

Options for Targeted Relief to Businesses Impacted by COVID-19

RECOMMENDATION(S):

That Council:

1. Provide Administration with the one-time authority to waive up to \$8.8 million in business licence and related fees for new and renewing businesses for a period of one year, starting on 2021 March 17.
2. Direct Administration to work with the Business Sector Task Force, and return to Council in 2021 May with a report outlining further relief options with remaining funds, estimated to be \$21.2 million.

HIGHLIGHTS

- Waiving business licensing-related fees for new and renewing businesses for a period of one year is an immediate and administratively efficient way for The City of Calgary to support 40,000 businesses in Calgary as they continue to respond to the challenges arising from the COVID-19 pandemic.
- **What does this mean to Calgarians?** Small businesses create jobs for all Calgarians and, with the current economic climate, it is more important than ever that The City continue to demonstrate support for local businesses. This support includes providing financial relief, where possible, as well as, continuing to reduce barriers for businesses in City processes.
- **Why does this matter?** Healthy businesses are the foundation of a flourishing economy, and waiving business licencing-related fees keeps money in the pockets of business owners during a time when they need it most.
- Council has demonstrated its desire to directly support Calgary's business community during the COVID-19 pandemic. This report contains recommendations for immediate relief and proposes Administration return to Council in 2021 May with options for additional business supports and relief measures.
- The business community, through Administration's Business Sector Task Force and Council's Business Advisory Committee Working Group, has provided input on options for relief, and a "What We Heard" report has been developed as part of this report.
- The recommendations of this report aligns with the Business Environment Focus area of *Calgary in the New Economy* by working with government and business to continually improve City services to foster Calgary's business environment, innovation ecosystem and help build the foundation for business success. This report also supports Administration's Rethink to Thrive strategy and its action for The City to "be champions for business success and apply a business friendly lens to planning and service delivery."
- On 2021 March 01, PFC 2021-0060, Council approved \$30 million for directed relief to businesses impacted by COVID-19 and directed Administration to develop options for how best to deploy these funds, returning directly to Council on 2021 March 22.
- Strategic Alignment to Council's Citizen Priorities: A prosperous city
- Background and Previous Council Direction is included as Attachment 1.

Options for Targeted Relief to Businesses Impacted by COVID-19**DISCUSSION**

Since Council directed this work be undertaken on 2021 March 1, discussions with some members of Council and Business Sector Task Force members, in addition to feedback collected from members of the Business Advisory Committee Working Group, have provided additional clarity on potential relief opportunities, which were used to guide the options in this report:

- Some relief can be provided now and some reserved for the future given the dynamic and unfolding nature of the pandemic;
- A recognition that any future grant program recognize the need for some relief for those businesses that have been more impacted than others, to be developed in collaboration with partners; and
- Consideration for an administratively efficient program to explore partnering with a third party for grant administration and distribution.

Immediate Business Relief Measures

Administration is proposing some of the funds set aside be made available for immediate business relief measures for Council approval.

Effective 2021 March 17, waive business licence-related fees for new and renewing businesses for a period of one year. This will include waiving the following fees:

- Business licence fee (new: \$172, renewal: \$131);
- Fire inspection fee (new: \$64/\$104/\$202 depending on business type, renewal: \$80);
- Planning fee (\$41); and
- Calgary Police Service fee (\$65)

The estimated yearly revenue received through new business licence fees is \$2 million and renewal fees is \$6.8 million. Business licence renewal fees were previously waived for a period of one year in 2020 and funded through the Business Licence Sustainment Reserve (as of 2020 March 17). Business Licence fees are used to fund business licensing operations which includes enforcement of Business Licence Bylaw 32M98, ensuring that citizen's expectations for safe and ethical businesses are met. The fees also provide for the administration of intake and support for businesses to navigate the approvals required to open and safely operate.

This business relief measure was supported by members of the Business Sector Task Force and Council's Business Advisory Committee Working Group. Details of the input and feedback received can be found in the What We Heard report in Attachment 2.

Additional Business Support and Relief Measures

Should Council approve this recommendation, Administration will return to Council in 2021 May with options for additional business supports and relief measures utilizing the remaining estimated \$21.2 million. These options may include, but are not limited to:

- A grant system for small businesses
- Supports for Calgary businesses that have been hardest hit by the pandemic
- Supports for all businesses impacted by COVID-19

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Members of Council have indicated their desire to target relief to local businesses that have been most severely impacted by the pandemic. This will be taken into consideration as options are evaluated and brought forward.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder or customer dialogue/relations were undertaken

Engagement and two-way communications with the business community and affiliated partners and stakeholders is a priority for The City. Strategic communications and ongoing engagement enables issues to be surfaced and improved, and as a result, create the ideal conditions for businesses to thrive. The Business Sector Task Force (BSTF) and the Business Advisory Committee (BAC) received advice and feedback from the business community, partners and working groups regarding the most appropriate targeted relief and future financial relief to businesses impacted by COVID-19. Feedback and advice are included in Attachment 2.

Council directed Administration to solicit input from the Business Advisory Committee on options for how to best deploy the \$30 million approved on 2021 March 01. This input was obtained through the Business Advisory Committee Working Group regarding the most appropriate targeted relief and future financial relief measures to support businesses impacted by COVID-19. The Business Advisory Working Group is in favour of waiving business licence fees and providing direct support for business. This increases accessibility of supports for businesses and will increase uptake and impact. The Working Group also supports a grant program for those businesses hardest hit. Details of the input and feedback received can be found in the What We Heard report in Attachment 2.

IMPLICATIONS

Social

The recommendations in this report support the Social Wellbeing Policy principle of equity. Waiving business licensing-related fees for new and renewing businesses for a period of one year is an immediate way for The City of Calgary to support 40,000 businesses in Calgary as they continue to respond to the challenges arising from the COVID-19 pandemic.

Environmental

There are no direct environmental implications anticipated to be associated with implementing these recommendations.

Economic

The recommendations of this report aligns with the Business Environment Focus area of *Calgary in the New Economy* by working with government and business to continually improve City services to foster Calgary's business environment, innovation ecosystem and help build the foundation for business success.

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Service and Financial Implications

Other:

\$8.8 million from the previously approved \$30 million available for business relief approved on PFC 2021-00060, dated 01 March 2021.

Waiving fees, rather than eliminating business licence requirements, means that important safety requirements to protect citizens and businesses can continue without financial implications to businesses in Calgary.

The service and financial implications of the balance remaining of the \$30 million available for relief measures will be identified in the report in 2021 May.

RISK

Approval is sought today for waiving new and renewal business licence fees and exploring options for additional business supports and relief measures a preliminary business relief grant program. Full details, risks and the administration of the program is not fully identified at this time. There is a risk that Council may not be supportive of the details in 2021 May. There is a risk that The City is not seen as responsive on a timely basis to the need of businesses today.

There is a risk that, in the absence of a requirement to pay fees, new businesses will assume they can begin operations without contacting The City or gaining the required approvals. In order to mitigate this risk, Administration will ensure communication with the business community is clear that businesses are still required to obtain all necessary approvals to ensure businesses operate safely. Opportunities to communicate the importance and value of a business licence will be sought.

ATTACHMENT(S)

1. Background and Previous Council Direction
2. What We Heard Report

Department Circulation

General Manager	Department	Approve/Consult/Inform
Carla Male	Chief Financial Officer's Department	Approve
Katie Black	Community Services	Approve
Doug Morgan	Transportation	Consult
Stuart Dalglish	Planning & Development	Consult