



STAFF REPORT ACTION REQUIRED

Harmonization of Renewal Dates for Street Vending Permits and Related Business Licences

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| Date: | February 24, 2010 |
| To: | Licensing and Standards Committee |
| From: | Executive Director, Municipal Licensing and Standards |
| Wards: | All |
| Reference Number: | P:\2010\Cluster B\MLS\Ls10011 |

SUMMARY

The purpose of this report is to streamline the street vending permit renewal process by harmonizing vending permit renewal dates with the associated business licence renewal date, and to consolidate vending permit applications and permit renewals at one location.

These changes will enable clients who renew both a street vending permit and a business licence to renew annually at the same time and at one location. They will also reduce the administrative workload currently experienced by the district offices.

In order to give staff time to prepare for these changes (that is, provide sufficient time to notify affected vendors, and to upgrade the corresponding IT systems), staff are recommending that implementation take effect January 01, 2011 and be complete by December 31, 2011.

The Street Food Vendors Association was consulted in developing the recommendations of this report. Additionally, the City Solicitor and the Deputy City Manager and Chief Financial Officer were consulted in the preparation of this report.

RECOMMENDATIONS

The Executive Director, Municipal Licensing and Standards recommends that the Licensing and Standards Committee:

1. Adopt amendments to Chapter 315, Street Vending, of the Former City of Toronto, as follows:
 - a. For vending permits requiring a business licence, the term and renewal date be harmonized to the term and anniversary date of issuance of the related business licence;
 - b. Where necessary, adjust the remittance of permit fees on a pro-rated basis to reflect the renewal date of the related business licence held by the vendor;
 - c. For vending permits issued after January 01, 2011 that do not require a business licence, renewal dates be set to the date of issuance of the permit;
 - d. For new vending permits issued within 90 days of the business licence renewal, fees will be pro-rated to align with the business licence renewal date of the following year, otherwise adjust the remittance of permit fees on a pro-rated basis to reflect the renewal date of the related business licence in the current year;
2. Adopt amendments to By-law 32100, of the Former City of North York, respecting vending on sidewalks and un-travelled portions of roads of the City of North York, as follows:
 - a. Permits be issued for one year, and be renewed annually;
 - b. For vending permits requiring a business licence, the term and renewal date be harmonized to the term and anniversary date of issuance of the related business licence;
 - c. Where necessary, adjust the remittance of permit fees on a pro-rated basis to reflect the renewal date of the related business licence held by the vendor;
 - d. For vending permits issued after January 01, 2011 that do not require a business licence, renewal dates be set to the date of issuance of the permit;
 - e. For new vending permits issued within 90 days of the business licence renewal, fees will be pro-rated to align with the business licence renewal date of the following year, otherwise adjust the remittance of permit fees

on a pro-rated basis to reflect the renewal date of the related business licence in the current year;

3. Adopt amendments to By-law 18-97 of the Former City of East York, To Establish Removal Zones and Regulate Vending on Borough Roads, as follows:
 - a. For vending permits requiring a business licence, the term and renewal date be harmonized to the term and anniversary date of issuance of the related business licence;
 - b. Where necessary, adjust the remittance of permit fees on a pro-rated basis to reflect the renewal date of the related business licence held by the vendor;
 - c. For vending permits issued after January 01, 2011 that do not require a business licence, renewal dates be set to the date of issuance of the permit;
 - d. For new vending permits issued within 90 days of the business licence renewal, fees will be pro-rated to align with the business licence renewal date of the following year, otherwise adjust the remittance of permit fees on a pro-rated basis to reflect the renewal date of the related business licence in the current year;
4. Direct the City Solicitor to prepare the necessary bill to give effect to the recommendations in this report.

Public notice has been given in the manner prescribed in the Toronto Municipal Code Chapter 162, Notice, Public.

