

City of Alexandria, Virginia

18
10-26-10

MEMORANDUM

DATE: OCTOBER 19, 2010
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: JAMES K. HARTMANN, CITY MANAGER 
SUBJECT: VENDING CARTS PILOT PROGRAM

ISSUE: Establishing a vending carts pilot program on City Hall's Market Square.

RECOMMENDATION: That City Council:

- (1) receive this report and outline of the proposed pilot program; and
- (2) consider allocating \$18,483 from the Contingent Reserves account to fund the program.

DISCUSSION: In 2009, City staff was approached by a local business owner who wished to offer food and drink services on City streets. The services would primarily be directed at visitors to the City during peak times for City tourism. Simultaneous to the request of the business owner, City Planning staff was considering ways to bring more visitors and greater vibrancy to the Old Town/King Street area in support of economic sustainability. The confluence of business owner interest in street vending and staff interest in enhancement of our commercial and retail sectors resulted in the development of this proposed pilot project for vendor carts. Staff proposes to establish a pilot program allowing vending carts with food on Market Square for the spring, summer, and early fall 2011 to create a lively and distinctive downtown, enhance the King Street business environment, and provide more food choices for residents, workers and visitors. A healthy business climate on King Street benefits local businesses, the Old Town community in general, and the City as a whole. This recommendation is consistent with:

- City Council's Strategic Plan Goal 1, which sets increasing the appeal of King Street and the Waterfront to shoppers and diners as a priority ;
- The King Street Retail Strategy (2005), which emphasizes the need for an active street life to foster an environment of economic health for the businesses on King Street.; and
- The King Street Retail Analysis (Bob Gibbs, 2009), which reemphasized the need for additional vitality and activity on King Street.

Many cities have embarked on robust vending cart programs. Examples include New York, San Francisco, Los Angeles and Chicago, as well as Baltimore, Washington, D.C., Austin, Charleston, SC; New Orleans, Portland, OR; and Philadelphia. Cities have found that managed vending programs support local economic development goals by activating the public space and providing small food operators with a business opportunity. A fully developed food vending program can be a source of revenue, in the form of fees paid by the vendors to participate in the program.

Staff held a well attended meeting of restaurants in Old Town last winter to discuss a possible vending cart program. Staff has worked to streamline the program and the budget for it since it was first discussed, and has continued its communication with potential participants.

Staff met with the Economic Sustainability Implementation Monitoring Group last spring and the group endorsed the pilot program concept and encouraged staff to continue with its development. Additionally, staff met with representatives of the Old Town Civic Association who expressed a series of concerns, including the importance of maintaining Market Square as a passive, focal point for historic Old Town.

Proposed Elements of Vending Cart Program:

Staff proposes to begin with a limited and closely monitored pilot program. A larger Citywide program may be proposed in the future, depending on our experience with and the information gained from the pilot effort. The design of the pilot program has been a coordinated effort among several agencies, including Planning and Zoning, General Services, Code Administration, the Health Department, the Alexandria Economic Development Partnership and the Chamber of Commerce. The program includes the following elements:

Duration: The pilot program is temporary. It is expected to begin in early April and run through October of 2011, a period of approximately 30 weeks. The City will assess the program's viability using the criteria referenced below in the *Program Assessment* section.

Location: The pilot program will take place only on Market Square. Existing regulatory prohibitions on selling goods from streets, sidewalks and most public places throughout the City preclude additional or alternative sites without revising City ordinances. Activities on Market Square, however, are subject to rules established by the City Manager who may permit the type of temporary vending program proposed by this pilot effort. The City has the ongoing responsibility for oversight and maintenance of the Market Square plaza, which will allow staff to manage vendor operations and ensure all program requirements are observed.

Sales Items: Products for vending will be limited to food and non-alcoholic drinks. No retail items will be permitted. Food types will not be overlapping.

Participating Vendors: For the pilot program, vendors will be limited to existing Old Town restaurants whose operations meet Health Department licensing requirements. Staff has met with restaurant representatives to determine their interest. While some have expressed concern about potential competition and/or initial cost requirements, most are very supportive and several are eager to participate as a vendor. Vendors will be required to purchase, at their expense, carts that satisfy City design standards as described below (see *Design of Carts*).

Number of Carts: A maximum of eight carts will be permitted, depending on the number of applicants who qualify. Staff has estimated that there is room on Market Square for a maximum of eight carts, leaving room for pedestrians and other functions that take place on the plaza.

