

CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report

MEETING DATE	AGENDA ITEM NUMBER
February 5, 2013	

TO: Mayor Shoji and City Councilors

FROM: Rodger Craddock, City Manager *RSC*

ISSUE: Proposed Fees and Insurance Requirements on Vending on Public Property

BACKGROUND:

During the Council meeting on January 15, 2013, staff presented information gathered for a proposed change to the Coos Bay Municipal Code to allow vending on public property in the City limits. After staff's presentation, public testimony and Council discussion, Council directed staff to move forwards with the general conditions proposed. In review of the meeting minutes and subsequent Council comments since the meeting, there does not seem to be consensus on the business license fee for businesses vending on public property and insurance requirements.

Business License Fees: As is listed in the Coos Bay Municipal Code (CBMC), everyone conducting business in the City is required to have a City Business License (CBMC 5.05.050 [Ord. 103 § 5, 1987]). Business license fees are established "to provide revenue to pay for the expenses required to issue licenses, to provide revenue to pay for municipal services to businesses, and to regulate businesses (CBMC 5.05.020 [Ord. 103 §2, 1987]).

Currently, the City's annual "General Retail and Service Business" fee is \$25.00 for a small business (businesses with 1 to 5 employees) (Resolution 12-02). This fee is applied equally for businesses operating out of "brick and mortar" establishments located inside the City and for those which are based outside the City but conduct their business inside the City limits.

While it was suggested that the annual license fee of \$50.00 would be appropriate for businesses vending on public property, some have expressed concern that the license fee should be increased. Staff has reviewed the proposed \$50 fee and believes the amount covers the cost to pay the expenses required to issue the licenses, to provide revenue to pay for municipal services (increased solid waste collection), and the revenue to pay for regulation of the businesses by the code enforcement officer.

As these vending businesses will be utilizing the public right-away and more than likely will utilize signs to promote their business, Council may want to require the business owner to obtain a right-of-way use permit. Currently, businesses utilizing sandwich board signs in the public right-of-way require a right-of-way use permit. The fee for a right-of-way use permit is \$75.00. Council may want to consider requiring an annual right-of-way use permit in addition to the proposed annual business license fee for vendors operating on public property.

Insurance Requirements: Generally, the City does not require businesses to provide proof of liability insurance when obtaining a business license unless they are under contract to perform services for the City. Although, individuals and/or organizations which conduct special events on public property involving the use of City provided services (electrical, water, the barricading off

streets, increased solid waste collection, staff presence, etc.) are required to carry commercial general liability (per occurrence) in the amount of \$1,000,000 (Administrative Directive 6). As the proposed conditions for vending on public property requires that the carts / vehicles be self-contained (thus not using City services other than possible increase in solid waste disposal which has been addressed through the increased business license fee), staff did not propose an insurance requirement.

Staff did check with several other jurisdictions and learned the following:

Jurisdiction	Insurance Requirement	Required Limits
Astoria	No Insurance Requirement	N/A
Lincoln City	Insurance is Required	\$200,000 for bodily injury for each person \$500,000 for each occurrence \$500,000 for property damage
Brooking	Insurance Required	Liability insurance required (no amount was listed)
Grants Pass	Insurance Required	Vending carts are only allowed for community or special events and they do require vendors to have liability insurance.
Newport	Insurance Required	Liability insurance in the amount of \$500.00 which names the city as an additional insured.
Sandy	No Insurance Requirement	In the process of adopting requirements and currently they are only proposing to require a hold harmless agreement.

ADVANTAGES:

Setting business license fees at an appropriate level will ensure the cost associated with licensing, providing the City services and regulating the business does adversely impact the City's finances. Requiring a right-of-way use permit allows equitable treatment by all businesses. Requiring liability insurance better protects the City from liability caused by the actions of others authorized to use City property.

DISADVANTAGES:

High business license fees and/or requiring insurance limits equal to the City's exposure under the Oregon Tort Claims limit may limit or prevent vending businesses from opening in Coos Bay.

RECOMMENDATION:

Please provide staff direction on business license fees and insurance requirements for vending on public property and right-of-way.