

No. 123123

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**IN THE SUPREME COURT OF ILLINOIS**

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LMP SERVICES, INC.,	)	Illinois Appellate Court,
Plaintiff-Appellant,	)	First District, No. 1-16-3390
v.	)	On appeal from the Circuit
THE CITY OF CHICAGO,	)	Court of Cook County, Illinois,
Defendant-Appellee,	)	The Honorable Anna Helen
	)	Demacopoulos,
	)	Judge Presiding.

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**BRIEF *AMICUS CURIAE* OF  
ILLINOIS RESTAURANT ASSOCIATION  
IN SUPPORT OF DEFENDANT-APPELLEE  
THE CITY OF CHICAGO**

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## POINTS AND AUTHORITIES

POINTS AND AUTHORITIES.....	i
STATEMENT OF INTEREST.....	1
ARGUMENT .....	2
I. The 200-Foot Rule Does Not Violate Due Process Because It Satisfies Several Legitimate Governmental Objectives and Reflects the Policies of the City of Chicago .....	3
Municipal Code of Chicago § 7-38-115(f).....	3
<i>New Orleans v. Dukes</i> , 427 U.S. 297 (1976) .....	4
<i>Triple A Services v. Rice</i> , 131 Ill. 2d 217 (1989).....	4
<i>Nordlinger v. Hahn</i> , 505 U.S. 1 (1992) .....	5
A. The 200-foot Rule achieves the City’s legitimate objective of preserving the far-reaching economic benefits provided by the restaurant industry. ....	5
1. The restaurant industry contributes substantial revenue to the economy, locally and statewide. ....	6
<i>LMP Services, Inc. v. City of Chicago</i> , 2017 IL App (1st) 163390.....	6
<i>Napleton v. Village of Hinsdale</i> , 229 Ill. 2d 296 (2008).....	6, 7, 8
<i>Triple A Services v. Rice</i> , 131 Ill. 2d 217 (1989).....	6
<i>Fitzgerald v. Racing Association</i> , 539 U.S. 103 (2003) .....	8
2. The restaurant industry is a vital part of the City’s tourism industry, including as a global culinary destination unto itself. ....	9

<i>New Orleans v. Dukes</i> , 427 U.S. 297 (1976) .....	9, 10, 14
<i>Hope Clinic for Women, Ltd. v. Flores</i> , 2013 IL 112673 .....	9
<i>Triple A Services v. Rice</i> , 131 Ill. 2d 217 (1989) .....	10, 11
<i>Vaden v. Village of Maywood</i> , 809 F.2d 361 (7th Cir. 1987) .....	11
<i>One World One Family Now v. City &amp; County of Honolulu</i> , 76 F.3d 1009 (9th Cir. 1996) .....	11, 12, 14
B. The City has a legitimate interest in maintaining the stability that restaurants provide in its overall development. ....	14
<i>Nordlinger v. Hahn</i> , 505 U.S. 1 (1992) .....	14, 15, 16
C. The City has a legitimate interest in preserving restaurateurs' substantial reliance interest in their brick-and-mortar establishments. ....	17
<i>Nordlinger v. Hahn</i> , 505 U.S. 1 (1992) .....	17, 18, 19
<i>New Orleans v. Dukes</i> , 427 U.S. 297 (1976) .....	18
<i>One World One Family Now v. City &amp; County of Honolulu</i> , 76 F.3d 1009 (9th Cir. 1996) .....	18, 19
D. The 200-foot rule is rationally related to achieving these legitimate governmental objectives. ....	21
Municipal Code of Chicago § 7-38-117 .....	23
Municipal Code of Chicago § 134.....	23
II. The Collection of Location Data with a GPS Device is an Administrative Search for Which No Warrant is Required. ....	23

*City of Los Angeles v. Patel*,  
135 S. Ct. 2443, 2452 (2015) ..... 24, 25, 26

CONCLUSION..... 27

CERTIFICATE OF COMPLIANCE ..... 28

## STATEMENT OF INTEREST

The Illinois Restaurant Association is a non-profit trade organization founded over one hundred years ago to promote, educate, and improve the restaurant industry in Illinois. The Association is headquartered in Chicago, Illinois and has nearly 8,000 members statewide. It counts among its members restaurant operators, food service professionals, suppliers, and related industry professionals. The Association supports the restaurant industry by promoting local tourism, providing food service education and training programs, providing analysis on topics of the day, providing networking opportunities, hosting culinary events, and advocating for its members' interests.

Because its members are among the thousands of restaurants in the City of Chicago bound by the provisions of the City's Mobile Food Vendor Ordinance at issue here, the Association has a strong interest in the outcome of this case. The Association seeks to provide this Court with a more detailed understanding of the impact the restaurant industry has on the City's economic, cultural, and urbanization objectives. Its members support, and have helped to expand, the tourism and hospitality industry in Chicago, which generates significant revenue for the City and enriches the City's global reputation. The restaurant industry also is the largest private employer in the State of Illinois, supporting hundreds of thousands of people, from entry-level jobs to entrepreneurship.

Additionally, the Association will explain how a decision invalidating the 200-foot rule would affect its members. While the petitioner calls the rule economic “protectionism” and accuses the City of helping to line the pockets of restaurant owners at the expense of mobile food purveyors, the Mobile Food Vendor Ordinance reflects a careful balancing of the interests and contributions of both groups, allowing them to grow and prosper and simultaneously bolster Chicago’s economy, international reputation, and cultural diversity.

The Association also hopes to educate the Court about the use of a GPS device from an industry perspective. All members of the restaurant industry have an interest in ensuring that the public is protected from outbreaks of food-borne illness and the device is a necessary component of the system that will quickly contain them.

### **ARGUMENT**

The 200-foot rule reflects a thoughtful and balanced approach by the City to support a burgeoning food truck industry and the traditional brick-and-mortar restaurant industry. Among other things, the City considered the many contributions that restaurants make to the City, aside from paying property taxes, as the appellate court found. Restaurants are part of the fabric of the City: they support tourism, foster cultural diversity, and are an integral part of the City’s growth and development over time. For their part, food trucks represent innovation in the concept and preparation of food, reenergizing and enriching the culinary scene in Chicago. Both

models should flourish here, given the vitality of the industry, and with reasonable restrictions, they can. It is within the City's purview to enact regulations that balance each group's interests and reflect the City's legislative priorities.

Additionally, the City's requirement that food trucks install a GPS device is not an illegal search or invasion of privacy. It is an administrative search for which no warrant is required. Given the transient nature of food trucks' operations, the device allows board of health inspectors to locate them in case of an emergency like an outbreak of food-borne illness, investigate the source, and begin to contain it. Just as a board of health inspector can quickly locate a brick-and-mortar restaurant for this purpose, it should be able to quickly locate a food truck as well.

**I. The 200-Foot Rule Does Not Violate Due Process Because It Satisfies Several Legitimate Governmental Objectives and Reflects the Policies of the City of Chicago.**

The 200-foot rule provides that during certain hours, mobile food vehicles, or food trucks, may not park within 200 feet of the principal entrance to a restaurant. Municipal Code of Chicago § 7-38-115(f). LMP Services challenges the regulation as an infringement on its substantive due process rights, claiming that the City engaged in "protectionism" to benefit restaurant owners. To the contrary, the 200-foot rule balances the City's interest in maintaining its robust economy through the restaurant industry's contributions with its desire to foster innovation in that industry through the introduction of food trucks.

The City is fully empowered to create policy-based legislative classifications based on economic impact and enact regulations reflecting its priorities. Where, as here, no fundamental rights are implicated, such regulations are presumptively valid. *New Orleans v. Dukes*, 427 U.S. 297, 303 (1976); *Triple A Services v. Rice*, 131 Ill. 2d 217, 225-26 (1989). They will survive constitutional scrutiny so long as they are rationally related to a legitimate governmental purpose. *Id.* Courts do not sit as “superlegislatures that judge the wisdom or desirability of legislative policy determinations.” *Id.* at 304; *Triple A Services*, 131 Ill. 2d at 234. Rather, courts must ensure that legislation is not arbitrary or capricious, and does not infringe on fundamental rights. *Id.*

The City’s approach to drafting the 200-foot rule was far from arbitrary. It reflects years of negotiations with proponents on both sides of the issue. It was carefully crafted to welcome food trucks into the City’s signature culinary community, but also introduced “rules of the game,” that allow both groups to thrive without undermining the City’s legitimate objectives of maintaining the far-reaching economic benefits restaurants provide, promoting stable urbanization in the City, and preserving restaurateurs’ reliance interests in their investments. The 200-foot rule is rationally related to achieving these objectives because it levels the playing field to allow brick-and-mortar restaurants and food trucks to compete fairly in the marketplace. Expanding on the legitimate governmental



objectives identified in the City's brief, Brief of Appellee, pp. 20-30, the Association here provides further detail on the valuable contributions the restaurant industry provides to the City to justify enactment of the 200-foot rule.<sup>1</sup>

**A. The 200-foot Rule achieves the City's legitimate objective of preserving the far-reaching economic benefits provided by the restaurant industry.**

Beyond merely providing valuable property tax and sales tax revenue, as noted by the appellate court, the restaurant industry is an integral part of the City's overall economy. Not only does the restaurant industry support the City's cultural and convention tourism, it has become a tourist attraction unto itself. The restaurant industry also is one of the largest private employers in the State of Illinois, providing hundreds of thousands of workers with opportunities at every level, from entry-level employment to entrepreneurship. These are not only legitimate matters for the City to consider in crafting economic regulations, they are necessary ones. As such, these considerations are deeply rooted in the substantive due process jurisprudence of this Court and the United States Supreme Court.

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<sup>1</sup> For purposes of rational-basis review here, the City need not have previously articulated any of these additional rationales as support for its classification. It is sufficient for the Court's consideration here that the purpose reasonably may have been the City's policy. *Nordlinger v Hahn*, 505 U.S. 1, 15 (1992).

**1. The restaurant industry contributes substantial revenue to the economy, locally and statewide.**

As the appellate court recognized, in balancing the interests at stake in enacting the 200-foot rule, the City was entitled to favor the sizable amount of property taxes and myriad other taxes restaurants generate that food trucks do not. *LMP Services, Inc. v. City of Chicago*, 2017 IL App (1st) 163390, ¶33. In *Napleton v. Village of Hinsdale*, the plaintiff challenged the village's amended zoning code, which removed financial institutions from the list of permitted uses in certain zoning districts. It further barred any new credit institutions from being located on the first floor of any building in those districts. *Napleton*, 229 Ill. 2d 296, 203 (2008). The plaintiff property owner argued that these regulations infringed on her property rights because they restricted her use of the properties, resulting in a decline in value of the properties. *Id.* at 302-03.

The village moved to dismiss, arguing that it amended the zoning code in an effort to ensure the proper balance of “uses and businesses whose principal operations generate retail sales tax.” *Id.* at 321. Although not required to do so, the village gathered data, commissioned a relevant study, and solicited input from the public and its plan commission as part of its legislative deliberations. *Id.*; see also *Triple A Services*, 131 Ill. 2d at 234 (noting that the government is not required to conduct any formal studies of the impact of its proposed legislation prior to its enactment because “it has nothing to do with” the facial validity of the ordinance).

This Court held that it was “reasonable and legitimate” for the village to conclude that “the continued vitality of its business districts” required it to balance the number of businesses that generate tax revenue with those that do not. *Napleton*, 229 Ill. 2d at 321. Barring the introduction of new credit institutions in those zoning districts alleviated the opportunity cost of foregone tax revenue and was rationally related to that objective. Therefore, the ordinance was not unconstitutional. *Id.*

Similarly here, the City was entitled to conclude that economic impact of the restaurant industry in Chicago and throughout the state was a legitimate consideration in enacting the 200-foot rule. The 7,300 brick-and-mortar restaurants in the City generate significant tax revenue in the form of property taxes, restaurant taxes, entertainment taxes, and infrastructure taxes, based on the estimated \$3 billion dollars spent on food and beverage in Chicago. See Brief of Appellee, p. 6.

Additionally, the restaurant industry makes significant contributions to the tax base indirectly as the second-largest private employer in the State of Illinois. In 2018, restaurant and food service jobs account for approximately 9% of the employment in the entire state, employing 577,000 people who in turn make substantial contributions to the economy. A001. That number is projected to grow by 7.5% over the next ten years, exceeding 620,000 people employed in the restaurant

industry. *Id.* Each of these employees pays income taxes, sales taxes, and often property taxes in the City of Chicago.

Moreover, restaurant industry employees are exceedingly likely to become restaurant owners and entrepreneurs over the span of their careers. Eighty percent of restaurant owners began their careers in entry-level restaurant-industry positions. A003. The restaurant industry creates a pipeline for small business owners, who will continue investing in communities and contributing substantially to the tax base.

Contrary to LMP's suggestion, the City did not favor any one restaurant, or the restaurant industry generally, when it enacted the 200-foot rule. Nor was it intentionally *disfavoring* the food truck industry. It made a considered judgment in the best interests of its constituents to alleviate the opportunity costs of foregone tax revenue and acted within its police powers in doing so, which is "reasonable and legitimate." *Napleton*, 229 Ill. 2d at 321. The constitution gives legislators, and not the courts, the power to decide "whom they wish to help" through economic regulation and how much those regulations ought to provide. See *Fitzgerald v. Racing Association*, 539 U.S. 103, 108 (2003). The act of making these legitimate classifications among groups may give opponents "an almost equally strong claim to favored treatment ... on different sides of the line," but it is for legislatures to decide where that line is drawn. *Id.*

**2. The restaurant industry is a vital part of the City’s tourism industry, including as a global culinary destination unto itself.**

It has long been recognized that the government also has a legitimate interest in drafting legislation intended to preserve its tourism industry and related aesthetic and economic contributions under its police power. In *Dukes*, a mobile food vendor challenged a local ordinance that would prohibit her from obtaining a license to sell food in the French Quarter area of the City of New Orleans, but allowed other mobile vendors to continue operating there under a “grandfather” provision. *Dukes*, 427 U.S. at 302.<sup>2</sup>

The Court recognized this as an “economic regulation aimed at enhancing the vital role of the French Quarter’s tourist-oriented charm” in New Orleans. *Id.* at 303. It noted that the legislative objective of preserving the appearance and custom of the French Quarter for the benefit of residents and tourists has “obvious” legitimacy. *Id.* at 304. It concluded that the City Council “plainly” could further that objective by making a reasoned judgment to restrict mobile food vendors from “interfering with the charm and beauty of a historic area.” *Id.* at 304-05. Those vendors might “disturb tourists and disrupt their enjoyment” of the charm and beauty of the French Quarter, the heart of the city’s tourist

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<sup>2</sup> While this case and others involve equal protection claims, “[t]he standard for reviewing an equal protection claim is identical to that used for substantive due process.” *Hope Clinic for Women, Ltd. v. Flores*, 2013 IL 112673, ¶81.

industry. Thus, they could have a “deleterious effect on the economy of the city.” *Id.* As such, the city could “ensure the economic vitality of the area” by curtailing mobile food vendors’ operations, “if not totally bann[ing]” them, in the French Quarter. *Id.* Furthermore, the “grandfather” provision that allowed long-serving mobile food vendors to continue operating in the French Quarter was “rational” and the City Council was entitled to eliminate mobile food vendors gradually, if it chose to. *Id.* at 305.

Similarly, in *Triple A Services*, the City passed an ordinance barring mobile food vendors from operating in the one-square mile area surrounding a newly-developed Medical Center District on the near west side. The City contended that that it did so to enhance the “professional appearance and ambience of the District.” *Triple A Services*, 131 Ill. 3d at 228. It also argued that banning mobile food vendors prevented pedestrian and vehicular congestion in the area. Additionally, it noted the ban would prevent sanitation problems caused by food and wrappers often left on the ground by customers of mobile food vendors. *Id.*

This Court held that those were all legitimate governmental objectives. *Id.* The District was created for the purpose of fostering growth and development in the area surrounding this major medical center. *Id.* It was the City’s prerogative to “preserve and enhance this area” and the mobile food vendor ban was rationally related to the legitimate interests stated. *Id.* Nor was the ban “so grossly overbroad as to render the

ordinance arbitrary, capricious and unreasonable.” *Id.* The scope of the ordinance need not align with the City’s objectives with “mathematical exactitude.” It simply must accomplish the City’s objectives in a non-arbitrary way. *Id.* at 229. See also *Vaden v. Village of Maywood*, 809 F.2d 361 (7th Cir. 1987) (upholding an ordinance banning mobile food vendors from operating in the village during school hours to prevent children from being delayed and distracted while traveling to and from school).

In a contextually similar case, the Ninth Circuit Court of Appeals upheld an ordinance banning the sale of all goods, merchandise, and food on the public streets and sidewalks of Waikiki. *One World One Family Now v. City & County of Honolulu*, 76 F.3d 1009, 1011 (9th Cir. 1996). A group of street vendors set up display tables along the sidewalk of a busy commercial street in Waikiki, selling t-shirts right in front of the brick-and-mortar shops located there. *Id.* The shop owners complained to the city, noting that their sales of tourist-oriented merchandise dropped, attributing this to the unfair competition from the street vendors, who did not pay rent, taxes, or license fees. *Id.* Tourists and residents also complained that the t-shirt tables were an obstruction and an eyesore. *Id.* The street vendors challenged the city’s ordinance, claiming it violated their free speech rights based on the content of the t-shirts.

Even under this heightened level of scrutiny, the Court found that the city had a substantial interest in protecting the aesthetic appearance

of its communities by “avoiding visual clutter,” including the “visual blight caused by unsightly vendor stands” on the streets of Waikiki. *Id.* at 1013. The city also had a substantial interest in assuring safe and convenient circulation on its streets. *Id.* As the center of Hawaii’s tourism industry, Waikiki accommodates 60,000 visitors per day, and hosts a “large concentration of vehicles and pedestrians” that causes unique traffic problems. Given these conditions, the city had a substantial interest in maintaining the orderly movement of pedestrians on the crowded sidewalks. *Id.*

The ordinance banning street vendors was narrowly tailored to efficiently achieve these two objectives of supporting the tourism industry and alleviating pedestrian traffic. Without the ordinance in place, street vendors could peddle their wares in the congested commercial district and undermine the city’s efforts to create a pleasant area for tourists to walk and shop. *Id.* at 1014.

