

AGENDA

COMMUNITY REDEVELOPMENT AGENCY

November 6, 2018

PLEDGE OF CIVILITY

3:00 PM

4816 Chester Street

We will be respectful of each other even when we disagree. We will direct all comments to the issues. We will avoid personal attacks.

VIDEO

- 1. **MEETING CALLED TO ORDER**
- 2. PLEDGE OF ALLEGIANCE
- 3. **ROLL CALL**
- 4. **ADOPTION OF AGENDA**
- 5. **APPROVAL OF MINUTES**
 - September 25, 2018 Regular Meeting
- 6. **PUBLIC INPUT**
- 7. **ORDER OF UNFINISHED BUSINESS**
 - Α. Lighting of the Cape Coral Parkway Median
 - В. Update on SE 47th Terrace Streetscape Project
- 8. **ORDER OF NEW BUSINESS**
 - Α. Board Appointments for 2019 Chair and Vice-Chair
 - B. Request approval of 2019 Meeting Schedule
 - C. Draft Regulations for Mobile Food Vendors
 - D. Final Budget Amendment for FY 2018
 - Request approval for the Executive Director to execute a contract with RMA to piggyback on Mt. Dora CRA Redevelopment Plan/Sunset Date Extension Amount: \$44,000
- 9. **REPORTS**

A. STAFF

10. COMMENTS

A. BOARD

11. TIME AND PLACE OF NEXT MEETING

A. Tuesday, December 4, 2018 at 3:00 PM at 4816 Chester Street

12. MOTION TO ADJOURN

Item

5.A.

Number:

Meeting Date:

11/6/2018

Item Type:

APPROVAL OF

MINUTES

AGENDA REQUEST FORM



Community Redevelopment Agency

TITLE:

September 25, 2018 Regular Meeting

SUMMARY:

MINUTES OF THE REGULAR MEETING OF THE CAPE CORAL COMMUNITY REDEVELOPMENT AGENCY TUESDAY, SEPTEMBER 25, 2018

ADDITIONAL INFORMATION:

Action Requested

Motion to approve

ATTACHMENTS:

Description Type

Minutes of September 25, 2018 CRA Regular D Meeting

Backup Material

VOLUME: VII PAGE: 88 SEPTEMBER 25, 2018

MINUTES OF THE REGULAR MEETING OF THE CAPE CORAL COMMUNITY REDEVELOPMENT AGENCY TUESDAY, SEPTEMBER 25, 2018

4816 Chester Street 3:00 PM

Meeting called to order by Chair Lomonaco at 3:00 p.m.

Roll Call: Chair Lomonaco, Commissioners Biondi, Keim, and St. Peter were present. Commissioner Gebhard was excused.

ADOPTION OF AGENDA

Commissioner Biondi moved, seconded by Commissioner Keim to adopt the agenda as presented.

Commissioner polled as follows: Biondi, Keim, Lomonaco, and St. Peter voted "Aye." 4-0 Motion carried.

APPROVAL OF MINUTES June 5, 2018 Regular Meeting

Commissioner Biondi moved, seconded by Commissioner St. Peter to approve the minutes of the June 5, 2018 Regular Meeting as presented.

Voice Poll: All "ayes" 4-0 Motion carried.

PUBLIC INPUT NONE

ORDER OF UNFINISHED BUSINESS SE 47th Terrace Streetscape Project Update

Executive Director Szerlag stated the Farmer Market would open on October 6 in Club Square, SE 47th Terrace would be open from Coronado Parkway to Vincennes Boulevard for Bike Night on October 13, and the street party would be on held on New Year's Eve.

Discussion held on components, infrastructure, and landscaping.

ORDER OF NEW BUSINESS Amendment of South Cape Banner Program

Chair Lomonaco asked if there was a motion to approve fee reduction to \$40. for the South Cape Banner installation and removal.

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Commissioner Keim moved, seconded by Commissioner Lomonaco to approve fee reduction to \$40. for the South Cape Banner installation and removal Voice Poll: All "ayes" 4-0 Motion carried.

FY 2019 Work Plan

CRA Coordinator Hall reviewed the FY 2019 Work Plan.

Commissioner St. Peter moved, seconded by Commissioner Biondi to approve the FY 2019 Annual Work Plan as presented with correction to objective A.1.a indicating is \$1,439,937.

Commissioner polled as follows: Biondi, Keim, Lomonaco, and St. Peter voted "Aye." 4-0 Motion carried.

REPORTS

Public Works Director Clinghan reviewed the modifications made to the median landscaping on Cape Coral Parkway. He informed the Board there were no respondents for the RFP for the median lighting. Staff was now able solicit vendors to obtain three quotes for work and maintenance of the median lighting.

Discussion held on median lighting.

Executive Director Szerlag stated there would be added cost to the streetscape project budget in the amount of \$805,000 which would be discussed at the next meeting.

CRA Coordinator Hall stated the next regularly scheduled meeting was Tuesday, October 2, 2018.

Commissioner St. Peter moved, seconded by Commissioner Biondi to cancel the October 2, 2018 meeting and to hold the next CRA regular meeting on Tuesday, November 6, 2018

Voice Poll: All "ayes" 4-0 Motion carried.

COMMENTS

<u>Commissioner Keim</u> - Expressed concern about food trucks in South Cape. Executive Director Szerlag stated DCD Director Cautero would provide a report on food trucks.

<u>Vice Chair Biondi</u> - Stated the Veterans Day Parade would be held on Sunday, November 11 at 2 PM on Cape Coral Parkway. Catch the Vision would be held on Tuesday, November 13 and South Cape would be featured. She was impressed with the

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finished product of the SE 47th Terrace Streetscape Project. The 'Captains for Clean Water' event would be held on October 25 from 5 pm to 8 pm at Dolphin Key Resort. <u>Chair Lomonaco</u> – The CRA had started quarterly Lunch & Learn sessions, the first one 'Marketing on A Dime' was scheduled for September 27. The second one was scheduled for January 31, 2019.

Commissioner St. Peter - No comment

TIME AND PLACE OF NEXT MEETING

The next regular meeting was scheduled for Tuesday, November 6, 2018, at 3:00 p.m. at 4816 Chester Street.

MOTION TO ADJOURN

There being no further business, the meeting adjourned at 3:38 p.m.

Submitted by,

John Szerlag CRA Executive Director **Item**

7.A.

Number:

Meeting

Date:

11/6/2018

Item Type:

ORDER OF UNFINISHED

BUSINESS

AGENDA REQUEST FORM



Community Redevelopment Agency

TITLE:

Lighting of the Cape Coral Parkway Median

SUMMARY:

Attached are the 2018 Permanent Lighting quotes for the Cape Coral Parkway median.

Below is a brief description of the quotes.

"Min Level" package quote #4074 will have mostly all the trees illuminated and will illuminate the oaks up to 10' instead of 15'.

"Mid Level" package quote #4073 will illuminate all trees and Oaks up to 15'.

"Max Level" package quote #4075 will Illuminate all trees and all trees will have a 6" crown. A crown is a burst of lights at the top of the tree that really makes it pop. The oak trees will have six 6" illuminated spheres on each oak tree. Each oak tree will have two red spheres, two green spheres, and two white spheres.

Attached are photos for lighting quality and comparisons.

ADDITIONAL INFORMATION:

Requested Action:

1. Approve or deny moving forward with one of the proposed lighting options

Quote #475 - Max Level \$99,607.77 Quote #473 - Mid Level \$62,725.77

Quote #474 - Min Level \$39,119.37

2. Motion to approve or deny funding accordingly.

ATTACHMENTS:

Description

Type

Lighting 1

Backup Material

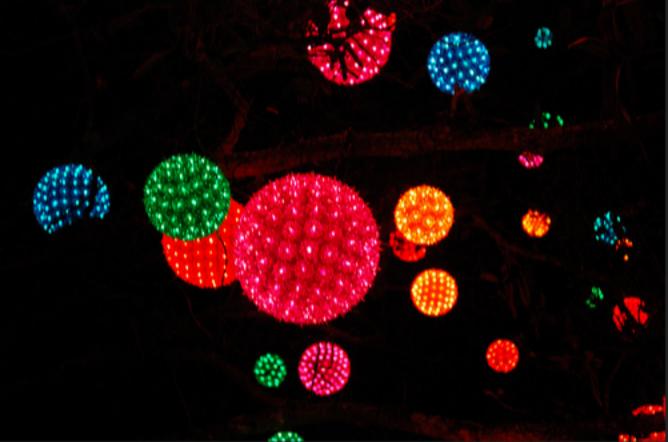
D	Lighting 2	Backup Material
D	Lighting 3	Backup Material
D	Lighting 4	Backup Material
D	Lighting 5	Backup Material
D	Lighting 6	Backup Material
D	Lighting 7	Backup Material
D	Comparison	Backup Material
D	Mid Level - Quote #4073	Backup Material
D	Min Level - Quote #4074	Backup Material
D	Max Level - Quote #4075	Backup Material
ם	Submitted After Packet Distribution -CRA Median lighting Presentation.pdf	Backup Material





















Illuminance Holiday Lighting 19531 Huber Rd North Fort Myers, FL 33917

Tel: (305) 600 6635 E: illuminanceholidaylighting@gmail.com

Date: October 1, 2018

Quote #:

Customer ID: City of Cape Coral

10/29/18 Expiration Date:

To: Mark Ridenour

> City of Cape Coral 1105 SE 9th Ave Cape Coral, FL 33990

Tel: (239)574-0724 E: mridenou@capecoral.net

Salesperson	Job	Contact	City	Contrated Year/s	Payment Terms	Due Date
Alex	Permanent	Mark Ridenour	Cape Coral	Year 2018	50/50	

Qty	Item	Description	Unit Price	Discount	I	ine Total
32	1	Middle Median From Del Prado To SE 5th Ave: 5' Montgomery Palm Double 5MM-Warm White LED	\$ 194.40		\$	6,220.80
6	2	Middle Median From Del Prado To SE 5th Ave: 10' Royal Palm 5MM-Warm White LED	\$ 282.24		\$	1,693.44
16	3	Middle Median From SE 5th Ave To Vincennes st: 5' Montgomery Palm Double 5MM-Warm White LED	\$ 194.40		\$	3,110.40
12	4	Middle Median From SE 5th Ave To Vincennes st: 10' Royal Palm 5MM-Warm White LED	\$ 282.24		\$	3,386.88
20	5	Middle Median From SE 5th Ave To Vincennes st: 10' Medjool Palm 5MM-Warm White LED	\$ 356.25		\$	7,125.00
74	6	Middle Median From Vincennes st To SE 9th pl: 5' Montgomery Palm Double 5MM-Warm White LED	\$ 194.40		\$	14,385.60
2	7	Middle Median From Vincennes st To SE 9th pl: 15' Oak Tree 5MM-Warm White LED	\$ 1,500.00		\$	3,000.00
14	8	Middle Median From SE 9th pl To SE 8th ct: 5' Royal Palm 5MM-Warm White LED	\$ 194.40		\$	2,721.60
5	9	Middle Median From SE 9th pl To SE 8th ct: 10' Medjool Palm 5MM-Warm White LED	\$ 356.25		\$	1,781.25
32	10	Middle Median From SE 8th ct To Coronado: 5' Montgomery Palm Double 5MM-Warm White LED	\$ 194.40		\$	6,220.80
2	11	Middle Median From SE 8th ct To Coronado: 15' Oak Tree 5MM-Warm White LED	\$ 1,500.00		\$	3,000.00
1	12	Yearly Service @ Weekly	\$ 10,080.00		\$	10,080.00
			Total Discount			

Terms & Conditions

Terms and Conditions By my signature below, I certify that I have read and agree to the provisions set forth in this invoice and to the Illuminance Holiday Lighting LLC Standard Terms and Conditions attached to this document. A deposit of 50% of the total estimate required upon acceptance of this contract. Illuminance Holiday Lighting LLC will not begin any work until deposit is received. The remaining balance is due no later than 48 hours after installation of the holiday lighting.

Authorized Agent Signature Date
Please make checks payable to: Illuminance Holiday Lighting LLC

62,725.77 Subtotal Sales Tax Total \$ 62,725.77

Depsoit Due \$ 31,362.89 Tel: (305) 600-6635 E: Illuminanceholidaylighting@gmail.com

TERMS & CONDITIONS

ILINIU & COIVEITICIVE

Prices include all materials, which are supplied by Illuminance Holiday Lighting LLC and remain the property of Illuminance Holiday Lighting LLC during installation, maintenance, and removal. Customer is only responsible to supply adequate power sources. If Customer is providing any materials, that will be noted in the Notes section.

Discount Options

Client may receive 5% OFF quoted price for early installation in October.

Client may receive 5% OFF quoted price for the first year of installation when signing a 3-year Contract.

Maintenance

Contracts needing service UNDER \$10,000.00 will be charged a minimum of \$75.00 Per service call depending upon jobsite. Contracts OVER \$10,00.00 will have SERVICE CALLS INCLUDED. Illuminance Holiday Lighting LLC will provide biweekly courtesy property checks from Thanksgiving to Christmas. If any other issues are noticed, client must notify Illuminance Holiday Lighting LLC and Illuminance Holiday Lighting LLC will correct problem within 48 hours, typically 24 hours. Illuminance Holiday Lighting LLC stands behind it service and will maintain all installs as needed as long as they remain up. Illuminance Holiday Lighting LLC agree to compensate with documented and reasonable repairs or perform repairs if any part of Client's property is damaged during the installation or removal of holiday lighting service.

Insurance Service

Illuminance Holiday Lighting LLC carries \$1,000,000 commercial liability. For copies of policy, please ask your sales representative.

Power

Outlet Location: Outlets throughout landscaping. Circuit Breaker Location: Integrated Timers: Yes Timer Hours: N/A Other Notes: Outlets all on photocell

Notes





Illuminance Holiday Lighting 19531 Huber Rd North Fort Myers, FL 33917

Tel: (305) 600 6635 E: illuminanceholidaylighting@gmail.com

Date: October 1, 2018

Quote #:

Customer ID: City of Cape Coral

10/29/18 Expiration Date:

Mark Ridenour To:

> City of Cape Coral 1105 SE 9th Ave Cape Coral, FL 33990

Tel: (239)574-0724 E: mridenou@capecoral.net

Salesperson	Job	Contact	City	Contrated Year/s	Payment Terms	Due Date
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20	5	Middle Median From SE 5th Ave To Vincennes st: 10' Medjool Palm 5MM-Warm White LED	\$ 356.25		\$	7,125.00
2	7	Middle Median From Vincennes st To SE 9th pl: 10' Oak Tree 5MM-Warm White LED	\$ 750.00		\$	1,500.00
14	8	Middle Median From SE 9th pl To SE 8th ct: 5' Royal Palm 5MM-Warm White LED	\$ 194.40		\$	2,721.60
5	9	Middle Median From SE 9th pl To SE 8th ct: 10' Medjool Palm 5MM-Warm White LED	\$ 356.25		\$	1,781.25
2	11	Middle Median From SE 8th ct To Coronado: 10' Oak Tree 5MM-Warm White LED	\$ 750.00		\$	1,500.00
1	12	Yearly Service @ Weekly	\$ 10,080.00		\$	10,080.00
			Total Discount			

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Authorized Agent Signature Date
Please make checks payable to: Illuminance Holiday Lighting LLC

39,119.37 Subtotal Sales Tax Total \$ 39,119.37

Depsoit Due \$ 19,559.69 Prices include all materials, which are supplied by Illuminance Holiday Lighting LLC and remain the property of Illuminance Holiday Lighting LLC during installation, maintenance, and removal. Customer is only responsible to supply adequate power sources. If Customer is providing any materials, that will be noted in the Notes section.

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Power

Outlet Location: Outlets throughout landscaping. Circuit Breaker Location: Integrated Timers: Yes Timer Hours: N/A Other Notes: Outlets all on photocell

Notes



Quote

Illuminance Holiday Lighting 19531 Huber Rd

North Fort Myers, FL 33917

Tel: (305) 600 6635 E: illuminanceholidaylighting@gmail.com

Date: October 1, 2018

Quote #: 4073

Customer ID: City of Cape Coral

Expiration Date: 10/29/18

To: Mark Ridenour

City of Cape Coral 1105 SE 9th Ave Cape Coral, FL 33990

Tel: (239)574-0724 E: mridenou@capecoral.net

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1	12	Yearly Service @ Weekly	\$ 10,080.00		\$	10,080.00
231	13	6" Crown 5MM- Warm White LED Installation to all Palm Trees	\$ 150.00		\$	34,650.00
8	14	6" Sphere - 50L - Warm White Installation to all Oak Trees	\$ 93.00		\$	744.00
8	15	6" Sphere - 50L - Red Installation to all Oak Trees	\$ 93.00		\$	744.00
8	16	6" Sphere - 50L - Green Installation to all Oak Trees	\$ 93.00		\$	744.00
			Total Discount			

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X__

Authorized Agent Signature Date

Subtotal \$ 99,607.77 Sales Tax Total \$ 99,607.77

Depsoit Due \$ 49,803.89

^{**}Please make checks payable to: Illuminance Holiday Lighting LLC**

Tel: (305) 600-6635 E: Illuminanceholidaylighting@gmail.com

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Power

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Notes

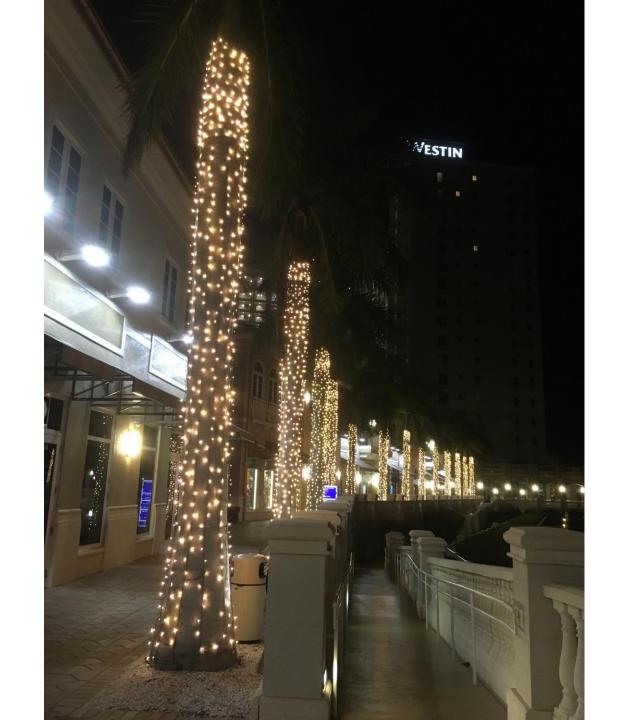
		CRA Median Lighting Option "A"		
Qty	Item	Description	Unit Price	Line Total
0	1	Middle Median From Del Prado To SE 5th Ave: 5' Montgomery Palm Double 5MM-WarmWhite LED	\$194.40	\$0.00
6	2	Middle Median From Del Prado To SE 5th Ave: 10' Royal Palm 5MM-Warm White LED	\$282.24	\$1,693.44
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6	9	Middle Median From SE 9th pl To SE 8th ct: 10' Medjool Palm 5MM-Warm White LED	\$356.25	\$2,137.50
0	10	Middle Median From SE 8th ct To Coronado: 5' Montgomery Palm Double 5MM- Warm White LED	\$194.40	\$0.00
2	11	Middle Median From SE 8th ct To Coronado: 15' Oak Tree 5MM-Warm White LED	\$1,500.00	\$3,000.00
1	12	Yearly Service @ Weekly	\$7,500.00	\$7,500.00
49				\$28,125.06
		10% City Controlled Contingency		\$2,812.51
		Total Estimated Cost		\$30,937.57















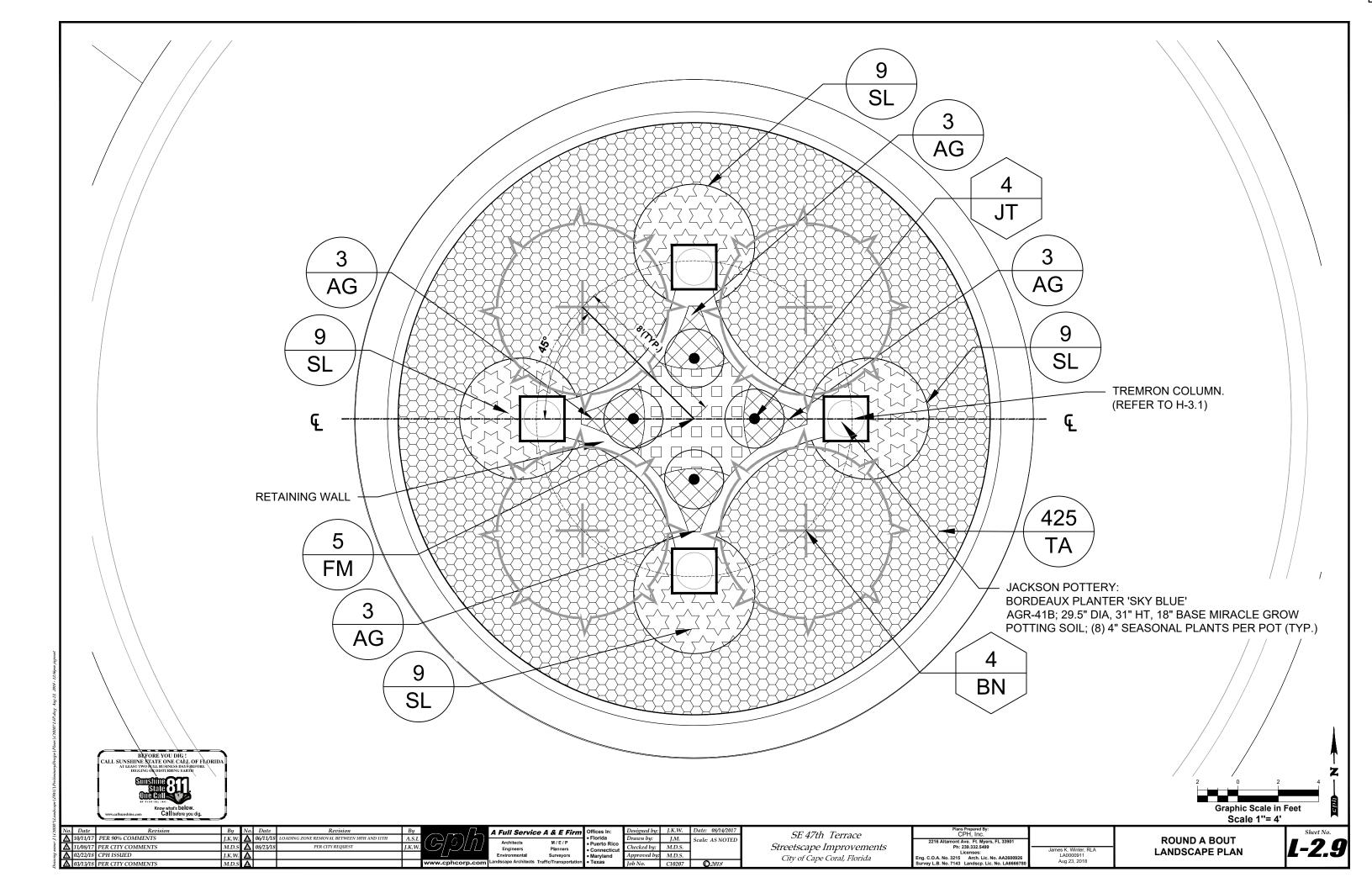
		CRA Median Lighting Option "B"		
Qty	Item	Description	Unit Price	Line Total
0	1	Middle Median From Del Prado To SE 5th Ave: 5' Montgomery Palm Double 5MM-Warm White LED	\$194.40	\$0.00
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49	13	6" Crown 5MM- Warm White LED Installation to all Palm Trees	\$150.00	\$7,350.00
8	14	6" Sphere - 50L - Warm White Installation to all Oak Trees	\$93.00	\$744.00
8	15	6" Sphere - 50L - Red Installation to all Oak Trees	\$93.00	\$744.00
8	16	6" Sphere - 50L - Green Installation to all Oak Trees	\$93.00	\$744.00
1	12	Yearly Service @ Weekly	\$10,080.00	\$10,080.00
122				\$40,287.06
		10% City Controlled Contingency		\$4,028.71
		Total Estimated Cost		\$44,315.77











