

Metro West Multi-City Business Licensing (MCBL) Pilot Program



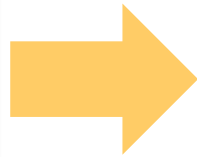
Context

- In September 2011, the City published its first ever Economic Action Strategy
- In January 2012, Council passed a motion to improve the efficiency of permitting process
- In January 2013, Council passed a motion calling on City staff and Vancouver Economic Commission (VEC) to report back on the feasibility of a mobile business licensing program

In this Presentation ...

- Economic strategy and benefits of multi-city business licensing
- Introduction of the Metro West Multi-City Business Licensing (MCBL) Pilot Program
- Request Council approval for the City of Vancouver to participate in the program, and bring forward by-laws necessary for its implementation

Vancouver Economic Action Strategy



Create a healthy climate for growth:

- ✓ Reduce regulatory burden
- ✓ Promote 'smart' practices in local government

What is a Multi-City Business Licence?



A single business licence, in addition to the home municipal business licence, that allows a mobile business to operate in six participating municipalities

The Benefits of an MCBL



Small Businesses

- Saving time and money



Consumers

- Greater choice in service providers
- Reduced fees passed onto consumers



Municipalities

- Increased compliance and overall administrative efficiency

What made it possible ...

- Collaboration
 - City and other municipalities
 - Small Business Branch of the Province
 - VEC, Board of Trade and Chambers of Commerce
- Persistence
- Leadership

"I am encouraged by the enthusiastic support of the participating municipalities and want to thank you for your efforts to achieve these goals. Together, we will make 'Metro West' a more business-friendly jurisdiction."

~ Honorable Naomi Yamamoto, Minister of State for Tourism and Small Business

Quotes from Lower Mainland Businesses



"An inter-municipal mobile business licence will benefit our business in a number of ways, but the biggest element is convenience. We currently operate in 17 municipalities, with 26 trucks across the lower mainland on any given day, which means we need to renew 17 different license, on various dates, every year. The convenience of only obtaining one mobile business license will not only save us money, but equally important, time. This program also benefits consumers as it will give them more choice by facilitating increased mobility and therefore competition. In the big picture this will stimulate the economy, which is a good thing for everyone!"

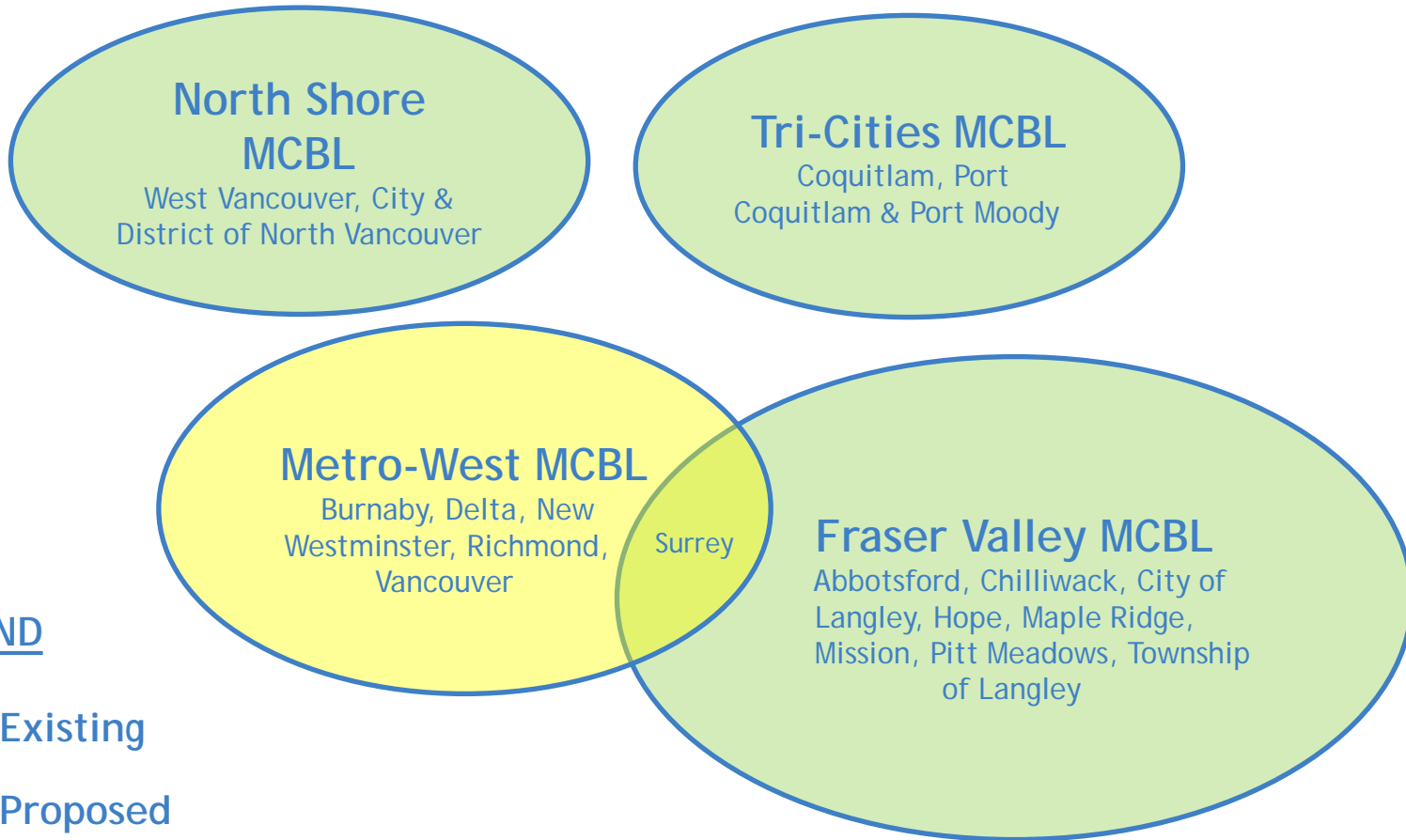
~ Brian Williams, Owner/President of Ashton Service Group



