



**CITY OF SALINAS  
FINANCE COMMITTEE**

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**DATE:** OCTOBER 5, 2020

**DEPARTMENT:** COMMUNITY DEVELOPMENT DEPARTMENT

**FROM:** MEGAN HUNTER, DIRECTOR

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**TITLE:** VENDOR ORDINANCE ADMINISTRATIVE REPORT

**RECOMMENDED MOTION:**

Receive an administrative report on recommended amendments to the City's Vendor Ordinance.  
No action required.

**BACKGROUND:**

***Alisal Vibrancy Plan Recommendations***

During the Alisal Vibrancy Plan (AVP) planning process members of the Economic Development Working Group and other community stakeholders identified the following issues related to mobile food vending in the Alisal. Desired actions focused on the following areas:

- Increasing economic opportunities by increasing number of vending permits and allowed locations;
- Eliminating conflicts/competition between mobile food vendors and “brick and mortar restaurants”;
- Improving community safety by removing vehicle and pedestrian conflicts; and
- Enhancing the appearance of the commercial corridor through vehicle appearance and location.

In support of AVP implementation, staff has undertaken is a review of the current Vendor Ordinance and drafted recommended changes to incorporate the desired actions above.

## ***Vendor Ordinance Summary***

The Vendor Ordinance defines three categories of street vendors:

- Catering Vehicle
- Non-Motorized Pushcarts
- Street Vendors

Only 32 Catering Vehicles are authorized to conduct business in the City. The ordinance allows for mobile vending, vending at pre-approved locations and vending on private property in industrial zones. Outside of industrial zones, catering vehicles are only allowed in the public right of way and are prohibited in any city park or recreational facility. Vending is also not allowed on private property.

Interest in starting a food truck business has well surpassed the limit of 32 Catering Vehicles. Since 2012, staff have maintained a waitlist of individuals requesting a Catering Vehicle permit. The list currently exceeds 300 interested parties with minimal to no permit openings each year.

## **DISCUSSION:**

### ***Ordinance Review***

Over the past several years City and County Health Department staff have convened a Vendor Ordinance Taskforce to review the current ordinance, its implementation and monitoring to evaluate the potential for modification and expansion of the program through increasing the number of permits and locations for vending. This includes evaluating the potential impact to “brick and mortar” restaurants with the City’s overall economic development strategy to support and encourage entrepreneurialism.

Through these conversations it was identified that amendments to the Vendor Ordinance are needed to address 1) the long wait list of 300+ small business owners, 2) strengthen enforcement and modify regulations to reduce ambiguities, and 3) provide business opportunities. Given the current pandemic and economic crisis, it is now even more important to provide and support entrepreneurial opportunities, especially in our lower income, disadvantaged communities.

During the review process the following secondary issues were also identified and discussed:

- Need for regulations for ice cream trucks
- Need for hours of operation to accommodate the community
- Need to minimize impact to brick and mortar establishments
- Need for advertising regulations
- Need to facilitate and promote healthier food options, such as fresh fruit and vegetables

### ***Analysis/Steps Taken***

In January 2020, staff reached out to the 317 vendors on the food truck vendor permit waiting list to determine how many of these vendors have the equipment to conduct business at this time and

continued interest in remaining on the list. As a result of this outreach effort, we discovered the following from the 230 contacted:

- 132 want to remain on the list
- 49 have trucks ready to commence service
- 17 are waiting for a permit prior to investing in the equipment

Several of the jurisdictions reviewed allow for vending in private property including Monterey, San Jose and Santa Cruz. Private property vending in most of these jurisdictions is limited to commercial properties. San Jose is the most progressive by allowing vending of fresh uncut fruit in residential zones. The following recommendations are based on reviewing various ordinances to determine what would be the most advantageous for the City of Salinas in terms of viability, practicality, and financially, with respect to our economy.

### ***Proposed Vendor Ordinance Modifications***

The tables below outline the proposed ordinance changes to address the issues raised regarding the number of allowed permits, hours of operation, location of operations, regulations for ice cream vendors and advertising.

