

# REPORT

## *Community Services Department*

**To:** Mayor Johnstone and Members of Council  
**Date:** October 21, 2024

**From:** Blair Fryer, Acting Director of Community Services  
**File:** 05.1035.05-2024 #2579390

**Item #:** 2024-581

**Subject:** **Business Licence Bylaw No. 8473, 2024 for 1st, 2nd and 3rd Reading**

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### **RECOMMENDATION**

1. **THAT** Business Licence Bylaw No. 8473, 2024 be considered for first, second and third readings; and
  2. **THAT** Business Licence Bylaw No. 8473, 2024 be forwarded to an Opportunity to be Heard at the Regular Meeting of Council on November 4, 2024.
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### **PURPOSE**

The purpose of this report is to provide Council with the proposed new Business Licence Bylaw and seek first, second and third readings of the Bylaw.

### **SUMMARY**

The modernization of the business licence bylaw is part of the Economic Development division's review of resources and tools to support new and prospective businesses. A key part of this work has involved the update and modernization of the Business Licence Bylaw to reflect the current and evolving business environment. This bylaw update has been guided by the City's regulatory responsibility around public safety, while striving to achieve efficiencies for business applicants and staff. Staff have incorporated practical experience in processing applications, discussions with applicants and business interest groups, and findings from recent policy work and direction including the Retail Strategy and Council's 2023-2026 Strategic Priorities Plan.

Consultation on the draft bylaw was held in September 2024 and the updated bylaw is now presented for Council's consideration.

## **BACKGROUND**

The City's general authority in relation to business regulation is outlined in the Community Charter. The Community Charter also sets out authority to establish a system of licensing, permits and standards/approvals, and sets out circumstances where municipalities may impose requirements or prohibitions in relation to certain categories of businesses.

The City of New Westminster issues licenses to approximately 4,000 businesses annually, to more than 160 different types of businesses, trades and professions. Regulations for these businesses are predominantly contained in [Business Licensing Bylaw No. 5640, 1986](#). On July 11, 2022, staff took a report to Council outlining the business licence bylaw update process. Despite best efforts, available staff resourcing combined with the emergence of additional priorities has delayed completion of this work. On September 9, 2024, staff presented Council with an update on the bylaw work, provided a draft list of proposed updates to the bylaw, and sought direction to proceed with consultation with the business community.

With consultation now completed, the Business Licence Bylaw No. 8473, 2024 is now being presented for Council's consideration of first, second and third readings; see **Attachment 1**. The new bylaw would repeal and replace existing Business Licence Bylaw No. 5640, 1986 and become effective January 1, 2025.

## **DISCUSSION**

The Economic Development division's approach to business licensing is focused on:

- Simplifying and streamlining operational processes to be reflective of the current and evolving business environment;
- Providing tools/processes that promote and reward compliance;
- Developing efficiencies for both business applicants and City staff;
- Reducing regulatory burden.

A key component of this work is related to the modernization of the business licence bylaw to remove outdated requirements while maintaining appropriate regulations for the licensing and oversight of emerging and evolving industries. Staff have incorporated practical experience gained through the processing of applications, discussions with applicants and business groups, and findings from recent policy work and direction including the Retail Strategy and Council's 2023-2026 Strategic Priorities Plan.

An overview of the main themes that have been addressed in the business licence bylaw review are summarized below, consistent with the September 9, 2024 Council

report. A summary of the key changes incorporated into the proposed new bylaw are included as **Attachment 2**.

