



## SALINAS UNITED BUSINESS ASSOCIATION

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August 16, 2021

Kimbley Craig  
Mayor of Salinas  
200 Lincoln Ave.  
Salinas, CA 93901

### VIA EMAIL

Honorable Mayor Craig,

**RE: Ordinance Amendment to Article XVI of Chapter 20 of the Salinas Municipal Code and an Ordinance Amending Chapter 34 (Zoning Code) of the Salinas Municipal Code Pertaining to Mobile Food Trucks.**

The Salinas United Business Association is a small business organization that represents over 700 businesses in the Alisal Area. Of those businesses approximately 600 are small businesses mainly owned by families in our community. Of those businesses, our area consists of approximately 60 restaurants, bakeries and food trucks.

**SUBA would like for the Salinas City Council to consider doing a feasibility study before proceeding with the updates to the Mobile Food Truck Ordinance.** We understand that some comparables and review of fees has taken place and we acknowledge the effort as it is very difficult to compare the two industries. There are a number of items that SUBA believes should be included in the feasibility study:

*Review the costs associated with brick-and-mortar restaurants in its evaluation and compare the costs associated with food trucks in its evaluation through the feasibility study. Briefly do a benefit cost analysis of the two industries.*

**The study should include the average costs associated with doing business as a Restaurant in Salinas:**

i.e.-Health Permits, Business License, Resale Permits, Liquor License Cost, Conditional Use Permits, Fire Inspection Costs, Worker's Compensation Insurance, Unemployment Insurance, Liability Insurance, Property Insurance, Specific Peril Insurance, Staff Costs, Storm Water and Sewer Costs, Electricity Costs, Water Usage Costs, Rent, P.O.S. System costs, etc.

**The study should include the average costs associated with doing business as a Food Truck in Salinas:**

i.e.-Health Permits, Business License, Resale Permits, Fire Inspection Costs, Worker's Compensation Insurance, Unemployment Insurance, Liability Insurance, Vehicle Insurance, Staff Costs, Possible Rent Cost, Commissary Fees, Commercial Kitchen Fees, P.O.S. System costs, etc.

**The feasibility study should include a comparison of the fees collected by the City of Salinas with both brick-and-mortar restaurants and food trucks.**

**The feasibility study should also compare side-by-side the average revenue in sales tax collected by the City of Salinas for both brick-and-mortar restaurants and food trucks currently. In other words, a benefit cost analysis.** *(The business license information collected through the Finance Department should have the necessary information to do this analysis.)*

**Included in the feasibility study there should be a brief study on collisions near food trucks versus restaurants.** *(Vision Zero information should already be included in the information the staff gathered.)*

**Lastly, there should be some modeling on the possibility of brick-and-mortar restaurants and existing food trucks closing due to more competition based on the updated food truck ordinance.** *(HdL Consultants could possibly assist with this.)*

This would give the opportunity for the Salinas City Council to be able to evaluate as close as possible some of the differences between the two industries and make an informed decision based on these comparisons for the update.

Furthermore, SUBA encourages the City of Salinas to gather as much input from all interested parties; especially restaurants as well as existing food trucks. SUBA would like for there to be as little animosity between restaurants and food trucks as this ordinance progresses.

SUBA has met with a few restaurants and gathered a few suggestions:

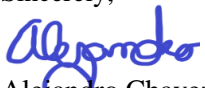
- 1) An incentive for food trucks to move into brick-and mortar as a way to try to even the playing field.
- 2) Fees should be high enough to encourage food trucks to become a brick-and-mortar restaurant rather than just a food truck vendor. *(There were other suggestions, we did not include them.)*

The time spent on the feasibility study would allow for more stakeholders to give input into moving forward in order to update this ordinance. Many of our brick-and-mortar restaurants struggled tremendously this past year due to COVID-19 restrictions and are still struggling to stay open now. The assistance from grants, loans and new policies implemented by the City of Salinas has assisted. However, moving this forward at this time without the feasibility study and/or more input may end up closing more of the City's restaurants and current food trucks.

SUBA understands that the information being presented by staff may explain some of this information. However, it needs to be more in depth. These small business owners do not rely on a salary as most public employees do. If there are no sales or a drop in sales they get paid less or they don't get paid at all. Many small business owners especially restaurant owners and food truck owners work seven days a week with the hopes that they will make profit. This decision by City Council is a life changing decision for these small business owners.

SUBA welcomes the discussion and hopefully the feasibility study. We always look forward with partnering with the City of Salinas. SUBA hopes that this feasibility study will give the City Council the information necessary to amend Article XVI of Chapter 20 of the Salinas Municipal Code and an Ordinance Amending Chapter 34 (Zoning Code).

Sincerely,



Alejandro Chavez

c.c. Salinas District 1 Council Member Carla Gonzalez, Salinas District 2 Council Member Tony Barrera, Salinas District 3 Council Member Steve McShane, Salinas District 4 Council Member Orlando Osornio, Salinas District 5 Council Member Christie Cromeenes, Salinas District 6 Council Member Anthony Rocha, Salinas City Manager Steve Carrigan, Salinas Community Development Director Megan Hunter