

SMALL BUSINESS ROUNDTABLE SUMMARY

April 2019



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OVERVIEW

On February 19, 2019 the City of Vancouver hosted a Small Business Roundtable, with three objectives:

- Understand and prioritize the key issues facing small businesses today
- Provide an update on City of Vancouver small business-related initiatives
- Hear ideas from small businesses on additional actions the City could undertake to increase support to small business

There were close to 40 small business owners, operators and representatives of associations who participated in the roundtable. The participants represented a variety of key business sectors, including retail, recreation, food and beverage, services and manufacturing.

The attendees also represented a broad distribution of neighbourhoods, from the West End to Marpole, and from Kitsilano to Grandview-Woodland.

Vancouver Mayor Kennedy Stewart was in attendance to welcome the group and speak to the importance of small business to the city. Senior City staff who participated included:

- Sadhu Johnston, City Manager
- Paul Mochrie, Deputy City Manager
- Patrice Impey, Chief Financial Officer
- Jerry Dobrovlny, General Manager, Engineering Services
- Kathryn Holm, Co-Acting General Manager, Development, Building and Licensing
- Gil Kelley, General Manager, Planning, Development and Sustainability



CURRENT INITIATIVES

The intent of the session was to provide a venue to hear from small businesses, with the majority of the time on the two-hour agenda dedicated to discussion. The session began with a brief presentation including a high level overview of City initiatives related to small businesses, to provide context for the discussion.

The City of Vancouver supports small business in several ways and between the various City departments, the Vancouver Economic Commission and the Public Library there are close to 30 initiatives underway related to small business.



Note: Illustrative sample

WHAT WE HEARD

There were two parts to the discussion with the roundtable participants:

- Identifying and prioritizing issues.
- Recommendations for action items the City could take to further support small businesses.

Key Challenges

In order to facilitate the discussion, participants referenced a pre-populated chart incorporating the key challenges or issues the City has been hearing from small businesses, including from previous engagement processes. The chart also had several spaces reserved for “write-in” issues, to capture issues the City may not have been aware of. Each participant was provided with three “sticky dots” to identify the three issues they deemed most challenging.

Following this discussion, there were four key issues that were clearly identified as the biggest challenges for small business:

- Commercial lease rates
- Property assessment and taxation
- Employee hiring and retention,
- Commercial renovation permits



1. COMMERCIAL LEASE RATES

Almost all participants expressed significant challenges with the current price of commercial property, especially in terms of lease rates. Attendees highlighted the increase in demand for commercial space, including retail and manufacturing, and the accompanying increase in price due to the limited supply. Many participants communicated that central locations, near transit for employees / customers, are too expensive and out of reach. A related challenge identified is that property owners are reluctant to sign long-term leases, given the increasing values of land / buildings.

2. PROPERTY ASSESSMENT AND TAXATION

As one participant put it, “...for 32 years we were fine we had lots of problems, but tax is what shut us down”. The challenge of high taxes is one of the most significant issues participants identified.

In recent years real estate demand in Vancouver has continued to drive up land values, resulting in significant volatility year-over-year in property assessment and taxes. In BC, real estate properties are assessed at their highest and best use, and taxes are allocated to individual properties based on such values. In the case where a property is under-developed, its assessed value could substantially increase to reflect its development potential.

Even though the City does not generate higher tax revenue as a result of rising property values, relative assessment increases for individual properties could shift the tax burden from one property to another. Small business tenants are particularly challenged because most landlords pass on all property taxes to tenants through their triple net lease agreements. In some instances, businesses have been unable to pay the increase, and have had to close down their long-standing businesses.

3. EMPLOYEE HIRING AND RETENTION

The small business owners who participated in the roundtable all expressed challenges with employee hiring and retention. This was largely associated with the high cost of living, lack of affordable housing, and limited transit options. Many participants mentioned it was hard to find employees to start work early or stay late. They also spoke of difficulties retaining mid-level managers who could no longer afford to live in Vancouver once they started a family.

4. COMMERCIAL RENOVATION PERMITS

Participants at every table identified serious challenges caused by the timelines and complexity of the current commercial renovation permit process. Small business owners, especially newer owners, shared stories of waiting a year to finalize their permitting so they could open their doors. The challenge of permit timing in particular was linked to ongoing financial struggles, as many small businesses are paying for their leased space while waiting for the permits to begin renovations.

