



FOOD TRUCK NATION

U.S. CHAMBER OF COMMERCE FOUNDATION
FOOD TRUCK INDEX



A decorative background on the left side of the page. It features a large, stylized letter 'C' in a dark color, set against a red and orange background. In the foreground, there is a white plate containing a colorful salad with green leafy vegetables, red tomatoes, and yellow cheese. The overall aesthetic is modern and vibrant.

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SWEET TREATS



INTRODUCTION

America's modern founding as a food truck nation began with the late-night cravings of a couple of Los Angeles-based entrepreneurs for Korean-style meat in Mexican tacos. Mark Manguera and Caroline Shin took their hunger to chef Roy Choi, and together they started Kogi Korean BBQ in 2008. Parked outside of a nightclub in the late hours, it soon began its tour of daylight streets with a tweet at every stop and a growing crowd in chase. By the end of Kogi's first year of operation, its sole truck was clearing \$2 million in sales, a then unheard-of figure.

Trucks like Kogis are not new. As "lunch wagons," "taco trucks," or just "street food," mobile vending has been a part of the American culinary landscape for well over a century. From their birth in a covered wagon selling lunch food to journalists in 19th Century Providence, Rhode Island, these mobile mini-kitchens took off after World War II as they followed the growth of suburbs to places where restaurants were rare.

But Kogi's early successes spawned gourmet imitators that are an altogether different breed from the latter-day "roach coaches." Appealing to younger, cosmopolitan urbanites with novel takes on casual cuisine, today's food trucks operate in Kogi's innovative spirit.



THEIR CLEVER DISHES AND SAVVY SOCIAL MEDIA HAVE JUMP-STARTED A \$2 BILLION-PLUS INDUSTRY IN CITIES ACROSS AMERICA. FOOD TRUCKS ARE RAPIDLY BECOMING FIXTURES OF OUR COMMUNITIES.

Food trucks are a remarkable business. As John Levy, a board member of the National Food Truck Association told the Chicago Reader,

“ You can create your restaurant on wheels for \$50,000 to \$60,000. You get a little slice of the American dream, pretty inexpensively.”

Food truck owners are a diverse crowd of rich and poor and represent all races and genders. In Chicago, roughly 80% of local food trucks are minority-owned small businesses. Owning and operating a food truck does not necessarily require an expensive degree, family connections, or English language skills. You just have to stand the heat.

Food trucks continue to be vehicles for entrepreneurial opportunity and economic growth. Government regulators, though, have been slow to adapt their rules to this new breed of entrepreneur. From Boston to Washington, and San Francisco to Seattle, food trucks today continue to navigate tangled bureaucracies and costly processes. That is why the U.S. Chamber of Commerce Foundation, together with its project partners, created *Food Truck Nation*.



***FOOD TRUCK NATION IS THE MOST
COMPREHENSIVE STUDY EVER CONDUCTED
ON LOCAL FOOD TRUCK REGULATIONS.
THIS REPORT CONSISTS OF TWO PARTS.***

1

We compiled the rules governing food trucks in 20 American cities and organized them into an Index, which borrows its inspiration from the World Bank's Doing Business indicators and the U.S. Chamber of Commerce Foundation's Regulatory Climate Index 2014.

2

We surveyed 288 food truck owners and relied on their first-hand accounts to drive the rest of the narrative and strengthen the findings of the index.

One aspect of our index looks at what it takes to obtain permits and licenses. We found that Denver, Indianapolis, and Philadelphia were the cities where those steps were clearest and easiest, while Washington, D.C., Seattle, and Boston are in the bottom. Boston and San Francisco, for example, require 32 procedures to start a new truck. Denver, by comparison, requires only 10 procedures to obtain permits and licenses.

These local regulations may be stalling the food truck industry's growth. While food trucks have relatively low startup costs, permitting alone often creates high barriers to entry that can put the brakes on a new food truck venture.

WITHOUT A GREATER AWARENESS OF THE REGULATORY SPEED BUMPS TO MOBILE VENDING, THE FOOD TRUCK INDUSTRY MAY BE NEEDLESSLY SLOWED, LIMITING ENTREPRENEURIAL OPPORTUNITY AND CONSUMER CHOICE.



"We all work so hard as small business owners that we don't have time to deal with government," one Austin-based food truck operator told us. "Government's job should be to ensure we run a safe food service business, pay collected sales tax, obey labor laws, and that is about it." A Chicago operator had a similar message for local governments: "Be open to different types of businesses, move processes faster, and be open to innovation."

WHAT IS THE STATE OF THE INDUSTRY?

Food trucks are estimated to have reached \$2.7 billion in revenue in 2017. Though this figure is still a small portion of the nearly \$799 billion in expected restaurant sales for 2017, the estimate represents a sizable increase from its \$650 million in revenue from just a few years prior, and relative nonexistence in 2008.

According to IBISWorld, the food truck industry grew at an average rate of 7.9% per year since 2011, reaching 3,703 trucks and 13,501 employees, by the end of 2016. These numbers come from previous year tax filings of companies that select the NAICS code for Mobile Food Services (722330). This number should be seen as a floor to the number of trucks that paid taxes in 2015, since it won't necessarily include trucks that are part of brick-and-mortar institutions, or a single company running multiple trucks.

On average, starting and maintaining a food truck for one year requires an entrepreneur to...

COMPLETE **45** SEPARATE GOVERNMENT-MANDATED PROCEDURES
OVER THE COURSE OF **37** BUSINESS DAYS, AND SPEND
\$28,276 ON PERMITS, LICENSES, AND ONGOING LEGAL COMPLIANCE

\$2.7 BILLION



\$650 MILLION



2014 REVENUE

2017 REVENUE
(ESTIMATED)

That trend of food trucks morphing into and being a part of brick-and-mortar restaurants is accelerating. In nearly every city in which they set up shop, food trucks offer a net positive to the established restaurant industry. While official figures on that type of growth are elusive, neighborhoods where food trucks cluster, such as around Washington, D.C.'s Farragut Square, have seen visible, concomitant growth in brick-and-mortar establishments.

In spite of rapid growth, regulatory barriers appear to be slowing a once hot industry. Market research by IBISWorld found that "despite strong performance...high competition and unfavorable regulatory conditions in some cities have limited the growth of industry vendors." That report predicts food truck growth will grind to a halt over the next few years. After five years of rapid growth, expected food truck growth is now only 0.4% a year through 2020. Several of America's largest cities are already experiencing slower, or zero, growth of their local food truck economy.

Forbes columnist Natalie Sportelli pointed out a few of these regulatory barriers to entry



On the surface it may seem like a cut and dry operation: a food truck parks and starts cooking. But food truck owners have to deal with obtaining pricey permits, truck maintenance and insurance, finding public or private parking spaces, storage spaces, prep kitchens, employee licenses, staff salaries, ingredient costs, and more. To open your window will take months and can cost upwards of \$125,000."

NUMEROUS RESPONDENTS TO OUR FOOD TRUCK SURVEY REPORTED THAT REGULATORY BARRIERS FOR TRUCKS OFTEN EXCEED THOSE OF BRICK-AND-MORTAR DINING ESTABLISHMENTS

Such restrictions are already a greater concern for the foodservice industry. As Harvard's Edward Glaeser pointed out, "You can begin an Internet company in Silicon Valley with little regulatory oversight; you need more than ten permits to open a grocery store in the Bronx." This same regulatory inequality falls heaviest on food trucks at the state and local levels, directly affecting entrepreneurial opportunity for those who need it most.

WHAT ARE THE RULES GOVERNING FOOD TRUCKS?



The food service sector has traditionally operated under strict rules created with an eye toward public health and safety. Food trucks similarly drive through a wide array of state and local regulations. Cities do not necessarily allow or ban food trucks. Rather, they determine rules over how, where, and when food trucks may operate that, in aggregate, often represent sizable barriers to entry.

REGULATIONS GOVERN EVERY PHASE OF A FOOD TRUCK'S LIFE,
FROM STARTUP TO OPERATION AND COMPLIANCE.

They typically include varying levels of stringency in otherwise normal rules, such as permits for doing business, as well as specific restrictions on food truck operations, such as proximity bans or commissary requirements. Since food trucks are mobile, local regulations may quickly grow in complexity across jurisdictions where the food trucks operate.

Instead of trying to fit into a sometimes ill-fitting restaurant regulatory regime, food trucks often need to demonstrate why their business model is different enough to necessitate new regulations. This can sometimes come against a public sector inexperienced in the needs of food trucks or even wary competitors. There is little assurance that a new regulatory regime will be favorable.

When new regulations enter the books, their sheer variance from city to city often betray their arbitrary nature. At times, they appear to arise at the behest of established firms seeking restrictions against new competition. Regardless of the scale or scope of these regulations, collectively they can stem the flow of new business or direct the food truck industry in unexpected ways.

Food trucks contribute to public life and private flourishing. With a better understanding of the regulatory burden on food trucks, America's cities will be better equipped to encourage these roving innovators and their hungry customers.



“

FOOD TRUCKS ARE A FABULOUS BUSINESS MODEL THAT ALLOWS UNPRECEDENTED FLEXIBILITY WITH MINIMAL CAPITAL.

