



Committee of the Whole Report For the Meeting of September 27, 2018

To: Committee of the Whole **Date:** September 19, 2018
From: Chris Coates, City Clerk
Susanne Thompson, Director of Finance
Subject: Vancouver Island Intercommunity Business Licensing Proposal

RECOMMENDATION

That Council direct staff to bring forward a bylaw establishing the City's participation in a Vancouver Island Inter-Community Business Licensing (ICBL) program.

EXECUTIVE SUMMARY

An inter-municipal business licence or ICBL makes obtaining a licence easier and less costly for businesses which provide services in more than one municipality.

The City of Victoria (City) has participated in the Greater Victoria Inter-Municipal Business Licensing program with all 13 municipalities in the Capital Regional District (CRD) since January 1, 2000. In February 2018, a representative of the Greater Victoria business licensing group and of the Central Island business licensing group met to discuss progress in building business partnerships on Vancouver Island. This meeting resulted in a recommendation to develop a Vancouver Island Inter-Community Business Licensing program.

As broader program administration could accommodate a business licence uptake without staff implications, staff recommend that Council approve participation in the Vancouver Island Inter-Community Business Licensing program, with business licences available for \$170, to continue promoting businesses by removing administrative barriers for mobile businesses providing services in other Vancouver Island municipalities.

PURPOSE

The purpose of this report is to provide information to Council on a new Vancouver Island Initiative for an Inter-Community Business Licensing regime for Vancouver Island municipalities and to recommend that Council approve the City's participation in the Program.

BACKGROUND

The City has participated in the Greater Victoria Inter-Municipal Business Licensing program since its inception in 2000. In this program that all Capital region municipalities participate in, a local business owner can purchase a business licence for \$100 to operate in any municipality in the Capital region. A business owner qualifies for an Inter-Municipal Business Licence by living in or

having a business located in a municipality within the Capital region. Out of town businesses may only obtain a business licence to operate in Victoria. In 2017, the City issued 1259 inter-municipal business licences to local businesses and 225 licences to out of town businesses. It is unknown how many businesses based in Greater Victoria purchase licences in other Vancouver Island municipalities that would participate in the proposed ICBL program.

On February 8th, 2018, representatives from the Greater Victoria Inter-Municipal Business Licensing program, the Central Island ICBL program, and the Cowichan Valley Regional District met to discuss expanding business partnerships throughout Vancouver Island. Other Vancouver Island municipalities in the north (Alert Bay, Port Alice, Port Hardy, Port McNeil) and west (Tofino and Ucluelet) were invited to this meeting, as these municipalities are considering ICBL partnerships. Following discussions, they recommended developing an ICBL program for Vancouver Island municipalities.

As of July 2018, Esquimalt and Ladysmith Councils have directed to proceed with developing ICBL framework and Sooke Council has agreed in principle. Provincial staff will continue to update an ICBL adoption tracker with intent of other Vancouver Island municipalities to participate in an ICBL program.

ISSUES AND ANALYSIS

Purpose and Goals of Inter Community Business Licensing Program

Created in partnership with local governments, the Union of British Columbia Municipalities and the Province, ICBL agreements simplify the business licensing process by enabling a business to purchase a single business licence to operate in all participating municipalities.

The Province conducted a business licensing analysis concluding that ICBL partnerships support a significant number of mobile businesses (e.g. contractors, caterers, and other service providers) throughout Vancouver Island by reducing administrative burden, fostering intercommunity partnerships, increasing compliance and displaying business friendliness without substantial impact to municipal revenues.

The Greater Victoria Inter-Municipal Business Licensing program has met these goals since 2001 and the Central Island ICBL program has done likewise since 2014.

ICBL Impact on Vancouver Island Businesses

In 2017, the Province received business licensing data from most participating Central Island and Greater Victoria ICBL communities. The data shows that approximately 10% of non-resident businesses purchased licences in both ICBL programs. Assuming that most mobile business are in the construction sector which has 32,000 businesses on Vancouver Island according to Statistics Canada, and that 10% of these businesses are working in both the Central Island and Greater Victoria ICBL communities, then 3,200 businesses could benefit from broader ICBL partnerships.