OTHER ISSUES

In addition to these top four issues, there were several other issues identified as challenges for businesses in Vancouver, including:

- Affordable housing
- Transportation
- Navigating City Hall
- Environmental concerns
- Vancouver Coastal Health permits
- Homelessness and mental health
- Cost of living
- Infrastructure upgrades
- Financing / access to capital

Recommendations and City Responses

There was a robust discussion around ideas for what more the City of Vancouver could be doing to create an environment where small businesses can thrive. The discussions took place within each table of up to seven small business owners, operators and/or experts. While the tables were grouped so that similar industries were seated together, there were similarities in the ideas discussed across all participants. As expected, many of the ideas involved directly addressing the key challenges identified in the first part of the discussion. Overall, five key themes emerged from the discussion, with multiple ideas put forth for consideration. In addition to the key themes, several tables had specific suggestions that did not fit into one of the key themes. All feedback gathered is summarized below.



1. ADDRESS THE CURRENT COMMERCIAL PROPERTY ASSESSMENT AND TAXATION MODEL

What we heard:

Participants brainstormed several ideas to mitigate the challenges small businesses face from significant and drastic increases in their lease rates due to property tax increases.

Several ideas were captured:

- Work with the Province on property tax valuation
- Review the property tax for commercial areas / shopping streets, such that ground floor businesses are not getting hit by rates based on “highest and best use” while using less infrastructure.
- Build the assessment based on purchase / building / square foot value instead of the “speculative value” of highest and best use

- Change the mill rate so tax increases are not as large
- Distribute the property tax between property owners and tenants rather than tenants having to shoulder the entire tax burden
- Provide grants to small businesses suffering from a sudden and significant increase in property taxes
- Allow commercial landlords to defer property taxes
- Shift the property tax share from business class to residential class – with the reduction in the business class offset by an increase in residential class

What the City is doing in response:

Given the limited authority and policy tools available to local government to address property assessment and taxation issues, an inter-governmental workgroup (Province, BC Assessment and seven major Metro Vancouver municipalities (Vancouver, Burnaby, Coquitlam, North Vancouver, West Vancouver, Richmond and Surrey) has been formed to:

- Explore assessment and classification options relating to development potential and “highest and best use”
- Agree on guiding principles for determining viable policy options to avoid unintended consequences
- Identify time-limited, targeted policy options to support small businesses
- In addition to the ongoing work through the inter-governmental group, the City will review the recommendations raised by the participants

2. IMPROVE THE COMMERCIAL PERMITTING PROCESS

What we heard:

Participants were first provided with a brief update on the existing Commercial Renovation Permit Improvement initiative. Along with several general calls for reducing the timeline and complexity of commercial renovation permits, participants identified many specific ideas to be considered in three main areas: improving the permitting process; improving cross-departmental/governmental coordination; and providing more information to applicants.

Specific suggestions to improve the permitting process were:

- Provide a fast track i.e. “Nexus” or membership lane for experienced applicants
- Provide a fast track for applicants representing small businesses that support one or more City strategies or priorities
- Allow for online applications
- Provide fixed-time appointments to eliminate waiting in the Services Centre
- Apply a materiality principle to permitting; do not nitpick on items that do not matter
- Place triggers based on size / nature of renovation to allocate cost between landlord and tenant
- Create an online checklist to trigger appropriate review
- For items that have been approved, have a process whereby the inspector can take the approved item off of future discussions / visits
- Flip timing of inspections until after the third-party professionals have completed their work
- Improve departmental capacity to work with applications that are “out of the box”
- Grandfather some existing businesses to exempt them from permit requirements
- Shorten the process and timeline for liquor licensing

Participants also suggested several ideas to enhance applicants’ knowledge and visibility of the process:

- Create an explanation / flow chart of the permit process for those who are new to applying
- Provide an information desk that can help applicants navigate the building and where to go, especially in the Engineering department
- Provide transparency and a way for applicants to check the current status of their application
- Provide better information to commercial realtors / landlords / associations on the permitted use, and expected timelines for permits
- Provide information on the suitability of space if the new business requires a change of use permit

There were also several suggestions to improve coordination between various permitting authorities:

- Improve the communication between departments, i.e. between Engineering and Development, Building and Licensing
- Work with Vancouver Coastal Health on their regulations to better support restaurants
- Have consistency between inspection requirements for City of Vancouver and Vancouver Coastal Health

What the City is doing in response:

As a response to commercial permitting challenges, in 2018 the City launched a Commercial Renovation Permit Process Improvement initiative. Following consultation with stakeholders, several changes are already underway. A selection of the improvements – most of which are expected to be in place in 2019:

- Developing an online strategy, including timing and availability of applying for permits online
- Providing expected permit wait times to applicants
- Testing a pilot program for simple renovation permits to reduce wait times in the Services Centre
- Creating an online checklist for simpler renovation permits

For more information on the Commercial Renovation Permit Process Improvement project, please reference the [**update provided to Council on January 16, 2019**](#).

