



## Community and Economic Development Department Committee Report

To: Board of Trustees

From: Amanda Orenchuk, Director

For: Village Board Meeting of: December 13, 2021

Subject: Park Street Area User License Fee

Financial Impact:  
Fees would be collected annually.

Attachments:

1. Sidewalk Café Fees and Licenses Research(DOCX)

### Background

Earlier in the year the Village Board passed an Ordinance pertaining to licensing the use of public rights-of-way, including the Park Street Dining Area. Staff included a license fee, but the fee was removed for further evaluation. In the interim, staff conducted further research on the fees and spent the season analyzing the recurring costs for shutting down the street and maintaining a clean and attractive area.

As stated above, staff evaluated a detailed breakdown of costs associated with Park Street Outdoor Dining from this year. The costs are outlined as followed:

Category	Cost
Set-Up / Take Down	\$8,000
Watering	\$1,000
Garbage Collection	\$3,500
Signage	\$2,000
Plantings	\$6,000
<b>Total</b>	<b>\$20,500</b>

The Village cannot expect to recoup the full cost in a license fee, but rather the Village should look to have a fair contribution for the cost allocated to this area and facility versus another area in the Village.

Additionally, staff gathered research regarding sidewalk cafes/outdoor dining in other municipalities. There is a wide range of either application or licenses fees. Our takeaway from this analysis is the following:

- There are a variety of fee options.
  - Most fair: Charge a flat fee with square footage.
  - Easiest: Charge only a flat fee.
  - Complicated and hard to monitor: Charge fees for items (chairs, tables, benches, etc.) and fees for use of space.
- Minimum fees ranged from \$50 up to a minimum of \$600 in Chicago.
- There were a variety of ways to look at the fees, including linear cost add-ons and square foot add-ons
- Several municipalities capped fees at \$1,000.
- There is also an opportunity to have a liquor license holder fee vs. non-liquor license holder fee.
- Food trucks can also pay a fee for use of the right-of-way, which could start at \$75 and up.



**Scenarios**

	Base Fee	Per Gross	Tina G's	Park Street	AREA	Total	Percent
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		SF	(2,555 GSF)	(2,375 GSF)	(1,075)		Cost
A	\$500	\$0.15	\$883.25	\$856.25	\$661.25	\$2,400.75	11.7%
B	\$350	\$0.15	\$733.25	\$706.25	\$511.25	\$1,950.75	9.5%
C	\$500	\$0.10	\$755.50	\$737.50	\$607.50	\$2,100.5	10.2%
D	\$500	\$0.25	\$1,138.75	\$1,093.75	\$768.75	\$3,001.25	\$14.6%

**Recommendations**

As all businesses benefit from the Village costs outlined in this report, but not all businesses occupy the same amount of space. It is staff’s recommendation to apply an annual base license fee of \$500, plus a square footage fee of \$0.15 per gross square foot of outdoor space within the right-of-way. The fee would be capped at \$1,500.00 annually.

Food trucks and mobile food vending carts should also participate in the costs in this area as well. An annual license fee of \$350 for a business outside of Mundelein and \$150 if there is a brick-and-mortar location in the Village. The Village has been asked to allow in-kind contributions as an offset to the fees. There is no standard fee for food carts. These can vary significantly by community. The fee should be low enough to encourage participation, but if the use and popularity grow, the Village could consider an increase.

AO/jlm

**Recommendation**

**Motion** to authorize staff to draft an Ordinance Amending the Mundelein Municipal Code, Title 5, Business Regulations and Licenses, to include a license fee.

