

Attachment 3
CR_6608
May 21, 2019

City of Edmonton

Business Licence Bylaw Renewal
Research

Final Report

March 11, 2019

Yardstick RESEARCH Research



Background

Study Background

- The City of Edmonton contracted Yardstick Research to conduct public engagement research with business owners, representatives, and business associations regarding a renewal to Edmonton's Business Licensing Bylaw.
- During a review of business licensing programs in cities across Canada, the City identified a number of promising practices that were being considered for Edmonton's Business Licence Bylaw, from which recommendations were developed with input from key partners.
- The research/engagement was conducted over a 2-phased approach:
 - **Phase 1: Workshops and Online Survey**
 - To assess initial impressions of the proposed changes, Yardstick Research and Calder Bateman hosted 2 public engagement workshops. A web survey was also made available during this time, for those who were unable to attend, as well as to provide the opportunity to engage other stakeholders who wanted to share their thoughts.
 - **Phase 2: Focus Groups**
 - Based on the results from the workshops and survey, the City of Edmonton made some further refinements to the proposed Bylaw changes. The new changes, and the overall results gathered in the workshops/survey, were reviewed and validated in 2 focus groups, conducted with representatives from local business associations.

Methodology

Workshops Phase 1

Sample

- Workshop sessions were hosted at at the Matrix Hotel in Edmonton with a total of 17 participants.

Study Completion Dates

- Workshop sessions hosted and facilitated by Calder Bateman on January 31st and February 1st, 2019.

Survey Phase 1

Sample

- The City of Edmonton distributed the survey among business owners and stakeholders.
- A total of 217 surveys were completed.

Study Completion Dates

- Data collection was carried out from January 31st to February 13th, 2019.

Significant Differences

Text in the box indicates significant differences between respondent sub-groups

Focus Groups Phase 2

Sample

- Focus groups were hosted and facilitated by Yardstick Research with a total of 8 participants.

Study Completion Dates

- Focus groups were conducted on February 25th and 26th, 2019.

Summary



Profile of Respondents

Workshop

- Workshop participants (n=17) represented a variety of business organizations and associations, including representatives from Business Improvement Areas (BIAs), and business sectors including hospitality, healthcare, non-for-profit, trades, etc.

Survey

- 217 individuals participated in the survey, representing a variety of industries including: Retail Trade (25%), Arts, Entertainment & Recreation (17%), Personal Service (15%) and others. Most of the respondents (70%) were business owners in the City of Edmonton, while over one-in-ten (14%) were representatives/non-owners, and 6% represented BIAs or other organizations that represent businesses in Edmonton. Seven-in-ten (71%) participants had a business licence at the time they were surveyed.

Focus Groups

- Eight (8) focus group participants provided additional insights during the second phase of engagement. Focus group participants represented a variety of business associations from across Edmonton, including the Edmonton Chamber of Commerce, Edmonton Destination Marketing Hotels, Edmonton Economic Development Corporation, and various Business Improvement Areas (Downtown, Northwest Industrial, Alberta Avenue, North Edge, and Old Strathcona).

Executive Summary

Business Licence Activities

- Overall, half of the participants engaged with (50% of those surveyed) agreed with the proposed requirement for establishing a main business activity. One of the main survey comments was that the City should avoid charging separate fees for each business activity or category, while the focus group participants suggested that there should be an audit process in place to monitor and verify business activities.

Business Licence Posting

- While almost half (47%) of the survey respondents agreed with the proposed license posting requirement, of those who provided feedback, 20% (or 9 respondents) felt that this was not a public concern (17% – or 8 respondents – agreed that licences should be visible and easy to see). The focus groups provided additional context to this proposed change, in that they felt that this requirement does not necessarily take into consideration the type of business. For example, home-based or digital businesses do not have storefronts, and would have a harder time interpreting and meeting this requirement.

Term of Licence

- This topic generated many questions and concerns on the finer details of this bylaw during workshop sessions. However, the survey showed that four-in-five (79%) business owners/representatives of a specific business agreed that a two-year licence would make licensing more convenient for them, with over half (56%) reporting that they would be likely to purchase a two-year licence if it were available – mainly due to the fact that it would be offering a discount or a reduced cost for a two year licence. Focus groups participants suggested even further extending the length of business licence options (e.g., 5-year licence), depending on the business.

Executive Summary

Renewal Fees

- Over four-in-five stakeholders agreed that the renewal fee should reflect the amount of effort required to process it (84%), and with the proposed changes to the renewal fee, overall (82%). In the survey comments, participants asked to reduce the cost of licence renewals. Furthermore, focus groups participants agreed with proposed future state of lowering licence renewal fees for renewing the licence on time. Participants argued that this will help to save money and promote efficiency in the City. Additionally, the majority of business owners/representatives of a specific business (94%) said they would be likely to renew their licence on time if a reduced renewal fee were offered.

Fee Structure

- Half of the stakeholders agreed with the proposed three-Tier fee schedule, overall (50%). Similarly, stakeholders agreed that fees should reflect the amount of effort it takes the City to process a licence (54%), while a three-Tier fee schedule would make it easier to understand licence fees (54%). However, there was a desire for more information and additional resources for education on the specifics of the proposed fee structures.

Additional Fees

- Over half of stakeholders agreed with overall proposed inclusive pricing structure (54%), and indicated that this structure would make licensing easier for them (56%). Also, just over half (53%) said they would be likely to keep their business information up-to-date if administration fees were built into the licensing fee. However, since the proposed state would include consultation (assessment) and admin fees, there is a possibility that not all businesses would require these assessments. Overall, the proposed future state for inclusive additional fees made sense to focus group participants.

Executive Summary

Non-Resident Licences

- Workshop participants felt that reducing or waiving fees for non-residents was inadequate and categorization of businesses was inaccurate. The purpose of the change was unclear and there was much confusion surrounding the term “non-resident” in general. In addition, about two-in-five of stakeholders agreed with the following: proposed changes to non-resident licence fees, overall (39%), and that the non-resident fee should be waived for licence categories that are not connected to a physical premises (41%). There were slightly more stakeholders who said they would prefer reducing the non-resident fee (31%) over waiving the category fee (21%) – versus neither option at all (47%). Similarly, focus group discussions revealed that participants would rather see reduced non-residential fees instead of waiving the fees completely for non-residential businesses. However, fees for market and street vendors and food trucks should be waived to help remove barriers for businesses that do not have infrastructure.

Overall

- Just over half (55%) of stakeholders agreed with the overall direction of the proposed Business Licensing Framework (30% neither agreed nor disagreed and 9% disagreed with the overall direction; 6% were unsure), with comments from engagement participants indicating that they are most often in favor of whatever helps simplify the process.

Detailed Results



Business Licence Activities Workshop Comments

Purpose of the Business Licence Bylaw

Participants were generally positive around the purpose of the bylaw changes. Protection of consumers was recognized and appreciated, but there was some question regarding benefit and protection to the business owner. They wanted to see further explanation on how the bylaw benefits compliant business owners and if it provides them any system of support or adds value. Participants wondered if the policy appeared redundant unless the purpose is to align with provincial and federal legislation. There was apprehension that the outcomes of this change would result in additional administrative costs and red tape, which would then make the process more expensive and complicated. They also requested more detail and clarification on outlining who is required to have a business licence.

Business Licence Activities

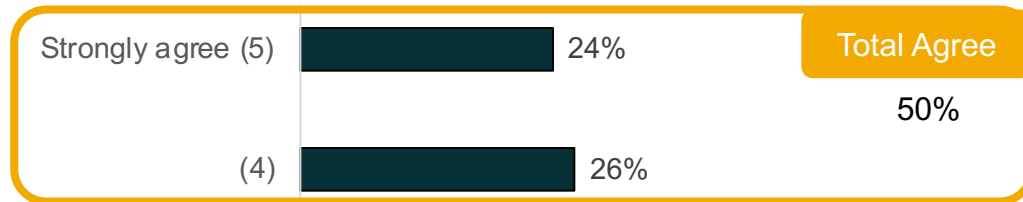
- Currently when businesses apply for a licence, they are required to list their business activities. Each activity aligns with a licence category.
- Under the proposed bylaw, businesses would also be required to specify which of their activities is the “Main” activity:

Current State	Proposed Future State
Each business activity requires its own licence category.	Each business activity requires its own licence category (<i>no change</i>).
When a business has multiple activities, the licence categories do not always identify the nature of the business.	A business must self-select a “main activity” and the City will determine the main category based on the information provided by the applicant.
E.g., Restaurant category + Alcohol Sales category - This could be a bar or a restaurant.	E.g., Restaurant category (main activity) + Alcohol Sales - This is a restaurant that sells liquor.

Business Licence Activities

Survey Results

50% agreed with the proposed change for establishing a main business activity, 28% felt neutral (16% disagreed).



Industries that were more likely to agree included: **Energy or Oil & Gas, Accommodation, Hospitality, and Food Services.**

Industries that were less likely to agree included: **Manufacturing, Personal Services, and Health Care & Social Assistance.**

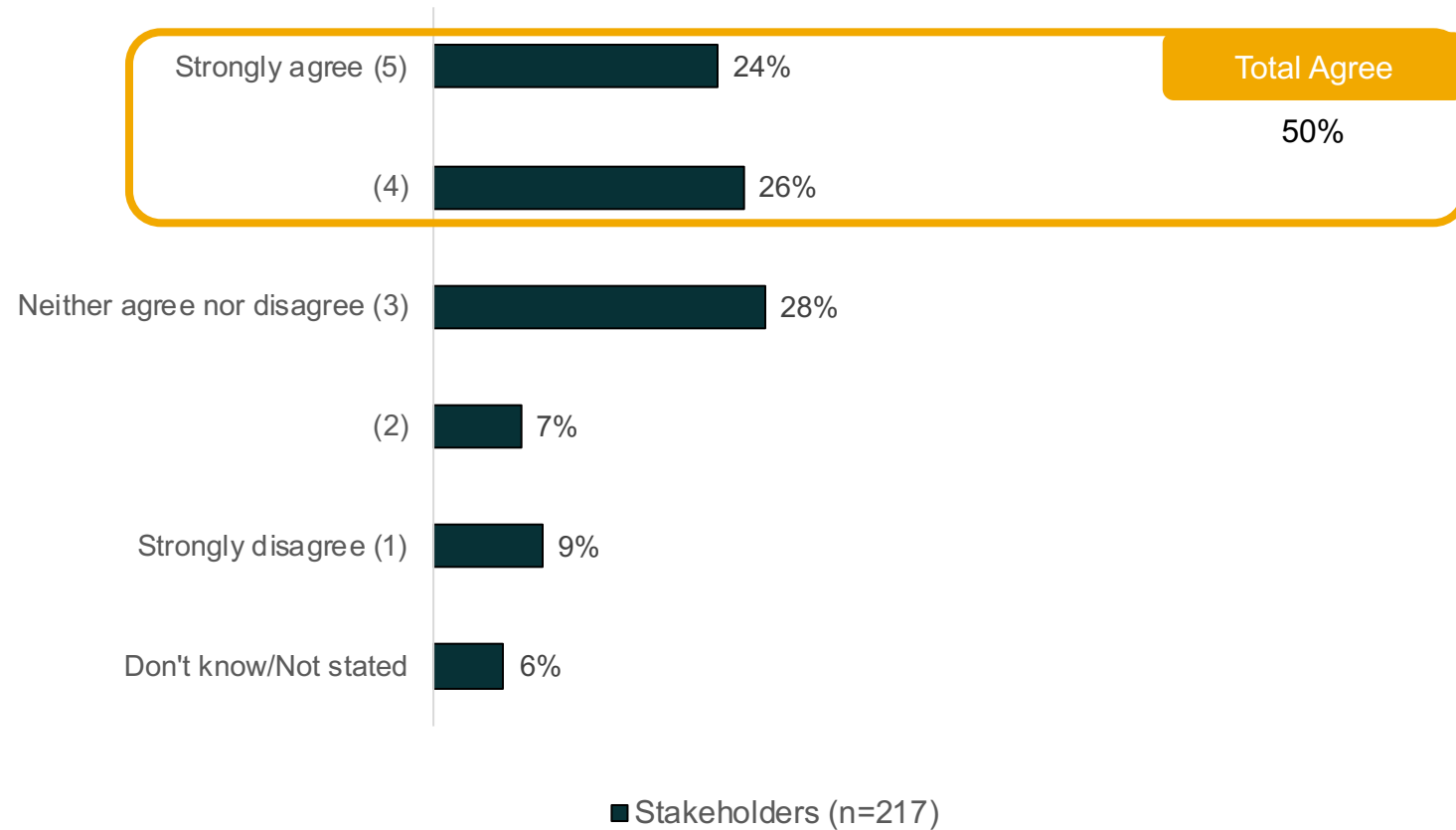
Top comments (n=38): should not charge businesses separate fees for each activity/category (18%); need more information on this topic (13%); need to develop more categories (13%).