- **Consideration of conditional licensing** – Conditional licensing would provide the Licence Inspector the ability to apply conditions on a business licence (e.g. the provision of documents within a time frame, business hours or operations).
  - Provides flexibility to the Licence Inspector to issue a licence to a low-risk business (e.g. a retail business in a recently inspected building that does not require Fraser Health approval) to open, operate and generate revenue as they work towards completing a minor, but outstanding, building deficiency. It is noted that these situations would require the support of the Chief Building Inspector. Variations of this approach are shared by several other Metro Vancouver municipalities and are viewed as benefiting businesses by enabling them to begin earning revenue earlier than otherwise able.
  - Provides flexibility to Licence Inspector in situations where there is a unique, community impact concern related to a business’ hours of operation
- **Modernization of licence types** –
  - Review of definitions and business specific regulations – Updating definitions, removing obsolete definitions and adding new business types. Where regulations for specific business types have been reduced in the bylaw, the intent is to ensure the regulatory burden is commensurate with the current public safety risk (e.g. arcades, billiard halls, certain used-goods stores).
  - Consolidation of licence types – Merging similar licence type categories (e.g. specific types of retail and consulting services) and eliminating of duplicate/similar business categories. Where appropriate, broader language with less-specific categories has been used to future-proof the bylaw.
  - Liquor licenses– In recognition of changing community perceptions, consumer patterns and business activities, updates are proposed to some categories and fees related to liquor establishments. This includes updating language to better reflect provincial liquor categories and the range of activity that occurs in pubs, manufacturing locations with lounges, as well as other businesses where beverage service is not the primary business (e.g. arcades, spas, entertainment facilities, etc.).
- **General language and formatting updates** – Edits made to ensure compliance with freedom of privacy and protection regulations, as well overall updates to bylaw language for ease of reading and comprehension.
- **Review of licence fees** – A survey of surrounding municipalities of comparable size and/or context was conducted for common business licence fees. As a result, and in tandem with the City’s standard annual fee update, changes to the fee schedule are proposed (see the Analysis section for further details.) A revised late-payment charge is also proposed – a two tier system to cover staff costs associated with administration.

- **Licensing of non-profits** – Enhanced transparency and clarity around licensing requirements for non-profits is being added to the bylaw. While no fee is charged for these licences, provision of business licenses assists the City and community partners (e.g. business improvement associations) with data as to the full spectrum of the businesses, organizations and services provided in the community.
- **Relocating business operating regulations from other bylaws** –
  - Over the years, some regulations that are better suited in the Business Licensing Bylaw ended up in the Zoning Bylaw, and vice versa. These include regulations related to Home-Based Businesses, Massage Providers/Therapists, and Beverage Container Return Depots. A future housekeeping amendment to the Zoning Bylaw will remove regulations that have been relocated to the Business Licence Bylaw.
  - Regulations on the trade, sale, and distribution of shark fins and products derived from shark fins would also be moved into the Business Licence Bylaw and the existing Shark Fin Regulation Bylaw No. 7564, 2012 repealed at a future meeting.
  - A new requirement on window visibility that aligns with existing Sign Bylaw regulations and recommendations of the Retail Strategy around strengthening the visibility between street fronts and the interior of businesses.
- **Increased clarity and transparency** – The new bylaw has been written with a view to increasing both the clarity and transparency of information gathering and sharing through the licence application process. Requesting more detailed, fulsome information at the business licence application intake stage provides staff with the full picture of intended business activities, enabling applications to be processed more efficiently. Previous research conducted by staff indicates brief, superficial applications generally lead to longer processing times and more comprehensive applications generally lead to shorter processing times.

**ANALYSIS**

**Proposed Changes to Business Licence Fees**

Generally, business licence fees are established to cover the cost of administration, enforcement, and reviews and inspections by Business Licensing, Integrated Enforcement (Bylaws), Planning, Building, Parks, Engineering, Police, and Fire. As outlined in the September 9, 2024 Council report, staff are proposing changes to Business Licence fees in three ways:

- All 2024 business licence fees adjusted to the nearest whole number, based on a 3.0% estimated rate of inflation (CPI), with the following two exceptions:
  - Commercial Vehicle Fees for Taxi remain in alignment with the fees specified in the Inter-Municipal TNS Business Licence Scheme Bylaw No. 8391, 2023; and

- Inter-Municipal Business Licence (IMBL) fee increase from \$250 to \$300 within an upcoming IMBL Bylaw update, as brought forward to Council on October 7, 2024 in a separate report on the Metro West IMBL program. Other municipalities within the Metro West IMBL group will also be bringing similar reports forward to their respective Councils.

Note: this 3% CPI is in alignment with the Finance Department's recommended annual fee review.

- A reduction of certain liquor licensing fees; reflective of the current environment, complexity of processing applications and required staff resources, and to align with other similar municipalities. These changes would be applicable to liquor primary applications, liquor primary annual fees, and patron participation/manufacture add-on fees. The proposed change to liquor licensing fees is estimated to result in an approximate \$40,000 reduction in annual business licensing revenue to the City.
- Wording changes for clarity and alignment with the updated business licence bylaw.

