



## STAFF REPORT ACTION REQUIRED

### Chapter 740, Street Vending – One Year Review

<b>Date:</b>	April 7, 2015
<b>To:</b>	Licensing and Standards Committee
<b>From:</b>	Executive Director, Municipal Licensing and Standards
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2015\Cluster B\MLS\LS15006

#### SUMMARY

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At its meeting of April 1, 2014, City Council adopted a new by-law, Chapter 740, Street Vending, which provided new opportunities for food trucks, ice cream trucks and food carts to operate curbside, on sidewalks and in parking lots across Toronto. The by-law took effect on May 15, 2014.

Municipal Licensing and Standards has completed a review of the new by-law, a comparison scan of other North American cities, and stakeholder and public consultation. This report recommends amendments to the by-law to provide further opportunities for street food vendors.

The Street Food Working Group reconvened to provide input into and facilitate the one year review of the by-law.

#### RECOMMENDATIONS

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**The Executive Director, Municipal Licensing and Standards recommends that:**

1. City Council approve amendments to Chapter 441, Fees, by adding the following new permit fees for 2015, subject to annual inflation and approve incidental changes to Chapter 740, Street Vending to allow 6 month and 9 month permits in addition to annual permits:
  - a. 6 Month Mobile Food Vending Permit: \$2,597.69
  - b. 9 Month Mobile Food Vending Permit: \$3,896.54
  - c. 6 Month Ice Cream Vending Permit: \$269.26
  - d. 9 Month Ice Cream Vending Permit: \$403.90

2. City Council authorize the Executive Director, Municipal Licensing and Standards, in transitioning in 2015 only to the new permit fees described above, and for any current permit holder of a Mobile Food Vending Permit or Ice Cream Vending Permit, to issue a renewal permit for less than six months and at a fee based on prorating the applicable permit fee.
3. City Council approve amendments to Chapter 740, Street Vending ("Chapter 740") to:
  - a. clarify that a limit of only one permit under Chapter 740 will be issued to each business licence holder to vend in accordance with this municipal code chapter;
  - b. include all pay and display parking spaces on Collector Roadways as defined in Chapter 950, Traffic and Parking and the City's Road Classification System as designated vending locations;
  - c. change the current time-based limit for vending on the same block within a 24-hour period to 5 hours, provided that all other regulations are followed;
  - d. allow Mobile Food Vending Permit holders to place a garbage, recycling and/or organics container on the sidewalk or boulevard provided that the container does not obstruct pedestrian or vehicular passage and is removed after the vending;
  - e. allow an expanded designated area, larger than 3.48 square metres, where the Executive Director has determined that the location can accommodate extra space provided that doing so would not contravene Chapter 740;
  - f. define a "school" as an elementary or high school; and
  - g. restrict the distribution or giving away of goods or services for free unless a permit is issued under Chapter 740.
4. City Council direct the Executive Director in consultation with the City Solicitor to draft provisions in Chapter 740 to authorize municipal standards officers and police officers to seize and remove carts, motorized and non-motorized refreshment vehicles, goods, food and merchandise where a person contravenes provisions in Chapter 740.
5. City Council authorize the City Solicitor to introduce incidental amendments to the City's traffic and parking by-laws necessary to implement recommendation 3(c) directly to City Council for enactment.
6. City Council direct that the changes come into force on May 14, 2015.

### **Financial Impact**

In 2014, Municipal Licensing and Standards issued 17 Mobile Food Vending Permits at a fee of \$5,066.69 each and 39 Ice Cream Vending Permits at a fee of \$525.19 each for a total of \$106,616.14.

It is difficult to determine the number of permits that will be issued in 2015 based on the addition of new fees in this report. However, there are currently 195 food trucks (which include coffee trucks, hot dog trucks, french fry trucks and gourmet food trucks) and 143 ice cream trucks with Toronto business licences. Based on this and public consultations conducted, staff estimate that applications for the new permits will generate \$139,783.40 in revenue in 2015.