PLANT LIST

	<u>SYM</u>	COMMON NAME	BOTANICAL NAME	DESCRIPTION	QTY.
~~~	TRE	<u>ES</u>			
$\langle + \rangle$	BN	SILVER BISMARK 'SILVER'	BISMARCKIA NOBILIS	14' C.T.	4
•	JT	BARBADOS NUT	JATROPHA INTEGERRIMA	30 GAL., 7' HT., 3' SPRD., 3' CT	4
O	GRO	DUNDCOVER			
	FM	GREEN ISLAND FICUS	FICUS MACROPHYLLA 'GREEN ISLAND'	3 GAL., 15" HT., 15" SPRD., 24-30" O.C.	5
[ [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [		MEXICAN SAGE	SALVIA LEUCHANTHA	1 GAL., 10" HT., 8" SPRD., 15" O.C.	36
	TA	SUMMER SUNSET JASMINE	TRACHELOSPERMUM ASIATICUM	1 GAL., 3" HT., 8" SPRD., 12" O.C.	425
	AG	LUCKY STRIPE BROMELIAD	AECHMEA GAMOSEPELA 'LUCKY STRIKE'		12

## NOTE:

PLANT DESCRIPTIONS ARE FOR MINIMUM ACCEPTABLE SPECIFICATIONS. ALL CRITERIA LISTED FOR CONTAINER SIZE, CALIPER, HEIGHT, SPREAD, ETC.
MUST BE MET FOR PLANT MATERIAL ACCEPTANCE. FOR EXAMPLE, IF A THREE GALLON SHRUB DOES NOT MEET THE HEIGHT OR SPREAD SPECIFICATION, IT
WILL NOT BE ACCEPTED.

IF SPECIFIED PLANTS ARE UNAVAILABLE AT TIME OF CONSTRUCTION, CONTRACTOR MAY REPLACE SPECIFIED PLANTS WITH PLANTS APPROVED BY LANDSCAPE ARCHITECT AND CITY STAFF.

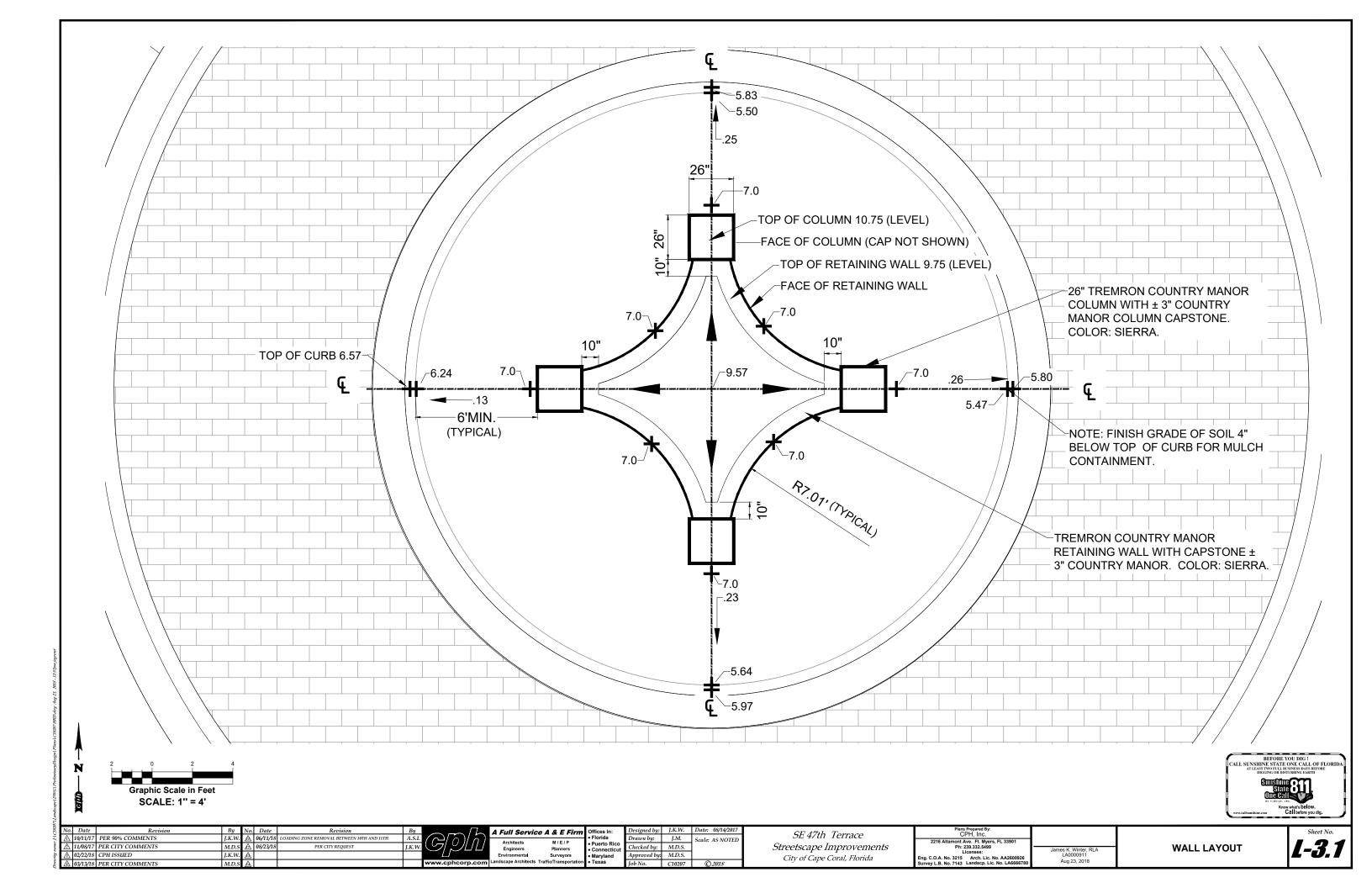
ALL OPEN SPACE AREAS WITHIN THE PROPERTY SHALL BE SODDED UNLESS PAVED, SEEDED AND MULCHED OR PLANTED WITH SHRUBS AND GROUND COVER.

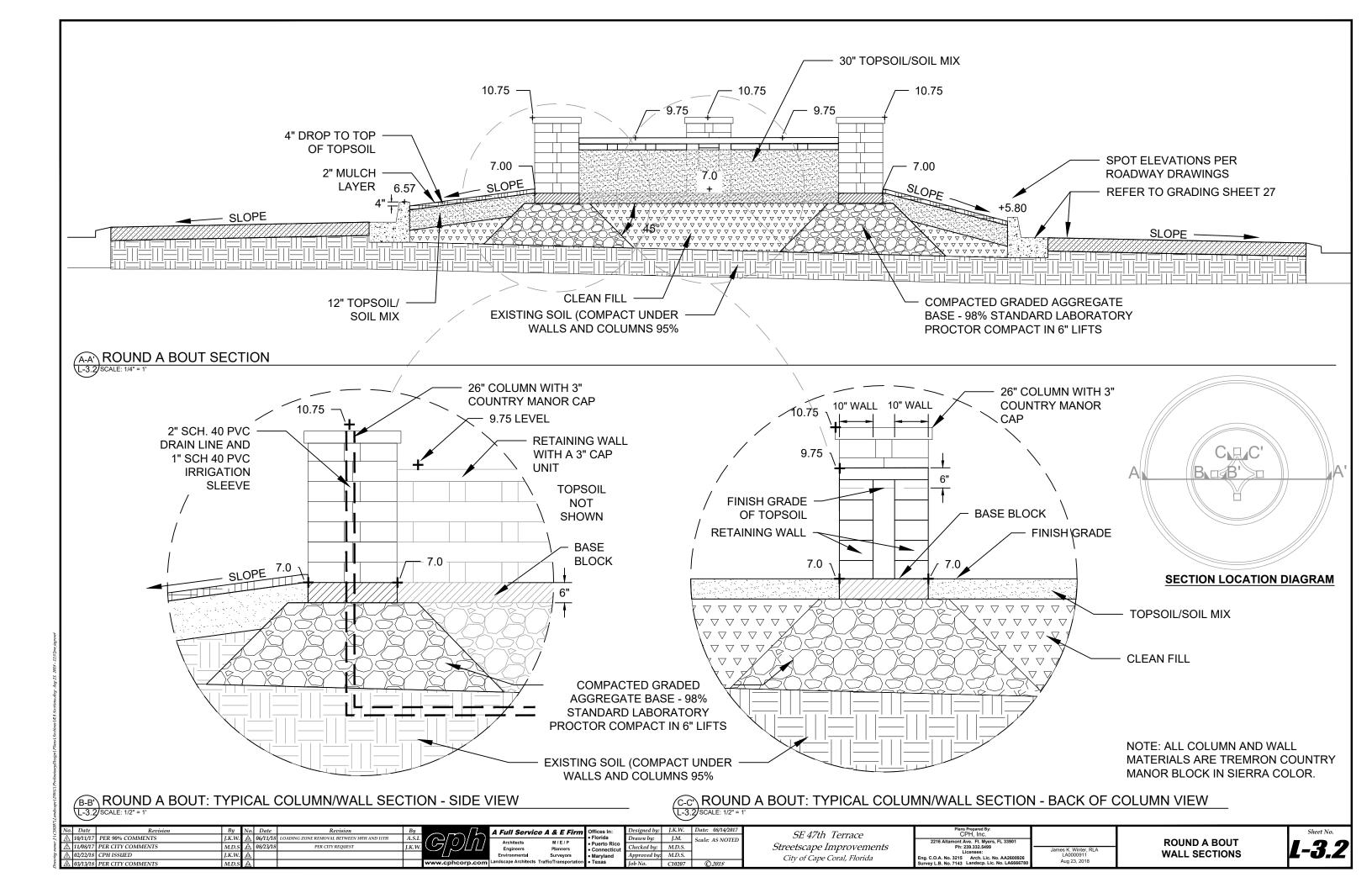
ALL LANDSCAPED AREAS WILL BE 100% IRRIGATED WITH A CENTRAL AUTOMATIC IRRIGATION SYSTEM INCLUDING A RAIN SENSOR.

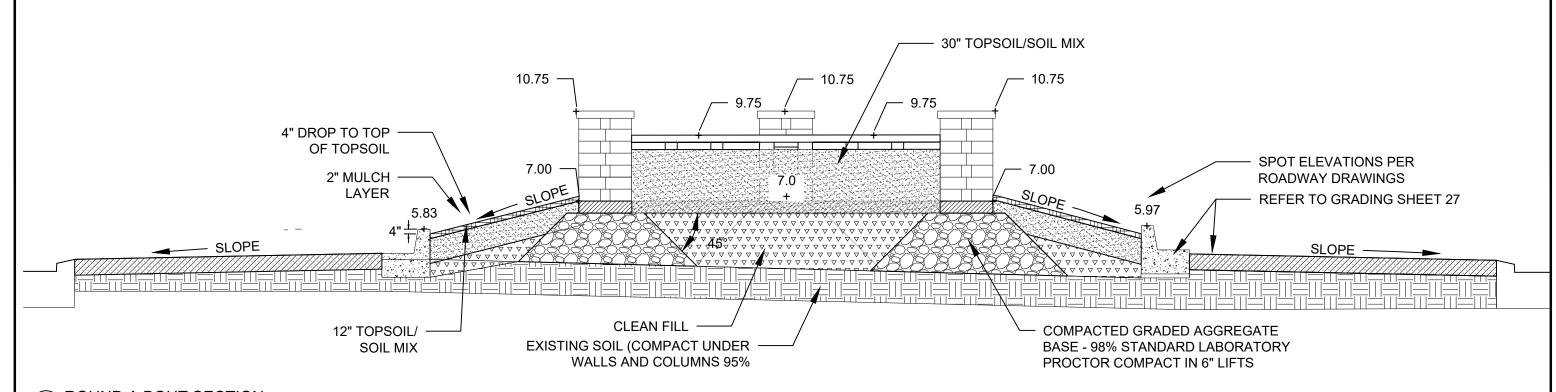
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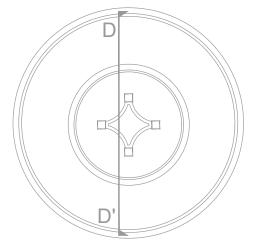
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D-D ROUND A BOUT SECTION
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**SECTION LOCATION DIAGRAM** 

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SE 47th Terrace
Streetscape Improvements
City of Cape Coral, Florida

Plans Prepared By: CPH, Inc.	
2216 Altamont Ave. Ft. Myers, FL 33901 Ph: 239.332.5499	
Licenses:	Jame
Eng. C.O.A. No. 3215 Arch. Lic. No. AA2600926 Survey L.B. No. 7143 Landscp. Lic. No. LA6666780	A

**ROUND A BOUT WALL SECTIONS** 

Item Number: 8.A.

Meeting

Date:

11/6/2018

Item Type: BUSINESS

## AGENDA REQUEST FORM



Community Redevelopment Agency

## TITLE:

Board Appointments for 2019 Chair and Vice-Chair

## **SUMMARY:**

In accordance with Agency's By-Laws, during the first regularly scheduled meeting in November the Board of Commissioners shall recommend to City Council a Chair and Vice Chair to be appointed by the City Council.

## **ACTION(S) REQUESTED**

The following action is recommended:

Recommend a Chair and Vice Chair for City Council's appointment.

## **ADDITIONAL INFORMATION:**

Provided for your information is a copy of the Agency's By-Laws.

This topic will be placed on the November 19, 2018 City Council's Regular Meeting Agenda.

Item Number: 8.B.

Meeting

Date:

11/6/2018

Item Type:

**BUSINESS** 

## AGENDA REQUEST FORM



Community Redevelopment Agency

## TITLE:

Request approval of 2019 Meeting Schedule

## **SUMMARY:**

In November during the Agency's organizational meeting, the Board typically sets the meeting schedule for the upcoming year. The Agency's By-Laws state the CRA shall hold a minimum of six (6) regular meetings per calendar year. Meetings are held on the First Tuesday of the month at 3:00 p.m., such meetings are held in the Chester Street Resource Center located at 4816 Chester Street, unless a different place is specified by the CRA at least ten (10) days prior to a meeting.

## **ADDITIONAL INFORMATION:**

## **Requested Action:**

A motion to approve the 2019 CRA Meeting Schedule as presented.

## ATTACHMENTS:

	Description	Туре
D	2019 CRA Meeting Schedule	Backup Material
D	CRA By-Laws	Backup Material

## CAPE CORAL COMMUNITY REDEVELOPMENT AGENCY 2019 MEETING SCHEDULE

Tuesday, February 5, 2019

Tuesday, March 5, 2019

Tuesday, April 2, 2019

Tuesday, May 7, 2019

Tuesday, June 4, 2019

Tuesday, August 6, 2019

Tuesday, September 3, 2019

Tuesday, October 1, 2019

Tuesday, November 5, 2019

The CRA shall hold a minimum of six (6) regular meetings per calendar year.

Meetings are scheduled on the FIRST Tuesday of the month at 3:00 p.m. unless there is no business to conduct.

**Location: 4816 Chester Street in South Cape** 

## COMMUNITY REDEVELOPMENT AGENCY BY-LAWS

## **ARTICLE I**

### General Provisions

- 1. The Community Redevelopment Agency of the City of Cape Coral, Florida (hereafter "CRA") may, as deemed necessary, adopt and operate under rules of procedure, provided that such rules are not contrary to the spirit and intent of Part III of Chapter 163 of the Florida Statutes, the Community Redevelopment Act of 1969.
- 2. The provisions of these By-Laws shall prevail in all geographical areas of the City of Cape Coral that have been placed under the jurisdiction of the CRA pursuant to Part III of Chapter 163 of the Florida Statutes.
- 3. The principal office of the CRA shall be the Office of the City Clerk of the City of Cape Coral, Florida. All books and records of the CRA shall be open to the public for inspection in accordance with the laws of the State of Florida.
- 4. In accordance with Section 163.356, Florida Statutes, the City Council has appointed a board of commissioners as the governing board of the CRA. Reference to the members of the CRA as a whole shall be "Board of Commissioners", "Commissioners", or "CRA". An individual member of the CRA shall be referred to as a "Commissioner".
- 5. The Board of Commissioners may create necessary committees, from time to time, as shall be necessary to carry out the functions, purposes and objectives of the Community Redevelopment Agency.

### ARTICLE II

### Meetings

- 1. Regular Meeting. The CRA shall hold a minimum of six (6) regular meetings per calendar year on a day and time to be designated by the CRA, such meetings to be held in the Chester Street Resource Center, located at 4816 Chester Street, unless a different place is specified by the CRA at least ten (10) days prior to a meeting.
- 2. Special Meetings. In addition to regularly scheduled meetings, special meetings of the CRA may be called for by call of the Chair of the CRA, or by call of any four (4) members. Notice of special meetings shall be sent to CRA members no less than twenty-four (24) hours prior to such meeting unless a waiver is signed by a majority of the CRA. The notice of such meeting shall specify its purpose.
- 3. Open Meetings. In accordance with the laws of the State of Florida, all business of the CRA shall be conducted at public meetings. No member of the CRA shall conduct or discuss

- business of the CRA with another member at any formal or informal meeting except upon reasonable notice, considering the circumstances, to the public of such meeting.
- 4. Quorum. A majority of the members of the CRA shall constitute a quorum. When a quorum is present, the CRA may act by a vote of a majority of the Commissioners present, unless otherwise provided by law, or these By-Laws.
- 5. Adjourned Meetings. If any meeting cannot be organized because a quorum is not present, the members who are present may adjourn the meeting to a time certain, and notice of the new meeting time shall be given to each CRA member, unless waived.
- 6. <u>Annual Organizational Meetings</u>. The first regularly scheduled meeting in November of each year shall be the annual organizational meeting of the CRA. Pursuant to the provisions of Part III of Chapter 163 Florida Statutes, the Board shall recommend to City Council a Chair and Vice Chair to be appointed by the City Council of the City of Cape Coral.

## **ARTICLE III**

## <u>Members</u>

- 1. The Board of Commissioners of the Community Redevelopment Agency shall consist of not fewer than five nor more than nine commissioners appointed by the City Council of the City of Cape Coral.
- 2. The members of the Board of Commissioners of the CRA shall serve without compensation but shall be entitled to the actual and necessary expenses, including traveling expenses incurred in the discharge of their duties.

## **ARTICLE IV**

### Officer's Terms and Duties

- 1. <u>Term.</u> In accordance with Section 163.356(3)(c), the City Council of the City of Cape Coral shall designate a Chair and Vice Chair from among the Commissioners. The CRA may recommend to City Council a Chair and Vice Chair from among the Commissioners. The term of the Chair and Vice-Chair shall be one year.
- 2. <u>Chair.</u> The Chair shall preside at all meetings, shall execute all instruments in the name of the CRA, and shall perform all other duties as may be required by the CRA.
- 3. <u>Vice-Chair</u>. The Vice-Chair shall, in the absence, disqualification, or disability of the Chair, or at the Chair's discretion, exercise all of the functions of the Chair.
- 4. Secretary. The Secretary shall be the City Clerk of the City of Cape Coral, or a secretary in the City Clerk's office designated by the City Clerk. The Secretary shall be the custodian of all books and records of the CRA and shall keep the minutes of all meetings, shall send out all notices of meetings, and shall perform such other duties as may be designated by the CRA.

5. Treasurer. The Treasurer shall be the Director of Financial Services of the City of Cape Coral or the Director's designee. The Treasurer shall keep the financial records of the CRA's operating budget, shall keep full and accurate accounts of receipts and disbursements of the CRA, shall have custody of all operating funds of the CRA, shall render quarterly budget reports to the CRA, or more often if requested, shall assist the CRA in the preparation of a proposed budget, shall make and file all financial reports and statements necessary to be made and filed by the CRA and file such reports and statements with the Secretary of the CRA, and shall perform such other duties as may be required by the Board from time to time.

### **ARTICLE V**

## **Employees**

- 1. Executive Director. Subject to the prior approval of the City Council, the CRA may employ an Executive Director to administer its business and operations. With the consent of City Council, the City Manager may serve as the Executive Director should the CRA so desire. The Executive Director shall be the chief executive officer of the CRA. The Executive Director shall be responsible for carrying out the policies established by the CRA and shall have general supervision over, and be responsible for, the performance of the day-to-day operations of the CRA.
- 2. <u>Employees.</u> The staff support of the CRA may be provided, as needed, by the departments of the City of Cape Coral, and with the consent of City Council, boards, and agencies of the City of Cape Coral. The Executive Director may hire and set compensation for, necessary employees of the CRA, including contract employees, except as otherwise provided herein.
- 3. Other Personnel. The CRA may hire, retain, and engage such other consultants, professionals, experts, attorneys, and specialists as it deems necessary.

## **ARTICLE VI**

## Fiscal Management

- 1. <u>Fiscal Year</u>. The fiscal year of the CRA shall begin on October 1 of each year and shall end on September 30 of each year.
- 2. Budget. Prior to July 30 of each year, the CRA shall approve a recommended budget for the succeeding fiscal year and forward it to the City Council for adoption. City Council has the power to add, delete, amend, or modify the recommended budget so long as such action does not prevent the CRA from timely payment of any bonded indebtedness or contractual obligations lawfully incurred by the CRA.
- 3. <u>Accounting Practices</u>. In accordance with the laws of the State of Florida, the CRA shall comply with all regulations of the State Department of Banking and Finance regarding uniform accounting practices and procedures for units of local government.

- 4. Annual Report. The CRA shall file with the City Council and with the Auditor General on or before March 31 of each year, a report of its activities for the preceding calendar year, which report shall include a complete financial statement setting forth its assets, liabilities, income and operating expenses as of the end of such calendar year. At the time of filing the report, the CRA shall publish in a newspaper of general circulation in the community a notice to the effect that such report has been filed with the City Council and that the report is available for inspection during business hours in the Office of the City Clerk of the City of Cape Coral.
- 5. Audit. Within six months after the end of each fiscal year, the CRA shall cause to be prepared an audit of the accounts and records of the CRA in accordance with the rules of the State Department of Banking and Finance. Such audit shall be completed by an independent certified public accountant. Such audit may be accomplished in conjunction with the City of Cape Coral's annual audit, by the same certified public accountant. The audit report shall describe the amount and source of deposits into, and the amount and purpose of withdrawals from, the trust fund during such fiscal year and the amount of principal and interest paid during such year on any indebtedness to which increment revenues are pledged and the remaining amount of such indebtedness. The CRA shall provide, by registered mail, a copy of the audit report to each taxing authority contributing to the trust fund.
- 6. <u>Cash Balance</u>. Any cash balance in the trust fund shall be invested in accordance with the requirement of Florida Statutes.

## Expenditures.

- (a) No funds of the CRA shall be expended other than in accordance with the adopted CRA budget, any agreements for services that have been entered into between the City of Cape Coral, Florida, and the CRA, and the Community Redevelopment Act of 1969 as amended.
- (b) All such expenditures shall be made only upon authorization by the Board or the Executive Director, when within the Executive Director's authority. An itemized expense set forth in the annual budget of the Agency shall be deemed to have been authorized by the Board.
- (c) The Executive Director or the Executive Director's Designee shall have the authority to approve and execute all procurement-related purchase orders, contracts, contract amendments, contract renewals, and emergency purchases in the amount of \$5,000 or less. The Executive Director shall have the authority to execute all procurement-related purchase orders, contracts, contract amendments, contract renewals, and emergency purchases in excess of \$5,000 after approval by the CRA Board.
- (d) The City of Cape Coral's purchasing and finance procedures may be utilized by the CRA as guidelines. The CRA Board shall be substituted in all respects for the City Council and the Executive Director of the CRA shall be substituted in all respects for the City Manager when said procedures are used by the CRA.

## **ARTICLE VII**

## **Amendments**

These By-Laws may be amended at any regular or special meeting by an affirmative vote of three members of the CRA Commissioners present at such meeting.

## **ARTICLE VIII**

## **Execution of Documents**

All documents executed by the CRA shall be executed by the Chair or Vice-Chair, with an attestation by the Secretary of the CRA.

FLUCCA VAN O'CULEDA Rebecca VanDeutekom, City Clerk Secretary to the CRA

Dated

Item Number: 8.C.

Meeting

Date: 11/6/2018

Item Type: BUSINESS

## AGENDA REQUEST FORM



Community Redevelopment Agency

## TITLE:

Draft Regulations for Mobile Food Vendors

## **SUMMARY:**

This agenda item is informational.

The draft Land Development Code includes regulations for mobile food vendors.

The current Land Use and Development Regulations are silent on this type of use/activity.

The regulations are drafted to apply throughout the City.

## **ADDITIONAL INFORMATION:**

## ATTACHMENTS:

	Description	Type
D	DRAFT LDC Mobile Food Vendors	Backup Material
D	NLC Food Trucks	Backup Material
D	Institute for Justice Food Trucks	Backup Material
D	Millennial Love Food Trucks	Backup Material
D	Judge Finalizes Victory	Backup Material

### Draft LDC Article 5.

### Section. 5.10.13. Mobile food vendor.

Mobile food vendors include hot dog carts, mobile food units, and self-sufficient mobile food units. These types of mobile food vendors are defined in Article 11, Definitions and hereafter referred to as food trucks, may be permitted on public or private property subject to the following requirements:

- A. Mobile hot dog carts, mobile food units, and self-sufficient mobile food units may only be conducted from 7:00 a.m. to 10:00 p.m. on weekdays and from 7:00 a.m. to 11:00 p.m. on weekends. Mobile food units and self-sufficient mobile food units shall be removed from the site for at least 24 hours once each month.
- B. For purposes of these requirements, the vending area includes the space taken up by: a portable stand, vehicle, or trailer, any signs, equipment, merchandise, and any tents, tarpaulins, canopies, or awnings. Mobile vending areas shall not be in:
  - 1. Driveway aisles, no parking zones, landscaped area, loading areas, or fire lanes; mobile operations shall not impede the on-site circulation of motor vehicles.
  - 2. Food trucks shall not be set up in more than two required off- street parking spaces.
  - 3. Food trucks shall not operate on the public right-of-way. This restriction does not apply when a Special Event or Temporary Use Permit is issued by the City.
- C. Food trucks may operate on vacant, unimproved property only when approved as a special event pursuant to Section 5.9.10 of this Article.
- D. The total space dedicated to the mobile operation and vending area shall not exceed an area of 600 square feet.
- E. Food trucks shall be a minimum of 20 feet from the property line of an existing residential use, except that a mobile food unit may be a minimum of 10 feet from the property line if the residential use is separated by a six-foot high masonry wall.
- F. Alcoholic beverage sales and use of sound amplification devices are prohibited.
- G. Electric service connection to an on-site approved outlet is permitted, provided that no wiring or cables are run beyond the vending area or pose any danger to the patrons.
- H. Prior to permitting a food truck to operate on a site, the vendor must submit an application for operation and the following documents:
  - 1. A site plan or survey indicating the following:
    - a. Location of the individual mobile food unit and associated vending area. Mobile operations shall be located so as to minimize the impacts on adjacent residential uses.

- b. Location of improvements on the site.
- c. Location of on-site parking areas,
- d. Rights-of-way, internal circulation, and ingress and egress.
- e. A letter from the owner of the property indicating that the mobile food vendor has permission to operate from his or her property.
- I. Signs associated with the operation shall be confined to the vehicle, trailer, or cart and one ground sign within 10 feet of the vending area. The ground sign shall be in compliance with the size requirements listed Article 7 and may not be within a right-of-way.
- J. When multiple food trucks plan to be together for an event, a special event permit will be required if the event meets the thresholds listed in Section 5.9.10. of this Article.
- K. Except as otherwise provided in this Code, it is unlawful to conduct mobile vending in any outdoor location without first obtaining a Certificate of Zoning Compliance and a Business Tax Receipt in accordance with the City Code of Ordinance, Article 3 of this Code, and the provisions of this Section.
- L. The vendor must be able to produce for inspection: a copy of a letter or other written communication from the property owner or representative that authorizes the hot dog cart, mobile food unit, or self-sufficient mobile food unit and, for mobile food service operators, a copy of the applicant's mobile food dispensing license issued by the Department of Business and Professional Regulations.
- M. Mobile operations at City or County parks, sports facilities, or similar venue during events shall be exempt from the requirements of this Section but must comply with all other applicable requirements in this code.
- N. Vendors are prohibited from discharging fat, oil, grease, or wastewater into the sanitary sewer system. Waste shall be properly stored and disposed of at an approved disposal facility.

Mobile vendors, other than hot dog carts, mobile food units, and self-sufficient mobile food units, shall be permitted only in conjunction with a special event or a farmer's market.



## FOOD ON WHEELS: Mobile Vending Goes Mainstream





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i

## **Executive Summary**

Mobile food vending generates approximately \$650 million in revenue annually. The industry is projected to account for approximately \$2.7 billion in food revenue over the next five years, but unfortunately, most cities are legally ill-equipped to harness this expansion. Many city ordinances were written decades ago, with a different type of mobile food supplier in mind, like ice cream trucks, hot dog carts, sidewalk peddlers, and similar operators. Modern mobile vending is a substantial departure from the vending typically assumed in outdated local regulations. Vendors utilize large vehicles packed with high-tech cooking equipment and sanitation devices to provide sophisticated, safe food usually prepared to order.

Increasingly, city leaders are recognizing that food trucks are here to stay. They also recognize that there is no "one size fits all" prescription for how to most effectively incorporate food trucks into the fabric of a community. With the intent of helping city leaders with this task, this guide examines the following questions: What policy options do local governments have to regulate food trucks? What is the best way to incorporate food trucks into the fabric of a city, taking into account the preferences of all stakeholders?

Thirteen cities of varying size and geographic location were analyzed for this study. Information on vending regulations within each of these cities was collected and analyzed, and supplemented with semi-structured interviews with city staff and food truck vendors.

Based on recurring themes and commonalities, regulations are grouped into four policy areas:

- Economic activity: this policy area provides insight into aspects of food truck regulation that could potentially enhance economic development, and looks at specific processes that can be barriers to market entry. Two areas of regulation that impact economic activity streamlining and permit costs are examined, with recommendations provided for each.
- Public space: mobile vending takes place on both public and private property, but public
  property presents a unique set of challenges. With the rapid expansion of food trucks, there is
  increased demand for limited space, which increases the likelihood of conflicting interests and
  encroaches upon the ability of stakeholders to maximize the advantages that public space can
  offer. Time constraints, proximity rules, and geographic limitations related to density are examined here, with recommendations provided for each.
- Public health: this is one of the most basic concerns regarding mobile vending. All stakeholders realize the need for comprehensive regulations around sanitation and food safety. These issues should be addressed within a regulatory framework that is cost-efficient, thorough, and results in a streamlined process for all stakeholders.
- Public safety: public safety is a key reason why many cities began regulating food trucks. Regulations examined here include private property, vending near schools, and pedestrian safety, with recommendations provided for each.

All of the recommendations in this guide include regulatory best practices that are currently in place in the selected cities. These best practices provide a balance of the concerns and interests of the four stakeholder groups identified in this report: (1) mobile vendors (this term is used interchangeably with 'food truck' throughout the guide) and food truck/industry associations, (2) restaurants and restaurant associations, (3) the community, and (4) city government.

In addition, five overall recommendations for cities looking to update their regulations for mobile vending are also included:

- 1. Hold Town Hall Forums and Private Meetings with Core Stakeholders.
- 2. Encourage Dialogue and the Building of Relationships Among Competing Stakeholders.
- 3. Implement Pilot Programs to Determine What Regulations to Adopt.
- 4. Use Targeted Practices as a Way to Address Underserved Areas of the City.
- 5. Identify Private Vacant Lots and Create Partnerships for Mobile Vendors to Gather and Vend in the Same Location.

The recommendations included here are intended to be flexible enough to accommodate different circumstances, but logical enough to provide useful guidance to local leaders interested in integrating food trucks into city life for the benefit of both their residents and existing businesses.

## Introduction

Mobile vending has grown considerably in recent years, generating approximately \$650 million in revenue annually. The rapid expansion of mobile vending, or food trucks, is attributed to residents' desire for quality, value, and speed; an appreciation for fresh, local food; and a preference for small and sustainable business. As such, mobile vending is also commonly used as a means to expand economic opportunity, and enrich communities by improving access to goods and produce not otherwise available through area merchants. The recent recession has also made food trucks an appealing option for hopeful restaurateurs, as they are an easier and more cost-friendly alternative to opening a brick and mortar restaurant. Many entrepreneurs have capitalized on the mobile vending industry, creating opportunities for self-sufficiency and upward mobility.³

The mobile vending industry is on pace to quadruple its revenue stream over the next five years, but unfortunately, most cities are legally ill-equipped to harness this expansion. Many city ordinances were written decades ago, with a different type of mobile food supplier in mind, like ice cream trucks, hot dog carts, sidewalk peddlers, and similar operators.

Modern mobile vending is a substantial departure from the vending typically assumed in outdated local regulations. Vendors utilize large vehicles packed with high-tech cooking equipment and sanitation devices to provide sophisticated, safe food usually prepared to order. Food trucks also take up a significant amount of space, require more safety and health oversight, cater to a different customer than the aforementioned types of mobile vendors, and have a more challenging relationship with brick and mortar restaurants and other vendors.

Advocates of stricter regulations generally assert that mobile vending congests sidewalks and streets, are unsanitary, and diminish urban quality of life. Regulations that currently impede mobile vending operations in U.S. cities commonly include public property bans, restricted zones, proximity bans, and duration restrictions. Supporters tend to argue that food trucks provide affordable, high quality food, rejuvenate public space, and fairly compete with size and open-air limitations. City officials have to balance these interests by regulating food and traffic safety without impeding the creativity and innovation of this popular market, but because the industry is so new, there are few examples of the best ways to amend existing provisions or adopt new laws.

The purpose of this guide is to offer best practices and recommendations to city leaders about how they can most effectively take advantage of the benefits of food trucks, while balancing the need to regulate growth and account for the concerns of key stakeholders: food trucks, restaurants, residents, and city government. It includes an analysis of food truck policies and regulations, specifically as they relate to four policy areas:

- Economic activity
- Public space
- Public health
- Public safety

The guide also includes recommendations on mobile vending policy and regulatory development for cities of all sizes. Using this guide, local leaders will be able to better understand the policy options local governments have for regulating food trucks, and determine the best way to incorporate food trucks into the fabric of a city while taking into account the preferences of all stakeholders.

## Selection of Cities

This guide analyzes mobile vending regulations across 13 cities, based on population density, presence of local food truck industry, and availability of mobile vending regulations. Figure 1 shows the cities that are included in the guide.

Very large cities like New York City and San Francisco were not included on the basis that conclusions drawn from analyzing their regulations would not be generalizable to most other cities.

Figure 1: Selection of cities

## Cities (population density)

# United States of America

## Stakeholders and Stakeholder Values

Stakeholders are identified as: (1) mobile vendors (this term is used interchangeably with food trucks here) and food truck/ industry associations, (2) restaurants and restaurant associations, (3) the community at large, and (4) city government. For food truck vendors, it is assumed they would prefer an approach of looser regulations, clear, narrowly tailored laws, and streamlined procedures. For restaurants, it is assumed they favor stricter regulations that limit competition from food truck vendors. Although values are likely to vary among different community groups, it is assumed that - in general - community members hold quality of life concerns, including fear of negative spillovers (congestion, noise, pollution, etc.) as primary concerns, but also harbor a strong desire for community vibrancy. At the same time, community members generally prefer more food options to fewer. For city government, balancing the interests of stakeholders is a key priority, but so is a desire for economic vibrancy and revitalization, administrative ease, effective enforcement through regulatory clarity, and options that are budget friendly and cost-effective.

### LOW POPULATION DENSITY

Durham, NC New Orleans, LA Indianapolis, IN Atlanta, GA Austin, TX

## MODERATE POPULATION DENSITY

Cincinnati, OH Denver, CO Las Vegas, NV Portland, OR St. Louis, MO

### HIGH POPULATION DENSITY

Oakland, CA Washington, DC Boston, MA

## **Economic Activity**

This policy area provides insight into aspects of food truck regulation that could potentially enhance economic development, and specific processes that can be barriers to market entry. This section covers two topics that impact economic activity - streamlining and cost of permits for food trucks - and explores how these issues impact the various stakeholder groups.



## Streamlining

Regulations that dictate how centralized the mobile vending permitting process is can greatly impact mobile vendors' level of access to a city's economic activity, as they determine how easy or difficult it is to gain permits and licenses.

## Stakeholder Concerns

For food trucks, one of the key objectives is to earn revenue. For brick and mortar restaurants, their goal is the same, and the level of competition food trucks create or are perceived to create can be of concern. For the community and city, creating opportunities for economic development is a key priority because it raises tax revenue, vibrancy, and creates a level of attractiveness for business and residents as well as for the city as a whole.

Having a more centralized process for permitting generally allows vendors greater ease in entering the mobile vending arena by reducing the number of city departments they must interact with and receive

approval from. Centralizing the process also reduces the number of intra-department communications. A streamlined process benefits both the mobile vendors and city staff directly, as it diminishes the amount of work for each. Although to be fair, it increases the level of work for whichever department is tasked with overseeing mobile vending permitting process. For the community, a centralized process is in their best interest as it helps to create more efficiency, a greater potential for economic development and ultimately, raise more revenue for the city.

## Regulatory Trends

The majority of the cities included here do not have a centralized permitting process in place; they use multiple city departments to permit and license various aspects of the mobile vending business. For instance, mobile vendors must apply for and receive a health permit that inspects the sanitation and food safety of a mobile vending vehicle, a traditional business license, and at times a zoning license and a safety permit. Although the number of permits and departments involved may vary, there is a trend of three to five departments and three to five permits that are typically involved in the permitting process for mobile vendors. Three cities use three departments, four use four or more. Only three cities have centralized the process into one city department for all city permits. Although these cities have centralized the part of the permitting process they control, there is still a need for a county health permit.

## Recommendation

Making the permitting process more streamlined has positive impacts on both mobile vendors and city staff. Austin and Cincinnati's streamlined permitting processes can be used as models by other cities looking to implement a more centralized mobile vending permitting process. Austin's comprehensive set of requirements can be found on the city's official government website, and contains everything the vendor needs, including:

- Mobile Food Vendor Permit form, including the cost of the permit,
- Checklist of additional permit requirements for mobile vendors (with exact descriptions of what is expected and who to contact if there are any questions),
- Mobile Vending Unit Physical Inspection Checklist (includes 14 requirements ranging from a current license plate to the specifications of the sinks),
- List of mobile food vendor responsibilities, including the signature of the certified food manager/food handler, the responsibilities of the central preparation facility (the commissary), and the restroom facility agreement. ⁴

Austin's webpage is clear and concise. It has detachable forms and blank spots for the necessary signatures, with instructions regarding who to contact to obtain those signatures, specifics about the actual schematics of the truck components required for food preparation and handling safety, and perhaps best of all, nowhere does it suggest the reader refer to a subsection of some code or statute not included in the document.

As of January 2013, the Cincinnati Department of Health is solely responsible for the city's permitting process, application process, and payments associated with the city's mobile food vending. This change was an effort to streamline the permitting process and give food truck owners a one-stop shop for all their licensing needs.

## Cost of Permitting

The actual cost of permitting plays a role in would-be mobile vendors' decision-making process about whether or not to start a business. One of the most basic barriers to entry for many potential entrepreneurs is start-up costs, which include permitting fees.



## Stakeholder Concerns

This issue impacts all stakeholder groups. On the vendor side, high permitting costs can serve as a barrier to entry. On the city government and community side, it can mean either an increase in revenue (from the actual permit) or a decrease in revenue (if cost deters some vendors from applying for a permit[s]). For mobile vendors, their self-interest is to keep the costs of permitting low so that there is an ease of entry into the market. For brick and mortar restaurants that believe mobile vendors are their competition, their interests lie in keeping the costs high enough to keep the number of mobile vendors low. City staff want to keep costs high enough to raise revenue, but low enough to keep the amount of mobile vendors growing. For the community, their interests are much the same as city staff - to find the balance between raising costs enough to maximize fees while not increasing them to the extent that they become a deterrent for mobile vendors.

## Regulatory Trends

For the cities included in this guide, the cost of permitting fees ranged from \$110 - \$1,500 annually. Although the amount of permits required and the cost for each vary depending on the city, the majority of cities fall within either the \$150-\$400 (five cities) or \$1,000+ range (five cities).

## Recommendation

Permit fees should be high enough to generate revenue that off-sets at least some of the costs produced by the presence of food trucks, but not so high that they discourage potential business owners from entering the market. The actual amount is contextually determined, as budgets and administrative expenses vary depending on the city.

Below are examples of permitting costs in three cities:

- Durham: \$75 for a yearly permit (not including health permit costs).
- New Orleans: Annual mobile vending permit fee \$305.25, Occupational license \$150.00, Mayoralty permit - \$100.25, Sales tax deposit - \$50.00, and Identification card - \$5.00, totaling \$610.50.
- St. Louis: \$500 mobile vending permit fee to the Director of Streets, a \$200 licensing fee (and \$20 for each employee) to the License Collector, and \$130-\$310 (depending on type of food served) for a health permit to the Director of Health.

## **Public Space**

Mobile vending takes place on both public and private property, but public property presents a unique set of challenges. Flexible access can lead to over-utilization, which in turn can produce unwanted congestion, pollution, and conflicts between different stakeholders trying to use the space at the same time.⁶

With the rapid expansion of the food truck scene, there is increased demand for limited space, which increases the likelihood of unwanted externalities and encroaches upon the ability of other stakeholders to maximize the advantages that public space can offer. In most cases, cities are tasked with managing this property, which includes balancing the needs of all interested parties, diminishing negative externalities, and otherwise preserving the integrity of the space. They are also trying to find appropriate ways to address the higher demand.



This section looks at three issues related to public space: time constraints, proximity rules, and geographic limitations related to density. A variety of approaches are recommended for dealing with these issues that balance stakeholder needs and take into account context and other practicalities.

## **Time Constraints**

One set of regulations that impacts the use of public space for mobile vendors is how much time food trucks are allowed to park and vend in one location.

## Stakeholder Concerns

Shorter time limits translate to less time for vendors to sell in one spot, which favors competing stake-holders like restaurants, since less time means less competition. Time limitations have both advantages and disadvantages for members of the public - less time means fewer choices for consumers but it also means less congestion and more parking options. For the city, the issue is also a mixed bag. Longer time limits mean vendors are easier to track down, since they are in fewer spots throughout the day. At the same time, longer time limits have the potential to reduce patronage at area restaurants. Moderate time limits, such as four to five hours, are often be the preferred approach for cities, since they usually produce the most balanced results (from a stakeholder perspective).

## Regulatory Trends

Most of the cities included in this guide favor moderate or less restrictive parking durations. Five cities have no time limits, while three currently have durations of 45 minutes or less. The rest have provisions of four or five hours. It is worth noting that cities with more restrictive limits often have lax enforcement of these regulations.

### **Recommendations**

Time limits of four hours or longer are recommended. Vendors need approximately one hour to set-up and pack-up once they are done with selling. As a result, anything less than four hours leaves vendors with only one to two hours of actual vending time. Moreover, it is more difficult for city staff to track food trucks for safety or health purposes when they are in several locations throughout the day. However, an unlimited approach may not be feasible in denser regions, where restaurants and other established businesses, pedestrian traffic, and congestion are more significant factors. This four hour or more time limit is included in regulatory amendments and council suggestions of various cities, including Oakland and Durham.

Oakland has a five hour time limit. Originally, the city had a two hour limit for one location. This left little time to actually sell food before having to move again. Vendors complained about the restriction, and were successful in getting it changed to five hours. Originally, Durham had a regulation on the books that required mobile vendors to move 60 feet every 15 minutes. The police did not enforce this provision because the number of trucks was not large enough to create much conflict with other stakeholders. As the number of trucks started to increase in 2010, push back began, particularly among restaurants that insisted the police enforce the 15-minute rule. This prompted the city to consider amending the rules to more effectively address modern vending. The Town Hall meetings on the topic were well attended, not only by key stakeholders but also by members of the public. Durham is a town with strong public support for small businesses, and regulations that would make vending easier were favored. In late 2012, the rules were amended, and included a repeal of the 15-minute provision. No additional time constraints were adopted, and as a result, food trucks can vend in one location for an unlimited amount of time.

Unlike Durham and Oakland, Atlanta's provision of 30 minutes in no more than two locations per day has not been successfully challenged. Since the 2013 NCAA Final Four basketball game, vending on public property is completely prohibited. Before this, vending in public space was very limited, based on history that dates back to the 1996 Summer Olympics in Atlanta and the more recent contracting

out to a private company the responsibility of mobile vendor management. Virtually all mobile vending takes place on private property, where the 30-minute rule does not apply.

