



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Introduce an Ordinance to Award a Non-Exclusive Taxicab Franchise to My Ekadea, Inc DBA California Cab Company

BACKGROUND

A taxicab franchise application and required fees have been received from My Ekadea, Inc. doing business as (dba) California Cab Company.

There are currently five valid taxicab companies franchised to operate within the City of Sunnyvale. They are: Checker Cab, Green Cab, Silicon Valley Cab, Orange Cab, and California Cab Company (the franchise applicant).

My Ekadea, Inc. DBA California Cab Company acknowledges and accepts the requirements of the Sunnyvale Municipal Code as well as the City's taxicab franchise agreement. My Ekadea, Inc. DBA California Cab Company 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

My Ekadea, Inc. DBA California Cab Company has previously operated with a valid franchise agreement, which was awarded on by City Council on November 26, 2013. The agreement was effective on June 8, 2014 expired on June 7, 2016. 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.

My Ekadea, Inc. DBA California Cab Company 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 registered at least five (5) vehicles	Met
5.36.050	Taxicabs have unique color schemes	Met
5.36.050	Applicant shows sufficient experience to operate a franchise	Met
5.36.050	All drivers for the franchise will be permitted with DPS	Met
5.36.050	All drivers will be subject to random drug testing requirements	Met
5.36.220	Taxi company has a toll free number & 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 for any one incident	Met
5.36.320	All vehicles have a taximeter: all taximeters have been certified by Santa Clara County Weights and Measures	Met

5.36.360	Applicant has undergone a criminal history check. There are no convictions for felony, narcotics, or crimes of moral turpitude in the last five years.	Met
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The proposed term for the franchise is July 27, 2016 through July 26, 2018, with the option for the Director of Public Safety to approve two, two-year extensions pursuant to SMC Section 5.36.120 if the franchise is in good standing, for a total possible term of July 27, 2016 through July 26, 2022.

My Edakea Inc. was also doing business in Sunnyvale as YELLOW CAB COMPANY PENINSULA, INC. Yellow Cab Peninsula Inc. operated under a separate, non-exclusive franchise with the City of Sunnyvale under an agreement dated April 23, 2015 with an expiration date of March 14, 2017. However, on December 11, 2015, Yellow Cab Peninsula requested permission from the City Manager to suspend service under the franchise agreement pursuant to Section 5.36.140(a)(1) and (2) of Sunnyvale Municipal Code. The City Manager agreed to a temporary suspension of service, provided that Yellow Cab Peninsula restart operations no later than May 1, 2016. When Yellow Cab Peninsula did not restart operations by that deadline, the Director of Public Safety took the necessary procedural action to revoke that franchise on June 6, 2016. Staff has not seen any indication that the revocation of the Yellow Cab Company Peninsula franchise impacts My Edakea, Inc.'s successful operation of California Cab Company; rather, it appears that it simply was not operationally feasible for the owner to continue operating two separate franchises.

Because California Cab Company has continuously remained in good standing, staff recommends approval of the franchise renewal. Should City Council award a franchise agreement to California Cab Company, staff will continue to monitor the owner for compliance with all requirements of a franchise holder under the franchise agreement and Sunnyvale Municipal Code Chapter 5.36, Taxicabs.

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 My Ekadea, Inc. DBA California Cab Company and authorize the City Manager to execute the franchise agreement.
2. Do not introduce an Ordinance to Award a Non-exclusive Taxicab Franchise to My Ekadea, Inc. DBA California Cab Company 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 My Ekadea, Inc. DBA California Cab Company and authorize the City Manager to execute the franchise

agreement.

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. Taxicab Franchise Agreement

2. Ordinance for Non-Exclusive Taxicab Franchise - My Ekadea, Inc. DBA California Cab