



ADMINISTRATIVE REPORT

Report Date: August 23, 2019
Contact: Kathryn Holm
Contact No.: 604.873.7545
RTS No.: 13307
VanRIMS No.: 08-2000-20
Meeting Date: September 11, 2019

TO: Standing Committee on Policy and Strategic Priorities
FROM: Chief Licence Inspector
SUBJECT: 2020 Licence Fee Increase Report

RECOMMENDATION

- A. THAT Council approve in principle amendments to the License By-Law No.4450 to increase business licence fees generally in accordance with Appendix A, to be effective January 1, 2020;

FURTHER THAT the Director of Legal Services bring forward for enactment the necessary amendments to the License By-law No. 4450 generally in accordance with the by-law attached as Appendix A.

- B. THAT Council approve in principle amendments to the Animal Control By-law No. 9150 to increase dog licence and animal control service fees generally in accordance with Appendix B, to be effective January 1, 2020;

FURTHER THAT the Director of Legal Services bring forward for enactment the necessary amendments to the Animal Control By-law No. 9150 generally in accordance with the by-law attached as Appendix B.

REPORT SUMMARY

Fees are adjusted on an annual basis to keep them consistent with City costs. The Conference Board of Canada are currently forecasting that the Consumer Price Index (CPI) for Metro Vancouver will increase by 2.0% for 2020 and for 2021.

The purpose of the report is to seek Council's approval for increases to fees collected under the following by-laws:

- License By-law #4450; and
- Animal Control By-law #9150.

As a result of external inflationary increases and the need to fund additional policy support to respond to emerging licensing issues identified by Council, staff are recommending a total increase of 2.6% on licence fees. This increase is comprised of a

2.0% inflationary increase and a further 0.6% increase for an additional licensing policy analyst, to provide capacity to address ongoing licensing policy work, and to respond to licensing-related motions from Council.

In 2018 we forecast that inflation would be 2.2%. As of May 2019, the increase in the 12-month average CPI for Metro Vancouver was actually 2.7%. Certain non-wage items, such as electricity and gasoline, have increased in the range of 2.6% to 7.1% over the past year. This differential between assumed and actual inflation provides additional rationale for the 0.6% above inflation increase recommended for 2020.

Staff recommend cannabis retail outlet licence fees continue as previously set to address the high staff costs of implementing the new cannabis retail regulations, until the Province commences any cannabis excise tax revenue sharing with municipalities in British Columbia.

If approved by Council, amendments to the affected by-laws would be prepared by Legal Services and brought forward by end of year for enactment, generally in accordance with the attached scheduled in Appendix A and Appendix B.

Vehicle for Hire fees for 2020 have been excluded from this report as staff will bring a separate Council report in Fall 2019 with recommendations on changes to the Vehicle for Hire by-law due to the provincial introduction of Ride-Hailing (Vehicles for Hire By-law #6066).

Short Term Rental Licence fees have been excluded in the fee schedule. Later this fall, staff will bring forward a Council report that will provide a policy update on the Short Term Rental Program and recommendations for the 2020 licence fee.

As boats used for live-aboard purposes are not assessable under the Assessment Act, it is difficult to establish appropriate value on which to base the licence fee. As such, it has been Council policy to use waterline boat length as a basis for levying this fee. In 1996, Council further established a policy that live-aboard licence fees be adjusted annually based on the increase in the municipal general purpose tax levied on the residential property class in the prior year; in 2019, that increase is 4.15%. Consistent with Council policy, staff recommend that the 2020 licence fee be increased by 4.15%.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

It is Council policy that fees and other charges be established on the basis of the cost of providing the associated services or at a competitive market level where the services is provided in a market environment.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The Acting Co-General Managers of Development, Buildings and Licensing RECOMMEND approval of the foregoing recommendations.

REPORT

Background/Context

In the second half of every year, staff prepare an administrative report to Council proposing an inflationary adjustment in business licence and animal services licence fees. The primary reason for inflationary increases is to keep fees consistent with City administration costs. If service or staffing needs change, staff propose fee changes in the report to adjust for those needs.

