

## **FULL SERVICE FOOD VEHICLE (FSFV) UPDATE**

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### **EXECUTIVE SUMMARY**

Administration has been directed by Council to provide an update on the impact of the food truck industry on local businesses, to investigate opportunities to reduce environmental concerns, and to examine current interface issues surrounding Full Service Food Vehicles - FSFV (food trucks) resulting from any proximity rule and to explore opportunity for designated parking zones.

In response to the above directives, Administration undertook a review and investigation of best environmental practices in several North American cities, conducted internal and external stakeholder interviews, and engaged business owners and external consultants in an effort to provide a comprehensive update report for Council's consideration.

In addition to providing an impact analysis and in consideration of Council direction, Administration implemented two programs: a pilot program for designated parking zones; and an interdepartmental, collaborative incentive program designed to educate, reward and recognize operators for their creative and green initiatives.

### **ADMINISTRATION RECOMMENDATION(S)**

That the SPC on Planning and Urban Development recommends that Council receive this report for information.

### **RECOMMENDATION OF THE SPC ON PLANNING AND URBAN DEVELOPMENT, DATED 2014 OCTOBER 08:**

That the Administration Recommendation contained in Report PUD2014-0440 be approved.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

At the 2013 September 16 Meeting of Council, it was moved by Alderman Farrell, seconded by Alderman Mar, that the SPC on Planning and Urban Development Recommendations 1, 2a, 2b and 2d contained in Report PUD2013-0529 be adopted, as follows:

1. That Council give three readings to the Proposed Bylaw 38M2013, and
2. Continue to work with stakeholders to:
  - a. Monitor impacts to local businesses and report back in 2014 October.
  - b. Explore opportunities and possible amendments to the bylaw in order to reduce waste, emissions, and noise impacts.
  - d. Recognize that park proximity rules are intended to address interface impacts rather than impacts on parks, and develop finer grained regulations to open up opportunities where interfaces are not an issue and report back 2014 October.

Carried.

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ADOPT, Moved by Alderman Farrell, Seconded by Alderman Mar, that the SPC on Planning and Urban Development Recommendation 2c contained in Report PUD2013-0529 be adopted, as follows:

- c. Examine opportunity for designated parking zones.  
(Opposed: A. Chabot, P. Demong)  
Carried.  
[Attachment 1]

### BACKGROUND

The current FSFV program was derived from an initiative to implement and execute the Mayor's "Cut-Red-Tape" project. Since then, this mobile industry has grown into a well-recognized and celebrated venture. On 2012 June 21, The City of Calgary's (FSFV) Food Truck Pilot Program received the *Star of Excellence Awards: Collaboration*:

*"The escargot of France, the pizza of Italy, and... the perogies of Marda Loop? It's true – with the launch of Calgary's food truck program pilot, our city was put on the international culinary map.*

*The Mayor's Office assembled a collaborative team of stakeholders as varied as food truck cuisine to approve the program. The resulting event was nothing short of record breaking. Featured on the Food Network's Eat Street, the trucks garnered nationwide attention. With their own Twitter accounts and website<sup>1</sup>, Calgarians are alerted to where they can be found on any particular day. Other Canadian cities are looking to follow Calgary's model to set up food truck programs of their own. This initiative has helped redefine Calgary as one of Canada's most vibrant- and delicious – cities."<sup>2</sup>*

On 2013 September 16, Administration presented to Council a report that advanced the food truck industry from a pilot program into an elaborate framework.

With such tremendous success and the infancy of Calgary's food truck program, Calgary is poised to further advance its food truck commerce and be a leading example for other jurisdictions in North America.

### INVESTIGATION: ALTERNATIVES AND ANALYSIS

#### 1) Impact Survey and Analysis

With the assistance of a consulting firm, Administration conducted an impact survey and analysis. Various businesses were approached to provide feedback regarding the impacts of FSFVs on their organizations. To achieve equal market representation, Administration defined "local businesses" to include restaurants, retailers, offices and mixed-use commercial premises. In total, 597 businesses, including 74 restaurants, were approached to complete the survey; from which, a total of 203 surveys were completed (but only 49 restaurants responded).

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<sup>1</sup> <http://www.yycfoodtrucks.com/>

<sup>2</sup> <http://mycity/NewsEvents/MyCityNews/Pages/StarofExcellenceAwardsCollaboration.aspx>

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The survey was conducted with the following considerations and parameters: parking, traffic, environmental and financial impacts, vitality, perception and sentiments towards FSFV, specifically within the downtown core (Attachment 2).

