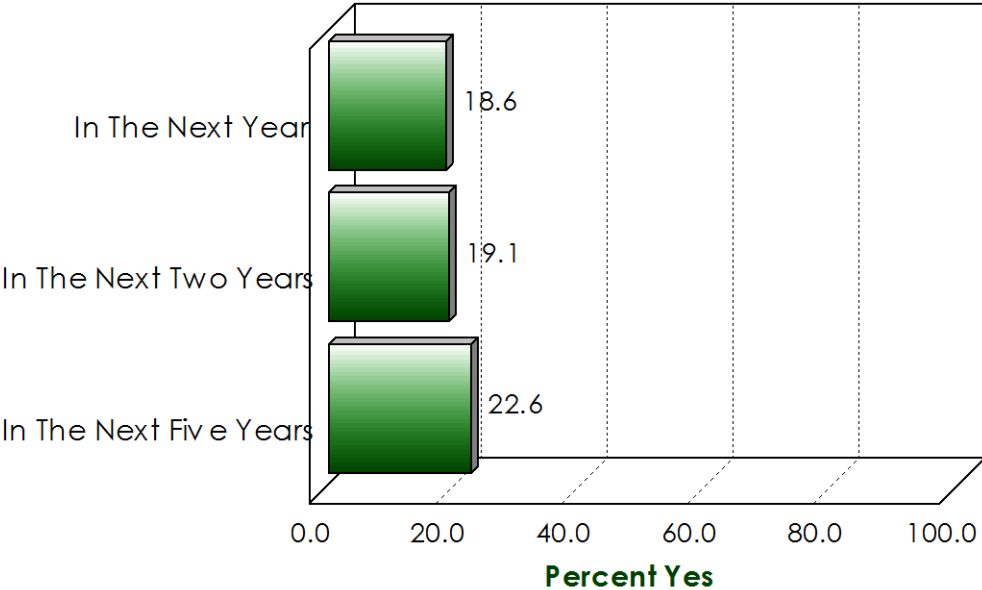


Figure 18

The proportions of business representatives who expect that their businesses will increase the number of employees they have in Pleasanton are displayed in **Figure 19**. Here, the proportions are somewhat greater but also fairly stable at around two in five.

FUTURE PREDICTIONS OF EMPLOYMENT

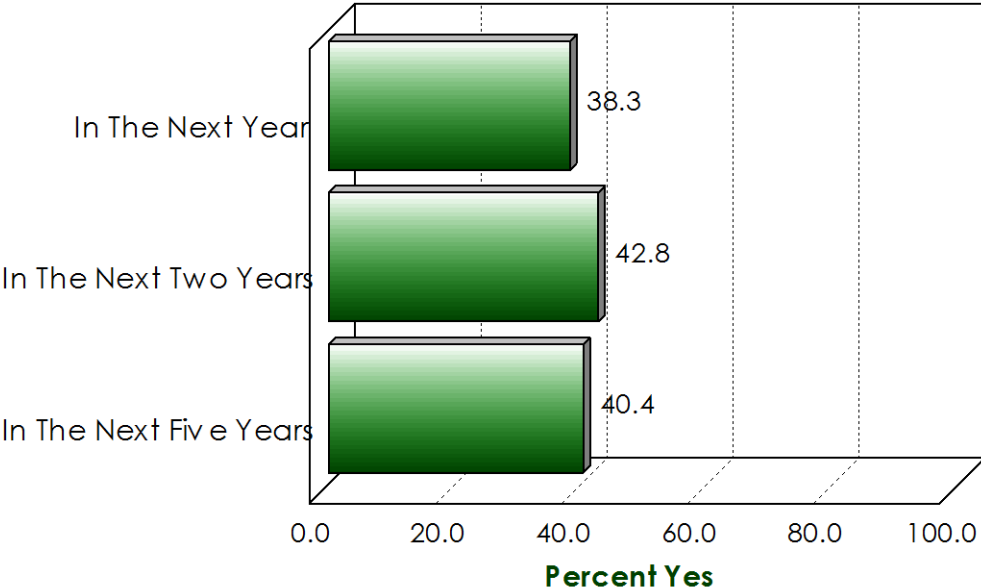


Figure 19

Other Comments

The final non-demographic question in the survey was, “Thinking about everything we have been discussing, plus anything else that may be important to you, what else would you like to tell the City about doing business in Pleasanton?” Responses to this question have been coded and are presented in **Table 3**. By far the most prominent sentiment is to keep things as they are because the City is doing a good job. No other substantive category of answers (excluding “other” and “nothing”) even approaches the magnitude of this response.

OTHER COMMENTS		
	Frequency	Percent
Everything Is Fine/Good Job/I'm Satisfied/Everything Is Great/I'm Happy Here/I Love It Here/Do Not Change Anything	80	21.3
Streamline Permit Process/Faster Permit Process	14	3.7
Allow Businesses To Come To Pleasanton/Allow Small Businesses To Come Here/Bring Small Businesses To Pleasanton	13	3.5
Promote Businesses With More Advertising On Billboards And In The Yellow Pages	13	3.5
The Cost Of Doing Business Is Too High/Reduce Fees	10	2.7
The City Needs More Parking, Especially Downtown	5	1.3
Too Many Restrictions/The City Needs To Be Less Strict/Lower Regulations	4	1.1
The City Needs To Support Local Businesses	4	1.1
More Entertainment Options	4	1.1
Keep The Competition Down	3	.8
Make The City Safer/More Police Control	3	.8

Table 3		
OTHER COMMENTS		
	Frequency	Percent
Better City Landscaping/Finish Cutting The Trees	2	.5
Other	52	13.8
None/Nothing	188	50.0
Don't Know	1	.3

Respondent Characteristics

Tables 4 through 8 and Figure 20 depict the characteristics of responding businesses. These graphics indicate the following.

- The tenures of responding businesses are relatively evenly spread across all of the categories up to 30 years. Almost half, however (48 percent), have been in the city more than ten years; less than a third (29 percent) have been there five years or less.

