

CITY OF MADISON
CITY ATTORNEY'S OFFICE
Room 401, CCB
266-4511

MEMORANDUM

TO: City of Madison Common Council

FROM: Lara Mainella, Assistant City Attorney and OBR staff

DATE: April 3, 2020

RE: Order No. 18: Resolution to waive all Street Vending License Fees under MGO 9.13 for the 2020-2021 vending season, except Camp Randall High Density Vending and UW Game Day Vending licenses, and authorize refunds for the fees already paid for the 2020-2021 vending season.

(Legistar File # 60117)

The Mayor's Emergency Order dated March 26, 2020, item 18, states as follows:

18. All Street Vending License fees for the 2020-2021 vending season, except for Camp Randall High Density Vending and UW Game Day licenses, required under Madison General Ordinances Section 9.13, are hereby waived, and the Office of Business Resources is authorized to issue refunds for all street vending license and late application fees already paid for the 2020-2021 vending season.

BACKGROUND

The COVID-19 pandemic is causing unprecedented disruptions to businesses in Madison with the service industry being particularly hard hit. These small and micro businesses are especially vulnerable since they do not have the safety net many larger businesses have. In the service industry, we have seen layoffs by the thousands in less than a week and it continues to worsen. These small businesses are the backbone of our economy and give Madison its unique flavor. They are a large part of why corporations, tech start-ups and other businesses are relocating or opening in Madison. Emergency Order Number 18 allows Street Vending Staff to refund license holders and put desperately needed funds back in their businesses. It would also allow staff to waive fees and issue licenses so vendors that are currently allowed to operate to do so and prepare the remaining license holders to be ready to operate as soon as orders are lifted and they are able to be open for business.

WHY THIS ORDER IS NECESSARY

The start of the 2020-2021 Street Vending season is quickly approaching. The season runs April 15 – April 14 annually. Vending Licenses are issued to operate Sidewalk Cafés, Merchant Vending (Downtown brick & mortar retailers), Food Carts, and Art & Craft vendors. The loss in business leading into the season has disrupted their day-to-day operations. As the number of special events cancelled grow and customers stay home, the loss in revenue will grow exponentially. Now facing full closures or restricted to carry out or curbside pick-up, brick & mortar businesses along State St., throughout downtown (Mall/Concourse) and citywide street vendors are significantly affected. Their creativity in adapting to these restrictions and the community response has been inspirational. While this response is positive, it does not eliminate the real concern and challenge of how to pay and retain staff and cover operational costs. These businesses are also stepping up to help those in need by providing food to those with the least access to resources. OBR wishes to take action to support them.

It is estimate that 65% of business owners that hold vending licenses are people of color and/or women. Licensed street vendors represents the most diverse group of business owners in the City. Vendors also employ people that are frequently holding more than one job. Supporting these business owners by waiving vending fees for the 2020-21 vending season will have a positive ripple effect on their employees, and a smooth transition to operations once the season is able to start.

ACTIONS TAKEN THUS FAR PURSUANT TO THIS ORDER

OBR staff have created a timeline and implementation plan to refund payments to license applicants and issue needed licenses. Beginning 4/6/20 we submit requests to begin the refund process. Once the refund process is complete, staff will move on to license issuance.

The vending season begins on April 15, 2020 and the Safer at Home Order currently runs to April 24, 2020. Food cart operators are currently allowed to operate under the Governor's order so they will be prioritized for license issuance.

Timeline:

4/6/20 – Refund fees in Accela and populate the COVID-19 Refunds spreadsheet
4/7/20 – Submit the information to Finance to process the refunds via PayPal and issue checks
4/8/20 – Checks run weekly on Thursdays (currently due to COVID)
4/15/20 – Issue Food Cart Vending Licenses
4/24/20 – Issue Sidewalk Café, Merchant Vending, Art & Craft Vending Licenses
Ongoing – Process applications that are only at COI, drawing or new applicants.

Priority #1- Refund Vending Fees in Order by License/Permit Type

1. Refund Sidewalk Café Operators
2. Refund Merchant Vendors
3. Refund Food Cart license fees:
 - a. Mall/Concourse Food

- b. Southeast Campus
 - c. Late Night Vending
 - d. Basic and Umbrella Street Vending
- 4. Refund Art & Craft
 - a. Mall Craft
 - b. Basic Street Vending

Priority #2 - License Issuance in Accela by License/Permit Type

- 1. Issue Food Cart Licenses
 - a. Basic/Umbrella Street Vending & Mall Food
 - b. Basic/Umbrella Street Vending & Southeast Campus
 - c. Basic and Umbrella Street Vending
- 2. Issue Art & Craft Licenses
 - a. Mall Craft
 - b. Basic Street Vending
- 3. Issue Sidewalk Café Licenses that are at Fees or Fees Paid
- 4. Issue Merchant Vending Licenses that are at Fees or Fees Paid

FISCAL IMPACT

The estimated loss in revenue by refunding and waiving these fees is approximately \$232,000. The estimated loss assumes no fee collection for Food Carts (Mall/Concourse, Southeast Campus and Late Night Vending Licenses), Basic/Umbrella Street Vending, Art & Craft Vending, Sidewalk Cafés, and Merchant Vending, for the 2020-2021 vending season.

A table showing the individual license fees to be refunded or waived is on the next page.

License Type	License Cost per License Type	Number of Applicants by License Type	Total Fees Before Late Application Fee Issued	Late App. Fee	Total Late App. Fee Issued	Total Fees Per License Type
Basic Street Vending Annual	\$250	83	\$20,750.00	\$50	\$1,100.00	\$21,850.00
Basic Street Vending Monthly	\$150	0	\$0	N/A	N/A	\$0
Umbrella Basic Street Vending (Food Only)	\$600	42	\$25,200.00	\$150	\$1,225.00	\$26,425.00
Late Night Vending	\$650	4	\$2,600.00	\$125	\$312.50	\$2,912.50
Mall Food Vending	\$1250	41	\$51,250.00	\$250	\$2,750.00	\$54,000.00
Electric Service Fees (M/C Only)			\$3,495.00	N/A	N/A	\$3,495.00
Southeast Campus Vending	\$400	8	\$3,200.00	\$50	\$100.00	\$3,300.00
Mall Craft Vending	\$500	48	\$24,000.00	\$100	\$800.00	\$24,800.00
Mall Craft Reserved	\$150	29	\$4,350.00	N/A	N/A	\$4,350.00
Mall Craft Monthly	\$150	0	\$0	N/A	N/A	\$0
Merchant Vending	\$250	8	\$2,000.00	\$62.50		\$2,000.00
Sidewalk Café (M/C)	\$5.50 per square foot	61	\$77,397.66	\$250	\$4,000.00	\$81,397.66
Sidewalk Café City-wide	\$3 per square foot	18	\$9,415.02	\$250	\$1,500.00	\$10,915.02
TOSVOD	\$50	0	\$0	N/A	N/A	\$0
						\$231,950.18