

Pittsburgh TODAY

YOUNG ADULTS REPORT 2012



INTRODUCTION

The young adult population in any region is a preview of its future. For much of the past three decades, that has been a topic of concern around Greater Pittsburgh. The notion that the region is losing its young adults like few other places in the country became a mantra, a steady drumbeat—a local truism that’s no longer true. Young adults are moving into the region at a steady rate. Impressive numbers are settling in City of Pittsburgh neighborhoods. The region is getting younger. And those demographic changes portend future economic and civic strength for the region.

What follows is an in-depth look at who these young adults are who’ll shape our region in the coming years, from the demographic trends that deflate the myth of their steady exodus to their views on regional issues and experiences living and working in Pittsburgh and surrounding counties.

This report draws on PittsburghTODAY’s own reporting, extensive data and recent research, including a major regional survey and five focus groups, conducted by our research partners at the University of Pittsburgh’s Urban Center for Social &

Urban Research. The Pittsburgh Regional Quality of Life Survey asked 120 questions of more than 1,800 residents of the 32-county Pittsburgh region, including more than 400 young adults, aged 18–34. Completed in the spring of 2012, it stands as the most extensive survey to examine the Greater Pittsburgh region in more than a century.

We hope you’ll read the following report, written by PittsburghTODAY Senior Editor Jeffery Fraser, to gain a better understanding of the facts, behaviors and thoughts of our region’s young adults. Attracting and retaining talented young people is essential to the future of any region, and Pittsburgh is positioned well to attract more than its share. If you’d like to view the complete survey data and focus group transcripts, we invite you to visit the special reports section of pittsburghtoday.org, where you’ll find that information posted.

Finally, we would like to acknowledge the support of The Benter Foundation, which made this project on young adults possible.

Douglas Heuck, Director of PittsburghTODAY

October 2012

EXECUTIVE SUMMARY



Young adults play a crucial role in defining southwestern Pennsylvania today and in the coming years as workers, consumers, parents, neighbors, voters and leaders.

This report draws the most comprehensive profile to date of the young men and women who are so vital to the region's future. It is based on PittsburghTODAY's reporting, as well as an extensive regional survey and focus groups conducted jointly by PittsburghTODAY and its colleagues at the University of Pittsburgh University Center for Social and Urban Research (UCSUR).

Here is a summary of the findings reported in more detail in the pages that follow.

★ The complete young adult data from the 120-question Pittsburgh Regional Quality of Life Survey and the transcripts from five young adult focus group sessions conducted this summer are available on the PittsburghTODAY website in the special reports section: pittsburghtoday.org/special_reports.html

III YOUNG ADULT POPULATION TRENDS

The collapse of steel and other industries that had been the bedrock of the region's economy led young adults to leave by the tens of thousands in the 1980s, leaving a lingering impression of southwestern Pennsylvania as a place that struggles more than most to attract and retain young people. However, U.S. Bureau of Census and other data paint a more positive picture.

- The exodus was brief. At its peak in 1984, an estimated 50,000 residents left, and more than 70 percent of them were under the age of 39. By 1994, fewer than 9,000 residents were leaving the region. Young people made up a much smaller portion of those who departed, while retirees accounted for a larger share.
- Over the past five years, the population of 20-34-year-olds in the Pittsburgh Metropolitan Statistical Area grew by 7 percent.
- An economic forecasting model used by the UCSUR predicts that population will grow another 8 percent by 2020.

Moreover, domestic migration has recently been positive. The majority of those who migrate into or out of a region are better-educated young adults in pursuit of job opportunities.

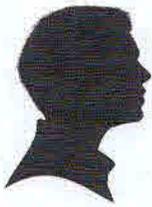
- In 2011, 3,740 more people moved into the region than moved out, continuing a trend that began in 2009. The region is drawing the largest number of migrants from Philadelphia, Washington, D.C. and New York.
- Some 70 percent of new arrivals are under the age of 35 and most are between 22 and 34. Such trends have several implications.

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EXECUTIVE SUMMARY

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- The education level of 25-34-year-olds has risen to where the region now has a young adult workforce that's among the best educated in the nation. The Pittsburgh MSA ranks fifth in the nation for workers aged 25-34 with at least a bachelor's degree and is one of only three regions where more than 20 percent of young workers hold advanced degrees.
- The City of Pittsburgh is getting decidedly younger. For example, the city's population of 18-to-24-year-olds rose 17 percent from 2000 to 2010. Fifty neighborhoods experienced an increase. In 32 of them, the young adult population rose by 10 percent or more.



||| DEMOGRAPHIC PROFILE

The Pittsburgh Regional Quality of Life Survey conducted by UCSUR and PittsburghTODAY involved extensive interviews with more than 1,800 residents in the Pittsburgh MSA and 25 surrounding counties. Included were 417 young adults, aged 18-34, whose responses provide statistical characteristics of that population. Here are the highlights of those data:

- Nearly 77 percent of young adults have lived in the region for at least a decade.
- More than 59 percent live in homes they or their families own.
- Nearly half of young adults in the region earn at least \$50,000 a year or more and 22 percent

report earnings of \$75,000 or more.

- However, young adults are more likely than residents overall to report having difficulty paying their monthly bills, such as their rent or mortgage, water and electric.
- Although 9 in 10 young adults rate their health as good to excellent, 94 percent report stress levels ranging from mild to severe.
- More than 18 percent of young adults are without health insurance, making them the least likely of any age group in the region to have coverage.
- Young adults are much more likely than other age groups to frequently use public transportation.
- They are the most likely age group to attend an art or cultural event or visit a local museum or gallery more than 20 times a year.
- Fewer than 4 percent report having been a victim of a violent crime, but that is more than twice the rate reported by residents overall. And more than 1 in 4 of young adults were victims of property crime in the past year.
- Young adults have the lowest rates of voter participation of any age group. In fact, 1 in 4 report they never vote, even in presidential elections.



||| YOUNG ADULT PERSPECTIVES

The Pittsburgh Regional Quality of Life Survey data and focus group discussions among young

adults provide insight into their views on issues from the quality of life in the region to education, government and environment.

The survey, for example, found that:

- Most young adults give the region high marks for its quality of life with more than 47 percent rating it as excellent or very good. Only 5 percent rate it as poor.
- Nearly half of young adults say race relations are a problem in their neighborhoods, to some degree, although fewer than 4 percent describe the problem as severe.
- Pollution in the region's streams and rivers is of greater concern to young adults than the quality of the air they breathe. In fact, 52 percent feel air quality is not a problem at all.
- A majority of young adults advocate spending more on roads and bridges, schools, and on job creation and economic development in the region.
- Young adults are the least likely of any age group to favor spending less on teachers to balance school budgets.
- And 3 of 4 young adults consider arts education a "very" or "extremely" important component of a public school curriculum.

UCSUR's Qualitative Data Analysis Program further explored what young adults think about the region in a series of focus group sessions conducted this summer for PittsburghTODAY. The findings offer insight into the views and experiences of 32 recent college graduates, young adults who play a role in shaping the region and young adults with less than a bachelor's degree.

For example:

- The region's relatively low cost of living, universities, and cultural and recreational amenities

were among the positive qualities most often mentioned in focus groups by young adults, regardless of their level of education, leadership status or whether they were natives of southwestern Pennsylvania or transplants from other cities and regions.

- Public transportation issues were immediately identified in every focus group session as a regional weakness with complaints ranging from the cost of fares to unreliable service, recent service cuts and outdated payment procedures.
- Some young adults identified the job market as one of the region's strengths, while others viewed it as a weakness. In many cases, the local job market in their field influenced their views.
- Regardless of their education or background, the majority of young adults in the focus groups viewed the region as fairly diverse. But segregation by neighborhood was an issue raised by recent college graduates and young adults in positions of leadership.
- Entertainment, and recreational and cultural opportunities received favorable comments from many young adults for their quality and the variety of options available.
- And several young adults, particularly those in positions of leadership, felt there are ample opportunities for them to initiate change in southwestern Pennsylvania, perhaps more than in larger metropolitan regions. ■



THE YOUNG PEOPLE MYTH

PITTSBURGH IS ATTRACTING TALENTED YOUNG WORKERS AND COULD BE POISED TO BECOME ONE OF THE NATION'S MOST YOUTHFUL CITIES

written by **JEFFERY FRASER**

IN THE NOT-TOO-DISTANT PAST, Border Guard Bob was thought to have been a good idea. He was the face of a short-lived marketing campaign to staunch the flow of Pittsburgh's young to other cities, a problem perceived by some of the region's civic-minded to be grave enough to warrant aggressive action. Bob, a fictional character, was to be featured in ads in full uniform and campaign hat—think Smokey Bear—stopping the young at the border and convincing them to stay in a region of overlooked charms. If persuasion didn't work, Bob would hitch a bungee cord to the back bumper of the departing youth's car and confidently proclaim: "He'll be back."

Bob didn't have the job long. His creator, the Pittsburgh Regional Alliance, pulled the plug on the campaign before the ads aired amid criticism over the transparently desperate image of the region he conjured. As it turns out, his services weren't needed in the first place.

Just as Pittsburgh was undergoing a facelift that turned aban-

doned mills and factories and under-used riverfront into upscale shops, restaurants, apartments and bike trails, it was quietly experiencing a demographic shift that belied the hand wringing over whether it had become a place that young people would rather flee than want to be. Far fewer young people were leaving. Demographic modeling predicted that soon more people would move into the region from other cities than would depart and that young, mobile and better-educated migrants would drive the trend.

When the One Young World summit opens in Pittsburgh in October, the 1,500 international millennials expected to attend will arrive in a city and region that data confirm has become more of a destination than a point of departure and one that is getting younger by the day.

The trends have several implications.

Several of Pittsburgh's oldest neighborhoods are being transformed physically and demographically as young adults move into the city at an impressive rate.

The overall education levels of the region's 25-34-year-olds are today among the highest in the nation, which is a competitive advantage when trying to grow an economy. And incoming young talent is taking a little of the edge off of the very real concern over the depth and breadth of the workforce as more and more Baby Boomers age into retirement.

These young adults are also the most frequent users of the region's revenue-hungry public transit system. They're strong supporters of the arts at the box office. Most have lived in the region for at least a decade. And 6 in 10 are homeowners, according to the Pittsburgh Regional Quality of Life Study conducted by the University of Pittsburgh's University Center for Social and Urban Research (UCSUR) and PittsburghTODAY.

Such developments may come as a revelation to some, but Chris Briem is not among them. Briem, a regional economist at UCSUR, has long been haunted by Border Guard Bob and the fact-resistant notion that the region has a problem attracting and retaining the young, having reported evidence to the contrary in papers, op-ed columns, blogs and newsletters for almost two decades.

It's not that the concern over the region's ability to attract and retain young people has never been warranted. It's that it has persisted well beyond the brief period in recent history during which the exodus of young people from southwestern Pennsylvania was truly alarming and has tended to obscure evidence of the steady, marked recovery that has taken place over the past 30 years and is expected to continue well into the future.

The high water mark of the region's youth exodus came in the early 1980s and was a result of the catastrophic collapse of the steel industry that had been the staple of the economy for longer than a century. Broad recessions and industry-specific downturns come and go. But few regions have endured an economic upheaval as severe as the one in southwestern Pennsylvania. More than 100,000 jobs were lost, most of them permanently. And the flight of residents from the region profoundly reshaped its demographic makeup in ways that continue to be seen today.

"The workers who left weren't a cross-section of the region," says Briem. "This was very age-selective. Young people left. Older folks stayed. If you were a young worker concerned about a future career and you saw what was happening around you, you realized this was not the optimal place to be. And not only did the younger people leave, but they took their families and their future families with them."

The wholesale flight of the young was short-lived. At its peak in 1984, an estimated 50,000 residents left, and more than 70 percent of them were under the age of 39. But in 1994, fewer than 9,000 left, according to U.S. Census data. And young people

made up a much smaller portion of those who departed, while retirees accounted for a larger share.

Yet, the perception of a mass migration of young people out of the region lingered. "It's not a recent phenomena that you can say it isn't true that young people are leaving Pittsburgh any more than you would expect," Briem says. "But there is a persistence of memory in Pittsburgh. If you're older and have memories of that period when young people were streaming out you're probably going to believe that until you die."

The huge loss of younger residents in the 1980s, however brief, did leave an indelible mark on southwestern Pennsylvania. The disproportionately large number of older residents who stayed because of family or slim job prospects or other reasons continues to have an impact on the population, which today remains one of the oldest, if not the oldest, in the nation. As a result, the region experiences more deaths than births year in and year out. And that phenomenon has fueled a decline in population, which is often misread as a sign that residents, particularly young people, leave in numbers greater than in other places.

In fact, the region's population of 20-34-year-olds grew by 7 percent over the past five years, and the economic forecasting model used by UCSUR researchers predicts it will grow another 8 percent by 2020. And last year, 3,740 more people moved into the region than moved out, continuing a trend that began in 2009. While gaining 3,740 people might seem a meager accomplishment, it's a stunning reversal of the region's fortunes considering the 50,000 net loss endured in 1984 at the peak of the out-migration nightmare.

These newcomers arrive from cities across the nation with the largest numbers coming from Philadelphia, Washington, D.C. and New York. For the most part, they are the very people Border Guard Bob was assigned to round up. "Whenever you see a turnaround in migration, it's going to be driven by the flow of younger workers," Briem says.

Celia Franklin is among the recent wave of newcomers. The 26-year-old Chicago native and her husband of a few months decided to leave Washington, D.C., where she recently earned a law degree, to settle in Pittsburgh, where she took a job at the law firm Buchanan Ingersoll and Rooney. "I wasn't going to decide on a city first," she says. "The most important thing was the job.

I thought the firm was great. The people were very friendly and professional. And they had an opening in their energy group, which is the type of law I'm especially interested in. It was after I decided I liked the firm that I asked myself whether I could see myself living in this city."

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THE YOUNG PEOPLE MYTH

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Southwestern Pennsylvania has weathered the recent recession and sluggish recovery better than many other areas, which, economists say, is contributing to the upswing in people migrating to the region. Its 7.1 percent seasonally adjusted jobless rate in July, for instance, was significantly lower than the national rate. Over the past four years, the seven-county Pittsburgh Metropolitan Statistical Area gained more jobs than it lost—an accomplishment that eluded all 14 of the other benchmark regions tracked by PittsburghTODAY.

Some 20 years ago, Border Guard Bob and other equally eclectic schemes were born from the worry that in a region leaking population there wouldn't be enough young talent left to fill the jobs necessary to grow and sustain the new, diverse economy led by medicine, technology, research and education that was rising from the shadows of idled smokestack industries.

The technology sector spinning out from university research labs was seen as particularly vulnerable, says Timothy Parks, director of business development at the Pittsburgh law firm of Morgan Lewis, who during the 1990s was director of the trade group, Pittsburgh Technology Council, and, later, the Pittsburgh Regional Alliance. Several success stories, such as FORE Systems, the computer network equipment company started by four Carnegie Mellon University professors that employed some 1,000 workers, offered convincing evidence that ideas coming out of local computer science, engineering and medical schools could spawn a robust new industry. "The thinking at that point was that we needed more people—people, people, people. We needed more young people and to get them we had to find a way of overcoming the baked-in perception of Pittsburgh as an industrial city going down the tubes, a dead end."

It was determined that the task required unconventional marketing concepts aimed at young talent that were "cool and hip and spoke their language." Border Guard Bob was thought to fit the criteria. The "mystery city" project was another concept born from such thinking. In that one, technology workers in California's Silicon Valley would be offered an all-expense paid trip to an undisclosed location described in terms that made it seem like heaven on earth. Only before boarding the plane would they be told it was Pittsburgh. But word leaked out, solving the mystery for anyone who cared and, like Border Guard Bob, the project was abandoned.

The lesson learned from such exercises, says Parks, is that while southwestern Pennsylvania can spread the word of its charm and attributes, marketing campaigns can't engineer what

it takes to convince someone to pull up stakes and relocate to the region. "There's no question that jobs and opportunity are what attracts people. People usually don't move to a city just to try it out. That's the way life is. What we're seeing today is the result of Pittsburgh having become a multi-faceted landscape of opportunity."

That economic diversity is reflected in the types of jobs that are luring out-of-towners to the region. The fields attracting the

greater share of migrants range from life, physical and social sciences to healthcare, according to an UCSUR analysis of 2006-2010 data from the U.S. Census Bureau's American Community Survey.

Today, the question isn't whether the region offers a diverse menu of job opportunities, but whether the market in specialized fields is deep enough to accommodate a greater number of highly educated young professionals eager to work here.

Lee Goldfarb, 29, wants to return to southwestern Pennsylvania someday. But that depends on whether the Sewickley native, who

has an MBA, can find work compatible with his career path. College led him to leave the region. A job at a bank landed him in Philadelphia after graduation. And an opportunity to work at Booz Allen Hamilton, a McLean, Va. management and technology consulting firm, kept him within the Washington D.C. beltway for the better part of four years. "Opportunities in Pittsburgh are few and far between compared to places like New York, [Washington] D.C., San Francisco and Boston. When you're trying to make a career after you graduate from college, that's a pretty big deterrent."

Thomas Donahue has heard similar stories, although they don't apply to him. The 29-year-old, who grew up in Fox Chapel, is an attorney in the Pittsburgh office of the law firm Dinsmore & Shohl. He is also chairman of Propel Pittsburgh, a city commission of young Pittsburghers that advises Mayor Luke Ravenstahl and city council on policy matters important to young people. "It depends on the field," he says. "If you want to stay and work as a doctor you'll find a lot of opportunities. But I have friends who are passing the CFA [Chartered Financial Analyst exam] and now are demanding a higher salary and there aren't enough jobs in Pittsburgh for them."

And that's a difficult issue for Propel Pittsburgh, or city government in general, to get their arms around. "I think what it will take is to attract bigger businesses and generate growth in the kind of jobs those professionals want, because they want to be here."

Beyond jobs, quality of life issues, such as the cost of living,



THE REGION'S
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7%

IN THE PAST **5 YEARS**

BEST AND BRIGHTEST

PITTSBURGH'S YOUNGER WORKFORCE NEARS THE TOP IN EDUCATION

are also important factors people consider when choosing a place to live and work. An attractive housing market, for instance, was one of the measures that led Moving.com to rank Pittsburgh among its 10 best cities for millennials this year.

What makes a housing market attractive? Appreciating prices, available housing that middle class families can afford and a low rate of foreclosure, according to Forbes Magazine. In 2010, Forbes reported that southwestern Pennsylvania has all three and identified it as having the most attractive market in the country.

Nick Smyth lives in Washington, D.C. in an apartment near Dupont Circle not far from the U.S. Treasury, where the Harvard University graduate works as an enforcement attorney for the Consumer Financial Protection Bureau. He grew up in Sewickley with Lee Goldfarb and, like his friend, has designs on returning to the region. In fact, Smyth has set 2013 as his deadline for doing so. His list of reasons is long, but high on it is the region's budget-friendly cost of living.

"I miss being able to buy a beer for \$2 on Saturday night and having a really nice apartment that I can afford," he says. "I'd love to buy a place and be able to enjoy the outdoors. Pittsburgh has the rivers and bike trails. D.C. has the Mall, which is beautiful, and there are places where you can live and have outdoor space. But they're completely unaffordable. If you want to live near a park in Georgetown you might as well live in Manhattan."

After taking the job at Buchanan Ingersoll and Rooney, Franklin signed a lease with the Heinz Lofts, the upscale North Shore apartment complex of renovated century-old H.J. Heinz Co. buildings. For what she was paying for a studio apartment in Washington, D.C. she now has a two-bedroom within walking

SOUTHWESTERN Pennsylvania's young adults provide a glimmer of hope that the region will be able to meet the daunting challenge of sustaining economic growth as its workforce rapidly ages in the coming years.

An aging workforce certainly isn't a concern exclusive to southwestern Pennsylvania. But the retirement of Baby Boomers, who number about 76 million nationwide, is particularly worrisome in a region that experienced a demographic upheaval three decades earlier when the collapse of the steel industry sent tens of thousands of young adults looking elsewhere for work, leaving a population that's grown older than most.

There are other challenges as well. The region's workforce is lacking in diversity, with no quick fix in sight. And there are serious questions about whether there will be enough less-educated workers capable of filling a growing number of middle-skill jobs that require a high-level of training, but not a four-year degree, such as electricians, legal assistants, healthcare workers and machinists.

The good news is that more people are moving to southwestern Pennsylvania than leaving. And 7 in 10 of the new arrivals are under the age of 35, mostly between the ages of 22 and 34.

Most are coming for jobs, or to look for them. The jobs they come for cover a

broad range of fields, but those that attract the greatest share of young migrants are in the life, physical and social sciences, computer and mathematical fields, architecture and engineering, healthcare, education, and business and financial operations, according to a University of Pittsburgh Center for Urban and Social Research analysis of U.S. Census Bureau American Community Survey data from 2006 through 2010.

As those jobs suggest, much of the growth in regional employment is being seen in professions that demand a high level of education, often a college education. And in that regard, southwestern Pennsylvania's younger workers have become one of its greatest strengths going forward.

More than 48 percent of the region's workers aged 25-34 have at least a bachelor's degree. That's fifth highest in the nation, behind Boston, San Francisco, Washington, D.C. and Austin, according to Current Population Survey data compiled in 2010 by the Census Bureau and the U.S. Bureau of Labor Statistics. Southwestern Pennsylvania is also one of only three regions in the country where more than 20 percent of young workers hold advanced degrees. And no other large metropolitan region has a smaller percentage of 25-35-year-olds who failed to earn a high school diploma. ■

distance of downtown and access to Three Rivers Park, part of a waterfront park system of walking and bike trails along the city's three rivers that connects with the Great Allegheny Passage to Washington, D.C. "I wanted a place on the bus line that was close enough to walk to work," she says. "I also wanted to be in a young

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THE YOUNG PEOPLE MYTH

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neighborhood, not in the suburbs. And being close to the river and trail is exciting.”

She is a member of a generation that studies suggest are much more likely to prefer living in a walkable, vibrant, diverse

REVERSE GRAYING

CITY NEIGHBORHOODS SHOW STRONG GROWTH IN YOUNG ADULTS

A SHARP INCREASE IN YOUNG RESIDENTS is reshaping many of Pittsburgh’s neighborhoods and helping it shed its image of as an aging city.

U.S. Census data show that over the past decade Pittsburgh gained more young people while it lost a significant share of its older residents.

City residents aged 18 to 24, for example, rose 17 percent in the decade from 2000 to 2010. No fewer than 50 city neighborhoods are experiencing an increase in young residents. And in 32 of those neighborhoods, the young adult population has risen 10 percent or more.

The city’s senior population, meanwhile, fell by more than 23 percent over the last decade, and nearly half of the city’s 80 neighborhoods lost more than a quarter of their residents aged 65 or older.

“Most demographic shifts are pretty evolutionary. They happen over a long time and you tend to notice them a decade after they happen,” says Chris Briem, a regional economist with the University of Pittsburgh’s University Center for Social and Urban Research. “There is nothing subtle or slow about what we are seeing in some of these neighborhoods.”

Although Pittsburgh continues to lose people to the suburbs, the losses aren’t occurring evenly across the city. In fact, the populations of 14 neighborhoods are growing, including the Strip District, near North Side, South Side and in around the university district of Oakland.

In general, those neighborhoods added new houses and apartments and had available housing that young adults find attractive. And with few exceptions, they experienced an increase in their young adult populations. ■

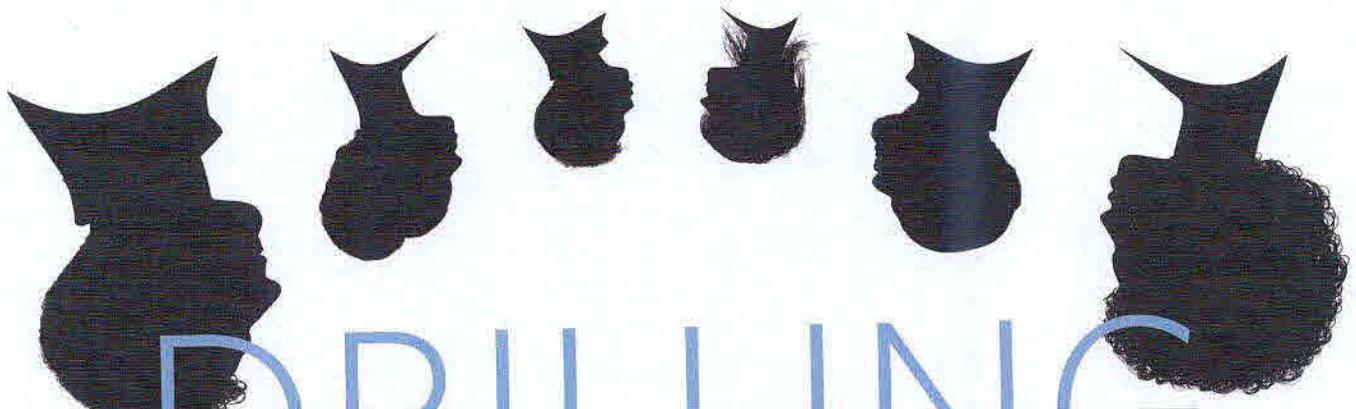
urban community than the generations that came before them. And it is not just new arrivals who are looking to settle in the city. Having been raised in the north suburb of Franklin Park, 26-year-old Annie Clough moved to the city’s Shadyside neighborhood last year when she was hired as programming and member development manager of Pittsburgh Urban Magnet Project, a nonprofit that connects the young and “young-thinking” to the city and one another through civic engagement, a sports league and other projects.

“Since moving, I’ve discovered a whole different part of the city and culture I didn’t know existed,” says Clough, who is among the 65 percent of the nonprofit’s 6,000 members who live within the city limits. “I was Pittsburgh’s Number One fan, but I didn’t know about a lot of its amenities or just how accessible everything is until I lived here.”

Economic modeling suggests the number of southwestern Pennsylvania residents under the age of 34 will continue to grow in the coming years, which is a good thing for a region whose oversized elderly population foretells of steep workforce challenges in the not-too-distant future. Pending retirements among Baby Boomers worry regional development experts, as does the prospect of encountering a shortage of less-educated workers who are able to adapt to the demands of a growing number of middle-skill jobs.

Just as troubling, southwestern Pennsylvania is one of the least diverse regions in the country at a time when diversity is a top selling point among corporations looking to expand, as well as young migrants shopping for a place to call home. “What we’ve heard from some companies is that they want to grow jobs in Pittsburgh, but they can’t find the diverse talent here. So those jobs are being filled in other cities where they have operations,” says Laura Fisher, senior vice president for special projects at the Allegheny Conference on Community Development.

While southwestern Pennsylvania has its work cut out for it, it also has some promising leads. With more than three dozen colleges and universities in the area, for example, there is an ample pool of young, diverse talent to draw upon, including foreign-born students, whom the region has struggled to attract. “If we’re to continue to grow the region and the economy we not only have to make sure that we have skilled workers for the jobs that will be available, but that we also have a diverse pool of talent to offer,” Fisher says. “The good news is that if we do this right, we could end up with one of the youngest populations in the country.” ■



DRILLING DOWN

THE PITTSBURGHTODAY SURVEY UNVEILS THE FACTS ABOUT PITTSBURGH'S YOUNG ADULTS

THEY ARE THE SOURCE FROM WHICH community leaders will emerge. Their numbers and skills will define the region's workforce and the health of its economy for years to come. As citizens, they will shape the future of southwestern Pennsylvania.

Who are these young adults upon whose shoulders so much rests? What are their financial situations, housing arrangements, levels of education, voting habits? What are their views on where tax dollars are best spent and whether the air is clean enough or the rivers too polluted? What do they think about the quality of life the region has to offer? Are they happy?

Answers to those and other questions are found in the Pittsburgh Regional Quality of Life Survey, the most extensive survey of Greater Pittsburgh residents since the historic Pittsburgh Survey was published more than a century ago.

The survey was conducted by the University of Pittsburgh University Center for Social and Urban Research and the regional indicators project, PittsburghTODAY. Its findings are based on interviews with more than 1,800 residents that were completed in November 2011. The residents interviewed lived in a 32-county region that included the seven-county Pittsburgh Metropolitan Statistical and surrounding counties in four states. The 120 questions they were asked focused on categories ranging from overall

quality of life to the economy, environment and their health.

Among those interviewed were 417 residents aged 18-34. The facts and views they offered allowed researchers to draw a statistical profile of young adults in the Greater Pittsburgh area that is the most comprehensive to date. The complete survey data for that age group can be found on the PittsburghTODAY website in the special reports section at www.pittsburghtoday.org/special_reports.html. What follows are the highlights of their responses and a glimpse of the lives and the perspectives of the young adults who are so important to the future of the region.



DEMOGRAPHICS

? What best describes your household's total annual income?

	AGE 18-34	ALL RESIDENTS
\$150,000 +	3%	5.6%
\$100,000-149,000	3.8%	8.1%
\$75,000-99,999	15%	14.5%
\$50,000-74,999	26.9%	21.9%
\$25,000-49,999	27.9%	29.2%
UNDER \$24,999	23.4%	20.6%

DRILLING DOWN



OVERALL QUALITY OF LIFE

While it's true that young adults are more likely than other age groups to have lived in the region for fewer than five years, nearly 77 percent have made it their home for at least a decade. And, like all residents, a sizable majority award the region high marks for its quality of life.

More than 47 percent of residents aged 18–34 rate the quality of life as excellent or very good. Only 5 percent of young adults think the quality of life in the region is poor. The majority of young adults, like most residents, feel the quality of life has remained the same over the past year. And while one-third of young adults perceive the quality of life as having declined, they are one of the least likely age groups to feel that way.

NEIGHBORHOOD

Young adults are much more likely to give their neighborhood high marks as a place to live than not. One reason, perhaps, is that young adults in the region tend to see their neighborhoods as friendly places with more than 8 in 10 saying their neighbors will help others when needed.

More than one in three residents aged 18–34 rate their

neighborhood as excellent or very good. Another 31 percent give their neighborhood a “good” rating. Only 5.5 percent describe their neighborhood as “poor.”

Some 59 percent of young adults in the 32-county region covered by the survey live in neighborhoods they describe as being very or somewhat diverse. Such diversity, the survey suggests, has its challenges. Nearly half of young adults say race relations are a problem in their neighborhoods, to some degree, although fewer than 4 percent describe the problem as severe.

Not surprisingly, young adults are about twice as likely to say they expect to move from their current residence in the coming years than residents of all ages combined. But that doesn't necessarily mean they'll move to a different home or neighborhood in the region. Only about 63 percent see themselves living in the region five years from now—a retention rate far lower than any other age group.

ENVIRONMENT

Although the smoky skies that had defined southwestern Pennsylvania for the better part of a century cleared decades ago with the decline of heavy industry, the region continues to struggle to reduce ozone and fine particle air pollution. Yet, despite the fact this problem has been widely reported, most residents believe air quality is “not a problem at all,” young adults included.

For young adults, pollution in the region's streams and rivers is of greater concern than the quality of the air they breathe. About 52 percent feel air quality is not a problem, but only 29 percent feel the same about river and stream pollution.

Slightly more young adults feel the overall environmental quality of the region is becoming worse than believe it is getting better. And they are three times more likely to favor greater state government oversight of the environment than less.

Extracting natural gas shale beds that lie beneath southwestern Pennsylvania and many parts of West Virginia and Ohio is another high-profile regional issue. It is also one that young adults are much less likely to follow than residents overall.

Their views of the issue are mixed. On one hand, about twice as many young adults support natural gas drilling than oppose it,

GOVERNMENT

Should your local government increase spending, spend the same amount or cut spending on schools?

	AGE 18-34	ALL RESIDENTS
INCREASE SPENDING	61.2%	53.3%
SPEND SAME AMOUNT	28.6%	34.5%
CUT SPENDING	10.2%	12.1%

How often do you vote?



and 9 in 10 believe it offers at least some degree of economic opportunity. On the other hand, more than 82 percent see it as a threat to the environment and public health, and more than one in five describe it as a “significant threat.”

||| GOVERNMENT

Even as local governments struggle to make ends meet, a majority of young adults advocate spending more on roads and bridges, schools, and on job creation and economic development in the region. Whether such sentiments will have an impact on the political landscape is unclear given that, come Election Day, young adults are the least likely of any age group to vote.

Investing more public dollars for economic development and job creation is top on the list of spending priorities, drawing the support of 72 percent of young adults. More than 61 percent favor spending more on schools and 59 percent advocate spending more to improve roads and other critical infrastructure. Young adults are also more likely than other residents to support spending more on human services, public safety, and parks and recreation, although, in each case, the majority favors keeping spending levels the same.

In terms of their political leanings, more young adults in the 32 county, multi-state survey area describe themselves as conservative than liberal. But the majority identify themselves as politically moderate.