'A mobile business licence would enable us to ensure we are licensed to operate across the lower mainland in one step. The current process is time consuming and labour intensive something small businesses like myself simply don't have time for. If the Metro West IMBL was to go through it would be well worth moving my business to Vancouver to capitalize on the cost and time savings of this new process. '

~ Jeremy Dobson, Blue Chip Painting

MCBL Regional Initiatives - Existing & Proposed



Metro West MCBL Pilot - Scope & Objectives

Metro West MCBL Pilot Scope:

Trades contractor or other professional related to the construction industry
(e.g. electricians, plumbers, etc.)

Pilot Objectives:

- Revenue neutral
- Increase licensing compliance
- Reduce bureaucracy, saves time and money for small business owners
- Reduce administrative time/costs
- Increase service to residents and local economies
- Promote inter-municipal collaborations

MCBL - Recent Work

Nov. 2007	Ministry (Small Business Branch) promotes MCBL concept
Dec. 2008	VEC commissions Consultant's Report on MCBL for Metro Vancouver Commerce
May 2012	VEC initiates pilot project with Vancouver, Surrey and Richmond
Dec. 2012	Burnaby, Delta and New Westminister join
Jan. 2013	City Council motion to report back on a pilot program
April 2013	Ministry prepares financial analysis of licence data
May 2013	Six participating municipalities finalize details of MCBL

Proposed Phasing of Licence Projects

Online Services Phase 1
(Simple Licences)

