

## **Toronto Street Food Pilot Implementation**

<b>Date:</b>	May 13, 2008
<b>To:</b>	Executive Committee
<b>From:</b>	Sue Corke, Deputy City Manager Victor Tryl, Acting Director Purchasing
<b>Wards:</b>	19, 20, 23, 27 and 28
<b>Reference Number:</b>	

### **SUMMARY**

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This report is to address the steps taken to implement the Toronto Street Food Pilot (Pilot) project that is intended to introduce the sale of safe, healthy, nutritious and ethnically-diverse foods and to evaluate the commercial viability of an expanded program. The report includes the results of the Request for Expressions of Interest (REOI) directed by Council at its meeting of January 29 and 30, 2008, the investigation of partnership funding, the consultation process, and progress on the application for the official mark and related matters. It further requests authority to conduct the next steps, including conclusion of agreements with the Recommended Respondents, vendor selection, establishing an expert selection panel, approval and allocation of locations, institution of location fees (rents), and a schedule required to implement the Pilot, which would operate for a five year term. An evaluation of the Pilot would be conducted after a full year of operation.

### **RECOMMENDATIONS**

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**The Deputy City Manager and the Acting Director of Purchasing and Material Management recommends that:**

1. Council accept the proposal (dated February 29, 2008) from the consortium of JAF Co., Crown Verity and Equilease, submitted in response to the Request for Expressions of Interest No. 0616-08-7021 and authorize agreements with Crown Verity and Equilease Corp on the terms described in the body of this report and Attachment A, and such other terms as may be satisfactory to the Deputy City Manager and the City Solicitor;

2. The thirteen Pilot food vending cart locations described in the body of this report and in Attachment C be approved and, with consultation with Business Improvement Areas where the proposed location is in a BIA;
3. Staff be authorized to initiate a food vendor selection process substantially as described in the body of this report and select the food vendors;
4. Selected food vendors be assigned one of the locations shown on Attachment C and be subject to the location fees as described in the body of this report;
5. Selected food vendors be subject to the location permit, business licensing, inspection fees and other regulations described in the body of this report;
6. The regulations pertaining to the implementation and operation of the Pilot in the approved locations be approved substantially as described in this report (and including such other terms as may be satisfactory to the Deputy City Manager and the City Solicitor) and the City Solicitor draft and introduce any necessary amendments to City by-laws and the Municipal Code, including Municipal Code Chapter 545, Licensing, as required to implement and regulate the operation of the Pilot at the proposed locations; and,
7. The “Toronto a la cart” logo shown on Attachment F be approved as the mark for the Pilot and any subsequent program and staff be authorized to take the necessary actions to secure the exclusive rights for the City to use this logo and Council express its appreciation to Tourism Toronto and Leo Burnett Company for their generous contribution in developing and designing the logo.

## **Financial Impact**

In 2008 the cost to the City for the Pilot will be approximately \$1,000, resulting from the application for the Official Mark and the words “Toronto a la Cart”. The City has the potential to earn approximately \$60,000 annually, starting in 2009, from the location fees (rents) charged to selected food vendors during the Pilot.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact statement.

## **DECISION HISTORY**

At its meeting of January 29 and 30, 2008, City Council directed staff to initiate a small scale Toronto Street Food Pilot at selected City locations in the summer of 2008 by, among other things, preparing and releasing a Request for Expressions of Interest (REOI) for the design and manufacture of up to 15 food vending carts at no cost to the City. The REOI invited respondents to submit proposals for the design and manufacture of the carts, and/or the design, manufacture and financing of the carts.

If partnership funding became available, staff were to consider and recommend governance models to minimize City staff involvement in the operation of the program. In addition, staff were to develop an interim regulatory framework for Council approval, explore partnership opportunities to fund the Pilot, recommend suitable locations, secure the rights to the name “Toronto a la Cart”, conduct and report on consultations with affected stakeholders including the vending industry and Business Improvement Areas, and monitor and evaluate the results of the Pilot so that it informs the development of an expanded regulatory framework for street food throughout the City.

## **COMMENTS**

This report describes the results of the REOI and asks for authority to enter into an agreement with the Recommended Respondent to the REOI and to proceed with the next steps of implementation which include entering into an agreement with the Recommended Respondent and conducting a Request for Information and Application (RFI&A) for the purpose of selecting food vendors. It also seeks approval of the recommended locations and rents for these locations, which the City will charge to selected food vendors under the Pilot, to approve the recommended “Toronto a la cart” mark, and to establish the regulatory framework required for the operation of the Pilot, including any changes required to the Municipal Code. As well, the results of the investigation of potential partnership funding are described.

