

2012 DEC -7 AM 10: 07

CITY OF OAKLAND



ONE FRANK OGAWA PLAZA • 2ND FLOOR • OAKLAND, CALIFORNIA 94612

Council President Larry Reid
President Pro Tem Ignacio De La Fuente

December 18, 2012

Dear Councilmembers:

During the 2011-2012 budget cycle the Council agreed to increase the taxi vehicle (medallion) permit and to review the increase a year after implementation. The City of Oakland currently charges an annual fee of \$1,019 per taxi vehicle permit which is required to operate a taxicab in the City of Oakland. The 2011-12 budget, increased the cost of the Taxi Vehicle Permit Fee from an annual cost of \$25 to an annual cost of \$1,019 per permit. This was an increase of \$994.

The economic climate combined with the significantly high permit fee has negatively impacted the taxicab industry. The decline in passengers affects not only the taxicab companies but also the drivers. The decline in passengers at the Oakland International Airport, from a high of 13.5 million to less than 10 million per year, has a direct impact on the number of passengers utilizing taxi services. In addition, the Oakland taxicab industry has reported increased competition from illegal (non-permitted) taxicabs that make it financially difficult for the permitted taxi cabs to compete against cabs that do not pay the \$1,019 permit fee.

The attached Ordinance proposes a 50% reduction in the Master Fee Schedule, bringing the current cost of the Taxicab vehicle permit fee from \$1,019 per permit to \$510 per permit annually. A reduction on the permit fee is necessary for the taxicab drivers to be able to maintain their jobs and continue to provide such imperative service to Oakland residents.

We urge you to approve the attached ordinance.

Larry Reid
Council President

Ignacio De La Fuente
Council President Pro Tem

MEETING OF THE
OAKLAND CITY COUNCIL

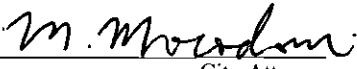
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DEC 18 2012

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2012 DEC -7 AM 10:07

Approved as to Form and Legality


City Attorney

OAKLAND CITY COUNCIL
ORDINANCE No. _____ C.M.S.

AN ORDINANCE AMENDING ORDINANCE NO. 13078 C.M.S., THE MASTER FEE SCHEDULE, AS AMENDED, TO MODIFY THE ANNUAL FEE OF THE TAXI VEHICLE PERMIT (MEDALLION) ASSESSED BY THE OFFICE OF THE CITY ADMINISTRATOR

WHEREAS, the City of Oakland charges an annual fee for the vehicle permit which is required to operate a taxicab in the City of Oakland; and

WHEREAS, the City of Oakland has seen an increase in illegal taxi cabs reducing the number of passengers for Oakland's permitted taxi cabs; and

WHEREAS, the economic downturn has had a negative impact on the taxicab industry bringing a decline in passengers affecting not only the taxicab companies but the drivers; and

WHEREAS, the number of passengers at the Oakland International Airport has declined from 13.5 million to less than 10 million, negatively declining the number of passengers utilizing taxi services in Oakland; and

WHEREAS, the Oakland taxicab industry has reported increased competition from illegal (non-permitted) taxicabs that make it financially difficult for the permitted taxis cabs to compete against cabs that do not pay the \$1,019 permit fee; and

WHEREAS, the Oakland City Council has determined that a reduction in the annual fee for the vehicle permit is appropriate during this economic downturn; and

WHEREAS, the Taxicab Vehicle (medallion) permit fee would be reduced from \$1,019 per permit to \$510 per permit annually; and

WHEREAS, the annual permit fees have been identified in an "Agenda Report" dated December 6, 2012 to Deanna Santana City Administrator, entitled "An Ordinance Amending Ordinance No. 13078 C.M.S. (Master Fee Schedule), as Amended to Modify The Annual Fee of the Taxi Vehicle Permit (Medallion) Assessed by the Office of the City Administrator", and

WHEREAS, the City Council finds and determines that the herein-referenced modifications and additions are appropriate; and

WHEREAS, a Public Hearing was held on December 18, 2012 to review the proposed fee changes; now, therefore

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MEETING OF THE
OAKLAND CITY COUNCIL

DEC 18 2012

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

Section 1: The Master Fee Schedule as set forth in Ordinance No. 13024, as amended, is hereby amended to modify and establish fees assessed by the Office of the City Administrator and the Public Works Agency and, as set forth in Exhibit A, attached hereto and made a part hereof.