Hours: Staff is proposing that vendors be permitted on Market Square from 11:00 a.m. to 5:00 p.m. on weekdays and Sundays, and from 1:00 p.m. to 5:00 p.m. on Saturdays. Originally, staff sought to limit the program to weekday lunch time, from 11 a.m.-2:00 p.m., but experienced restaurants and other local business operators expressed a strong concern that limiting operations to weekday lunchtimes only would not allow a vendors to recoup investment in the program.

Design of Carts: For the pilot program, staff has selected a specific cart fabricator and cart design for vendor participants. The carts will be small, stainless steel, with umbrellas. No signs other than a small, discreet plaque on the cart with the name and address of the restaurant with which the cart is associated will be permitted. The consistent, simple style with matching umbrellas and restricted signage is purposeful; staff seeks to ensure that the program is visually attractive and consistent with its location within the historic district.

Selection Process: The application process will be open to all Old Town restaurants. The criteria for selection will include the proposed food offerings; a business plan; cart specifications and detail; commitment to the program; and willingness to agree to City terms. If the number of qualifying vendors desiring a location exceeds the available number of carts allowed, a lottery system or similar objective method for selecting vendors will be used.

Tables and Chairs: Staff proposes that the City purchase a limited number of small tables and chairs for the plaza while vending takes place. Providing tables and chairs will give the public additional seating and make the vending program more inviting and successful.

Vendor Fees: Staff is recommending a weekly \$100 fee for participating vendors, and has discussed the fee with restaurant operators who expressed serious interest in participating. They find the fee to be reasonable and acceptable.

Program Assessment: Since the vendor program is a pilot project, assessing the relative success of the effort is important in determining whether the program should continue beyond its initial 2011 phase, be further developed and expanded, or be eliminated. Staff will develop reasonable measures for the pilot which, at its conclusion, will allow a reasonable assessment of the following:

- The economic benefit of the program to the participating restaurant businesses;
- The ability of the program to facilitate an active, vibrant environment in the King Street and Waterfront areas of the City;
- The ability of the program to foster an economic benefit to King Street businesses or, at a minimum, to not diminish the King Street/Waterfront business environment;
- The ability of the future program to be, at a minimum, cost neutral to the City government;
- The ability to successfully ensure the maintenance of a clean, attractive, public place for use by program participants and all other users of Market Square; and
- The ability of the program to maintain Market Square's attractive, pedestrian-friendly ambiance and to observe the dignity of the space in context of Old Town's history and historical significance.

In order to ensure the ability to assess the program, vendors will be required to report to the City regarding their sales. Staff will also report to Council after the pilot regarding its assessment of the program.

FISCAL IMPACT: The pilot program will be managed and maintained by Department of General Services staff. The staff estimates that its costs will include contracted cleaning services, weekly special cleaning (power washing), and administrative costs to manage the program. The total estimated cost for a 30 week program is \$42,483. The vendor fees will produce \$24,000, leaving a necessary City contribution of \$18,483. Staff is recommending that \$18,483 be allocated from the Contingent Reserves account in order to implement the pilot project.

In an effort to minimize the City's expense for the pilot program, staff has considered numerous variations of the proposed effort. Reducing the hours and/or days of available service, seeking full cost recovery from vendors, or reducing investment in items such as chairs and tables are a few examples of alternatives considered that yield a lower investment cost for the City. Each of these alternative approaches to the program however was rejected based on vendor concerns that the proposals would not permit the program to be economically successful.

ATTACHMENT: Market Square Vendor Cart Program Cost Estimate

STAFF:

Tom Gates, Assistant City Manager
 Faroll Hamer, Director, Planning and Zoning
 Barbara Ross, Deputy Director, Planning and Zoning
 Jeremy McPike, Deputy Director, General Services
 Timothy E. Wanamaker, Deputy Director, General Services

ATTACHMENT

Market Square Vendor Cart Program Cost Estimate

October 5, 2010

Program Description: The proposed pilot vendor cart program at Market Square would provide space on the City Hall plaza to support vendor carts. The necessary support will require staffing for the management of vendors, cleaning services as well as setup and breakdown of table and chairs and storage space for those items. Repair and replacement of damaged tables, chairs, trash receptacles or other items will need to be provided. The vendor cart program under the proposal will operate daily (7 days a week) from 11:00 am to 5:00 pm except Saturdays when the carts will operate from 1:00 pm to 5:00 pm. Vendors will be provided a half hour before and after the scheduled hours of operation for setup and breakdown of carts. The program is scheduled to operate from April through October, 2011.