## **Proximity Restrictions**

This refers to regulations that designate a certain amount of distance that must be maintained between food trucks and other establishments, people, or infrastructure. This section is primarily concerned with the distance restrictions between food trucks and restaurants that impact the use of public space. The limits that concern distance from pedestrians or infrastructure are addressed in other parts of this guide. The cities included here have adopted a variety of proximity requirements.

## Stakeholder Concerns

Greater distance requirements favor restaurants and other established businesses, and are a mixed bag for residents for the same reasons discussed under time constraints. Larger proximity rules disadvantage mobile vendors because it reduces the number of places to sell, particularly where clusters of restaurants exist, which are often denser areas with more pedestrian traffic. Many cities prefer a moderate approach in regards to proximity restrictions, since such regulations usually balance competing stakeholder needs most effectively. Unlike parking, there are no tracking advantages related to distance requirements, but such regulations do impact where vendors conduct their business, which means the city still has to deal with congestion and other spillover concerns, particularly in denser regions.

## Regulatory Trends

Similar to time constraints, the cities included here have largely moderate or lenient proximity restrictions. Six or seven have either no restrictions or relatively short distances, and four of the cities occupy the middle ground, with 150-200 foot requirements. Only one, New Orleans, has a restriction of 600 feet. New Orleans has a proposal to shorten the distance to 50 feet, but there has been resistance to this proposal from some city council members and the Louisiana Restaurant Association.¹⁰

### Recommendations

Proximity restrictions should be no more than 200 feet at the high end. Density issues may call for a tiered structure, or for abandoning proximity altogether. One of the problems with adopting an explicit distance rule is that a "one size fits all" approach ignores context. Three hundred feet may make sense in less dense areas of a city, but such a distance is impractical in very dense neighborhoods. A city right-of-way, with multiple restaurants on both sides of the street where the distance between each side may be less than 300 feet, makes the area entirely off limits to mobile vending. As such, cities may want to loosen or abandon proximity rules in dense neighborhoods with a great deal of commercial and residential activity. A tiered model, where the distance requirements are shortened for denser neighborhoods and widened for others is also an option.

As the food truck scene has expanded within the last few years in St. Louis, conflicts between restaurants and food trucks have surfaced. In order to quell the rising tension, the St. Louis Department of Streets enacted a 200 foot rule.¹¹ Durham has adopted a 50 foot rule.¹²

## Geographic Limitations Associated with Density

Another set of regulations relate to whether vending is permitted in particular segments of public space. Like proximity restrictions, these provisions concern access to fixed locations.

## Stakeholder Concerns

Like the above issues, the more restrictive provisions advantage established businesses like restaurants, while working against the interests of food trucks. Constraints on the number of places open for selling tend to be more prevalent in denser areas of cites due to the much greater number of players utilizing the space at the same time. These are usually core downtowns where a large number and variety of established businesses and residences are located in close proximity to each other within a relatively limited area. Again, for cities, moderate approaches are generally the best at balancing stakeholder interests. Like parking durations, tracking issues come up here as well. Limiting vending to certain locations makes it easier for cities to find vendors, but might hinder economic growth and opportunity.



## Regulatory Trends

Of the cities included here, most currently embrace a patchwork approach, wherein vending is limited to certain zones, districts, parking spaces, or limits on operation in the Central Business District (CBD). Three have lenient provisions, where few public spaces are off limits, while another three are on the more restrictive side, with outright bans on public space or CBD vending.

## Recommendations

The greater the density of the area, the greater the case for more restrictions, but an outright ban on all mobile vending is not suggested unless the circumstances are exceptional. For a city like Durham, heavy-handed zoning constraints make little sense, as the interests of other stakeholders are only modestly compromised compared to denser areas, there are fewer negative spillover threats, city residents are given more choice without substantively higher safety concerns, and vendors are given more flexibility to choose where to operate. As a result, street right-of-ways and core downtown parks are open for vending.¹³ In denser cities, the compromises that other stakeholders must make and the risk of negative externalities are increased, suggesting a more moderate regulatory framework should be implemented that requires all parties to relinquish some freedoms without entirely excluding them from the space. One option is the approach taken by Denver, where only the densest section of downtown is off limits to food trucks. Vendors are barred from selling in a section of the southwestern corner of downtown, which is roughly seven by nine blocks. Vendors must also maintain a 300 foot distance from all public parks, unless a special event is taking place, and then they must obtain permission from the city to participate.

Another approach is a lottery or first-come, first-serve system that allows a restricted number of parking spaces or sections of right-of-way to be set aside for mobile vending. Las Vegas currently has a pilot program that adopts a version of this (three spaces are being set aside downtown for food trucks only). Washington, DC is also in the process of establishing a lottery system to increase efficiency and safety, and to balance the competing needs of residents. There could also be higher permit or parking fees associated with more heavily trafficked areas.

Areas where vending is allowed must be clearly delineated and easy to decipher. Several cities have regulations that make it difficult to easily discern permitted regions from unpermitted ones. Regulations that clearly define permitted areas are needed. Distinctions between public and private regulations should also be clear and transparent. A map that explicitly labels the areas where vendors are allowed to operate would be a helpful tool for all stakeholders.

If the political climate or density issues make it difficult to relax restrictions on public space, cities could consider making private space in less dense areas easier for vendors to access. Atlanta has a unique history that has produced provisions that greatly restrict vending on public property, and most recently, an outright ban by the Mayor Kasim Reed. To alleviate the impact of this restriction on mobile vending, Councilmember Kwanza Hall and others have worked to make vending on private property easier. A provision that originally required food trucks to maintain a distance of 1,500 feet from restaurants when at least two mobile vendors are selling on private property was amended to shorten the distance to 200 feet. Trucks have adapted to the ban on public property by moving into private space, and this has kept mobile vending alive in Atlanta.

## **Public Health**

One of the most intrinsic and logical concerns regarding food trucks, and one that has been a basic consideration since their inception, is public health. All stakeholders realize the need to address sanitation and food safety. The role of health departments and commissaries should be continually reevaluated to address these concerns within a regulatory framework that is cost-efficient, thorough but not onerous, and results in a streamlined process with outcomes that provide for the wellbeing of all stakeholders.

## Sanitation

Sanitation refers to food trucks' proper cleaning of preparation utensils and disposal of garbage, wastewater (gray water) and remnants of grease traps. Unlike the variety of procedural approaches taken by cities within the sphere of public space, the guidelines adopted for sanitation tend to be similar across cities.

Atlanta's rules provide a typical example of the sanitation provisions that exist in most cities. Mobile food units must have a trashcan that is at least 30 gallons, and it must be emptied at the commissary. Two sinks are required - a three-compartment equipment sink (for washing dishes, etc.) and another sink for washing hands. A wastewater tank that has a 15 percent larger capacity than the potable water tank is also required. To prevent contamination, the connections for each must be distinguishable, and the wastewater tank must be lower than the potable tank. Atlanta is also typical of many cities in that the health code is state law. As such, cities are unable to craft law; they can only enforce provisions established at the state level.

### Recommendation

Cities looking to adopt sanitation regulations for mobile vendors should adhere to the standard requirements in cities with an already established food truck industry. These regulations can be found on almost any city government website; Austin has particularly clear processes.¹⁷ Since many cities are unable to enact their own sanitation laws, they may want to articulate their need and concerns to the state legislature when appropriate.

## Food Safety

Not surprisingly, the specifics of food safety do not vary that much from city to city. The guidelines for the cities profiled in this guide are common sense and fairly straightforward.

For example, in Atlanta, mobile vendors are mandated to have a "Certified Food Safety Manager" (CFSM). The CFSM could be the owner or an operator; whoever is selected must complete a food safety-training program and pass a "professionally validated" CFSM exam. The mobile unit must always have a designated Person in Charge (PIC). This will be the CFSM when present. When absent,

the CFSM must designate someone else as the PIC. During Health Authority inspections, the PIC may be asked to demonstrate their "knowledge of foodborne disease prevention," for example. The Food Code lists a variety of ways this can be shown, such as demonstrating knowledge of how to properly handle food, among other things.¹⁸



## Recommendation

State laws often require mobile vendors to adhere to the same food safety regulations that are applied to brick and mortar restaurants. This is an effective way to promote proper food handling and accountability. Many vendors report that they actually appreciate the standards because they serve to combat the "roach coach" stereotype. Brian Bottger, a food truck vendor in Durham, is one of these operators. He likes that he can confidently tell patrons that his truck is held to the same health standards as restaurants.¹⁹

## Role of Commissaries

One of the most promising and more diversified aspects of mobile food vending is the commissary, a food truck "home base" of sorts. Commissaries are fixed location kitchens where food must be prepped before being loaded onto the truck for cooking and selling. They often operate as storage for various ingredients as well.

## Stakeholder Concerns

All stakeholders can benefit from the appropriate utilization of commissaries. If more than one truck may operate out of a commissary, city employees, whether collecting licensing and permit documents and fees, or performing routine inspections for maintaining sanitation and public health standards, have fewer places to visit and can more easily streamline their permit review and inspection process.

Food truck owners can reap the benefits of the economies of scale that commissaries provide. Compliance with many of the regulatory burdens food trucks face are less expensive when shared by several owners. Mobile vendors can also be assured that they are doing their due diligence with regards to regulations, which if not properly followed could mean large fines and even the possibility of being shut down. Commissaries provide new vendors with a central facility to get all the information they need to operate. This can save a significant amount of time and cost, especially when city business codes are difficult to track down. They may also benefit by not having to shoulder the full responsibility for compliance; if they sign a contract with a commissary, it may become the commissary operator's responsibility to see that compliance is achieved.

Commissaries provide brick and mortar restaurant owners with the assurance that food trucks are being held to the same standards and inspections as they are. Lastly, the general public can rest easy knowing that commissaries cut down on the number of unregulated mobile vendors and that health concerns are addressed in a thorough and efficient manner (when considering taxpayer monies spent on health departments).

## Regulatory Trends

All of the cities included in this guide have a commissary requirement. Boston requires proof that food trucks are serviced by a mobile food vending commissary and that mobile venders keep accurate logs indicating that the food truck is serviced at least twice daily by a mobile food commissary for all food, water and supplies, and for all cleaning and servicing operations. In Washington, D.C., all vendors must maintain access to an approved depot location. A copy of the license for the service support facility and/or a recent inspection report is required to be presented. In St. Louis and Denver, trucks must operate from a commissary and report there once a day to clean all supplies and servicing operations.

## Recommendations

Mobile vendors should embrace the use of commissaries. It is recommended that cities adopt an approach similar to the ones employed in Austin and Durham, where all food trucks must have a contract with a commissary, but more than one food truck may be associated with a single commissary.²⁰ Food trucks may also negotiate with restaurants to utilize (and pay) them as places to dispose of waste. These contracts foster a sense of community and keep conflicts to a minimum. In Durham, multiple mobile vendors are also able to use a single commissary.

This approach best satisfies the concerns of all stakeholders. The regulation is not terribly onerous to the food truck operators, but still ensures food safety, which the public and the city may be concerned about. It helps give the impression that food trucks are being held to the same standards, which restaurants appreciate, and makes it easier for local food safety enforcement officials to do their job.

## **Public Safety**

Public safety is a key reason why many cities began regulating food trucks. Issues around public safety include private property, vending near schools, and pedestrian safety.



## **Private Property**

Private property options for mobile vendors create opportunities for businesses to extend their market reach, particularly for denser cities or those with very little public space (consider the Atlanta case discussed under public space). The cities included here have adopted a variety of regulatory models to address private space. In some cases, they practice a more informal approach, allowing food truck operators to gain a private space permit and conduct business without further regulatory strings attached. Others restrict mobile vending operations solely to private property. Equally important are existing zoning codes applied to private property that may or may not be zoned for vending.

## Stakeholder Concerns

Standard public safety practices used in other city regulatory affairs (within the realm of private property) ought to lead the dialogue and development of relevant rules that empower proprietors to observe

and enforce appropriate safety measures on their property, and communicate those measures with mobile vendors. For cities, responsibility of property maintenance is lessened and is likely to fall on the shoulders of vendors and property owners, who will determine ways to address sanitation, safety, and property upkeep. Mobile vendors generally appreciate the flexibility that private space has to offer, e.g. fewer time restrictions and less government involvement in their daily operations.

## Regulatory Trends

When examined through the lens of public safety, the cities selected have adopted a variety of regulatory models to deal with private property. Seven cities had rules regarding private property. Two cities lacked specifics on the issue, perhaps because they do not allow vendors to operate in private space in general. Cities that allow the use of private property for mobile vending have designated specific private zones where food trucks can operate to ensure public safety.

#### **Recommendations**

The adoption of more lenient regulatory language is generally the preferred approach for food trucks on private property, with the exception of denser regions. Owners of private property have the power to control what takes place on their land, including the ability to exclude whomever they choose. The issue at stake is not how to best balance the needs of various parties that have access to the land, as it is with public space. Instead, the emphasis shifts to reducing any negative externalities that might spillover onto adjacent or neighboring properties, particularly if an owner grants permission to multiple vendors.



As such, a regulatory framework that is generally less restrictive than for public property is appropriate as long as the owners grant permission for their land to be used by mobile vendors. However, since there is a greater danger of negative externalities when private property is located in denser areas, a modestly more regulated structure may be called for within these regions.

In Indianapolis, few regulations limit mobile vending business on private property. While the time-frame for vending on public space is limited to between 10am and 6pm, a business can get a permit for operating on private property and simply park at parking meters for the same rate as personal vehicles.²¹ The majority of Portland's mobile vending occurs on private property, particularly surface parking lots.²² A zoning permit may be required for development associated with a mobile vending cart, such as changes to an existing parking area, landscaping, and drive-through facilities. Vending carts over 16 feet in length, with or without wheels, are considered Heavy Trucks by the zoning code, and are not allowed in certain zones.²³

# **Vending Near Schools**

Mobile vendors encounter several public safety issues when deciding to operate near schools. Issues of concern include traffic-related safety, increased chances of interaction with predators that may be waiting for children to step off public property, and whether the food offered by mobile vendors meets school food safety standards.²⁴

## **Stakeholders**

Mobile vendors are beginning to recognize the potential opportunity to expand the food options available to local secondary schools and simultaneously capture a new, steady stream of customers, but they may be met with opposition from school administrators and parents who see their presence as a threat to safety and may view their menu options as potentially unhealthy. Cities looking to regulate vending near schools must determine the best precautionary measures in terms of distance requirements that mobile vendors must abide by.

# Regulatory Trends

Five of the cities included in the guide have regulations around vending near schools. The regulations emphasized specific distances from schools that are intended to keep students from venturing off campus to patronize mobile vendors, and maintain safety standards for neighboring schools and communities. All other cities have no specific rules around this, perhaps indicating that this is not an issue in their jurisdictions.

#### **Recommendations**

Restrictions on operating during school hours are recommended, and mobile vendors should be required to maintain farther proximity from schools compared to restaurants, keeping density in mind. The time restriction is mostly a health-related issue, while the proximity suggestion is largely motivated by safety concerns. The framing of regulations surrounding mobile vendors and schools should be focused on protecting children during school operating hours. This approach keeps vendors from selling to students without adult supervision, but still allows them to benefit from afterschool activities

such as games, competitions, and concerts, where adults are more likely to influence food consumption decisions. However, proximity requirements should not handicap vendors in denser areas from selling in viable spaces that happen to be closer to schools.

In Indianapolis, vendors are prohibited from operating within a distance of 1,000 feet (roughly 0.2 miles) of any part of a public or private grade or junior high school grounds while school is in session. In Durham, a special temporary permit can be obtained for mobile vendors to operate at non-profit or civic events held on public property such as a school.

School districts that want to expand their food options, but wish to do so with minimal budgetary impact should work with city officials to create school vending permits for a limited number of vendors. Designated curb-side parking (which is not adjacent to a main road) could reduce many public safety concerns, particularly if students are generally allowed to roam the school parking lot where the trucks would operate. As long as they continue to comply with the city's food safety standards, this could be a viable option for city and school officials.

# Pedestrian Safety

Mobile vendors move from location to location, coming in close contact with pedestrians at intersections and street corners every day. While some city ordinances have distance-from-pedestrian/sidewalk requirements (e.g. Durham has a 4-foot rule), the majority of the cities examined here have no such language in their regulations. Pedestrian safety may be part of a broader regulatory approach in many cities, but that focus often lacks emphasis or enforcement for mobile vendors (although it may be taken up in other sections of city ordinances). Pedestrian and intersection safety measures be included in food truck regulations, as they affect all potential food truck patrons.

# Additional Recommendations

In addition to the recommendations included under each policy area, there are other, more general recommendations to help cities adopt new vending policies, amend existing policies, build stakeholder collaboration, and harness the potential for economic growth through the mobile food industry. Five of these recommendations are discussed in detail below:

#### 1. Hold Town Hall Forums and Private Meetings with Core Stakeholders.

Durham decided to embrace a very inclusive approach to their ordinance restructuring. The city brainstormed initial ideas internally then presented the draft suggestions to the public for feedback. They also had private meetings with individual stakeholders to allow them to speak freely without fear of backlash. This tactic was particularly useful for restaurants in a food truck friendly city like Durham. Any fears they may have been afraid to share in Town Hall meetings could still be articulated to decision-makers. The weight of opinion worked against restaurants in this context, but they were still brought to the table.

#### 2. Encourage Dialogue and the Building of Relationships Among Competing Stakeholders.

Cities should look for ways to encourage relationships between the various stakeholders. At the heart of proximity rules are concerns that restaurants (and other established businesses) have about unfair competition. They pay expensive monthly rents and property taxes, but they are also engaged with the community. Because they are stationary, most restaurants see themselves as part of the community fabric. They create employment opportunities and care about neighborhood safety and aesthetics. Some view mobile vendors as profit-driven, fly-by-night operators with few or no ties to the community. Conversely, mobile vendors often feel that restaurateurs are fearful of innovation in food culture.

Collaboration between these stakeholders is something to strive toward, and cities can play an important role in spearheading dialogue between these groups. Conferences, forums, or meetings could be called with stakeholders from both sides invited to the table in a spirit of cooperation, with the intent of encouraging them to see each other as collaborators rather than competitors more often than they currently do. It could also encourage voluntary compromise help craft solutions that balance the needs and concerns of both parties. Cincinnati has achieved this, to some degree. Food Truck Alliance President Matt Kornmeyer explained that food trucks in the city, voluntarily maintain a 100-foot distance from neighboring restaurants as a sign of respect to brick and mortars, and as a preparatory measure. ²⁵

#### 3. Implement Pilot Programs to Determine What Regulations to Adopt.

Pilot programs are flexible, encourage innovation, and can help uncover and address issues unique to particular communities. They are usually implemented on a small scale, so they do not create a sudden, large burden on an already existing network, and they provide insight that can inform the decision-making process before regulations are made into law. Their flexibility and emphasis on experimentation make them an especially useful tool for new industries. Pilot programs are being used in a variety of cities, including Oakland, and are recommended for cities with a relatively new food truck scene or a rapidly expanding one.

In 2001, the Oakland City Council created the Pushcart and Vehicular Food Vending Pilot Programs.²⁶ The pilot program was created to promote the health, safety, comfort, convenience, prosperity, and general welfare by requiring that new and existing pushcart food vendors provide residents and customers with a minimum level of cleanliness, quality and safety. ²⁷ This program issued 60 permits and required a 10-step validation process, including a complete application, proof of Business Tax Certificate, and a photocopy of a valid driver's license.²⁸ The program restricted the use of these permits to centralized districts because of the added desire to infuse economic development into the city. ²⁹ This pilot program is still active.



## 4. Use Targeted Practices as a Way to Address Underserved Areas of the City.

The issue of food accessibility has been linked to poverty, decreased public health, and quality of life.³⁰ Moreover, in recent years, food deserts have become an issue of public concern. Although the cities included here are not directly using mobile vending to combat food deserts, some are employing a targeted strategy to get food trucks into various areas of their cities, outside of the core downtown districts, some of which are underserved by brick and mortar restaurants.

Initially, the 2012 Cincinnati City Council approved an ordinance that declared a mobile vendor could not sell food on the curbside or right-of-way. Now, seven zones exist in strategic places around the city, up from four in 2011 per the recommendation of the Department of Community Development.³¹

Denver has actively considered several issues that might impact or encourage economic development. These include whether food truck clustering could be used to combat food deserts, the ability of food trucks to activate underutilized space (like surface parking lots), and food trucks as restaurant incubators in underserved areas. ³²

# 5. Identify Private Vacant Lots and Create Partnerships for Mobile Vendors to Gather and Vend in the Same Location.

The use of private space has been used to create several food truck centers that increase economic activity in various West Coast cities. For example, Portland is known as the food truck capital of the world. This type of clustering can create hot spots for loyal customers, as well as an opportunity for mobile vendors to gain new clients. For city government, it can create an ease of regulation and enforcement by focusing attention and resources on specific parts of the city.

While Portland has a number of the more traditional mobile food trucks around the city, the majority of their mobile vending occurs on private property, particularly surface parking lots and vacant lots.³³ Portland uses food truck centers to create economic vibrancy within various parts of the city. In 2009, the city proposed the use of vacant lots as pods, or areas for food trucks to cluster. The idea was to use vacant lots as catalysts for economic development, deterring blight and encouraging vibrancy in the process. It is important to note that while many of the food trucks (what they refer to as food carts ) are mobile, the city has several stationary mobile units. These units are moveable, but primarily remain on private property.³⁴ Many of the pods are hosts to more permanent vending units, particularly in downtown. They are still classified as mobile though because as long as the food carts are on wheels, they are considered vehicles in the eyes of the law, and are therefore exempt from the building code.³⁵

Atlanta often uses private surface parking lots to encourage mobile selling. Atlanta has also had a very active and successful food truck association, the Atlanta Street Food Coalition, which does an admirable job mobilizing vendors and keeping public and private partners informed.

# Conclusion

Mobile vending is not just a passing fad. However, it is important to recognize that there is no one size fits all prescription for how best to incorporate food trucks into the fabric of a community. Many characteristics contribute to the complexity and vibrancy of a city, including political climate, state laws, demographics, and the existing restaurant industry. With this in mind, the recommendations included here are intended to be flexible enough to accommodate different circumstances, but logical enough to provide useful guidance. They can serve as a road map that will help cities establish a regulatory framework best suited to their unique circumstances and that takes into account the whole spectrum of stakeholder needs and concerns.



# **About this Publication**

Research for this guide and the original draft of the document were completed by graduate students at the George Washington University Trachtenberg School of Public Policy and Public Administration. Contributors include Anju Chopra, Malia Dalesandry, Garrett Jackson, Ana Jara, and Stephen Tu. These students worked in partnership with J. Katie McConnell, Brett Common, and Christiana McFarland at the National League of Cities to conduct an analysis of food truck regulations in cities across the country. The final report was edited by Christiana McFarland and Emily Pickren at NLC.

The National League of Cities is the nation's oldest and largest organization devoted to strengthening and promoting cities as centers of opportunity, leadership and governance. NLC is a resource and advocate for more than 1,600 member cities and the 49 state municipal leagues, representing 19,000 cities and towns and more than 218 million Americans.

NLC provides research and analysis on key topics and trends important to cities, creative solutions to improve the quality of life in communities, inspiration and ideas for local officials to use in tackling tough issues and opportunities for city leaders to connect with peers, share experiences and learn about innovative approaches in cities.

# Acknowledgements

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# **Appendix**

## Selection of Cities

This report analyzes mobile vending regulations across a range of cities. First, cities with existing food truck industries (51 in total) were identified, based on information from the Washington, DC Department of Transportation (DDOT). Each city's context and food truck policy/regulatory environment was reviewed, and data was gathered on each city's region, population density, level of the local food truck industry, and availability of mobile vending regulations. The 51 cities were stratified into three groups based on population density. Specifically, we developed a three-tiered density structure in which cities were classified as:

- Low density (cities as those with a density range of 3,500 persons per square mile (ppsm) and below)
- Moderate density, (cities with 3,501-7000 ppsm)
- High population densities (cities with 7,001 ppsm and above)

Ultimately, the sample of cities drawn ranges in population size from 279,641 (Durham) to 827,609 (Indianapolis), in density from 936 ppsm (Durham) to 12,793 ppsm (Boston). Very large cities like New York City (27,000 ppsm) and San Francisco (17,000 ppsm) were not included on the basis that conclusions drawn from analyzing their regulations would not be generalizable to most other cities.

Between three and five cities from each population density tier were selected for a total of 13 cities. The selection process focused on cities with a food truck presence, then cities were divided into geographic regions, and several cities were chosen from those regions. Context and background were also taken into account. That is, cities with mobile vending regulations and histories that insufficiently high-lighted particularly noteworthy regulatory conflicts or solutions were ruled out in favor of those that lent themselves better to examination of recurring themes and common pitfalls.

With such an approach, it is possible that a city regulation that was uniquely innovative or informative in was in some way was overlooked. The low, medium and high density methodological structure, paired with the regional breakdown, is an attempt to minimize this risk.

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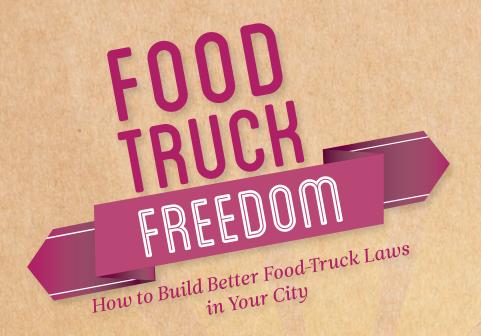
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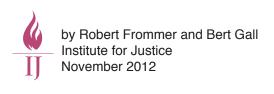












# STREET FOOD

## **FOREWORD**

This report is a project of the Institute for Justice's National Street Vending Initiative, which the Institute created in 2010 to promote freedom and opportunity for food-truck operators and other street vendors. The initiative also seeks to combat anti-competitive and protectionist laws that stifle the economic liberty of mobile-food operators and street vendors.

Through this initiative, the Institute has successfully fought protectionist restrictions in court, and it encourages cities to instead enact narrowly tailored laws that address legitimate public health and safety concerns while not stifling entrepreneurial drive and opportunity. (For current news about the initiative, go to http://www.ij.org/vending.) In 2011, as part of its educational efforts, the Institute published *Streets of Dreams: How Cities Can Create Economic Opportunity by Knocking Down Protectionist Barriers to Street Vending*, which for the first time documented anti-competitive laws and regulations that restrict street vendors in the 50 largest cities in America.

In response to that report and the growing popularity of food trucks, officials and food-truck operators have asked for examples of good laws that allow the food-truck industry to flourish while also protecting public health and safety. The Institute for Justice, drawing on its research of food-truck laws nationwide, as well as its experience litigating vending cases and its discussions with food-truck operators, associations and government officials, created this document: Food Truck Freedom: How to Build Better Food-Truck Laws in Your City.



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# **EXECUTIVE SUMMARY**

America is experiencing a food-truck revolution. These mobile kitchens are a way for new and innovative chefs who are long on ideas but short on capital to try out new concepts and dishes. Thanks to their low start-up costs, food trucks give new entrepreneurs the opportunity to get into business for themselves at a fraction of what it would cost to open a restaurant. These new businesses offer consumers more dining options, create jobs, and improve the overall quality of life in their communities.

In order to foster the conditions that will let food trucks thrive in their cities, officials should remember the two principles of good food-truck policy: 1) no protectionism; and 2) clear, narrowly tailored, and outcome-based laws. The following recommendations—based on the legislative best practices of Los Angeles and other cities that have experience regulating food trucks—exemplify those principles.

**FOOD SAFETY:** The Institute for Justice recommends that cities follow their state and county health codes. To the extent the county or state food code does not deal with a specific issue, the Institute recommends that officials follow the requirements of Chapter 10 of the California Retail Food Code, which governs food trucks.

**FOOD-SAFETY ENFORCEMENT:** The Institute recommends that cities follow the approach of Los Angeles County, which inspects trucks both when they are first permitted and periodically when they are in the field. Inspectors should hold food trucks and restaurants to the same standards.

#### PARKING:

#### **Proximity Restrictions and Restricted**

**Zones:** Cities should not pass or retain laws that tell food trucks they may not operate either within a certain distance of a brick-and-mortar competitor or in select parts of the city. Protecting a few select businesses from competition is not a proper government role; instead, cities should regulate only to protect the public against actual health and safety concerns.

**Distance to Intersections:** The Institute recommends that cities follow the example of El Paso, Texas, which states allows food trucks to operate on the public way so long as they are not parked within 20 feet of an intersection.

**Use of Metered Parking Spaces:** The Institute recommends that cities follow the example of Los Angeles by allowing food trucks to operate from metered locations.

**Duration Restrictions (How Frequently Food Trucks Must Move):** The Institute recommends that cities follow the examples of Philadelphia and New York City, which do not force food trucks to move after a certain period of time.

**Potential Sidewalk Congestion:** The Institute for Justice recommends that cities follow the example of Los Angeles, which specifies only that food trucks not operate in a manner "which will interfere with or obstruct the free passage of pedestrians or vehicles along any such street, sidewalk or parkway."

**REFUSE:** The Institute recommends that cities follow Los Angeles' approach, which requires trucks to "pick up, remove and dispose of all trash or refuse which consists of materials originally dispensed from the catering truck" and to provide "a litter receptacle which is clearly marked with a sign requesting its use by patrons." Cities should further specify the precise distance from the truck for which operators are responsible.

**LIABILITY INSURANCE:** The Institute recommends that cities follow the example of Los Angeles, which does not require trucks to purchase liability insurance beyond the amount required of all vehicles under state law.

**HOURS OF OPERATION:** The Institute recommends that cities follow Los Angeles' approach and not restrict when food trucks may operate.

#### **EMPLOYEE SANITATION:**

**Handwashing:** The Institute for Justice recommends that cities follow the example of Los Angeles County and the California Retail Food Code, which requires trucks to have handwashing stations if they prepare food, but does not require them on trucks selling only prepackaged foods like frozen desserts.

**Bathroom Access:** The Institute recommends that cities emulate Las Vegas, Charlotte and Portland, Ore., by not requiring that food trucks enter into bathroom-access agreements with brick-and-mortar businesses.

**COMMISSARY REQUIREMENTS:** The Institute recommends that cities follow the example of Portland, Ore., which exempts food trucks that carry all the equipment they need to satisfy health and safety concerns from having to associate with a commissary. For trucks that do require commissaries, the Institute recommends that cities follow Los Angeles County's approach of allowing trucks to share commissary space. Cities, however, should not follow Los Angeles County's practice of forbidding shared commercial kitchens, and should emulate the models put forward by cities like Austin, Texas, and San Francisco.

#### LICENSING:

**Application Process:** Cities should follow the licensing approach of Los Angeles County, which has a simple and straightforward application process. In terms of guidance, cities should emulate Boston and Milwaukee, which have both published step-by-step instructions to guide entrepreneurs through the licensing process.

**Cost:** The Institute recommends that cities should impose a flat annual fee in the range of \$200-300, as both Cleveland and Kansas City, Mo. have done. To the extent that a city issues licenses on a calendar year basis, its fee should be prorated so a truck first getting on the road halfway through the year would pay only half the full-year amount.

Who the License Covers: The Institute recommends that cities follow the example of Los Angeles County by licensing the overall vending business rather than the individual vendor.

**Limits on the Number of Permits Issued:** The Institute for Justice recommends that cities follow the example of Los Angeles and not limit the number of food-truck permits.

The specific laws and regulatory materials upon which these recommendations are based are discussed thoroughly in the pages that follow. Cities should implement these recommendations, which will both protect public health and safety and allow food-truck entrepreneurs to create and run businesses that will create jobs, increase customer choice, and boost the local economy.

AN ONLINE COMPENDIUM CONTAINING THE FULL LANGUAGE OF THE LAWS CITED IN THIS REPORT CAN BE FOUND AT HTTP://www.ij.org/vending.