Here, the restaurant industry’s impact on tourism in Chicago cannot be overstated, and it was reasonable for the City to consider this in enacting the 200-foot rule. In 2012, Mayor Rahm Emanuel created a multi-faceted organization, Choose Chicago, dedicated to increasing tourism in the City and setting a goal of attracting 50 million visitors by 2020. A005. By 2017, the City exceeded that goal, attracting a record-setting 55 million visitors. A007. Chicago is home to world-class museums (including the Art



Institute of Chicago), North America's largest convention center (McCormick Place), and the two top tourist attractions in the Midwest (Navy Pier and Millennium Park). A009. Mayor Emanuel also cited several recent initiatives that contributed to this success. Chicago was recently named the "best big city" by *Conde Nast Traveler* magazine. It also was called "perhaps the most architecturally aware city on earth" by the *Financial Times*, which specifically recognized the Chicago Riverwalk as "complex, urbane and intriguing." The City also recently hosted the National Football League draft. A007.

Chicago's seven-thousand-plus restaurants are an integral part of supporting this tourism, and the City also has become a culinary tourism destination of its own. Mayor Emanuel credited numerous recent restaurant-industry distinctions for the increase in tourism. Chicago was named the "restaurant city of the year" by *Bon Appetit* magazine. It has hosted the restaurant industry's prestigious James Beard Awards for the past four years and is committed to hosting them through 2021. A007; A013. Chicago also boasts 22 Michelin-star rated restaurants and is home to Alinea, recently named the "best restaurant in the world," by *Elite Traveler* magazine. A016. For the past decade, the City also has hosted Chicago Gourmet, a weekend-long culinary festival that draws top celebrity chefs from around the world to participate.

Given the restaurant industry's significant impact on tourism, the City reasonably could have concluded that maintaining the restaurant industry's extensive support for tourism was an important consideration in enacting the 200-foot rule, which has "obvious" legitimacy. See *Dukes*, 427 U.S. at 304; *One World*, 76 F.3d at 1013. The City depends on the restaurant industry as a centerpiece of tourism, feeding the tens of millions of people who visit Chicago for its cultural or culinary attractions and has an interest in sustaining it.

As will be explained further below, without the 200-foot rule in place, food trucks would be permitted to park and operate outside the doors of brick-and-mortar restaurants, picking off customers before they could enter and offering food at a fraction of the cost, given that their overhead is drastically lower. In an industry that already operates on razor-thin profit margins, the consequence of steadily losing this business to unregulated food trucks means that restaurants will be forced to close, which will negatively impact tourism and contributions to the tax base.

**B. The City has a legitimate interest in maintaining the stability that restaurants provide in its overall development.**

In addition to economic benefits, restaurants also are an integral part of their communities and urbanization in general, which the City has a legitimate interest in maintaining. In *Nordlinger v. Hahn*, the plaintiff challenged the fact that in California, property taxes were based on the acquisition price of the home, not their current value, creating a disparity

between newer property owners who had a higher assessed value at the time of purchase and older property owners who had a lower assessed value. *Nordlinger*, 505 U.S. 1, 12 (1992). The Court held that the state had a legitimate interest in “local neighborhood preservation, continuity, and stability.” Therefore, it was reasonable to distinguish between established property owners and new purchasers when assessing property values to “discourage rapid turnover in ownership of homes and businesses.” *Id.* While the petitioner argued that this classification undermined the American Dream of home ownership and put start-up businesses that depend on property ownership “at a severe disadvantage in competing with established businesses,” that was a policy decision for the legislature to make, not the courts. *Id.* at 17-18.

Similarly, the City has a legitimate interest in creating a legislative classification that recognizes the impact that restaurants have on communities. As in *Nordlinger*, restaurants historically have been a critically important part of stable urban development in the City. Traditionally, they have been the center of the ethnic neighborhoods of Chicago and elsewhere, preserving tradition and cultural diversity. A018-A024.

City governments recognize the importance of including restaurants in the planning and development of new neighborhoods to create a vibrant streetscape to accommodate pedestrian traffic, retail storefronts, and

restaurants. Recognizing this, real estate developers have begun relying on restaurants as the anchor for new residential developments to create a community. This is particularly true for neighborhoods undergoing gentrification or redevelopment, with restaurants becoming “one of the most profound drivers for place-making and urban transformation.” A026. Going forward, with retail outlets giving way to online shopping, developers look to restaurants and other forms of culture and entertainment to fill storefronts. *Id.*

Not surprisingly, restaurants reinvest in their communities as well, through charitable giving or supporting other local businesses or causes. Nearly 94% of all restaurants nationwide make charitable contributions, totaling \$3 billion per year. A033. They also frequently donate food and other support during natural disasters. The National Restaurant Association recognizes those restaurateurs who have made a significant impact on their communities with a Restaurant Neighbor Award. *Id.*

As in *Nordlinger*, the City has a legitimate interest in “local neighborhood preservation, continuity, and stability.” *Nordlinger*, 505 U.S. at 12. Therefore, it is reasonable to distinguish between restaurant owners and food trucks, which are by nature transient, when creating economic regulations based on legislative classifications. Although LMP argues that the 200-foot rules discourages innovation, the City may determine that it is more important to “discourage rapid turnover in ownership of homes

and businesses.” *Id.* That is a policy decision for the legislature to make, not the courts. *Id.* at 17-18. As long-term investors in their communities, restaurants ultimately help create stability and maintain property values, which are certainly among the City’s legitimate governmental objectives.

**C. The City has a legitimate interest in preserving restaurateurs’ substantial reliance interest in their brick-and-mortar establishments.**

Finally, and perhaps most importantly, governments legitimately may create classifications in economic legislation to protect the reliance interests of one group over another. In fact, not only is the protection of reliance interests legitimate, it is an “exceedingly persuasive justification” for making such legislative classifications. *Nordlinger*, 505 U.S. at 13. In *Nordlinger*, where the plaintiff challenged the property tax assessment process, the Court also determined that the state could legitimately conclude that a new property owner does not have the same entrenched reliance interest warranting protection against higher taxes as does an existing owner. *Id.* at 12-13. Existing owners have “vested expectations in [their] property ... that are more deserving of protection than the anticipatory expectations of a new owner at the point of purchase.” *Id.* at 13. Furthermore, new purchasers enter into the acquisition with full information about the scope of future tax liability and can decide not to complete the purchase if the tax burden will be too demanding. *Id.* Existing owners do not have the option of not purchasing the property if the tax burden becomes too high, and may be forced to sell the property.

Ultimately, “the [s]tate may decide that it is worse to have owned and lost, than never to have owned at all.” *Id.* Accordingly, a legislative classification that protects legitimate expectation and reliance interests is “not only a legitimate governmental objective: it provides an exceedingly persuasive justification” for doing so. *Id.*

The Court also cited to *Dukes*, which held that New Orleans’ ordinance barring new mobile food vendors from operating in the French Quarter but “grandfathering in” two long-standing mobile food vendors was permissible because the “city could reasonably decide that newer businesses were less likely to have built up substantial reliance interests in continued operation.” *Dukes*, 427 U.S. at 305.

In *One World*, the court also recognized that the city had a substantial interest in “protecting local merchants from unfair competition.” *One World*, 76 F.3d at 1013. A city relies on a “prosperous, stable merchant community for [its] tax base, as well as for the comfort and welfare of [its] citizens.” *Id.* Allowing the street vendors to engage in “tax-free and rent-free” sales activities along those streets significantly impacts the economies of the shopkeepers there, whose taxes and rent contribute to the welfare and economy of the state. *Id.* The Court recognized that “[t]his kind of unfair competition threatens to erode tax revenues and undermine the strength of its commercial life.” *Id.* It also acknowledged that the street vendors are only able to offer prices low

enough to undercut the merchants because they “pay no rent and aren’t subject to various municipal regulations,” which “no ordinary merchant, forced to pay rent in Waikiki and comply with other applicable laws, possibly could compete with ... for any significant period of time.” *Id.*

Banning street vendors from operating in this area was the most efficient way to achieve this legitimate interest and the ordinance was narrowly tailored to do just that. *Id.* at 1013-14. Without it, street vendors could “siphon off sales from local merchants.” *Id.*

Similarly, in this context, restaurateurs have a substantial reliance interest in the investment made in their brick-and-mortar establishments. On the other hand, food trucks have far more modest start-up costs, pay virtually no property taxes, and have overhead expenses and operating costs that are a mere fraction of a brick-and-mortar restaurant’s. Because of that disparity, food trucks are able to charge customers far less for food, at a level that most restaurants cannot reasonably sustain. Protecting restaurateurs’ reliance interest in their business enterprise is not only a legitimate basis for creating classifications in economic regulation, but an “exceedingly persuasive” one. See *Nordlinger*, 505 U.S. at 13.

The average cost of starting a restaurant ranges from approximately \$500,000 to \$735,000, based on the type of restaurant and whether the space is rented or leased. A041. This includes the cost of the space, equipment, infrastructure fees, operating licenses, construction costs,

interior design, equipment, furnishings, and food inventory. A038-A039.

Property owners also pay hefty property tax bills.

In addition to the cost of the physical space, restaurateurs must hire employees, who are the most critical component of the operation. The best chef must execute the culinary vision, the best servers must provide customers with the level of experience that ensures they return, and myriad others contribute to the restaurant's success. Of the nearly one million restaurants opened in the United States last year, 90% of them were small businesses with as many as 50 employees. A035-A036. Monthly wages for front and back of house staff vary depending on the nature of the restaurant, but they can be tens of thousands of dollars per month. A039-A040. When benefits and taxes are factored in, total labor costs can account for 70% of a restaurant's total operating costs. A049. However, wage and labor costs continue to rise to account for overtime regulations, paid sick leave requirements, health care costs, increases in the minimum wage, and the intense competition for employees. A047, A049.

Because of the operating costs and the already-competitive nature of the restaurant industry, profit margins generally are slim. A051. While restaurants can adapt to some fluctuation in operating costs and sales volume, they generally cannot absorb significant changes. A053.

It is against this backdrop that food trucks, which were gaining popularity in cities across the country, entered Chicago's restaurant scene.



Among other things, a food truck is an attractive opportunity to enter the restaurant industry because the start-up costs are very low. A fully operational food truck may cost \$100,000, although, like restaurants, that may vary with truck's features. A041. Food trucks must obtain a license to operate in Chicago, which costs \$1,000 per year. A058. Food truck owners also incur labor costs, insurance costs, and fuel and maintenance costs for the truck. Additionally, food truck vendors must obtain a Shared Kitchen User License and rent space at a commissary for food preparation. Even with these additional costs, food truck operators' overhead and operating costs do not approach those of a brick-and-mortar restaurant.

**D. The 200-foot rule is rationally related to achieving these legitimate governmental objectives.**

The rule barring food trucks from parking within 200 feet of a brick-and-mortar restaurant is rationally related to accomplishing the City's legitimate objectives of: (1) maintaining the overall economic health of the City; (2) maintaining stability and steady growth in the community; and (3) preserving the reliance interests of restauranteurs, who have made significant investments in the City. At bottom, without the 200-foot rule, the restaurant industry will be eroded by the closure of brick-and-mortar establishments that were unable to survive as a result of food trucks unfairly siphoning off customers. Perhaps worse, entrepreneurs will forego opening new restaurants here, realizing that it is financially unfeasible.

Before the 200-foot rule was enacted, unscrupulous food truck vendors parked in front of brick-and-mortar restaurants, particularly during the busy lunch hour rush in the Loop, and lured customers away from the restaurants to the truck's window. The food truck vendors succeeded in their efforts because the prices they charged for food often were significantly lower than those charged in restaurants, owing to the fact that the food truck operation has low overhead.

Restaurants, on the other hand, have high overhead because their owners must make a significant capital investment when opening the establishment and pay higher operating and labor costs on a monthly basis. This imbalance allowed food truck vendors to significantly undercut the restaurants' pricing and "siphon off" their customers outside their own front door. By definition, this was unfair competition. A066, A069, A070.

The 200-foot rule created a level playing field. It was rationally related to the City's legitimate interests in maintaining a thriving economy based on tourism and urban development. In other cities without proximity restrictions, restaurants have been forced to close, citing the loss of business to food trucks as the reason why. A073. Without the 200-foot rule, restaurants in Chicago would likely meet a similar fate, which would erode the restaurant industry and have a devastating impact on the City's economy. Alternatively, restaurateurs could simply choose not to invest in Chicago's restaurant industry because the unfair competition with food

trucks creates an outsized risk that they would not recoup their investment. Without continuing investment in the restaurant industry, Chicago's economy would suffer.

Above all, the 200-foot rule reflects a compromise between restaurateurs and food truck operators. Although food trucks can no longer operate within 200 feet of restaurants, the City created 37 mobile food vehicle stands in certain restaurant-dense areas of the City dedicated to food truck operations. Municipal Code of Chicago § 7-38-117. The City enacted another provision for the benefit of food truck operators: it now allows them to prepare food on the truck, rather than having to prepare it offsite and simply vend from the truck. Municipal Code of Chicago § 134. The City also sponsors a weekly food truck festival at two different downtown locations, where it has invited numerous food trucks to showcase their cuisine. A075. Food trucks also have become a central feature at the Taste of Chicago. In enacting the 200-foot rule, the City has created a regulation that reflects its legitimate legislative objectives in maintaining a vibrant economy, and it should be upheld.

**II. The Collection of Location Data with a GPS Device is an Administrative Search For Which No Warrant is Required.**

Section 7-38-115(l) of the Mobile Food Vendor Ordinance, which requires that a GPS device be installed on food trucks, does not authorize unconstitutional warrantless searches. The collection of location data by

the GPS device is an administrative search for which no warrant is required.

The United States Supreme Court recently held that a warrantless search is reasonable where “special needs ... make the warrant and probable-cause requirement impracticable, and where the primary purpose of the searches is distinguishable from the general interest in crime control.” *City of Los Angeles v. Patel*, 135 S. Ct. 2443, 2452 (2015) (internal citations omitted). Such searches are deemed administrative searches and do not require a warrant. *Id.* In such circumstances, “absent consent, exigent circumstances, or the like,” an administrative search is constitutional if the subject of the search is “afforded an opportunity to obtain precompliance review before a neutral decisionmaker.” *Id.*

In *Patel*, the City of Los Angeles enacted an ordinance requiring every hotel operator to keep records containing certain information about their guests. Part I of the ordinance detailed the type of information to be collected, including guests’ names, information about their vehicles, their arrival and departure times, the room assigned, the rate charged, and the method of payment used. *Id.* at 2448. Part II of the ordinance required that those records be made available to the police for inspection, and when possible, those inspections would occur during business hours to minimize interference with business operations. *Id.* Failure to make those records

available to police was a misdemeanor, punishable by up to six months in jail or a substantial fine. *Id.*

A group of hotel operators raised a facial constitutional challenge to Part II of the ordinance, arguing that it was a warrantless search in violation of the fourth amendment. *Id.* They did not challenge Part I requiring them to collect the information. *Id.* at 2454. In fact, the Court held that “nothing in our opinion calls into question [Part I of the ordinance] that require[s] hotel operators to maintain guest registries containing certain information.” *Id.* However, the Court ultimately declared Part II invalid because it did not provide the hotel operator with an opportunity for review of the officer’s demand by a neutral decisionmaker before refusing compliance. *Id.* at 2452. Rather, a hotel operator who refused to provide access to the records could be arrested on site. *Id.* at 2453.

Here, section 7-38-115(l) is undoubtedly an administrative search for which no warrant is required. Under Rule 8 of the Board of Health’s administrative rules, the City may only seek access the location data for the limited purposes of investigating a complaint of unsanitary conditions or a food-related threat to public health, investigating a violation of another provision of the ordinance, or for emergency preparation or response. See Brief of Appellee, p. 4; A5-6. The primary purpose of this type of search is to serve a “special need” other than conducting a criminal

investigation. It is to ensure public health and safety, and is entirely unrelated to crime control. See *Patel*, 135 S. Ct. at 2452.

More importantly, the City may only access the location data if it has the food truck owner's consent, a warrant, or court authorization. See Brief of Appellee, p. 4; A5-6. Thus, the ordinance also provides for an opportunity to seek review of the City's request for data by a neutral decisionmaker. See *Patel*, 135 S. Ct. at 2453. As such, section 7-38-115(l) is an administrative search for which no warrant is required. It therefore does not violate the fourth amendment.

From an industry perspective, it is imperative that there be a method by which food trucks can be located in case of an outbreak of food-borne illness. For brick-and-mortar restaurants, the City and its board of health inspectors know precisely where to go to begin an investigation into a suspected outbreak. It should not be controversial to demand that there be a method by which a food truck's location is immediately known as well. In an emergent situation like that, the public's health and safety is at risk and time is of the essence. As the City has well explained in its brief, it is not enough to rely on the food truck owner's self-report of its location through social media, which can be unreliable at a time when the City most requires compliance.

**CONCLUSION**

For the foregoing reasons, amicus curiae Illinois Restaurant Association respectfully requests that this Court affirm the appellate court's decision finding that the 200-foot rule is a constitutional exercise of the City's police power. Amicus further requests that this Court affirm the appellate court's decision that requiring food truck operators to install a GPS device to assist in public safety efforts and containment of food-borne illness is not an unconstitutional search.

Respectfully submitted,

**Dated:** November 13, 2018

/s/ Gretchen Harris Sperry

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**CERTIFICATION OF COMPLIANCE**

I certify that this brief conforms to the requirements of Rules 341(a) and (b). The length of the brief, excluding the pages containing the Rule 341(d) cover, the Rule 341(h)(1) statement of points and authorities, the Rule 341(c) certificate of compliance, the certificate of service, and those matters to be appended to the brief under Rule 342(a) is 27 pages.

