

**CITY OF HAMILTON**

**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Parking and By-law Services Division**

<b>TO:</b> Chair and Members Planning Committee	<b>WARD(S) AFFECTED:</b> CITY WIDE
<b>COMMITTEE DATE:</b> January 31, 2012	
<b>SUBJECT/REPORT NO:</b> Business Licensing Fee Review (PD01104(b)) (City Wide)	
<b>SUBMITTED BY:</b> Tim McCabe General Manager Planning and Economic Development Department	<b>PREPARED BY:</b> Vincent Ormond 905-546-2424 Ext 1358 Marty Hazell 905-546-2424 Ext 4588
<b>SIGNATURE:</b>	

**RECOMMENDATION**

That the Licence Fees contained in Appendix “A” to Report PD01104(b), be approved and added to the City’s User Fee and Charges By-law.

**EXECUTIVE SUMMARY**

In 2001, City Council endorsed a cost recovery approach to establishing business licence fees for the amalgamated City. This Report recommends fee increases to reflect full cost recovery under current conditions.

**FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)**

**Financial:** The proposed licence fees, if approved, will increase revenues by approximately \$545,000.00 annually, and this increase is included in the Department’s 2012 budget estimates.

**Staffing:** N/A

**Legal:** In accordance with the provisions of the Municipal Act, 2001 a Municipality may establish licence fees to reflect cost recovery (or less) but cannot base the fees solely on revenue generation or in an effort to discourage certain types of businesses.

### **HISTORICAL BACKGROUND** (Chronology of events)

In approving Report PD01104(a) on August 22, 2001, City Council endorsed a cost recovery approach to licence fees for the amalgamated City, and established fees which represented full cost recovery at that time. A fee review has not been undertaken since 2001, and now that the operational and enforcement deficiencies in Municipal Law Enforcement (MLE), as identified in the 2007 Operational Review, have been corrected, a true assessment of the costing can be conducted.

Since 2001 Business Licensing Fees have increased annually in accordance with corporate user fee increases, and the 2012 fees identified in Appendix "A" to this report include the 2.2% increase approved by City Council on November 16, 2011.

### **POLICY IMPLICATIONS**

This Report maintains the long standing practice of establishing Business Licensing Fees which reflect cost recovery as endorsed by Council in 2001.

### **RELEVANT CONSULTATION**

Legal Services, Finance, Fleet Services and the Hamilton Police Service were consulted in the preparation of this Report.

### **ANALYSIS / RATIONALE FOR RECOMMENDATION**

(include Performance Measurement/Benchmarking Data, if applicable)

The 2007 Operational Review of the (former) Standards and Licensing Section, approved by City Council on February 28, 2007, included several recommendations to correct deficiencies in business licensing responsibilities including the need for:

- (a) increased and consistent enforcement,
- (b) proactive inspections and monitoring,
- (c) public awareness; and,
- (d) improved records management.

Licensing enforcement is now appropriately prioritized in the City's overall by-law enforcement program, with proactive inspections, public awareness and education being fundamental components. As a result, there has been a significant increase in revenue generating capacity and advancement of the Corporate goals respecting Community quality of life and public health and safety.

A licence fee review has not been undertaken since 2001, and now that the operational and enforcement deficiencies in the Municipal Law Enforcement Section, as identified in the 2007 Operational Review, have been corrected, a true assessment of the costing can be conducted.

A comprehensive examination of the current costs associated with administering and enforcing the various types of business licences reveals that the fees do not reflect full cost recovery under current conditions, and that fee increases are required as identified in Appendix "A" to this Report. Staff attempted to compare Hamilton's licence fees to those of other Ontario municipalities however, as not all municipalities use the cost recovery approach and have differing priorities, practices and organizations, a useful comparison could not be undertaken.

For the purpose of the current cost review, staff included all direct costs associated with administering and enforcing the business licensing program, but did not include supplementary costs such as the Licensing Tribunals, Licensing By-law updates, technology updates, management and financial support staff, etc..

Some significant fee increases are being recommended in this report because:

- (i) a review has not been undertaken for 10 years,
- (ii) significantly more resources have been assigned to licensing since 2007,
- (iii) much more attention is now being assigned to monitoring businesses where the public risk is higher (i.e. Adult Services, Accommodation Services, Mobile Businesses, Service Industry Businesses, Used Goods Businesses and Trades),
- (iv) in recent years Council dealt with specific issues resulting in increased levels of licensing enforcement and/or administration such as:
  - Residential Care Facilities: In 2008/2009, following extensive stakeholder consultation, Council amended Schedule 20 (Residential Care Facilities) of the Licensing By-law 07-170 to address, in part, stakeholder concerns that a more thorough and consistent approach to enforcement was needed;
  - Taxicab inspections: In 2006 a licensed mechanic was assigned to do taxicab inspections at Council's direction; and,

- Lodging Homes: More resources are being dedicated to lodging home issues as Council, in 2008, endorsed a Comprehensive Rooming House Strategy Pilot Project to improve the condition of existing lodging homes through inspections, enforcement, education and improved relationships with lodging home operators.