All of the remaining ideas shared by the roundtable participants will be carefully considered, and we plan to incorporate as many as possible into the existing Commercial Renovation Permit Process Improvement project. As of the writing of this report, we have identified the first two items to be actioned: providing an explanation / flow chart of the permit process; and clarifying information available online for change of use.

3. PROVIDE MORE SUPPORT TO SMALL BUSINESSES

What we heard

There were a broad variety of suggestions for the City to provide more support to small businesses, including making it easier to navigate City Hall and increasing economic development support.

Make it easier for businesses to navigate City Hall:

- Create a dedicated department at the City of Vancouver to work with small businesses on issues, and act as a liaison between the small business and the department they are working with
- Hire individuals with experience working with small businesses
- Create an outsourced business development agent approved by the City to assist them through the permit process
- Provide more education and engagement to business owners regarding City processes, bylaws, taxes, leasing, etc.
- Be open to business to respond to requests with greater agility
- Provide better wayfinding signage so visitors know where to go
- Reduce red tape and cut out bureaucracy to support opening new businesses and encouraging existing businesses to stay open
- Provide more assistance to small businesses facing language barriers

Increase economic development support:

- Direct the Vancouver Economic Commission to help with economic development
- Provide incentives / rebates for green businesses, social businesses and small businesses that adopt Greenest City initiatives
- Provide financial support through contributions to leases
- Assist small businesses in acquiring federal funding
- Use City-owned land to lease to small businesses
- Provide small business space through Community Benefit Agreements

Other suggestions:

- Form BIAs in areas that don't currently have them
- In areas lacking BIA support, create more aesthetic appeal
- Increase / continue parklets and mini parks and availability of patios
- Clearly communicate maintenance and programming for public spaces
- When requested, provide bike racks faster
- Coordinate with SkyTrain and other opportunities for planning to include small businesses in retail space

What the City is doing in response:

The City has been increasing the resources available to support small businesses in a variety of ways. Bizmap was launched (with matching funds from the City and 16 BIA districts in partnership with Small Business BC) in 2018, providing neighbourhood-based market information, and expansion to include more neighbourhoods is now under consideration. Early in 2019, the City of Vancouver launched the first of several Small Business Guides to provide a one-stop online portal with information on City, government and community resources needed to start, grow, or operate a business. There are also classes and resource tours available to existing or future business owners at the Vancouver Public Library.

The Vancouver Economic Commission works to support small businesses in multiple ways, including research into emerging sectors, assisting with funding information, and providing support to small- to medium-sized enterprises. The Commission is assessing plans for increasing support to small business in the coming years, and will review the suggestions provided by the participants.

The City continues to work on facilitating the communication between the City and the business community, especially through the BIA/COV Engineering Partnership Program and partnerships with the Planning department. The BIA/COV Engineering Partnership Program connects each BIA with a designated staff representative, to help the BIAs navigate Engineering Services permits and processes. This partnership program is being monitored and is expected to be expanded in 2019. The City also partners with the BIAs, as well as community

organizations, to enliven the city with creative placemaking and great public places, including pop-up activations and events to support more participation in public life.

In addition to continuing to enhance the support detailed above, the City has identified several potential action items from the suggestions included here. First to be considered is the suggestion for a small business advocate. The City will also increase engagement directly with small businesses, including providing more education regarding City services, policies and other actions that may impact small businesses. As the City continues to review the existing small business approach, the ideas above will be evaluated for potential.

4. MAKE ZONING MORE FLEXIBLE AND INCREASE COMMERCIAL LAND

What we heard

Many participants expressed concerns with the City's zoning, and had several ideas for improving the current approach to make zoning friendlier to small businesses:

- Update daycare zoning restrictions – they are overly prohibitive
- Make commercial zoning more fluid to allow manufacturing to expand across the City
- Provide zoning to support co-working spaces
- Update zoning to allow for businesses that do more than one thing (e.g. retail / lab / warehouse / live-work space)
- Facilitate permits for pop-up shops
- Provide more flexibility in zoning
- Re-write the zoning definitions, as they are too archaic and inflexible
- Regulate for safety instead of uses
- Change use definitions to be more flexible and consolidate uses
- Provide a flexible use and temporary zoning for properties going through redevelopment (i.e. Heather Lands; General Paint)
- Allow temporary lease holders to manage space
- Have better communication on land use changes and permit processes

What the City is doing in response:

The City has two large initiatives underway to address the existing zoning and land use issues. The Regulation Redesign project launched in 2018, with a goal to simplify and clarify the existing land use regulations and policies. More information about this comprehensive effort can be found on the Regulatory Redesign webpage at vancouver.ca/RegRedesign.