Gretchen Harris Sperry



**CERTIFICATE OF SERVICE**

Under penalties as provided by law pursuant to § 1-109 of the Code of Civil Procedure (735 ILCS 5/1-109), I, Gretchen Harris Sperry, one of the attorneys for the proposed amicus curiae, Illinois Restaurant Association, certify that the statements set forth in this instrument are true and correct. I further certify that the foregoing “Brief of Amicus Curiae Illinois Restaurant Association in Support of Defendant-Appellee City of Chicago” was electronically filed with the Clerk of the Illinois Supreme Court on November 15, 2018, by using the Illinois Supreme Court electronic filing service and was served on counsel of record by email directed to:

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**TABLE OF CONTENTS TO THE APPENDIX**

Illinois Restaurant Industry at a Glance, <a href="https://www.restaurant.org/Downloads/PDFs/State-Statistics/Illinois.pdf">https://www.restaurant.org/Downloads/PDFs/State-Statistics/Illinois.pdf</a> (last visited November 13, 2018).....	A001
National Restaurant Association, Entrepreneur Builder, <a href="https://www.restaurant.org/Industry-Impact/Employing-America/Entrepreneur-Builder">https://www.restaurant.org/Industry-Impact/Employing-America/Entrepreneur-Builder</a> (last visited November 13, 2018).....	A003
City of Chicago Press Release, Mayor Emanuel Announces A Combined Tourism Organization to Attract 50 Million Visitors to Chicago, January 31, 2012.....	A005
Josh Noel, Chicago tourism numbers hit record high, topping 55 million in 2017, <i>Chicago Tribune</i> , January 13, 2018. ....	A007
Steve Johnson, Millennium Park is new top Midwest visitor destination, high-tech count finds, <i>Chicago Tribune</i> , April 6, 2017. ....	A009
Ashok Selvan, Chicago’s Restaurant World Reacts to Mayor Rahm Emanuel’s Tenure, <i>Eater</i> , September 10, 2018, located at <a href="https://chicago.eater.com/2018/9/10/17832964/chicago-mayor-rahm-emanuel-term-ending-restaurant-chef-beverage-beer-effect">https://chicago.eater.com/2018/9/10/17832964/chicago-mayor-rahm-emanuel-term-ending-restaurant-chef-beverage-beer-effect</a> Chicago’s Restaurant World Reacts to Mayor Rahm Emanuel’s Tenure, .....	A012
Phil Vettel, Alinea named world’s best restaurant by Elite Traveler, <i>Chicago Tribune</i> , April 18, 2018.....	A016
Jim O’Donnell, Touring Chicago’s Ethnic Neighborhoods, November 26, 2012, located at: <a href="http://www.aroundtheworldineightyyears.com/touring-chicagos-ethnic-neighborhoods/">http://www.aroundtheworldineightyyears.com/touring-chicagos-ethnic-neighborhoods/</a> (last accessed November 13, 2018).....	A018
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# Illinois

## RESTAURANT INDUSTRY AT A GLANCE

Restaurants are a driving force in Illinois's economy. They provide jobs and build careers for thousands of people, and play a vital role in local communities throughout the state.

**26,086**

Eating and drinking place locations in Illinois in 2016

**577,000**

Restaurant and foodservice jobs in Illinois in 2018 = 9% of employment in the state

**AND BY 2028, THAT NUMBER IS PROJECTED TO GROW BY 7.5%**

= 43,400 additional jobs, for a total of 620,400

**\$25.2 billion**

Estimated sales in Illinois restaurants in 2017

**HOW BIG IS AMERICA'S RESTAURANT INDUSTRY?**

LOCATIONS

**1 MILLION+** serving millions every day

SALES

**\$800 BILLION** = 4% of the U.S. GDP

EMPLOYMENT

**15.1 MILLION PEOPLE** = 10% of the nation's workforce



**FOR MORE INFORMATION:** [Restaurant.org](http://Restaurant.org) • [IllinoisRestaurants.org](http://IllinoisRestaurants.org)

**A001**

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# Illinois's Restaurants

**JOBS AND ENTREPRENEURIAL OPPORTUNITIES IN EVERY COMMUNITY**

<b>U.S. SENATORS</b>		<b>EATING AND DRINKING PLACES:</b>	
		<b>Establishments in the state</b>	<b>Employees in the state*</b>
Richard Durbin (D)		<b>26,086</b>	<b>454,700</b>
Tammy Duckworth (D)			
<b>U.S. REPRESENTATIVES</b>		<b>EATING AND DRINKING PLACES:</b>	
		<b>Establishments in the state</b>	<b>Employees in the state*</b>
1	Bobby L. Rush (D)	1,021	17,802
2	Robin Kelly (D)	991	17,268
3	Daniel Lipinski (D)	1,358	23,671
4	Luis Gutierrez (D)	1,141	19,889
5	Mike Quigley (D)	2,051	35,747
6	Peter J. Roskam (R)	1,439	25,082
7	Danny K. Davis (D)	2,639	46,001
8	Raja Krishnamoorthi (D)	1,387	24,174
9	Jan Schakowsky (D)	1,718	29,940
10	Bradley Scott Schneider (D)	1,279	22,298
11	Bill Foster (D)	1,138	19,834
12	Mike Bost (R)	1,357	23,654
13	Rodney Davis (R)	1,585	27,628
14	Randy Hultgren (R)	1,575	27,460
15	John Shimkus (R)	1,244	21,687
16	Adam Kinzinger (R)	1,384	24,126
17	Cheri Bustos (D)	1,350	23,539
18	Darin LaHood (R)	1,428	24,899
<b>TOTAL</b>		<b>26,086</b>	<b>454,700</b>

**\*Illinois's 454,700 eating-and-drinking-place jobs represent the majority of the state's total restaurant and foodservice workforce of 577,000 jobs, with the remainder being non-restaurant foodservice positions.**



**FOR MORE INFORMATION:** [Restaurant.org](http://Restaurant.org) • [IllinoisRestaurants.org](http://IllinoisRestaurants.org)

**A002**

Source: National Restaurant Association, based on data from the Bureau of Labor Statistics & U.S. Census Bureau, 2016

[National Restaurant Association](#) ®

## Entrepreneur Builder

### Get the facts:

- More minority managers than any other industry
- 50 percent of restaurant owners are women

Employment in the restaurant industry is surprisingly often the first step toward restaurant ownership. The new restaurants these entrepreneurs open add to the vibrancy of communities and the U.S.'s small business sector.

The restaurant industry is a strong driver of entrepreneurship, offering training, experience and a path to success for men and women of virtually all ethnicities and backgrounds.



**Statistics tell the story:** 80 percent of restaurant owners started in an entry-level position within the restaurant industry. Clearly, our industry generates restaurant ownership at an impressive rate. And with more than nine in 10 restaurants having fewer than 50 employees, restaurants are fundamental to overall small business creation and development across the country. Equally important, these new restaurants are the small businesses that give our communities character and heart.



**A champion of diversity**, the restaurant industry boasts more minority managers than any other industry and minority ownership figures are also high. Restaurant ownership between 2007 and 2012 found an 51 percent increase in Hispanic-owned restaurant businesses, a 49 percent increase in African American-owned restaurant businesses, and a 40 percent increase in women-owned restaurants. In fact, half of all restaurants are majority owned by women.



Through our [Faces of Diversity Awards](#), the National Restaurant Association, in partnership with PepsiCo Foodservice, recognizes individuals in the restaurant industry who have realized the American Dream through hard work, determination and enterprise. Begun in 2006, the program honors individuals whose companies and experience exemplify the opportunities the restaurant industry offers for career success.

*We're glad you're here!*®

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OFFICE OF THE MAYOR  
CITY OF CHICAGO

**FOR IMMEDIATE RELEASE**

February 1, 2012

CONTACT:

Mayor's Press Office

312.744.3334

[press@cityofchicago.org](mailto:press@cityofchicago.org)

**MAYOR EMANUEL ANNOUNCES A COMBINED TOURISM ORGANIZATION TO ATTRACT 50 MILLION VISITORS TO CHICAGO**

*Streamlined Organization will Save \$1.3 Million that will be Reinvested in National and International Marketing Campaigns to Draw Visitors*

Mayor Emanuel today launched a new tourism organization for the city of Chicago, with the goal of attracting 50 million visitors per year by 2020 and resulting in nearly \$4 billion a year in additional annual revenues for Chicago's economy. By combining the efforts of the current Chicago Convention & Tourism Bureau and the Chicago Office of Tourism and Culture, the new organization will save \$1.3 million in administrative costs that will be reinvested in national and international marketing campaigns.

"This new organization will allow us to focus all of the city's efforts to attract visitors for business, pleasure, and culture," said Mayor Emanuel. "By coordinating our efforts and establishing clear, measurable goals, we will show the world that Chicago is the best place to visit."

The Chicago Convention & Tourism Bureau (CCTB) will join forces with the tourism-focused portion of the Chicago Office of Tourism and Culture (COTC) to form the new organization. CCTB CEO and President Don Welsh will be CEO and President of the new organization.

"Mayor Emanuel's decision to streamline Chicago's tourism marketing strategy makes strong financial and logistical sense," said Welsh. "Our ultimate goal is to make Chicago the premier destination for domestic and international business and leisure travelers. Today's decision will help the City more cost effectively advance and achieve this vision."

121 NORTH LASALLE STREET, ROOM 507, CHICAGO, ILLINOIS 60602

**A005**



OFFICE OF THE MAYOR  
CITY OF CHICAGO

The new organization will promote Chicago as a leading global destination and will ensure that while in Chicago, visitors enjoy the city's vibrant cultural offerings, numerous attractions, and diverse neighborhoods to the fullest extent.

As a result of the increase in visitors, tax revenues are expected to increase anywhere from \$250 to \$300 million per year while visitor spending is expected to increase by \$3.6 billion to \$14.7 billion annually.

Research done by CCTB and COTC indicates that the additional 10 million annual visitors will bring \$3.6 billion in revenue to Chicago for three reasons: an increase in international visitors, an increase in regional visitors who stay longer, and an increase in hotel occupancy rates.

"Chicago is an international pioneer in the field of cultural tourism and is a city that uses cutting edge technology to offer extreme service to visitors," said Dorothy Coyle, Executive Director of the Chicago Office of Tourism and Culture. "Growth in tourism will benefit communities across Chicago as visitors participate in tours, dining and shopping in one of the most diverse cities in the world."

In addition to the goal of 50 million visitors per year by 2020, the City has set a goal to move into the top five cities for overseas visitation (Chicago currently ranks 10<sup>th</sup> in the nation); and a preliminary goal of expanding Chicago's market share among overseas visitors to the United States to 6 percent, from the 4.3 percent where it currently stands.

The economic benefits of a healthy tourism industry are vast, including job creation, improved retail, restaurant, cultural attraction and hotel commerce – all contributing to increased tax revenue, according to Welsh. At the current rate of 40 million visitors annually, Chicago's visitor industry supports 124,000 jobs, \$11.1 billion in direct spending and \$616 million in tax revenues.

The joint work of the agencies will begin immediately, in anticipation of a formal launch this summer.

###

121 NORTH LASALLE STREET, ROOM 507, CHICAGO, ILLINOIS 60602

**A006**

## [Chicago tourism numbers hit record high, topping 55 million in 2017](#)

Chicago Tribune Online

January 13, 2018

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### **Body**

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Jan. 13--A record 55.2 million people traveled to Chicago in 2017, according to the city's initial estimates, which reaches a goal set by Mayor Rahm Emanuel -- two years ahead of schedule.

In early 2014, Emanuel said he wanted to attract 55 million annual visitors by the year 2020; the city had hosted 48.3 million people the previous year. Despite a dip in business-related visits last year, Chicago eclipsed the mark in 2017, thanks to an upswing in leisure tourism.

Hotel occupancy -- which is how both leisure and business travel are estimated -- saw a 7.6 percent year-over-year surge during peak tourist season, June to September. Overall, Chicago hotels saw 3.3 percent growth in 2017.

The mayor is expected to formally announce the new tourism figures Sunday at the Chicago Boat, RV & Sail Show at McCormick Place.

Speaking by phone Friday, Emanuel pointed to several initiatives that boosted leisure travel, as well as a handful of high-profile kudos during the past year: Bon Appetit magazine naming Chicago "restaurant city of the year;" the Financial Times calling Chicago "perhaps the most architecturally aware city on earth" and the city's Riverwalk "complex, urbane and intriguing;" and being named "best big city" by readers of Conde Nast Traveler.

Bringing in events like the restaurant industry's James Beard Foundation Awards and the NFL draft in recent years have upped the city's profile, he said, along with popular developments such as the Riverwalk.

Chicago's increasingly robust cultural offerings -- about to get richer with the addition of the Obama Presidential Center in 2021 -- mean the tourism trend is poised to continue, Emanuel said.

"We're creating institutional strength for the future that makes this not a one-time thing," he said, "but longtime growth."

Emanuel said President Donald Trump's occasional potshots at Chicago's struggle with gun violence clearly aren't having a negative impact on tourism.

"The numbers don't lie," he said. "When it comes to visitors looking at Chicago, they'll listen to Bon Appetit more than President Trump. Or the Financial Times more than Trump. Or they'll listen to their friends who have great things to say."

**A007**

## Chicago tourism numbers hit record high, topping 55 million in 2017

The new statistics from the mayor's office and the city's visitors bureau, Choose Chicago, credit the tourism industry with supplying an estimated 146,500 jobs -- some 22,000 more positions than in 2011, when Emanuel took office. A key driver of that job growth has been the city's expanding hotel footprint. Chicago opened five new hotels in 2017; eight more are scheduled to debut this year.

Business-related hotel stays were down 2.6 percent last year. Choose Chicago CEO David Whitaker largely chalked that up to "several major semiannual conventions that meet in Chicago every other year, so odd years are always sluggish for growth."

The overall rise in visitation marks a nearly 2.5 percent increase from the 2016 total of 53.8 million. (That figure was adjusted slightly downward from the 54.1 million initially announced at the beginning of 2017 due to an updated method of counting international visitors, Whitaker said.)

Whitaker attributed part of the growth in leisure travel to a digital advertising campaign launched in May. The ads, he said, drew "more engagements from the 10 biggest states than our eight (nearby) states, which we've been overly dependent on in years past.

"It's wonderful that we're the playground of the Midwest," Whitaker added. "But the goal to grow is to attract visitors from more major urban centers from around country."

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Related: Building on its buzz, West Loop becomes a hotel hot spot \xC2»Chicago named top city in Conde Nast Traveler's Readers' Choice Awards \xC2»Chicago's tourist tally hits record 54.1 million visitors in 2016 \xC2»

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## [Millennium Park is new top Midwest visitor destination, high-tech count finds](#)

Chicago Tribune Online

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### **Body**

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April 06--Navy Pier is no longer the top tourist attraction in Chicago and the Midwest, according to a newly applied crowd-counting methodology.

The pier hasn't lost visitors, but Millennium Park gained lots of them in the new tally that would vault it into first place even as it is taking on an expanded mission. The free park east of the Loop hosted 12.9 million visitors in the second half of 2016 alone, according to the city's Department of Cultural Affairs and Special Events, which commissioned the head count.

That's magnitudes larger than previous estimates of 5 million annual visitors to the nearly 25-acre park, and it also would put the park ahead of Navy Pier's record 9.3 million visitors in all of 2016.

"It's not a competition. It's not Navy Pier losing anything," said Mark Kelly, DCASE commissioner. "It's rather that this newer park has captured our imagination and it's become our town square and is bringing in amazing numbers of people."

The numbers "tell us what an incredibly compelling park and space we have and there's nothing else like it in the world," Kelly said. "It's filled with amazing free programming and it brings delight to everyone because it's an art park."

"This is a tremendous recognition that we collectively as a city have done something significant and made a cultural destination," Mayor Rahm Emanuel said. "I probably thought 5 million was low, but I never thought (the visitor count) was that high."

As for Navy Pier potentially losing rank, "it's not a zero-sum game," Emanuel said. "When I was first thinking about building the Riverwalk, one of the pushbacks was, 'Oh, you're going to create competition with the boardwalk on Navy Pier. That hasn't happened ... A world-class city has many world-class locations in it.'"

DCASE was to present the findings, including its new mission statement for Millennium Park and the new label of Millennium Campus for its environs, at Thursday morning's annual meeting of the Choose Chicago tourism promotion organization, Kelly said.

**A009**

## Millennium Park is new top Midwest visitor destination, high-tech count finds

The counting technology uses electronic sensors to count unique cellphones and was employed in a pilot program in the vicinity of the park's central Cloud Gate (The Bean) sculpture, and at several park entrances, from June 15 to Dec. 31 of last year. Extrapolation was employed to account for non-cellphone users, but not to cover areas of the park the sensors did not reach, Kelly said.

Although the technology from a third-party vendor has not been applied in this way in Chicago before, it is similar to that used in other major public spaces worldwide, the department said.

"Navy Pier congratulates Millennium Park on its success in 2016," said Marilyn Gardner, president and CEO of Navy Pier Inc., the nonprofit that manages the pier. "Given the park's location, popularity and the addition of Maggie Daley Park, it comes as no surprise it's a gathering place for many people. The numbers underscore Chicagoans love of parks with great programming."

Also, it is in some ways an apples-to-oranges comparison. A spokeswoman for Navy Pier, which has long billed itself as the Midwest's top tourist destination, said she believes the pier's count derives from more traditional crowd estimation methods, such as the one that produced the 5 million figure for Millennium Park.

DCASE is in the midst of a campaign to take fuller advantage of Millennium Park, originally a pet project of Mayor Richard M. Daley that was plagued by cost overruns but has been a hit with the public since it opened in 2004. Located southeast of the intersection of Michigan Avenue and Randolph Street, the park features attractions including The Bean, the outdoor Pritzker Pavilion for music, the Crown Fountain, the Lurie Garden and the McCormick Tribune Plaza and Ice Rink.

The Chicago Blues Festival moves to the park June 9-11, and a new SummerDance Celebration will invite the public to join in a large group dance in late August. The full slate of classical and pop music concerts and other festivals will continue. The crowd count was commissioned as part of the effort to better utilize and understand the park, Kelly said.

"This is an eye-opener for us," said Kelly, who took over atop DCASE last year. "Regardless of whether it's 5 million or 13 million, we're going to be far more focused on visitor experience. Millennium Park is the portal to cultural experience in the city. Our goal is to connect the park to all of the cultural power in the city."

To that end, the new mission statement reads: "Millennium Park and the Cultural Center are Chicago's town square in which we engage our diverse audience in compelling, thoughtful and ambitious programming that also supports our cultural landscape."

The new Millennium Campus concept includes Maggie Daley Park to the east (which had an estimated 3 million visitors in 2016), the Art Institute to the south and the Cultural Center to the west, all of which connect to Millennium Park by bridge or Pedway.

Since the 12.9 million figure is for just over half a year and for just portions of the park, it doesn't seem a stretch to imagine that the full annual visitor total could be 25 million or more. That puts the park firmly in the top tier of U.S. attractions, along with the likes of Times Square and Central Park in New York City and the National Mall in Washington, D.C.

"But really it stands alone," said Kelly, "because this park is filled with free cultural programming. To our knowledge there's no other city in the country that remotely approaches the amount of compelling free programming that we offer."

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Millennium Park is new top Midwest visitor destination, high-tech count finds

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CHICAGO

NEWS

# Chicago's Restaurant World Reacts to Mayor Rahm Emanuel's Tenure

Chicago restaurateurs really like Emanuel

by [Ashok Selvam](#) | [@Shokdiesel](#) | Sep 10, 2018, 4:00pm CDT



Chicago Mayor Rahm Emanuel at the 2018 James Beard Awards. | [Barry Brecheisen](#)

**Mayor Rahm Emanuel** caught Chicago off guard last week when **he announced he would not seek a third term** in office. Emanuel has become a polarizing figure over the last seven years, but he's shown strong support for the city's food and beverage industry. He helped lure the James Beard Foundation Awards, revamped the struggling Taste of Chicago, and streamlined the process to open their businesses, among other initiatives.

Stephanie Hart, owner of **Brown Sugar Bakery** in Greater Grand Crossing, said she was "devastated" when she heard Emanuel wouldn't be running for reelection. She hoped he would complete a third term and continue programs like **Retail Thrive Zones** and **Neighborhood Opportunity Fund** which help minority neighborhoods through incentives. The funds help places like Hart's 75th Street bakery.