## INTRODUCTION

The food truck revolution is sweeping the nation. In 2010, *The Economist* magazine predicted that "some of the best food Americans eat may come from a food truck." That prediction has become true. Gourmet trucks across the country are at the forefront of modern dining, serving affordable and delicious fare that rarely can be found at the neighborhood sandwich shop. In addition, food-truck "rallies" have become popular social events around the country, with events frequently drawing thousands of hungry customers. These mobile kitchens are also powerful engines of economic growth. Together, food trucks directly employ thousands of people nationwide, and the trucks, equipment, and food they purchase generate millions in economic activity.

In its 2011 research report on street vending entitled *Streets of Dreams*, the Institute for Justice explained how street vendors, including food-truck owners, are creating jobs, satisfying customers and generally making their communities safer and more interesting places to live.³ Below are just some of the benefits that food trucks are providing as their numbers grow in cities across the country:

- Food trucks create jobs, buy products and services from local businesses, and contribute sales taxes and permit fees to cities.
- Food trucks attract foot traffic to commercial districts—which means increased sales and a more vibrant retailbusiness environment overall.
- Food trucks serve as "eyes on the street" and make the street a safer and more enjoyable place to visit. Their presence can help prevent crime and revitalize underused public spaces.
- Food trucks give entrepreneurs with big dreams, but only a little capital, a way to start their own food-service businesses. In many instances, trucks serve as a stepping stone toward opening a brick-and-mortar space. Food trucks also give existing restaurants a new way to reach their customers.

Given the rapid growth of the food-truck industry, it is little surprise that city officials across the country have started to look for answers about how to regulate this new culinary trend. The purpose of this report is to provide those answers.

In Part I of this report, the Institute for Justice outlines two important general principles for regulating food trucks, and then discusses how those principles have led to a thriving food-truck economy in the city of Los Angeles, which has the best overall legal framework for food trucks in the country. In Part II, the report discusses how Los Angeles and other cities have addressed specific regulatory issues based on an Institute survey of the food-truck laws in the 50 largest cities in the United States. Using these examples, as well as discussions with government officials, food-truck owners and other stakeholders, the report then offers recommendations as to what cities' laws are models that other cities should follow.

#### TWO IMPORTANT PRINCIPLES FOR THE REGULATION OF FOOD TRUCKS

In this report, the Institute discusses a variety of specific vending issues. While the details of each city's laws concerning these issues may vary, the Institute for Justice has found that the best laws typically follow the same pattern of 1) not protecting incumbent businesses from competition, and 2) providing clear, narrowly tailored and outcome-based rules that address actual health and safety issues.

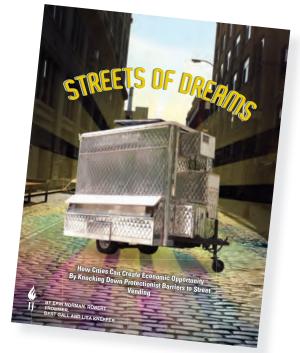
#### Principle #1: No Protectionism

Cities should not pass laws meant to protect established businesses from competition from food trucks. Some of the anti-competitive laws the Institute for Justice first identified

¹ Jon Fasman, Trucking Delicious, THE ECONOMIST, November 22, 2010, http://www.economist.com/node/17493279.

² See, e.g., Sarah Meehan, Organizers hope to grow Baltimore, D.C. food truck competition, BALTIMORE BUSINESS JOUR-NAL, June 25, 2012, http://www.bizjournals.com/baltimore/news/2012/06/25/organizers-hope-to-grow-baltimore. html.

³ Erin Norman, Robert Frommer, Bert Gall & Lisa Knepper, Streets of Dreams: How Cities Can Create Economic Opportunity by Knocking Down Protectionist Barriers to Street Vending (2011), http://www.ij.org/streets-of-dreams-2.



IJ's 2011 vending publication, Streets of Dreams.

in *Streets of Dreams* prevent trucks from operating in certain commercial areas, require trucks to move after an arbitrarily short time, and even stop trucks from operating within a certain distance of their brick-and-mortar competitors. These protectionist laws do not help protect public health or safety. Instead, they stifle entrepreneurship, destroy jobs and hurt consumers both by raising prices and giving them fewer choices.⁴

Many of these laws are the result of lobbying by a few politically connected and powerful brick-and-mortar restaurants, which argue that since food trucks don't have the same costs in terms of rent and property taxes, they amount to "unfair competition." Of course, this argument ignores the fact that restaurants have many advantages over food trucks. No food truck, for instance, can offer its patrons heating or air conditioning. Trucks generally can't offer customers anywhere to sit. And since space on a food truck is limited, once a truck is out of forks, knives and other supplies, it's just out; there's no stockroom in the back to turn to.

With all these inherent advantages, restaurants don't need the additional advantage of government intervention to "protect" them from food trucks. Furthermore, enacting rules to protect some businesses from competition isn't just wrong, it's unconstitutional. Both the U.S. Supreme Court and numerous federal courts have held that it is illegitimate for state and local governments to pass laws that burden one set of businesses in order to benefit another, more politically powerful, group.⁵

# Principle #2: Clear, Narrowly Tailored and Outcome-Based Laws

Cities should focus their efforts on enacting clear, narrowly tailored and outcome-based rules that address legitimate and demonstrable health and safety concerns. First, any laws that a city enacts should be drafted in a clear and easy-to-understand way. Clear laws are easier for food-truck operators to follow, since they need not guess at what the law requires or prohibits. They make it easier for new entrants to get permitted and on the road. And, lastly, clear laws are easier for a city to administer and create less risk that officials will apply vaguely worded restrictions in an unfair and anti-competitive manner.

Second, cities should enact narrowly tailored laws in order not to throw out the proverbial baby with the bathwater. In

⁴ GLENN HUBBARD & ANTHONY PATRICK O'BRIEN, ECONOMICS 462-63 (4th ed. 2013) (explaining welfare effects of government barriers to entry).

⁵ See, e.g., Metro. Life Ins. Co. v. Ward, 470 U.S. 869 (1985); Craigmiles v. Giles, 312 F.3d 220 (6th Cir. 2002); Merrifield v. Lockyer, 547 F.3d 978 (9th Cir. 2008); Cornwell v. Hamilton, 80 F. Supp. 2d 1101, (S.D. Cal. 1999).



other words, putting rules in place that go no further than what is needed to solve the particular problem at hand. Overly broad and restrictive regulations don't better protect the public, but they can make running a business more difficult, if not impossible. One example comes up with regard to congestion. In New York City, the areas around theaters can often become quite crowded, particularly as theaters let out. New York's narrow solution is to prevent food trucks from operating at these specific locations during show time. By contrast, turning all of midtown Manhattan into a "no-vending zone" would be regulatory overkill and would appear to be born more out of protectionism than any legitimate concern for public health and safety.

Officials should also enact outcomebased regulations, rather than regulations that specify particular methods or processes. Regulations that focus on results are simpler to follow and give food trucks an opportunity to figure out the best way to solve the problem. One example is how cities regulate trash. Although most cities require food trucks to pick up their refuse, a few cities painstakingly detail the kind of trash cans a truck should use and where they must be placed. This top-down approach stops trucks from coming up with creative solutions, and its one-size-fits-all nature means that some trucks will have to carry trash cans that are far larger and more unwieldy than what they actually need. Instead, cities should lay out their regulatory goal and then give the trucks flexibility in how they make that goal happen.

Ultimately, the prescription for food-truck success is simple: provide trucks with clear, narrowly tailored and outcome-based rules that address the public's legitimate health and safety concerns. And then step back and watch this new, dynamic industry, with its jobs, satisfied customers and revitalized public spaces, flourish. To see how these two principles have been applied in the real world, look no further than how the birthplace of the modern gourmet food-truck movement—the city of Los Angeles—regulates food trucks.



# CASE STUDY: LOS ANGELES

Of all the cities in the United States, few are more closely identified with the food-truck revolution than the City of Angels. For decades, "loncheros" served tacos, burritos and tamales to construction crews and the occasional office worker.⁶ Then in late 2008, two entrepreneurs named Roy Choi and Mark Manguera came up with the idea for a Korean/Mexican fusion taco truck.⁷ Naming their creation "Kogi," the two struggled at first, frequently setting up outside nightclubs in Hollywood.⁸ But soon Kogi went viral after Manguera and Choi started using Twitter to let people know where the truck would be at any given time.⁹ Since then, Kogi has been a wild success and now has four color-coded trucks on the road.¹⁰

Other entrepreneurs quickly realized the potential that gourmet food trucks had to offer. Within a few years, numerous entrepreneurs began to roll out their own kitchens on wheels. Now Angelenos have access to trucks selling everything from Vietnamese Banh Mi sandwiches to Hawaiian shave ice and home-style macaroni and cheese. The public reception for the trucks has been overwhelming, and the advent of food trucks has in no way diminished L.A.'s vibrant restaurant culture. Instead, Zagat.com reports that restaurant customers believe that the area's restaurant scene has improved.¹¹

But a more-vibrant food scene is not the only gift the trucks have given Los Angeles. The growth in Los Angeles' food-truck industry has created hundreds, if not thousands, of new jobs, both on the trucks themselves and also at the businesses that design the trucks, build them, and supply them with the equipment and ingredients that they need. Furthermore, having the food trucks out and about draws hungry customers outside as well, and as urban theorist Jane Jacobs pointed out, "a well-used street is apt to be a safe street."12 Lastly, food trucks are entrepreneurship incubators. Food trucks, with their lower capital costs, are a way for chefs to try out new cuisines and new ideas. Those owners who succeed often take their winning ideas one step further by expanding their businesses and sometimes opening brick-and-mortar spaces. As a result of his foodtruck success, for instance, Kogi's Roy Choi expanded his empire into brick-and-mortar locations, including his new restaurant named Chego.¹³

The food trucks' success in the city of Los Angeles, along with the great benefits those trucks provide, show that L.A.'s regulatory framework is one that other cities would do well to emulate. What makes Los Angeles a success comes from its adherence to the two principles discussed above.

First, Los Angeles' regulations are not designed to stifle food trucks for the purpose of protecting brick-and-mortar restaurants from competition. As discussed above, incumbent businesses often ask local governments to put roadblocks in the way of their new competitors. But Los Angeles' code contains few if any anticompetitive restrictions. Unlike Chicago, San Antonio and New Orleans, for instance, Los Angeles does not say that food trucks cannot operate within a certain distance of their brick-and-mortar counterparts. This difference is partially due to an earlier ruling by a California court that such proximity restrictions are unconstitutional.¹⁴ Likewise, Los Angeles does not require that food trucks must be hailed before they stop and serve customers. And it does not artificially restrict when food trucks may operate.

Furthermore, California law has helped protect the public against attempts at protectionist legislation. In July 2006, the city of Los Angeles passed an ordinance that ordered food trucks to move every 30 or 60 minutes depending on whether they were in a residential or commercial area.¹⁵ The city began to stringently enforce the duration restriction in 2009, but it was soon rebuffed. On June 10, 2009, Judge Barry Kohn of the California Superior Court invalidated the ordinance because it expressly conflicted with the state vehicle code, which permits cities to regulate vehicle vendors only "for the public safety."16 A similar duration restriction in the Los Angeles County code had earlier met the same fate.¹⁷

⁶ Jesús Hermosillo, LOCHERAS: A Look at the Stationary Food Trucks of Los Angeles, Sept. 2010, http://www.labor.ucla.edu/publications/reports/Locheras.pdf

⁷ Jessica Gelt, Kogi Korean BBQ, a taco truck brought to you by Twitter, LA. TIMES, Feb. 11, 2009, http://www.latimes.com/features/la-fo-kogi11-2009feb11,0,4771256.story

⁸ Merrill Shindler, Riding Shotgun with Kogi, Zagat.com, Apr. 6, 2009, http://www.zagat.com/buzz/riding-shotgun-with-kogi

⁹ Jessica Gelt, Kogi Korean BBO, a taco truck brought to you by Twitter, L.A. TIMEs, Feb. 11, 2009, http://www.latimes.com/features/la-fo-kogi11-2009feb11,0,4771256.story

¹⁰ Kogi BBQ-To-Go, http://kogibbq.com/.

¹¹ Zagat.com, Zagat Celebrates 25 Years in Los Angeles; 2,027 Restaurants Surveyed By 21,166 Local Diners, Sept. 11,

¹² See Jane Jacobs, The Death and Life of Great American Cities 34 (1992).

¹³ Chego!, http://eatchego.com/

¹⁴ People v. Ala Carte Catering, 159 Cal. Rptr. 479 (Cal. App. Dep't Super. Ct. 1979).

¹⁵ L.A. City Code § 80.73(b(2)(F).

¹⁶ Cal. Vehicle Code § 22455(b); Press Release, UCLA School of Law, UCLA School of Law Clinical Program wins case challenging validity of Los Angeles city ordinance implemented against food trucks, June 10, 2009, http://www.law.ucla.edu/news-media/Pages/News.aspx?NewslD=737.

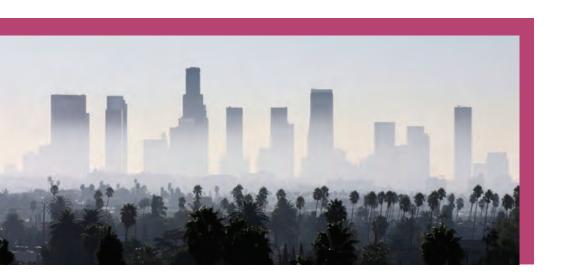
¹⁷ People v. Garcia, No. 8EA05884 at 5-6 (Cal. Sup. Ct. Aug. 27, 2008) (referring to Los Angeles County Code § 7.62.070).



Second, the laws that the city of Los Angeles does have in place are generally narrowly tailored to deal with actual health and safety issues, straightforward, and focus on results rather than on methods and processes. Together, the state, county and city have established rules to govern, among other things, what facilities and equipment a truck must carry on board, how it prepares food and where it may operate. In Los Angeles, the law does not micromanage trucks; instead, it merely requires that they obey the traffic rules applicable to all vehicles,¹⁸ follow basic safety precautions¹⁹ and pick up after themselves.²⁰ That said, some provisions of Los Angeles' laws are overly burdensome. The city's requirement that trucks not park within 100 feet of an intersection,²¹ for instance, seems excessive, particularly since other communities allow for much more reasonable distances.²²

#### USING LOS ANGELES AS A STARTING POINT

Although they are not perfect, and have been the subject of fights both in council chambers and the courts, Los Angeles' food-truck regulations are generally a success. Los Angeles has avoided protectionist laws in favor of clear, narrowly tailored and outcome-based health and safety rules, and its approach should serve as a starting point for cities that are drafting their own food truck laws. On the next two pages, the Southern California Mobile Food Vendors' Association emphasizes the benefits of the approach. Then starting on page 14, the Institute for Justice will discuss various food-truck topics and explain where L.A. has done well, where it has gone awry, and where other cities might have a superior approach. The Institute will then go on to provide specific recommendations that cities can adopt to address the main public health and safety issues concerning food trucks.



18 L.A. City Code § 80.73(b)(2)(B).

19 L.A. City Code § 80.73(b)[2](C) (requiring that truck operators only serve customers from the side of the truck abutting the sidewalk).

20 L.A. City Code § 80.73(b)(2)(E).

21 L.A. City Code § 80.69(d

22 See, e.g., El Paso City Code § 12.46.020(C) (requiring that trucks not operate within 20 feet of an intersection).

# Los Angeles from the Trenches

by Matt Geller, CEO, and Jeffrey Dermer and Kevin Behrendt, Counsel, Southern California Mobile Food Vendors' Association

Southern California is the most mature mobile-vending market in the United States. The traditional taco trucks, or "loncheros," have been a familiar sight in California for generations. As a result of this unique history, Southern California and Los Angeles are more comfortable with mobile vending than perhaps other parts of the United States. Furthermore, this experience has left Los Angeles with the most well-developed and mature set of regulations in the country.

But none of this came easily. Over the years, public-interest advocates have fought tirelessly in the courts, in the state legislature, and in local government halls for a more reasonable regulatory environment for mobile vending. Other states and cities would do well to avoid these battles and instead simply "cut to the chase" by repealing any protectionist laws on their books and passing narrow regulations that deal with actual health and safety issues. By emulating the best parts of Los Angeles' regulatory landscape as described in this

report, officials throughout the country can make sure that trucks comply with the law and that consumers and residents are satisfied.

Below, we briefly describe how Los Angeles' unique regulatory landscape has evolved and the economic and social benefits that it has helped produce.

## Mobile Vending in Los Angeles

Historically, mobile vending in Los Angeles was primarily a business for recent immigrants. Many of the taco trucks of the 1970s and 1980s were founded and run by Mexican immigrants. These trucks faced discriminatory enforcement of the laws and, in some cases, outright attempts by city officials to shut down mobile vending in many communities. Those pioneers fought back by pairing with civil-rights lawyers to push back on the most egregious of these laws, including one that prohibited food vending within 100 feet of a restaurant's front door.²³ The current state of regulations is a testament to those advocates.

Another key to California's vending landscape came in 1984, when the California Legislature passed a landmark provision telling cities that they may only regulate mobile vending "for the public safety." One year later, the Legislature went one step further by preventing cities from instituting outright bans on mobile vending for any reason. This law has helped food trucks fight back against anticompetitive restrictions at the city and county levels.

The Southern California Mobile Food Vendors Association was founded in January 2010 in response to the confusing regulatory framework that confronted gourmet food-truck operators. Since then the Association has worked with over 30 cities to repeal anti-competitive vending laws, fought back attempts at the California state legislature to weaken state protections for food trucks and brough suit against municipalities that, at the behest of brick-and-mortar businesses, enacted ordinances meant to ensure that no mobile vending occurred on their streets.

The late 2000s saw the rise of the modern gourmet food truck. In the past, food trucks had primarily served construction workers on job sites. This business model worked well during the boom times, but the real-estate collapse of 2007-08 meant that there were few construction sites to service. Faced with a massive excess capacity of catering vehicles, many entrepreneurs bought trucks and repurposed them. This was helped, in part, by the fact that Los Angeles is home to a family-business culture and a large

²³ People v. Ala Carte Catering Co., 159 Cal. Rptr. 479 (Cal. App. Dep't Super. Ct. 1979).

²⁴ Cal. Vehicle Code § 22455(b).

²⁵ More specifically, the 1985 amendment to section 22455 removed the final sentence of subsection (b), which previously read: "An ordinance or resolution adopted pursuant to this subdivision may prohibit vending from a vehicle upon a street."



number of different ethnic groups, many of whom brought new food concepts to this emerging industry.

But the growth in this new industry ruffled some feathers, including corporate quick-serve restaurants and the commercial developers who rent to them. Unfortunately, but not surprisingly, these forces made a concerted effort to pass new protectionist laws in the city of Los Angeles and elsewhere. Although Los Angeles itself refrained from enacting any new anti-competitive restrictions, some other municipalities in the area passed restrictive vending laws and began to enforce anti-competitive laws that were already on the books.

It was against this backdrop that the food trucks in Southern California joined forces to create the Southern California Mobile Food Vendors Association. Only two years old, the Association has grown from 30 initial members to over 150 members. Through education, lobbying and litigation, the Association has sent a clear message to regulators that consumer choice and entrepreneurship should come first.

Thankfully, forward-looking officials in Los Angeles have heard this message, embraced it, and now see the benefits that come from giving food trucks the freedom to operate. This hands-off approach has spawned an entirely new food-truck industry, with many companies now building and customizing food trucks, supplying graphic wraps for new entrepreneurs and selling technology to help consumers both locate their favorite trucks and order from them. The number of trucks has grown, leading to hundreds of new jobs. And the increased competition has pushed everyone, both food trucks and brick-and-mortar restaurants, to cook and serve food that is better tasting and a better value.

Competition is what makes America great, and Los Angeles' regulatory model wisely embraces that competitive spirit and rejects the idea that the government should protect certain businesses at the expense of consumers. The city's approach to regulating food trucks has worked for Los Angeles, and it can work for your city as well.

# HOW CITIES SHOULD ADDRESS PUBLIC HEALTH AND SAFETY ISSUES

In the following pages, the Institute for Justice discusses how cities should address some major topics surrounding food trucks, including these health and safety issues:

- Food Safety
- Food-Safety Enforcement
- Parking
- Refuse
- Liability Insurance
- · Hours of Operation
- · Employee Sanitation
- · Commissary Requirements
- Licensing

For each issue, the Institute will describe the applicable law in Los Angeles and explain its advantages and drawbacks. It will then examine how other cities address the issue and explain why those other approaches are better or worse than what L.A. does. Finally, the Institute will recommend what law cities should adopt and give reasons for that recommendation. Throughout, the report will provide citations to the pertinent laws.

An online compendium containing the full language of the laws cited in this report can be found at http://www.ij.org/vending.

## **FOOD SAFETY**

#### HOW LOS ANGELES REGULATES FOOD SAFETY:

The city of Los Angeles does not regulate the design of food trucks, how they store and cook food or what procedures they must follow in cleaning their equipment and utensils. Instead, this function is performed by the Los Angeles County Health Department, which administers the rules set forth in the California Retail Food Code.²⁶ That code prescribes how all food businesses, restaurants and food trucks included, must be designed and run.

While the Food Code has general rules that are applicable to all food sellers, 27 it also contains food-truck specific rules. The code, for instance, specifies the requisite amount of aisle space within the cooking portion of the truck²⁸ and mandates that utensils be secured so they are not thrown about while the truck is moving.²⁹ The code also imposes different requirements on trucks based on what the vehicle will be used for. If food will be prepared and cooked on board a food truck, for instance, the code requires that the vehicle be equipped with both warewashing and handwashing sinks³⁰ and that any deep fryers be sealed using a positive air pressure lid. 31 Trucks that do not prepare and cook food need not meet these requirements.

#### **HOW OTHER CITIES REGULATE FOOD SAFETY:**

As in Los Angeles, in most cities the regulations concerning food safety aboard food trucks come from state or county retail-food codes. In Phoenix, for instance, the Maricopa County Environmental Health Code governs how food trucks are regulated.³² That code requires that trucks follow the general provisions that are

²⁶ Cal. Health and Safety Code §§ 113700 et seq.

²⁷ Cal. Health and Safety Code § 114294(a) (stating that "[a]II mobile food facilities and mobile support units shall meet the applicable requirements in Chapters 1 to 8, inclusive, and Chapter 13, unless specifically exempted from any of these provisions".

²⁸ Cal. Health and Safety Code § 114321

²⁹ Cal. Health and Safety Code § 114323(b)(1).

³⁰ Cal. Health and Safety Code § 114311.

³¹ Cal. Health and Safety Code § 114323(b)(2)



applicable to brick-and-mortar restaurants, but it also imposes some additional, foodtruck specific regulations. Likewise, the regulations that govern food safety for food trucks in Indianapolis are governed by the retail food establishment sanitation requirements of the Indiana Administrative Code, which govern both mobile and fixedlocation food providers.³³

Often the design and construction requirements for a food truck turn on what the truck will be used for. New York City, for instance, has two different sets of regulations for food trucks based on whether the food truck will be selling food that requires any cooking or processing in the vehicle (excluding the boiling of hot dogs). The two categories are subject to different requirements, which are a mix of state and local sanitary and health codes.³⁴ Likewise, the food-truck application for Portland, Ore., details four classes of vehicles and the specific requirements that apply to each class.35

#### INSTITUTE FOR JUSTICE RECOMMENDATION:

The Institute for Justice notes that most municipalities follow the food-safety rules established in county or state food codes, which are typically based on industry best practices. To the extent the county or state food code does not deal with a specific issue, the Institute recommends that officials follow the requirements of Chapter 10 of the California Retail Food Code, which governs food trucks.36

Furthermore, cities drafting their own regulations should, as the California Retail Food Code does, customize those requirements based on what the truck will serve. Safety or cooking equipment that is necessary for a truck where food is prepared may well be unnecessary for a truck that

sells only prepackaged food or ice cream. Regardless of what law a city follows, though, it should lay out what precise steps operators must take. Having officials rely on informal customs and standards that are unknowable to those on the outside unnecessarily increases both uncertainty and costs to wouldbe entrepreneurs.

#### **BOTTOM LINE:**

Cities without food-safety regulations for mobile vehicles should adopt Chapter 10 of the California Retail Food Code and tailor those regulations to the potential risk that the truck's food poses to public health and safety.

## FOOD-SAFETY ENFORCEMENT

HOW FOOD SAFETY IS ENFORCED IN LOS ANGELES: Los Angeles County is the government body responsible for administering the state retail-food code and inspecting food trucks.³⁷ Its rules call on county officials to perform unannounced field inspections of trucks. In early 2011, the county started assigning letter grades to food trucks based on the results of their inspections, which mirrored what the county already did for brick-and-mortar restaurants.38 Food trucks must display the grade they received on their vehicle.³⁹ Food truck owners have largely welcomed this change, which gives them the opportunity to show that they are just as clean and sanitary as their brick-and-mortar counterparts.⁴⁰

**HOW OTHER CITIES ENFORCE FOOD SAFETY:** Cities are split as to who inspects mobile food vendors. Approximately half of America's largest 50 cities inspect trucks themselves, while state or county health departments conduct inspections for the other 25 cities. The frequency of inspections similarly varies: While San Antonio conducts "routine, unannounced inspections" of food trucks, 41 Albuquerque, N.M., inspects trucks at least twice a year based on the "past compliance record of a food establishment and the risk presented to consumers by the menu items provided by the specific food establishment."42 Inspections in most cities are

³³ Indiana State Department of Health, Retail Food Establishment Sanitation Requirements, http://www.in.gov/isdh/

³⁴ See New York City Department of Health and Mental Hygiene Mobile Vending Permit Inspection Requirements, http://www.nvc.gov/html/doh/downloads/pdf/permit/mfv_cart_truck_inspection.pdf

³⁵ See Mobile Food Unit Plan Review Packet, http://web.multco.us/sites/default/files/health/documents/mfu_plan-

³⁶ Cal. Health and Safety Code §§ 114294 et seq.

³⁷ L.A. County Code §§ 8.04.405, 8.04.752.

³⁹ L.A. County Code § 8.04.752.

⁴⁰ See Lisa Jennings, L.A. food trucks to post letter grade inspection results, Nation's Restaurant News, Oct. 20, 2010,

⁴¹ San Antonio City Code § 13-62(k).

⁴² Albuquerque City Code § 9-6-1-6.

unannounced,⁴³ and most are conducted by the same officials who inspect brick-and-mortar restaurants.⁴⁴

**INSTITUTE FOR JUSTICE RECOMMENDATION:** Of the existing laws concerning food-safety enforcement, the Institute for Justice recommends that cities generally follow the approach of Los Angeles County.⁴⁵ In a forthcoming report, the Institute for Justice compares the inspection grades of restaurants and food trucks in Los Angeles and finds that the city's food trucks are just as clean and sanitary on average as its restaurants. Furthermore, cities should consider following Albuquerque's approach of taking a truck's inspection history and the food it serves into account when deciding how frequently to inspect it. The Southern California Mobile Food Vendors Association, in a similar vein, has suggested that trucks that get two "A" grades in a row should receive a "Certification of Excellence" that reduces their inspection rate to only once per year. This approach makes sense, since inspectors generally should spend less time on trucks that pass inspection with flying colors and instead focus on food trucks or restaurants that have a history of problems. Finally, inspectors should hold food trucks and brick-and-mortar restaurants to the same food-safety standards.

#### **BOTTOM LINE:**

Cities should follow Los Angeles' approach by inspecting food trucks both when first permitting them and periodically thereafter. Trucks serving non-hazardous food or that have passed multiple inspections should, as in Albuquerque, N.M., be subject to less frequent inspections, which will give inspectors more time to inspect trucks and restaurants with a history of issues.

## **PARKING**

## HOW LOS ANGELES DEALS WITH PARKING:

**Proximity Restrictions and Restricted Zones:** The city of Los Angeles does not prohibit food trucks from operating within a certain distance of brick-and-mortar restaurants. Likewise, the city does not restrict food trucks from operating in popular

commercial areas; instead, it merely states that food trucks cannot operate within 200 feet of certain parks⁴⁶ or near the Pacific Ocean.⁴⁷

**Distance to Intersections:** Food trucks in Los Angeles must follow all traffic rules and any stopping, standing or parking prohibitions as provided by the State Vehicle Code. 48 They must also follow the traffic regulations in the Los Angeles Municipal Code that apply to all vehicles. 49 In addition to those state and municipal traffic laws, food trucks may not park within 100 feet of an intersection. 50 The 100-foot prohibition is far larger than what is needed to accommodate any congestion or visibility issues. For many smaller blocks, the restriction makes it difficult, if not impossible, for trucks to legally park and serve their fare. Indeed, it appears that Los Angeles recognizes the difficulty with this approach; according to the Southern California Mobile Food Vendors Association, the city of Los Angeles does not actively enforce its 100-foot restriction.

**Use of Metered Parking Spaces:** The city of Los Angeles permits food trucks to vend from metered public parking spots for the maximum amount of time listed on the meter.⁵¹

**Duration Restrictions (How Frequently Food Trucks Must Move):** The city of Los Angeles previously restricted how frequently food trucks had to move. Under its old law, food trucks could only stay in one spot for 30 minutes in a residential area, or 60 minutes in a commercial one. They then had to move one-half mile away and not return for 30 or 60 minutes, respectively. A Los Angeles Superior Court judge invalidated this duration restriction in 2009 and it is no longer enforced.

⁴³ See, e.g., City of Kansas City, Food protection frequently asked questions, http://ww4.kcmo.org/health.nsf/web/foodfaqs#8.

⁴⁴ See, e.g., Las Vegas City Code § 6.02.020.

⁴⁵ L.A. County Code §§ 8.04.405, 8.04.752

⁴⁶ L.A. City Code § 80.73(b)(2)(A)(4)(i).

⁴⁷ L.A. City Code §42.15(c).

⁴⁸ L.A. City Code § 80.73(b)(2)(B).

⁵⁰ L.A. City Code § 80.73(b)(2)(A)(3)

⁵¹ See L.A. City Code § 80.73(b)(2)(B)

⁵² L.A. City Code § 80.73(b)(2)(F)

⁵³ *Id*.

⁵⁴ Press Release, UCLA School of Law Clinical Program Wins Case Challenging Validity of Los Angeles City Ordinance Implemented Against Taco Trucks, (June 10, 2009), http://www.law.ucla.edu/news-media/Pages/News.aspx/News



**Potential Sidewalk Congestion:** The city of Los Angeles does not mandate that food trucks park and vend only at sidewalks of a certain minimum width; instead, it states that food trucks should not operate in a way that blocks the public right of way.⁵⁵

#### HOW OTHER CITIES DEAL WITH PARKING:

**Proximity Restrictions and Restricted Zones:** 

In Streets of Dreams, the Institute looked at how many of the largest cities in the United States imposed restrictions on where food trucks could operate. In all, 20 of the 50 largest U.S. cities told food trucks to stay a certain distance away from their brick-andmortar competitors, while 34 cordoned off parts of the city, often prime commercial areas, from vending.56 Proximity restrictions exist solely to prevent one business from being able to compete with another, which simply is not a legitimate government interest. Indeed, virtually every court to consider one of these laws has held them to be unconstitutional and struck them down.57

Although not as transparently protectionist as laws establishing proximity restrictions, laws that create restricted zones are often protectionist in effect due to their breadth. Typically, congestion issues are fairly localized at particular intersections or on particular streets. But rather than take a narrow approach, restricted zones prohibit all vending in large swaths of a city. Regulations that exceed their required scope look like less of an honest attempt to solve a real problem and more of an attempt to keep food trucks from competing.

**Distance to Intersections**: The 100-foot restriction that Los Angeles requires food trucks to follow is much larger than similar laws in other major cities. Many cities do

not specify any minimum distance a truck must be from an intersection, instead merely requiring that a truck not vend "in a congested area where the operation will impede pedestrian or vehicle traffic." And of those cities that do provide for a minimum, the required distance ranges from 20 to 50 feet. 59

Use of Metered Parking Spaces: Most cities in the United States allow food trucks to pay for and operate from metered parking spaces for the amount of time listed on the meter. One notable exception to this is Pittsburgh, which says that food trucks "shall not park any vehicles for the purpose of vending, or place any materials in on-street metered parking spaces."60 And in New York City, a controversy has erupted over whether food trucks may vend from metered spots. The city's transportation regulations state that "[n]o peddler, vendor, hawker or huckster shall park a vehicle at a metered parking space for purposes of displaying, selling, storing or offering merchandise for sale from the vehicle."61 A food truck sued, arguing that its food was not "merchandise" for purposes of the law. A New York trial court ruled for the city in May 2011,62 and that ruling was upheld the following year.63

**Duration Restrictions:** As discussed in *Streets of Dreams*, 19 of the 50 largest U.S. cities mandate how frequently a vendor must move, regardless of whether he or she is vending from a metered space or what the time limit for the space, if any, might be.⁶⁴ Those laws require vendors to move once every 15 minutes to two hours;⁶⁵ in some instances, vendors who have moved are not allowed to return to their original location for a specified amount of time.⁶⁶ These laws are counterproductive, and should be scrapped. Forcing vendors to move regularly makes it difficult, if not impossible, to run a profitable business. Short time limits also pose a safety hazard, since it pressures cooking trucks into moving before their equipment has completely cooled. And by requiring trucks to constantly be on the road, laws like these make congestion worse, not better.

**Potential Sidewalk Congestion:** Most cities deal with potential sidewalk congestion issues as Los Angeles does, by simply requiring that food trucks not operate in a manner that blocks or inhibits use of the sidewalk by pedestrians. Fresno, Calif., for instance, states that " $\lceil n \rceil$ o mobile vendor shall block or

⁵⁵ See L.A. City Code § 56.08(c).

⁵⁶ STREETS OF DREAMS 16, 20 (July 2011).

⁵⁷ See, e.g., People v. Ala Carte Catering, 159 Cal.Rptr. 479 (1979); Duchein v. Lindsay, 42 A.D.2d 100, 345 N.Y.S.2d 53 (1973), aff d, Duchein v. Lindsay, 34 N.Y.2d 636 (1974); Thunderbird Catering Co. v. City of Chicago, Case No. 83-52921 (Oct.15, 1986).

⁵⁸ Las Vegas City Code § 6.55.070(A)(2).

⁵⁹ See, e.g., El Paso City Code § 12.46.020(C) (20 feet); Minneapolis City Code § 188.480(2) (30 feet); San Antonio City Code § 13-63(a)(5) (50 feet).

⁶¹ New York City Department of Transportation Regulations § 4-08(h)(8).

⁶² Glenn Collins, Food Trucks Shooed From Midtown, N.Y. Times, June 28, 2011, http://www.nytimes.com/2011/06/29/dining/food-trucks-shooed-from-midtown.html? r=2.

⁶³ Monroy v. City of New York, May 8, 2012, http://caselaw.findlaw.com/ny-supreme-court-appellate-division/1600535.html.

⁶⁴ Streets of Dreams 23 (July 2011).

⁶⁵ See Columbus City Code § 2151.16 (15 minutes); Las Vegas City Code § 6.55.070(A)(2) (30 minutes); Chicago City Code § 7-38-115(b) (two hours).

⁶⁶ See, e.g., Sacramento City Code § 5.68.170 (stating that vending vehicle may not return to original location until the next day).

obstruct the free movement of pedestrians or vehicles on any sidewalk."⁶⁷ Las Vegas, Nev., similarly says that no mobile food vendor shall "[v]end in a congested area where the operation will impede pedestrian or vehicle traffic."⁶⁸ And Philadelphia states that food trucks should not "increase traffic congestion or delay, or constitute a hazard to traffic."⁶⁹

#### INSTITUTE FOR JUSTICE RECOMMENDATION:

**Proximity Restrictions and Restricted Zones:** The Institute for Justice recommends that cities follow the example of Los Angeles by not prohibiting food trucks from operating within a certain distance of brick-and-mortar restaurants. The first lawsuit the Institute for Justice brought as part of its National Street Vending Initiative was against El Paso, Texas, which enacted a law that kept food trucks from operating within 1,000 feet of any fixed business that served food. In response to the lawsuit, El Paso quickly backed down and dropped its anti-competitive restriction.

The Institute for Justice also recommends that cities follow the example of Los Angeles by not establishing broad zones where food trucks may not operate. As discussed at the beginning of this report, cities should strive to enact narrow laws that address the particular problem at hand but go no further. New York City, for instance, does not have any blanket prohibitions on where food trucks may go; instead, it proscribes vending only at certain specific times and locations based on demonstrable congestion concerns. The Institute for Justice recommends that other cities do the same.

**Distance to Intersections:** Of the laws dealing with traffic, parking, and congestion issues, the Institute for Justice recommends that cities follow the example of El Paso, Texas, which states that food trucks "shall be allowed to stop, stand or park on any public street or right-of-way, provided this area is not within twenty feet of an intersection, such vehicle does not obstruct a pedestrian crosswalk and the area is not prohibited to the stopping, standing or parking of such vehicles." This rule is clear, definite, and easy for food trucks to follow. The Institute for Justice does not recommend that cities follow Los Angeles' approach of prohibiting food trucks from parking within 100 feet of an intersection. Cities should not regulate more heavily than necessary, and Los Angeles' 100-foot restriction is excessive compared to what other cities prescribe.

**Use of Metered Parking Spaces:** The Institute for Justice recommends that cities follow the example of Los Angeles and virtually every other major city by allowing food trucks to operate from metered locations provided that they pay the requisite fees and follow any time limitations associated with the location. Food trucks are miniature commerce centers, and letting them pay for and use parking spaces both enriches the city and helps consumers find the trucks that they want to patronize. Furthermore, there is no reason to single out food trucks from all other commercial vehicles and impose special burdens on them that the rest do not share.

## Innovation: Food Truck Parking Passes

Some food trucks will want to use a metered parking space for longer than typically permitted. Food trucks that sell fried items, for instance, frequently struggle with shorter parking periods, as they often must take 30 minutes or more to heat up their oil while setting up or to cool it down while preparing to move. One way that cities can accommodate this desire is to sell special permits to food trucks that let them park at metered locations for an extended period of time. These permits may be issued on a periodic basis, such as monthly or quarterly, or the city can instead sell one-time passes. To use such a pass, truck operators would scratch off the current date and place it in their windshield; once on display, the pass would let the truck legally park at one or multiple spots over the course of the day. The price of these permits or passes could be set at a premium above standard meter rates. This would give more entrepreneurial food trucks more options while generating more revenue for the city.