1

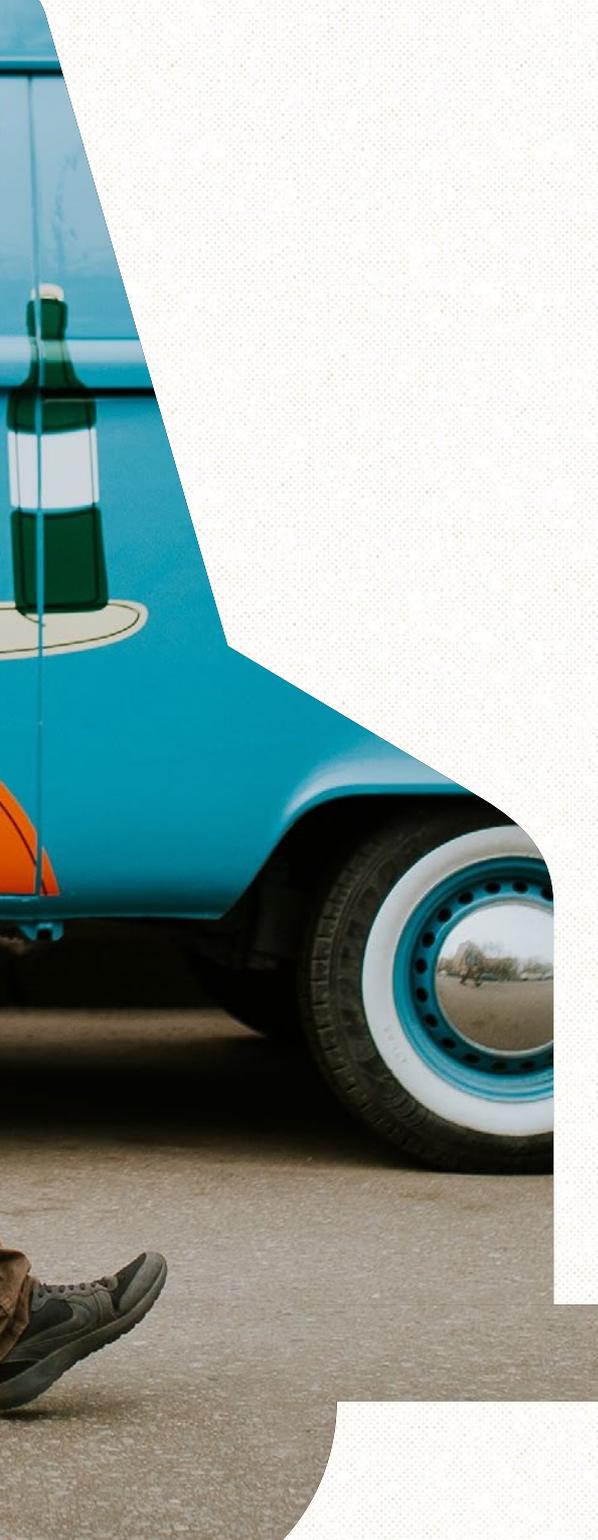
We shouldn't ever have to deal with regulations on hours of operations, distance from restaurants, zoning, etc., unless those regulations are equally applied to all businesses, mobile or not.

2

We are also a cultural asset for local reputation and aid in driving tourism.

Austin-based food truck operator,
Food Truck Nation survey





THE INDEX

The *Food Truck Nation* index ranks, rates, and records regulatory burdens for opening and operating a food truck in 20 American cities. The project utilizes available information published by cities and counties to create an index that compares regulatory requirements, restrictions, and financial obligations. In so doing, it provides useful information and national benchmarking for public and private sector leaders to understand and improve their local business environments.

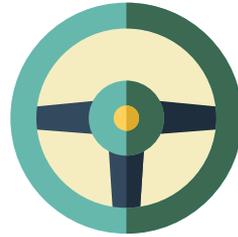
The index assesses the regulatory burdens and financial obligations to fulfill local requirements on three regulatory components of the ecosystem of the food truck business:



OBTAINING PERMITS
AND LICENSES



COMPLYING WITH
RESTRICTIONS



OPERATING A
FOOD TRUCK



The index then ranks the 20 cities based on the composite scores of those three components. Our base case is a food truck that generates \$250,000 a year and pays \$150,000 in wages for three full-time employees.

Roaming Hunger, a food truck booking service, keeps one of the most up-to-date databases of mobile vendors in America. As a result, we used Roaming Hunger's data and the U.S. Census' population estimates to find cities with the highest density of food trucks, then we sorted the results by the Census' four regions to obtain geographic diversity in our final selection of cities to study.

WHAT ARE THE HIGHLIGHTS?



Local regulations on food trucks vary widely across America. These rules mandate review processes for food safety, business operations, insurance, fire safety, and more. Similarly, financial obligations, including licensing, permits, and mandatory food safety training, of food trucks differ substantially.



★ The five friendliest cities for food trucks are Portland (OR), Denver, Orlando, Philadelphia, and Indianapolis. Only Orlando sits in the top five rankings across each of those three components. For example, Portland does not rank as well in permits and licenses (8th place); there are more restrictions imposed on food trucks in Indianapolis (13th place); and it is costly to operate a food truck in Philadelphia (12th place).

★ The five most difficult cities for food trucks are Boston, Washington D.C., San Francisco, Minneapolis, and Seattle. Except Minneapolis (where it is a relatively smooth process to obtain permits and licenses), these cities prove to be difficult for food trucks in all three components in the Index.

The ease of doing business varies immensely across American cities depending on the angle of analysis. For example, Los Angeles does not have many restrictions on where trucks may operate, but it is more costly to maintain compliance with regulations compared with other cities. By contrast, Phoenix has many proximity restrictions for food trucks, but it is less costly to operate a truck there.

Moreover, the regulatory burdens of a city do not necessarily determine how easy the local government makes it to navigate those rules. Austin (TX) and Minneapolis have different business environments for food trucks by our measure, yet both have created one-stop shops to obtain permits and licenses for food trucks.

The rankings of each city in the *Food Truck Nation* index are based on the average scores of all three components of our index: obtaining permits and licenses, complying with restrictions, and operating a food truck. Each of these components in turn consists of the simple average (amongst all the cities in the Index) of procedures, trips to city government agencies, and fees paid to city government agencies. We give each city an overall score from 0 to 100 (100 being the best) to obtain a ranking from 1 to 20 (1 being the best).

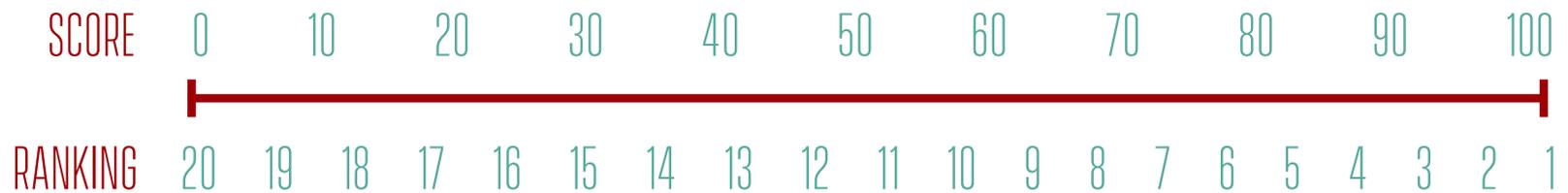


TABLE 1

FOOD TRUCK NATION INDEX RANKINGS

CITY	OVERALL RANK	OBTAINING PERMITS AND LICENSES	COMPLYING WITH RESTRICTIONS	OPERATING A FOOD TRUCK
Portland (OR)	1	8	3	1
Denver (CO)	2	1	2	6
Orlando (FL)	3	5	4	4
Philadelphia (PA)	4	3	1	13
Indianapolis (IN)	5	2	13	3
Houston (TX)	6	9	6	7
Austin (TX)	7	6	10	12
Los Angeles (CA)	8	13	8	10
New York City (NY)	9	14	5	15
Nashville (TN)	10	12	12	11
Raleigh (NC)	11	10	14	8
St. Louis (MO)	12	11	11	16
Chicago (IL)	13	15	9	17
Phoenix (AZ)	14	7	19	2
Columbus (OH)	15	16	16	5
Minneapolis (MN)	16	18	15	9
Seattle (WA)	17	4	20	14
San Francisco (CA)	18	17	18	18
Washington (DC)	19	19	17	19
Boston (MA)	20	20	7	20

TABLE 2

FOOD TRUCK NATION INDEX

OVERALL RAW SCORE AND RANKING



CITY	OVERALL RAW SCORE	RANKING
Portland (OR)	85.0	1
Denver (CO)	83.0	2
Orlando (FL)	76.8	3
Philadelphia (PA)	72.6	4
Indianapolis (IN)	70.6	5
Houston (TX)	67.3	6
Austin (TX)	63.3	7
Los Angeles (CA)	61.8	8
New York City (NY)	60.1	9
Nashville (TN)	58.4	10
Raleigh (NC)	58.2	11
St. Louis (MO)	56.2	12
Chicago (IL)	51.9	13
Phoenix (AZ)	49.4	14
Columbus (OH)	49.1	15
Minneapolis (MN)	45.4	16
Seattle (WA)	44.9	17
San Francisco (CA)	35.1	18
Washington (DC)	29.9	19
Boston (MA)	27.4	20



★ SEATTLE

★ PORTLAND

★ SAN FRANCISCO

★ LOS ANGELES

★ PHOENIX

★ AUSTIN

★ HOUSTON

★ MINNEAPOLIS

★ DENVER

★ INDIANAPOLIS

★ ST LOUIS

★ NASHVILLE

★ COLUMBUS

★ CHICAGO

★ PHILADELPHIA

★ D.C.

