



REPORT ON FOODTRUCKS

A Multiple City Analysis and Report of Site Visit to Los Angeles



Presented by Councilors Michael P. Ross and Salvatore LaMattina

Fall 2010

CONTENTS

Introduction	3
Regulations	4
New York, New York	4
Austin, Texas	4
Houston, Texas	4
Los Angeles, California	4
San Francisco, California	5
Chicago, Illinois	5
Recommendations for Boston	6
License Capacity	6
Proximity to Other Businesses	6
Off-Limit Zones	6
Mobility	6
Charitable Components	7
Environmental Considerations	7
Private Property Regulations	7
Clustering	7
Commissaries	7
Other regulations	7
Conclusion	7

INTRODUCTION

It was the summer of 2008 in Los Angeles, California. Morris Appel was having a drink with his friends to discuss a new idea. Mark Manguera and Roy Choi, who had met while working together in a Los Angeles hotel, were looking for new career paths as they confronted a rapidly down-turning economy. The team believed that they could offer Los Angelians a gourmet and affordable late-night treat at the close of bars when hungry patrons emerged looking for a tasty snack. Appel was skeptical. He and his family had been in the mobile food industry (or the "roach-coach" business as he affectionately refers to it) for years, operating out of a downtown commissary that serviced a majority of the construction coffee and lunch crowd for decades. A Los Angeles native, he was well aware of his city's history of taco trucks - mostly serving the Mexican and Latin areas - but gourmet food trucks? He wasn't so sure. Nonetheless, not wanting to let down his friends, he leased them a truck complete with a refrigerator, stove and grill. They wrapped the truck in bright lettering with their business name and menu, and "Kogi's Korean Taco Truck" was born.



Kogi Food Trucks

For the first four months, the Kogi team was barely surviving. Eight-hour days would result in sales of only 60 dollars. Appel encouraged the team to keep "building their

route." Years of driving construction routes taught him that it takes time to grow a clientele and this was no different. Tired, broke and otherwise jobless, the Kogi team had no choice but to hang on.

Then something wonderful happened to them.

L.A. Weekly food writer and Pulitzer Prize winner Jonathan Gold was covering a celebrity appearance when he happened upon the Kogi truck. He ordered one of their now famous Korean Barbecue Tacos and fell in love. After that - as Appel describes it - "it was all over." Thus began the Food Truck revolution that has resulted in cities across America and throughout the world launching a new industry; the arrival of a Food Network television show, several pending books, and a cult-like following of chef celebrities who make cameo appearances in other cities with their delicious rolling restaurants. It has also been the cause of municipal and state government regulation - some too much and others not enough.

As this relatively nascent industry suddenly explodes across the country and internationally, cities like Boston who have yet to create ground rules for an industry on the horizon are in the enviable position to learn from other's successes and failures.

The gourmet food truck industry is the sudden intersection of entrepreneurial innovation, technology-enabled mobility, a down-turned economy where value is premium, and the latest fad. But it is an industry that is here to stay. For the customer it represents an urban adventure where for under ten dollars one can read a tweet or follow their mobile GPS to their favorite food - a night out at a fraction of the price. To the entrepreneurial chef owner it represents an opportunity to open a restaurant at a fraction of the price than it does to open one that is brick and mortar. For the regulator, if done correctly, it represents an opportunity to bring fun and

excitement to a city; and jobs and revenue to a struggling economy. The following report represents the observations of two City Councilors on the current gourmet food truck industry and recommendations to move forward.

Oh, and the Kogi team? They are now on their seventh truck. On average patrons wait in line for over forty-five minutes to get their Korean Taco. In his first year they grossed \$2 million. They employ dozens of workers and contribute heartily to the local economy. For example, each month they spend \$100,000 in beef purchases alone.

REGULATION

The precipitous growth of the gourmet food truck industry in Los Angeles from zero to hundreds in just over two years caught the city off-guard and should serve as a warning for undue delay in forming regulations here in Boston. Los Angeles' attempt to introduce regulations *after the fact* has not gone well. Incremental ordinances have been the subject of political sparring between City Hall and the industry, and recent litigation successfully reversed recently enacted laws. For all its efforts, City Hall has not achieved effective changes or regulations to the industry. Simply said, Los Angeles grew too quickly without input from city agencies that could have better shaped the industry and resulted in a better product for all.

The following is a synopsis of the various regulatory controls of the cities we reviewed:

New York, New York

New York is perhaps the most densely populated city and has the most food trucks in the country. The City has capped since 1979 the number of mobile food vendor permits at 3,100 (including carts) and there has been some discussion to raise this to 25,000. Some sources say that there are some 10,000 food trucks in New York City.

New York has actually stopped issuing permits and instead collects names on a waiting list. Those that expire are turned over to people on a waiting list. This environment has created a black market which illegally transfers ownership of existing permits.