**ALTERNATIVES FOR CONSIDERATION**

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

Council may direct staff on any of the user fees.

In 2010, The Retirement Homes Act, 2010 (RHA) was enacted by the Province. The corresponding regulations, expected to be in place by 2013, will significantly change the level of oversight required by the City. Therefore, Council could consider not increasing the licence fees for Residential Care Facilities at this time, but this would require reducing the 2012 revenue estimates in the 2012 budget by \$24,000.

**CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)**

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

***Healthy Community***

- an efficient and effective by-law enforcement program is critical to Community quality of life and public safety.

**APPENDICES / SCHEDULES**

Appendix “A” to Report PD01104(b) – Proposed Licence Fees

VO/dt

<b>Licensing Fee Review (PD01104(e)) (City Wide) Appendix 'A'</b>			
Comparison of Current and Proposed Licensing Fees			
<b>Service or Activity Provided or Use of City Property</b>	<b>2012 Approved Fee</b>	<b>2012 Proposed Fee (Cost Recovery)</b>	<b>% Change in</b>
<b><u>Adult Services</u></b>			
Adult Entertainment Parlour	\$ 4,497.00	\$ 5,235.00	16.4%
Adult Entertainment Parlor Attendant	\$ 225.00	\$ 435.00	93.3%
Adult Entertainment Parlour Operator/Manager	\$ 1,503.00	\$ 1,535.00	2.1%
Adult Film Theatre	\$ 2,964.00	\$ 3,235.00	9.1%
Adult Video Store Class A	\$ 2,244.00	\$ 3,235.00	44.2%
Adult Video Store Class B	\$ 169.00	\$ 335.00	98.2%
Body Rub Parlour Owner	\$ 7,482.00	\$ 8,235.00	10.1%
Body Rub Parlour Attendant	\$ 307.00	\$ 435.00	41.7%
Body Rub Parlour Operator/Manager	\$ 307.00	\$ 1,235.00	302.3%
Cigarette/Tobacco Sales	\$ 154.00	\$ 377.00	144.8%
<b><u>Accomodations</u></b>			
Bed and Breakfast	\$ 154.00	\$ 277.00	79.9%
Lodging House	\$ 154.00	\$ 424.00	175.3%
Mobile Home Park	\$ 2,750.00	\$ 2,774.00	0.9%
per site	\$ 282.00	\$ 286.00	1.4%
Recreational Camping Establishment	\$ 154.00	\$ 424.00	175.3%
Residential Care Facility (4-10 Residents)	\$ 159.00	\$ 585.00	267.9%
Residential Care Facility (11 or more Residents)	\$ 317.00	\$ 835.00	163.4%
<b><u>Mobile</u></b>			
Mobile Sign leasing or renting	\$ 225.00	\$ 266.00	18.2%
Hawker/Peddler (motorized vehicle)	\$ 154.00	\$ 424.00	175.3%
Seasonal Food Vendor	\$ 210.00	\$ 424.00	101.9%
Sign Posters and Bill Distributor	\$ 210.00	\$ 366.00	74.3%
Limousines (owner)	\$ 476.00	\$ 624.00	31.1%
Limousines (driver)	\$ 113.00	\$ 224.00	98.2%
Taxi cab owner (private) (Renewal)	\$ 472.00	\$ 624.00	32.2%
Taxi cab owner (private) (New)	\$ 3,853.00	\$ 4,200.00	9.0%
Taxi cab owner (transfer)	\$ 695.00	\$ 724.00	4.2%
Taxi cab Broker	\$ 609.00	\$ 1,224.00	101.0%
Taxi cab Driver	\$ 113.00	\$ 224.00	98.2%
Building Exterior Cleaner	\$ 210.00	\$ 277.00	31.9%
<b><u>Refreshment Vehicles</u></b>			
Class A	\$ 210.00	\$ 424.00	101.9%
Class B	\$ 210.00	\$ 424.00	101.9%
Class C	\$ 210.00	\$ 374.00	78.1%
Transient Trader (3 month period)	\$ 563.00	\$ 635.00	12.8%
<b><u>Services</u></b>			
<b><u>Eating Establishments</u></b>			
Bars and Nightclubs	\$ 154.00	\$ 336.00	118.2%
Food Premises	\$ 154.00	\$ 161.00	4.5%
Restaurant with Liquor Service	\$ 154.00	\$ 236.00	53.2%
<b><u>Public Garage</u></b>			
(A) Buying, Selling, Storing	\$ 154.00	\$ 277.00	79.9%
(B1) Combined Engine & Body Work	\$ 154.00	\$ 277.00	79.9%
(B2) Engine Work	\$ 154.00	\$ 277.00	79.9%
(B3) Body Work	\$ 154.00	\$ 277.00	79.9%
(C) Service Station	\$ 154.00	\$ 277.00	79.9%
(D) Parking Lot	\$ 154.00	\$ 277.00	79.9%
(E) Car Wash Only	\$ 154.00	\$ 277.00	79.9%
Public Halls	\$ 154.00	\$ 435.00	182.5%