Regardless of their political persuasion, 1 in 4 young adults never vote, even in presidential races. Not only is that the highest rate of Election Day no-shows among age groups, but it's four times greater than the percentage of 45–64-year-olds who never vote. Young adults also fall short in voting frequency: Nearly 58 percent of all residents vote in every election, but fewer than 28 percent of residents aged 18–34 vote with the same frequency.

||| ARTS

The region's young adults are active participants and supporters of the arts. They are more likely than older residents to try their hand at creative writing, painting, playing a musical instrument, singing and other art forms. They're more likely to frequently visit a museum or take in a show. They also feel strongly about keeping art education in the local schools.

TRANSPORTATION

? How often do you use public transit?

	AGE 18-34	ALL RESIDENTS
5 DAYS A WEEK OR MORE	11.2%	5.8%
AT LEAST ONCE A WEEK	8.8%	4.6%
AT LEAST ONCE A MONTH	4.9%	4.3%
LESS THAN ONCE A MONTH	15%	13.2%
NEVER	46.6%	55.9%
NONE AVAILABLE	13.4%	16.2%

Young adults tend to support arts and culture more strongly at the box office than through direct donations. In the previous year, more than 38 percent of residents aged 18–34 attended an art or cultural event or visited a museum or gallery at least six times—a rate higher than that of all residents. They're also more likely than any age group to attend an event or visit a museum more than 20 times a year. And they tend to like what they are experiencing with 2 in 3 rating the quality of the arts and cultural offerings they find as good, very good or excellent.

The notion of keeping art in public school curricula gets a big boost from the region's young residents; three out of four of consider doing so “very” or “extremely” important. Only about three percent feel that the arts as a public school budget item is expendable.

||| TRANSPORTATION

Young adults are much more likely than other age groups to frequently use public transportation. And nearly two in three are satisfied with the local bus or rail service they rely on.

One in five residents aged 18–34 say they use public transportation at least once a week—a frequency of ridership found among only 10.4 percent of all residents. And more than 11 percent of young residents use bus or rail service five days a week, making them the largest age group to rely on public transit every weekday.

Although overall satisfaction with their bus and rail service runs high, young adults are not necessarily pleased with its availability. Nearly 72 percent identify the availability of public transportation as a problem with one in four

>>

HEALTH



How would you describe your stress level during the past month?



<<

describing the problem as severe.

As with all residents, there are few young adults who don't see the quality of region's roads and bridges as a problem. When asked about traffic flow along those roads and bridges, about three in four young adults say congestion is a problem as well.

Traveling in and around the City of Pittsburgh is something 26 percent of young residents do at least once a week and 18.5 percent do five days a week. Still, 45 percent say they never travel to the city or do so less than once a month.

||| EDUCATION

Young adults are much less likely to have school-aged children than those who are older. But they do have strong opinions about education. They're more likely to be concerned about the adequacy of public school funding and school safety than residents overall. And they are much less likely to favor spending less on teachers to help balance school budgets.

Nearly two-thirds of all residents of the region feel the financial resources available to their public schools are adequate. But more than 44 percent of young adults consider those funds to be either generally or completely inadequate. That is in stark contrast to residents 65 or older, only 22.4 percent of whom feel school funding falls short of what is needed.

Like all residents, the majority of young adults believe the public schools are safe to some degree. But nearly 18 percent of young adults describe the public schools as somewhat or very unsafe, which makes them the age group

most likely to feel that way.

How schools should reduce spending is a particularly relevant issue at a time when shortfalls in revenues are placing considerable stress on budgets throughout the region. Here, significant differences are found among age groups. The largest gap is in support for cutting teachers and administrators. Nearly 19 percent of residents overall—and more than 26 percent of residents 65 or older—favor cutting funds spent on teachers. But only 10.6 percent young adults believe that spending less on teachers is an appropriate way to balance troubled school budgets.

||| PUBLIC SAFETY

Most residents throughout the region consider their neighborhood to be safer than others and young adults are no exception. And regardless of age, few residents report having been a victim of violent crime. But young adults—those residents aged 18-34—are more likely to have been victim of property crime.

Young adults are more likely than other age groups to feel their neighborhood is both less safe than other neighborhoods and to report an increase in crime over the past year. For instance, although only 13 percent of young adults believe crime is greater in their neighborhood than in others, that is almost three times the rate of adults aged 65 or older who feel the same about where they live. Nearly 1 in 5 young adults feel crime has risen in their neighborhood.

Perhaps such perceptions are colored by the higher rates of victimization found among young adults. Only 3.8 percent report having been a victim of a violent crime, yet that is more than twice the rate reported by residents overall. In addition, more than 1 in 4 young adults have been a victim of property crime, such as burglary or theft, which is more than five times higher than the rate reported by residents 65 and older.

Most residents rate the performance of their local police as good, very good or excellent. But fewer young adults tend to do so. For example, only about 14 percent of residents aged 18-34 say police are doing an excellent job compared to nearly 31 percent of residents who are 65 or older.

||| HOUSING

Not surprisingly, young adults are less likely to own a home than residents overall. Yet, a majority of them do, which likely reflects the affordability of the region's

housing market.

Some 59 percent of residents aged 18–34 report owning the home in which they live. In the 32-county survey region, the highest rate of homeownership among age groups—88 percent—is found among residents aged 45–64.

Young adults generally give the condition of their housing high marks. Nearly 84 percent rate the physical and structural condition of their home as good, very good or excellent and only three percent assess it as poor. More than eight in 10 give the condition of the housing found in their neighborhood high marks as well.

||| ECONOMY

Young adults are among the residents most likely to be employed in the region. Yet, they more likely than residents overall to report having difficulty paying their monthly bills, such as their rent or mortgage, and water and electric.

More than seven in 10 work a fulltime or part-time job and more than 76 percent work at least 35 hours each week. The employment sectors they work in are almost evenly split between the private sector and public sector with 13.5 percent reporting they work for a non-profit.

Like residents of all age groups, the majority of young adults report never having trouble paying for basic necessities. But nearly 31 percent say they do, at least sometimes, and 12 percent say they often or always have a problem making ends meet. Perhaps it's not surprising that more than one in three young adults feel it would be fairly easy or very easy to find a better job, which is something only 22 percent of residents overall believe to be the case.

On the bright side, financial circumstances are already improving for many young adults in the region. More than 42 percent say their financial situation has improved while fewer than one in four residents overall are able to say the same thing.

||| HEALTH

Younger means healthier, at least in self-reported ratings, in which 90 percent of young adults rate their health as good to excellent. But they're more likely to experience stress than residents overall. And no other age group is more likely to say they couldn't afford to visit a doctor when they needed to during the previous year.

Nearly 94 percent of residents aged 18–34 report stress levels ranging from mild to severe compared to 90 percent of the overall sample of

residents in the region. More than half of young adults rate their stress levels as either moderate or severe.

Health care coverage is a particular concern. More than 18 percent of young adults are without health insurance, making them the least likely of any age group to have coverage. Only 10 percent of all residents are without health insurance. Perhaps it shouldn't come as a surprise that the ability to pay prevented nearly 23 percent of young adults from seeing a doctor in the previous year when they needed to due to illness or another health concern.

||| DEMOGRAPHICS

Studies report the educational attainment of young adults in the southwestern Pennsylvania workforce is among the highest in the nation. The Pittsburgh Regional Quality of Life Survey suggests some reasons why that is. Fewer than four percent of the region's residents aged 18–34, for example, report having less than a high school education.

They are also the most likely age group to use the Internet and rely on cell phones. And in terms of their household incomes, nearly half of young adults in the region earn at least \$50,000 a year or more and 22 percent report earnings of \$75,000 or more.

||| HAPPINESS

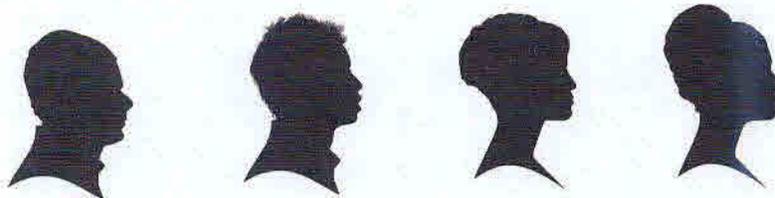
Perhaps it's a characteristic of youth or the promise of untold possibilities that lie ahead, but in a region whose residents are pretty happy to begin with, young adults rate themselves among the happiest. ■

ECONOMY

? In the past three years, has your household's financial situation become...



OBSTACLES AND OPPORTUNITIES



FOCUS GROUP
PARTICIPANTS
SEE A CITY WITH
GREAT PROMISE

THIS SUMMER, 32 YOUNG ADULTS MET in Oakland for a series of wide-ranging conversations in which they discussed their thoughts and opinions about southwestern Pennsylvania and anecdotes about what it's like to be young and live and work in the region as a born-and-raised native, as well as a recent arrival from another city.

They discussed the region's strengths and weaknesses, their community involvement, ideas about change, and their views on employment, transportation, diversity, arts and culture and other issues. Affordable living was among the strengths they mentioned most often, as was the region's universities, and the research and ideas that flow from them. When discussions turned to weaknesses, transportation was a common complaint, particularly the reliability of public transit, and the fact that finding a taxi to take them across town is often a fruitless endeavor.

The discussions took place in focus group sessions conducted for PittsburghTODAY by the Qualitative Data Analysis Program of the University of Pittsburgh University Center for Urban and Social Research (UCSUR), which also provided an analysis of the young adults' responses.

Five sessions were held from July 30 to Aug. 30, 2012 with four categories of residents aged 22-34 years: recent college graduates; a "leaders" group of young adults raised in southwestern Pennsylvania who have a role in shaping the region; another leaders group of young adults raised outside the region; and young adults, aged 25-34, who have less than a bachelor's degree.

Data from this small-sample study cannot be generalized across the entire 22-34-year-old southwestern Pennsylvania population. The purpose, instead, is to offer insight into the views of a select group whose backgrounds and circumstances are part of the fabric of that population.

What follows is a summary of those findings, including comments from the young adults themselves. The complete focus group transcripts and the UCSUR report on its analysis of the data is available on the PittsburghTODAY website, in the special reports section: pittsburghtoday.org/special-reports.html.

REGIONAL STRENGTHS

In all of the focus groups, the young adults identified several regional strengths. High on the list was the relatively low cost of living found in southwestern Pennsylvania. Its universities, cultural amenities and recreational opportunities, relatively low rates of crime, job market and professional sports teams were also among the strengths most often identified by the young adults, regardless of their education, leadership status or where they were raised.

"At my work, we have offices on the coasts as well, and we have a lot of people transferring to our office because the cost of living here is substantially reduced, and it's easy to live in a nice place and be able to send your kid to a nice school. And it's harder in the Bay area," said one young adult in the "young leaders" focus group, who had moved to southwestern Pennsylvania from another region of the country within the past three years.

//
PITTSBURGH CAN STILL
SURPRISE YOU. I'VE
LIVED HERE PRETTY
MUCH MY WHOLE LIFE



AND I STILL
FIND OUT NEW
THINGS TO DO.



"I'd say the universities are an asset because of investment in forward-looking industries like robotics at [Carnegie Mellon University] and healthcare here, and education and science research," said a Pittsburgh-born member of the group of young adults in positions of leadership.

Difficult-to-

measure qualities, such as the overall friendliness of the region's residents and sense of community, were also mentioned. And many, but not all, of the young adults said they are usually not at a loss for entertainment, given options that range from Cultural District productions to happenings in the region's club and bar scene.

"There's just a lot of stuff to do here," said a recent college graduate. "There are a lot of cool museums and places to go, and a lot of good restaurants and bars. And it's very easy to meet friends and family in places, even if it's not in your neighborhood."

"Pittsburgh can still surprise you," said one of the young adults without a college degree. "I've lived here pretty much my whole life and I still find out new things to do."

They also mentioned changes taking place that they see as positive. Examples included the makeover of Market Square in Downtown Pittsburgh; construction of green buildings, such as Phipps Conservatory and PNC's LEED-certified development; revitalization of the city's East Liberty neighborhood; and efforts to improve conditions in the distressed Monongahela River community of Braddock. Even young adults who only recently moved to the region recognized such changes.

The young adults in the leadership group also identified less-apparent strengths. "I would say probably the foundation community," said one in the Pittsburgh-born leaders group. "A lot of non-profits are funded by foundations and [they] fund a lot of vital assets in the community."

And some felt the region is poised to continue to evolve as an attractive place in which to live and work. "I'd like to see Pittsburgh capitalize on some of its advantages, one of them being that it is kind of a pass-through city and it has that as an opportunity to pull people in," one recent arrival to the region said. "And I think a lot of the development that's happened—a lot of friends have moved here because they've

come to visit and just been really pleasantly surprised and impressed with the city. I think that Pittsburgh has the ability to do that. It's able to kind of take advantage of the fact that it's maybe an underdog right now, but can use that to be affordable and be an open place for people in their 20s."

REGIONAL WEAKNESSES

Public transportation, Downtown Pittsburgh businesses closing early and the job market were issues identified in all groups of young adults as regional weaknesses.

Public transportation—the Port Authority Transit system, in particular—clearly touched a nerve. Port Authority transit service was immediately mentioned in every focus group session when talk turned to regional weaknesses, drawing a broad range of complaints from the cost of fares to unreliable service, recent service cuts and outdated payment procedures.

Funding shortfalls have led to a series of Port Authority service cuts in recent years. At the time of the focus group sessions, another round of route reductions were scheduled and were often mentioned in the discussions. One young adult referred to them as "Armageddon" and another as "devastating." The proposed cuts, however, were averted not long after the last focus group met when labor concessions and additional funding from the state and Allegheny County provided the cash-strapped transit agency with short-term relief.

"We covered this in business school—that most CEOs want to move their companies back to their hometown. And



I DON'T KNOW HOW PEOPLE FROM OUTSIDE THE CITY
FIGURE OUT THESE BUS ROUTES... HALF OF THE STOPS
AREN'T LABELED... WHEREAS, YOU CAN GO TO
BOSTON OR D.C. OR NEW YORK AND JUST
PICK UP A MAP AND TICKET AND FIND YOUR
WAY AROUND. //



Pittsburgh's Diaspora is amazing in terms of talent. But now... people want to bring their companies back, but they can't because, 'I can't bring a 1,200-person company to this region if my workers don't have a possible public transportation solution. Okay, I just won't do it, because it wouldn't make sense for the company.' And you see that time after time after time, and it's really holding us back. It's very frustrating," said a Pittsburgh-born young adult who took part in the leaders' discussions.





“I don’t know how people from outside the city figure out these bus routes and bus schedules,” said another. “And half of the stops aren’t labeled and they don’t announce them. Whereas... you can go to Boston or D.C. or New York and just pick up a map and a ticket and find your way around.”

Modernizing the fare system to enable riders to pay with a transit card rather than cash was among the suggestions offered to improve public transit. Expanding weekend service to and from the South Side and other entertainment destinations and extending rail service from Downtown to the student population in the city’s Oakland neighborhood were others. Finding a solution to chronic public transit funding shortfalls was also mentioned.

“I think with the cuts and everything, that’s just the battle between the state and Port Authority, so I think the people are the ones that are losing in that sense,” said a young man in the group of young adults who were not college graduates.

Bus and rail issues weren’t the only targets of complaints. Limited taxi service in the region was sharply criticized. “We need more taxis,” said a recent college graduate. “You can wait, like, two hours for a taxi. It’s really ridiculous. So, I would definitely add taxis. There’s none in Oakland. There’s actually a lot of people visiting for college. I’ve seen so many families on the corner of the street, and like, ‘Hey, do you, like, need help finding something?’ And they’re, like, ‘Is this a good place to find a taxi?’ I’m like, ‘No, no, you’re not going to find one at all.’”



IT’S EASIER
THAN IT MIGHT
BE IN OTHER
CITIES... TO BE A PART
OF [REGIONAL] CHANGE.



“I can only really speak to my area of the public and non-profit sector,” said another. “But for me and for a lot of friends, the job opportunities are mainly temporary and part-time jobs. So, coming right out of grad school with loans, you’re mostly looking at putting together two to three part-time jobs and creating your own benefits, which is kind of difficult, especially if you’re trying to just get started.”

The entrepreneurial climate in southwestern Pennsylvania was another topic of discussion, particularly among young adults who recently moved to the region from other places. They offered conflicting assessments of the region’s capacity to nurture job-producing entrepreneurs.

One, for example, identified as a regional strength “the opportunity to start something new—a lot of young entrepreneurs, both in the nonprofit and the private sector. And ever since I’ve been here—for about four years—that’s been something really impressive to me.”

Another, on the other hand, described the environment to support technology-related entrepreneurs as soft. “So if you want to start a tech company right now for a variety of reasons not necessarily having to do with Pittsburgh, it’s good

to do that in an eco-system like the Bay area or New York or somewhere there’s the resources to really get started and to network and so forth. Pittsburgh doesn’t quite have that, but it has more of an opportunity for that than I think other cities do, simply because of the sheer number of people streaming out of the colleges and universities. It’s regrettable that we don’t provide more infrastructure for that sort of thing.”

EMPLOYMENT OPPORTUNITIES

The breadth and quality of the employment opportunities in a region are key factors in attracting and retaining young adults, who make up the most mobile population in the United States. The young adults who participated in the focus group sessions this summer were of two minds when discussing the job opportunities the region offers. Some saw the job market as one of the region’s strengths. Others viewed it as a weakness. In many cases, their opinions were colored by their assessment of the local job market in their field.

“The profession that I’m going to grad school for is genetic counseling,” said one young adult. “And genetic counselors in Pittsburgh get paid the least in the entire country. So, it’s not my top choice, just because the salary here for that profession is really low and there are more jobs on the East Coast.”

DIVERSITY

Regardless of their education or background, the majority of young adults who participated in the focus groups felt that southwestern Pennsylvania is a fairly diverse place, at least diverse enough for their tastes. However, segregation by neighborhood was an issue raised by recent college graduates and both Pittsburgh-born and transplanted young adults who have a role in shaping the region. Only young adults without a college degree failed to mention residential segregation in their discussions.

“I’ve spent a lot of time in New York. I’ve spent a lot of time in Philly and Richmond and a lot of cities on the East Coast. And they seem more diverse,” said a recent college graduate. “But I think that’s because everyone mixes more together. Here, it does seem very segregated by neighborhood.”

“In terms of ethnic diversity, Pittsburgh is one of the

most segregated cities in the country,” said a young adult in the Pittsburgh-born leaders group. “If you give me your zip [code] plus-four, I can tell you what you look like and how much money you make. And that’s very unfortunate.”

“I think it’s great to have these kinds of places where you can kind of identify a place for its local culture, you know, the people you might encounter there,” said a young adult who recently moved to southwestern Pennsylvania. “But at the same time, I feel like it would be better if all the neighborhoods and all the people were more interwoven across the city as a whole.”

CULTURAL ASSETS, RECREATION, ENTERTAINMENT

Young adults, for the most part, had good things to say during their focus group discussions about the region’s cultural assets and the opportunities for recreation and entertainment it offers.

“If you’re bored on a Friday or Saturday night, there is something wrong with you, not with the region,” said one young adult in the Pittsburgh-born leaders group. “Granted, you have to look in the City Paper... and in 18 different places to find what you want. But there is always something going on. The caliber of our cultural production companies is just phenomenal for the size of the city that we are.”

A young adult who recently moved to the region agreed. “Cleveland is kind of on the upswing culturally right now. But, when I came here from Cleveland, the cultural life in Pittsburgh is miles away for the better. There’s all the theaters [to see films]. And then the theater—I mean, not only the major Cultural Trust theaters, but there’s lots of smaller theater companies around. There’s also, for me personally, such an incredible and vibrant literary community here.”

For some, however, their options are narrowed by the limited availability of public transit on weekends. “Living in Shadyside, if I want to go... down to South Side, I could take

the bus. The buses stop—and now they’re going to stop even earlier—at like 10 [p.m.]. So how am I going to get home?” said a recent college graduate. “I have a taxi number in my phone. Every time I call, it’s the same thing, like, ‘Oh, we’ll be there in an hour.’ Ok, great, like, I want to go home now. So, half the time I don’t even get down to that scene because I’m, like, ‘Well, let’s just go somewhere we can walk.’”

COMMUNITY INVOLVEMENT & OPPORTUNITY

The topic of community involvement was mostly confined to discussions among young adults who are in positions of leadership and have an insider’s perspective of how things get done in the region. Among the insights they shared was the sense that young adults are afforded ample opportunities to initiate change in southwestern Pennsylvania.

“One thing that strikes me from time to time is that because Pittsburgh has been sort of changing over the years, it’s easier than it might be in other cities for you to be a part of that change,” said one young adult who had moved to the region from another city. “If you feel like you want to have bike lanes in the street, there’s a really effective bike advocacy organization, and they were able to make some really good progress. I feel like the barriers to them doing that are smaller here than they might be in a bigger city, or in a city with a more... established and rigid political structure or administrative structure.”

Similar sentiments were expressed in discussions among the leaders group of Pittsburgh-born young adults. One, for example, had this to offer: “I had to talk to my buddy’s poli-sci class. I said, ‘You guys don’t realize that in terms of major cities in America, with Pittsburgh’s size and all the resources you have here, if you get 10 or 15 of your friends on top of an idea, it happens. And I think that’s just one of the great advantages that Pittsburgh has over a lot of other cities in America.’” ■

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Supplement C

STREETS OF DREAMS

**How Cities Can Create Economic Opportunity
By Knocking Down Protectionist Barriers to Street Vending**



BY ERIN NORMAN, ROBERT FROMMER,
BERT GALL AND LISA KNEPPER

STREETS OF DREAMS

HOW CITIES CAN CREATE ECONOMIC OPPORTUNITY
BY KNOCKING DOWN PROTECTIONIST BARRIERS TO STREET VENDING



by Robert Frommer, Erin Norman, Bert Gall and Lisa Knepper
Institute for Justice
July 2011



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EXECUTIVE SUMMARY

Street vending is, and always has been, a part of the American economy and a fixture of urban life. Thanks to low start-up costs, the trade has offered countless entrepreneurs—particularly immigrants and others with little income or capital—opportunities for self-sufficiency and upward mobility. At the same time, vendors enrich their communities by providing access to a wide variety of often low-cost goods and by helping to keep streets safe and vibrant.

With the booming popularity of food trucks selling creative, cutting-edge cuisines, as well as a sagging

economy, interest in street selling is perhaps greater than ever. Nonetheless, complicated webs of regulations in cities nationwide tie up would-be vendors, making it needlessly difficult or even impossible to set up shop in many cities.

This report examines five common types of vending regulations in the 50 largest U.S. cities. All but five major cities have at least one of these types of regulations, while 31 have two or more:

- Eleven of these cities ban vending on public property for some or all goods, limiting the places where vendors can sell and forcing them to partner with private property owners to operate—or to vend anyway and face fines or worse.
- In 34 large cities, entire areas are off-limits to vendors, often including potentially lucrative areas



such as downtown commercial districts or streets around sporting venues.

- Twenty major cities ban vendors from setting up near brick-and-mortar businesses selling the same or similar goods.
- Five of the 50 largest cities prevent mobile vendors from stopping and parking unless flagged by a customer, making it difficult for vendors to establish regular stops or easily connect with buyers.
- In 19 large cities, mobile vendors may stay in one spot for only small amounts of time, forcing vendors to spend much of their time moving instead of selling.

Often in intent, and certainly in effect, these regulations do little but protect established brick-and-mortar businesses from upstart competitors. Typically, the greatest proponents

of vending regulations like these—and opponents of reforms that would create new vending opportunities—are brick-and-mortar businesses. Moreover, the arguments they make for such protectionist regulations—“unfair” competition, health and safety risks and increased sidewalk congestion—fail to stand up to scrutiny.

Instead of supporting economic protectionism, cities can and should encourage vibrant vending cultures by drafting clear, simple and modern rules that are narrowly tailored to address real health and safety issues. Then they should get out of the way and let vendors work and compete.



INTRODUCTION

Yvonne Casteneda awakens at 5 a.m. to begin preparing food for her mobile vending business. She buys ingredients from a local supplier and then takes them to a commercial kitchen where she turns them into the delicious, low-cost burritos that her customers demand. From there, she loads the burritos in her food truck and begins running her route through the streets of El Paso.

Most days, Yvonne will stop at city parks, construction sites and a local plasma center. Before she finishes around dinner time, Yvonne will sell more than 50 burritos and an assortment of soda, candy, potato chips and other prepackaged items. She is proud of the business that she has built, and she works fastidiously to keep her truck in good repair and her city permits in order.

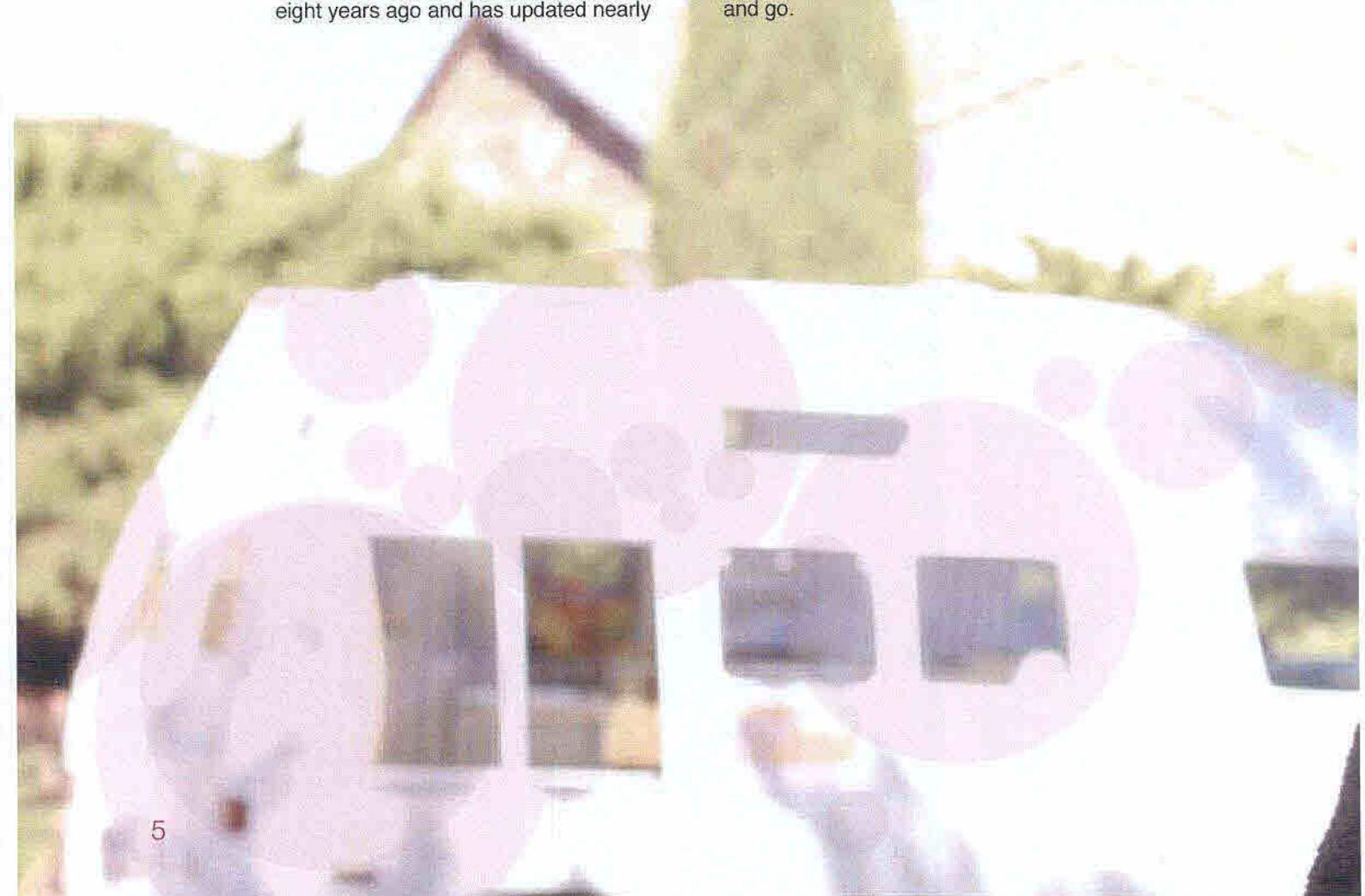
Yvonne's food truck supports her, her husband, who was put out of work by a back injury he suffered on the job, and their daughter. She purchased her 1980s van eight years ago and has updated nearly

all of its components since. Like countless other mobile vendors across the country, owning a food truck has offered Yvonne a gateway to self-sufficiency and entrepreneurship.

Yvonne Casteneda is not alone. In 2007, there were at least 760,000¹ street vending businesses nationwide with revenues exceeding \$40 billion.² These vendors sell a wide variety of goods, including hot dogs,³ gourmet food such as lobster,⁴ clothing,⁵ hats, purses, watches⁶ and other items. Vending is, and always has been, a part of the American economy.

These entrepreneurs bring benefits to themselves and their cities. Yvonne enjoys a good relationship with her customers and the larger El Paso community. She provides a useful service to her customers, from which she makes a modest income. That is why she was stunned when the city of El Paso, where she has lived her entire life, passed a law that threatened to put her and other El Paso vendors out of business.

The new law prohibited vendors from operating within 1,000 feet of any restaurant, grocer or convenience store—effectively turning El Paso into a “no vending” zone. It also prohibited vendors from stopping and awaiting customers, something most vendors do when they park at the curb during the breakfast or lunch rush while customers come and go.



So Yvonne and three other El Paso vendors, represented by the Institute for Justice, sued El Paso in federal court for violations of their economic liberty—the right to earn a living free from unreasonable government interference. The new laws did not protect the public; they protected brick-and-mortar businesses from competition. In response to the lawsuit, El Paso quickly revised its law again and eliminated the restrictions.

Today, mobile vendors can operate almost anywhere in El Paso, and Yvonne is free once more to operate her business and make a living for herself and her family. Unfortunately, many other cities have adopted protectionist restrictions similar to those that El Paso has now abandoned. The vending wars are far from over.



- IJ client Yvonne Castenada

A PIECE OF AMERICAN CITY LIFE

For as long as there have been American cities, there have been street vendors—and regulations intended to limit their opportunities to vend.