Austin, Texas

Their website devotes an entire page to help entrepreneurs identify what laws apply and what permits they need to operate a food truck business. Generally, their ordinance allows for the operation of food trucks in commercial areas and within 50 feet of residential areas between the hours of 6AM and 10PM, with some exceptions depending on location allowing for operation between 10PM and 3AM.

Houston, Texas

Houston allows the operation of food trucks at both fixed locations and as mobile food units. Mobile food trucks are given medallions which authorize their operations. In Houston, an applicant who is seeking approval to operate a food truck must submit a plan that identifies the locations where they will serve food. Any change in their operations with regard to these locations must be noticed in writing to the City of Houston.

Los Angeles, California

County, not city, government issues the public health regulations for all food trucks. Regulations require regular scheduled inspections of the trucks as well as unannounced random inspections. The City of Los Angeles is now looking to implement a permit system for all vendors. Los Angeles has a very active food truck scene that adds prolifically to the city's charm. The Los Angeles City Council has faced significant hurdles in implementing proper regulations and had a 2006 ordinance that had restricted the parking of food trucks in residential and commercial areas to 30 minutes and 60 minutes, respectively, overturned by the LA Superior Court. According to the City Councils Chief Legislative Analyst office, the

remaining provisions of the municipal code pertaining to food trucks are more or less unenforced.

San Francisco, California

San Francisco food trucks have been extremely successful and the industry has benefited from a recent city ordinance that coordinates multiple agencies, including the city health department, public works department and the Bay Area Rapid Transit (BART). Moreover, the permitting process takes into serious consideration the environmental impact of food trucks and requires operators to develop and implement "Good Neighbor Policies" that ensure a positive, quality experience for members of the community.

Chicago, Illinois

Chicago has not yet adopted an ordinance to regulate the food truck industry. The local government is still addressing concerns that existing restaurants have around the impact that food trucks may have on their businesses, concerns of citizens around food safety, and issues around food sanitation and city cleanliness. Their proposed ordinance limits food trucks from the vicinity of competing businesses – between 100 and 200 feet of such establishments – and even goes so far as requiring consent of the business owner to be within a certain range.

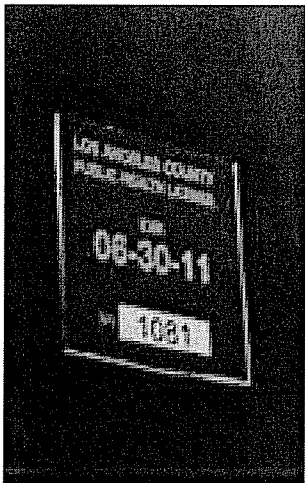
Number of Food Trucks in Cities Researched		
City	Population	Number of Trucks
New York, NY	8,391,881	3,100-10,000*
Austin, TX	786,386	1,043**
Houston, TX	2,257,926	1,000
Los Angeles, CA	3,833,995	3,500
San Francisco, CA	815,358	100***
Chicago, IL	2,851,268	6-10****
*includes carts, estimated number		
**2,198 estimated by 10/11		
***not including push carts		
****ordinance in formation		

RECOMMENDATIONS FOR BOSTON

Several regulations observed from other cities make sense for Boston. Boston should also grandfather those trucks that have been on our streets for years as there are very few of them and after-the-fact regulations would be unfair.

License Capacity

Most cities have found that overgrowth of the industry is not good for the vendors or the city. Los Angeles' sudden growth prevented proper regulation and resulted in such direct competition on the street that there are stories of food truck workers getting into physical altercations with each



California Public Health Permit

other to jockey for positions on the street. The number of trucks varies by city and should depend on populations and geographical space.

Boston, with its population of 630,000 people, may be more content with a smaller number when fully built out. In the meantime,

the best advice has been to phase in the number so as to grow gradually. In its first year, Boston should limit its growth to a maximum of 25 trucks. This will allow us to learn as we grow. As other cities have learned, you can easily add more it is virtually impossible to pull back.

Proximity to Other Businesses

Boston should create a distance limitation requirement from 50 to 200 feet from brick and mortar restaurants, particularly if the truck is serving the same product. It hardly would be fair to allow a cupcake truck to

park directly outside a cupcake store and this is a reasonable area of regulation.