67 Fresno City Code § 9-1107(h).

68 Las Vegas City Code § 6.55.070(A)(2).

69 Philadelphia City Code § 9-203(7)(d).

70 El Paso Vending, The Institute for Justice, http://www.ij.org/el-paso-vending

71 El Paso City Code § 12.46.020(C).



Duration Restrictions: After reviewing laws that govern how long food trucks may stay at one location, the Institute for Justice recommends that cities follow the examples of Philadelphia and New York City. Neither city forces food trucks to move after an arbitrary amount of time; instead, they require only that food trucks obey the parking rules that apply to all vehicles. Although Los Angeles does not impose any duration restrictions, that is only because a court held them to be invalid; accordingly, the Institute does not recommend that cities adopt the language in Los Angeles' code.

Food trucks responding to an Institute survey pointed out that, for cooking trucks, it can often take up to a half hour to get set up and ready to cook and another half hour to close down the kitchen and get back on the road. As a result, owners universally expressed frustration with duration restrictions, which can make it practically impossible to vend from a modern gourmet food truck. Trucks also complained about the harm to their business's reputation when they have to turn away customers who have patiently waited in line. As one Washington, D.C., entrepreneur put it, "Expecting busy trucks to move with 30 people on line is a burden." For these reasons, the Institute for Justice recommends that food trucks be allowed to stay at one location for at least as long as any other vehicle.

Potential Sidewalk Congestion: The Institute for Justice recommends that cities follow the example of Los Angeles, which specifies only that food trucks not operate in a manner "which will interfere with or obstruct the free passage of pedestrians or vehicles along any such street, sidewalk or parkway." A set rule that requires a minimum sidewalk width in some instances can be regulatory overkill, such as in areas with little to no

pedestrian traffic, and might be insufficient in particularly crowded areas. Los Angeles' approach is superior because it gives trucks more flexibility while continuing to protect the public right of way. As noted below, the fear that trucks lead to congested sidewalks has little to no evidentiary support.

#### **BOTTOM LINE:**

<u>Proximity Restrictions and Restricted Zones</u>: Cities should follow the example of Los Angeles by not prohibiting food trucks from operating within a certain distance of brick-and-mortar restaurants or establishing large no-vending areas that are neither narrow nor based on real congestion concerns.

<u>Distance to Intersections</u>: Cities should adopt El Paso Code Section 12.46.020(c), which states that food trucks "shall be allowed to stop, stand or park on any public street or right-of-way, provided this area is not within twenty feet of an intersection, such vehicle does not obstruct a pedestrian crosswalk and the area is not prohibited to the stopping, standing or parking of such vehicles."

<u>Use of Metered Parking Spaces</u>: Cities should follow the example of Los Angeles and almost all other cities by letting food trucks operate from metered locations.

<u>Duration Restrictions</u>: Cities should follow the examples of Philadelphia and New York City, neither of which artificially restricts how long a food truck may stay at one spot.

<u>Potential Sidewalk Congestion</u>: Rather than prescribing the minimum width that a sidewalk must be for mobile vending, cities should follow Los Angeles' approach and simply require that food trucks not operate in a manner "which will interfere with or obstruct the free passage of pedestrians or vehicles along any such street, sidewalk or parkway."

72 See L.A. City Code § 56.08(c).

# IJ Original Research on Food Trucks and Sidewalk Congestion

Some local businesses that do not want to compete against food trucks argue that letting trucks operate on the streets will increase sidewalk congestion. The argument is that this congestion makes it harder for pedestrians to navigate the right of way and, in some instances, could even lead to safety hazards. This concern is offered as a justification for laws that prohibit trucks from operating in certain areas of the city or from operating on public property at all.

Of course, legislators should only act on these concerns if they are in fact true. But while claims of food trucks creating sidewalk congestion abound, there was no actual evidence showing that to be the case. In fact, the effects of food trucks on congestion had never seriously been examined. So, to find out if trucks really do pose congestion concerns, the Institute for Justice undertook an original empirical research study.

On three days in December 2010, January 2011, and February 2011, a team of researchers from the Institute for Justice observed pedestrian traffic in two areas of Washington, D.C. known as Federal Center and Dupont Circle. Federal Center is an area in Southwest D.C. that is close to several government buildings and a handful of deli-style restaurants. Dupont Circle,

which is located in Northwest D.C, is one of the city's busiest areas, with many dining options, office buildings, and retail shops. Both Federal Center and Dupont Circle are near subway stations.

IJ researchers measured the amount of foot traffic on both sides of the street. They also calculated how long it took pedestrians to travel from one end of the block to the other. They counted pedestrians on both sides on days when food trucks were present and on days when they were not.

The Institute's research showed that the presence of a food truck did not significantly increase foot traffic. In the Federal Center area, the highest amount of foot traffic occurred on a day when no food trucks were present, indicating that other factors impact foot traffic. The data from Dupont Circle reiterated this finding. The presence of a food truck was associated with a minor increase of pedestrians, just 28, over a two-hour time period, which amounts to an increase of less than one percent of total foot traffic.

## Foot Traffic With and Without Presence of Food Trucks

THE RESIDENCE OF THE PERSON NAMED IN COLUMN 1911			
	Dec. 15, 2010 (With Truck)	Jan. 13, 2011 (Control – No Truck)	Feb. 10, 2011 (No Truck)
Federal Center	772	939	673
Truck Side	336	296	263
Non-Truck Side	436	643	410
	Feb. 15, 2011 (With Truck)	Feb. 23, 2011 (Control – No Truck)	
<b>Dupont Circle</b>	2921	2893	N/A
Truck Side	1043	951	N/A
Non-Truck Side	1878	1942	N/A

Nor did the presence of a food truck make it more difficult for pedestrians to traverse the sidewalk. Researchers observing Federal Center discovered that it took 42 seconds to travel a sidewalk block when a food truck was present, compared to 41 and 43 seconds when no truck was there. In Dupont Circle, it took pedestrians 74 seconds to cross a block where a food truck was parked, one second less than when no truck was present.



## Average Time for Pedestrians to Travel the Block, in Seconds

	December 15, 2010 (With Truck)	January 13, 2011 (Control – No Truck)	February 10, 2011 (Control – No Truck)
Takorean (Federal Center)73			
Truck Side	42	41	43
Non-Truck Side	47	47	46
CapMac (Dupont Circle)	February 15, 2011 (With Truck)	February 23, 2011 (Control – No Truck)	
Truck Side	74	75	N/A
Non-Truck Side	75	76	N/A

Lastly, researchers noted that food trucks and customers often work out ways to further minimize any disruptions. At one popular truck, where upwards of 30 people were waiting, researchers saw customers spontaneously forming a single-file line along the edge of the sidewalk, which ensured that there was ample room for other pedestrians to pass by. This example shows that, even if there are discrete situations where sidewalk congestion might be an issue, there are simple and effective solutions that do not require limiting the ability of vendors to earn a living or preventing customers from having access to the delicious food they want to buy.

## REFUSE

#### **HOW LOS ANGELES REGULATES REFUSE:**

Los Angeles requires that food trucks "shall pick up, remove and dispose of all trash or refuse which consists of materials originally dispensed from the catering truck, including any packages or containers, or parts of either, used with or for dispensing the victuals." So that customers can assist in this effort, the city also mandates that food trucks provide "a litter receptacle which is clearly marked with a sign requesting its use by patrons." 5

**HOW OTHER CITIES REGULATE REFUSE:** Most cities surveyed by the Institute for Justice require that food trucks clean up trash. In some cities like Seattle, for example, trucks must "maintain the vending site, merchandise display, and adjoining and abutting public place free of all refuse of any kind generated." Other cities instead require only that vendors take care of trash that they themselves create. Columbus, Ohio, for instance, makes vendors responsible for keeping the area within twenty-five (25) feet of their operation free and clear of any litter caused by such operation.

Like Los Angeles, some jurisdictions require that trucks put out trash receptacles. In Boston, for instance, food trucks must provide "a waste container for public use that the operator shall empty at his own expense." And Buffalo, N.Y., which recently liberalized its vending rules, likewise requires that food trucks be "equipped with trash receptacles of a sufficient capacity that shall be changed as necessary."

74 L.A. City Code § 80.73(b)(2)(E).

75 L.A. City Code § 80.73(b)(2)(D).

76 See Seattle City Code § 15.17.152(A).

77 See Columbus City Code § 523.13(c)(11).

78 Boston City Code § 17-10.8(a)(5).

⁷³ Due to construction, the sidewalk on the western side of the street was significantly shorter than the eastern side (201 feet compared to 303 feet). To account for this, times for the eastern side of the street have been multiplied by .6633. Adjusted times are shown.

**INSTITUTE FOR JUSTICE RECOMMENDATION:** Of the laws that deal with refuse issues, the Institute for Justice recommends that cities follow Los Angeles' approach, albeit with additional language that precisely lays out how far from the truck operators must search for any trash they created. ⁸⁰ The following is an amalgam of language from Los Angeles and Columbus that cities may use in crafting their laws:

After dispensing victuals, at any location, a catering truck operator, prior to leaving the location, shall pick up, remove and dispose of all trash or refuse within twenty-five feet of the catering truck which consists of materials originally dispensed from the catering truck, including any packages or containers, or parts of either, used with or for dispensing the victuals.

It is reasonable for cities to make food trucks remove any trash they generate from the immediate area surrounding the truck, as is the requirement that trucks give customers some way to discard their refuse. Cities should be careful, however, not to go overboard with these regulations by mandating exactly what type of receptacles trucks must use or how large they have to be.⁸¹

#### **BOTTOM LINE:**

Cities should follow the example of Los Angeles and require trucks to be responsible for the trash they create, but they should also give trucks a specific distance they are responsible for, as Columbus, Ohio, does.

#### LIABILITY INSURANCE

#### INSURANCE REQUIREMENTS FOR FOOD TRUCKS IN LOS ANGELES:

Like all motor vehicles, food trucks in California must carry liability insurance in order to operate on the public right of way.⁸² Food trucks operating in Los Angeles need not purchase any additional liability insurance beyond that amount.

#### INSURANCE REQUIREMENTS FOR FOOD TRUCKS

**IN OTHER CITIES:** Most of the city laws surveyed by the Institute for Justice, like Los Angeles, do not impose separate liability insurance requirements on food trucks. Instead, those vehicles may get to work so long as they carry the state-mandated level of insurance to operate on the road. Some cities, however, also require that trucks carry a general liability insurance policy that lists the city as an additional insured. In Boston, for instance, a food-truck applicant must provide a "certificate of insurance providing general liability insurance listing the City as additionally insured."83 And in Las Vegas, food trucks must maintain auto and general liability insurance of at least \$300,000.84

#### **INSTITUTE FOR JUSTICE RECOMMENDATION:**

After reviewing liability insurance requirements for food trucks, the Institute for Justice recommends that cities follow the general approach of Los Angeles by not requiring that food trucks maintain insurance policies naming the city as an additional insured. Cities are no more liable for injuries caused by food trucks than they are for injuries caused by brick-andmortar businesses. Additionally, having to name the city as an additional insured causes additional headaches for food trucks, as the practice is out of the ordinary and something many insurance companies are reluctant to do. Unless a city requires that all food service companies doing business within its boundaries carry a specific level of liability insurance, it should follow Los Angeles' approach and not foist additional requirements on food trucks that their brick-and-mortar counterparts do not share.

⁸⁰ L.A. City Code § 80.73(b)(2)(D)-(E).

⁸¹ An earlier revision of Buffalo's food-truck law, passed in January 2012, required that trucks carry and put out "two, 65-gallon garbage cans." After complaints from food-truck operators, who saw the law as unnecessary and unduly burdensome, the sponsor of the bill changed the language to what is reflected above. Aaron Besecker, Revised food truck rules unveiled, The Burfalo News, at D5 (Jan. 12, 2012).

⁸² See Cal. Vehicle Code § 1656.2 (detailing minimum liability requirements that vehicle operators must carry).

⁸³ Boston City Code § 17-10.5(b)(7).

⁸⁴ Las Vegas City Code § 6.55.080.



#### BOTTOM LINE:

Unless a city requires all businesses in its jurisdiction to carry a specific amount of liability insurance, it should follow the approach of Los Angeles and not impose this requirement on food trucks. Cities should not require trucks to carry liability insurance that names the city as an additional insured.

#### HOURS OF OPERATION

HOURS OF OPERATION IN LOS ANGELES: The city of Los Angeles does not place any artificial limitations on when vendors may operate, which allows food trucks to specialize. Some trucks like PerKup Coffee and Tea Co. may choose to serve breakfast fare, while other trucks may decide to cater to latenight customers, just as others serve bar patrons on Friday and Saturday nights. This kind of flexibility means that consumers will be able to get food on their way into work or on their way home after a late night. In the end, letting trucks choose when to operate leads to more successful trucks and more satisfied customers.

HOURS OF OPERATION IN OTHER CITIES: Of the 50 cities surveyed by the Institute for Justice for this report, approximately half prohibited food trucks from operating during at least part of the day. Some of these restrictions are quite minimal: In Austin, Texas, for instance, mobile food vendors are only required to cease operations between the hours of 3 a.m. and 6 a.m. ⁸⁵ And New York City has no blanket restriction on hours of operation, instead

restricting vending during certain hours only at specified locations.⁸⁶

Other cities' restrictions, however, are quite onerous. In Phoenix, food trucks may not operate in the public way after 7 p.m. or whenever it gets dark, whichever is later.⁸⁷ And in Sacramento, Cali., the city manager requires vendors to limit their hours of operation to between 8 a.m. and 6 p.m.⁸⁸ These restrictions do nothing to further public health and safety, but make it that much harder for trucks to succeed.

**INSTITUTE FOR JUSTICE RECOMMENDATION:** The Institute for Justice recommends that cities follow Los Angeles' approach and not restrict when food trucks may operate. Trucks should be free to vend at any time, or at the very least to be subject to the same rules as brick-and-mortar restaurants. To the extent that vending from a specific location at certain times poses actual public health and safety concerns, cities should address the specific problem and go no further. One example of such a narrow approach is Santa Monica, Calif. There, officials were concerned about the large crowds of people coming out of late-night bars on a stretch of Main Street. The worry was that the size of the trucks might create visibility problems for passing automobiles and lead to accidents involving inebriated bar patrons who venture out into the street. Rather than banning all food trucks in Santa Monica from operating at night, the city took a more focused approach by merely saying that on Friday and Saturday nights, trucks could not sell from 1 a.m. to 3 a.m. on the half-mile stretch of Main Street where the bars are located.89 Food trucks were able to continue operating on nearby side streets where the city's traffic safety concerns were less.

#### **BOTTOM LINE:**

Cities should follow Los Angeles' example and not place restrictions on when food trucks may operate. If a demonstrable health and safety issue exists at a specific location, cities should take the narrowest approach that resolves the issue.

⁸⁵ See Austin City Code § 25-2-812(C)(4).

⁸⁶ See New York City Department of Health and Mental Hygiene Letter to Mobile Food Vendors 05/06/2011, available at http://www.nyc.gov/html/doh/downloads/pdf/permit/mfv-restricted-streets.pdf.

⁸⁷ Phoenix City Code § 31-24.1(C).

⁸⁸ Sacramento City Code § 5.88.110

⁸⁹ Jason Islas, Santa Monica Bans Late-Night Food Trucks on Main Street, THE LOOKOUT NEWS (Nov. 10, 2011), http://www.surfsantamonica.com/ssm_site/the_lookout/news/News-2011/November-2011/11_10_11_Santa_Monica_Bans_Late_Night_Food_Trucks_on_Main_Street.html.

#### **EMPLOYEE SANITATION**

#### **SANITATION LAWS IN LOS ANGELES:**

**Handwashing:** One of the simplest ways to prevent disease and contamination is for food handlers to wash their hands. In Los Angeles, food trucks that prepare food on board must be equipped with a handwashing sink for employees' use. This sink must be connected to at least a three-gallon water tank, be capable of dispensing water in excess of 100 degrees Fahrenheit, and must function independently of the truck's engine. 90

**Bathroom Access:** Los Angeles requires food-truck operators that stay at a single location for more than an hour to have access to a building with toilet and handwashing facilities that is within 200 feet of where the truck is located. A recent change to the law extends that distance to up to 300 feet for food trucks that pre-arrange and enter into fully-executed agreement between the operator and the owner of the restroom facility. Alternatively, trucks may close for 15 minutes every hour to "reset" the one hour clock. During that period, the food truck's windows must be shut, its employees must leave, and the operator must leave a note saying when the truck closed and when it will reopen.

#### **SANITATION LAWS IN OTHER CITIES:**

**Handwashing:** Los Angeles' requirement that all trucks have handwashing sinks is by no means out of the ordinary. Almost all cities that regulate food trucks mandate handwashing sinks, with the specific requirements for those sinks differing based on the jurisdiction. For Mesa, Ariz., the handwashing sink must be at least 9" long, 9" wide, and 5" deep. 92 And Arlington, Texas, specifies that all food trucks must contain a handwashing station that is equipped with both soap and sanitary towels. 93

**Bathroom Access:** Los Angeles is in the minority when it comes to its bathroom requirement. Most cities do not regulate bathroom access, instead trusting food truck entrepreneurs to manage their own bathroom needs. And those cities that do mandate bathroom access are less intrusive. In Austin, Texas, a food truck must enter into an agreement only if it will be in one location for more than two hours. ⁹⁴ And in Boston, trucks need only show that they have access to flushable toilets and handwashing facilities within 500 feet of the truck if they're in one spot for more than an hour. ⁹⁵

#### **INSTITUTE FOR JUSTICE RECOMMENDATION:**

Handwashing: The Institute for Justice recommends that cities follow the example of the California Retail Food Code, which requires trucks to have handwashing stations if they prepare food, but does not require them on trucks selling only prepackaged foods like frozen desserts. 96 Typically, the issue of handwashing sinks is governed by state health codes. To the extent that a state health code does not address the issue, the Institute recommends that a city require that "[m]obile food facilities from which nonprepackaged food is sold shall provide handwashing facilities. 97

**Bathroom Access:** The Institute for Justice recommends that cities follow the examples of Las Vegas, Charlotte, and Portland, Ore., none of which requires trucks to enter into agreements for bathroom usage. Food trucks, as a matter of common sense, already provide bathroom access for their employees; they need not be ordered to do so by the government. Furthermore, laws requiring written bathroom agreements discourage trucks from exploring new markets and sharing their innovative products with parts of the city that they do not normally frequent.

#### **BOTTOM LINE:**

Handwashing: Cities should follow California Retail Food Code Section 114311, which says that "[m]obile food facilities . . . from which nonprepackaged food is sold shall provide handwashing facilities," while exempting food trucks that sell only prepackaged foods like frozen desserts.

<u>Bathroom Access</u>: Cities should emulate Las Vegas, Charlotte, N.C., and Portland, Ore., by not requiring that food trucks enter into bathroom-access agreements with brick-and-mortar businesses.

⁹⁰ Cal. Health and Safety Code § 114325.

⁹¹ Cal. Health and Safety Code § 114315.

⁹² Maricopa County Environmental Services Department, Mobile Food Units 6, http://www.maricopa.gov/EnvSvc/EnvHealth/pdf/Mobile%20Food%20Unit%20English.pdf.

⁹³ City of Arlington, Texas, Requirements for Mobile Food Service Trucks, http://www.arlingtontx.gov/health/food ordinances mobile.html.

⁹⁴ See Austin City Code § 10-3-91(A)(8)

⁹⁵ See Boston City Code § 17-10.5(b)(6).

⁹⁶ Cal. Health and Safety Code § 114311 ("Mobile food facilities not under a valid permit as of January 1, 1997, from which nonprepackaged food is sold shall provide handwashing facilities.").

⁹⁷ See id.



#### COMMISSARY REQUIREMENTS

#### COMMISSARY REQUIREMENTS IN LOS ANGELES:

Most mobile-food vending operations in Los Angeles are based out of a commissary, which is a facility at which they can park and clean their truck, store their inventory and do the paperwork that is associated with running any business. The California Retail Food Code and Los Angeles County require that most food trucks be stored and serviced at an approved commissary.98 The only exceptions to this requirement are for trucks that operate from a fixed position at community events, or trucks that engage only in limited food preparation (in which case they may instead be serviced by a mobile support unit).99 With the exceptions noted above, food trucks must be cleaned every operating day and must report to the commissary at the end of each day's operations.100

Although Los Angeles food trucks may clean their vehicles and do their paperwork at a shared commissary, they may not actually do any food preparation there. The reason is a Los Angeles County Health Department rule that says that only the permit holder for a commercial kitchen may use it to prepare food. Matt Geller, CEO of the Southern California Mobile Food Vendors Association, views that position as counterproductive and "a threat to public health because it does not give mobile vendors the option to operate legally in a rented kitchen. This can lead to mobile vendors prepping from home or unlicensed kitchen facilities." He recommends that Los Angeles County create regulations that allow for use of an approved commissary or shared kitchen space.

#### COMMISSARY REQUIREMENTS IN OTHER CITIES: Most other

cities require that food trucks generally associate with a commissary, but some cities' models give trucks more flexibility than Los Angeles does. Under Portland, Oregon's law, for example, a truck need not associate with a commissary if it sells only prepackaged food, in which case it need only be affiliated with a warehouse. 101 Alternatively, trucks in Portland "may not be required to have a base of operation if the unit contains all the equipment and utensils necessary to assure" that the vehicle is clean and can safely store and prepare food. 102 The state of Florida has similarly proposed regulations that would exempt self-sufficient mobile food vehicles from having to associate with a commissary. 103

Most other cities also let food trucks and other culinary entrepreneurs use shared kitchen spaces to prepare and cook food. One such city is San Francisco, where La Cocina, a nonprofit "kitchen incubator," offers low-income entrepreneurs shared commercial kitchen space and workshops with such titles as "How to Start a Food Business in San Francisco." And in Austin, Texas, another city that lets food truck operators use shared commercial kitchen spaces, a company named Capital Kitchens gives Austin food truckers a choice: They can use the facility as just a commissary where they can clean their truck and store their food, or they can also register the facility as their base of operations, which allows them to prepare and cook food there as well.

**Institute For Justice Recommendation:** The Institute for Justice recommends that cities follow Portland's example by exempting food trucks from being "required to have a base of operation if the unit contains all the equipment and utensils necessary to assure" that the truck can satisfy health and safety concerns. Some food trucks are self-contained mobile kitchens that protect against vermin and can refrigerate and freeze food 24 hours a day. Likewise, a truck selling only prepackaged items, like cupcakes, poses no real threat to public safety. Because signing up and working through a commissary can often be arduous, requiring trucks like these to associate with a commissary is both costly and unnecessary. For trucks that are not self-sufficient, the Institute recommends that cities follow the example of Los

98 Cal. Health and Safety Code § 114295.

99 See Cal. Health and Safety Code § 114295(b),(e).

100 Cal. Health and Safety Code §§ 114295(c), 114297(a).

101 Or. Admin. R. 333-162-0040.

102 *Id.; see also* Oregon Health Authority Mobile Food Unit Operation Guide, http://public.health.oregon.gov/Healthy-Environments/FoodSafety/Documents/muguide.pdf.

103 Florida Administrative Code § 61c-4.0161.

105 Capital Kitchens, Mobile food vendor, http://capital-kitchens.com/mobile-food-vendor.html

Angeles County, where trucks can operate out of their own commissary or a shared commissary.

Cities should also let food trucks band together and open their own shared kitchen spaces. Los Angeles County's prohibition against shared kitchens is counterproductive and puts a high roadblock in the way of fledgling entrepreneurs. Instead, the Institute recommends that cities follow the examples of San Francisco and Austin, Texas, which both let food trucks prepare and cook food in shared commercial kitchen spaces.

#### **BOTTOM LINE:**

Cities should follow Portland, Oregon's example by saying food trucks should not be "required to have a base of operation if the unit contains all the equipment and utensils necessary to assure" to satisfy health and safety concerns.

For trucks that are not self-sufficient, cities should follow the example of Los Angeles County, where trucks can operate out of their own commissary or a shared commissary. Lastly, cities should let food trucks join together and open their own shared kitchen spaces, as both San Francisco and Austin, Texas, do.

#### PERMITTING AND LICENSING

#### HOW LOS ANGELES PERMITS AND LICENSES FOOD TRUCKS:

**The Application Process:** Before a truck gets on the road, it needs to get both a health permit from the county of Los Angeles and a separate business license from the city of Los Angeles. The health permit requires operators to provide detailed plans for the layout of the vehicle. It also requires operators to fill out written operational guidelines that lay out the truck's proposed menu, how it will be prepared, and how the truck will wash its equipment and utensils. The Lastly, at least one person on board the truck must be certified in food safety. The Lastly of the Lastly of Lastly. The Lastly of Lastly of Lastly of Lastly. The Lastly of Last

Although Los Angeles' application process is relatively less complex than the process in other jurisdictions, it is still often hard for would-be food-truck operators to navigate it. This is because, although food trucks in Los Angeles are regulated at the city, 109 county, 110 and state 111 levels, none of those jurisdictions clearly explains how to get a vending

permit and get out on the road. Although the Southern California Mobile Food Vendors Association¹¹² has helped fill some of the void, Los Angeles should clarify what these fledgling entrepreneurs need to get started.

**Cost:** The annual fee for a Los Angeles County health permit for a food truck ranges from \$602 to \$787, depending on what types of items the truck sells.¹¹³ The city of Los Angeles does not charge for a business license.¹¹⁴

Who the Permit Covers: Los Angeles County requires only that the operator of a truck have a permit. The employees who help out on the truck need not apply and receive their own vending permit.

#### **Limits on the Number of Permits Issued:**

Neither the city of Los Angeles nor Los Angeles County limit or in any other way restrict the number of food trucks that may apply for and receive a license or permit.

### HOW OTHER CITIES LICENSE AND PERMIT FOOD TRUCKS:

**Application Process:** Many cities' actual permitting procedures are more complex than Los Angeles'. In Milwaukee, for instance, opening a food truck means getting a peddler's license that requires the health department to inspect the vehicle. But a would-be operator must also apply for a separate food-dealer license and occupancy permit for the business.¹¹⁵ And that, in turn, requires the operator to apply for and receive a Wisconsin state seller's permit.¹¹⁶ Altogether, an applicant in Milwaukee must get permission from at least three separate government agencies, each requiring multiple steps, before getting on the road.

¹⁰⁶ County of Los Angeles Department of Public Health, Plan Check Guidelines for Mobile Food Facilities and Mobile Support Unit, http://www.publichealth.lacounty.gov/eh/docs/vip/PLAN_CHECK_GUIDELINES_1.pdf.

¹⁰⁷ County of Los Angeles Department of Public Health, Written Operational Procedures, http://www.publichealth.lacounty.gov/eh/docs/vip/CalCode_Wrtn_Opt_Proc_2.pdf.

¹⁰⁸ County of Los Angeles Department of Public Health, Mobile Food Facility Information Packet Operational Guidelines, http://www.publichealth.lacounty.gov/eh/docs/vip/Rules_and_Regulations_4.pdf.

¹⁰⁹ See generally L.A. City Code § 80.73(b).

¹¹⁰ See generally L.A. County Code Chapter 8.04

¹¹² http://socalmfva.com/.

¹¹³ L.A. County Code § 8.04.720.

¹¹⁴ Southern California Mobile Food Vendors Association, FAQ, http://socalmfva.com/faq/.

¹¹⁵ City of Milwaukee, Food Peddler License Information, http://city.milwaukee.gov/lmageLibrary/Groups/ccLicenses/FoodPeddlerApplication.pdf.



Boston's law is similarly complicated. The city has a single application form for mobile vendors; once an applicant submits the form, the Public Works commissioner submits it to various city departments for their review and approval.¹¹⁷ But before an applicant submits their application, he or she must first obtain a health permit from the city Inspectional Services Department, a business certificate, a state-issued peddler's license and a GPS contract. 118 Altogether, a would-be vendor in Boston must go to three different city departments, the commonwealth of Massachusetts and a private GPS company before receiving her license. Actually being able to sell from the truck on either public or private property requires entrepreneurs to take several additional steps. 119

Although Milwaukee's and Boston's permitting procedures are much more complicated than Los Angeles', both cities provide helpful guidance to applicants. In modernizing its food-truck rules, Milwaukee created a web document that helps wouldbe food-truck entrepreneurs understand what they need to do to get licensed. 120 Boston provides similar information on its website.121

**Cost:** The licensing fees that food trucks pay vary greatly by jurisdiction. In Kansas City, Mo., food trucks have to pay \$292 annually for a permit. In Boston, the permit fee varies based on a complex valuation of the public way used by the truck. 122 And in Cleveland, the annual fee for a food truck is \$263,44,123

Who the Permit Covers: Lastly, most cities require only that a food truck apply for and receive a single vending permit, with the truck's employees working under that permit. But Washington, D.C., issues

vending permits to individuals, not businesses, and requires that someone with a valid permit be on board the truck whenever it is in operation. 124 If the food truck's owner cannot be on board himself, then an employee on the truck must have his own separate vending permit. This requirement imposes a significant burden on food-truck owners, who face a huge burden if they want someone else to occasionally run the truck. And Washington, D.C.'s rule limits the opportunities for job creation that mobile food vending can offer.

**Limits on the Number of Permits Issued:** Most cities in the United States do not impose a limit on how many food trucks may apply for and receive a permit. One exception is New Orleans, which states that "the number of [food-truck] permits issued . . . shall at no time exceed 100 for the entire city."125 New York City limits the number of permits available to food vendors, including food trucks, to 3,100. 126 Although it sounds like a large number, this number of permits is insufficient and has led to the growth of an illegal black market in vending permits. The price on the black market to use someone's food vending permit for two years has reached as high as \$20,000 according to a Wall Street Journal investigative article. 127

#### **INSTITUTE FOR JUSTICE RECOMMENDATION:**

**Application Process:** The Institute recommends following Los Angeles County's approach to permitting, which is less complex than the process in other jurisdictions. Most truck operators in other parts of the country report having to deal with two or more different agencies to get their permits, and having it take weeks, if not months, to complete the process. This complexity compounds the confusion that often surrounds the permitting process. As a food-truck operator in Philadelphia, which is known to have a complicated permitting process, said, "The government operates in silos, no agency is coordinated, no one person can give a succinct overview of the entire process, it seems like no one truly understands it comprehensively." Requiring multiple permits from many different government agencies makes it both more complicated and more expensive to get a truck on the road.

In terms of clarity, however, the Institute applauds Milwaukee and Boston for clearly explaining how to apply for a permit, and the Institute recommends that other cities publish similar step-by-step instruction guides. Operators across the

122 Boston City Code § 17-10.9(b).

123 Cleveland City Code § 241.05(d)

124 D.C. Department of Consumer and Regulatory Affairs, Mobile Food Truck Licensing Information, http://d.c.gov/

¹¹⁷ Boston City Code § 17-10.5.

¹¹⁸ City of Boston, Food Truck Permit Application 2012, http://www.cityofboston.gov/lmages_Documents/2012%20 Food%20Truck%20Permit%20Application-4-12_tcm3-25641.pdf.

¹¹⁹ City of Boston, Mobile Food Truck: Choosing a Location For Your Food Truck, http://www.cityofboston.gov/ business/mobile/locations.asp.

¹²⁰ See Pushcarts, Poncorn Trucks and Restaurants on Wheels: A Guide for Operators of Mobile Food Establishments from the City of Milwaukee Health Department, http://city.milwaukee.gov/ImageLibrary/Groups/health Authors/CEH/PDFs/pushcarts_booklet_for_web_2010.pdf.

¹²¹ See City of Boston, Mobile Food Truck: Permit Overview, http://www.cityofboston.gov/business/mobile/applica-

DC/DCRA/for+business/apply+for+a+business+license/how+to+start+a+mobile+food+truck+business. (stating that food-truck licenses "are issued to individuals not businesses and the truck must be operated by the individual who is issued the license"). 125 New Orleans City Code § 110-191(6).

¹²⁶ New York City Code § 17-307(b)(2)(a) to (b)(3)(a).

¹²⁷ Sumathi Reddy, Prices for Food-Cart Permits Skyrocket, Wall Street Journal, March 9, 2011, http://online.wsj. com/article/SB10001424052748704758904576188523780657688.htm

country repeatedly complain that the most frustrating aspect of the permitting process is not the specific requirements involved, but the lack of clear, consistent instructions on how to complete them. According to food-truck entrepreneurs with whom the Institute spoke, officials often don't seem to know all the rules, are unhelpful or give conflicting information.

**Cost:** The Institute, after reviewing the cost of applying for vending permits across the country, recommends that cities should impose a flat annual fee in the range of \$200-300, as both Cleveland and Kansas City have done. Businesses should not be viewed as a cash cow, and the Institute for Justice recommends that fees be no higher than necessary to cover the cost of inspecting and regulating the food trucks. Furthermore, those fees should be relatively stable and known to would-be truck operators before they enter the business. For this reason, the Institute for Justice recommends that cities not adopt Boston's convoluted fee structure.

Who the License Covers: The Institute for Justice recommends that cities follow the example of Los Angeles County by letting operators decide whether to have a license or permit issued to them personally or to their vending business. Cleveland, for instance, issues food-truck licenses to "vendors," which can be either an individual or the associated business. Brick-and-mortar restaurants need not get a separate license for each shift manager; similarly, taking this simple step will let trucks avoid the time and expense of acquiring a vending permit for each manager who oversees truck operations.

Limits on the Number of Permits Issued: The Institute for Justice recommends that cities follow the example of Los Angeles and not limit the number of food-truck permits. Placing an arbitrary limit on how many licenses may be issued does not address any actual health and safety issues. Instead, it acts as a barrier to new food trucks while enriching those few who are lucky enough to have snared a permit. Furthermore, a limit hurts consumers by limiting their choices. Lastly, a cap is unnecessary, as consumer demand will guide how many food trucks will voluntarily choose to operate in a given city.

#### **BOTTOM LINE:**

Application Process: Cities should follow the licensing approach of Los Angeles County, which is not plagued by ennecessary complexity. In terms of guidance, cities should emulate Boston and Milwaukee, which both have published step-by-step instructions to guide entrepreneurs through the licensing process.

<u>Cost</u>: Cities should follow the approach of both Cleveland, and Kansas City, Mo., by imposing a flat annual fee in the range of \$200–300.

Who the License Covers: Cities should follow the approach of Los Angeles by issuing vending licenses to an individual's vending businesses rather than the individual himself or herself.

<u>Limits on the Number of Permits Issued</u>: Cities should follow the approach of Los Angeles and not cap the number of food-truck permits, which hurts consumers and leads to an illicit black market for permits, as it has in New York City.

### Innovation: Reciprocal Licensing Arrangements

One major hurdle for food-truck entrepreneurs is having to get a separate license for each town in which they want to operate their trucks. This requirement makes little sense, particularly given that inspectors in many states verify food trucks' safety using a common set of criteria that are developed at the state level. Cities should consider entering into reciprocal licensing arrangements with nearby communities. A compact or joint agreement between different cities would mean that a truck would need to get licensed only once; it then could operate in any city that was a party to that joint agreement. This approach would cut a vast amount of red tape and make the trucks more commercially viable while still ensuring that the trucks met each city's legitimate health and safety concerns.

128 Cleveland City Code § 241.03(3).



#### CONCLUSION

A vibrant food-truck industry benefits everyone. It provides consumers with a wide variety of innovative, inexpensive cuisine that they might otherwise not get to enjoy. It gives would-be entrepreneurs who are long on ideas but short on financial capital a way to pursue their dream. And it can activate underused spaces, bring new life to communities and make them safer, more enjoyable places to live.