★ RALEIGH

★ BOSTON

★ NEW YORK

★ ORLANDO



PART ONE: OBTAINING PERMITS AND LICENSES

The Obtaining Permits and Licenses component is a collective measure of the rules a food truck operator must comply with to establish their business. We examine the number of procedures required (e.g., inspecting a vehicle and obtaining a certificate counts as two procedures), the amount of trips to regulators (one for inspection and another to submit an application for a certificate), and the costs associated with these steps (e.g., a filing fee).

Each of these five subcomponents have about seven parts to our measure. For instance, the administrative subcomponent looks for requirements around a mobile food truck application and general business certificate.

Denver, Indianapolis, and Philadelphia scored highest for starting a food truck, while Washington, D.C., Seattle, and Boston are in the bottom of our ranking. Boston and San Francisco, for example, require 32 procedures to start a new truck. Denver, by comparison, requires only 10 procedures to obtain permits and licenses.

Cities may combine several procedures in one step to save time for applicants, while others require many trips to government agencies or other official entities, such as a notary public or accredited food safety training institution. Applicants typically need to make eight trips to agencies in Denver and 23 trips in Washington, D.C., to complete all required procedures to obtain permits and licenses.

Fees paid to city governments and other official entities vary substantially across cities. Food truck owners pay approximately \$17,066 to Boston city government, nearly 29 times more than fees paid in Indianapolis. A large portion of Boston's fees go toward monthly zoning permits.

There are five subcomponents in this measure:

- 1 ADMINISTRATIVE
- 2 HEALTH/MENU/FOOD SAFETY
- 3 VEHICLE REQUIREMENTS & SAFETY/HAZARD PREVENTION
- 4 EMPLOYMENT
- 5 ZONING

TABLE 3

INDEX AREA 1: OBTAINING PERMITS AND LICENSES

CITY	PROCEDURES		TRIPS		FEES PAID		OVERALL SCORE
	NUMBER	SCORE	NUMBER	SCORE	COSTS	SCORE	
Denver	10	100	8	100	\$811	99	100
Indianapolis	19	59	10	87	\$590	100	82
Philadelphia	18	64	11	80	\$1,778	93	79
Minneapolis	20	55	10	87	\$1,674	93	78
Orlando	20	55	11	80	\$629	100	78
Austin	20	55	14	60	\$1,139	97	70
Phoenix	19	59	15	53	\$1,540	94	69
Portland	22	45	15	53	\$1,877	92	64
St. Louis	22	45	17	40	\$1,204	96	61
Houston	21	50	17	40	\$1,788	93	61
Raleigh	24	36	16	47	\$848	98	60
Nashville	25	32	15	53	\$1,343	95	60
Los Angeles	23	41	16	47	\$2,439	89	59
New York City	26	27	18	33	\$1,075	97	53
Chicago	23	41	19	27	\$2,713	87	52
Columbus	29	14	17	40	\$1,560	94	49
San Francisco	32	0	15	53	\$3,481	82	45
Washington	28	18	23	0	\$2,720	87	35
Seattle	29	14	20	20	\$6,211	66	33
Boston	32	0	22	7	\$17,066	0	2



PART TWO: COMPLYING WITH RESTRICTIONS

The Complying With Restrictions component is a measure of the rules a food truck operator must comply with so they can vend on a regular basis. We examined the number of quantitative restrictions required (e.g., the number of proximity rules or amount of times a truck must report to a depot in a day), and the qualitative measure of these restrictions (e.g., the number of feet a truck must be away from a school).

Each of these subcomponents in turn has between three and nine parts to the measure. For instance, the proximity subcomponent looks for the number of feet that must be maintained from restaurants, civic events, or residential buildings. Philadelphia, Portland, and Denver scored best when it came to complying with restrictions, while Minneapolis, Phoenix, and San Francisco ranked at the bottom.

THE CITY OF MINNEAPOLIS DOES NOT ALLOW FOOD TRUCKS TO BE WITHIN 100 FEET FROM A TRADITIONAL RESTAURANT, 300 FEET FROM A RESIDENTIAL BUILDING, AND 500 FEET FROM A FESTIVAL OR SPORTS EVENT. BY CONTRAST, PORTLAND ONLY HAS A PROXIMITY RESTRICTION IN THE CITY CENTER, NOT ANY SPECIFIC BUSINESS OR INSTITUTIONS; BUT IT HAS OTHER RESTRICTIONS INCLUDING HOURS OF OPERATION.

Six proximity restrictions in Phoenix add to 2,215 feet of restrictions, while nine proximity restrictions in Raleigh add to only 325 feet of restrictions. In addition to proximity restrictions, cities have restrictions on operations. In Washington, D.C., there are five operational restrictions, such as for opening hours and menu changes.

There are three subcomponents in this measure of regulation:

- ① PROXIMITY (DETERMINED BY THE DISTANCE THE FOOD TRUCK MUST REMAIN FROM SCHOOLS, RESTAURANTS, OR OTHER LOCATIONS)
- ② OPERATIONS
- ③ ZONING

TABLE 4

INDEX AREA 2: COMPLYING WITH RESTRICTIONS

CITY	NUMBER OF RESTRICTIONS		RESTRICTION VALUES		OVERALL SCORE
	NUMBER	SCORE	FEET	SCORE	
Philadelphia	4	90	30	99	94
Denver	2	100	320	86	93
Portland	5	85	0	100	93
Orlando	5	85	45	98	91
New York City	7	75	31	99	87
Houston	6	80	160	93	86
Boston	8	70	124	94	82
Los Angeles	5	85	700	68	77
Chicago	10	60	250	89	74
Austin	12	50	105	95	73
St. Louis	9	65	504	77	71
Nashville	10	60	546	75	68
Indianapolis	6	80	1,000	55	67
Raleigh	14	40	325	85	63
Seattle	11	55	1,120	49	52
Columbus	8	70	2,045	8	39
Washington	22	0	512	77	38
San Francisco	14	40	1,627	27	33
Phoenix	15	35	2,215	0	18
Minneapolis	22	0	1,636	26	13



PART THREE: OPERATING A FOOD TRUCK

Operating a food truck is a measure of the rules a food truck operator must comply with to maintain legal compliance annually. We examine the number of procedures, including regular health and safety inspections, the number of trips involved to a regulatory agency, and the costs associated with compliance, including the fee for renewing a food truck's vehicle registration.

Each of these average about four aspects. For instance, the inspections subcomponent looks for requirements around health, safety, and fire inspections.

Portland, Phoenix, and Indianapolis scored best when it came to operating a food truck, while Boston, Washington, D.C., and San Francisco scored lowest.

Typically, fees are associated with the number of procedures and trips to city government agencies and other official entities, such as notaries and accredited food safety training facilities. In Boston, a food truck has to make 31 trips and 21 procedures to comply with these operation-based regulations. Meanwhile, Portland not only offers the lowest ongoing costs, but food trucks need to comply with only 7 procedures and 7 trips to city agencies each year.

ANNUAL REGULATORY OPERATING COSTS ARE AS HIGH AS
\$37,907 IN BOSTON AND AS LOW AS \$5,410 IN PORTLAND.

There are five subcomponents in this measure:

- ① INSURANCE
- ② LICENSES AND PERMITS
- ③ TAXES
- ④ INSPECTIONS
- ⑤ OTHER (E.G., A DATA PLAN, OR TRACKING DEVICES)

TABLE 3

INDEX AREA 3: OPERATING A FOOD TRUCK

CITY	PROCEDURES		TRIPS		FEES PAID		OVERALL SCORE
	NUMBER	SCORE	NUMBER	SCORE	COSTS	SCORE	
Portland	7	100	7	100	\$5,410	100	100
Phoenix	8	93	18	56	\$25,187	39	63
Indianapolis	9	86	20	48	\$20,435	54	63
Columbus	10	80	20	49	\$20,820	53	61
Orlando	10	79	20	48	\$19,621	56	61
Denver	10	79	21	44	\$22,751	47	57
Houston	11	75	21	46	\$22,746	47	56
Raleigh	11	72	22	40	\$22,827	46	53
Seattle	13	59	13	77	\$32,076	18	51
Los Angeles	10	79	21	47	\$29,096	27	51
Austin	14	52	22	43	\$22,168	48	48
Nashville	10	79	22	40	\$29,579	26	48
Philadelphia	13	63	24	34	\$25,292	39	45
Minneapolis	12	68	20	48	\$31,694	19	45
New York City	12	66	25	31	\$28,085	30	43
St. Louis	12	66	29	13	\$26,191	36	38
Chicago	14	53	26	26	\$32,461	17	32
San Francisco	17	33	27	22	\$28,642	29	28
Washington	16	39	32	0	\$29,382	26	22
Boston	21	0	32	0	\$37,907	0	0





THE SURVEY

Every city's food truck industry interacts with local regulations. The nature of these restrictions is a local story felt individually. For this reason we partnered with Argive, a Silicon Valley non-profit focused on regulatory transparency, to survey 288 food truck owners and operators about their unique regulatory environment and challenges they face as a consequence. We paired the results of this survey with highlights from our index to describe the notable features of all 20 cities in this report.

