



**STAFF REPORT
ACTION REQUIRED**

**New Opportunities for Toronto's Street Food Vendors –
Supplementary Report**

Date:	March 31, 2014
To:	City Council
From:	Executive Director, Municipal Licensing and Standards
Wards:	All
Reference Number:	P:\2014\Cluster B\MLS\CC14006

SUMMARY

This report responds to the Licensing and Standards Committee's request to report to City Council on enforcement of the new street vending by-law, additional opportunities for restaurants wishing to vend on the sidewalk in front of their restaurant, and identification of locations for the incubation of new businesses introducing new products.

The report also clarifies mobile vending zones, proximity distances, and the recommendations contained in the report, "New Opportunities for Toronto's Street Food Vendors" (March 4, 2014).

Economic Development and Culture and Legal Services were consulted in the preparation of this report.

RECOMMENDATIONS

The Executive Director, Municipal Licensing and Standards recommends that:

1. City Council delete recommendation 3 from the Licensing and Standards Committee and replace with:

City Council enact a new City of Toronto Municipal Code Chapter, being Chapter 740, "Street Vending", generally in accordance with the report dated March 4, 2014, from the Executive Director, Municipal Licensing and Standards, and the Supplementary Report from the Executive Director, Municipal Licensing and Standards, as amended by City Council, subject to any necessary clarifications,

refinements, minor modifications or technical amendments as may be identified by the Executive Director, Municipal Licensing and Standards in consultation with the City Solicitor. In the event of any conflict between the schedules to the reports and the reports proper, the reports shall govern.

2. City Council delete recommendation 8 from the Licensing and Standards Committee and replace with:

Any fee increases for current R53 Sidewalk Vending Permit holders be phased in over a three year period (2014, 2015 and 2016) such that the difference between the current fee and the new fee be apportioned equally over the three year period and applied on an annual basis, until the new fee applies to them on January 1, 2017.

3. City Council delete recommendation 10 from the Licensing and Standards Committee and replace with:

City Council permit the existing R55 Curb Lane Vending Permit holders to continue operating under the terms of their current Permit until December 31, 2016, at which time they must obtain a Mobile Food Vending Permit to operate curbside and become part of the new mobile food truck vending system.

4. City Council approve that, for the purposes of the new Municipal Code Chapter, being Chapter 740, "Street Vending", Mobile Vending Zones shall consist of:

- a. All pay-and-display parking spaces on Major and Minor Arterial Roadways as defined in Chapter 910, Parking Machines, and the City's road classification system, subject to the restrictions set out below; and
- b. Areas of the right of way, such as non pay-and-display parking spaces or lay-bys, which are designated as such by the Executive Director, Municipal Licensing and Standards, from time to time.
- c. Despite (a) and (b), above, the following restrictions shall apply to all Mobile Vending:
 1. No Mobile Food Vending Permit holders shall vend within 50 linear metres of an eating establishment licensed pursuant to Chapter 545, Licensing, of the City of Toronto Municipal Code during those hours when the establishment is operating and open to the public.
 2. No Mobile Food Vending Permit holders shall operate within 30 linear metres from the property line of any school or place of worship.
 3. No Mobile Food Vending Permit holders shall operate within 25 linear metres from a designated vending area on the sidewalk.

4. No Mobile Food Vending Permit holders shall operate for more than five hours on the same block within a 24 hour period.
 5. Despite (4) above, Mobile Food Vending Permit holders shall comply with all parking and traffic restrictions, the *Highway Traffic Act* and its Regulations, the Toronto Municipal Code and its By-laws and the Toronto Parking Authority and its Policies.
5. City Council authorize the City Solicitor to amend any City by-laws or Code Chapters to give effect to the new Toronto Street Food Vending program.
 6. City Council request the Executive Director, Municipal Licensing and Standards to report back to the Licensing and Standards Committee on the feasibility of establishing a new permit fee for a licensed restaurant wishing to operate a non-motorized refreshment vehicle on the sidewalk outside of their restaurant and to exempt them from any proximity requirements.

Financial Impact

There is no additional financial impact beyond what has already been identified in the report headed "New Opportunities for Toronto's Street Food Vendors" (March 4, 2014).