For much of American history, public markets supplied consumers with food.⁷ These markets started as open-air marketplaces in city centers. Later on, in response to buyers' and sellers' desires to trade during inclement weather, cities built enclosed market houses to replace these exposed commerce centers. Cities favored this model because it allowed them to profit from the economic activity of citizens; city governments would build the houses and then rent stalls to individual merchants. Both with open-air and enclosed markets, peddlers who could not afford to rent a stall would rent discounted spaces lining the outside of the market or simply set up nearby without formal authority. This created a formal separation between merchants and street vendors.⁸

As cities sought to control public spaces and set limits on when and where selling could take place, vendors often found themselves at odds with municipalities. For example, as early as 1691, New York City prohibited vendors from selling outside of the city-established markets until two hours after the market opened.⁹ Many other cities tried to reduce the number of vendors by

requiring them to purchase a license before engaging in their livelihood.¹⁰

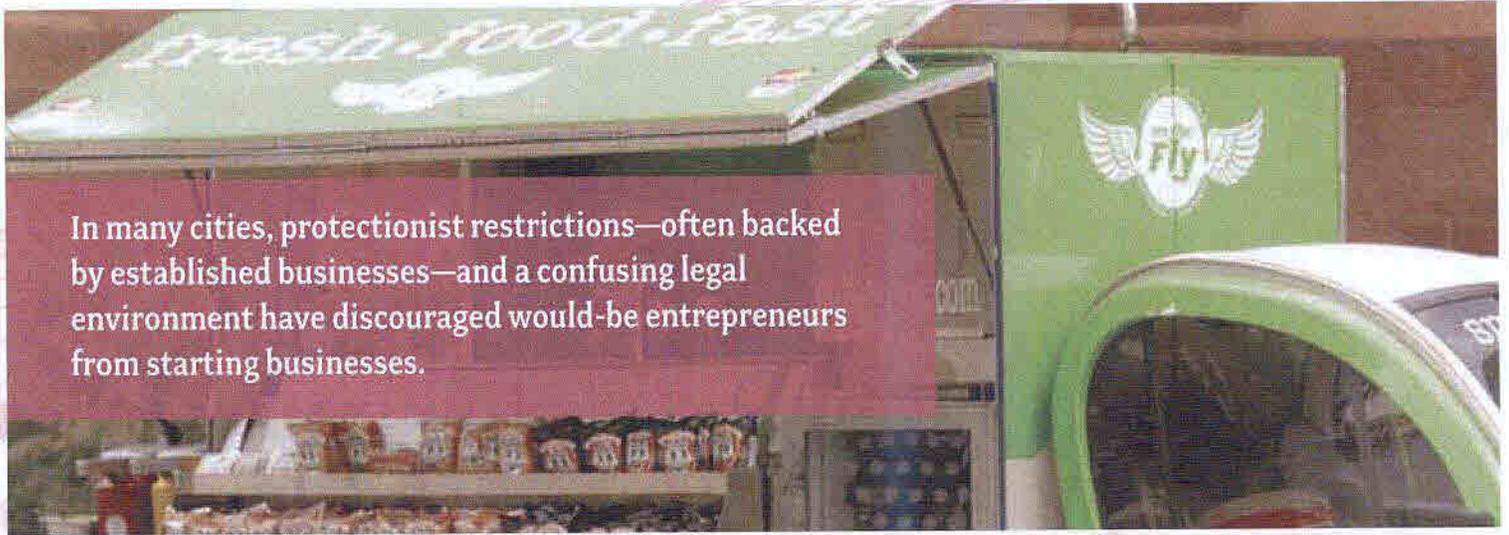
Starting in the late 19th century, the popularity of the public markets began to decline. An urban population explosion caused by immigration and migration from the farm to the city drove the price of centrally located property up to the point where cities and private investors could not justify purchasing land for additional public markets. Private stores, made possible by newly developed wholesaling systems, filled the gap. These stores gave merchants greater flexibility in hours and locations. As a result, many chose to abandon the public market.¹¹

But even as public markets declined, street vendors continued a brisk business among consumers looking for lower-cost goods.¹² For instance, many grocers found it most profitable to operate in upscale urban areas or suburban communities. The lack of a food supply in poor and immigrant downtown areas led to vibrant street vendor communities, which, even if not permitted generally, were tolerated in these areas.¹³

New York's pushcart markets, for example, were populated mostly by recently landed Jewish, Italian and Greek immigrants, and vending was seen as a critical way for the newly arrived to establish themselves in business.¹⁴ Advocates for peddlers often pointed to the economic opportunities the trade offered to the poor. One such advocate described the choices facing vendors due to city-imposed restrictions as "[b]eg – steal or go on relief instead of earning an honest living by peddling."¹⁵

Despite a brief period of encouragement during World War I, cities in the beginning of the 20th century pushed to eliminate vendors. Although officials said the crackdown on vendors was to alleviate overcrowded streets and remove eyesores, there was an underlying desire to make recent immigrants and the poor conform to middle-class standards.¹⁶ New York City's Mayor Fiorello LaGuardia embarked on a quest during the 1930s to eliminate outdoor vendors from New York City.¹⁷ Likewise, Chicago officials moved to restrict vending in the 1920s as part of a larger political battle.¹⁸

These regulatory surges were often supported by a coalition of wealthier businesses such as large merchants,



In many cities, protectionist restrictions—often backed by established businesses—and a confusing legal environment have discouraged would-be entrepreneurs from starting businesses.

department stores and real estate interests. These interests saw vendors as posing both a direct competitive threat to their businesses and an indirect threat by increasing congestion and lowering property values.¹⁹ That evidence for these claims was slim did not impede the regulatory impulse.

By the 1930s, major changes to agricultural, refrigeration and transportation technology transformed the food distribution system, which caused grocery stores and supermarket chains to expand drastically. These changes did not favor street vendors.²⁰ Census records highlight this change: While there were more than three street vendors for every 1,000 workers during the 1880 census, only one in every 1,000 workers held the occupation in 1940. And in later years, the Census Bureau discontinued counting these workers in a separate category,²¹ even though vendors remained active in many large cities.

Today, many cities are seeing an increase in street vending. In particular, the growing popularity of food trucks, which can prepare specialty food items from a variety of locations, is forcing cities to reexamine old vending regulations. But at the same time, it is causing brick-and-mortar businesses to increase their calls for protectionist laws.

This fight is shaping up differently in each city that has confronted the issue. Some cities have worked with vendors to create regulations that encourage the development of new businesses. But in many other cities, protectionist restrictions—often backed by established businesses—and a confusing legal environment have discouraged would-be entrepreneurs from starting businesses.²²

Despite this, the desire to vend remains strong. For example, New York City has capped how many vendors can receive licenses to operate. The artificially low supply of licenses has created a secondary market where a license can go for as much as \$12,000. Other New York vendors who cannot afford a license instead have chosen to simply take their chances without one.²³

TODAY'S "TYPICAL" VENDOR

Today's vendors are a diverse group that sells from both mobile and fixed locations. They are immigrants, minorities, ex-professionals, retirees and young entrepreneurs building new businesses.²⁴

Mohammed Ali, a Bangladeshi immigrant, has been selling hot dogs from a cart for almost a decade. After arriving in New York City in 1990, Mohammed got a job with a restaurant in the Financial District. After the restaurant closed after 9/11, Mohammed was lucky enough to get a rare New York City vending license and now makes \$50 a day selling hot dogs. Although Mohammed's life in America differs from what he imagined it would be, there are some obvious benefits: "My future changed, my sons can go to college, speak good English."²⁵

In a Mexican-American

neighborhood in Chicago, Jose Tafoya sells tamales and other favorite Mexican snacks to the community from his cart. Since selling prepared food on the street is illegal in Chicago, Jose lives in constant fear of incurring fines by the city. His fears are not merely hypothetical: Jose has received three \$250 citations so far. But for Jose the risk is worth it—his small construction business is not enough to keep his family afloat, especially in the winter when construction work is sparse.²⁶

Raúl immigrated to Santa Fe from Mexico to find work. To supplement his income from working in construction, Raúl shines shoes by a local bar. He has become somewhat of a local legend for shining 50 to 60 pairs of shoes each weekend and using popular products only available in Mexico.²⁷

Not all vendors come from humble beginnings. At one time, Fernando Paz made close to half a million dollars a year as a mortgage broker. But then he lost his job and accumulated a large amount of debt. He now supports himself by working 12 hours a day selling tacos and burritos from a truck in Seattle. For his efforts, Fernando makes under \$40 a day. Although he operates legally on private property, Fernando faces serious resistance from nearby restaurants that are upset the city is trying to make vending easier.²⁸



Some vendors have capitalized on the recent popularity of sidewalk selling by offering to teach others the trade. A unique school in Chicago, Hot Dog University, teaches students how to succeed in the business of vending dogs and other snacks. The school has seen a wide variety of students enroll: Laid off corporate employees, ex-factory workers and even retired couples who want to supplement their retirement income have attended in hopes of becoming their own bosses. Darren and Lori West took the class last year after being laid off from the construction industry. They now make between \$200 and \$250 a day vending and are looking to expand their business.²⁹

EXPANDING ECONOMIC OPPORTUNITY

Whether it is the prospect of being self-employed or the promise of a better future, entrepreneurs are drawn to vending due to its unique economic opportunities. Affordable start-up costs, a way out of poverty or unemployment and the possibility of upward mobility make vending an attractive option, particularly for low-income or low-capital entrepreneurs.

Affordable Start-up Costs

Street vending allows entrepreneurs to establish their own businesses at a fraction of the cost of other potential ventures.³⁰ Vending offers a range of entry costs from nothing more than the expense of permits and merchandise to tens of thousands of dollars, providing an avenue to business ownership for people of all socioeconomic levels.

Some mobile vendors, such as the t-shirt vendors outside of Wrigley Field in Chicago, can set up shop on a public sidewalk for just the cost of a permit and the merchandise they sell. One entrepreneur, for instance, created a business in the Chicago market at Maxwell Street by investing only \$2,000 in leather working equipment. Even working only part-time, he earned \$15,000 a year—almost a 40 percent increase in his annual earnings.³¹





Even when business concepts are more sophisticated, the costs are still dramatically lower in the street vending context. Stephan Boillon, a chef in Washington, D.C., wanted to start his own business after losing his job in 2008. Short on capital, Stephan developed a concept for a restaurant that would sell only cold sandwiches, which would eliminate the need to buy expensive cooking equipment. But to set up even this simple concept in a brick-and-mortar restaurant would have cost Stephan \$750,000—not including operating costs such as rent, utilities and insurance. In contrast, the mobile food truck Stephan put on the road cost only \$50,000 to get up and running.³²

Start up costs can be even lower depending on the type of business. For example, prices for a simple hot dog or snack cart start around \$2,000.³³

In large part because of the low start-up costs, street vending offers entrepreneurial opportunities to those on the first rung of the economic ladder. This is especially true for minorities and immigrants often shut out of starting traditional businesses due to high capital requirements and complicated, ever-expanding government regulations,³⁴ including zoning restrictions that constitute large barriers in low-income neighborhoods.³⁵

A Way Out of Unemployment and Poverty

The economic benefits from peddling for low-income individuals have long been acknowledged. In 1726 the Governor of Philadelphia, in refusing to ban vendors, cited the opportunity that vending provided to the working poor.³⁶ Other American cities felt the same way. In New York City, for instance, the city council granted vending licenses to poor individuals as a way of encouraging work.³⁷ And during the 19th century, street vending continued to be a preferred occupation of recent immigrants looking for a place to start in the new country.³⁸

Cities recognized the potential benefits to street vending even during periods when vendors themselves fell out of political favor. In 1914, the city of Chicago recommended that street vendors be encouraged because they "...tend greatly to reduce the high cost of living."³⁹ In

a subsequent report released later that year, Chicago said that “[i]f the opportunity of entering the peddling business in the City of Chicago were made financially easier to its people it is believed a large number of unemployed during times of unemployment or slack periods would enter the peddling business and thus be enabled to earn a living.”⁴⁰

Due to the recent recession, interest in vending as a solution to job losses is growing once again. The co-director of New York City’s Street Vendor Project, Michael Wells, recently said he handled a surge of calls from people who were trying to find a way to make a living after losing their jobs or being laid off. He estimates that up to 10,000 jobs could be created if New York City increased the number of available permits to accommodate those who are currently on New York’s waitlist.⁴¹

In Chicago, a similar vendor association, Asociación de Vendedores Ambulantes, estimates that more than 80 percent of its members, largely immigrants, consider vending to be their primary economic activity. Many of those members want to work for a living and turned to vending after having difficulty finding employment elsewhere. Vending allows these and other entrepreneurs to be self-sufficient even during hard economic times.⁴² Rather than just having their businesses unofficially tolerated by authorities, the Asociación is now asking that Chicago offer licenses to make their work legal.⁴³

Promise of Upward Mobility

Street vending not only creates initial economic opportunity, it also provides the possibility for upward mobility from even the humblest of beginnings.

Many entrepreneurs’ first steps towards long and successful careers came from street vending. Vienna Beef is a food company that makes, among other things, hot dogs and sausages. It started out as a street vending operation⁴⁴ and over time grew to a company with revenues in excess of \$100 million.⁴⁵ Ed Koch, mayor of New York City from 1978 to 1989, spent his teenage years as a Harlem street vendor.⁴⁶ Even for those who do not

reach the highest levels of fame and fortune, vending can help hone valuable business skills. Sheldon Good sold watches on the streets of Chicago as a kid and transferred those skills to a successful real estate career, later becoming the president of the Chicago Association of Realtors.⁴⁷

Many of today’s vending entrepreneurs envision their cart or truck as a starting point that will one day allow them to expand into a brick-and-mortar business. Sam Warner, a street vendor who sells designer clothing, happened into his job when he found himself unemployed and in a unique position to purchase designer clothing at wholesale prices. Over time, Sam refined his sales locations, techniques and suppliers and dreamt of opening his own brick-and-mortar store.⁴⁸ Jason Scott in suburban New Jersey recognized that a truck was the best way to start on the path to owning his own restaurant. In the summer of 2010, Jason successfully made the jump from a mobile food truck to a permanent restaurant.⁴⁹ Naples-born and -trained pizza chef Enzo Algarme and his partner Anastasiya Laufenberg opened a pizza cart in Arlington, Va., in 2007. In about three years, they parlayed the cart’s success into a well-regarded restaurant.⁵⁰

Street vending offers economic opportunity to those who need it most: low-income and low-capital entrepreneurs, immigrants and the unemployed. Encouraging street vending is a way to encourage these individuals to help themselves.

ENRICHING COMMUNITIES

Street vending not only provides opportunity for entrepreneurs, it can add vitality and vibrancy to communities by improving access to goods, particularly low-cost goods, adding variety and helping to keep streets safe.

Improving Access to Goods

The concept of “food deserts,” geographic areas where nutritious food is unavailable or only available at extremely high prices, has recently received a great deal of attention from scholars. These deserts occur most frequently in low-income and minority neighborhoods. While the cause of these food deserts is still unclear, some scholars believe a lack of capital among the poor and higher overhead costs required in low-income neighborhoods (such as increased security in high crime areas) are contributing factors.⁵¹ Although most studies on food deserts focus on major supermarkets, there is evidence that smaller businesses can make a significant impact on a neighborhood’s food supply.⁵² As one of these smaller businesses, street vendors can help to increase a community’s quality of life by improving access to food.

Street vendors have a long history of selling fresh food and other goods in areas where there are no

stores.⁵³ The combination of increased access to goods and gainful employment for the seller creates a positive outcome for the community.

An ethnographic study of street peddlers from the 1980s shows how vendors can help underserved communities. The study paints a clear, if bleak, picture of life in a Southern housing project:⁵⁴

Over the years a number of persons had operated a grocery store adjacent to the liquor store, but always crime had eventually forced the owners to close. Public transportation was sporadic (few bus drivers were willing to go into the area), and less than twenty-five percent of the area’s residents owned automobiles.⁵⁵

Businesses would not locate in the community, and residents had few ways to travel to shopping centers, the nearest of which was four miles away. The net effect was to severely limit the goods available to community residents.

Joseph Lester, an entrepreneur in this community, saw the situation as an opportunity. He established a vending business selling a variety of products to local residents, including perishable and canned food, candy and other snacks, paper products, hygiene items, cleaners and baby items. He made several stops each day in the housing projects chatting with residents, providing their children with small treats and selling goods to those who had few other ways to obtain them.

Joseph’s business was successful in that it let him support himself, but also because it brought a needed service to the community. Being mobile made it possible for Joseph to maintain a much needed business in a high crime area, a feat few stationary local ventures could manage.

Expanding Variety of Goods

Some communities may have regular access to goods but not to a wide variety of products for sale. Due to the flexibility vendors possess, these entrepreneurs can increase the variety of goods for sale.

Street vendors can offer products that are not profitable for sellers in fixed locations, as being mobile exposes vendors to a larger customer base, which is critical when selling niche products. For example, many street vendors specialize in ethnic products not carried by mainstream retail locations.⁵⁶

Vendors can also increase the variety of a city's food options. While a large city might have many food options, people usually spend most of their time in smaller areas close to their home or office. Over time, the food options in these areas can become repetitive and unexciting, but mobile food vendors can add some variety.

And consumers want variety. In 2006, Washington, D.C., surveyed 480 people who work and live in the city about vending. A staggering 82 percent of respondents said they would buy something from vendors if they offered something unique.⁵⁷

More recently, the Institute for Justice surveyed patrons of popular mobile food trucks in Washington, D.C. More than 60 percent of respondents, 41 out of 66, cited variety or novelty as a reason for purchasing lunch from a truck. On average, respondents travelled just two-and-a-half blocks to the trucks, in keeping with the idea that consumers appreciate variety when it comes to them. See Appendix A for additional survey results.

Providing "Eyes on the Street"

According to the influential urban theorist Jane Jacobs, "A well used city street is apt to be a safe street."⁵⁸ Jacobs details several characteristics that lead to safer city streets. The more people who are active outside their homes, the more "eyes on the street" there are watching for crime and other undesirable activities. People need a reason to be out on the street, however, and commercial activity is one of the most compelling reasons. Furthermore, the more diverse the commercial activity, the more vibrant one can expect an area of a city to be. Jacobs referred to "public characters" as those who are always present and talking to members of the community and thereby increase the liveliness and safety of city streets.⁵⁹

Sidewalk merchants possess the characteristics that support the health



Street vending not only provides opportunity for entrepreneurs, it can add vitality and vibrancy to communities.

of a city neighborhood. Vendors are out on the streets for large portions of the day. This not only makes them perfect public characters, but it lets them monitor the streets for potential crime. And by setting up miniature commerce centers, vendors draw residents onto the streets to do the same.

The street vendors of Times Square in New York City proved they could be an effective force in stopping crime in May 2010. Several long-time street vendors in the area noticed a suspicious parked vehicle emitting smoke and alerted police. Police determined that the car contained a bomb and diffused it before anyone was injured.⁶⁰ These street vendors acted as a critical line of defense simply by being present and familiar with the normal elements of the area. On a smaller scale, in December 2008, street vendor and Malian immigrant Aboubacar Lah saw a woman attack and then begin to stab another woman on the street where he was selling in Harlem. Lah stepped in, and despite being wounded himself, was able to stop the assault.⁶¹

STREET VENDING REGULATIONS: 50 LARGEST U.S. CITIES

Despite the benefits of street vending to entrepreneurs and their communities, many city governments have put restrictive regulations in the

way of vendors. We examined the 50 largest U.S. cities, by population,⁶² focusing on five major types of vending restrictions: public property bans, restricted zones, proximity bans, stop-and-wait restrictions and duration restrictions. These are substantive constraints that limit vendors' ability to be successful or to even enter the trade in the first place. We found that all but five cities have at least one of these types of regulations, and 31 have two or more.

Table 1 shows the prevalence of each type of regulation among the top 50 cities, while Tables 2-6 provide greater detail on cities' regulations. Full citations can be found in Appendix B. Particularly with the resurgence of street vending and the popularity of food trucks, cities are constantly updating regulations; these tables and citations are current as of April 2011.

Public Property Bans

Though the details of the regulations differ, 11 cities have some kind of ban on vending on public property such as streets or sidewalks. As Table 2 shows, some of these cities ban only food trucks or food carts. Chicago and Dallas ban mobile food *preparation* while allowing the sale of pre-prepared and packaged food. Long Beach, Calif., bans carts or stands selling flowers and newspapers. Los Angeles allows vending from food trucks on city streets, but bans sidewalk carts.

In Oakland, Calif., food trucks may not operate on public property. Other vendors, such as those operating from pushcarts, may not display their wares for sale but instead must rely on door-to-door style sales.⁶³ Although Oakland recently established a pilot food vending program, these vendors are subject to numerous other restrictions, including strict geographic boundaries. Furthermore, only 60⁶⁴ vendors can operate through the pilot program in Oakland, a city of more than 390,000 people.⁶⁵ That is a ratio of about one food vendor for every 6,500 residents. As of 2006 Austin, population 790,000,⁶⁶ had 648 food vendors, or one for every 1,219 residents.⁶⁷

Generally, public property bans force would-be vendors to partner with private property owners in order to start

Table 1: Prevalence of Five Major Types of Vending Regulations in 50 Largest U.S. Cities

	Public Property Bans	Restricted Zones	Proximity Bans	Stop-and-Wait Restrictions	Duration Restrictions
Albuquerque, N.M.		X			
Arlington, Texas					
Atlanta			X		X
Austin, Texas					
Baltimore			X		X
Boston					
Charlotte, N.C.	X	X			X
Chicago	X	X	X		X
Cleveland		X	X		
Colorado Springs, Colo.					
Columbus, Ohio					X
Dallas	X				X
Denver		X	X		
Detroit			X		
El Paso, Texas		X			
Fort Worth, Texas	X				X
Fresno, Calif.		X		X	
Honolulu		X			
Houston		X			
Indianapolis			X		
Jacksonville, Fla.		X	X		X
Kansas City, Mo.		X	X		
Las Vegas					X
Long Beach, Calif.	X	X			X
Los Angeles	X	X			
Louisville, Ky.		X	X	X	
Memphis, Tenn.		X	X	X	X
Mesa, Arizona					
Miami				X	
Milwaukee		X			X
Minneapolis		X	X		
Nashville, Tenn.		X			
New York		X			
Oakland, Calif.	X	X	X		
Oklahoma City	X	X			
Omaha, Neb.					X
Philadelphia		X			
Phoenix	X	X			X
Portland, Ore.			X		X
Raleigh, N.C.		X	X		
Sacramento, Calif.		X			X
San Antonio	X	X	X		
San Diego		X			
San Francisco		X	X		
San Jose, Calif.		X			X
Seattle		X	X		
Tucson, Ariz.		X	X		X
Tulsa, Okla.	X	X			
Virginia Beach, Va.		X	X		X
Washington, D.C.		X		X	
Number of Cities with Each Regulation	11 (22%)	34 (68%)	20 (40%)	5 (10%)	19 (38%)

Table 2: Public Property Bans Among 50 Largest U.S. Cities

Charlotte, N.C.	Mobile food service vehicles may vend only on private property. They must be 400 feet from any other mobile food service vehicle.
Chicago	Food trucks may not sell on public or private property any food that is prepared or cooked on site.
Dallas	Mobile food preparation vehicles may not sell on any street, sidewalk or other public right-of-way.
Fort Worth, Texas	No mobile vending unit shall be allowed to sell merchandise, sell or serve food on any public street, sidewalk or other public right-of-way.
Long Beach, Calif.	A cart or stand selling flowers and newspapers shall not be located in the public way.
Los Angeles	No person shall on any sidewalk offer for sale any goods, wares or merchandise which the public may purchase at any time.
Oakland, Calif.	Food trucks may only vend from private property. Vendors may not display vegetables, fish or dairy products in or from wagons, vehicles or portable stands on the streets or sidewalks of the city.
Oklahoma City	No peddler or solicitor shall engage in business within any portion of any public right-of-way.
Phoenix	Mobile vendors and mobile food vendors may only operate on private property.
San Antonio	A mobile food pushcart may not operate on the public streets. Peddlers and canvassers are generally prohibited from operating on public property.
Tulsa, Okla.	No person may sell any merchandise from any stand, parked vehicle or other stationary position upon any street or alley.

a business, limiting opportunities both by restricting the spaces where vendors can operate and by giving existing businesses a veto over new ones. In some places, such as Chicago or Los Angeles, vendors defy the bans and take to the streets or sidewalks knowing that they may face fines or their carts and wares may be confiscated by authorities if caught.⁶⁸

Restricted Zones

Rather than banning street vending outright, some cities have restricted the areas in which vending can occur. In many instances, these

restrictions make profitable vending virtually impossible. These types of restrictions are by far the most common. As shown in Table 3, 34 of the top 50 cities—68 percent of those studied—have at least one restricted zone and many have substantially more. Restricted zones often include potentially lucrative areas such as downtown commercial districts and areas around sporting venues.

Although sidewalk vending is technically legal in Chicago, vendors must keep track of a dizzying and growing number of restricted zones. Aldermen continually add more such zones to please the whims of their individual constituencies. The result is eight full pages worth of city code detailing where vendors may not sell their wares.⁶⁹ While officials are able to say vending is legal within the city, the truth is that individual vendors have little choice in where they locate, which profoundly harms their ability to earn an honest living.

Table 3: Restricted Zones Among 50 Largest U.S. Cities

Albuquerque	Public solicitors may not vend in Historic Old Town Zone.
Charlotte, N.C.	No vending in the congested business district, coliseum district or stadium district.
Chicago	Patchwork of prohibited vending zones, including space surrounding sporting arenas.
Cleveland	A mobile food shop may only vend in a ward with the approval of that ward's city council member.
Denver	Food trucks may not sell on the public way in an area known as the Central Business District.
El Paso, Texas	Food trucks may not stop, stand or park in the downtown area unless a special privilege is granted by city council.
Fresno, Calif.	No vending on "Mall Streets" unless one is a Mall Street Concessionaire.
Honolulu	No peddling except for newspapers may occur on a public place in certain specified areas.
Houston	Vending on public property may occur only in the theater/entertainment district.
Jacksonville, Fla.	Vending is prohibited in the area bounded by Florida Avenue, Talleyrand Avenue, the expressway and the St. Johns River.
Kansas City, Mo.	Street vending is prohibited on certain streets and in certain areas as defined by the ordinance.
Long Beach, Calif.	Vending carts are limited to developed nonresidential sites.
Los Angeles	Food trucks may not vend within 200 feet of certain parks. Except as specifically allowed, no person may vend upon any public beach lands or properties adjoining the Pacific Ocean or an adjacent boardwalk.
Louisville, Ky.	No vendor shall be licensed for a location in a Residential Zoned District or Office District.
Memphis, Tenn.	No vending within 200 feet of Mid-America Mall, Mid-South Fairgrounds, the Downtown Loop or any places of historical or public attraction.
Milwaukee	No direct selling may take place in the downtown area that is defined in the ordinance.
Minneapolis	Mobile food vendors may only operate within a defined district's boundaries. Sidewalk food carts may operate only in the downtown Minneapolis area.
Nashville, Tenn.	The sale of goods or services by street vendors is limited to the downtown and certain commercially zoned districts.
New York	No vending within certain commercial districts or within several defined geographic areas.
Oakland, Calif.	Pushcart and vehicular food vending may only take place on certain streets and within certain zoning districts. No peddling whatsoever within a certain defined territory.
Oklahoma City	No food sales from vehicles shall be conducted within a specified area of the city.
Philadelphia	Street vendors may not vend within certain designated areas of the city.
Phoenix	Street vending is prohibited within the Downtown Vending District.
Raleigh, N.C.	Food trucks not allowed within downtown area. Pushcarts may not operate in areas that are not zoned for commercial use.
Sacramento, Calif.	It is unlawful to vend in "Old Sacramento." Food vending vehicles may only operate in a heavy commercial and industrial zoning district, or a commercial and hospital zoning district.
San Antonio	Vendors may not operate within the defined area surrounding the AT&T Center. It is unlawful for any person to peddle on public property in the downtown business district.
San Diego	No person shall operate a mobile food unit on any public street, highway, road, parkway or sidewalk except in a Planned District.
San Francisco	No Mobile Food Facility Vendor shall peddle in a residential district, in a "public use" district that is located on Twin Peaks, or on the north side of Jefferson Street between Jones and Taylor.
San Jose, Calif.	No person shall peddle within the designated arena peddling prohibition zone.
Seattle	Except for vending printed matter on foot, it is unlawful to vend in certain areas. It is also illegal to vend in the area surrounding Safeco Field on a day when an event takes place.
Tucson, Ariz.	Peddlers may not park a vehicle for the purpose of peddling food or wares in the central business district except at certain defined spaces.
Tulsa, Okla.	No vending on the public way may take place within the part of Tulsa bounded First Street, Seventh Street, Detroit and Cheyenne.
Virginia Beach, Va.	No person may vend any goods from public property in the "resort area" during the "prime resort season."
Washington, D.C.	Vending is prohibited upon sidewalks abutting certain squares. Vending may not take place on certain streets identified in the vending ordinance.

Figure 1: Sacramento's Restricted Zones Leave Little Room for Mobile Vending

City of Sacramento



Vending

Mobile Vending Zones

LEGEND

Outside Sacramento City Limits

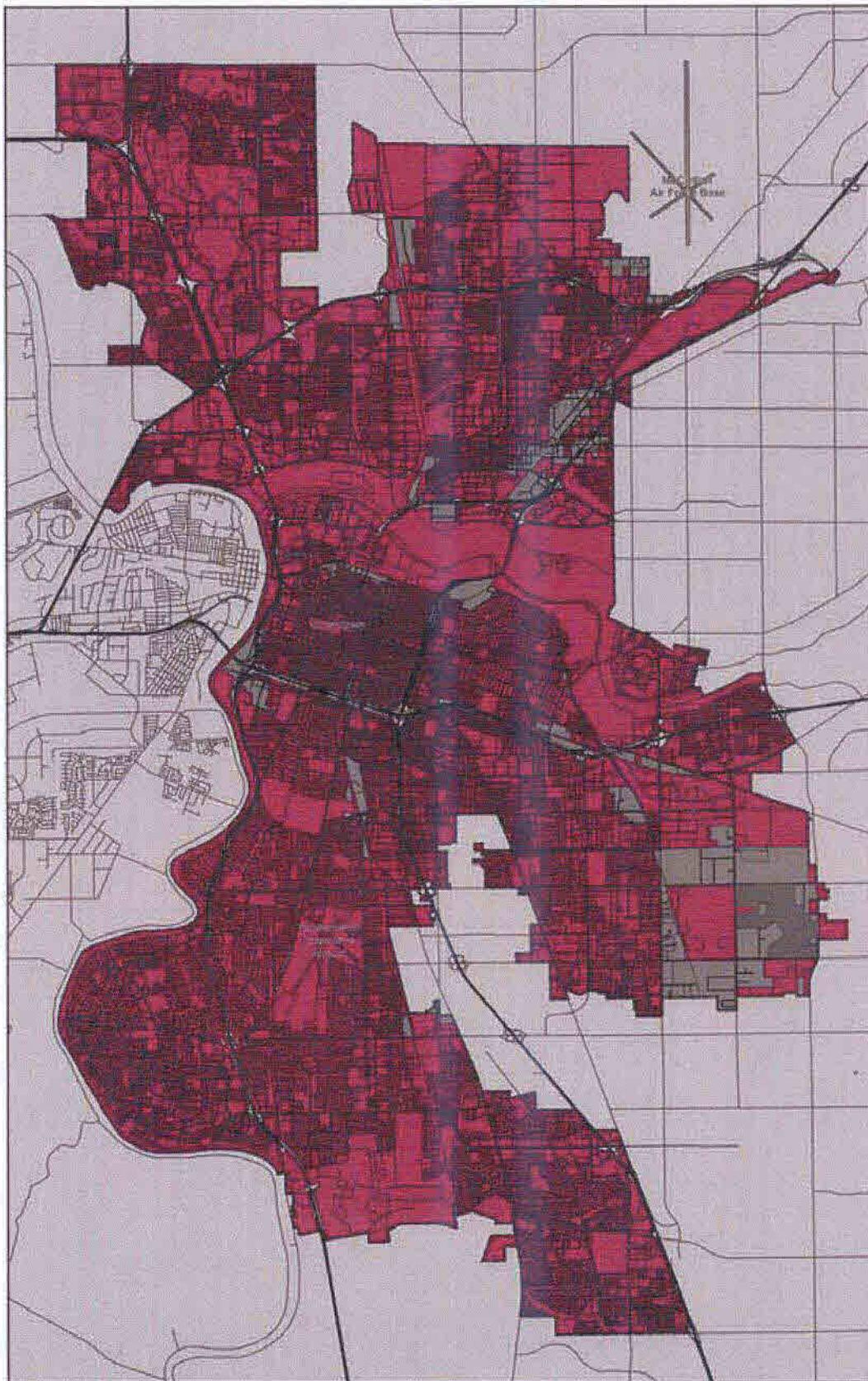
Vending Prohibited

Vending Allowed

City Blocks

Highway

Street



Likewise, in Sacramento, Calif., a patchwork of regulations denies food truck entrepreneurs the ability to serve eager customers. The city's heavily populated downtown is effectively off limits.⁷⁰ Elsewhere, food vendors may serve from public streets, but only if they are 400 feet from another vendor and more than 100 feet from any stoplight or stop sign—and so long as they do not remain in any one spot for more than 30 minutes.⁷¹ Neither can a food truck operate from a stand-alone parking lot.⁷² And if the food truck operator decides to abandon public spaces, he is likewise out of luck: Sacramento law lets food trucks operate only on private property in a few

commercial, industrial and hospital zones. This effectively pushes vendors out to the city's outskirts.⁷³ As Figure 1 shows, vending is allowed only in very small parts of the city.

Proximity Bans

Proximity bans limit how close street vendors can be to certain types of businesses, usually those that sell similar products or restaurants. These laws are

Table 4: Proximity Bans Among 50 Largest U.S. Cities

Atlanta	Persons vending on private property shall not be permitted to operate within 1,500 feet of a permanent business selling the same or similar products.
Baltimore	Food vendors may not sell within 300 feet of a business that sells similar food.
Chicago	Food trucks are not allowed to operate within 200 feet of a restaurant.
Cleveland	A mobile food shop may not vend within 100 feet of a fixed food service operation while the operation is open.
Denver, Co.	Pushcarts, flower carts or other vendors may not be within 200 feet of a restaurant or business selling similar products without securing the business' permission.
Detroit	A vendor may not sell food or goods within 100 feet of any established place of business that sells the same goods unless the place of business provides a signed waiver to the buildings and safety engineering department.
Indianapolis	A food cart may not operate within 50 feet of a ground-level restaurant.
Jacksonville, Fla.	Sidewalk vendors in the downtown area may not vend within 100 feet of any permanent business which sells the same types of products or services; 300 feet outside of the downtown area.
Kansas City, Mo.	Street vendors shall not sell any service or item within 50 feet of an established business offering similar products.
Louisville, Ky.	No mobile vendor shall vend within 300 feet of the entrance to any business establishment that is open and offering similar products for sale.
Memphis, Tenn.	Food trucks may not vend within 50 feet of the entrance of a restaurant when in the central business improvement or within 300 feet of a restaurant's entrance elsewhere.
Minneapolis	No mobile food vendor application will be accepted for a location where a restaurant is adjacent or within 100 feet on the same block.
Oakland, Calif.	A vehicular food vendor shall not locate within 200 feet of any fast food restaurant, other vehicular food vendor, full-service restaurant or delicatessen.
Portland, Ore.	No sidewalk food vendor or flower vendor application will be accepted for a location where a restaurant, fruit and vegetable market or flower shop is within 100 feet unless the application is submitted with the written consent of the restaurant, fruit and vegetable market or flower shop.
Raleigh, N.C.	Sidewalk food carts may not be within 50 feet of the entrance of a food business or outdoor eating area.
San Antonio	Mobile food vending operations shall not be carried on within 300 feet of any permitted food establishment unless written, notarized permission is given by the food establishment owner.
San Francisco	Area businesses may comment on applications for new vending location. In weighing the application, the government may consider whether the proposed operation is located within 300 feet of a business that sells the same type of food or other merchandise.
Seattle	No vending of flowers may occur within 200 feet of an established florist without the written consent of the florist.
Tucson, Ariz.	Peddlers' vehicles must be at least 50 feet from any objecting business in the areas within the central business district where peddling vehicles may vend.
Virginia Beach, Va.	No person shall peddle ice cream or other food items in any business area within the city. The term "business area" shall mean an area within 300 feet of two or more retail businesses.

the most blatant attempt to protect brick-and-mortar businesses from competition. Of the largest 50 cities, 20 prevent vendors from setting up anywhere from 50 to 1,500 feet away from competing brick-and-mortar businesses.

