



Legislation Details (With Text)

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City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 18, 2015
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:
Consideration of the Next Steps for the Food Truck Pilot Program.

ISSUE: The Food Truck Pilot Program established by City Council on May 17, 2014 is scheduled to expire on December 31, 2015.

RECOMMENDATION: That City Council direct staff to:

1. Bring forward an ordinance for City Council's consideration that would remove the sunset provision from the current Food Truck regulations to make them ongoing, and add language clarifying when a Food Truck vendor permit is required and when Food Trucks may proceed pursuant to other City permits;
2. Remove the \$250 fee for the Food Truck vendor permit; and
3. Request that the City Manager docket for future Council consideration establishing an advisory group in regard to whether the regulations should expand the areas where Food Trucks are permitted.

BACKGROUND: In the spring of 2013 the City Council directed staff to draft a proposal to amend the City's regulations to allow Food Trucks on public streets and public and private property. In order to elicit input from certain stakeholder groups, the former City Manager established a Food Truck Advisory Work Group which met from September 2013 through March 2014. In May 2014 staff brought proposed regulations to City Council that included both on street and off street vending opportunities. After a public hearing on the matter, City Council decided to limit the program to just off street vending and to make it a pilot program with a sunset. In the fall of 2015, staff reported to City Council on the status of the pilot program and recommended extending the program until December 2015 in order to allow a full calendar year permit to be issued for 2015.

The Food Truck Pilot Program adopted by City Council on May 17, 2015 took effect on July 1, 2014. The pilot program authorized Food Trucks to locate in certain off-street locations including private property with adequate parking lots, public property with preauthorization and farmer's markets. The pilot did not include any ability to locate on street. The only opportunity for Food Trucks to locate on street is as part of a Special Event Permit issued by the City. While the program was not widely used, it did give staff an opportunity to evaluate the permitting process. Additionally, staff conducted an informal survey to provide City Council with feedback regarding the demand for Food Trucks in the City.

DISCUSSION:

Results of Pilot Program

In the first partial year of the Food Truck pilot program (July 1 - December 31, 2014) eight Food Trucks took part in the program; in the next full year of the program (January 1 - December 31, 2015) seven Food Trucks took part in the program. The Food Truck pilot program allows trucks with the permit to go to any of the pre-approved locations or any private property locations with permission of the private property owner that comply with the requirements and to move from location to location. In practice, the Food Trucks with the vendor permit have consistently been active at only two locations, the Mark Center Hilton (to serve adjacent office workers) and Port City Brewery (to serve special events). Additionally, a number of Food Trucks wanted to attend particular special events, but did not want to necessarily attend multiple special events within the City and therefore did not get the vendor permit. Staff understands from the Food Truck representatives that the lack of participation is because of the limited number of locations compared to the current fee levels.

Since inception of the program, the City has collected \$4,250 in fees from the Food Truck vendor permits and application fees. The cost of implementing the program including permitting, any impacts to city property, and enforcement in the last year has been absorbed in the regular business of the various departments and has not amounted to enough to establish its own line item. There were five complaints received regarding Food Trucks in 2015. The complaints were investigated and post complaint compliance occurred in all cases. Additionally, staff proactively inspected the Hilton location and the Port City Brewery location. Given the low number of trucks participating and the limited locations where they could locate, the cost to the City has been less than the fees collected. Therefore staff believes a reduction in the fees is justified unless and until the program is expanded. At that time, an appropriate fee schedule could be proposed.

Results of Survey

An online survey conducted by staff was initiated on June 17, 2015 and closed on July 31, 2015. Staff received 2,283 responses to the survey from all different parts of the City with the majority of the responses coming from the Old Town neighborhood. The vast majority of the respondents were in support of having Food Trucks in the City. Attachment 1 shows the responses by Resident, Employer and Worker in each area of the City.

As noted in Chart 1 on Attachment 2, the most popular types of places for Food Trucks to locate in the survey

were either at special events, off street locations or in limited locations on public streets. Additionally, the majority of respondents would prefer scheduled locations rather than spontaneous locations. See chart #2 on Attachment 2.

While the survey is informal and not statistically representative, it provides a snapshot of what the community responded about their opinions on Food Trucks. In general, the majority responses seems to be to allow Food Trucks within the City but in a limited way.