Table 4		
LENGTH OF TENURE IN PLEASANTON		
	Frequency	Percent
Less Than 3 Years	50	13.3
3 To 5 Years	58	15.4
6 To 10 Years	69	18.4
11 To 20 Years	89	23.7
21 To 30 Years	59	15.7
Over 30 Years	31	8.2
Don't Know/Refused	20	5.3

- The largest group of responding businesses occupy between 1,000 and 1,999 square feet; the second largest group occupy 10,000 or more feet. Those with less than 5,000 square feet represent the majority (57 percent).

Table 5		
SQUARE FEET OCCUPIED		
	Frequency	Percent
Less Than 500	29	7.7
500 To 999	37	9.8
1,000 To 1,999	79	21.0
2,000 To 2,999	39	10.4
3,000 To 4,999	30	8.0
5,000 to 9,999	32	8.5
10,000 Or More	48	12.8
Don't Know/Refused	82	21.8

- The largest group of responding businesses have a single employee. Those with five or fewer employees constitute the majority (53 percent). When the sample of respondents is compared to the list of all business license holders provided by the City, it suggests that the smallest businesses are somewhat under-represented in the survey while those in the middle size categories are somewhat over-represented. As noted previously, the very largest businesses were intentionally omitted.

Table 6

NUMBER OF EMPLOYEES IN PLEASANTON

	Percent of Respondents	Percent of List
0	-	47.8
1	23.4	6.8
2	10.6	7.3
3 To 5	18.9	13.9
6 To 10	20.7	9.7
11 To 20	11.7	6.2
21 To 50	6.9	5.2
Over 50	2.9	3.2
Don't Know/Refused	4.8	-

- The majority of responding businesses have no employees outside of Pleasanton.

Table 7

NUMBER OF EMPLOYEES OUTSIDE OF PLEASANTON

	Frequency	Percent
0	216	57.4
1	13	3.5
2	15	4.0
3 To 5	21	5.6
6 To 10	13	3.5
11 To 20	13	3.5
21 To 50	12	3.2
Over 50	36	9.6
Don't Know/Refused	37	9.8

- By far the largest group of responding businesses had revenues of less than \$500,000 in 2011. The second largest group had revenues of \$1,000,000 to \$10,000,000 that year.

Table 8

GROSS REVENUES

	Frequency	Percent
Under \$500,000	163	43.4
\$500,000 To \$999,999	48	12.7
\$1,000,000 To \$9,999,999	63	16.8
\$10,000,000 Or More	26	6.9
Refused	76	20.0

- Close to two-fifths of business representatives live in Pleasanton.

RESIDENCE IN PLEASANTON

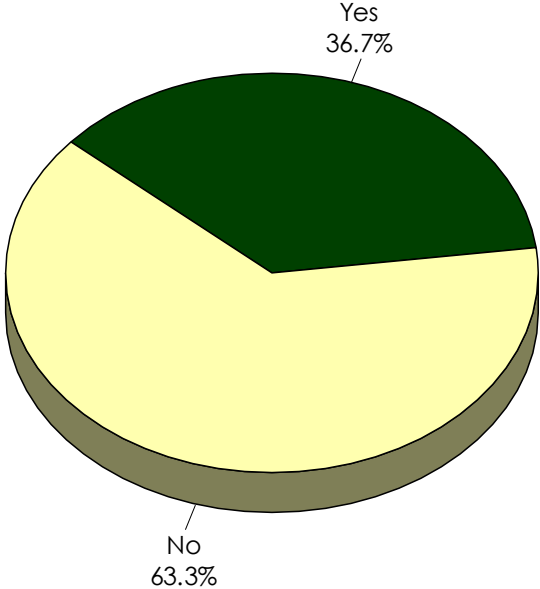


Figure 20

IV. ONLINE SURVEY FINDINGS

Findings from the online survey are also presented here in the same order as the questions were posed to respondents. Readers who are interested in the precise phrasing of these inquiries can consult the copy of the survey instrument in Appendix A.

Community Location

Figure 21 portrays mean assessments of Pleasanton's location on a four-point scale where one equals poor and four equals excellent. As this graphic indicates, the ratings cluster around the level of good (mean value of 3.00), with some slightly above that level and some slightly below. The strongest ratings of the city's location are for attracting qualified employees and retaining qualified employees. Finding appropriate business space achieves the weakest rating.

ASSESSMENTS OF PLEASANTON'S LOCATION

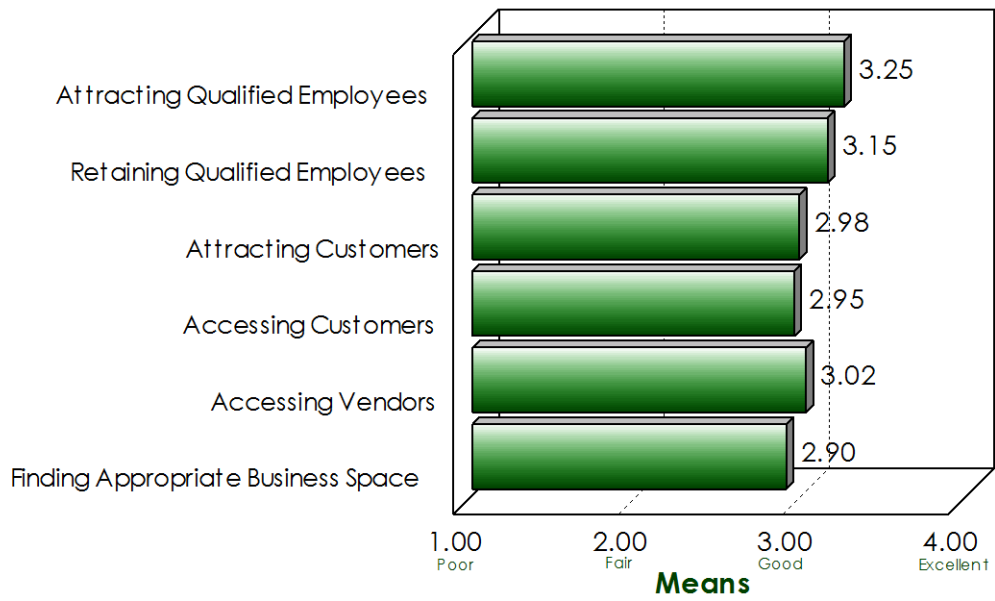


Figure 21

Infrastructure and Services

Figure 22 displays mean ratings of Pleasanton's infrastructure and services on the same scale. Here, there is somewhat more diversity in the ratings, with some being fairly substantially below the level of good and a little over half being above that level. Most highly rated are the City's sewer services, electric utility services, and roads; receiving the lowest ratings are public transportation options, cellular service, and broadband services.