## **Results of the REOI**

The REOI was issued on February 8, 2008 to producers of carts and others who had previously expressed an interest. The REOI was also posted on the City's Internet site. A pre-submission site meeting was held on February 15, 2008 at City Hall and provided a question and answer session for interested Respondents. A total of four interested Respondents attended the site meeting. Questions that resulted from the site meeting were posted as an addendum on the City's Internet site immediately following the site meeting.

The REOI closed on February 29, 2008. There was one respondent, who qualified for consideration by meeting the mandatory requirements of the REOI and whose proposal was deemed satisfactory, and who is referred to in this report as the "Recommended Respondent". The Recommended Respondent is a consortium including an individual with vending expertise operating as “JAF Co.”, a leasing brokerage company called Equilease and a cart producer, Crown Verity of Brantford, Ontario. Through negotiation it was agreed that JAF Co. would not be a party to the agreement and that Crown Verity and Equilease would have separate agreements with the City, with Crown Verity's agreement covering production of the cart, warranty, performance security and other matters, while Equilease would be the broker who would find financing for the selected vendors, if required. Vendors will have the option to lease or purchase the carts under the options shown in the table below.

The opportunity to advertise on the carts was not included in the REOI or in the draft agreement with the Recommended Respondent.

<b>Terms – Lease/Purchase</b>	<b>Without Refrigeration (Net of GST and PST)</b>	<b>With Refrigeration (Net of GST and PST)</b>	<b>Minimum Interest Rate</b>
3 year lease	\$801 monthly / \$9,612 annually	\$1,081 monthly / \$12,972 annually	12.5%
5 year lease	\$588monthly / \$7,056 annually	\$733 monthly / \$8,796 annually	12.5%
Purchase	\$26,100	\$32,300	Not applicable

The 12.5% interest rate was the rate that the Recommended Respondent advised would be provided, at the time of their submission, to an “A” class selected food vendor, defined as a food vendor with above average credit and a minimum three years food business experience. The rate for a class “B” vendor would be higher and would be negotiated on a case by case basis between the vendor and the leasing company.

The proposed cart design is very efficient and durable and is considered to be a significant improvement over carts now used under the licensing program in the street allowance. The City will not have any exclusive rights with respect to the use of the cart design and Crown Verity may continue to use the design for its own purposes, provided that it shall not provide a cart to any person for use in the pilot except as designated by the City.

## **Agreement with the Recommended Respondent**

The agreements with Crown Verity and Equilease do not financially obligate the City to the Recommended Respondent with respect to the purchase or lease of carts. Nor will the City be financially obligated to the selected food vendors after the selection process is completed.

An agreement with the Recommended Respondent is required for several reasons:

1. Prior to initiating the invitation to food vendors, it is necessary to establish the lease and purchase amounts as provided for in the agreement;
2. The agreement establishes a specification for the carts which satisfies Public Health and Licensing;
3. The agreement stipulates maintenance, warranty, and repair requirements that the Recommended Respondent must provide;
4. The agreement requires the Recommended Respondent to lease the carts to the food vendors after completion of the City’s Pilot food vendor selection process; and,
5. The agreement also stipulates that the carts meet regulations established by other regulating agencies, such as the provincial Technical Standards and Safety Act.

Attachments A and B are copies of the terms of the agreements with, respectively, Crown Verity and Equilease. These cover provisions for insurance, warranties, maintenance and repair, performance security, and the responsibilities of the two parties to the City and the

selected food vendors.

### **Term of the Pilot**

The proposed term of the Pilot is five years because, due to the expense of the carts, it is probable that potential vendor Pilot participants would need to finance the cart over a period of up to five years. Financing companies or banks would also need participating vendors to have some assurance that they had secured a location for the term of the business loan or lease.

### **Potential Partnership Involvement**

Staff of the Toronto Partnership Office and Councillor Filion evaluated and approached potential Pilot program non-profit operators and donors. At the time of writing this report no donor willing to contribute the necessary funds has been identified. However, the agreement with Crown-Verity provides for lease or sale to a partner of such an arrangement, if this materializes. In addition, the approach should include flexibility for the Deputy City Manager to require the Respondents to lease or sell one or more carts to a non-profit proponent proposing a suitable social enterprise operation which, in her judgement, will result in public good. However, it is not intended that vendors operating under this arrangement will receive subsidy.

