

Community Services Report to
SPC on Community and Protective Services
2019 October 09

ISC: UNRESTRICTED
CPS2019-1309

Business-Friendly Amendments to Business Related Bylaws

EXECUTIVE SUMMARY

This report represents an important first step to improve Business Licensing in Calgary. The OPEN4Business Committee, an internal City committee focused on streamlining Business Licence processes, developed a number of ideas that will save time and money for our business community. These business-friendly proposals focus on improving our services to customers, delivering more value for a business licence and encouraging innovation by removing barriers and streamlining processes. Some examples include: removing redundant police checks for specific licence categories, eliminating unnecessary licence categories and reducing fees for all business licences by 10 per cent. The initiatives represent a savings of \$1 Million for business customers in Calgary and can be implemented quickly to help businesses thrive. Some initiatives require amendments to the bylaws related to Business Licensing, and Administration is seeking Council's approval of the proposed amendments to enable timely implementation.

ADMINISTRATION RECOMMENDATION:

That the SPC on Community and Protective Services enhance business friendliness by recommending that Council give three readings to the proposed amendments in Attachment 1, affecting business related bylaws.

RECOMMENDATION OF THE STANDING POLICY COMMITTEE ON COMMUNITY AND PROTECTIVE SERVICES, DATED 2019 OCTOBER 09:

That Council:

Give three readings to **Proposed Bylaw 36M2019**.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 November 30, Council approved One Calgary 2019-2022 Service Plans and Budget and directed Administration to improve business licensing processes through the involvement of an oversight effectiveness committee. This committee is intended to expedite business approvals and to review how business licensing processes can better enable business success.

BACKGROUND

In 2018 June, Administration formed the OPEN4Business Committee comprised of members of Administration from across the Corporation who play a role in Business Licensing advice, intake, approvals, inspections and enforcement. Membership includes representatives from Calgary Community Standards, Calgary Fire Department, Calgary Building Services and the Business and Local Economy Program. The Committee's mandate is to remove barriers for citizens to set up businesses, open their doors, and keep their doors open.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Through One Calgary, Council directed Administration to review how business licensing processes can better enable business success. To achieve this strategy, the OPEN4Business

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Committee engaged with frontline staff to identify opportunities to streamline and improve business licensing processes. Based on their conversations with businesses, staff brought forward several time and money saving initiatives. Administration sought input from the business community to support and enhance the proposals included in this report. A breakdown of the time and money savings associated with these initiatives is provided in Attachment 2.

Accordingly, Administration is recommending that amendments to business-related bylaws be approved by Council, with an effective date of 2020 January 01. The initiatives are summarized below:

Amending Licence Requirements

Several Business Licence processes have been identified as unnecessary or redundant. Administration is proposing to eliminate the requirement for Police Information Checks (PICs) on licence categories where risk of criminal activity is minimal, or on categories that are subject to a PIC through a required provincial approval. For categories that pose a low-fire risk, Administration is proposing to issue a Business Licence prior to obtaining a Fire inspection approval to achieve timeline efficiencies. Improvements to the food truck process are also proposed in an effort to tailor the required approvals to the specific operation of those vehicles, which operate on public property, private property, or both. Finally, Administration is proposing to eliminate the requirement for a Home Occupation Class 1 approval on low-impact home-based businesses. These initiatives are aimed at saving businesses both time and money.

Removing Licence Categories

The OPEN4Business Committee supports the elimination of the Office Building Operator Licence Category. This category in Business Licence Bylaw 32M98 indicates that every office building over two stories is required to obtain an Office Building Operator Licence. Historically, enforcement activity within this licence category has been very low and the activity poses little risk to the public. Businesses operating within these buildings that are currently required to obtain a Business Licence under the Bylaw must continue to comply with their respective licence requirements.

Administration also recommends the elimination of the Christmas Tree Vendor category, a temporary business that typically operates on parcels already approved for retail use, and the Electronic Repair Shop category, which is obsolete. Additionally, Administration is proposing to end the business practice of requiring a retail licence for moving companies to accommodate the ancillary sale of moving boxes and other packing supplies.

Reducing Licence Fees

In an effort to reduce the financial burden on businesses, Administration is proposing a number of fee reductions in bylaws that set out licence fees. These include: a 10 per cent reduction in Business Licence fees to provide some relief to all licensed businesses in Calgary; the elimination of Business Licence fees charged when a business moves locations; the removal of the fee associated with printing replacement businesses licences; and the

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removal of the Business Licence fee associated with adding new categories to an existing licensed business.

These recommendations represent meaningful collaboration between The City and the business community to promote a business-friendly environment. This is an important contribution to business friendliness, but there is significant work ahead to further enhance service, value and innovation in the business licensing process. The OPEN4Business Committee will continue to work with our partners within the business community and the Corporation to identify further opportunities to help businesses thrive and report back to Council through the SPC on Community and Protective Services as required.

Stakeholder Engagement, Research and Communication

The initiatives described in this report are a result of input from front-line staff who listen and respond to business concerns on a daily basis. Administration engaged with the Business Advisory Committee, a Council-approved committee formed to provide insights and perspectives from across business sectors to guide and support The City in the execution of business-friendly initiatives. Additionally, Administration collaborated directly with Alberta Liquor Gaming and Cannabis (AGLC), the Calgary Police Service (CPS), and Strategic Group (holder of multiple "Office Building Operator" Business Licences). Stakeholder engagement to identify opportunities to help businesses is continuous and ongoing.

Strategic Alignment

The initiatives identified in this report align with Council Directives from One Calgary based on the needs outlined in A Prosperous City (P1, P3) and A Well-Run City (W4), which identify:

- (P1) Diversifying the economy and reducing dependency on the resources sectors;
- (P3) Calgary's new economic strategy must include policies that will attract growth industries to Calgary; and
- (W4) Creating a culture that embraces appropriate levels of risk, innovation, experimentation, and embraces lessons learned as opportunities to improve.

Social, Environmental, Economic (External)

The OPEN4Business Committee is dedicated to finding new and innovative ways to reduce barriers and streamline processes for businesses. The initiatives identified in this report represent opportunities to cut red tape and help business thrive in Calgary.

Financial Capacity

Current and Future Operating Budget:

The initiatives proposed in this report will result in business customers saving approximately \$1 Million per year, impacting City revenues. Administration is prepared to absorb the impacts of the proposed fee reductions through to the end of the One Calgary Business Cycle (2022). The impacts of these fee reductions will be closely monitored, and Administration will consider any necessary adjustments for the next business planning and budget cycle.

Current and Future Capital Budget:

There are no capital budget implications associated with this report.

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Risk Assessment

The initiatives proposed in this report represent opportunities to help open, attract and sustain businesses in Calgary. If Council does not approve the proposed amendments recommended in this report, opportunities to provide relief to businesses will be delayed. To reduce the risk of losing existing businesses or failing to attract new businesses, Administration is committed to continuing to identify ways to reduce costs and streamline processes for Business Licensing.

REASON(S) FOR RECOMMENDATION(S):

Given the current economic climate, a timely response to the challenges faced by businesses is important. Through the work of the OPEN4Business Committee, Administration has identified initiatives that will save businesses time and money. Some of the initiatives described in this report require amendments to a number of business-related bylaws, as provided in Attachment 1.

ATTACHMENT(S)

Attachment 1 – **Proposed Bylaw 36M2019**

Attachment 2 – Summary of Proposed Business Licence Initiatives