Section 2: This ordinance shall be effective on December 18, 2012 upon approval by the Council of the City of Oakland.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

13

MEETING OF THE
OAKLAND CITY COUNCIL

DEC 18 2012



City of Oakland

CITY ADMINISTRATOR

Master Fee Schedule

Effective Upon City Council Adoption

FEE DESCRIPTION	CURRENT FEE (FY 2011-12)		PROPOSED FEE (FY 2012-13)		% CHANGE
	FEE	UNIT	FEE	UNIT	
SPECIAL ACTIVITIES					
I. TAXICAB PERMIT FEES					
1 Driver's Permit					
a. Initial Permit	110.00	Permit			
b. Annual Renewal	85.00	Year			
c. Replacement Permit	20.00	Permit			
d. Add / Transfer Permit	20.00	Permit			
e. Lapsed Permit (31-60 days)	117.00	Permit			
2 Operating Permit, and Spare Vehicle Permit					
a. Initial and Annual Inspection-related Fees					
(1) Admin Services for Inspection	175.00	Permit			
(2) Inspection Fee	178.00	Inspection			
b. Penalty for Missed Inspection w/out 24 Hour Notice	59.00	Inspection			
c. Re-inspections	114.00	Reinspection			
d. Transfer Vehicle Operating Permit	100.00	Permit			
e. Replace Vehicle or Spare Vehicle	100.00	Permit			
3. Vehicle Permit					
a. Application Fee	1,745.00	Application			
b. Application Fee - ramped taxis	875.00	Application			
c. Original Issuance of Medallion	2585.00	Medallion			
d. Original Issuance of Ramped Medallion	1750.00	Medallion			
e. Annual Renewal of Regular Vehicle Permit	4040.00	Permit	510.00	Permit	
(1). Taxi Stand Installation / Maintenance	7.00	Permit			
f. Annual Renewal of Ramped Vehicle Permit	537.50	Permit			
(1). Taxi Stand Installation / Maintenance	7.00	Permit			
g. Replacement Medallion	45.00	Medallion			
h. Transfer of Permit	2500.00	Permit			
i. Original Issuance of Temporary Permit	500.00	Medallion			
4 Fleet Management Company Permit					
Initial, Change Manager, Annual Renewal	184.00	Permit			
5 Amendment to Permit Record					
a. 1 - 10 Permits	25.00	each			
b. 11+ Permits	250.00	Flat Rate			
6 Costs of Investigations and Enforcement					
a. Assistant to the City Administrator	121.20	Hour			
b. Administrative Analyst I	61.33	Hour			

FILED
 OFFICE OF THE CITY CLERK
 OAKLAND
 2012 DEC - 7 AM 10:08

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EXHIBIT A

MEETING OF THE
 OAKLAND CITY COUNCIL
 DEC 18 2012



FILED
OFFICE OF THE CITY CLERK
OAKLAND
2012 DEC -7 AM 8:40

AGENDA REPORT

**TO: DEANNA J. SANTANA
CITY ADMINISTRATOR**

FROM: Arturo M. Sanchez

**SUBJECT: Master Fee Schedule
Amendment for Annual Taxi
Vehicle Permit Fee**

DATE: December 6, 2012

City Administrator

Date

Approval

12/6/12

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff does not recommend modifying the master fee schedule to adopt

AN ORDINANCE AMENDING ORDINANCE NO. 13078 C.M.S., THE MASTER FEE SCHEDULE, AS AMENDED, TO MODIFY THE ANNUAL FEE OF THE TAXI VEHICLE PERMIT (MEDALLION) ASSESSED BY THE OFFICE OF THE CITY ADMINISTRATOR

EXECUTIVE SUMMARY

During the 2011-12 Budget Process, the City Council voted to increase several fees associated with the oversight of Oakland Municipal Code Chapter 5.64, entitled "Taxicabs," which included an increase to the Taxi Vehicle Permit Fee, from an annual cost of \$25 to an annual cost of \$1,019 per permit. This increase was representative of the Council's direction and goal to revise fees citywide to fully recover the staffing costs associated with administering programs. Prior to the decision to increase the vehicle permit fee the City had been subsidizing the administrative oversight that is required by Chapter 5.64 by charging a fee that was not cost recovery in nature. While the fee increase was significant it is important to note that all vehicle permh (medallion) holders are offered the opportunity to pay their fees in quarterly payments.

