



## Legislation Text

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**File #:** 15-093, **Version:** 2

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### **ACTION REQUESTED:**

Communication from the City Manager with a Request to Approve an ORDINANCE Amending Chapter 18 of the Code of the City Of Peoria Pertaining to Licensing of MOBILE FOOD VEHICLES.

### **BACKGROUND:**

In 2012, City staff worked to craft an ordinance that would allow food trucks to operate from the right-of-way. The effort was undertaken due to interest from potential entrepreneurs who wished to start food trucks. The ordinance was patterned on the existing food cart ordinances and provided for a number of regulations: parking in designated areas; fees; requirements for trash, clearances, etc.; and operating hours. The effort included two public meetings. On June 12, 2012, the proposed ordinance failed on a 5-6 vote.

On February 24, 2015 (Item 15-067), the City Council unanimously directed staff to prepare an ordinance to be introduced at the March 24, 2015 meeting that would allow food trucks to operate from the public right-of-way. The ordinance was introduced under first reading. From the Council discussion, staff investigated making the following changes to the ordinance:

- Limiting the number of food trucks operating downtown to 2 or 3.
- Changing the proposed downtown location to the 500 block of Hamilton.
- Strengthening the language regarding sales tax accountability.
- Establishing standards for aesthetics.
- Increasing distance from restaurants outside of downtown.
- Adjusting the fee for both downtown and outside of downtown.
- Adding a requirement for the provision of recycling containers.

The attached, revised ordinance (both a redline version and a clean version) makes changes in a number of areas:

#### Number of Downtown Licenses

Licenses for operation of food trucks from downtown right-of-way has been limited to three. Previously, staff had suggested that food trucks be folded into the 13 total licenses available for sidewalk vendors (13 total meaning that with 6 currently taken by carts there could be up to 7 food truck licenses). Given a restricted number of downtown licenses, and their likely popularity among operators, staff needed to devise a method to determine selection of three applicants if more than three were received. Section 641(e) was added to create a small staff committee that will review and select downtown operators based on appearance and menu. This committee must establish and publish guidelines for evaluating applications.

#### Downtown Location

An alternative location on the 500 block of Hamilton was offered during the March 24 meeting. Staff reviewed this potential location and did not feel it an appropriate location given parking constrictions caused by the Federal courthouse. The original suggestion of the 300 block of SW Adams remains viable, but the revised ordinance limits operation to the 300 block of Hamilton. This location is along the Peoria County Courthouse Plaza and in the same general location as the sidewalk vendors.

#### Sales Tax Accountability

Before a food truck can renew its license, it must submit to the City a cash register record. Further, the requirement that an auditable point-of-sale system be installed in the vehicle remains and the licensee is subject to random audits.

#### Establishing Standards for Aesthetics

Staff added a provision that the City was not obligated to grant a license to an applicant whose truck it deemed as having a negative impact on its surroundings. Establishing a written aesthetic standard is very difficult, but staff believes the City Council can grant it authority to make determinations on a case-by-case basis.

#### Distance from Other Restaurants

During the Council discussion, many felt that outside of downtown the distance from a food truck to a traditional restaurant (100 feet) was too short. The revised ordinance increases that distance to 300 feet.

#### Fees

Council expressed some concern that the suggested fees in downtown (\$2400-\$3400) and outside of downtown (\$100) were too low. Staff reviewed the fees of 20 cities to see if Peoria's proposed fees were applicable. The average fee among these communities was \$370 per year.

The revised ordinance does not make any changes to the fees for downtown. First, those fees are equal to fees paid by sidewalk vendors. Second, operating downtown will occupy metered parking spaces which will cause a loss in revenue. For example, the City would normally charge \$8 per day for a meter hood for these spaces (which are likely to be signed for "Food Trucks Only"). With approximately 250 working days in a year, the equivalent cost of meter bags would be \$2,000. Without also decreasing the fees for sidewalk vendors, staff believes the downtown food truck license should remain at \$2400/\$3400. However, the revised ordinance does raise the cost of a license for operating outside of downtown to \$300. An operator with a downtown license automatically receives a license for the balance of the City without further cost. For 2015, licenses will be good from June 1 - December 31 and cost \$1200/\$1700 for downtown operation and \$150 for the balance of the City.

#### Recycling

The revised ordinance requires that operators provided at least a 20 gallon recycling container for patron usage.

**FINANCIAL IMPACT:** Undetermined. The City would gain revenue from the sale of the permits. To the extent that food carts increase the market for dining in Peoria, the City would receive additional sales and restaurant taxes.

**NEIGHBORHOOD CONCERNS:** Two public meetings were organized regarding this latest effort: The first was held as an agenda item at the regular meeting of the Downtown Advisory Commission on March 12, 2015 (Council Chambers). The second was held in the 4<sup>th</sup> District, at the request of Councilman Montelongo, on March 16, 2015 (Spring Hill Suites, 2701 W Lake).

Both meetings were attended by those who support the concept of food trucks and those either outright opposed or in favor a more limited pilot project. The March 12 meeting had relatively balanced representation from both sides; the March 16 meeting had more representation from downtown restaurant owners. Concerns ranged from hours of operation to fee structure to locations. Public input was incorporated into original ordinance.

The Downtown Advisory Commission unanimously recommended that the City Council allow food trucks to operate from downtown right-of-way but felt that details should continue to be investigated.

**IMPACT IF APPROVED:** The ordinance will go into effect and City staff will begin to create an application

process.

**IMPACT IF DENIED:** Food trucks will not be permitted to operate from the public right-of-way, but could still operate on properly zoned private property.

**ALTERNATIVES:** Council suggest alternative language on fees, location, distance, etc.

**EEO CERTIFICATION NUMBER:** Not applicable.

**WHICH OF THE GOALS IDENTIFIED IN THE COUNCIL'S 2014 - 2029 STRATEGIC PLAN DOES THIS RECOMMENDATION ADVANCE?**

1. Vibrant Downtown: Riverfront/ Central Business District/ Warehouse District
2. Grow Peoria: Businesses, Jobs, and Population

**WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?**

1. Grow employers and jobs.

**DEPARTMENT:** City Manager's Office