It is unknown how many Victoria businesses would directly benefit from an ICBL program. The City does not collect data regarding the number of local businesses that purchase business licences outside of the Greater Victoria Inter-Municipal Business Licensing area. The proposed ICBL program would enable to City to collect this data.

An ICBL program would also establish a business licensing framework that would allow out of town businesses, whose business owners do not live or reside in participating municipalities, to purchase a single business licence to operate in participating municipalities rather than purchasing a business licence in each municipality. As a result, Esquimalt Nation and Songhees Nation businesses, which are currently unable to get a Greater Victoria Inter-Municipal Business Licence, would be able to benefit from the ICBL program.

ICBL Fee, Revenue, and Administrative Costs

The Province indicated that a business licence fee increase of 12% supports revenue neutrality, based on an analysis of 2017 Metro West Vancouver business licensing data. The Central Island ICBL fee is \$150 and when multiplied by 1.12 equals \$168, which could be rounded up to a \$170. This proposed ICBL fee would maintain existing licensing revenues, offset any anticipated administrative costs in Victoria, and also promote consistency across participating communities. At an October 30, 2017 Central Island ICBL progress meeting, representatives agreed this prorated licensing fee will maintain licensing revenues.

Local mobile businesses who currently hold Greater Victoria Inter-Municipal Business Licences are likely to accept the fee increase for the ICBL license in return for the ability to operate in participating Vancouver Island communities.

Some revenue may be lost from out of town businesses that could purchase their licences in another participating municipality and still operate here; however, there is also potential for additional revenue from out of town applicants that may prefer to obtain licences in Victoria.

Although the proposed ICBL licence presents minimal risks for the City, a greater volume of licences would require more data entry. These licences would require staff to enter licence data into a master list that the Province maintains and all participating ICBL communities can access. While this requirement is unlikely to significantly increase staff workload, higher licence fees would offset any potential administrative costs.

OPTIONS AND IMPACTS

Option 1 - Participate in an Inter-Community Business Licensing program (Recommended)

The development of this program requires a new bylaw to list participating municipalities and disclose the business licence fee to \$170. Businesses would be able to then purchase either an Inter-Municipal Business Licence for \$100 or an ICBL for \$170.

Option 2 – Do not participate in an Inter-Community Business Licensing program

Local businesses would continue to purchase licences for \$100 to operate in Greater Victoria and would be required to pay the cost of any additional business licence elsewhere.

2015 – 2018 Strategic Plan

The recommendation aligns well with the City's strategic goals in Economic Development for reducing red tape and barriers for businesses while supporting innovation, creativity and collaboration and making it easier to do business in the City of Victoria.

Impacts to Financial Plan

The suggested licence fee of \$170, and anticipated administrative support required to manage the proposed ICBL licence, would be revenue neutral and would not impact the Financial Plan.

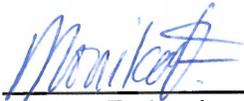
Accessibility Impact Statement

A new licensing program of this nature has no specific accessibility implications.

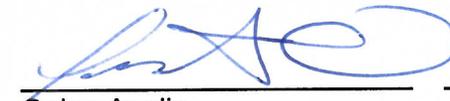
CONCLUSION

The City's participating in a Vancouver Island Inter-Community Business Licensing Program would promote business partnerships by streamlining business licensing requirements within participating communities.

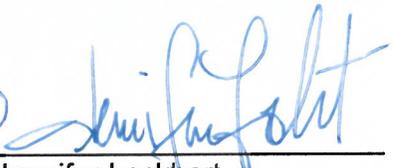
Respectfully submitted,



Monika Fedyczkowska
Legislative and Policy Analyst



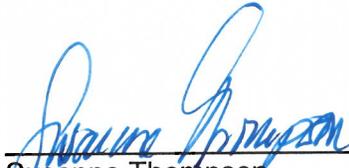
Quinn Anglin
Business Ambassador



Jennifer Lockhart
Manager of Revenue



Chris Coates
City Clerk



Susanne Thompson
Director of Finance

Report accepted and recommended by the City Manager:



Date:

Sept. 20, 2018