Focus Group Comments

Self-selection may cause partial disclosure of activities and services provided by businesses (e.g., a restaurant/bar may only obtain a restaurant licence; or a business might operate with undisclosed subsets of other business activities, etc.) Moreover, some businesses may not be entirely forthcoming on their business activities. Providing education or tips to start-ups, as well as existing businesses, would be helpful, in terms of clarifying the process. Comments also included that there should be a business audit process in place to monitor and verify business activities.

Another point that was brought up dealt with the fact that changes that may occur to businesses over time – either as they grow or as they change their activities to remain economically viable. It was suggested that main business activities should be confirmed or verified upon licence renewal.

Business Licence Activities



Q7. How strongly do you agree or disagree with the proposed requirement for establishing a main business activity?

Results by Industry

Industry	Number of respondents	Top Agree
Energy or Oil & Gas	4	75%
Accommodation	10	70%
Hospitality	13	69%
Food Services	18	67%
Construction	14	64%
Professional, Science & Technical	25	64%
Restaurant	13	62%
Other	18	61%
Arts, Entertainment & Recreation	35	57%
Retail Trade	53	51%
Tourism	8	50%
Transportation & Warehousing	8	50%
Health Care & Social Assistance	17	41%
Personal Service	28	29%
Manufacturing	11	27%

Q7. How strongly do you agree or disagree with the proposed requirement for establishing a main business activity?

Business Licence Activities

Input or feedback with regards to establishing a main business activity	n=38
Should not charge businesses separate fees for each activity/category	18%
Need more information on this topic	13%
Need to develop more business licence categories	13%
Reduce cost of business licences	13%
Need more support for small businesses	11%
Some businesses do not fall under a main business activity	11%
City should not micro-manage in this area	8%
Need a more simple/streamlined licensing process	8%
Will help in reporting business permit related infractions	8%
Business owner should have ability to select business/industry category	5%
Ability to access/print business licences online	3%
Does not seem necessary/needed	3%
Increase fines/enforcement for operating without business licence	3%
Industrial businesses should not be located near commercial/retail businesses	3%
Will help in measuring benefits of business operations in community	3%

Base: Respondents who had any input or feedback with regards to establishing a main business activity

Business Licence Posting

- A business licence in Edmonton demonstrates to customers that a business is compliant with regulations relevant to their business activities.
- Under the current regulations, there is very little consistency for where and how a business licence must be posted.
- The City is proposing that business licences for businesses that are open to the general public must be posted in a prescribed location.

Current State	Proposed Future State
<p>A Licencee shall:</p> <ul style="list-style-type: none">a) post the Licence in a prominent visible location in the Business premises; orb) if it is not practical to post the Licence, produce the Licence forthwith upon demand by a Bylaw Enforcement Officer	<p>In addition to the current state, a business that is open to members of the general public must post the licence certificate at, or near the main public entrance.</p>

Business Licence Posting Workshop Comments

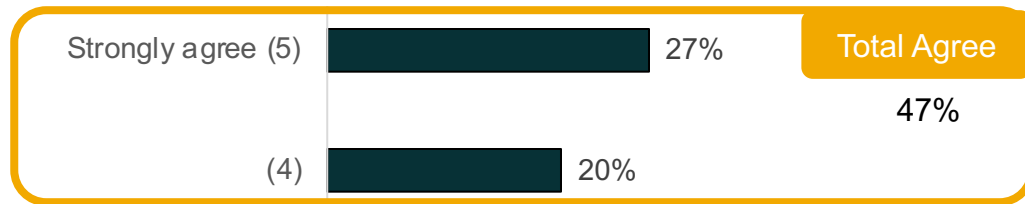
No negative feedback was captured on this component of the bylaw. Participants saw this as less time and stress for business owners and the overall consensus that this new direction was reasonable and actionable.

Business Licence Posting

Survey Results

47% agreed, 24% felt neutral (28% disagreed). **The following groups were more likely to agree:**

- Representatives of a specific business (58%) vs business owners (41%).



Industries that were more likely to agree included: **Hospitality, Accommodation, Food Services, Professional/Science/Technical**. Industries less likely to agree included: **Energy or Oil & Gas, Manufacturing, Retail Trade, and Transportation/Warehousing**.

Top comments (n=46): Is not a public concern (20%); posted licences should be visible (17%); does not seem necessary (13%).

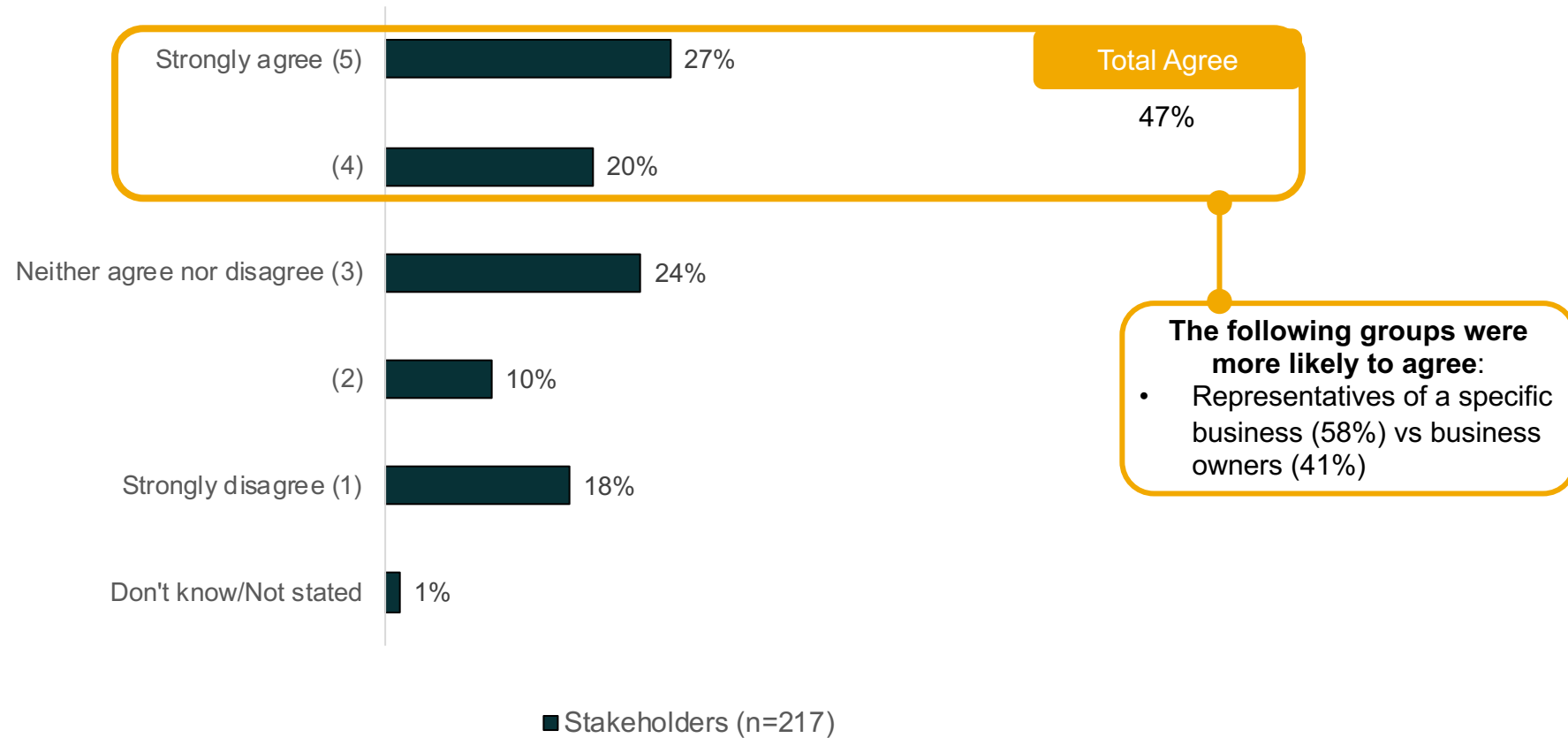
Focus Group Comments

Based on survey results received from business owners and associations, the proposed state was modified to reflect that **“a business that is open to the general public must post the licence certificate in a prominent location that is visible from the main public entrance.”**

Similar to other engagements, most of feedback on the topic was still concentrated on the nature of the business. There was a common theme, however, that an upfront, prominently-displayed licence does add credibility to public-facing businesses – as was suggested in the revised proposed state. For example, it was suggested that for those businesses that do not have clients coming into their headquarters (online, remote, mobile, industrial, etc.), other requirements should be considered, such as an online symbol or seal for digital businesses.

There was some negative feedback regarding the requirement as it applies to retail stores, who may have concerns about the impact of displaying their license on their store branding. Displaying a business licence near a the main public entrance could disrupt the “aesthetics” if it does not align with the store’s branding, and some stores might also not have adequate wall space.

Business Licence Posting



Q9. How strongly do you agree or disagree with the proposed licence posting requirement?

Results by Industry

Industry	Number of respondents	Total Agree
Hospitality	13	69%
Accommodation	11	64%
Food Services	18	56%
Professional, Science & Technical	27	56%
Construction	15	53%
Personal Service	31	52%
Tourism	8	50%
Other	20	50%
Restaurant	13	46%
Arts, Entertainment & Recreation	35	46%
Health Care & Social Assistance	17	41%
Transportation & Warehousing	8	38%
Retail Trade	54	37%
Manufacturing	11	36%
Energy or Oil & Gas	4	25%

Q9. How strongly do you agree or disagree with the proposed licence posting requirement?

Business Licence Posting

Input or feedback with regards to the proposed licence posting requirement	n=46
Is not a public concern	20%
Posted licences should be visible/easy to identify/see	17%
Does not seem necessary/needed	13%
Licence should be visible where purchases are made	11%
Posted/framed licence is an eyesore	11%
Need less restrictive business licensing requirements	9%
Should not apply to home based businesses	9%
Need more information on this topic	7%
Increase fines/enforcement for operating without business licence	4%
Is a cash grab by the City	4%
Licences should be posted outside of entrance to each specific business	4%
Ability to access/print/renew business licences online	2%
Licence should be easy to frame	2%
Not practical for multiple businesses that share a single entrance	2%
Provide frame with licence	2%
Provide online database of licensed businesses in City	2%

Base: Respondents who had any input or feedback with regards to the proposed licence posting requirement

Term of Licence

- Currently, businesses must renew their licences annually.
- The City is considering offering businesses the option of purchasing a two-year licence:

Current State

Business licences must be renewed annually.

Proposed Future State

A licence may be issued for one year, or two years at the City's discretion.

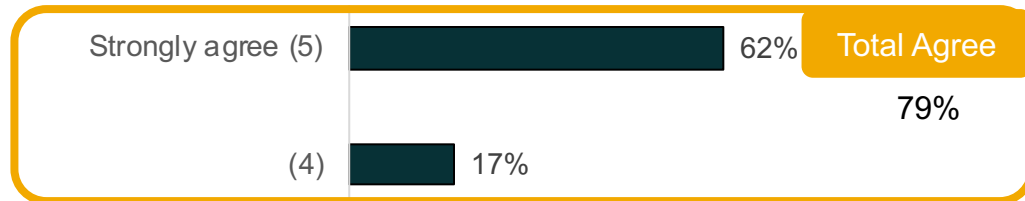
Term of Licence Workshop Comments

At a high-level, the sentiment around this change was positive, but generated many questions and concerns on the finer details of this bylaw. There was a general desire for further explanation on what the benefit of the two-year term is and if it includes a reduced rate. It was voiced that a definition of “the City’s discretion” is necessary and if there would be any opportunity for the “businesses to help define discretion”.