To further understand commercial space challenges, the City has initiated an Employment Lands and Economy Review to develop a long-range land use policy plan to ensure there is an appropriate supply of land for businesses and jobs to support the future growth of our economy. For more about the Employment Lands and Economy Review, see the webpage at vancouver.ca/employment-lands.

The feedback provided in the roundtable session will be used as input into the Regulation Redesign review, and the Employment Lands and Economy Review.

5. ADDRESS HOMELESSNESS AND MENTAL HEALTH

What we heard:

- Deconcentrate homelessness from East Hastings and spread throughout the City of Vancouver; this could help people get away from addictions
- Provide more support for cleaning up needles
- Provide more public bathrooms
- Provide public showers
- Provide support to clean washrooms or provide property tax incentives for businesses providing this service
- Provide small businesses with a better understanding of the City's [cleaning] services and cleaning schedule
- Support service / contact with health / mental health services
- Clarify communications and support available when outdoor residents refuse service
- Provide an interim solution less formal than modular housing (i.e. heated tent structure)
- City should support social services acting as a coordinated team to help one person at a time

What the City is doing in response:

Recently the City published a resource sheet to provide information to businesses facing issues caused by homelessness and addiction. That resource sheet will be posted on the small business webpage at vancouver.ca/small-business and is attached in the appendix to this document.

Additionally, the City has several projects and studies underway to address homelessness and mental health issues, and the suggestions from the roundtable will be provided to the teams working on these initiatives.

OTHER RECOMMENDATIONS

In addition to the ideas for each theme, roundtable participants had many additional ideas on a variety of themes:

Improve transit options:

- Work with the Province to allow for Uber and Lyft in Vancouver
- Lower parking meter rates
- Use parking revenue for infrastructure

Continue to work on affordable housing:

- Use City-owned land to develop affordable housing to enable more workers to remain in Vancouver

Make leasing more affordable:

- Cap commercial tax rates based on graduated increases
- Set max rate of increase for lease rates
- Reduce unused commercial space
- Create an Empty Commercial Space tax to incentivize use of commercial spaces
- Get started on developing land designated for the clean technology community in False Creek Flats

Work on government policies:

- Allow non-resident business owners to vote in municipal elections
- Work with other municipalities across the Lower Mainland to make policy more consistent
- Reduce the spread of pests
- Mitigate pest spread to neighboring businesses during demolition by requiring a sign-off from pest control before issuing a demolition permit

NEXT STEPS

The City of Vancouver will carefully review these issues and ideas and ensure that the information is provided to the appropriate internal departments for consideration. We will also be reviewing the action plans for the existing small business-related initiatives to identify where we can incorporate the ideas presented in the roundtable into work already underway.

The City has committed to reconvene a Small Business Roundtable in approximately six months. This next session will include an update on the work undertaken, and provide additional opportunities for participants to direct their questions and comments to the General Managers and other City leaders.

Other Opportunities for Involvement

The Employment Lands and Economy Review business survey is currently underway, and we encourage small business owners, operators and experts to get involved and provide their feedback. The link for the survey can be found at vancouver.ca/employment-lands and will be open until April 22, 2019.

To address the demand for better education from the City to small business owners, we will be launching a bi-monthly newsletter highlighting new or proposed policies, services and initiatives that relate to small businesses, as well as opportunities for involvement such as roundtables, surveys or other sessions. We encourage those interested to sign up for the mailing list at vancouver.ca/small-business.

