

# Business Licensing

Led by: Calgary Community Standards

## Description:

Business Licensing oversees 40 types of businesses that do not fall under any other regulations, ensuring citizen's expectations for safe and ethical businesses are met. Business Licence peace officers play a key role in the service by investigating business operations to ensure compliance of bylaws and provincial statutes.

## Customers:

- Citizens seeking a business license
- Citizens calling to report incident(s)/concern(s) with a business
- Citizens seeking a permit for street use activities and special functions (tents and trade shows)

## What is delivered to customers:

Business licenses processed within a set amount of time.  
 Prompt response/resolution to citizens' concerns/complaints by peace officers.  
 Online access to business licensing resources and application.

## Partners:

Other lines of service: Building Approvals, Development Approvals, Fire & Emergency Response and Police Service.  
 Other orders of government: Alberta Health Services, Alberta Gaming Liquor and Cannabis Commission, Service Alberta and Alberta Motor Vehicle Industry Council

## Service need (value proposition):

Our service fulfills the need for citizens to be assured that businesses operating in Calgary have met certain standards of public safety, consumer protection and legislative compliance. Business owners seek clear rules and timely processes.

## Current state service value

<p><b>92%</b> Citizens satisfied with service</p> <p><b>86%</b> New business licences issued within 90 days</p>	<p><b>38,000</b> Business licences issued/renewed in 2017</p> <p><b>2,800</b> Citizen complaints resolved in 2017</p>	<p>2018 Budgeted Gross Operating Expenditures Funding Breakdown (\$ Millions)*</p> <p><b>\$200</b> Average operating cost of issuing a business licence</p> <p>* Gross operating budget and the service cost ratio may include internal recoveries that are also included in other services gross operating budget.</p>
<p><b>Connections to Citizen Priorities</b></p>		<p><b>What the service includes</b> This service has no sub-services</p> <p><b>Key Capital Investments</b> OneCity Records Management system will enhance the safety of business licensing officers by offering enhanced communication systems and collection of business intelligence on emerging community trends (e.g. short-term rentals), aligning with provincial recommendations.</p>



# What we've heard and service outlook

## What we heard: Research & Engagement Results

Business Licensing continues to meet citizen expectations.

The 2018 Spring Pulse Survey indicated:

- 92 per cent of Calgarians are satisfied with business licensing and inspection services.
- 91 per cent of Calgarians think The City should invest more, or the same amount on the business licensing and inspection services.
- 85 per cent of Calgarians feel business licensing and inspection services are important to them.

## What Council has directed

P1: Legislative changes in cannabis and the Cannabis Consumption Bylaw have resulted in increased accountability to support businesses and protect citizens. A Notice of Motion on short-term rentals policy and bylaws will change the current activity and compliance for short term rentals.

P3: Adoption of the MyBusiness portal has streamlined license applications, review and approvals.

W1: Delivery of services based on citizen engagement through Citizen Satisfaction Survey.

## What are we watching?

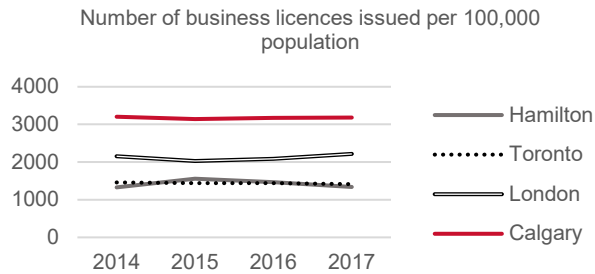
Demographic Change: Calgary's aging population is growing. Scams and frauds are targeted at senior citizens who are vulnerable; future solutions will require public awareness and education to address these concerns.

Economic Change: Economic recession often corresponds to increased home-based businesses and businesses operating unlawfully. This trend will directly impact Business Licensing's capacity and resources to provide licensing and enforcement.

Technology Change: The way citizens access information and seek services has evolved. Business owners and citizens need fast, accessible services which empower them to operate lawfully.

Legislative Change: Legislative changes to cannabis will result in increased activity to ensure compliance is created.

## Benchmarking



Business development contributes to the resilience of communities and the wellbeing of citizens through job creation and economic diversity. The legalization of cannabis and growth of sharing economies represent new industries, providing new options for citizens to explore business development. Business Licensing will continue to improve business licensing practices by removing red tape and barriers to better support existing businesses and attract growth industries.