Online Services Phase 2

Aug. 2013

Oct. 2013

2014

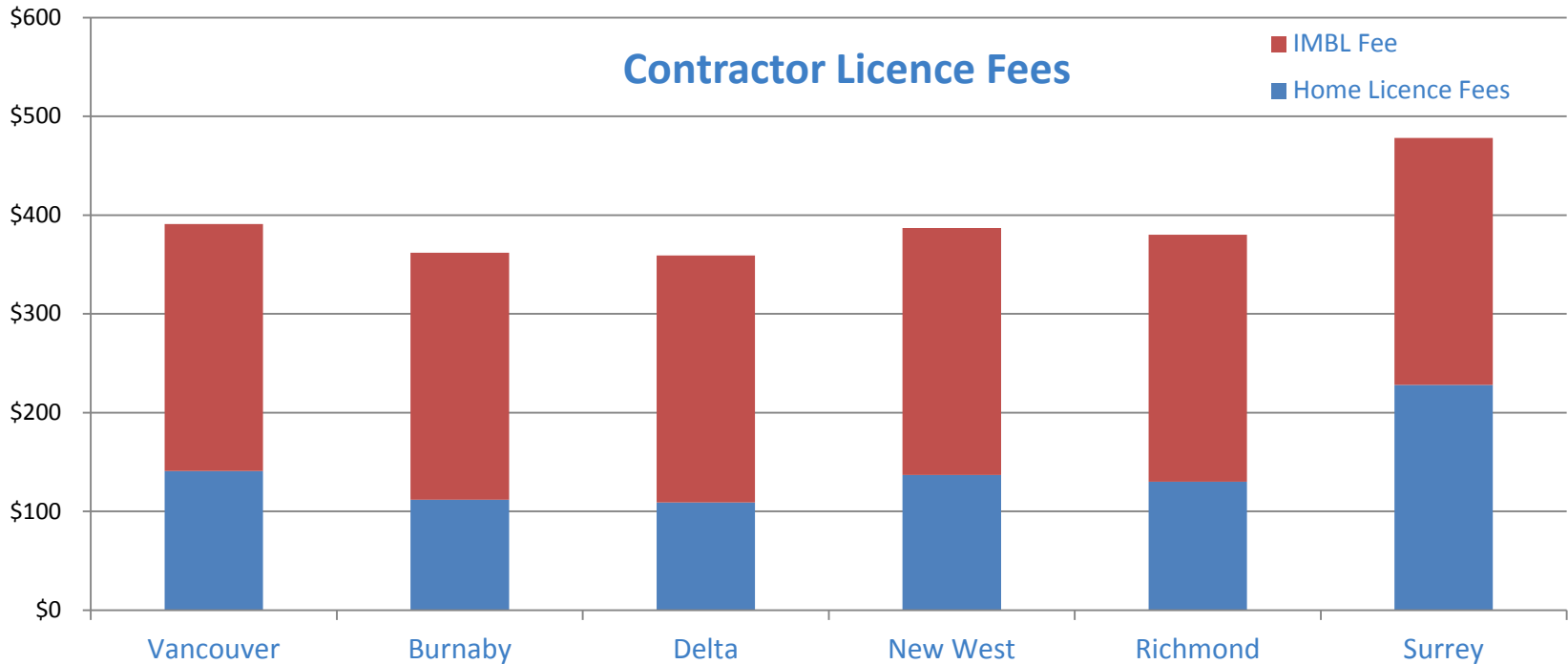
2015



Six-City MCBL Proposed Pilot

Items	Proposed
Municipalities	<ul style="list-style-type: none">• Burnaby, Delta, New Westminister, Richmond, Surrey, Vancouver
Pilot Length	<ul style="list-style-type: none">• October 1, 2013 - December 31, 2015 (27 months)
Licence Types	<ul style="list-style-type: none">• Trades contractor or other professional related to the construction industry (e.g. electricians, plumbers, etc.)
Licence Structure	<ul style="list-style-type: none">• Business licences in the home municipality• MCBL(\$250) must be purchased from home municipality• Municipalities retain control over their licence categories and fees
Revenue Sharing	<ul style="list-style-type: none">• To equalize benefits among municipalities
Database	<ul style="list-style-type: none">• Shared, supported and funded by the Province

Comparison of Contractor Licence Fees



MCBL can only be purchased from the home municipality where the business is physically located