**A012**



“Under this administration, this is the first time I have felt that there has been focus and attention on doing something for communities like mine to grow,” Hart said.

Hart knows there's more to running a complex city like Chicago. She mentioned the mayor's critics who are angry at the closures of schools and mental health facilities. But creating jobs, like the ones at restaurants, also have an impact on a community.

“I don't think most people see that there are links between creating jobs and the other issues,” Hart said.

Da Beards

The Emanuel administration is quick to bring up neighborhood restaurants in its talking points, knowing that not everyone can afford a Michelin-starred meal. But for those who can, wrestling the Beard Awards from New York was a big deal, bringing together the country's biggest restaurateurs to Chicago to celebrate the industry at the “Oscars of the food world.” Restaurateur and returning host of PBS' *Check, Please!* **Alpana Singh** had a **front-row seat for the mayor's negotiations**.

“I can say without a doubt that without the mayor's influence, Chicago wouldn't be the Beard host city,” Singh said.

Singh talked about Chicago **as a Sanctuary City**, and said Emanuel recognized the contributions of refugees and immigrants to the food world. She also pointed out that the Beards were brought to Chicago without taxpayer money. Chicago **has the Beards through 2021**, and without Emanuel, no one is sure if they'll remain in Chicago.



The James Beard Awards being in Chicago are one of the Emanuel Administration's largest achievements | Marc Much

The Illinois Restaurant Association's **Sam Toia** saw the mayor the same day he made the announcement. They were gathered at Moe's Cantina in River North. Emanuel was bent on increasing tourism dollars, focusing on bringing 55 million annual visitors to Chicago. The city hit that number thanks in large part to how they marketed the city's restaurants. He called Emanuel a "great ambassador" to the city. Emanuel's network was a great asset.

"I can't overstate how supportive and thoughtful Mayor Emanuel has been for the restaurant industry over the past seven years," Toia said.

'No places to eat'

Craft beer has also seen a boom over Emanuel's tenure. **Half Acre Brewing Co.**'s Maurizio Fiori said the administration was much in favor of his company's expansion, as last year they opened a second brewpub in Bowmansville to complement its flagship North Center facility. There are now around 150 breweries in the city. Though the credit doesn't go all to Emanuel, who Fiori said streamlined permitting and made city hall more friendly to brewery and restaurant owners, there were less than 20 breweries in 2011. Despite the support, Fiori feels the industry and government need to work together to solve some problems.

“How do you actually increase wages for cooks, line cooks, dishwashers without making food cost prohibitive?” Fiori said. “There’s some real challenges here.”

And that comes back to the Taste of Chicago, the annual food festival that was on life support when Emanuel came into office. **Jeff Mauro**, the “Sandwich King” and owner of Pork & Mindy’s, interviewed Emanuel this summer as part of a promotional event for the **Taste**. Mauro walked away feeling that the mayor truly cared about the industry, but isn’t foolish enough to view Emanuel’s tenure through rose-colored glasses. While he respects the mayor’s job, he knows there were tough and unpopular decisions made.

“At the end of the day, we have to do more than eat and be entertained,” Mauro said, noting other issues like police brutality and education. “If not, we’ll have no places to eat.”

## [Alinea named world's best restaurant by Elite Traveler](#)

Chicago Tribune Online

April 18, 2018

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**Length:** 267 words

**Byline:** By Phil Vettel, Chicago Tribune, Tribune Content Agency, LLC

### **Body**

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April 18--Alinea has been named the world's best restaurant by Elite Traveler magazine.

It's the sixth such honor in seven years for Alinea, which tumbled all the way to #2 in Elite Traveler's last reader's poll (Azurmendi, of Larrabetzu, Spain, was #1 last year). Now Alinea is on top and Azurmendi is #2.

Order has been restored to the universe.

Elite Traveler is a super-upscale lifestyle magazine distributed to private jets and private jet lounges around the world. Apparently a fair number of those jets touch down in Chicago; in addition to Alinea, this year's top-100 list includes Next at #41 and Smyth & the Loyalist at #96.

John B. Shields of Smyth & the Loyalist was also named the Rising Star of the Year.

Unlike, say, the World's 50 Best rankings (which will be announced June 19), Elite Traveler's poll is rather generous to U.S. restaurants. Twenty-eight USA restaurants made Elite Traveler's list, the most of any country (France was second with 18; Spain was third with 8).

In the United States, New York placed the most restaurants at 13. San Francisco had five to nine mentions (ET's geographic borders are a bit capricious).

See the complete list [here](#).

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Related: Alinea, the stage for one of the world's greatest chefs \xC2»Smyth is a triumphant return to Chicago for chefs John and Karen Shields \xC2»Next review: What other restaurant could pull off re-creating dishes from world's best? \xC2»

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## **A016**

Alinea named world's best restaurant by Elite Traveler

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*November 26, 2012*

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# TOURING CHICAGO'S ETHNIC NEIGHBORHOODS

From 1840 to 1900, Chicago was the fastest growing city in the world.

The Irish came early, spilling into the city to escape the genocide of the famine back home. The Irish dug the canals and settled one of the first neighborhoods, Bridgeport. As the city became the transportation hub of what was then known as the Northwest, skilled workers from Holland, England, Sweden, Denmark and Germany came in droves, taking positions in the

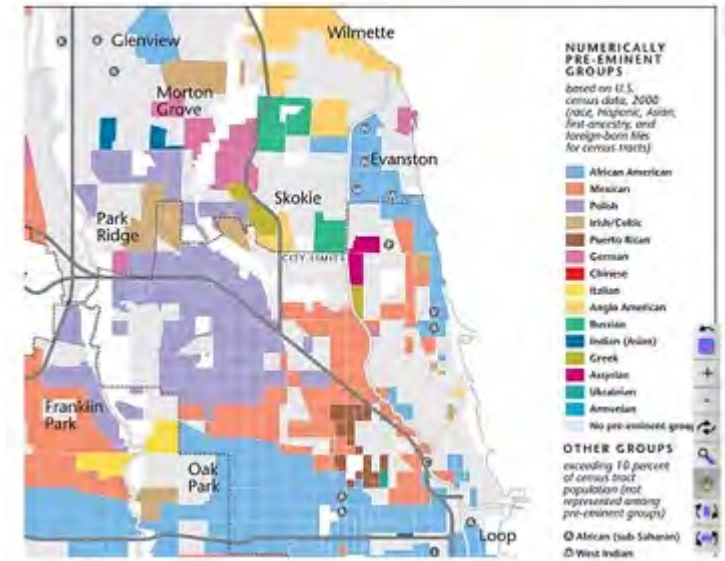
railroads, the canals, the stockyards, slaughterhouses, and the other heavy industry that came to characterize the United States "second city".

Germantown was born. Polish village, Ukrainian village and the Swedish area of Andersonville sprang to life. In the years around the turn of the century, largely unskilled workers from Eastern and Southern Europe flooded into the economically thriving city. They came from Poland, the Baltic states, Hungary, Czech, Slovakia and Italy.

A large percentage of these were Jews. These groups gave rise to Greek Town, Brinzeville, Pilsen and Little Italy. As black American abandoned the Jim Crow South between World War I and World War II, Chicago was a main destination for those escaping the racism and economic limitations of the former Confederacy. Since the 1980s, it has been Asians, Indians, Puerto Ricans and Central and South Americans who have comprised the largest percentage of immigrants the city.

As each successive wave of immigrants arrived they tended to group with people of similar languages and customs for the first generation or two thus creating unique and rich ethnic enclaves that made Chicago fabulous cultural mosaic of world-wide urbanity.

## Chicago's Ethnic Mosaic in 2000



Ethnic Areas of Chicago

Source: <http://www.wordsinspace.net/urban-media-archaeology/2010-fall/2010/10/20/map-critique-radical-cartography-chicago-boundaries/>



Chicago 1909

While these areas have evolved over the years (consider the Persian eateries near the Swedish-American museum or the Spanish language, unavoidable in the Pilsen area), today, Chicago boasts over 200 diverse neighborhoods each with its own unique character. For the traveler, this creates a wealth of opportunity.



## The Polish Triangle

Centered on the intersections of Milwaukee Avenue and Damen and Division Streets, this is the place to fatten up on some classic Polish food at places like the **Podhalanka** or the Red Apple Buffet. Consider buying your own ingredients from one of the Polish bakeries and grocery stores around the Milwaukee Avenue and Belmont Avenue area. The **Polish Museum of America** is close by.

## Greektown

You'll know you've stumbled onto the **Greek section of town** when many of the signs suddenly appear all Greek to you. Because they are. Running along Halsted Street in the West Loop neighborhood, Greektown takes off from the intersection with Van Buren Street and goes north to the intersection with Washington Street. Here is where you'll find your *spanakopita* and *saganaki* and take-out *gyros*. Greek-style bakeries and candle shops are all around. Be sure to head over to the **National Hellenic Museum** on Adams Street for exhibits on textiles and folk art. The museum is also home to an oral history center where you can listen to stories from Greek immigrants of days gone by. If you come in August be sure to drop by for the Taste of Greece Festival.

## Little Italy

Italian food galore can be found by walking Taylor Street from Halsted Street to Ashland Avenue. **Al's Italian Beef** specializes in huge sandwiches **Francesca's on Taylor** boasts northern Italian cuisine while RoSal's

Italian Cucina has an awesome filet mignon.



Exterior view of the storefront office of P. Schiavone & Son, bankers and steamship agents, located at 925 South Halsted Street in the Near West Side community area of Chicago, Illinois. Circa 1910

## Indian Areas

Although the Devon Avenue section of Chicago's north Side was originally a thriving Jewish area, South Asian immigrants began moving into the area in the 1980s. This is a pretty popular tourist destination with

restaurants serving tandoori dishes and naan breads such as Hema's Kitchen, the Udipi Palace or Sabri Nehari, A wide variety of ethnic grocery stores pack the area and The **Indo-American Museum** sits close by.

## Chinatown

This is a section that even boasts its **own website**. Tea stores, herb stores, endless trinket shops, take out and sit down restaurants all crowd this neighborhood on the South Side near Wentworth Avenue and Cermak Road. Every year the famous Chinese Lunar New Year parade takes place here with elaborate floats and loud marching bands. The **Chinese Museum of Chicago** is the place to start.

## Little Vietnam

This Southeast Asian neighborhood on the North Side is mainly made up of Vietnamese immigrants but extensive numbers of Cambodian and Thai residents can also be found here. For some reason, this area gets labeled "Little Chinatown" for some reason. Centered on Argyle Street to the east of Broadway. Southeast Asian food stores and lots of restaurants are all over the place. Other little stores sell a wide range of Asian products. **Pho Xe Lua**, on west Argyle will overwhelm you with more than 200 dishes on the menu. BUT... they allow you to bring your own beer or wine.

~ ~ ~

Chicago can be seen as a bunch of small cities that are joined together by co-location to make one giant city. The traveler can pass block by block and neighborhood by neighborhood through different religions,

cultures, foods and histories. Chicago is pretty unique. The **Not for Tourists Guide to Chicago** is available online and is an excellent resource for planning a tour of Chicago's ethnic neighborhoods. **This guide** to the ethnic neighborhood festivals in Chicago.



Photo: Daniel Krieger



**BIG IDEAS**

# The New Combo Meal: Real Estate Bets On Restaurants To Create Community

*Exploring the growing relationship between chefs and developers*



**Andrea Strong**  
August 11, 2016

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It's no secret that many New Yorkers make real estate decisions based on restaurants. They long to live where they love to eat. Depending on your stage of life, the impossible dream might be a one-bedroom just a stone's throw from Superiority Burger in the East Village, or a three-bed, two-bath around the corner from Bubby's in Tribeca. Real estate

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developers have honed in on this feeding frenzy. They're saying goodbye to anchor tenants like Cheesecake Factory and CVS and instead putting a beloved local chef in a restaurant just downstairs.

"Today, it almost always begins with the restaurants," says Kenneth Himmel, president and CEO of Related Urban, the company developing New York City's Hudson Yards, a one-million-square-foot retail complex located on Manhattan's far west side. Hudson Yards will contain roughly a dozen restaurants, including a food hall and concepts from acclaimed chefs Thomas Keller (Per Se, the French Laundry), José Andrés (Minibar and the Bazaar), and Costas Spiliadis (the Greek chef behind the seafood-centric Estiatorio Milos chain).

"You cannot develop a shopping center or a great urban mixed-use project that includes commercial and residential components without restaurants," says Himmel. "People today want to live and work in a true mixed-use neighborhood, and food and dining is perhaps one of the most important pieces of creating that 24/7 experience."

The arrangement can be mutually beneficial for the developers, the restaurateurs and the neighborhood at large — especially in long-forgotten parts of town. Himmel, for instance, points to the diverse lineup of restaurants at NYC's Time Warner Center, which became "a catalyst for Manhattan's west side," he says. His goal is to create a similar effect at Hudson Yards, which he describes as a "totally underserved section" of the city.

"In the singular sense, restaurants create value for developers by helping them move whatever's upstairs — whether it be office space, apartments, or condos — as well as by adding cachet to a property that might increase the value of the asset when the developer recapitalizes or sells," says Shane Davis, head of strategy and development for Hospitality House, which conceptualizes, programs, underwrites, and curates food and beverage programs for various real estate and hotel projects. These include Joel Robuchon's upcoming restaurant and market in a project being developed by RFR and Hines in midtown Manhattan, and Matt Maddy of Weather Up and No. 7's upcoming bar and restaurant in Dermot's **66 Rockwell** <<http://www.66rockwell.com/site/index.php>> in Brooklyn.

"In a broader sense, I truly believe restaurants are one of the most profound drivers for place-making and urban transformation, so if deployed properly on a master-

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planning level, restaurants can be a developer with vision's best friend."

***"Developers are smart. They are always thinking of ways to sell condos, and as the market is more saturated with more developments, ways to set their projects apart. Restaurants are really the most important part of a neighborhood, and when you think about it, condo buildings are like little neighborhoods."***  
***—James Beard Award-winning Miami chef Michael Schwartz, who has several projects currently under way in Florida with real estate giant the Related Group***



Opening in Brooklyn this fall, Gotham Market at the Ashland will offer eight distinct dining and drinking venues, including a pop-up space, which will host a rotating selection of local chefs and restaurateurs throughout the year. (Rendering courtesy of the Gotham Organization.)

That nebulous, warm and fuzzy piece —creating a *community*— is key to the mixed-use puzzle, since many new residential real estate developments push the boundaries of what might be considered a neighborhood; they build on the edge of cities in underserved areas

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that lack many services. This was the case with **Gotham West Market** <<http://gothamwestmarket.com/>> , developed by the Gotham Organization for its Eleventh Avenue residential tower, Gotham West, in 2012. With counters from Blue Bottle, the Cannibal, Ample Hills, Ivan Ramen, Genuine Roadside, and more, this food lover's bazaar brought foot traffic and a sense of community to a barren stretch of the West Side. "We had a huge building with 1,240 apartments — a big community, very far west," says Christopher Jaskiewicz, Gotham Organization's chief operating officer. "There wasn't much there. We wanted to help create a community and do something extra special. We decided what they needed most was good food."

But not just any food — an emporium of curated experiences, with dozens of different culinary counters hitting Asian, Mexican, American and everywhere in between. "Chef-driven is important because it appeals to our residents in our buildings and to consumers who want authentic food and drinks," says Jaskiewicz. "But what really sets us apart is having many chefs under one roof, which means there are many diverse choices every visit for the individual, family, or group. Each person gets to try something new and different that is handmade."

It's a formula that has worked so well that Gotham is doing it all over again. Its sophomore effort, Gotham Market at **the Ashland** <[http://www.theashlandbk.com/?gclid=CPOr2Kq0ss4CFQsehgodjGQP\\_A](http://www.theashlandbk.com/?gclid=CPOr2Kq0ss4CFQsehgodjGQP_A)> , a 50-story residential tower in Fort Greene, Brooklyn, will open in the fall of 2016. Designed by Jeffrey Beers International, it will offer eight distinct dining and drinking venues, including a pop-up space, which will host a rotating selection of local chefs and restaurateurs throughout the year.

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***"Food is that force that is really pulling people in. Not every community wants a world-class chef, but everyone wants better food, food that feels more interesting, with better ingredients, more thoughtfully prepared, and informed by seasonality. And people want to be able to walk***

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## ***downstairs and get something.” —Tyler Niess, chief marketing officer of Crescent Communities***

Restaurant tenants announced for the Ashland so far include a second outpost of **Mu Ramen** <<http://ramennyc.wix.com/popup>> ; Flip Bird, a rotisserie with hormone and antibiotic-free Amish chickens served roasted and fried; **Mason Jar** <<http://www.masonjarny.com/>> , a Southern-inspired spot specializing in beer, bourbon and barbecue; and a yet-to-be-named convivial bar in the center, communal area of the market that will serve a selection of craft beers, wine and cocktails. “At the Ashland, there was the opportunity not only to serve the residents of the tower but also the community visiting Brooklyn Academy of Music and Barclays Center,” says Jaskiewicz. “There is a tremendous amount of traffic and guests that need a place to eat and drink.”

Gotham’s role in developing the market colors way outside the lines of the traditional developer. It’s not just leasing a space and walking away. It curates the restaurants, designs the space, and does the branding and marketing. While each tenant is responsible for its counter, Gotham maintains the venue and ensures that the market as a whole “speaks with one voice,” says Jaskiewicz, who warns that there’s a lot more to anchoring a property with a restaurant than a retailer. “It’s easy to lease space to a CVS. But running the market is an active process every day,” he says. “We are involved with daily headaches. It’s part of our building, and our team manages the daily challenges that arise.”

But the rewards are significant: “These restaurants, whether private or simply located in the residential complex, will feel like clubs to the residents — a place where they will have close relationships with the chef and staff and where they will feel ‘at home’ with the convenience of great food, beverage and service,” says Michael Kaufman, a nationally recognized leader in the hospitality industry and a member of the Astor Group, an independent investment bank and strategic advisory firm.

**T**he restaurant–real estate combo meal shows no sign of slowing, and that’s due not only to the popularity of chefs and the **Get the Latest!** table cuisine, but to the changing

**A029**

retail landscape. “Restaurants fill the void left by the ‘Amazon effect,’” says Tyler Niess, chief marketing officer of Crescent Communities, a real estate investment and operating firm across the Southeast and Southwest, which is currently developing four to six new mixed-use projects that will be heavily food-oriented. “A big piece of this puzzle is being driven by what is happening to retailers,” he says. “The impact that the Amazons of the world are having on consumer behavior has changed the economics of big box retailers. Now it’s easier to shop online; people don’t want to go shopping for toilet paper; they just want to have it in the house when they need it.”