### **Recommended locations**

An interdivisional staff group evaluated parks and civic square locations based on the criteria of pedestrian volume, proximity to existing vendors, access to the street system, and availability of hard surfaces for cart placement. As a result, the following civic squares and central area parks are recommended for the Pilot: Metro, Mel Lastman and Nathan Phillips Squares, with parks including College Park, Queen's Park, George Hislop, Roundhouse, HTO, Allen Gardens, Trinity-Bellwoods, and Berczy. With the exception of Mel Lastman Square, which is in Ward 23, all these locations are within the downtown area and located in Wards 19, 20, 27 and 28. Attachment C shows the proposed parks locations.

### **Location fees (rents) and charges**

The majority of vending permits in the City are issued through the Municipal Licensing and Standards (MLS) and the Parks, Forestry and Recreation Divisions. For the approximately 200 licenses issued by MLS, most of which are downtown, vendors on former Metro Roads are charged \$4,109 while those on former City streets are charged \$2,235. These fees are adjusted annually by CPI. Parks, Forestry and Recreation Division grand-parented most vending permits from pre-amalgamation but recently issued an 8% increase. Finally, Facilities and Real Estate Division issues three permits for Nathan Phillips and Metro Hall civic squares. The fees can be construed as rent charges because the location fee compensates the City for the vendor's use of City property. In this regard, the location fees are different than the charge that vendors pay the City for business licenses, which are full-recovery fees for a specific municipal service.

The Executive Director of Facilities and Real Estate reviewed the current fees and charges which are shown on Attachment D. The fee structures are not consistent and no overhaul of the fee structure has been undertaken since prior to amalgamation. Nonetheless, existing fees were considered when proposing fees for the Pilot. Since the existing vendors appear to be doing well, with few or no business failures, it is reasonable that the fees for the Pilot should be within the existing ranges, assuming that the Pilot vendors do not face additional extraordinary costs.

The suggested fees in the table below are based on an area of 2.3 square metres (25.0 square feet), which is the area permitted vendors on the street allowance. Since there is no data to establish actual annual sales volume for existing locations, adjustments were made based on anticipated volumes of pedestrian traffic. As a result, park locations were ranked as good or fair. To be consistent with the existing food cart programs, the proposed fees should be adjusted annually by the CPI. The highest fees are proposed for Nathan Phillips and Metro Hall squares because these locations currently generate the highest vendor rents.

Ward	Location	Comments	Number of Carts Proposed	Suggested Fee based on 25+/- SF	Revenue
27	Nathan Phillips Square: East Side West Side	Based on current rates established by competition several years ago the W/S of square generates significantly more rent.	2 – one on each side	\$10,400 \$5,500	\$10,400 (E/S) \$5,500 (W/S)
20	Metro Hall	Similar to west side City Hall in terms of location.	2	\$6,800	\$13,600
23	Mel Lastman Square	Based on top end of range for food sales in former Metro sidewalk locations.	1	\$4,200	\$4,200
20	Roundhouse	Good location	1	\$4,200	\$4,200
27	Allan Gardens	Fair location	1	\$2,300	\$2,300
28	Berczy	Good location	1	\$4,200	\$4,200
27	Queen's Park	Good location	1	\$4,200	\$4,200
27	College Park	Good location	1	\$4,200	\$4,200
27	George Hislop	Fair location	1	\$2,300	\$2,300
20	HTO	Fair location	1	\$2,300	\$2,300
19	Trinity-Bellwoods	Fair location	1	\$2,300	\$2,300
Total estimated annual location fees:					<b>\$59,700</b>

The Pilot will operate with thirteen locations since this is the number of suitable and agreeable locations so far identified.

## **Vendor Selection Process**

The vendor selection process will be initiated by a media release and posting of the Request for Information and Application (“Application”) on the City’s website. The Application will be available for free to interested potential food vendors.

