



Town of Johnstown

TOWN COUNCIL MEMORANDUM

AGENDA DATE: April 5, 2021

SUBJECT: Proposed Draft Update to Johnstown Municipal Code, Chapter 2 (Licenses) ART XI re: Outdoor Vendors and accompanying Policy

ATTACHMENTS:

1. Draft Outdoor Vendor Ordinance
2. Draft Outdoor Vendor Policy

PRESENTED BY: Kim Meyer, Director of Planning & Development

With the recent interest of mobile food trucks in the Town, Staff has reviewed the applicable code sections and is proposing an update to Art XI, Chapter 6, of the Johnstown Municipal Code which would repeal and replace the existing code section in its entirety, as well as provide a separate policy to delineate best practices of operations in terms of hours, locations, and durations to allow opportunities to vend in a logical and reasonable manner that respects existing neighborhoods and businesses. This proposed code update was a collaboration between Planning Staff, the Town Manager, Town Attorney, and Town Clerk to create a workable licensing code that meets the needs of the community.

Staff provided a draft to the JDDA (Johnstown Downtown Development Association) for review and comment this past Fall, the Town did receive comments related to concerns with equity to local businesses who provide property and sales tax revenue, make large permanent investments in Johnstown, and provide employment. The general feeling expressed was that mobile vendors are subsidized by taxpayer money by being allowed to use town streets, and avoid many taxes and other fees. A daily usage fee was suggested to level the playing field.

In an attempt to offset these concerns, Staff researched neighboring municipality food truck /outdoor vendor policies. Most municipalities charge a \$25 to \$120 annual fee for a license only. Sales tax is due on sales within the municipality. Anecdotally, Staff is aware that food vendors do obtain inspections and approvals from multiple fire and health districts as well as licenses and obtaining approvals for various locations within each municipality they visit.

The Community That Cares

www.TownofJohnstown.com

P: 970.587.4664 | 450 S. Parish Ave, Johnstown CO | F: 970.587.0141

The Outdoor Vendor policy does address duration of time in any one location, and minimum distance from existing restaurants and other vendors. Staff believes the majority of food trucks are likely to be invited by HOAs and neighborhoods for neighborhood events, or in association with a private business (i.e., hot dogs in front of a home improvement store). The administration and enforcement of a daily use fee was considered, but believed to be quite onerous on the Finance Department staff to attempt to track and collect such fees – given the relatively low impact and numbers of mobile vendors in the Town.

Outdoor vendors do include all independent outdoor sales, beyond just mobile food vendors, so this code update takes those other vendors into account while focusing updates on the mobile food vendors to provide a clear way for them to participate in the Johnstown community.

The Community That Cares

www.TownofJohnstown.com

P: 970.587.4664 | 450 S. Parish Ave, Johnstown CO | F: 970.587.0141