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## Sidewalk Café Fees and Licenses Research

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**RESULTS:** Study sample – 17 cities nationwide

- **Per square footage** (Evanston)
  - Range: Depends on type of Sidewalk Café – See table below
- **Flat fee** (Chicago, Geneva, St. Paul, Austin, Bronxville, Holland, Spokane, and Moline)
  - Range: \$50.00 (Geneva) - \$600 (Chicago)
    - Average: \$224.38
      - Spokane: Modification fee beyond original plans \$250.00
- **Both flat fee and per square/linear footage** (Ossining, Portland, Vancouver, Pittsburgh, and Corvallis)
  - \$75.00 base fee per year plus a deposit of \$15.00 per linear foot
  - \$373.70 (intake, insurance, and annual fee) plus \$12.00 per linear foot
  - \$128.00 base fee plus \$2.30 per linear foot of boundary perimeter
    - Boundary markers (if required) - \$15.00 each
  - \$150.00 base fee plus \$1 per café square foot
  - \$100.00 base fee plus \$1 per square for areas over 100 square feet)
- **Individual fees for each item/ Other** (Savannah)
  - (i.e. table, chair, bench, ect.)
    - Not to exceed a certain amount
  - \$100 per table
  - \$50 per bench
  - \$25 per chair
  - \$25 per other furniture (i.e. planter)
    - Total fees shall not exceed \$1,000 per year
  - Minneapolis = Flat fee per chairs (30 or fewer/31 or more)
  - Orland = Flat fee per table or per square footage (1-5 tables /1-200 SF or 6 or more tables /201 square feet or more)

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Evanston, IL

- <https://www.cityofevanston.org/residents/permits-licenses/sidewalk-cafe-permit>
- **Fee: Per café components: permit fee, square footage, and outside storage**
  - Can be renewed every year – not transferable (if the owner of the interior business changes the permit becomes invalid)
    - Called 10/29 to ask for clarification between the required fees and the per square foot. I would have to email their permit department for an answer.

### Fees

Sidewalk Cafe Type	Permit Annual Permit Fee (required)	Permit Fee Per Square Foot* (Seasonal)	Permit Fee Per Square Foot* (Year-round)	Outdoor Storage (optional)**
Bakery, Ice Cream	\$250	\$2	\$4	\$250
Enoteca or Class K liquor licensee	\$250	\$2	\$4	\$250
Type-1 Restaurant	\$300	\$3	\$6	\$250
Type-2 Restaurant	\$300	\$3	\$6	\$300
Other Food Establishments	\$250	\$2	\$4	\$250

\* Cost per square foot for the area of the public way occupied by the sidewalk café as determined by the City's Engineering Department following assessment and approval of site plan.

\*\* For storage of tables, benches or chairs approved sidewalk café area on the city sidewalk

### Chicago, IL

- <https://www.chicago.gov/city/en/depts/bacp/sbc/obtaining-a-sidewalk-cafe-permit0.html>
- Fees: The annual sidewalk café permit fee varies depending on the side and location of the Sidewalk Café
  - The minimum sidewalk café permit fee is \$600.00
  - [https://www.edgewater.org/wp-content/uploads/2017/02/SidewalkCafePacket2017\\_01042017.pdf](https://www.edgewater.org/wp-content/uploads/2017/02/SidewalkCafePacket2017_01042017.pdf)
- Rules and Regulations: <https://www.chicago.gov/content/dam/city/depts/dol/rulesandregs/Combine.pdf>

### Geneva, IL

- <https://www.geneva.il.us/DocumentCenter/View/2003/Sidewalk-Cafe-?bidId=>
- Fee: \$50.00 per year – check, cash, Mastercard, visa, and discover

### Minneapolis, MN

- They really spell everything out in this application – very easy and informative
- <https://www2.minneapolismn.gov/media/content-assets/www2-documents/business/Sidewalk-Cafe.pdf>
  - List of fees (flat fee + processing fee):
  - 30 seats or fewer: 2021 fee: \$365.00 / Processing fee: \$135.00
  - 31 seats or more: 2021 fee: \$530.00/ Processing fee: \$135.00
    - <https://app.smartsheet.com/b/publish?EQBCT=2c5ac61d0cd24218b794f59c10213570>
      - Called 10/29 to get clarification on if the processing fees are within the overall total of the permit fees and left a voicemail

## St Paul, MN

- <https://www.stpaul.gov/departments/safety-inspections/licenses/business-licenses/sidewalk-cafe-license>
- Fees: Required \$95.00 annual fee per location ( \$35.00 for the Sidewalk Café License and \$60.00 for the Public Works Obstruction Permit)

