



City of Sunnyvale

Agenda Item-No Attachments (PDF)

File #: 15-1021, Version: 1

REPORT TO COUNCIL

SUBJECT

Introduce an Ordinance Amending Ordinance 3053-15, Taxicab Franchise and Agreement, Yellow Checker Cab Co. Inc.

BACKGROUND

On February 24, 2015 City Council passed and adopted Ordinance No. 3053-15, approving and issuing a non-exclusive franchise to operate a taxicab company to Yellow Checker Cab Co., Inc., DBA Checker Cab of Silicon Valley, effective March 15, 2015 through March 14, 2017. In October, 2015, Yellow Checker Cab submitted an application seeking to amend its existing Sunnyvale franchise to include an additional DBA, Rainbow Cab, which would add five additional vehicles to the Yellow Checker Cab Co. fleet. The existing franchise is in good standing.

EXISTING POLICY

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.

SMC Section 5.36.250 The vehicles of every owner operating in the city shall be of a color scheme and bear the owner's trade name, monogram or insignia which are distinguishable from the color scheme, owner's trademark, monogram or insignia used on the vehicles of any other owner already operating pursuant to this chapter.

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

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

Checker Cab of Silicon Valley is owned by Yellow Checker Cab Co., Inc., whose current franchise became effective March 15, 2015. The franchise includes a total of thirty five (35) Checker Cab vehicles for operation in Sunnyvale using the orange color scheme with yellow and black checkered trim that identifies them as belonging to Checker Cab of Silicon Valley.

Yellow Checker Cab Co., Inc. recently acquired a fleet of Rainbow Cab Company vehicles when that company dissolved. The Rainbow Cab Company color scheme is white with red lettering. Yellow Checker Cab Co., Inc. is requesting an amendment to their current franchise agreement to add Rainbow Cab as a DBA to operate five (5) vehicles with the Rainbow Cab color scheme.

Yellow Checker Cab Co. currently maintains its franchise in good standing and continues to meet all of the franchise requirements set forth in Chapter 5.36. Although staff generally prefers uniformity in design among all of the vehicles in a single taxi owner's fleet, in this case staff is supporting the proposed amendment to add Rainbow Cab as a dba to the existing franchise. The Rainbow Cab fleet would qualify for a franchise even if it were not part of Yellow Checker Cab. However, staff does not believe a separate franchise is necessary because the naming and ownership, and relationship between Rainbow Cab and Yellow Checker/Silicon Valley Cab will be clear with the amendment, the addition of only one other color scheme (operating for Yellow Checker under the Rainbow Cab name) does not create substantial administrative difficulties for staff and does not conflict with schemes of any existing franchises, and the additional vehicles will provide a benefit to the community by expanding the availability of taxicab services. Yellow Checker Cab Co., Inc. has provided proof that they are the registered owner of all vehicles in their Rainbow Cab fleet, as required by SMC Section 5.36.050 (Franchise - Application). All other conditions of SMC Chapter 5.36 (Taxicabs) that relate to vehicles will apply to the Rainbow Cab fleet, including the requirement for annual vehicle inspections and documentation of insurance coverage.

FISCAL IMPACT

The revenue generated from the franchise was included in the FY 2015/16 Adopted Budget. This franchise will generate General Fund revenues of approximately \$18,950 during the two years of the agreement due to application fees (\$1,563), annual vehicle fees (estimated to be \$200 per vehicle per year), and the business license fee (\$1,387). This amount does not include revenue generated by the driver permits issued (\$178 per driver for year one; \$117 per driver for each subsequent year), as this amount fluctuates due to driver turn over during the term of the agreement.

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 amending the existing 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 to add a dba Rainbow Cab, and authorize the City Manager to execute implementing documents.
2. Do not introduce an ordinance amending the existing 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 amending the existing 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 to add a dba Rainbow Cab, and authorize the City Manager to execute all implementing documents.

Prepared by: Elaine Ketell, Management Analyst

Reviewed by: Chief Frank J. Grgurina, Director of Public Safety

Reviewed by: Kent Steffens, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Ordinance Amending Non-Exclusive Franchise
2. Exhibit A - First Amendment to Taxicab Franchise and Agreement (Yellow Checker Cab Company, Inc)
3. Letter from Yellow Checker Cab Company, Inc.
4. Proposed Color Schemes