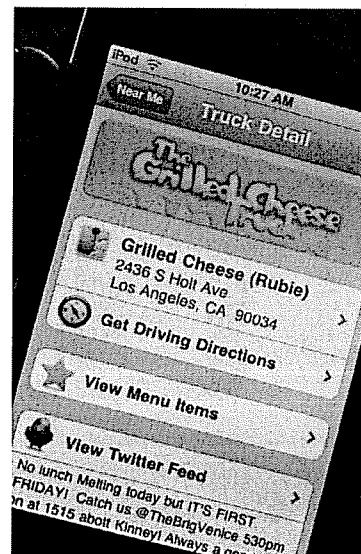
Off-Limit Zones

Boston has, and should protect, a number of areas where trucks would not work well. These areas should be listed in any ordinance and should include but not be limited to: residential neighborhoods, areas with narrow streets and/or sidewalks where pedestrian access could be compromised, certain streets where vehicles and pedestrian access is at a premium and the addition of food trucks may exacerbate conditions (such streets may include Hanover and Newbury Streets, for example).

Mobility

It is important to allow trucks the ability to move around the city. After all, they are trucks. Furthermore, the industry operates hand-in-glove with mobile GPS devices and Twitter feeds, which drive customer participation. Boston should consider forming an industry governed task force with city official representatives to work out zone/location sharing so that all trucks have equitable opportunities to compete in prime areas of our city. The city may also publicly bid certain premium locations for extended periods. The industry task force should agree no later than the first month of having

been licensed on standard GPS vendor products so that customers and city regulators need not use multiple platforms to know where trucks are at any one time. Such information should be made



iPhone application for the Grilled Cheese Truck in Los Angeles

available to the computing public for application development and industry uses.

Charitable Components

Chicago's proposed ordinance includes a provision that requires each truck to partner with a non-profit and serve nutritious meals twice a month for no fewer than two hours each time. Boston could also enact legislation that directs proceeds of the truck permits to be directed to a particular initiative such as implementing nutrition programs in our public schools.

Environmental Considerations

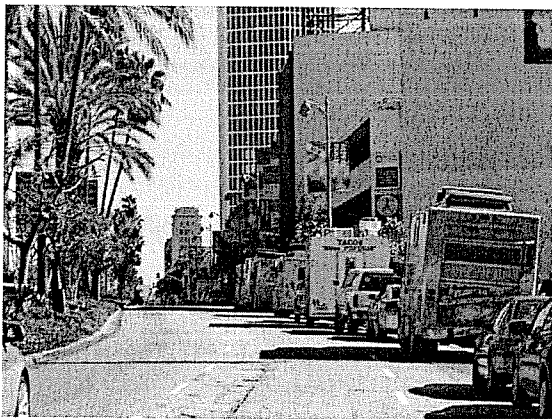
New York has recently allowed "green" energy-efficient trucks to skip the waiting list. Boston should consider doing the same, as well as other advantages for sustainable businesses.

Private Property Regulations

Today Boston regulates brick and mortar restaurants on private property. It should also do so for food trucks. Reasonable regulations that prevent circumvention of rules via private property should be implemented. Therefore all current applicable zoning provisions should apply.

Clustering

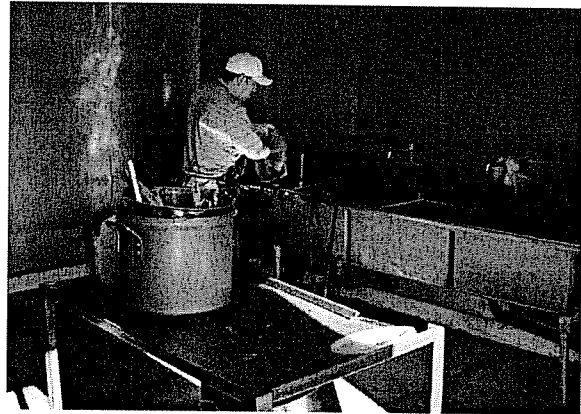
When multiple trucks cue up concurrent to each other, they form an imposing wall that blocks views and access to the block face and canyonizes the pedestrian realm. The number of trucks should be limited on any one-block face to prevent such an occurrence.



Example of clustering in Los Angeles

Commissaries

All cities require food trucks to be connected to a food commissary. Some cities have exempted food trucks affiliated with existing restaurants. Boston should require the same but require non-commissary applicants to be affiliated with an accountable restaurants and to submit a plan as to the filling and emptying of water and gray water respectively; as well as other cleaning and maintenance protocols.



A commissary in Los Angeles

Other regulations

Boston should join other cities in requiring trucks to file a restroom plan, which essentially is an agreement with a bricks and mortar location that provides access to facilities for employees. External elements to trucks, like accessory seating, should not be encouraged.

CONCLUSION

Boston has an opportunity to learn from the strengths and weaknesses of other cities' legislation and roll out sensible regulations to welcome food trucks to our public realm. As the industry begins to grow, Boston should move swiftly in its implementation of regulations. The Council should continue to work with the administration and pass legislation that will help this new and exciting industry grow, create jobs and bring revenue to Boston in a manner consistent with those best practices identified in this report.