

## BYLAW 21161

### Amendments to Business Licence Bylaw 20002 - Modernizing the Fire Safety Inspection Process for New Business Licences

#### Recommendation

That Urban Planning Committee recommend to City Council:

That Bylaw 21161 be given the appropriate readings.

#### Purpose

To amend Bylaw 20002 - Business Licence Bylaw, to replace the Edmonton Fire Rescue Services (EFRS) consultation and notification requirements with an internal City business area notification process to improve processing timelines for commercial business licences while maintaining a strong focus on safety compliance throughout the licensing and inspection process. This will not remove any authorities that EFRS currently holds to inspect business premises.

#### Readings

Bylaw 21161 is ready for three readings. If Council wishes to give three readings during a single meeting, then prior to moving third reading, Council must unanimously agree “That Bylaw 21161 be considered for third reading.”

## REPORT

#### Background

Business Licence Bylaw 20002 includes two processes (consultations and notifications) which enable streamlined and coordinated reviews of business licence applications by various agencies such as Edmonton Fire Rescue Services (EFRS) and Edmonton Police Services. The purpose of these consultations is to inform business licence decisions and support safe business operations in Edmonton. The business licence is not issued until the consultation process is complete. The Bylaw also includes a notification process to notify agencies of business licence applications. This allows agencies such as Alberta Health Services and the Alberta Gaming, Liquor & Cannabis to undertake any of their own related processes to support that application. The business licence issuance is not tied to outcomes of the notification process.

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Currently, the Business Licence Bylaw sets out a list of business activities which require consultation with EFRS prior to issuing a business licence. Within this process, EFRS has 15 business days to undertake their review, which includes an on-site inspection. The on-site inspection requires coordination between EFRS and the impacted businesses. The consultation process adds an average of 12 days to the application processing timeline for issuing a business licence, potentially delaying business operations.

### **Safety and Fire Safety Considerations**

All business licence applications are reviewed to confirm that a valid building permit exists for the proposed business location and that the building complies with the National Building Code - Alberta Edition. The process of obtaining a valid building permit includes an onsite inspection conducted by the City's Safety Codes team prior to issuing occupancy approval. This inspection examines many aspects of the building including fire safety - egress routes, fire separations, design and verification of fire detection suppression systems, emergency lighting and signage, ventilation, occupancy/use, electrical systems and mechanical system safety - all which must be addressed before the building can be legally occupied.

EFRS also conducts an inspection to examine egress routes and fire separations, as well as the presence and servicing of fire detection and suppression systems, emergency lighting and signage and safe storage of hazardous materials. Inspections by EFRS are also used to educate the business owner on maintaining ongoing fire safety after their business begins operations. Inspections can occur at any point, including after a business has become operational.

### **Project Findings**

In late 2024, Administration analysed data gathered on 3,226 EFRS consultations that were completed between 2022 and 2024 and found that:

- Approximately 90 per cent of inspections did not result in the identification of safety hazards or risks that were significant enough to require immediate corrective action prior to the business opening.
- Approximately 10 per cent of businesses required minor corrective action following their initial inspection. Minor is defined as inspection findings that can be easily resolved and would not have resulted in the closure of a business if they had been identified after the business had started operating, such as improper furnishings, extinguishers not present (prior to operating), exit signs missing or not lit, improper materials storage or systems requiring servicing.
- 0.2 per cent (six businesses between 2022-2024) resulted in a licence refusal due to deficiencies that were not resolved by the business, including missing emergency lighting and exit signs, obstructed exits and a newly renovated area where the fire sprinkler system had not yet been extended into the space. Some deficiencies were also tied to permit-related issues where the business did not take the required steps to obtain the outstanding building permits.

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- These findings support the use of a risk-based, data-informed approach to modernizing the business licence approval process, demonstrating that it's possible to create a more efficient system without reducing safety standards. The low rate of serious deficiencies demonstrates that critical fire and life safety elements are already being addressed during earlier stages of building permits and occupancy approvals, through the work of the Safety Codes Permits and Inspections teams.

### **Proposed Changes**

As a result of these findings, Administration is proposing amendments to Bylaw 20002 (as outlined in Attachment 1 - Amending Bylaw 21161 and Attachment 2 - Business Licence Bylaw 20002 REDLINE) that would remove the current requirement of EFRS to be consulted or notified prior to the issuance of a business licence. This will result in improved timelines for processing business licence applications for those businesses which currently require an EFRS consultation, while maintaining public safety through continued inspections and enforcement practices aligned with identified risk levels. EFRS will be notified when a business licence is issued using the internal City business area notification process. For business categories that require a higher level of fire risk review, inspections will continue to be completed within the current service level of 10 business days. EFRS will also continue to complete inspections for all other business types as part of their standard practice. There will be no change to the number of fire inspections undertaken through this bylaw amendment and the business licence application process will otherwise remain the same. The proposed changes to the application process are outlined in Attachment 3 - Proposed Changes to Application Process.

