



STAFF REPORT ACTION REQUIRED

Harmonization of Renewal Dates for Café and Marketing Permits and Related Business Licences

Date:	March 14 th , 2012
To:	Licensing and Standards Committee
From:	Executive Director, Municipal Licensing and Standards
Wards:	All
Reference Number:	P:\2012\Cluster B\MLS\LS12004

SUMMARY

This is a Municipal Licensing and Standards Division-initiated report to streamline the boulevard café (café) and marketing of merchandise (marketing) permit renewal process by harmonizing the permit renewal dates with the related business licence renewal date to one anniversary date, and to consolidate permit applications and permit renewals at one location.

These changes will enable clients who renew both a café or marketing permit and a business licence to renew annually at the same time, and at one location. This will also reduce the administrative workload currently experienced by the Municipal Licensing and Standards (ML&S) district offices and enhance customer service quality to the public.

ML&S recommends that implementation take effect June 1st, 2012 to ensure adequate time to prepare for these changes (that is, provide sufficient time to notify affected permit holders), and to upgrade the corresponding information and technology (I&T) systems.

The City Solicitor, and the Deputy City Manager and Chief Financial Officer were both consulted in the preparation of this report.

RECOMMENDATIONS

The Executive Director, Municipal Licensing and Standards recommends that:

1. City Council adopt amendments to the City's By-laws respecting the permitting of boulevard cafés and the marketing of merchandise on the public right-of-way as follows:
 - a. The term and renewal date of café and marketing permits be harmonized to correspond 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 café and marketing permits issued up to 90 days prior to the business licence renewal date, fees will be increased on a pro-rated basis to allow for renewal until the business licence renewal date of the following term, otherwise the remittance of permit fees will be adjusted on a pro-rated basis to reflect the renewal date of the related business licence in the current term;
2. The By-laws to be amended pursuant to recommendation number one be as follows:
 - a. Chapter 313, Streets and Sidewalk of the Former City of Toronto;
 - b. By-law 16-97 of the Former City of East York, Boulevard – Commercial Displays – To regulate and permit the leasing or licensing of the use of the untraveled portion of public highways for certain purposes;
 - c. By-Law No. 41-93, To delegate to certain area municipalities the authority to lease or license the use of sidewalks, boulevards and untraveled portions of Metropolitan Roads;
 - d. By-law Number 29607, a By-Law for leasing or licensing the use of untraveled portions of roads under the jurisdiction of the Corporation of the City of North York;
 - e. By-law Number 29199, a By-Law to enable the City of North York to lease or license the use of untraveled portions of roads of the Municipality of Metropolitan Toronto in the City of North York;
 - f. By-Law 3343-79, Respecting Streets in the Borough of York; and

3. City Council direct the City Solicitor to prepare the necessary bill to make such by-law amendments as may be required 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 I&T systems work to upgrade the licensing system to enable harmonized permit and licence renewal is estimated to cost \$2000. Funding is available in the Council approved 2012 Capital Budget for the Information and Technology (I&T) Division under the Licensing System Enhancements Capital Projects, account CIT045-06-22.

Upon the adoption of these recommendations, the harmonization of permit renewal dates to the term and anniversary date of the related business licence will result in the pro-ration of permit fees in 2013 and lead to a shift in the timing of revenues realized between 2013 and 2014. ML&S will monitor the transition and manage service delivery accordingly.

The renewal dates for both café and marketing permit fees and related business licences will be fully harmonized by June 30, 2014.

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

ISSUE BACKGROUND

This report was initiated by ML&S based on the success of the harmonization of renewal dates for street vending permits and related business licences, a process that began in 2010. Harmonizing café and marketing permit applications and renewals with related business licences will further streamline internal administrative processes by increasing efficiencies and thereby enhancing customer service standards to our clients.

COMMENTS

Provisions for the issuance of café and marketing permits within the City of Toronto are currently regulated under separate by-laws within the former municipalities of North York, Toronto, East York, Etobicoke and York. The former city of Scarborough does not permit café patios or the marketing of merchandise on the public right-of-way.

Permit applications, permit issuance and renewals, and recommendations for refusal and revocation are currently managed by the separate Municipal Licensing and Standards (ML&S) district offices under the delegated authority of the respective Community Councils. Depending on the respective by-laws, permit renewals occur at various times during the year. For example, in the former City of Etobicoke, permits are renewed throughout the year whereas permits are renewed annually on April 1st in the former

Cities of Toronto and East York. The former Cities of North York and York renew permits on May 1st.

The majority of café and marketing permit holders 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 further efficiencies, ML&S is harmonizing the application and renewal process of permits and related licences by centralizing the application and issuance process to a single location (the Licence and Permit Issuing Office) and by harmonizing the permit and business licence renewal dates to a single anniversary date.

By managing new applications, the issuance and renewal of permits, the Licence and Permit Issuing Office will thereby relieve the district offices of this administrative responsibility. This will result in café and marketing clients receiving renewal notices for both permit and licence once a year, and requiring them to visit one office rather than two.

The calendarization process will be implemented June 1st, 2012 and completed by March 31st 2014.