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<b><u>Places of Amusement</u></b>				
Amusement Arcade	\$ 154.00	\$ 277.00	79.9%	
Amusement Rides	\$ 154.00	\$ 277.00	79.9%	
Billiard / Bagatelle Tables	\$ 154.00	\$ 277.00	79.9%	
Bingo Parlour	\$ 154.00	\$ 277.00	79.9%	
Bowling Alley	\$ 154.00	\$ 277.00	79.9%	
Carnival	\$ 154.00	\$ 277.00	79.9%	
Circus	\$ 154.00	\$ 277.00	79.9%	
Motor Vehicle Race Track	\$ 154.00	\$ 277.00	79.9%	
Other	\$ 154.00	\$ 277.00	79.9%	
Proprietary Club	\$ 154.00	\$ 277.00	79.9%	
Roller Skating Rink	\$ 154.00	\$ 277.00	79.9%	
Skateboarding, BMX bikes	\$ 154.00	\$ 277.00	79.9%	
Kennels, Pet Shops	\$ 154.00	\$ 266.00	72.7%	
Personal Aesthetic Services Facility	\$ 154.00	\$ 166.00	7.8%	
Personal Wellness Services Establishment	\$ 154.00	\$ 166.00	7.8%	
<b><u>Used Goods Services</u></b>				
Antique Market/Flea Market	\$ 154.00	\$ 277.00	79.9%	
Auctioneer	\$ 210.00	\$ 277.00	31.9%	
Pawn Broker	\$ 154.00	\$ 435.00	182.5%	
Precious Metals & Jewellery Dealers	\$ 154.00	\$ 435.00	182.5%	
Salvage Yard	\$ 154.00	\$ 435.00	182.5%	
Second-hand Shop	\$ 154.00	\$ 635.00	312.3%	
<b><u>Trade Licence Contractor</u></b>				
Building Repair	\$ 190.00	\$ 277.00	45.8%	
Plumber	\$ 190.00	\$ 277.00	45.8%	
Heating, Ventilation & Air Conditioning	\$ 190.00	\$ 277.00	45.8%	
Drainage	\$ 190.00	\$ 277.00	45.8%	
Sprinkler and Fire Protection Installer	\$ 190.00	\$ 277.00	45.8%	
<b><u>Trade Licence Masters</u></b>				
Building Repair	\$ 94.00	\$ 177.00	88.3%	
Plumber	\$ 94.00	\$ 177.00	88.3%	
Heating, Ventilation & Air Conditioning	\$ 94.00	\$ 177.00	88.3%	
Drainage	\$ 94.00	\$ 177.00	88.3%	
Sprinkler and Fire Protection Installer	\$ 94.00	\$ 177.00	88.3%	
<b><u>Other Fees</u></b>				
Taxi cab Priority list (prior to Sept 30th)	\$ 72.00	\$ 95.00	31.9%	
Exam/Processing Fee	\$ 46.00	\$ 50.00	8.7%	
Wheel chair accessible Taxi cab	\$ 7.00	\$ 10.00	42.9%	
Administration fee - new licence applications	\$ 59.00	\$ 60.00	1.7%	
Licence re-instatement fee (late fee)	\$ 59.00	\$ 60.00	1.7%	
Photo ID Card	\$ 13.00	\$ 15.00	15.4%	
Licence certificate replacement	\$ 13.00	\$ 15.00	15.4%	
Licence plate replacement	\$ 62.00	\$ 65.00	4.8%	
Appeal to Licencing committee	\$ 118.00	\$ 150.00	27.1%	
Annual spare taxicab inspection fee	\$ 149.00	\$ 150.00	0.7%	
Daily fee for spare taxicabs	\$ 21.00	\$ 25.00	19.0%	
Taxi cab (limited interest agreement)	\$ 69.00	\$ 70.00	1.4%	
<b>* Note: HST is not included in the 2011 Approved and 2012 Proposed Fees. If HST = "y",</b>				