Operations: Daily maintenance operations of this program include trash removal before, during and after cart operating hours; cart setup/delivery coordination; tables, chairs and umbrella cleaning and setup; storing of tables, chairs, and umbrellas; and regular washing (power washing) of Market Square bricks and sitting areas. On-going management efforts would include vendor relations, fee collection, vendor replacements or additions, and coordination of the Farmer's Market and other special events as necessary.

Estimated costs:

Contracted cleaning support - \$20,483 (52 hours/week, 30 weeks, \$13.13/hour).

Power washing and special cleaning - \$6,000 (1x/week)

Administrative and Management – \$6,000

Tables, chairs, and umbrellas - \$7,500

Maintenance and replacements - \$2,500

Total estimated annual costs - \$42,483

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Vending Carts on Market Square Pilot Program



Cart Programs



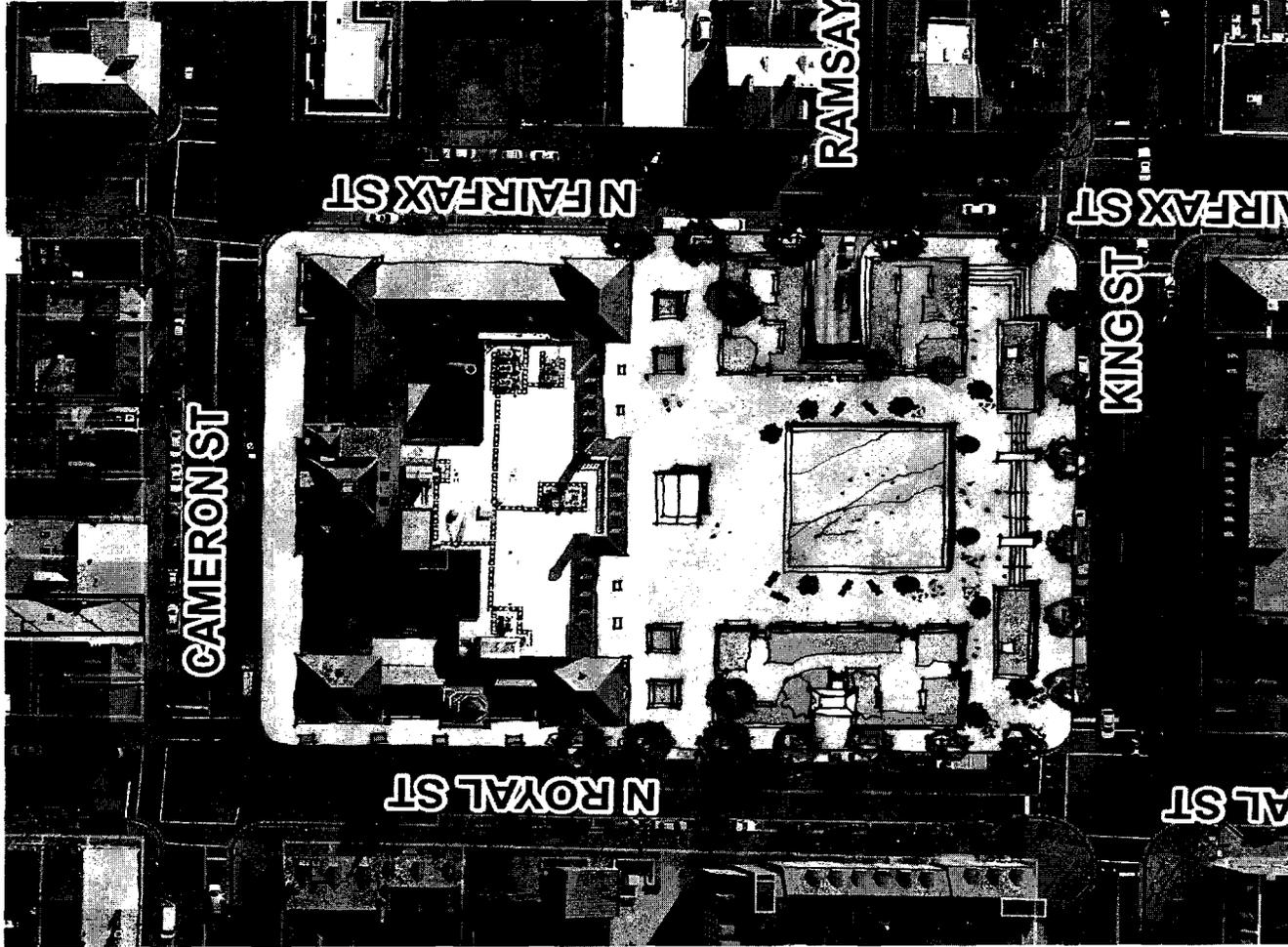
Program Goals

- Enliven King Street business area
- Implement Council's strategic plan, Goal 1
- Create new business opportunity