OUTCOME

If adopted, the Ordinance would reduce the annual vehicle permit fee and, subsequently, the City will have to absorb the costs of services impacted by the fee reduction, and determine that, once again the City desires to subsidize the program. Given that this is a cost recovery program, and the many competing needs for City funds, we do not believe that this is an action consistent with the City Council's past financial management practices to strengthen the City's fiscal health.

Item: 13
City Council
December 18, 2012

BACKGROUND/LEGISLATIVE HISTORY

At the December 6, 2012 Rules Committee, Councilmember De La Fuente and Council President Reid requested an amendment to the Master Fee Schedule to modify the annual cost of the Taxi Vehicle Permit (Medallion) Fee. The proposed modification would undo the City Council's action of July 2011 that increased the vehicle permit (medallion) fee, an increase for which both Councilmember's voted. Staff does not recommend this proposal. The attached ordinance amends Ordinance Number 12948 C.M.S. (Master Fee Schedule), as amended, to establish a reduced annual permit fee for the annual vehicle permits issued pursuant to Oakland Municipal Code Chapter 5.64 "Taxicabs."

In most cases, changes to fees are required to offset increases in costs related to the oversight of a program or provision of services for which fees are charged. In this case, the proposed changes would reduce fees without consideration for its impact to budgeted revenue or the cost of overseeing Chapter 5.64.

ANALYSIS

The attached Ordinance has been drafted by Councilmember's De La Fuente and Reid to propose a reduction by of 50% to the annual vehicle permit fee currently reflected in the Master Fee Schedule. As mentioned above, the changes and their impact on budget and other City costs are unknown as of the time in which this report needed to be submitted.

The current cost of the Taxicab vehicle permit is \$1,019 per permit. The fee is designed to offset the cost of overseeing Chapter 5.64. The City Council has authorized a total of 314 vehicle permits. Of these, 11 remain unissued and in the hands of the City, and 41 are temporary permits which pay a reduced annual permit fee of \$25 due to the enabling legislation. As such, this leaves a total of 263 vehicle permits which are required to pay \$1,019 annual permit fee, generating a total of \$267,997 in annual revenue to the City which is used to offset the staffing costs of administering the program. It is important to note that if the reduction is approved by the City Council, the greatest beneficiaries of this reduction will be the two largest for profit cab companies, Veterans and Friendly/Metro, who in total hold 175 vehicle permits. This represents 66.8%¹ of the total regular (e.g. not temporary) vehicle permits issued by the City.

If the City Council wishes to reduce the impact of these fees on small independent drivers, or drivers who hold less than five (5) vehicle permits (medallions), then staff would recommend that it be provided with time to assess and recommend a reduced fee that would be appropriate for drivers who hold less than five (5) vehicle permits (medallions).

¹ 66.8% reflects the percentage of regular vehicle permits. This does not include the 41 temporary permits. These are also held by Friendly/Metro and if these were included in this analysis then these two companies hold 71.3% of the total vehicle permits (both regular and temporary) issued by the City.

The Council may wish to consider this reduction in the context of the City's long range fiscal planning and policy. The Councilmembers are proposing a fee reduction at a time when the City's Five-year Budget forecasts a continued structural deficit in the General Fund and the City is in the process of budget development with the Master Fee Schedule amendments being a part of the process for the Fiscal Year 13-15 Council Budget consideration.

Choosing to subsidize a for-profit program at this time is not consistent with past practices. The City has begun to make strides towards fiscally sound and appropriate policies and structures; this proposed reduction would not be compatible with such sound fiscal practices.

PUBLIC OUTREACH/INTEREST

Staff has not met or discussed this matter with any residents, drivers, or companies to discuss the proposed modifications as staff was advised about the proposed modification request on December 6, 2012 the date in which this report was due. Staff is sure, however, that the current holders of the vehicle (medallion) permits will be in favor of the reduction.