## Orlando, FL

- <https://www.orlando.gov/Building-Development/Planning-Approvals/Apply-for-a-Sidewalk-Cafe-Permit/Sidewalk-Cafe-Guide>
- Code: [https://library.municode.com/fl/orlando/codes/code\\_of\\_ordinances?nodeId=TITIICICO\\_CH54STSI\\_ARTIINGE\\_S54.28SICA](https://library.municode.com/fl/orlando/codes/code_of_ordinances?nodeId=TITIICICO_CH54STSI_ARTIINGE_S54.28SICA)
- Detail every part of a sidewalk café – permit, general regulations, diagram of an example of a sidewalk café setup, alcohol service, ect.
- Fees: \$500 for 1-5 tables or 1-200 square feet / \$750 for 6 or more tables or 201 square feet or more whichever is greater
  - Impact fees?
    - Called 10/29 to get clarification on if the impact fees are within the overall total of the permit fees and left a voicemail

## Ossining, NY

- <https://ecode360.com/6425094>
- Fees: \$75.00 per year plus deposit of \$15.00 per linear foot
  - Fee Schedule: [https://www.villageofossining.org/sites/g/files/vyhli4821/f/uploads/2021\\_village\\_of\\_ossining\\_fee\\_schedule\\_updated\\_01\\_28\\_2021.pdf](https://www.villageofossining.org/sites/g/files/vyhli4821/f/uploads/2021_village_of_ossining_fee_schedule_updated_01_28_2021.pdf)

## Portland, OR

- <https://www.portlandoregon.gov/shared/cfm/image.cfm?id=186198>
- Fees:
  - Intake fee is \$250 and is due at the time of application
  - Insurance review fee of \$23.70 is required at the time of insurance
  - The annual permit fee for the first year is \$100 plus \$12.00 per linear foot of café space. The total linear feet of the sidewalk café operation will be determined during a site visit by city Staff. The renewal permit fee for each subsequent year will be \$100 plus \$5.00 per linear foot of café space.

## Austin, TX

- [https://www.austintexas.gov/sites/default/files/files/Transportation/Right\\_of\\_Way/REQUIREMENTS\\_FOR\\_SIDEWALK\\_CAFE.pdf](https://www.austintexas.gov/sites/default/files/files/Transportation/Right_of_Way/REQUIREMENTS_FOR_SIDEWALK_CAFE.pdf)
  - Permit process flowchart – very easy and neat to read

- Sidewalk café handbook:  
[https://www.austintexas.gov/sites/default/files/files/Transportation/SidewalkCafe\\_Handbook\\_05\\_12\\_17.pdf](https://www.austintexas.gov/sites/default/files/files/Transportation/SidewalkCafe_Handbook_05_12_17.pdf)
- Street Patio Handbook:  
[https://www.austintexas.gov/sites/default/files/files/Transportation/StreetPatio\\_Handbook\\_5\\_12\\_2017.pdf](https://www.austintexas.gov/sites/default/files/files/Transportation/StreetPatio_Handbook_5_12_2017.pdf)
- Fees: Annual \$200 permit fee (up to five years may be paid in advanced)

## FOOD TRUCKS/MOBILE FOOD VEHICLE

### CHICAGO

\$1,000 application fee for 2 year license, \$700 if no cooking is on board

### EVANSTON

\$500 per calendar year

<https://pos.toasttab.com/blog/on-the-line/how-much-does-a-food-truck-cost> Food Truck

### Parking

After food prep and service are done for the day, where do trucks go at night? To a secure, city-approved location, that's where. Many cities strictly regulate where food trucks can park, not only when they're serving, but when they're closed as well.

If you have the space to store at home on private property, that's certainly an option. But if not, many commissaries offer overnight parking for an additional fee. Be sure to consider this when shopping for your commercial kitchen space.

### Bottom Line Estimate: \$500 - \$1,000 / month

### How Much Does a Food Truck Cost to License?

Restaurant permits and licenses stack up quickly for any food business, but even more so when your operation is mobile. Casey Grawien is the owner and founder of Street Surfer, a food truck based in Tampa. She described the "licenses and permits to work in each zip code [they] have clients," as her number one unexpected cost.