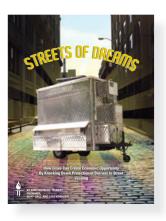
Public-minded officials who want to make their cities better would do well to encourage food-truck entrepreneurship. Thankfully, this commitment doesn't require paying for an expensive new program or hiring dozens of vending "experts." Instead, cities can look to other cities that have experience regulating food trucks, such as Los Angeles, and then adopt their best legislative practices by implementing the recommendations in this report. By avoiding protectionist restrictions and enacting clear, narrowly tailored and outcome-based laws to address legitimate health and safety issues, cities will enable their residents to enjoy all of the economic and cultural benefits of America's growing food truck revolution.

An online compendium containing the full language of the laws cited in this report can be found at http://www.ij.org/vending.





# OTHER PUBLICATIONS OF THE INSTITUTE FOR JUSTICE'S NATIONAL STREET VENDING INITIATIVE



Street of Dreams: How Cities Can Create Economic Opportunity by Knocking Down Protectionist Barriers to Street Vending (July 2011)
<a href="http://www.ij.org/streets-of-dreams-2">http://www.ij.org/streets-of-dreams-2</a>

Seven Myths and Realities about Food Trucks: Why the Facts Support Food-Truck Freedom (November 2012)

<a href="http://www.ij.org/vending">http://www.ij.org/vending</a>

#### IJ VENDING VIDEOS



Chicago Food Trucks www.ij.org/ChicagoFoodTruckVideo



Atlanta Vending www.ij.org/freedomflix/category/51/177



El Paso Vending www.ij.org/freedomflix/category/43/177

#### ROBERT FROMMER

Robert Frommer is an attorney with the Institute for Justice, where he litigates in defense of political speech, economic liberty and private property.

Frommer is lead counsel on the Institute for Justice's lawsuit against the city of Chicago's anti-competitive food-truck law. He is also lead counsel on a lawsuit challenging Atlanta's vending monopoly and is a co-author of *Streets of Dreams*. Frommer's views have been published in a number of print and on-line newspapers and journals, including *The Wall Street Journal, The Washington Post* and the *Pittsburgh Post-Gazette*.



Before joining IJ, Frommer was an attorney with the Washington, D.C., office of Gibson, Dunn & Crutcher LLP. He is a former law clerk to Judge Morris Sheppard Arnold of the U.S. Court of Appeals for the Eighth Circuit. Frommer received his law degree magna cum laude from the University of Michigan Law School in 2004.

#### BERT GALL

Bert Gall is a senior attorney at the Institute for Justice, where he litigates economic liberty, free speech, school choice and property rights cases nationwide.

Gall directs IJ's National Street Vending Initiative, a nationwide effort to vindicate the right of street vendors to earn an honest living by fighting unconstitutional vending restrictions in courts of law and the court of public opinion. In addition to serving as co-counsel in IJ's current challenge to Chicago's protectionist food-truck law, he also served as co-counsel in IJ's successful challenge to El Paso's protectionist restrictions on mobile vendors, which resulted in El Paso repealing those restrictions.



In 2009, Gall was recognized by *The National Law Journal* as one of its "Rising Stars: Washington's 40 under 40," which honored the top 40 lawyers under the age of 40 in the Washington, D.C., area.



The authors would like to thank the many food-truck associations whose members and officers provided valuable information and feedback, including Matt Geller, CEO of the Southern California Mobile Food Vendor's Association (SoCalMFVA); Jeffrey Dermer and Kevin Behrendt, counsel for SoCalMFVA and partners in law firm Dermer & Behrendt; Executive Director Che Ruddell-Tabisola and Doug Povich of the Food Truck Association of Metropolitan Washington; Rachel Billow, President of the New Orleans Food Truck Coalition; and Rebecca Kelly, President of the Tallahassee Food Truck Association. The authors would also like to thank Jon Markman, Akil Alleyne, Jordan Fischetti, Brad King, Eddie Lowe, Katie McLay, Nick Sibilla, Bryson Smith and Andrew Ward for their help in compiling and analyzing the data underlying this report.

Designed by Robyn Patterson.



### THE INSTITUTE FOR JUSTICE

The Institute for Justice is a nonprofit, public interest law firm that litigates to secure economic liberty, school choice, private property rights, freedom of speech and other vital individual liberties and to restore constitutional limits on the power of government. Founded in 1991, IJ is the nation's only libertarian public interest law firm, pursuing cutting-edge litigation in the courts of law and in the court of public opinion on behalf of individuals whose most basic rights are denied by the government. Through its National Street Vending Initiative, the Institute for Justice works to defeat anti-competitive restrictions that violate the constitutional rights of street vendors to earn an honest living.



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p 703.682.9320 f 703.682.9321 EDITOR'S PICK | 10,997 views | Aug 30, 2016, 11:08am

### Millennials Love Food Trucks, But Stale Laws Are Driving Them Out Of Business



**Natalie Sportelli** Forbes Staff

I'm associate editor for 30 Under 30 at Forbes

At six in the morning the Cinnamon Snail begins its descent, climbing the curb and sliding into its spot in Bryant Park in midtown Manhattan. For the next few hours, a team of five chefs inside the food truck will start getting ready for the lunch rush, preparing to serve hundreds of hungry customers grabbing their lunch on the go.

The Snail will serve around 600 humans a day from a menu of vegan staples and seasonal offerings---all created by the truck's founder, Chef Adam Sobel. The customers will choose from a diverse selection of dishes including Korean Barbeque Seitan, the most popular item, Red Curry Tofu, or they'll order one of the Snail's famous donuts. The chefs will quickly write down and whip up orders as customers take them for the road.

Many of those lining up for lunch at the Snail are young. In fact, 43% of monthly food truck spending comes from 25 to 44-year-olds. Another 20% comes from people under 25, according to data from IBISWorld Inc. Because of the way food trucks have marketed themselves using social media to win "followers" over customers, millennials have discovered and tracked down local food trucks by checking updates on Twitter and Facebook. The mobile establishments also appeal to customers with less disposable income, who tend to be younger, and because food trucks have a lower ceiling of entry, entrepreneurial types often choose to test their food concepts on the street before investing in a costly restaurant. Even so, building the business can be a bit of a crawl.



Photo courtesy of the Cinnamon Snail

#### Scaling at a snail's pace

"You don't just pull up to a curb and start making money," says Sobel. "There's a lot more that goes into it." He's right. On the surface it may seem like a cut and dry operation: a food truck parks and starts cooking. But food truck owners have to deal with obtaining pricey permits, truck maintenance and insurance, finding public or private parking spaces, storage spaces, prep kitchens, employee licenses, staff salaries, ingredient costs and more. To open your window will take months and can cost upwards of \$125,000.

#### YOU MAY ALSO LIKE

Scaling his business took time, and even when Sobel's trucks became successful, operational costs remained high. "The first truck we opened was in 2010 and it took a while to build up," says Sobel, who's 34. "March 2015 was our last day running the trucks regularly with a citywide permit. We had been like every other food truck in the city, renting a permit on the black market. It ended up being really difficult to make money like that."

Sobel's trucks were just a few among the many that stopped selling due to operational costs and strict New York City regulations. A 2012 New York Supreme

Court ruling upheld a regulation enacted during the 1950s; Title 34, Rules of the City of New York section 4-08(h)(8) of the city's Department of Transportation traffic rules states that "No peddler, vendor, hawker or huckster shall park a vehicle at a metered parking space for purposes of displaying, selling, storing or offering merchandise for sale from the vehicle." Ultimately, the judge's decision gave the NYPD the power to ticket, fine, tow or shut down food trucks selling at metered locations, and because most of the city is metered, many trucks drove away for good.

Sobel used this time off the streets to restructure his business. When he relaunched the Cinnamon Snail, he opened with a new plan. He would work private events, begin catering, open in a food hall, and start parking his truck on private property, operating it only a couple days a week. This year, he's on track to pull in \$1.8 million in sales. "If the city changed the way they regulated food trucks, I'd be back to having trucks on the street in no time," says Sobel.



Photo courtesy of the Cinnamon Snail

#### Fighting for food truck owners

At peak popularity, food trucks in New York numbered around 200, not accounting for pushcart vendors (like roasted nuts and hot dogs) and ice cream trucks. But today, that number has been cut in half. With a finite number of costly permits, a somewhat rocky relationship with restaurants and vocal opponents (arguing that they are visually unappealing and create street congestion), advocacy groups are doubling down on their support to food truck owners in New York and nationwide.

Sean Basinski, director of the Street Vendor Project in New York, says among the many operational challenges food truck owners face, securing the right to work in the first place is the most pressing, followed by long delays to get employees certified to work. "In the early 1980's the city imposed a cap on vendor permits, up to 4,000, and it hasn't changed since, which makes it impossible to get a permit of your own," says Basinski. "If you don't want to wait 20 years, you have to go onto the black market which is expensive and risky and filled with intrigue."

New York Citywide vending permits obtained on the black market can go for \$20,000 to \$25,000 and last for two years. Basinski notes that his organization, which boasts nearly 2,000 merchant members, has been making progress in the last two years, trying to get City Hall to lift vendor caps and thus allow the health department to issue more permits.

While it's well-known in the industry that New York has long been the toughest place to start a food truck, other emerging markets, like smaller to medium-sized cities, are only now experiencing growing pains in the form of regulatory delays and pushback from local communities.

Many cities are currently debating food vending permits, creating special zoning regulations and discussing proximity bans for the first time. So far, progress across the board has been uneven. For one, last week, the city council of Tuscaloosa, AL, a town with a population of 100k, passed a resolution allowing food trucks to operate in two zones of the city's downtown area. Tuscaloosa trucks must also be parked, with the owner's permission, on private property and be at least 200 feet from a brick and mortar restaurant.

Food trucks in Missoula, MT, a city of 70,000 people, are a bit further ahead, with over two dozen mobile vendors. The process for obtaining permits to operate in Missoula is reportedly pretty easy. Hilton Head, with a population of 40,000, is in the midst of a debate about whether to allow trucks to sell in the South Carolina vacation town. Those arguing for food trucks say they can bring new energy and options to the food scene. Critics say that the trucks could hurt area restaurants and worry that their transient nature isn't community-minded.

Matt Geller, a board member at the National Food Truck Association (NFTA), is one industry expert offering support and counseling for food truck owners across the country as they battle city councils for fair treatment and regulations. "The issue with a new industry is there aren't a lot of resources out there," he says. "All these trucks are fighting for their rights."

The NFTA is made of 17 local member associations representing vendors in Washington D.C. and San Antonio, TX, among others, and it's in the midst of bringing on five new groups. Geller says he uses "blunt force advocacy" and has been "brutal on Twitter to elected officials" in order to effect change. "In smaller cities, these people hate me right now," he admits. Regardless of NFTA's tactics, its effort have paid off: over a three year period it sued 13 cities over proximity bans and outright bans of food trucks and won them all, settling outside of court.



Photo courtesy of Farmtruk

#### Finding a fit in the food industry

The "beginning" of the food truck craze is often pegged on the launch of Kogi Barbecue in Los Angeles in 2008, popular for its Korean-Mexican fusion. In the eight years since, food trucks like Sobel's have made an indelible footprint on the industry at large. According the National Restaurant Association, 2016 restaurant sales will reach \$782.7 billion. Food trucks, by comparison, are a small, but slowly growing slice of the pie. A representative at Emergent Research stated that, as projected in 2012, food trucks are on track to be a \$2.7 billion dollar industry by 2017.

Market research conducted by IBISWorld found that while the industry is indeed growing, it's also becoming saturated and its progress is impeded by red tape:

"Despite strong performance...high competition and unfavorable regulatory conditions in some cities have limited the growth of industry vendors." Its September 2015 report predicts that industry establishments will grow 0.4% per year, numbering 4,336 in 2020.

With so many continuously evolving regulations and logistical delays, what's the appeal of opening a food truck instead of a regular brick and mortar restaurant?

For many, its lower ceiling of entry and entrepreneurial aspirations play a role. "I wanted to be my own boss, so if I could do it on a smaller scale with food trucks, I could get my food out there and my name as a chef," says 29-year-old Samantha Mitchell, a veteran sous chef at steakhouse Annie Gunn's. The St. Louis native opened her food truck, Farmtruk, for \$40,000 back in April and ultimately she wants to open her own a restaurant. But first she's testing the waters with her farm-to-table menu.

"I wish the city had better information about codes for getting your truck up and running," she says. "Information is hard to get because the minute you get it, it's out of date." Nevertheless, she believes her city and others are making progress through the regulatory confusion. "I think the city is getting there." "The more young people moving into the city, the more progressive it'll get," she says.



Gallery: 8 U.S. States With The Most Food Trucks

9 images

View gallery →

I'm associate editor for Forbes' 30 Under 30 list and vertical. I also write about food, startups and entrepreneurs. I studied English Literature and History at Colgate University and spent some time at CNBC and the Syracuse Post-Standard. Email me at nsportelli@forbes.com.

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#### Institute for Justice

### Judge Finalizes Victory for Louisville Food Trucks



Press Release | June 18, 2018

Andrew Wimer

Assistant Director of Communications

Louisville, Ky.—Today, Judge David J. Hale of the U.S. District Court for the Western District of Kentucky entered a consent decree that ends a months-long legal battle between Louisville's innovative food truck businesses and Louisville Metro. The consent decree is enforceable through the federal court's contempt powers and will ensure that Louisville's food trucks are treated fairly.

The fight began last summer, when the Institute for Justice (IJ) filed a federal lawsuit on behalf of Troy King and Robert Martin, two Louisville food truck owners who were forced out of vending locations under a law that prohibited food trucks from operating within 150 feet of restaurants or other eating establishments that served similar food. Louisville Metro Council repealed the 150-foot ban on March 21 in response to IJ's lawsuit.



This newly entered consent decree prohibits Louisville Metro from reinstituting the 150-foot ban on food trucks or implementing any similar "proximity restrictions" in the future. It also blocks the government from singling out food trucks for treatment different from other commercial vehicles and requires the removal of all variations of the infamous "No Food Trucks" signs across the city.

Louisville Metro must also post the consent decree on its website to ensure full transparency for Louisville's hardworking taxpayers and business owners.

"This consent decree is the final chapter in the months-long fight to vindicate the economic liberty rights of Louisville's food truck entrepreneurs," said IJ attorney and lead counsel, Arif Panju. "With the consent decree entered, Louisville Metro can focus on encouraging the entrepreneurship of street vendors, not try to hurt them by playing favorites."

The consent decree is a major victory not just for Troy and Robert, but for all of Louisville's mobile vending community, which is now free to grow or fail because of customer choice, instead of government interference.

#### WATCH A SHORT VIDEO ABOUT THE CASE

IJ attorneys based their lawsuit on the landmark 6th U.S. Circuit Court of Appeals ruling, <u>Craigmiles v. Giles</u>. In <u>Craigmiles</u>, the 6th Circuit—which includes Kentucky—ruled that it is illegitimate for the government to restrict fair economic competition in order to give special favors to a politically connected business. Louisville's 150-foot ban only existed to give special protection to brick-and-mortar restaurants.

"Louisville did the right thing by agreeing to eliminate its unconstitutional ordinance and promising never to pass something similar. But that agreement occurred only after they were haled into federal court," said IJ senior attorney Rob Frommer, who directs IJ's National Street Vending Initiative. "Other cities and states don't have to wait to do the right thing. The National Street Vending Initiative is ready to help government leaders write sensible rules that allow innovative businesses to flourish and add to their communities."

Item Number: 8.D.

Meeting

Date:

11/6/2018

Item Type:

**BUSINESS** 

### AGENDA REQUEST FORM



Community Redevelopment Agency

#### TITLE:

Final Budget Amendment for FY 2018

#### **SUMMARY:**

The amendment increases the Community Redevelopment Trust Fund by \$53,403.

The amendment will be included in the City's budget amendment. The public hearing will be heard on November 19, 2018.

#### **ADDITIONAL INFORMATION:**

Requested Action:

Approve the budget amendment as presented

#### ATTACHMENTS:

	Description	Type
D	CRA Final Budget Amendment for FY 2018	Backup

CRA Resolution 3-18

Backup Material
Backup Material

#### CITY OF CAPE CORAL FY 2018 AMENDED BUDGET - FUND LEVEL SUMMARY Community Redevelopment Trust Fund

	AMENDMENT BUDGET #1 ORD 29-18		BUDGET #1 BA #2		BA #2 (DECREASE)		IENDMENT UDGET #2 PRD 74-18
COMMUNITY REDEVELOPMENT TRUST FUND							
SOURCES  Balances brought forward  Revenues:	\$	156,634				\$	156,634
Ad Valorem Taxes Charges for Service		822,594 -					822,594
Miscellaneous Interfund Transfer		5,700 1,317,385	53,40	)3			5,700 1,370,788
Total Community Redevelopment Trust Fund Sources	\$	2,302,313	\$ 53,40	3 \$	-	\$	2,355,716
USES Personnel, Operating, Capital Expenditures Debt Service	\$	349,491				\$	349,491
Transfers Out Reserves		1,952,822	53,40	)3			1,952,822 53,403
Appropriations & Reserves Community Redevelopment Trust Fund	\$	2,302,313	\$ 53,40	3 \$	-	\$	2,355,716

#### CRA RESOLUTION 3 - 18

A RESOLUTION OF THE CAPE CORAL COMMUNITY REDEVELOPMENT AGENCY AMENDING RESOLUTION 2-17 WHICH ADOPTED THE BUDGET FOR FISCAL YEAR 2018, AS AMENDED BY RESOLUTION 1-18; AUTHORIZING AMENDMENTS; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Cape Coral Community Redevelopment Agency (the "CRA") adopted a budget for the CRA's Fiscal Year beginning October 1, 2017 and ending September 30, 2018; and

WHEREAS, the Community Redevelopment Agency desires to amend its Operating Budget for Fiscal Year 2018.

NOW, THEREFORE, BE IT RESOLVED BY THE CAPE CORAL COMMUNITY REDEVELOPMENT AGENCY BOARD OF COMMISSIONERS:

SECTION 1. Resolution 2-17 of the Cape Coral Community Redevelopment Agency, which adopted the Fiscal Year 2018 Operating Budget as amended by Resolution 1-18, is hereby amended as detailed in Exhibit A, which is attached hereto and incorporated herein by reference.

SECTION 2. This resolution shall take effect immediately upon its adoption by the governing board of the CRA.

ADOPTED at a regular meeting of day of	f and by the Cape Coral Community Redevelopment Agency this , 2018.
	CAPE CORAL COMMUNITY REDEVELOPMENT AGENCY
	By:STACIA LEE LOMONACO CRA Chairperson
VOTE OF BOARD OF COMMIS  LOMONACO BIONDI ST. PETER KEIM GEBHARD	SIONERS:
	ATTEST:
	By:  JOHN SZERLAG  CRA Executive Director

APPROVED AS TO FORM

BRIAN R. BARTOS

ASSISTANT CITY ATTORNEY

CRA FY18 Budget Amendment #2

### **EXHIBIT A**

#### **SUMMARY OF FY 2018 AMENDED BUDGET** CRA

FY 2018 Amended Budget Ord. Additional Sources/Uses FY 2018 Amended Budget Ord.	\$ 2,302,313 53,403 2,355,716		
WHERE THE MONEY COMES FROM			
Additional Sources			
Balances Forward		\$	-
New Revenue			
Ad Valorem Taxes	-		
Intergovernmental Funds (Grants/Shared Revenue)	-		
Miscellaneous	-		
Fines & Forfeits			
Subtotal Revenue			-
Other Financing Sources	50.400		
Interfund Transfers (In)	53,403		
Debt Proceeds			E2 402
Subtotal Other Financing Sources		Ф.	53,403 53,403
Total Additional Sources FY 2018 Amended Budget		\$	55,405
HOW THE SOURCES ARE DISTRIBUTED			
Additional Uses			
Expenditures			
Personnel	-		
Operating	-		
Capital Outlay	-		
Debt Service	-		
Transfers Out			
Subtotal Expenditures		\$	-
Other Financing Uses			
Interfund Transfers (Out)			-
Reserves			53,403
Total Additional Uses FY 2018 Amended Budget		\$	53,403

### **EXHIBIT A**

#### CITY OF CAPE CORAL FY 2018 AMENDED BUDGET - FUND LEVEL SUMMARY Community Redevelopment Trust Fund

	AMENDMENT BUDGET #1 ORD 29-18		BUDGET #1 BA #2		BA #2 (DECREASE)	В	JENDMENT JDGET #2 PRD 74-18
COMMUNITY REDEVELOPMENT TRUST FUND							
SOURCES	\$	156,634				\$	156,634
Balances brought forward Revenues:	Ψ	150,054				Ψ	100,004
Ad Valorem Taxes		822,594					822,594
Charges for Service		-					-
Miscellaneous		5,700					5,700
Interfund Transfer		1,317,385		53,403			1,370,788
Total Community Redevelopment Trust Fund Sources	\$	2,302,313	\$	53,403	\$ -	\$	2,355,716
USES							
Personnel, Operating, Capital Expenditures	\$	349,491				\$	349,491
Debt Service		1,952,822					- 1,952,822
Transfers Out Reserves		1,902,022		53,403			53,403
Appropriations & Reserves Community Redevelopment Trust Fund	\$	2,302,313	\$	53,403	\$ -	\$	2,355,716

Item Number: 8.E.

Meeting

Date:

11/6/2018

Item Type:

**BUSINESS** 

### AGENDA REQUEST FORM



Community Redevelopment Agency

#### TITLE:

Request approval for the Executive Director to execute a contract with RMA to piggyback on Mt. Dora CRA Redevelopment Plan/Sunset Date Extension Amount: \$44,000

#### SUMMARY:

#### **ADDITIONAL INFORMATION:**

#### ATTACHMENTS:

Description

Type

Mt Dora's Redevelopment Plan Backup Material

#### ORDINANCE NO. 2018-17

- AN ORDINANCE OF THE CITY OF MOUNT DORA, FLORIDA, AMENDING THE NORTHEAST COMMUNITY REDEVELOPMENT PLAN; TO EXTEND THE SUNSET DATE TO AUGUST 15, 2049; APPROVAL OF THE REDEVELOPMENT PLAN OF 2018; PROVIDING FOR LEGISLATIVE FINDINGS; PROVIDING FOR IMPLEMENTING ADMINISTRATIVE ACTIONS; PROVIDING FOR CONFLICTS; SEVERABILITY; AND SETTING AN EFFECTIVE DATE.
- WHEREAS, under Florida Statutes, Chapter 163 Part III, local governments are able to designate areas as Community Redevelopment Areas when certain conditions exist; and
- **WHEREAS**, on August 15, 1989, the City Council approved Resolution 89-19, which created the Northeast Community Redevelopment Agency (Northeast CRA), declaring a findings of necessity; and
- **WHEREAS,** the City Council of Mount Dora adopted Ordinance No. 546 on April 3, 1990, pursuant to the requirements of the Community Redevelopment Act of 1969, F.S. Section 163.330; and
- WHEREAS, the City Council or Mount Dora enacted Ordinance No. 2010-08, on August 3, 2010 amending Ordinance No. 546 which adopted the Northeast Community Agency Redevelopment Plan 2010; and
- WHEREAS, Northeast Community Redevelopment Agency will sunset on August 15, 2019, if the plan is not updated and the sunset date is extended from August 15, 1989 to August 15, 2049; and
- WHEREAS, the City of Mount Dora's Northeast Community Redevelopment Agency is charged with redevelopment activities to sustain and enhance the commercial tax base and create marketing programs, improve affordable housing and neighborhoods, develop commercial areas and commerce, and revitalization programs; and
- WHEREAS, Northeast Community Redevelopment Agency is responsible for developing and implementing the Community Redevelopment Plan that addresses the unique needs of the targeted area. The plan includes the overall goals for redevelopment in the area, as well as identifying the types of projects planned for the area; and
- WHEREAS, under Florida Law a Community Redevelopment Agency may have a maximum life of sixty years. The Northeast Community Redevelopment Agency wishes to extend the agency for its maximum life to allow for projects in the area to be funded and completed; and
- WHEREAS, on February 16, 2018 the City and the Northeast CRA issued RFP# 18-GS-006-Northeast Community Redevelopment Agency Plan Update and Extension of Sunset; and
- WHEREAS, the Redevelopment Plan of 2018 includes a focus on redevelopment goals, objectives and policies that included but are not limited to community recreation center, storm water

**WHEREAS,** notification of the Northeast Community Redevelopment Agency Redevelopment Plan 2018 update was provided to the taxing authorities pursuant to Florida Statutes 163.346; and

**WHEREAS**, the Mount Dora Northeast Community Redevelopment Governing Board on September 13, 2018, approved Resolution No. 2018-134, for approval of the Northeast Community Redevelopment Agency Redevelopment Plan of 2018.

### NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF MOUNT DORA, FLORIDA, AS FOLLOWS:

#### **SECTION 1.** Recitals/Findings Adopted.

- (a). The above recitals (whereas clauses) are hereby adopted by the City Council of the City of Mount Dora and made a substantive part of this Ordinance.
- (b). The City has taken all appropriate and required action necessary to the processing and approval of this Ordinance.
- <u>SECTION 2. Legislative Findings and Intent</u>. The City of Mount Dora City Council has complied with all requirements and procedures of the Florida Law in processing this Ordinance. The above recitals are hereby adopted.
- SECTION 3. Implementing Administrative Actions. The City Manager and/or designee is hereby authorized and directed to take such actions as he may deem necessary and appropriate in order to implement the provisions of this Ordinance. The Northeast Community Redevelopment Agency Redevelopment Plan of 2018 shall be adopted and administer the redevelopment actives as contained in Exhibit "1". The City Manager as deemed appropriate, necessary and convenient, delegate the powers of implementation as herein set forth to such City employees as deemed effectual and prudent.
- <u>SECTION 4. Savings Provision.</u> All prior actions of the City of Mount Dora pertaining to Community Redevelopment Agency, as well as any and all matters relating thereto, are hereby ratified and affirmed consistent with the provisions of this Ordinance.

#### SECTION 5. Non-Codification and Scrivener's Errors.

- (a). This Ordinance shall be not codified in the Mount Dora Code of Ordinances and Land Development Code and all other sections shall not be codified.
- (b). Typographical errors and other matters of a similar nature that do not affect the intent of this Ordinance, as determined by the City Clerk and City Attorney, may be corrected with the endorsement of the City Manager, or designee, without the need for a public hearing.
- **SECTION 6. Conflicts.** All ordinances or part of ordinances in conflict with this Ordinance are hereby repealed; provided, however, that any code or ordinance that provides for an alternative

process to effectuate the general purposes of this Ordinance shall not be deemed a conflicting code or ordinance.

SECTION 7. Severability. If any section, sentence, phrase, word, or portion of this Ordinance is determined to be invalid, unlawful or unconstitutional, said determination shall not be held to invalidate or impair the validity, force or effect of any other section, sentence, phrase, word, or portion of this Ordinance not otherwise determined to be invalid, unlawful, or unconstitutional.

SECTION 8. Effective Date. This Ordinance shall become effective immediately upon enactment.

PASSED AND ADOPTED this 27 day of September 2018 Year.

MAYOR of the City of Mount Dora, Florida

ATTEST:

CITY CLERK

APPROVED AS TO FORM AND LEGALITY AS TO CITY OF MOUNT DORA.

AS CITY ATTORNEY

# EXHIBIT "1" Northeast Community Redevelopment Agency Redevelopment Plan of 2018

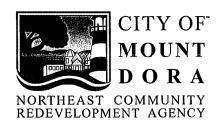
#### EXHIBIT #1

## City of Mount Dora

### Northeast Community Redevelopment Agency

### **Redevelopment Plan of 2018**





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#### **Executive Summary**

This Northeast Community Redevelopment Agency (CRA) Redevelopment Plan will serve as a road map and provide guidance for implementation of redevelopment strategies in the Northeast CRA area. These redevelopment strategies are about driving revitalization by improving economic conditions and quality of life. Every community has a different investment threshold based on the influence of the five key economic development drivers Land, Labor, Markets, Capital, and Regulation.

A market study of the Northeast CRA area was completed and an analysis of demographics, existing businesses, potential for new businesses, recreational facilities, and consumer trends were highlighted. Recommendations and implementation strategies were determined to enhance the community's brand and events. Stakeholder input was collected through online surveys, one-on-one meetings, and multiple public workshops. Throughout the public input process, Northeast CRA residents expressed the need for neighborhood improvements to housing, infrastructure, and recreational assets. These neighborhood improvements align with the Northeast CRA Advisory Boards priority areas of affordable housing, stormwater upgrades, and new community recreation center.

The Northeast CRA Plan provides recommended strategies and initiatives to revitalize the area, provide for business retention and expansion, and market the uniqueness of the Mount Dora Northeast area. The goal of the revitalization is to bring a new and improved dimension of the quality of life offered by the area, which directly influences new development and jobs in the area.

As part of this plan, RMA evaluated potential funding sources besides TIF, such as public private partnerships and other sources, which are included in the plan. Additionally, the potential impacts of future redevelopment on the residential neighborhoods in the redevelopment areas is discussed. These include relocation of displaced businesses and residents, traffic circulation, the availability of community facilities and services, and the effect on schools.

#### Plan Approach

The redevelopment goals for this plan, which are intended to reduce and eliminate the blight conditions that exist in the redevelopment area, is organized in five sections to drive the increment revenue necessary for plan implementation.

#### **Economic Development**

- Goal #1: Establish a multi-purpose Community/Recreation Center in the Northeast CRA
- Goal #2: Incorporate cultural arts, education, and recreational events as critical components of Economic Development
- Goal #3: Reposition the Northeast CRA market through branding, marketing, and wayfinding
  initiatives to recruit targeted uses/industries, retain businesses and improve quality of life
- Goal #4: Create workforce programs, job training programs, and partner with local Northeast CRA businesses to establish job training program for Northeast CRA residents
- Goal #5: Create a thriving Grandview Business District through public-private partnerships to encourage quality retail, restaurant, housing, and community facilities

#### Connectivity

- Goal #1: Improve pedestrian and bicyclist connectivity
- Goal #2: Enhance existing school, park, and trail connectivity
- Goal #3: Incorporate traffic management elements for pedestrian safety
- Goal #4: Improve transit amenities and connectivity along bus route
- Goal #5: Incorporate the Mount Dora Trails Master Plan

#### Infrastructure

- Goal #1: Coordinate roadway, sidewalk, landscaping, infrastructure, open space and community enhancement improvements
- Goal #2: Stormwater Improvements

#### Neighborhoods

- Goal #1: Work with the private sector to create a "healthy mix" of affordable, workforce, and market rate housing
- Goal #2: Work with local, state, and federal entities and their affordable housing partners to encourage development of affordable and workforce housing
- Goal #3: Create Life Safety program for owner-occupied housing
- Goal #4: Partner with non-profit organization that offers first time home buyer education
- Goal #5: Increase Northeast Community Policing efforts

#### **Redevelopment Support**

- Goal #1: Encourage and support redevelopment-friendly land use regulations in the CRA
- Goal #2: Use powers of borrowing and land acquisition & disposition to further redevelopment goals and initiatives
- Goal #3: Provide economic incentives and other support for projects that further redevelopment goals and initiatives
- Goal #4: Identify and pursue resources for successful implementation of CRA plan initiatives

#### **Opportunity**

There are specific catalytic projects and programming the Northeast Community Redevelopment Agency can collaborate on and support to reposition the area for investment and revitalization.

- 1. <u>Dora Landings:</u> Dora Landings is a market rate residential development with 129 homes. This project is noteworthy given the number of new residents it will bring to the Northeast CRA area. Its proximity to the Grandview Business District and neighborhood recreational parks and facilities enhance the quality of life. The proximity to downtown Mount Dora shopping, dining, and employment is another important quality of life factor.
- 2. <u>Strategic Sites:</u> The Northeast CRA should work with key property owners to facilitate investment and redevelopment or expansion of their properties. Certain parcels may require rezoning to allow new use, higher density, or a mix of uses.

- 3. <u>Public Private Partnerships (P3):</u> The most significant and immediate opportunity to influence economic development activities within the Northeast CRA is to partner with existing land owners and developers. Developers have already identified opportunity for residential development in the Northeast CRA. Having families with increasing incomes will support new commercial development. As the neighborhood expands there is an opportunity to utilize city owned land in partnership with private land owners.
- 4. <u>Image and Identity</u>: The CRA should immediately embark on an effort to reposition the Northeast CRA area's image in the minds of customers and potential investors. This effort should capitalize on location and the assets (such as food) that are identified in this plan with a focus on business attraction, retention and expansion. This effort should work in partnership and be consistent with other regional efforts while also maintaining a unique Northeast CRA brand. The Northeast CRA has already began branding the historic Grandview business district with a pole banner campaign that highlights residents and business owners.
- 5. <u>Transit Oriented Development:</u> The Northeast CRA should prioritize on low scale medium density Transit Oriented Development (TOD) in the corridor, especially at the locations along N Grandview St, N Highland St, Limit Ave (becomes Wolf Branch Rd east of US Highway 441), and US Highway 441that have opportunity for development and which connect to Downtown Mount Dora (south along N Grandview St and N Highland St, and north to Limit Ave), Tavares (west along Limit Ave and east to US Highway 441), Sorrento (east along Limit Ave), and Orlando (south along US Highway 441).
- 6. Wolf Branch Innovation District: The Northeast CRA has an opportunity to capitalize on the development of the Wolf Branch Innovation District. With a new student population in Lake-Sumter State College, new businesses, and multifamily units entering the market will all positively influence regional economic growth. The completion of the Wolf Branch Innovation District will positively affect the regional Lake County market demand. In the Northeast CRA, Dora Landings will provide new housing opportunities and increase density. Partnerships are a critical piece of implementing this plan. This includes partnerships with the local stakeholders and destinations as well as with surrounding and nearby attractions and other organizations. The Northeast CRA should create strong partnerships with potential high employers coming to the Wolf Branch Innovation District and Lake-Sumter State College.
- 7. <u>Implementation</u>: The Northeast CRA should prioritize acquiring the resources that will enable implementation of this plan and provide the Northeast CRA with the ability to respond to opportunities as they arise.

- 8. <u>Grandview Business District:</u> Retail and restaurant market potential will be driven by branding of the Grandview Business District and realization of residential market potential. Residential development can drive the need for new office space, especially to serve locally generated employment and entrepreneurship. How a place looks and feels sends a strong message and first impression to potential investors whether they are new residents, businesses, entrepreneurs, real estate brokers or anyone else looking to become a stakeholder in the area.
- 9. <u>Community Identity:</u> Targeted wayfinding and signage programs are also important factors when creating a sense of place. Wayfinding should be easy to read and should highlight all the major destinations that a visitor to Northeast CRA might want to find. This signage approach also includes attractive gateway signs that are consistent with the brand identity of the area as well as external signage which targets and direct people to the assets and destinations in the district.

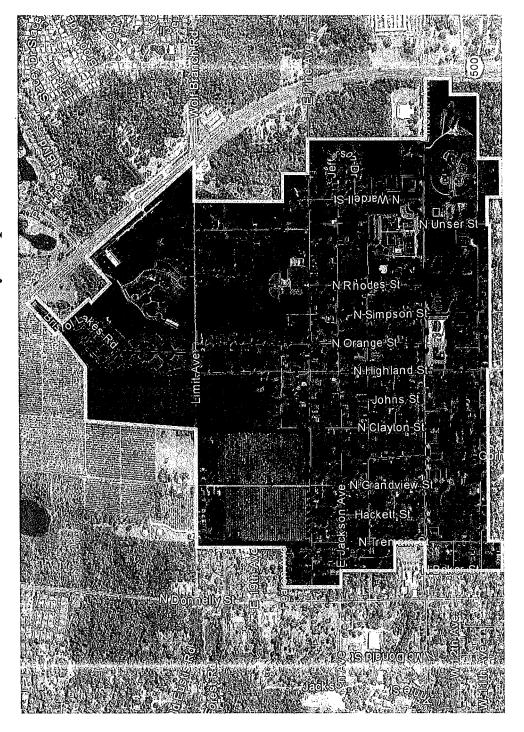
### Conclusion

Successful redevelopment is accomplished through the generation of Tax Increment Revenue, which is then reinvested into the area through the implementation of the Redevelopment Plan. The Redevelopment Plan should identify initiatives that will foster economic development which drives the growth of Tax Increment Revenue. This plan outlines objectives and provides implementation steps that will drive successful redevelopment and generation of increment revenue. Additionally, it identifies resources that are knowledge based, relationship based, and financial, which are important elements of successful implementation. Finally, it also includes a discussion on exit strategies and measures, so that the Northeast CRA can track progress toward the redevelopment goals.

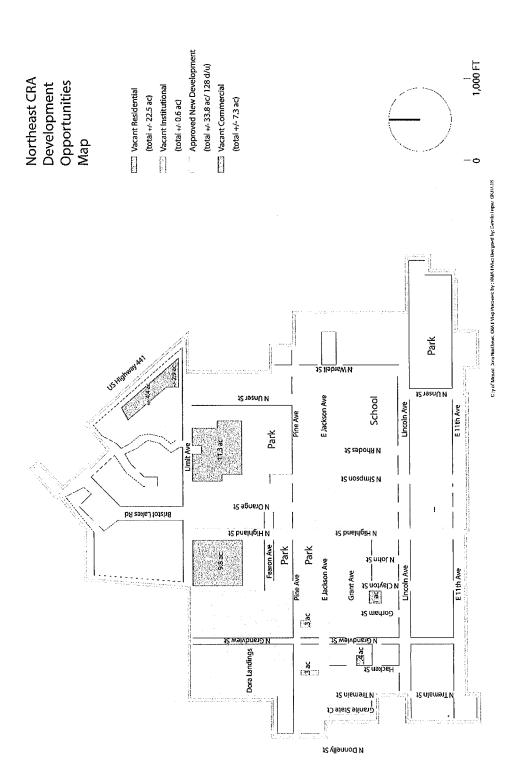
### Amendment to CRA Plan

The Mount Dora CRA established on	August 15, 1989 by Resolution 89-19 is amending the CRA Plan and
thus extending the Agency for an ad	lditional 30 years with an extension period from 2019 to 2049. This
amendment to the Plan is allowed in	FS 163, and was adopted by the Commission on,
201, by Ordinance	. The effect of the amendment provides an additional 30 years to life
of the CRA as provided by State Stat	utes.

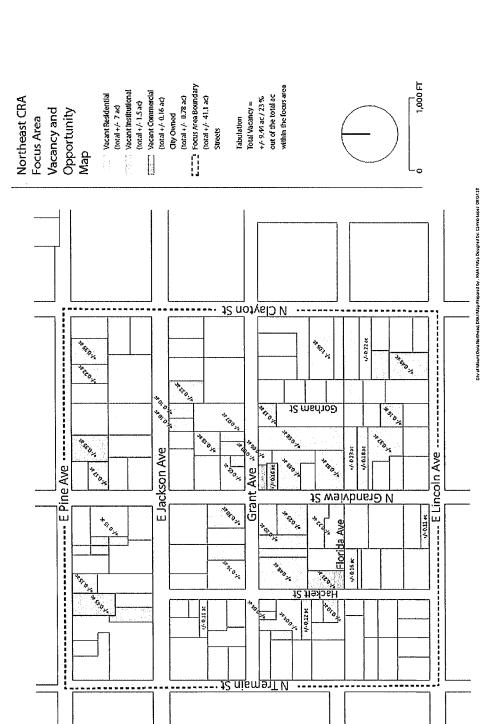
# Northeast CRA Boundary Map



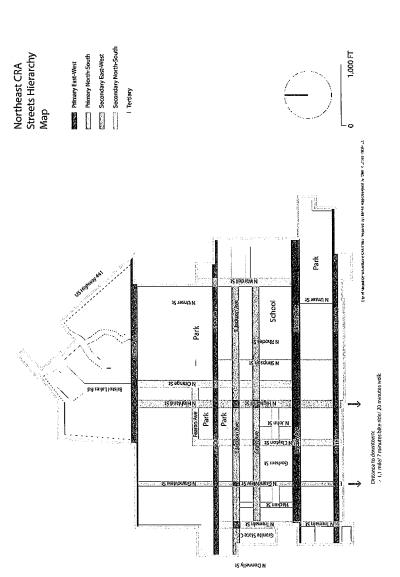
of the City. Generally, it is bounded by the US Highway 441 to the east, Limit Avenue to the north, N Tremain Street to the The Northeast CRA encompasses approximately up to four hundred and forty (440) acres of land on the north eastern center west, and W 11th Ave to the south.



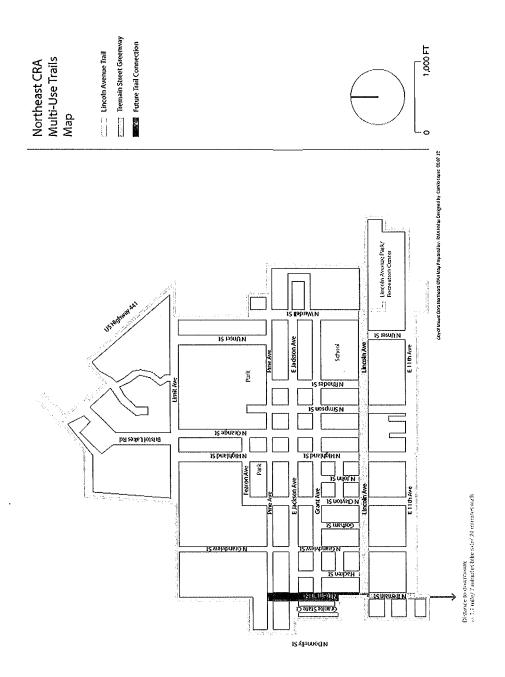
the Northeast CRA boundary. There are many vacant residential properties, followed by vacant commercial, and vacant The purpose of the Northeast CRA Development Opportunities Map is to highlight large development opportunities within institutional. The Northeast CRA can look at these sites and sculpt its physical outcome into cohesive developments that will enhance the urban fabric, community identity, City, and private sector.



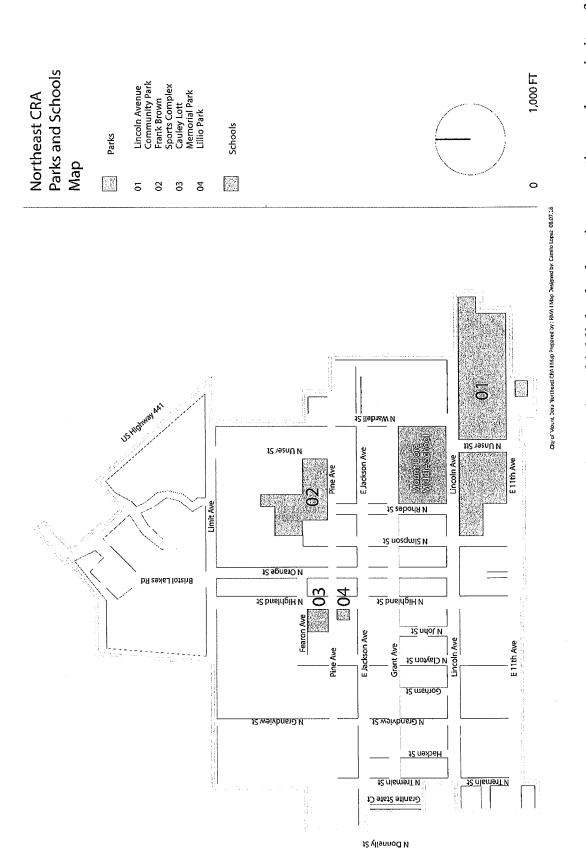
developable land around Grandview St. There is an opportunity to assemble parcels along Grandview between Florida Ave In addition, there is a possibility to provide an easement/ ROW east-west access from Clayton St to Grandview St connecting The purpose of the Northeast CRA Focus Area Vacancy and Opportunity Map is to highlight the number of potential to Florida Ave, this could take form of a shared-street pedestrian priority passageway with boutique local shops and restaurants and Grant Ave and develop medium density residential units (townhouses), live/work spaces, and neighborhood commercial. facing it.



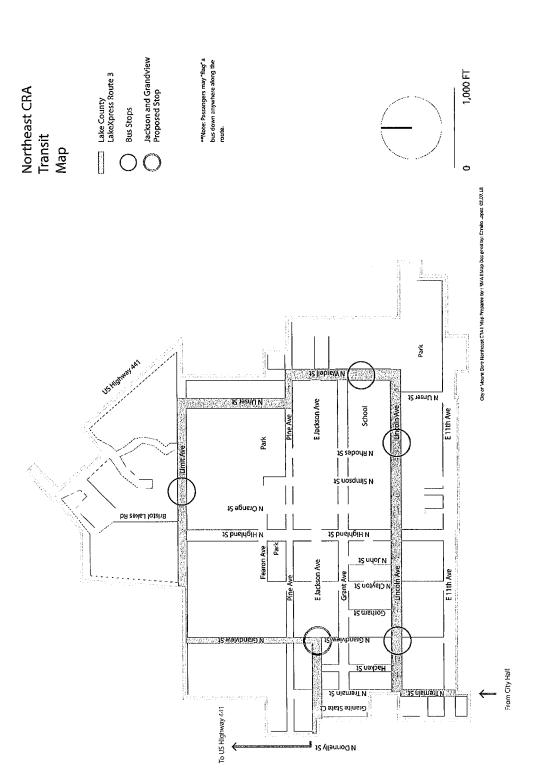
The purpose of the Northeast CRA Streets Hierarchy Map is to highlight and prioritize pedestrian, bicycle, vehicular, and transit circulation and mobility. It is intended that Northeast CRA puts special attention to the north-south and east-west connections in terms of improving sidewalks, tree canopy coverages, street furnishings, bicycle lanes, traffic calming techniques, wayfinding elements, and unique community identity. Primary east-west connections play a crucial role in connecting the adjacent residential neighborhoods to parks and schools, therefore these streets shall incorporate elements of safe routes to school programs. Primary north-south connections connect the Northeast CRA to Downtown Mount Dora via Grandview Ave and Highland St, therefore providing alternative mobility options, such as wider sidewalks and bicycle lanes is important. Secondary connections will require more of a residential neighborhood character street with less infrastructure needed, however it shall feel safe for the pedestrian and bicyclists, such as, a shared-use street strategy.



