



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Date: September 13, 2005
Author: Alena Straka
Phone No.: 871.6683
RTS No.: 05385
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Meeting Date: October 4, 2005

TO: Vancouver City Council

FROM: Chief License Inspector in consultation with Director of Finance

SUBJECT: Year 2006 Business License Fee Amendments and Miscellaneous License By-law Amendments

RECOMMENDATION

- A. THAT with the exception of liveaboards and the charitable or non-profit categories detailed in Appendix A, Council approve an across-the-board increase in business license fees for Year 2006 of approximately 2.75 percent (when rounded) for an inflationary adjustment reflecting the estimated growth in City costs.
- B. THAT the definition of Limited Service Food Establishment in Section (2) be amended to prohibit the sale of alcoholic drinks to customers for consumption on the premises.
- C. THAT the definition of Fitness Centre in Section (2) be amended to be consistent with the definition of "Fitness Centre" in the Zoning and Development By-Law.
- D. THAT a new \$10 fee be incorporated for requests to change license categories.
- E. THAT the Director of Legal Services be requested to prepare the necessary By-law amendments to the License By-law to be effective January 1, 2006.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of A through E.

COUNCIL POLICY

It is Council policy that fees are adjusted annually to reflect the inflationary rate and any increased cost.

It is Council policy that new or expanded service costs be fully offset by expenditure reductions or new revenues.

PURPOSE

The purpose of this report is to seek Council approval for Year 2006 business license fees. A fee increase of 2.75 percent (when rounded) reflecting inflationary costs is being recommended for all business license categories with the exception of liveboards and the charitable or non-profit categories in Appendix A. This report also recommends by-law changes to update some license categories and implement 'house-keeping' changes.

BACKGROUND

Inflationary Adjustments

In the fall of every year, the License Office prepares an administrative report to Council proposing an across-the-board inflationary adjustment in business license fees which reflects the estimated growth in City costs for the following year. Although this adjustment is appropriate for most businesses, a higher fee increase may be required for certain businesses that incur higher inspection or administrative costs or possess fees that are no longer appropriate in comparison to other Lower Mainland municipalities.

License By-law Amendments

In addition to license fee adjustments, the administrative report also allows staff to propose other miscellaneous amendments to the License By-law necessary to address outdated regulations, increase the effectiveness of certain methods of conducting internal business and to incorporate some 'housekeeping' adjustments.

DISCUSSION

Year 2006 Business License Fees

This report recommends that business license fees for year 2006 be increased by approximately 2.75 percent (when rounded) as an inflationary adjustment reflecting the estimated growth in City costs. This increase would apply to all fee categories with the exception of liveboards and the charitable or non-profit categories detailed in Appendix A. Liveboard license fees are to be addressed in a separate report from Corporate Services.

In the past, a number of charitable and non-profit license categories have been assessed fees that are well below an amount required to recover costs. These fees are listed in Appendix A. As in previous years, no fee increase is recommended for these licenses.

License By-law Amendments & Housekeeping Items

Limited Service Food Establishment

It is recommended that the definition of Limited Service Food Establishment in Section (2) be amended to prohibit the sale of alcoholic drinks to customers for consumption on the premises.

The current definition for dining lounge restricts alcohol service to restaurants and therefore liquor service is not permitted in limited service food establishments. This amendment will clarify the current regulations and help to distinguish a limited service food establishment from a restaurant business.

Fitness Centre

It is recommended that the definition of Fitness Centre in Section (2) be amended to be consistent with the definition of "Fitness Centre" in the Zoning and Development By-Law. This definition is as follows:

The use of premises for the development of physical health or fitness, including, but not limited to, health centres, gymnasias, racket and ball courts, spas and reducing salons.

The current by-law definition is more restrictive and does not encompass current day activities.

Fee for Change of License Category Requests

Recently, the License Office has been receiving a greater number of requests for changing license categories, an administrative task which requires additional processing time. In order to recoup the labour costs expended on this administrative task, a fee of \$10 per request is being proposed.

FINANCIAL IMPLICATIONS

Inflationary Adjustment

The proposed inflation adjustment fee of 2.75 percent for Year 2006 business license fees, with the exception of liveboards and the charitable or non-profit categories detailed in Appendix A, will result in additional 2006 business license revenue of approximately \$308,000.

CONCLUSION

Business license fees are adjusted annually to ensure full cost recovery of City administration and enforcement costs. This report recommends an across-the-board increase, with some exceptions, of 2.75 percent for Year 2006 to recover estimated inflationary cost increases resulting in the growth of City expenses.

Finally, this report recommends a few amendments to the Licenses By-law to update license categories and fees, and to provide greater consistency between the License By-law and internal business practices.

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Current Exceptions to Fee Increases

It is recommended that fees for the following license categories not be increased. Historically these fees have remained constant.

Blind Peddler	\$1 per annum
Blind Retail Dealer	\$1 per annum
C.N.I.B. Concession Stand	\$1 per annum
Community Association or similar organization incorporated under the Societies Act	\$2 per annum
Farmer's Market	\$10 per annum
Junior Achievement of BC	\$10 per annum
Soliciting for Charity	\$10 per annum