Food truck owners across the country consistently called for simplifying or eliminating unnecessary regulations on their businesses. “We all work so hard as small business owners that we don’t have time to deal with government,” remarked one Austin-based respondent to our survey. “Government’s job should be to ensure we run a safe food service business, pay collected sales tax, obey labor laws, and that is about it.”

A local government favorable to the food truck industry is helpful, but that is not as important as having “clear and consistent rules,” as another Austin truck owner said. A Chicago local echoed this sentiment: “Be open to different types of businesses, move processes faster, and be open to innovation.” How can local governments do that? “Talk to the owners,” suggested a Denver food truck owner.

“ We are business owners who want to grow and prosper. At this time, I feel we are just another revenue stream with no voice in regulations or shaping our community involvement.”





Regulatory complexity represented perhaps the greatest burden to food trucks doing business. Nearly every food truck operator who offered written feedback to our survey noted the difficulties in doing business across jurisdictions. Larger cities often exist in metros spanning multiple counties across sprawling suburbs. Truck owners are responsible for meeting the vending requirements in each of these jurisdictions. Paying \$300 for an operating permit in each jurisdiction can quickly multiply.

“As we roam, we have double, triple, and beyond the cost of permits and licenses than a brick-and mortar restaurant,”

noted a San Francisco-based respondent. Numerous owners called for a single licensing and permitting process statewide that would allow trucks to be truly mobile businesses. “I wish you could have one permit for the entire state,” said a Denver food truck owner. “We work with four different counties and eight different cities,” said another Denver local, “and none of the requirements are either posted or the same.” Letting local food trucks roam means reducing the proliferation of speed bumps statewide.





CITY - BY - CITY ANALYSIS

PORTLAND

OVERALL RANK

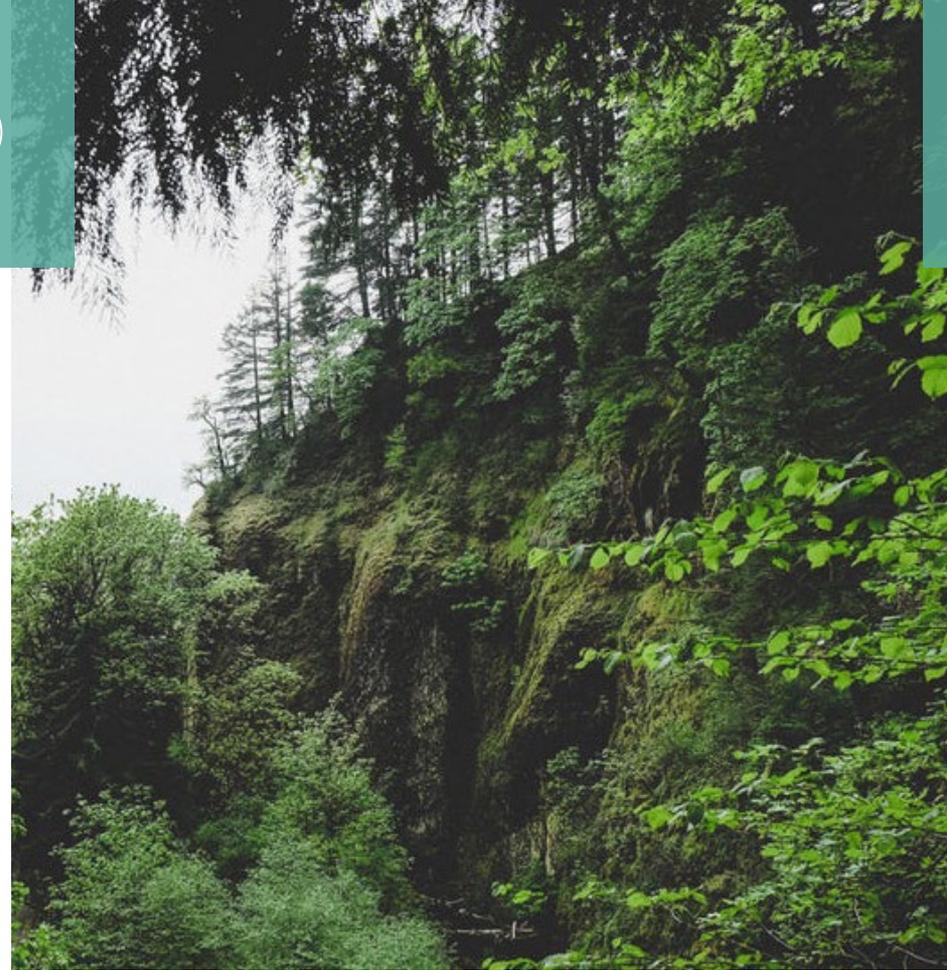
1

Portland is the best city for food trucks in America by our measure. Mobile vendors are a fixture of local culture.

NOT ONLY IS IT RELATIVELY EASY TO OBTAIN PERMITS AND LICENSES, BUT DOING BUSINESS IN PORTLAND IS A CLEAR AND STRAIGHTFORWARD PROCESS. THERE ARE NO PROXIMITY RESTRICTIONS OR SALES TAXES.

Numerous parking lots are set aside across downtown Portland for the exclusive use of food trucks. And the local government goes out of its way to offer an easily navigable experience for staying in business.

Unsurprisingly, local food truck operators give Portland high marks across the board. The city scores particularly well on operational restrictions (4.8, out of 5.0) and governmental support (0.86, out of 1.00). In fact, the city's Economic Development Plan, adopted in 2009, specifically incorporated mobile food vendors as a key tool for promoting growth and deterring blight downtown.



Survey respondents noted a few areas for improving Portland's regulatory environment. "The permit is so expensive," cited one owner; "lower the fee," echoed another. Three more operators pointed to the city's water tank requirement as being unnecessary. Trucks are required to have a 50-gallon water tank, "even though they are not used" or function only for handwashing. In addition, without a special permit, trucks can only cater an event from a separate commissary kitchen, they can't cook food on board like they do for their everyday business.

DENVER

OVERALL RANK

2

Denver scored the second-best results of the cities measured in this index. Starting a food truck business is easy and straightforward. There are just 10 procedures, the lowest of all the cities under consideration, and Denver requires just eight trips to city offices for approvals. Information about government permitting is aggregated well online and easy to navigate. Operating a food truck and maintaining compliance are equally straightforward.

STRANGELY, IT IS THE DENVER FIRE DEPARTMENT THAT MAY PRESENT THE GREATEST OBSTACLES TO FOOD TRUCKS.

Numerous truck owners in our survey pointed to the new fire suppression systems they are now required to install, alongside changes to gas lines and propane tank sizes. All told, one owner paid out over \$4,000 in repairs and updates to comply with these rules. Other owners report that these rules are inconsistently applied and poorly understood by the fire department itself.

What is actually on the books when it comes to zoning and proximity rules is relatively mild. Nevertheless, food truck owners rated the city poorly on this scale when surveyed. It may be because of the presence of downtown zones in and around the 16th Street Mall where trucks are not allowed to operate. The same goes for parks, where trucks are not allowed to operate within 300 feet.



For trucks looking to operate outside the central part of the city, regulatory costs can quickly mount. Boulder, for instance, requires city permits costing \$300. Filing permits and taxes in every city and county in the area quickly becomes “a huge burden and is hard to keep track,” said one local owner. Owners may be filing taxes in a place they operated in just once in a year because there is not a streamlined or straightforward system to operate a food truck in neighboring communities.

ORLANDO

OVERALL RANK

3

ORLANDO IS THE ONLY CITY IN OUR *FOOD TRUCK NATION* INDEX TO SCORE IN THE TOP FIVE ON ALL MEASURES.

The city has one of the least expensive permits (\$50) and low fees to continue operating. Additionally, the local government's FAQ page is helpful and easy to navigate.

Our survey respondents agreed with the Index's positive assessment, Orlando received good measures across the board. As with every city, there are downsides for food trucks doing business in Orlando. They are prohibited from selling food or merchandise on city streets or sidewalks. "Let us park anywhere," said one Orlando food truck operator. Add traveling anywhere in the metro area triggers additional permits and inspections. "Costs add up, as does the inconvenience of inspections in each new city we travel to."



