

FILED CITY OF OAKLAND  
OFFICE OF THE CITY CLERK  
OAKLAND

AGENDA REPORT

2011 JUN -9 PM 5:45  
TO: Office of the City Administrator  
ATTN: P. Lamont Ewell, Interim City Administrator  
FROM: Administrative Hearing Officer  
DATE: June 21, 2011

RE: An Ordinance, Pursuant To Municipal Code Section 5.64.080(I), Authorizing The City Administrator To Issue Temporary Vehicle Permits Finding There Is An Urgent Public Need To Ensure the Maintenance of Safe And Reliable Taxi Service In Oakland

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**SUMMARY**

The attached ordinance grants the City Administrator the authority to issue up to 41 Temporary Vehicle Permits and assess annual Vehicle Permit fees pursuant to Oakland Municipal Code Chapter 5.64 ("Taxicab Standards Ordinance") and the Master Fee schedule.

Administrative enforcement actions against the operators of a taxicab fleet (the Yellow Cab fleet) currently operating without the requisite annual permits may result in a significant reduction of the total number of vehicles available to City of Oakland residents and visitors. Currently the City has authorized up to 315 vehicle permits (permits) to be issued annually for taxicab operation in the City. Of these 315 permits, up to 11 remain unissued as a result of previous revocation proceedings held by the City Administrator's Office (CAO). Administrative enforcement actions re: Yellow Cab, may result in 41 taxis, (presently operating without the requisite permits due, in part, to a legal dispute among claimants to ownership and control of the entity to which the City originally issued vehicle permits) being removed from service. The proposed ordinance would allow the City Council to grant the Office of the City Administrator the authority to issue temporary permits, for a time period not to exceed a two years, or until there is a final resolution of the litigation between the claimants to ownership and control of the entity to which the City originally issued the 41 vehicle permits (the Driver Owner/Leasing Company), whichever occurs first.

Temporary permits issued would be subject to all fees and assessments normally applicable to taxi permits and an application fee to cover the costs of administering the process. The CAO is proposing a mini-Request for Proposal (RFP) process as a way to determine the most appropriate recipients of permits. The RFP would afford the City an opportunity to evaluate applications and select those best qualified and most capable of providing the necessary services to Oakland residents.

**FISCAL IMPACT**

Fiscal impact would amount to the time spent by staff to review and inspect proposed operators of the 41 (max.) temporary vehicle permits. This will not lead to increased revenue, beyond cost recovery.

Item: \_\_\_\_\_  
City Council/ORR  
June 21, 2011

## DISCUSSION

The proposed ordinance would grant the City Administrator's Office the authority to issue up to 41 temporary permits to maintain current service levels to Oakland residents.

Several years ago, the City Council approved the issuance of up to 315 vehicle permits. This amounts to approximately 0.76 cabs per 1,000 residents.<sup>1</sup> By comparison, other cities such as Chicago, New Orleans, and Boston, with high-density downtowns and many visitors, had at least 2.4 taxis per 1,000 residents; auto-oriented cities such as Los Angeles, Dallas and Houston, have fewer than 1.2 taxis per 1,000 residents, according to noted taxi expert, Bruce Schaller.

In 2007, the City Council revoked 11 of the 315 vehicle permits. The City has yet to reissue those permits.

More recently, a dispute has arisen among parties claiming ownership and control of the Owner Leasing Company (DOLCO), the entity to which the City had issued 41 other vehicle permits. Those parties are currently engaged in litigation regarding the ownership and control of DOLCO, among other things (*Singhs v. Driver/Owner Leasing Company*, Alameda Superior Court Case No. RG09450232). As a result, the CAO has not been able to choose whom among the DOLCO claimants the City could approve as the current fleet manager, and to whom annual permits could be issued. Meanwhile, some of those claimants have continued to operate the Yellow Cab fleet without all the requisite permits.

The CAO has commenced efforts to enforce the Municipal Code with respect to unpermitted taxi operators. Consequences of enforcement could include a further reduction in the number of taxicabs available to serve Oakland. For Oakland the potential reduction of permits by any number more than the 11 we currently have unissued could significantly deplete the availability of taxis to our residents.

The Taxicab Standards Ordinance (codified at Chapter 5.64 of the Oakland Municipal Code), provides that the City Administrator may not issue additional vehicle permits without a public hearing process, which culminates in a public hearing before the City Council. (See OMC § 5.64.110.) However, section 5.64.080 provides that "the City Council may, upon finding that there is an urgent public need, waive or modify by ordinance any or all of the requirements of this chapter and authorize the City Administrator to issue temporary permits to operate taxicabs ...."