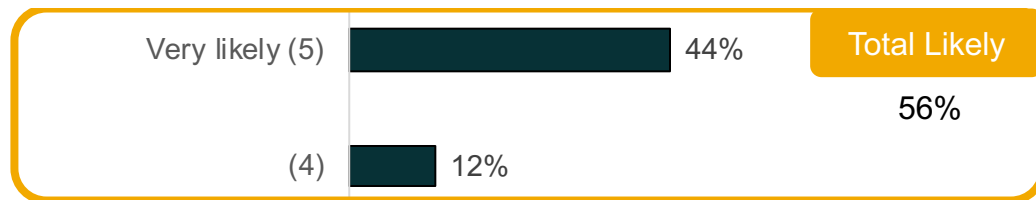
Term of Licence

Survey Results

79% agreed that a two-year licence would make licensing more convenient. 14% felt neutral (6% disagreed).



Industries that were more likely to agree included: **Energy or Oil & Gas, Restaurant, and Arts, Entertainment & Recreation**. Industries less likely to agree: **Manufacturing, Transportation & Warehousing, and Personal Service**.



Over half of business (56%) owners/representatives of a single business would be likely to purchase a 2-year licence. 12% unsure, 26% unlikely.

Industries that were more likely to agree included: **Arts, Entertainment & Recreation, Hospitality, Restaurant**.

Industries less likely to agree: **Manufacturing, Construction, Transportation & Warehousing**.

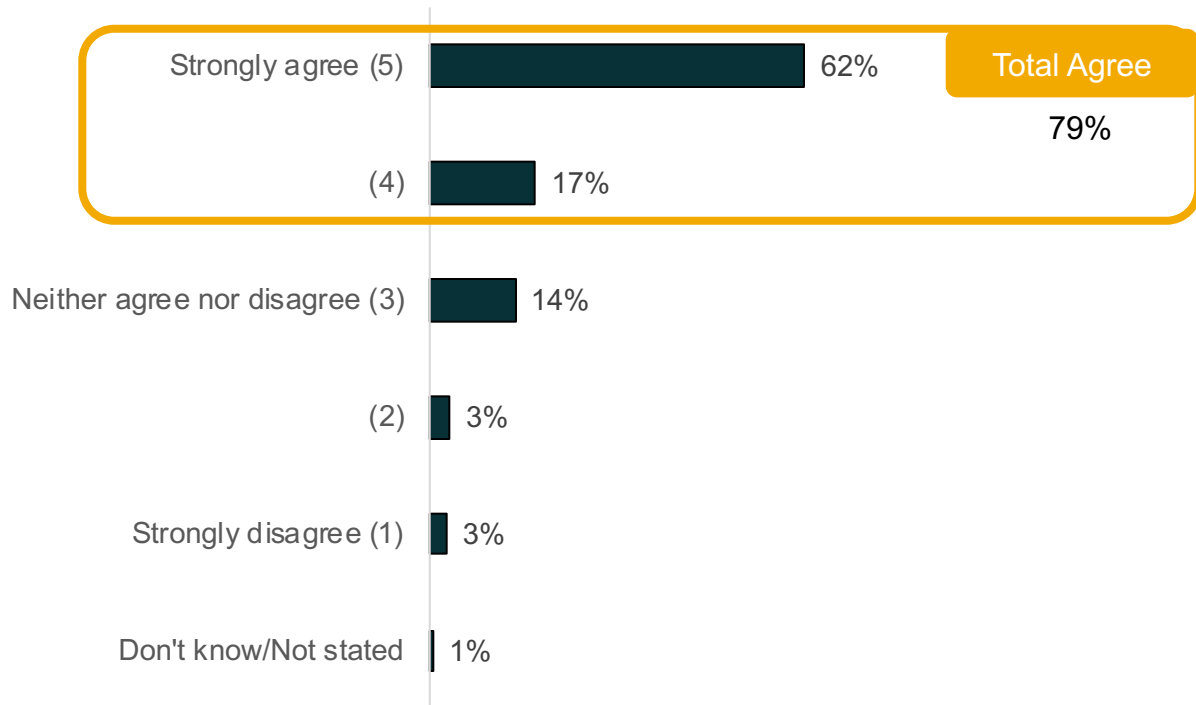
Top comments (n=27): Offer a discount for two-year licences (44%); ensure that reminder notifications are sent for renewals (15%); offer additional renewal options (e.g., 5-year licence) (15%).

Focus Group Comments

Based on survey results received from business owners and associations, the proposed state was modified to reflect that **“Licences that are not identified in Part 4 of the Business Licence Bylaw may be issued for one, or two years. A small discount would be offered on a two-year licence.”**

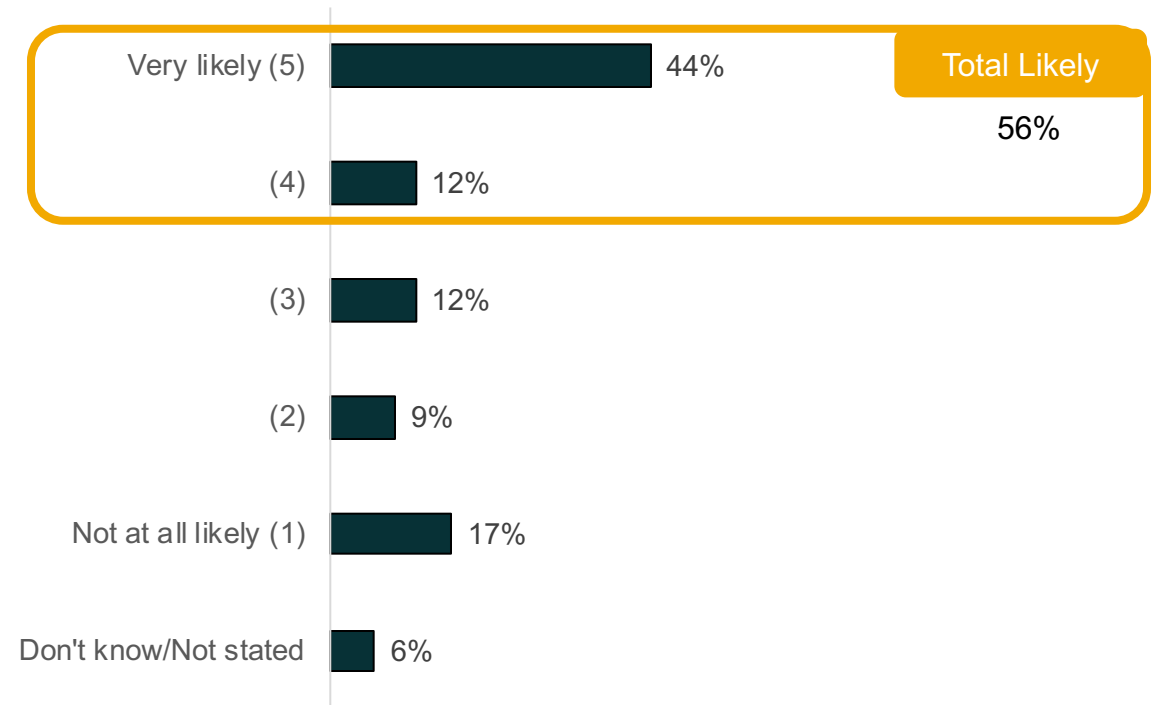
Participants agreed that licensing options with a reduced fee for longer renewal periods made sense. For example, it could be useful for startups to have a longer licence agreement if it meant reduced fees, saved them time each year, etc. Also, established and more stable businesses could benefit from a longer-term licence. However, one concern was that there would not be potential for a refund if a business fell under, for example, after one year. In addition, it was suggested that renewal processes could be automated (e.g., auto-renewal), and that the City could consider the use of e-reminders to ensure timely renewal.

Term of Licence



■ Business owners/representatives of a specific business (n=178)

Q11. How strongly do you agree or disagree that a two-year licence would make licensing more convenient for you?



■ Business owners/representatives of a specific business (n=178)

Q13. Considering that business licence fees are non-refundable if your business closes or relocates, how likely would you be to purchase a two-year licence if it were available?

Results by Industry

Industry	Number of respondents	Total Agree
Energy or Oil & Gas	4	100%
Restaurant	11	100%
Arts, Entertainment & Recreation	30	93%
Health Care & Social Assistance	15	93%
Tourism	6	83%
Other	16	81%
Food Services	14	79%
Hospitality	9	78%
Professional, Science & Technical	22	77%
Construction	13	77%
Accommodation	8	75%
Retail Trade	41	71%
Personal Service	26	69%
Transportation & Warehousing	6	67%
Manufacturing	9	56%

Q11. How strongly do you agree or disagree that a two-year licence would make licensing more convenient for you?

Industry	Number of respondents	Total Likely
Arts, Entertainment & Recreation	28	79%
Hospitality	9	78%
Restaurant	9	78%
Tourism	4	75%
Accommodation	7	71%
Health Care & Social Assistance	13	69%
Energy or Oil & Gas	3	67%
Other	15	67%
Food Services	13	62%
Retail Trade	39	56%
Personal Service	25	56%
Professional, Science & Technical	21	52%
Manufacturing	7	43%
Construction	11	36%
Transportation & Warehousing	6	33%

Q13. Considering that business licence fees are non-refundable if your business closes or relocates, how likely would you be to purchase a two-year licence if it were available?

Term of Licence

Input or feedback with regards to the proposed two-year licence option	n=27
Offer discount/reduced cost of two year licence	44%
Ensure that reminder notifications are sent for renewals	15%
Offer additional licence renewal options (e.g., 5 year licence, etc.)	15%
Businesses may close/shut down before 2 year period	11%
Need more information on this topic	7%
Ability to access/print/renew business licences online	4%
Annual renewals are a cash grab	4%
Business activities may change from year to year	4%
Economy is too volatile/unpredictable	4%

Base: Respondents who had input or feedback with regard to the proposed two-year licence option

Renewal Fees

- All businesses receive a renewal notice approximately 45 days before the licence expires.
- Under the current bylaw, businesses pay the same licence fee to renew a licence as they do for a new licence. This does not necessarily reflect the difference in the amount of effort for the City to process each type.
- Under the proposed bylaw, businesses that renew on or before the expiry date would pay a reduced fee.

Current State	Proposed Future State
The licence fee for renewal is the same as for new licences.	A lower licence fee is offered as long as the business licence is renewed on time. After the licence expires, the regular licence fee applies.

Renewal Fees Workshop Comments

Due to the potential of reducing fees generally, participants felt like this change was moving in the right direction.

Renewal Fees

Survey Results

84% agreed that the renewal fee should reflect the amount of effort required to process it, 8% felt neutral (8% disagreed). **The following groups were more likely to agree:**

- Business owners (89%) vs representative of a specific business (75%)
- Those who have a business licence (89%) vs those who do not have a business licence or are in the process of obtaining a business licence (71%)

Industries more likely to agree: **Hospitality, Manufacturing, and Personal services**. Industries less likely to agree: **Retail trade, Accommodation, and Construction**.

82% agreed with the proposed changes, overall. 8% felt neutral (8% disagreed). **The following groups were more likely to agree:**

- Those who have a business licence (86%) vs those who do not have a business licence or are in the process of obtaining a business licence (73%)

Industries more likely to agree: **Manufacturing, Tourism, and Personal Service**. Industries less likely to agree: **Energy or Oil & Gas, Other, and Professional/Science/ Technical**.

Top comments (n=34): the City should reduce the cost of licence renewals (35%); it is a good idea (29%); need more information about this topic (12%).

Focus Group Comments

There was general acceptance of lowering licence renewal fees for renewing the licence on time (i.e., anything that can save money and that promotes efficiency in the City).

