

September 12, 2023

Mayor and Council
452 W 12th Avenue, City Hall
City of Vancouver
Delivered via e-mail mayorandcouncil@vancouver.ca

RE: Upcoming Council Agenda Item on Fee Increases

Dear Mayor and Council:

On behalf of our associations and collective membership of over 30,000 businesses, we write to you to share our perspectives on the proposed fee increases, as outlined in Item 1 on the September 13 Standing Committee on City Finance and Services agenda (Approach to Identifying Opportunities for Increased Revenues for the 2024 Budget) and Item 2, which outlines staggering increases to fees (2024 Business License, Vehicles for Hire and Animal Control Fees).

Recognizing the current challenges facing the city's budget and finances, we wish to underscore that businesses, the lifeblood of our local economy, continue to face steep and compounded financial hardships. According to the Greater Vancouver Board of Trade's recent policy report, [Counting the Costs](#), it is estimated that businesses will bear an additional \$6.5 billion due to government cost increases, not to mention the rising costs due to inflation and the 10.7% increase in property tax this year, which has presented substantial challenges for many small and medium-sized businesses.

The large increases in taxes and fees have piled on top of a significantly challenging inflationary environment where rising costs of goods and inputs are becoming increasingly untenable for small businesses to bear. In addition, many parts of the city still have not returned to pre-pandemic levels. Foot traffic in downtown, for example, has not rebounded due to continued remote and hybrid work trends. Even prior to the pandemic there were challenges and the city was experiencing business losses. Between 2012 and 2019, when you remove the newly created short-term rentals licences, the city lost 1,356 business licence holders. All of that is despite significant growth in the population.

We would like to highlight our shared concern regarding the fee increases proposed by staff, particularly in areas that are central to Vancouver's businesses and the well-being and vitality of our neighbourhoods, such as permits, business licenses, and parking:

1. We are concerned with the report and recommendation to raise over \$15 million in new taxes. These increases feel like an underhanded way of simply transferring the burden of taxes onto the backs of businesses that are struggling to survive. The tone and focus of the report appear to only consider raising the maximum amount of general revenue for the city while disregarding the economic impact of continued cost increases. The report also comes to Council for

ratification before any other savings or options were presented through the Budget Task Force. Just like businesses have had to tighten their belt during a challenging economic time, it is important that the city likewise demonstrate fiscal prudence and increased value for tax dollars.

2. A licence fee should simply pay for the oversight of the business or licenced entity, not be a tax by another name. Self-regulating bodies that charge fees do not tax their members, for example. We are opposed to an approach that effectively makes licence fees a tax without a clear rationale.

3. While we take issue with the general approach and the large tax increase these reports advocate for, we do want to additionally highlight some specific areas of concern:

- The general & trade contractor licence increase of nearly 100% does not correlate to the need for more trades people to continue to build housing during a housing crisis.
- The general licence fee increase of nearly 50% is substantially higher than inflation or general cost increases.
- The proposed increase in parking fees would increase transportation costs for visitors coming to downtown and high streets, risk undermining the very goal of attracting more visitors and revitalizing the downtown core, which remains challenged by decreased foot traffic, office occupancy and public safety.
- A 100% increase in ride-hailing fees is extreme. It will contribute significantly to making Vancouver one of the most expensive jurisdictions in North America for ride-hailing services. These services already pay a fee regionally for each new driver added to the system regardless of whether or not they transport individuals.

In this challenging time, where businesses are confronted with high rates and low growth, we believe the city should prioritize fiscal prudence rather than imposing additional burdens on businesses and residents already grappling with financial instability.

Based on the concerns outlined above, we encourage staff to engage in thorough consultations with businesses moving forward. Thank you for the opportunity to provide feedback.

Sincerely,



Bridgitte Anderson
President and CEO



Jane Talbot
CEO

GASTOWN

Walley Wargolet
Executive Director



Teri Smith
Executive Director



Patricia Barnes
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