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OFFICE OF THE CITY CLERK
OAKLAND

CITY OF OAKLAND
AGENDA REPORT

2010 APR 15 PM 5:53

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Arturo M. Sanchez
DATE: April 27, 2010

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 For Safe And Reliable Taxi Service In Oakland And Modifying Municipal Code Section 5.64.080(I) To Establish A Minimum Fee Of \$500 For Each Temporary Vehicle Permit Application Submitted To The City

SUMMARY

The attached ordinance grants the City Administrator the authority to issue temporary vehicle permits, if deemed necessary, and assess temporary vehicle permit application fees pursuant to Oakland Municipal Code Chapter 5.64 "Taxicabs."

The City Administrator's Office has determined that inadequate taxicab service in the City of Oakland currently exists that detrimentally impacts safe and reliable taxi service in Oakland. Also, there are more than over 100 vehicle permits subject to pending revocation hearings by the City due to alleged violations of the City's taxicab regulations, which may detrimentally impact safe and reliable taxi service in Oakland. Hence, there is an urgent public need for safe and reliable taxi service necessitating City Council's authorization in allowing the City Administrator to issue temporary vehicle permits.

The intent of this ordinance is for the City Council to grant the City Administrator's Office (CAO) the authority to issue temporary vehicle permits, as deemed necessary by the CAO, in order to mitigate any potential impacts to taxicab service levels to Oakland residents.

Temporary vehicle permits would be subject to an application fee sufficient to cover the costs of administering the process to issue the temporary vehicle permits, and all fees and assessments, if applicable, under the City's taxicab regulations found under Oakland Municipal Code Section 5.64. The CAO is proposing a temporary vehicle permit application process as a way to determine the recipients of these temporary vehicle permits. A detailed explanation/justification for fees is provided in the "Discussion" section below.

FISCAL IMPACT

The revenue from the proposed temporary vehicle permits would depend on how many applicants submit an application for a temporary vehicle permit. Apart from the temporary vehicle permits process, over 400 interested individuals have registered to receive information from the City about any available vehicle permits (the City currently has 11 vehicle permits, also

Item: _____

Public Safety Committee

April 27, 2010

known as “medallions.”). The CAO believes the cost of administering the temporary vehicle permit application process and reviewing applications will amount to \$500 per application. If the same number of applicants interested in medallions applied for temporary vehicle permits, this could potentially generate \$200,000 to cover the expenses of conducting the temporary vehicle permit application process. The CAO finds it unlikely that all persons registered to receive information will in fact apply, since the majority of registrants indicated that they believed the permits would be issued by the lottery method that was eliminated from the ordinance in 2008. The CAO has determined that it is more likely that between 50-100 applications will be submitted. This could generate \$25,000 - \$50,000 in application fees to cover the costs of administering the temporary vehicle permit application process.

In addition, the CAO would require each temporary vehicle permittee would to submit their vehicles for inspections and to review their drivers’ permits. These regulatory fees, already set forth in the Master Fee Schedule, could generate approximately \$450 per temporary vehicle permit. Each of these fees will accrue to the General Purpose Fund (GPF-1010). For the most part the regular permit revenues offset the administrative and inspection costs of services provided. These additional revenues will be deposited in The General Purpose Fund (1010), City Administration Organization (02111), Police Permits Account (42411).

DISCUSSION

Oakland’s current ratio, based upon a population of 415,492,¹ is .76 cabs per 1,000 residents, less than one cab per 1,000 residents, less than both auto-oriented and transit oriented cities. Comparatively cities such as Chicago, New Orleans, and Boston, with high-density downtowns and many visitors, have at least 2.4 taxis per 1,000 residents, and auto oriented cities, unlike Oakland, such as Los Angeles, Dallas and Houston, have just under 1.2 taxis per 1,000 population according to noted taxi expert, Bruce Schaller².

The proposed ordinance would grant the City Administrator’s Office the authority to issue sufficient temporary vehicle permits to provide adequate service levels to Oakland residents. Such temporary vehicle permits would allow for the City to maintain these adequate levels until such time as the CAO determines necessary.

