



CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Corporate Assets and Strategic Planning Division

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	March 17, 2014
SUBJECT/REPORT NO:	Food Service Vehicles in City of Hamilton Parks - Permitting Program (PW 14026) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Grant Garrard, Policy/Program Analyst (905) 546-2424 Extension 5516 Kathryn Holloway, Policy/Program Analyst (905) 546-2424 Extension 1332
SUBMITTED BY:	Gerry Davis, CMA General Manager Public Works Department
SIGNATURE:	

RECOMMENDATION

- (a) That the General Manager of Public Works or his designate be authorized and directed to implement a pilot program for food service vehicles in parks for the 2014 season as set out in Report PW14026;
- (b) That subject to the approval of recommendation (a), a daily permit fee of \$50.00 be added to the 2014 User Fees and Charges By-law;
- (c) That subject to the approval of recommendation (b), the daily permit fee of \$50.00 be waived for the first two weeks of the program.

EXECUTIVE SUMMARY

In 2012, Council directed staff to develop a pilot program to allow food service vehicles to operate in City parks. Schedule 6 of By-law 07-170 the By-law to License and Regulate Various Businesses (the "By-law") was amended in 2012 following Council direction to provide more flexibility for food service vehicles seeking to operate on City streets. As per the By-law, food service vehicle operators must obtain and maintain a licence in the City of Hamilton. This By-law prescribes conditions upon which a food service vehicle may operate on the City-owned road allowance and further specified that they may operate on private property with written approval from the property owner. This By-law does not provide the conditions upon which a food service vehicle may operate in City parks. Therefore, the purpose of this permitting system is to set out a procedure by which the City may provide the written approval required by the By-law to allow food service vehicles to operate in City parks.

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The food service vehicle industry is growing and represents a unique opportunity for the City of Hamilton. Food service vehicles typically have a large following and promote their services using various social media channels such as Facebook and Twitter. Allowing food service vehicles to operate within City parks will improve the experiences of City park users and may draw new visitors into these parks.

In order to meet the requirements of the By-law, staff are proposing that a daily permitting system be implemented within specific parks as a pilot program. The program will start in May 2014 and run through the end of August to coincide with the season where the included parks are fully staffed. Staff are looking into hosting a kick-off event to launch the program in addition to a two week period where permit fees are waived to allow food service vehicles to familiarize themselves with the program.. This pilot program can be implemented without requiring any further changes to the By-law. Staff will measure the success of the program through analysis of the number of permits sold and feedback on the program. Staff will report back to Public Works Committee with the results of the pilot program.

The pilot will allow Class B and Class C food service vehicles (defined below) which are licensed under the By-law to book one of three predetermined spaces in the five included parks for a set daily rate. Printed permits will be provided for the vehicles to display in their windows to facilitate enforcement and ensure compliance with licensing and public health requirements.

- A Class B food service vehicle is a motorized food service vehicle that is used as a travelling food premises including but not limited to a catering truck, chip truck, ice cream truck, refreshment trailer, or hot dog cart.
- A Class C food service vehicle is a non-motorized food service vehicle that is used as a travelling food premises from which pre-packaged frozen products exclusively are offered for sale including but not limited to an ice-cream cycle, yogurt cart or juice carts.

Class A vehicles are excluded from this program as these are non-travelling vehicles which do not move from their established location on a daily or regular basis.

The City parks selected for this pilot program include:

- Bayfront Park
- Pier 4 Park
- Heritage Green Community Sports Park
- Turner Park
- Sam Lawrence Park

These parks were selected because they are zoned to permit restaurant use, have no established volunteer group selling concession stand items for fundraising purposes, experience a high volume of visitors and are regularly monitored by City staff.

Alternatives for Consideration - See Page 7

FINANCIAL - STAFFING - LEGAL IMPLICATIONS

- Financial:** Licensed food service vehicles can purchase a daily permit for a specific park at a fee of \$50.00 each. This fee has been calculated based upon the estimated staff time required to administer each permit and monitor the program. Revenue from this permitting fee will be split between the Policy and Programs and Parks and Cemeteries sections. Parks and Cemeteries will be required to pay for proper signage of the allotted parking spaces in each park.
- Staffing:** The pilot program will be administered using existing staff complement in the Policy and Programs Section.
- Legal:** Legal Services will be involved in developing the appropriate permitting documentation.