Administration anticipates that these changes will benefit both applicants and EFRS while continuing to maintain public safety and supporting the City's economic development goals. See Attachment 4 - Benefits of Proposed Improvements to Fire Inspection Processes.

### **Enforcement**

To address emerging safety concerns anticipated by up to 0.2 per cent of applicants (up to two businesses per year) EFRS will continue to prioritize high risk fire inspections within 10 days of being notified through the internal City business area notification process and will respond swiftly when a complaint or fire safety concern is received. EFRS will also continue to utilize their range of enforcement tools, including issuing fire safety codes orders, applying administrative penalties and, in serious cases ordering cease and desist or emergency closure of a premises. The application of these enforcement tools allows for immediate and appropriate action to safeguard public safety and will foster ongoing compliance.

### **Next Steps**

If Council approves the proposed bylaw amendments, Administration will immediately implement the changes to the business licence application process and businesses will no longer be required to wait for a fire inspection before receiving their business licence.

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Customers who are directly affected by the changes will be informed by City staff during the application process. Within 60 days of implementation, Administration will update application forms, websites, notices and other public-facing materials to reflect the new process and help them prepare for their inspections.

### **EFRS' Community Risk Reduction Program**

EFRS' Fire Prevention and Education Quality Management Plan (QMP) was finalised in July 2024, which outlines EFRS' approach to maintaining high standards and continuous improvement in its fire prevention and public education programs. The QMP included a commitment to adopting a risk-based, data-driven approach to fire inspections and associated activities.

Following the finalization of the QMP, EFRS is now developing a Community Risk Reduction (CRR) Plan, scheduled for completion in Q2 2025. The CRR will guide how EFRS allocates resources toward risk reduction strategies, including the prioritization of inspections based on an annual risk assessment. These assessments follow an internal protocol that includes identifying and analyzing risks, conducting root cause analyses and selecting targeted strategies to reduce risk. The CRR will also support the development of modernized inspection protocols in collaboration with the City's Safety Codes team. Once the new framework has been established, EFRS and the Business Licensing team will collaborate on its implementation, which may require refinements to internal workflows, changes to fee collection and updated messaging to applicants.

### **Community Insight**

Feedback regarding business licence application timelines specifically associated with EFRS inspections has been gathered via the Business Licence Customer Satisfaction Survey, which prompts applicants to share their licensing experiences after their licence has been obtained. Customers reported positive experiences with EFRS staff, while the majority of feedback highlighted areas where the current process may benefit from review and refinement to facilitate a quicker opening to reduce costs borne by businesses such as:

- Rent and other carrying costs borne by applicants as they wait for their business licence can amount to tens of thousands of dollars each month, with no revenue to offset them.
- Many businesses rely on a valid licence to secure contracts, obtain regulatory permits, meet industry compliance requirements, secure a bank loan, obtain insurance or purchase inventory.

Additional examples of this feedback can be found in Attachment 5 - What We Heard - Fire Inspection Processes & Fees.

### **GBA+**

A full GBA+ analysis was not performed for this project but an equity lens was applied to assess potential impacts of the proposed amendments on diverse business owners. The changes aim to streamline licensing timelines without compromising public safety, which can particularly benefit

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equity-seeking groups such as newcomers, women and racialized individuals who may face greater barriers navigating regulatory processes. By reducing delays associated with fire consultation while maintaining safety oversight, the new approach supports more equitable access to business opportunities and promotes inclusive economic participation.

### **Legal Implications**

Through the use of the internal City business area notification process, EFRS inspections will still occur as needed with a continued focus on public safety. Privacy concerns arising from the removal of EFRS from the bylaw are being addressed through the proposed bylaw amendments and updates to privacy collection statements. Inspection fees that are collected will be reimbursed when inspections are not required and do not occur.

### **Attachments**

1. Bylaw 21161 - Amendments to Bylaw 20002 - Fire Safety Inspection Update Amendment No. 9
2. Bylaw 20002 - Business Licence Bylaw - REDLINE
3. Proposed Changes to the Application Process
4. Benefits of Proposed Improvements to the Fire Inspection Process
5. What We Heard – Fire Inspection Process & Fees

### **Others Reviewing the Report**

- M. Gunther, Acting City Solicitor