The CAO is recommending that the City Council authorize the City Administrator to issue temporary vehicle permits up to the number that the City Administrator deems is necessary to provide adequate taxi service in Oakland. Temporary vehicle permits will be cancelled either upon the temporary vehicle permit’s expiration date without notice or by the City Administrator’s Office at anytime and such decision shall be binding and non-appealable.

In addition to the authority to issue temporary vehicle permits the City Administrators’ Office request the authority to assess the following fees for administering this process:

- 1. One time non-refundable application fee to be assessed by the Special Business Permits Division, City Administrator’s Office**

¹ As of January 1, 2007, California Dept. of Finance.

² New York City Taxicab Fact Book, Schaller Consulting, March, 2006.

- The Special Business Permits division of the City Administrator's Office will be required to draft, post, and administer a process by which it can determine who the most qualified candidates that can deploy vehicles promptly may be. The City Administrator's Office estimates that the cost of drafting, posting, and reviewing the temporary vehicle application process can be broken down as follows:
 - a. **Development of temporary vehicle permit application process-** The City Administrator's Office will contract with an individual to develop the temporary vehicle permit application process given staff's continuing responsibilities in administering the ongoing duties of the Special Business Permits and Nuisance Abatement Division. We estimate the time necessary for such development to be approximately 20 hours at \$92.40/hour for a total of \$1,848.
 - b. **Initial Application Fee-** The City Administrator's Office estimates that the cost of mailing the announcement, posting, accepting and reviewing the applications will be approximately \$500 per application including the cost of administering the test described below, and is non-refundable. It will take current staff approximately 2 hours to review each submitted application for completeness at a rate of \$40.10/hr. Those applications which meet minimum qualifications will then be further screened in order to be ranked, according to the announced standards and point system, from most appropriate to least appropriate. With the most appropriate and qualified individuals being awarded a right to hold the temporary vehicle permits on behalf of the City of Oakland. We estimate 4 hours per completed application submitted at a rate of \$92.10.
 - c. **Test Administration** – The temporary vehicle permit application process will require temporary vehicle permit applicants to take a written exam on their knowledge of OMC Chapter 5.64. We estimate staff time required to administer and grade the applicants at 2 hours at a rate of \$40.10/hr.

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 the increase in renewal fees for vehicle permits will impact the number of vehicles operating in the City.

Environmental

There are no known environmental impacts of the proposed fees.

Social Equity

Staff will guide the formulation of the temporary vehicle permit process to ensure that the point system encourages applicants and drivers who are Oakland residents and provides service to currently under-served areas.

DISABILITY AND SENIOR CITIZEN ACCESS

Staff will guide the formulation of the mini-RFP to ensure that the point system encourages the deployment of ramped taxis, capable of transporting patrons with disabilities.

ACTION REQUESTED OF THE CITY COUNCIL

1. Accept this Staff Report
2. Adopt the 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 for safe and reliable taxi service in Oakland and modifying Municipal Code Section 5.64.080(I) to establish a minimum fee of \$500 for each temporary vehicle permit application submitted to the City

Respectfully submitted,



Arturo M. Sanchez
Assistant to the City Administrator

APPROVED AND FORWARDED TO
THE PUBLIC SAFETY COMMITTEE



Office of the City Administrator

Attachment – An Ordinance, Pursuant To Municipal Code Section 5.64.080(I), Authorizing The City Administrator To Issue Temporary Vehicle Permits

OFFICE OF THE CITY CLERK
OAKLAND

2010 APR 15 PM 5:53

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C.M.S.

