



Committee of the Whole

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Committee of the Whole
to be held at
City of Penticton, Committee Room A
171 Main Street, Penticton, B.C.

Monday, January 18, 2016
at 3:30 p.m.

1. **Call Committee of the Whole to Order**
2. **Adoption of Agenda**
3. **Presentations:**
 - 3.1 2016 Vending Program: Inclusive of Beach, Street and Mobile
Stephanie Chambers, Business Development Officer
4. **Media and Public Question Period**
5. **Adjourn to In-Camera**

Adjourn to a closed meeting of Council pursuant to the provisions of the *Community Charter* section 90 (1) as follows:

- (e) the acquisition, disposition or expropriation of land or improvements, if the Council considers that disclosure could reasonably be expected to harm the interests of the municipality;
- (g) litigation or potential litigation affecting the municipality;
- (i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.



Committee of the Whole

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Date: January 18, 2016

File No:

From: Stephanie Chambers, Economic Development

Subject: **2016 Vending Program: Inclusive of Beach, Street & Mobile**

Staff Recommendation

THAT Council considers the following:




1. Reduction in the number of Beach vending locations
2. Potential Beach vending rate adjustments for 2016: 5 Options included
3. A revised plan for Mobile Food Truck Vending : Introduction of new locations & a "Hub"

Strategic priority objective

- Develop & reinvent programs that add vibrancy to Penticton
- Provide cost effective employment opportunities for Penticton citizens
- Generate Revenue
- Adjust the current program to be more efficient, delivering better customer service

Background

- Re-evaluation of the Vending program required based on feedback from vendors, public, employees etc.; inclusive of Beach, Street & Mobile is required for 2016.
- Logical time for reassessment (3 years managed within one department; Recreation)
- Beach, Street and Park Vending has been a project that has moved through many different departments (Business Licenses/ Land Management & most recently with the Recreation Department since 2012).
- Each Department has run the program differently. The Recreation Department has seen this as a selling role vs. and administrative only role, increasing the revenue from approximately \$13.2K in 2012 to \$55.8K in 2015

	Vending Type	Potential # of Spots/ Trucks	Cost to Vendors 2015	Length of Season	Revenue (Including Business Licenses)
	Beach	40	\$1300 (10x10 tent)	4 Months (May Long Wkd-Sept Long Wkd)	\$46,525 <small>Okanagan Lk: \$27,225 Skaha Lk: \$19,300</small>
	Street	4	\$1300	Yearly	\$1,400
	Mobile	4	\$1800	6 Months (May Long Wkd- Nov)	\$7,825
Total:					\$55,750

- Street Vending: No Changes with the exception of perhaps a minimal price adjustment
- Current Beach Vending Pricing

		GST	Totals
10x10	\$ 1,300	\$ 65	\$ 1,365
10x15	\$ 1,900	\$ 95	\$ 1,995
10x20	\$ 2,600	\$ 130	\$ 2,730

Financial implication

1. Reducing the number of beach vending locations will impact revenue to the City by as much as \$15K, or as little as \$3.5K depending on the rate option selected (see Analysis).
2. Mobile Food Truck Vending Hub & New locations have minimal impact on revenue assuming that the creation of the link road between Main St. & Martin St. is happening.

Analysis

Discussion Topics:

1. Reduction in the number of Beach vending locations & rationale

- Beach: Few locations. Better locations. Sets the vendors up for success & reduces the customer service calls that the City receives.
 - New Locations & Costs (impact to revenue shared in the next section)

	2015	2015- Actual Spaces Leased	2016 Suggested # of Spots	Reduction of Spots
Sicamous - Power St	10	8	6	5
Power St. - Peach	11	11	7	3
Skaha (by Main Concession)	12	8	8	4
Skaha East	7	4	3	4
Totals	40	31	24	16

2. Potential Beach Vending Rates for 2016: 5 Options

OPTION 1: NO/MINIMAL PRICE INCREASE					A		B	A	B	
2015 Beach Vending Prices (4mth season May-Sept)					GST	2016 Prices	GST	Price with 5% increase	Approx. Total Rev	Approx. Total Rev
		GST	Totals		Totals		Totals			
10x10	\$1,300	\$65	\$1,365	\$65	\$1,365	\$68	\$1,433		\$32,760	\$34,398
10x20	\$2,600	\$130	\$2,730	\$130	\$2,730	\$137	\$2,867			

Rationale:

- Prices have increased minimally since 2011, so keeping fee structure very similar
- 5% increase to cover general increase in cost of business

OPTION 2: MOVE TO 5 MONTH SELLING SESSION (May 1-Oct 1): NO INCREASE IN MONTHLY RATE VYA						A		B	A	B	
2016 Beach Vending: 5 Months						GST	2016 Prices	GST	Price with 5% Increase	Approx. Total Rev	Approx. Total Rev
		Cost/mth	5 Months	Totals with GST		Totals		Totals			
10x10	\$1,300	\$325	\$1,625	\$1,706	\$81	\$1,706	\$85	\$1,792	\$40,944	\$42,998	
10x20	\$2,600	\$650	\$3,250	\$3,413	\$163	\$3,413	\$171	\$3,583			

Rationale:

- Providing the vendors with flexibility to extend their selling season
- Some vendors have requested this, others will see little value

