

June 25, 2018

To: His Worship the Mayor  
And Members of City Council

Re: Mobile Food Vending Permit Fees

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**RECOMMENDATION**

1. That no change be made to the Temporary Street Use Permit fees for Mobile Food Vending for 2018; and
2. That the Administration reassess the Temporary Street Use Permit fees for Mobile Food Vending with recommendations for change to be brought forward as part of the proposed 2019 Budget.

**CONCLUSION**

City Council made a number of decisions in April 2017 to support amending the 2017 General Operating Budget to compensate for the effects of the Saskatchewan Provincial budget including increasing Mobile Food Vending Permit fees by 20% (from \$1,400 to \$1,680 annually per unit). Recently, mobile food vendors have expressed concern regarding the increase in fees and impact it has on their ability to do business in areas like City Square Plaza. This report provides information on the current fee, a comparison to similar fees in Saskatoon, and the number of permits issued in 2017 and so far in 2018. Administration recommends that the fee be reassessed with any recommendations for change to be brought forward as part of the 2019 budget process.

**BACKGROUND**

In April of 2017, City Council considered recommendations to amend the 2017 General Operating Budget to compensate for the effects of the Saskatchewan Provincial budget for 2017 - 2018. One of the decisions made by City Council was to increase Temporary Street Use Permits (including Mobile Food Vending Permit fees) by 20% to support an increase to the overall revenue budget.

Temporary Street Use Permits are set out in the Traffic Bylaw for the temporary use of a public highway, sidewalk, boulevard or pedestrian mall. Permits are typically provided for major deliveries, construction, repair, demolition, moving or relocating a building, fundraising, and any other uses permitted by the Director of Roadways & Transportation.

Permit fees vary depending on how much space is being used, what the street is being used for and the duration. The minimum charge was \$20.00/permit and the recommendation as part of the 2017 Amended Budget was to increase all fees by 20% as currently defined in Schedule "J" of the Traffic Bylaw, effective July 1, 2017 as detailed in the table below. City Council approved

this increase to fees and the Traffic Bylaw currently contains the following temporary street use permit fees.

<b><i>Temporary Street Use Permits</i></b>	<b><i>Fee</i></b>
Minimum Rate	\$24.00/permit
Metered Parking	\$1.08/m <sup>2</sup> /day
Parking Lane, Sidewalk or Boulevard	\$0.12/m <sup>2</sup> /day
Traffic Lane or Alley	\$0.18/m <sup>2</sup> /day
<b><i>Temporary Street Use Permit (miscellaneous)</i></b>	
Horse Drawn Carriage	\$60/year/permit
Mobile Food Vending	\$1,680/year/unit
Pedicabs and Rickshaws	\$60/year/permit

## DISCUSSION

In 2012-2013, the City piloted a mobile vending program in keeping with changing trends and the adoption of the Downtown Neighbourhood Plan which supported activities to create a vibrant downtown. In 2014, the City decided to adopt a permanent mobile vending program and at that time the fees for obtaining a mobile vending permit were set at \$1,400 per year. This fee was embedded into the Traffic Bylaw since mobile vending is a type of street-use permit.

The fee for obtaining the permit covered the City's costs for:

- wear and tear on city infrastructure, essentially in lieu of taxes which brick and mortar vendors pay
- power consumption when operating on the plaza
- loss in parking revenue since each permit holder has a parking meter bag that would allow them to use a parking stall for their vending operation with no cost for the parking stall
- the cost of administering the program

The fees have not increased since 2014, despite increases that have occurred to property taxes (approximately 19%) and power rates (approximately 15%) during the same time. While the increase was approved in April of 2017, it did not take effect until mid-2017, as such mobile food vending permits for 2017 were issued at the \$1,400 rate.

Administration has reviewed the City of Saskatoon's Mobile Vending Policy on [saskatoon.ca](http://saskatoon.ca) and found that a permit that would offer similar access to a road right of way within Saskatoon would cost \$1,877.50 and would not include access to power like Regina's permits do.

The following tables compare Regina and Saskatoon's fees schedules:

***Off-Street Mobile Vending***

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Regina	No Fee
Saskatoon	\$500 Mobile Food Truck License Fee \$125 Business License Fee <b>Total - \$625</b>

***On-Street Mobile Vending***

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Regina	Flat fee - <b>\$1,680 per year</b> – includes power when on the Plaza and access to bag parking meters all year
Saskatoon	\$500 Mobile Food Truck License Fee \$125 Business License Fee \$52.50 Admin Fee for each on-street use transaction \$720 for first three months of on-street use \$240 for each additional month on-street use <b>Total - \$1,877.50</b> Does not include access to power Total assumes 5 months of operation per year (May to September)

A complicating factor with respect to this issue relates to direct competition between mobile food vendors and restaurants, especially those in the downtown and those with patios located on City property. Restaurants have seen an increase in both property taxes and power costs in the time that Food Vendors have experienced stable permit fees. In addition, in 2017 restaurants with outdoor patios located on City property also experienced a 20% increase to permit fees in relation to the changes to the Traffic Bylaw to increase Temporary Street Use Permit fees.

