

Portland, Oregon

# FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator		2. Telephone No.	3. Bureau/Office/Dept.
4a. To be filed (date):	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: 2-1-2012
6a. Financial Impact Section: <input type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input type="checkbox"/> Public involvement section completed	

**1) Legislation Title:**

Authorize ONI and Police Bureau to ask Oregon Liquor Control Commission to initiate rulemaking on liquor licenses for food carts

**2) Purpose of the Proposed Legislation:**

To authorize ONI and Police Bureau to ask Oregon Liquor Control Commission to initiate rulemaking on liquor licenses for food carts

**3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?**

- |  |                                    |                                    |                                |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional     | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast                 | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East  |
| <input type="checkbox"/> Central City                      |                                    |                                    |                                |
| <input type="checkbox"/> Internal City Government Services |                                    |                                    |                                |

**FINANCIAL IMPACT**

**4) Revenue:** Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

No

**5) Expense:** What are the costs to the City related to this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)

No additional expense will be incurred. The City of Portland Liquor License Investigator with DVD and the Licensing Specialist with ONI will be responsible for the work as part of their general existing duties.

**6) Staffing Requirements:**

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No.

- **Will positions be created or eliminated in future years as a result of this legislation?**

No.

*(Complete the following section only if an amendment to the budget is proposed.)*

**7) Change in Appropriations** *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

<b>Fund</b>	<b>Fund Center</b>	<b>Commitment Item</b>	<b>Functional Area</b>	<b>Funded Program</b>	<b>Grant</b>	<b>Sponsored Program</b>	<b>Amount</b>

**[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]**

**PUBLIC INVOLVEMENT**

**8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:**

☐ **YES:** Please proceed to Question #9.

☒ **NO:** Please, explain why below; and proceed to Question #10.

Public Involvement will be essential in the development of any rules related to this resolution, but that process has not been started yet.

**9) If "YES," please answer the following questions:**

**a) What impacts are anticipated in the community from this proposed Council item?**

**b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?**

**c) How did public involvement shape the outcome of this Council item?**

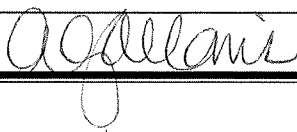
**d) Who designed and implemented the public involvement related to this Council item?**

**e) Primary contact for more information on this public involvement process (name, title, phone, email):**

**10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.**

Yes, public involvement will be necessary as the OLCC commences rule making and as staff represents the City of Portland in that process.

Amalia Alarcon de Morris



BUREAU DIRECTOR



CITY OF

## PORTLAND, OREGON

OFFICE OF NEIGHBORHOOD INVOLVEMENT

*Enhancing the quality of Portland's Neighborhoods through community participation*

AMANDA FRITZ, COMMISSIONER

Amalia Alarcón de Morris, Bureau Director

1221 SW 4th Avenue, Room 110

Portland, Oregon 97204

DATE: February 1, 2012

TO: Commissioner Amanda Fritz

FROM: Theresa Marchetti, Liquor Licensing Specialist

36905

RE: Resolution Title: Authorize ONI and Police Bureau to ask Oregon Liquor Control Commission to initiate rulemaking on liquor licenses for food carts. (Resolution)

1. **Intended Thursday Filing Date: February 2<sup>nd</sup>, 2012**

2. **Requested Council Agenda Date: February 8<sup>th</sup>, 2011**

3. **CONTACT NAME AND NUMBER:** Theresa Marchetti, x33092

4. **PLACE ON** ☐ CONSENT ☒ REGULAR

5. **FINANCIAL IMPACT STATEMENT ATTACHED:** ☒ Y ☐ N ☐ N/A

6. **THREE (3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:** ☐ Yes ☐ No ☒ N/A

### 7. **BACKGROUND ANALYSIS**

Food Cart enterprises have grown in Portland, with an estimated 696 food carts operating in the Portland City Limits as of January of 2012. The OLCC has received several inquiries from food cart owners for an annual liquor license. Several carts have been granted Temporary Sales Licenses to serve alcohol for a single event.

After further evaluating the request for annual licensing, the OLCC intends to license food carts and food cart pods using the same criteria as for a traditional brick and mortar establishment.

OLCC received an opinion back from the AG indicating that nothing prohibits them from licensing a food cart if the license was based on the location (footprint) of the business and not on the cart itself. The statute prohibits a license from being mobile, which is avoided if the location the cart is positioned on is the location of the license

According to the OLCC the feedback they received from the AG is that

- a) There is no differentiation between a food cart and some other type of business, and
- B) There is no different criteria for licensing annually vs. temporarily (Temporary Sales License);

Attached are the best practices and models they anticipate using to license these entities, both with on premise and off premises licenses. The Best practices they have developed are *suggestions (not requirements)*, which may lead to rule making at some distant point in the future. However, they are moving forward now with licensing these businesses, and

if one of the operations chooses to operate outside the best practices, there is no recourse currently available.

Food Carts are fundamentally different than traditional brick and mortar establishments in that there are no walls to establish "the premises". Food cart operators often do not control the entire premises in which their customers congregate. Food cart operators share seating with other similar entities, and operate primarily out of doors close to or in residential neighborhoods. In an attempt to slow the licensing process, the Commission has requested all applications come before them for review. The first is scheduled for the February meeting (February 9th and 10th).

We will be in attendance at the Feb Commission meeting to ask that business related to licensing food carts be tabled until guidelines can be established through rule making.

This resolution would grant the authority to ONI Liquor Licensing Notification Program and the Portland Police Bureau Drugs and Vice Division to petition for rulemaking to;

- 1) Propose a definition of a Food Cart that clearly differentiates these types of businesses from brick and mortar establishments,
- 2) Propose guidelines for differentiating between Event licenses and Annual Licenses,
- 3) Propose parameters/practices for how a food cart might be licensed in each one of the 4 scenarios/models that they gave us for consideration.

Preliminary conversations with the Oregon Street Food Association indicate they would also welcome clear guidelines to licensing established through rule making, as well.

8. **FINANCIAL IMPACT**

There is no tangible financial impact to the proposed authorization. The infrastructure is already in place to administer the rulemaking. Some increased cost may be incurred in problem solving with OLCC and the Oregon Street food association, but will likely save costs associated with enforcement and catch up regulations if licenses move forward with no clear guidelines.

9. **RECOMMENDATION/ACTION REQUESTED**

Approve the resolution.