



TO:	CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE PUBLIC PARTICIPATION MEETING ON DECEMBER 15, 2015
FROM:	G. KOTSIFAS, P. ENG. MANAGING DIRECTOR, DEVELOPMENT & COMPLIANCE SERVICES AND CHIEF BUILDING OFFICIAL
SUBJECT:	CATEGORY 7 REFRESHMENT VEHICLES (FOOD TRUCKS)

RECOMMENDATION

That, on the recommendation of the Managing Director, Development & Compliance Services and the Chief Building Official, an **AMENDMENT** to By-law L-6 Business Licensing (attached hereto) **BE INTRODUCED** at the Municipal Council Meeting on December 22, 2015 to amend the regulations for refreshment vehicles (Food Trucks) operating on City streets and parks to provide for no limitations on the number of licensed refreshment vehicles; flexibility in locating near restaurants; and revised definitions and fee schedule.

PREVIOUS REPORTS

A total of six reports were presented to the Community and Protective Services Committee dating back to February 2013. The CPSC also held three public participation meetings. The most recent status report was presented to CPSC on September 22, 2015.

BACKGROUND

On February 8, 2015 Municipal Council resolved that Civic Administration **BE REQUESTED** to report back in the fall of 2015 with respect to the number Category 7 refreshment vehicles (food truck) licences issued during 2015 and on any other associated matters.

On September 30, 2015 Municipal Council resolved that Civic Administration **BE REQUESTED** to report back to the Community and Protective Services Committee with respect to the following issues related to food truck regulations: cap on number of licenses; parking fees; regulations pertaining to school setbacks; and regulations pertaining to restaurant setbacks.

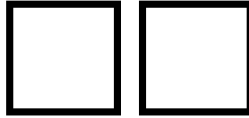
FINDINGS AND RECOMMENDATIONS

License Cap:

Staff recommend the removal of the licence cap, which is currently set at eight (8). The cap has had the effect of limiting the interest in this licence category, based on operator feedback. Category 7 Refreshment Vehicle licences require an applicant have an inspected and operational vehicle prior to being issuing a licence. Because of the startup costs and time involved in acquiring a vehicle and preparing it for service, operators are concerned that once they acquire and equip the vehicle, no licences will be available due to the cap. This creates undue financial risk and uncertainty for these entrepreneurs.

In order to promote a “level playing field” and participation by interested entrepreneurs, it is recommended that the limit be removed. It is assumed that the market itself will limit the number of participants, and improve the quality and variety of the food offerings they provide. There may be annual fluctuation in the number of vehicles, but it will not create a barrier to entry for interested entrepreneurs, as the current cap does.

Staff have not received feedback from bricks and mortar restaurant owners regarding the impact (real or perceived) that the launching of the Category 7 Refreshment Vehicle licence category has



had on their restaurant. Also, there have not been any complaints pertaining to food truck operators.

Parking Fees:

In consultation with the licensed food truck operators, a flat fee for parking was proposed to be paid when they apply for their licence to avoid the need to “feed the meter” on the street. This would allow food truck operators to focus on serving customers, rather than worrying about parking fees. In discussions with parking staff, it was determined that a fair rate would be \$1,095/year. This rate is based on a \$3/day charge for the vehicles. Operators have indicated that the average on-street parking duration is 4-6 hours during the busy season.

School Setback:

Staff introduced the 100m setback from operating Elementary and Secondary Schools as a precautionary measure, after reviewing the Provincial “Healthy Food for Healthy Schools” Act. Notwithstanding the 100m setback, most schools are located within residential zones where the 25 m setback and street category regulation would apply. There is no reasonable rationale to amend the school setback regulation which is only applicable when the school is open/operating.

Restaurant Setback:

Currently, Category 7 Refreshment Vehicles are required to remain at least 25m from a restaurant. However, there are cases where restaurants would have no concern if the food truck was parked in front of their restaurant either when the restaurant is closed or open for service. Staff recommend that Category 7 Refreshment Vehicles be permitted to park in front of a restaurant that has provided written permission (with or without conditions) to do so to the License Manager. On street parking must be permitted and the vehicle must still remain 25m from any restaurant which has not granted permission.