Renewal Fees



The following groups were more likely to agree:

- Business owners (89%) vs representative of a specific business (75%)
- Those who have a business licence (89%) vs those who do not have a business licence or are in the process of obtaining a business licence (71%)

The following groups were more likely to agree:

- Those who have a business licence (86%) vs those who do not have a business licence or are in the process of obtaining a business licence (73%)

How strongly do you agree or disagree: **Q14.** That the renewal fee should reflect the amount of effort required to process it? **Q15.** With the proposed changes to the renewal fee?*

*Percentage of respondents who agreed with each (ratings of 4 or 5 out of 5)

Results by Industry

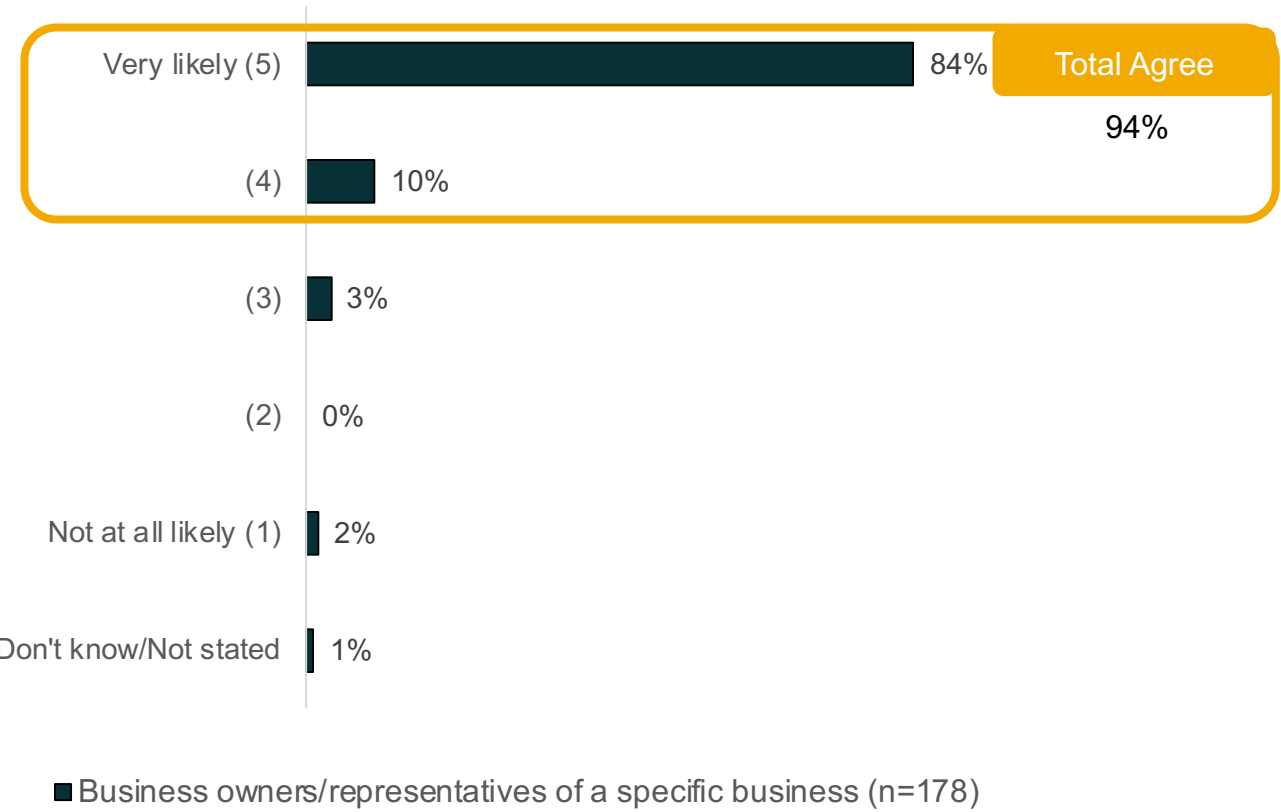
Industry	Number of respondents	Total Agree
Hospitality	13	92%
Manufacturing	11	91%
Personal Service	32	91%
Arts, Entertainment & Recreation	37	89%
Health Care & Social Assistance	17	88%
Tourism	8	88%
Transportation & Warehousing	8	88%
Other	21	86%
Restaurant	13	85%
Food Services	18	78%
Professional, Science & Technical	27	78%
Energy or Oil & Gas	4	75%
Construction	15	73%
Accommodation	11	73%
Retail Trade	54	72%

Q14. How strongly do you agree or disagree that the renewal fee should reflect the amount of effort required to process it?

Industry	Number of respondents	Total Agree
Manufacturing	11	100%
Tourism	8	100%
Personal Service	32	97%
Restaurant	13	92%
Arts, Entertainment & Recreation	36	92%
Health Care & Social Assistance	17	88%
Transportation & Warehousing	8	88%
Hospitality	13	85%
Food Services	18	83%
Accommodation	11	82%
Construction	15	80%
Retail Trade	53	79%
Professional, Science & Technical	26	77%
Other	21	76%
Energy or Oil & Gas	4	75%

Q15. How strongly do you agree or disagree with the proposed changes to the renewal fee?*

Renewal Fees



Q17. How likely would you be to renew your licence on time if a reduced renewal fee were offered?

**Percentage of respondents who agreed with each (ratings of 4 or 5 out of 5)*

Results by Industry

Industry	Number of respondents	Total Agree
Accommodation	8	100%
Energy or Oil & Gas	4	100%
Health Care & Social Assistance	15	100%
Hospitality	9	100%
Manufacturing	9	100%
Tourism	6	100%
Transportation & Warehousing	6	100%
Arts, Entertainment & Recreation	30	97%
Personal Service	25	96%
Professional, Science & Technical	21	95%
Other	17	94%
Food Services	14	93%
Construction	13	92%
Restaurant	11	91%
Retail Trade	41	90%

Q17. How likely would you be to renew your licence on time if a reduced renewal fee were offered?

Renewal Fees

Input or feedback with regards to the proposed changes to the renewal fee	n=34
Reduce cost of licence renewals	35%
Good idea/any savings is helpful	29%
Need more information about this topic	12%
Does not seem necessary/needed	9%
Need to consider business size/capacity when setting licensing fees	6%
Ability to access/print/renew business licences online	3%
Will help City in identifying businesses that do not renew by expiry date	3%
Need a more simple/streamlined licensing process	3%
Offer free licence renewal if licence is renewed on time	3%
Provide more advanced notice of licence renewals	3%
Provide more detailed licensing information on City website	3%
Should not apply to home based businesses	3%
Dissatisfied with hidden fees	3%

Base: Respondents who had input or feedback with regard to the proposed changes to the renewal fee

Fee Structure

- The activities of a business determine the required licence categories and approvals that impact how much effort it takes the City to process a licence.
- Currently there are 11 different licence category fees, and they do not always reflect differences in what is required to process the corresponding licences.
- The City is proposing a new structure where licence categories fall into one of three “Tiers”. Each Tier would have its own fee that takes into account the amount of effort it takes the City to process the corresponding licences. (I.e., Tier 1 takes less effort and therefore costs less than Tier 2, etc.)

Current State	Proposed Future State
<p>The current bylaw has 11 different licence category fees.</p> <p>The fees do not reflect the amount of effort it takes the City to issue different types of licences.</p>	<p>Most licence categories fall into one of three “Tiers”.</p> <p>Each Tier has a corresponding licence fee that reflects the amount of effort it takes the City to issue different types of licences.</p>

Fee Structure Workshop Comments

Fee Schedule

- The participants felt as though this direction will structure things properly, simplify the process and is a good direction to take – especially if it means small and home-based businesses will be categorized under a basic tier with a lower rate. However, participants noted that given the information they had, the purpose and benefit of the tiering system is unclear. There is concern this could mean more red tape and higher prices. Recommendation was given that higher fees could be a compliance deterrent to smaller businesses and a barrier of entry.
- Participants asked that further clarification be provided about what the business owners are paying for, a definition around minor changes, and an explanation of the various requirements of licence categories.

Multiple Licence Activities

There was overall agreement on the proposed change but there were multiple questions and requests for further clarification and details. Participants were curious if this meant an alignment on licensing packages and the combination of fees.

Fee Structure

Survey Results

54% agreed that fees should reflect the amount of effort it takes the City to process a licence, 26% felt neutral (13% disagreed). Industries more likely to agree: **Food Services, Personal Service, and Restaurant**. Industries less likely to agree: **Energy or Oil & Gas, Accommodation, Health Care/Social Assistance, and Construction**.

54% agreed that a three-Tier fee schedule would make it easier to understand licence fees, 23% felt neutral (17% disagreed). **The following groups were more likely to agree:**

- Those who do not have a business licence or are in the process of obtaining a business licence (65%) vs those who have a business licence (49%)
- Those with home-based type of business (60%) vs those with a commercial business (43%)

Industries more likely to agree: **Personal Service, Other, and Restaurant**. Industries less likely to agree: **Tourism, Accommodation, Health Care/Social Assistance, and Professional/Science/Technical**.

50% agreed with the proposed three-Tier fee schedule, overall, 31% felt neutral (14% disagreed). **The following groups were more likely to agree:**

- Those with home-based type of business (63%) vs those with commercial type of business (38%)

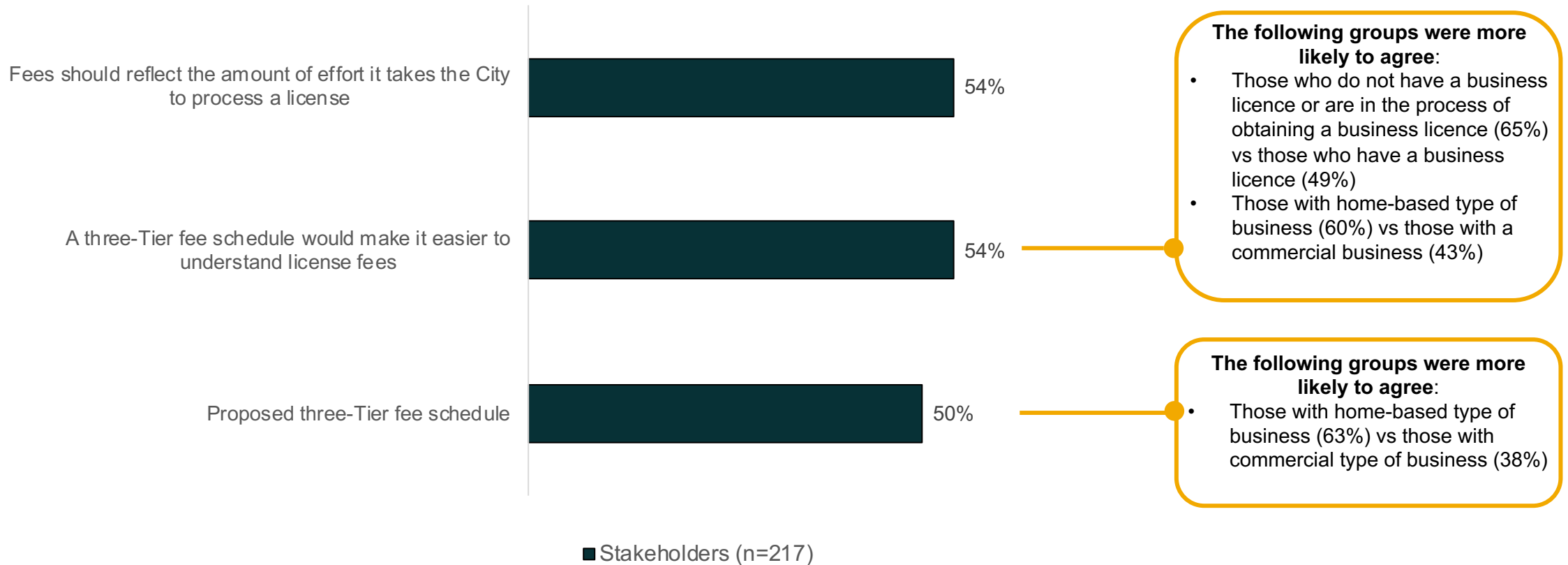
Industries more likely to agree: **Personal Service, Other, and Transportation & Warehousing**. Industries less likely to agree: **Accommodation, Tourism, Professional/Science/Technical, Manufacturing, and Health Care/Social Assistance**.

Top comments (n=49): need more information about this topic (45%)

Focus Group Comments

There was a common theme that new tiers and categories would need additional resources for education, in terms of specifics how the tiers are determined (e.g., Square footage, revenue, etc.).