<b>Permit</b>	<b>Number of Permits</b>	<b>Permit Fee</b>	<b>Estimated Revenue</b>
6 Month Mobile Food Vending	30	\$2,597.69	\$77,930.70
9 Month Mobile Food Vending	10	\$3,896.54	\$38,965.40
6 Month Ice Cream Vending	55	\$269.26	\$14,809.30
9 Month Ice Cream Vending	20	\$403.90	\$8,078.00
<b>Total</b>	<b>115</b>		<b>\$139,783.40</b>

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

### **DECISION HISTORY**

At its meeting of April 1, 2014, City Council adopted the report headed, "New Opportunities for Toronto's Street Food Vendors" from the Executive Director, Municipal Licensing and Standards. The report recommended a new by-law, Chapter 740, Street Vending. City Council directed the Executive Director to report to Licensing and Standards Committee in one year on the impact of the new regulations on street vending in Toronto.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.LS27.1>

### **ISSUE BACKGROUND**

The new by-law, Chapter 740, Street Vending, provided new opportunities for street food vendors across the entire City. The by-law eased restrictions and created new spaces in the City's right-of-way and in parking lots for vendors to make their businesses more easily accessible to the public. The by-law also helps balance the competing uses of the right-of-way, maintains food safety requirements and improves the public's access to a diverse street food experience.

### Food Trucks

For the first time in Toronto and since May 2014, licensed food trucks are permitted to operate curbside in pay and display parking spaces on major and minor arterial roads, 50 metres from an open and operating restaurant, for up to three hours on any one block and 25 metres from a designated sidewalk food vendor. Two food trucks can vend on one block at the same time. Food trucks are permitted to vend curbside with a Mobile Food Vending Permit.

Licensed food trucks are now also permitted to vend in parking lots with permission of the property owner. No City permit is required.

Prior to the new by-law being adopted last year, food trucks were only permitted to vend at special events, on private property, at City facilities and in designated spaces in the former City of Toronto.

### Food Carts

Licensed food cart owners and operators are now permitted to vend on sidewalks across the entire City, not just in the downtown core. They are permitted to operate 25 metres from a restaurant, school, place of worship or another vendor and must provide at least 2.5 metres for pedestrian passage. Food carts can also apply for expanded space, up to 1.16 square metres of their designated location. Food carts are permitted to vend on sidewalks with a Sidewalk Vending Permit.

Licensed food carts are now also permitted to vend in parking lots with permission of the property owner. No City permit is required.

### Ice Cream Trucks

Licensed ice cream trucks are now permitted to vend city-wide for up to 30 minutes at a time on any one street in a residential neighbourhood with an Ice Cream Vending Permit. Or they can operate like a food truck with a Mobile Food Vending Permit.

Licensed ice cream trucks are now also permitted to vend in parking lots with permission of the property owner. No City permit is required.

## **COMMENTS**

To assess the impacts of the new regulations in Chapter 740, Street Vending, Municipal Licensing and Standards division reconvened the Street Food Working Group in October 2014 and has met on a regular basis since. The Street Food Working Group reviewed City Council direction from April 2014, developed a list of issues for consideration, reviewed the stakeholder and public consultation process and provided input into the recommendations in this report.

### Stakeholder and Public Consultation

Municipal Licensing and Standards met with the Toronto Food Truck Association on November 17, 2014, attended by 30 people who operated food trucks. Staff presented highlights of the new regulations, Council direction and further considerations and listened to suggestions for changes to the by-law from the food truck operators. Issues of concern included insufficient opportunities for food truck operators in Toronto, cost of annual permits and restrictions placed on where food trucks can operate.

A stakeholder consultation meeting for Mobile Food Vending Permit holders was held on March 3, 2015 and attended by approximately 20 people. Staff presented highlights of the new regulations, Council direction and further considerations and listened to suggestions for changes to the by-law. Issues of concern included insufficient opportunities for food truck operators to vend curbside, cost of annual permits, requirement for food trucks to operate at least 50 metres from an open and operating restaurant, and the amount of time spent finding a curbside location.

A public consultation meeting was held on March 5, 2015 and attended by approximately 50 people representing vendors and businesses. Staff presented highlights of the new regulations, Council direction and further considerations and listened to suggestions for changes to the by-law. Issues of concern included the requirements for food trucks to operate at least 50 metres from an open and operating restaurant, cost of annual permits, designated vending locations, and restrictions for food trucks.