Niess sees a seismic shift happening: With the retail landscape fundamentally retreating, the market is searching for an alternative with a growing interest — restaurants. “What we have watched over the last decade, led by people like Anthony Bourdain and television shows like *Chopped* and *Top Chef*, is the popularizing food as social engagement and something to celebrate,” says Niess. “What each community wants is a culinary experience. Food is that force that is really pulling people in. Not every community wants a world-class chef, but everyone wants better food, food that feels more interesting, with better ingredients, more thoughtfully prepared, and informed by seasonality. And people want to be able to walk downstairs and get something.”

Perhaps that is why these chef-anchored apartment buildings are popping up all over the country, not just in culinary epicenters like New York. In Chicago, there’s **New City in Lincoln Park** <<http://experiencenewcity.com/dining/>> , which offers shopping, bowling, nightlife, and restaurants such as Lyfe Kitchen, Nando Peri Peri, Earl’s, and Yard House. In Santa Monica, Related California developed Ocean Avenue South, a luxury residential development that includes three chef-driven restaurants — Joan’s on Third under executive chef John Schenk, Herringbone featuring chef Brian Malarkey, and eLOVate run by chef Roberto Martin. And at the Avalon in Alpharetta, Georgia — a sustainably designed, 86-acre development with more than 500,000 square feet of retail, a 12-screen theater, single-family residences and luxury rental homes — several chef-driven restaurants have opened, including Farm to Ladle, a European café and farm stand, and Branch & Barrel, a 19th-century industrial craft bar and kitchen led by chef Todd Hogan.

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Miami's most accomplished chef, Michael Schwartz, will helm the restaurant at Related's Gran Paraiso, slated to open next year.

In Florida, Related is developing a number of mixed-use residential properties with celebrity chef tenants. The OMA/Rem Koolhaas–designed Park Grove condominiums in Coconut Grove will open in 2018 with interiors by Meyer Davis, kitchens and baths by William Sofield, landscapes by Enzo Enea, a lifestyle program curated by Colin Cowie (seriously), and a restaurant from James Beard Award–winning chef Michael Schwartz, who will also be the exclusive in-house service provider for the restaurant, catering, pool and bar service on the property. Schwartz is also creating the restaurant for Related's Paraiso District Condo, set on 11 acres and four towers in Miami's up-and-coming Edgewater neighborhood.

“Developers are smart,” says Schwartz. “They are always thinking of ways to sell condos, and as the market is more saturated with more developments, ways to set their projects apart. Restaurants are really the most important part of a neighborhood, and when you think about it, condo buildings are like little neighborhoods.”

For a chef like Schwartz, who says he now fields calls from developers on a regular basis, there are many perks to opening a restaurant in a big multi-use development, including increased exposure as well as a built-in customer base from residents and other commercial tenants of the complex. Additionally, these restaurant deals are often structured in a way that's more advantageous than a traditional lease. “New developments are currently the best option for well-known operators

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A031

,” says real-estate veteran Julian

Hitchcock, founder of F + B Group, an innovative retail consulting and commercial brokerage firm with offices in New York and Los Angeles. “These developers have a lot at stake and recognize the cultural capital that a hip restaurant will contribute to their project. This typically means that the developer will pay for all or a portion of the build-out of the restaurant.”

Carlos Rosso, president of the Related Group’s Condo Division, explains that developers must include acclaimed chefs in their suite of amenities. “Today food is culture; it is celebrity,” he says. “Chefs have status that is on par or more important than an architect. It adds a lot of value to the projects to be able to offer a place where tenants can just pop down and have dinner or have the chef cater dinner to your unit. This is particularly important in urban areas where people go out to eat around their neighborhood.”

True, but it’s proving equally suitable to rural communities. Just outside Austin, Texas, Salt Lick Barbecue’s legendary pitmaster Scott Roberts will develop **Driftwood** <http://driftwoodtx.com/>, a property with initial plans for more than 30 single-family, eco-friendly homes, with 215 acres of shared open space, 80 acres of wine vineyards, a boutique lodge and spa, a winery, a private event space, and four restaurants — a Salt Lick barbecue, a Mediterranean restaurant, an American spot and a Mexican place. “We cannot have people needing to drive 10 miles for a margarita,” jokes Roberts. “That would be illegal.”

Roberts says the idea to add restaurants to the mix was fairly simple. “Restaurants create community,” he says. “People choose where they want to live based on the food in the area, and with this project we are giving them a place to call their own.”

**Scottish Chef Jock Zonfrillo Wins The 2018 Basque Culinary World Prize**

**Tony Mantuano Goes All-In On Upscaling Of Sports Food**

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## [National Restaurant Association](#)®

### Contributing to Communities

#### America's Restaurants: Serving More Than Meals

No wonder 80 percent of consumers agree that restaurants are good corporate citizens and 72 percent agree that operators give back to their communities. They do. In fact, 94 percent of restaurants make charitable contributions.

Whether to assist with a crisis or support a local team, boost a community project or start a charitable program of their own, America's restaurants are there to help, contributing food, donating their time, writing checks.



The charitable giving of America's restaurants adds up to a staggering \$3 billion a year. Almost all restaurateurs, 94 percent, make charitable contributions, mostly to organizations and charities in their communities, and 70 percent make cash contributions. National chains give on a grand scale, sometimes enlisting their customers as partners in a cause, sometimes spearheading large programs through their company's foundation.



When disaster strikes, restaurants become part of emergency relief efforts, offering food and beverages to first responders or donating cash to help those affected. We created Dine for America, a national fundraising campaign that supported the efforts of the American Red Cross after 9/11 and Hurricane Katrina.

 Image

Our [Restaurant Neighbor Awards](#) honor restaurateurs who have made exceptional contributions to their community. The award, created with founding partner American Express, highlights the restaurant involvement in community activities. Each year, four winners receive \$5,000 to support their community efforts and a trip to Washington, D.C.



Volunteering and mentoring come naturally to restaurants. Restaurateurs' time and effort help people who are neighbors, guests and sometimes future employees. Involving current employees in a restaurant's volunteer activities improves their job performance and job satisfaction, and volunteering in the community enhances the restaurant's image and reputation. Today, 80 percent of consumers agree that restaurants are good corporate citizens.

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- Small Business Trends - <https://smallbiztrends.com> -

## Report Reveals the Costs of Starting a Restaurant

Posted By *Michael Guta* On March 24, 2018 @ 9:30 am In Startup | [1 Comment](#)



If you are looking to open a restaurant, ascertaining the initial startup and expected operational cost will help you determine what kind of establishment you can open. The new infographic from [Bid on Equipment](#) <sup>[1]</sup> goes into great detail as to what it will cost you to start and operate a restaurant.

The difficulties of opening, running and most importantly keeping a restaurant going for the long haul are well documented. What Bid on Equipment looks to do is give you a comprehensive view of the business, with detailed information from the initial security deposit to location, what customers want and much more.

As of 2017, the [National Restaurant Association](#) <sup>[2]</sup> reported there were more than 1 million restaurants in the US, and the majority are small businesses. Nine in 10 of these restaurants have

less than 50 employees and 7 in 10 are single-unit businesses. With the right cuisine and operations, you can get your share of the \$799 billion in total industry sales reported for 2017 <sup>[3]</sup>.

So with that in mind, Bid on Equipment says your journey as a restaurateur can be a good one if you have, "... accurate expectations, sound budgeting, and attention to the customer, a great restaurant can see years of successful and satisfied service."

## The Costs of Starting a Restaurant

It is important to point out the amount of data Bid on Equipment has collected. It goes into the nuts and bolts of restaurant operations to find out what it will really cost you to get one up and running. It also goes without saying there will be great variations dependent on location, regulations, taxes, supplies and more. However, the infographic gives you a great primer as to what you can expect to spend.

The type of restaurant will dictate the total cost. The most successful restaurant types are quick service, fast casual, fine dining, family dining, and casual dining. If you're looking to go the least expensive route, you can get food trucks for \$15,000-\$100,000.

Ad

If on the other hand you are looking for a franchise, the most expensive can start at \$1.5 million and go all the way up to \$3.5 million. Within his range are KFC, Taco Bell, and Wendy's. Chick-fil-A is one of the cheapest franchises, but the pay structure is designed to collect an ongoing fee of 15 percent of sales as well as 50 percent of pretax profit.

Once you have your place, kitchen equipment can go for anywhere from \$75,000-\$115,000. This doesn't include the tables, furniture, plates, silverware and glassware, which can add up to \$25,000 or more.

The staff <sup>[4]</sup> comes next. And this is critically important in ensuring the long-term survival of your restaurant. As the report says, "The difference between a great restaurant and a terrible one relies on the happiness of the customer. And often, the customer's experience relies on the interactions with the restaurant staff."



Depending on the number of employees and talent level, your executive chef, sous chefs, cooks, servers, busboys and managers, as well as all of the other support staff, can start at \$35,000 and go much higher.

Don't forget marketing, websites, technology <sup>[5]</sup>, opening events and other tools needed to keep your restaurant operating smoothly. After the initial capital investment, monthly upkeep can go anywhere from \$3,000 to \$5,000 and up.

Should you buy or lease? You can expect to pay an average of \$735,000 or \$178 per square foot if you decide to own your restaurant. Leasing will provide a slightly more affordable alternative, with average leasing options coming around \$495,000 or \$159 per square foot.



\$ USD

**STARTERS**

security deposit	10,000 - 20,000
------------------	-----------------

first month rent	10,000 - 20,000
------------------	-----------------

local government impact fees*	20,000 - 120,000
-------------------------------	------------------

fees to help pay for local infrastructure, fire, police, sewer, schools and utility services.

architecture & engineering*	5,000 - 25,000
-----------------------------	----------------

insurance	1,150 - 6,000
-----------	---------------

restaurant insurance covers lawsuits over foodborne illnesses, copyright infringement, and damage to kitchen equipment.

legal <i>lease &amp; incorporation</i>	2,500 - 20,000
--	----------------

kitchen equipment	75,000 - 115,000
-------------------	------------------

plates/silverware/glassware	10,000
-----------------------------	--------

tables/furniture	4,100 - 15,000
------------------	----------------

construction/remodeling	250,000 - 350,000
-------------------------	-------------------

licenses/permits	5,000 - 150,000
------------------	-----------------

fees can include business licenses, liquor licenses, food service license, outdoor patio permits, and late-hour permits for restaurants open beyond 2 a.m.

janitorial supplies	1,000
---------------------	-------

opening food inventory	8,000 - 25,000
------------------------	----------------

accounting <i>bookkeeper</i>	400 - 800	monthly
------------------------------	-----------	---------

\* only applies to building a restaurant

## ENTRÉES

manager	3,500	monthly
---------	-------	---------

executive chef	5,200	monthly
----------------	-------	---------

sous chef	3,700	monthly
-----------	-------	---------

cooks <i>two</i>	4,600 - 5,200	monthly
------------------	---------------	---------

dishwasher	1,400	monthly
------------	-------	---------

servers <i>x five per shift</i>	2,800	monthly
---------------------------------	-------	---------

hosting staff <i>x two part-time</i>	1,440	monthly
--------------------------------------	-------	---------

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bus persons	<i>x two part-time</i>	1,160	monthly
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bartenders	<i>x two part-time</i>	1,760	monthly
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assistant manager		4,000	monthly
-------------------	--	-------	---------

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kitchen manager		2,200	monthly
-----------------	--	-------	---------

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staff training		5,000 - 25,000	monthly
----------------	--	----------------	---------

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## SIDE OPTIONS

website		500 - 15,000
---------	--	--------------

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press releases & social media		6,000 - 10,000
-------------------------------	--	----------------

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opening event		15,000
---------------	--	--------

---

signage		15,000
---------	--	--------

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menus		1,500
-------	--	-------

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marketing	<i>fliers, ads, &amp; coupons</i>	6,000 - 10,000
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technology	<i>payment &amp; POS systems</i>	15,000
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security system		300 - 5,000
-----------------	--	-------------

---

garbage pickup/grease disposal 430 monthly

music 30 - 1070

finest for playing copyrighted music without a license can range from \$750 to \$30,000

internet/phone/utilities 2,500

avg. startup cost *leasing* 495,000

avg. startup cost *buying* 735,000

avg. price per square foot *leasing* 159

avg. price per square foot *buying* 178

### SPECIALS



**MOST EXPENSIVE  
TYPES OF RESTAURANTS  
TO FRANCHISE**

**LEAST EXPENSIVE  
TYPES OF RESTAURANTS  
TO START**

kfc

1.5 million

food truck

15,000 - 100,000

**A041**

taco bell 1.2 - 2.5 million

wendy's 2 - 3.5 million

chick-fil-a\* 10,000

\*pay ongoing fee = 15% of sales, plus 50% of pretax profit

coffee shop 80,000 - 250,000

**MOST SUCCESSFUL RESTAURANT TYPES**

quick service  
*mcdonald's, burger king, subway*

fast casual  
*panera bread, newk's, noodles & co*

fine dining  
*average check above \$50*

family dining  
*table side service, non-disposable dishes, & moderately-priced menu*

casual dining  
*buffalo wild wings, chili's, the cheesecake factory*

**MOST PROFITABLE INDEPENDENT RESTAURANTS**

tao las vegas NV 42,470,345

joe's stone crab FL 37,243,159

tao downtown NY 33,401,819

carmine's NY 33,147,017

old ebbitt grill DC 32,662,051



**WHAT COSTUMERS WANT**

Healthy menu options: 70% ★★★★★☆☆☆

Locally-sourced food: 66% ★★★★★☆☆☆

**A042**



## TOP 10 RESTAURANT SALES PER CAPITA BY STATE



**A043**



1.17 million **6** California



1.15 million **7** Tennessee



1.13 million **8** Virginia



1.10 million **9** Massachusetts



1.10 million **10** Alaska



Photo via [Shutterstock](#) <sup>[6]</sup>

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URLs in this post:

[1] Bid on Equipment: <https://www.bid-on-equipment.com/BLOG/post/cost-of-starting-a-restaurant>

[2] National Restaurant Association: <http://www.restaurant.org/News-Research/Research/Facts-at-a-Glance>

[3] reported for 2017: <http://www.restaurant.org/News-Research/Research/soi>

**A044**



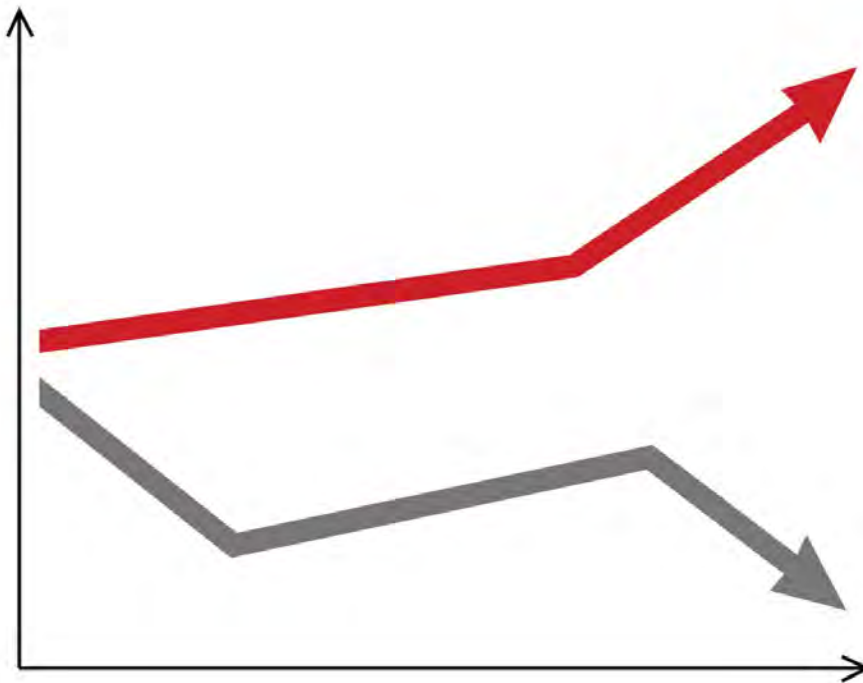
[4] The staff: <https://smallbiztrends.com/2018/02/how-to-hire-good-wait-staff.html>

[5] technology: <https://smallbiztrends.com/2017/10/restaurant-technology-saves-money.html>

[6] Shutterstock: <https://www.shutterstock.com/editor/image/portrait-smiling-adult-friends-outdoors-restaurant-540638545>

## ON THE MARGIN

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FINANCE > SALES TRENDS

### Food costs fell in 2016 as labor costs rose

*Blog: Industry same-store sales were flat for the year, according to consulting group BDO*

Jonathan Maze | Apr 06, 2017

*This post is part of the On the Margin blog.*

Food costs for publicly traded restaurants fell in 2016 as commodities, especially beef, came down from record prices.

**A046**



On average, restaurants' cost of sales fell 0.6 percent to 29.1 percent of revenues in 2016, according to a quarterly analysis of restaurant industry performance from the consulting firm BDO.

“Luckily, [commodities are] still in restaurants' favor,” said Dustin Minton, a partner with the firm. “Everybody's good at managing cost of sales. A big part of that is technology. It used to be that people didn't do so much for ideal food costing. But they've invested in technology to get improvement from cost of sales.”

But now restaurants face a new challenge in the form of labor costs. Intense competition for employees, coupled with overtime regulations, health care costs and increases in the minimum wage, have all conspired to drive up wages and labor costs.

In some markets, it's not uncommon to see advertisements on restaurant signs offering \$13 or \$14 per hour.

According to BDO, labor as a percent of sales increased 0.8 percent to 30.5 percent in 2016.

In other words: Rising labor costs more than offset falling commodities to drive up restaurants' overall prime costs by 0.2 percent.

“Unemployment is so low, competition is fierce for people,” Minton said. He added that many of his clients went ahead and put into place strategies to deal with higher thresholds for managers' overtime pay — despite the November election of Donald Trump.

Interestingly, fast-casual chains faced the highest increases in costs, as well as the largest decrease in same-store sales.

On average, fast-casual chains' same-store sales fell by 1.4 percent in 2016. Prime costs, meanwhile, increased 0.8 percent to 59 percent.

Cost of sales decreased 0.6 percent for fast-casual chains, to 30.5 percent of sales. But labor costs increased 1.3 percent to 28.4 percent of sales. Many fast-casual chains, such as Shake Shack Inc., have been aggressively increasing wages to lure better employees.

On the other end, pizza chains continued to perform strongly, thanks in large part to otherworldly performance at Dominos Pizza Inc. Average same-store sales for that sector increased 4.6 percent in 2016, according to BDO. Prime costs increased 0.6 percent to 57.4 percent of sales.