<b>Increase Economic Opportunities Through Mobile Vending</b>			
<b>Vendor Type</b>	<b>Current No. Allowed</b>	<b>Proposed No. Allowed Per Council District</b>	<b>Total Proposed</b>
Catering Vehicle (Truck/Trailer)	32	10	60
Mobile Food Vendor (Cart)	Included with Catering Vehicle	10	60
Produce Vendor (Truck & Cart)	Included with Catering Vehicles	10	60
Ice Cream Truck	Allowed (not in current ordinance)	Add to ordinance *No restriction	Unlimited
Nonmotorized Pushcart (Ice Cream Pushcart)	Allowed	No Change	Unlimited
Nonmotorized Pushcart (Flower/Merchandise)	Allowed	No Change	Unlimited

Ordinance Change		
Current Ordinance	Proposed Change	Reason for Change
Restricts distance between Catering Vehicles to 300'	Eliminate requirement and create special curb markings for food trucks.	Allow for possibility of mobile food pod zones that will increase street parking by not having catering vehicles "reserve" their vending locations.
Requires a bathroom and handwashing facility within 200'	Remove requirement.	Redundant as this is required to obtain a health permit.
Does not require background checks	Require background check for all ice cream pushcart and ice cream truck vendors.	To protect our children.
Catering vehicle hours are 3am-6pm and 3pm-6am	Change catering vehicle hours to 6am-6pm and 6pm-6am.	Eliminate conflict between vendors and maximize mobile food pod zones.
Regulate ice cream trucks	Create rules and regulations for ice cream trucks.	Not addressed in current ordinance.
Defines mobile food vendors as Catering Vehicles	Change definition to Mobile Food Truck Vendors.	Align definition with Monterey Health Department terminology.
Does not regulate distance to "brick and mortar" restaurants	Do not allow a mobile food vendor within 300-ft of "brick and mortar" restaurant.	Eliminate conflicts for "brick and mortar" restaurants.

### ***Private Property and Park Pilot Programs***

Beginning Fall 2019, Community Development, Library and Community Services (Parks and Recreation), and Development Engineering staff discussed establishing a pilot program(s) to allow food trucks vendors on private property and adjacent to city parks.

#### **Pilot Program(s) Objectives:**

1. Create objective criteria for vendors to obtain permits on private property and adjacent to city parks.
2. Establish regulations to allow produce vending.
3. Alleviate vendor related traffic conflicts on arterial streets.
4. Increase street parking by not having catering vehicles "reserve" their vending locations.
5. Increase vitality along E. Alisal and E. Market Streets.
6. Eliminate conflict with "brick and mortar" restaurants.

7. Increase aesthetic requirements for mobile vending vehicles.

### ***Next Steps***

Changes to vending on public rights of way would be accomplished by amending the current Vendor Ordinance. Since there already is an ordinance for this type of vending, it would be relatively simple to coordinate with the Legal Department to revise the ordinance and implement many of the recommendations outlined above. Prior to presenting the amended Vendor Ordinance to City Council for consideration, staff would conduct additional engagement with community stakeholders, including current vendors and those on the wait list. Since there is potential impact to circulation, staff may present to the Traffic and Transportation Committee for review and recommendation. Public Works would lead this effort in coordination with CDD and it is expected that these changes will come to City Council before the end of the calendar year.

Vending on private property and in the parks is still in the framework stage. These changes would require much more ordinance development. Vending on private property would require amendments to the Zoning Code. Because of these complexities, additional conversations between Development Engineering, Community Development and Parks and Recreation are required to finalize program parameters, regulations, and processes. Similar to vending on private property, staff will seek input from community stakeholders and vendors. Recommendations regarding park vending would be presented to the Library and Community Services Commission. Modifications to the Zoning Code related to vending on private property would be presented to the Planning Commission for review and recommendation. A final draft of these program(s) would then be presented to City Council for consideration.

### **FISCAL AND SUSTAINABILITY IMPACT:**

The proposed ordinance amendment has the potential to increase entrepreneurial opportunities in mobile food vending throughout the City that could reduce the number of vendors on the current waitlist. In addition, fee revenue would increase based on the number new permits. Each permit is \$600 per year. This does not include associated ancillary fees, i.e. fire. Increase in sales tax revenue generated would be dependent on the economy as is typical with any small business.

### **ATTACHMENTS:**

1. None