Proximity bans vary in both distance and products covered, as seen in Table 4. El Paso's 1,000-foot proximity restriction, now repealed, was one of the largest, and Figure 2 shows how much of the city it made off-limits for vendors. Atlanta has the

largest proximity ban, at 1,500 feet, though the ban applies only to vendors on private property. (Atlanta has created a government-granted monopoly on public-property vending; see sidebar on page 24.) Baltimore prohibits food trucks from selling within 300 feet of a business that sells similar food; in Chicago, food trucks are not permitted within 200 feet of any restaurant. Jacksonville, Fla., and Louisville, Ky., forbid all vendors from locating within 300 feet of a business selling similar goods.

Restrictions in some cities offer more direct evidence of protectionist intent. Denver, Portland, Ore., San Antonio and Seattle have exceptions to proximity bans that permit selling near a brick-and-mortar business with that business' permission, effectively giving incumbents veto power over

Figure 2: El Paso's Repealed Proximity Ban Made Much of the City Off-limits to Food Trucks

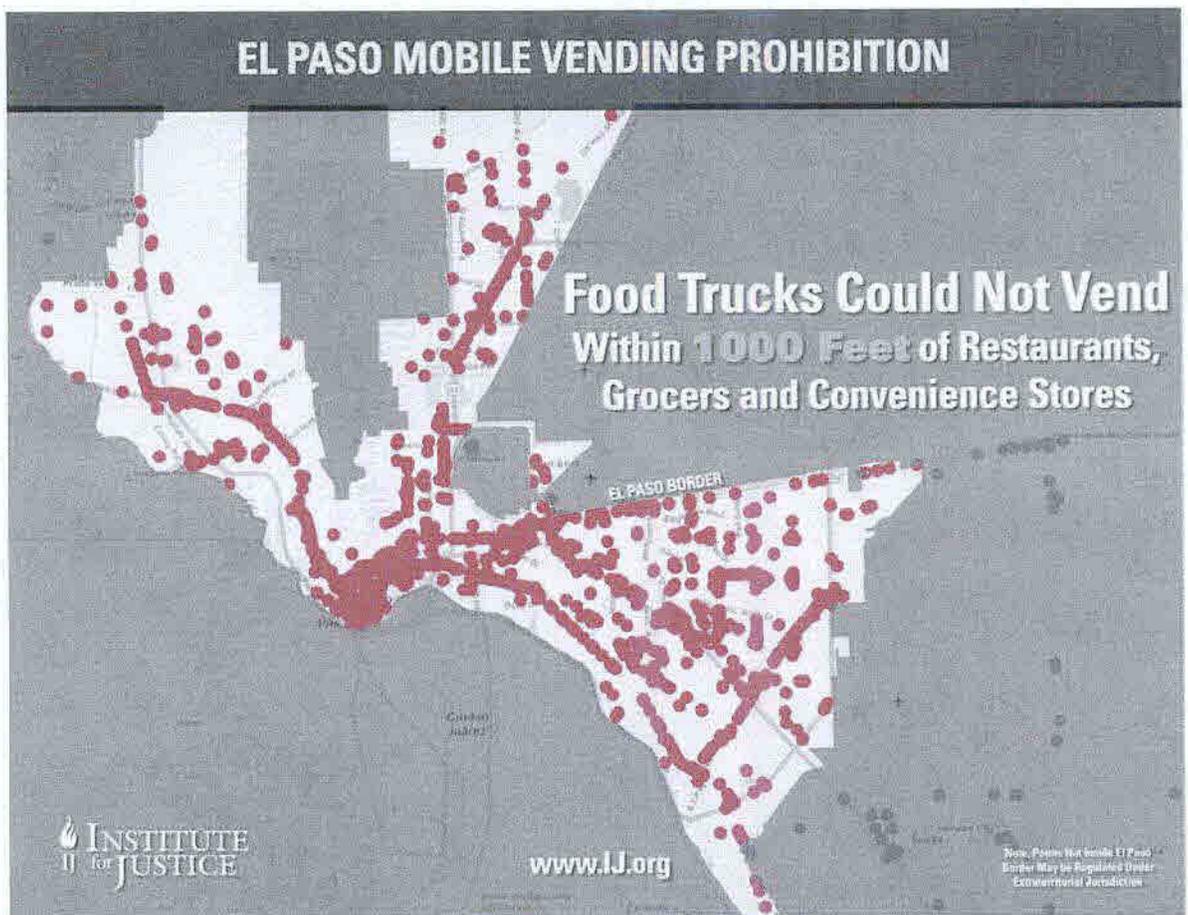


Table 5: Stop-and-wait Restrictions Among 50 Largest U.S. Cities

Fresno, Calif.	Mobile vendors may stand, stop or park only at the request of a bonafide purchaser.
Louisville, Ky.	No mobile vendor shall park, stand, stop or allow a vehicle to remain in any place longer than is necessary to transact immediate business.
Memphis, Tenn.	A "huckster" vehicle (which sells only fruits, vegetables, chestnuts and packaged nuts) shall be kept in motion except when making sales.
Miami	A motor vendor may not remain in a place for longer than necessary to make a sale after having been approached or stopped for that purpose.
Washington, D.C.	A roadway vending vehicle shall not remain in a place for longer than necessary to make a sale after having been approached or stopped for that purpose.

potential competitors. In San Francisco, "affected businesses" within 300 feet of a proposed vending location may argue against the new location.⁷⁴ And in deciding whether to let the new vendor operate, city officials can consider the fact that a nearby business sells the same type of merchandise.⁷⁵

Stop-and-wait Restrictions

Five cities prevent mobile vendors from stopping and parking unless flagged by a customer, as shown in Table 5. Even if a patron stops them, mobile vendors in these cities must move along once all current customers have been served. This makes it impossible for mobile vendors to establish regular stops or easily connect with customers who might want to purchase their goods. It also creates potential traffic hazards: IJ attorneys witnessed mobile vendors in El Paso slowly circling around blocks so that they could stop when hailed by customers, and multiple vendors reported adopting this strategy because of the city's stop-and-wait restrictions.

The rise of Twitter as a social networking tool has helped some vendors get around such rules. In Washington, D.C., for example, food trucks tweet locations in advance so customers can line up and be waiting when the trucks arrive.⁷⁶ But, according to the law, any lull in service during an otherwise busy period would force trucks to relocate even when more customers might be on the way. In D.C., trucks' difficulties are further complicated by regulations that require some types of cooking equipment be stored while driving,

thus forcing vendors to pack up and stow all equipment each time they move.⁷⁷

Duration Restrictions

Even in cities where laws allow mobile vendors to stop and wait for customers, the amount of time they can remain in one spot is severely limited. As Table 6 shows, these duration restrictions exist in 19 of the 50 cities we surveyed and range anywhere from a brief 10 minutes in Long Beach, Calif., to two hours in Chicago. These laws, which force vendors to spend large portions of their day moving from location to location, dramatically reduce the ability of mobile entrepreneurs to be successful.

Of the 19 cities we found with duration restrictions, Baltimore has one of the worst laws. The city's 15-minute time limit is bad enough, but an additional restriction prevents vendors from setting up within 300 feet of any location they have sold at in the past 48 hours.⁷⁸ Vendors

Table 6: Duration Restrictions Among 50 Largest U.S. Cities

Atlanta	No vehicle shall stop or stand and do business for more than 30 minutes.
Baltimore	In a residential area, no street vendor of food products may stand or park his or her vehicle: (1) for more than 15 minutes at a given location; (2) within 300 feet of any location at which the vehicle stood or parked during the preceding 48 hours.
Charlotte, N.C.	No peddler may occupy any space upon any street within one block or occupy any space within a 300-foot distance for a period of more than 30 minutes during any 24-hour period.
Chicago	A food truck may not sell food for more than two hours on any one block.
Columbus, Ohio	No person shall park or stand any vehicle from which anything is offered for sale on any street for a period exceeding 15 minutes.
Dallas	Mobile food preparation vehicles may not stop for more than 60 minutes at one location.
Fort Worth, Texas	Transient food vendors may not stop for more than 60 minutes at one location to sell or serve food without securing Mobile Vendor Certificate of Occupancy.
Jacksonville, Fla.	Street vendors may not remain stopped on any public right-of-way for more than 30 minutes unless the vendor is not selling or displaying any merchandise.
Las Vegas	No ice cream truck or mobile food vendor may vend at the same location more than once a day or for longer than 30 minutes at any one location.
Long Beach, Calif.	No retail food vehicle shall stop for more than 10 minutes unless there are customers waiting to buy the product.
Memphis, Tenn.	A food truck, once parked, must remain in the same spot for at least 30 minutes and no longer than six hours.
Milwaukee	Any person that sells food from a vehicle (other than a motorized food peddler) shall not remain in any location adjacent to any one block area for more than one hour on any one day.
Omaha, Neb.	No person may park or keep a vehicle longer than 30 minutes in one block for the purpose of selling merchandise contained in such vehicle.
Phoenix	No vendor shall park a vehicle on any public street for more than one hour in any eight-hour period at one location. The parking of a vehicle within 300 feet of the original location is considered one location.
Portland, Ore.	No vendor may conduct business in a roadway adjacent to or across from residential property for more than 10 minutes. The vendor must vacate the block where he vended for two hours upon expiration of the 10-minute limit.
Sacramento, Calif.	No vendor may operate for more than 30 minutes in one location, without moving to a new location at least 400 feet away. The vendor may not return to that location again in the same calendar day.
San Jose, Calif.	No motor-vehicle based or mobile unit peddler may peddle at a location, or within 500 feet of that location, for more than 15 minutes within any two-hour period.
Tucson, Ariz.	No peddling may take place for more than 60 continuous minutes, or 120 minutes in any 24-hour period at one location, which is defined as any place within 300 feet from the original parking space.
Virginia Beach, Va.	No vendor may remain within any one-block area for more than 15 minutes before moving to another block. The vendor may not return to that location within an eight-hour period.

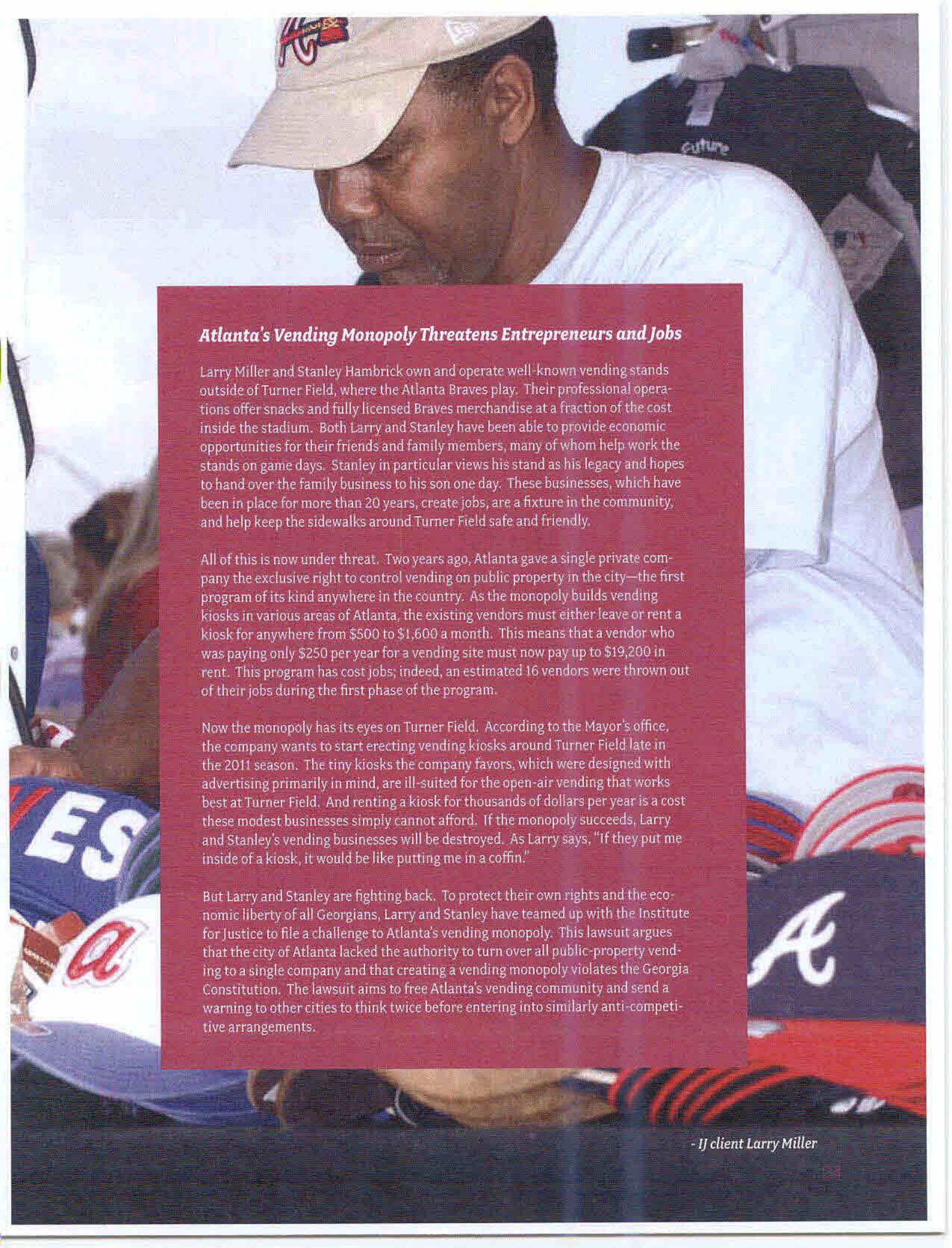
who want to sell for just six hours a day would need to line up 48 unique locations and be prepared to move 24 times a day to comply with the law.

Both duration restrictions and stop-and-wait restrictions might have made more sense in an era where most vendors were ice-cream trucks, but they are simply outdated for today's food trucks—and make it difficult if not impossible for them to operate. Aside from the challenges of

finding multiple suitable locations and alerting customers, modern-day mobile kitchens are not as easily mobile as the name suggests. For each move, they may have to cool hot oil, dump waste water and pack away equipment. That takes valuable time away from serving customers.

Other Restrictions and Hassles

Although this report focuses on five common types of vending restrictions, many other obstacles perplex and confound potential vendors. Some cities, for instance, have banned the sale of specific goods on the street. For



Atlanta's Vending Monopoly Threatens Entrepreneurs and Jobs

Larry Miller and Stanley Hambrick own and operate well-known vending stands outside of Turner Field, where the Atlanta Braves play. Their professional operations offer snacks and fully licensed Braves merchandise at a fraction of the cost inside the stadium. Both Larry and Stanley have been able to provide economic opportunities for their friends and family members, many of whom help work the stands on game days. Stanley in particular views his stand as his legacy and hopes to hand over the family business to his son one day. These businesses, which have been in place for more than 20 years, create jobs, are a fixture in the community, and help keep the sidewalks around Turner Field safe and friendly.

All of this is now under threat. Two years ago, Atlanta gave a single private company the exclusive right to control vending on public property in the city—the first program of its kind anywhere in the country. As the monopoly builds vending kiosks in various areas of Atlanta, the existing vendors must either leave or rent a kiosk for anywhere from \$500 to \$1,600 a month. This means that a vendor who was paying only \$250 per year for a vending site must now pay up to \$19,200 in rent. This program has cost jobs; indeed, an estimated 16 vendors were thrown out of their jobs during the first phase of the program.

Now the monopoly has its eyes on Turner Field. According to the Mayor's office, the company wants to start erecting vending kiosks around Turner Field late in the 2011 season. The tiny kiosks the company favors, which were designed with advertising primarily in mind, are ill-suited for the open-air vending that works best at Turner Field. And renting a kiosk for thousands of dollars per year is a cost these modest businesses simply cannot afford. If the monopoly succeeds, Larry and Stanley's vending businesses will be destroyed. As Larry says, "If they put me inside of a kiosk, it would be like putting me in a coffin."

But Larry and Stanley are fighting back. To protect their own rights and the economic liberty of all Georgians, Larry and Stanley have teamed up with the Institute for Justice to file a challenge to Atlanta's vending monopoly. This lawsuit argues that the city of Atlanta lacked the authority to turn over all public-property vending to a single company and that creating a vending monopoly violates the Georgia Constitution. The lawsuit aims to free Atlanta's vending community and send a warning to other cities to think twice before entering into similarly anti-competitive arrangements.

- IJ client Larry Miller

example, it is illegal to vend flowers anywhere in Chicago⁷⁹ or to vend “silly string” in Boston.⁸⁰

Other laws add additional hurdles. In Minneapolis, vendors must have resided in the area for at least a year to obtain a permit. In San Antonio, peddlers are not permitted to vend from the same spot more than three times a month—even though they are vending solely from private property.⁸¹ And in New York City, officials have capped the number of vending licenses and closed the waitlist. This effectively excludes anyone not already established in the occupation from legally vending in the city.

Even when vending is technically permitted, getting into the field can be nearly impossible. Starting a vending business should be a relatively simple affair. But in too many cities, would-be vendors face an unnecessarily convoluted permitting process simply to earn an honest living.

Miami, for instance, has an annual lottery where it distributes an artificially low number of licenses for street vending in the downtown area. Before a would-be vendor can even register for the lottery, she must secure: 1) an occupational license from the city; 2) an occupational license from the county; 3) a separate license from the Florida Department of Business and Professional Regulation, Department of Agriculture, or the city, depending on what she wants to sell; 4) state and local tax certificates; 5) a certification that all taxes have been paid; 6) a current DMV registration and plate number of the cart; 7) a “Cart Certification Form” signed by three different bureaucrats

from three different departments; and 8) at least \$500,000 in insurance coverage.⁸² Few people would look at this laundry list and decide that street vending is the business for them.

Until recently, Cleveland had a similarly complex and confusing vending system. Would-be vendors had to apply for and receive up to 25 separate licenses.⁸³ One prominent food truck, Dim and Den Sum, had to collect 14 different permits that, in total, cost it almost \$3,000.⁸⁴

Cleveland recently streamlined its permitting process, and now food trucks only need to pass a health inspection and get a single license that costs \$150. But while the new ordinance fixed some problems, it created new ones. Among the worst are a 100-foot proximity restriction and a requirement that, before a food truck opens, its owner must get permission from the city council member in whose ward the truck will operate.⁸⁵

The complexity of many cities’ vending codes can even confuse the bureaucrats charged with administering and enforcing them. A popular burrito cart in Washington D.C., Pedro and Vinny’s, decided to open a second location. Weeks after getting a license, District officials forced the cart to close because, according to them, its owners had not gotten a necessary public-space permit. But when the owners of the cart called, they were told they did not need the permit after all. Even worse, the cart had to shut down when D.C. regulators said that they had erred in granting the cart a vending license in the first place.⁸⁶

Many cities also have curfews that limit the hours during which vendors can sell. Sacramento, for instance, does not permit food trucks to operate after dusk, eliminating their ability to serve customers after business hours in locations with few restaurant options, or to serve at night at potentially lucrative locations near coffee shops or clubs.⁸⁷ Many cities, such as Denver,⁸⁸ limit evening hours to 9 p.m., which prevents mobile food vendors from setting up to offer convenient service during evening events and for late-night eating in areas of the city where many brick-and-mortar restaurants close early.

Restrictions in Smaller U.S. Cities

This report focuses on the 50 largest U.S. cities, but many smaller cities also have laws that limit vending opportunities. Boulder, Colo., for instance, has almost



Roxana Boroujerdi: Quintessential Bootstraps Entrepreneur

Roxana Boroujerdi embodies the American Dream. In 2001, she left a successful career as a case manager with Washington's Department of Social and Health Services after one of her former clients assaulted her. A single mom at the time, Roxana needed a job to support her family, so she decided to create her own. She started Fun Times Ice Cream with a single ice cream truck and a lot of determination.

Roxana's hard work, entrepreneurial spirit and charming demeanor paid off. After 10 years, she has grown her business to three trucks and a pushcart. She provides employment for three ice cream vendors who sell in various towns and at private events around the Seattle-Everett, Wash., metropolitan area.

Unfortunately, Roxana's tireless work ethic has run into a brick-and-mortar wall in Everett, where vendors face numerous restrictions designed to thwart honest competition. To legally sell on a public right-of-way, food vendors in Everett must have the consent of abutting business owners. Worse, they are prohibited from operating within 250 feet of any restaurant, café or eating establishment unless they have the permission of every such business. And were that not bad enough, Everett has designated an enormous "no vending activity" zone around a popular downtown sports and entertainment arena in order to protect the arena's concessionaires from competition.

When Roxana tried to sell ice cream near the arena during a children's event, police instructed her to leave the restricted area. Police similarly told her she could not sell during a downtown parade because abutting brick-and-mortar businesses objected. City officials even told Roxana she could not sell near the waterfront on the Fourth of July or during concert events because waterfront restaurants would not appreciate her competition. In short, Roxana's right to earn an honest living in Everett has been subject to the mercy of bureaucrats and politically-connected competitors.

In any economy, let alone these difficult times, government should be removing barriers to entrepreneurs. Roxana's business would boom if she were permitted to sell in areas of Everett where pedestrian activity is vibrant. For now, however, her right to engage in and grow her business is limited by the city and the brick-and-mortar restaurants, businesses and concessionaires to whom it has given an effective veto power.

entirely banned mobile food vending downtown, relegating food trucks to a handful of private downtown locations and private office parks on the outskirts of the city.⁸⁹ In New Orleans, food vendors may not operate within 600 feet of a restaurant or other food establishment.⁹⁰ Pittsburgh bans vendors from operating within 500 feet of brick-and-mortar shops that sell similar goods unless they obtain a special waiver from the city.⁹¹ And in addition to a 250-foot proximity ban, Everett, Wash., a suburb of Seattle, requires the consent of every abutting property owner to vend on its streets and has made large parts of the city off-limits altogether (see sidebar, page 26).

Street vendors in Worcester, Mass., must stay at least 500 feet away from all “common victuallers,” a colonial-era term that refers to brick-and-mortar restaurants.⁹² Vendors in Worcester cannot remain in one location for more than five minutes without making a sale. When the vendor moves, he or she must travel at least 500 feet away from his or her previous location and cannot return for one hour.⁹³ And to stay in a single place, a food vendor must not only get the consent of restaurants within 250 feet of his or her proposed location, but the consent of everyone in the area who has held a common victualler’s license during the past 12 months.⁹⁴

THE PROTECTIONIST DRIVE FOR REGULATION

Of the five major types of vending regulation we examined, proximity bans are the most blatantly protectionist, as they literally outlaw one business setting up shop near, and therefore competing with, a similar business. Yet all of these restrictions have been actively supported by established brick-and-mortar businesses in various cities, suggesting that their true aim is to limit vending opportunities and thereby competition.

The rise of Washington, D.C.’s bustling food truck scene and the business community’s response to it present a clear illustration of the forces that support greater restrictions on vending, as well as the anti-competitive nature of various types of rules. The city’s food trucks have taken off despite operating under unclear and confusing regulations. And while the city has considered clarifying its laws, such reforms have been met with calls for even greater regulation from brick-and-mortar restaurants and business groups.

A task force convened in 2009 to make recommendations to improve the District’s vending laws was dominated by established business interests. Groups that represent brick-and-mortar restaurants such as the Restaurant Association Metropolitan Washington, the Golden Triangle Business Improvement District and the Dupont Circle Merchants and Professionals Association have been outspoken proponents of greater regulation. So too have the owners of various “depots” that warehouse the city’s many sidewalk food carts and provide their hot dogs, chips and sodas. Like restaurants, the food carts and depot owners see the new food trucks, with a dizzying variety of creative cuisines, as dangerous competition.⁹⁵

These groups have lobbied for the same types of regulations seen in other cities.

For example, in response to proposed vending rules, the Adams Morgan Business Improvement District urged the city to adopt, among other rules, a 30-minute duration

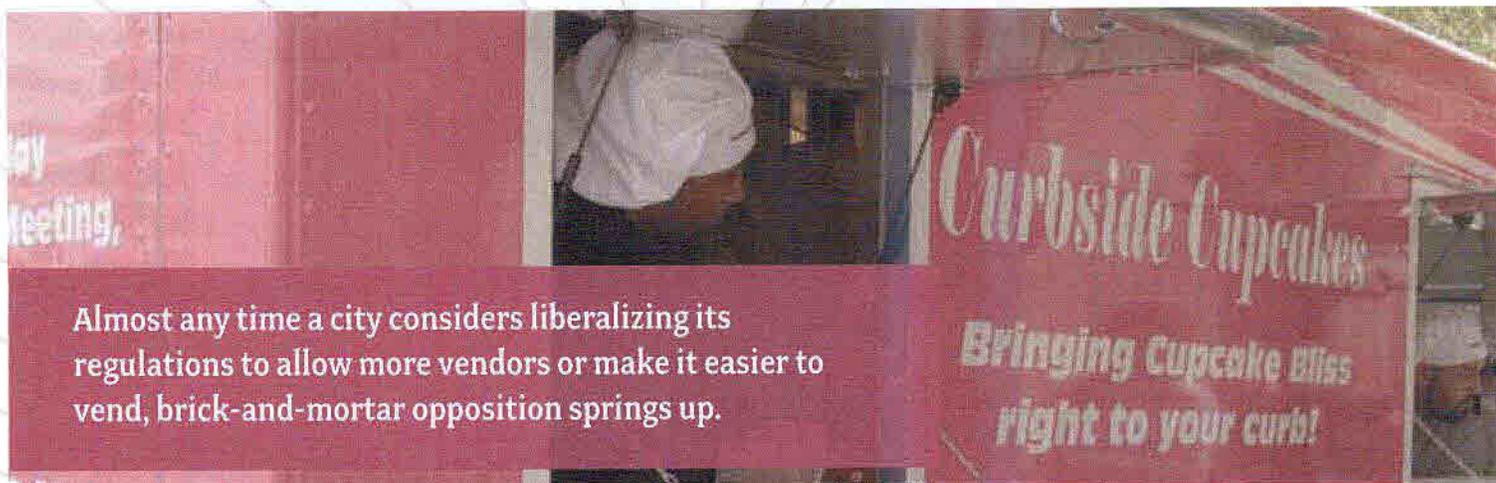
restriction, a 100-foot proximity ban and restricted zones that would keep food trucks out of city-designated “entertainment districts,” such as the Adams Morgan neighborhood, entirely.⁹⁶

Arguing for the 30-minute duration restriction, the group wrote, “They should be required to stay mobile, and never be allowed to stay in one location more than 30 minutes. ... This way, they do not destroy the ENTIRE lunch-business or dinner-business of anyone who does have a property-tax-paying-business” (emphasis in original).⁹⁷ The business group urged that any rules adopted ensure that vendors “do not unfairly compete or unreasonably interfere with the operations of permanent businesses.”⁹⁸ To underscore the point, the group submitted with its comments four pages of signatures of existing Adams Morgan businesses endorsing the group’s proposed regulations. These businesses, at least, see tighter restrictions on vending as a way to protect their interests.

D.C. is not alone. Almost any time a city considers liberalizing its regulations to allow more vendors or make it easier to vend, brick-and-mortar opposition springs up. As Seattle has considered new rules to open up its market,

restaurant owners have spoken out, concerned that new competition would hurt their businesses.⁹⁹ In Raleigh, N.C., food trucks are forbidden in the downtown area, but the city has considered allowing trucks to operate on private property—although not within 50 feet of a restaurant, unless the restaurant gives permission. Brick-and-mortar restaurants have opposed even that limited opening for food trucks.¹⁰⁰

Los Angeles County, home to a thriving food truck movement, passed a one-hour duration restriction after restaurants complained about taco trucks eating into their business; the law was later struck down in state court.¹⁰¹ When Jersey City, N.J., considered changing its 20-minute duration restriction to a three-hour limit, restaurant owners complained to a



Almost any time a city considers liberalizing its regulations to allow more vendors or make it easier to vend, brick-and-mortar opposition springs up.

city councilman that the reform would hurt their businesses.¹⁰² The proposed reforms that eventually emerged from city deliberations included a one-hour duration restriction and a prohibition on food trucks operating within 100 feet of each other and 300 feet of brick-and-mortar restaurants.¹⁰³

After Boulder's regulations forced Hosea Rosenberg—a winner on the television show *Top Chef*—to shut down his truck offering upscale “street food,” a grassroots movement arose to pressure the city council to revise its food vending ordinance.¹⁰⁴ But the new rules are still onerous for anyone wanting to start a food truck business in the city. Although the city now allows some vending downtown—previously there could be none—it only allows vendors to operate in a small number of private locations. That is because the new rules actually added a new proximity ban requiring food trucks to stay 150 feet away from brick-and-mortar restaurants.¹⁰⁵ According to the city, “There needs to be a balance between the operation of brick and mortar restaurants and the operation of mobile food vehicles

so that the vehicles do not compete unfairly with these businesses.”¹⁰⁶

Anti-competitive motives are also at work in Monrovia, Calif., a distant suburb of Los Angeles. A recent revision to the city's mobile food vendor law made it more restrictive, banning vending in its popular “Old Town” district.¹⁰⁷ Explaining the city's reason for the ordinance, City Manager Scott Ochoa said, “We sit squarely with the [brick and mortar restaurants] who are doing business and paying taxes” in Old Town.¹⁰⁸

After an entrepreneurial grandmother in Santa Rosa, Calif., was profiled in a local newspaper for building a successful family business vending tamales, local officials argued that she was violating the city's 30-minute duration restriction, which was supported by brick-and-mortar restaurants.¹⁰⁹

Brick-and-mortar business' animosity toward street vendors sometimes takes the form of using existing laws to chase away vendors. In Chicago, restaurants try to catch vendors illegally parked or otherwise breaking the city's stifling rules.¹¹⁰ According to the head of a vendors association in Los Angeles, restaurant employees parked all day along a stretch of Wilshire Boulevard, parking tickets notwithstanding, to keep food trucks away from their restaurants—thus exacerbating the very parking problem they allege is created by the trucks.¹¹¹ San Francisco awarded entrepreneur Jay Hamada permits for two parking spaces for his JapaCurry food truck. But soon after he started selling from one, a dozen nearby restaurateurs sent a letter to police demanding the permit for that spot be revoked.¹¹²



WHY LIMIT VENDING OPPORTUNITIES?

Often in intent, and certainly in effect, vending regulations such as proximity, duration, stop-and-wait and other restrictions serve to protect established brick-and-mortar businesses at the expense of up-start mobile entrepreneurs.

Established businesses and others make a number of common arguments to support such restrictions—that vendors are “unfair” competition, pose health and safety risks and create sidewalk congestion.¹¹³ These claims fail to stand up to scrutiny.

Vending Competition is Not “Unfair”

Perhaps the most common complaint from stationary businesses is that competition from vendors is “unfair.” They claim that because vendors do not pay real estate costs, utilities or taxes, they can charge lower prices and compete on an “unlevel playing field.” “If we have to play by the rules, they should as well,” says Stephen Adams, the president of Merchants of Upper Market and Castro in San Francisco.¹¹⁴

But this argument ignores all of the downsides that come from operating on the street. As Seattle food truck owner Kurt Beecher Dammeier, who also owns two brick-and-mortar restaurants, put it,

There are a lot of advantages you have with a physical location that you don't have with a truck, and there are a lot of costs you have with a truck that you don't have with a physical location. It's like comparing apples and oranges.¹¹⁵

For starters, vendors typically offer fewer services: Customers are exposed to the weather, have no place to sit and cannot be served by waitstaff. Vendors have a harder time protecting their merchandise from theft and have no guarantee that they will be able to find a good available location.¹¹⁶ Because of their small size, food vendors typically have a much more limited menu than their brick-and-mortar competitors and cannot get additional supplies “out of the back” when needed (see “A Day in the Life” sidebar, page 31). By contrast, brick-and-mortar businesses enjoy a consistent location shielded from the weather, places for customers to sit, and conveniences like bathrooms and cash machines. Additionally, vending businesses typically generate a smaller profit margin than

brick-and-mortar businesses¹¹⁷ and frequently have a shorter window of time in which to sell.¹¹⁸

Put another way, brick-and-mortar businesses receive a great deal in return for their higher costs. Their larger investments enable them to offer services vendors cannot. For vendors, the lower costs are what make the trade attractive and affordable, and sacrificing the comforts and conveniences of a physical location is worth it. The differences in costs between stationary and mobile businesses simply reflect different business models and different entrepreneurs' views on the trade-offs between larger investments and levels of service. It is not clear what is “unfair” about this.