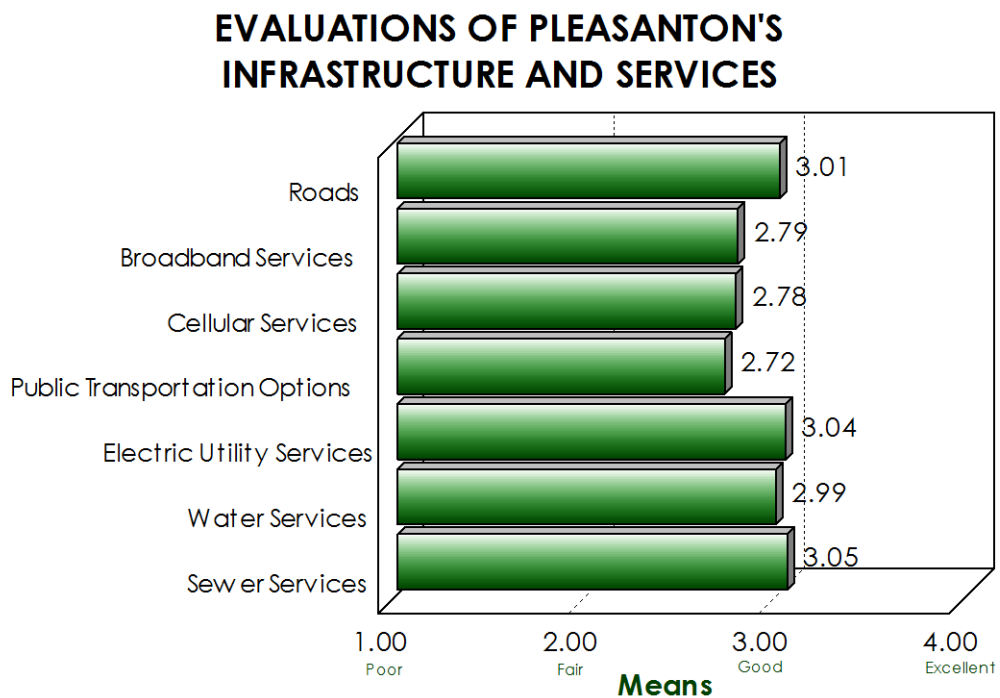


Figure 22

Business Support

Figure 23 presents mean assessments of the importance of various business programs and services on a scale of one to four where one equals not at all important and four equals very important. In this instance, the scores range quite widely. The lowest priorities are accorded to holding how-to seminars and workshops for new and emerging entrepreneurs and to offering business development seminars and workshops; the highest are awarded to offering streamlined permitting processes to new and expanding businesses, promoting Pleasanton as a good place to do business, and providing a single point of contact to help businesses with City processes.

IMPORTANCE OF BUSINESS PROGRAMS AND SERVICES

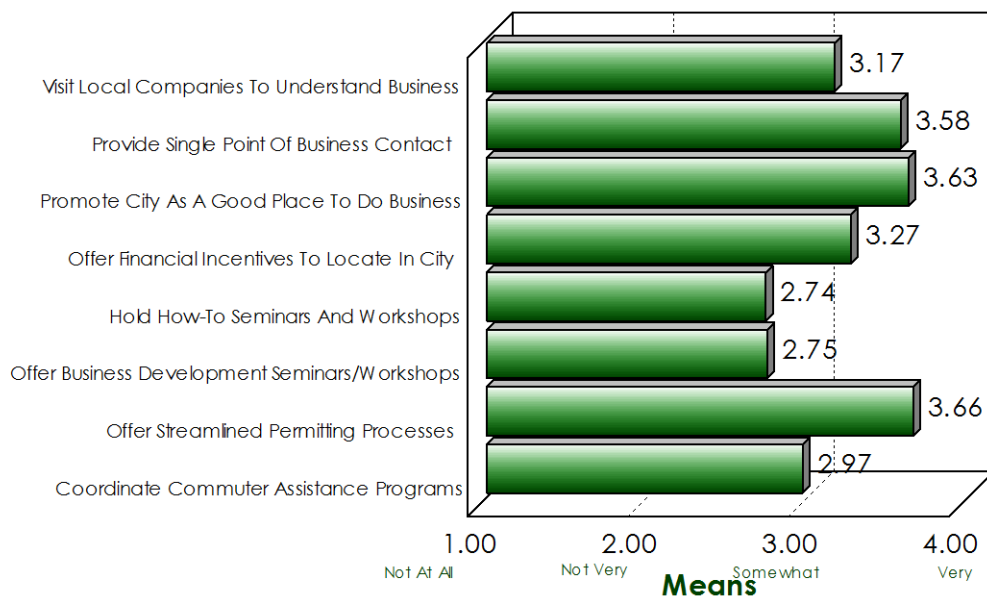


Figure 23

Figure 24 depicts mean assessments of the job the City is doing in providing the same business programs and services on the four-point scale where one equals poor and four equals excellent. In this case, all of the ratings are substantially below the level of good, with two at and one below the level of fair (mean value of 2.00). Most highly rated are promoting Pleasanton as a good place to do business, coordinating commuter assistance programs, and holding how-to seminars and workshops for new and emerging entrepreneurs; receiving the lowest ratings are offering financial incentives to businesses to locate in Pleasanton, visiting local companies to understand their businesses and concerns, and offering streamlined permitting process to new and expanding businesses.