A stakeholder consultation meeting with the Toronto Association of Business Improvement Areas (TABIA) was held on March 17, 2015. Staff presented highlights of the new regulations, Council direction and further considerations and listened to suggestions for changes to the by-law. Issues of concern included maintaining the requirement for food trucks to operate at least 50 metres from an open and operating restaurant, food trucks operating in contravention of the by-law, and food trucks leaving behind garbage and litter.

In addition to these meetings, Municipal Licensing and Standards' staff spoke directly to individual food truck, ice cream truck and food cart operators, both permit holders and non-permit holders, throughout the past year, about the new regulations.

### Amendments to Chapter 740, Street Vending

There continues to be different and competing viewpoints from street food vendors and restaurants and business improvement areas in Toronto. Street food vendors want the restrictions eased further to allow for more opportunities to vend, while restaurants want the current restrictions maintained to protect their investments made in Toronto.

Staff are recommending amendments to street food regulations that will provide additional opportunities to vend curbside and on designated sidewalk spaces, while minimizing the impacts to restaurants. Staff are also recommending amendments that will

assist Municipal Licensing and Standards in enforcing the by-law. The Street Food Working Group was consulted on these amendments and is supportive of these changes.

*New Permit Fees*

Through consultations, food truck operators expressed concerns about the annual permit fees to vend curbside given the seasonal nature of their business. The fees were based on existing curb lane vending permit fees. To provide further opportunities for mobile food trucks and ice cream trucks to vend curbside in a roaming capacity and taking into account the seasonal nature of their business, staff are recommending the addition of 6 month and 9 month permits for mobile vending and ice cream vending, with fees based on the annual amounts. Vendors will be able to apply for the following new permits:

<u>2015 Mobile Food Vending Permits</u>		<u>2015 Ice Cream Vending Permits</u>	
Annual:	\$5,195.38	Annual:	\$538.53
9 Month:	\$3,896.54	9 Month:	\$403.90
6 Month:	\$2,597.69	6 Month:	\$269.26

No changes are being proposed for Designated Sidewalk Vending Permits as the vendors operate in designated spaces on the sidewalk year-round.

To assist some vendors with transitioning from annual permits to seasonal permits in 2015, it is recommended that Municipal Licensing and Standards issue renewal permits for less than 6 months, when requested. This approach will benefit vendors with existing annual permits whose annual permits expire later this year and who do not intend to vend during the winter months.

*Mobile Vending Zones*

The by-law currently permits food trucks to vend at pay and display parking spaces on Major and Minor Arterial roads for up to three hours on any one block. There are approximately 500 pay and display locations that meet the provisions in the by-law. Through consultations, food trucks with Mobile Food Vending Permits, expressed concerns about their ability to find a location to vend from. They are finding that the most favourable vending locations are already occupied with parked vehicles. To increase the number of locations, staff are proposing that all pay and display locations on Collector Roads be included as Mobile Vending Zones. This will increase the number of additional opportunities by approximately 175 to 675 pay and display locations. No concerns have been expressed about this amendment.

The current by-law permits food trucks to vend for up to three hours on any one block. Food trucks find this requirement challenging as it does not allow time for set-up before and clean-up after vending. To further ease restrictions, staff propose that food trucks be permitted to vend for up to five hours on any one block, but must still adhere to all traffic and parking regulations on the road, including purchasing of pay and display parking.

### *Garbage and Litter*

Through consultations, some businesses expressed concerns about garbage and litter being left behind by food trucks. Chapter 740 contains a provision that requires permit holders to maintain sidewalks and boulevards in a clean and sanitary condition free from grease, papers, rubbish and debris. To further address this concern, staff are proposing that a food truck may put out a garbage, recycling and/or organics container on the sidewalk or boulevard, but it must not obstruct pedestrian passage or vehicle traffic. The food truck will be required to take the containers and contents with them when they leave.

### *Expanded Designated Spaces*

Currently, the by-law permits designated spaces on the sidewalks to be no more than 2.32 square metres. There is a provision that permits vendors to apply for an additional 1.16 square metres so that the total space cannot be more than 3.48 square metres.