Fee Structure



How strongly do you agree or disagree: **Q18.** That a three-Tier fee schedule would make it easier to understand licence fees? **Q19.** Fees should reflect the amount of effort it takes the City to process a licence? **Q20.** With the proposed three-Tier fee schedule?*

*Percentage of respondents who agreed with each (ratings of 4 or 5 out of 5)

Results by Industry

Industry (Q18)	Number of respondents	Total Agree	Industry (Q19)	Number of respondents	Total Agree	Industry (Q20)	Number of respondents	Total Agree
Personal Service	32	69%	Food Services	17	82%	Personal Service	32	72%
Other	19	68%	Personal Service	31	77%	Other	19	63%
Restaurant	12	67%	Restaurant	12	75%	Transportation & Warehousing	8	63%
Food Services	17	65%	Other	19	74%	Arts, Entertainment & Recreation	36	61%
Transportation & Warehousing	8	63%	Transportation & Warehousing	8	63%	Food Services	17	59%
Hospitality	12	58%	Manufacturing	10	60%	Retail Trade	50	54%
Retail Trade	51	57%	Retail Trade	53	57%	Construction	13	54%
Arts, Entertainment & Recreation	34	56%	Arts, Entertainment & Recreation	34	56%	Energy or Oil & Gas	4	50%
Manufacturing	9	56%	Professional, Science & Technical	27	44%	Hospitality	12	50%
Construction	13	54%	Tourism	7	43%	Restaurant	12	50%
Energy or Oil & Gas	4	50%	Hospitality	12	42%	Health Care & Social Assistance	17	47%
Professional, Science & Technical	27	48%	Construction	13	39%	Manufacturing	11	46%
Health Care & Social Assistance	17	47%	Health Care & Social Assistance	16	38%	Professional, Science & Technical	27	41%
Accommodation	11	46%	Accommodation	11	36%	Tourism	8	38%
Tourism	7	43%	Energy or Oil & Gas	4	25%	Accommodation	11	27%

How strongly do you agree or disagree: **Q18.** That a three-Tier fee schedule would make it easier to understand licence fees? **Q19.** Fees should reflect the amount of effort it takes the City to process a licence? **Q20.** With the proposed three-Tier fee schedule?*

Fee Structure

Input or feedback with regards to the proposed three-Tier fee schedule	n=49
Need more information about this topic	45%
Reduce cost of business licences	16%
Is a cash grab by the City	10%
Need to consider business size/capacity when setting licensing fees	6%
Should not apply to home based businesses	6%
City should find more cost-effective ways to process licences	4%
Ensure that all business types/categories are covered	4%
Need a more simple/streamlined licensing process	2%
Survey/wording is misleading	2%
Increase fines/enforcement for business licence related infractions	2%
Need to consider business income/profit when setting fees	2%
New structure may discourage new businesses from opening	2%
Non-profit organizations should fall into a business category	2%
Reduce number of licence categories	2%
Should add more tiers	2%
Business owner should have ability to select which tier they fall into	2%

Additional Fees

- Currently if a licence category requires the City to consult with a regulatory agency, such as Police or Fire, an additional consultation fee is charged. An administration fee is charged when a business makes minor changes to a business licence, for example, updating the business name.
- The City is proposing to eliminate the consultation and administration fees and build these costs into the licence category fee.

Current State	Proposed Future State
<p>If a category requires a consultation with an external agency, a consultation fee for each agency contacted applies.</p> <p>Minor changes to a business licence are subject to an administration fee.</p>	<p>In most cases, the cost of consulting with an agency is included in the licence fee.</p> <p>Minor changes are not subject to additional fees.</p>

Additional Fees

Survey Results

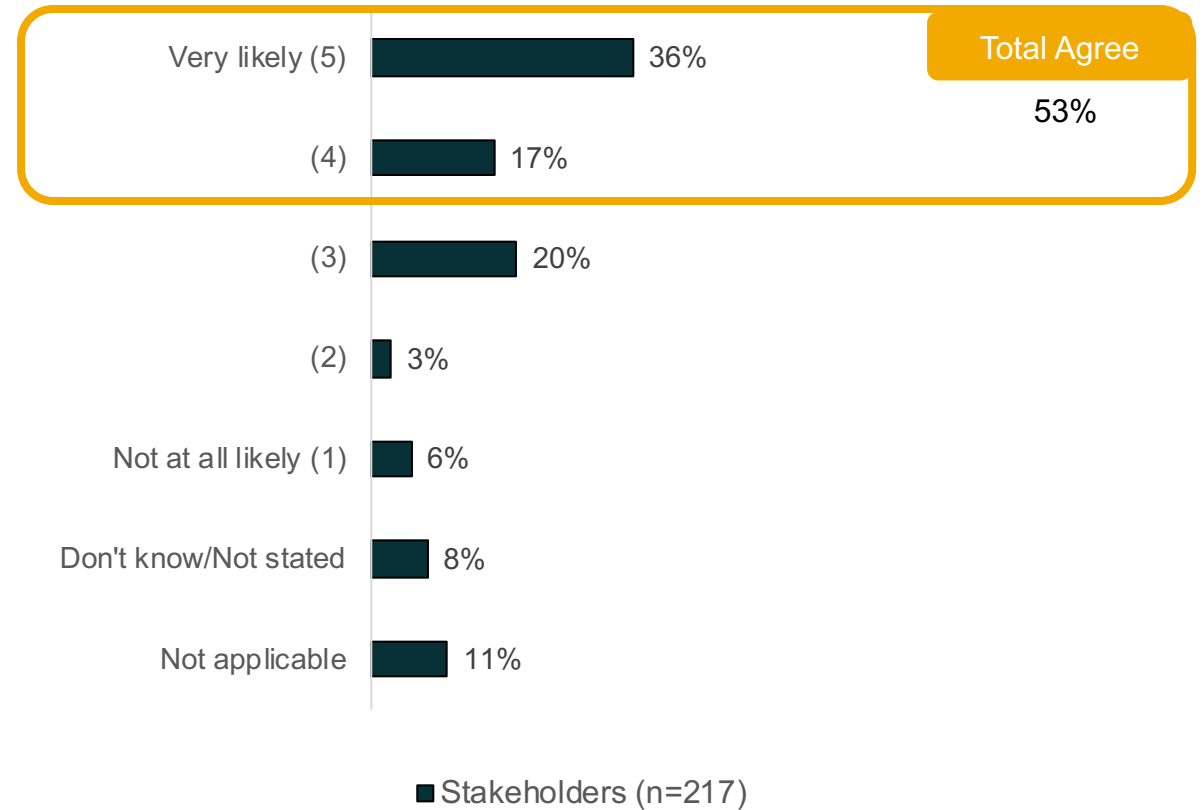
54% agreed with the proposed inclusive pricing structure, overall. 20% felt neutral (23% disagreed). Industries more likely to agree: **Restaurant, Hospitality, and Construction**. Industries less likely to agree: **Professional/Science/Technical, Retail Trade, Transportation and Warehousing, and Health Care & Social Assistance**.

Top comments (n=31): not all businesses require these assessments (39%); need more information about the topic (29%); reduce additional fees (23%).

Focus Group Comments

The proposed future state for additional fees made sense to the participants. There was a concern that a change pricing structure, however, would lead to an increase in fees in general; there was also some uncertainty about what “minor” changes included (or did not include).

Additional Fees



How strongly do you agree or disagree: **Q22.** That the proposed inclusive pricing structure would make licensing easier for you? **Q23.** With the proposed inclusive pricing structure?*

Q25. If administration fees were built into the licensing fee, how likely would you be to keep your business information up-to-date?

*Percentage of respondents who agreed with each (ratings of 4 or 5 out of 5)

Results by Industry

Industry	Number of respondents	Top Agree	Industry	Number of respondents	Top Agree	Industry	Number of respondents	Top Agree
Restaurant	11	91%	Restaurant	13	92%	Hospitality	13	92%
Hospitality	8	88%	Hospitality	12	92%	Food Services	16	88%
Construction	13	85%	Food Services	17	82%	Tourism	7	86%
Food Services	13	85%	Energy or Oil & Gas	4	75%	Restaurant	12	83%
Energy or Oil & Gas	4	75%	Tourism	8	75%	Accommodation	11	73%
Other	16	75%	Other	20	70%	Personal Service	25	72%
Tourism	6	67%	Arts, Entertainment & Recreation	36	67%	Construction	13	69%
Personal Service	26	62%	Construction	15	67%	Other	13	69%
Arts, Entertainment & Recreation	29	59%	Accommodation	10	60%	Arts, Entertainment & Recreation	31	68%
Accommodation	7	57%	Personal Service	32	59%	Health Care & Social Assistance	15	67%
Manufacturing	8	50%	Manufacturing	11	55%	Retail Trade	47	64%
Retail Trade	39	49%	Health Care & Social Assistance	17	53%	Manufacturing	8	63%
Health Care & Social Assistance	15	47%	Transportation & Warehousing	8	50%	Transportation & Warehousing	8	63%
Professional, Science & Technical	22	46%	Retail Trade	52	48%	Energy or Oil & Gas	4	50%
Transportation & Warehousing	6	33%	Professional, Science & Technical	26	46%	Professional, Science & Technical	22	50%

How strongly do you agree or disagree: **Q22.** That the proposed inclusive pricing structure would make licensing easier for you? **Q23.** With the proposed inclusive pricing structure?* **Q25.** If administration fees were built into the licensing fee, how likely would you be to keep your business information up-to-date?

Additional Fees

Input or feedback with regards to the proposed inclusive pricing structure	n=31
Not all businesses require these assessments	39%
Need more information about this topic	29%
Reduce additional fees	23%
Is a cash grab by the City	13%
It depends on the type of business	6%
Reduce cost of business licences	6%
Simplify fee structures for building and development permits	3%

Base: Respondents who had input or feedback with regard to the proposed inclusive pricing structure

Non-Resident Licences

- Currently, businesses that operate in Edmonton – but do not have a fixed business premises in Edmonton – must pay a non-resident fee of \$540 in addition to the licence category fee(s). The non-resident fee ensures businesses that do not pay municipal taxes in Edmonton still pay to use our infrastructure.
- The City is proposing to reduce the total licence fees paid by non-resident businesses. This may be achieved either by reducing the non-resident fee itself, or waiving the licence category fee(s).
- The City is also proposing to waive the non-resident fee for licence categories that are not connected to a physical business premises, for example, street or public market vendors.

Current State	Proposed Future State
A business that operates, but does not maintain permanent business premises in Edmonton, is subject to a \$540 non-resident fee in addition to the applicable licence category fees.	Reduce the non-resident fee OR waive the licence category fee for non-resident businesses. AND Eliminate the non-resident fee for market and street vendors.

Non-Resident Licences Workshop Comments

This change was one of the more highly discussed changes, which resulted in a split in opinion among the groups. Largely, however, participants felt this direction was inadequate and categorization of businesses was inaccurate. The purpose of the change is unclear and there was much confusion surrounding the term “non-resident”. For instance, in our new regional context, are bedroom communities considered non-residents? Many responded that the policy as it stands may act as a deterrent for out-of-towners to invest in Edmonton and might persuade them to go elsewhere. However, some participants pointed out that dropping the non-resident fee may allow unfair competition in certain sectors, such as bricks and mortar restaurants that might compete with mobile food vendors.