A two stage selection process will follow, with the first stage involving screening by City staff using the criteria below as well as a business plan review. The second stage will involve an expert panel that will judge the proposed food items from the standpoint of the food industry and culinary excellence. Members of the panel include the Director of the Centre for Hospitality & Culinary Arts at George Brown College, the head of purchasing for the Canadian division of the Whole Foods Trading Company, and another culinary expert, potentially a food writer. Vendors will be asked to indicate their preferred locations. Once the vendors have been selected, a lottery will be used to determine vendor locations where more than one vendor has indicated a preference for a location, with the necessary measures to ensure that diversity of food within an area is achieved.

The following criteria will be used in selecting food vendors who will enter into leasing agreements with the financing companies:

- 1) ethnic diversity of food items;
- 2) quality of food and suitability for street vending;
- 3) nutritional content;
- 4) use of local produce/food products (where appropriate);
- 5) financial capacity;
- 6) by-law/regulation compliance history; and,
- 7) experience and qualifications.

## **Regulatory Framework**

Each vending cart operating under the Pilot would be subject to the following requirements:

- 1) An owner's vending licence stipulating the permitted menu items;
- 2) Approval of all foods to be sold from the cart by the Medical Officer of Health;
- 3) Any operator must have a valid food handling certificate;
- 4) Selected vendors must be sole proprietors operating the cart a minimum of 50% of operating hours;
- 5) The lease or license agreement with the City include the street vendor regulations of the former City of Toronto which provide for full cost recovery and no City liability for claims for damages, including business interruption losses, due to the removal or relocation of a cart due to construction, special events, and other civic operations;
- 6) Evidence of conformity with Ontario Regulations 211/01 2000 (Propane Storage and Handling) and Ontario Regulation 212/01, 2000 (Gaseous Fuels), both made under the Technical Standards and Safety Act;
- 7) An assistant's licence issued to each person other than the owner who operates the carts; and,
- 8) Inspection of each cart by Public Health and Municipal Licensing and Standards.

The City's agreement with vendors will include a provision that vendors will agree to participate in an evaluation of the Pilot, including providing information on business performance.

### **Implementation Schedule**

If the agreement with the Recommended Respondent is consummated, then the vendor Application process will be announced as described above. Final selection of vendors is not expected until the beginning of September 2008. Once the vendors are selected they must place their orders for the carts directly with the supplier. To secure the prices or lease rates indicated above selected vendors must order their cart by December 31, 2008. Manufacture and delivery of the carts will take a minimum of 60 days resulting in a start up November 2008. For this reason it is preferable to give selected vendors the option of commencing their business no later than April 2009.

### **Stakeholder Consultation**

An independent facilitator was engaged and stakeholder consultations took place with Toronto Association of Business Improvement Areas (TABIA), current street food vendors, and independent restaurateurs. Responses from the Ontario Motel, Hotel and Restaurant Association were obtained through discussion of the concept at their monthly board meeting. An online survey was completed to gauge the interest and concerns of street food consumers and the general public, which resulted in 3,557 responses.

The consultations yielded worthwhile ideas about the future of street foods. The Toronto Association of Business Improvement Areas felt the BIAs should be offered the opportunity to participate by using the carts to showcase local restaurant food. Current vendors felt they should be allowed to sell an expanded menu of foods. The six Councillors who attended the consultation felt that financial wherewithal and experience should not be barriers for applicants and that the project should be a business incubator with mentorship and monitoring. The online survey indicated that a majority of the public wants greater selection beyond current street food fare.

Concerns and highlights of the consultations are summarized on Attachment E.

### **Official Mark Registration**

The City Solicitor has applied for Official Mark Registration to the federal Registrar of Trademarks under the Trademarks Act. Approval typically takes several months.

The proposed "Toronto a la cart" mark is shown on Attachment F. This was developed at no cost to the City by Leo Burnett Company Limited through an agreement with Tourism Toronto and a letter of thanks will be sent to these parties.

### **Evaluation of Pilot**

It is proposed that the evaluation of the Pilot be conducted after one full year of operation. The evaluation will examine a wide range of Pilot components through multiple approaches including on-the-street field observation, direct and web-based



customer surveys, interviews with key stakeholder groups and administrative/financial analysis. The evaluation will be conducted using existing resources at no additional cost to the City. The assistance of a university or college may also be sought to support the evaluation process.