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 March 18, 2014, the Licensing and Standards Committee requested the Executive Director, Municipal Licensing and Standards to report directly to City Council on the following:

1. How City staff will ensure enforcement of the one permit per person rule for both new and existing vendors.
2. A method to ensure that, if vendors are operating from private parking lots, that such lots are properly zoned and licensed.
3. How restaurants wishing to vend food prepared in their kitchens on the sidewalk in front of their restaurants can obtain permits for a minimal charge, subject to them meeting the sidewalk space requirements, but not subject to the 25 metre limiting distance.
4. How, in consultation with the General Manager, Economic Development and Culture, and local councillors, some locations can be identified for the incubation of new businesses introducing new products.

ISSUE BACKGROUND

At its meeting of March 18, 2014, the Licensing and Standards Committee amended the report headed "New Opportunities for Toronto's Street Food Vendors" (March 4, 2014) from the Executive Director, Municipal Licensing and Standards.

The report proposed new opportunities for street food vendors across the City and provided more choices to the public for a diverse street food experience. The report proposed recommendations that will help the City better manage the competing uses for the right of way.

COMMENTS

Restriction on Number of Permits

In the proposed Chapter 740, Street Vending, section 740-4 restricts the number of permits issued to one permit per person. Permits are restricted to ensure that the business owner operates the cart or truck. From past experience, this model leads to better customer service, better quality products and a better overall street food experience for the public. Permits are also restricted to encourage new small business opportunities and not for any one vendor to monopolize the industry. The relatively low start-up costs, overhead costs and on-going operating costs (as compared to a restaurant) make this type of business attractive to an entrepreneur trying to enter the food industry.

Staff will review all current permits, as well as review all applications upon receipt to ensure compliance with the new by-law.

Parking Lots

The zoning by-law specifies what land uses are permitted on private property. The sale of goods or commodities such as at a retail store, or the preparation and sale of food for consumption elsewhere, as in the case of a take-out eating establishment, are permitted uses in several zones, including the Commercial-Residential (CR) and the Commercial-Residential-Employment (CRE) zones. Parking lots are permitted in CR and CRE zones. Consequently, vending from a vehicle rather than from a building would be a permitted use in private parking lots in these zones.

There are currently 58 surface-level licensed (in accordance with Chapter 545, Licensing) commercial parking lots in CR and CRE zones. When an unlicensed parking lot is identified, enforcement staff can take measures including laying charges to ensure compliance with the by-law.

Restaurants Vending from Sidewalk

Licensing and Standards Committee requested staff to review the issue of how restaurants wishing to vend food prepared in their kitchens on the sidewalk in front of their restaurants can obtain permits for a minimal charge, subject to them meeting the sidewalk space requirements, but not subject to the 25 metre limiting distance. City Council could exempt restaurants that wish to vend on the sidewalk in front of their restaurant from the

provision of operating at least 25 metres from a licensed eating establishment and from another designated vending area. However, businesses operating within 25 metres of the proposed vending area would still be required to be notified of the vending application and may object.

There is also the concern of obtaining a permit for minimal charge. The proposed new permit fees of \$4,575.11 for sidewalk vending on a major arterial road and \$2,488.52 for sidewalk vending on a minor arterial road reflect the use of the public right of way for commercial, for-profit vending. All designated sidewalk vendors will be charged one of these fees, so establishing a permit for a minimal charge for restaurants wishing to vend from the sidewalk will create inequities.

Staff need to further consider how restaurants can vend on the sidewalk in front of their business, the impact to neighbouring businesses in doing this and whether a minimal permit fee is appropriate. Staff will report back to the Licensing and Standards Committee on this issue.

Identifying Locations for the Incubation of New Businesses

Permits will be issued for designated sidewalk vending on a first-come, first-serve basis. It is difficult to assess how many permits will be applied for and issued. It is also very difficult to determine how many new businesses introducing new products will be established as a result of the new street vending by-law.

Enterprise Toronto provides free assistance to entrepreneurs and small businesses to help them succeed. Enterprise Toronto is a team of small business advisors who can help people make the right decisions during business start-up and help develop management capabilities as the business venture grows. Enterprise Toronto membership is free and offers many benefits including: expert advice including one-to-one business plan consultation; personal assistance with business registration, name searches and incorporation; coaching for a range of business challenges, from raising capital, managing cash flow and accounting to hiring and managing staff, marketing, social media; and unique training and networking opportunities, including the annual small business forum and weekly seminars featuring industry experts.