PHILADELPHIA

OVERALL RANK

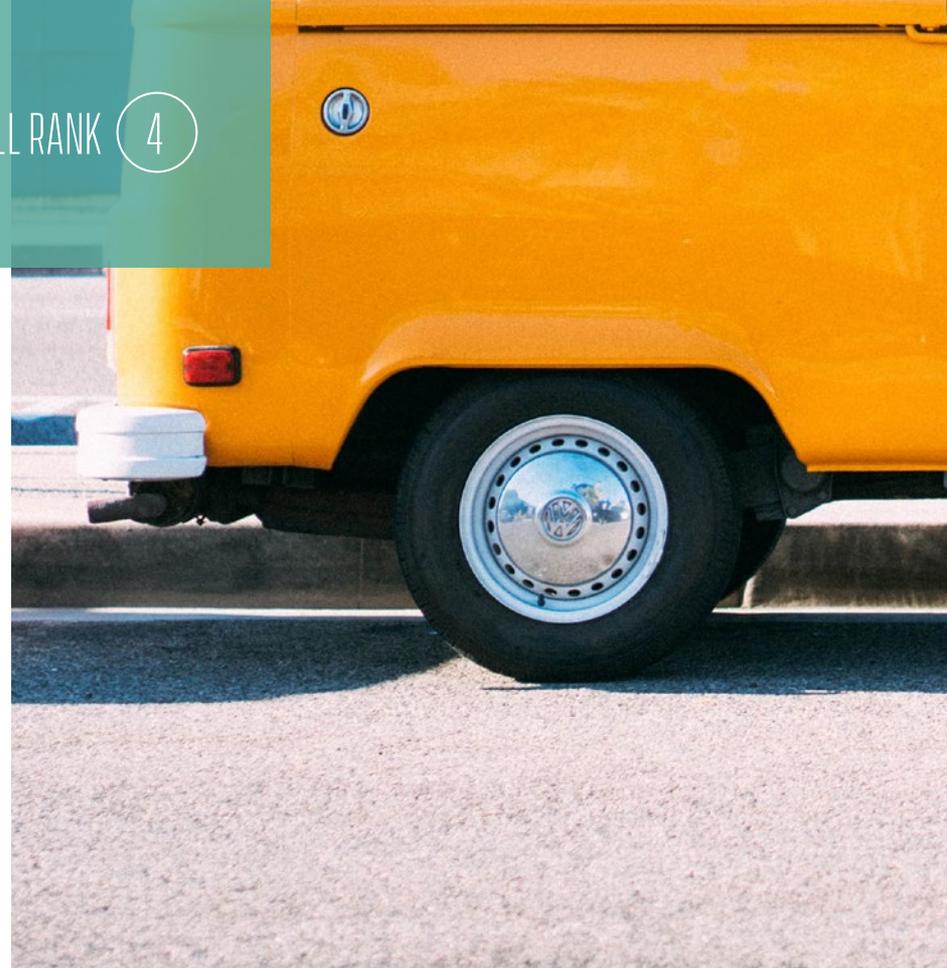
4

Philadelphia shows brotherly love to the city's food trucks. Philadelphia ranks in the top three for starting up, and the city's rules are among the best for food trucks overall. Few regulations apply directly to food trucks—as a result, enforcement is more about upholding food safety and sanitation. "I know people talk about how the city makes it difficult," said a local pizza truck owner, "but at the end of the day it's not that hard."

The flip side to this light overall regulatory touch is a very specific requirement by health inspectors that many food truck owners felt were burdensome. Every large event a truck vendors at triggers a health inspection, which on top of the yearly review translates into anywhere from 10 to 30 inspections a year.

As with many older cities, rules around public right-of-way can quickly become a hassle. Approvals are needed to vend in Philadelphia's more popular spots and according to one owner, "you can easily spend decades on the waiting list" for a weekday lunch spot. Much of Center City in downtown Philadelphia is effectively off-limits as well.

Inconsistent enforcement is perhaps the biggest concern among the city's food trucks.



NUMEROUS FOOD TRUCK OWNERS REFERRED TO PHILADELPHIA AS THE WILD WEST.

It is not just that trucks are prohibited from vending past midnight or parking closer than 30 feet from another truck, but that rules like these are ignored by enforcement officials part of the time.

INDIANAPOLIS

OVERALL RANK 5

INDIANAPOLIS IS SEEN BY OUR INDEX AND FOOD TRUCK OWNERS AS ONE OF THE FRIENDLIEST CITIES IN AMERICA IN WHICH TO DO BUSINESS.

It is one of the five best cities on our index, with a strong second and third place ranking in starting up and operating, respectively. The city has the lowest fees (\$590) of any city to start up and requires very few trips (10) to regulators to comply.

Indianapolis' food truck regulations are simple. Most of them are about food safety and sanitation, and they are part of the same Indiana Administrative Code that operates throughout the state. Trucks face some proximity restrictions; they cannot operate less than 1,000 feet from a school while it is in session. Additionally, it is very difficult to find information on starting a food truck from the city's website. Rather, information is scattered across multiple sites and often laden with dense terminology.

Our survey of entrepreneurs turned up just three respondents in Indianapolis, making a qualitative assessment difficult.



HOUSTON

OVERALL RANK

6

Houston ranked above average across the board in food truck regulations. Placing sixth overall in our index, the city scored well in every category. But there are deep concerns below the surface.

Interestingly, for a city without a zoning code, the 21 food truck owners who responded to our survey cited zoning and proximity as below average (2.9 and 2.8, respectively, with 5 as positive) while giving government low marks. Trucks cannot operate within 100 feet of a restaurant or 60 feet from other food trucks. There are distance rules of 100 feet from tables and chairs too. Perhaps most significant, street parking is prohibited for vendors.

Commissary rules were consistently cited by food truck owners as a hassle. These are venues offering services such as shared commercial kitchens and storage facilities for equipment and even the truck itself. "We are required to visit a commissary daily, no matter if it is necessary or not," according to one owner. Even if the truck did not vend that day, its owner must pay to visit the commissary to be serviced.

Other rules stand out for being excessive compared with other cities. For example, food truck owners must pay the city \$223.65 as a monthly "electronic monitoring fee." When operating on private property, truck owners must also submit a notarized letter citing they have bathrooms on-site and a separate letter certifying they have received permission from the property owner to vend. These letters must be obtained at every new location the food truck operates in and do so one year in advance. According to one owner, "This is very restrictive for Houston because trucks depend on moving from one location to another and trying new locations on a regular basis."



WHEN ASKED HOW GOVERNMENT COULD SUPPORT FOOD TRUCKS, OWNERS REQUESTED THAT THE CITY "ALLOW US TO BE ON CITY PROPERTY IF WE ACQUIRE THE PROPER PERMITS."

"Engage with truck owners," they said, and invest in the resources necessary to support trucks. Last, "Harris County and the City of Houston should work together to streamline regulations" and "should reciprocate in acceptance of licenses."

AUSTIN

OVERALL RANK

7

Opening a food truck in Austin is surprisingly easy, but the devil's in the details.

THE CITY'S ONE-STOP PERMITTING SHOP CUTS THE AVERAGE NUMBER OF STEPS (20) AND TRIPS (14) TO REGULATORY BODIES AS WELL AS KEEPS A LID ON FEES (\$1,139).

Nevertheless, entrepreneurs consistently pointed to the hassle of the inspection process. Inspections are long and the available windows for conducting them are short. Afterward, the process for approvals can be painfully slow.

Compared with all cities in the Index, complying with restrictions and operating a food truck in Austin is a middling experience—neither easy nor unusually hard. No food truck can operate closer than 20 feet to any structure; for residential buildings, 50 feet. Austin's three commissaries are "simply not enough for all the trucks," said one owner. And Austin is unusual in requiring county-level registration for food managers.



Every city and county surrounding Austin has different rules and taxes, which can exponentially increase the hassles of doing business. Localized permit fees mean that, as one owner put it, "Everyone is dipping into food truck profits." Another owner simply called it "insane!" Meanwhile, Austin charges property taxes even for trucks based elsewhere.

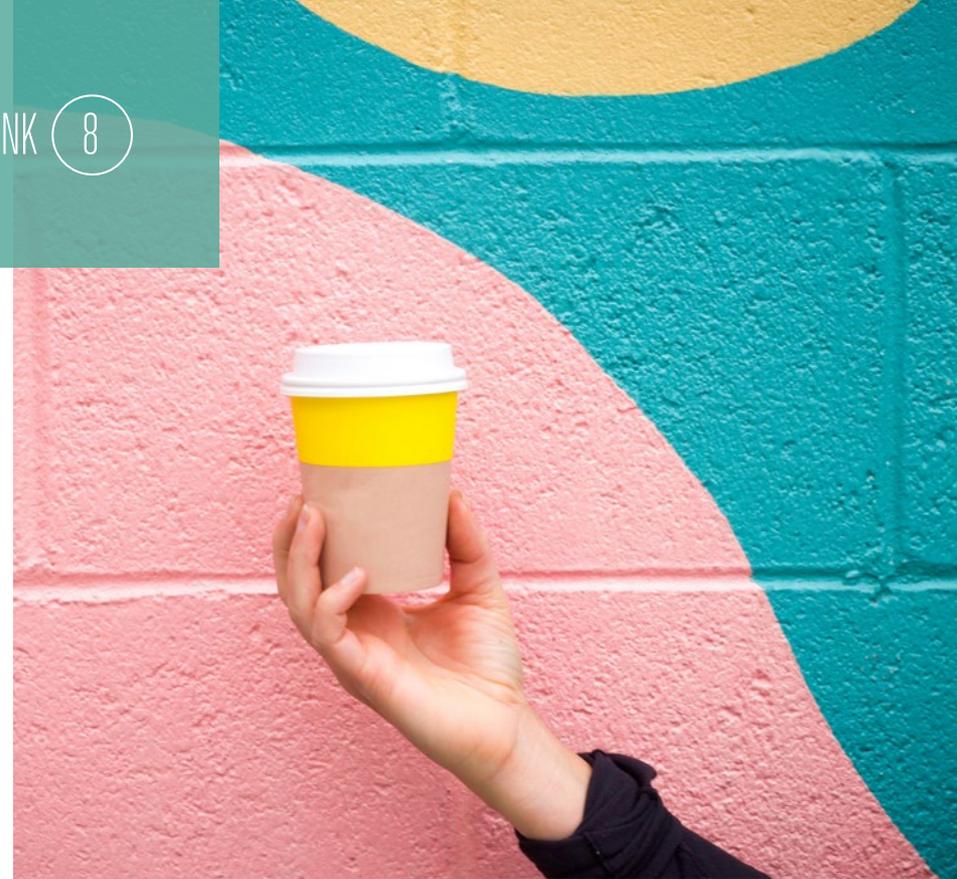
LOS ANGELES

OVERALL RANK 8

Los Angeles' rapidly growing food truck market is quickly becoming a fixture of local culture.

