



# CITY OF PORT ALBERNI

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## BYLAW SERVICES

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TO: Tim Pley, CAO

FROM: Flynn Scott  
*Manager of Bylaw Services*

DATE: January 23<sup>rd</sup>, 2019

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**SUBJECT: Business Licence Bylaw No. 4980**

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### **Issue:**

To introduce the “City of Port Alberni Business Licence Bylaw No. 4980, 2019” for consideration for first and second reading.

### **Background:**

#### Legislative Authority

Under section 8(6) of the *Community Charter* (the “Charter”), municipalities may, by bylaw, regulate in relation to business.

Under section 15 of the Charter, Council may, by bylaw, establish a system of licences which:

- Prohibits any activity until the licence has been approved or granted;
- Provides for the granting and refusal of licences;
- Establishes terms and conditions that must be met for approval and continuing to hold or renew a licence;
- Adopts standards, codes, or rules published by a provincial, national, or international body or standards association;
- Provides for the suspension or cancellation of licences; and
- Provides for reconsideration and appeals of decisions related to granting, refusal, suspension, or cancellation of a licence.

### **Discussion:**

Various changes from the current Business Licence Bylaw are being proposed in Bylaw No. 4980 in order to update definitions and improve clarity around provisions. In addition to a number of clerical updates, new classifications have been established to reflect business practices within our community. Overall, several new classifications of businesses have been identified that may contribute to positive economic development within the City of Port Alberni.

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***What does each section of Bylaw No. 4950 mean?***

**Section 1** – is the name of the bylaw.

**Section 2** – is the definition section.

**Section 3** – is general regulations pertaining to any business being conducted within the City of Port Alberni. These provisions apply to any classification of business.

**Section 4** – is the administration and enforcement section. This section states the Licence Inspector's authorities to enforce this bylaw.

**Section 5** – is the licence fees section. This section clarifies terms and conditions, as well as applicable fees, for business licences.

**Section 6** – is the application and renewal process for obtaining and maintaining a business licence.

**Section 7** – is the licence transfer requirements for applying to a new business location within the City of Port Alberni.

**Section 8** – is the suspension, cancellation, and refusal section. This section specifically identifies a Licence Inspector's power to grant, issue, suspend, cancel, or refuse a business licence and conditions that can be placed on a business for operating in contravention to City bylaws.

**Section 9** – provides proposed regulations pertaining to specific classifications of businesses. This section is divided into multiple subheadings.

**Section 10** – is a standard clause in most bylaws that identifies the consequences for committing an offence against this bylaw.

**Section 11** – is another standard clause in most bylaws which allows the remainder of a bylaw to stand if one section is found to be invalid by the Courts.

***Short Term Rentals***

Short Term Rentals ("STRs") have become a popular method of tourist accommodation across the globe. In June 2018, AirBnB reported having over 4 million listings in 65,000 cities across 191 countries.

While becoming an affordable accommodation option, short term rentals are often blamed for pricing out long-term renters and side-stepping hotel or other applicable taxes. When considering regulations to allow or restrict Short Term Rentals, it is important to understand the impact such regulations may have on the community.

In a report provided by Host Compliance – a leading provider of short-term rental compliance monitoring and enforcement solutions to local governments – there are 6 ways in which short-term vacation rentals impact communities. They are highlighted as follows:

1) Positive Economic Impact

- Short-term rentals will provide the City with an additional income through tax revenue.

- STR guests will benefit the community through tourism – spending money in stores, restaurants, bars, etc.
- STRs can support local residents to pay their bills or encourage increased home sales and renovations due to the incentive to rent short-term.

## 2) Less Long-Term Rentals Available

While short-term rentals are mainly located in residential areas and would therefore remove adequate space otherwise used for long-term living, bylaw regulations proposed include provisions requiring a permanent resident remain onsite while business operations are being conducted. Put simply: a property zoned or permitted to conduct short term rental operations must remain residential as its primary use and must always have a long-term tenant or owner residing onsite.

In order to accommodate this licensing requirement, the City of Port Alberni Zoning Bylaw will also need to be amended (a secondary suite being permitted with a permanent resident onsite and any future housing options ie. tiny homes, caretakers cottages, laneway homes).

## 3) Neighbourhood Changes

There are considerations to be voiced for neighbours of a short-term rental. For example, neighbours will see new visitors coming and going every few days with increased traffic to a residential neighbourhood. Further concerns to be raised could include increased garbage, parking issues, or noise complaints if a short-term rental is not properly regulated. Again, City staff is proposing bylaw provisions which require a permanent resident onsite at all times during business operations. Such concerns often arise from short-term rental communities that do not require a permanent resident to reside on the subject lot (vacation rental while away model). By imposing a permanent resident requirement, both long-term housing stock and responsible management of guests would be maintained.

## 4) Increased Tourism Activity

AirBnB and other short-term rental platforms have reported that vacation rentals are one method to boost local tourism. Due to price variations for accommodations (often lower than hotel or motel rates), less popular tourist destinations often become more attractive to visit. Increased short-term rental availability allows for a higher occupancy of tourists within our community, which could greatly benefit local businesses while simultaneously benefiting local home owners that are renting such spaces.

## 5) Unfair Playing Field for Traditional Lodging Partners

The hotel industry across the country has expressed concerns that business models for STRs offer unfair economic advantages by:

- (1) Not having to pay for staff, which results in lower accommodation costs offered; and
- (2) STRs have not, historically, been required to pay any form of tourist tax.

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Studies conducted in the United States have confirmed a decrease in revenue by hotels, motels, and other commercial lodging industries as a result of STRs being present in their respective communities.

6) Missed Tax Revenues

STRs are not taxed in many cities, leaving local governments missing out on a significant amount of revenue. When regulating STRs, local governments have the authority to increase their revenue through taxes, permits, and business licences.

***Home Occupations***

Home Occupations have been amended to include further categories of businesses; including light manufacturing, such as crafts or home craft style businesses, online sales or retail businesses that require indoor storage.

***Mobile Vending Businesses***

Bylaw regulations have been implemented into Bylaw No. 4980 by referencing an existing policy regarding mobile vending businesses. The policy has been attached as Schedule “B” and forms part of the bylaw.

***Retail Cannabis Businesses***

City Staff is proposing regulations pertaining to Retail Cannabis Businesses that are consistent with recommendations supported by Council. In addition to proposing regulations for retail cannabis, City Staff is also proposing the removal of Medical Marijuana Dispensaries from the Business Licence Bylaw.

**Conclusion:**

This report has been provided to Council for consideration and discussion of Bylaw No. 4980. Additionally, City Staff is requesting that Council consider first and second reading of the proposed bylaw.

If the proposed bylaw is given first and second reading, City Staff proposes to distribute the proposed bylaw and associated documents to the general public for further input and comment. Following the comment period, Staff will address proposed changes and introduce them in a subsequent report in recommendation for third reading.

**Recommendation:**

*That the report from the Manager of Bylaw Services dated January 23<sup>rd</sup>, 2019 be received.*

*That the City of Port Alberni Business Licence Bylaw No. 4980, 2019, be introduced and read a first time.*

*That the City of Port Alberni Business Licence Bylaw No. 4980, 2019, be introduced and read a second time.*

Respectfully submitted,

Flynn Gray Scott  
Manager of Bylaw Services