



TO: CITY MANAGER 1993 OCTOBER 27
FROM: DIRECTOR FINANCE File: L34
SUBJECT: 1994 BUSINESS LICENCE FEES
PURPOSE: To obtain approval of the 1994 business licence fees.

RECOMMENDATIONS:

1. THAT Burnaby Business Licence Bylaw No. 3089 be amended to provide for the fee changes noted in the attached Schedule A, effective 1994 January 01.

SUMMARY

This is the annual business licence fee report. No change in licence fees is proposed for 1994, with the exception of adjustments to three business classifications. These specific changes are the continued increase in arcade and pool hall fees and the accommodation for take-out restaurants.

REPORT

1. BACKGROUND

Licence fees are reviewed and adjusted annually to reflect changes in the business community and inspectional requirements, and to ensure that all administrative and inspectional costs are recovered. These costs include inspectional and clerical staff salaries, supplies, transportation and administrative overhead of City departments involved in processing licences.

The current (1993) basic resident licence fees are \$405 for a new licence and \$123 for a renewal. The current fee for a non resident or mobile business is \$225 for a new licence and \$62 for a renewal.

The difference between the fee for a new and a renewal licence represents the non recurring inspectional costs incurred by City departments prior to issuing a business licence. These inspections are required to determine whether operators of businesses are in compliance with applicable bylaws and statutory requirements which ensure public health and safety.

Businesses requiring more than the basic inspections (e.g. restaurants, chemical processing, auto paint facilities) have higher fees to reflect the additional costs. Conversely, where inspectional requirements are minimal, the licence fee is lower.

Licence fees for vending machines and multiple unit accommodation are applied on a per unit basis.

2. PROPOSED 1994 FEES

No general increase in business licence fees is proposed for 1994 as City costs are currently being recovered. Adjustments are proposed to the following categories:

a) **Arcades and Pool Halls**

The phased increase of licence fees for arcades and pool halls was approved by Council and initiated last year. This process will see fees increase to the \$3,000 maximum for a first year licence over the next three years. The renewal fee for arcades and pool halls will continue to increase by the same percentage as the first year rate. The proposed increase will help offset the costs associated with the increasing involvement the City has with these businesses.

	1993 Licence Fees		Proposed 1994 Licence Fees	
	<u>New</u>	<u>Renewal</u>	<u>New</u>	<u>Renewal</u>
Arcade	\$1,739	\$1,362	\$2,160	\$1,690
Pool Hall	\$1,739	\$1,362	\$2,160	\$1,690

The proposed fee increases for the arcade and pool hall classifications are included in Schedule A.

b) **Take-out Restaurants**

The Business Licence Bylaw currently requires take-out restaurants to hold the same licence as those eateries utilizing up to 40 seats. Given the nature of the take-out business, particularly in the food fair areas of shopping malls, a change in the licence and fee for these operations is proposed. A separate sub classification of restaurant would be created specifically for take-out operations. The licence fees for this new classification would be reduced to more accurately reflect City services required to ensure our operating standards are maintained.

Fees for 1993 <i>Restaurant</i> classification:	<u>New Licence</u>	<u>Renewal Licence</u>
40 seats or take-out	\$751	\$415
41 seats to 150 seats	\$751	\$415
151 seats and over	\$788	\$452

Proposed for 1994 *Restaurant* classification:

Take-out	\$558	\$261
1 to 150 seats	\$751	\$415
151 seats and over	\$788	\$452

These proposed changes are contained in Schedule "A" attached.

3. IMPACT ON LICENCE REVENUE

While the adjustment in fees for take-out restaurants results in a decrease in revenue (approximately \$15,000), the growth with new businesses will offset this and ensure revenues are maintained for 1994.


 Rick Earle
 Director Finance

CMC:vm
Attach.

cc: Director Administrative & Community Services
City Solicitor

SCHEDULE A

BUSINESS LICENCE BYLAW NO. 3089

PROPOSED 1994 BUSINESS LICENCE FEE CHANGES

<u>Business Classification</u>	<u>1993 Fees</u>		<u>Proposed 1994 Fees</u>	
	<u>New</u>	<u>Renewal</u>	<u>New</u>	<u>Renewal</u>
Arcade	\$1,739.00	\$1,362.00	\$2,160.00	\$1,690.00
Pool Hall	\$1,739.00	\$1,362.00	\$2,160.00	\$1,690.00
Restaurant - Take-out	\$757.00	\$415.00	\$558.00	\$261.00