Since the mobile vending program was piloted in 2012, the number of permits issued per year has ranged from a low of six in 2014 and a high of eleven in 2015 (ten in 2017). The turnover rate for the mobile vending program is in the range of 50% on a year over year basis. This means that in any given year, roughly half of the vendors who obtain permits did not obtain a permit in the previous year and that only about half of the vendors renew each year. Roughly half of all the vendors who have obtained permits have only done so for one year out of the seven years the program has been in place. Only one vendor has obtained a permit every year since the program was initiated. So far in 2018 five permits have been issued, with a sixth currently in progress.

City Council has three options to consider:

1. Administration reassess the Mobile Food Vending Permit fee with any recommendations for change to be brought forward in the 2019 Budget;
2. Reduce the temporary street use permit fee for Mobile Vending Permits; or
3. Reduce the temporary street use permit fee for both Mobile Vending Permits and outdoor restaurants and patios (located on City right of way).

Option #1:

- Is the basis for the recommendation in this report.
- Would support decision making on this issue during the process of approving the 2019 General Operating Budget.

Option #2:

- Would require a change to the Traffic Bylaw to reduce the fee to the previous rate for Mobile Food Vendors only.
- If City Council chooses to refund those mobile vendors that have already paid the increased fee a second motion would need to be passed.
- Should City Council wish to adopt this option, suggested motions are provided:
  1. That City Council approve an amendment to *The Regina Traffic Bylaw*, 1997, Bylaw No. 9900 (the Traffic Bylaw) to reduce the temporary street use permit fee for Mobile Food Vending Permits to \$1,400 annually per unit;
  2. That the City Solicitor be instructed to prepare and bring forward the necessary amendments to Schedule “J” to the Traffic Bylaw, to reflect the reduction in temporary street use permit fee for Mobile Food Vending Permits as set out in motion 1 above and this report.
  3. That City Council authorize the Administration to reimburse those mobile food vendors who have previously paid for their 2018 temporary street use permit fee the difference between the previous rate and the rate in effect upon passage of the Traffic Bylaw amendment in motion 2 above.
  4. That this bylaw amendment be brought to the July 30<sup>th</sup> meeting of City Council.

Option #3:

- Would require a change to the Traffic Bylaw to reduce the fee to the previous rate for both Mobile Food Vendors and Outdoor Restaurants.
- If City Council chooses to refund those mobile vendors and outdoor restaurants that have already paid the increased fee a second motion would need to be passed. The process to reimburse outdoor restaurants would be at least somewhat more complicated than the process to reimburse five mobile food vendors.
- Should City Council wish to adopt this option, suggested motions are provided:
  1. That City Council approve an amendment to *The Regina Traffic Bylaw*, 1997, Bylaw No. 9900 (the Traffic Bylaw) to reduce the temporary street use permit fee for Mobile Food Vending Permits to \$1,400 annually per unit [and for Outdoor Restaurants - Metered Parking of \$0.90/m<sup>2</sup>/day and for Outdoor Restaurants – Parking Lane, Sidewalk or Boulevard of \$0.10/m<sup>2</sup>/day];

2. That the City Solicitor be instructed to prepare and bring forward the necessary amendments to Schedule “J” to the Traffic Bylaw, to reflect the reduction in temporary street use permit fee for Mobile Food Vending Permits and Outdoor Restaurants as set out in motion 1 above and this report.
3. That City Council authorize the Administration to reimburse those mobile food vendors and Outdoor Restaurant permit holders who have previously paid for their 2018 temporary street use permit fee the difference between the previous rate and the rate in effect upon passage of the Traffic Bylaw amendment in motion 2 above.
4. That this bylaw amendment be brought to the July 30<sup>th</sup> meeting of City Council.

## RECOMMENDATION IMPLICATIONS

### Financial Implications

There are no financial implications related specifically to Option #1 of this report. The analysis and subsequent recommendations could have financial implications but those will be articulated through the 2019 budget.

Should Option #2 be chosen the estimated financial impact would be \$1,680.

Should City Council choose Option #3 the estimated financial impact for outdoor restaurants would be \$1,850, for a total impact of approximately \$3,530.

### Environmental Implications

None with respect to this report.

### Policy and/or Strategic Implications

Policy and/or Strategic Implications will become evident through further analysis and the report supporting the 2019 budget.

### Other Implications

None with respect to this report.

### Accessibility Implications

None with respect to this report.

## COMMUNICATIONS

None with respect to this report.

DELEGATED AUTHORITY

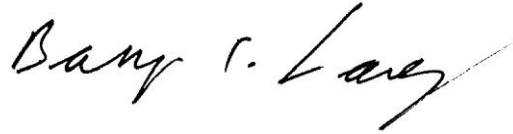
The recommendation contained in this report is within the authority of City Council.

Respectfully submitted,

A handwritten signature in blue ink, reading "Diana Hawryluk". The signature is fluid and cursive, with the first name "Diana" and last name "Hawryluk" clearly distinguishable.

Diana Hawryluk, Executive Director  
City Planning and Development

Respectfully submitted,

A handwritten signature in black ink, reading "Barry Lacey". The signature is written in a cursive style, with "Barry" and "Lacey" being the primary components.

Barry Lacey, Executive Director  
Financial & Corporate Services