APPENDIX

Roundtable presentation

Homelessness and Mental Health Resource Sheet



Small Business Roundtable

February 19, 2019

Objectives

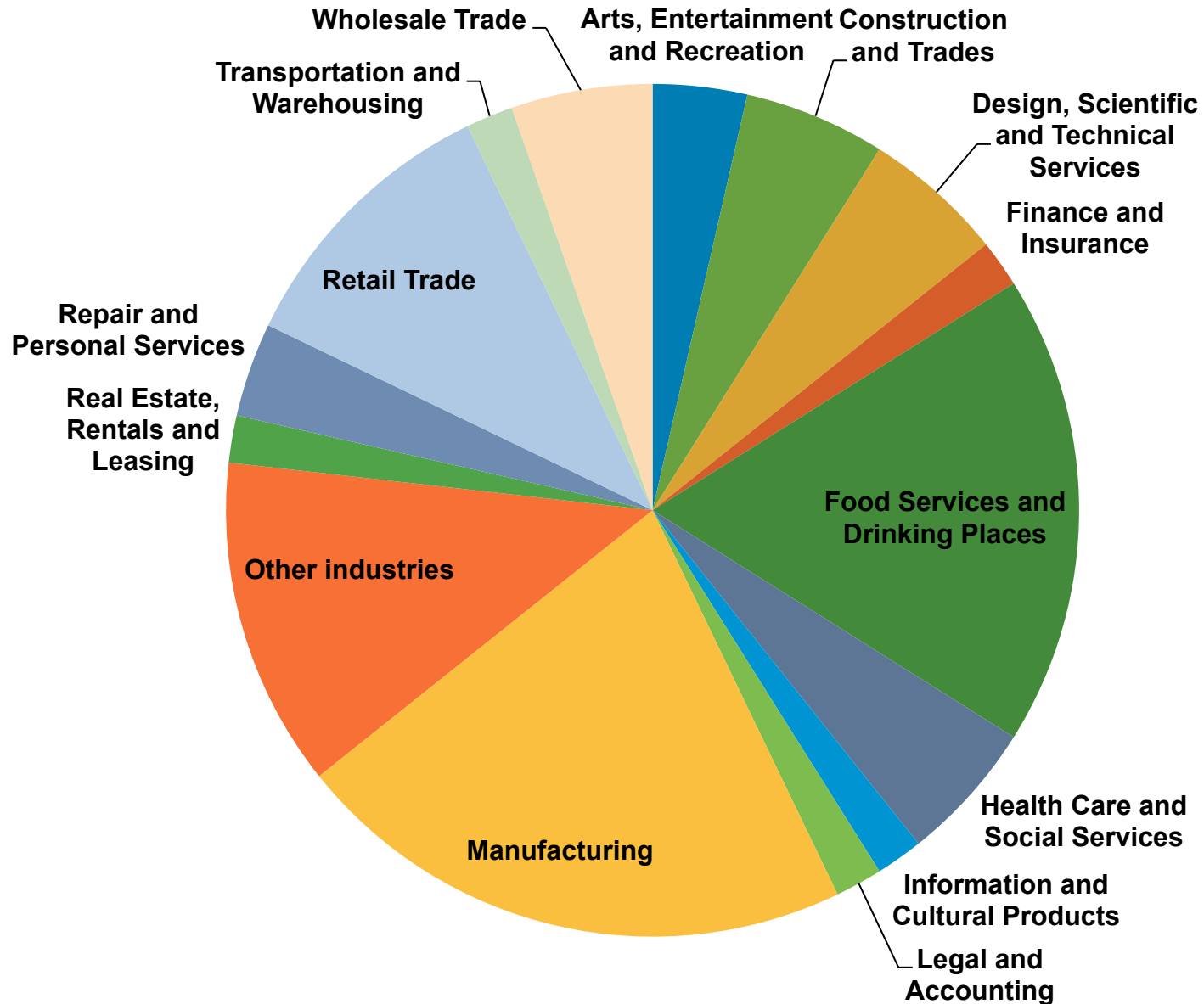
1. To listen, confirm and prioritize key challenges faced by small businesses
2. To hear from you on what the City could be doing to further support small business
3. Provide updates on current initiatives related to small business

Agenda



- Introductions
- Table Discussion: Key Challenges
- Update on City Initiatives
- Table Discussion: What more could the City be doing?
- Report Out: One idea
- Next Steps

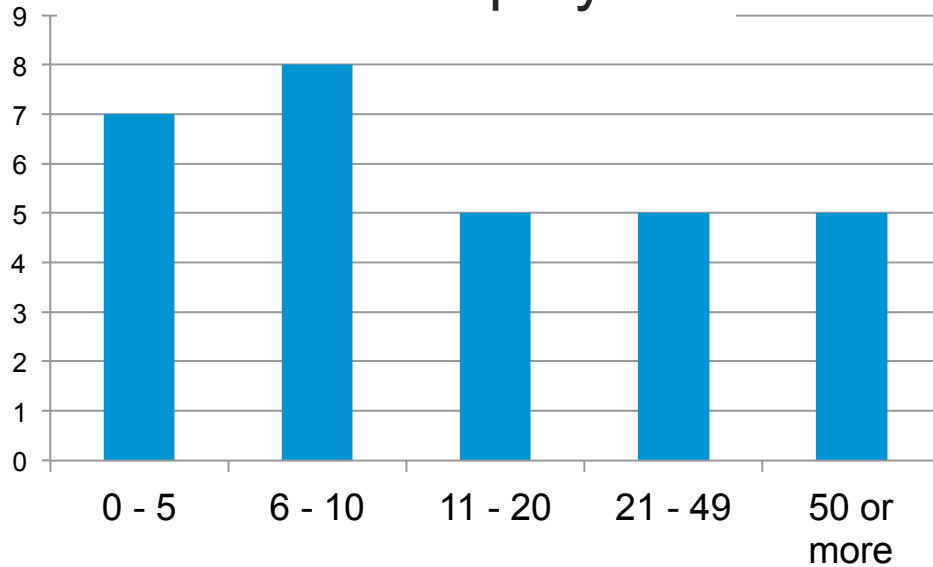
Who's in the room?



