



City of Richmond

Report to Committee

To: Community Safety Committee **Date:** October 18, 2024
From: Mark Corrado **File:** 12-8375-02/2024-Vol
 Director, Community Bylaws & Licencing 01
Re: **Business Licence Activity Report – Third Quarter 2024**

Staff Recommendation

That the staff report titled “Business Licence Activity Report – Third Quarter 2024”, dated October 18, 2024, from the Director, Community Bylaws & Licencing, be received for information.

Mark Corrado
 Director, Community Bylaws & Licencing
 (604-204-8673)

| REPORT CONCURRENCE | | |
|-----------------------------------|-------------------------------------|---------------------------------------|
| ROUTED TO: | CONCURRENCE | CONCURRENCE OF GENERAL MANAGER |
| Economic Development | <input checked="" type="checkbox"/> | |
| Finance Department | <input checked="" type="checkbox"/> | |
| SENIOR STAFF REPORT REVIEW | INITIALS: | APPROVED BY CAO |
| | | |

Staff Report

Origin

This report provides an update of business licence activity in the third quarter of 2024.

This report supports Council’s Strategic Plan 2022-2026 Focus Area #2 Strategic and Sustainable Community Growth:

2.5 Work collaboratively and proactively to attract and retain businesses to support a diversified economic base.

This report supports Council’s Strategic Plan 2022-2026 Focus Area #4 Responsible Financial Management and Governance:

4.2 Seek improvements and efficiencies in all aspects of City business.

Analysis

Business Licence Revenue

The total revenue collected by the end of the third quarter 2024 was \$4,297,198 which represented an eight percent increase when compared to the same period in 2023. Total revenue increased due to an increase in business licence issuances as well as enforcement related revenue. Business licence revenue is one of multiple indicators of economic health in Richmond. Table 1 shows total business licence revenue from 2021 to 2024, as well as quarter specific revenue.

Table 1: Business Licence Revenue Q1 to Q3 (2021-2024)

| | 2021 | 2022 | 2023 | 2024 |
|-------------|--------------|--------------|--------------|--------------|
| Q3 Revenue | \$ 787,867 | \$ 767,009 | \$ 834,103 | \$ 798,370 |
| YTD Revenue | \$ 3,717,456 | \$ 3,684,336 | \$ 3,981,683 | \$ 4,297,198 |

Business Licence Enforcement

Staff issued a total of 237 violation notices in Q3 of 2024. These tickets include offences relating to the Sign Regulation Bylaw 9700 and violation notices for operating contrary to licence conditions or without a licence. Generally, businesses operating without a valid licence are initially given a warning and provided with steps to achieve compliance. If a follow-up inspection reveals continued non-compliance, a bylaw violation notice is issued.

The increase in fine revenue is the result of staff investigating businesses that continue to operate while non-compliant or licence holders operating contrary to their licence.

Table 2: Business Licence Enforcement Revenue Third Quarter 2022 to 2024

| | 2022 | 2023 | 2024 |
|----------------------|-------------|-------------|-------------|
| Revenue from Tickets | \$ 3,400 | \$ 35,275 | \$ 22,045 |

Application Processing

The licencing application process is a crucial step since it confirms whether the businesses have the required approvals from agencies that regulate health, safety and other municipal, provincial or federal requirements. Staff oversee this process with thoroughness and efficiency. Staff use the following measures of performance:

- **“Valid Licences”** are the number of businesses with valid licences.
- **“Expired Licences”** are the number of businesses that have not paid to renew their licence within 60 days of being sent an invoice. Staff follow up with these businesses regarding the outstanding licencing fees and confirm whether they are permanently closed.
- **“Pending/Change Applications”** are businesses that have applied for a new licence or a change request of an existing licence, but are waiting for their applications to be processed. Staff work to keep this number low by prioritizing these applications.
- **“Total Licences”** are the total number of business licences that are valid, expired (and being checked) and under application review.

Table 3 shows the total number of business licences and their status from 2023 and 2024. These statistics are measured quarterly, as opposed to annually, as the numbers fluctuate throughout the year due to a variety of factors, including shifting numbers of daily application submissions, premise alteration requisitions, change requests or businesses permanently closed. The figures listed in Table 3 do not include licences deemed inactive.

Table 3: Number and Status of Business Licences in 2023 and 2024

| | 2023 Q1 | 2023 Q2 | 2023 Q3 | 2024 Q1 | 2024 Q2 | 2024 Q3 |
|-----------------------------|---------|---------|---------|---------|---------|---------|
| Valid Licences | 13,164 | 13,212 | 13,607 | 13,982 | 14,007 | 14,518 |
| Expired Licences | 2,340 | 2,687 | 2,590 | 2,137 | 2,708 | 2,515 |
| Pending/Change Applications | 1,040 | 950 | 882 | 803 | 765 | 725 |
| Total Licences | 16,544 | 16,849 | 17,079 | 16,922 | 17,480 | 17,758 |

In the third quarter of 2024, total licences increased by four percent (679) when contrasted with the same quarter last year. In the same period, there was a seven percent (911) increase in valid licences and an eighteen percent decrease (157) in pending/change applications.

Table 4 highlights the number of new business licences issued in Q3 of each respective year. There was a six percent decrease (37) in the number of new business licences issued in the third quarter of 2024 compared to the same period last year.

Table 4: New Business Licences Issued in the Third Quarters 2022 to 2024

| | 2022 | 2023 | 2024 |
|--------------|------|------|------|
| Total Issued | 369 | 578 | 541 |

Staff continue to work diligently to address pending and change applications as they are received by the City, either in-person or via the MyBusiness portal. Steady progress has been made in

reducing these numbers and re-categorizing licences to their appropriate status. For the remaining quarter of 2024, a continued focus will be addressing the number of expired licences that require follow-up on their operating status.

Inactive licences encompass various conditions, including businesses in invoiced status that, upon verification, have ceased operations. This category also includes home occupation businesses that may have stopped operating or have moved out of Richmond. Inactive licences are not included in any of the licences categories listed in Table 3.

While fluctuations in the total number of inactive licences can be caused by a variety of factors, the change can be attributed to the increased resource that was dedicated to reconciling inactive licences. It should be noted that this licences status represents less than one percent of total licences.

Table 5: Inactive Licences in the Third Quarters for 2022 to 2024

| | 2022 | 2023 | 2024 |
|-------------------|-------------|-------------|-------------|
| Inactive Licences | 9 | 10 | 7 |

Financial Impact

None.

Conclusion

This report provides an update to the Community Safety Committee on the number of business licences issued and the revenue collected by the Business Licensing Department in the third quarter of 2024. Revenues this quarter have been strong, with total collections surpassing those of previous years. This increase is partly attributed to strengthened enforcement and a focused effort on processing applications and investigating expired licences to determine their appropriate status.



Mark Corrado
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