JOB THE CITY IS DOING IN PROVIDING BUSINESS PROGRAMS AND SERVICES

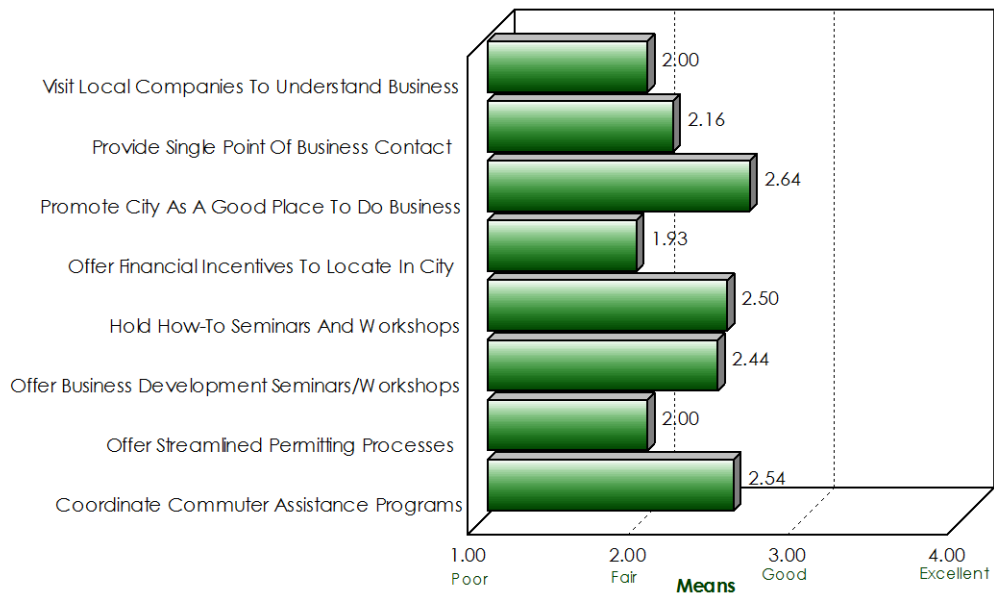


Figure 24

Figure 25 is an importance-performance matrix showing the relationship between the importance of the programs and services for local businesses listed in the questionnaire and the job the City of Pleasanton is doing in providing them. As in the previous section of the report, this matrix can be interpreted as follows.

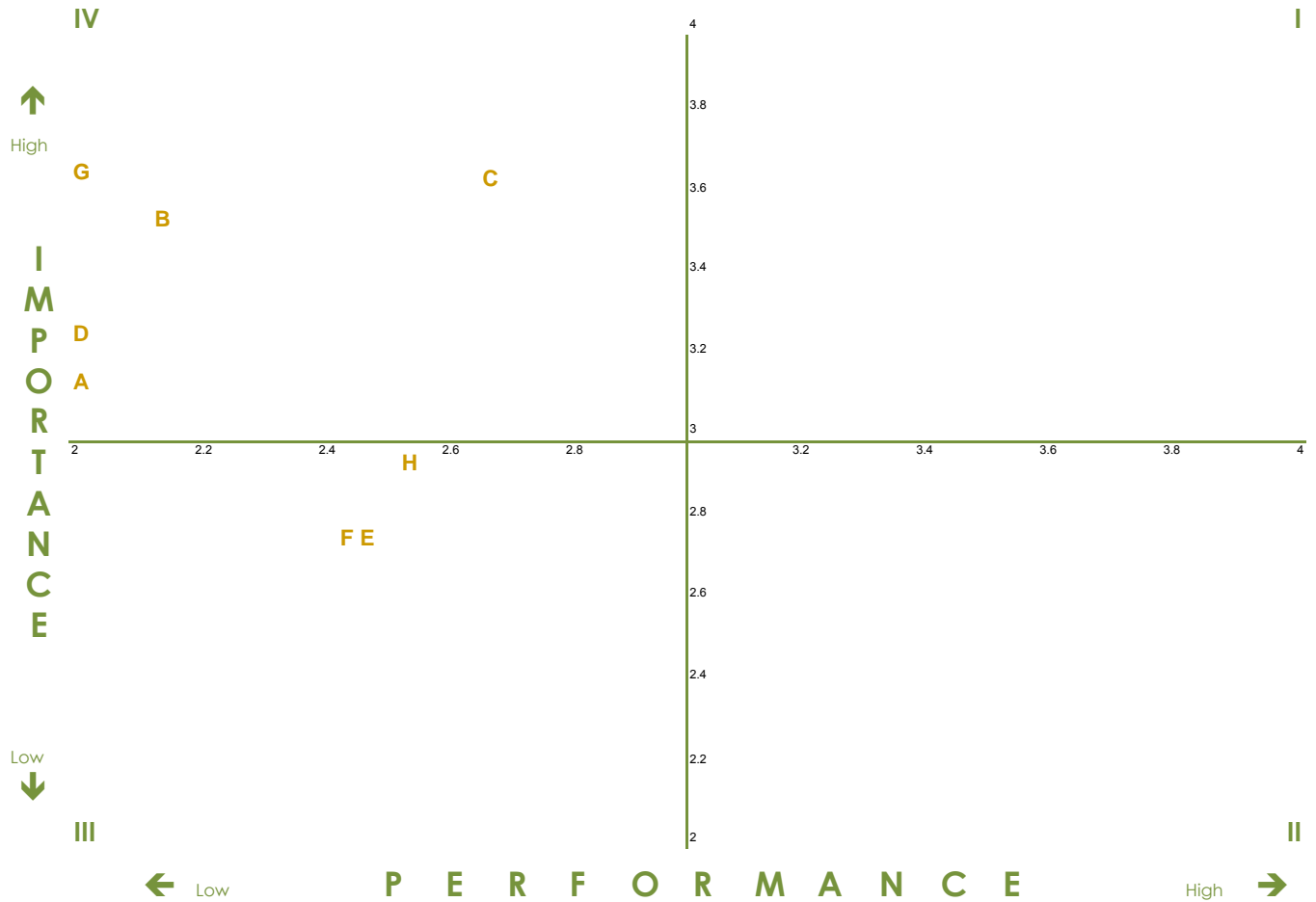
Activities in Quadrant I (High Importance, High Performance) are important and are being performed well, while activities in Quadrant II (Low Importance, High Performance) are not very important but are being performed well.

Unfortunately, in the case of the City of Pleasanton, no activities appear in either of these quadrants.