As well, Economic Development staff work with community partners through its Business Incubation and Commercialization Program to deliver a broad range of business incubation programs that support small business success. Business incubators play a key role in accelerating the growth of start-up and early-stage companies, as well as facilitating the commercialization of new and innovative products. Incubators offer services and programs that range from business advisory support, workshops, seminars, and mentoring to private office/studio space, shared industrial equipment, access to financing and networking events. Economic Development offers a food incubation program that an entrepreneur can access and will work with new entrepreneurs.

Proximity Distances

There were concerns presented at the Licensing and Standards Committee on proximity distances and how they will be interpreted. For the purposes of the new City of Toronto Municipal Code Chapter, being Chapter 740, "Street Vending", a linear metre shall mean "the measurement of one metre in a straight line or the measurement of one metre in two straight lines perpendicular to each other".

As proposed in Chapter 740, mobile vending permit holders may not vend within 50 linear metres from a licensed eating establishment that is open and operating. This distance will be measured from the centre point of the main entrance of the licensed eating establishment in one straight line (along the same side of the street as the restaurant and/or across the street). This distance will also be measured in 2 straight lines perpendicular to each other and totalling 50 linear metres so that food trucks cannot park around the corner within 50 linear metres of a restaurant. This will help minimize any impact to an open and operating restaurant.

This approach will be used in measuring other proximity distances for schools, places of worship and to other vendors.

Defining a Block

There were concerns presented at the Licensing and Standards Committee on what a block meant and how it will be interpreted. For the purposes of the new City of Toronto Municipal Code Chapter, being Chapter 740, "Street Vending", a block shall mean "one side of a roadway intersected by a street at both ends".

Licensing and Standards Committee removed the requirement to have a maximum of 2 mobile vending permit holders on any block. The Committee also recommended that a mobile vending permit holder be permitted to park for 5 hours on any block.

As long as all parking and traffic regulations are adhered to, a mobile vending permit holder may vend for up to 5 hours on the same block within a 24 hour period, then they must move to another block to vend.

In our consultations, we heard that mobile vendors will usually stay in one place for a few hours and then go back to their home base to clean and re-stock the food truck. They will typically vend 2 or 3 times a day during lunch, dinner and late night time periods. The definition of a block will help clarify where and how mobile food vendors can vend.

Process for Designating, Objecting and Appealing Mobile Vending Zones

In addition to pay and display parking spaces on major and minor arterial roads, ML&S will accept applications from vendors and BIAs to have areas designated as Mobile Vending Zones. Such areas could include non-pay and display parking spaces and lay-bys. Staff will assess the area to determine its suitability as a Mobile Vending Zone, based on the following criteria: public safety, public nuisance; traffic management; construction and development; streetscape improvement projects; City by-laws, policies and programs.

If ML&S determines that the area would be inappropriate for a Mobile Vending Zone, staff will reject the application. If staff determine that the location would be suitable for a Mobile Vending Zone, staff will notify businesses within 50 metres of the proposed area and the local BIA and councillor. If staff receive no written objections within 14 days, the space will be designated a Mobile Vending Zone. If there is a written objection to the Executive Director, Municipal Licensing and Standards to the proposed Mobile Vending Zone within 14 days, staff will reject the application. If the application is rejected, either because staff have determined the location is unsuitable, or because a neighbouring business or councillor objects, the applicant may appeal to Community Council within 30 days. The list of Mobile Vending Zones will be contained in a schedule to the by-law.

Process for Designating Restricted Zones

Through Committee's recommendation, Council will delegate authority to the Executive Director, ML&S to prohibit vending in areas otherwise designated as Mobile Vending Zones, when urgent issues arise concerning public safety and public nuisance. In response to concerns about vending in particular areas, the Executive Director, ML&S will investigate the concerns and determine whether vending should be prohibited. Restricted Zones will be listed in a schedule to the by-law.

The implementation of the new Toronto street food vending program may require associated amendments to other City of Toronto by-laws in order to properly give effect to the program. It is recommended that City Council authorize the City Solicitor to amend any City by-laws or Code Chapters to give effect to the new Toronto Street Food Vending program.

Taken together, both reports will create new opportunities for street vendors across the City and provide the public with a more diverse street food experience.

CONTACT

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SIGNATURE

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ATTACHMENT

Attachment 1: Diagram showing 50 linear metre proximity

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