



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

---

File #: 16-0046, Version: 1

---

### REPORT TO COUNCIL

#### **SUBJECT**

Introduce an Ordinance to Award a Non-Exclusive Taxicab Franchise to Silicon Valley Taxi Drivers, Inc. DBA Green Cab

#### **BACKGROUND**

A taxicab franchise application and required fees have been received from Silicon Valley Taxi Drivers, Inc. doing business as (dba) Green Cab.

There are currently six valid taxicab companies franchised to operate within the City of Sunnyvale. They are: Checker Cab, California Cab, Yellow Cab Peninsula (suspended voluntarily until 5/01/2016), Green Cab, Silicon Valley Cab, and Orange Cab.

Silicon Valley Taxi Drivers, Inc. DBA Green Cab acknowledges and accepts the requirements of the Sunnyvale Municipal Code as well as the City's taxicab franchise agreement. Silicon Valley Taxi Drivers, Inc. DBA Green Cab is also aware of the right of the City of Sunnyvale to revoke or suspend the taxicab franchise if it is determined that there is a violation or non-compliance of the terms contained in Sunnyvale Municipal Code Chapter 5.36.

#### **EXISTING POLICY**

##### **General Plan**

Chapter 3: Land Use and Transportation (LT):

Goal LT-5 Effective, Safe Pleasant and Convenient Transportation

Attain a transportation system that is effective, safe, pleasant and convenient

Policy LT-5.5

Support a variety of transportation modes

The term "non-exclusive franchise" as used in the Sunnyvale Municipal Code means that 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 Sunnyvale Municipal Code, then the franchise to operate a taxicab service may be awarded by City Council.

The City's non-exclusive franchise requirements are derived from Sunnyvale Municipal Code 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. 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 has been in violation of any law or Municipal Code regulation relating to

the conduct of a taxicab business.

4. 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.
5. Any other reasonable cause exists which, within the City Council's sound discretion, would render the proposed operation undesirable to the City of Sunnyvale.

A franchise may be awarded for a term of two years, with an option for the Director of Public Safety to approve up to two, two-year extensions for a franchisee that is in good standing. At the expiration of the total term, a new franchise must be approved by the Council under the provisions of Sunnyvale Municipal Code Chapter 5.36.

## **ENVIRONMENTAL REVIEW**

The action being considered is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15061 (b) (3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

## **DISCUSSION**

Silicon Valley Taxi Drivers, Inc. dba Green Cab has previously operated with a valid franchise agreement, which was awarded on by City Council on November 26, 2013. The agreement was effective on December 1, 2013 expired on December 1, 2015, and the franchisee timely requested and was allowed , pursuant to section 5.36.120 of the Sunnyvale Municipal Code, to continue operations under the terms of the old franchise until the City Council takes action on a new franchise.

Silicon Valley Taxi Drivers, Inc. dba Green Cab has submitted information and documentation to demonstrate compliance with the criteria identified in Sunnyvale Municipal Code Chapter 5.36, as outlined below:

SMC Section	Description of 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 combined single limit liability for bodily injury and property damage per any one accident	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
----------	--	-----

Staff review of the franchise application and history includes the following notes regarding Silicon Valley Taxi Drivers, Inc. dba Green Cab:

1. Insurance - Silicon Valley Taxi Drivers, Inc. dba Green Cab has provided a valid certificate of insurance issued by Preserver Insurance Company that names the City of Sunnyvale as additional insured. Staff reviewed the Certificate of Insurance and found that the coverage provided meets the requirements of the Municipal Code. The A.M. Best rating for Preserver Insurance Company does not meet the requirements of the Sunnyvale Municipal Code, but the City's Risk Manager has reviewed and approved the insurance rating on an exception basis pursuant to Sunnyvale Municipal Code Section 5.36.300. The company understands that it may not operate without proper insurance.
2. Franchise History - Silicon Valley Taxi Drivers, Inc. dba Green Cab is currently doing business in four cities: San Jose, Santa Clara, Mountain View, and Sunnyvale. The applicant has been operating as Green Cab since 2005. In 2012 and 2013, Green Cab Company was issued two notices of suspension from the Department of Public Safety due to non-compliance with vehicle inspection due dates and minimum driver requirements. Those violations were corrected and did not recur. In 2014, the Department of Public Safety notified Green Cab Company of a potential violation associated with illegal pickups within City limits. Green Cab Company voluntarily provided documentation of all trip manifests on a monthly basis until DPS was assured that illegal pickups were no longer an issue. For the year 2015, Green Cab Company remained in full compliance of the Sunnyvale Municipal Code and their franchise agreement.

The proposed term for the franchise is May 15, 2016 through May 14, 2018, with the option for the Director of Public Safety to approve two, two-year extensions pursuant to SMC 5.36.120 if the franchise is in good standing, for a total possible term of May 15, 2016 through May 14, 2022.

### **FISCAL IMPACT**

Franchise fees, vehicle fees, and driver permit fees are calculated based on full cost recovery; the fiscal impact of awarding a taxicab franchise is therefore predictably nominal, and can be absorbed in the General Fund.

### **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 to Award a Non-exclusive Taxicab Franchise to Silicon Valley Taxi Drivers, Inc. DBA Green Cab and authorize the City Manager to execute the franchise agreement.
2. Do not introduce an Ordinance to Award a Non-exclusive Taxicab Franchise to Silicon Valley Taxi Drivers, Inc. DBA Green Cab or authorize the City Manager to execute the franchise agreement.

### **STAFF RECOMMENDATION**

Alternative 1: Introduce an Ordinance to Award a Non-exclusive Taxicab Franchise to Silicon Valley Taxi Drivers, Inc. DBA Green Cab and authorize the City Manager to execute the franchise agreement.

Prepared by: Elaine Ketell, Management Analyst

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

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. Taxicab Franchise Agreement

2. Ordinance for Non-Exclusive Taxicab Franchise- Silicon Valley Taxi Drivers, Inc. DBA Green Cab