Activities in Quadrant III (Low Importance, Low Performance) are not very important and are not being performed very well. Consideration might be given to discontinuing or de-emphasizing these activities. For the City of Pleasanton, these activities are holding how-to seminars and workshops for new and emerging entrepreneurs, offering business development seminars and workshops, and coordinating commuter assistance programs.

Finally, activities in Quadrant IV (High Importance, Low Performance) are important but are not being performed very well. These activities appear to merit improvement. In Pleasanton's case, this quadrant contains every activity listed on the questionnaire that is not in Quadrant III.

IMPORTANCE/PERFORMANCE MATRIX



- A = Visit local companies to understand their businesses and concerns
- B = Provide a single point of contact to help businesses with City processes
- C = Promote Pleasanton as a good place to do business
- D = Offer financial incentives to businesses to locate in Pleasanton
- E = Hold how-to seminars and workshops for new and emerging entrepreneurs
- F = Offer business development seminars and workshops
- G = Offer streamlined permitting processes to new and expanding businesses
- H = Coordinate commuter assistance programs

Figure 25

Table 9 portrays businesses' responses when they were asked what other things they believe the City should do to recruit and support local enterprises. The only two suggestions that represent more than ten percent of respondents are removing requirements or limitations relative to buildings and becoming more involved with local businesses.

Table 9		
OTHER THINGS THE CITY SHOULD DO TO RECRUIT AND SUPPORT LOCAL BUSINESSES		
	Frequency	Percent
Remove Building Requirements – For Example, Sprinkler Systems For Single Story And No Signage	8	14.8
The City Should Be More Involved With Local Businesses	7	13.0
Require Businesses To Maintain The Appearance Of Their Buildings	5	9.3
The City Should Market Local Businesses/The City Should Advertise Local Businesses/The City Should Market Local Business	4	7.4
Speed Up The Permitting Process	4	7.4
Reduce The Cost Of Starting A Business In Pleasanton/Keep The Cost At A Minimum	4	7.4
Fewer Regulations	3	5.6
Actively Recruit Businesses To Come To Pleasanton	3	5.6
The City Should Be Business-Friendly	3	5.6
More Creative Businesses/Diverse Businesses	2	3.7
Stop Giving Permits To The Same Types Of Businesses	2	3.7
Remove Roadblocks/Remove Barriers	2	3.7
More Parking/A Parking Structure Downtown	2	3.7
Expand The Areas Of Large Events/Move Outside The Center Of Downtown	2	3.7
Better Communication	2	3.7
Increase Tourism	2	3.7
Improve Traffic Flow	2	3.7
None/Nothing	1	1.9
Other	37	68.6

Permitting Process

Figure 26 indicates that about a third of businesses have been involved in the City's building permitting process in the past year. Of these, as **Figure 27** demonstrates, the largest groups find the process somewhat easy or very difficult. Responses of very or somewhat easy total two-fifths (40 percent); answers of very or somewhat difficult sum to the majority (58 percent).

INVOLVEMENT IN THE BUILDING PERMITTING PROCESS

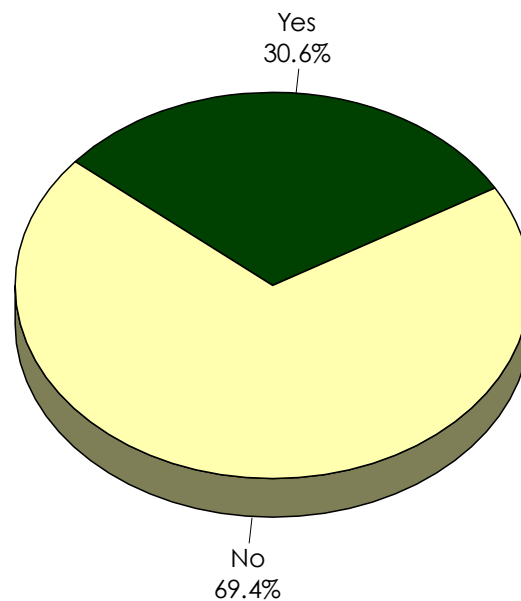


Figure 26

ASSESSMENTS OF THE EASE OF THE PROCESS

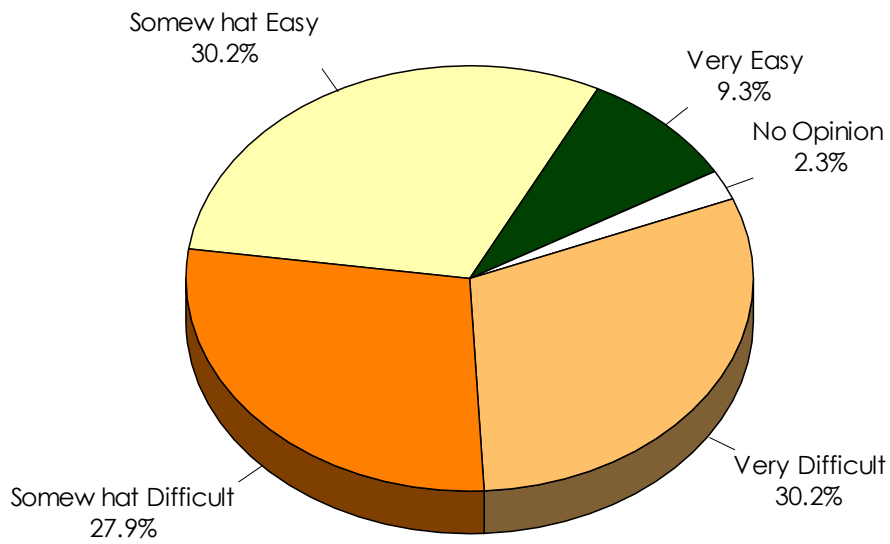


Figure 27

Mean evaluations of the City staff involved in the permitting process are presented in **Figure 28**. These scores are calculated on the same four-point scale used for other evaluations. Here, the only assessment that exceeds the level of good is for courtesy; the lowest two scores are accorded to responsiveness to your needs and consistency of the staff's instructions.