TRUCKS OPERATE UNDER RELATIVELY LIGHT REGULATORY BURDENS, EVEN THOUGH IT IS MORE COSTLY TO OPERATE IN THE CITY OF ANGELS THAN IN MANY OF THE CITIES STUDIED IN THIS REPORT.

Moreover, even though food trucks cannot operate on public property, the prevalence of private lots (as is the case beyond much of the East Coast) makes these rules easier to navigate. The relatively small number of proximity restrictions, around schools and a few of the main city parks, means that vendors can operate in high density areas, such as downtown Los Angeles, with significant freedom; although restrictions on time spent in a single area can hamper sales.



The single greatest difficulty to doing business in Los Angeles is that there is no one Los Angeles. As one owner in our survey cited, "Paying \$100-\$600 per permit for each county and city gets incredibly expensive." A food truck that might only operate in the city of Los Angeles for a few days has to go through the same procedures and payments as if it operated there for 365 days. This problem is compounded between the dozens of city and county jurisdictions a roving food truck will encounter. Most trucks by necessity operate in significant stretches of the metro area, and there they find additional hurdles beyond permitting. West Hollywood, for instance, requires trucks to move every hour to a different street. Allowing trucks to obtain permitting across a single county may go a long way toward lowering the real cost of doing business in the Los Angeles area.

NEW YORK CITY

OVERALL RANK 9

New York City ranked ninth overall in our index, but there is a greater story beneath the surface. As with many instances of local regulation, what is on the books is only part of the story. Paying a little over a thousand dollars to drive into business seems costly but manageable. The same goes for New York City's operational restrictions.

But the cap on the number of licenses available for food trucks in New York City is unusually harsh for a major city.

AS A RESULT, ACQUIRING A TWO-YEAR VENDING PERMIT MEANS SITTING 15 YEARS ON A WAITING LIST OR PAYING UPWARDS OF \$25,000 ON THE BLACK MARKET.

"Permits are impossible to legally obtain," confessed a local food truck owner. New York City is essentially closed to new food trucks.

The burden of these limits are clear from our survey. Eight respondents gave some of the lowest scores for any of the cities we studied. From a scale of zero (bad) to one (good), New York City government got a 0.125. Meanwhile, on a scale of one to five (with five being good), zoning, employment, and licensing all received scores in the ones.

No food truck can vend from metered parking, which effectively closes off the great majority of Manhattan to doing business. Even open parking spots must be 10 feet away from a crosswalk and 20 feet from a building entrance. As a result, a \$65 ticket from police is a constant cost of doing business, and owners often find themselves crowded on certain blocks.



Employing workers is particularly difficult. All employees—from cashiers to experienced chefs—must acquire a food handler's license and take a class from the health department, a process that takes at least a month. Those employees, in this instance, are treated the same as if they own the business, which means an additional license to be able to collect and pay sales taxes, and continual tax filings even when they paid no sales taxes.

This much is clear, respondents claim: "Licenses and permits are completely broken in NYC." Even when permitted, "Agencies use food trucks as a cash cow to milk with excessive fines." Adam Sobel, owner of a popular vegan food truck, shuttered his business in 2015, saying, "You kind of have to be crazy to have a food truck in New York."

NASHVILLE

OVERALL RANK

10

Nashville's middle-of-the-road food truck regulations placed it tenth on our index. Operating costs are average and the interactions with city offices appear to be manageable. Truck registration costs are on the high side—\$487.75, in addition to a \$120 water permit, among other fees incurred before driving off.

NEVERTHELESS, THE 150-FOOT RESTRICTION AROUND COMPETING RESTAURANTS IS HIGH AND UNUSUAL.

Parking closer to a restaurant requires permission from the owner. Zoning in general invited a tepid response from food truck owners in our survey. They noted that it's often "unclear where you can and can't park," and that neighboring suburbs require additional permits.



Raleigh scores above average in terms of food truck regulations. Even its lowest ranking on our index, complying with restrictions, is due more to the number of proximity limits rather than their distance. The city operates under a 2016 pilot program that limits the public right-of-ways that food trucks can service, but enables them to vend under a lighter regulatory burden.

THE DIVERSITY OF REGULATIONS ACROSS THE RALEIGH METRO AREA ADDS TO THE COST AND COMPLEXITY FOR FOOD TRUCKS DOING BUSINESS.

“Even though we have a statewide license,” noted a local survey respondent, “each county, city, and town has its own process, application, and fee for doing business in their area. None of these processes are streamlined or simple.” Government support ranked poorly in our survey as a result. Zoning, licensing, and taxes all scored poorly as well (2.6 out of 5.0) for the same metro-level complexity. Of the cities near Raleigh, Durham appears to be the friendliest to food trucks.



ST. LOUIS

OVERALL RANK 12

St. Louis' regulatory environment for food trucks ranks near the middle of the cities we studied. The city's mobile vendors enjoy low startup fees (\$1,204 altogether). Food trucks also have an easily navigable city website for understanding the startup process. Nevertheless, there are numerous agencies to deal with in starting up; "the process is poorly defined and employees of the city do not completely understand it either," said one own local operator. Further, there are more than 100 townships in the St. Louis area, each with its own fees and permitting processes.

The city is highly restrictive when it comes to food truck operations.

TRUCKS CANNOT VEND WITHIN 200 FEET OF A RESTAURANT
OR IN "PARKS AND PLACES WHERE PEOPLE CONVENE,"
NOTED ONE OWNER.

Serving late-night crowds is out of the question, since trucks must shutter by 10 p.m. Unusually, the city requires that a "flashing signal device is needed to indicate when sales are being transacted."



Chicago's food truck scene appears to be stalling out due to onerous regulations. One truck owner recently lost a multiyear court battle to overturn rules on when and where mobile vendors could operate. Since the suit was filed in 2012, the number of food trucks in Chicago has fallen by half. Combined with an unfriendly business environment and some of the highest taxes in the country, food trucks expressed strong frustration in our survey. Numerous owners called for the city to "lessen restrictive laws" and promote food trucks as much as they already seem to do for brick-and-mortar restaurants.

When it comes to dealing directly with regulators, Chicago ranks below the average of the cities studied in this report. The city has one of the most extensive processes to obtain a permit, though the city helpfully aggregates the bulk of its licensing requirements on one page online. Owners must first meet with a business consultant, and fill out an extensive pre-application form so that the city may decide if they are qualified to start a food truck business. Menu requirements are extensive, requiring applicants to list every ingredient used for each item (even pre-packaged goods), and every menu change triggers an inspection.

The experience of operating a food truck in Chicago is perhaps one of the most difficult in the country.

NO FOOD TRUCK CAN OPERATE WITHIN 200 FEET—ROUGHLY THE WINGSPAN OF A 747 JUMBO JET—FROM THE FRONT DOOR OF ANY RESTAURANT, GROCERY STORE, OR EVEN VENDING MACHINE.



If a food truck owner violates this ban, he or she faces fines of up to \$2,000, or 10 times the fine for parking in front of a fire hydrant. As one owner noted in our survey, the proximity rule "treats food trucks as criminals rather than as entrepreneurs, and creates an unnecessary and ridiculous environment in which trucks must break the law in order to have any hope of meeting costs or making money."

Combined with the city's proximity and parking restrictions, only 3% of the downtown Loop is legally open to food truck operators. Even most private lots are off-limits; only parking lots approved for commercial use may be used. Trucks are often forced to pay "spotter cars" at least \$80 a day to save the most lucrative legal spots. Moreover, a truck cannot remain in one location longer than two hours, which is hardly enough time to cook, sell, and properly dispose of food for a lunch rush hour. These rules are enforced vigorously in what the Chicago Sun-Times labeled a "blitzkrieg of citations and fines against food truck owners."

Further, Chicago requires food trucks to install GPS tracking devices, similar to Boston, which must report their location every five minutes. The city has yet to access the data, though it promises it may for health inspections. As it stands, the average food truck receives about 15 inspections a year.

PHOENIX

OVERALL RANK 14

Phoenix layers on a number of restrictions for food trucks, but with few exceptions these rules are not unusual or costly.

WHAT STANDS OUT IS THE NUMBER 1,320—THAT IS THE MINIMUM NUMBER OF FEET THAT MUST BE BETWEEN TWO FOOD TRUCKS ON THE SAME SIDE OF A STREET AND IS ABOUT TWO CITY BLOCKS.

Even for a sprawling metro area like Phoenix, that is a significant proximity restriction and far from the only one enforced.