In 2017 Council approved an increase of 4% (comprising inflation plus 2.0%) and in 2018 Council approved a further increase of 4% (inflation plus 1.8%). These increases were to fund additional resources to help develop policy, improve communication with businesses and the public and to support compliance and carry out proactive enforcement of bylaws.

Strategic Analysis

As of May 2019, the increase in the 12-month average Consumer Price Index (CPI) for Metro Vancouver was 2.7%. Certain non-wage items, such as electricity and gasoline, have increased in the range of 2.6% to 7.1% over the past year. The Conference Board of Canada forecasted that the CPI for Metro Vancouver would increase by 2.0% for 2020 and for 2021. In addition, Council has identified a number of emerging licensing issues that require policy analysis and development.

Based on this forecast, staff recommend a 2.6% increase in business licence and animal control licence fees for 2020 to reflect general increases in costs for these services and to increase capacity to respond to emerging licensing issues identified by Council. This increase is comprised of a 2.0% inflationary increase and a further 0.6% increase related to additional licensing policy analyst staffing.

Staff will bring a separate Council Report in fall 2019 with recommendations on the licence fee for Vehicles for Hire (Vehicles for Hire By-law #6066). Short Term Rental Licence fees will also be addressed in a separate Council Report in fall 2019. As a result, both are excluded from this report.

Live-aboard Licence Fee

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 municipal services in a manner similar to those who occupy assessable real property and pay property taxes.

As boats used for live-aboard purposes are not assessable under the Assessment Act, it is difficult to establish appropriate value on which to base the licence fee. As such, it has been Council policy to use waterline boat length as a basis for levying this fee.

In 1996, Council further established a policy that live-aboard licence fees be adjusted annually based on the increase in the municipal general purpose tax levied on the residential property class in the prior year; in 2019, that increase is 4.15%. Consistent with Council policy, staff recommend that the 2020 licence fee be increased by 4.15%.

The current and recommended live-aboard licence fees for 2020 are presented in Table 1 below.

Table 1

Length of Boat at Waterline	2019 Licence Fee	Recommended 2020 Licence Fee
<= 21 feet	\$1,394	\$1,452
> 21 feet and <= 26 feet	\$1,687	\$1,757
> 26 feet and <= 31 feet	\$1,900	\$1,979
> 31 feet and <= 37 feet	\$2,166	\$2,256
> 37 feet	\$2,390	\$2,489

For comparative purposes, in 2019, the City and other taxing authorities levied property taxes that ranged from \$1,772 to \$2,840 on assessable residential premises in the Fairview Slopes and South False Creek.

Approval of all licence fee increases for 2020, to be enacted before year-end and effective January 1, 2020, would allow for necessary advance renewal notices to be prepared and provided to the City's businesses.

Implications/Related Issues/Risk (if applicable)

Financial

Based on the 2019 budget, a 2.6% fee increase is estimated to generate approximately \$468,000 in additional licence revenue and \$26,000 in dog licence revenue for 2020. These additional revenues will cover cost increases associated with inflation and additional staffing.

CONCLUSION

It is recommended that a 2.6% increase be applied to the licence fees as attached in Appendix A and B. The increase reflects a 2.0% general cost inflation and a further 0.6% increase to support additional licensing policy analysis. Live-aboard fees are to increase by 4.15%, reflecting the 2019 residential tax increase. It is also recommended that the City give standard renewal notice of the increase to all interested parties and that Legal Services bring forward by-law changes that include the recommended fee increases for enactment.

* * * * *

**DRAFT By-law to amend License By-law No. 4450
regarding 2020 fee increases**

Note: A By-law will be prepared generally in accordance with the provisions listed below, subject to change and refinement prior to posting.

1. This By-law amends the indicated schedules of the License By-law.
2. Council:
 - (a) repeals Schedule A, and substitutes for it Schedule A attached to this By-law, which new Schedule A is to form part of the License By-law; and
 - (b) approves the fees set out in the new Schedule A.
3. Council:
 - (a) repeals Schedule B, and substitutes for it Schedule B attached to this By-law, which new Schedule B is to form part of the License By-law; and
 - (b) approves the fees set out in the new Schedule B.