Indeed, pizza chains overall had the lowest percentage of prime costs in the industry in 2016, at least among the publicly traded chains.

Quick-service concepts, meanwhile, did the best job at lowering their costs last year, with overall costs falling 0.8 percent to 58.8 percent of sales. Cost of sales fell 1.2 percentage points to 29.9 percent. Quick-service concepts are generally larger and have more buying power than most companies, enabling them to get better deals from suppliers.

Casual-dining chains, meanwhile, continued to perform weakly, with same-store sales falling 0.8 percent in 2016. Their prime costs increased 0.3 percent to 61.3 percent — making the chains the industry's least profitable sector.

*Jonathan Maze, Nation's Restaurant News senior financial editor, does not directly own stock or interest in a restaurant company.*

Contact Jonathan Maze at [jonathan.maze@penton.com](mailto:jonathan.maze@penton.com)

Follow him on Twitter at [@jonathanmaze](https://twitter.com/jonathanmaze)

## The Biggest Cost of Doing Business: A Closer Look at Labor Costs

Posted on August 7, 2018

HR Management (/resource-center/archive/hr-management)

**f** (<http://www.facebook.com/sharer/sharer.php?u=https://www.paycor.com/resource-center/a-closer-look-at-labor-costs>)

**t** ([https://twitter.com/share?](https://twitter.com/share?text=The%20Biggest%20Cost%20of%20Doing%20Business%3A%20A%20Closer%20Look%20at%20Labor%20Costs%20&url=https://www.paycor.com/resource-center/a-closer-look-at-labor-costs)

text=The%20Biggest%20Cost%20of%20Doing%20Business%3A%20A%20Closer%20Look%20at%20Labor%20Costs%20&url=https://www.paycor.com/resource-center/a-closer-look-at-labor-costs)

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As any company leader knows, the biggest cost of doing business is often labor. **Labor costs, which can account for as much as 70% of total business costs, include employee wages, bene. ts, payroll or other related taxes.** Yet, according to a Paycor survey, HR professionals only spend 15% of their time managing labor costs. Attracting top talent, engaging new employees and developing them over the course of their career are always top of mind for HR professionals, but herein lies a critical opportunity for HR to step out of its comfort zone and contribute much-needed value to an area typically owned by Finance.

The cost of employee bene. ts, which can account for up to 30 percent of overall labor costs, are a significant expense as well. According to Mercer's 2017 survey of employer-sponsored health plans, the average increase over the past five years for large employer-sponsored health plans has hovered around 3 percent, **but in 2018, costs were expected to increase 4.3 percent, the largest increase since 2011.**

In the face of rising costs, it's understandable that companies are looking to reduce their labor spending and total benefits costs. **In fact, SHRM found that 46 percent of employers are taking steps to reduce the cost of medical plans in 2018 by offering lower-cost, high-deductible plans.** Many organizations are feeling the pressure to do even more with less—fewer employees, fewer resources and smaller budgets. So, what can you do to confront the labor cost issue head-on and find solutions?



**A049**

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## Gain better visibility into payroll costs

As the saying goes, "Know your enemy." Understanding the root of the problem is absolutely necessary to finding a solution. Having an accurate picture of your labor costs (</resource-center/think-like-a-cfo-how-to-maximize-your-labor-spend>) allows you to identify trends and pinpoint the issues. Start by asking questions like: Are we overspending on labor? Are we underutilizing our workforce? Are we properly managing overtime? If your overtime costs have been unusually high lately, uncovering the root cause will depend on having accurate payroll data that is easily accessible (<https://www.paycor.com/resource-center/how-to-fight-the-hidden-costs-of-unplanned-overtime>). From there, you can identify trends and insights into when the most overtime hours were being logged, which departments or employees were working overtime and whether a similar peak occurred in the past. Armed with the right data (<https://resources.paycor.com/whitepapers-guides/solve-your-biggest-business-problems-with-data-analytics>), you will be able to create a strategy to correct the problem.

In addition to solving current issues, having access to labor information allows you to plan for the future and help your organization make more informed decisions. When you have a clear understanding of employee compensation and benefits costs, you can plan better for annual wage increases and additional headcount as your company grows.

## Spend less time compiling employee labor data

A data-visualization solution like Paycor's Workforce Insights (</products/reporting/workforce-insights>) allows you to identify critical business issues and solve them more effectively, by compiling all HR, payroll and time data that can be customized and tailored to fit your needs. Instead of compiling various spreadsheets on the labor data for your employees, Workforce Insights allows you to drill down into work locations, departments and other details with visual, interactive charts.



([https://d1p0q2ti3pe3kr.cloudfront.net/ample\\_admin/attachments/files/000/016/231/original/labor-cost-analysis.jpg?1530130534](https://d1p0q2ti3pe3kr.cloudfront.net/ample_admin/attachments/files/000/016/231/original/labor-cost-analysis.jpg?1530130534))

## Labor costs are rising, counteract with workplace efficiencies

Once you have a solid understanding of your current labor costs and trends, you'll probably be looking to reduce them. Here are a few ways to increase overall efficiency and make a positive impact on the bottom line:

- Implement a time and attendance solution to ensure employees are clocking in and out correctly, reducing time theft, properly managing overtime expenses and mitigating compliance risk.
- Select a unified solution for HR, payroll and timekeeping to increase process efficiency and guarantee accurate and complete labor data.
- Find the right HR solution to streamline administrative processes and free up time for value-added tasks, helping ensure that labor is worth the cost.
- Automate benefits administration so you can help guide employees through benefits selections and identify the packages and plans most attractive to your workforce. Armed with this data will help ensure that you're not wasting resources and money on plans employees are not utilizing.

Labor costs are rising, and executives are on the lookout for areas where they can reduce spending. The right technology can give HR the visibility into key labor metrics and help you maximize efficiency, enabling your business to achieve its goals. Plus, by taking on greater responsibility in helping to manage and forecast labor costs and collaborating with Finance leaders will help you be seen as a strategic leader within the organization.

Learn more about how Paycor provides organizations with the right technology plus the most valuable expertise to help HR and business leaders accomplish their goals. Check out our Solution Finder (</solution-finder>) to find the right software solutions for your business.

Sources: Bureau of Labor Statistics, Reuters, National Business Group on Health, Deloitte

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## The Average Profit Margin for a Restaurant

by Patrick Gleeson, Ph. D.,; Updated June 29, 2018



As with many statistics, there's no single agreed-upon profit margin for the restaurant industry; conclusions (or educated guesses) vary from source to source. What's clear though and is widely agreed upon, when you look at various estimates for restaurants of every kind, from fast food to fine dining, is that profits in the restaurant industry are unusually thin.

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### What's a Profit Margin?

There are two profit margins widely used by accounting professionals: gross profit margin and net profit margin. Confusingly, some restaurant journalists write about profit margins without specifying which. Worse, when you read these articles carefully, you see that some use "profit margin" to refer to the gross profit margin and some use the same phrase to refer to net profit margin. There's a huge difference!

Gross profit, is what is left after you deduct the direct costs of goods sold -- such as food costs and labor costs directly associated with preparation and serving. It's a useful statistic for professionals evaluating a restaurant's efficiency and profitability, but it's not at all the same thing as net profit -- which includes all costs -- among them are administrative expenses, building costs, taxes and interest. Net profit is what you put in your pocket.

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Gross profit margin equals the revenue minus the cost of goods sold divided by revenue. Net profit margin equals revenue minus all costs, direct and indirect, divided by revenue.

When you want to know whether a restaurant is likely to succeed or go under, the best first place to look is at its net profit margin. If the net profit margin is 10 percent -- this means that out of every dollar the customer spends -- the restaurant pays 90 cents for all expenses, and retains ten cents in profit -- which, incidentally, isn't at all bad. The average net profit margin for all S&P 500 companies is a little over 8 percent.

### Fast Food Margins

The range of net margins in the fast food industry are quite wide. A few chains, preeminently McDonald's, have very healthy net margins. In 2017, the average net profit margin for all McDonald's restaurants was over 22 percent. Among all franchises, however, net margins are drastically lower. In 2012, for example, when McDonald's had a net profit margin of just under 20 percent; Burger King's net margin was less than a third of that and another big chain; Wendy's, had a scary thin 0.3 percent. This is very bad, but the fast food industry average for 2012 was only somewhat better, at 2.4 percent, a very thin margin that leaves little room for error.

### Fast Casual and Casual

**A051**

Casual dining, as it used to be called, is now commonly divided into two categories: fast casual and casual, sometimes called "family style."

Fast Casual restaurants include Chipotle, Shake Shack and similar chains where you order at the counter, sometimes having the food brought to the table, sometimes carrying at least part of your meal to the table yourself. It's often said that fast casual restaurants are distinguished from fast food chains by their healthier menus, but that may be more an aspiration than an actual difference.

IN 2013, the fast casual segment of the restaurant industry had an average net profit margin of 6 percent. Overall, the fast-casual and casual segments together also averaged 6 percent net profit margins. To put this in context, this is a little more than 2 percent worse than the average of all S&P 500 companies, but nearly three times better than the fast food segment.

### **Full-Service Margins**

Full-service restaurants are basically what's left after you subtract fast food, fast casual and casual restaurants. This market segment includes fine-dining restaurants, but it also includes less elegant places where, as in the fine dining segment of the industry, you're ushered to a table and handed a menu. The difference between fine-dining and other full-service restaurants isn't that the approaches are entirely different – both are "full-service" – but in the degree of refinement and, yes, how much it costs. The Houston's restaurant chain is probably right at about the dividing line between "full-service" and "fine-dining."

In 2017, full-service restaurants had average profit margins of 6.1 percent, essentially the same margin as fast-casual and casual restaurants.



5,927 views | Jan 26, 2018, 03:46pm

# Restaurants' Margins Are Fatter, But Competition Is Fierce



Mary Ellen Biery Contributor  
Sageworks Stats Contributor Group ⓘ

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Profitability has improved at restaurants offering table service, even though operators are coming off a slightly slower year of sales growth than in recent periods, according to preliminary industry data from [Sageworks](#), a financial information company.

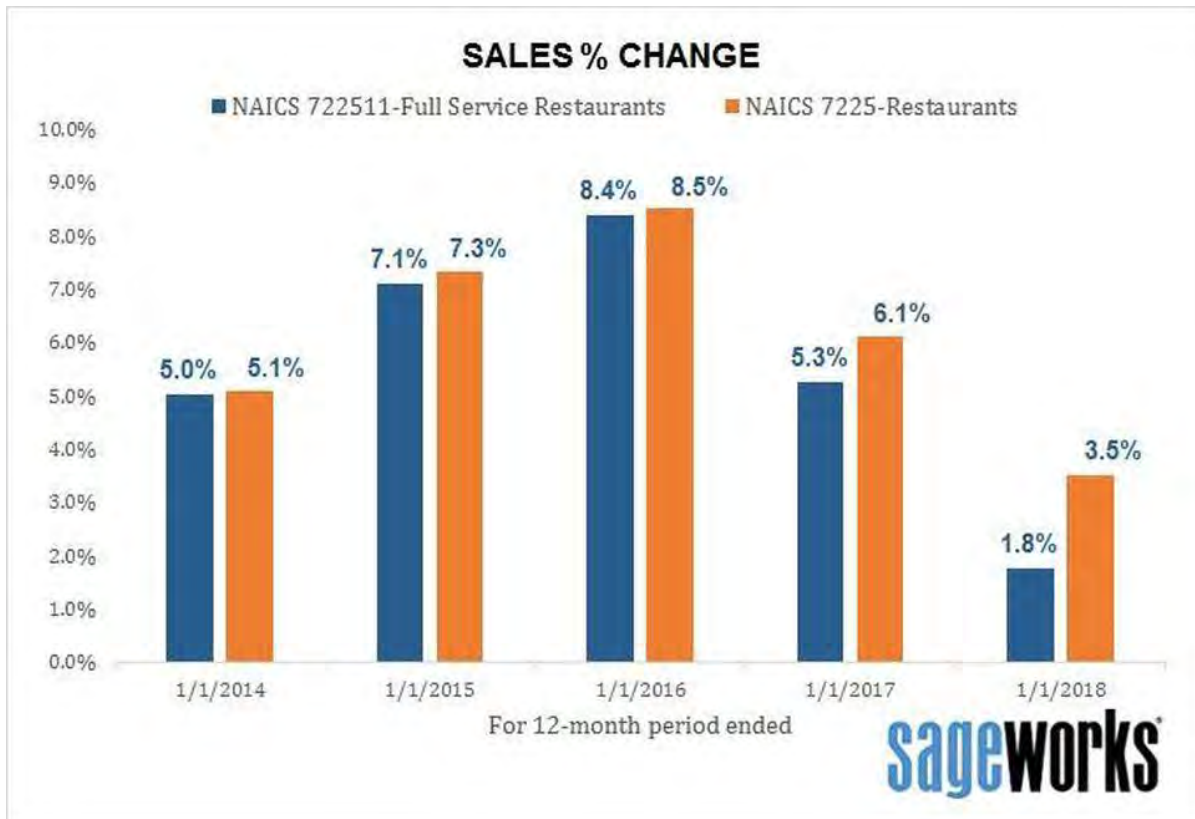
“Full-service” restaurants (NAICS 722511), on average, increased sales by 1.8 percent, according to Sageworks’ [financial statement analysis](#) of privately held firms for the 12 months ended Jan. 9. That compares with 5.3 percent average annual sales growth in the previous 12-month period and 8.4 percent for the period ended Jan. 9, 2016.

However, net profit margin for full-service restaurants increased on average to 6.1 percent, based on statements filed for the most recent 12 months, following several comparable periods in the range of 2.3 percent to 2.8 percent.

“Even though sales growth slowed for full-service restaurants, the trend has been improved sales for several years now,” said Sageworks analyst Libby Bierman. “The gains in profitability have also been encouraging. If restaurant owners can maintain or improve margins on top of another year of sales increases, 2018 could be a good year.”

Indeed, the [National Restaurant Association](#) expects 2018 will be the ninth consecutive year of sales growth in the industry, which the association says comprises roughly 4 percent of U.S. GDP and employs 15 million people. The group’s own data puts restaurant industry sales at \$799 billion in 2017.

“Looking at 2018, sales for the overall industry will continue to be in the moderate growth range,” said Hudson Riehle, association senior vice president of research and knowledge.



Restaurant industry data SAGEWORKS

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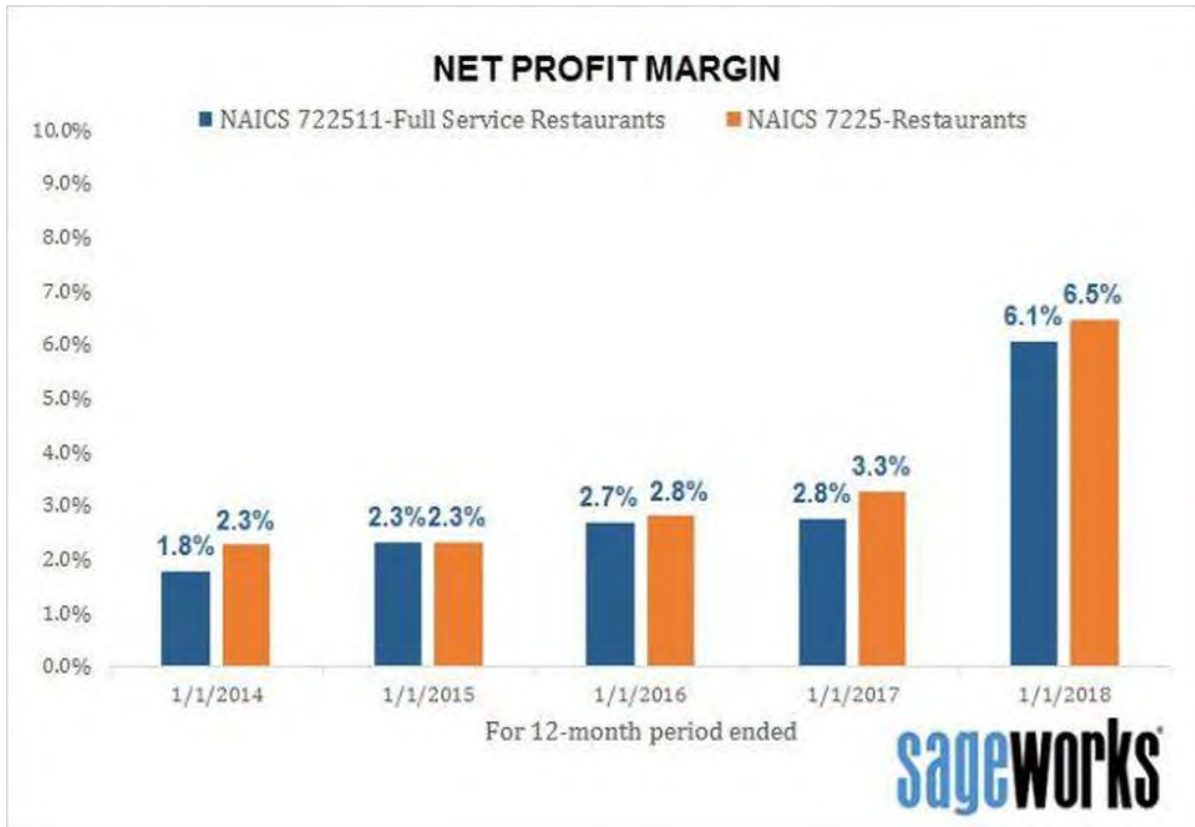


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It's the number of new restaurants that is driving industry sales growth, with about 60,000 new places opening each year and 50,000 closing for a net gain of 10,000 additional points of access annually, according to Riehle. This expansion keeps operators focused on remaining competitive – not just with other restaurants but also with other consumer spending categories, such as transportation and housing.

Operators have consistently proven to be innovative, flexible and able to adjust quickly to rapidly evolving needs, he said.

“The restaurant industry has always been and will always be a very consumer-driven market,” he said. In fact, 90 percent of Americans enjoy going to restaurants, Riehle said, adding, “And you can’t get 90 percent of Americans to agree on anything.”



Restaurant industry data SAGEWORKS

Owners of full-service restaurants, in particular, have to reinvent themselves constantly in order to flourish, according to Tina Lombardi, partner at [Teal, Becker & Chiaramonte CPAs](#) in Albany, N.Y. (Teal, Becker & Chiaramonte are clients of Sageworks.)

Lombardi provides management advisory services for the restaurant industry and has a personal connection as well: Her brother runs a full-service Italian restaurant in nearby Wynantskill, N.Y., and she does his accounting. Whether it’s opening a patio one year for outside dining in nicer weather or offering take-out service with family-sized meal portions, full-service restaurants like her brother’s must innovate and look for new ways to drive customer traffic, Lombardi said.