In order to prevent such a significant reduction from affecting the lives of Oakland residents who rely on taxicab service, the CAO is recommending that the City Council authorize the City Administrator to issue temporary taxi permits up to the number, but not to exceed 41, that the City Administrator determines is necessary to provide adequate service. The permits would be issued for a maximum of two years, or until there is a final resolution to the litigation regarding ownership and control of DOLCO, whichever occurs first.

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<sup>1</sup> As of January 1, 2007, California Dept. of Finance.

## SUSTAINABLE OPPORTUNITIES

### *Economic*

The permits issued under Title 5 of the OMC generate jobs and tax revenues for the City.

### *Environmental*

There are no known environmental impacts of the associated with this report.

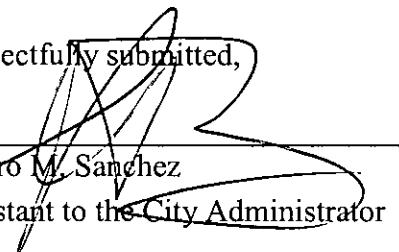
### *Social Equity*

Staff will guide the formulation of the mini-RFP to ensure that the point system encourages applicants and drivers who are Oakland residents.

## ACTION REQUESTED OF THE CITY COUNCIL

1. Accept this Staff Report
2. Adopt the attached Ordinance Authorizing The City Administrator To Issue Temporary Vehicle Permits Finding There Is An Urgent Public Need To Ensure the Maintenance of Safe And Reliable Taxi Service In Oakland

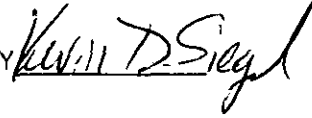
Respectfully submitted,

  
\_\_\_\_\_  
Arturo M. Sanchez  
Assistant to the City Administrator

APPROVED AND FORWARDED TO THE  
CITY COUNCIL:

  
\_\_\_\_\_  
Office of the City Administrator

Attachment – Ordinance Authorizing The City Administrator To Issue Temporary Vehicle Permits Finding There Is An Urgent Public Need To Ensure the Maintenance of Safe And Reliable Taxi Service In Oakland

OFFICE OF THE CITY CLERK  
CITY OF OAKLAND

2011 JUN -9 PM 5:45

**OAKLAND CITY COUNCIL**

ORDINANCE NO. \_\_\_\_\_ C.M.S.

AN ORDINANCE, PURSUANT TO MUNICIPAL CODE SECTION 5.64.080(1), AUTHORIZING THE CITY ADMINISTRATOR TO ISSUE TEMPORARY VEHICLE PERMITS FINDING THERE IS AN URGENT PUBLIC NEED TO ENSURE THE MAINTENANCE OF SAFE AND RELIABLE TAXI SERVICE IN OAKLAND

**WHEREAS**, Oakland Municipal Code Chapter 5.64 regulates taxicabs in the City of Oakland (the “taxicab regulations”); and

**WHEREAS**, the protection of the public health and safety are the paramount considerations in interpreting and enforcing taxicab regulations and vehicle permits issued thereunder; and

**WHEREAS**, the City Administrator’s Office (CAO) has determined that inadequate taxicab service in the City currently exists; and

**WHEREAS**, the CAO has not issued 41 permits (medallions) this year due in part to pending private party litigation concerning the ownership and control of the Driver/Owner Leasing Company (“DOLCO”), the entity to which the City originally issued 41 vehicle permits (Singhs v. Driver/Owner Leasing Company, Alameda Superior Court Case No. RG09450232); and

**WHEREAS**, the non-operation of 41 taxicabs which are not presently permitted will detrimentally impact safe and reliable taxi service in Oakland; and

**WHEREAS**, the City Council deems it necessary to preserve the public peace, health, welfare by providing adequate levels of safe and reliable taxi service in Oakland; and

**WHEREAS**, the City Council finds there is an urgent public need pursuant to Municipal Code Section 5.64.080(1), to authorize the City Administrator to issue temporary vehicle permits to maintain safe and reliable taxi service for residents and visitors of Oakland; and

**WHEREAS**, the issuance of temporary vehicle permits will ensure that there remains a safe, reliable and sufficient number of taxicabs available to both Oakland citizens and taxi drivers; and

**WHEREAS**, the issuance of these temporary vehicle permits only will be for up to a two year period, or until final resolution of the DOLCO litigation, whichever occurs first; and

**WHEREAS**, such temporary vehicle permits will be cancellable at any time for any reason by the City Administrator upon notice as a final, non-appealable decision, or upon the permit’s expiration date without notice; and