Year 2020 Business License Fees

SCHEDULE A

BUSINESS LICENSE FEES

	<u>Licence Term</u>	<u>Licence Fee</u>
Adult Entertainment Store	Per annum	\$385.00
Amusement Park	Per annum	\$5,688.00
Animal/Veterinary Hospital	Per annum	\$286.00
Antique Dealer	Per annum	\$155.00
Apartment Building	Per annum per dwelling unit (EXCEPT that a dwelling unit that is actually occupied by the owner of the premises, or a dwelling unit that is leased for 99 years or more and the lessee is eligible for and has received the Provincial Home Owner Grant for the preceding year, shall not be included in the calculation of the fee payable)	\$76.00
Arcade, Exhibit or Shooting Gallery	Per annum	\$385.00
Artist Live/Work Studio	Per annum	\$155.00
Arts and Culture Indoor Event		
(a) 31 to 60 persons	Per event or series of up to 3 events in a 30-day period	\$28.00
(b) 61 to 150 persons	Per event or series of up to 3 events in a 30-day period	\$111.00
(c) 151 to 250 persons	Per event or series of up to 3 events in a 30-day period	\$166.00
Auto Dealer	Per annum	\$187.00
Auto Paint/Body Shop	Per annum	\$155.00

Auto Parking	Per annum	\$155.00
Auto Washing	Per annum	\$155.00
Backyard Pay Parking	Per annum for the first 2 spaces, and:	\$143.00
	For each additional space	\$62.00
Bank Machine	Per annum	\$62.00
Barber Shop or Beauty Salon	Per annum	\$283.00
Beauty and Wellness Centre	Per annum	\$364.00
Bed and Breakfast Accommodation	Per annum	\$52.00
Billiard-Room Keeper	Per annum	\$310.00
Body-Rub Parlour, Body-Painting Studio & Model Studio	Per annum	\$11,762.00
Book Agent	Per annum	\$187.00
Bottle Depot	Per annum	\$187.00
Bowling Alley	Per annum	\$286.00
C.N.I.B. Concession Stand	Per annum	\$1.00
Canvasser	Per annum	\$155.00
Carpet/Upholstery Cleaner	Per annum	\$187.00
Casino- Class 1	Per annum	\$300.00
Casino - Class 2	Per annum	\$13,464.00
Caterer	Per annum	\$411.00
Chimney Sweep	Per annum	\$187.00
Club	Per annum	\$10.00
Club Manager	Per annum	\$155.00

Coin-Operated Services	Per annum	\$411.00
Community Association	Per annum	\$2.00
Compassion Club	Per annum	\$1,132.00
Contractor	Per annum	\$187.00
Courier/Messenger	Per annum	\$155.00
Dairy Delivery Services	Per annum	\$411.00
Dance Hall	Per annum	\$310.00
Dancing Academy	Per annum	\$187.00
Dating Service	Per annum	\$187.00
Dry Cleaner	Per annum	\$155.00
Duplex	Per annum for each dwelling unit (EXCEPT that no licence is required for a dwelling unit that is actually occupied by the owner of the premises)	\$74.00
Dwelling Unit that a person rents, intends to rent, or customarily rents to a tenant except for a dwelling unit for which a fee is payable under another part of this Schedule A	Per annum	\$74.00
Electrician	Per annum	\$155.00
Exhibition		
a) Circus or Rodeo (EXCEPT where the Circus or Rodeo is to be held entirely within a permanent building)	Per day Per week Per annum	\$175.00 \$353.00 \$3,313.00
(b) Horse Racing	Per annum	\$13,464.00

(c) Automobile or Motorcycle Racing	Per day	\$175.00	
	Per week	\$353.00	
	Per annum	\$1,348.00	
(d) Concert, lecture or a musical or theatrical performance staged or promoted by a person not holding a licence, where the capacity of the facility:	(A) does not exceed 500 seats	Per day	\$155.00
		Per week	\$303.00
		Per annum	\$3,313.00
	(B) is greater than 500 seats but does not exceed 100 seats	Per day	\$175.00
		Per week	\$353.00
		Per annum	\$3,105.00
	(C) is greater than 1000 seats but does not exceed 2000 seats	Per day	\$207.00
		Per week	\$411.00
		Per annum	\$4,140.00
	(D) exceeds 2000 seats	Per day	\$238.00
		Per week	\$468.00
		Per annum	\$4,768.00
	EXCEPT that where no part of the proceeds from any event listed in (c) or (d) enures to the benefit or private gain of any person or proprietor or member thereof or shareholder therein, or to the person or persons organizing or managing such event, the fee shall be:		
	Per day	\$43.00	
	Per week	\$52.00	
	Per annum	\$2,071.00	
(e) Boxing, wrestling, game, show, contest or any other exhibit, performance or device not hereinbefore specifically mentioned	Per day	\$176.00	
	Per week	\$353.00	
	Per annum	\$3,105.00	

