TO:

CITY MANAGER

1993 OCTOBER 27

File:

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FROM:

DIRECTOR FINANCE

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 <u>attached</u> 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.

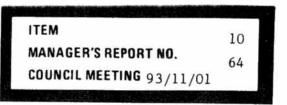
#### REPORT

#### 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 Tic	1993 Licence Fees		Proposed 1994 Licence Fees	
	New	Renewal	New	Renewal	
Arcade Pool Hall	\$1,739 \$1,739	\$1,362 \$1,362	\$2,160 \$2,160	\$1,690 \$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.

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Fees for 1993 Restaurant classification:	New Licence	Renewal Licence	
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	n:		
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. <u>IMPACT ON LICENCE REVENUE</u>

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

<sup>ES</sup>DIRECTOR FINANCE

CMC:vm Attach.

cc: Director Administrative & Community Services City Solicitor

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# SCHEDULE A

# BUSINESS LICENCE BYLAW NO. 3089

### PROPOSED 1994 BUSINESS LICENCE FEE CHANGES

Business Classification	1993 Fees New Renewal		Proposed 1994 Fees New Renewal	
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