Distribution of Food Products:

There has been a recent trend for food trucks to market new food products by locating food trucks on City streets and offering food products at no charge to the public. These food trucks are not obtaining licences as the current by-law defines refreshment vehicles as selling food products. An amendment to the by-law is recommended to address this technicality to require any food trucks offering food for human consumption to obtain a license. This amendment creates a level playing field and ensures inspections are undertaken irrespective if the food is being sold or offered at no cost to the public.

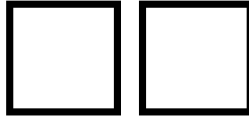
CONCLUSION

In 2015 four Category 7 Refreshment Vehicle licences have been issued. Over this period of time, there have been no complaints lodged against food truck operators, nor has there been any input – either positive or negative – from the restaurant industry. It being noted that staff have not sought out explicit restaurant feedback, as there have been many previous discussions with the restaurant industry.

Removing the cap on licences, permitting vehicles to operate in more locations, in closer proximity to restaurants, and the introduction of a “parking pass” fee are reasonable amendments which provide more opportunities for food vendors and balance any negative impacts on surrounding land uses.

--	--

PREPARED BY:	REVIEWED AND CONCURRED BY:
ETHAN LING DEVELOPMENT POLICY COORDINATOR BUSINESS LIAISON	OREST KATOLYK CHIEF MUNICIPAL LAW ENFORCEMENT OFFICER
REVIEWED AND CONCURRED BY:	RECOMMENDED BY:
MARK HENDERSON DIRECTOR OF BUSINESS LIAISON	GEORGE KOTSIFAS, P. ENG. MANAGING DIRECTOR, DEVELOPMENT AND COMPLIANCE SERVICES & CHIEF BUILDING OFFICIAL



Bill No.
2015

By-law No.

A by-law to amend By-law No. L-6 entitled "A by-law to provide for the licensing and regulation of various businesses".

WHEREAS the Council of The Corporation of the City of London wishes to amend By-law L-6 entitled "A by-law to provide for the licensing and regulation of various businesses";

AND WHEREAS section 5(3) of the *Municipal Act, 2001* S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

NOW THEREFORE the Council of The Corporation of the City of London enacts as follows:

1. Section 1.1 of the Business Licensing By-law L-6 is hereby amended by adding the following definition after the definition of Licence Manager:

Licensee – defined

"Licensee" shall mean a person licensed under this by-law.

2. Section 18.2 of the Business Licensing By-law L-6 is hereby amended by adding to each of the paragraphs for Category 1, 2, 3, 4, 5 and 7 the words "or offered for human consumption" after the word "sold".

3. Section 18.2 of the Business Licensing By-law L-6 is hereby amended by deleting from the paragraph for Category 6 the words "sales are conducted" and replacing them with the words "food products are sold or offered for human consumption".

4. Section 18.4(d) of the Business Licensing By-law L-6 is amended by adding the words "Category 1, 2, 3, 4, 5 or 6" before the word "refreshment".

5. Section 18.14 of the Business Licensing By-law L-6 is hereby amended by adding to the heading of the section the words "Category 1" before the word "location".

6. Section 18.15 of the Business Licensing By-law L-6 is hereby amended by deleting from the heading of this section the word "category" and replacing it with the word "Category".

7. Section 18.18(c) of the Business Licensing By-law L-6 is hereby amended by adding the following phrase at the end of the paragraph "unless written permission to operate within the 25 metre buffer has been submitted to the Licence Manager by the Licensee of the eating establishment".

8. Section 18.20 of the Business Licensing By-law L-6 is hereby amended as follows:
(i) deleting the word "and" at the end of subsection 18.20(a);
(ii) deleting the period at the end of subsection 18.20(b) and replacing it with "; and";
(iii) adding a new subsection 18.20(c) as follows:
 "(c) proof that the vehicle to be used as a Category 7 Refreshment Vehicle is registered in the Applicant's name or leased by the Applicant."

9. The Business Licensing By-law L-6 is hereby amended by deleting section 18.20.1 in its entirety.

10. Schedule "A" of the Business Licensing By-law L-6 is hereby amended by deleting the fees for Refreshment Vehicle (Category 7) and replacing it with the following fees:
 "Initial - \$2,320.00"
 "Renewal - \$1,855.00"

11. This by-law shall come into force and effect on the day it is passed.

Agenda Item # Page #

--	--

PASSED in Open Council on _____, 2015.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First reading -
Second reading -
Third reading -