Sprawl itself is a barrier to doing business in Phoenix. Numerous food truck operators cite the wide variance in regulations between cities in the wider metro area; Chandler, Mesa, and Glendale were fingered as being less friendly. Some localities require peddler permits simply for vending at a private event once in a year. Combined with fingerprint cards for each employee, the costs and complexity of regulatory compliance can quickly add up.



Columbus' middle-of-the-road approach to regulations appears to be working for the city's food trucks.

OPERATING A TRUCK IS RELATIVELY EASY AND THE HASSLES OF STARTING UP ARE COMPARATIVELY LIGHT.

Food truck owners similarly report solid ratings overall for doing business in Columbus. Most reported government to be very supportive.

The sharpest worries had to do with zoning and the use of public right-of-way. Proximity restrictions exist in the city, though they appear to be relatively easy to navigate. Food trucks must not operate within 1,000 feet of a school or special event without prior permission. Moreover, a space of 25 feet beyond the truck is to be free and clear of refuse. Parking in public right-of-way is a "hassle to deal with" and costs extra.



SEATTLE

OVERALL RANK

16

Seattle has some of the strictest standards in the country for food trucks. Across nearly every measure in this report's index, from the \$6,211 in permitting fees to the numerous proximity restrictions, the city's regulatory burdens are high. Similar to Boston, Seattle requires additional permits to vend on public property, with costs calculated by the time of a truck's shift and the number of days it is in operation each week. Accessing these locations means contending with an online permitting system that is frequently inoperable, inaccurate, and inflexible, according to food truck owners surveyed.

The structures around taxes, zoning, and licensing in Seattle have some of the poorest grades among food truck operators in our survey. Multiple respondents noted how the cost and burdens of operation appeared to be remarkably greater for food trucks than for brick-and-mortar establishments. For one thing, the time it takes to obtain a permit meant, for one respondent, waiting over a month to start serving food. Changing menus is difficult, which also hurts culinary creativity.

OPERATORS HAVE TO "GO INTO GREAT DETAIL ABOUT OUR MENU AND EACH INGREDIENT THAT WE PURCHASE TO GET OUR PERMIT"



Proximity restrictions mean that no food truck can vend within 50 feet of a restaurant. Additionally, trucks must operate within 200 feet of a bathroom and obtain a signed agreement with its owner for access. These restrictions vary, as they do for permitting, across the Seattle metro area. "One city may charge for multiple permits," said a food truck operator, "but for the exact same thing another city may just charge you \$50 and tell you to have a nice day."

Food trucks are prohibited from preparing ingredients on board, which means paying commissaries upward of \$1,250 a month for their kitchens. These facilities are often crowded and in poor shape. One truck owner called the arrangement a "scam," saying "we are a restaurant on wheels and should be able to prep on the truck."

MINNEAPOLIS

OVERALL RANK 17

Minneapolis is ranked by our measure as one of the five most difficult cities for food trucks to do business. While it is relatively easy to obtain permits and licenses, the city ranks at the bottom on restrictions. Indeed, Minneapolis is one of the most stringent when it comes to proximity restrictions. Twelve proximity restrictions govern distance from restaurants (100 feet), festivals (500 feet), venues (500 feet), park land (200 feet), residential buildings (300 feet), and more. Fees are also high, totaling \$31,694.

The impact of the restrictions was felt among our survey respondents. Zoning scored poorly as did licenses and permits. Truck owners flagged the hassles of vending at large events, such as football games or beer festivals, where there are limited legal zones available (and none in practice). And throughout the state of Minnesota, food trucks cannot vend in one location for more than 21 days straight, which impedes the development of long-term clientele and prevents truck owners from signing long-term parking arrangements. Neither can they vend past midnight (or 10 p.m. within 300 feet of a residential building), which prevents trucks from serving the late-night crowd downtown. "Licensing is very costly and restrictions on locations are very prohibitive to my business," confirmed one respondent. Minneapolis' sister city, St. Paul, was reported as "very good" to "fair" in contrast.



HIGH TAXES AND WAGES ARE TAKING A BITE OUT OF MINNEAPOLIS FOOD TRUCKS. THE CITY WILL SOON INSTITUTE A \$15 AN HOUR MINIMUM WAGE (WITH NO TIP CREDIT). "THIS WILL SEVERELY IMPACT THE FOOD TRUCK COMMUNITY, WHICH EXISTS ON VERY THIN MARGINS AS IT IS, ACCORDING TO A LOCAL OWNER. MEANWHILE, DOWNTOWN MINNEAPOLIS' COMBINED TAXES ON PREPARED MEALS (THE "RESTAURANT TAX") TOTAL 10.775%—THE HIGHEST AMONG THE NATION'S 50 LARGEST CITIES.

SAN FRANCISCO

OVERALL RANK 18

San Francisco ranks among the five most difficult cities for food trucks. San Francisco requires some 32 separate procedures to obtain permits and licenses at a minimum cost of \$3,481 before even driving off the lot. Each permit is valid for one location, meaning that to use the wheels on a truck to move to another vending spot requires going through the same approval process again. Moreover, truck owners must notify competing businesses within a specified radius that they intend to set up shop and receive those businesses' written authorization. The city government has helpfully aggregated information for starting up on one website.

Our survey revealed significant pessimism among food truck owners for government support, licensing, and zoning. One truck owner noted that the "rules are easy to follow," but this respondent (and others) noted that actually dealing with regulators often proves a difficult and lengthy process.

"WE ARE TRYING TO GET LICENSED IN SAN FRANCISCO, AND NO ONE WILL CALL US BACK," NOTED A RESPONDENT.

The permitting process in San Francisco appears to not only be difficult, but one that must be repeated in every locality a food truck vends in throughout the Bay Area. "As we roam, we have double, triple and beyond the cost of permits and licenses than a brick and mortar."



Once a food truck is operational, it cannot operate within 75 feet of a brick-and-mortar restaurant. There are a host of additional restrictions around everything from street artists (8 feet) to street furniture (6 feet). They also face high insurance costs; one owner cited a yearly bill of \$10,000 and another quoted a \$2 million policy.

WASHINGTON, DC

OVERALL RANK 19

The nation's capital is the second most difficult city to do business in as a food truck according to our index. The city scores poorest when it comes to operating a food truck (ranked 19th).

STARTING UP REQUIRES AT LEAST 23 SPECIFIC INTERACTIONS WITH REGULATORS; THERE ARE HIGH STARTUP FEES (\$2,720), ANOTHER 22 RESTRICTIONS ON VENDING, AND SIGNIFICANT ONGOING REGULATORY INTERACTIONS.

There are also oddities: an additional inspection and review process for meatless burritos, a short size limit on trucks (18.5 feet long), and a vendor badge requirement for each worker (with associated fees and processes).

Washington, D.C., has made significant strides in easing its regulatory environment. The metro area received relatively high marks on our survey. However, food truck survey respondents ranked government and zoning poorly across the board. Where vendors can operate was a regular sticking point among our survey respondents. They noted how the city's government did not appear to offer enough public vending spots on its monthly lottery for "Mobile Roadway Vehicles." Trucks may "get one or two spots only per month." Other truck operators noted how "we cannot work near the National Mall during the weekends," where the space is crowded with tourists.



Washington-area food trucks frequently pressed in our survey for streamlining and simplifying permits and licenses. For instance, trucks have to close for the day when they renew their permits because "health and fire inspections happen only in the middle of the day." Similar processes are repeated across the metro area, particularly in Fairfax County.

BOSTON OVERALL RANK 20

Of the 20 cities studied in this report, Boston's regulatory environment was the most difficult for food trucks to navigate.

To get a food truck rolling in Boston requires more than three times the number of procedures as Denver (the city with the fewest required procedures) and, by our estimates, some 22 discrete interactions with regulators. Before getting to this point, owners must craft a business plan showing, among other things, that their products will not "compete with any establishments within 100 feet." Additionally, they must acquire a GPS unit from the city's preferred vendor for \$299, have it installed by that firm for \$89, and begin paying the monthly data charge of \$35.

Monthly zoning permits for public sites represent a substantial cost to food truck operators in Boston.

A FOOD TRUCK OPERATING ONLY AT LUNCHTIME MONDAY THROUGH FRIDAY IN THE LEAST POPULAR ZONES OF BOSTON FACES YEARLY COSTS OF \$14,400 (THAT IS, TAKING THE MAXIMUM OF 12 MONTHLY SHIFTS IN THE LEAST EXPENSIVE ZONE 3 AND ANOTHER 8 SHIFTS IN ZONE 2).



Accessing the "very competitive," "high-traffic locations" of zone 1, such as around City Hall Plaza, results in permitting fees that are 2.5 times higher.

For as intricate and costly as it is to start and operate a food truck in Boston, the city's online permitting portal and food truck startup guide are second to none. Every piece of information and step involved in doing business with the City of Boston is online and easy to navigate. Moreover, once fees are paid for public sites (or access granted for private sites), the proximity restrictions for food trucks are relatively few and light.

Possibly the greatest challenge to a food truck operator in the Boston area is not the city itself, but the overlapping rules and fees administered by townships across the metro area. Food truck owners consistently cited "having to reapply in every municipality" as a major barrier to doing business. One owner, speaking for his industry, said that "we spend most of our time getting these permits, even for a one-day event."