Financial Impact

The information technology work required to upgrade the licensing system to enable harmonized permit and licence renewal is estimated to cost \$10,000. Funding is available in the Approved 2010 Capital Budget under the Licensing System Enhancements Capital Projects, account CIT045-06-22.

There is no financial impact on the 2010 Operating Budget for MLS. The harmonization of the permit renewal dates to the term and anniversary date of the related business licence will result in the pro-ration of permit fees in 2011 and lead to a shift in the timing of revenues realized between 2011 and 2012. MLS will monitor the transition and manage service delivery accordingly.

The renewal dates for both permit fees and business licences will be fully harmonized by January 01, 2012.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

This report was initiated by Municipal Licensing and Standards (MLS) based on requests from the street vending industry.

ISSUE BACKGROUND

At a meeting with the Street Food Vendors' Association in September 2009, MLS staff were advised that the current process for street vending permit renewals and business licence renewals requires the permit/licence holder to renew each on separate occasions, and requested that staff consider harmonizing the business licence and permit renewal processes so that the permit and licence could be renewed concurrently.

COMMENTS

Street vending within the City of Toronto is currently enforced under separate by-laws within the former municipalities of North York, Toronto, East York, Etobicoke, York and Scarborough. Permit applications, permit issuance and renewals and recommendations for revocation are managed by the separate Municipal Licensing and Standards (MLS) district offices and Community Councils.

Permit renewals occur at various times, depending on the bylaw. For example, in the former City of North York, permits are renewed on February 1st, every three years from the issuance of the permit. In the former City of Toronto, permits are renewed annually on May 1st.

The majority of street vending permit holders (for example, hot dog vendors) are also expected to hold in good standing, a business licence which is issued by the Licence and Permit Issuing Office.

In an effort to create efficiencies, MLS is harmonizing the application and renewal process of permits and related licences, by centralizing the application and issuance process and by harmonizing the permit and business licence renewal dates to a single anniversary date.

The Licence and Permit Issuing Office will manage all new applications, and the issuance and renewals of permits, thereby relieving the district offices from this administrative responsibility. This will result in street vending clients receiving renewal notices for both permit and licence once a year, and requiring them to visit one office rather than two.

Effect of Calendarization Process

Currently, the former Cities of Etobicoke, York and Scarborough do not permit street vending, and therefore this calendarization process will only impact hot dog vendors in the former Cities of North York, East York and Toronto. As a result of the separate bylaws, vendors in the former City of North York currently renew their permits on February 1st, every three years, while vendors in the former City of Toronto and former City of East York renew their permits every May 1st. Street vendors who do not require a related business licence will continue to renew their permits on their respective renewal dates of February 1st, and May 1st.

In order to provide staff with sufficient time to prepare for this change, to notify affected vendors, and upgrade IT systems, the calendarization process to harmonize the permit and business licence renewal dates will be implemented January 01, 2011.

Table 1: Example of Calendarization Process on Permit Holders in 2011

| Annual Permit Fee * (2011) | Current Vending Permit Renewal Date | Sample Business Licence Renewal Dates | Permit Fee Amount Paid on Permit Renewal Date (i.e., February 1 or May 1) | Permit Fee Amount Paid on Business Licence Renewal Date | Total Permit Fees to be Remitted in 2011 |
|----------------------------|-------------------------------------|---------------------------------------|---|---|--|
| \$ 2,294.57 | <i>NY vendors</i> | | | | |
| | Feb 1st | no licence | \$ 2,294.57 | - | \$ 2,294.57 Feb 1 st , 2011 to Jan 31 st , 2012 |
| | Feb 1st | Mar 15 th | \$ 2,564.89 | - | \$ 2,564.89 Feb 1 st , 2011 to Mar 14 th , 2012 |
| | Feb 1st | Sep 18 th | \$ 1,445.89 (to cover period up to Sep. 17 th) | \$ 2,294.57 | \$ 3,740.46 Feb 1 st , 2011 to Sep 17 th , 2012 |
| \$ 2,270.68 | <i>T-EY vendors</i> | | | | |
| | May 1st | no licence | \$ 2,270.68 | - | \$ 2,270.68 May 1 st , 2011 to Apr 30 th , 2012 |
| | May 1st | Mar 7 th | \$ 1,934.74 | - | \$ 1,934.74 May 1 st , 2011 to Mar 6 th , 2012 |
| | May 1st | Sep 15 th | \$ 858.50 (to cover period to Sep. 14 th) | \$ 2,270.68 | \$ 3,129.18 May 1 st , 2011 to Sep 14 th , 2012 |