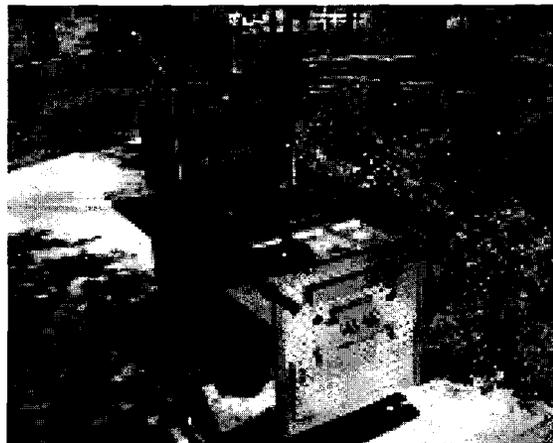
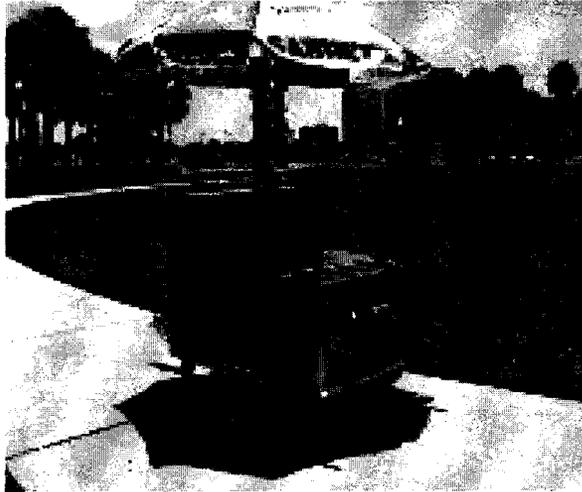
Pilot Program

- **Where:** Market Square
- **When:** 11am – 5pm daily (1-5 Sat)
- **When:** April-October
- **Who:** Old Town Restaurants
- **Carts:** 8 maximum

Design



Vending Carts



Tables and Chairs



Selection Criteria

- Strength of business plan
- Food offerings
- Commitment to pilot program
- Vending cart purchase and fees

Budget

- Market Master/Management
- Cleaning
- Tables, chairs

Total City budget: \$42,483

24,000 Vendor fees

\$ 18,483 City funds

Program Assessment

- Economic benefit to vendors
- Increased vibrancy on King Street
- Benefit/harm to King Street businesses
- Future program/ cost neutral
- Effective management of program
- Attractiveness of Market Square

Questions?





COA Contact Us: Market Square Food Cart Proposal

Jon Rosenbaum to: william.euille, frank.fannon, kerry.donley,
alicia.hughes, delpepper, paulcsmedberg,
rose.boyd, jackie.henderson, elaine.scott,
rob.krupicka, linda.owens, elizabeth.jones

10/21/2010 10:52 AM

Please respond to Jon Rosenbaum

18
10-26-10

Time: [Thu Oct 21, 2010 10:51:58] Message ID: [25141]

Issue Type: Mayor, Vice Mayor, and Council Members
First Name: Jon
Last Name: Rosenbaum
Street Address: 421 North Saint Asaph Street
City: Alexandria
State: VA
Zip: 22314
Phone: 703-836-7877
Email Address: HJRosenbaum@comcast.net
Subject: Market Square Food Cart Proposal
I strongly urge you to reject the proposal for food carts at Market Square.

Should it be approved, we will have an outdoor cafeteria used mainly by bus groups passing through Alexandria. The city instead should direct these groups not wanting to use our restaurants to the failing food court on the waterfront. This proposal basically is being pushed by young Planning staff that complain there is no place for them to eat cheaply.