Moving forward, staff recommend a comprehensive fee review be undertaken every five years, with more modest reviews being completed annually.

### **Consultation**

The City's Arts, Culture and Economic Development Advisory Committee (and previously the Economic Development Advisory Committee) has been engaged throughout the bylaw update project. In early September 2024, staff shared the draft bylaw with business and interest groups, as well as consultation activities and ways to participate. These included:

- notice of two virtual focus groups and link to project webpage through *Invest New West* e-newsletter (approximately 1,450 subscribers) and *Citypage* (approximately 1,760 subscribers);
- emails to business organizations and residents' associations outlining the opportunities for feedback and link to project webpage; and
- two virtual focus group sessions (September 18 and 19, 2024).

Staff held the two focus groups with each having one participant (Downtown BIA and New West Chamber of Commerce representatives), and received one email enquiry from a local business. The feedback received was positive and did not result in any suggested changes. Both business interest groups expressed interest in collaborating with City staff on key messaging and education campaigns in relation to increasing active street frontages with signage and window treatments.

**NEXT STEPS**

The bylaw consideration schedule takes into consideration the timing required for staff to adjust fees in the City’s licensing system, ahead of renewal notices, which are sent out annually in late November.

<b>Action</b>	<b>Date</b>
Consultation – focus groups, Citypage & Invest New West notices, emails to interest groups	September 4 – September 30, 2024
Council consideration of Business Licence Bylaw for 1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Readings ( <i>we are here</i> )	October 21, 2024
Notification of Business Licence Bylaw for Opportunity to be Heard and consideration of adoption	October 25 – November 4, 2024
Business Licence Bylaw Opportunity to be Heard and Council consideration of bylaw adoption	November 4, 2024
Business Licence renewal notices mailed out	Late November

If the proposed bylaw is approved, staff would implement the following:

*Awareness Campaign – Signage & Window Visibility*

Staff would develop an awareness campaign on signage and window visibility regulations. In collaboration with business interest groups, the intent would be to build voluntary compliance and awareness of existing Sign Bylaw regulations and the provision around window visibility in the new Business Licence Bylaw. Staff are proposing that for the first year, existing licensed businesses that do not meet the provisions are provided examples of how to comply, along with information on the City’s goal of activating commercial street fronts and improving transparency between the sidewalk and businesses.

*e-Apply for Business Licensing*

Staff will be implementing a new online business licensing application portal, after the new bylaw has been adopted. This new system will improve business licensing processes by creating efficiencies for applicants and staff, enhancing the customer experience, and simplifying and streamlining the process of doing business with the City.

*Bylaw Infraction Updates*

In alignment with the new Business Licence Bylaw, staff will be updating the Municipal Information Ticket Bylaw No. 8077, 2019 and Bylaw Notice Enforcement Bylaw No. 7318, 2009. These updates are anticipated to be brought forward to Council by Integrated Services staff in December 2024.

**FINANCIAL IMPLICATIONS**

The recommended changes to the 2025 Business Licensing fees include wording changes for clarity and that most rates be increased by approximately 3.0% on January 1, 2025. This would generate a net revenue contribution of approximately \$0.01M, inclusive of the \$40,000 reduction in fees related to liquor licensing. Business licensing revenue for 2024 is on target to meet the annual target of \$1.73M

**INTERDEPARTMENTAL LIAISON**

This project is was led by staff from the Economic Development division with support and input from Integrated Services (Bylaws), Planning, Building, Fire, Police, Finance as well as the City Solicitor.

**OPTIONS**

Options for Council’s consideration include:

- 1. THAT Business Licence Bylaw No. 8473, 2024 be considered for first, second and third readings; and
- 2. THAT Business Licence Bylaw No. 8473, 2024 be forwarded to an Opportunity to be Heard at the Regular Meeting of Council on November 4, 2024.

Options 1 and 2 are recommended.

**ATTACHMENTS**

- Attachment 1: Business Licence Bylaw No. 8473, 2024.
- Attachment 2: Summary of changes to Business Licence Bylaw

**APPROVALS**

This report was prepared by:  
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