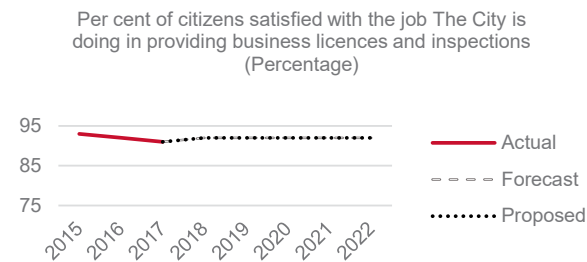
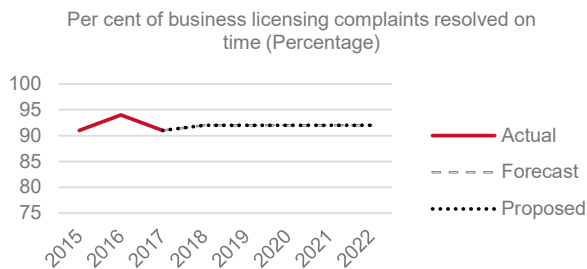
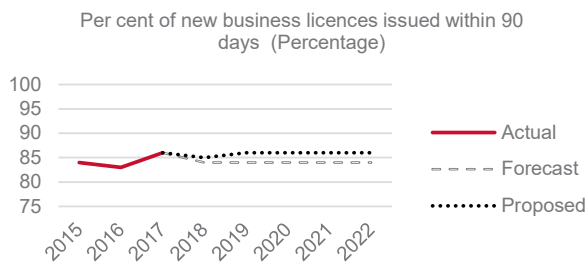
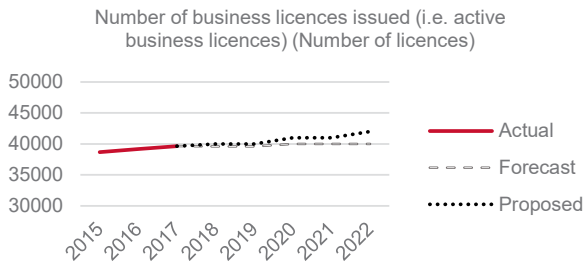
Source: Municipal Benchmarking Network Canada

## What matters to Calgarians

VALUE DIMENSION	DESCRIPTION
Responsiveness	Business licence is issued within a reasonable timeframe.
Quality	Business owners are satisfied with the licensing service. This includes clear and easily accessible information, and consistent decisions on applications.
Fairness	Enforcement is transparent, fair, consistent and delivered by competent Business Licence Peace Officers. Peace officers provide quality customer service, demonstrating professionalism, courtesy, responsiveness and knowledge.
Legislative Compliance	Investigations and inspections ensure businesses comply with legislation and the licensing bylaws that apply to them.



## How is the Service performing? Where we are headed and where do we want to go?



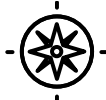
### Story behind the curve

Calgary has an energetic business environment that is responsive to change. Forecasted trends demonstrate new growth for licensing, specifically in cannabis and short term rentals. Technology has spurred the rapid development of industries and creates new needs for regulation to guarantee safety standards and quality. Industry evolution and regulation will positively contribute to the resiliency of the local and regional economy.

Ensuring business licenses are reviewed and approved is key to supporting business owners. Forecasted trends identify improvements in online tools that allow applicants to determine their level of readiness and seek appropriate resources. Licence demand is expected to increase with economic resilience and new business opportunities. Business Licensing will address increasing demand by building efficiencies into processes and creating more engagement.

Citizens seek fair and safe businesses when looking for services or products. When a complaint is reported, response by a peace officer provides education and creates compliance, ensuring safe experiences for citizens. Historic trends demonstrate a high resolution rate with minor fluctuations. Transitioning of services to online platform, increased complexity of investigations and staff resourcing have created challenges in meeting citizens' resolution expectations. Developments in cannabis and potential short-term rentals will invite new businesses, creating distinctive needs for licensing. Business Licensing will seek to meet citizens' needs and adapt to regulatory change.

Historic and ongoing satisfaction rates have remained high, with trends demonstrating improved satisfaction from delivery of online licensing and past efficiencies; ongoing improvements will continue to improve customer experience. Business licensing activity is expected to increase as cannabis legalization and short-term rentals mature. Scaling of support and resources will be required to maintain current engagement, education and compliance activities.



## What do we propose to do?

### What we propose to continue doing

STRATEGY
Improve business licensing practices through involvement of an oversight effectiveness committee to expedite business approvals.
Ensure a state of readiness for growth within shared economies such as short-term rentals.