Effect of Calendarization Process

Currently Municipal Licensing and Standards does not issue permits in the former City of Scarborough for cafés or marketing on the public right-of-way (ROW), and therefore this calendarization process will only impact café and marketing permit holders in the former Cities of Etobicoke, North York, East York, Toronto and York.

Since various by-laws regulate the provisions for permitting boulevard cafés and the marketing of merchandise within the City of Toronto, permits are renewed on various dates throughout the year. The former City of Etobicoke issues and renews permits for cafés and marketing throughout the year, the former Cities of North York and York renew permits on May 1st, while the former Cities of Toronto and former East York renew their permits on April 1st.

Calendarizing permit and licence renewals to align with the anniversary date of the business licence will ensure the even distribution of renewals throughout the year thereby reducing the administrative burden on specific times of the year. This will improve client wait times, minimize the number of visits to various locations for renewals and facilitate the City's goals of streamline functions and reducing waste.

Permit holders that do not require a business licence (for example, some marketing permits), will continue to renew their permit fees on the old renewal dates of April 1st, May 1st, et cetera. Consequently, their fees will not be affected by harmonization. New permits will be renewed on the anniversary date of permit issuance.

Table 1 illustrates the process of aligning permit renewals to the anniversary date of the related business licence.

Table 1: Impact of the Calendarization Process on Permit Holders in 2013

Sample Annual Permit Fee ^{1,2} (2013)	Current Café /Marketing Renewal Date	Sample Business Licence Renewal Date	Permit Fee Amt Paid on Permit Renewal Date	Permit Fee Amt Paid on Business Licence Renewal Date	Total Fees to be Remitted in 2013
\$2,270.68	T-EY permits				
	April 1 st	March 15 th	\$2,171.14	-	\$2,171.14 – April 1 st , 2013 to March 14 th , 2014.
		June 09 th	\$2,706.15 (to cover period up to June 08, 2014)	-	\$2,706.15 – April 1 st , 2013 to June 8 th , 2014.
\$156.75	NY permits/ York permits				
	May 1 st	May 1 st	-	\$156.75	\$156.75 – May 1 st , 2013 to April 30 th , 2013
		July 18 th	\$190.25	-	\$190.25 – May 1 st , 2013 to July 17 th , 2014
		Feb 10 th	\$121.96	-	\$121.96 – May 1 st , 2013 to Feb 9 th , 2014
\$4,174.61	Etobicoke permits				
	Mar 1 st	Jan 1 st	\$3,488.37 (to cover period up to Dec 31 st)	-	\$3,488.37 – Mar 1 st , 2013 to Dec 31 st , 2013.
		Sep 1 st	\$2,104.46 (to cover period up to Aug 31 st , 2013)	\$4,174.61	\$6,279.07 – Mar 1 st , 2013 to August 31, 2014.

¹Permit fees subject to CPI assessment

²Per the provisions in the various By-laws, Permit fees are calculated based on the cost per square footage of the area in question

In 2013, as part of a two-step harmonization process, some permit holders may be required to remit a pro-rated permit fee on the original permit renewal date as outlined in their respective by-laws to gap the days between the permit renewal date and their business licence renewal date.

Business licence renewal dates that fall beyond the café and marketing permit renewal dates, will require licensees to submit permit fees for the 2013 permit year along with their business licence renewal fees. That is, a licensee whose permit renewal date falls beyond 90 days of the business licence renewal date would submit a pro-rated permit renewal fee to align with the business licence renewal date in 2013, and on the business licence renewal date, submit the annual permit renewal fee.

For licensees whose business licences are renewed 90 days from the permit renewal dates, permit fees will be pro-rated to the business licence renewal date of the following year.

For example, a café owner who normally submits \$2,270.68 for a café permit renewal on April 1st and the business licence on June 9th, would be affected in the following manner: since the business licence renewal date (June 9th) is within 90 days of the permit renewal date (April 1st), on April 1st the permit holder will pay pro-rated fees for the 2013-2014 year in the amount of \$2,706.15 in order to align the permit renewal date with the business licence renewal date in 2014. On June 9th, the licensee would remit fees for the business licence renewal only. On June 9th, 2014, the licensee would pay the business renewal fee and a café permit renewal fee of approximately \$2,270.68.

Additionally, a licensee who normally submits \$156.75 for a marketing permit renewal on May 1st and a business licence on February 10th, would be required to submit the business licence renewal fee on February 10th since the marketing permit has yet to expire, and then on May 1st, the licensee would submit a pro-rated permit renewal fee of (\$156.75 minus \$34.79) \$121.96 to align the licence and permit renewal date to February 10th, 2014. On February 10th 2014, the licensee would now submit the business licence renewal fee and the marketing permit renewal fee of approximately \$156.75.

Benefits of Harmonization

Harmonizing the café and marketing permit and business licence renewal dates to a single date will simplify the renewal process for permit holders. 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.

Centralizing the application and renewal process at the Licence and Permit Issuing Office relieves the ML&S district offices from the administrative responsibility of maintaining the program while reducing redundancies in the renewal process.

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