At the same time, restaurant margins are heavily influenced by input costs, especially food, so owners must watch those carefully, she said. “My brother buys paper goods on a monthly basis, but on a weekly basis, he lists all of his other

**A055**

vendors on a spreadsheet and he has all of his items listed so he can compare the prices among vendors, because the vendors have the same product and the prices fluctuate a lot,” Lombardi said. This kind of attention to detail, she said, “really drives his profitability.”

Labor costs for restaurants have been pretty stable, although Lombardi noted that some states like New York have recently increased the minimum wage. If labor expenses increase, restaurant owners might have to raise prices or keep an even tighter rein on schedules to leverage staffing throughout peak mealtimes and lulls, she said.

Sageworks’ restaurant [industry data](#) show that sales growth for full-service restaurants in the past year has been slightly lower than growth for all restaurants – a category that includes quick-service restaurants and snack/non-alcoholic beverage bars. Privately held firms across the entire restaurant industry (NAICS 7225), on average, posted 3.5 percent sales growth, compared with the 1.8 percent growth in full-service sales. Profitability has been about the same, however: an average 6.5 percent net profit margin for all types of restaurants in the most recent 12 months, compared with the 6.1 percent margin for full-service restaurants. Bierman said it’s unclear from Sageworks’ data exactly why industrywide sales grew more quickly.

Lombardi said one advantage quick-service or limited-service restaurants increasingly have that may be a boost to sales is their use of adjustable menu and pricing boards or screens, which allow quicker menu-price adjustments if costs escalate. Most full-service restaurants still rely on printed menus that aren’t as easily or as quickly adjusted on the fly.

Riehle said that wholesale food pricing inflation ran about 1.7 percent in 2017, but it is edging up again, and that can put additional pressure on margins without offsets from revenue management – whether that includes menu pricing or new products and services.

Looking ahead, Lombardi said restaurant owners are hoping that the tax cuts included in the law enacted late last year will put more money in customers’ wallets. “I think sales are going to stay healthy,” she said.

Through its [cooperative data model](#), Sageworks collects and aggregates financial statements for private companies from accounting firms, banks and credit unions. Net profit margin has been adjusted to exclude taxes and include owner compensation in excess of their market-rate salaries. These adjustments are commonly made to private company financials in order to provide a more accurate picture of the companies' operational performance.



(/content/city/en.html)

TRANSLATION AVAILABLE

# BUSINESS AFFAIRS AND CONSUMER PROTECTION

Empowering Businesses and Protecting Consumers

## Mobile Food Truck Licenses

The following tables illustrate the provisions of the upgraded Mobile Food Dispenser (MFD) license and the new Mobile Food Preparer (MFP) license, and the procedural steps required to obtain them:

### Definitions and Fees

	Mobile Food Dispenser	Mobile Food Preparer
Definition	<ul style="list-style-type: none"> <li>A Mobile Food Dispenser (MFD) is any person who, by traveling from place to place upon the public ways from a mobile food vehicle, serves individual portions of food that are totally enclosed in a wrapper or container and which have been manufactured, prepared or wrapped in a licensed food establishment.</li> <li>Such food may undergo a final preparation step immediately prior to service to a consumer in conformity with the rules and regulations of the board of health.</li> </ul>	A Mobile Food Preparer (MFP) is any person who, by traveling from place to place upon the public ways, prepares and serves food from a mobile food vehicle.
Mobile Food Vehicle (MFV)	A motorized vehicle registered as a commercial vehicle and shall not be used for any purposes other than a Mobile Food Dispenser or Mobile Food Preparer business.	
Application and License Fees	\$700 per MFV; 2-year term.	\$1,000 per MFV; 2-year term.



## Free MFV Assessment

To help MFV license applicants prepare for the Department of Public Health (CDPH) and, if applicable\*, Chicago Fire Department (CFD) inspections, we are providing a FREE MFV Assessment ([/content/dam/city/depts/bacp/general/MFV\\_Checklist-V-08-27-2014.pdf](/content/dam/city/depts/bacp/general/MFV_Checklist-V-08-27-2014.pdf)) prior to, or during, the license application process.

The MFV Assessment consists of a mobile food vehicle review by CDPH and CFD inspectors, who will provide applicants with an inspection report explaining the results of their compliance assessment. Please be sure that your MFV is fully functional so that the inspectors may review every part of the MFV appropriately. Specifically:

- There must be a permanent divide between the front driving area and the back cook/prep area;
- All equipment must be up and running at the proper temperatures including the water which must be of sufficient quantity for assessment purposes;
- All Mobile Food Preparer trucks must have a grease trap under the three compartment sink.

MFV Assessments are conducted by appointment only. Appointments can be made online ([/content/city/en/depts/bacp/provdrs/bus/svcs/schedule\\_an\\_appointmentwithabusinessconsultant.html](/content/city/en/depts/bacp/provdrs/bus/svcs/schedule_an_appointmentwithabusinessconsultant.html)) or by calling 312.74.GOBIZ / 744.6249.

\* MFVs equipped with a gasoline, diesel or electric generator, propane or compressed natural gas, type II exhaust hood or fire suppression system, are required to be inspected by the Chicago Fire Department.

## Step 1: Submit License Application at Business Affairs &amp; Consumer Protection (BACP)

	Mobile Food Dispenser	Mobile Food Preparer
License Application Requirements	Meet with a BACP Business Consultant to determine which license (MFD or MFP) applies to your business activities in the MFV, and discuss overall MFV operations, ordinance and operational requirements. Appointments can be made online ( <a href="/content/city/en/depts/bacp/provdrs/bus/svcs/schedule_an_appointmentwithabusinessconsultant.html">/content/city/en/depts/bacp/provdrs/bus/svcs/schedule_an_appointmentwithabusinessconsultant.html</a> ) or by calling 312.74.GOBIZ / 744.6249.	
	Complete a Business Information Sheet (BIS) - Pre-Application Form ( <a href="/content/city/en/depts/bacp/supp_info/business_licenseforms.html">/content/city/en/depts/bacp/supp_info/business_licenseforms.html</a> ) to include applicants' full name, residence address, business address, e-mail, telephone number(s), date of birth and Social Security Number.	
	Provide government-issued photo ID from ALL applicants, owners, and business entity controlling persons and registered agents.	
	Provide Federal Employer Identification Number (EIN) and State of Illinois File Number (if a business entity); and Illinois Department of Revenue Account ID.	
	Supply the name and address of the commissary where the vehicle will be cleaned and serviced; and if the vehicle is not stored at the commissary, the name and address of the place where such vehicle will be stored when not in use.	
	A valid Retail Food Establishment or Shared Kitchen User business license is required if the Mobile Food Dispenser license applicant is going to produce food for sale.	A valid City of Chicago Food Sanitation Manager Certificate issued to the Mobile Food Preparer license applicant or the applicant's employee who will operate the mobile food vehicle.
	A certificate of commercial general liability insurance, with limits of not less than \$350,000.00 per occurrence, required for applicants that will use a propane tank or natural gas in the mobile food vehicle.	

## Step 2: Health Consultation and Fire Safety Permit

	Mobile Food Dispenser	Mobile Food Preparer

Health Consultation Requirements	<p>At the time of application in the Small Business Center (SBC), the applicant must complete a Health Consultation with a Department of Public Health Sanitarian to review the following:</p> <ul style="list-style-type: none"><li>• Proposed menu including a list of all food items the applicant intends to serve.</li><li>• Blueprints (plans) of the MFV.</li><li>• Specification sheets on equipment installed and used within the MFV.</li><li>• Inspection report from within the last 90 days from the state or local health authority where the food source or commissary is located, if the applicant is from outside of Chicago.</li><li>• Blueprints (plans) of the commissary, if the applicant is from outside of Chicago. [MFPs only]</li><li>• If the MFV has a gasoline, diesel or electric generator, propane or compressed natural gas, type II exhaust hood or fire suppression system, then the license applicant will be provided with an MFV Fire Safety Permit application which must be completed and submitted to the Chicago Fire Department (CFD) for approval; if not, then the applicant may skip the Fire Safety Permit step below.</li></ul>
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<p><b>Fire Safety Permit</b></p>	<p>All MFVs with a gasoline, diesel or electric generator, propane or compressed natural gas, type II exhaust hood or fire suppression system will need a Fire Safety Permit.</p> <p><b>Fire Safety Permit Application</b>                  Applicants must submit a completed "MFV Fire Safety Permit Application" along with:</p> <ul style="list-style-type: none"> <li>• A \$100.00 check or money order made payable to the "City of Chicago" for the MFV Fire Safety Permit Application Fee, and</li> <li>• Any required documents. A printed copy of the MFV Fire Safety Permit Consultation Packet (/content/dam/city/depts/bacp/general/CFD_MFV_FIRE_SAFETY_Consultation_Packet_4-21-16.pdf) may be obtained from the Sanitarian during the Health Consultation step above.</li> </ul> <p><b>Applications with Gasoline, Diesel, Propane or Natural Gas System</b>                  Applicants with a gasoline, diesel, propane or natural gas system installed in their MFV must register the MFV operator(s) for the required Fire Safety Class (FSC).</p> <ul style="list-style-type: none"> <li>• Classes are conducted at the 2nd floor of the Bureau of Fire Prevention, 444 N. Dearborn, on Thursdays, at 9 a.m.</li> <li>• Registration for, and rescheduling of, the FSC is done through your SBC Business Consultant.</li> <li>• Attendees must bring a valid Driver's License, State ID, or another Government-issued photo ID.</li> <li>• Attendees should also bring a Combustible Gas Detector to learn how to properly check for LP/CNG leaks in the MFV.</li> <li>• Any owner or operator not receiving a Fire Safety Permit within six (6) month period from their original FSC will need to repeat the class.</li> <li>• Fire Safety Class Information and Registration Instructions (/content/dam/city/depts/bacp/general/Fire_Safety_Class_Fact_Sheet-V.08.27.14.pdf)</li> </ul> <p><b>Applications with Fire Suppression System</b>                  Applicants with a Fire Suppression System (FSS) installed on their MFV must:</p> <ul style="list-style-type: none"> <li>• Have the COMPANY that designed/installed their MFV's fire suppression system submit MFV plans, on company letterhead, to the CFD at the Bureau of Fire Prevention Headquarters, 444 N. Dearborn, 2nd Floor.</li> <li>• Forward a \$150.00 check, or money order, made payable to the "City of Chicago" for the FSS Plan Review.</li> </ul> <p><b>On-site Inspection</b></p> <ul style="list-style-type: none"> <li>• An on-site inspection of the applicant's MFV will be conducted along with CDPH at 2133 W. Lexington, in Chicago.</li> <li>• On-site inspections will be scheduled by BACP (see Step 3 below).</li> </ul> <p><b>Permit Issuance</b>                  A Fire Safety Permit will be issued once the following has been verified:</p> <ul style="list-style-type: none"> <li>• The MFV has passed the onsite inspection.</li> <li>• If applicable, the owner and employees (MFV operators) have attended the Fire Safety Class (FSC).</li> <li>• All CFD fees have been paid.</li> </ul>
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**Mobile Food Vehicle (MFV) Requirements**

Mobile Food Dispenser	Mobile Food Preparer
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MFV Requirements	The MFV shall be enclosed with top and sides, hand wash sink, hot and cold water, equipment to maintain temperatures, waste water retention tank and the business name and license number legibly painted in letters and figures at least two inches in height in a conspicuous place on each lateral side of the MFV.	The MFV shall be enclosed with top and sides, a 3 compartment sink, hand wash sink, hot and cold water, equipment to maintain temperatures, waste water retention tank and the business name and license number legibly painted in letters and figures at least two inches in height in a conspicuous place on each lateral side of the MFV.
	The MFV shall maintain a suitable, tight, non-absorbent washable receptacle for refuse. The refuse receptacle shall be adjacent to, but not an integral part of, the MFV.	
	The MFV shall not be used for any purpose other than an MFV.	
	The MFV shall be registered as a commercial vehicle and any person who operates such vehicle must have a valid driver's license issued by the state of Illinois or another state, district or territory of the United States.	
	The MFV shall be inspected and maintained by a licensed professional, including mechanics and, if applicable, by professionals who install and maintain fire prevention equipment, and propane tanks on mobile food vehicles, as often as necessary but not less than every 90 days, and copies of the last four maintenance reports must be kept in the vehicle at all times while the vehicle is in use.	
	If propane is to be used in the MFV, there shall be no more than 40 pounds of propane in the MFV at any time. The design and maintenance of the MFV must conform to CFD regulations as outlined in the applicant's fire safety permit.	

## Step 3: On-Site Inspection by Health, and Fire if applicable.

	Mobile Food Dispenser	Mobile Food Preparer
On-Site Inspection(s)	<ul style="list-style-type: none"> <li>After completing the license application with your Business Consultant, and payment of the application fee, the MFV to be licensed must be made available for inspection by CDPH, and if applicable, CFD.</li> <li>Your Business Consultant will schedule your MFV License Inspection, which will be conducted at 2133 W. Lexington, in Chicago.</li> </ul>	

## Step 4: License Issuance

	Mobile Food Dispenser	Mobile Food Preparer
License Issuance Requirements	<p>The MFV must pass required CDPH, and if applicable, CFD inspection(s) in order for the license certificate/decal to be processed.</p> <p>Mobile food vendors may not operate until the license certificate and decal are issued.</p> <p>Any City debt must be resolved prior to the issuance or renewal of, or changes to, any business license.</p>	

## Recurring and License Renewal Inspections

	Mobile Food Dispenser	Mobile Food Preparer
Recurring Inspections	Like any other restaurant or food establishment, after issuance of the license, MFVs will be subject to routine sanitation inspections by CDPH. Such inspections will also include a fire safety compliance evaluation if using a gasoline, diesel or electric generator, propane or compressed natural gas, type II exhaust hood or fire suppression system.	
License Renewal Inspections	At time of license renewal, all MFVs are required to be inspected.	

## Operational Requirements

	Mobile Food Dispenser	Mobile Food Preparer

Storage and Preparation	No food that is sold or served from a mobile food vehicle may be stored or prepared in a residential home. All operators must work in conjunction with a commissary or shared kitchen to store and prepare food.
Mobility and Duration	MFVs shall move from place to place upon the public ways and shall not be operated at a fixed location. Stops shall be made to service customers and shall not exceed a total of two hours or the maximum permitted period for parking, whichever is lesser, in any one block.
Hours	Hours of operation are 5AM – 2AM, unless otherwise allowed from a mobile food vehicle stand.
Food Stands	MFVs may operate from a designated food stand not to exceed a 2-hour service limit. No other MFV may park or operate on such block of the designated stand. Food Stand Address Locations ( <a href="/content/dam/city/depts/bacp/general/Mobile_Food_Truck_Stand_Map-V-07_28_2016.pdf">/content/dam/city/depts/bacp/general/Mobile_Food_Truck_Stand_Map-V-07_28_2016.pdf</a> )
Private Property	MFVs may operate on private property, not to exceed service limits of two hours, as long as; the property meets the applicable requirements of the Chicago Zoning Ordinance, and the property owner provides written permission to utilize the property.
Location Restrictions	No MFV shall park or stand such MFV within 200 feet of any principal customer entrance to a restaurant which is located on the street level with the exception of 12 AM – 2AM. MFVs are not allowed on privately-owned vacant lots, or a lot of a vacant building.
Fire Safety	MFVs must be in a continual compliance with CFD regulations governing the use of a propane or natural gas system, fire suppression hood, and/or generator, and uphold the terms of the MFV's Fire Safety Permit.



GPS	<p>Global Positioning System (GPS) requirements:</p> <p>A. All MFVs must be equipped with an operational Global Positioning System (GPS) device. The device must meet the requirements set forth in Section 7-38-115 of the Municipal Code of the City of Chicago, as well as the following:</p> <ol style="list-style-type: none"> <li>1. The device must be permanently installed in, or on, the MFV.</li> <li>2. The device must be an “active”, not “passive” device that sends real-time location data to a GPS service provider; the device is not required to send location data directly to the City.</li> <li>3. The device must be accurate no less than 95% of the time.</li> <li>4. The device must function while the MFV is vending food or otherwise open for business to the public, and when the MFV is being serviced at a commissary as required by Section 7-38-138 of the Municipal Code of the City of Chicago or these regulations. The device must function during these times regardless of whether the engine is on or off.</li> <li>5. When the GPS device is required to function, the device will transmit GPS coordinates to the GPS service provider no less frequently than once every five (5) minutes.</li> </ol> <p>B. City personnel will not request location information from a GPS service provider pertaining to a mobile food vehicle unless:</p> <ol style="list-style-type: none"> <li>1. The information is sought to investigate a complaint of unsanitary or unsafe conditions, practices, or food or other products at the MFV;</li> <li>2. The information is sought to investigate a food-related threat to public health;</li> <li>3. The information is sought in connection with establishing compliance with Chapter 7-38 of the Municipal Code of Chicago or the regulations promulgated thereunder;</li> <li>4. The information is sought for purposes of emergency preparation or response;</li> <li>5. The City has obtained a warrant or other court authorization to obtain the information; or</li> <li>6. The City has received permission from the licensee to obtain the information.</li> </ol> <p>C. The GPS service provider must maintain at least six (6) months of historical location information and be able to provide the following:</p> <ol style="list-style-type: none"> <li>1. When requested, as per the regulations stated in section B of these GPS requirements, reports of each transmitted position including arrival dates, times, addresses, and duration of each stop, in a downloadable format (i.e. PDF, CVS or Excel). If the request is to provide the current location of a vehicle, the GPS service provider must respond immediately with the most recent location information for the MFV.</li> <li>2. Reports that provide anonymous, aggregate information regarding MFV operations within the City, and do not identify specific MFVs.</li> <li>3. An application programming interface (API) that is available to the general public.</li> </ol> <p>D. If the City establishes a website for displaying the real-time location of MFVs, for purposes of marketing and promotional efforts, the licensee may choose to provide the appropriate access information to the API of its GPS to enable the posting of the MFV’s location on such website. The licensee is not required to provide such information or otherwise allow the City to display the MFV’s location.</p> <p>E. The following will serve as evidence that the GPS requirements have been met:</p> <ol style="list-style-type: none"> <li>1. Proof of GPS installation.</li> <li>2. Proof from a GPS tracking device service provider the operator is in compliance with the requirements as stated in Rule 8 of the MFV Rules and Regulations.</li> </ol>
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### How do I apply?

You may apply in-person at BACP's Business Assistance Center, 121 North LaSalle Street, Room 800.

- Application intake hours are from 8:30 AM through 3:30 PM, Monday through Friday.
- An appointment is recommended, and can be made by calling 312.74.GOBIZ / 744.6249.

