

Ask an Expert

Should the Truck Stop Here?

High tech mobile take out restaurants (formerly known simply as “food trucks”) have become a hot trend in the food service industry. These trucks are technologically advanced and bear little resemblance to the stainless steel “chuck wagons” that once dominated the industry. Not only are local restaurateurs such as The Kibitz Room experimenting with the concept but national food chains are experimenting to build a brand name in new areas. One report noted Taco Bell receiving positive publicity after airlifting a high-tech truck with 10,000 tacos to a town in Alaska!

For some property owners, the presence of next-generation food trucks can satisfy a need for diversified food options at a property or otherwise enliven a project. For others, food trucks may not fit within the tenor of the development or may conflict with a project’s leasing plan. As many jurisdictions consider adopting new laws, property owners and developers need to be aware of the potential impact of these laws on existing and future projects to determine whether the presence of food trucks on or around their projects is positive or negative.

Benefits of increased presence of mobile food trucks include providing alternatives for property and restaurant owners, meeting the demand for food service options in areas that may be underserved, such as fringe urban areas, retail centers, universities, or suburban office parks, where brown bag lunches, limited choices, and large parking lots are the norm. Food trucks can bring needed foot traffic to dying shopping centers, urban redevelopment areas and mixed use projects.

Food trucks also contribute to environmental sustainability by reducing vehicle trips needed by the work force in an office park or residents in a fringe urban area to access food options. If an office building doesn’t have a restaurant in the building or located conveniently nearby, providing food service via food trucks could be considered another tenant “amenity.”

Not all owners are in favor of mobile food trucks. Owners and tenants of brick-and-mortar restaurant sites

could be adversely affected by food trucks if increased food truck sales result in decreased restaurant business. Food trucks also may utilize premium parking, block access and visibility, create traffic safety issues; and cause problems with trash, odor, vermin, pollution, and loitering. An owner’s or developer’s concerns are further exacerbated because food trucks traditionally don’t pay rent or contribute to real estate taxes or CAM.

Many jurisdictions are now taking into account competing factors affecting the growth of the food truck business and considering a variety of regulations. Regulations may be in the form of: (1) revised health codes, (2) new zoning regulations, (3) stricter parking controls, (4) real estate, business and sales tax issues, and (5) required licenses and permits. The creation and enforcement of food truck regulations have given rise to mixed results in different

jurisdictions. Certain locales such as the Los Angeles area embrace high tech food trucks, while others, like Washington, D.C., Dallas and Miami, have enacted stricter regulations.

So, what does the future hold for high tech food trucks in South Jersey?

For more information on how best to negotiate a lease, handle a lease workout or be represented in real estate transactions or litigation, contact Lloyd C. Birnbaum, Esq., a founding member of Lauletta Birnbaum LLC, who has more than 25 years of experience in commercial real estate at 856-861-4062 or email: lbirnbaum@lauletta.com



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