Examples of Pilot components to be evaluated include:

- 1) Diversity and variety of food (e.g., does it reflect Toronto's multicultural character);
- 2) Degree of local procurement;
- 3) Benefit to local producers and vendors;
- 4) Viability of locations (e.g., whether there is sufficient customer demand, impact on pedestrian and vehicular movement, whether it complements the local physical and social space, and the criteria for determining future locations);
- 5) Customer satisfaction (e.g., whether people enjoy access to greater variety of street food, consumer concerns about the approach and their proposed improvements);
- 6) Standards of operation, health, business compliance, compliance with labour standards;
- 7) Vendor satisfaction, experience and issues;
- 8) Administration of program by the City;
- 9) Vendor selection process and how it can be improved;
- 10) Fees model;
- 11) Lessons for the existing street food program; and
- 12) Overall costs and benefits for the City and communities.

## **CONCLUSION**

The agreement with the Recommended Respondent to the REOI does not financially obligate the City to the Recommended Respondent or to the selected food vendors. Under the concept, selected food vendors will pay location fees to the City. As well, selected food vendors have the option of leasing or purchasing carts from the Recommended Respondent. The Pilot will permit the City to test the concept of providing an expanded menu of healthy and diverse foods under the “Toronto a la cart” mark and to determine if the approach is viable. Finally, the Medical Officer of Health has reviewed the proposed cart design and confirmed that the cart is suitable for the preparation and sale of an expanded menu of vending cart foods.

## **CONTACT**

George Wheeler, Economic Partnership Advisor, Economic Development, Culture & Tourism, Phone: 416-392-0626, E-mail: [gwheeler@toronto.ca](mailto:gwheeler@toronto.ca)

Edward Chin, Acting Manager, Purchasing & Materials Management, Phone: 416-397-4825, E-Mail: [echin2@toronto.ca](mailto:echin2@toronto.ca)

Jim Chan, Manager, Healthy Environments, Public Health, Tel: (416)338-2367, Email: [jtchan@toronto.ca](mailto:jtchan@toronto.ca)

Frank Weinstock, Manager, Policy and Planning Services, Municipal Licensing and Standards, Tel: (416)392-0404, Email: [fweinst@toronto.ca](mailto:fweinst@toronto.ca)

Edward Earle, Solicitor, Municipal Law, Legal Services, Tel: (416)397-4058, Email: [wearle@toronto.ca](mailto:wearle@toronto.ca)

## **SIGNATURE**

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Sue Corke  
Deputy City Manager

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Victor Tryl  
Acting Director  
Purchasing and Materials Management

## **ATTACHMENTS**

- A. Terms of Agreement with the City of Toronto and Crown Verity
- B. Terms of Agreement with the City of Toronto and Equilease
- C. Map of proposed park locations
- D. Location fees, existing locations
- E. Summary of Consultation with Stakeholders
- F. Official Mark
- G. Picture of cart

**Attachment A**  
**TERMS OF SUPPLY AGREEMENT WITH CROWN-VERITY**

The following is a concise summary of the major terms and conditions included in the long form Cart Supply Agreement with Crown-Verity Inc. (the “Supplier”), along with such other terms and conditions as may be satisfactory to the Deputy City Manager and the City Solicitor:

1. The term of the Agreement shall, unless terminated earlier, be for five (5) years.
2. The Supplier shall design, supply and install, and perform certain maintenance and repair work (the “Warranty Work”) to the Carts as required under the 2-year warranty at the Supplier’s sole expense.
3. The Supplier shall have the exclusive right to supply the Carts for the purposes of the Pilot.
4. The Supplier shall ensure that the Carts are designed, manufactured, supplied and installed, and all Warranty Work is done **at no cost to the City**.
5. The Supplier will design, manufacture, supply and install up to 15 Carts according to the following schedule:
  - (a) First six (6) Carts - Sixty (60) Days from Receipt of Purchase Order
  - (b) Remaining Carts - One Hundred (100) Days from Receipt of Purchase Order
6. The City may, at its option, request that the Supplier sell or lease (subject to compliance with credit requirements) all or any number of the Carts to the City or any Person designated by the City.
7. The Unit Prices for the Carts as contained in the Agreement shall be fixed until December 31, 2008, after which time the Supplier shall be entitled to increase the Unit Prices to reflect any increase in the cost of raw materials for the Carts, provided that the Supplier shall provide such evidence as may be requested by the City to support the cost increase.
8. The ownership and copyright entitlement to all design specifications provided by the Supplier (the “Cart Designs”) is vested in the name of the Supplier.
9. The Supplier acknowledges and agrees that all ownership and copyright or trademark entitlement in the name “Toronto a la Cart” and associated logo designs (the “Logo Designs”) is vested in the name of the City.