OPTION 3: TIERED PRICING: CONSERVATIVE							
Tiered Pricing:	10 x10	GST	with GST	(10x20)	GST	with GST	Approx. Total Revenue
Okanagan Prime:	\$1,550	\$78	\$1,628	\$3,000	\$150	\$3,150	\$11,393
12/13/14/15/16/1-wibit/5/6							
Okanagan Secondary:	\$1,400	\$70	\$1,470	\$2,800	\$140	\$2,940	\$8,820
1/2/3/4/17/18/39/40/41							
Skaha Prime	\$1,400	\$70	\$1,470	\$2,800	\$140	\$2,940	\$11,760
23/24/25/26/27/28/29/30/31							
Skaha Secondary	\$1,300	\$65	\$1,365	\$2,600	\$130	\$2,730	\$4,095
20/21/22/32/33/34/35/36/37/38							\$36,068

Rationale:

- Provides the vendors with fee options
- Traffic flow by the Peach and Skaha Main concession is unparalleled; making them highly desirable spots (leased quickly each season- typically with repeat vendors)
- Pricing model still allows for new vendors to get involved

OPTION 4: TIERED PRICING: AGGRESSIVE							
Tiered Pricing:	10x10	GST	with GST	(10x20)	GST	with GST	Approx. Total Revenue
Okanagan Prime:	\$1,750	\$88	\$1,838	\$3,500	\$175	\$3,675	\$12,863
12/13/14/15/1-wibit/5/6							
Okanagan Secondary:	\$1,550	\$78	\$1,628	\$3,100	\$155	\$3,255	\$9,765
1/2/3/4/17/18/39/40/41							
Skaha Prime	\$1,550	\$78	\$1,628	\$3,100	\$155	\$3,255	\$13,020
23/24/25/26/27/28/29/30/31							
Skaha Secondary	\$1,400	\$70	\$1,470	\$2,800	\$140	\$2,940	\$4,410
20/21/22/32/33/34/35/36/37/38							\$40,058

Rationale:

- In 2012 in the bid process for beach vending locations, 5 locations leased at a value of \$1660, indicating that prices above are not unreasonable.
- If deemed as a revenue generation source- the price that the market will bear is currently unknown

- Penticton has the most consistent, extensive beach vending program in the Valley (Kelowna's program has been off and on the last few years)
- Attempting to recoup costs from administration time associated with the program. 75% of a workload x 4 mths , plus business licensing administrative time , 25% x 2 mths, totals approximately \$60K)
- Pricing model still allows for new vendors to get involved

OPTION 5: BIDS/AUCTION	
With Minimum price at 2015 rates, \$1300.00	Approx. Total Revenue
	\$31,200

Rationale:

- This is how the program was executed in 2012. Many paid the minimum, \$1200, but a few spaces leased for as high as \$1660.
- Other markets in the Valley do take this approach, namely Kelowna

3. Revised 2016 Mobile Food Truck Vending plan: Introduction of new locations & a "Hub".

- Mobile: New plan: Inclusive of a HUB location; New single truck locations & 2 truck locations
 - Locations that were not popular in 2014 & 2015 have been deleted from the program-creating simplicity and reduces frustration from the vendors (feedback from the 2015 vendors all in agreement, paraphrased- "10 poor locations doesn't make a strong mobile vending program. Fewer better locations does.")
 - Included plan has been vetted by Sr. Leadership Team. The 2015 Mobile Food Vendors are aligned
 - 2016 pricing still TBD (2015: \$1800; for essentially a 6mth season: May-Oct)
 - Plan will be to offer a 12 month selling season to vendors and they can choose when to open and close for their respective seasons. This will be reflected in the cost as there will be the potential for a few more months of selling. (most likely 9 mths, March-Nov.)

Single Truck Locations	2 Truck Locations	Hub	Total Locations	New Locations for 2016
3	8	1	11	6

Attachments

Attachment A – Single Mobile Truck Vending Locations: Overview

Single Truck Locations

Single Truck Locations:

NEW:

- 1 Truck: Winnipeg & Lakeshore (pic)
- 1 Truck: S/E Corner of Okanagan Lake Park

EXISTING:

- 1 Truck: Community Centre Parking Lot (pic)



Attachment B – 2 Mobile Vending Truck Locations: Overview

2 Trucks Locations

2 Truck Locations:

NEW:

- 2 Trucks: S/W of the SS Sicamous (pic)
- 2 Trucks: East side of Martin St./West of Gyro Band shell (pic)

EXISTING:

- 2 Trucks: Skaha Lake Sports Court
- 2 Trucks: South Beach Drive Parking lot (towards the West end of Skaha)



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Attachment C – Suggested Hub Location for 2016

Hub Location: Gyro Park



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Attachment D –Suggested Hub with Link Road

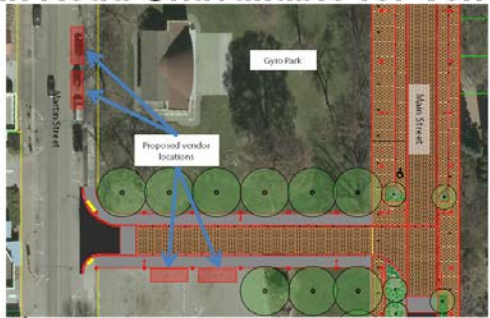
Gyro Park – No Event - Main Street Open Link Road Available for Vendors



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Attachment E –Suggested Plan for Hub when Link Road is Closed:

Gyro Park – Event - Main Street Closed Link Road Unavailable for Vendors



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Respectfully submitted,

Stephanie Chambers
Economic Development