

| | |
|----------------------|----------|
| Item | 15 |
| Manager's Report No. | 07 |
| Council Meeting | 98/03/02 |

TO: CITY MANAGER

1998 FEBRUARY 24

FILE: L34

FROM: DIRECTOR FINANCE

SUBJECT: BUSINESS LICENCE FEES FOR RELOCATING BUSINESSES

PURPOSE: To provide information about Burnaby's Business Licence relocation fees.

RECOMMENDATIONS:

1. That a copy of this report be sent to:
 - a.) Energy Technology Products Ltd.
104-3060 Norland Avenue, Burnaby, B.C., V5B 3A6
 - b.) Pagliaro Construction Ltd.
3940 Charles Street, Burnaby, B.C., V5C 3K8
 - c.) James International Sales (Canada) Ltd.
#204-8988 Fraserton Court, Burnaby, B.C., V5J 5H8

REPORT

Council recently received correspondence from Energy Technology Products Ltd. and Pagliaro Construction Ltd. expressing concern about Burnaby's business licence fee structure. Mayor Drummond has also received a letter from James International Sales (Canada) Ltd., expressing similar concerns. In an effort to address these concerns, this report provides Council with information on business licencing by location, Burnaby's business licence fees and procedures for the licencing of businesses changing location.

Burnaby grants a business licence when the applicant and the associated business premises complies with City bylaws regulating building, zoning, health and sanitation.

To ensure that businesses satisfy City regulations, licence applications are checked for compliance with the Zoning Bylaw, and referred to various City departments and the Simon Fraser Health Region for review. These departments determine compliance with civic regulations. Once these referrals have been approved, the Licence Office issues the appropriate licence.



Burnaby licences businesses by location and not by business entity. For example, a business with several locations will have a business licence for each location which it occupies. When a business moves to a new location, a new business licence is required and a first year fee is charged.

In 1978, Council adopted a cost recovery approach to business licence fees. Fees were established to recover our inspectional, administrative and regulatory costs. A basic fee was established to represent the average licencing costs for a typical business operating in Burnaby. Businesses that have a higher need for municipal resources such as autobody shops, manufacturers, arcades, pool halls, and restaurants have higher business licence fees, while those that have a lower need for municipal resources, such as home based businesses, have been assigned lower business licence fees.

Burnaby's cost to licence a new business location are greater than renewal licencing costs. This is due to inspectional and administrative costs that are non-recurring in the second and following years. To ensure cost recovery, higher first year fees are charged for businesses starting up or relocating, and lower renewal fees are charged for businesses continuing operation in the same location. Any renewal licence fee which has already been paid in that calendar year is credited toward the cost of the new licence.

The attached table shows the considerable variation in methods other jurisdictions use to handle relocations. For example, the City and Township of Langley and the District of North Vancouver charge the full business licence fee for relocations. This is true even if the business has already paid a licence fee for the current calendar year.

Burnaby is the only Lower Mainland municipality that has a business licence fee structure that differentiates between the first year and renewal fees.

Staff have discussed the licence process and fee structure with the businesses that have raised these concerns. The Licence Office will insert an information bulletin as part of our 1999 business licence renewal process to make all Burnaby businesses aware of bylaw requirements with respect to relocations.


for Rick Earle
DIRECTOR FINANCE

SB/sa
Attach.

**LOWER MAINLAND MUNICIPALITIES
BUSINESS LICENCE RELOCATION PRACTICES**

| MUNICIPALITY | NO CHARGE | Extra fee if size, # of employees or category of licence is higher | TRANSFER FEE | FULL FEE |
|--------------------|-----------|--|--------------------------------------|----------|
| Coquitlam | X | | | |
| Delta | X | X | | |
| Langley City | | | | X |
| Langley Township | | | | X |
| Maple Ridge | X | X | | |
| New Westminster | | | \$50 | |
| N. Vancouver City | | | \$45 | |
| N. Vancouver Dist. | | | | X |
| Pitt Meadows | X | | | |
| Port Coquitlam | | X | \$50 | |
| Port Moody | X | X | | |
| Richmond | | | \$35 | |
| Surrey | X | X | | |
| Vancouver | X | | | |
| West Vancouver | | | \$25 in their bylaw, not enforced | |
| White Rock | X | | | |