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 FOR SAFE AND RELIABLE TAXI SERVICE IN OAKLAND AND MODIFYING MUNICIPAL CODE SECTION 5.64.080(I) TO ESTABLISH A MINIMUM FEE OF \$500 FOR EACH TEMPORARY VEHICLE PERMIT APPLICATION SUBMITTED TO THE CITY

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 has determined that inadequate taxicab service in the City currently exists; and

WHEREAS, the City Administrator's Office has determined that there are more than over 100 vehicle permits subject to pending revocation hearings by the City due to alleged violations of the City's taxicab regulations; and

WHEREAS, such potential revocation of vehicle permits may further reduce the supply of taxicabs, and

WHEREAS, the current inadequate levels of taxi service does and potential further reduction of taxicabs will detrimentally impact safe and reliable taxi service in Oakland; and

WHEREAS, the City 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 may, upon finding of an urgent public need pursuant to Municipal Code Section 5.64.080(I), authorize the City Administrator to issue temporary vehicle permits to operate taxicabs; and

WHEREAS, the issuing of temporary vehicle permits will guarantee 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 will be for a minimum of a one year period with an option for renewal, if necessary, as determined by the City Administrator; 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 permits' expiration date without notice; and

WHEREAS, the City Administrator's Office shall have an application process for these temporary vehicle permits that is open to the public and which will require additional staff to accept and review; and

WHEREAS, the City has charged an application fee for similar permits as authorized by the Master Fee Schedule; and

WHEREAS, such application fees are necessary to cover the costs of implementing this process in order to make sure that safe and reliable taxi services to Oakland residents are not depleted for an extended period of time; and

WHEREAS, the City will incur costs in the application, review, inspections, and monitoring of these revocable temporary vehicle permits; and

WHEREAS, City staff will also need to conduct background checks on drivers, review drivers permits, and monitor drivers associated with these temporary vehicle permits; and

WHEREAS, the City may charge an application fee for issuing temporary vehicle permits that will allow for safe, reliable taxi service to Oakland's citizens; and

WHEREAS, this Ordinance is exempt from CEQA under separate and independent bases: Sections 15061(b)(3), known as the "General Rule," that states 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 15301 (existing facilities) of the State CEQA Guidelines; 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. The City Administrator is authorized to issue as many temporary vehicle permits to operate taxicabs as necessary to ensure adequate taxicab service levels in the City are met. Such temporary vehicle permits shall be for a minimum of one (1) year from date of issuance and shall be renewable at the discretion of the City Administrator. These temporary vehicle permits 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, which shall be one (1) year from the date of issuance unless renewed by the City Administrator.

Section 3. Section 5.64.080(I) is hereby modified for the duration of this Ordinance and the City Administrator is hereby authorized to charge a minimum of \$500 fee per temporary vehicle permit application to cover the costs related to the review and processing of the temporary vehicle permit application; including without limitation background checks on drivers and other temporary vehicle permit application requirements. The City Administrator may also assess all other appropriate fees as set forth in the City's Master Fee Schedule including without limitation vehicle inspections and other costs associated with maintaining a temporary vehicle permit.

Section 4. This Ordinance complies with the California Environmental Quality Act.

Section 5. 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 6. This Ordinance shall be effective immediately upon its adoption by the City Council.

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, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons

City Clerk and Clerk of the Council

of the City of Oakland, California

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 FOR SAFE AND RELIABLE TAXI SERVICE IN OAKLAND AND MODIFYING MUNICIPAL CODE SECTION 5.64.080(I) TO ESTABLISH A MINIMUM FEE OF \$500 FOR EACH TEMPORARY VEHICLE PERMIT APPLICATION SUBMITTED TO THE CITY

NOTICE AND DIGEST

This Ordinance authorizes The City Administrator To Issue Temporary Vehicle Permits Finding There Is An Urgent Public Need For Safe And Reliable Taxi Service In Oakland And Modifying Municipal Code Section 5.64.080(I) To Establish A Minimum Fee Of \$500 For Each Temporary Vehicle Permit Application Submitted To The City. The meeting will take place at the time of the first reading of the proposed ordinance by the City Council, on May 4, 2010, at 7:00 pm or as soon as practically possible thereafter.

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 FOR SAFE AND RELIABLE TAXI SERVICE IN OAKLAND AND MODIFYING MUNICIPAL CODE SECTION 5.64.080(I) TO ESTABLISH A MINIMUM FEE OF \$500 FOR EACH TEMPORARY VEHICLE PERMIT APPLICATION SUBMITTED TO THE CITY

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