Extended Hours Liquor Establishment	Per annum per seat based on the number of seats set out on the Provincial liquor licence for the establishment, except that despite the number of seats, the: Minimum fee will be: and the Maximum fee will be:	\$17.40 \$155.00 \$23,525.00
Family Sports and Entertainment Centre	Per annum	\$369.00
Farmers' Market	Per annum	\$10.00
Financial Institution	Per annum	\$1,575.00
Fitness Centre – Class 1	Per annum	\$155.00
Fitness Centre – Class 2	Per annum	\$286.00
Fund Raiser	Per annum	\$187.00
Gasoline Station	Per annum	\$231.00
Hair Stylist	Per annum per chair	\$155.00
Hairdresser	Per annum per chair	\$155.00
Health Care Office	Per annum	\$155.00
Health Enhancement Centre	Per annum	\$287.00
Homecraft	Per annum	\$78.00
Hotel	Per annum, plus: Per annum per dwelling unit Per annum per housekeeping unit Per annum per sleeping unit	\$78.00 \$74.00 \$54.00 \$36.00
Inter-municipal Business Licence	Per annum	\$257.00
Janitor Service	Per annum	\$187.00

Junk Dealer, Mobile	Per annum	\$155.00
Kennel	Per annum	\$155.00
Late Night Dance Event		
(a) with patron capacity of less than 350	Per event	\$337.00
(b) with patron capacity of 350 or more but less than 750	Per event	\$591.00
(c) with patron capacity of 750 or more but less than 2000	Per event	\$1,012.00
(d) with patron capacity of 2000 or more	Per event	\$1,348.00
Laundry (with equipment)	Per annum	\$286.00
Limited Service Food Establishment	Per annum	\$558.00
Liquor Delivery Service	Per annum	\$187.00
Liquor Retail Store	Per annum	\$429.00
Livery and Feed Stables	Per annum	\$286.00
Locksmith	Per annum	\$187.00
Manufacturer	Per annum	\$155.00
Manufacturer – Food	Per annum	\$807.00
Marina Operator	Per annum, plus:	\$309.00
	For each occupied live-aboard boat 21 feet or less in length, at water line, plus	\$1,452.00
	For each occupied live-aboard boat more than 21 feet but not more than 26 feet in length, at water line, plus	\$1,757.00

	For each occupied live-aboard boat more than 26 feet but not more than 31 feet in length, at water line, plus	\$1,979.00
	For each occupied live-aboard boat more than 31 feet but not more than 37 feet in length, at water line, plus	\$2,256.00
	For each occupied live-aboard boat which is more than 37 feet in length at water line.	\$2,489.00
Milk Vendor	Per annum	\$286.00
Moving Transfer Service	Per annum	\$155.00
Multiple Conversion Dwelling	Per annum per dwelling unit	\$74.00
	Per annum per housekeeping unit	\$54.00
	Per annum per sleeping unit (EXCEPT that a dwelling unit, sleeping unit or housekeeping unit that is actually occupied by the owner of the premises shall not be included in the calculation of the fee payable)	\$36.00
Newspaper Vending Machine	Per annum per machine	\$41.00
Non-Profit Housing	Per annum	\$155.00
One-Family Dwelling which is leased to and occupied by persons other than the building's owner	Per annum	\$74.00
Pacific National Exhibition – Annual Fair	Per annum	\$18,856.00
Painter	Per annum	\$155.00
Pawnbroker	Per annum	\$2,392.00