10. The City shall be entitled to request the supply from the Supplier of further Carts of the same or similar design or, with the further agreement of the Supplier, use the Cart Designs for the design, manufacture and installation of Carts by third parties on other types of City property, such as Streets, at any time during or after the end of the Term.
11. Where Warranty Work is required for the Carts, the Supplier shall perform such Warranty Work, at its sole expense, and to the satisfaction of the General Manager, in accordance with the requirements of the Agreement.
12. The Supplier shall designate a “Supplier’s Representative” for the purpose of fulfilling the obligations of the Supplier under this Agreement, and the receipt of any notifications required under this Agreement. The City, acting reasonably, shall have the right to approve the Supplier’s Representative. For greater certainty, the Supplier agrees that it shall not propose as the Supplier’s Representative any person who is also a Vendor as defined under this Agreement.
13. The Supplier agrees that it shall consult with Vendors on the requirements for the Carts to be used by Vendors.
14. The Supplier shall not, without the prior approval of the General Manager, provide a Vendor with any Cart, accessory or component other than that which is suitable and required for the purposes of the preparation and sale of the foods which the Vendor is authorized by the City to prepare and sell from a Cart at that location.
15. The Supplier’s Representative shall train Vendors in the proper maintenance and operation of the Carts.
16. Vendors shall be permitted to purchase a Cart at the unit prices as set out in the Agreement.
17. The City may, at its option, request that the Supplier sell or lease under the terms of the Broker Agreement all or any number of the Carts to the City or any Person designated by the City, and the purchase price for the purchased Carts shall be as set out in the Agreement.
18. Where a Vendor wishes to finance, in whole or in part, the purchase of a Cart, the financing will be arranged in accordance with the terms of the City’s agreement with Equilease Corp. (the “Broker Agreement”).
19. The Supplier agrees that it shall at all times when performing work under the Agreement comply with the City’s Workers’ Rights, Fair Wage, Re-Employment of Former City Employees and Non-Discrimination Policies.

20. The Supplier shall indemnify and save harmless the City, its employees, officers, agents and elected officials (collectively the “Indemnitees”) from any and all claims, liabilities, damages, costs, expenses, suits or actions, or other proceedings by whomsoever made, sustained, brought or prosecuted in any manner against the Indemnitees resulting from any breach, violation or non-performance of any covenant, obligation or agreement of the Supplier contained in the Agreement or any negligence or willful misconduct of the Supplier.
21. The Supplier shall purchase and maintain in force, at its own expense (including the payment of all deductibles) and for the duration of the Agreement, policies of Comprehensive General Liability, “All Risks” Property and Automobile Liability insurance in such form and amount as required under the Agreement.
22. The Supplier shall, at its own expense, procure full Workplace Safety and Insurance Board coverage for itself and all workers, employees, servants, agents and others engaged in or upon any work under this Agreement.
23. The Agreement does not create or provide the Supplier with any interest in the property of the City and that no person shall be entitled to register or claim an interest of any kind against City property.
24. As security for the performance of its obligations, including its obligations to design, manufacture and install the Carts and the Warranty Work under this Agreement (the “Obligations”), the Supplier shall provide upon execution of the Agreement, an unconditional and irrevocable Letter of Credit in the amount of Fifteen thousand Dollars (\$15,000) which shall be held by the City for the period of the Warranty applicable to the Carts and for one (1) year thereafter, and the City may draw upon the Letter of Credit in the event of a default by the Supplier in the performance of any one or all of its Obligations under the Agreement.
25. The City shall have the right, upon notice to the Supplier, to terminate the Agreement for an uncured breach of the Agreement by the Supplier and shall also have the option, on one hundred and eighty (180) days notice, to terminate the Agreement for any reason prior to its expiry without any payment of compensation to the Supplier.
26. The Supplier shall not be permitted to assign the Agreement without first obtaining the prior written consent of the Council of the City.

The Agreement shall contain such other normal commercial terms (e.g. notice provisions, force majeure, etc.) as may be satisfactory to the Deputy City Manager and the City Solicitor.