"Since the Tampa area is so large," Casey explained, "there are multiple rules and regulations you need to follow depending on [whether you're serving in] public [or] private events." Here's a rundown of some of the basic permits and licenses food truck operators are expected to secure. And it's not uncommon for cities to have additional requirements.

- Business certificate and EIN (Employer Identification Number)
- Vehicle license
- Seller's permit

- Health permits
- Fire inspection

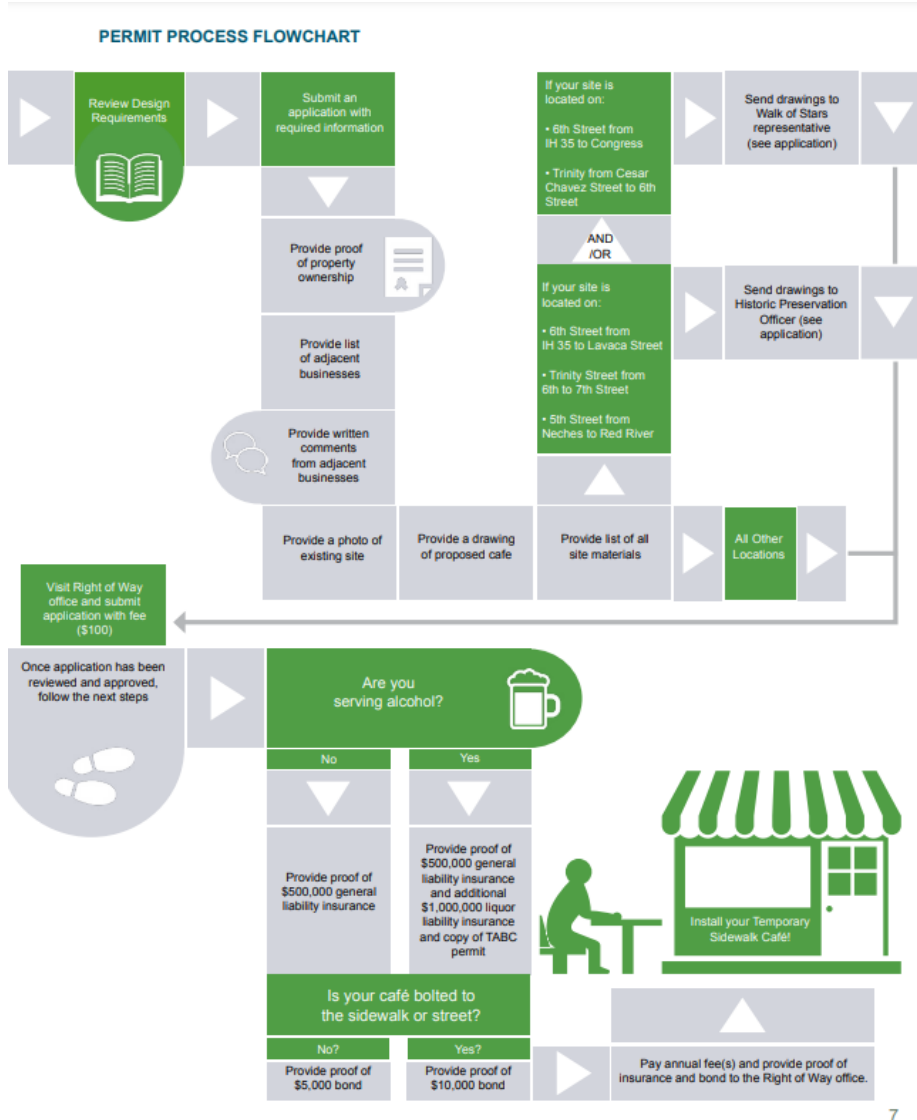
We looked at requirements for food truck operators in three different cities to see how fees stack up. Note that many of these are not one-time, but annual costs. These range greatly from city to city, anywhere from a few hundred dollars a year to over \$1,000 a year.