* Permit fees subject to CPI assessment.

As Table 1 illustrates, those permit holders that do not require a business licence (for example, portrait artists, chalk artists, buskers, et cetera), will continue to renew their permit fees on the old renewal dates of February 1st, or May 1st. Consequently, their fees

will not be affected by harmonization. New permits will be renewed on the anniversary date of permit issuance.

The calendarization process will be implemented and completed during the 2011 calendar year. In 2011, street vendors holding business licences will be required to renew their permit and licence on two separate occasions as part of a two-step harmonization process. Depending on the anniversary date of issuance of the business licence, vendors may be required to remit a pro-rated permit fee on the original permit renewal date as outlined in their respective bylaws to gap the days between the permit renewal date and their business licence renewal date.

For business licence renewal dates that fall beyond the February 1st or May 1st permit renewal dates, vendors will be required to submit permit fees for the 2011-2012 permit year along with their business licence renewal fees. For licensees whose business licences are renewed 90 days from the permit renewal dates of either February 1st or May 1st, permit fees will be pro-rated to the business licence renewal date of the following year.

For example, a vendor who renews the vending permit on February 1st and the business licence on March 15th, would be affected as follows: Since the business licence renewal date is within 90 days of the permit renewal date, on February 1st, the vendor will pay pro-rated permit fees for the 2011-2012 year in the amount of \$ 2, 564.89 (Feb 2011 to March 2012). On March 15th, 2011, the vendor will pay his business licence fees. On March 15th, 2012, the vendor will remit both permit and licence fees.

Additionally, a vendor who normally renews the vending permit on May 1st, and the business licence on March 7th would be impacted in the following manner: on March 7th the vendor would only renew the business licence. However, on May 1st, the vendor would remit a pro-rated amount of \$ 1,934.74 in permit fees. As indicated in Table 1 above, the pro-rated fee was calculated based on the annual fee of \$ 2,270.68 minus \$ 335.94, to align the fees with the new renewal date of March 7th, 2012. On March 7th, 2012, the vendor will be required to remit permit fees in the full amount along with business licence fees.

With respect to the issuance of new vending permits, if they occur within 90 days of a business licence renewal, (for example, permit is issued January 15th, 2011 and business licence renews Feb 1st, 2011) the permit holder will pay pro-rated permit fees that will align to the February 1st, 2012 renewal date.

Benefits to Street Food Vending Industry

Harmonization of the street vending permit and business licence renewal dates to a single date will simplify the renewal process for the vendors. It will enable them to attend one location to renew both their permit and licence at the same time, thereby reducing the amount of time they are required to be absent from their business.

Additionally, MLS currently requires that valid propane inspection certificates be presented when permits and licences are renewed. Certificates are valid only for a 90-day period and when the time between the permit renewal date and the business licence renewal date is in excess of 90 days, the licensee is required to acquire a new valid inspection certificate at additional cost. A harmonized renewal date will eliminate this issue.

In the former City of North York, permit terms are valid for three years. This creates a financial burden on the vendors which will be relieved by reducing the permit term to one year.

Benefits to the Municipal Licensing and Standards Division

Centralizing the application and renewal process at the Licence and Permit Issuing Office relieves the MLS district offices from the administrative responsibility for maintaining the program. At the same time, harmonizing the process of permit and licence renewals to one anniversary date, reduces redundancies in the renewal process.

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SIGNATURE

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