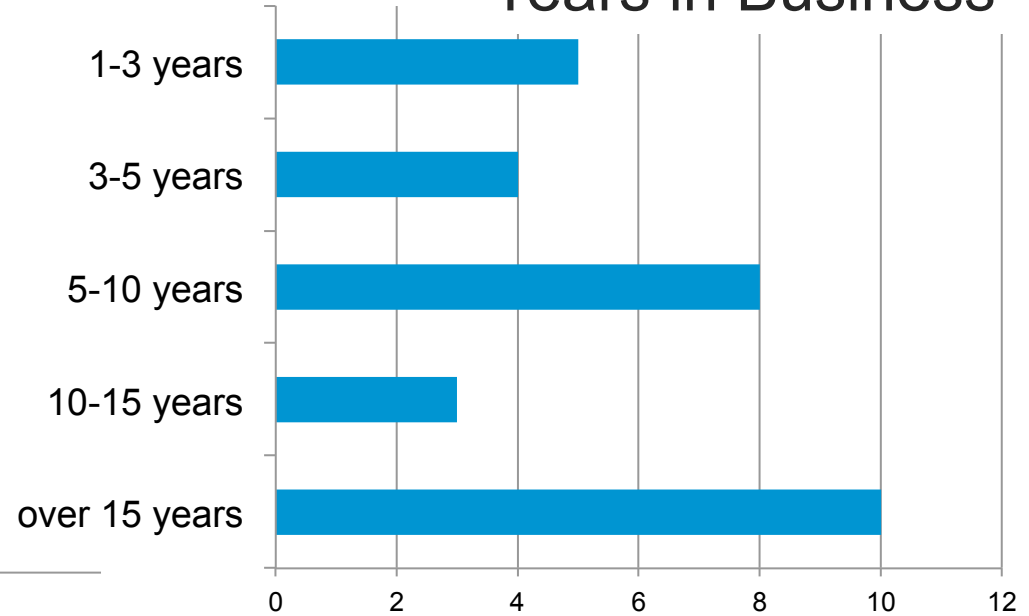
Age of business and number of employees



Number of Employees



Years in Business



Areas Represented



- Cambie Village
- Chinatown
- Commercial Drive
- Downtown
- Downtown Eastside
- East Vancouver
- Fairview
- False Creek
- False Creek Flats
- Gastown
- Grandview-Woodlands
- Kingsway
- Kitsilano
- Marpole
- Mount Pleasant
- Olympic Village
- Produce Row
- Riley Park
- South Vancouver
- South Fraser
- Strathcona
- West End
- Yaletown

