

Bylaw 20002

Business Licence Bylaw

Recommendation

That Urban Planning Committee recommend to City Council:
That Bylaw 20002 be given the appropriate readings.

Purpose

To establish an updated system of licensing businesses and regulating business activities, effective January 17, 2022.

Readings

Bylaw 20002 is ready for three readings.

A majority vote of City Council on all three readings is required for passage.

If Council wishes to give three readings during a single meeting, then prior to moving third reading, Council must unanimously agree “That Bylaw 20002 be considered for third reading.”

Position of Administration

Administration supports this Bylaw.

Report Summary

The City Plan, approved on December 7, 2020, is a bold and innovative land use, policy and infrastructure framework that will guide the City as it grows to a population of two million. The City Plan sets strategic direction for the way Edmonton grows, its mobility systems, open spaces, employment and social networks. Implementing The City Plan will require a number of initiatives, actions and changes, that when applied in concert, their cumulative impact can yield the desired long-term transformational change.

The proposed new Business Licence Bylaw (Bylaw 20002) represents one of the elements to advance streamlining and simplifying the City’s permitting, licencing and regulatory processes and reducing red tape to ensure all people and businesses have access to opportunities to thrive, create and prosper. These changes will balance streamlining regulations with ensuring the City meets legislative and safety

requirements and has the ability to properly address activities that are unique, challenging or have public interest or community concerns.

This report is complementary to the Cannabis Retail Store Fee Structure report and as such, is presented in tandem.

Improvements to the fee schedule, the option of a two-year business licence, and simplified application requirements are some of the ways Bylaw 20002 will reduce barriers for many businesses. Improved clarity and flexibility of licensing requirements will contribute to faster decision-making, greater transparency for businesses, and a licensing framework that is more adaptable in support of innovative business models and operations.

This report proposes that the Business Licence Bylaw, Bylaw 20002, replace the current Bylaw 13138, effective January 17, 2022. Bylaw 20002 establishes a more modern framework for licensing and regulating businesses operating in Edmonton. It is guided by three objectives:

1. Remove unnecessary barriers for businesses and enhance service efficiency;
2. Support faster licensing decisions when new types of businesses emerge; and
3. Improve alignment with regulatory partners and ensure a more timely and effective response to compliance issues.

Report

The Business Licence Bylaw establishes a framework for ensuring that businesses are compliant with relevant rules and regulations, including land use, building and fire code, health, and public safety requirements before permission is given to operate. The process of obtaining a business licence ensures businesses have the necessary permits and approvals, guides businesses accordingly if these requirements are not met, and establishes connections with other affected regulatory bodies.

The current Business Licence Bylaw 13138 came into effect in 2002. Since then, Edmonton's business environment and the needs of businesses and other stakeholders have changed. In 2018, Administration began the process of developing a new Business Licence Bylaw informed by best practice research, engagement with the business community and consultation with regulatory partners.

On May 21, 2019, Administration provided a progress report to Urban Planning Committee on the Business Licence Bylaw Renewal, including 23 recommendations for the general framework and fee structure of the new Business Licence Bylaw (Business Licence Bylaw Renewal: General Framework and Fees report CR_6608). Building on these recommendations, Administration provided an update to Executive Committee on October 26, 2020 which included an additional 35 recommendations for

changes to business licence categories, as well as a proposed bylaw outline and fee schedule (Reductions to Small Business Regulations: Focusing on Enhancing Service for Business report CR_7581).

Administration drafted Bylaw 20002 (Attachment 1) based on the previous recommendations to the Urban Planning and Executive Committees of Council, comprehensive legal analysis, and clear communication practices. To further ensure it will be simple for readers to use and understand, Administration invited members of the business community to review and provide feedback on the clarity and organization of the draft bylaw in February of 2021 (Attachment 2). This feedback informed the final revisions to the proposed bylaw.

In order to support, attract and grow businesses in Edmonton, it is critical that the City's permit and licensing service reduces regulatory requirements and red tape, and advances improvements with processing applications. This work is more urgent than ever given the economic challenges facing our city due to COVID-19 and the economic downturn. The new bylaw will provide a number of benefits to businesses, including:

- **A two year licence option**, which will offer all businesses the convenience of renewing less often and a discount on the annual fee.
- **Updated business categories**, which will enable greater flexibility to respond to emerging types of businesses and support faster processing timelines.
- **Simplified application requirements**, which will be easier for businesses to fulfil; and
- **Reduced costs for businesses**, which are accomplished by incorporating practices seen in other municipalities such as discounted renewal fees, and reduced fees for businesses engaged in multiple lines of business.