The purpose of the Northeast CRA Multi-Use Path Map is to highlight the connection between the Lincoln Avenue Trail and Tremain Street Greenway and how they fit into context. The multi-use trails planned by the City will connected residents to the Lincoln Avenue Park/ Recreation Center, Mount Dora Middle School, Grandview St, and Tremain Street Greenway all the way to Downtown Mount Dora. These two roads shall provide adequate pedestrian and bicycle infrastructure.



The purpose of the Northeast CRA Parks and Schools Map is to highlight the location, quantity, and proximity of public facilities within the district. It is important for quality of life purposes and to improve its connectivity. Streets leading to schools and parks should be improved and payed special attention to.



The purpose of the Northeast CRA Transit Map is to highlight Lake County LakeXpress Route 3 circulation throughout the It is recommended that this route adds a new bus stop at the intersection of N Grandview St and E Jackson Ave, since a new district. The Northeast CRA should pay special attention to the streets and improve bus stop amenities to incentivize ridership. development is projected to take place there (Dora Landings) and its direct connection to Grandview Business District.

### **Findings of Necessity Update**

Pursuant to the adopted Northeast CRA Redevelopment Plan of 2010 the following has been completed by the Northeast CRA:

### **Section 2.1 Housing**

- Established Northeast CRA Development/Building Fee Reimbursement Program

### **Section 2.2 Pedestrian Movement**

- Sidewalk improvements completed in front of schools

### Section 2.3 Multi-Use Trails

- Improvements completed to Lincoln Multi-use Trail

### **Section 2.4 Community Policing**

- Community Relations Officer assigned specifically to the Northeast community

### **Section 2.5 Property Redevelopment**

- Partnered with non-profit agencies such as Homes In Partnerships and Habitat for Humanity to make improvements to single-family owner-occupied low-income homes
  - o 51 applications reviewed for Weatherization
  - 13 residential projects completed

### **Section 2.6 Community Centers**

- Exterior and Interior improvements to the Martin Luther King (MLK) Center

### Section 2.7 Beautification and Enhanced Maintenance

- Park and Streetscape improvements to the Grandview commercial area
- Organized and executed Semi-Annual Beautification Day

### Section 2.8 Promotional Activities for Economic Development

- Organized and executed Juneteenth Festival
- Organized and executed Film Series
- Implemented Community Pride Banner campaign
- Adopted Northeast CRA Grandview Business District Analysis

### **Section 2.9 Administration**

- Additional City staff allocated to the Northeast CRA

### Section 2.10 Stormwater and Drainage

- Awarded Community Development Block Grant (CDBG) program to fund stormwater and drainage improvements in the community

### **Market Analysis**

### Land

The Northeast CRA area is generally bounded by Limit Ave on the north, E 11th Ave on the south, Baker and Tremain St on the west, and approaches US Highway 441 on the east. The total land area is 469 acres. An areas commercial real estate market is typically comprised of office, retail, industrial, and multifamily inventory. These four major real estate sectors provide a high-level overview of the existing commercial market and sector potential. In the Northeast CRA there is a limited amount of existing commercial real estate. The most prevalent sector within the Northeast CRA community is multifamily. The resurgence of the Grandview Business District is vital to the growth of commercial real estate in the community. According to Costar Group, a real estate information and marketing provider, there are two vacant commercial opportunity sites for sale within the CRA. These two sites are a combined 7.3 acres zoned commercial and adjacent to the Hampton Inn on US-441 Highway south to Limit Avenue. Currently in the Northeast CRA there is one proposed single-family development. The residential development Dora Landings is expected to bring 129 homes to the community.

### Labor

The Northeast CRA features a diverse workforce with majority of residents working within the Services Industry (49.3% of residents), Retail (14.3%), and Construction (13.1%). According to Environmental Systems Research Institute (ESRI) estimates, the Northeast CRA features a workforce of approximately 889. The Northeast area of Mount Dora is primarily made up of residential properties and is not a major employment area, however, regionally recognized businesses such as Ivory's Restaurant, Surgarboo's Bar-B-Que, and Hampton Inn call the area home. The top employment industries in the CRA are Education/Healthcare (21.5% of all available jobs), Arts/Accommodation/Food & Beverage (19.7%), Retail (18.4%) and Public Administration (13%). There are approximately 476 employees working within the Northeast CRA.

### **Capital**

In 2017, the Northeast CRA realized \$363,150 in total revenues, up from \$359,650 in 2016. The development of Dora Landing, 129 single family homes with wastewater and recreation areas near, will significantly enhance revenues for the CRA. The Northeast CRA offers various incentive programs that aim to enhance redevelopment efforts. The *Development/Building Fee Reimbursement Program* assists non-profit agencies in constructing affordable single-family, owner–occupied homes by offering up to \$25,000 per home is available for reimbursement of building, impact and other related fees. The *Weatherization Assistance Program (WAP)* is a partnership with the Lake Community Action Agency (LCAA) that seeks to make improvements to single-family, owner occupied low-income homes by offering funding to increase energy efficiency. The funding provided by Lake County Action Agency to achieve energy efficiency is capped at \$7,000 per home while The Northeast Redevelopment Agency covers an additional \$10,000 in qualifying repairs. In November of 2016, the Northeast CRA was awarded a \$750,000 Community Development Block Grant (CDBG) to assist with stormwater/infrastructure needs and the elimination of slum and blight.

### Markets

According to ESRI estimates, the population in the Northeast CRA is just under 2,000 residents. Since 2016, Median Household Income levels (\$41,967) have risen to 5.2%, Per Capita Income (\$21,080) has risen to 5.1%, and Median Housing Value (\$117,453) have risen to 8.3%. Residential housing vacancies have dropped from 18.4% to 17.9% during the same time period. A challenge for the Northeast CRA area remains education levels, as the percentage of residents that lack a high a school diploma or equivalent education attainment in the Northeast CRA (21.7%) is far higher than the Mount Dora citywide rate of 11.1%.

### Regulation

Cities must provide a professional response with an expedited solution when looking to attract new investment to an area. A City can be proactive by providing predictable built scenarios that achieve the community's goals and aspirations, benefits private investors, and moves the initial stages along faster. Infill development in the CRA can help raise the tax base and surrounding property values. However, private developers cannot generate adequate returns on investment to justify the investment risk if the barriers for entry include prohibitive regulations requiring additional time and money. The regulatory staff must continue to work to encourage growth and facilitate development of the Northeast CRA area and fight any perception of non-responsiveness. In an attempt to address top resident and business owner concerns such as stormwater/drainage, lighting, and code enforcement the Northeast board has funded additional City staff. Northeast CRA staff has started Phase 1 improvements to current stormwater and drainage, changed mercury lights to LED lights, and implemented an online system where residents can report service issues in the community.

### Section 2.0 Objectives and Implementation

### 2.1 Economic Development

Economic development is building wealth in a community, encouraging economic growth, and improving quality of life. Several economic development initiatives are needed to eliminate conditions of blight within the Northeast CRA. Events, Branding, Public-Private Partnerships, Property Redevelopment, Job Training, and a local Community/Recreation Center will serve as economic drivers in the community. New investment in the Northeast CRA is needed to enhance quality of life for residents and increase the commercial tax base.

### **2.1.1** Events

Objective: To enhance quality of life for residents, retain existing businesses, and

attract new businesses that will enhance the commercial tax base. The Northeast CRA may develop programs that celebrate culture, promote existing businesses, and attract new businesses and visitors to the area.

Implementation: The Northeast CRA may utilize funds to develop, administer, and

market programs that celebrate culture, promote business retention, expansion, recruitment, and similar activities. The Northeast CRA may also partner with local organizations and non-profit organizations to

execute community events.

### 2.1.2 Branding

Objective: Create a area tagline that represents the Northeast community. Brand

and market all events held in the CRA area as Northeast CRA events. Build on the action words (Savory, Cultural, Connected, and Timeless) used in the Grandview Business District placemaking banner program.

Implementation: The Northeast CRA may use funds to develop create collateral that

promotes the Northeast CRA businesses, events, parks, historic

landmarks, and facilities.

### 2.1.3 Community/Recreation Center

Objective: To address the need for a community/recreation center in the Northeast

CRA. The community center should provide a gathering place for residents of all ages to partake in recreational activities. Community center use should include a computer lab, commercial kitchen,

recreation courts, and space for educational classes.

Implementation: The community center project can be accomplished through public-

private partnerships and funding from the Northeast CRA. All funding should assist in the design, construction, and operation of the community

center.

### 2.1.4 Property Redevelopment and Public-Private Partnerships (P3s)

Public Private Partnerships (P3s) are one of the most common ways that local governments participate in the real estate market to provide that catalytic effect. Public participation during revitalization efforts improves the investment profile and feasibility of projects that can improve market conditions and improve quality of life by enhancing convenience. There are many types of public private partnerships, but they are essentially opportunities for the public and private sectors to work together to provide a public service or benefit. These partnerships involve both real estate transactions, as well as the development of the project with private and public components and an ongoing operating agreement. Public Private Partnerships are key. Without a private developer partner the city would not be able to provide the public benefits that a project brings to the area, especially the positive impact on revitalization.

There are several benefits for a city to participate in a P3. A city can access new sources of capital that are available immediately. Since the private sector needs to realize a return on investment, project completion is usually expedited compared to a publicly managed project. A P3 leverages private expertise and it transfers risk to the party that's best suited to deal with that risk. Also, a P3 allows a city to promote economic development and revitalization through private sector investment opportunities that are catalysts for additional economic development and investment.

Objective:

Work with the private sector to identify and create public/private partnerships for commercial, residential, cultural, mixed-use, and aesthetics projects to realize redevelopment goals and increase the tax base to fund neighborhood improvements.

Implementation:

The Northeast CRA is authorized to enter into public-private partnerships for community benefit and could explore projects such as a community center, parking structures, mixed use developments, commercial developments, or other developments that fulfill the mission of the CRA.

### 2.1.5 Workforce and Job Training Programs

Objective:

Provide opportunities for workforce and employment by creating an environment that promotes the development of skills and education of residents. Stimulate new business activity, cultivate entrepreneurs of the future, attract new industry to the area, and create jobs, particularly for those residing in the redevelopment area and in the city.

Implementation:

Partner with workforce agencies to work with area businesses, and other private and public agencies, assist residents in finding jobs, especially through job fairs. Create partnerships with local businesses, educational, and vocational institutions to train residents of the Northeast CRA for jobs in the City.

### 2.2 Connectivity

The ability to connect people to places through various modes of travel help to create diverse, vibrant and healthy communities. A comprehensive transportation network system connects people whether they are pedestrians, bicyclist, drivers, public transit riders or any combination of these travel methods. The Northeast CRA area has a very walkable community grid. Important destinations such as neighborhood centers require good connectivity to attract people to support businesses as well as to help meet daily needs. A well balance transportation network helps reduce the reliance of automobile trips, lessoning the need to drive and alleviate traffic congestion, while strengthening community ties.

### 2.2.1 Mobility and Transit

Objective:

To address the presence of inadequate pedestrian improvements, create a network of safe and attractive sidewalks and other pedestrian and bicycle ways throughout the Northeast CRA. Coordinate with any new development to provide adequate pedestrian and bicycle connectivity.

Implementation:

Improvements may be accomplished by the Northeast CRA providing funding for the needs assessment, design, construction, permitting, and other related activities associated with the improvements. Improvements include stormwater, drainage, sidewalks, lighting, landscaping, signage, paving and restriping, and other associated appurtenances.

Public right-of-ways within the Northeast CRA district may be evaluated to determine the need for improvements and redesigned to meet design guidelines. Upon completion of needs assessment and preliminary engineering, areas and blocks can be prioritized and budgeted for construction.

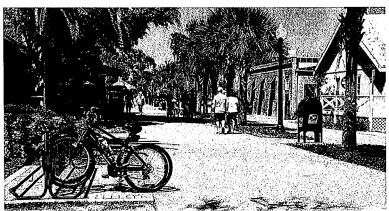


Figure 1:Pinellas County Trail Loop improves pedestrian and bicycle mobility

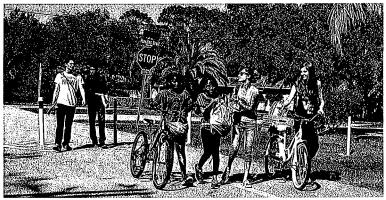


Figure 2:Pinellas County Trail Loop improves children's mobility to schools and parks

Objective:

To address and improve connectivity to and from schools, parks, and trails within the Northeast CRA. Provide adequate pathways for pedestrians, bicyclists, drivers, and transit riders. Create a safe route to schools program that will provide a safe walking and bicycling environment for children to schools.

Implementation:

Improvements of these pathways will follow design guidelines that increase sidewalk widths, improve crosswalk safety), enhance lighting and wayfinding, designate bicycle lanes, provide shade trees, and allow for aesthetic other enhancements. The Northeast CRA may provide funding for the needs assessment, design, construction, permitting, and other related activities associated with the improvements.

Objective:

To incorporate traffic calming elements throughout the Northeast CRA that provide a safer and more pleasant environment for pedestrians. Continue the existing brick paver design found at the Grandview St and Lincoln Ave intersection throughout the Northeast CRA. Identify additional areas of traffic calming needs within the Northeast CRA and the appropriate technique based on street context.

Implementation:

Improvements may be accomplished by the Northeast CRA providing funding for the needs assessment, design, construction, permitting, and other related activities associated with the improvements; these include speed bumps and humps, signage, pavement markers traffic circles, roundabouts, speed table (midblock), raised pedestrian crossings, raised intersection table, bulb-out extensions, bollards, pedestrian markings, crosswalk striping, painted intersections and other.

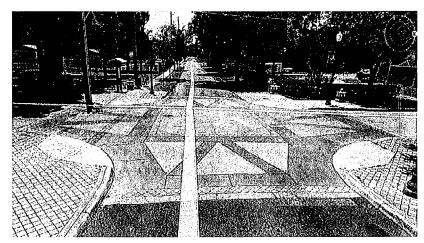


Figure 3: Grandview St and Lincoln Ave intersection

Objective:

To increase transit ridership throughout the Northeast CRA. Develop bus stop standards for residential neighborhoods.

Implementation:

Improvements may be accomplished by the Northeast CRA requesting funding from Department of Transportation (DOT) and other sources for the needs assessment, design, construction, permitting, and other related activities associated with the improvements; these include shelter, lighting, bench, trash can, bicycle racks, and route maps.



Figure 4: Lake County LakeXpress Public Transit System

### 2.2.2 Multi-Use Trails

Objective:

To improve inadequate traffic facilities, trails and facilities as designated in the *Mount Dora Trails Master Plan*. To incorporate design standards set on *Mount Dora Trails Master Plan* within the Northeast CRA.

Implementation:

Trail improvements may be completed by the Northeast CRA funding for or reimbursing the City for the design, construction, permitting, and other related activities associated with the trail improvements that are within the Northeast CRA district and designated in the *Mount Dora Trails Master Plan*.

The Northeast section of the Tremain Street Greenway has been completed. Additional trails and related facility improvements include, but are not limited to, the Lincoln Avenue Trail, and N Clayton St, Pine Ave, N Wardell St, N Usher St and E 11th Ave bicycle and pedestrian enhancements. Trail construction may require the purchase of private property and coordination with new development.

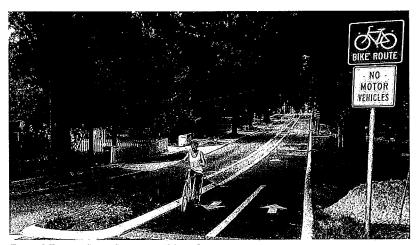


Figure 5:Tremain Street Greenway in Mount Dora

### 2.3 Infrastructure

It is important to coordinate all Northeast CRA, City, County, State & federally-funded infrastructure improvements. During the improvement process the Northeast CRA should push for best practice systems, resources, and providers. The Northeast CRA should continue moving forward with the upgrades to community stormwater and drainage systems. This improvement project will alleviate residential flooding and provide better systems that can support additional development projects.

### 2.3.1 Stormwater and Drainage

Objective:

To address the condition of inadequate stormwater and drainage infrastructure within the Mount Dora Northeast Community Redevelopment Area, the Northeast CRA may take action to improve stormwater and drainage infrastructure, design and construct improvements, and coordinate with the City to achieve these goals. The Northeast CRA shall identify critical flood areas within the Northeast CRA and prioritize improvements. Stormwater and drainage infrastructure within the Northeast CRA shall accommodate capacity to allow incremental growth.

Implementation:

Stormwater and drainage improvements may be accomplished by the Northeast CRA providing funding or reimbursing the City for needs assessment, planning and design, engineering and construction, permitting, and other related activities associated with the improvements. CDBG and other grants may be sought to provide funding. [Amendment Ord # 2016-18 Adopted on 5/17/2016].

### 2.4 Neighborhoods

The Northeast neighborhood is comprised of single family and multifamily residential areas that are connected through walkable street grids. Housing improvements are needed for existing housing stock and a variety of new housing product needs to be delivered in the Northeast CRA. Additional housing in a market creates diversity in housing types and attract new residents to the area. When building stronger neighborhoods, Community Policing is a crucial element. Within the Northeast CRA community relations personnel keep the neighborhood safe and gives law enforcement the opportunity to interact with the residents they protect and serve. As a way to enhance pride within a community it is important to reduce blighted areas through beautification efforts in public spaces, routine maintenance of streetscapes, and enhancements to the built environment.

### 2.4.1 Housing

Objective:

To address the need for affordable housing for low and moderate-income residents, the Northeast CRA can encourage the construction of new housing and rehabilitation of existing housing. Create a healthy mix for housing and income options that improves quality of life.

Implementation:

Affordable housing can be promoted by the Northeast CRA developing, administering, and funding incentive programs for affordable housing providers and/or property owners. The Northeast CRA will collaborate with other organizations through their established programs, including providing grants, loans, or in-kind services.



Figure 6:Affordable housing Cottages at Oak Park in Ocean Springs Mississippi

Objective:

To address the need to improve deteriorating housing conditions and to improve the energy efficiency of housing, the Northeast CRA can encourage improvements to housing, including repairs for code violations, weatherization, façade renovations and painting, front yard landscaping, shade trees/ canopies that would lower A/C usage, solar panels and other energy efficiency improvements.

Implementation:

Housing improvements can be facilitated by the Northeast CRA developing, administering, and funding incentive programs for affordable housing providers and/or property owners. The Northeast CRA will collaborate with other organizations through their established programs, including providing grants, loans, or in-kind services. The Northeast CRA shall assist affordable housing providers and/or property owners with information on different improvements and programs.

Objective:

To facilitate in home renovations for owner occupied units and to improve building conditions within the Northeast CRA. The Northeast CRA can encourage improvements to owner occupied homes, including façade renovations and painting, front yard landscaping, shade trees/canopies that would lower A/C usage, solar panels, roofing, A/C, heat electric and plumbing repairs and other appurtenances.

Implementation:

Home renovations for owner occupied units can be facilitated by the Northeast CRA developing, administering, and funding incentive programs for property owners. The Northeast CRA will collaborate with other organizations through their established programs, including providing grants, loans, or in-kind services. The Northeast CRA shall assist property owners with information on different improvements and programs.

### 2.4.2 Community Policing

Objective:

The incidence of crime in the Northeast CRA can be reduced through the visual presence of a neighborhood ambassador program in addition to the established neighborhood watch group. The ambassador program should enhance community pride, beautification, and communication between residents, the city, law enforcement, and local businesses. The neighborhood watch group should keep a careful watch for possible undesirable activities in the Northeast CRA, assist in vigilance of children going and coming from school and the elderly.

Implementation:

The neighborhood ambassador program and neighborhood watch group can be funded through the Northeast CRA providing funds for costs associated with program operations, community relationship building events between residents and law enforcement, community resource officer social program training and staffing.

### 2.4.3 Beautification and Enhanced Maintenance

Objective:

To address and prevent visual blight in open public areas and rights-of-way, the Northeast CRA should keep the improvements it has installed, including landscapes and streetscapes in good condition as part of carrying out its redevelopment duties. The Northeast CRA shall undertake routinely observational tours and identify any concerns with street lighting, vegetation and landscape, paving, asphalt demarcations, signage, benches, identity banners, sidewalks, storefronts, building frontages, crosswalks and other beautification elements. The Northeast CRA shall enable community groups to care for and maintain these types of public amenities.

Implementation:

The elimination and prevention of visual blights in open public areas and rights-of-way, will be accomplished by the Northeast CRA funding a maintenance and beautification program. The program may include funding for staff, equipment, and materials. The tasks and activities in the program are those not assigned or regularly completed as part of routine City operations.

Objective:

To promote public way finding signage and public art as a way to beautify and enhance the public realm, while creating community engagement, civic ownership and building a stronger community within the Northeast CRA. Activities and elements of a way-finding signage and public arts program may include; gateway signs, neighborhood signs, public building, parks and facility signs, directional signs, parking signs, neighborhood walker's guide, murals, painted crosswalks and intersections, painted utility boxes, fence disguising, and public sculptures.

Implementation:

The promotion and improvement of public way-finding signage and public art, will be accomplished by the Northeast CRA funding a maintenance and beautification program. The program may include funding for staff, equipment, and materials. The tasks and activities in the program are those not assigned or regularly completed as part of routine City operations.

### 2.5 Redevelopment Support

The vision of elected officials and city staff is important for the private sector to understand. Both public and private sector vision is important and should align to spur redevelopment in an area. Updated land development regulations and an investor friendly environment is important for growth. It is also imperative that the city is responsive to potential investors, provide good customer service and share up to date information regarding the city.

### 2.5.1 Administration

Objective:

Encourage and support sound and redevelopment-friendly Land Development Regulations within the Northeast CRA.

Implementation:

Encourage and support Land Uses, Zoning, and Building Codes that encourage future redevelopment, such as Mixed-Use Land Use zoning, Transit Oriented Land Use and Zoning, Density Variances and Bonuses to create higher densities and encourage the private sector to provide public area enhancements and benefits, Inclusionary Zoning and Linkage Fees, Streamlined Building Codes and other Regulations.

Objective:

Provide Economic Incentives and other support to projects that further CRA Redevelopment Goals & Initiatives.

Implementation:

Provide funding for and create infrastructure to support Redevelopment Goals, Initiatives, and projects. Provide funding to offset Impact Fees for Targeted Retailers and Industries. Provide direct incentives for development of projects to realize other Redevelopment Goals or to increase Increment Revenue. Public Works program investments help facilitate the transition of communities from being distressed to becoming competitive by developing key public infrastructure, such as technology-based facilities that utilize distance learning networks, smart rooms, and smart buildings; multitenant manufacturing and other facilities; business and industrial parks with fiber optic cable; and telecommunications and development facilities. In addition, Economic Development Administration (EDA) invests in traditional public works projects, including water and sewer systems improvements, industrial parks, business incubator facilities, expansion of port and harbor facilities, skill-training facilities, and brownfields redevelopment.

Objective:

Identify and pursue resources for successful implementation of the initiatives in this plan.

Implementation:

Technical skills change over time and the CRA Board must ensure that the proper resources are in place for successful implementation. The CRA should focus on market positioning, business assistance, real/perceived safety, and attracting private investment in the near term. Additionally, the CRA should implement a grant strategy to pursue additional funding to support implementation of CRA initiatives.

### Section 3.0 Summary of Redevelopment Activities

The redevelopment activities contained in Section 2.0 of this Redevelopment Plan on which Northeast CRA funds can be expended are summarized below.

### **Economic Development**

- Building a Community Center with indoor recreation courts, computer lab, classrooms, and kitchen
- Community Center programming for all ages
- Community events and activities in the public realm and open public spaces, such as;
  - o Seasonal events, i.e. Halloween theme event, Christmas, Thanksgiving, etc.
  - o Food trucks at the park
  - Block party at N Grandview St between Lincoln Ave and Florida Ave to activate community resiliency and support local business, such as Sugar Boo's Bar-B-Que and Ivory's Take Out
  - o Neighborhood Olympics
  - o Young Entrepreneur Competitions (i.e. "Shark Tank" inspired neighborhood event)
- Attract private investment for low and medium density residential and neighborhood commercial uses
- Promote and position Northeast CRA as a tranquil living neighborhood to raise a family, while having the potential of working in proximity to Wolf Branch Innovation District, Downtown Mount Dora, and Downtown Orlando located at 45 minutes transit ride.
- Identify opportunity sites, provide development scenarios (with private investment benefits), and promote
- Identify opportunity sites for potential neighborhood commercial use, development scenario, and promote
- Enhance and promote parks and schools as quality of life elements to attract future residents

### **Connectivity**

- Expand and complete Tremain Street Greenway and Trail, and connect to Lincoln Ave and Pine Ave (going east-west), then connect to N Grandview St and N Highland St (going north-south)
- Enhance the connectivity and accessibility to Cauley Lott Park, Lillie Park, and Frank Brown Sports Complex
- Enhance sidewalks and prioritize in completing continuous sidewalk networks
- Provide Trail/ Shared-Use Path enhancements connecting neighborhood schools, parks, recreation facilities, and businesses
- Provide streetscape amenities, such as, furnishings (seating, shelters) along Lake County LakeXpress Route 3
- Enhanced landscaping (provide shade trees) along main streets
- Create bicycle amenities, such as, parking rest areas (parking racks, water fountains, shade trees, shelter) at parks, schools, bus shelters, and at neighborhood commercial areas
- Create bicycle share program that connects to Downtown Mount Dora and the future Wolf Branch Innovation District
- Increase mass transit and connectivity

- Design enhancements to existing and new bus stops (shelter, lighting, seat, trash can, bicycle racks, route maps)
- Traffic calming devices such as raised crosswalks, painted intersections, painted cross walks, pedestrian signage, and speed bumps as needed

### Infrastructure

- Stormwater and drainage resident program
- Stormwater and drainage infrastructure project support
- Identify critical areas of flooding

### Neighborhoods

- Homeowner maintenance program with a focus on roof, air conditioning, electric, plumbing enhancements, and life safety
- Neighborhood ambassador program and watch group
- Community relationship building events between residents and police
- Community Resource officer staffing and training on social programs, affordable housing, and veteran affairs
- Community security improvements (i.e. security cameras)
- Community Clean up days
- Code Enforcement Program that targets top code violations in the Northeast CRA according to BSA software (i.e. Overgrown property, junk and debris, and fencing)
- LED street light installation
- Facilitate in a "Community Public Way-Finding Signage Design Manual" creation
  - o Painting your crosswalks
  - o Creating sculptures and landmarks

### **Redevelopment Support**

- Economic Incentives for projects that align with Northeast CRA goals and initiatives
- Additional support and resources needed to execute development projects and CRA initiatives

# **Section 4.0 Potential Projects and Programs**

# NORTHEAST CRA – POTENTIAL PROJECTS & PROGRAMS ESTIMATED COSTS AND POTENTIAL FUNDING SOURCES FY 2018-2049

INCREMENT REVENUES	FY 2018 – FY 2049	\$400,000/YR	
PROJECT/PROGRAM/ACTIVITY	ESTIMATED TIME FRAME	ESTIMATED NOT TO EXCEED COST	POTENTIAL FUNDING SOURCES
Community Center	Design, Construction - TBD	TBD	Northeast CRA, Grants, Impact Fees, General Fund, Sales Tax
Storm Water Improvement	TBD	TBD	Northeast CRA, General Fund, Grants, Sales Tax, Public/Private
Streetscape Improvements	2020-2026	4,500,000	Northeast CRA, Grants, Impact Fees, General Fund, Sales Tax
Multi-Use Trails:	2019 – 2030	3,500,000	Northeast CRA, CRA, City, Grants
Northeast CRA Branding	Annual Program 2018-2028	\$0 - \$50,000/year	Northeast CRA
Workforce and Job Training Programs	TBD	\$0 - \$75,000/year	Northeast CRA – Public/Private
Housing Programs	Annual Program 2018-2028	\$0 - \$50,000/year	Northeast CRA
Community Events	Annual Program 2018-2028	\$0 - \$25,000/year	Northeast CRA
Community Policing	Annual Program 2018-2028	\$0 - \$75,000/year	Northeast CRA
Development Incentives	Annual Program 2018-2028	\$0 - \$50,000/year	Northeast CRA
Business Retention and Attraction Incentives	Annual Program 2018-2028	\$0 - \$30,000/year	Northeast CRA
Beautification and Enhanced Maintenance	Annual Program 2018-2028	\$0 - \$30,000/year	Northeast CRA
Promotional Activities	Annual Program 2018-2028	\$0 - \$10,000/year	Northeast CRA
Property Redevelopment	2018-2049	TBD	Northeast CRA – Public/Private
Pedestrian Improvements	TBD	TBD	Northeast CRA – Public/Private, General Fund, Grants, Sales Tax

### **Section 5.0 Funding and Finance**

The Northeast CRA has successfully completed infrastructure improvements, enhanced public safety efforts, and created additional housing programs for residents. Moving forward, it will be important for the Northeast CRA to establish revenue generating activities as a way to increase the tax base and fund other initiatives. Such repositioning activities will be critical for the Northeast CRA to foster development and business attraction to fight slum and blight. The identified Northeast CRA Potential Projects and Programs should lead budget allocation. The Northeast CRA can issue TIF Bonds as an allowed debt funding method. In addition to CRA Funds there are alternative financing sources that support the redevelopment of an area.

### **Alternative Financing Sources**

- Transit Oriented Development Funding: The County could issue an RFP for a long-term lease for development of transportation sites, which attract private funding.
- Metropolitan Planning Organization Funding: The CRA should partner with the MPO, Lake County, and FDOT to advocate for additional transportation investments that will improve connectivity and aesthetics of the area's main corridors.
- Community Development Block Grants: CDBG funding is available to build community facilities, roads, parks, repair or rehabilitate housing, provide new or increased public services to residents, or fund initiatives that generate or retain new jobs. The Northeast CRA has been awarded a CDBG to fund stormwater and drainage improvements in the community.
- Housing and Urban Development Grants and Loans: The US Department of Housing and Urban
  Development (HUD) provides low-interest loans to local governments for the implementation of capital
  projects for revitalization and economic development, including streetscape and infrastructure
  improvements. These loans can be supplemented by Economic Development Initiative (EDI) grants from
  HUD.
- **Department of Economic Opportunity Grants:** The Florida Department of Economic Opportunity (DEO) provides grants to local governments for the planning and implementation of economic development initiatives. Grants are usually in the \$40,000 range.
- **Business Improvement District:** This is a long-term goal. With a BID in mind down the road, the CRA's business retention and attraction program should focus on businesses and building relationships for BID implementation.
- Economic Development Transportation Fund: The Economic Development Transportation Fund, commonly referred to as the "Road Fund," is an incentive tool designed to alleviate transportation problems that adversely impact a specific company's location or expansion decision. The award amount is based on the number of new and retained jobs and the eligible transportation project costs, up to \$3 million. The award is made to the local government on behalf of a specific business for public transportation improvements.
- Impact Fees: Many communities, in partnership with local government seek ways to mitigate start-up costs by experimenting with waiving or staggering impact fee payments.

• Tax Increment Revenues: Tax Increment Revenue is typically the major source of funding for redevelopment projects under the State of Florida Community Redevelopment Act. This increment, which is determined annually, is a percentage of the difference between the amount of ad valorem taxes levied each year by each applicable taxing authority on taxable real property within the Community Redevelopment Area and the amount of ad valorem taxes that would have been produced by the current millage rates prior to establishment of the Redevelopment Trust Fund. Both of these amounts are exclusive of debt service millage of the taxing authorities.

The ability of the Community Redevelopment Agency to utilize this funding method requires two key actions:

- a. The establishment of a redevelopment trust fund as required by FS 163.387 as the repository for increment tax funds, and;
- b. The provision, by ordinance of the City, for the funding of the redevelopment trust fund forthe duration of the Community Redevelopment Plan.
- Redevelopment Revenue Bonds: The provisions of F.S.163.385 allow the Community Redevelopment Agency to issue "Revenue Bonds" to finance redevelopment actions, with the security for such bonds being based on the "anticipated assessed valuation of the completed community redevelopment." In this way, the additional annual taxes generated within the Community Redevelopment Area, the "tax increment", is used to finance the long-term bond debt. Prior to the issuance of long-term revenue bonds, the City or Community Redevelopment Agency may issue bond anticipation notes to provide up-front funding for redevelopment actions until sufficient tax increment funds are available to amortize a bond issue.

Taking advantage of this revenue source enables the Community Redevelopment Agency to leverage TIF and provide more funds for projects upfront instead of as a pay as you go scenario. There are many advantages to utilizing bonds including being able to implement projects quicker and leveraging private investment by constructing public improvements. An analysis of debt service should be conducted to determine if bonds are practical for the Northeast CRA.

### **Section 6.0 Exit Strategies**

The goals of CRA's are to stimulate and change market conditions, and to provide catalysts and investments that promote private investment and redevelopment. As plan implementation occurs and initiatives move forward, success will depend on strong leadership and project management, with the goal of reducing and eventually eliminating the need for tax increment funding support. This plan has identified several additional and alternative funding mechanisms that may be available to continue public and private redevelopment initiatives.

Additionally, the CRA should identify certain metrics and measures which indicate progress toward the redevelopment goals, and which will ultimately guide any policy decisions.

### CRA Performance and Progress Metrics and Measures:

- Tax base growth and increase of increment revenue
- New business starts
- Consumer and business perception survey results
- Retail sales change
- Household income change
- Private investment levels
- Number of requests for and/or need for CRA incentives for project feasibility
- Public investment and capital project completions
- Change in the crime rate
- Transfer of successful program responsibility to partner organizations
- Successful utilization of the alternative funding mechanisms

The above measures should be established by the Northeast CRA Advisory Board, tracked and reported by Northeast CRA staff, and monitored by the Mount Dora City Commission.

### **Section 7.0 Required Plan Contents**

Mount Dora Northeast Community Redevelopment Agency Chapter 163.362 Checklist

In accordance with 163.362 Florida Statutes, the Community Redevelopment Plan must include the elements described below. The following section includes language from the statute shown in italic type, with a brief response to each element in normal type.

1) Contain a legal description of the boundaries of the community redevelopment area and the reasons for establishing such boundaries shown in the plan.

Legal description of the Mount Dora Northeast CRA boundary is included as Appendix A. The areas within the boundaries were shown to contain slum and blight in Resolution 2017-81, which is included as Appendix B.

- 2) Show by diagram and in general terms:
  - (a) The approximate amount of open space to be provided and the street layout.
  - (b) Limitations on the type, size, height, number, and proposed use of buildings.
  - (c) The approximate number of dwelling units.
  - (d) Such property as is intended for use as public parks, recreation areas, streets, public utilities, and public improvements of any nature.