**Attachment B**  
**TERMS OF FINANCING AGREEMENT**  
**WITH EQUILEASE**

The following is a concise summary of the major terms and conditions which shall be included in the long form Cart Financing Agreement with Equilease Corp (the “Broker”), along with such other terms and conditions as may be satisfactory to the Deputy City Manager and the City Solicitor:

1. The term of the Agreement shall, unless terminated earlier, be for five (5) years.
2. The Broker shall have the right to arrange financing for the Carts for the purposes of the Pilot in accordance with the terms and conditions of this Agreement and agrees to provide financing of the Carts to qualified Vendors as contemplated under the Agreement by providing Vendors or other Persons designated by the City with the opportunity to enter into a Financing Lease with a Funder on the terms and conditions as set out in this Agreement.
3. The Broker agrees that the leasing rates for Class "A" applicants and purchase prices for Carts shall not exceed the Lease Rates/Unit Pricing as set out in the Agreement, which may be reviewed by the City on an annual basis to ensure that the leasing rates are consistent with market rates.
4. The Broker acknowledges and agrees that, despite this Agreement, a Vendor or other Person designated by the City shall be free to arrange for financing with a Person other than the Broker and the Funder in the event that an agreement cannot be reached with a Funder, provided that in such event the purchase price for the Cart shall continue to be the amounts as set out in the Agreement.
5. The Broker shall ensure that the Carts are financed **at no cost to the City** and strictly in accordance with the requirements of this Agreement.
6. The Broker agrees that nothing in the Agreement shall prevent a Vendor from choosing to purchase a Cart and that where a Vendor chooses to pay the total purchase price for a Cart, there shall be no requirement for a Financing Lease.
7. The City may, at its option, request that the Supplier sell or lease (subject to compliance with credit requirements) all or any number of the Carts to the City or any Person designated by the City.
8. Where a Vendor or other Person designated by the City wishes to finance, in whole or in part, the purchase of a Cart, the Broker shall provide the Vendor with information respecting the options offered by the Funders and advise the Vendor of the terms and conditions of the various forms of Financing Lease required by each Funder.

9. The Broker shall at all times observe and comply with all generally applicable statutory requirements, rules, regulations, standards, specifications and by-laws of the City as set out in this Agreement, applicable to the financing.
10. The Broker agrees that it shall at all times comply with the City's Workers' Rights, Fair Wage, Re-Employment of Former City Employees and Non-Discrimination Policies.
11. The Broker shall indemnify and save harmless the City, its employees, officers, agents and elected officials (collectively the "Indemnitees") from any and all claims, liabilities, damages, costs, expenses, suits or actions, or other proceedings by whomsoever made, sustained, brought or prosecuted in any manner against the Indemnitees resulting from any breach, violation or non-performance of any covenant, obligation or agreement of the Broker contained in the Agreement or any negligence or willful misconduct of the Broker.
12. The Broker shall purchase and maintain in force, at its own expense (including the payment of all deductibles) and for the duration of the Agreement, policies of insurance in such form and amount as would be carried by a prudent Person in the same business as the Broker.
13. The Broker shall each be solely responsible for the payment of all taxes, rates, duties, levies, etc. charged or levied in connection with the business of the Broker.
14. The City shall have the right, upon notice to the Broker, to terminate the Agreement for an uncured breach of the Agreement by the Broker and shall also have the option, on one hundred and eighty (180) days notice, to terminate the Agreement for any reason prior to its expiry without any payment of compensation to the Broker.
15. The Broker shall not be permitted to assign the Agreement without first obtaining the prior written consent of the Council of the City.

The Agreement shall contain such other normal commercial terms (e.g. notice provisions, force majeure, etc.) as may be satisfactory to the Deputy City Manager and the City Solicitor.

(Insert Attachment C here)