HISTORICAL BACKGROUND

In response to requests from the food truck industry, Council amended Schedule 6 of By-Law 07-170 the By-law to License and Regulate Various Businesses in June, 2012 to provide greater flexibility for food service vehicles to operate on the City's road allowance and, at the same time, directed staff to develop a pilot program to introduce the operation of food service vehicles within City parks.

The By-law sets out specific criteria by which food service vehicles may operate within the City's road allowance and requires food service vehicles to obtain written approval of property owners to operate on any other property. Currently, food service vehicles may only operate in City parks when they have coordinated their operation with the organizer of a Special Events Advisory Team (SEAT) approved event. Staff reviewed several options for granting permission to food service vehicles to operate in City parks outside of SEAT events, including issuing a request for proposals to operate seasonally.

Staff consulted with several food service vehicle operators and industry related businesses to understand the preferred food service vehicle business model. As a result of that consultation, Policy and Programs staff are recommending a daily permitting system to allow properly licensed food service vehicles to operate in select City parks at a set daily rate.

Innovate Now (Public Works Business Plan) - This report's recommendations support Innovate Now by "Building on our Core Capacities." This project is consistent with the "Processes" vision driver by ensuring we commit to smart processes that match our needs; to provide flexibility for food service vehicles seeking to operate in City parks.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

City of Hamilton Zoning By-law 05-200

The City of Hamilton Zoning By-law 05-200 only permits restaurant use in parks zoned as City Wide P3. Five "City Wide P3" parks have been selected for this pilot program. Requests to have a food service vehicle in a park not included in the pilot program will

be considered by Policy and Programs staff in consultation with the Manager of Parks and Cemeteries. Parks which are zoned P1 and P2 do not permit restaurant use and, as such, have been excluded from the pilot program.

By-law 01-219 To Manage and Regulate Municipal Parks (Parks By-law)

Subsection 30(2) allows staff to permit food service vehicles to operate on the roadway or public parking area. In addition, subsection 44(2) requires anyone conducting business in a park to be authorized by permit.

By-law 07-170 To License and Regulate Various Businesses

Schedule 6 of this By-law allows food service vehicles to operate on private property (which includes the City's property) provided the property owner has granted permission to do so. The pilot program provides Policy and Programs staff a process to grant this permission.

RELEVANT CONSULTATION

Stakeholder Consultation

Food service vehicle owners and the Ontario Food Truck Association were consulted on the pilot program. These stakeholders were overwhelmingly in favour of a daily permitting system, which is considered to provide the desired flexibility to support their preferred operating model. The following is a short summary of the feedback from these stakeholders:

- There is a preference to rotate to various locations but there will often be weekly services at established and popular locations;
- Food service vehicles typically hold enough products for three hours of service at a time;
- A typical service is 60 - 120 portions; and
- Any fee needs to be nominal to allow for the trucks to remain profitable.

There will be on-going communication with industry stakeholders to measure the success of the pilot program and to make improvements where required.

Municipal Scan

Staff undertook a municipal scan and determined that several different models are being used to regulate the operation of food service vehicles within parks. In fact, many municipalities simply do not allow food service vehicles to operate within parks. Of those that do, many models do not provide the kind of flexibility the food service vehicle industry prefers.

Fee structures vary greatly between municipalities making it difficult to determine a benchmark fee. Also, the larger fees typically necessitate a longer term commitment on the part of the food service vehicle operator. The nominal amount of a daily permit means that Food Service Vehicle owners can try different venues and can provide additional services with minimal investment.