Peddler	Per annum	\$155.00
Peddler- Food	Per annum	\$286.00
Personal Care Home	Per annum per licenced bed	\$36.00
Pet Store	Per annum	\$286.00
Plumber	Per annum	\$155.00
Psychic or Astrological Service	Per annum	\$155.00
Public Bike Share	Per annum	\$2,450.00
Public Market Operator	Per annum	\$1,593.00
Public Market Operator who operates on a temporary basis only	Per day	\$561.00
Rental Dealer	Per annum	\$155.00
Residential Rental Unit	Per annum	\$74.00
Restaurant - Class 1	Per annum	\$807.00
Restaurant – Class 1 with Liquor Service	Per annum	\$807.00 +\$10.40 per seat
Restaurant - Class 2	Per annum	\$807.00
Restaurant – Class 2 with Liquor Service	Per annum	\$807.00 + \$10.40 per seat
Retail Dealer	Per annum	\$155.00
Retail Dealer – Food	Per annum	\$286.00
Retail Dealer – Grocery	Per annum	\$919.00
Retail Dealer – Market: 50,000 sq. ft. premises	Per annum	\$4,595.00

Retail Dealer – Cannabis	Per annum	\$33,958.00
Rooming House	Per annum per sleeping unit (EXCEPT that a sleeping unit that is actually occupied by the owner of the premises shall not be included in the calculation of the fee payable)	\$36.00
Scavenger	Per annum	\$310.00
Schools – Business or Trade	Per annum	\$286.00
Schools – Private	Per annum	\$286.00
Scrap Metal Recycler	Per annum	\$155.00
Secondhand Dealer - Class 1	Per annum	\$2,392.00
Secondhand Dealer - Class 2	Per annum	\$1,313.00
Secondhand Dealer - Class 3	Per annum	\$907.00
Secondhand Dealer - Class 4	Per annum	\$343.00
Secondhand Dealer - Class 5	Per annum	\$343.00
Secondhand Dealer - Class 6	Per annum	\$564.00
Social Escort	Per annum	\$187.00
Social Escort Service	Per annum	\$1,390.00
Soliciting for Charity	Per annum	\$10.00
Specialty Wine Store	Per annum	\$286.00
Standard Hours Liquor Establishment – Class 1	Per annum per seat based on the number of seats set out on the Provincial liquor licence for the establishment, except that despite the number of seats, the:	\$6.40
Standard Hours Liquor Establishment – Class 2		
Standard Hours Liquor Establishment –		

Class 3 Standard Hours Liquor Establishment – Class 4 Standard Hours Liquor Establishment – Class 5 Standard Hours Liquor Establishment – Class 6	Minimum fee will be: and the Maximum fee will be:	\$155.00 \$3,219.00
Standard Hours Liquor Establishment – Class 7 Standard Hours Liquor Establishment – Class 8	Per annum per seat based on the number of seats set out on the Provincial liquor licence for the establishment, except that despite the number of seats, the: Minimum fee will be: and the Maximum fee will be:	\$6.40 \$155.00 \$548.00
Steam Bath/Massage Parlour	Per annum	\$310.00
Street Vendor	Per annum	\$155.00
Swimming Pool located in a hotel, apartment building, club, health spa or other business required to be licenced under this By-law	Per annum	\$828.00
Talent/Model Agency	Per annum	\$186.00
Tanning/Skin Care Salon	Per annum	\$286.00
Tattoo Parlour	Per annum	\$286.00
Taxicab Premises	Per annum	\$155.00
Theatre	Per annum	\$286.00
Trailer Court	Per annum per space	\$261.00
Transient Peddler or Transient Trader	Per week, or Per annum	\$766.00 \$3,727.00
Undertaker	Per annum	\$286.00
Urban Farm – Class A	Per annum	\$10.00

Urban Farm – Class B	Per annum	\$155.00
Vending Machine	Per annum per machine	\$19.00
Venue	Per annum per seat except that despite the number of seats, the:	\$6.40
	Minimum fee will be:	\$74.00
	and the	
	Maximum fee will be:	\$497.00
Warehouse Operator	Per annum	\$155.00
Warehouse Operator – Food	Per annum	\$411.00
Wedding Chapel	Per annum	\$404.00
Wholesale Dealer	Per annum	\$155.00
Wholesale Dealer – Food	Per annum	\$411.00
Window Cleaner	Per annum	\$155.00
Any Business, Trade, Profession or other occupation not specified herein	Per annum	\$155.00
Transfer of a Licence		\$155.00
Non-Refundable Portion of Fee	Per licence where the applicable fee is greater than \$93.00	\$93.00
Late Payment Fee		\$40.00 or 10% of the original license fee, whichever is greater