The key findings suggest that the food truck industry is generally perceived as positive and contributes to the vibrancy of the city. Overall, businesses have few concerns with food trucks:

- 46 per cent of businesses surveyed would like to see more food trucks downtown, while 35 per cent would like to see the number remain the same. About 16% would prefer to see fewer food trucks.
- In spite of restaurants' generally negative views on the impact of food trucks (53 per cent report that food trucks have had a negative impact on their finances), just four per cent recommend that The City should *do away with food trucks altogether*. This indicates that, although many perceive food trucks as a direct competitor that potentially has negative impacts on their business, restaurants are more likely to recommend The City put restrictions in place (e.g., designated parking spots) rather than eliminating food trucks altogether.
- Businesses identified the impact on parking as the most negative aspect of food trucks. Almost 3 in 10 businesses say that food trucks make it more or much more difficult to find parking downtown, although the majority (53 per cent) say food trucks have no impact on the ability to find parking.

In general, the food truck industry continues to be well-received and is a positive addition to Calgary's downtown social scene.

### **2) Environmental Green Initiatives**

Results obtained from stakeholder engagement and research on best practices in North American cities helped Administration design a cross-departmental, collaborative program, as detailed below. The results of the studies and engagement include:

- No sampled municipalities regulate green initiatives; rather cities use incentive programs designed to encourage the efforts of food truck vendors (Attachment 3). According to this research, Administration found it unnecessary to amend the current bylaw, at this time.
- The costs to implement green initiatives are high – as much as \$110,000 - as such, operators are unable to implement due to financial constraints (Attachment 4).
- A high-level analysis indicates that restaurants tend to have greater environmental impacts than FSFV due to the size differences (most restaurants are 1,000sf – 5,000sf, in comparison, FSFV are only 250sf – 300sf); and other operational factors such as hours of operation and seasonal operating schedules as FSFV operates seasonally during summer months (Attachment 5).
- Interviews conducted with Green-Certified Food Truck operators - currently 3 out of the 48 FSFV in Calgary - indicated a move towards a “green-mindset” aimed at reducing environmental impact as the primary motivator for including and implementing green initiatives as part of their business plans and strategies. These “green-minded vendors” emphasised an unwillingness to compromise their environmental principles and have ingrained this philosophy into their business models.

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### Food Truck Green Zone & Green Cart Educate Pilot

This is a collaborative, interdepartmental pilot program aimed at supporting Council's priority to further increase awareness and understanding that the environment is a shared-responsibility. In this multi-departmental collaboration, *Waste & Recycling Services*, *Compliance Services*, *Corporate Services*, *Recreation* and *Roads* conducted an experimental program designed to highlight and further encourage food truck operators to incorporate green initiatives and designs into their business models; while at the same time, providing the necessary educational component to increase public awareness of the upcoming 2017 Green Cart (Composting) Program. This one-month pilot, held in 2014 September for four consecutive Thursdays, had two essential components:

#### *A. Food Truck Green Zone Pilot*

In light of the above findings and conversations, Administration created a *Food Truck Green Zone Pilot*. Through an alliance with LEAF (Leaders in Environmentally Accountable Foodservice) – a non-profit organization - “green-minded” food truck operators were invited to showcase their green initiatives with the public. Only those operators with assessable green standards and practices were invited to participate. LEAF evaluates food trucks according to stringent standards including high-efficiency equipment (noise and emission reduction), waste management, compostable service-ware, and other environmental practices. The objective of this pilot is to recognize the current efforts of vendors in reducing the environmental impacts of their businesses and to further encourage and entice other vendors to follow and implement these practices as part of their business model. Although preference is for vendors to be LEAF-certified, participation was not exclusive to LEAF members; however, for future events, the selection criteria may change depending on the success of this initiative. Administration will monitor and evaluate the results of this pilot for effectiveness in promoting and encouraging higher and greater environmental standards and participation; such as an increase in LEAF-certified food truck memberships, (currently there are only three certified food trucks in Calgary). A communication plan was designed to inform Council, citizens, and vendors of the pilot, (Attachment 6).

#### *B. Green Cart Educate Pilot*

In an effort to further educate and promote food truck vendors (and the general public) to adopt (greater) environmentally-friendly practices, Administration provided waste and recycling (black, blue and green) carts and educators on-site at the *Green Zone*. It has been found that by adding green carts, in addition to the existing blue carts, special events (such as The Calgary Folk Music Festival and other events) are able to divert as much as 80 per cent of their waste from the landfill. In an effort to continue this success and endeavour, this co-pilot program is designed to share that knowledge and further educate and encourage all citizens to move towards reducing environmental impacts and greater waste management:

- Education - provided information regarding proper recycling, waste diversion methods to both citizens and food truck vendors. Brochures were distributed and educators were on-site to demonstrate proper recycling/composting techniques; and,
- Waste diversion – continue to align with the overarching goal of diverting 80 per cent of waste from landfill by 2020.