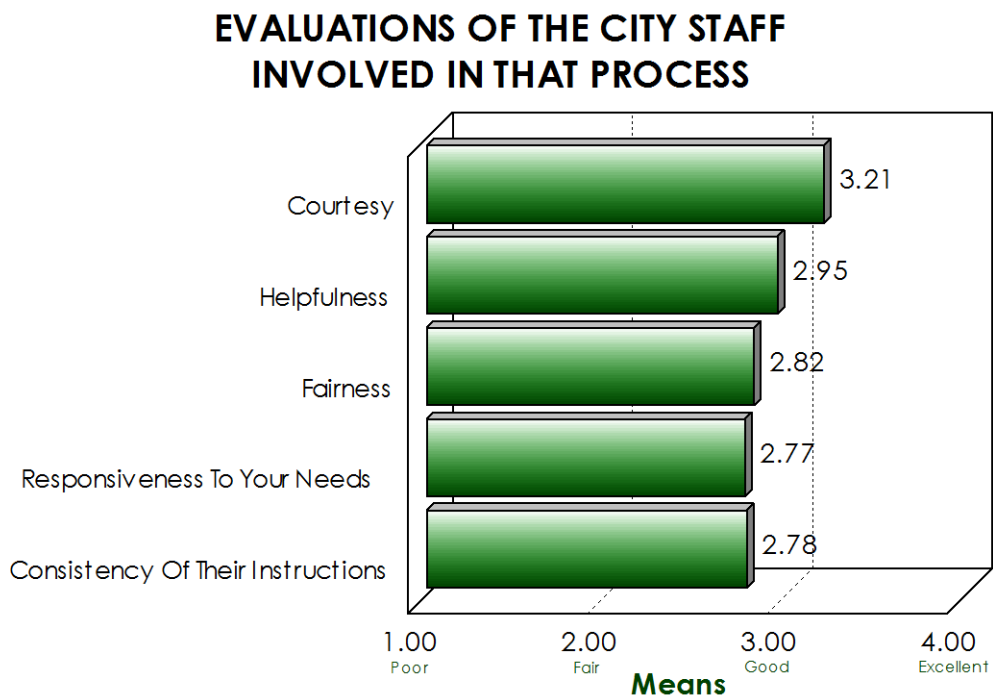


Figure 28

Table 10 displays businesses' answers when they were asked how the City's permitting process could be improved. Chief among the substantive suggestions are speeding the process up, curtailing requirements, and making the process less expensive. It is also important to note in this regard that the second most prominent response was "nothing."

Table 10		
HOW THE CITY'S PERMITTING PROCESS COULD BE IMPROVED		
	Frequency	Percent
Speed Up The Permitting Process/Make The Permitting Process Quicker	8	23.5
Cut Back On The Requirements For Many Of The Permits	5	14.7
Less Expensive Process	4	11.8
I Haven't Had Any Experiences With The Permit Process	3	8.8
Eliminate The "Pleasanton Way"	2	5.9
None/Nothing	6	17.6
Other	14	41.1

City Website

Figure 29 depicts the importance of including various kinds of information on the City's website on the same scale used for other importance questions. In this case, all of the assessments are above the level of somewhat important, and one is closer to the level of very important. Most important are information about business support programs, listings of business events, and City RFPs and bids.

IMPORTANCE OF INCLUDING VARIOUS KINDS OF BUSINESS INFORMATION ON THE CITY'S WEBSITE

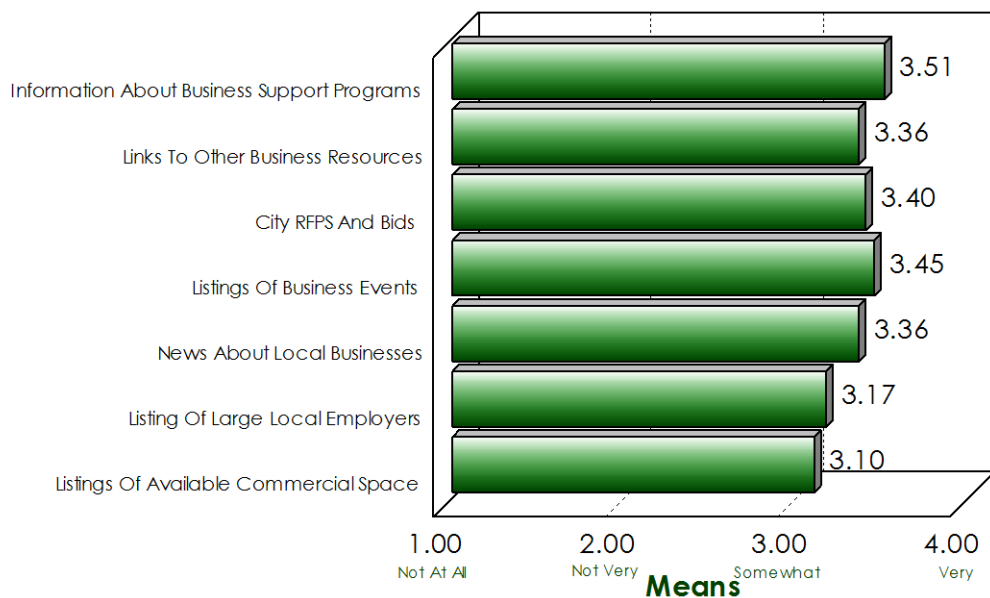


Figure 29

Other kinds of information suggested for the website by responding businesses were so diverse that they could not be coded. Accordingly, they are presented verbatim below. Although these comments and suggestions are interesting and may prove useful to the City, they do not appear to contain any themes.

- Local business listings.
- Ninety percent of what you are spending taxpayer dollars for on the website can be found on Google for free.
- Things that benefit the employees and management. For example, physical and mental health - places to walk and release tension, or meditate for a few minutes. Pleasanton has great parks, but they usually benefit mostly the residents, because they are located in residential areas more than in business areas.
- I think you have covered it!
- Provide more information of non-profit agencies in the City of Pleasanton and the services provided. I feel that this entity is pretty much left out of business planning in Pleasanton and that there is a lot of apathy on the part of government and community to access programs that can benefit their families and children.
- A count of how many employees who work in Pleasanton actually live in Pleasanton, versus those who live in other cities.
- Listing of all businesses, not just large. Better information about doing business in Pleasanton.
- More mention of good merits of local Pleasanton folks, for example *Pleasanton Weekly* is very good at this. More upscale business networking events so other executives can get to know one another.
- Showcase of a business in town every month.
- The website needs to be more user-friendly. There is a lot of wonderful, very useful information on the website already, but finding it is a task.
- A simple but sufficient listing of action needed to start a business here in just a week, as I did here in 1960. The growth of government is malignant.