Small business facing many challenges

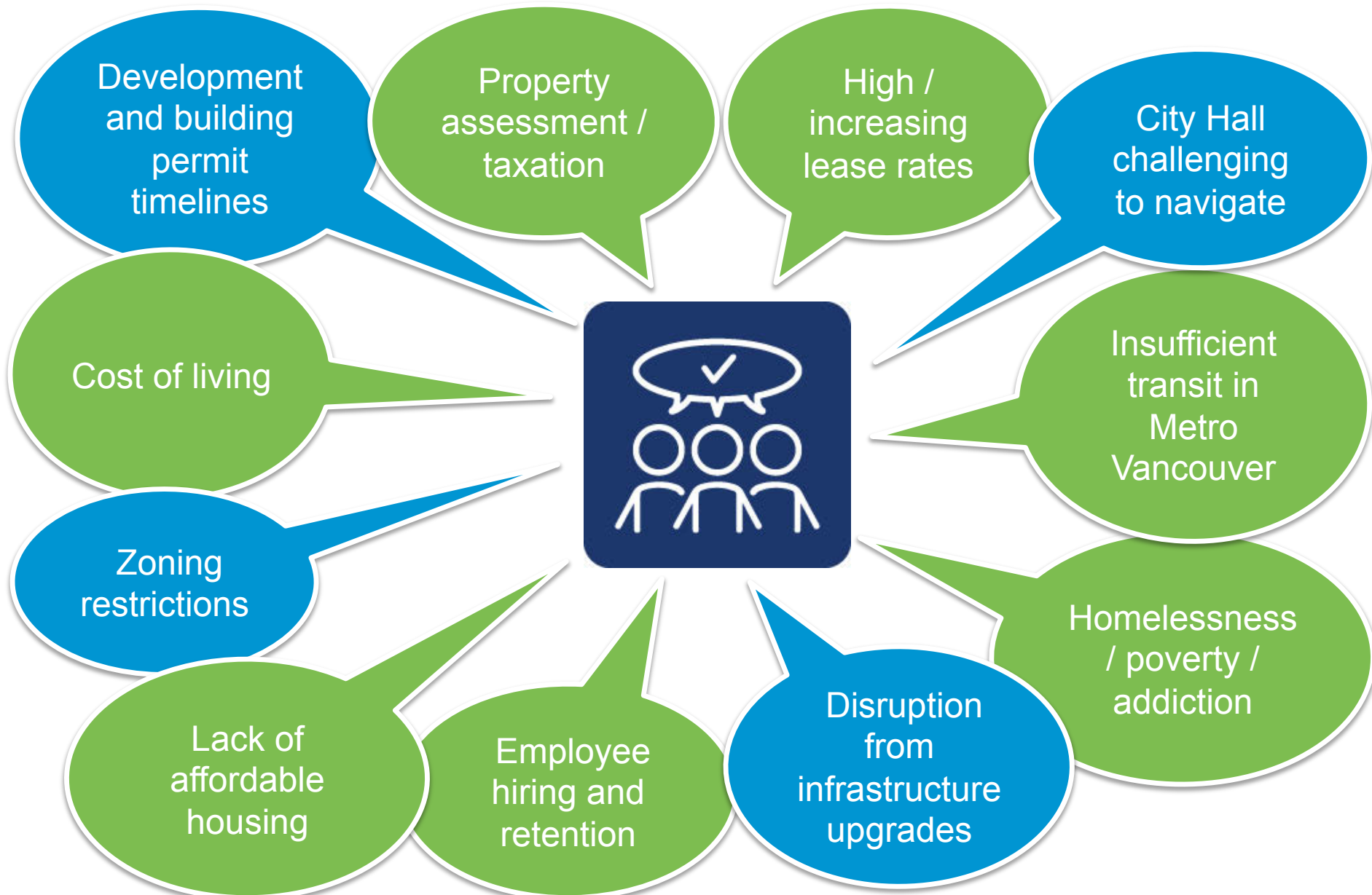


Table Introductions & Discussion

- Name
- Business
- Your top three challenges

(10 minutes)

Many initiatives underway to support small businesses



Note: Illustrative sample

Property Assessment and Taxation



Objective:

Work with the Province to develop potential policy options to mitigate the impacts of significantly increasing property taxes due to increased property assessments

Key Action Items

- ✓ The City proposed policy options in February 2018 to Vancouver City Council
- ✓ Hosted a number of meetings in Q4 2018 involving the Province, BC Assessment and major Metro Vancouver municipalities
- ✓ Provincial staff is updating the Minister and will provide the working group an update on approach & work program in Q1 2019

Commercial Renovations Review



Objective:

Evaluate the current state of commercial renovations, in partnership with industry stakeholders, and identify opportunities to increase transparency and consistency, improve service delivery, and speed-up permit times over the near- and long-term.

Key Action Items

- Adding staff to key areas in Sprinkler Permits and Commercial Renovation Centre
- Revising policies related to demising walls and eligibility of TIPS buildings
- Developing pilots to reduce Services Centre wait times and permit times
- Building technology to accept applications online and provide online status viewing
- Creating a process to defer permit fees for small businesses

Homelessness and street cleaning



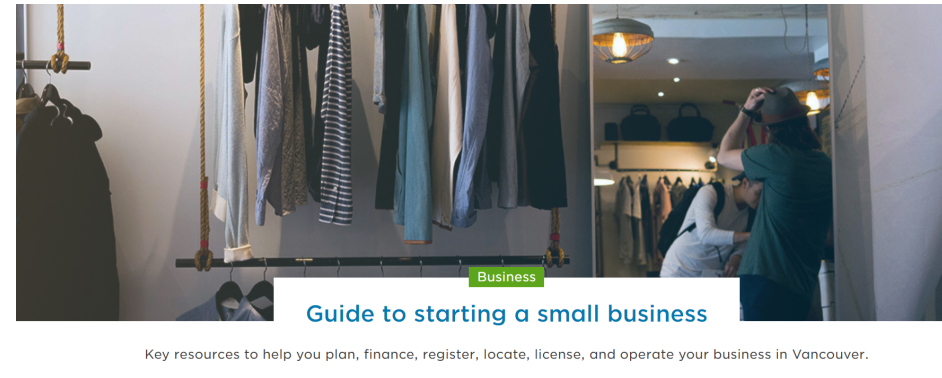
Objective:

Maintain clean and safe streets and address challenges related to homelessness, mental health and addiction.

