

To: Cora Hoekstra, Councillor;
Cc: Council
From: Matthew Goudy, CAO
Date: May 17, 2019

Reference: 11/154/2019-166

RE: Business Licenses

Thank you for your questions. I have provided brief responses below, but would be happy to discuss the topic further, at your convenience.

How much revenue does the City realize from business licenses?

The City budgets for \$150,000 per year for Business Licenses.

When do businesses get exposed to the details of the Land Use Bylaw? When they purchase a business license or when they apply for a development permit or both?

The Land Use Bylaw (LUB) is specific to development permits. The business owner would be subject to the LUB's requirements when applying for a development permit. Often (but not always), businesses will be applying for both at the same time, making it easy to confuse the two.

There was a discussion around whether a "regional business license" would ever be feasible or palatable.

I think it would be very tough to get a regional model in place. Currently, there is very little (if any) consistency in business licensing practices between municipalities. When I've talked to colleagues about their models, and the justification for the fees, I have found a wide variety of responses. Most commonly, the underlying principles are around 'data collection', 'protection of the public', and perhaps most interestingly – 'to pay for the costs associated with administering the business licensing program'. Some are more pragmatic in their response; they need the money to pay for Economic Development initiatives, for example.

If Council wishes to explore changes to the business license system, my recommendation is that the City consider moving away from annual business licensing altogether. Once a business has been given a development permit to conduct a specific activity at a given location, they should be permitted to continue doing so unless something changes significantly. A criticism of the 'business license system' is that it's nothing more than an inefficient way to collect a very small amount of extra tax from businesses. Since there is very little practical value that we can point to, it's a difficult criticism to defend.

Sincerely,



Matthew Goudy, P.Eng
Chief Administrative Officer