#### Why?

Business development contributes to the resilience of communities and the wellbeing of citizens through job creation and economic diversity. The legalization of cannabis and growth of short-term rentals represent new industries, providing new options for citizens to explore business development.

### What we propose to do less of

STRATEGY
Front counter services by transitioning to online business licence application platform.

#### Why?

Citizens are seeking accessibility and quicker responses for license applications. An online licensing portal enables citizens to access business licensing from their home, promoting effective delivery of services and efficient response by staff.

### What we propose to do more of or include as a new offering

STRATEGY
Creating a Calgary-specific regulatory response to the legalization of cannabis and Council approval of a new Cannabis Consumption Bylaw.
Technology has promoted growth within Sharing economies, which requires additional education and compliance activities to address.
Review how business licensing processes can better enable business success.

#### Why?

Legalization of cannabis will mark the emergence of a new industry, where consumer (citizen) needs will facilitate economic growth via business development/interests. Education and enforcement will be key in proactively addressing citizen and business issues as both industry and regulation mature and require higher service levels.



## What Operating Budget do we need to achieve these results and strategies?

For Council Approval

SERVICE PERFORMANCE RESULTS FOR 2019-2022	CURRENT	TREND
Number of business licences issued (i.e. active business licences) (Number of licences)	39,600	↑
Per cent of new business licences issued within 90 days (Percentage)	84	↔
Per cent of business licensing complaints resolved on time (Percentage)	92	↔
Per cent of citizens satisfied with the job The City is doing in providing business licences and inspections (Percentage)	92	↔

### Breakdown of net operating budget (\$000s)

	2019	2020	2021	2022
Previous Year's Budget	-	-	-	-
Less Previous Year one Time	-	-	-	-
Base	-	-	-	-
Revenue Changes	(188)	(251)	(224)	(208)
Internal Recovery Changes	(36)	(73)	(71)	(72)
Inflation	255	294	295	280
Operating Impact of Previously Approved Capital	-	-	-	-
Operating Impact of New Capital (Incremental)	-	30	-	-
Efficiencies	(31)	-	-	-
Service Reductions	-	-	-	-
Service Increases	-	-	-	-
One Time	-	-	-	-
Realignments	-	-	-	-
Total	-	-	-	-

### Total Operating Budget (\$000s) for Approval

	2018 Budget	2019			2020			2021			2022		
	At Mar 31	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditure	11,355	11,170	-	11,170	11,469	-	11,469	11,735	-	11,735	11,994	-	11,994
Recoveries	(2,105)	(2,944)	-	(2,944)	(3,017)	-	(3,017)	(3,088)	-	(3,088)	(3,160)	-	(3,160)
Revenue	(9,250)	(8,226)	-	(8,226)	(8,452)	-	(8,452)	(8,647)	-	(8,647)	(8,834)	-	(8,834)
Net	-	-	-	-	-	-	-	-	-	-	-	-	-



# Recommended Capital Investment to Support Service Delivery

For Council Approval

## Capital Budget for Council Approval

ACTIVITY	DESCRIPTION	2019 REQUEST (\$000s)	2020 REQUEST (\$000s)	2021 REQUEST (\$000s)	2022 REQUEST (\$000s)	2023+ REQUEST (\$000s)	Total REQUEST (\$000s)
Annual Investment Program(s)		50	50	50	50	-	200
462240	Compliance Services Equipment Lifecycle	50	50	50	50	-	200
Project(s)		-	-	-	-	-	-
Program(s)		-	200	100	-	-	300
480400	OneCity Coord RMS - BLic	-	200	100	-	-	300
<b>Sub-Total (New Budget Requests)</b>		50	250	150	50	-	500
Previously Approved Budget Remaining		73	60	-	-	-	133
<b>Total Capital Investment</b>		123	310	150	50	-	633

## Explanation of Capital Budget Requests

### Annual Investment Program(s)

#### Activity 462240: Compliance Services Equipment Lifecycle

New Budget Request of \$200 thousand to lifecycle and maintain Business License equipment and address expansion need for Regulatory Services playing a vital role in the emphasis of consumer protection.

Funding from Capital Reserves

Operating Impact of Capital: None

### Program(s)

#### Activity 480400: OneCity Coord RMS - BLic

New Budget Request of \$300 thousand to create an integrated information management system, for coordinated information sharing to support effective service delivery, investigations and enforcement.

Funding from Capital Reserves

Operating Impact of Capital: This request requires \$30 thousand base funding of operating costs starting in 2020.