**WHEREAS**, this Ordinance is exempt from CEQA under separate and independent bases, including without limitation: California CEQA Guidelines section 15061(b)(3), known as the “Common Sense Rule,” that provides a project is exempt from CEQA if there is no possibility that the activity in questions will have a significant effect on the environment, and section 15301 (existing facilities); and

**WHEREAS**, for the reasons set forth above the Council declares that this ordinance is necessary to preserve the public peace, health, welfare and safety and to avoid a direct threat to the health, safety, and welfare of the community, and the “Whereas” clauses above taken together constitute the City Council’s statement of the reasons constituting such necessity; now, therefore,

**THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:**

**Section 1.** The foregoing recitals are true and correct and are an integral part of this Ordinance.

**Section 2.** Pursuant to section 5.64.080(1) of the Oakland Municipal Code, and notwithstanding and without regard to any provision of section 5.64.110, the the City Administrator is authorized to issue up to 41 temporary vehicle permits to operate taxicabs to ensure adequate taxicab service levels in the City are met. Such temporary vehicle permits shall be for up to two (2) years from date of issuance, or until final resolution of the DOLCO litigation (Singhs v. Driver/Owner Leasing Company, Alameda Superior Court Case No. RG09450232), whichever occurs first, and shall be cancellable either (1) by the City Administrator at anytime upon notice as a final, non-appealable decision, or (2) upon the temporary vehicle permit’s expiration date without notice.

**Section 3.** Except as modified by this Ordinance, the provisions of the Taxicab Standards Ordinance (codified at Chapter 5.64 of the Oakland Municipal Code) remain in full force and effect.

**Section 4.** For the term of this Ordinance, as set forth in Section 2 above, the provisions of this Ordinance shall govern, and to the extent there is any conflict between the provisions of this Ordinance and the provisions of any other City code, ordinance, resolution or policy, this Ordinance shall govern with respect to taxicab regulation only.

**Section 5.** This Ordinance shall be effective immediately upon its adoption by the City Council if it is adopted with six or more affirmative votes; provided that the Ordinance shall take effect seven days after final adoption if it is adopted with five affirmative votes

**Section 6.** This Ordinance is exempt from the California Environmental Quality Act.

**Section 7.** If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, the remainder of this Ordinance and the application of such provisions to other persons or circumstances shall not be affected.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 20\_\_\_\_\_

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN,  
NADEL, SCHAAF, and PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_

LaTonda Simmons

City Clerk and Clerk of the Council

Of the City of Oakland, California

## DRAFT ANNOUNCEMENT OF APPLICATION PERIOD FOR TEMPORARY TAXI PERMITS

July 8, 2011 – July 22, 2011

The City of Oakland currently holds 11 unissued taxi permits and is aware of a dispute over the ownership and control of the entity to which the City originally issued 41 vehicle permits that presently prevents the City from issuing 41 medallions. In response to these issues and in order to maintain our commitment to minimize disruption of Oakland taxi service, the City Council has authorized the City Administrator to issue up to 41 temporary vehicle permits. The City will accept applications between July 8, 2011 and July 22, 2011.

The temporary vehicle permits will be issued for a maximum of two years.

We are sending you the announcement because you have indicated an interest in obtaining Oakland taxi permits. If you are still interested, you may pick up an application packet at City Hall (see address below) between the hours of 2:00 p.m – 4:00 p.m Mondays through Thursdays during the application period.

### APPLICATION REQUIREMENTS

- Complete the application and create the required attachments
- Submit the application and the required attachments to:
  - City Administrator's Office
  - Attn: Taxi Permit Applications
  - Oakland City Hall
  - 1 Frank Ogawa Plaza, 11<sup>th</sup> Floor
  - Oakland, CA 94612
- Pay the non-refundable application fee of \$500 – payment by either check or credit card may be made at 250 Frank Ogawa Plaza, 1<sup>st</sup> floor, or checks may be mailed to the above address with the application
- All applications, attachments, and application fees must be received by the City Administrator's Office no later than 5:00 p.m. July 22, 2011. Applications may be mailed or submitted in person. If you are submitting in person, applications will be accepted between 2:00 p.m. and 4:00 p.m., Mon.- Thurs

### REQUIRED ATTACHMENTS TO APPLICATION – MAXIMUM POINTS

The goal of the application process is to provide the best combination of benefit to Oakland, readiness and capability to deploy, sustainability through the roll-out and start-up period and service to residents and visitors.