COORDINATION

The City Attorney's Office, Office of the City Clerk, and City Administrator's Office have all been provided a copy of this report for input; however, sufficient time was not given to these departments to coordinate and analyze all policy implications from this proposal.

COST SUMMARY/IMPLICATIONS

The reduction in fee will reduce budgeted revenue which was intended to make the oversight of Chapter 5.64 cost covering in nature.

FISCAL/POLICY ALIGNMENT

The attached ordinance and proposed fee reduction will not be in alignment with sound budget policy.

SUSTAINABLE OPPORTUNITIES

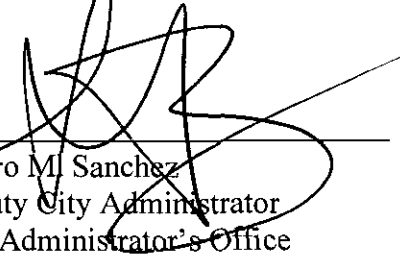
Economic: The business permits issued under Title 5 of the OMC generate jobs and tax revenues for the City. It is not anticipated that a decrease in renewal fees for vehicle permits will impact the number of vehicles operating in the City.

Environmental: There are no environmental opportunities from this program.

Social Equity: The business permits issued under Title 5 of the OMC provide additional methods of public transportation for all residents of Oakland, including but not limited to the disabled and elderly.

For questions regarding this report, please contact Arturo M. Sanchez, Deputy City Administrator at (510) 238-7542.

Respectfully submitted,



Arturo M. Sanchez
Deputy City Administrator
City Administrator's Office

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OAKLAND CITY COUNCIL
ORDINANCE NO. _____ C.M.S.

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WHEREAS, the City of Oakland charges an annual fee for the vehicle permit which is required to operate a taxicab in the City of Oakland; and

WHEREAS, the Oakland City Council has determined that a reduction in the annual fee for the vehicle permit is appropriate; and

WHEREAS, the annual permit fees have been identified in an "Taxi Vehicle Permit Fee Agenda Report" dated December 6, 2012 to Dearna Santana City Administrator, entitled "An Ordinance Amending Ordinance No. 13078 C.M.S. (Master Fee Schedule), as Amended to Modify The Annual Fee of the Taxi Vehicle Permit (Medallion) Assessed by the Office of the City Administrator", and

WHEREAS, the City Council finds and determines that the herein-referenced modifications and additions are appropriate; and

WHEREAS, a Public Hearing was held on December 18, 2012 to review the proposed fee changes; now, therefore

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MEETING OF THE
OAKLAND CITY COUNCIL

DEC 18 2012

Section 2: This ordinance shall be effective on December 18, 2012 upon approval by the Council of the City of Oakland.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

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MEETING OF THE
OAKLAND CITY COUNCIL

DEC 18 2012



City of Auckland

CITY ADMINISTRATOR

Master Fee Schedule

Effective Upon City Council Adoption

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	d.	Add / Transfer Permit	20.00	Permit		
	e.	Lapsed Permit (31-60 days)	117.00	Permit		
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3.	Vehicle Permit					
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	b.	Administrative Analyst I	61.33	Hour		

**AN ORDINANCE AMENDING ORDINANCE NO. 13078 C.M.S., THE
MASTER FEE SCHEDULE, AS AMENDED, TO MODIFY THE ANNUAL
FEE OF THE TAXI VEHICLE PERMIT (MEDALLION) ASSESSED BY
THE OFFICE OF THE CITY ADMINISTRATOR**

NOTICE AND DIGEST

This Ordinance authorizes an amendment to Ordinance Number 13078 C.M.S. (Master Fee Schedule), as amended, to establish, modify and delete fees assessed by the Office of the City Administrator, City Administrator. These amended fees would become effective January 15, 2013 and would remain in effect until further notice. A public hearing has been scheduled to review the proposed fee changes. The meeting will take place at the time of the first reading of the proposed ordinance by the City Council, on December 18, 2012, at 7:00 pm or as soon as practically possible thereafter.

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MEETING OF THE
OAKLAND CITY COUNCIL

DEC 18 2012