- Upcoming workshops.
- Blog/community interaction where people could seek information, resources and services and get input from others.
- Any information is helpful as long as it is current and easy to find.
- Emergency information and classes available for business continuity and what to do in case of local or area-wide emergency.
- More resources to help businesses succeed, community loan programs, promotion of current businesses and their specialties or expertise. Community leadership programs to educate both the businesses and community of all the city services available and how City Hall works.
- Quality of life.
- That company can pay less for renting.
- Pretty low-hanging fruit here. Not sure what "business support programs" and "other business resources" are. Other than the city RFPs and bids, most can be found at Chamber, Hacienda, and other similar websites. Most of what I would like to see is what I need to get me in and out of the city process. It's like DMV – don't want to spend any more time than I have to.
- Not applicable.
- Easy access to a contact person and number.
- Property maps of business buildings, including square footage, owner, parking, etc.
- Access to a trails map activities quickly seems like a lot of steps to get to the firehouse.
- How to do business with the City.
- City resources and details of requirements.

Respondent Characteristics

Tables 11 through **16** and **Figures 30** through **31** present the characteristics of responding businesses. These graphics indicate the following.

- The largest group of responding businesses have been in Pleasanton 11 to 20 years. Tenures of more than ten years represent the majority (59 percent).

Table 11		
LENGTH OF TENURE IN PLEASANTON		
	Frequency	Percent
Less Than 3 Years	13	10.1
3 To 5 Years	15	11.7
6 To 10 Years	25	19.6
11 To 20 Years	40	31.1
21 To 30 Years	24	18.9
Over 30 Years	11	8.8

- By far the majority of responding businesses expect to be in Pleasanton one year from now, and a strong majority expect to be there two years from now. The corresponding figure for five years from now is six in ten, with almost all of the remainder saying they don't know.

PROBABLY OF BEING IN PLEASANTON IN THE FUTURE

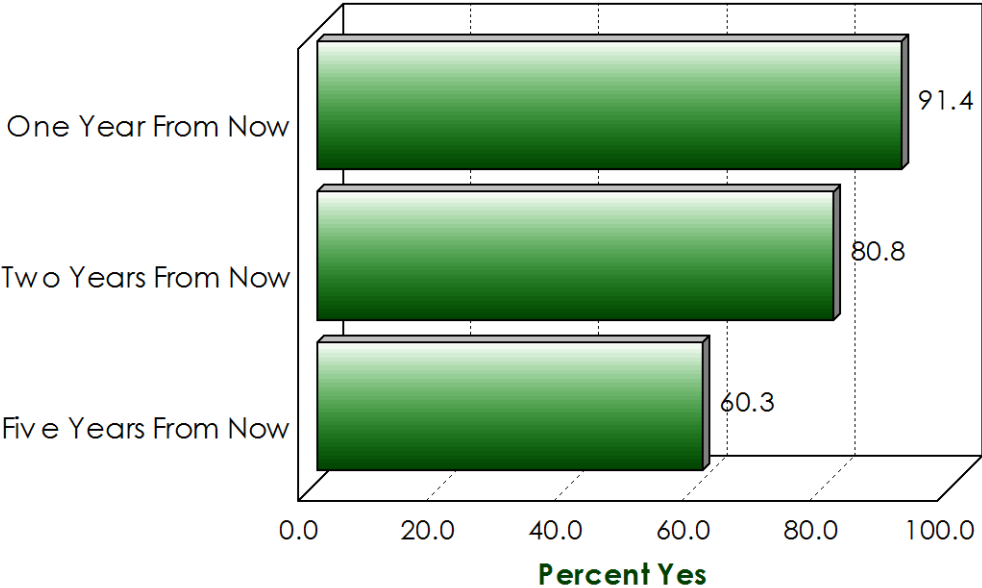


Figure 30

- The largest group of responding businesses occupy 1,000 to 1,999 square feet. Businesses with less than 3,000 square feet represent the majority (53 percent); businesses with 5,000 or more square feet represent somewhat over a quarter (29 percent).

SQUARE FEET OCCUPIED		
	Frequency	Percent
Less Than 500	10	8.6
500 To 999	12	10.3
1,000 To 1,999	30	25.9
2,000 To 2,999	9	7.8
3,000 To 4,999	16	13.8
5,000 to 9,999	17	14.7
10,000 Or More	16	13.8
Don't Know/Refused	6	5.2

- The largest group of responding businesses have one employee; those with five or fewer employees constitute the majority (57 percent). Businesses with more than ten employees represent a third (33 percent).

Table 13

NUMBER OF EMPLOYEES IN PLEASANTON*

	Frequency	Percent
1	33	26.6
2	12	9.7
3 To 5	25	20.2
6 To 10	11	8.9
11 To 20	20	16.1
21 To 50	14	11.3
Over 50	7	5.6
Varies/Volunteer Only	2	1.6

* Eighteen responses of zero, none, or not applicable were converted to a value of one.

- The majority of responding businesses have no employees outside of Pleasanton.

Table 14		
NUMBER OF EMPLOYEES OUTSIDE OF PLEASANTON		
	Frequency	Percent
0	74	62.2
1	7	5.9
2	2	1.7
3 To 5	8	6.7
6 To 10	4	3.4
11 To 20	6	5.0
21 To 50	5	4.2
Over 50	11	9.2
Don't Know/Refused	2	1.7

- The largest group of responding businesses have gross revenues of less than \$500,000. Almost half (48 percent) have gross revenues of less than \$1 million.

Table 15		
GROSS REVENUES		
	Frequency	Percent
Under \$500,000	43	35.0
\$500,000 To \$999,999	16	13.0
\$1,000,000 To \$9,999,999	24	19.5
\$10,000,000 Or More	11	8.9
Prefer Not to Answer	29	23.6

- The largest group of responding businesses are in professional and business services; the next largest groups are in health and educational services and retail trade.