Next Steps:

Although the program was not widely used by the Food Trucks, it did give some Food Trucks an opportunity to come to the City at minimal cost and impact to the City. The two locations where the program was most used, the Hilton Mark Center and Port City Brewery have consistently hosted Food Trucks throughout 2014 and 2015 and have proven to be popular locations. Additionally, staff has been contacted by the Patent and Trademark Office (PTO) management to discuss Food Truck opportunities in or near Carlyle. The PTO is interested in providing additional food options for their employees while still balancing the security concerns regarding opening public streets to vending. Lastly, the results of the community open survey clearly indicate support for Food Truck opportunities in the City. Therefore, staff recommends removing the sunset provision to allow the current Food Truck Program the opportunity to continue. The off-street regulations from the pilot program, the special use permits for outdoor food and crafts markets and the special events permits together appear to accommodate a certain level of off street Food Truck demand.

Staff recommends the following changes in order to address how the Food Truck vendor permit regulations relate to other provisions of the City Code and Zoning Ordinance: to lower the fees under the current regulations and to consider convening a stakeholder group to consider expanding the regulations to allow Food Trucks to locate on public streets.

Food Truck Vendor Permit vs. Other Permits in the City:

As discussed during the update on the Food Truck pilot program last fall, there has been some confusion regarding overlapping city permits. To clarify this, staff would suggest an amendment to the Food Truck regulations that exempts Food Trucks from having to get a Food Truck vendor permit in the following circumstances:

1. If the Food Truck is authorized under Special Use Permit for an outdoor food or craft market;
2. If the Food Truck is authorized under a Special Event permit from the City;
3. If the truck is selling pre-packaged goods, such as an ice cream truck, and the truck is conducting its business in compliance with Sections 5-2-29 and 13-1-26 of the city code that allow brief stops on the street in order to sell goods with regulation of the noise; and
4. If the truck is at a private residence catering a private event.

Food Trucks that are exempt from the Food Truck Vendor permit are still required to get all applicable health, fire and business license permits. The purpose of this clarification is to reserve the Food Truck Vendor permit for Food Trucks that are not permitted under other sections of the City Code or Zoning Ordinance and to prevent Food Trucks from having to obtain multiple permits that serve the same purpose.

Fees:

The current Food Truck Vendor fee as set by administrative regulation established by the City Manager is \$250 a year. Additionally, there is an annual \$100 application fee. This fee was calculated when the proposed regulations allowed more locations to vend. Given the limited locations and the minimal impact the trucks have had on the City, staff recommends removing the \$250 annual permit fee unless and until the regulations

are potentially expanded to allow more locations. Staff recommends keeping the \$100 application fee to mitigate the cost to staff of processing the permits and enforcing the regulations.

The following annual permit fees are still required for Food Trucks, where applicable:

- Health Department City and State Fee: \$90
- Health Department one time Plan Review Fee: \$200
- Propane Tank Fire Safety permit fee: \$143
- Business License: \$250

With the City Council's concurrence, it is proposed that the administrative regulations will be amended to make the Food Truck Vendor permit a no-cost permit for 2016.

Stakeholders' group/Consideration of Expanded Regulations:

As discussed, currently Food Trucks are allowed pursuant to a Special Use Permit, a Special Event permit, or the Food Truck Vendor permit. While this presents some opportunities for Food Trucks to conduct their business in Alexandria, other than with some Special Event permits, the Food Trucks are limited to off street locations. The Food Truck industry has indicated that this limitation prevents them from using their standard business model which is to roam from location to location in order to determine where the market is at any one given time. As City Council is aware, a number of other local jurisdictions have recently opened their regulations to allow Food Trucks to locate on public streets.

If City Council would like to consider expanding the regulations, staff recommends initiating a stakeholder group to discuss the potential impacts and necessary regulations for Food Trucks to vend from public streets. As with the previous group put together in 2014 to discuss Food Trucks, the stakeholder group should consist of residents, Food Truck operators, employers, and local businesses including restaurants. This group could be convened early next year and tasked with making a recommendation by the summer so that proposed regulations could be brought to City Council for consideration next fall.

CONCLUSION:

The current Food Truck regulations have introduced Food Trucks into the City on a very limited basis. Staff believes this is due in large part to the fee being too high compared to the limit on locations where Food Trucks may vend. Staff recommends removing the fee in order to encourage more Food Trucks under the current regulations, and for City Council to consider authorizing a stakeholder group to consider expanding the existing Food Truck regulations.

FISCAL IMPACT: The City collected \$1,000 in 2014 and \$1,750 in 2015 for Food Truck Vendor Fees. If the fee is removed for 2016 this revenue would no longer be collected.

ATTACHMENTS:

Attachment 1: Map of Food Truck Survey Answers

Attachment 2: Graphic Display Food Truck Survey Answers

STAFF:

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