Ric 27 Ric 27

Alhambra
New York City
Style Bagel 6€
BOLLO CASERO DE OVEJUNO Y CASILLERA DE CERDO
TEMPERADA CON PASTA Y QUESO CHEGOLAR
Gazpacho Helado 3.5€
de Sandia Y Cerezas

LAS
Ammas

FRANCH
PTO. N° 102 104



APPENDIX

A: TECHNICAL APPENDIX

B: ABOUT THE AUTHORS

C: ABOUT THE ORGANIZATION

APPENDIX A: TECHNICAL APPENDIX



The *Food Truck Nation* index measures the regulatory costs of doing business imposed on food trucks in 20 cities across the U.S. These 20 cities were selected to be geographically diverse and represent a wide range of economic and demographic factors.

The overall index ranking is based on three components of regulation for food trucks across 20 U.S. cities:

- (1) obtaining permits and licenses
- (2) complying with restrictions, and,
- (3) operating a food truck.

The regulatory burden of each area of regulation is measured by a combination of the required procedures, number of trips to government agencies, and fees paid to government agencies. The Index ranks these 20 cities from 1 to 20, where 1 represents the city with lowest regulatory burden.

Definitions and Assumptions of Areas of Regulation

The *Food Truck Nation* index assesses three areas of regulation across 20 cities in the U.S.

1. **Obtaining Permits and Licenses:** This indicator consists of required procedures, trips to government agencies, and one-time fees paid to city government agencies or other official entities, such as notaries and accredited food safety training facilities, to obtain all necessary licenses and permits from the city to start a food truck business. Regulatory areas include items such as administrative, health and menu requirements, vehicle and safety requirements, employment, and zoning.
2. **Complying With Restrictions:** This indicator consists of the number of restrictions and restricted distance. Cities have different restrictions for food trucks, such as the distance to a brick-and-mortar restaurant, hours of operation, and zoning. We categorize restrictions into three groups: proximity, operation, and zoning. Proximity is the distance from the food truck to another entity, such as a restaurant, a resident, or a school. Operation restrictions include hours of operation, duration in one location, and number of days of service in a year. Zoning includes residential and public areas. Restricted distance is measured by foot from the food truck to the restricted object.
3. **Operating a Food Truck:** This indicator consists of required procedures, trips to city government agencies, and annual fees paid to city government agencies and other official entities, such as accredited food safety training facilities, to operate a food truck. Annual operating requirements include items such as insurance, licenses and permits, taxes, and inspections.

A procedure is defined as any interaction between a food truck owner and government agencies or other entities, such as notaries and accredited food safety training facilities to complete a mandatory requirement. Interactions within a food truck business are not counted as procedures. Interactions between a food truck owner and a third-party entity, such as an accountant or a lawyer on behalf of the food truck owner are not counted as procedures. Any interaction by the third-party on behalf of the food truck is counted as a single procedure.

A trip is a visit to a city government agency or other official entity, such as a notary or accredited food safety facility, to complete a mandatory procedure. Each trip is counted as one business day. Time to process each procedure, including waiting time, is excluded in this measurement. A city government agency visit is completed once the company has received the final document or notification.

Fees paid to a government agency are measured in U.S. dollars and include administrative fees paid to the city government offices or other official entity, such as a notary or accredited food safety facility. Only fees for legal and professional services that are required by law are included in the calculations. Any costs and fees associated with optional third parties are excluded.

Index Construction

The *Food Truck Nation* report's index scores are the simple average of ranking of all three areas of food truck regulation in each city. Each of the three areas of food truck regulation are, in turn, the simple average of the normalized values of procedures, trips, and fees paid to city government agencies or other official entities. Each component in an area of business regulation is ranked relative to the other 19 cities. The Index is modeled after the U.S. Chamber of Commerce's Regulatory Climate Index 2014 and the World Bank's methodology of Business Distance to Frontier in its Doing Business report.

The calculation of the Food Truck Index's Benchmark Ranking involves four steps:

Step 1.

Normalize each component in each of the three areas of food truck regulation against the city with the lowest burden to fulfill the regulatory requirement for that particular component. The formula to normalize each component follows.

Maximum is the highest value of the component, Minimum is the lowest value of the component, and Individual Performance is the value of the individual city. Each score is found with the following equation to normalize the values based on how close they are to either the Maximum or Minimum Value.

$$\frac{100 \times (\text{Max Procedure} - \text{Individual Performance})}{(\text{Max Procedure} - \text{Min Procedure})}$$

For example, it takes 28 procedures in Washington, D.C. (Individual Performance) to obtain a business license to start a food truck, 10 procedures in Denver (Minimum) and 33 procedures in San Francisco (Maximum). The normalized value of "procedures" component of "obtaining permits and licenses" in Washington, D.C. is 21.7, or

$$\frac{100 \times (33-28)}{(33-10)}$$

The score value ranges between 0 and 100, where 0 represents the most difficult city and 100 represents the easiest city.

Step 2.

Calculate the score of each of the three areas of food truck regulation for each city. The value of an area of food truck regulation is the simple average of the normalized values of procedures, trips to city government agencies, and fees of business regulation in each city. For example, the normalized value of "Obtaining Permits and Licenses" in Washington, D.C. is 15.8. The calculation is the simple average of three normalized values of "required procedures" (21.7), "trips to government agencies" (25.6), and "fees" (0.0) in Washington, D.C. The score value ranges between 0 and 100, where 0 represents the most difficult city and 100 represents the easiest city.

Step 3.

Calculate the overall score of food truck regulation in each city. The overall score value of food truck regulation in each city is the simple average of three areas of food truck regulation of the city. For example, the food truck regulation value for Washington, D.C. is 32.9. The calculation is the simple average of three normalized values of Obtaining Permits and Licenses (15.8), Complying With Restrictions (66.1), and Operating a Food Truck (16.7). The score value ranges between 0 and 100, where 0 represents the most difficult city and 100 represents the easiest city.

Step 4.

Rank the scores of food truck regulation of the 20 cities. The overall of Washington, D.C. is 32.9 and is ranked number 18 among 20 cities. It is one of the most difficult cities to have food truck business, just below Boston (20th) and San Francisco (19th).

Data Sources

The *Food Truck Nation* index is based on local laws and regulations in each city. Information and values of procedures, trips to government agencies, and fees are collected from official publications on local government websites available to the public. Our desk research results are then verified with phone calls and interviews with local city officials and experts for the common practice in each city. Local experts are referred by the trade associations and local chambers of commerce.



APPENDIX B: ABOUT THE AUTHORS



About the Authors

Michael Hendrix is the director of state and local policy at the Manhattan Institute.

Lawrence Bowdish, director of research at U.S. Chamber of Commerce Foundation, provided additional research support and development.

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Maleka Momand is the president of Argive and led survey design and implementation.

Gabriela Irizarry, Nathaniel Muramatsu, and Autumn Trowbridge provided analytical assistance to ndp|analytics on the index.

APPENDIX C: ABOUT THE ORGANIZATION

About the Organizations

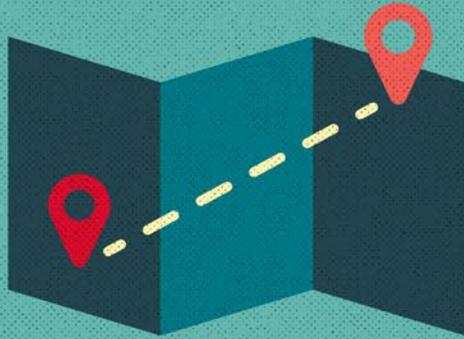
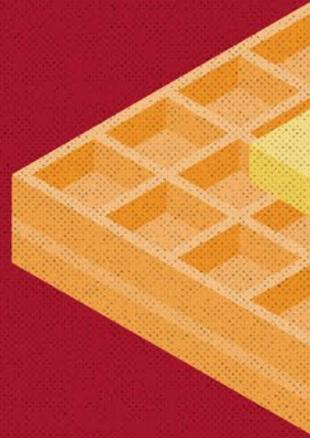
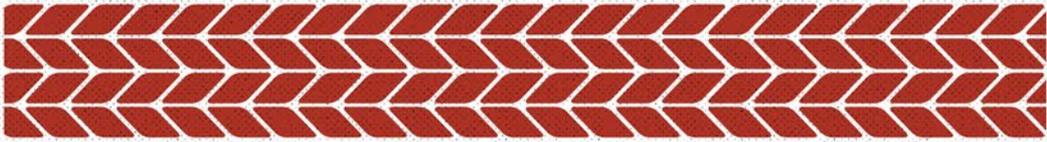
U.S. Chamber of Commerce Foundation is a nonprofit dedicated to strengthening America's long-term competitiveness and educating the public on the conditions necessary for business and communities to thrive, how business positively impacts communities, and emerging issues and creative solutions that will shape the future

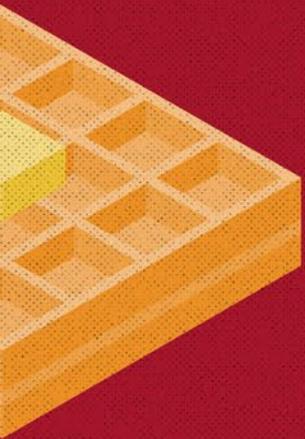
ndp|analytics is a strategic research firm specializing in data-driven economic analysis.

Argive is a 501(c) nonprofit dedicated to improving transparency and accountability in regulatory decision making.

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