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### 3) Proximity to Parks

Administration has not received any request or complaints, (as tracked through Parks' booking system and 3-1-1), regarding FSFV on-street parking practices or expressed interest for designated locations adjacent to parks and playfields. Parks and Recreation have created an extensive list, including 17 parks and 10 athletic fields, permitting FSFV to book and secure designated spots within these facilities and areas (Attachment 7). Currently, these designated locations are still being utilized, although, not extensively.

### 4) Designated Parking Spots

In response to Council's directive to "examine opportunity for designated parking zones", Administration explored zones within the downtown core and Business Revitalisation Zones (BRZs).

#### A. FSFV Designated Parking Pilot

In a joint effort, *Roads, Calgary Parking Authority (CPA), Transit and Compliance Services (CS)* implemented a pilot for food truck designated parking. The food truck industry was consulted for their desired locations – a zone located on 3 Avenue, between 3 Street and 4 Street SW, was identified as being ideal for a pilot location (Attachment 8).

The location was piloted for the month of September, where *Roads and Compliance Services* tracked and analyzed this trial location for use, frequency, demand and acceptance both by the general public and food truck vendors. The findings are currently under review at the time of writing this report.

#### B. *Business Revitalisation Zones (BRZs)*

In addition to the efforts of *Roads* and *CPA*, Administration requested *BRZs* to revisit and explore the possibility of "lessening" the prohibited zones and creating designated food truck areas to stimulate certain pockets of these communities. However, the general consensus is the current zones are sufficient and appropriate as food truck vendors have not expressed a desire to conduct their businesses within these established zones. In addition, even if the prohibited zones were removed, many food truck operators would face other challenges under the bylaw making these locations non-viable due to the restaurant proximity rule. Further, it has been widely-accepted and acknowledged that FSFV are still permitted within these zones upon the expressed written approval and authorisation of private property owners.

## **Stakeholder Engagement, Research and Communication**

As part of the review, Administration conducted multi-stakeholder engagement, interviews and discussions including Councillors, senior administration and management from various City departments. These conversations helped Administration identify and create potential opportunities and improvements to the Food Service Food Vehicle Program.

Specifically, Administration consulted Councillors for clarification and expectations regarding Council's direction as indicated in PUD 2013-0529. Administration observed the following:

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- Administration's approach to engage an external consultant to conduct an impact analysis survey is a prudent approach and is supported by Council.
- Food truck operators should be "encouraged" to adopt environmental-friendly practices within their business.
- In light of the amendment to park proximity rules, whereby the 100 metres rule was removed at SPC on PUD Commitment meeting in 2013, most Councillors deemed it unnecessary to further address the interface issues.
- There was a mixed consensus on designated parking zones: deemed by some as creating "unfair level of competition" for the food truck vendors; while others consider such zones could be utilized as part of an incentive program.

### **Strategic Alignment**

#### *Sustainability 2020: Sustainable Environment*

The protection of air, land and water is recognized as critical for achieving healthy ecosystems within Calgary and this understanding is applied to the way we grow and operate as a city.

The FSFV program is aligned with the principals and values promoted in Council's *Transforming Government (Cut-red-tape) Initiative*, including: transparency; accountability; civic engagement; innovation; citizen Orientation and sustainability.

### **Social, Environmental, Economic (External)**

#### *Social*

Administration, through innovation, ideas and initiatives, continues to engage the Corporation, citizens and businesses in the planning and development of this great city.

#### *Environmental*

The Food Truck Green Zone and *Waste & Recycling* Educate Pilot strive to reduce environmental impacts and increase public awareness and understanding that the environment is a shared responsibility.

#### *Economic*

FSFV initiatives support Council's priorities in creating vibrant communities and a prosperous city: As "Calgary continues to grow as a magnet for talent, a place where there is opportunity for all, and the best place in Canada to start and grow a business."

### **Financial Capacity**

#### **Current and Future Operating Budget:**

N/A

#### **Current and Future Capital Budget:**

N/A

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### **Risk Assessment**

The food truck industry is at its infancy and at the most critical point of its development. Initiatives that encourage food truck vendors to utilise environmentally-friendly practices are important to prevent the erosion of Calgary's long-term focus on "healthy community, environment, and economy now and in the future."

### **REASON(S) FOR RECOMMENDATION(S):**

To provide Council with an update report on Administration's continued initiatives to improve Calgary's food truck industry, while advancing Council's desire to increase public awareness and understanding of a shared-responsibility to conserve and protect the environment.

### **ATTACHMENT(S)**

- 1: Previous Council Direction/Policy
- 2: Food Truck Impact Survey & Analysis
- 3: Green Food Truck Initiatives: Industry Practices and Regulations in North America
- 4: Environmental Scan of the Costs to Implement Green Initiatives
- 5: Food Trucks v. Restaurants Impact on the Environment
- 6: Communication Plan
- 7: Athletic Parks, Playfields and Parks, Permitting Food Trucks
- 8: Designated Parking Zones Pilot Program