### Resources

- Ordinance (/content/dam/city/depts/bacp/ordinances/Mobile\_Food\_FINAL\_Sub\_7.19.12.pdf)
- Business Information Sheet (BIS) - Pre-Application Form  
([https://www.cityofchicago.org/city/en/depts/bacp/supp\\_info/business\\_licenseforms.html](https://www.cityofchicago.org/city/en/depts/bacp/supp_info/business_licenseforms.html))
- Mobile Food Vehicle (MFV) Certificate of Insurance - SAMPLE (/content/dam/city/depts/bacp/general/MFV-Insurance\_Certificate\_SAMPLE-V.09.02.14.pdf)
- Mobile Food Truck Stands Map (/content/dam/city/depts/bacp/general/Mobile\_Food\_Truck\_Stand\_Map-V-07\_28\_2016.pdf)
- Mobile Food Dispenser (MFD) Fact Sheet (/content/dam/city/depts/bacp/general/MFD\_Fact\_Sheet\_V-08-28-2014.pdf)
- Mobile Food Preparer (MFP) Fact Sheet (/content/dam/city/depts/bacp/general/MFP\_Fact\_Sheet\_V-08-28-2014.pdf)
- Mobile Food Vehicle (MFV) Assessment Information and Checklist  
(/content/dam/city/depts/bacp/general/MFV\_Checklist-V-08-27-2014.pdf)
- Mobile Food Vehicle (MFV) Fire Safety Class Fact Sheet  
(/content/dam/city/depts/bacp/general/Fire\_Safety\_Class\_Fact\_Sheet-V.08.27.14.pdf)
- Mobile Food Vehicle (MFV) Fire Safety Permit Consultation Packet  
(/content/dam/city/depts/bacp/general/CFD\_MFV\_FIRE\_SAFETY\_Consultation\_Packet\_4-21-16.pdf)
- Mobile Food Vehicle (MFV) Rules and Regulations  
(/content/dam/city/depts/bacp/general/MFV\_Rules\_and\_Regulations-8-7-2014.pdf)
- Mobile Food Video (<http://youtu.be/BvxyQyr7jmY>)
- Mobile Food Truck Fest Start Up Guide  
(/content/dam/city/depts/bacp/Outreach%20and%20Education/foodtruckfesstartupguide.pdf)
- Operating a Food Truck in Chicago  
(/content/dam/city/depts/bacp/Outreach%20and%20Education/operatingfoodtruck20141120.pdf)
- Join the Chicago Food Truck Industry in Chicago  
(/content/dam/city/depts/bacp/Outreach%20and%20Education/becomefoodtruck20141120.pdf)

### Supporting Information Facts

#### Department:

[Business Affairs and Consumer Protection \(/content/city/en/depts/bacp.html\)](/content/city/en/depts/bacp.html)

[Business Licenses \(/content/city/en/depts/bacp/provdrs/bus.html\)](/content/city/en/depts/bacp/provdrs/bus.html)

#### People We Serve:

[Businesses & Professionals \(/content/city/en/ofinterest/bus.html\)](/content/city/en/ofinterest/bus.html)

[Existing Businesses \(/content/city/en/ofinterest/bus/exst\\_bus.html\)](/content/city/en/ofinterest/bus/exst_bus.html)

[New Businesses \(/content/city/en/ofinterest/bus/new\\_bus.html\)](/content/city/en/ofinterest/bus/new_bus.html)

#### Programs & Initiatives:

[Inspections, Permitting, and Licensing \(/content/city/en/progs/inspectionspermitting.html\)](/content/city/en/progs/inspectionspermitting.html)



### I Want To

May 10, 2012 07:00 AM

## Chicago deserves better rules on food trucks



Glenn Keefer

We deserve better than the food-dispensing vehicles now peddling substandard fare while often breaking rules, clogging traffic and littering our streets, writes restaurateur Glenn Keefer.

Chicago is one of the most competitive and culturally diverse culinary destinations in the world, home to James Beard Award-winning chefs, Michelin-starred restaurants and one of the top 10 restaurants in the world. The city deserves mobile-food trucks, but it deserves better than the food-dispensing vehicles now peddling substandard fare while often breaking rules, clogging traffic and littering our streets.

Hey, I like a pork belly taco as much as the next guy, and the idea of grabbing safe, well-prepared street food is enticing, but the city, state and county are billions in debt.

Now is not the time to cultivate an industry that doesn't contribute to the bottom line.

custom\_html>

### Lunch break

*I love Chicago and have called it home for over 30 years, but I grew up on Long Island in a town named*

*Massapequa (aka Matzopizza), land of Indian burial grounds and high tension wires.*

*I went to Massapequa High School, where our coach, driver's-ed teacher and social studies teacher was Alex Baldwin, father of the famous Baldwin Boys. Our class clown was Jerry Seinfeld, although he was pretty quiet back then; our speech writer was Peggy Noonan; our singer-songwriters were*

The original food-truck ordinance floated by Ald. Scott Waguespack, 32nd, required a \$660 license and fees for inspections and a commissary license totaling less than \$1,000. Compare that to the near \$70,000 that places like ours pay in property taxes annually while we employ nearly 100 people.

We must find a way to prevent unscrupulous truck operators from parking in front of the highest-priced real estate in the city to siphon off customers headed to businesses paying property taxes, rent and fees for signs, loading zones, building permits. Some hail the renegade truck as the ideal form of entrepreneurship, the ultimate shoestring startup. That's not superior business acumen and grit; that's piracy.

Restaurants operate on the slimmest of margins, averaging 4 percent annually. Keefer's Kaffe on West Kinzie Street sells sandwiches, soups and salads in the same price range as food trucks, yet we pay downtown rent and big real estate taxes. We could not compete with a truck paying only \$660 a year. Some call the food trucks a better business model, but unfair competition could lead to empty storefronts, lost jobs and fewer tax dollars.

Here's a suggestion — a pilot program of some 50 trucks, licensed in a system of fixed-site street permits, with fixed hours and fees reflective of their true costs for the city. Here's how it would work:

**A066**

*the Stray Cats; and our not-so-moral compass was Joey Buttafuoco. Carlos Gambino of Club Drive and of a certain "family business" was part of the Newsday newspaper route for which I would occasionally pinch hit. Thursday was collection day and, to be honest, the irony of making a collection from*

*this address was entirely lost on us.*

*Even with all of these characters, our most memorable might have been Pops the Bagel Man.*

*At lunch we were free to roam from the high school across Merrick Road to Bar Harbor shopping center, where for 50 cents you could get a slice of Pizza Supreme's Neapolitan pie and a cherry Coke. If that wasn't to your liking, you could get 25 cents' worth of capicola ham and Swiss from the butcher shop next door, which fit nicely on an 8-cent hard roll from Lord's Bakery. Or, for the low, low price of 13*

**Assigned locations:** By assigning locations (perhaps on a rotating basis to include prime spots and those in food deserts), food-truck operators would have the confidence that the food prepared in their commercial, approved and inspected commissary would not go to waste because a legal parking place in the city could not be found on a given day. Abuse of no-parking zones would be circumvented.

**Enforcement:** Police would not have to be bothered with phone calls from disgruntled restaurant owners seeking to remove a brazen truck operator from the curb in front of their business, nor would they have to use a tape measure to ensure those trucks remain a legal distance away.

**Traffic:** Food-truck locations would be situated in such a way as to prevent backups and unsafe conditions.

**Litter:** Since the spaces are assigned, it would be clear who is responsible for litter generated by food service without the cleanup crew all restaurants employ.

**Sanitation:** With a fixed location, the operator could establish regular use of a toilet for cooks at a nearby building and the Department of Health could make unannounced inspections to ensure that critical sanitation practices are in place and that a licensed food worker is present at all times, as is required for brick-and-mortar restaurants. After all, we are talking about food preparation in very tight quarters, with limited equipment and no bathrooms. Complaints of food-borne illness would have a chance of redress.

I do not have all the answers, but whatever we do, let's craft an ordinance that addresses all trucks and let's craft one that won't have us looking back with regret as we do with our parking meter fiasco.

By **MARK ALBERT** / CBS NEWS / August 16, 2014, 8:08 PM

# Restaurants say food trucks are eating up their profits

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**WASHINGTON** - A food fight is playing out on a growing number of American streets.

According to a new study, more than 4,100 food trucks are now open for business in nearly 300 cities. For owners of older and less mobile restaurants, those numbers are a little hard to swallow.

Customers couldn't wait for the first truck to open in downtown Knoxville, Tennessee.

"It's been hard to set up because so many people have been banging on the window trying to get us to open up," the operator said.





Customers line up outside a food truck. / **CBS NEWS**

Across the country, the culinary upstarts are so successful that they may be disrupting the traditional restaurant business.

Gavin Coleman owns The Dubliner in Washington, D.C.

"I don't hate food trucks," he said, but added, "I think they make it tougher on the restaurants to survive."

From the moment food trucks started lining up right outside, he says, some profits from his crucial lunch hour crowd disappeared - and never came back.

"We depend on these peak hours of service and lunch being one of them. So to have food trucks come in and sit right outside of my door and take away from that peak hour makes it tough to survive the other 18 hours that we're open," Coleman said.

Concerns over competition, safety and public health have divided cities on how best to regulate food trucks.

Chicago bans them within 200 feet of a restaurant. Pittsburgh is among the toughest, forcing operators to move every 30 minutes.

But a third of communities surveyed by the [National League of Cities](#) had no time limits on food trucks and half of them didn't ban them near restaurants, or had lenient restrictions.

Instead of fighting the trend, established D.C. restaurant Guapos launched its own food truck.

Owner Veronica Syler says her mobile kitchen cooked up new customers.

"It's actually brought back more than what we expected. They have actually discovered some of our locations," she said.

But across town, Coleman won't do the same.

He's betting his family's pub, serving Irish fare in the same spot for 40 years, can still satisfy customers hungry for a choice.

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Here's what he wrote:

## **SERVING UP SENSIBLE POLICY ON FOOD TRUCKS**

### **BY DAVE ANDELMAN**

Food trucks are colorful and fun, and they serve good, inexpensive food. I support these hard-working entrepreneurs and their employees. However, we need sensible rules so that: 1) The food truck industry can be successful and 2) The food truck industry will not: discourage restaurants from opening and expanding, cause restaurants to end their leases, or force restaurants to fire employees.

Restaurants have been hit by a perfect storm of negative conditions including a weak economy, an increase of the meals tax from 5% to 7%, higher food and energy and health care costs, and escalating credit card use/fees. In July alone, our state lost 2,100 hospitality jobs. Restaurants signed five, ten, and twenty year leases, without knowing that trucks would soon be taking their customers (every one of two dozen chefs and owners whom I asked, who are now near a food truck, confirmed that this is the case). Because they don't build a store, pay rent other than a nominal fee such as \$50 per day, or hire many employees, the trucks sell food for significantly less than the restaurants. The restaurants can't just "step up their game"; it's impossible for them to meet the prices of their mobile competitors given the cost structure of these two types of business.

Why have we created this privilege only for food trucks? Will nail and hair salons on wheels set up on Newbury Street? How about busses that provide massage, or motorcycles that serve coffee? People are investing their life savings to start a business, and they can

lose that business if a competitor with far less investment and operating cost is allowed to suddenly siphon away their customers. Companies want as much certainty as possible before risking their money, right now, the climate is uncertain. This means less construction, less jobs, less taxes, and less rent.

Red Bones is an excellent, multi-million dollar restaurant in Somerville. Why is it good for BOSTON that they prepare food, drive to Boston, then sell this food on the street in the Back Bay, some of the most valuable real estate in the country? Is this not discouraging to the restaurants that invested exponentially more in building cost and rent than Red Bones invested in a truck? Does Red Bones pay the local meals tax to Somerville or Boston? Why remove parking spaces for customers who want to visit Boston and patronize local businesses?

Food trucks should be allowed and encouraged at events like the SoWa Open Market, a wonderful weekly bizarre featuring food and shopping in the South End. Large public or private areas are ideal spots to host food truck events. Boston Common and the Esplanade should welcome the trucks, as they are big pieces of land with very limited options for food and drinks. However, a new rule should be added: The trucks should not be allowed within a one thousand feet walking distance of a restaurant. We are not alone in contemplating this sort of rule; San Francisco, Chicago, and Las Vegas are all currently debating how many feet should separate restaurants and food trucks. The trucks have big followings on social media, so it will be easy to recruit their loyal customers to walk a short distance to buy a tasty, inexpensive snack or meal. Alternatively, the limit may be lowered to five hundred feet if the truck sends a certified letter to every restaurant in the designated area, and the majority of the restaurants then approve issuing the permit to operate. This could mean that some areas of Boston will have no food trucks, but the trucks can still seek approval to operate in other parts of Boston, nearby cities, and anywhere in the state including the parking lots of large employers. Exceptions should also be made for events like Sowa Open Market or Food Truck Festivals, as such temporary events draw people to Boston and local restaurants/businesses benefit from the overflow. The “Food Truck Promotion And Restaurant Protection Provision” will work for Boston or any city trying to balance between encouraging this emerging industry and preserving the existing restaurants, jobs, and taxes in a given community.

Dave Andelman is a Boston home owner and the President of the Restaurant And Business Alliance.

# Skyway Businesses Shuttering, Point Blame Toward Food Trucks

By [Reg Chapman](#) July 23, 2013 at 10:39 pm

**Filed Under:** [Business](#), [Closed](#), [Closing](#), [Doug Sams](#), [Downtown Food Committee](#), [Food Trucks](#), [German Hotdog](#), [Ginelli's Pizza](#), [John Levy President Minnesota Food Truck Association.](#), [Kelly Zenk](#), [Marquette Avenue](#), [Peter's Grill](#), [Reg Chapman](#), [Skyway Businesses](#), [Taco Johns](#)

**MINNEAPOLIS (WCCO)** — In the past 2 1/2 weeks, three skyway businesses have closed and a fourth is scheduled to announce it will be closing Friday.

[Business owners](#) said they had no choice but to close after losing business to the food trucks that line Marquette Avenue one story below.

ADVERTISING



Now, the skyway business [owners](#) are hoping to open talks with food truck owners, leading to new guidelines that will allow both kinds of businesses to operate successfully.

“We’ve lost three businesses and all their [employees](#) in the past two weeks,” said Doug Sams of the Downtown Food Committee.

**A073**

Peter's Grill, German [Hotdog](#) and Taco Johns are the three that have closed.

"The number of lunches sold on any given day is not going to change whether the food trucks are there or not there, and when the food trucks are concentrated in this area, the local restaurants find their [sales](#) diluted," Sams said.

Kelly Zenk has owned Ginelli's Pizza for 27 years. He's had to eliminate positions like many other skyway businesses to stay open. He blames food trucks, too.

"They've impacted me by about 20 percent," Zenk said. "It's all concentrated in one area and it's an unfair playing [field](#) ."

The [Association](#) for Skyway Restaurants would like to see new guidelines that will limit the number of trucks parked on one block.

"We've heard from the restaurant group and we've engaged them, met with them, and had a very constructive conversation," said John Levy, President of the Minnesota Food Truck Association.

Both sides realize there are issues, and are working together to come to an agreement that will make everyone happy.

"There just needs to be a peaceful coexistence," Levy said.

Spreading the trucks out, and expanding their footprint may be a hard sell. Both sides hope to come to terms on new guidelines by January of 2014.



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City of Chicago

Mayor Rahm Emanuel

## BUSINESS AFFAIRS AND CONSUMER PROTECTION

Empowering Businesses and Protecting Consumers

**March 27, 2018**

### Chicago Kicks Off Its Annual Food Truck Festivals At Daley Plaza And Pioneer Court

Weekly events offer new lunch offerings to consumers while showcasing food truck cuisine from March through November

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The Chicago Department of Business Affairs and Consumer Protection (BACP), Small Business Center today kicked-off its annual Food Truck Fests, running now through November at Daley Plaza, 50 W. Washington St. and Pioneer Court, located at 401 N. Michigan Avenue. The trucks will offer a diverse array of exciting food options from 11 a.m. to 3 p.m. on first Tuesday of the month at Pioneer Court and every week at Daley Plaza.

Now in its second year at Pioneer Court and fourth year at Daley Plaza, Food Truck Fests offer a taste of new and exciting cuisine to hungry customers from surrounding office buildings, tourist groups and shoppers.

“The Food Truck Festivals are an opportunity for people to become part of the city’s growing culinary scene,” said BACP Commissioner Rosa Escareno. “The festivals are also a good way to showcase some of the amazing culinary offerings available at some of our small and emerging businesses throughout the city.”

The fests will feature a rotating line-up of 10-12 food trucks offering diverse food options at each location. Menu options range from grilled cheese to Korean to Latin fusion. This year’s 41 fests will feature more opportunities than ever for people to sample the trucks’ wares. Mobile boutique trucks are also part of the weekly fests at Daley Plaza, offering a selection of fashion and accessories.

The food truck lineup for the 2018 season will be announced on the City’s Small Business Center social media sites and by using the hashtag #ChiFoodTruckFest. The SBC is on Twitter at @ChiSmallBiz (<https://twitter.com/ChiSmallBiz>), Facebook at /ChiSmallBiz (<https://www.facebook.com/ChiSmallBiz>), Pinterest at ChicagoBACP (<https://www.pinterest.com/chicagobacp/>), and Instagram at ChicagoBACP (<http://instagram.com/chicagobacp/>).

The Food Truck Fest calendar for Daley Plaza and Pioneer Court is as follows:

**A075**

**Daley Plaza****Pioneer Court**

March 23, 30

April 3

April 6, 13, 20, 27

May 1

May 2, 12, 17, 24, 31

June 5

June 8, 15, 20, 29

July 3

July 6, 11, 20, 27

August 7

August 3, 8, 17, 24, 31

September 4

September 7, 11, 21, 28

October 2

October 5, 12, 19, 24

November 6

The Emanuel administration has taken a number of steps to promote innovation and support the mobile food truck and boutique industries:

- In July 2012, the city passed an ordinance to expand food truck operations in neighborhoods across Chicago. The ordinance, based on the input received from restaurateurs, the food truck industry, and local aldermen, legalized expanded food truck operations while maintaining public health standards. Today, there are 112 mobile food trucks active in Chicago, showing the value of this industry.
- In October 2012, the city passed an ordinance that established 21 mobile food truck stands at locations across Chicago. Since then, the City has increased the number of locations, bringing to total number of mobile food truck stands to 37 as of today.
- In April 2015, City Council approved an ordinance to allow seasonal, outdoor food vendors that operate at multiple special events or neighborhood festivals to purchase a business permit for longer periods of time, coinciding with the outdoor special event season.
- In June 2016, the city issued the first Emerging business Permit (EBP) to a mobile boutique operator. The Emerging Business Permit is part of a pilot program for new business activity and was created during licensing reform efforts in 2012. The new permit is intended to support and encourage new mobile businesses that don't fall under the existing license structure.

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