Council Direction:

The 2007 Operational Review of the (former) Standards and Licensing Section, approved by City Council February 28, 2007, included eight recommendations to correct deficiencies in business licensing responsibilities including the need for increased and consistent enforcement, proactive inspections, public awareness and improved records management. At the September 8, 2009 meeting of the Economic Development and Planning Committee, staff reported, through Information Report PED09245, that those deficiencies have adequately been addressed because:

- licensing enforcement is now appropriately prioritized in the City’s overall by-law enforcement program, with proactive inspections and public awareness and education being fundamental components;
- the by-law integrity is regularly being reviewed, and customer service initiatives are being implemented; and,
- documented evidence shows increased compliance through more licences issued and a positive revenue variance.

The purpose of this report is to update the Committee on various strategic licensing initiatives currently being investigated by staff which will be the subject of upcoming reports to the Committee and the Operational Review Sub-Committee.

Information:

**Licensing Fee Review** - Staff is committed to reporting on an overall review and benchmarking exercise for licensing fees in late 2010. This review is currently underway and involves a comprehensive examination of the costs associated with developing, processing and enforcing the various types of licences.
This fee review is based on the principle that license fees should reflect cost recovery and cannot be based solely on revenue generation or used to discourage certain business types. In staff’s opinion, it would be premature to report now as there are more operational deficiencies to be corrected and efficiencies to be realized before assessing the costing for the long term.

**Liquor Application Review Process** - As noted in the Hess Village Review Report (PED09127) at Committee of the Whole on May 21, 2009, there is a significant deficiency in how the City provides comments to the Alcohol and Gaming Commission of Ontario (AGCO) with respect to liquor license applications. This is the City’s opportunity to seek conditions and restrictions on licensed premises in the interest of the community.

An interim process was approved and implemented to provide some immediate improvement in commenting, and staff was directed to investigate and report on a detailed review process which would provide for:

- a coordinated City response to liquor license applications
- a more comprehensive liquor license application review process
- more timely communications with the AGCO

On a related matter, staff was directed to investigate “creating distinct classes of entertainment establishments for business licensing purposes with clear distinctions made among restaurants, bars and nightclubs that will facilitate the creation of focused licensing regulations addressing differences in operation, including increased risk of public nuisances.”

Staff has undertaken, in consultation with Legal Services, a detailed review of the commenting process and various means to affect conditions on licensed establishments and intends to report to the Economic Development and Planning Committee in early 2010 with comprehensive recommendations.

**Business License Categories** - Staff has reviewed the various licensing categories currently included in the City’s Licensing By-law 07-170 and has concluded that there are a number of businesses operating throughout the City which meet the general criteria for requiring a licence (i.e. promoting public health or safety, consumer protection and/or nuisance prevention). Once the review is complete, staff will be recommending that new license categories be established in the public interest. This review was initiated by the February 13, 2007 direction of the (former) Building and Licensing Operational Review Sub-Committee that staff “… report back to the Op. Review Sub-committee as to how many categories of licenses should be licensed and how many are not (i.e. Bed & Breakfasts, etc.); noting the potential loss of revenue.”

Also, on February 13, 2007, the Operational Review Sub-Committee directed staff to report on the issue of licensing Aromatherapy businesses operating in the City. Staff has reviewed this matter and concluded that there are a number of businesses, including aromatherapy, which involve physical contact between an attendant and a patron and which fall somewhere between the current “aesthetics” and “body rub
parlour” license categories. Staff intends to report early in 2010 with recommendations to address these types of businesses under the Licensing By-law.

In summary, while an exhaustive effort was expended over the past two years in correcting the many operational and enforcement deficiencies identified by the 2007 Operational Review of the (former) Standards and Licensing Section, there are also a number of strategic issues which were neglected over the years and are currently being addressed by staff, and which will be the subject of upcoming staff reports.

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Planning and Economic Development Department

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