



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

---

File #: 15-0108, Version: 1

---

### REPORT TO COUNCIL

#### **SUBJECT**

Introduce an Ordinance to Award a Taxicab Franchise to Yellow Checker Cab Co., Inc. dba Checker Cab of Silicon Valley

#### **BACKGROUND**

An application to renew an existing taxicab franchise; all required fees have been received from Yellow Checker Cab Co., Inc. doing business as (dba) Checker Cab of Silicon Valley. The effective dates of the requested franchise are March 15, 2015 through March 14, 2017.

There are currently six valid taxicab companies franchised to operate within the City of Sunnyvale: A Orange Cab, California Cab Company, Checker Cab of Silicon Valley, Green Cab, Silicon Valley Cab Company, and Yellow Cab Company Peninsula, Inc.

Yellow Checker Cab Co., Inc. dba Checker Cab of Silicon Valley acknowledges and accepts the requirements of a taxicab franchise as set forth in Sunnyvale Municipal Code (SMC), as well as the taxicab franchise agreement. Yellow Checker Cab Co., Inc. dba Checker Cab of Silicon Valley is aware of the right of the City of Sunnyvale to revoke or suspend the taxicab franchise if it is determined there is a violation of, or non-compliance with, the terms contained in SMC Section 5.36.

#### **EXISTING POLICY**

The term “non-exclusive franchise” as used in the SMC means the City does not limit the number of like franchises in operation at one time. If an applicant meets the provisions as outlined in the municipal code, then the franchise to operate a taxicab service should be issued.

The City’s non-exclusive franchise requirements are derived from SMC Chapter 5.36. It is unlawful to operate any taxicab in the city unless the owner applies for and obtains a franchise to do so. Pursuant to SMC 5.36.110, the City Council may deny a franchise to any applicant if:

1. The applicant has been convicted of certain criminal offenses.
2. The proposed color scheme or other insignia may tend to confuse the identification with other franchises already operating within the city.
3. The applicant submits an incomplete application.
4. The applicant has been in violation of any law or municipal code regulation relating to the conduct of a taxicab business.
5. The applicant has had a taxicab license revoked or suspended in the City of Sunnyvale or any other jurisdiction within five years prior to the date of application.
6. The applicant was denied a franchise within the prior two years.
7. Any other reasonable cause exists which, within the City Council’s sound discretion would render the proposed operation undesirable or inadequate to the City of Sunnyvale.

A franchise is issued for a term of two years. At the expiration of the term, the franchise is deemed expired and is no longer valid unless a new franchise is issued under the provisions of SMC Chapter 5.36.

### **ENVIRONMENTAL REVIEW**

This activity does not require environmental review because it can be seen with certainty that there is no possibility that it may have a significant effect on the environment. CEQA Guidelines Section 15061(b)(3).

### **DISCUSSION**

On January 29, 2013, City Council awarded a non-exclusive taxicab franchise to Yellow Checker Cab Co., Inc. dba Checker Cab of Silicon Valley (RTC 13-027). This action allowed Yellow Checker Cab Co., Inc. dba Checker Cab of Silicon Valley to begin operating with its franchise in the City at midnight on March 15, 2013 through March 14, 2015. Yellow Checker Cab Co., Inc. dba Checker Cab of Silicon Valley is currently requesting a taxicab franchise with effective dates of March 15, 2015 through March 14, 2017.

Yellow Checker Cab Co., Inc., dba Checker Cab of Silicon Valley has submitted information and documentation to demonstrate compliance with the criteria identified in SMC Chapter 5.36, as outlined below:

SMC Section	Description	Requirement Status
5.36.040	Applicant has paid the required franchise application fee.	Met
5.36.050	Applicant has at least five (5) vehicles.	Met
5.36.050	Taxicabs have unique color scheme.	Met
5.36.050	Applicant shows sufficient experience to operate franchise.	Met
5.36.050	All drivers for the franchise will be permitted by DPS.	Met
5.36.050	All drivers will be subject to random drug testing requirements.	Met
5.36.220	Applicant has a toll free phone number and sufficient phone lines for dispatch.	Met
5.36.280	Applicant has filed its fare schedule with DPS.	Met
5.36.300	Applicant has a valid insurance policy with \$1.0 million single limit and \$1.0 million general liability.	Met
5.36.320	All vehicles have a taximeter which was inspected by Santa Clara Co. Weights and Measures.	Met
5.36.360	Applicant has undergone a criminal history check. There were no convictions for felony, narcotics, or crimes of moral turpitude.	Met
5.36.365	Applicant has current contract for medical review officer services.	Met

### **FISCAL IMPACT**

The revenue generated from the franchise was included in the FY 2014/2015 Adopted Budget. This franchise generates General Fund revenues of approximately \$35,000 during the two years of the agreement due to application fees (\$1,563), quarterly vehicle fees (\$116 per vehicle per quarter), and the business license fee (\$1,387). This amount does not include revenue generated by the driver permits issued (\$178 per driver for year 1; \$117 per driver for each subsequent year), as this amount fluctuates due to driver turn over during the term of the agreement.

The associated fees do not represent full cost recovery for the overall program administration, primarily because costs are passed directly to the drivers, making for a difficult balance between the need for service and the cost of regulation. Staff estimates the City's annual subsidy to be less than \$600 per franchise and \$700 per vehicle. In general, this subsidy is believed to be in the best interest of the City so that taxicab services to the community are regulated and comply with all applicable laws.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

### **ALTERNATIVES**

1. Introduce an ordinance awarding a non-exclusive franchise for taxicab service to Yellow Checker Cab Co., Inc. dba Checker Cab of Silicon Valley for the period of March 15, 2015 through March 14, 2017, and authorize the City Manager to execute implementing documents.
2. Do not introduce an ordinance awarding a non-exclusive franchise for taxicab service to Yellow Checker Cab Co., Inc. dba Checker Cab of Silicon Valley for the period of March 15, 2015 through March 14, 2017.

### **STAFF RECOMMENDATION**

Alternative 1: Introduce an ordinance awarding a non-exclusive franchise for taxicab service to Yellow Checker Cab Co., Inc. dba Checker Cab of Silicon Valley for the period of March 15, 2015 through March 14, 2017, and authorize the City Manager to execute all implementing documents.

Prepared by: Nancy Thome, Senior Management Analyst

Reviewed by: Frank J Grgurina, Chief, Department of Public Safety

Reviewed by: Robert A. Walker, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. Non-exclusive Franchise Ordinance
2. Taxicab Franchise Agreement