



## CITY OF VANCOUVER

### ADMINISTRATIVE REPORT

Report Date: September 23, 2008  
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Meeting Date: October 14, 2008

TO: Vancouver City Council

FROM: Director of Licences and Inspections and Deputy Chief Licence Inspector in consultation with the Director of Finance

SUBJECT: Year 2009 Business Licence Fee Amendments

#### ***RECOMMENDATION***

- A. THAT with the exception of live-aboard boats and the charitable or non-profit categories in Appendix A, Council approve an across-the-board increase in business licence fees for Year 2009 of approximately 4.0 percent (when rounded) for an inflationary adjustment reflecting the estimated growth in City costs; and
- B. THAT Council approve an increase in the business licence fees charged to marina operators who host live-aboard boats for Year 2009 of approximately 3.36 percent (when rounded) reflecting the increase in residential property taxes in 2008; and
- C. THAT Council approve a minimal dollar increase to the licence fees for the charitable or non-profit business categories as detailed in Appendix A to recover a slightly higher portion of the administrative costs attributed to the issuance of such licences; and
- D. 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, 2009.

#### ***GENERAL MANAGER'S COMMENTS***

The General Manager of Community Services RECOMMENDS approval of the foregoing recommendations.

***COUNCIL POLICY***

It is Council policy that fees and charges be established on the basis of the cost of providing the associated services.

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 2009 business licence fees. A fee increase of 4.0 percent (when rounded) reflecting the inflationary costs is being recommended for all business licence categories with the exception of live-aboard boats and the charitable or non-profit categories in Appendix A. An increase of approximately 3.36 percent (when rounded) is being recommended for live-aboard licence fees, reflecting the increase in residential property taxes in 2008. A minimal dollar fee increase is being recommended for the charitable or non-profit categories in Appendix A to recover a slightly higher portion of the administrative costs attributed to the issuance of such licences.

***BACKGROUND*****Inflationary Adjustments**

In the fall of every year, the Licence Office prepares an administrative report to Council proposing an across-the-board inflationary adjustment in business licence 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.

***DISCUSSION*****Year 2009 Business Licence Fees**

This report recommends that business licence fees for year 2009 be increased by approximately 4.0 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 live-aboard boats and the charitable or non-profit categories in Appendix A.

**Charitable and Non-Profit Business Licence Fees**

In the past, the charitable and non-profit licence categories listed in Appendix A have been assessed fees well below an amount required to recover costs. No fee adjustments have been made to these licences for over ten years. Staff recommends a minimal dollar increase to the licence fees for these charitable and non-profit categories for Year 2009 as shown in Appendix A. This small increase is justified in order to recover a slightly higher portion of the administrative costs attributed to the issuance of such licences.

### Live-aboard Licence Fees

Since 1974, the City has levied a licence fee on marina owners for each live-aboard boat moored at a marina. The purpose of this fee is to ensure that those marina operators who permit residents to live aboard their boats contribute to the provision of public services in a manner similar to those who occupy assessable real property and pay property taxes. The comparison with property taxes is made as it is the mechanism through which other residents pay for public services.

As boats used for live-aboard purposes are not assessable under the Assessment Act, it is impossible to establish appropriate values on which to base property taxes. In order to provide a proxy on which to base fees, Council approved the use of waterline boat length as the basis for charging this fee.

In 1996, Council established the most appropriate way of adjusting live-aboard fees would be to base the increase in the fee on the change in property taxes paid by residential taxpayers the prior year. Using this methodology, it is recommended that the 2009 licence fees charged to marina operators who host live-aboard boats be increased by 3.36%. This is the same increase Council applied in calculating the 2008 residential property tax levy.

In order to ensure that the live-aboard fee is similar to fees paid by area residents, periodic comparisons are made to assessable residential premises in the Fairview Slopes and South False Creek area. The most recent comparison, done in 2008 showed property taxes in this area in the range of \$1,600 to \$2,200.

The current and recommended live-aboard fees are listed in Table 1 below:

Table 1  
Current and Recommended Live-aboard Licence Fees

Length of Boat at Waterline	Current Fee	Recommended Fee
<=21 feet	\$960	\$992
> 21 feet and <=26 feet	\$1,161	\$1,200
> 26 feet and <=31 feet	\$1,307	\$1,351
>31 feet and <= 37 feet	\$1,491	\$1,541
> 37 feet	\$1,645	\$1,700

### ***FINANCIAL IMPLICATIONS***

#### Inflationary Adjustment

The proposed inflation adjustments for Year 2009 business licence fees, including live-aboard boats and the charitable or non-profit categories in Appendix A, will result in additional 2009 business licence revenue of approximately \$482,000. The financial implications of this report have already been reflected in the preliminary 2009 operating budget.

*CONCLUSION*

Business licence 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 4.0 percent for Year 2009 to recover estimated inflationary cost increases resulting in the growth of City expenses.

An increase of approximately 3.36 percent (when rounded), reflecting the increase in residential property taxes in 2008, is recommended for live-aboard licence fees and a minimal dollar increase is recommended to licence fees for the charitable and non-profit categories in Appendix A.

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**CHARITABLE AND NON-PROFIT LICENCE CATEGORIES:  
EXISTING AND PROPOSED 2009 LICENCE FEE INCREASES**

Charitable and Non-Profit Business Licence Category	Business Licence Fee/Year (2008)	Proposed Business Licence Fee/Year (2009)
Blind Peddlar	\$1	\$2
Blind Retail Dealer	\$1	\$2
C.N.I.B. Concession Stand	\$1	\$2
Club Manager of a Community Association which pays a \$3.00 license fee under this Schedule	\$2	\$3
Community Association or similar organization incorporated under the "Societies Act"	\$2	\$3
Farmer's Market	\$10	\$12
Junior Achievement of B.C.	\$10	\$12
Soliciting for Charity	\$10	\$12