Moreover, vendors are in fact subject to many of the same types of costs as brick-and-mortar competitors—or different costs entirely. Carts or food trucks must be stored in approved facilities for which vendors pay rent. Food vendors must also rent kitchens to prepare and store food.¹¹⁹ Food trucks often have to pay a fee that is meant to cover the taxes on their expected sales.¹²⁰ Permitting and insurance are costs vendors, like stationary businesses, have to pay.¹²¹ And unlike brick-and-mortar establishments, vendors must pay to move their carts, stands and trucks to locations each day, which might involve gas, parking and possibly the purchase of a special hauling vehicle.¹²²

In some cities, vendors also face more hurdles when opening than stationary businesses. Another Seattle vendor who also owns brick-and-mortar locations, Molly Moon Neitzel, noted, “I needed more inspections to operate a mobile food unit than to open either of my shops. I've been e-mailing with the health

A Day in the Life of a Vendor

Jeff Kelley does not open his business until 11:30 most mornings. But by the time his food truck serving loaded hot dogs, gravy-covered fries and fresh-baked whoopie pies hits the streets of Washington, D.C., the owner of Eat Wonky has been at work longer than many of the customers who flood the streets at the lunchtime rush.

The day starts around 8:30 a.m. when Jeff arrives at a city-approved depot for food-truck storage in southeast D.C. He spends an hour washing, cutting and soaking the potatoes that will become his locally famous Wonky Fries. Jeff then fully stocks the truck with bottled drinks, dishes, utensils and paper products. As he said, "When you are out of forks on the truck, you are just out of forks. You can't send someone into the back to get more." He loads up the food and hurries to fill the truck's water tank so he can leave the depot by 10:30 a.m.

Jeff's depot, like all of those approved by the D.C. government, is at least a 30 minute drive away from areas of the city where customers are hungry for lunch. Once the truck arrives at the day's lunch spot, Jeff must find parking, which can take up to 30 minutes. After the truck is parked, Jeff and the chef he hired to help run his business prepare for service by starting the cooking equipment, heating oil in the deep fryer, finishing food prep and updating the truck's location on the social media sites Twitter and Facebook. By the time Eat Wonky opens the window, usually around 11:30 a.m., customers are waiting.

Jeff serves lunch until around 1:30 p.m. After the window closes, clean up must take place before the truck can legally move. The fryer oil must cool and be transferred to a container safe for travel, and leftover food must be properly stored. Jeff usually arrives back at the depot by 3 p.m. and spends another two hours cleaning the cooking equipment and the truck and disposing of waste water. If he does not have an evening service planned, he heads home around 5 p.m. to do his accounting, website management, and the other general office work that comes with owning a business.

At the absolute maximum, his truck can serve about 200 customers during a lunch shift but usually serves far fewer. Weather, big events that pull customers elsewhere in the city, flexible federal employee schedules, regular holidays and congressional recesses all significantly affect how many people turn up for lunch. Even when Jeff carefully plans around all of these conflicts, sometimes the business just is not there. "Sometimes it's just dead and there is no apparent reason," Jeff explained.

Despite the hard work, Jeff prefers running his vending business to his old job of commercial real estate agent for a private equity fund. He was looking for the full entrepreneurial experience and was not getting it: "The only real way to do it was to get out there and make something happen on my own."

inspector today, because I don't understand all the fees, and I'm a savvy person."¹²³ She said starting her ice-cream truck was "more of a time-suck and a headache" than opening a new physical location.

Another aspect to the "unfair" competition complaint is the simple fact that vendors can, depending on local laws, park near or even directly in front of brick-and-mortar businesses and possibly sell similar items. As one Raleigh restaurant owner said, "What we don't support is them coming down [and] parking in front of our businesses we've worked so hard to open."¹²⁴

This aspect of the complaint boils down to brick-and-mortar businesses simply not wanting new competition. But it is not clear why vendors are different than any other new competitor such that they should be regulated away. "Just step up your game," said Chicago food truck operator Matt Maroni. "McDonald's doesn't ask Burger King if they can open up across the street."¹²⁵ Or, as a would-be Raleigh vendor asked, "Is it the role of City Council to decide who gets to compete?"¹²⁶

Finally, it is not necessarily true that vendors cut into nearby brick-and-mortars' business. Sociologist John Gaber points out that vendors and brick-and-mortar businesses often sell different kinds of goods, with vendors tending toward cheaper items and stationary businesses selling higher-priced goods. "The direct competition between the two is not really there realistically," he said.¹²⁷

Plus, street sellers can add vitality and variety to an area, drawing new customers for all. Economist Steve Balkin and colleagues found that when Chicago's Maxwell Street Market for pushcart vendors was forced to move, nearby stationary shops *lost* business as the commercial vitality and number of potential customers in the area declined.¹²⁸ In D.C., vendors hope to enliven some areas and even partner with established businesses for the good of all. As D.C. food truck owner Justin Vitarello said, "We can activate some spaces." Another D.C. vendor is partnering with stationary businesses to boost sales for both by, for example, offering discounted drinks at a restaurant with the purchase of a lobster roll from his food truck.¹²⁹

Legitimate Health and Safety Regulation Need Not Shut Out Vendors

Those opposed to street vending often cite health and safety as reasons not to allow vendors, particularly vendors that sell food. A Chicago spokeswoman, for example,

said the city forbids mobile food preparation to protect customers.¹³⁰ But the solution to health-and-safety concerns is not to ban or limit vending opportunities, but rather to pass narrowly tailored and effective laws that actually address health and safety concerns.

In Washington, D.C., for instance, food vendors must comply with the same health department inspections as traditional restaurants.¹³¹ Indeed, food vendors are often visited with more frequency than their brick-and-mortar counterparts. One mobile food truck owner had his business inspected eight times in seven months. When he worked at a local restaurant, though, the inspector came by only once in the same length of time.¹³² In fact, D.C. laws state that vending trucks must be inspected every six months,¹³³ while there is no set time table for brick-and-mortar health inspections.¹³⁴

In some communities, food vendors welcome such health inspections with open arms. For example, at the end of 2010, Los Angeles announced that mobile food vendors would be subjected to the same grading system as brick-and-mortar restaurants. Mobile food entrepreneurs welcomed the city inspections as an opportunity to dispel long-held myths about street food.¹³⁵ Erin Glenn, the head of an association of lunch trucks in Los Angeles, said of the new regulations, "I think it's a step in the right direction to improve public health, and we're all for it."¹³⁶

The trouble with the kinds of regulations identified in this report is that they do little or nothing to address health and safety concerns. Indeed, when El Paso, in response to IJ's lawsuit, undertook a review of its vending regulations, it instructed

the city health department to ensure that any regulations “related only to health and safety.” As a result, the department recommended repealing the 1,000-foot proximity ban and stop-and-wait restrictions, among other regulations.

Of the proximity ban, Michael Hill of the El Paso Department of Public Health, said,

[T]here was no health reason that we could find that would preclude [parking next to a food establishment]. That requirement was put in in 2009 to address concerns of the fixed food establishments, who didn’t think it would be good for a mobile vendor to park right outside their business, but there’s not a health reason or a Texas food rule that I can find that justifies that.¹³⁷

As the El Paso City Council recognized in accepting the health department’s recommendations and repealing a proximity ban and other regulations, health and safety concerns are no reason to impose restrictions so onerous that vending becomes difficult

or even impossible. After all, many restaurants pose the same concern; for instance, less than four percent of the restaurants in New York City and Los Angeles were without any health violation at their last inspection.¹³⁸ No one, however, would suggest that cities should ban all restaurants. Legitimate health and safety regulation can co-exist with a robust and open vending marketplace.

No Evidence of Harmful Sidewalk Congestion

Local businesses often assert that by increasing sidewalk congestion in an area, vending makes it harder for customers to patronize brick-and-mortar stores.¹³⁹ Because there is little evidence on whether mobile vending causes or exacerbates congestion, though, the Institute for Justice collected original data to test it.

Our researchers measured foot traffic and congestion, defined by the amount of time it took pedestrians to cross from one side of a block to the other, in two Washington, D.C., locations when popular food trucks were present for lunch and when they were not. Further details on methods can be found in Appendix C.

The first site, an area known as Federal Center in southwestern D.C., is close to several government buildings, a subway station and a handful of deli-style restaurants. The subway entrance is on one end of the western side of the block and, at the time of our observations, there was substantial construction on the other end. The eastern side of the street contains the front doors to a major government office building. In total

Table 7: Foot Traffic With and Without Food Trucks

	December 15, 2010 (With Truck)	January 13, 2011 (Control – No Truck)	February 10, 2011 (Control – No Truck)
Takorean (Federal Center)	772	939	673
Truck Side	336	296	263
Non-Truck Side	436	643	410
	February 15, 2011 (With Truck)	February 23, 2011 (Control – No Truck)	
CapMac (Dupont Circle)	2921	2893	N/A
Truck Side	1043	951	N/A
Non-Truck Side	1878	1942	N/A

Table 8: Average Time for Pedestrians to Travel the Block, in Seconds

	December 15, 2010 (With Truck)	January 13, 2011 (Control – No Truck)	February 10, 2011 (Control – No Truck)
Takorean (Federal Center)¹⁴⁰			
Truck Side	42	41	43
Non-Truck Side	47	47	46
CapMac (Dupont Circle)	February 15, 2011 (With Truck)	February 23, 2011 (Control – No Truck)	
Truck Side	74	75	N/A
Non-Truck Side	75	76	N/A

on both sides of the street there were 772 pedestrians when the Takorean truck, serving Korean-style tacos, was present and 939 pedestrians present when the truck was absent, as shown in Table 7. Because the results were so dramatically different, researchers gathered additional foot traffic data in the absence of the food truck. On that second control day, researchers counted 673 pedestrians.

The second site, close to Dupont Circle in northwest D.C., is a long block filled with many dining options, a handful of office buildings and a few retail shops. The southern side of the street has substantially more restaurants than the northern side, where CapMac, a truck serving macaroni and cheese dishes, chose to park.

We found that the presence of a food truck did not drastically increase foot traffic. In the Federal Center area, the instance with the highest amount of food traffic occurred on a day when no food trucks were present, indicating that other unknown factors impact foot traffic. Comparing truck data with the other control point shows the truck is associated with just 99 additional pedestrians over a two-hour period surrounding lunchtime.

Data from our Dupont Circle experiment reiterate these findings. The presence of the CapMac food truck was associated with a minor increase of pedestrians, just 28, over a two-hour time period, which amounts to an increase of less than 1 percent of total foot traffic. Furthermore, the presence of the food truck did not have a dramatic effect on pulling individuals away from the restaurant-heavy southern side of the street. With the truck absent from the street, approximately 67 percent of pedestrians walked along the southern side of the street.

When the truck was vending that number dropped slightly to 64 percent. This amounts to only 82 fewer pedestrians over two hours.

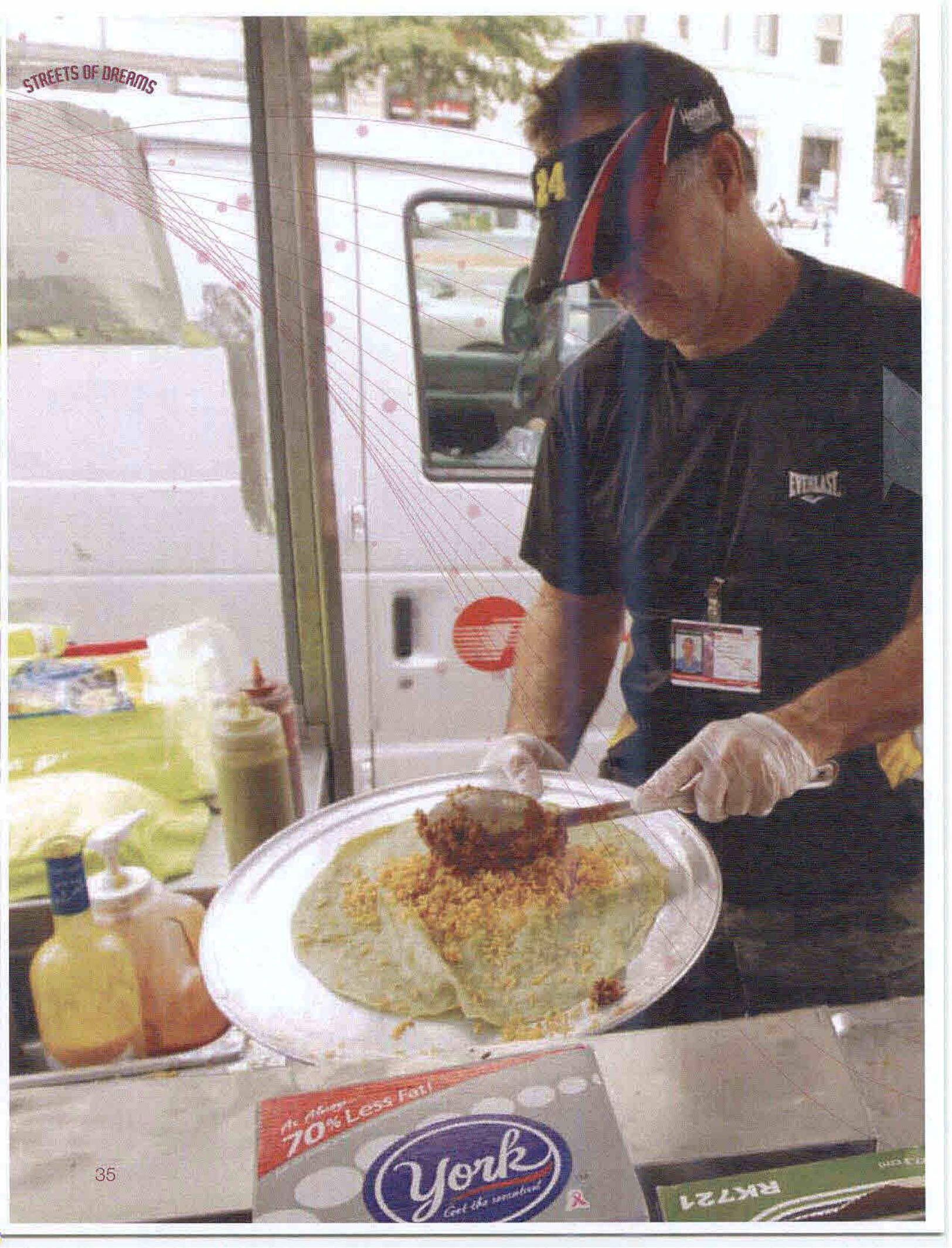
In addition to measuring foot traffic, researchers also took measures of sidewalk congestion to determine if the presence of food trucks worsened congestion. Accordingly, researchers timed pedestrians to see how long it took to travel the block. Average times are displayed in Table 8.

Our results do not support the claim that vendors increase sidewalk congestion. The average time it took a pedestrian to travel the block varied by only one second when a food truck was added. Furthermore, travel times on the different sides of the street did not differ greatly when a truck was present, and in all cases travel times were longer on the side without the food truck.

The truck at Federal Center served approximately 50 customers the day we collected data, and the Dupont Circle truck more than 70, but even with this large body of customers making purchases there was no meaningful effect on congestion. Our data show heavy congestion is not a serious problem caused by vendors.

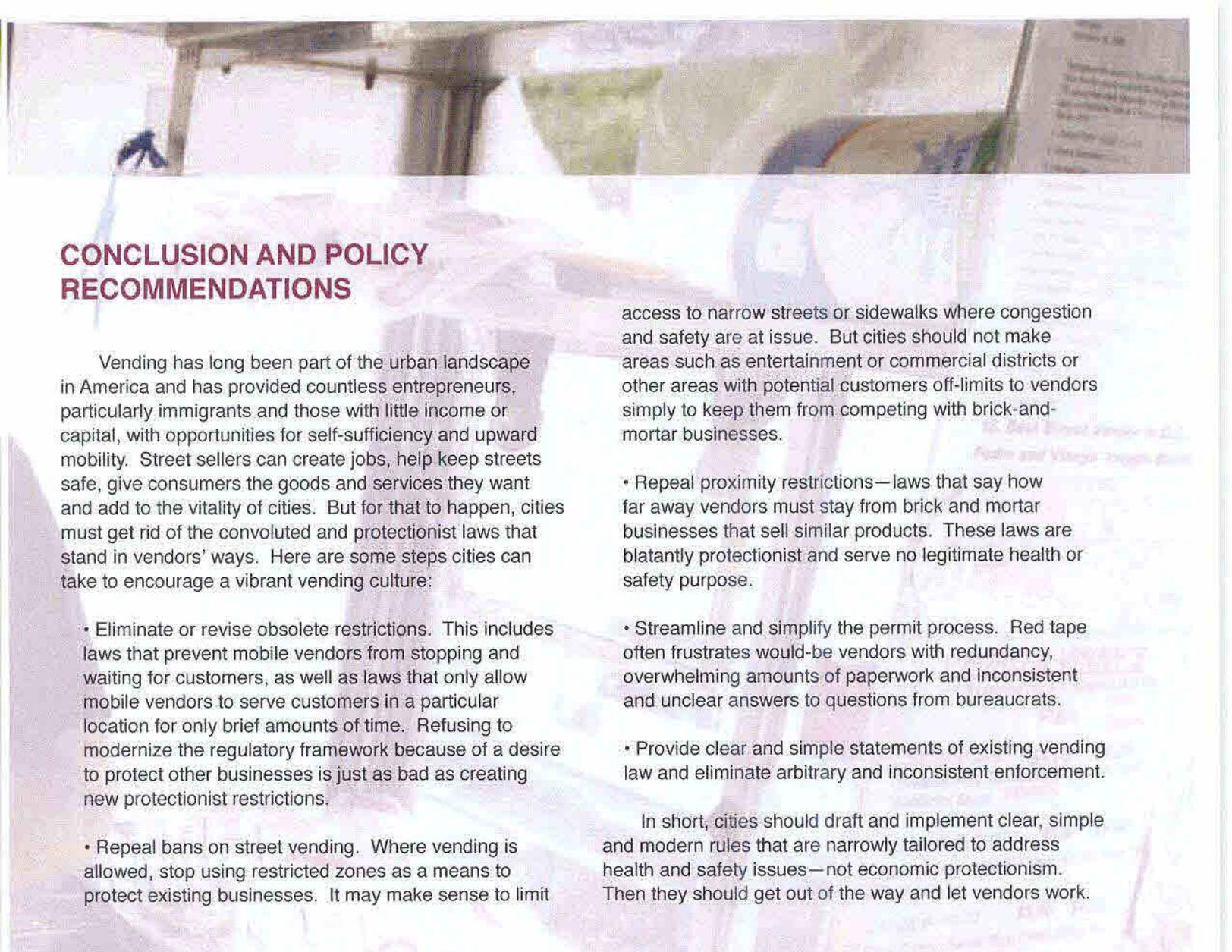
During another data collection period at the popular Red Hook Lobster Truck, researchers noticed customers spontaneously organizing to keep the sidewalk clear for other pedestrians. Despite a line for lobster rolls as long as 30 to 40 people at the height of the lunch rush, customers formed a single file line on the edge of the sidewalk allowing ample room for others to pass by. This example shows that even if there are places where sidewalk congestion is an issue, there are simple and effective solutions that do not require limiting the ability of vendors to earn a living.

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CONCLUSION AND POLICY RECOMMENDATIONS

Vending has long been part of the urban landscape in America and has provided countless entrepreneurs, particularly immigrants and those with little income or capital, with opportunities for self-sufficiency and upward mobility. Street sellers can create jobs, help keep streets safe, give consumers the goods and services they want and add to the vitality of cities. But for that to happen, cities must get rid of the convoluted and protectionist laws that stand in vendors' ways. Here are some steps cities can take to encourage a vibrant vending culture:

- Eliminate or revise obsolete restrictions. This includes laws that prevent mobile vendors from stopping and waiting for customers, as well as laws that only allow mobile vendors to serve customers in a particular location for only brief amounts of time. Refusing to modernize the regulatory framework because of a desire to protect other businesses is just as bad as creating new protectionist restrictions.
- Repeal bans on street vending. Where vending is allowed, stop using restricted zones as a means to protect existing businesses. It may make sense to limit

access to narrow streets or sidewalks where congestion and safety are at issue. But cities should not make areas such as entertainment or commercial districts or other areas with potential customers off-limits to vendors simply to keep them from competing with brick-and-mortar businesses.

- Repeal proximity restrictions—laws that say how far away vendors must stay from brick and mortar businesses that sell similar products. These laws are blatantly protectionist and serve no legitimate health or safety purpose.
- Streamline and simplify the permit process. Red tape often frustrates would-be vendors with redundancy, overwhelming amounts of paperwork and inconsistent and unclear answers to questions from bureaucrats.
- Provide clear and simple statements of existing vending law and eliminate arbitrary and inconsistent enforcement.

In short, cities should draft and implement clear, simple and modern rules that are narrowly tailored to address health and safety issues—not economic protectionism. Then they should get out of the way and let vendors work.



Appendix A – Survey Instrument and Results

Authors of this report engaged in original data collection in Washington, D.C., to supplement the extant literature on street vending. During a study of foot traffic and sidewalk congestion at popular mobile food truck spots, consumers of the food trucks were interviewed using brief two-minute survey. The survey below was administered to every third person in line.

ID _____

Read: *Hi, my name is _____ and I'm from the Institute for Justice. We are doing a study on street vending and I'd like to ask you a few questions about your visit to the _____ truck today. It will only take about 2 minutes.*

1. How far did you travel today (in city blocks) to visit this food truck? If you aren't sure, give your best estimate.

2. How did you know this food truck would be at this location today?

3. What is your favorite thing about food trucks when compared to other food options?

SHOW CARD

4. Read: *Which of the age categories on this card do you fall into?*

- | | | |
|----------------------------|----------------------|-----------------------|
| A. Under 18 years old | B. 18 – 24 years old | C. 25 – 34 years old |
| D. 35 – 44 years old | E. 45 – 54 years old | F. 55 to 64 years old |
| G. Older than 64 years old | | |

OBSERVE – DO NOT ASK

5. Gender: Male Female

Read: *Thank you very much for your time.*

**Table 9: Washington, D.C., Food Truck Consumer Survey Results
(percentages of totals in parentheses)**

	Total	Takorean	Lobster	CapMac
Respondents Approached	79	17 (22)	39 (49)	23 (29)
Refusals	13	1 (8)	8 (62)	4 (31)
Total Respondents	66	16 (24)	31 (47)	19 (29)
Gender				
Male	28	7 (25)	11 (39)	10 (36)
Female	38	9 (24)	20 (53)	9 (24)
Age				
Under 18	0	0	0	0
18-24	5	0	4 (80)	1 (20)
25-34	38	6 (16)	19 (50)	13 (34)
35-44	15	9 (60)	2 (13)	4 (27)
45-54	6	1 (17)	5 (83)	0
55-64	2	0	1 (50)	1 (50)
Over 64	0	0	0	0
Average Travel Distance (city blocks)				
	2.6	1.2	3.2	2.4
Knowledge of Location				
Web/Twitter/Facebook	42	8 (19)	26 (62)	8 (19)
Word of Mouth	15	3 (20)	5 (33)	7 (47)
Saw it on street	9	5 (56)	0	4 (44)
Favorite Thing about Food Trucks				
Variety/Novelty	41	11 (27)	19 (46)	11 (27)
Location/Convenience	6	2 (33)	3 (50)	1 (16)
Speed	3	0	1 (33)	2 (67)
Other	16	3 (19)	8 (50)	5 (31)

Appendix B – Citations for Vending Restrictions in 50 Largest U.S. Cities

Public Property Bans:

Charlotte Code App. A § 12.510; Chicago Code § 7-38-085; Dallas Code § 17-8.2(h)(2)(F)(ii); Ft. Worth Code App. A. § 5.406(C)(6); Long Beach Code § 21.45.135(b)(2); Los Angeles Mun. Code § 42.00(b); Oakland Code § 8.09.050(d)(2); Oklahoma City Code § 39-17; Phoenix Code § 10-160; San Antonio Code §§ 13-66(5), 16-236; Tulsa Code § 27-1203.

Restricted Zones:

Albuquerque Code § 13-3-1-7; Charlotte Code § 6-436; Chicago Code §§ 4-244-130, -140, -145-147; Cleveland Code § 241.05(j); Denver Code § 54-675; El Paso Code § 12.46.020(b); Fresno Code § 14-1806; Honolulu Code § 29-6.2(c); Houston Code § 40-263; Jacksonville Code § 250-117(c); Kansas City Code § 50-454; Long Beach Code § 21.45.170; Los Angeles Code § 80.73(b)(2)(A)(3)-(5), § 42.15 (A); Louisville Code § 115.359(B); Memphis Code § 6-36-5; Milwaukee Code § 95-1-7(a-3); Minneapolis Code §§ 188.485(c)(1), 188.510(5)(a); Nashville Code § 13.08.040(B)(6)(a); New York City Code § 20-465(g), New York City Admin. Code § 17-315(l); Oakland Code §§ 5.48.080, 5.49.050, 8.09.030; Oklahoma City Code § 21-395; Philadelphia Code § 9-203(7)(o); Phoenix Code § 31-24(3); Raleigh Code § 12-1024(g); Sacramento Code § 5.88.040; San Antonio Code §§ 16-240(a), 16-236(b)(2)(a); San Diego Code § 42.0166; San Francisco Public Works Code § 184.85(b)(3); San Jose Code § 6.54.295; Seattle Code §§ 15.17.010, 15.17.050; Tucson Code § 20-248.1; Tulsa Code § 21.1.113; Virginia Beach Code § 26-3.1; D.C. Mun. Regs. tit. 24, §§ 515, 526.

Proximity Bans:

Atlanta Code § 30-1464(a)(6); Baltimore Code Art. 15 § 17-24(a); Chicago Code § 7-38-115(f); Cleveland Code § 241.38(b)(6); Denver Code §§ 49-540(5), -549.2(3), -550.2(3); Detroit Code Art. 2 § 41-2-3(c); Indianapolis Code § 961-211(b); Jacksonville Code §§ 250-301(f)(14), -505(b)(9); Kansas City Code § 50-453(a)(15); Louisville Code § 115.360(C)-(D); Memphis Code § 16-262(5); Minneapolis Code § 188.485(c)(4); Oakland Code § 8.09.050(D)(4); Portland Code § 17.26.050(I); Raleigh Code § 12-1024(g)(2); San Antonio Code § 13-63(a)(10); San Francisco Public Works Code § 184.88; Seattle Code § 15.17.100(K); Tucson Code § 20-248.1; Virginia Beach Code § 13-37.

Stop and Wait Restrictions:

Fresno Code § 9-1107(f); Louisville Code § 115.360(f); Memphis Code § 9-52-70(f); Miami Code § 39-38(13)(d); D.C. Mun. Regs. tit. 24 § 516.1.

Duration Restrictions:

Atlanta Code § 30-1411(d); Baltimore Code Art. 15 § 17-21(a); Charlotte Code § 6-437; Chicago Code § 7-38-115(b); Columbus Code § 2151.16(a); Dallas Code § 17-8.2(h)(2)(F)(iv); Ft. Worth Code App. A. § 5.406(B)(2); Jacksonville Code § 250-603(h); Las Vegas Code §§ 6.47.070(L), 6.55.070(A)(2); Long Beach Code § 5.66.020(A); Memphis Code § 16-262(1); Milwaukee Code § 74-1-2; Omaha Code § 36-172; Phoenix Code § 31-24(1); Portland Code § 16.70.550(a)(2); Sacramento Code § 5.68.170; San Jose Code § 6.54.240(a)(1); Tucson Code § 20-248; Virginia Beach Code § 33-6(a)(2).

Appendix C – Foot Traffic and Congestion Data Collection Methods and Conditions

Experiment and control data on foot traffic, sidewalk congestion and consumer opinion were collected from various locations frequented by mobile food trucks in the District of Columbia. Measures of foot traffic and sidewalk congestion were gathered when there was a food truck at a location (experiment) over a several hour period during lunchtime. The same data were collected on a different date when no food trucks were present as a control sample.

Locations were selected 24 to 48 hours in advance based on the planned food truck stops (followed via Twitter) and popularity of location.¹⁴¹ Data were not collected during inclement weather and researchers attempted to ensure other weather conditions were as similar as possible between the

two data collection periods. Only Tuesdays, Wednesdays and Thursdays were used for data collection due to the high number of federal employees in Washington, D.C., who use “flextime,” which enables employees to take every other Monday or Friday as a vacation day. Specific days, times and conditions of data collection are listed in Table 10.

Once a location was selected, researchers identified the relevant city block. Foot traffic was measured for both sides of the street (both truck-side and non-truck-side) by counting the number of people who passed through the center of the block on foot.¹⁴² Congestion was measured on both sides of the street by timing the amount of time it took for a pedestrian to walk from one end of the block to the other.¹⁴³ Every third eligible pedestrian was selected as a subject. Joggers and children were excluded from this measure.

Table 10: Foot Traffic and Congestion Data Collection Conditions

Truck Location	Date	Type	Temperature	Time
3 rd St. between C and D, SW (Federal Center)	December 15, 2010	Experiment	26.4-29.0°F	11:30-1:25
3 rd St. between C and D, SW (Federal Center)	January 13, 2011	Control	31.2-32.8°F	11:30-1:25
3 rd St. between C and D, SW (Federal Center)	February 10, 2011	Control	27.0-28.0°F	11:30-1:25
G St. between 7 th and 8 th , NW ¹⁴⁴ (Chinatown)	January 12, 2011	Experiment	32.6-33.7°F	11:30-1:00
M St. between 19 th and 20 th , NW (Dupont Circle)	February 15, 2011	Experiment	39.2-42.2°F	11:30-1:30
M St. between 19 th and 20 th , NW (Dupont Circle)	February 23, 2011	Control	38.4-42.7°F	11:30-1:30

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Before joining IJ, Knepper worked at Hill and Knowlton, served as a media relations and promotions adviser for entertainment and technology companies, and was a program coordinator at the Institute for Humane Studies. Knepper graduated from The Ohio State University, with a degree in political science and economics.



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THE INSTITUTE FOR JUSTICE

The Institute for Justice is a nonprofit, public interest law firm that litigates to secure economic liberty, school choice, private property rights, freedom of speech and other vital individual liberties and to restore constitutional limits on the power of government. Founded in 1991, IJ is the nation's only libertarian public interest law firm, pursuing cutting-edge litigation in the courts of law and in the court of public opinion on behalf of individuals whose most basic rights are denied by the government. The Institute's strategic research program produces social science and policy research to inform public policy debates on issues central to IJ's mission.



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Supplement D

Report on the impacts of the pending Port Authority, ACCESS service reductions, their community impact, and an emerging strategy

Grantmakers of Western Pennsylvania

February 9, 2012

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- **Background**
- **What do we lose?**
- **What are the community impacts?**
- **What can be done?**



Background



Recent Timeline of State Transportation Funding

Date	Milestone
March 2007	Act 44 Passes, designed to generate \$400 million annually (52% of need) for transit, pending Federal approval to toll I-80.
July 2007	New fiscal year begins under Act 44. Port Authority's State support for operations declines by approximately 2% from prior year.
2007 – 2010	Port Authority sees no growth in State funding for operating support
2008-2009	Port Authority reconfigures system, increases efficiency by 50%. Landmark labor deal decreases legacy cost growth by 50%
April 2010	Federal Government denies I-80 tolling application. Transit funding under reduced from \$150 million, Port Authority's share: \$35 million.
March 2010	Port Authority reduces service by 15%, significant because all slack has already been taken out of the system. ACCESS left untouched.
April 2011	Governor Corbett appoints Transportation Funding Advisory Commission (TFAC) to identify means of funding the \$3.5 billion gap .
August 2011	TFAC Report issued, recommending package of funding recommendations to grow to a total of \$2.5 billion over 5 years, including \$372 million for public transit.
January 2012	With no response from the Governor, and facing a \$64 million shortfall, Port Authority begins public comment and planning for a 35% service reduction. ACCESS also affected.