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Municipality	System	Pricing
City of Burlington	Licence for events. Can only operate during an event.	Daily - \$75.00 Monthly - \$255.00 3 Months - \$605.00 Yearly - \$1090.00
City of Waterloo	Designated spots in the city core, allowed operation on road allowance and parks outside the city core.	Daily - \$171 Annual - \$2215 *included in the annual licence
City of Toronto	A private Food Truck Association was given the opportunity to pay the City a set fee for administration and booking rights.	The Food Truck Association \$6,000 for each pilot park. It is given autonomy to set the daily rates to charge Food Service Vehicles.
City of Ottawa	RFP for designated spots determined through the RFP process	Cart - \$1372-\$2178 Truck - \$4703-6748 *Annual licence included
City of Peterborough	RFP for 3 year term. Locations include parks and road allowance.	RFP with a minimum of \$500 with submission. The proponent shall also pay compensation to the City.

Internal Consultation

The following internal sections were consulted during the development of the pilot program:

- Parks and Cemeteries - Public Works
- Licensing and Permits - Planning and Economic Development
- Festivals and Events - Planning and Economic Development
- Business Facilitation - Planning and Economic Development
- Recreation Operations - Emergency and Community Services
- Legal Services - City Manager's Office
- Ward 5 Councillor

Internal consultation focused on clarifying policy elements as well as how the pilot program would tie in with Special Events Advisory Team (SEAT) events and sport tournament bookings. Policy and Programs staff were able to resolve all concerns into a mutually agreeable system. Some highlights of this consultation follow.

Special Events Advisory Team (SEAT) Approved Events

SEAT events will continue to use the same process to gain approval from the City. Food service vehicles that operate at a SEAT event will not be charged any additional permit fees to the City. The event organizer will continue to be responsible for any rental charges for using the space. Should a food service vehicle wish to operate in a park on the same day as a SEAT event, the food service vehicle will be directed to coordinate their involvement with the event coordinator. Food service vehicle applications will be accepted no earlier than 45 days in advance to ensure that SEAT event bookings are received first, which are required at least sixty days in advance. SEAT events booked

after the sixty day cut-off period will be informed if there is an existing Food Service Vehicle booked.

Sport Tournament Bookings

Recreation staff will continue to book sports tournaments. These reservations are typically made by January while food service vehicle permits can be purchased no earlier than 45 days prior. Event organizers will be asked if they plan on bringing in food vendors at the time of booking. Consistent booking procedures will be enacted to avoid duplicate bookings and other conflicts.

Other Parks

There may be requests for permits to operate within a park which is not currently included in the pilot project. Staff will monitor these requests as part of the overall program evaluation. However, subject to approval from the Manager of Parks and Cemeteries, permits may be granted for City Wide Parks (P3). Prior to issuing a permit for a new park, the Ward Councillor will be notified. Permits will not be granted for Neighbourhood and Community Parks (P1 and P2).

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The Food Service Vehicle industry is diversifying and gaining consumer popularity across North America. Allowing food service vehicles to operate in parks is a good opportunity and will result in a mutually beneficial arrangement for the City and food service vehicles. Existing park users will have their park experiences enhanced by the diverse culinary offerings and followers of the food service vehicles will be drawn to the parks as the food service vehicle industry routinely and successfully promotes their locations via social media.

Based on consultation with food service vehicle owners, professional associations, and other groups with extensive experience working with this industry, staff have developed the daily permitting system. Licenced food service vehicles will have the opportunity to purchase a daily permit at a set fee allowing them permission to operate in City parks.

The parks selected for inclusion in the program are:

- Bayfront Park
- Heritage Green Community Sports Park
- Pier 4 Park
- Sam Lawrence Park; and
- Turner Park

These parks were selected because they are zoned to permit restaurant use, have no established volunteer group selling concession stand items for fundraising purposes, experience a high volume of visitors and are regularly monitored by City staff.

Staff are working to put together a kick-off event to launch the program which will take place in Bayfront Park. It will be approved through the Special Events Advisory Team and, essentially, is an open invitation to licenced food service vehicles to operate for a date early in the first two weeks of the season. In addition, staff are recommending the

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waiving of fees for the first two weeks of the season to allow food service vehicle operators the opportunity to try out the different parks with limited investment.