SCHEDULE B

MISCELLANEOUS SERVICE FEES

PART 1

Fees and Charges	<u>Licence Fee</u>
Application fee for comments on a new liquor licence or a <u>permanent amendment to the liquor licence</u> :	
Base fee	
Incremental Fees:	\$991.00
<input type="checkbox"/> Neighbourhood notification	
<input type="checkbox"/> Staff-held neighbourhood public meeting	\$1,191.00
<input type="checkbox"/> Telephone survey	\$2,050.00
	\$1,122.00

PART 2

Fees and Charges	<u>Licence Term</u>	<u>Licence Fee</u>
Application fee for comments on <u>temporary amendment to liquor licence</u>		
Application fee for comments on a temporary amendment to liquor licence requesting later closing hours of operation	Per night per seat except that, despite the number of seats or the number of nights, the	\$0.50
	Minimum fee will be: and the	\$99.00
	Maximum fee will be:	\$662.00
Fee for assessing and providing comments on an application for a temporary amendment to a liquor license, other than a food primary license, requesting earlier opening hours of operation		\$99.00
Fee for assessing and providing comments on an application for a temporary amendment to a liquor license requesting any other change to a liquor license		\$99.00
Fee for assessing and providing comments on an application for a permanent or temporary amendment to a food primary license requesting liquor service hours past midnight, or a temporary amendment to a food primary license requesting patron participation entertainment		\$99.00

PART 3

Fees and Charges

Licence Fee

Application fee (Sec. 6.3)	\$60.00
Request for copy of licence (Sec. 7.1)	\$5.00
Request for change of business name or business trade name (Sec. 7.2)	\$10.00
Request for change of business address under licence (Sec. 7.3)	\$25.00
Request for change in business licence category (Sec. 7.4)	\$10.00
Temporary licence fee for standard hours liquor establishment	\$99.00

**DRAFT By-law to amend Animal Control By-law No. 9150
regarding 2020 fee increases**

Note: A By-law will be prepared generally in accordance with the provisions listed below, subject to change and refinement prior to posting.

1. This By-law amends the indicated schedules of the Animal Control By-law.
2. Council:
 - (a) repeals Schedule A, and substitutes for it Schedule A attached to this By-law, which new Schedule A is to form part of the Animal Control By-law; and
 - (b) approves the fees set out in the new Schedule A.

Year 2020 Animal Control Fees and Charges

SCHEDULE A

Part 1 - License Fees

Dog (per annum)	\$45.00
Replacement tag	\$5.00

Part 2 – Impound Fees

Licensed dog	\$96.00
Unlicensed dog	\$188.00
Licensed aggressive dog	\$348.00
Unlicensed aggressive dog	\$443.00
Fowl, other bird, rabbit, or rodent	\$16.00
Reptile or other animal	\$95.00

Part 3 – Maintenance Charges (per day)

Dog	\$25.00 per day
Aggressive dog	\$33.00 per day
Fowl, other bird, rabbit or rodent	\$5.00 per day
Reptile or other animal	\$34.00 per day
Exotic Bird (Amazon Parrots, African Grey, Cockatoos, Conures, Lorikeets and Macaws)	\$16.00 per day

Part 4 – Adoption Fees

Dog Up to 7 years of age	\$305.00
Dog >7 years old / Medical Conditions	\$93.00
Ferret	\$62.00
Rabbit, chinchilla and hedgehog	\$33.00
Guinea pig	\$16.00
Parakeet and Lovebird	\$16.00
Budgie and Finch	\$10.00
Chicken, rooster, duck, pigeon and dove	\$5.00
Mouse, rat, hamster, gerbil and degu	\$5.00

Part 5 – Miscellaneous

Microchipping	\$16.00
---------------	---------