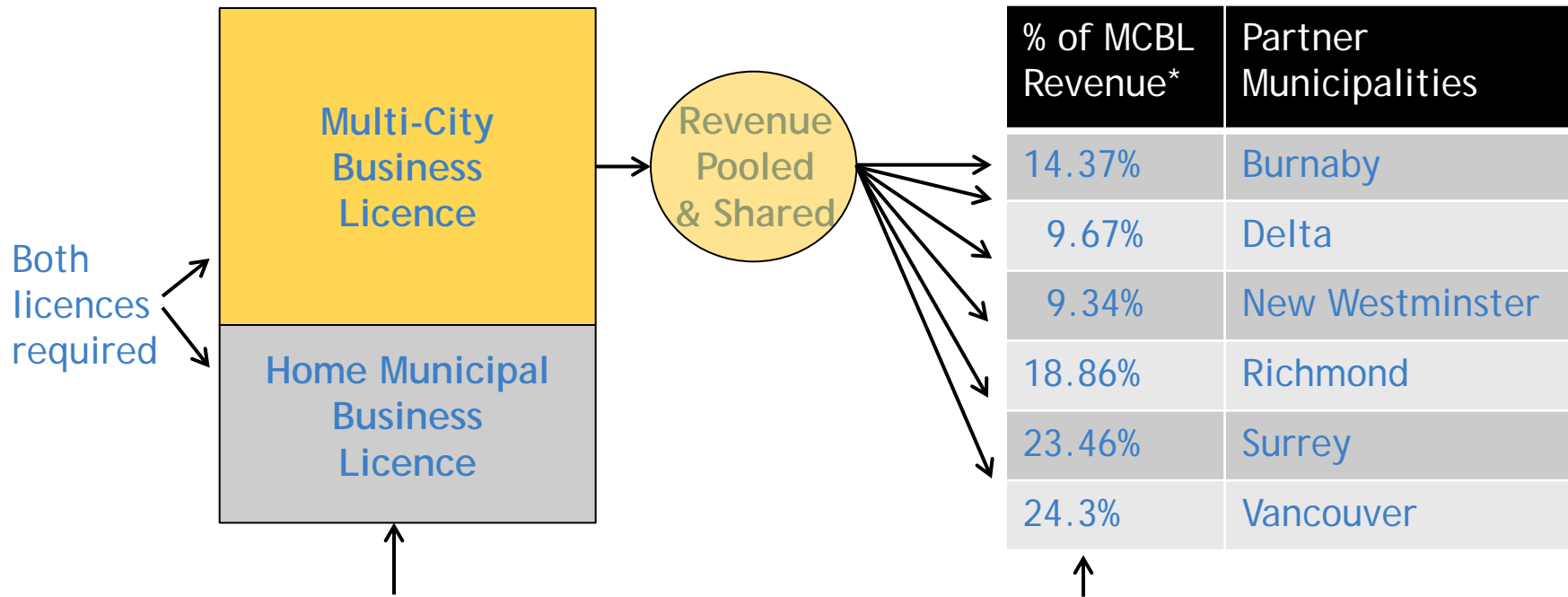
Licensing cost to Vancouver contractor doing work in other municipalities:

Current : \$253 - \$857 (depending on # of municipalities contractor is working in)

Future : \$391 (home licence with MCBL)



MCBL Revenue Sharing Model



Each municipality retains and controls its own licence fees and categories

* Percentage of MCBL revenue is based on a proportionate share of each municipality's non-resident licence revenue

Province's Financial Analysis Methodology

Financial analysis focused on businesses with 2 or more licences within the 6 cities

Province's Financial Analysis - Assumptions	Revenue Implications @ \$250 Fee	
	Vancouver	All 6 Cities
Revenue Gains: <ul style="list-style-type: none"> • MCBL Sales • Home business licences purchased by businesses licensed in other cities but not in their home city 	\$186,942	\$769,250
	\$ 15,158	\$102,766
Revenue Loss: <ul style="list-style-type: none"> • Non-resident businesses will no longer purchase licence from each city they work in 	(\$197,299)	(\$811,867)
Net Impacts - Gain	\$ 4,801	\$ 60,149

Implementation - Communication Plan

Province (Ministry of Jobs, Tourism and Skills Training)	Vancouver (in conjunction with other municipalities)
<ul style="list-style-type: none">• News release by Minister of State for Small Business• Press conference (with Mayors' involvement)• Website link on program• Notify trade associations	<ul style="list-style-type: none">• Website and social media update• Contractor notification through licence renewal process• Tent cards - City counters• Promotional assistance from VEC, Board of Trade

Metro-West MCBL Pilot: Recommendations

Recommendations:

- Implement Metro West MCBL Pilot with Burnaby, Delta, New Westminister, Richmond, Surrey and Vancouver
- Pilot term of 27 months (October 1, 2013 - December 31, 2015)
- Metro West MCBL Fee of \$250
- Pilot scope to include trades contractor or other professional related to the construction industry
- Director of Legal Services to bring forward the necessary by-laws for enactment

Metro West MCBL Pilot Program

Questions