Table 16

BUSINESS TYPE

	Frequency	Percent
Construction/Transportation	8	6.3
Financial Activities	8	6.3
Health And Educational Services	21	16.5
Information	2	1.6
Leisure And Hospitality	14	11.0
Manufacturing	3	2.4
Professional And Business Services	37	29.1
Retail Trade	20	15.7
Other	14	11.0

- The majority of responding business representatives live in Pleasanton.

RESIDENCE IN PLEASANTON

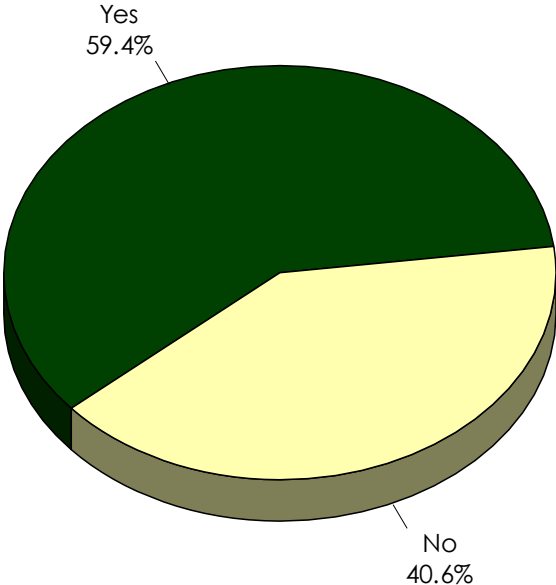


Figure 31

V. CONCLUSIONS AND RECOMMENDATIONS

Sources of Conclusions and Recommendations

Because the telephone survey was scientifically conducted and had a reasonable cooperation rate, while the online survey had neither of these characteristics, most of the conclusions and recommendations offered here derive from the telephone survey results. The final three sections then present conclusions and recommendations based on questions included only in the online survey. While these findings definitely merit consideration, not unlike focus group findings, they should be treated with caution because they represent such a small and self-selected proportion of the population.

How Do Businesses Feel About Their Location?

From the results of this research, and not surprisingly given the results of the focus groups, businesses in the city of Pleasanton appear to be very to extremely happy with their location. Nine in ten find the community an excellent or good place to do business, in large part due to its central location and friendly people.

All of the ratings of the city as a business location are above the level of good. In addition, ratings of the city's infrastructure and services are also generally around the level of good. With the sole exception of entertainment options, city

amenities rate quite highly as well, with local schools and community events achieving very high scores.

Challenges that emerge in the survey findings include the perception that the City of Pleasanton has rules and regulations that can make it somewhat difficult to do business and the sense that the City is somehow insufficiently connected to the local business community. From our perspective, the former is unlikely to change very much: Pleasanton has high standards and, as focus group participants noted, these standards contribute to the community's appeal. The sense of disconnect, however, which seems to permeate the survey results, probably calls for further attention.

Finally, specific issues the City may wish to consider addressing include problematic telecommunications (particularly cellular service), inadequate public transportation, and a dearth of entertainment options. As all of these topics were raised during the focus groups, this suggestion should come as no surprise.

How Is the City Doing Providing General Services?

All of the general services considered during the survey are perceived as being very important, with public safety predictably leading the way. Job performance, however, is viewed quite differently, with ratings being lower

overall and assessments of both permit processing and business recruitment falling below the level of good. Inasmuch as the importance-performance matrix clearly shows that these services are underperforming relative to their importance in the business community, the City may wish to consider how they could be improved.

What About the Permitting Process?

If there was any question that the City's permitting process frustrates local businesses, it must surely be put to rest by the results of this research. Only slightly over half of businesses involved in the process find it very or somewhat easy, and almost as many view it as being very or somewhat difficult.

It is also worth noting in this regard that the problem may well not rest primarily with staff, as the focus groups suggested; staff consistently rated above the level of good. Perhaps the City needs to study every aspect of the process in more depth in order to determine whether this persistent concern of the business community can be addressed.

What About City Staff?

Those who have had occasion to contact other City staff appear to be most pleased; ratings of the staff are exceptionally high. In this case, we believe it

would be appropriate to commend staff for their interactions with the business community.

How Is the City Doing in Serving Local Businesses? (Online Survey Only)

All of the programs and services the City is providing or thinking of providing to support the local business community, as listed in the online survey, are seen as being at least somewhat important, and several are viewed as being very important. Again, however, ratings of the job the City is doing in this regard are considerably lower.

Looking at the importance-performance matrix on this topic, we can see areas where it might be beneficial to redirect resources. At least according to this business group, seminars, workshops, and the coordination of commuter assistance programs are less important than visiting local businesses in order to understand them better, offering a single point of contact at the City, promoting Pleasanton as a good place to do business, offering financial incentives to locate in Pleasanton, and providing a streamlined permitting process. Although these two sets of activities may not be interchangeable, their relative merits may be worth assessing.

What Should the City's Website Provide for Businesses? (Online Survey Only)

All of the website content suggested in the online survey is viewed as being somewhat to very important, with a particular emphasis on information about business support programs, listings of business events, and City RFPs and bids. Given the likelihood that all of the listed information is important to at least some businesses some of the time, however, we would encourage the City to work toward a comprehensive site, using the survey data in combination with input from the Economic Vitality Committee to set priorities.

How Could the Permitting Process Be Improved? (Online Survey Only)

In the online survey, businesses were asked how the permitting process could be improved. Although the respondents were less inclined to suggest improvements than one might hope, issues they mentioned included speeding the process up, limiting requirements (to the extent possible while maintaining the City's standards, we would add), and making the process less expensive.

Importantly, however, the second most prominent response to this question was "nothing." When this result is considered in conjunction with the paucity of substantive responses, it makes one wonder whether people don't know how to fix the process, don't particularly care, or simply failed to respond in the absence of interviewer probing. We would therefore encourage the City to ask

this follow-up question of disaffected businesses in any future scientific telephone surveys.