Non-Resident Licences

Survey Results

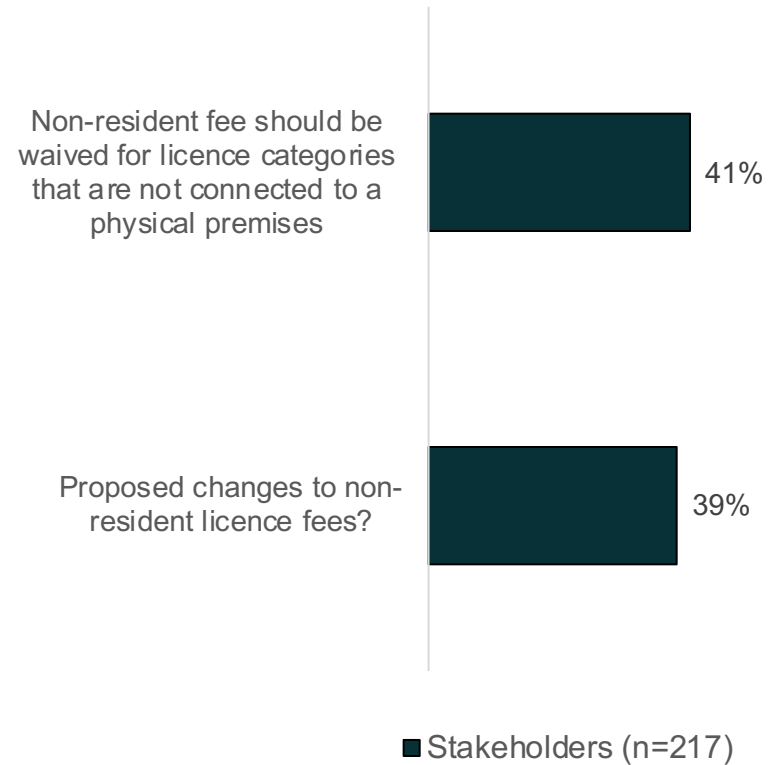
41% agreed that the non-resident fee should be waived for licence categories that are not connected to a physical premises, 16% felt neutral (35% disagreed). Industries more likely to agree: **Arts/Entertainment/Recreation, Construction**. Industries less likely to agree: **Energy or Oil & Gas, Restaurant, and Transportation & Warehousing**.

31% preferred reducing the non-resident fee; 22% preferred waiving the category fee (47% didn't like either option). Home-based businesses were more likely than commercial businesses to prefer reducing the non-resident fee, while commercial businesses were more likely to prefer neither option. Industries more likely to agree: **Arts/Entertainment/Recreation, Construction, Other, and Retail Trade**. Industries less likely to agree: **Energy or Oil & Gas, Restaurant, and Transportation & Warehousing**.

Focus Group Comments

Overall, participants supported reducing the Non-Resident Fee for markets and vendors, as opposed to waiving it completely. The rationale for this decision was that, like residents, non-residents should contribute for their usage of Edmonton's infrastructure. However, it was also acknowledged that removing barriers, where possible, for market vendors would help support smaller businesses and encourage more people to do business in Edmonton.

Non-Resident Licences



How strongly do you agree or disagree: **Q26.** that the non-resident fee should be waived for licence categories that are not connected to a physical premises? **Q27.** with the proposed changes to non-resident licence fees?

**Percentage of respondents who agreed with each (ratings of 4 or 5 out of 5)*

Results by Industry

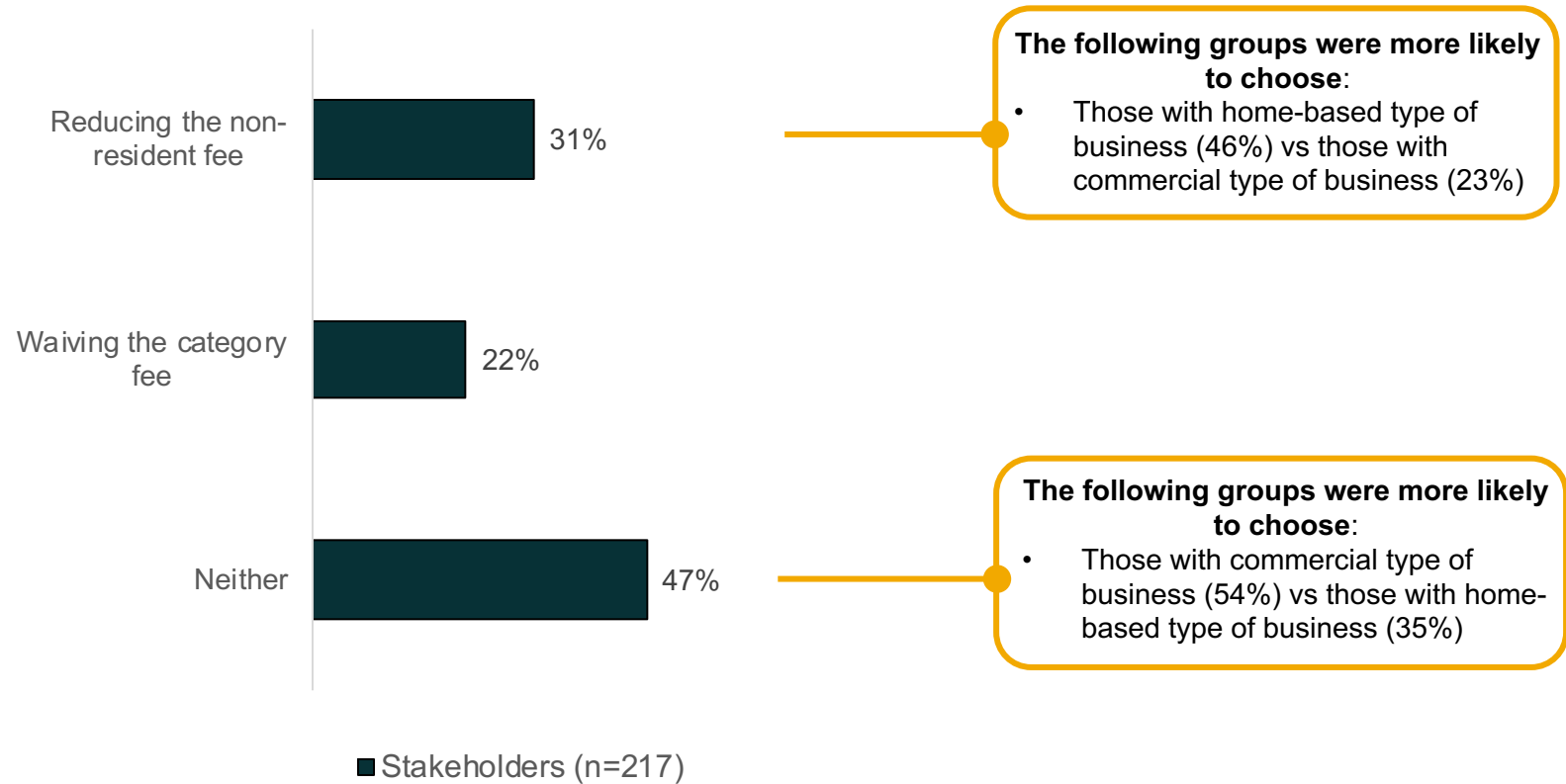
Industry	Number of respondents	Total Agree
Arts, Entertainment & Recreation	35	66%
Construction	14	64%
Retail Trade	51	51%
Hospitality	12	50%
Personal Service	30	50%
Tourism	8	50%
Other	19	47%
Food Services	17	47%
Professional, Science & Technical	21	38%
Manufacturing	11	36%
Health Care & Social Assistance	14	36%
Accommodation	10	30%
Energy or Oil & Gas	4	25%
Restaurant	12	25%
Transportation & Warehousing	8	13%

Q26. How strongly do you agree or disagree that the non-resident fee should be waived for licence categories that are not connected to a physical premises?

Industry	Number of respondents	Total Agree
Construction	14	57%
Arts, Entertainment & Recreation	34	53%
Other	19	53%
Retail Trade	50	52%
Hospitality	12	50%
Tourism	8	50%
Personal Service	30	43%
Food Services	17	41%
Health Care & Social Assistance	15	40%
Manufacturing	10	40%
Professional, Science & Technical	23	35%
Accommodation	10	30%
Energy or Oil & Gas	4	25%
Restaurant	12	25%
Transportation & Warehousing	8	13%

Q27. How strongly do you agree or disagree with the proposed changes to non-resident licence fees?

Non-Resident Licences



Q29. Given a choice between the following, which do you prefer for non-resident businesses?

**Percentage of respondents who agreed with each (ratings of 4 or 5 out of 5)*

Non-Resident Licences

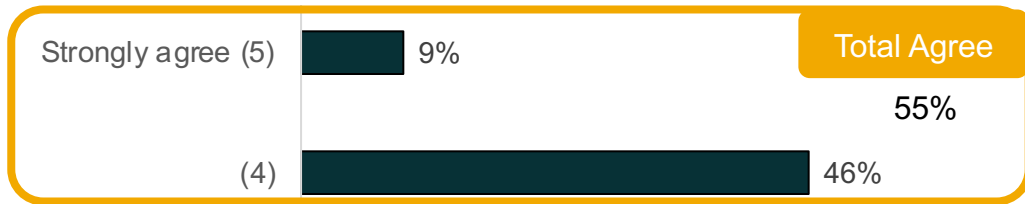
Input or feedback with regards to the proposed changes to non-resident licence fees	n=34
Non-resident businesses should be required to pay additional fee	50%
Should also waive fee for home based businesses	12%
Need more information about this topic	12%
Reduce cost of non-resident business licences	9%
Increase fines/enforcement for business licence related infractions	6%
Need more support for small businesses	6%
Will help in competing with businesses located outside of City	3%
Is a cash grab by the City	3%
Non-resident businesses should be licenced by their own county/municipality	3%
Should also waive fee for contract workers	3%
Will help in attracting more businesses to City	3%
Business zoning related concerns	3%

Base: Respondents who had input or feedback with regard to the proposed changes to non-resident licence fees

Overall

Survey Results

55% agreed with the overall direction of the proposed framework, 30% felt neutral (10% disagreed).



Industries more likely to agree: **Professional/Science/Technical, Restaurant, Hospitality, and Food Services.**
Industries less likely to agree: **Energy or Oil & Gas, Transportation/Warehousing, and Health Care/Social Assistance.**

Comments included (n=49): need more support for small businesses (16%); and the proposed changes are a good start (12%).

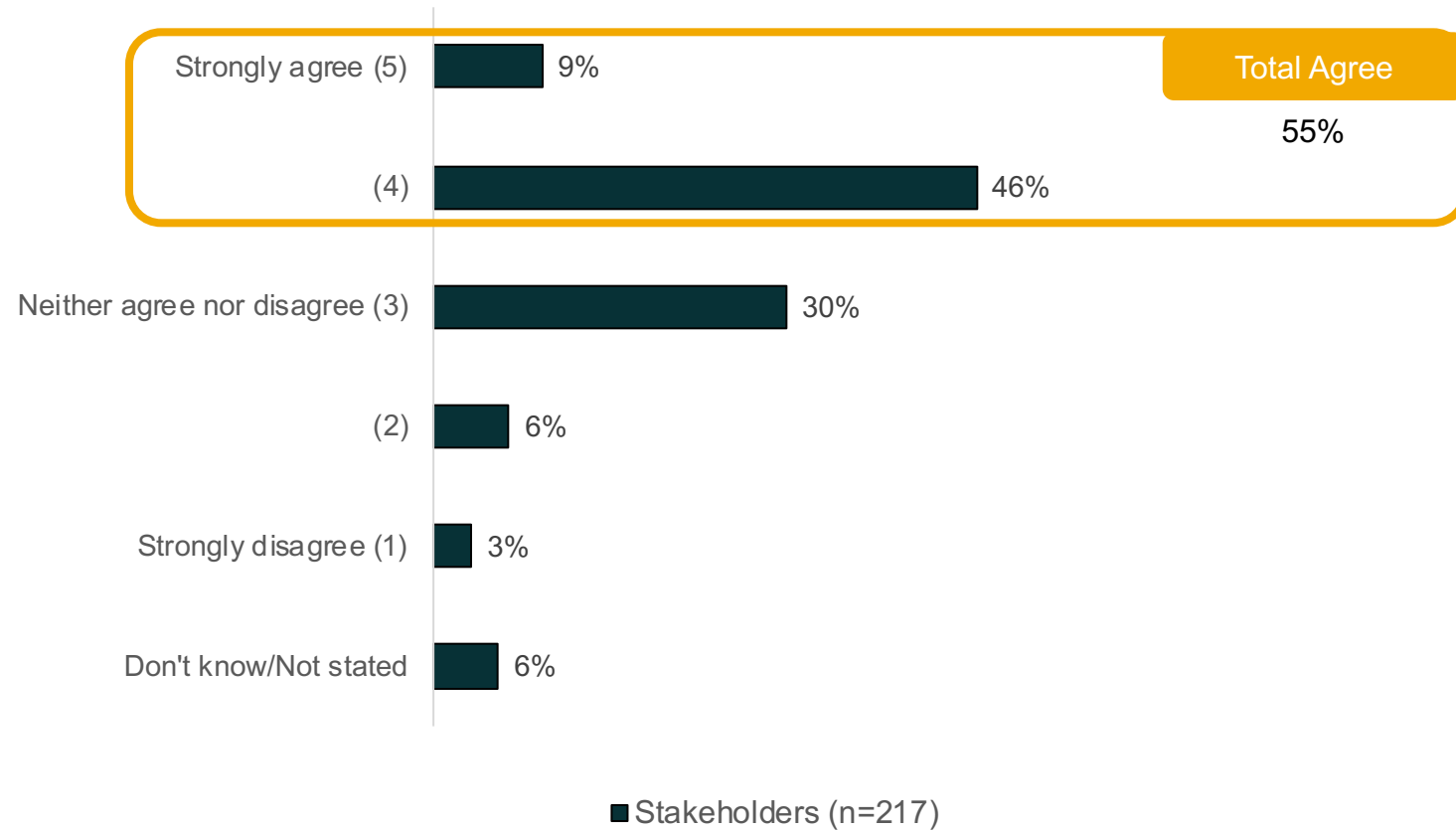
Focus Group Comments

Overall, participants also felt that the City is heading in the right direction. Simplification of the process works best for businesses, and it was generally felt that many of the proposed changes would help to further this.