Port Authority Operating Budget Projections

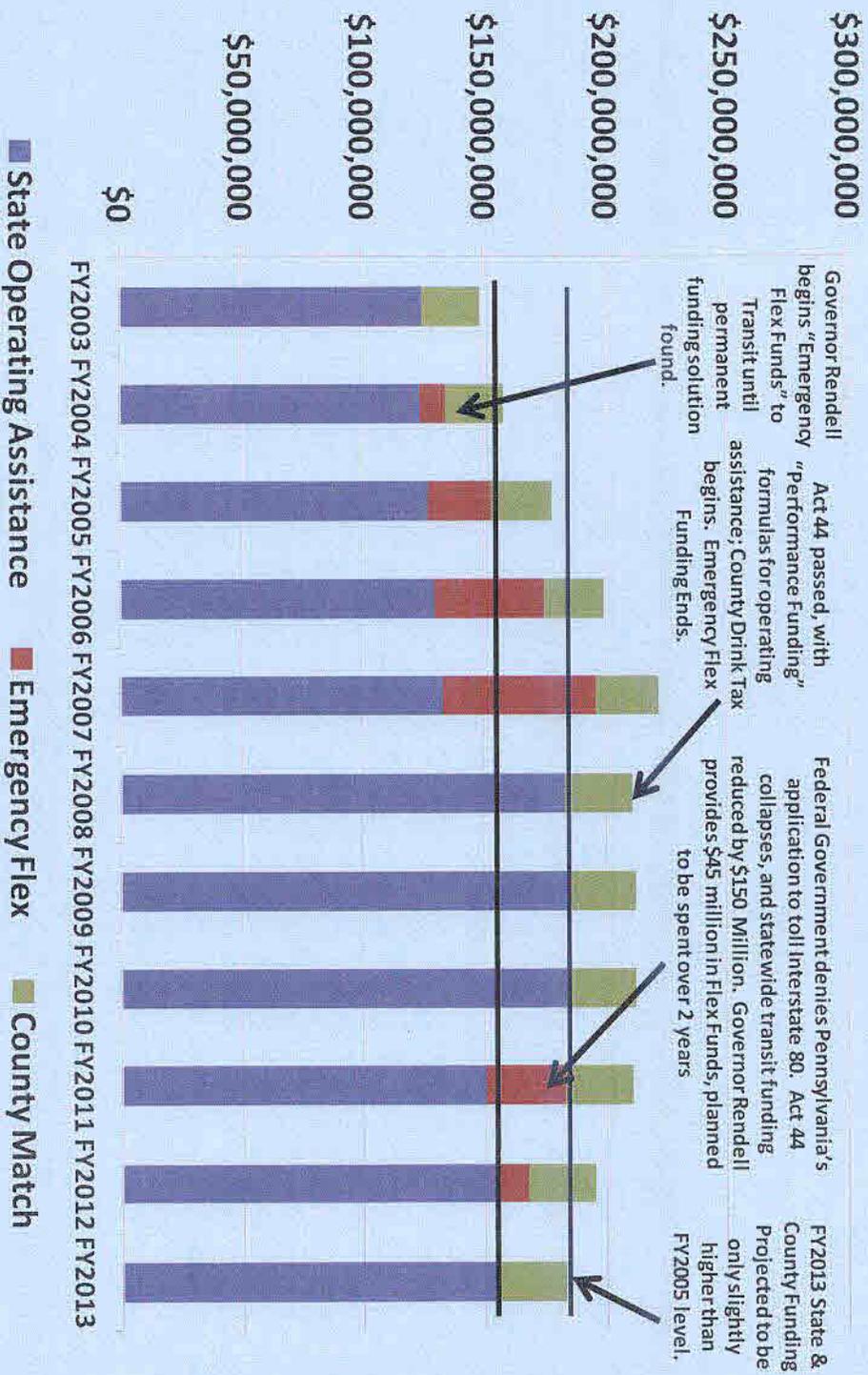
Current Trend (with No Action)

	FY2013	FY2014	FY2015	FY2016	FY2017
Operating Revenue	\$100,396	\$103,408	\$106,510	\$109,705	\$112,996
Grants	\$225,053	\$231,066	\$233,802	\$236,933	\$239,423
Total Income	\$325,449	\$334,474	\$340,312	\$346,638	\$352,419
Operating Expenses	\$390,344	\$409,800	\$420,117	\$436,274	\$452,920
Surplus/(Deficit)	\$(64,895)	\$(75,326)	\$(79,805)	\$(89,636)	\$(100,501)



How Did We Make It This Long?

State & County Operating Assistance History



To balance the FY2012 budget, Port Authority will expend \$30 million in reserves (not shown here).



What do we lose?

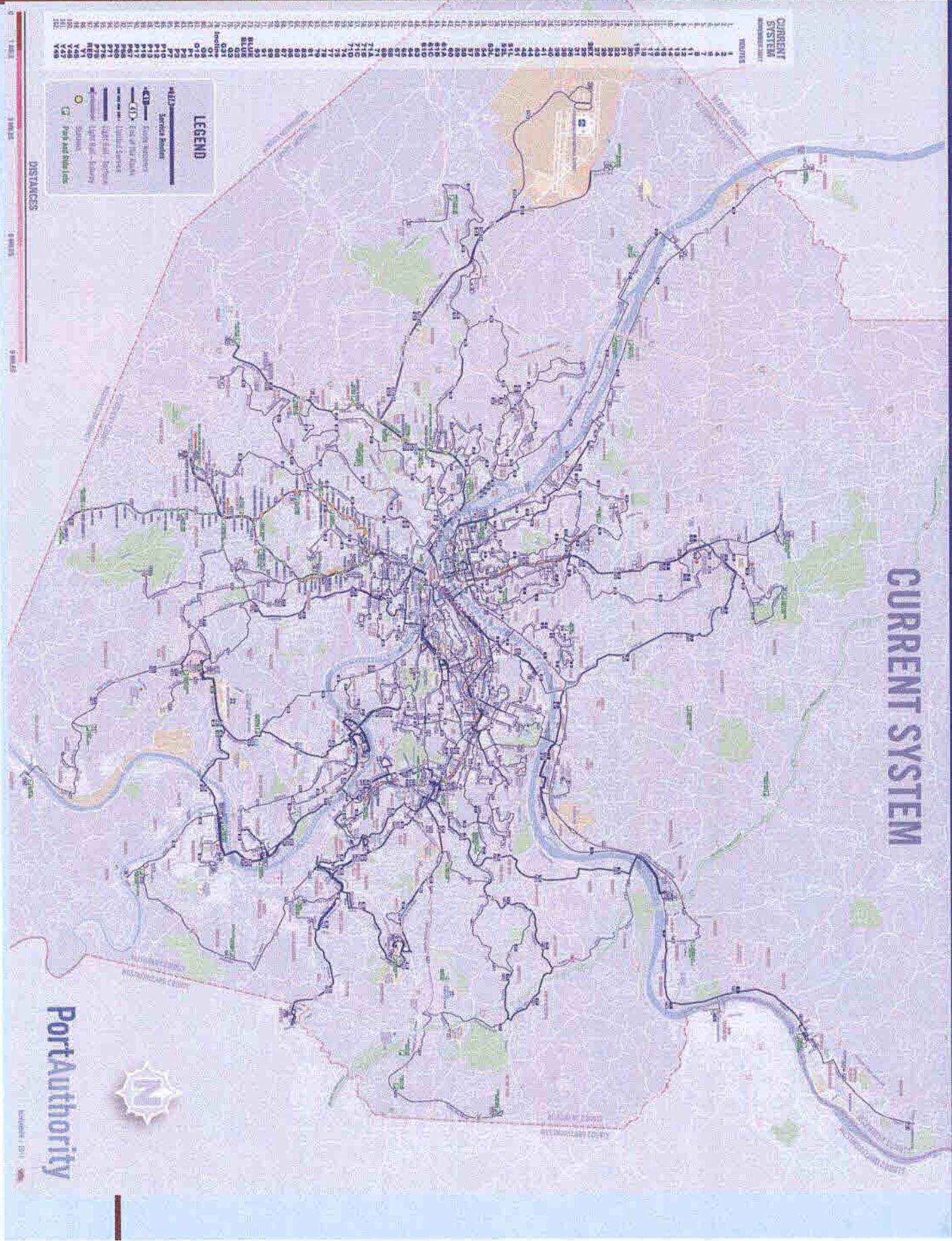


Service reduction methodology



- **Scoring mechanism developed ranking routes:**
 - Total Ridership
 - Productivity (Riders per Hour of Service)
 - Cost Recovery (Percent of Expense Covered by Passenger Fares and Direct Income)
- **Deeper examination of segments for “borderline” routes.**
- **Federal Title VI Civil Rights Social Equity Review**

Accessibility: what will it look like...



How many are stranded?

- 46 routes of 102 eliminated entirely. Of the remaining 56:
 - 33 will have Saturday Service
 - 30 will have Sunday Service
- Elimination of approximately 260,000 passenger trips weekly, or 20%
- Weekday ridership on to-be-eliminated routes: 45,000, or just under 20%
- Does not include any additional reductions due to reduced service on remaining routes



ACCESS – Port Authority Programs

- Port Authority sponsors/subsidizes two particular programs:
 - Shared Ride Program for Senior Citizens (over age 65), which is subsidized by lottery funds.
 - Services for persons with disabilities who cannot access Port Authority bus and rail service.
- The Shared-Ride Program underwrites 85% of the cost of senior citizen trips with Pennsylvania Lottery funds, reducing fares for them from \$21 - \$35 to \$2.52 - \$6.30.



The current ACCESS System

- ACCESS for persons with disabilities fall into two categories:
 - Those mandated by Federal Law under the Americans with Disabilities Act (ADA) – For eligible persons whose trip origin and destination fall within $\frac{3}{4}$ mile of a bus/rail route during the operating hours of that route.
 - Supplemental Services – Not mandated, service is provided for all eligible individuals, county-wide from 6am – Midnight every day.
- Total daily ridership is approximately 2,000, and Port Authority provides approximately \$20 million/yr from its general operating budget.



ACCESS Service Contraction and Costs



Customer Type	Current	Proposed
ADA	<p>Anywhere in Allegheny County and destinations up to 1-1/2 miles outside the County.</p> <p>6am to Midnight, every day.</p>	<p>Only origins and destinations within 3/4 mile of an operating Port Authority bus/rail route.</p> <p>Same as days and hours of bus/rail routes operating between specific origin and destination.</p> <p>Non-eligible trips will be charged the unsubsidized fare of \$21 - \$35</p>
Senior Citizen	<p>For those not eligible under Federal law: Current Zone 1 fare is \$2.25 - \$2.81</p> <p>Anywhere in Allegheny County and destinations up to 1-1/2 miles outside the County.</p> <p>6am to Midnight, every day.</p>	<p>No change.</p> <p>6am to 10pm, every day.</p>

Timetable for Changes

Date	Action
January 27, 2012	Port Authority Board authorizes public comment process on proposed fare and service changes.
February 5 – March 9, 2012	Public Comment Period on Proposed Changes
February 29, 2012	Full-Day Public Hearing at David Lawrence Convention Center
April 27, 2012	Port Authority Board Approves Final Package of Fare and Service Changes
July 1, 2012	Fare Increase Takes Effect
September 2, 2012	Service Reductions Take Effect.

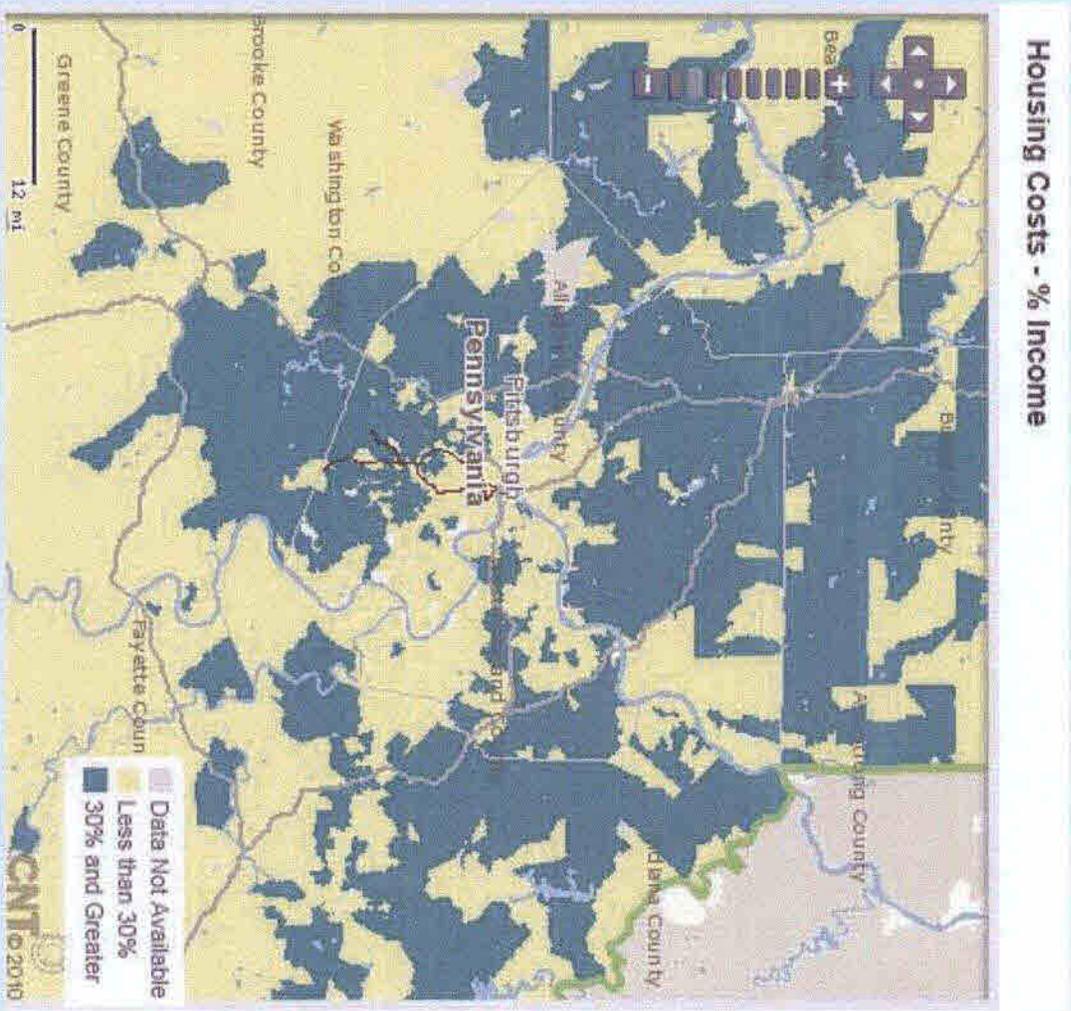


What are the community impacts?



The cost of living, it's more than housing...

Yellow and light green areas (less than 30%) perform better than or equal to the national standard

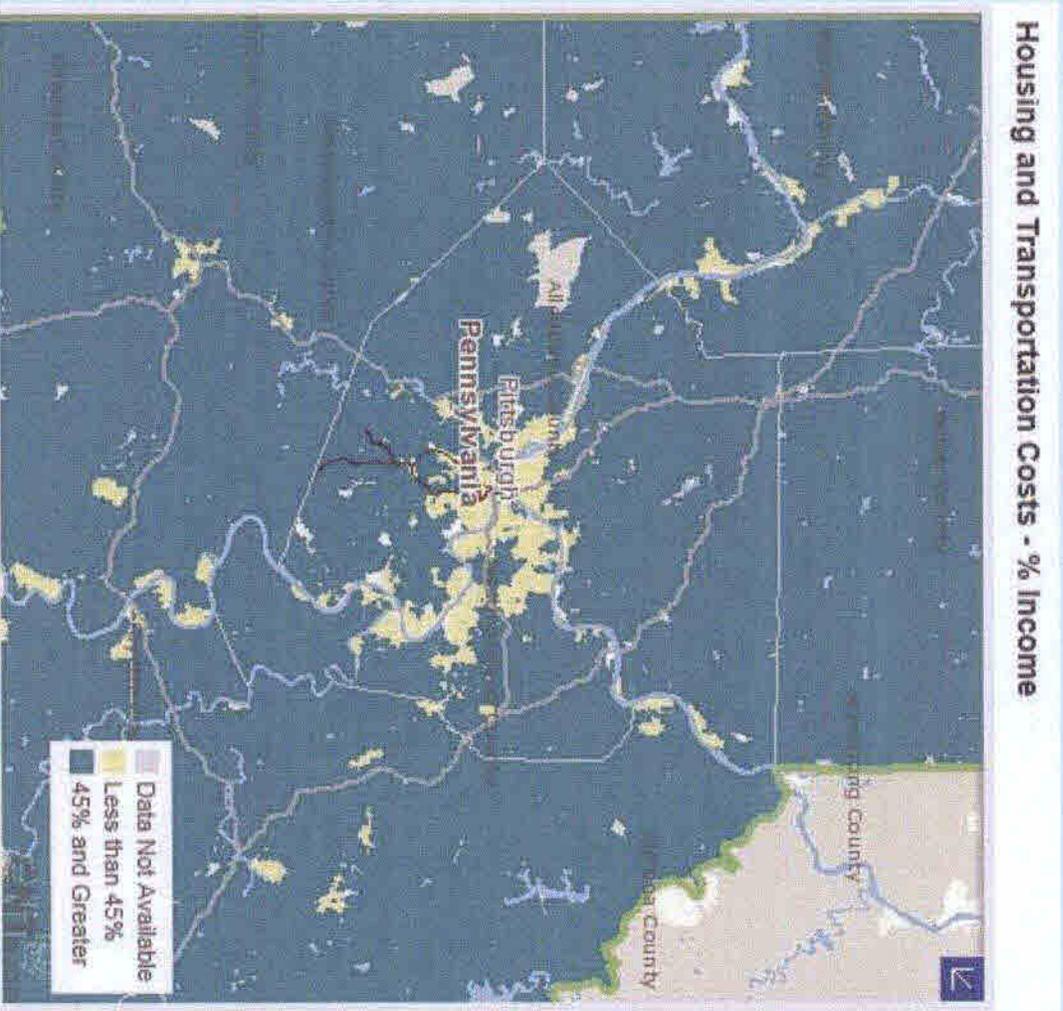


Source: Center for Neighborhood Technology: htaindex.cnt.org



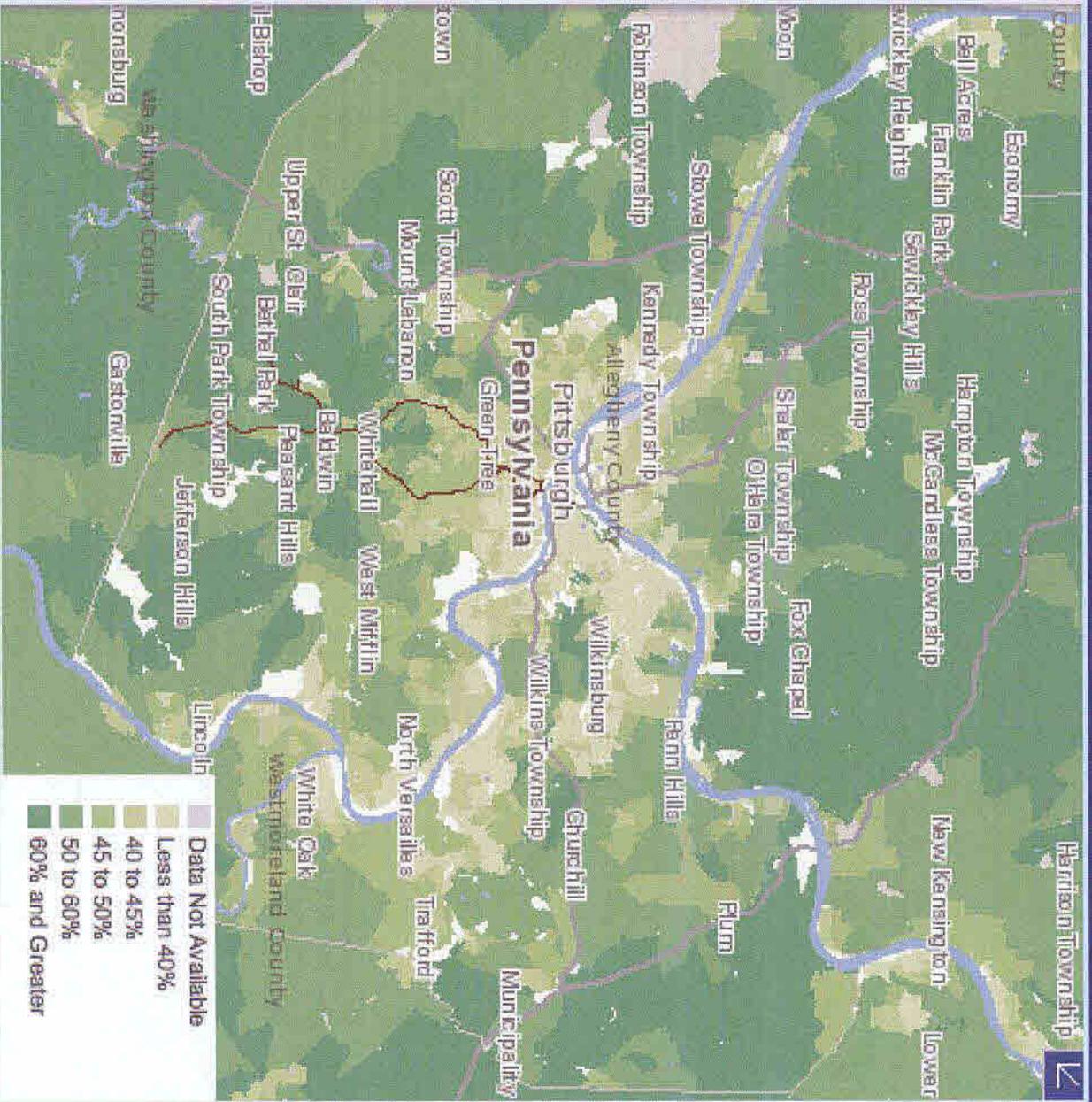
...it's housing and transportation.

Yellow and light green areas (less than 45%) perform better than or equal to the national standard



Source: Center for Neighborhood Technology: htaindex.cnt.org

Drastic cost of living increase county-wide



Source: Center for Neighborhood Technology: htaindex.cnt.org



The ACCESS impact

- 875 riders lose service from system contraction (16,000 trips monthly)
 - Does not include destinations outside of the $\frac{3}{4}$ mi service area
- 225,000 ADA trips, annually, will not be provided
 - This does not include trips lost because of route eliminations – only service area contraction
- 1,200 ADA riders stranded completely
 - Again, not including Port Authority route elimination impact



Cutting mobility isn't good economics

State Funding Gap:	\$50 million
Rider Reduction, City of Pittsburgh:	at least 9,300 (12,650 Countywide)
Increased Parking Demand	
Downtown:	4,550
Oakland:	1,000
Rest of City:	1,700
Total:	7,250

Direct Cost to City taxpayers (loss of transit plus new parking garages):

At LEAST \$186 million for Pittsburgh residents

Not factored into the numbers:

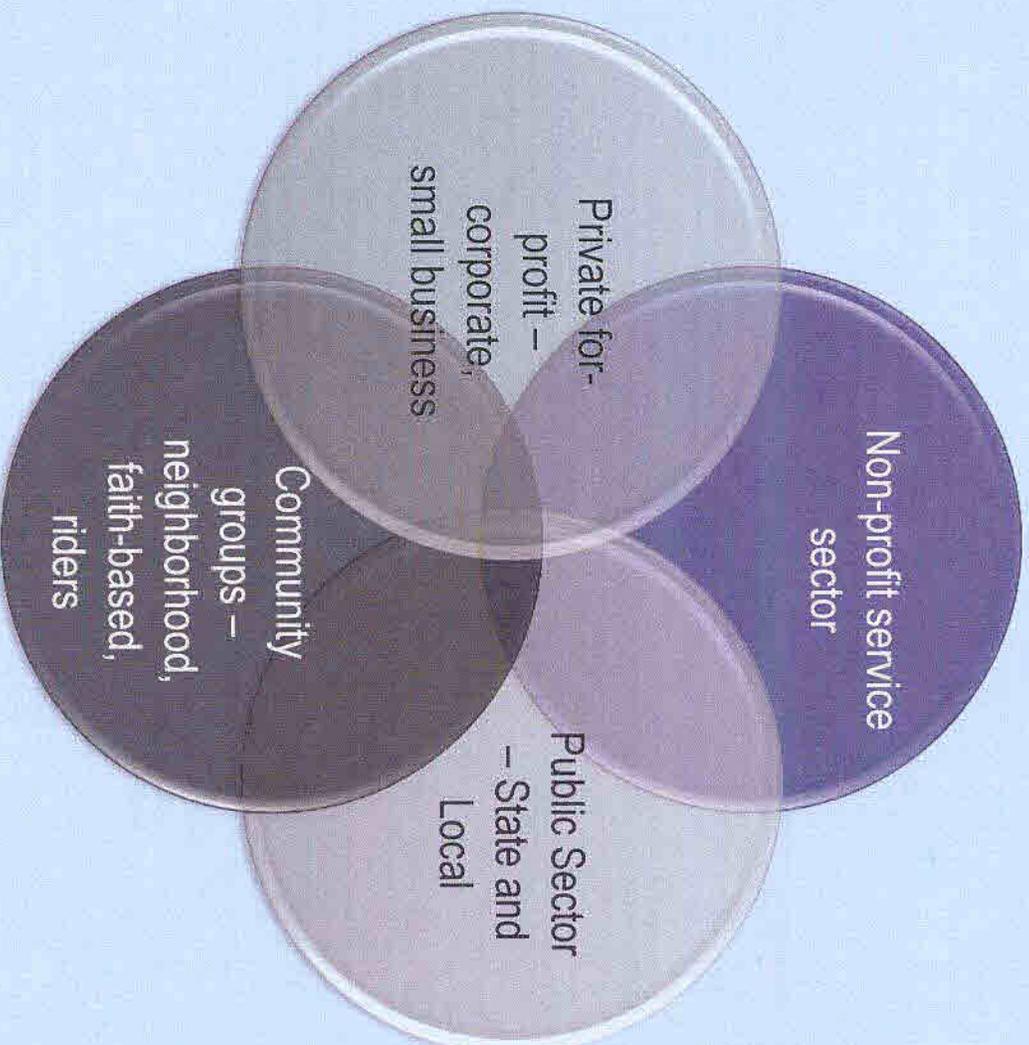
- 1) Loss of service for off-peak employees
- 2) Loss of business for transit-reliant employers (PNC, BNY Mellon, Eat'n Park, ...)
- 3) Loss of employers to other regions.
- 4) Loss of employment due to lack of access
- 5) Increased price of parking in Downtown or Oakland
- 6) Increased burden on already overstressed parking assets
- 7) Property and income tax losses from job loss and increased sprawl
- 8) 2012 service cut impacts, ACCES's role



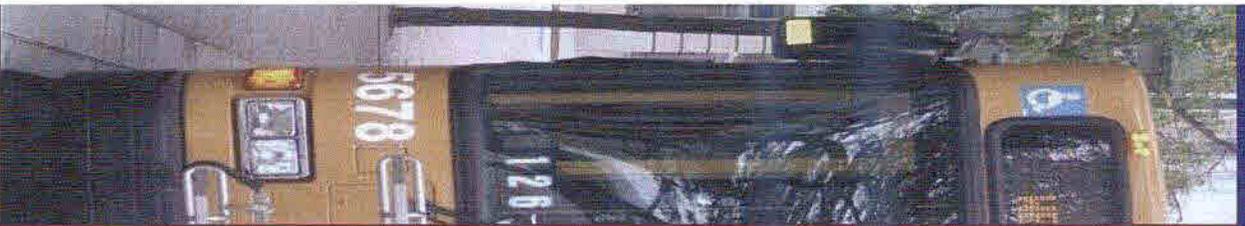


What's forming and what can be done?

A coalition is forming...



- Engage a wide range of stakeholders
- Collect stories
- Identify need
- Identify partners
- Formulate strategy

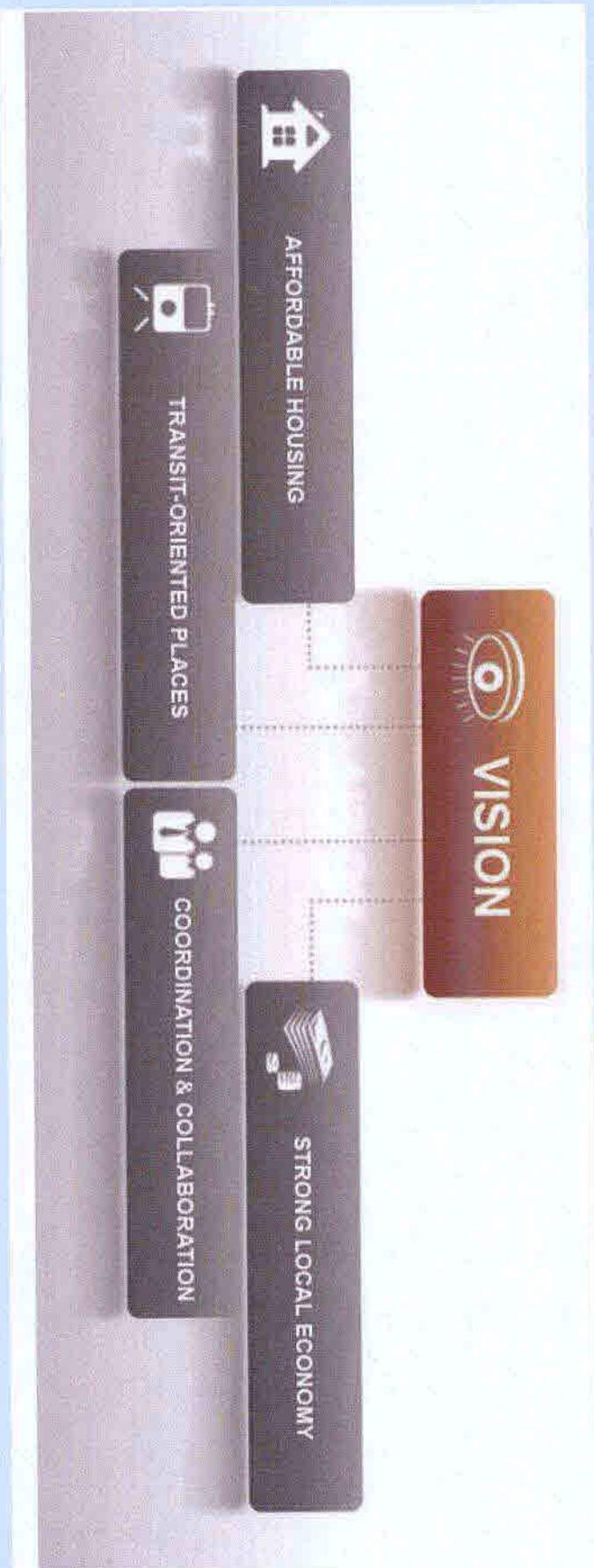


...that is diverse enough....

- Pittsburgh Community Reinvestment Group
- Allegheny Conference
- Sustainable Pittsburgh
- Greater Pittsburgh Nonprofit Partnership
- Pittsburgh Interfaith Impact Network
- County Executive Rich Fitzgerald
- AFL-CIO
- United Way of Allegheny County
- Local Government Academy
- CONNECT
- Community Human Services Corp
- Airport Corridor Transportation Association
- Pittsburgh Downtown Partnership
- Port Authority of Allegheny County
- Many neighborhood and community based organizations



...to create a vision...



...to develop a campaign...



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TRANSIT: SOME OF US RIDE IT. ALL OF US NEED IT.

CITIZENS FOR MODERN TRANSIT SOLUTIONS

MEDIA

WE'RE ALL A LITTLE BIT METRO

Register to vote in St. Louis county by March 10
Vote April 6 to support Proposition A.
half-cent sales tax increase to fund the public transit system



Fredbird
Executive
St. Louis Cardinals

...to fund transportation.

- Restore state-level funding and make Act 44 changes
- Develop new local funding strategies at the local level
- Change the transit conversation regionally from liability to asset that connects people to life, grows our economy
- Sell a future for public transportation throughout the region
- Ensure affordable access to housing and jobs for all people
- Generate community support for transportation enhancements/expansions based in market capacity and equity



Thank You.