**Attachment D - Location fees, existing locations**

Location	Administering Division	2008 Annual Fees and Type	Size & Rate per SF
City Hall	F&RE	East side \$10,400 West side \$5,500	25 - \$416 25 - \$220
Metro Hall	F&RE	North Side \$10,000 – concessions (gross rent includes kiosk building and services – 8 month operation)  South Side \$21,350 – permits sale of snack, hot and cold foods and pre-packaged and prepared general food and beverage items (gross rent includes kiosk building and services – 8 mth operation)	33 - \$303  51 - \$419*  (*allowance for kiosk bldg and terms of lease reduces net rent to \$200-\$250 range)
Sidewalk/Boulevard Former City Street	MLS	\$2,234.92 (all locations – assumes an area of approximately 25 square feet)	25 - \$89
Sidewalk/Boulevard Former Metro Road	MLS	\$4,108.87 (all locations – assumes an area of approximately 25 square feet)	25 - \$164
Curb lane Former City Street	MLS	\$5,427.74 + \$3,000/yr for lost parking revenue (all locations for vehicles i.e. trucks)	N/A – N/A
Curb lane Former Metro Road	MLS	\$7,122.11+ \$3,000/yr for lost parking revenue (all locations for vehicles i.e. trucks)	N/A – N/A
Class I Park	PF&R	\$1,601 (least busy park locations i.e. Eglinton Flats, Humber Bay, Morningside and Rowntree Mills Park)	N/A – N/A
Class II Park	PF&R	\$1,869 (busier park, walking grounds i.e. Etienne Brule, James Gardens, Rouge Beach Park)	N/A – N/A
Class III Park	PF&R	\$2,678 (water front parks i.e. Ashbridge’s Bay, Coronation, Marilyn Bell, Battery Park)	N/A – N/A
Class IV Park	PF&R	\$2,940 (busiest parts i.e. Earl Bales Park) * vendor ceased operations a few years ago	N/A – N/A
Cherry Beach	PF&R	\$10,599 – includes hydro hook up and utility costs. Chip truck. RFP process in 1995, awarded to current vendor who had been at this location for a long period of time.	N/A – N/A

### Attachment E – Stakeholder Consultation Summary

Stakeholder Group	Main Points
Toronto Association of Business Improvement Areas	<ul style="list-style-type: none"> <li>• Good for tourism</li> <li>• Negative impact on existing restaurants</li> <li>• Litter, noise and loitering concerns</li> <li>• Taxes, rents and other fees should be in line with restaurant operating costs</li> <li>• Carts should be offered to BIA members first</li> <li>• BIAs should approve carts in their jurisdiction</li> <li>• Percentage of cart profits should go to BIAs</li> </ul>
Current Street Food Vendors	<ul style="list-style-type: none"> <li>• Permit current vendors to offer more food items</li> <li>• Permit exiting vendors to select products and locations</li> <li>• Location fees too high</li> <li>• Dialogue with current vendors before implementing new programs and policies</li> <li>• Concerned whether new carts are too small</li> <li>• Current vendors should evaluate and approve new cart design</li> </ul>
Independent Restaurateurs	<ul style="list-style-type: none"> <li>• Carts should be affiliated with a restaurant</li> <li>• Showcase different foods from different restaurants on a rotating cart-sharing basis</li> <li>• Negative impact on existing restaurants</li> <li>• BIAs should own the carts and decide on menus and locations</li> </ul>
Ontario Motel, Hotel and Restaurant Association	<ul style="list-style-type: none"> <li>• Association opposes the “ill-conceived project”</li> <li>• Public health and safety concerns</li> <li>• Negative impact on existing restaurants</li> <li>• Selection process must be fair</li> </ul>
Toronto City Councillors	<ul style="list-style-type: none"> <li>• Project should be no-cost to City</li> <li>• Financial capacity and experience should not be barriers for applicants</li> <li>• Prefer a business incubator model with mentorship and monitoring</li> <li>• Must ensure adequate litter and recycling collection</li> <li>• Highly regulate public health and safety</li> <li>• Consider variable location fees</li> </ul>
Street Food Consumers	<ul style="list-style-type: none"> <li>• 3,557 respondents to online survey</li> <li>• 91% want greater selection beyond current street food fare</li> <li>• 50% willing to pay up to \$5 per purchase</li> <li>• 42% willing to pay up to \$10 per purchase</li> </ul>

	<ul style="list-style-type: none"><li>• 8% willing to pay over \$10 per purchase</li><li>• 45% make lunch purchases from street carts</li><li>• 25% make late-night purchases from street carts</li><li>• 20% make dinner purchases from street carts</li><li>• 10% make breakfast purchases from street carts</li><li>• Alternate menu items in order of popularity: chicken/pork souvlaki; spring rolls; corn on the cob; noodle dishes; hot beverages (coffee, tea, hot chocolate); samosas; tacos; fruit salads/skewers; dim sum; baked potatoes (regular, sweet); falafels; roti; rice dishes; fish and chips; jerk chicken; salads; crepes; pretzels; curry dishes; soups; empanada; waffles; enchiladas; sushi; donar kebabs</li></ul>
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**Attachment F – Recommended Mark**



**Attachment G – Picture of Cart**