Focus group participants also reiterated that, as the City further considers changes to the bylaw, they should take into consideration businesses that are not customer-facing or that do not have a traditional storefront (e.g., online or e-businesses).

Generally speaking, anything that reduces barriers for small businesses, and encourages a thriving economy, would receive strong support from this group.

Overall



Q30. How strongly do you agree or disagree with the overall direction of the proposed Business Licensing Framework?

Results by Industry

Industry	Number of respondents	Top 2
Professional, Science & Technical	26	69%
Restaurant	13	69%
Hospitality	12	67%
Food Services	17	65%
Manufacturing	11	64%
Arts, Entertainment & Recreation	35	60%
Personal Service	31	58%
Construction	14	57%
Retail Trade	49	57%
Other	19	53%
Accommodation	10	50%
Tourism	8	50%
Health Care & Social Assistance	17	47%
Transportation & Warehousing	7	43%
Energy or Oil & Gas	4	25%

Q30. How strongly do you agree or disagree with the overall direction of the proposed Business Licensing Framework?

Overall

Input or feedback with regards to the proposed Business Licensing Framework	n=49
Reduce cost of business licences/licence fees	22%
Need more support for small businesses	16%
Proposed changes are a good idea/I support the proposed changes	12%
Need more information/details on proposed changes	10%
Should require business licence for short-term rental businesses	8%
Need to develop more business licence categories	8%
Increase fines/enforcement for business licence related infractions	6%
Need to attract more businesses to City	6%
Ability to access/print/renew business licences online	4%
Need a more simple/streamlined licensing process	4%
Need more knowledgeable/informed City staff	4%
Proposed changes are a cash grab by City	4%
Proposed changes may discourage new businesses from opening	4%
More clear/easy to understand information on website	4%

Note: Mentions below 2% are not shown

Base: Respondents who had any further feedback on the proposed Business Licensing Framework.

General Sentiment and Enthusiasm Workshop

The feedback from business owners who attended the sessions was largely positive, feeling the new proposed bylaws were heading in the right direction. Some palatable apprehension from participants largely centred around that some proposed changes did not provide enough detail to either completely understand the intent and potential outcomes of the change. However, it was evident to the business owners that the new proposed changes will make the bylaws more unambiguous in the future and are enthusiastic about potential for fee reductions and structuring. Participants would like the City to use straight forward and concise language, as well as provide pricing transparency in the bylaws, to reduce confusion and reduce any surprises business owners might receive. Overall, business owners feel generally optimistic about the proposed changes and, barring a few necessary changes, were happy to see the City engage in order to modernize the Business Licensing Bylaws.

Comments Workshop

- During the facilitation, participants were also given the opportunity to voice additional concerns regarding the business licensing process. Many participants expressed the difficulty of finding information on the City of Edmonton website and discovered there was conflicting information. A recommendation was made to have all information available to potential business owners upfront when applying for their business licence, so there is a greater understanding of the full picture.
- It was heard that there is a need for better alignment between licensing and zoning and having this information easily accessible by the public. Participants expressed frustrations with poor communication and slow response times from City representatives when inquiring about zoning or the business licensing process.
- One participant was very passionate about his frustrations with the City regarding the Health Enhancement Licence required after expanding a chiropractic clinic's services with massage therapy. This participant felt this is a business licence being disguised as something else and is a penalty to any health clinic looking to expand their services.

Communications Focus Group

Online info, email, factoid sheets, and full transparency would all be helpful, in terms of improving communications between the City and local businesses.

Furthermore, it was acknowledged that Edmonton has a really diverse population, and there should be additional languages added to reference materials, in order to increase connectivity and compliance.

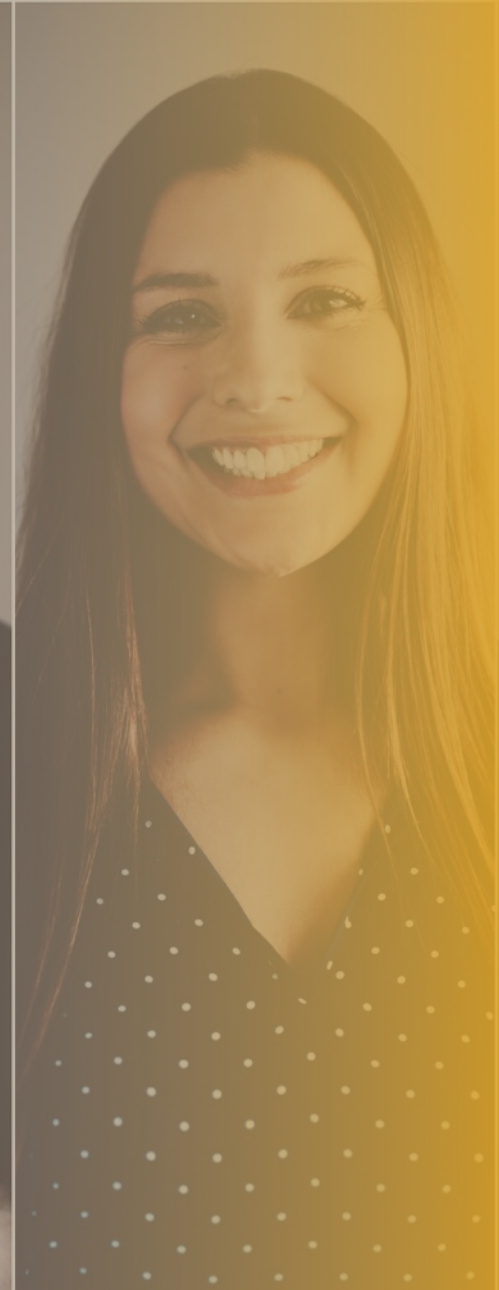
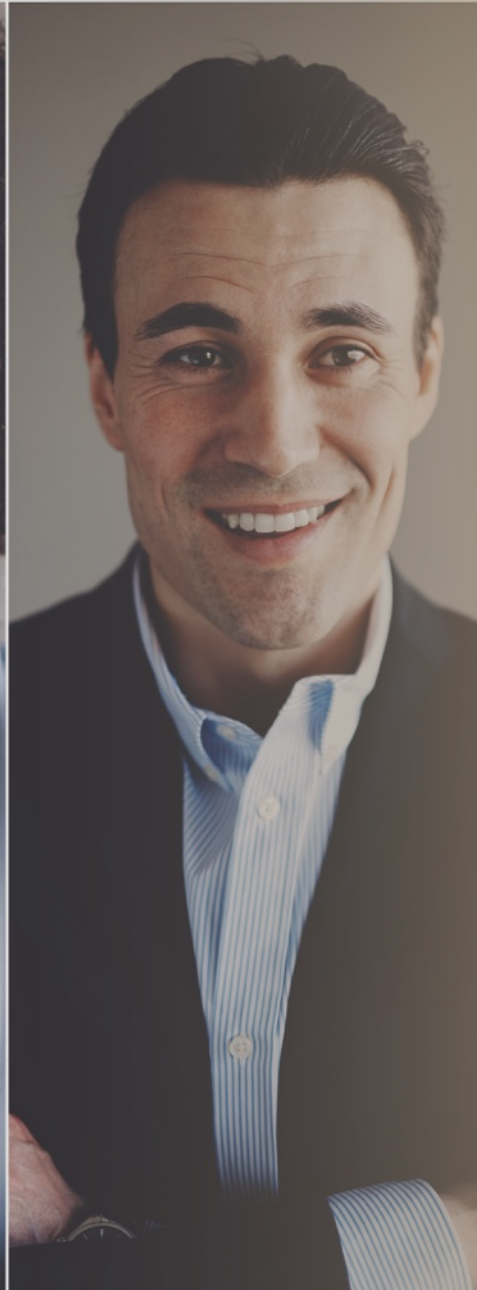
Additional Information for the City Workshop

Overarching Comments

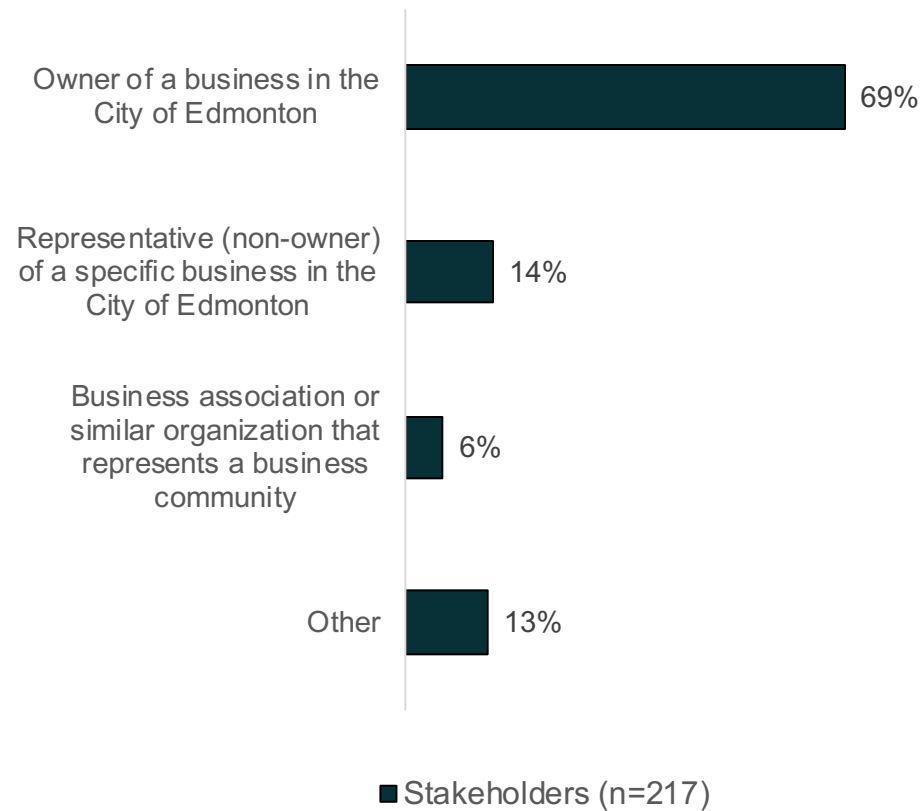
Throughout the discussion, other points were brought up that would be beneficial to consider in the further development of the revised bylaw:

- How does the City define a “business”? Participants want more clarification on who needs a licence, particularly pertaining to non-profits.
- How does the City ensure compliance? Business owners are frustrated when they see other businesses operating without a business licence, when they are paying their fees and being compliant.
- Different licences are required for different functions of hospitality businesses and police checks are required for the managers and directors along with them, even if those managers and directors hold responsibilities at multiple businesses under a single corporate entity. Because these licences don't all renew at the same time, some businesses are doing multiple annual police checks every year for a wide range of employees, which can be cost prohibitive. Some employees of these businesses do not deal with day-to-day operations and are still required to obtain police checks to be in compliance. Participants wanted to see some sort scheduling system and alignment of licences so they could share a police check per employee rather than require a separate police check for each business under a single corporate entity.
- Participants would like to see the City find new touchpoints to connect with business owners on compliancy, such as enhanced communication between property owners/landlords.
- Business owners want to see more information at each point of contact to reduce confusion and ensure compliance.