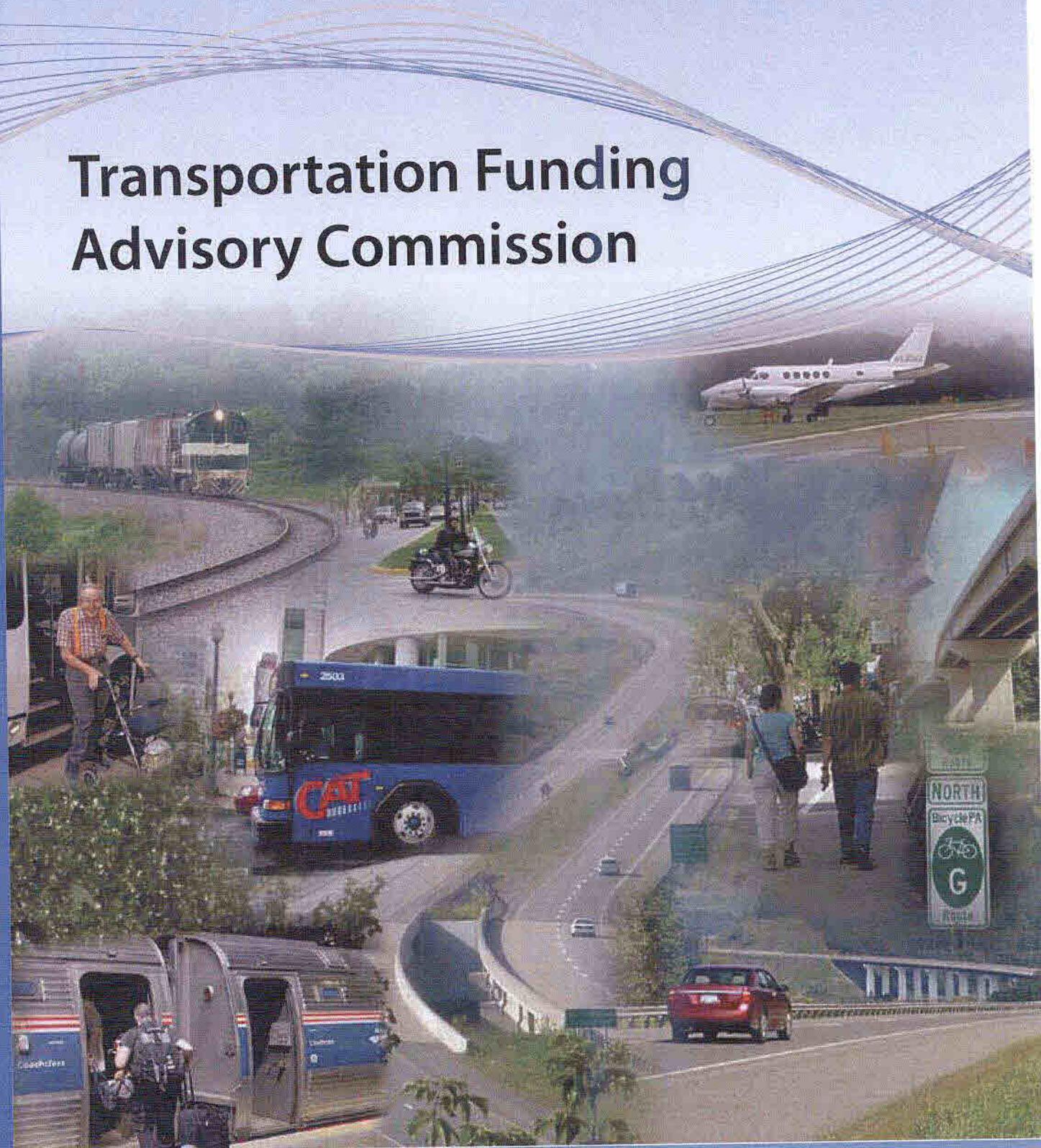
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Supplement E



EXECUTIVE SUMMARY

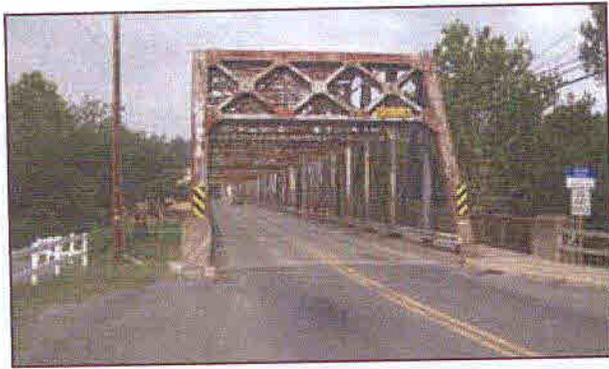
Transportation Funding Advisory Commission



Tom Corbett, Governor

August 2011

EXECUTIVE SUMMARY



Introduction

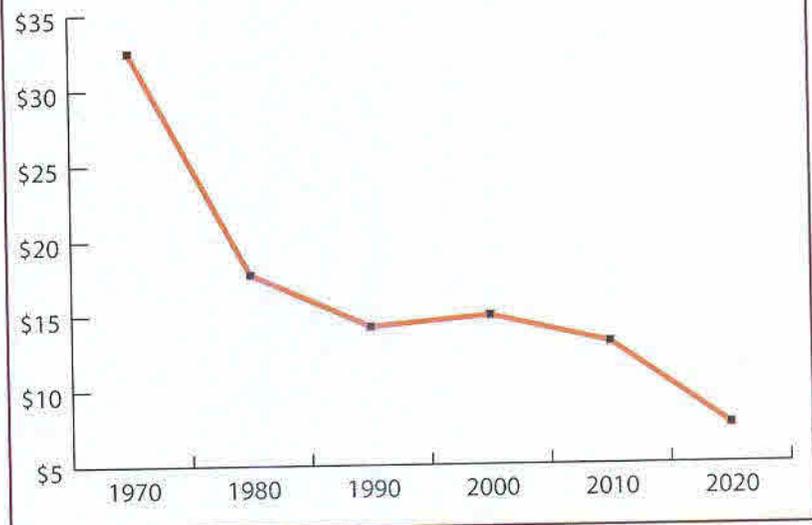
Pennsylvania's transportation facilities have served as a key component of economic strength for many generations. Today, much like the rest of our nation, Pennsylvania transportation infrastructure is aging significantly due to decades of underinvestment. Roadways, bridges, transit, rail freight, aviation, ports, and intercity passenger rail have all suffered as a result of insufficient funding, creating significant maintenance backlogs and reductions in service.

Due to increasing vehicle fuel efficiency, Pennsylvania now collects less fuel tax revenue per mile traveled than it has at any time in the past. This has led to a serious decline in the amount of money available to be spent on improvements to the transportation system, leading to a growing funding gap.

We are in need of a financial plan to allow all responsible providers to make necessary long-term improvements in all modes.

Governor Tom Corbett established the Governor's Transportation Funding Advisory Commission (TFAC) on April 21, 2011. TFAC by Executive Order was specifically created to develop a comprehensive, strategic proposal for addressing the transportation funding needs of Pennsylvania. Chaired by the Secretary of Transportation, the Honorable Barry J. Schoch, P.E., TFAC has studied and prepared a comprehensive listing of potential revenue sources as well as cost-saving modernization options that will support additional funding for all transportation modes.

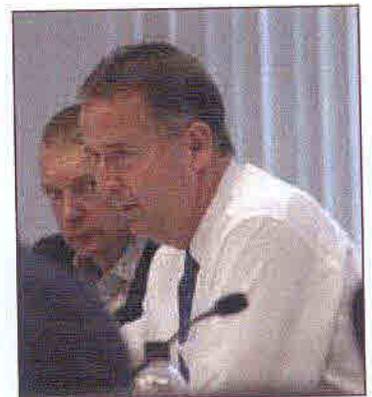
Monthly Motor Fuel Tax Paid by the Average Driver by Year in 2010 Dollars



Transportation Needs

In 2010, the Pennsylvania State Transportation Advisory Committee (TAC) produced a report that quantified the state's unfunded transportation needs at approximately \$3.5 billion.

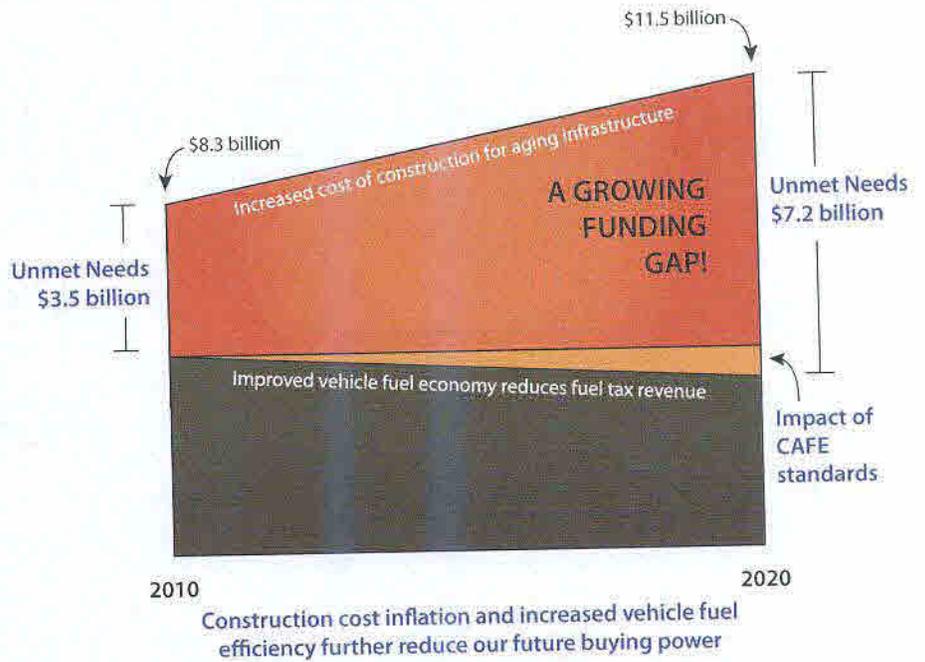
The gap is growing and will reach an estimated \$7.2 billion in 10 years if we do not take action to address the transportation need. The gap is growing because of continued decline in fuel tax revenue due to vehicle efficiency, reduced buying power due to inflation, and increasing costs of the Pennsylvania State Police consuming a bigger slice of the Motor License Fund.



EXECUTIVE SUMMARY

Pennsylvania's Transportation Funding Needs

The consequences will impact our economy, environment, and quality of life as the Commonwealth will be unable to undertake new projects to relieve congestion and will fall further and further behind in maintenance. Service cut-backs will be unavoidable and safety will become an issue. Declining trip reliability will affect the economy and most aspects of everyday life for Pennsylvanians, even those who rarely drive.



Highway/Bridge/Transit

Highway Element	Description	Additional Annual Funding Need (in millions)		
		2010	2020	2030
Safety	Improvements expected to reduce fatal crashes.	\$75	\$116	\$190
Pavements	Addresses the quality of pavements by getting them back on a proper cycle of preservation, along with addressing the backlog of reconstruction needs for the 40,000-mile state system.	\$1,761	\$2,731	\$4,450
Bridges	Addresses the backlog of Structurally Deficient bridges on the state system.	\$370	\$1,290	\$920
Congestion Management	Includes better operation of the system through Intelligent Transportation Systems (ITS)	\$70	\$91	\$227
Capacity	Addresses the need for new capacity on the Core Highway System.	\$300	\$465	\$758
Local Highways and Bridges	Addresses the backlog of local bridge and roadway projects.	\$250	\$388	\$632
Traffic Signals	Funds a collaborative traffic signal modernization and retiming program between PennDOT and local governments.	\$182	\$282	\$460
Transit	Provides assistance to the state's transit agencies for approved operating expenses and capital improvements. State grants to transit systems are combined with federal and local dollars.	\$484	\$1,383	\$3,063
TOTAL		\$3,492	\$6,746	\$10,700

Source: Pennsylvania State Transportation Advisory Committee, *Transportation Funding Study*, May 2010.

EXECUTIVE SUMMARY

Other Modes

Mode	Description	Additional Annual Funding Need (in millions)		
		2010	2020	2030
Aviation	Funds the state Aviation Development Program to provide funding to preserve, upgrade, and, when practicable, build new facilities.	\$8	\$10	\$18
Rail Freight	Funds the Rail Freight Assistance Program to establish or re-establish rail service or to expand/maintain existing rail service.	\$12	\$20	\$30
Intercity Passenger Rail	Subsidizes operations and capital equipment charges for the Keystone and Pennsylvanian trains operated by Amtrak, as required by the federal Passenger Rail Investment and Improvement Act of 2008 (PRIIA).	\$14	\$18	\$24
TOTAL		\$34	\$48	\$72

Source: PennDOT analysis

Funding Targets in millions (Highway/Bridge/Transit/Local)

Mode/Recipient (total)	Year 1	Year 2	Year 3	Year 4	Year 5
Highway and Bridge	\$460	\$920	\$1,070	\$1,425	\$1,800
Local Government	\$60	\$130	\$200	\$250	\$300-\$400
Transit	\$200	\$225	\$275	\$325	\$300-\$400
Total Goal	\$720	\$1,275	\$1,545	\$2,000	\$2,500

Funding Targets in millions (Aviation/Rail Freight/Passenger Rail)

Mode/Recipient (total)	Year 1	Year 2	Year 3	Year 4	Year 5
Aviation	\$7	\$8	\$9	\$10	\$11
Rail Freight	\$9	\$11	\$13	\$15	\$17
Intercity Passenger Rail	\$13.8	\$13.8	\$13.8	\$13.8	\$13.8
Other Intermodal Investment	\$24.2	\$21.2	\$18.2	\$15.2	\$12.2
Total Goal	\$54	\$54	\$54	\$54	\$54

EXECUTIVE SUMMARY

Summary of Issues for TFAC

(based on TAC report and expert testimony)

1. Total annual user fee revenue goal: \$2.5 billion by Year 5.
2. Long-term funding strategy for freight movement and vehicle user fees that is not based on fuel consumption.
3. Multimodal Freight Study to examine economic opportunity and investment needs.
4. Private sector involvement in finance.
5. Flexibility for local governments to adopt finance plans/invest in local/regional transportation.
6. Modernization strategies to embrace new technologies, reduce delivery costs, enhance customer service, promote provider cooperation to reduce overlap and costs, and ensure every public dollar for transportation is wisely and efficiently spent.
7. Evaluate revenue options that are user-based, provide choices for motorists where appropriate, and are inflation-sensitive.
8. Evaluate each option's net effect on the already-stressed General Fund.
9. Estimate cost impacts to average driver.
10. Examine statewide benefits of finance plans to compare investment to taking no action in terms of transportation benefits for all modes.



EXECUTIVE SUMMARY

Modernization

As a result of strategic modernization, we can better meet customer needs and save money in the process—for us and our customers. Through rigorous evaluation, a number of modernization opportunities internal to PennDOT were identified, from business processes to management systems that will support future project decision-making. Recommended modernization items follow.

Modernization is about using today's tools to best serve today's customers within today's financial realities.

Driver and Vehicle Services

Recommended by TFAC	Description	Principal Benefits
Implement biennial registrations	Renew vehicle registrations every two years instead of every year.	<ul style="list-style-type: none"> Registration paperwork cut in half. Yearly savings of \$5 million (PennDOT). Yearly total customer postage savings of \$1.5 million.
Issue eight-year driver's licenses	Make driver's licenses valid for eight years, double the current four-year licenses.	<ul style="list-style-type: none"> Convenience—customers only go to driver license centers once every eight years for a new photo and license. Yearly savings of \$500,000 (beginning four years after implementation). Yearly total customer postage savings of \$100,000.
Eliminate safety inspections for new vehicles	Require annual inspections only for cars more than two years old.	<ul style="list-style-type: none"> New car buyers save time. Statewide, owners of new vehicles save \$24 million a year.
Consolidate driver license centers	Consolidate driver license centers to achieve greater efficiency and improve customer service.	<ul style="list-style-type: none"> Driver license centers with more convenient hours. Yearly cost savings of \$650,000.
Eliminate vehicle registration stickers	Phase out the requirement to affix a registration sticker to each license plate each year.	<ul style="list-style-type: none"> One less task for vehicle owners. Yearly savings of \$1 million (PennDOT). Potential for enhancing online registration renewal.
Optional third party non-CDL driver's license skill testing	Currently road tests are free and conducted by PennDOT, typically with a several-week wait to schedule. This option would allow drivers to choose to pay to take a test sooner through a private testing service, or pay PennDOT a fee to take a driver test.	<ul style="list-style-type: none"> More choices to better serve customers. Yearly revenue increase of \$1.65 million. New private sector jobs at third-party testing centers.
Authorize fine option in lieu of suspension for driving without insurance	Failure to maintain insurance currently results in a three-month suspension of vehicle registration. This option would allow violators to pay a \$500 fine instead.	<ul style="list-style-type: none"> Customers can still drive to work and be productive and independent.

EXECUTIVE SUMMARY

Traffic Control, Enforcement, & Safety

Recommended by TFAC	Description	Principal Benefits
Update traffic signals to LED and optimize timing	Currently, municipalities own and maintain the state's 14,000 traffic signals. In this option, PennDOT would oversee modernizing signals and optimizing their operation.	<ul style="list-style-type: none"> • Drivers can see LED lights better, improving safety. • Energy costs reduced by 80% for local governments. • Existing roadways can handle more traffic for a relatively modest investment, reducing congestion and improving air quality. • Faster transition statewide to consistent, updated signals.
Automate work zone traffic control	Installation of speed enforcement cameras in work zones could provide more hours of monitoring while reducing the assistance needed by the Pennsylvania State Police.	<ul style="list-style-type: none"> • Work zone speed limits would be taken seriously 24/7, reducing crashes and saving lives. • \$2 million in savings—deployment and operation would be self-funding.
Install red-light-running cameras	Automated enforcement of traffic signals has proven effective in Philadelphia and other states, producing a 25% average reduction in intersection crashes.	<ul style="list-style-type: none"> • Intersections would be monitored around the clock, improving driver behavior and reducing crashes and fatalities. • Local police would not be stretched as thin.
Expand and update HOP permitting	Expanded use of online permit applications; aligning PennDOT fees with administrative costs.	<ul style="list-style-type: none"> • Streamlined application review process. • Costs and responsibilities would be more fairly allocated. • Option to pay higher fee for expedited guaranteed service within specified timeframe.

PennDOT Project Delivery

Recommended by TFAC	Description	Principal Benefits
Expand program management and outsourcing	Bundle individual projects into programs—such as rehabilitating 100 to 300 bridges at one time—and engage experienced private sector program managers to produce benefits for PennDOT as well as local governments. Continue to investigate and implement appropriate opportunities to outsource processes and services. Currently PennDOT contracts out about 74% of its workload.	<ul style="list-style-type: none"> • Improved project delivery. • Lower costs.
Eliminate local cost share for ADA curb ramps	When improving state highways, PennDOT would construct curb ramps compliant with the Americans with Disabilities Act at all affected cross-streets, and seek maintenance agreements with municipalities in lieu of cost-sharing.	<ul style="list-style-type: none"> • Cost savings to local governments (\$238 million). • Efficient installation statewide. • Clear-cut maintenance responsibilities.
Modify review process for minor projects	PennDOT executes about 600 minor projects (such as small bridge repairs) each year. This option would streamline the required design submissions and reviews with consultants performing the work.	<ul style="list-style-type: none"> • Minor projects built more quickly, reducing project costs and delivering benefits sooner. • PennDOT scrutiny more appropriately directed toward complex projects.
Streamline new technology approval	Implement faster processes for testing and verifying performance of prospective materials and technologies while mitigating risk.	<ul style="list-style-type: none"> • A faster road to better-performing, more cost-effective projects. • More competition among suppliers and greater sourcing options.

EXECUTIVE SUMMARY

Transit

Recommended by TFAC	Description	Principal Benefits
Study consolidation of small transit systems to serve regions where appropriate (shared-ride and fixed-route)	Consolidation would only be done based on the outcome of a study. The studies (conducted jointly by PennDOT and the involved transit providers) will examine regions to determine whether consolidation would reduce annual expenses. If the study outcome estimates annual savings, providers and local government would have the option of following the recommended actions or providing increased local funds to match the projected annual savings.	<ul style="list-style-type: none"> • \$18 to \$25 million in savings. • Customers dependent on transit do not lose this vital service. • Reduces pressure to increase local share of state funding.

Aviation

Recommended by TFAC	Description	Principal Benefits
Update the Aviation Development Program prioritization process	Place greater emphasis on project readiness, including local share availability and local permitting approvals.	<ul style="list-style-type: none"> • Projects could move forward quickly if funding becomes available.
Maximize opportunities to fund aviation projects with the Aviation Restricted Account	Adjust charges and reimbursement methods for PennDOT Flight Services that would reduce the burden on the Aviation Restricted Account.	<ul style="list-style-type: none"> • More funding available for aviation projects.
Consider aviation entitlement program with the state grant program	Guarantee funding to an annual statewide development/maintenance program for airports at a specified level year after year.	<ul style="list-style-type: none"> • More predictable funding levels. • Economies of scale. • Stretches available funds further for actual construction.

Inter-Agency Coordination

Recommended by TFAC	Description	Principal Benefits
Consolidate to a Statewide Traffic Management Center	Co-locate the traffic management operations of the Pennsylvania Emergency Management Agency, the Pennsylvania State Police, the Pennsylvania Turnpike Commission (PTC), and PennDOT into one centralized statewide facility with modernized equipment and communications technologies.	<ul style="list-style-type: none"> • Motorists would receive reliable, real-time 511 information. • The highway network would be managed as a system. • More efficient and effective communication and collaboration among entities.
Agility agreements with PTC and local governments	Formalize cooperation between PennDOT and local governments, as well as the PTC, through agility agreements. They facilitate joint planning, training, and materials development as well as shared use of materials and equipment and exchange of services.	<ul style="list-style-type: none"> • Common-sense approach to managing transportation infrastructure. • Cost savings for PennDOT and local governments/PTC. • Better roadway maintenance and service.
Enhanced collaboration	Broader collaboration among state agencies, the PTC, transportation management areas, and county and municipal governments, all with overlapping jurisdictions and goals. Efforts would align responsibilities with areas of strength, with PennDOT taking the overall lead.	<ul style="list-style-type: none"> • Transportation system planning, development, operation, and maintenance would be better managed. • Streamlined methods would be more cost-effective.

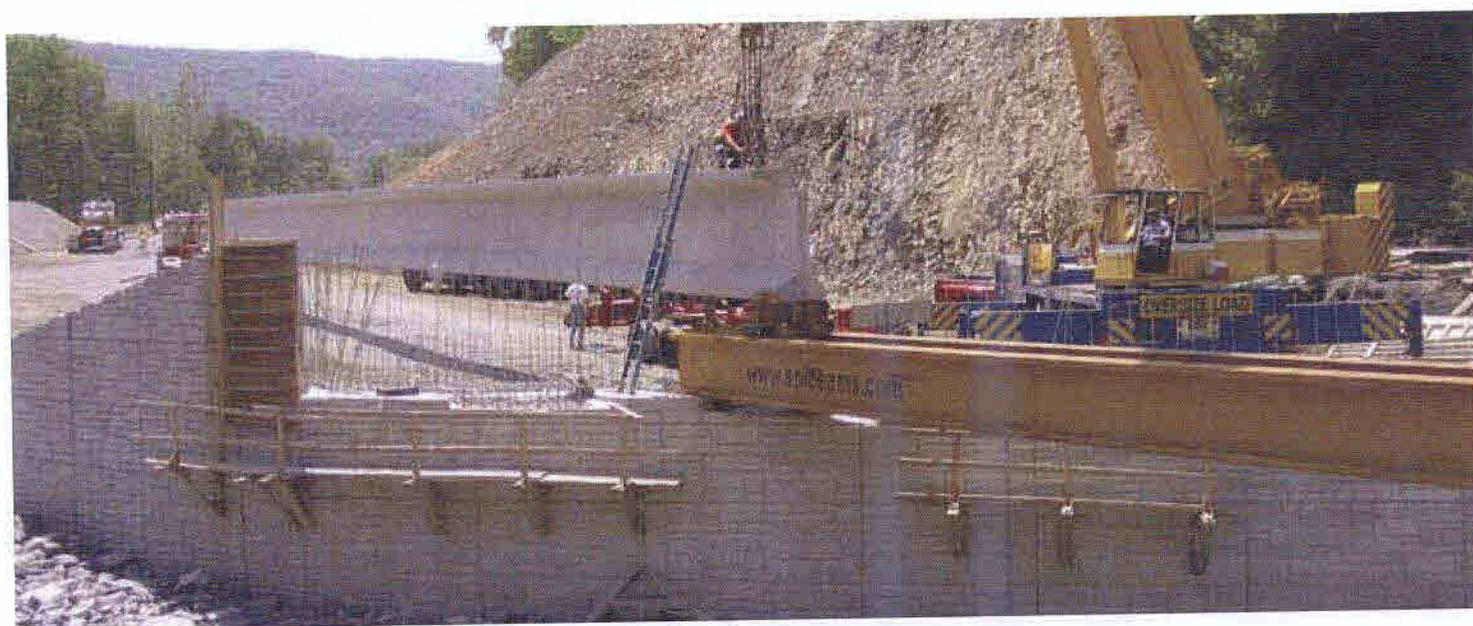
EXECUTIVE SUMMARY

Energy

Recommended by TFAC	Description	Principal Benefits
Support alternative fuels	Biodiesel, compressed natural gas (CNG), electric plug-ins, magnetic recharge, and other technologies could offer promise for the future fueling of PennDOT's fleet and Pennsylvania's transit vehicles, school buses, and privately-owned fleets. This would require an initial investment in vehicles, fueling stations, and service garages.	<ul style="list-style-type: none"> • Reduce emissions/improved air quality. • Potential for lower fuel costs. • Potential for more stable fuel sources. • Long-term economic benefits—job creation in Pennsylvania-based energy.

Finance

Recommended by TFAC	Description	Principal Benefits
Marketing and advertising within state right-of-way	State law does not allow any marketing or advertising within the state right-of-way. New options for advertising could include 511 sponsorship signs, static sponsorship advertising above variable message boards, and video sharing agreements for video from PennDOT traffic cameras.	<ul style="list-style-type: none"> • \$5 million in new revenue for PennDOT. • Increased customer awareness of 511 services and congestion that will improve safety and provide better route planning.
Move PA's Fuel Point of Taxation to the terminal (RACK)	The Department of Revenue currently collects motor fuel taxes at the wholesale distributor level. This option proposes imposing the liquid fuel tax at a higher point in the distribution chain, to the terminal, or "RACK."	<ul style="list-style-type: none"> • \$25 million in additional revenue. • The point of taxation would be consistent with the federal gas tax.
Service patrol advertising	Allowing commercial businesses to advertise on the trucks that provide service patrols in urban areas can cover the costs of this service. Currently the service is paid for directly by PennDOT.	<ul style="list-style-type: none"> • Save the \$4.2 million per year PennDOT currently spends on this service. • Potentially provide increased service if additional revenue is generated.



EXECUTIVE SUMMARY

Recommended Funding Package

This funding shortfall will not be corrected in a short amount of time. Funding will have to be enhanced over a period of years through various methods. Further, transportation investments take time to plan, design, and construct. In recognition of this fact, **TFAC adopted a target of identifying \$2.5 billion in additional resources** through new funding sources as well as increased efficiencies and cost savings. The target is to be achieved over a five-year period, allowing time for additional funding to come on line throughout a transition period and allowing a more gradual increase in fees.

Recommended Funding Package

Sources (in millions) Highway/Bridge/Local/Transit

Funding Source	Year 1	Year 2	Year 3	Year 4	Year 5
Cap and move \$300 million of State Police costs to General Fund	\$0	\$17	\$114	\$228	\$300
<i>If PSP capped and not shifted to General Fund</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
Increase vehicle and driver fees to inflation (3% per year going forward), phased in for commercial vehicles over 26,000 pounds.	\$383	\$431	\$480	\$532	\$574
Fuels: Uncap Oil Company Franchise Tax (AWP) over five years	\$272	\$544	\$817	\$1,089	\$1,361
Fee and fine increases - Motor License Fund	\$17	\$17	\$62	\$62	\$172
Modernization and cost savings - Motor License Fund	\$10	\$20	\$30	\$50	\$66
Restructure Act 44 - Motor License Fund decrease	(\$200)	(\$200)	(\$200)	(\$200)	(\$200)
Restructure Act 44 - Transit increase	\$200	\$200	\$200	\$200	\$200
Dedicate 2% of existing Sales Tax revenue to transit	\$0	\$22	\$100	\$150	\$172
Total required Local Transit - 15% of new money, only if local option source enabled • Small Games of Chance (50) transit local funding • Local Transit match - other sources	\$0	\$0	\$45	\$52.5	\$55.8
Modernization - Consolidate/regionalize transit delivery	\$0	\$0	\$5	\$10	\$20
Total Funding	\$682	\$1,051	\$1,653	\$2,163	\$2,700
<i>If PSP capped and not shifted to General Fund</i>	<i>\$682</i>	<i>\$1,034</i>	<i>\$1,539</i>	<i>\$1,935</i>	<i>\$2,400</i>

EXECUTIVE SUMMARY

Impacts to Typical Driver (in actual dollars)

	Year 1	Year 2	Year 3	Year 4	Year 5
Vehicle and driver fees increase to inflation	\$14	\$16	\$18	\$19	\$21
Fuels: Uncap OCFT (AWP) over 5 years (if entire increase is passed on to the consumer)	\$22	\$43	\$64	\$83	\$101
Fee and fine increases - Motor License Fund	\$0	\$0	\$0	\$0	\$10
Total Additional Yearly Cost	\$36	\$59	\$81	\$103	\$132
Weekly Cost	\$0.70	\$1.14	\$1.57	\$1.97	\$2.54

Intermodal Transportation Funding

Revenue generated from surcharges on moving violation traffic tickets is currently deposited into the General Fund and could be redirected into a new Intermodal Transportation Fund. This revenue could be used to increase funding for Aviation, dedicate money for the Rail Freight Assistance Program and Intercity Passenger Rail, and provide additional funding to Pennsylvania's Ports and Waterways.

Recommended Funding Package

Summary (in millions) Aviation/Rail Freight/Passenger Rail

Mode/Recipient (total)	Year 1	Year 2	Year 3	Year 4	Year 5
Aviation	\$7	\$8	\$9	\$10	\$11
Rail Freight	\$9	\$11	\$13	\$15	\$17
Intercity Passenger Rail	\$13.8	\$13.8	\$13.8	\$13.8	\$13.8
Other Intermodal Investment	\$24.2	\$21.2	\$18.2	\$15.2	\$12.2
Total Funding*	\$54	\$54	\$54	\$54	\$54

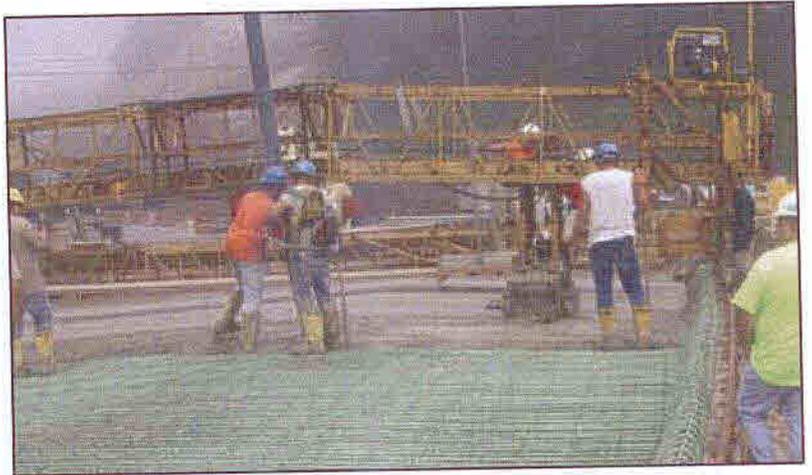
*Annual total funding will be based on actual revenue generated.

EXECUTIVE SUMMARY

Decade of Investment

PennDOT will be able to begin reinvesting in new capacity projects after years of “maintenance first” project planning, and is committing to reduce the backlog of projects resulting from an aging infrastructure and years of underinvestment. A decade of investment will result in the following infrastructure improvements:

- System-wide safety enhancements and Intelligent Transportation Systems (ITS)
- Reduction in structurally deficient bridges
- Improved roadway resurfacing and reconstruction
- New road and bridge capacity projects
- Increased transit facilities and services
- Upgrades and improvements for rail freight network, airports, and ports



Legislative Action Recommendations

- Provide enabling legislation so local governments can have the option to raise revenue to support transportation investment.
- Pass public-private partnership legislation.
- Amend Act 44 of 2007 to shift Pennsylvania Turnpike Commission payments and expand tolling authority to interstates.
 - » Direct all required Act 44 payments directly to transit.
 - » Transition all Act 44 payments currently for transit operating costs, to be used for capital projects.
 - » Enable tolling authority on other interstates within Pennsylvania, with toll revenue dedicated exclusively to the corridor from which it was collected. TFAC does not recommend tolling of any interstate. However, recognizing that tolling is mileage-based rather than based on fuel consumption, and considering that federal laws could change in the future, TFAC recommends creating enabling state legislation now.