1. A. Proof of capitalization to cover the roll-out costs and projected income and expenditures to, at a minimum, the point where income exceeds expenditures in the below projection – 500 points

Proof of capitalization includes, but is not limited to a) bank, savings account, or credit union statements, b) brokerage accounts, c) loan guarantees, d) lines of credit

  - a. Budget for roll-out of total requested permits

The minimum number of permits that may be requested by an applicant is three (3)  
The maximum number of permits that may be requested by an applicant is forty-one (41)  
The roll-out budget should include, but is not limited to

    - 1) Cost of purchasing vehicles
    - 2) Vehicle permit/inspection - \$350/vehicle
    - 3) Cost of outfitting vehicles to meet permitting and inspection requirements  
Oakland taxis are required by law to have dispatch radios, meters, and either a safety shield or camera system. A list of inspection requirements will be included with applications
    - 4) Cost of Oakland driver permits and driver permitting requirements if paid by applicant company  
Permit - \$75, Live Scan (new drivers) \$57 Oakland residents, \$67 non-Oakland residents
    - 5) Cost of Fleet Management Permit - \$150 plus \$32 per vehicle
    - 6) Cost of airport permits if applicant plans to be permitted to pick up fares at the Oakland Airport  
The Oakland Airport requires that at least half of a company's vehicles be low emission vehicles in order to obtain permits to pick up fares at the Airport. You can obtain further information regarding Airport permit requirements from:

## DRAFT ANNOUNCEMENT OF APPLICATION PERIOD FOR TEMPORARY TAXI PERMITS

July 8, 2011 – July 22, 2011

Lester Patilla, (510) 466-7847 or lpatilla@portoakland.com

b. Projected income and expenditures<sup>1</sup> by quarter for the longer of:

- 1) One year of operation
- 2) The point at which income exceeds expenditures

Expenditures may include, but are not limited to, insurance, advertising, cost of storing vehicles, cost of maintaining vehicles, cost of employees, taxes, training, benefits, administrative overhead.

### 2. Roll-out plan – 500 points

What makes and models of vehicles do you plan to utilize? (Include manufacture year) How many vehicles would you have available for inspection and deployment by August 19, 2011? From what source(s) do you plan to obtain your vehicles? If your roll-out plan would extend past August 19, 2011, please specify the details and indicate why additional time would be necessary. The maximum number of points will be available only to applications that provide roll-out plans by August 15, 2011.

### 3. Oakland coverage plan – 500 points

Explain by days of week, hours of the day, and geographic areas how you plan to provide coverage to Oakland

### 4. Drivers – 100 points

Do you have drivers lined up to meet your coverage plan? If so, how many total drivers, how many already hold Oakland permits, and how many are Oakland residents?

### 5. Advertising – 100 points

How do you plan to make Oakland residents and visitors aware of your company?

### 6. General Business Plan – 500 points

Why should the City choose your application over others? How will Oakland residents and visitors, taxi drivers, and the City itself benefit if you are awarded the permits for which you are applying? Please include any plans or details that you believe would set your business model apart from other applicants.

**OR**

## OPERATING FLEET MANAGER AND/OR TAXI CAB COMPANY

Applicant can present proof that they are a current Taxi Cab company operating in good standing with the City and which has in its possession 41 vehicles and at least 52 drivers who are permitted and eligible to drive to operate the vehicles as required by the OMC. Company must be able to meet all the requirements of our fleet manager permit and provide the following:

1. Roll-out plan – 500 points – Vehicles must be available for inspection no later than August 19, 2011
2. Oakland coverage plan – 500 points Explain by days of week, hours of the day, and geographic areas how you plan to provide coverage to Oakland
3. Drivers – 100 points - Do you have drivers lined up to meet your coverage plan? If so, how many total drivers, how many already hold Oakland permits, and how many are Oakland residents?
4. Advertising – 100 points - How do you plan to make Oakland residents and visitors aware of your company?
5. General Business Plan – 500 points -Why should the City choose your application over others? How will Oakland residents and visitors, taxi drivers, and the City itself benefit if you are awarded the permits for which you are applying? Please include any plans or details that you believe would set your business model apart from other applicants.

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<sup>1</sup> Oakland requires \$1,000,000 combined single limit insurance per vehicle. A copy of the ordinance, outlining this, as well as other requirements, will be provided with the application packet.



## **DRAFT ANNOUNCEMENT OF APPLICATION PERIOD FOR TEMPORARY TAXI PERMITS**

**July 8, 2011 – July 22, 2011**

### **AWARDING OF PERMITS**

The City Administrator will review the submitted applications and assign points based upon the above system. Those applications that score the highest will be offered the opportunity to obtain temporary permits. At the discretion of the City Administrator, applicant interviews may also be required. Applicants may be offered fewer permits than applied for, dependent upon the total number of permits available, the number and quality of the applications, and the overall scores of the applicant pool.

If you have questions about this process, you may submit them by email to [asanchez@oakalndnet.com](mailto:asanchez@oakalndnet.com) or leave them on the voicemail at 510-238-7542.