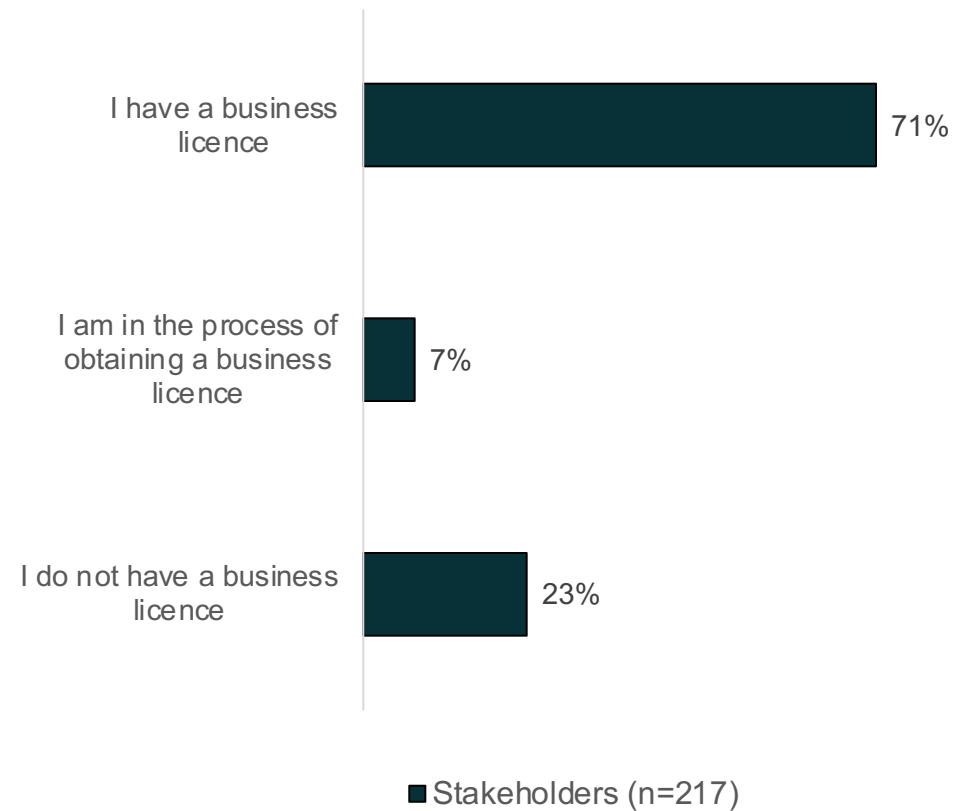
Business Profile Survey Results



Business Profile Survey



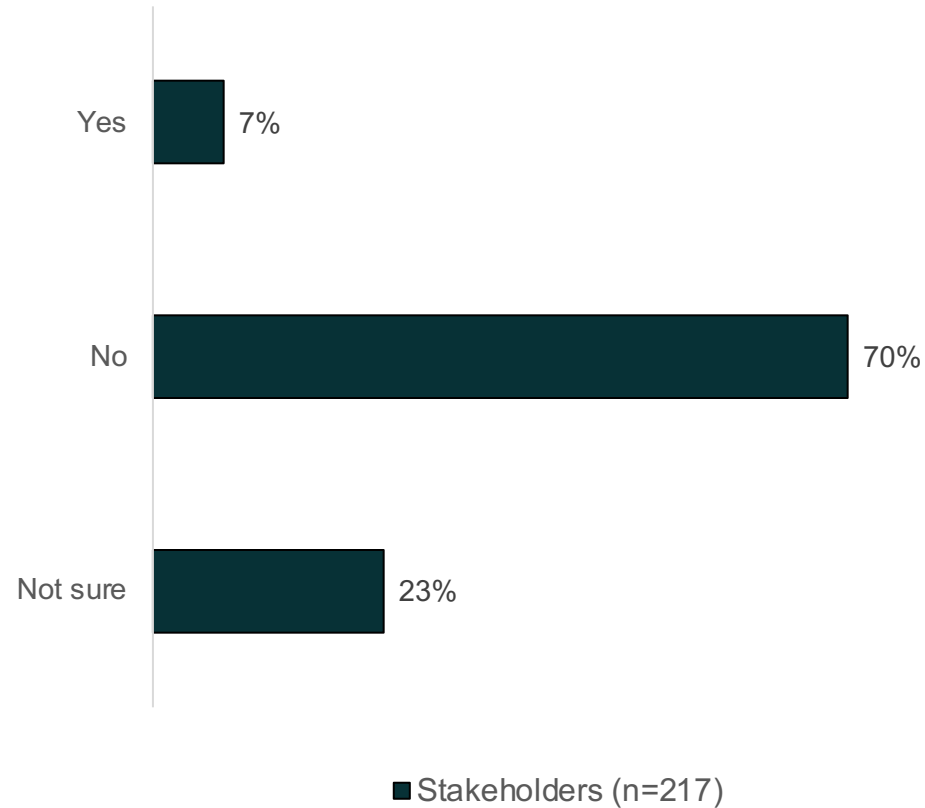
Q1. Are you a/an...?*



Q2. Do you have or are you in the process of obtaining a City of Edmonton business licence?

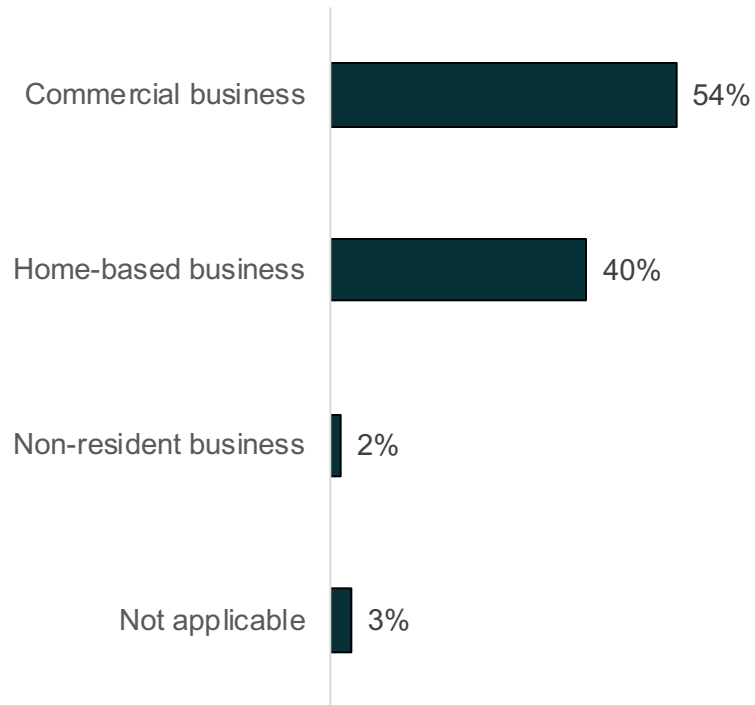
*Multiple responses

Business Profile Survey



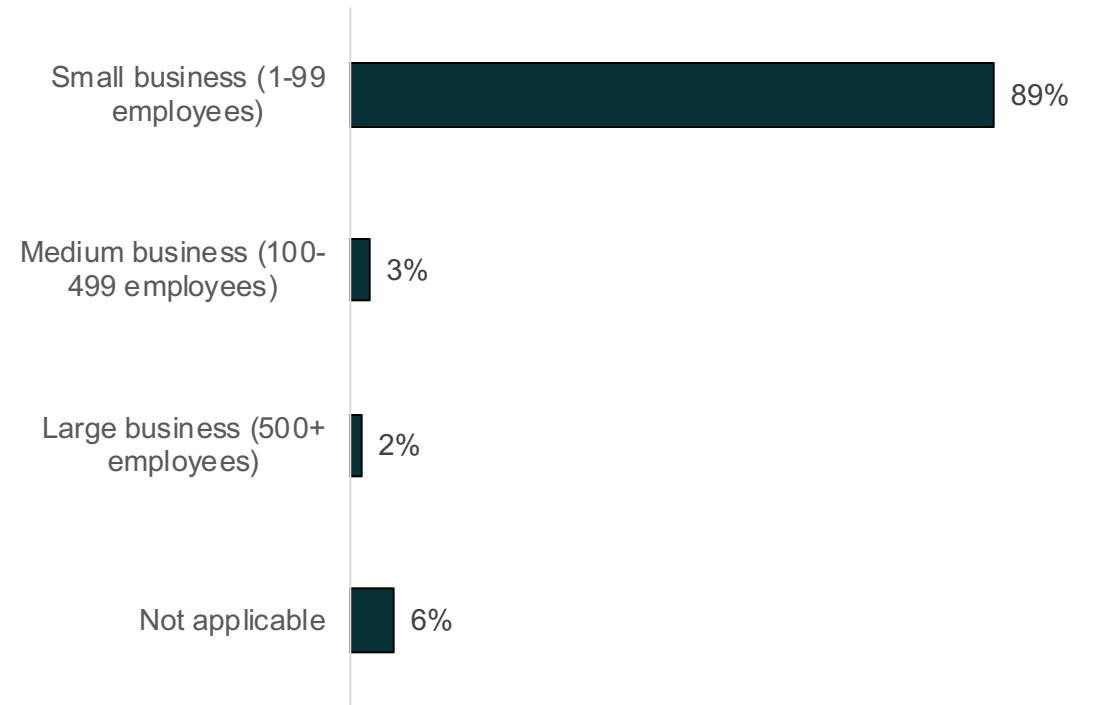
Q3. Did you attend, or do you plan to attend, one of the two Business Licence Bylaw Renewal workshops hosted by the City of Edmonton on January 31 and February 1?

Business Profile Survey



■ Business owners/representative of a specific business (n=178)

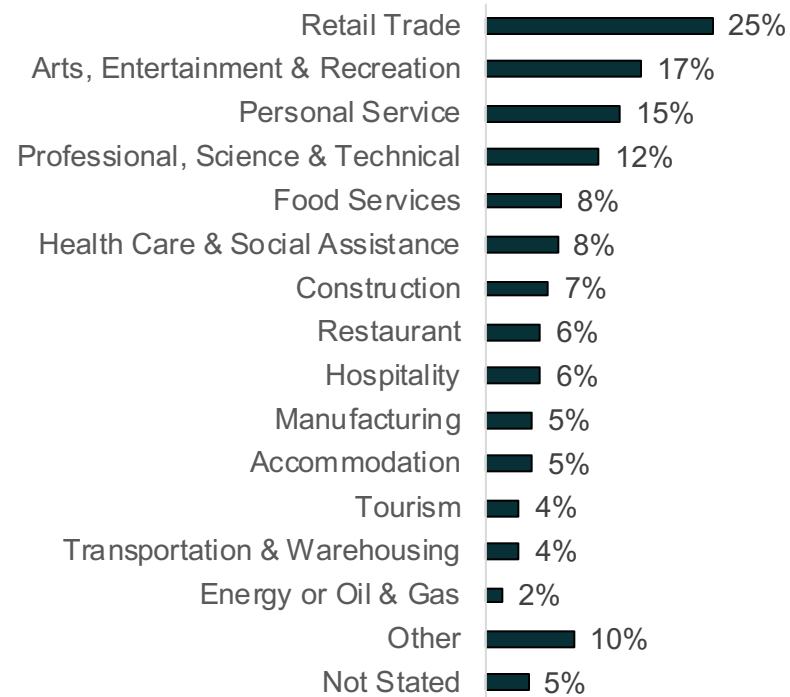
Q4. Which best describes your type of business or the business that you represent?



■ Business owners/representatives of a specific business (n=178)

Q5. What is the size of your business or the business that you represent?

Business Profile Survey



■ Stakeholders (n=217)

Other (n=21)	
Marketing/advertising	19%
Non-profit organization	19%
Automobile services	10%
Cleaning/janitorial	10%
Consulting	10%
Financial services	10%
Agriculture	5%
Communications	5%
Educational services	5%
Property management	5%
Services for pets/animals	5%

Q6. In what industry does your business or the business you represent operate?*

*Multiple responses