Key Action Items

- ✓ Facilitated construction of 600 temporary modular housing units for individuals facing homelessness
- ✓ Additional \$1.5M investment in street cleaning in 2019
- ✓ Street cleaning service level summary between the City and most BIAs
- ✓ Social enterprise grants for street cleaning totaling \$1.2 million in 2019
 - Micro-cleaning of 400 City blocks and 22 BIA areas
 - 55,000 work hours to individuals with barriers to traditional employment
 - 14,800 bags of litter collected, including 81,000 single use items
 - 72,200 needles collected from streets and lanes
- ✓ Developed a homelessness, mental health and addiction resource sheet for BIAs

Bizmap and Business Guide



Bizmap.ca

- ✓ Launched in Q4 2018 in partnership with Small Business BC
- ✓ Provides clear and reliable market area data for key business districts at no cost
- ✓ Looking at expanding to more business districts

Small Business Guide

- ✓ Launched in Q1 2019 on vancouver.ca
- ✓ Provides an online guide that connects small business owners to all relevant City services and requirements, as well as to outside agencies, organizations and resources

Table Discussions

Discussion question:

*If you were in our position, where would you spend your time and effort to support small businesses?
What more could the City be doing, either as part of existing initiatives, or as a new initiative?*

(30 minutes)

Report out:

Facilitator to share one key idea from the discussion

(10 minutes)

- Roundtable Report
 - Within a month, we will summarize our findings from this session and share it out with all of you, as well as Council
- Review Current Approach
 - Following information from this session, and additional engagement, will review our current approach to supporting small business
- Additional engagement
 - Potential for future roundtables or discussions
 - Small business mailing list
 - Let us know - who else should we be talking to?

Thank you!

Homelessness in Vancouver: What you should know

Homelessness is a reality for thousands of individuals in Vancouver. The 2018 homeless count found that 2,181 residents are facing homelessness in the city. Lack of access to housing and the right supports may also contribute to issues with mental health and addiction.

With so many people experiencing homelessness, you might feel powerless and unable to do anything. However, there are many small steps you can take to offer support. First and most importantly is to check in with the person you are concerned about in a safe manner to see if they want help, from there you can use the resources below to assist.

How you can help

If you're concerned about someone who is experiencing homelessness

You can contact a Homelessness Services Outreach Team. These teams link people to available social, health and housing services and provides assistance in a non-judgmental, supportive way.

You can get in touch with the following outreach teams in your neighbourhood:

Carnegie Outreach: 604-655-3318

To report an encampment on private property, call the non-emergency police line, **604-717-3321**. If you'd like to report an encampment on public property, call **3-1-1**.

If you're worried that someone is at risk of an overdose

For information on addiction services and supports, the Vancouver Coastal Health Overdose Outreach team can help. Call the number below to make a referral.

PHONE: 604-360-2874

If someone is overdosing call 9-1-1 immediately.

For more information on harm reduction, including where to find Naloxone kits and training, visit www.towardtheheart.com

If you're concerned about someone's mental health

Vancouver Coastal Health's Access & Assessment Centre (AAC) provides intervention to individuals with mental health concerns. In an emergency - if someone's health, safety or property is in jeopardy - call **9-1-1**. For all other situations, please call the AAC.

PHONE: 604-675-3700

If you need information on community, social, and government services

You can call **2-1-1** for free information and referral to a huge range of services, from information on shelter locations, to addiction services, to free meals services. The line, which is run by bc211, a Vancouver-based nonprofit organization, operates 24/7.

PHONE: 2-1-1
WEBSITE: bc211.ca

If you find a used needle in a public space and you're not sure what to do

The Portland Hotel Society's Mobile Needle Exchange collects needles from all around the city. You can contact the hotline below to report a needle or syringe.

PHONE: 604-657-6561
EMAIL: needlevan@phs.ca

If you're not sure whether to call 9-1-1

9-1-1 is for police, fire or medical emergencies when immediate action is required: someone's health, safety or property is in jeopardy or a crime is in progress.

604-717-3321 should be used for all non-emergency police situations, where an immediate response or dispatch of the police IS NOT required.

Be an advocate

Contact your local municipal, provincial and/or federal representative to show your support for investments into services that support people experiencing homelessness.

For anything else

Connect with us on the go 24 hours a day, 7 days a week using the VanConnect app which you can download through our website. Just search 'VanConnect' in your browser. You can also call **3-1-1**.