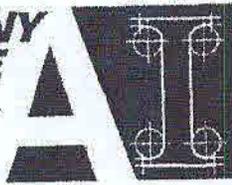
Follow-up Study Recommendations

- Determine the feasibility of alternative highway funding for Pennsylvania including usage based charges such as expanded tolling, logistics fees, freight charges and vehicle miles travelled (VMT) fees.
- Develop a comprehensive Commonwealth Freight Movement Plan
- Research opportunities to avoid delays due to utility relocation for roadway improvement projects.

Supplement F

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**AN ANALYSIS OF THE DEMAND
FOR TAXICABS IN THE
PITTSBURGH AREA**

*Frank Gamrat, Ph.D. Senior Research Associate
Allegheny Institute for Public Policy*

*Allegheny Institute Report #01-01
March 2001*

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Key Findings

- The Pittsburgh area is not considered a "taxi" town. Residents typically do not use cabs as a primary mode of transportation.
- The regulatory environment in which cabs operate stifles competition.
 - Entrants to this industry must prove that the incumbents are not fulfilling demand. Incumbents often have the first chance to provide their own solutions to the accusations thereby shutting out the prospective entrants.
 - As a result of this regulatory environment, there is one dominant firm and a small number of cabs that service the area.
- A comparison of taxicab usage with comparable cities shows that usage per capita in Pittsburgh is well below the national average.
 - The average number of firms per city in the sample is 22, Pittsburgh has 5.
 - Pittsburgh cabs make approximately 40 percent fewer daily trips per 1,000 persons than the average city of similar size.
- A survey of local establishments indicates that there would be ample demand for taxicabs if residents believed they could get a cab in a reasonable amount of time.
 - Currently it takes a patron an average of about 35 minutes to get a cab, if one can be had at all, to take them across town.
- Based on the averages of comparable cities, and the results of the survey, there is ample room for one or more additional taxicab companies to serve the Pittsburgh area.

Background

Nationally, major metropolitan areas achieve an average taxi utilization that generates a market representing between 3 and 5 percent of population. Historically it is likely that taxi usage peaked and has been in decline for a decade or more in most major metropolitan areas. The reasons for the decline have been myriad, and include a dramatic shift in population from cities to suburbs making the average citizen dependent upon privately-owned automobiles for nearly all commuting. The decline of the cities as residential and retail centers has also changed the demographic composition of most city populations. In most major cities, the middle class population has declined, while the upper and lower economic strata have remained in residence.

Most governmental transportation programs emphasized the development of mass public transportation modes that effectively reduced taxi service to a niche industry focused upon the wealthy residents of and visitors to cities. Government transportation programs, designed to improve inner city transportation, severely weakened what had been a very cost-effective and unsubsidized mode of personal transport—the taxicab system. This happened in most major metropolitan areas where taxicabs were supplanted with an ineffective, inconvenient, costly and subsidy-requiring complex of mass surface transportation.

Still, Pittsburgh appears to be dramatically underserved by taxi transportation compared to other similar cities throughout the United States. For one thing the dominant firm in the area is apparently not interested in discovering the real needs of the marketplace, since it has a virtual monopoly on long distance cab service between downtown Pittsburgh and Pittsburgh International Airport.

In Pennsylvania, the effect of regulation is to afford existing cab companies a sheltered environment wherein innovation and, frankly, customer service are secondary to maintaining market share in a static environment. There is no incentive to innovate or improve service, especially in a slow growth economy. To make matters worse, the advent of two new stadiums and the construction of a new convention center bode well for an increase in tourism and visitors, and therefore, suggest that growth in demand for traditional taxi service will occur in the near future. Will there be a commensurate rise in competitive cab service?

In this context, this study was undertaken to assess the current and potential demand for cab service in the Pittsburgh area with a particular emphasis on determining if demand is or will be sufficient to support additional taxi companies.

Taxicab Service in Pittsburgh

Taxicab service in and around the City of Pittsburgh has often been criticized by the local media and even policymakers. Periodically, articles regale readers with stories of how difficult it is to travel around town via taxi. The reasoning behind the criticism goes something like this: cabbies are only willing to accept high priced fares to the airport and

ignore the lower fare, cross-town traveler. The underlining principle is that since Yellow Cab leases its cabs to the drivers, who are then obligated to pay Yellow Cab a fixed fee, the cabbies need to make longer runs to not only pay off the daily lease, but to make a profit for themselves. Therefore they eschew shorter trips in favor of longer ones. It has been reported that some cabbies even have a "preferred client" list. These clients have the cabbies' personal cell phone numbers and arrange for service directly with the cabbie. These cab drivers only accept these calls and ignore the dispatcher, which effectively takes them out of circulation.

Most Pittsburghers are used to this situation, but it surprises many visitors. Even though it is against the rules of the Pennsylvania Public Utility Commission (PUC) to refuse a rider because of distance (and subsequently fare size), cabbies allegedly do so on a consistent basis. For example, in 1999 the PUC fined Yellow Cab 10 times for refusal to take passengers on short trips.¹ In January of 2001, the Pittsburgh office of the PUC fielded 10 complaints of such violations.² The questions to be asked in this paper are twofold: Are there enough cabs or cab companies to accommodate the Pittsburgh market? Can other taxi companies enter the market and successfully compete?

In order to answer these questions, an examination of the current Pittsburgh market must be done. According to the PUC, there are only 5 taxicab companies registered to operate in Allegheny County.³ They are listed in Table 1.

Table 1

Taxicab Company (Year Franchised)	No. of Cabs in Fleet	Market Concentration	Area to 99911111
Yellow Cab (1946)	350	90.7%	City of Pittsburgh, 10 Mile outward radius, including airport.
Checker Cab	20	5.2%	City of Pittsburgh
People's Cab (1951)	10	2.6%	City of Pittsburgh, 10 Mile outward radius.
S&S Taxi (1982)	4	1.0%	Southeastern Suburbs
Eagle Taxi (1981)	2	0.5%	City of Pittsburgh
Total Cabs	386	100%	

As can be seen from the Table, there are less than 390 cabs operating in the Greater Pittsburgh area and only four companies have permission from the PUC to accept fares within Pittsburgh's city limits. The largest of these companies, Yellow Cab, owns/leases

¹ In 2000, the PUC fined Yellow Cab 6 times and were conducting 4 more investigations.

² Phone conversation with Pittsburgh office of the PUC. 1/30/01 Not all complaints result in fines.

³ According to PUC records, there are only 5 taxi companies legally operating with call and demand authority. Numerous limousine companies are registered in Allegheny County and are suspected (sometimes proved) providing call and demand services (15 limo companies and 6 paratransit services).

91% (350 cars) of the taxis that operate in Allegheny County.⁴ The next largest competitor is Checker Cab with 5% (20 cars). It is interesting to note that People's Cab is not a true "for profit" company. Its license is owned by a Carnegie Mellon University professor, who uses the company as a training ground for students studying business. Therefore, Peoples Cab is not a true competitor in the local market.

The Regulatory Environment

Why the disparity between the dominant firm (Yellow Cab) and the others? The answer lies in the way the taxicab industry is regulated. The current regulatory environment ensures that competitive entry is slanted toward the incumbent providers. A prospective cab company submits an application to the PUC, which makes the application public.⁵ The applicant must demonstrate that the incumbents are not adequately serving the area it wishes to serve. At this time any incumbent providers may contest the application.⁶ The incumbents often dispute the operating fitness of the applicant's company. Due to the economies of scale present in starting a taxi company, the incumbents argue that the new company cannot begin to offer the level of service currently being provided.

They may also challenge the notion that incumbents are providing inadequate service. The incumbents often provide a solution in which they offer to expand to any new areas of demand. Since this seems to be an easy solution, the PUC often finds in favor of the established companies.

The burden of proof lies with the applicant. The applicant must convince regulatory officials that they can provide the areas in question with better service than those companies already in operation. It basically amounts to one person's word vs. the other. "Obviously, the cab companies that were franchised first have no quarrel with this process for the fact that when they were franchised, more areas needed service. Now the process has become twisted: instead of the new company responding to a market demand and commencing cab service, they are forced to 'accuse' the company that has 'failed'. Since this regulated monopoly model favors incumbents, they are given the benefit of the doubt that they can serve 'neglected' areas."⁷

This regulatory environment allows the incumbents to react to any ideas or strategies that may have been proposed by a potential entrant to the industry. For example, a story had run in the Pittsburgh Business Times about a potential entrant to the taxi industry, PT, Inc., that has proposed using the Daimler Chrysler PT Cruiser vehicle as its taxicab.⁸ PT, Inc. and its owner John Wargo, had announced his plan to operate 40 PT Cruiser

⁴ Yellow Cab has petitioned the PUC for permission to add 20 more cars to begin operation in March of 2001.

⁵ The application is published in the Pennsylvania Bulletin.

⁶ PUC leaves the application open for contest for 15 working days.

⁷ Montarti, Eric. "Scared Yellow: An Analysis of Taxicab Competition in Allegheny County". *Allegheny Institute for Public Policy*. Report #00-03. January 2000.

⁸ Schooley, Tim. "Voodoo Taxicabs". *Pittsburgh Business Times*. Pp. 53-55. November 24-30, 2000.

vehicles that would service Pittsburgh's Golden Triangle and not making airport runs. Specifically, the plan is to serve customers wishing to frequent the City's nightclubs, restaurants, and theater district. Four months later, Yellow Cab of Pittsburgh has announced, also in the Pittsburgh Business Times, that it too will be introducing 20 new PT Cruisers to its fleet of taxis. These new taxis will not be serving the airport but will be restricted to serving local restaurants and the theater district.

Is There Room for More Cab Companies?

The International Taxicab and Livery Association (ITLA) compiles data in the taxicab industry via survey. The ITLA provides national averages on data such as annual trips and distances per taxi. This data is represented in Table 2.

Table 2⁹

Fleet Size	1-24	25-99	100-999	1000+
Average Fleet Size	11.9	47.3	272.9	69.8
Avg. Annual Miles per Taxi	47,078	45,492	57,980	54,463
Avg. Daily Miles per Taxi	131	126	161	151
Avg. Distance per Taxi Trip	4.9	5.7	7.0	5.6
Avg. Annual Trips per Taxi	5,792	6,474	6,271	6,286
Avg. Daily Trips per Taxi	16	18	17	17
Avg. Annual Passengers/Taxi	8,339	9,003	8,511	8,619
Avg. Daily Passengers/Taxi	23	25	24	24
Avg. Passengers per Trip	1.44	1.39	1.36	1.38

The data from ITLA is sorted by fleet size to give a comparison of smaller companies and their larger competitors. The final column represents overall averages. In the Pittsburgh market, Yellow Cab was the only respondent to ITLA's survey. With their large fleet, Yellow Cab would fall in the 100 and up column. The other firms in the area would fall under the small fleet size category (1-24).

As can be seen from these national numbers, smaller companies average about 10,000 fewer annual miles per taxi than the larger companies. Smaller companies also make 500 fewer trips per year than their larger colleagues. When broken down to daily averages, a small firm logs 30 fewer miles (about 2 miles less per trip) and makes 1 less trip than its larger counterpart. The implication is that cabs operated by larger firms make longer trips than those operated by smaller firms.

City Comparison

To get a better idea of how this area's cab service stacks up with cities of similar size, we sampled cab companies in nine other cities and compared them to Pittsburgh. The sample consists of responses to a telephone survey in which cab companies in

⁹ International Taxicab and Livery Association. Fact Book: Taxicab Services Division. 2000. Page 7.

comparable cities were asked two questions: How many trips per hour does the average cab make? And, what is the average distance per trip?¹⁰ From the ITLA data referenced above, we were able to approximate the number of cabs per city.¹¹ Table 3 lists the results of the survey.

Table 3

City	State	Pop. (000's)	Firms	Avg. Miles/trip	Cabs/day	Miles/day	Miles/year	Miles/cab
Atlanta	GA	3500	71	2	36	1440	41,472	11,8491
Buffalo	NY	310	20	2	36	338	9,720	31,3548
Cincinnati	OH	475	16	4	72	485	27,936	58,8126
Cleveland	OH	1000	15	2	36	450	12,960	12,9600
Columbus	OH	562	23	3	54	500	21,600	38,4342
Denver	CO	2600	12	1	18	758	10,912	4,1970
Indianapolis	IN	780	15	4	72	580	33,408	42,8308
Philadelphia	PA	1500	23	3	54	1297	56,026	37,3507
Pittsburgh	PA	1250	5	2	36	385	11,088	8,8704
Seattle	WA	1000	23	2	36	503	14,486	14,4864
Average		1297.7	22	2.5	45	476	17,135	13,2043

Notes: *Population of area served by cab companies.
 ** Assume 18 hr. day.
 ***Assumes 80% of cabs are on the road

The first thing to note about Table 3 is the population count. This data, from the ITLA represents area served, not just the center city population. For example, the population of Buffalo is 310,000 persons, which represents the city population. However, the population of Pittsburgh is 1.25 million, which represents the population of the area (Allegheny County).

The next column indicates the number of firms that operate in that area. For the city of Buffalo, there are 20 companies serving 310,000 persons and in the Atlanta area there are 71 firms serving 3.5 million people. However, the Pittsburgh area, with its 1.25 million, is served by only 5 cab companies. The average number of firms serving markets of similar size to Pittsburgh is 22. From casual inspection there appear to be too few firms serving such a large population.

It can also be seen that when it comes to the average number of cabs per city, only Buffalo trails Pittsburgh. Buffalo, with about 340 cabs serves 310,000 citizens. Pittsburgh, with around 390 cabs serves 1.25 million citizens. The conclusion is that Buffalo serves 940,000 fewer persons with 50 fewer cabs. Looked at the other way

¹⁰ At least two firms from each city were contacted.

¹¹ With the help from a City of Columbus survey, we were able to get close approximations for the numbers of cabs in the Ohio cities, Seattle and Indianapolis.

round, there are 109 cabs per 100,000 persons in Buffalo while in Pittsburgh there are only 30 cabs per 100,000 persons.

The column labeled "Average Number of Daily Trips per City" was obtained by talking to cab companies in the cities mentioned.¹² We asked each company to approximate the average number of trips a cab makes per hour. These averages were then used to estimate the number of daily trips per cab. When extrapolated to the average number of daily trips per city, Pittsburgh, with approximately 11,000 daily trips, ranks ahead of only Buffalo, approximately 9,700 daily trips, (by about 1,400 trips) and Denver, about 10,900 daily trips, (by about 175 trips). Pittsburgh lags well behind the sample average of 17,100 daily trips.

Likewise when comparing the average number of trips per 1,000 persons (to eliminate the population differences), Pittsburgh is near the bottom of the list and well below the sample average of 13 trips per 1,000 persons. With only 8.8 trips per 1,000 persons, Pittsburgh ranks ahead of only Denver, with its 4.2 trips per 1000 persons. Pittsburgh falls well behind neighboring cities Columbus (38 trips), Cincinnati (59 trips) and Buffalo (31 trips per 1,000 persons).

If local cab use approximated the national averages, Allegheny County could generate 60% more daily taxi trips than it currently does. This would amount to about 5,000 trips per day. Even taking a very conservative view, there are easily 2,500 more potential trips per day. At an average of 36 trips per cab per day this implies that the Pittsburgh market could accommodate one medium sized company (25-60 cabs) or two, maybe three, small companies (1-24 cabs) comfortably.

Local Restaurant Survey

Are Pittsburgh's low usage rates a consequence of conditioning? Are Pittsburghers so accustomed to not being able to get a cab that they don't even try? Newspaper articles seem to indicate so, and a survey of Pittsburgh restaurants substantiates this theory. Table 4 summarizes the results of the survey.

This survey, which was conducted via phone, asked Pittsburgh area establishments three questions: How many taxis do you call, on behalf of patrons, on an average night? How long is the average wait once the call is made? And in your estimation, if customers knew that they could count on reliable service, do you think that demand for cabs would increase/decrease/or stay the same?

The respondents indicated that on a *busy* night they call an average of 4 cabs per night for their customers. The average wait is about 35 minutes with some waits as long as 90 minutes. Some managers emphasized that there was no guarantee the cab would even

¹² The interesting note here is that when Yellow Cab of Pittsburgh was contacted, the answer given was: "It depends on how hard the drivers hustled. We do not keep track of that type of information." While this answer is true for all cab drivers, other companies such as People's Taxi and Eagle Cab had no difficulty in estimating average trips per hour.

show. Some of the respondents commented that since the dominant cab company knows that these patrons are only interested in going across town, cabbies are not interested in the lower-fare trip. Some restaurants noted that either they or their employees would often shuttle customers across town when the cab failed to show. The owner of a downtown restaurant went so far as to lease his own shuttle bus to take customers a few blocks to the Cultural District.¹³ A prominent city restaurant is running radio advertisements promoting shuttle service from its Mount Washington location to the Cultural District with dinner purchase.

Table 4

Number of Restaurants	Location	Avg. Number Cabs/Night	Anticipated Demand	Avg. Walk (mins)
8	Golden Triangle/ Strip District	4.6	increase	37.5
2	Mt. Washington/ Station Square	5	increase	30
5	South Side	3.8	increase	42
Overall Averages		4.5	increase	36.5

The overwhelming response came from the last question. All respondents agreed that if customers felt that reliable on-demand cab service were an available option, more customers would use that option. One restaurant/bar owner commented that with the federal government lowering the legal blood-alcohol limit from its current standard, an increasing number of patrons are going to be forced from their cars to alternative modes of transportation. Another responded that with the City opening two new stadiums (with limited parking) and expanding the convention center (more visitors), the demand for taxis would surely exceed the current supply.

Conclusion

The information above indicates that the availability of taxicabs in Pittsburgh is currently inadequate. The idea that one or more cab companies can be successfully added to the Pittsburgh market is entirely feasible. As table 3 illustrates, when comparing Pittsburgh to cities of comparable size, it has the fewest number of firms, the second fewest number of taxis, and the second lowest number of trips per thousand citizens. While it has not been the intention to prove here that Pittsburgh cab drivers eschew short, cross-town trips for longer and more lucrative airport runs, it has been established that the level of service in the area is inadequate when compared to similar metropolitan areas.

A major reason for the inadequate level of service is the regulatory environment in which taxicabs operate. The current system established by the Pennsylvania Public Utilities Commission favors the incumbents at the expense of potential entrants. Potential firms must prove that current firms are not satisfactorily servicing their customers.

¹³ Zurawsky, Christopher. "Taxi Availability Driving Up Frustration Levels". Tribune-Review. May 26, 2000.

Furthermore, the potential firm must submit their plans to the PUC, which are then open to public inspection. This certainly gives the incumbents ample time to prepare counter arguments against the entrant. This system does not make for a level playing field.

A survey of City restaurants points convincingly to a need for more and better taxi service in Pittsburgh. Moreover, combining the current below average taxicab usage rates with the supply induced demand that will almost certainly occur with the advent of more and better service and the likely growth stemming from the new Convention Center, there is clear and rising unmet need for more competitive taxi service in Pittsburgh.

Supplement G

**Bylaws of the City of Pittsburgh
Propel Pittsburgh Commission**

ARTICLE I: Name

The name of said commission shall be the City of Pittsburgh Propel Pittsburgh Commission (herein after referred to as the "Propel Pittsburgh Commission").

ARTICLE II: Form of Commission

The Propel Pittsburgh Commission shall be an advisory body with members appointed by the Mayor, City of Pittsburgh, in accordance with Pittsburgh Code Title One, Article IX, Chapter 178B, as amended No. 2011 - 1377, effective as signed, February 25, 2011.

ARTICLE III: Purpose

The purpose of the Commission is to encourage greater participation in government, identify or create programmatic or policy opportunities in issues affecting young adults and young professionals in Pittsburgh, and to inform various elected and appointed officials representing young people about issues specific to them. The Propel Pittsburgh Commission will help to give the young adults and young professionals of Pittsburgh a major role in moving the City of Pittsburgh forward. The Propel Pittsburgh Commission shall report in writing quarterly to the Mayor and Council on its recommendations and suggestions.

ARTICLE IV: Membership

Appointments and terms shall be as follows:

A. The Propel Pittsburgh Commission shall consist of fifteen (15) members who are residents of the City of Pittsburgh and between 20 and 34 years old at the beginning of their term. (If past members have moved out of the city they will be allowed to serve in an advisory role at the discretion of the Youth Policy manager). The composition shall be established to allow representatives of City Council to nominate one (1) representative from their respective council district. The Commission shall strive to have at least one representative for each council district. All commissioners will be appointed by the Mayor and confirmed by City Council. .

Appointments shall be representative of those listed above, with consideration of a city geography and diversity. Appointments shall be made without regard to color, race, religion, gender, sexual orientation, national origin, parental or marital status, age, ancestry and/or disability.

B. The term of each member shall be three years.

C. The Propel Pittsburgh Commission shall make reasonable accommodations to enable the participation of its members and/or guests who are people with disabilities.

D. There shall be no fee required for membership, nor shall any members receive any financial reimbursement for their services.

E. Member Vacancy: A Commission member position shall be deemed vacant when:

- 1) An appointee who has not yet been confirmed withdraws his/her application;
- 2) A member no longer continues to meet qualifications for appointment during the term of office; or
- 3) A member voluntarily resigns or, for some reason, is no longer able to serve as a member.

F. Conflict of Interest: Commission members shall disqualify themselves from participation in any discussion and/or vote on any matter in which a Propel Pittsburgh Commission member or his/her family has a financial interest (tangible gain) or a personal interest which would affect independence of judgment or action in the performance of the member's duties.

G. Members may not make official statements or speak authoritatively on behalf of the Propel Pittsburgh Commission without express permission and consent of the Executive Committee. Commission members may engage in discussion, gather data, participate in dialogue, and should use their discretion and sound judgment when addressing the general public, officials, and community and business leaders regarding any issue.

H. Member Resignation: A Propel Pittsburgh Commission member may resign by giving written notice to the Leadership Committee and the Youth Policy Manager. The notice shall specify an effective date of resignation, and whenever possible, should be submitted at least fourteen days prior to the effective date of resignation.

I. Member Removal:

1. A Propel Pittsburgh Commission member may be removed from the Propel Pittsburgh Commission only upon recommendation by a two thirds majority vote of all standing Commission members requiring final ratification and approval by the Executive Committee.
2. The Propel Pittsburgh Commission may recommend that a member be removed for failure to participate in Propel Pittsburgh Commission activities, for behavior that negatively impacts its purpose, or other just cause.
3. The Youth Policy Manager may recommend to the Executive Committee that a Propel Pittsburgh Commission member be removed. The Commissioner cannot be removed without the majority approval of the Executive Committee.

J. Replacement of Members: When a Propel Pittsburgh Commission member resigns or is removed, his or her membership position becomes vacant. In such circumstances, the Mayor will appoint a replacement member to finish the remainder of the term.

K. Staff: The Youth Policy Manager, City of Pittsburgh, Office of the Mayor shall serve as staff to the Propel Pittsburgh Commission.

L. Alcohol and Drug Use:

1. No Commissioner shall be permitted to attend any meeting of the Commission under the influence of alcohol or any illegal drugs;
2. All Commissioners shall use alcohol in a responsible and moderate manner at all official Commission events and/or while serving in his or her official capacity as a Commissioner, including, but not limited to, all Commission sponsored events, all events sponsored by the Mayor's Office of the City of Pittsburgh or a member of the City Council, and any event where the Commission and/or its Commissioners are invited in its and/or their official capacity;
3. A Commissioner that violates this Section IV(L) shall be subject to removal from the Commission under Section IV(I).

ARTICLE V: Meetings

A. Meetings: The Propel Pittsburgh Commission shall meet at least every other month. The time, hour, and place of meetings shall be determined by a consensus of the Propel Pittsburgh Commission. All meetings of the Propel Pittsburgh Commission shall be called, noticed, held and conducted in accordance with the State of Pennsylvania Sunshine Act.

B. Additional Meetings: When deemed expedient, or at the request of the majority of the Propel Pittsburgh Commission and the Executive Board, the Youth Policy Manager may call additional meetings to be held

at such time and place as stated by the Leadership Board. Additional meetings shall be called, noticed, held and conducted in accordance with the State of Pennsylvania Sunshine Act.

C. Quorum: At any meeting, a quorum shall consist of a majority of then standing Propel Pittsburgh Commission members as long as the majority of the Leadership Committee is present and presiding.

D. Voting:

1) The vote on all questions coming before the Propel Pittsburgh Commission shall be by voice vote, raising of hands, or other effective method.

2) All votes will be tallied and recorded in the meeting minutes.

E. Attendance: Members are expected to attend all regular meetings. Attendance via electronic means is acceptable and will be made available upon request. In the event that any member is absent for two (2) consecutive meetings, the Executive Committee and the Youth Policy Manager will decide whether their absenteeism needs to be addressed by the entire Commission. More than two (2) unexcused absences and a member will be subject for dismissal.

F. The Propel Pittsburgh Commission shall make reasonable accommodations to enable the participation of its members and/or guests who are people with disabilities.

ARTICLE VI: Officers

A. Officers shall serve a term of one (1) year.

B. The officers of the Propel Pittsburgh Commission shall consist of Chair, Vice-Chairman and Secretary each elected by a majority of the Propel Pittsburgh Commission at an Annual Meeting.

C. Officers - Duties

1) Chair:

- a) The Chair shall preside at all regular Propel Pittsburgh Commission meetings and Leadership Committee meetings.
- b) The Chair shall formulate the agenda with input from Members and Staff.
- c) The Youth Policy Manager/Mayor's Office shall serve as spokesperson for Propel Pittsburgh Commission. No statements on record will be given without input and recommendation from the Executive Committee.
- d) The Chair shall perform such other duties as required and approved by the Propel Pittsburgh Commission or the Executive Committee.
- e) In the Chair's absence, the Vice-Chair will serve as Chair.

2) Vice-Chair:

- a) The Vice-Chair shall coordinate with committees on special subjects as designated by the Propel Pittsburgh Commission and act as a liaison between committee heads and the Chair..
- b) The Vice-Chair shall also perform such other duties as required and approved by the Propel Pittsburgh Commission.

3) Secretary/Parliamentarian:

- a) The Secretary shall confirm the quorum at all meetings of the Propel Commission in which he/she is present and shall ensure that Robert's Rules of Order are followed and maintained throughout each meeting.
- b) If the Secretary is not present at any meeting, the Vice-Chair shall name a stand-in to serve in the Secretary's capacity for such meeting.

D. Officer Resignation: A Propel Pittsburgh Commission officer may resign from office by giving written notice to the Executive Committee and Youth Policy Manager. The notice shall specify an effective date of resignation, and whenever possible, should be submitted at least thirty (30) days prior to the effective date of resignation.

E. Officer Vacancy: In the event the Chair is unable to fulfill his/her duties, the Vice-Chair automatically assumes the duties of the Chair until the chair is able to resume duties. In the event of a vacancy in any other officer position, the Propel Pittsburgh Commission shall elect a member to fill the unexpired term by majority vote, unless otherwise written.[see Executive Committee]

F. Officer Term: A Propel Pittsburgh Commission officer may not serve more than 2 consecutive terms.

ARTICLE VII: Committees of the Commission

A. Executive Committee

- 1) Executive Committee shall consist of the Executive Committee (Chair, Vice-Chair, and Secretary/Parliamentarian) and may consist of other committee Chairs.
- 2) Executive Committee meetings may be open public meetings to which all Propel Pittsburgh Commission members may be invited as determined by the Executive Committee. The Executive Committee shall meet as needed to facilitate the direction and completion of Propel Pittsburgh Commission business. The Executive Committee and the Youth Policy Manager will have authority to set the Propel Pittsburgh Commission agendas and to conduct Propel Pittsburgh Commission business which requires timely action in the intervals between regular meetings.
- 3) Shall make recommendations on Bylaws/Policies and Procedures.
- 4) Powers of Executive Committee: Except as limited by this agreement or by specific directions of the Commission, the Executive Committee shall possess and may exercise all the powers of the Commission in the management and direction of the business and conduct of the affairs of the Commission, including but not limited to general supervision over the business of the Commission and the policies of the Commission in such a manner as the Executive Committee shall deem to be in the best interests of the Commission. The Executive Committee shall have the power to authorize the seal of the Commission to be affixed to all instruments and documents requiring the same. The Executive Committee shall oversee all Commission business and assist in the execution of Committee business.
- 5) Informal Action by Executive Committee: Any action required or permitted to be taken at any meeting of the Executive Committee or any other duly appointed Committee may be taken without a meeting if consent in writing setting forth such action is signed by the Executive Committee and approved by the Youth Policy Manager and such consent is filed with the records of the Commission.
- 6) If there is a vacancy in the Executive Committee which remains present at the time of any Commission meeting, the Youth Policy Manager will temporarily fill the vacancy, until the officer/chair can be replaced.
- 7) All action by the Leadership Committee shall be reported to the Commission at the next meeting.

8) The Executive Committee shall fix its own rules of procedure not inconsistent with this operating agreement or with any direction of the Commission. It shall meet at such time and places and upon such notice as shall be provided by rule or by resolution of the Commission. A 2/3rds vote of the members of the Executive Committee shall constitute a quorum. For every matter an affirmative vote of 2/3rds of all the members of the Executive Committee present shall be necessary for the taking of action.

9) The Youth Policy Manager or Deputy Youth Policy Manager shall be present at all Executive Committee meetings.

B. Special committees. The Executive Committee shall have the authority to create any committees that may be deemed helpful to the work of the Propel Pittsburgh Commission and the accomplishment of its purpose. Committees shall cover issues relevant to the mission of the Propel Pittsburgh Commission.

C. Membership. The membership of each committee shall include no less than one member of the Propel Pittsburgh Commission, with the Chair of each committee to be appointed by the Executive Committee of the Propel Pittsburgh Commission and confirmed by a majority of the Commission members present.

D. Member Removal and Addition: A committee member may be removed or added from the committee only by the Executive Committee of the Propel Pittsburgh Commission. The Committee Chair is given great deference when recommending committee members and/or establishing subcommittees. The committee Chair or Propel Pittsburgh Commission may recommend that a member be removed for failure to participate in committee activities or for behavior that negatively impacts its purpose or just cause.

E. Committee Chair Duties

1) The Chair (s) will provide strategic direction and oversight to committee program and policy recommendations that s/he oversees to ensure that the recommendations and programs are in alignment with the mission and goals of the Propel Pittsburgh Commission.

2) The Chair (s) and Youth Policy Manager shall formulate the agenda and meeting schedule with input from members and establish a meeting schedule so that committees meetings occur at least once before recommendations are due to Propel Pittsburgh Commission (recommendations are due quarterly).

3) The Chair (s) will collaborate with each other on proposed programs and policies and then present their quarterly recommendations to the Propel Pittsburgh Commission for approval.

4) The Chair (s) will build capacity within their committee by assisting the Chair of the Propel Pittsburgh Commission with identifying and recruiting committee members to assist in achieving its goals and objectives. The Chair(s) will work with Youth Policy Manager to bring in appropriate City Officials, or others for discussion.

5) The Chair (s) will ensure that the Propel Pittsburgh Commission has knowledge of the activities taking place in their respective committee, and be an advocate and liaison to the Propel Pittsburgh Commission for the programs and policies under their jurisdiction.

6) The Chair (s) are responsible for submitting monthly meetings reports to the Youth Policy Manager and Vice – Chair within 14 days after the committee meeting.

7) committee Chair (s) and members commit to a role for at least one year to ensure consistency.

8) The Chair shall coordinate with the Executive Committee as requested and needed.

9) The Youth Policy Manager or Deputy Youth Policy Manager shall be present at all meetings.

ARTICLE VIII: Finances

The Youth Policy Manager shall update the Propel Pittsburgh Commission regularly on funds in the Youth Policy Trust Fund, if applicable.

ARTICLE IX: Support Services

The Youth Policy Manager, City of Pittsburgh, Office of the Mayor will provide Secretarial, mailing, telephone and other minimal support services essential to the work of the Propel Pittsburgh Commission. Minutes of the meetings will be taken and sent to the Propel Pittsburgh Commission members at least ten (10) business days before the next meeting by the Youth Policy Manager. All official records of the Propel Pittsburgh Commission shall be kept at the Office of Youth Policy and upon request will be made available for public inspection during regular business hours. Copies of agendas, minutes, and policy recommendations will also be maintained on the website of the Propel Pittsburgh Commission, City of Pittsburgh.

ARTICLE X: Elections

Officers shall be elected by the members. Elections shall be in December of each year, if possible. Elections shall be by ballot unless there is only one person nominated for each office, when a voice vote is permissible. The officers shall serve for one year or until their successors are elected.

ARTICLE XI: Amendments

A. These Bylaws may be amended by a majority vote at any meeting of the Propel Pittsburgh Commission provided that notice of the proposed amendment(s) have been sent to all members ten (10) business days in advance of the meeting.

B. The rules contained in Robert's Rules of Order, Newly Revised, shall govern all meetings in all cases to which they are applicable and in which they are not inconsistent with these Guidelines and any special rules of order the Propel Pittsburgh Commission may adopt.