Administration is proposing a new, simplified fee schedule (Attachment 3) that supports these benefits and provides both Administration and businesses with transparency, predictability, and convenience. The proposed fee schedule also helps to better align licensing costs in Edmonton with those in other municipalities. Edmonton's business licence fees are generally higher than in other jurisdictions; however, the proposed fee schedule no longer requires additional fees for incidental or administrative activities. Administration will review the fees annually as part of the budget review process.

Successful implementation of Bylaw 20002 requires numerous operational adjustments including business technology enhancements, developing and updating policies, procedures, and online resources, staff training, updating existing business licences, and informing businesses of changes that will affect them. Operational changes will result in a smooth transition to the new bylaw on January 17, 2022, as planning and other early stages of technical requirements are already underway.

Next Steps

Many features of the proposed bylaw reduce red tape and unnecessary barriers for businesses and support a more equitable approach to licensing requirements. However, efforts to improve licensing services and equity will be ongoing, including Gender Based Analysis Plus (GBA+) analysis to ensure the needs of underrepresented stakeholders are considered and addressed. Administration will continue to apply this mindset to business processes, policies, procedures, and regular maintenance of the bylaw. An ongoing priority of the Business Licensing annual work plan will be to review the bylaw, including the need for certain types of business licences, and update it as required.

Administration will also apply a similar continuous improvement mindset to addressing the changing needs of regulatory partners. An example of this is the significant rise in violent liquor store thefts across the City that have led to concern for the safety of industry workers (Attachment 4). Administration is committed to working with the Edmonton Police Commission throughout 2022 to identify opportunities to address these concerns. This work requires engagement with industry and patrons, and a GBA+ lens to potential regulations. This work will be captured in the annual work plan, and if required, through the budgeting process.

Public Engagement

Business owners and operators, and representatives from local business associations including Business Improvement Areas were engaged several times from 2018 to 2021 to advise Administration in the development of Bylaw 20002. Feedback was used to identify and validate gaps in the current legislation, refine recommendations, and improve the clarity and organization of the proposed bylaw.

On February 21, 2021, business community stakeholders were invited to review and provide feedback on the clarity and organization of the proposed bylaw, specifically with respect to the headings, language, and use of schedules in the document. In addition, the draft Bylaw 20002 was posted on the City's project website with a short presentation highlighting proposed changes. Feedback was collected via an online survey, and informed the final revisions to Bylaw 20002. This engagement is further discussed in Attachment 2.

In February and March of 2021, Administration met individually with the Commercial Real Estate Development Association (NAIOP), Urban Development Institute (UDI) - Edmonton Region, Infill Development in Edmonton Association (IDEA), Canadian Home Builders' Association (CHBA), Building Owners and Managers Association Edmonton (BOMA) and the Edmonton Construction Association (ECA) to inform them of the proposed changes to business licensing and answer questions.

Earlier public engagement efforts are discussed in the October 26, 2020 report to the Executive Committee (report CR_7851) and the May 21, 2019 report to the Urban Planning Committee (report CR_6608).

Pending Council’s adoption of Bylaw 20002, a communications plan containing a variety of strategies will be rolled out to inform businesses of upcoming changes.

Budget/Financial Implications

The proposed Business Licence Bylaw fee schedule changes will result in an estimated \$1.4 million decrease in annual revenue upon implementation. The fee schedule will improve the customer experience by providing a discounted two-year licence fee, reduced fees for on-time licence renewal and non-resident businesses, and a single fee for licences regardless of the number of licence categories. Additional implementation costs such as business technology upgrades may also be incurred by the Business Licensing program. The impacts of these updates on the 2022 budget will be incorporated in the Fall 2021 Supplemental Operating Budget Adjustment.

Legal Implications

Authority for this bylaw is granted by the *Municipal Government Act*.

Corporate Outcomes and Performance Management

| Corporate Outcome(s): Edmonton has a globally competitive and entrepreneurial business climate. | | | |
|---|---|-----------|------------|
| Outcome(s) | Measure(s) | Result(s) | Target(s) |
| Administration provides effective and efficient service delivery of business licenses in active support of businesses and industry. | Percentage of business owners satisfied with the process of obtaining a business licence. | TBD | TBD (2022) |

Attachments

1. Bylaw 20002 - Business Licence Bylaw
2. What We Heard: Clarity and Organization of the Proposed Business Licence Bylaw
3. Fee Schedule for Bylaw 20002
4. Edmonton Police Service Recommendation for Enhancing Liquor Store Safety

Others Reviewing this Report

- D. Croft, Acting Deputy City Manager, Financial and Corporate Services
- H. Rai, Acting Chief Financial Officer, Financial and Corporate Services
- C. Owen, Deputy City Manager, Communications and Engagement
- R. Smyth, Deputy City Manager, Citizen Services
- K. Fallis-Howell, Acting City Solicitor