Through consultation, some cart operators expressed a concern that where a cart is larger than 3.48 square metres and all other by-law provisions have been met, including the 2.5 metres of passable space for pedestrians, there are no opportunities to have a slightly larger cart.

To address unique situations where this may arise, staff propose that if the cart has a larger footprint than 3.48 square metres and where the Executive Director has determined that the location can accommodate extra space and if doing so would not contravene any other provisions contained in Chapter 740, then a designated sidewalk permit can be issued to the operator.

### *Strengthen Enforcement for Contravening By-law*

To strengthen enforcement capabilities, if a vendor contravenes provisions in the by-law, and in addition to laying charges, staff propose that municipal standards officers and police officers be authorized to seize and move carts, refreshment vehicles and goods, food and other merchandise. This amendment will ensure that illegal vendors are not blocking sidewalks and lanes of traffic. A similar provision exists in the former City of East York vending by-law. The Executive Director will consult with the City Solicitor on this proposal and draft the amendments necessary to achieve this result.

### *Restricting Vending*

The Street Food Working Group, vendors, businesses and BIAs have all expressed concerns about illegal vending and the growing number of businesses distributing free products and services on sidewalks, blocking pedestrian passage. To address this concern, staff propose that Chapter 740 be amended to restrict vending and the distribution or giving away of products and services unless a permit has been issued under this Chapter.

### *50 Metre Proximity from Restaurants*

In the current by-law, food trucks vending with a Mobile Food Vending Permit curbside, must operate at least 50 metres from an open and operating restaurant. This issue was raised many times during consultations. Food trucks want this restriction lowered to provide more opportunities to vend and to promote competition. Restaurants and BIAs want this restriction raised to protect their businesses and the investments made in Toronto. The 50 metre proximity is a balance between the two competing viewpoints.

The recommendations in this report will further ease restrictions and provide more opportunities for vendors. Staff are not proposing amendments to the 50 metre restriction at this time to maintain a balance.

### *Designated Spaces for Curbside Vending*

During consultations in 2013 and 2014, food trucks requested that any new by-law permit them to operate in a roaming capacity curbside and in parking lots, as their business reflects a mobile model. These opportunities are currently available in Chapter 740, Street Vending.

Through recent consultations, food trucks have now requested that curbside spaces be designated for them to operate in. Current permit holders have expressed the difficulty in finding a location downtown as they are competing for spaces with cars parked in pay and display locations.

There are issues associated with designating curbside spaces, including:

- reduced number of parking spaces for cars
- traffic congestion
- growing density in the City and increasing population
- evolution of the food truck business to a mobile model
- high volume of construction projects and new developments
- impact to local businesses and BIAs
- how the designated spaces are identified, maintained and allocated to food trucks

Designating curbside spaces requires more discussion with stakeholders, including Transportation Services, Toronto Parking Authority, vendors and businesses, to develop a process to identify and allocate spaces. The City of Boston uses this approach and designates 20 spaces curbside for food trucks. City of Boston staff manage the program. For this program to operate in Toronto more work is required as well as additional staff resources.

### *Maintaining the Sidewalk Vending Moratorium in Wards 20, 27 and 28*

The moratorium in wards 20, 27 and 28 was implemented to address concerns about a concentration of street food vendors in the downtown core, and to encourage vending in



other areas of the city. The difficulty, however, was that vending was not permitted on the right of way in Etobicoke, York and Scarborough.

With the adoption of the harmonized street vending by-law last year, food cart vendors are now allowed to apply for Sidewalk Vending Permits in all parts of the city. However, no new Designated Sidewalk Permits were issued last year. Considering the continued concentration of vendors in the downtown core, and with the introduction of the new by-law and the new Mobile Food Vending Permit, staff propose maintaining the moratorium on Sidewalk Vending Permits in wards 20, 27 and 28 to encourage vendors to apply for permits in other parts of the City.

The amendments proposed in this report will ease restrictions further and provide more opportunities for vendors. They should also have little impact to businesses. The proposed amendments to Chapter 740, Street Vending are supported by the Street Food Working Group.

## **CONTACT**

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## **SIGNATURE**

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