Maps of the Mount Dora Northeast CRA and a general description of the existing physical and regulatory conditions are included in the **Market Analysis**. The areas within the Mount Dora Northeast CRA remain subject to the County's Comprehensive Plan and zoning regulations, which stipulate limits on locations, sizes, height, etc. of dwelling units, streets, and park and recreations areas, among other things.

(3) If the redevelopment area contains low or moderate income housing, contain a neighborhood impact element which describes in detail the impact of the redevelopment upon the residents of the redevelopment area and the surrounding areas in terms of relocation, traffic circulation, environmental quality, availability of community facilities and services, effect on school population, and other matters affecting the physical and social quality of the neighborhood.

A community analysis is included in the section highlighting Neighborhoods.

(4) Identify specifically any publicly funded capital projects to be undertaken within the community redevelopment area.

The **Financial Projections** includes revenue and expense projections. Specific public capital projects are identified in these projections. Publicly funded projects will be evaluated on an ongoing basis.

(5) Contain adequate safeguards that the work of redevelopment will be carried out pursuant to the plan. Specific programs and expenditures must be enumerated in the Plan in order for the CRA to have the authority to undertake them. CRA activities are overseen by a Board of Council members that meet periodically in public session to review and monitor all CRA activities.

Refer to Potential Projects and Programs for a description of both general and specific programs.

(6) Provide for the retention of controls and the establishment of any restrictions or covenants running with land sold or leased for private use for such periods of time and under such conditions as the governing body deems necessary to effectuate the purposes of this part.

Regulatory and zoning authority within the CRA is governed by the County. Any recommendations regarding regulatory amendments and design guidelines to assist with redevelopment efforts must be implemented by County Staff and Board.

(7) Provide assurances that there will be replacement housing for the relocation of persons temporarily or permanently displaced from housing facilities within the community redevelopment area.

The **Neighborhood** section includes a discussion of neighborhood impacts of redevelopment and includes a recommendation that the CRA adopt a relocation policy to provide adequate protections and assistance for any persons displaced by redevelopment activities.

(8) Provide an element of residential use in the redevelopment area if such use exists in the area prior to the adoption of the plan or if the plan is intended to remedy a shortage of housing affordable to residents of low or moderate income, including the elderly, or if the plan is not intended to remedy such shortage, the reasons therefore.

The **Findings** section; the **Economic Development** section, and the **Neighborhood** section, highlight residential redevelopment. Many portions of the Mount Dora Northeast CRA are residential neighborhoods. The Plan contemplates strengthening existing neighborhoods and providing for additional housing, where economically feasible, to improve and diversify housing stock and housing opportunities.

(9) Contain a detailed statement of the projected costs of the redevelopment, including the amount to be expended on publicly funded capital projects in the community redevelopment area and any indebtedness of the community redevelopment agency, the county, or the municipality proposed to be incurred for such redevelopment if such indebtedness is to be repaid with increment revenues.

Detailed financial projections are provided in the **Funding and Finance** section. These financial projections will be reviewed and updated at least annually so that the CRA is always able to look ahead and plan for adequate financial resources to undertake its activities.

(10) Provide a time certain for completing all redevelopment financed by increment revenues. Such time certain shall occur no later than 30 years after the fiscal year in which the plan is approved, adopted, or amended pursuant to s. 163.361(1). However, for any agency created after July 1, 2002, the time certain for completing all redevelopment financed by increment revenues must occur within 40 years after the fiscal year in which the plan is approved or adopted.

As stated earlier, in the Amendment to CRA Plan section, this amendment to the Plan will extend the life of the Mount Dora Northeast CRA for a period of thirty years from the date of formal adoption of the amendment by the City Commission. This date should be noted in the Ordinance to adopt the Plan as the time certain for completing all redevelopment activities.

# Appendix A: Legal Description of Mount Dora Community Redevelopment Area

BEGIN AT THE SOUTHEAST CORNER OF THE NORTHEAST ¼ OF THE NORTHEAST ¼ OF BLOCK 18, SEC110N 30 TOWNSHIP 19 RANGE 27; RUN THENCE NORTH ALONG THE WEST RIGHT OF WAY LINE OF BAKER STREET TO THE SOUTHERLY RIGHT OF WAY UNE OF LINCOLN AVENUE; THENCE EAST ALONG SAID SOUTHERLY RIGHT OF WAY AND THE EASTERLY EXTENSION THEREOF OF LINCOLN AVENUE TO POINT ON THE EAST RIHT OF WAY UNE OF TREMAIN STREET; THENCE NORTH ALONG THE SAID EASTERLY RIGHT OF WAY UNE OF TREMAIN STREET TO THE EASTERLY EXTENSION OF THE SOUTHERLY RIGHT OF WAY OF GRANITE STATE COURT, THENCE WEST ALONG SAID SOUTHERLY RIGHT OF WAY LINE OF SAID GRANITE LATE COURT, THE EASTERLY EXTENSION THEREOF AND THE SOUTH LINE OF LOT 12 OF GRANITE STATE COURT, AS RECORDED IN PLAT BOOK 6, PAGE 44, PUBLIC RECORDS OF LAKE COUNTY, FLORIDA TO THE WEST LINE OF SAID GRANITE STATE COURT SUBDIVISION; THENCE NORTH ALONG THE SAID WEST UNE OF GRANITE STATE COURT SUBDIVISION TO THE SOUTHERLY RIGHT OF WAY OF JACKSON AVENUE, THENCE WEST ALONG SAID SOUTHERLY RIGHT OF WAY LINE OF JACKSON AVENUE TO A POINT ON THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 12, BLOCK "B" OF RILEY'S SUBDIVISION, AS RECORDED IN PLAT BOOK 5, PAGE 31, PUBLIC RECORDS OF LAKE COUNTY, FLORIDA; THENCE NORTH ALONG THE EAST LINES OF LOTS 1 THROUGH 12, BLOCK "A" AND LOTS 1 THROUGH 12, BLOCK "B" OF SAID RILEY'S SUBDIVISION, AND THE NORTHERNLY AND SOUTHERLY EXTENSION THEREOF TO THE SOUTHERLY RIGHT OF WAY LINE OF FEARON AVENUE, THENCE EAST ALONG SAID SOUTHERLY RIGHT OF WAY LINE OF FEARON AVENUE, THENCE EAST AONG SAID SOUTHERLY RIGHT OF WAY LINE OF FEARON AVENUE AND THE EASTERLY EXTENSION THEREOF TO THE EASTERLY RIGHT OF WAY LINE OF SAID TREMAIN STREET; THENCE NORTH ALONG SAID EASTERLY LINE OF TREMAIN STREET TO THE NORTH UNE OF SECTION 29, TOWNSHIP 19 SOUTH, RANGE 27 EAST, LAKE COUNTY, FLORIDA; THENCE EAST ALONG SAID NORTH LINE OF SAID SECIION NORTHERLY MOST BOUNDARY OF SAID DISTRICT A DISTANCE OF 4,035 FEET THENCE SOUTH 965 FEET, EAST 305 FEET, SOUTH 355 FEET TO RIGHT OF WAY LINE OF PINE AVENUE, PROCEED EAST ALONG THE SOUTH RIGHT OF WAY UNE OF PINE AVENUE AND THE NORTH UNE OF MOUNT DORA HEIGHT SUBDIVISION TO LOT 1 AS, RECORDED IN THE PUBLIC RECORDS OF LAKE COUNTY, FLORIDA; RUN THENCE SOUTH ALON THE EASTERLY MOST BOUNDARY OF SAID SUBDIVISION A DISTANCE 1.370 FEET TO A POINT ON THE NORTH LINE OF THE SOTH 1/2 OF SECTION 29. TOWNSHIP 19, RANGE 27, FROM SAID POINT PROCEED EAST 660 FEET TO THE WESTERLY RIGHT OF WAY OF NEW

U.S. HIGHWAY 441, THENCE SOUTH ALONG SAID RIGHT OF WAY OF SAID HIGHWAY 330 FEET; THENCE WEST 165 FEET, SOUTH 330 FEET, THEN EAST 150 FEET TO SAID WESTERLY RIGHT OF WAY OF NEW U.S. HIGHWAY 441, PROCEED THENCE SOUTH 90 FEET TO SAID POINT, THENCE PROCEED WEST 1,568 TO A POINT 152.5 FEET FROM THE SOUTHWEST CORNER OF BLOCK 217; PROCEED WEST TO THE EASTERLY MOST BOUNDARY OF DORA HEIGHTS SUBDIVISION, BLOCK "A" RECORDED IN THE PUBLIC RECORDS OF LAKE COUNTY, FLORIDA; PROCEED SOUTH TO SAID SOUTHERLY RIGHT OF WAY LINE OF LOT 22, THENCE WEST ALONG SAID SOUTHERLY PROPERTY LINE OF LOTS 22 AND 10 OF SAID DORA HEIGHTS SUBDIVISION, BLOCK "A" CONTINUE WEST ALONG SAID SOUTHERLY LINE OF LOT 10 OF BLOCK "B" OF SAID SUBDIVISION; CONTINUE WEST ALONG THE NORTH 152 FEET OF BLOCKS 219 AND 220, THENCE PROCEED WEST TO THE EASTERLY BOUNDARY OF WALLER PARK SUBDIVISION AS RECORDED IN THE PUBLIC RECORDS OF LAKE COUNTY, FLORIDA; PROCEED EAST ALONG SAID SOUTH PROPERTY LINES OF LOTS 12 THROUGH 1 IN SAID SUBDIVISION CONTINUE EAST TO BLOCK 223, THEN NORTH 6 FEET TO THE SOUTH BOUNDARY OF LOT 14 IN SUNNILAND SUBDIVISION AS RECORDED IN THE PUBLIC RECORDS OF LAKE COUNTY, FLORIDA; PROCEED WEST ALONG SAID SOUTHERLY BOUNDARY OF LOTS 14 THROUGH 6, THENCE NORTH 25 FEET TO THE SOUTH LINE OF LOT 4 THENCE WEST TO THE EASTERLY BOUNDARY OF GORHAM SUBDIVISION, BLOCK B; THENCE SOUTH TO THE SOUTHERN BOUNDARY OF LO 13 OF SAID SUBDIVISION, PROCEED WEST ALONG SIDE SOUTH BOUNDARY OF LOTS 13 AND 18 IN SAID SUBDIVISION, CONTINUE WEST IN BLOCK A OF SAID SUBDIVISION OVER THE NORTHERLY MOST BOUNDARY OF LOTS 14 AND 1, CONTINUE WEST OVER THE SOUTH BOUNDARY OF THE NORTH ½ OF BLOCKS 11 AND 12, SECTION 29, TOWNSHIP 19, RANGE 27 TO THE WESTERLY BOUNDARY OF SAID

SECTION, THENCE PROCEED WEST TO POINT OF BEGINNING THIS AREA CONTAINS 371.1 ACRES

### "EXHIBIT A"

FROM THE SW CORNER OF THE SE ¼ OF SECTION 20, T 19 S, R 27 E RUN THENCE N 89°43'35" W ALONG THE SOUTH LINE OF SAID SECTION 20 A DISTANCE OF 623.11 FEET AND THE POINT OF BEGINNING OF THIS DESCRIPTION: THENCE RUN N 00°05'44" E 65.07 FEET TO THE BEGINNING OF A CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 235.00 FEET; THENCE RUN NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGEL OF 14°15'53" A LENGTH OF 58.51 FEET TO A POINT OF TANGENCY; THENCE RUN A 14°10'09" W 152.56 FEET TO THE BEGINNING OF A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 165.00 FEET; THENCE RUN NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 16°28'49" A LENGTH OF 47.46 FEET TO A POINT OF TANGENCY; THENCE RUN N 02°18'40" E A DISTANCE OF 902.64 FEET; THENCE RUN N 46°20'30" E 174.07 FEET; THENCE RUN N 60°48'54" E 328.61 FEET; THENCE RUN N 49°59'25" E 37.12 FEET; THENCE RUN N  $35^{\circ}45^{\prime}51^{\circ}$  W 70.33 FEET; THENCE RUN N 49°59'25" E 466.05  $\,$  TO THE SOUTHWESTERLY LINE OF RIGHT OF WAY OF U.S. HIGHWAY 441; THENCE RUN S 40°01'05" E 125.00 FEET; THENCE RUN S 49°59'25" W A DISTANCE OF 387.11 FEET; THENCE RUN S 35°45'51" E A DISTANCE OF 352.84 FEET; THENCE RUN S 54°14'09" W A DISTANCE OF 78.70 FEET; THENCE RUN S 35°45'51" E A DISTANCE OF 328.42 FEET; THENCE RUN N 49°59'25" E516.13 FEET TO THE SOUTHWESTERLY LINE OF THE RIGHT-OF-WAY OF U.S. HIGHWAY 441; THENCE RUN SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF THE RIGHT- OF-WAY OF U.S. HIGHWAY 441 TO THE SOUTH LINE OF SAID SECTION 20; THENCE RUN N 89°43'35" W ALONG THE SOUTH LINE OF SAID SECTION 20 TO THE POINT OF BEGINNING.

## Appendix B: Resolution Approving Community Redevelopment Area

### RESOLUTION NO. 2017-81 (CRA)

- A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MOUNT DORA, FLORIDA APPROVING AN INTERLOCAL AGREEMENT WITH THE CITY OF MOUNT DORA, FLORIDA; AUTHORIZING THE CHAIRMAN TO EXECUTE SAID AGREEMENT; PROVIDING FOR IMPLEMENTING ADMINISTRATIVE ACTIONS, SAVINGS, CONFLICTS, SCRIVENER'S ERRORS, SEVERABILITY AND EFFECTIVE DATE.
- WHEREAS, discussions have occurred relative to the use of an Interlocal Agreement between the Community Redevelopment Agency (hereinafter sometime referred to as "CRA") and the City of Mount Dora (hereinafter sometimes referred to as "City") to clearly articulate the relationship between the two (2) distinct organizations; and
- WHEREAS, the benefits of executing such an Interlocal Agreement include the acknowledgement of the independence and interdependence of the two (2) separate legal entities and the clear identification of shared activities, collaborative projects and shared resources; and
- WHEREAS, items addressed in the Interlocal Agreement include the use of shared resources and staff, collaboration on projects, purchasing protocols, and reimbursement mechanisms; and
- WHEREAS, such an Interlocal Agreement will address how the Community Redevelopment Agency and the City coordinate expenditures under the CRA budget with the City's budgetary processes and clarify how CRA tax increment funds (sometimes herein referred to as "TIF") may be expended; and
- WHEREAS, similar Interlocal Agreements have been utilized successfully elsewhere by CRA's together with their respective municipalities; and
- WHEREAS, the Interlocal Agreement provided in Exhibit 1 was previously approved by the City at its June 20, 2017 meeting.
- NOW, THEREFORE, BE IT RESOLVED BY THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MOUNT DORA, FLORA, AS FOLLOWS:
- **SECTION 1.** Recitals/Findings Adopted. The above recitals (whereas clauses) are hereby adopted by the Community Redevelopment Agency (CRA) and made substantive part of this Resolution. The CRA Board has taken all appropriate and required action necessary to the processing and approval of this Resolution.
- **SECTION 2.** Approval of Interlocal Agreement. The Community Redevelopment Agency approves the Interlocal Agreement with the City of Mount Dora City Council provided in Exhibit 1.
- **SECTION 3.** <u>Authorization to Execute Agreement.</u> This Community Redevelopment Agency authorizes the Chairman to execute the Interlocal Agreement provided in Exhibit 1.

**SECTION 4.** Implementing Actions. The City Manager, City Attorney, and the CRA Executive Director are hereby authorized and directed to take such actions as they may deem necessary and appropriate in order to implement the provisions of this Resolution. The City Manager may, as deemed appropriate, necessary and convenient, delegate the powers of implementation as herein set forth to such City employees as deemed effectual and prudent. The City Council authorizes the City Manager to execute memorandums of understanding/agreement with the Community Redevelopment Agency.

**SECTION 5.** Savings. All prior actions of the City relative to the Community Redevelopment Agency, and any and all associated or related matters, are hereby ratified and affirmed.

**SECTION 6.** Conflicts. All resolutions or parts of resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

**SECTION 7.** Scrivener's Errors. Typographical errors and other matters of a similar nature that do not affect the intent of this Resolution, as determined by the City Clerk and City Attorney may be corrected.

**SECTION 8.** Severability. If any Section or portion of a Section of this Resolution proves to be invalid, unlawful, or unconstitutional, it shall not be held to invalidate or impair the validity, force, or effect of any other Section or part of this Resolution.

**SECTION 9**. Effective Date. This Resolution shall become effective immediately upon its passage and adoption.

PASSED AND ADOPTED this 20th day of June, A. D. 2017.

NICK GIRONE

**CHAIRMAN** 

ATTEST:

GWEN KEOUGH-JOHNS, MMC

CITY CLERK

APPROVED AS TO FORM AND LEGALITY

Ut J Cockerust

Resolution No. 2017-81 (CRA)

Page 2 of 6

Intergovernmental/Interagency Agreement Between the City of Mount Dora and the Community Redevelopment Agency
Relating to CRA Operations and Funding of Projects

# INTERGOVERNMENTAL/INTERAGENCY AGREEMENT BETWEEN THE CITY OF MOUNT DORA AND THE COMMUNITY REDEVELOPMENT AGENCY RELATING TO CRA OPERATIONS AND FUNDING OF PROJECTS

This Intergovernmental/Interagency Agreement, is made and entered into this 20th day of June, 2017, *nunc pro tunc* to the effective date of the existence of the Community Redevelopment Agency referenced below by and between the City of Mount Dora, a political subdivision of the State of Florida, whose address is 510 N. Baker Street, Mount Dora, Florida 32757 (hereinafter referred to as the "CITY") and the Community Redevelopment Agency, a dependent special district, (hereinafter referred to as the "CRA"), whose establishment was authorized pursuant to Part III, Chapter 163, *Florida Statutes*, and as further authorized by City of Mount Dora Ordinance Number 448, City of Mount Dora Resolution 87-14 and prior enactments.

#### WITNESSETH

Whereas, by means of the enactment of City Ordinance Number 448, City Resolution 87-14 (and prior enactments) the City Council of the City of Mount Dora created the CRA; and

Whereas, the City Council of the City and the CRA desire to cooperate and collaborate in the funding and implementation of numerous projects and activities; and

Whereas, the City Council of the City has authorized and instructed City Staff to function as staff to the CRA while recognizing the CRA's legal status as a separate legal entity as a dependent special district and the CRA has accepted the relationship with City Staff; and

Whereas, the intent of this Intergovernmental/Interagency Agreement is to memorialize the understandings relative to the daily operations of the CRA with the assistance of the City while also providing an expeditious means of facilitating the funding and implementation of numerous projects and activities in which both the City and the CRA are interested and involved;

and

Whereas, the City and the CRA desire to cooperate in the funding and implementation of numerous projects and activities in order to revitalize and redevelop the CRA for the benefit of the citizens of the City by utilizing the anticipated CRA annual *ad valorem* tax increment revenues deposited in the Community Redevelopment Trust Fund in accordance with the Community Redevelopment Plan; and

Whereas, the projects and activities of the CRA are of benefit to the citizens of the City and serve an essential public purpose; and

Whereas, the City possesses human and other resources and the ability to provide services to the CRA that would benefit the CRA's operation if utilized cooperatively; and

Whereas, the City and the CRA find and declare that it is in the best interest of the public and of both agencies for the parties to share certain resources in a cooperative manner; and

Whereas, this Intergovernmental/Interagency Agreement serves a public purpose and is authorized pursuant to the provisions of Chapters 163 and 166, *Florida Statutes*, and other applicable law.

Now, Therefore, in consideration of the premises and the promises, covenants, agreements and commitments contained herein and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged by both parties, the City and the CRA agree as follows:

Section 1. Recitals. The above recitals are true and correct and form a material part of this Intergovernmental/Interagency Agreement upon which the City and the CRA have relied.

Section 2. Term. This Intergovernmental/Interagency Agreement shall become effective upon approval by the governing bodies of the City and the CRA and shall remain in

effect for an indefinite period subject to termination by either the City or the CRA by providing the non-terminating party no less than ninety (90) days advance written notice. In any event, this Intergovernmental/Interagency Agreement shall terminate upon expiration or other termination of the CRA.

#### Section 3. Collaboration; Memorandums of Understanding.

- A. The City and the CRA recognize that while they are two separate legal, governmental entities, it is feasible and cost efficient to share certain employees, facilities, services, and systems. Specific arrangements for the cooperative sharing of resources shall be approved by the City Manager of the City prior to implementation.
- B. The CRA agrees to reimburse the City for all City employee utilization, services, space, and equipment at rates to be determined by the City Manager of the City if additional costs are incurred to accommodate the needs of the CRA to accomplish its purposes and projects.
- C. The Purchasing Department of the City shall provide procurement services to the CRA, pursuant to the laws, rules, policies, and procedures as established by the controlling laws of the State of Florida, the City's purchasing policies and procedures, and all other legal requirements applicable to procurement. The CRA agrees to utilize the City's procurement system for all procurement needs. The City's Purchasing Manager shall also be and serve as the Chief Procurement Officer for the CRA.
- D. The City consents for the City's Finance Director to serve as Treasurer of the CRA. The CRA shall use the City's financial software for all procurement purposes and follow all City finance policies and procedures.
- E. The City shall permit its current valid master agreement and contracts to be utilized by the CRA pursuant to the provisions of Section 287.056, *Florida Statutes*, as the terms

and conditions of these agreements and controlling state law may permit and as otherwise provided herein. However, the use of existing contracts which fall under the relevant provisions of Section 287.055, *Florida Statutes*, known as the "Competitive Consultant Negotiation Act" shall not be allowed per Section 189.053, *Florida Statutes*.

- F. Each party to this Intergovernmental/Interagency Agreement is responsible for all personal injury and property damage attributable to the negligent acts or omissions arising out of this Intergovernmental/Interagency Agreement of that party and the officers, employees, and agents thereof.
- G. The waiver of a provision herein by either the City or the CRA shall not constitute the further waiver of said provision or the waiver of any other provision.
- H. The City and the CRA shall collaborate on various projects and activities by means of the execution of memorandums of understanding between the City Manager of the City, or designee, and the Executive Director of the CRA as authorized by the City Council of the City and the CRA, respectively.

Section 4. Remedies. Each party shall have any and all remedies as permitted by law; provided, however, that the parties agree to provide for positive dialogue and communications if disputes or disagreements arise as to the interpretation or implementation of this Intergovernmental/Interagency Agreement and agree to comply with the alternative dispute resolution processes set forth in any interlocal or other pertinent agreement relating to said subject and in effect within Lake County.

Section 5. Force Majeure. In the event any party hereunder fails to satisfy a requirement imposed in a timely manner, due to a hurricane, flood, tornado, or other Act of God or force majeure, then said party shall not be in default hereunder.

Section 6. Binding Effect. This Intergovernmental/Interagency Agreement shall be

binding upon and inure to the benefit of the parties hereto and the successors in interest,

transferees and assigns of the parties.

Section 7. Assignment. This Intergovernmental/Interagency Agreement shall not be

assigned by either party without the prior written approval of the other.

Section 8. Public Records. The City and the CRA shall allow public access to all

documents, papers, letters or other materials that have been made or received by the CRA in

conjunction with this Intergovernmental/Interagency Agreement.

Section 9. Records and Audits. The CRA shall maintain in its place of business any

and all books, documents, papers and other evidence pertaining to work performed under this

Intergovernmental/Interagency Agreement. Such records shall be available at the CRA's place

of business at all reasonable times during the term of this Intergovernmental/Interagency

Agreement and for so long as such records are maintained thereafter. Records shall be

maintained in accordance with State law and generally accepted accounting and auditing

principles.

Section 10. Notices.

A. Whenever either party desires to give notice unto the other, notice may be sent to:

For the City:

City Manager

City of Mount Dora

510 N. Baker Street

Mount Dora, Florida, 32757

With a copy to:

City of Mount Dora, Finance Director

510 N. Baker Street

Mount Dora, Florida, 32757

City of Mount Dora City Clerk

510 N. Baker Street

Mount Dora, Florida, 32757

For the CRA:

CRA Chairman

510 N. Baker Street

Mount Dora, Florida 32757

With a copy to:

CRA Planning Director

510 N. Baker Street

Mount Dora, Florida 32757

B. Either of the parties may change, by written notice as provided herein, the addresses or persons for receipt of notices, reports or invoices. All notices shall be effective upon receipt.

**Section 11.** Indemnification. The City and the CRA further agree that nothing contained herein shall be construed or interpreted as denying to any party any remedy or defense available to such partied under the laws of the State of Florida, nor as a waiver of sovereign immunity of City and CRA beyond the waiver provided for in Section 768.28, *Florida Statutes*.

Section 12. Conflict of Interest. The City and the CRA further agree that they will not engage in any action that would create a conflict of interest in the performance of its obligations pursuant to this Intergovernmental/Interagency Agreement or which would violate or cause others to violate the provisions of Part III, Chapter 112, *Florida Statutes*, relating to ethics in government.

Section 13. Equal Opportunity Employment. The CRA agrees that it will not discriminate against any contractor, employee or applicant for employment or work under this Intergovernmental/Interagency Agreement because or on account of race, color, religion, sex, age or national origin and will take affirmative steps to ensure that applicants are employed and employees are treated during employment without regard to race, color, religion, sex, age or national origin. This provision shall include, but not be limited to, the following: retention; award of contracts; employment; upgrading, demotion or transfer; recruitment advertising; layoff

or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship, and the prohibition of sexual harassment.

Section 14. Compliance with Laws and Regulations. In performing under this Intergovernmental/Interagency Agreement, the City and the CRA shall abide by all laws, statutes, ordinances, rules, and regulations pertaining to, or regulating the performance set forth herein, including those now in effect and hereafter adopted. Any violation of said laws, statutes, ordinances, rules, or regulations shall constitute a material breach of this Intergovernmental/Interagency Agreement, and shall entitle the non-violating party to terminate this Intergovernmental/Interagency Agreement immediately upon delivery of written notice of termination to the violating party.

#### Section 15. Employee Status.

- A. Persons employed or retained by the CRA in the performance of services and functions pursuant to this Intergovernmental/Interagency Agreement shall have no claim to pension, workers' compensation, unemployment compensation, civil service or other employee rights or privileges granted to the City's officers and employees either by operation of law or by the City.
- B. The CRA assumes total and plenary responsibility for salaries, employment benefits, contractual rights and benefits, contract payments, and Federal, State and local employment taxes, if any, attributable to CRA personnel and agrees to indemnify and hold the City harmless from any responsibility for same. The CRA also agrees to place this provision in all contracts and agreements with its agents and contractors pertaining to the any project of the CRA such that its agents and contractors shall assume all such liability and shall indemnify and hold the CRA and the City harmless from any and all such costs and liability.

Section 16. Headings. All sections and description headings in this Intergovernmental/Interagency Agreement are inserted for convenience only, and shall not affect the construction or interpretation hereof.

Section 17. Entire Agreement. This Intergovernmental/Interagency Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof, and may not be modified or amended except by a written instrument equal in dignity herewith and executed by the parties to be bound thereby. Any alterations, amendments, deletions, or waivers of the provisions of this Intergovernmental/Interagency Agreement shall be valid only when expressed in writing and duly signed by the City and the CRA.

Section 18. Counterparts. This Intergovernmental/Interagency Agreement may be executed in any number of counterparts each of which, when executed and delivered, shall be an original, but all counterparts shall together constitute one and the same instrument.

In Witness Whereof, the parties hereto have caused this Intergovernmental/Interagency

Agreement to be executed on the day and year first above written.

Attest:

Gwen Keough-Johns MMC

CRA Clerk

CRA

Nick Girone

CRA Chairperson

Date:

Jan Jan 17

For the use and reliance of CRA only.
Approved as to form and legal sufficiency.

A Attorney J Cookentt

Attest:

CITY OF MOUNT DORA

Nick Grone, Mayor

Date: 4-20-12

When Topology Chase
Gwen Keough-Johns MMC

City Clerk

For the use and reliance of City of Mount Dora only. Approved as to form and legal sufficiency.

William L. Colbert, Esquire
City Attorney
J. Cockers H

#### RESOLUTION NO. 89-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOUNT DORA, FLORIDA PURSUANT TO SECTION 163.355, FLORIDA STATUTES, DECLARING A FINDING OF NECESSITY THAT ONE OR MORE SLUM OR BLIGHTED AREAS EXIST IN THE CITY THAT REQUIRE THE REHABILITATION, CONSERVATION OR REDEVELOPMENT, OR A COMBINATION THEREOF, IN THE INTEREST OF THE PUBLIC HEALTH, SAFETY, MORALS OR WELFARE OF THE RESIDENTS OR CITIZENS OF MOUNT DORA; PROVIDING FOR THE DESCRIPTION OF THE AREAS CONTAINING APPROXIMATELY 300 ACRES; PROVIDING FOR PUBLICATION AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council of the City of Mount Dora recognizes the need to rehabilitate, conserve or redevelop slum or blighted areas of the City;

WHEREAS, the City has prepared documentation supporting a Finding of Necessity as required by Section 163.355, Florida Statutes that such slum or blighted areas exist in the northeast section of the City, said section being more specifically described by Exhibit "A" which is attached hereto and by reference made a part hereof; and

WHEREAS, the said supporting documentation is included in this Resolution as Exhibit "A" and has been reviewed by the City Council and is hereby adopted and incorporated herein; and

WHEREAS, said Finding of Necessity has determined that there exists within the City a certain area which meets the definition in Section 163.340, Florida Statutes, as a blighted area in that there are a substantial number of slum, deteriorated, or deteriorating structures which for the following factors substantially impair or arrest the sound growth of the municipality and constitute a menace to the public health, safety, morals or welfare of the residents therein:

- (a) There is a predominance of defective or inadequate street layout so that vehicular traffic circulation, parking and pedestrian circulation are not properly accommodated.
- (b) There is a predominance of faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- (c) Because of drainage problems and antiquated infrastructure certain unsanitary or unsafe conditions exist;
- (d) There is a predominance of dilapidated and substandard structures lying within the district which are unsafe, unsanitary and unfit for human habitation;
- (e) The area has a high concentration of drug use and abuse in that a disproportionate share of all drug arrests made in

the City by the Mount Dora Police Department and the Fifth Circuit Drug Task Force are made in the northeast section of the city. Statistics show that drug abuse leads to higher crime rates and increases in sex-related diseases;

- (f) There is an accumulation of debris on vacant lots or around vacant buildings in the area;
  - (g) There is inadequate off-street parking available in the northeast commercial district;
- (h) There are only five businesses in the northeast commercial district that employ less than ten persons. There are no businesses in the northeast area that employ the unskilled low to moderate income persons except for the City of Mount Dora.
- (i) The dilapidated and substandard structures retard growth and property values;
- (j) There is a shortage of affordable housing for low and moderate income persons;
- (k) There is a shortage of safe, affordable, standard housing for the elderly; and

WHEREAS, the City Council specifically desires to express this Finding of Necessity pursuant to Part III, Chapter 163, Florida Statutes.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOUNT DORA, FLORIDA:

SECTION 1: The City Council hereby determines and finds that the area in Mount Dora described by Exhibit "B" and graphically illustrated by the map attached hereto and by reference included herein as Exhibit "C" is a slum or blighted area or an area in which there is a shortage of housing affordable to residents of low or moderate income, including the elderly.

SECTION 2: The City Council hereby determines that the rehabilitation, conservation, or redevelopment, or a combination thereof, of the areas described by Exhibit "B" is necessary in the interest of the public health, safety, morals, or welfare of the residents of the City of Mount Dora.

SECTION 3: The City Council hereby expresses its intent that this Resolution, with exhibits, fulfill the finding of necessity required by Section 163.335, Florida Statutes.

SECTION 4: The City Council hereby expresses its desire that public and private financial, planning, and redevelopment resources should be developed and mobilized to rehabilitate, conserve, or redevelop the area described in Exhibit "B".

SECTION 5: The City Council hereby expresses its intent that this Resolution shall be a requisite step in commencing community redevelopment activities under Part III of Chapter 163, Florida Statutes.

SECTION 6: This resolution shall take effect immediately upon its passage, this 15th day of August , 1989.

Jeffer A. Book JEFFREY S. BOOK Mayor and President City Council

Attested by:

DENNIS L. FINCH, City Manager

#### EXHIBIT "A"

# SUPPORT DOCUMENTATION FOR THE FINDING OF NECESSITY COMMUNITY REDEVELOPMENT DISTRICT JULY 1989

City of Mount Dora Public Works Director and Building Official have inspected the areas within the legal description shown by Exhibit "B" to Resolution No. 89-19 and have found the following conditions to exist:

- 1. There is a predominance of defective or inadequate street layout so that vehicular traffic circulation, parking and pedestrian circulation are not properly accommodated. Furthermore, there are no municipally owned parking lots in the northeast commercial districts and none of the existing businesses have adequate off-street parking as required under the Land Development Code. Several buildings are extremely close to the road right-of-way and those businesses that provide some off-street parking must back directly in the streets which is a safety hazard. Sidewalks only exist on one side of Grandview Street and are on the opposite side of the street of all but one business, thereby causing pedestrians to walk in the street to patronize the majority of the businesses and creating an unsafe condition for pedestrians.
- There is a predominance of faulty lot layout in relation to size, adequacy, accessibility or usefulness. Many of the lots are small and cannot provide the required off-street parking or are inaccessible because previous owners sold off portions of their property. Some properties represent nonconforming uses and some were platted with lot widths of fifty feet or less.
- 3. Because of drainage problems and antiquated infrastructure certain unsanitary or unsafe conditions exist. The streets in a majority of the area do not have proper drainage systems which creates flood conditions in heavy rains. The stagnant water conditions create unsanitary and unsafe conditions within the area.
- 4. There is a predominance of dilapidated and substandard structures lying within the proposed boundaries which are unsafe, unsanitary and unfit for human habitation. Based on a housing survey in November of 1985, there were a total of 252 dilapidated structures in the northeast area including 25 in the commercial district.
- 5. The area has a high concentration of drug use and abuse. Sixty-eight percent (68%) of all drug arrests made in the City of Mount Dora by the Mount Dora Police Department and the Fifth Judicial Drug Task Force since October, 1988 were made in the northeast area of the City. Statistics show that drug

use and abuse leads to higher crime rates and sex-related diseases. Of the 110 drug arrests made, 73 have been made in the northeast section of the City which encompasses this area.

- 6. There is an accumulation of debris, lumber and other materials on vacant lots and around vacant buildings. There are also several overgrown lots in the area.
- 7. There are only five businesses in the northeast commercial district: a grocery store and coin laundry, two bar/lounges, a barbecue stand and a game room. The five businesses employ less than ten persons combined. There is a need for more businesses to boost the commercial base and to provide jobs for the residents of the area especially for unskilled persons.
- 8. The dilapidated and substandard structures retard growth and property values. The tax roll shows that most properties in the proposed district pay very little, if any, property taxes.
- 9. There is a shortage of affordable housing for low and moderate income persons. Based on the median income of the residents of the area, the increasing cost of new homes, and the fact that there are 252 substandard and dilapidated homes in the area, it is evident that there is a lack of affordable housing.
- 10. There is a shortage of safe standard and affordable housing for the elderly. The conditions in paragraph 7 substantiate this finding as well.

These conditions constitute serious problems which are a menace to public health, safety and welfare. They also present serious community concerns in that they contribute to the moral decay of the community, juvenile delinquency, crime, disease, and unsanitary conditions.

The area is in need of immediate attention through the demolition of substandard and dilapidated structures; the elimination of slum and blight conditions; the removal of illegal drug use and activity from the area; the providing of affordable housing, jobs, a strong tax base, and a viable commercial district; the preservation of historic structures; and the providing of streetscape and recreational programs.

These findings attest to some of the most prevalent conditions that exist in the area. An immediate effort should be made to address these problems through a redevelopment plan and a tax increment financing district.

#### EXHIBIT "B"

#### LEGAL DESCRIPTION

Begin at the southeast corner of the northeast 1/4 of the northeast 1/4 of Block 18, Section 30 Township 19 Range 27; run thence north along the west right of way line of Baker Street to the southerly right of way line of Lincoln Avenue; thence east along said southerly right of way and the easterly extension thereof of Lincoln Avenue to a point on the east right of way line of Tremain Street; thence north along the said easterly right of way line of Tremain Street to the easterly extension of the southerly right of way of Granite State Court, thence west along said southerly right of way line of said Granite State Court, the easterly extension thereof and the south line of Lot 12 of Granite State Court, as recorded in Plat Book 6, Page 44, Public Records of Lake County, Florida to the west line of said Granite State Court Subdivision; thence north along the said west line of Granite State Court Subdivision to the southerly right of way of Jackson Avenue; thence west along said southerly right of way line of Jackson Avenue to a point on the southerly extension of the east line of Lot 12, Block "B" of Riley's Subdivision, as recorded in Plat Book 5, Page 31, Public Records of Lake County, Florida; thence north along the east lines of Lots 1 through 12, Block "A" and Lots 1 through 12, Block "B" of said Riley's Subdivision, and the northerly and southerly extension thereof to the southerly right of way line of Fearon Avenue, thence east along said southerly right of way line of Fearon Avenue and the easterly extension thereof to the easterly right of way line of said Tremain Street; thence north along said easterly line of Tremain Street to the north line of Section 29, Township 19 South, Range 27 East, Lake County, Florida; thence along said north line of said northerly most boundary a distance of 4,035 feet, thence south 965 feet, east 355 feet to the south right of way line of Pine Avenue, proceed east along the south right of way line of Pine Avenue and the north line of Mount Dora Height Subdivision to Lot 1 as recorded in the Public Records of Lake County, Florida; run thence south along the easterly most boundary of said subdivision a distance of 1,370 feet to a point on the north line of the south 1/2 of Section 29, Township 19, Range 27, from said point proceed east 660 feet to the westerly right of way of New U. S. Highway 441, thence south along said right of way of said highway 330 feet; thence west 165 feet, south 330 feet, then east 150 feet to said westerly right of way of New U. S. Highway 441, proceed thence south 90 feet to said point, then proceed west 1568 feet to a point 152.5 feet from the southwest corner of Block 217; proceed west to the easterly most boundary of Dora Heights Subdivision, Block "A" recorded in the Public Records of Lake County, Florida; proceed south to said southerly right of way line of Lot 22, thence west along said southerly property line of Lots 22 and 10 of said Dora Heights Subdivision, Block "A" continue west along said southerly line of Lot 10 of Block "B" of said subdivision; continue west along the north 152 feet of Blocks 219 and 220, thence proceed west to the easterly boundary of Waller

proceed east along said south property lines of Lots 12 through 1 in said subdivision, continue east to Block 223, then north 6 feet to the south boundary of Lot 14 in Sunniland Subdivision as recorded in the Public Records of Lake County, Florida; proceed west along said southerly boundary of Lots 14 through 6, thence north 25 feet to the south line of Lot 4 thence west to the easterly boundary of Gorham Subdivision, Block B; thence south to the southern boundary of Lot 13 of said subdivision, proceed west along side south boundary of Lots 13 and 18 in said subdivision, continue west in Block A of said subdivision over the northerly most boundary of Lots 14 and 1, continue west over the south boundary of the north 1/2 of Blocks 11 and 12, Section 29, Township 19, Range 27 to the westerly boundary of said section, thence proceed west to point of beginning.