



STAFF REPORT ACTION REQUIRED

Review of Categories and Fees for Non-Motorized Refreshment (NMR) Vehicle Licences and Assistant Licences

Date:	January 27, 2010
To:	Licensing and Standards Committee
From:	Executive Director, Municipal Licensing and Standards
Wards:	All
Reference Number:	P:\2010\Cluster B\MLS\Ls10007

SUMMARY

The purpose of this report was to fulfil Council's direction that Municipal Licensing and Standards (MLS) review the categories and fees for Non-Motorized Refreshment (NMR) Vehicle Licences and Refreshment Assistant Licences with a view to making it easier and more cost effective for assistants in the Toronto a la Cart program to obtain licences.

Street food vending plays a role in creating vibrant, safe street life in large cities. The Toronto a la Cart project adds to the diversity of food offerings and vibrant streetscape of Toronto. It is believed that this street food vending initiative would be more successful if changes were made to the regulations governing the pilot, including a reduction of associated licensing fee costs.

Licensing fees are established based on a cost recovery model within a fee class; changes would affect the entire business class and negatively impact the cost recovery methodology.

RECOMMENDATIONS

The Executive Director, Municipal Licensing and Standards recommends that:

1. This report be received for information purposes only.

Financial Impact

There is **no** financial impact beyond what has already been approved in the current year's budget.

However, if a fee reduction is pursued, it would result in a loss of revenue for MLS as the reductions will be applied to the affected fee classes. (A 10 per cent licence fee reduction would lead to revenue loss of \$156,117.17 in 2010).

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

DECISION HISTORY

At the Board of Health meeting on November 16, 2009, a report entitled "Street Food Pilot Project Update" was debated and the recommendations adopted in its entirety (see link below).

(<http://www.toronto.ca/legdocs/mmis/2009/hl/bgrd/backgroundfile-25253.pdf>
<http://www.toronto.ca/legdocs/mmis/2009/hl/bgrd/backgroundfile-25242.pdf>
<http://www.toronto.ca/legdocs/mmis/2009/hl/bgrd/backgroundfile-25243.pdf>
<http://www.toronto.ca/legdocs/mmis/2009/hl/bgrd/backgroundfile-25244.pdf>)

On November 30, December 1, 2, 4, and 7th, 2009, City Council, in adopting the recommendations set out in the Board of Health Report (see link below), directed the Municipal Licensing and Standards Division to review the categories and fees for both Non-Motorized Refreshment Vehicles Licences and for Assistant's Licences with a view to making it easier and more cost effective for Assistants to obtain licences.

(<http://www.toronto.ca/legdocs/mmis/2009/cc/decisions/2009-11-30-cc42-dd.htm>)

ISSUE BACKGROUND

In 2008, Toronto Public Health, at the request of the Executive Committee, designed and implemented a new street food vending pilot project branded "Toronto a la Cart", to assess the impact of introducing new street foods at mobile vending carts.

Based on the first five months of operation, challenges have been recognized by the City and the vendors. In an effort to assist the a la Cart vendors through any financial hardships involved in establishing a new business, modifications to the program were recommended in a report to the Board of Health, including modifications to sections of the Licensing By-law governing this initiative, specifically the fees structure for both NMR Vehicle licences and for Assistant licences with a view to making it easier and more cost effective for Assistants to obtain licences.

COMMENTS

The “Toronto a la Cart” program is a five-year pilot project which enables new street food vendors to sell culturally diverse, healthier foods from new carts at new vending locations.

Street food vending plays a role in creating vibrant, safe street life in large cities. The Toronto a la Cart projects adds to the diversity of food offerings and vibrant streetscape of Toronto. It is believed that this street food vending initiative would be more successful if changes were made to the regulations governing the pilot, including a reduction of associated licensing fee costs.

Toronto Municipal Code, Chapter 545, Licensing governs the requirements and fees for licensing both NMR Vehicle Owners and Refreshment Vehicle Assistants. The current fees are \$375.61 for Non-Motorized Refreshment Vehicle Owners, with a renewal fee of \$235.72, and \$356.89 for Refreshment Vehicle Assistants, with a renewal fee of \$245.63, adjusted annually by the consumer price index (CPI).

In 2004, at the direction of Council, an omnibus review of business licensing fees was undertaken. Fees were adjusted (on a class by class basis) to reflect the cost of administering and enforcing the Licensing Bylaw. The methodology employed to calculate the fees was based on the concept of activity-based costing. The basic tenet of the exercise was to recover all costs incurred in the application of the City’s Licensing Bylaw.

Four basic groups of licences were identified: 1) Vehicular Businesses; 2) Adult Businesses; 3) Trades; and 4) Other Businesses. These groups were further divided into classes, for which specific fees were determined. Fee classes were determined by an analysis of the level of activity and resources deployed in the administration and enforcement of the Bylaw.

MLS establishes licensing fees on the basis of a cost recovery model, factoring in all administrative and enforcement costs for a specific fee class. It should be clarified that the categories and fee classes for NMR Vehicle Owners and Refreshment Vehicle Assistants do not exclusively govern the owners and assistants of the Toronto a la Cart program.

For licensing purposes, NMR Vehicle Owners are classed within the “Vehicular Business – Other” category with a total of 3,537 licensees. Refreshment Vehicle Assistants are classed within the Vehicular Business – Driver (non-taxi) category with licensees totalling 2,287.

There are only eight a la Cart vendors currently licensed by MLS. However, consideration of a fee reduction would impact 5,824 licensees in these two business classes. For example, a 10 per cent reduction in fees would provide minimal relief to the a la Cart vendors and their assistants (ranging from \$23.57-\$37.56 annually) while creating a \$156,117.17 loss in revenue for MLS.

While MLS recognizes that the requirements for licensing may appear burdensome and cost-prohibitive, any changes to the fee schedule would negatively impact the cost recovery model.

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SIGNATURE

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