My main concern, as an economic development expert having been the senior White House official in charge of trade and development and having taught economic development at City University of New York Graduate School and Wellesley College, is that the city should be trading up - not down - in the tourism market. We get plenty of tourists in Old Town,

Comments: almost too many on nice weekends. But we need to attract a larger

demographic willing to spend more while here. Carts do not contribute to this and may detract from the city's attractiveness for this demographic.

Should you want to help Market Square, extend the hours of the

country's oldest farmers' market. It is having a difficult time

competing with newer area farmers' markets for two reasons: first, it has

to close at 10AM on Saturdays and second, it is administered by General

Services which has a regulatory mentality. It must become more

entrepreneurial. It should be given to Parks and Recreation or, better,

controlled by a consumer, producer, city committee

Sincerely,

H.J.

Rosenbaum, Ph.D.



COA Contact Us: October 26, 2010 Council Docket Item #18

william.euille, frank.fannon, kerry.donley, alicia.hughes,

Tina Leone to: delpepper, paulcsmberg, rose.boyd, jackie.henderson,
elaine.scott, rob.krupicka, linda.owens, elizabeth.jones

10/25/2010 04:40 PM

Please respond to Tina Leone

18
10-26-10

Time: [Mon Oct 25, 2010 16:40:35] Message ID: [25244]

Issue Type: Mayor, Vice Mayor, and Council Members
First Name: Tina
Last Name: Leone
Street Address: Alexandria Chamber of Commerce
801 N Fairfax St., Suite 402
City: Alexandria
State: VA
Zip: 22314
Phone: 703-739-3802
Email Address: tleone@alexchamber.com
Subject: October 26, 2010 Council Docket Item #18
Dear Mayor, Vice-Mayor and Council Members,

The Chamber supports the

pilot program for food vending carts at Market Square. We also support
limiting the initial contestants for licenses to restaurants located in Old
Town as well as sharing the costs to implement and manage the program
between businesses and the City. It is important for the City to show its
willingness to financially support the program and share the risk as
entrepreneurs since the requirements for businesses to participate
represent a substantial investment that may take the length of this initial
program or perhaps even longer to recover.

The Chamber also supports

Comments: City staff's recommendations to assess the program and the Chamber
recommends that, as a condition of the license, the licensees will provide
detailed sales reporting so that a useful statistical analysis may be
undertaken to determine the economic viability of this program for future

expansion. If the program is determined to be a success, the City should introduce the program to multiple areas of the City with open competition among existing restaurants so that Old Town restaurants can promote their cuisine elsewhere in the City and restaurants from other areas of the City have an opportunity to promote their cuisine in Old Town.

Tina

Leone
President/CEO
Alexandria Chamber of Commerce



COA Contact Us: Pilot project of push carts at City Hall

Linda Couture to: william.euille, frank.fannon, kerry.donley,
alicia.hughes, delpepper, paulcsmedberg, rose.boyd,
jackie.henderson, elaine.scott, rob.krupicka,
linda.owens, elizabeth.jones

10/26/2010 05:19 PM

Please respond to Linda Couture

18
10-26-10

Time: [Tue Oct 26, 2010 17:19:41] Message ID: [25291]

Issue Type: Mayor, Vice Mayor, and Council Members
First Name: Linda
Last Name: Couture
Street Address: 505 Duke Street
City: Alexandria
State: VA
Zip: 22314
Phone: 703-299-9215
Email Address: lindalcouture@aol.com
Subject: Pilot project of push carts at City Hall

Dear Mayor Euille, Vice Mayor Donley and Members of Council,

Please

consider that putting foodcarts at this location is simply adding clutter

and trash to an area that is frequented by
many of us who enjoy sitting

at the edge, licking ice cream cones there on summer evenings and watching

the children
running freely about. One or two carts for the lunch

convenience of city workers is understandable, but the number
proposed

will be unsightly. We have enough "quick service" restaurants in

the immediate area that could be affected and
close enough for city

employees to avail themselves.

The planning staff met with some OTCA

board members, including me, and we stated we did not like the plan. Then

the
subject was raised with the membership who overwhelmingly opposed the

Comments:

idea. This is a centerpiece of our City government and should not be

filled in with pushcarts. If the city wants pushcart business, why not

suggest them on the waterfront where there already is approval and where

visitors might relish a quick bite.

Please do not think that every nook

and cranny has to be stuffed with something. Let us see the trees and

flowers without too much visual blight. And somehow pilot programs

always become forever. If you approve a pilot, then please let the

number be no more than three and have them located away from the water's edge.

Thank you for listening.

Linda Couture