Administration

Food service vehicles will be able to submit permit applications for a specific park and date. Parks may be scheduled no more than 45 calendar days and no less than seven calendar days in advance to account for Special Events Advisory Team (SEAT) events and sports field bookings.

Daily permits will only be sold to food service vehicles licensed as Class B or Class C in accordance with the By-law. Daily permits will be sold individually at a cost of \$50.00. There will be three parking spaces allocated in each park for food service vehicles. The three vehicle limit does not apply to food service vehicles booked during Special Events Advisory Team (SEAT) approved events.

Policy and Programs staff will process all applications and provide the food service vehicles with a printed permit to be affixed to their vehicle during the permitted service times. Food service vehicles will be provided a map indicating where they are allowed to park and operate. Parks staff will ensure these spaces are adequately signed with numbered spaces to prevent confusion and ensure all food service vehicles are parked in their permitted location. Parking spaces will be in areas where the obstruction to pedestrian and vehicular traffic as well as park use is kept to a minimum.

Enforcement

The parks selected for the pilot program have full time staff on-site. This will allow for greater ease of enforcement. Parks staff will be able to check food service vehicles to ensure permits are displayed. Should permits not be displayed, parks staff can contact Municipal Law Enforcement for further action. Municipal Law Enforcement will also investigate food service vehicles if complaints are received.

Performance Measures

Policy and Programs staff will track the number of permits sold by location and date and other relevant data for benchmarking and analysis. Staff will utilize the Hansen program to track feedback on the program from callers (including the Councillors' offices), which will direct further program changes such as the inclusion of new parks. All enforcement matters will be monitored and reviewed. Staff will report back to Public Works Committee with the results of this permitting system.

ALTERNATIVES FOR CONSIDERATION

Alternative 1

Issue an RFP for a service provider who would pay a set fee for booking rights to all pilot parks. This service provider administers the bookings for licensed food service vehicles. This system is being used in Toronto for their pilot program where the Ontario Food Truck Association pays \$6,000 annually for each of six selected parks (total of \$36,000). The Ontario Food Truck Association charges a daily fee which accounts for the total capital cost as well as ongoing promotional and administration costs.

In this model, the City would collect a set fee for the booking rights to the selected parks. The daily fee for each Food Service Vehicle would be paid to the successful proponent. This model would require minimal staff involvement while still generating revenue for the City. The successful proponent would do a substantial amount of marketing and promotions drawing visitors to the selected parks. This model is not recommended as it will be difficult to avoid scheduling conflicts with Special Events Advisory Team (SEAT) approved events and sports tournament bookings. It will also be difficult for staff to ensure that licensing requirements are met and to direct enforcement proceedings. Additionally, in this model it will be difficult to monitor the program and evaluate success. Although these issues may be resolvable going forward, Staff are not recommending this alternative at this time.

Alternative 2

Charge an annual fee for a seasons pass to all pilot parks. This system would offer unlimited usage on a first come, first served basis, removing the need for a central booking agent.

This system will require food service vehicles to pay an increased fee for their annual license. Staff administration would be reduced as there is no need to book parking spaces, collect payment or provide any other administrative function. This model will be difficult to evaluate the success as there is no record of when food service vehicles are operating in the parks. There is also the possibility of disputes between food service vehicle operators and will be difficult to avoid scheduling conflicts SEAT approved events and sports tournament bookings. Staff are not recommending this alternative.

Alternative 3

Issue an RFP to allow food service vehicles to pay a proposed rate to have sole rights to operate in one specific park for the entire year. This system would reduce administration costs. However, through consultation with the industry, it is not a preferred alternative. It does not fit with the industry's current business model which prefers to hold services at a variety of locations. Staff completed a Request for Interest in 2008 for this model without success. Given the lack of interest from the industry this model is not being recommended by staff.

ALIGNMENT TO THE 2012 - 2015 STRATEGIC PLAN

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner

Strategic Priority #3

Leadership & Governance

WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in

APPENDICES AND SCHEDULES ATTACHED

None