Permit/License	Boston, MA	Rochester, NY	New Orleans, LA
Business Certificate	\$65	\$25	\$150
Vehicle License	\$40	\$40	\$10
Health Permit	\$100	\$200	\$100
Fire Permit	\$110	\$100	\$50
Hawker and Peddler Permit	\$62	N/A	N/A
GPS Contract	\$299 + \$89	N/A	N/A
Food Truck License/Permit	N/A	\$1000	\$400.25
Food Truck Application	\$500	\$7	\$50
Vendor Identification Badge	N/A	\$24	\$5
Sales Tax Deposit	N/A	N/A	\$50
Total	\$1,265	\$1,396	\$815.25

Additionally, simply navigating which fees are owed to which department and in which order they need to be secured can be quite tricky. Many cities with a vibrant food truck scene have associations where members lobby for favorable policies and serve as a resource for newcomers. The Nashville Food Truck Association is a great example. Annual dues for participation are yet another cost to factor into your budget.

**Bottom Line Estimate: \$800 - \$1,400**





**Bronxville, NY**

- [https://www.villageofbronxville.com/sites/g/files/vyhlf336/f/file/file/sidewalk\\_cafe\\_application\\_blank.pdf](https://www.villageofbronxville.com/sites/g/files/vyhlf336/f/file/file/sidewalk_cafe_application_blank.pdf)
- Fees: \$250

**Vancouver, WA**

- <https://www.cityofvancouver.us/ced/page/sidewalk-caf%C3%A9outdoor-seating-and-related-programs>
  - Cool interactive map of restaurants: <https://cityofvancouver.maps.arcgis.com/apps/dashboards/67112027d793494a920f9d9efa0b2ed8>
- Fees: \$128 fee plus \$2.30 per linear foot of boundary perimeter
  - Boundary markers (if required) - \$15 each

Attachment: Sidewalk Café Fees and Licenses Research (5201 : Park Street Area User License Fee)

- [https://www.cityofvancouver.us/sites/default/files/fileattachments/community and economic development/page/38873/sidewalkcafeseatingp ermit streetuserow application.pdf](https://www.cityofvancouver.us/sites/default/files/fileattachments/community%20and%20economic%20development/page/38873/sidewalkcafeseatingp%20permit%20streetuserow%20application.pdf)

#### Pittsburgh, PA

- <https://pittsburghpa.gov/domi/sidewalk-cafe>
- Fees:
  - \$150 base fee for application processing and review
  - \$1 per café square foot will be assessed in addition to the base fee
  - \$25 annual renewal fee
  - [https://apps.pittsburghpa.gov/dpw/SIDEWALK\\_CAFE\\_APPLICATION\\_FEE\\_SCHEDULE.PDF](https://apps.pittsburghpa.gov/dpw/SIDEWALK_CAFE_APPLICATION_FEE_SCHEDULE.PDF)

#### Savannah, GA

- <https://www.savannahga.gov/2558/Sidewalk-Cafes-and-Menu-Boards>
- Fees:
  - \$100 per table
  - \$50 per bench
  - \$25 per chair
  - \$25 per other furniture (i.e. planter)
    - Total fees shall not exceed \$1,000 per year

#### Holland, MI

- <https://cityofholland.com/DocumentCenter/View/163/Sidewalk-Cafe-PDF>
- Fee: \$100 (annual)

#### Spokane, WA

- <https://downtownspokane.org/sidewalk-cafes-parklets/>
- Fee:
  - New sidewalk café application fee: \$50.00
  - Review Fee: \$300.00
  - After approval of permit an annual fee of \$100 every year after if permit is still valid
  - Modification of sidewalk café beyond the original plan will need new review and additional fee \$250.00
    - <https://static.spokanecity.org/documents/business/resources/applications/streetobstruction/sidewalk-cafe-application-2020-05-22.pdf>

#### Corvallis, OR

- <https://www.corvallisoregon.gov/ds/page/sidewalk-cafe%20permits>
- Fees:
  - Complete application \$100
  - Rental fee (\$1 per square foot for area over 100 square feet)

- <https://archives.corvallisoregon.gov/public/ElectronicFile.aspx?dbid=0&docid=746187>

Moline, IL

- <https://moline.il.us/DocumentCenter/View/4025/City-of-Moline-Sidewalk-Cafe-Guidelines-Rev-3316?bidId=>
- Fees (Outdoor and beverage use – public ROW or city owned property):
  - \$150.00 for application
  - \$30.00 annual fee
  -