



Agenda Report

18-1400

Agenda Date: 10/16/2018

REPORT TO COUNCIL

SUBJECT

Action on Adoption of Ordinance No. 1989 Amending Chapter 5.35 ("Taxicabs") of the Santa Clara City Code to ensure that it is compliant with recent state legislation (AB 1069 and AB 939) and Adopt a Resolution to Amend the FY 2018-19 Municipal Fee Schedule

BACKGROUND

Proposed Ordinance No. 1989 was passed for the purpose of publication on October 2, 2018. Pursuant to City Charter Sections 808 and 812, proposed Ordinance No. 1989 was published on October 10, 2018 and copies were posted in at least three public places.

DISCUSSION

This staff reports recommends adoption of the Taxicab Ordinance and related amendments to the FY 2018/19 Municipal Fee Schedule.

Proposed Ordinance

Chapter 5.35, ("Taxicabs") of Title 5 ("Business Licenses and Regulations") of "The Code of the City of Santa Clara, California" governs transportation services by taxicabs within the City. This ordinance contains requirements for licensing, the application and renewal process, grounds for denial or suspension, vehicle inspections, fares, insurance, equipment and conditions, safety inspections, etc.

In 2011, rideshare companies (e.g. Uber, Lyft, Curb, Hailo, Sidecar, etc.) introduced into the transportation market the hiring of an on-demand private driver, which disrupted the taxi industry. As a result of the greater regulations facing the taxi industry as compared with its rideshare competitors, the California Legislature passed several bills. On October 13, 2017, Assembly Bill 1069 was chaptered, and was amended on September 5, 2018, by Assembly Bill 939 (AB 939). AB 939 will be chaptered in early October, after introduction but prior to adoption of this proposed ordinance. These two bills taken together amended Sections 53075.5, 53075.51, and 53075.52 of the Government Code, relating to local government regulations of taxicab businesses. Through these two bills, and the amendments thereto, the California Legislature has provided further clarification regarding the new permitting and regulating requirements.

Under the new law, which will be effective January 1, 2019, cities or counties are required to regulate a taxicab company or driver, if the company or driver is substantially located in one jurisdiction. In addition, taxi companies are only required to obtain a permit from one jurisdiction within the county in which they operate and all jurisdictions within that county are required to accept that single permit. This is contrasted with prior practice of requiring a taxicab business to obtain an operating permit from each and every city in which it conducted business. Additional changes to licensing requirements are included in the new state law, as well.

Concurrently with the changes to the taxicab industry that were generated by the rise of the

ridesharing business model, pedi-cab businesses operate within City limits. The operation of pedi-cabs was a direct result of the opening of Levi's® Stadium in August, 2014. Pedi-cabs are defined as bicycle or tricycles that are used to transport passengers for hire. The City has approved applications for pedi-cab companies to operate in the City.

In anticipation of a pending Ordinance change to address AB 939, the Santa Clara Police Department hosted a meeting on July 19, 2018, among every taxi company with an existing permit in the City of Santa Clara. During the meeting, attendees were invited to bring up additional suggested amendments to the Ordinance. As a result of this cooperative effort, and to improve operational efficiencies and modernize the Code, several changes to the existing code are recommended by staff. The only recommendation not incorporated into the proposed Ordinance was a suggestion to reduce the insurance requirements. Taxi operators are required to maintain minimum liability limits for each vehicle of not less than \$1 million, combined single limit for bodily injury to or death of any persons and for damages to or destruction of property in any one accident. This minimum is consistent with the requirements in many neighboring agencies. As a result, this best practice was maintained in the proposed Ordinance.

Furthermore, staff recommends including in the revised Code a more detailed and robust set of regulations specific to pedi-cabs. The proposed changes include new laws, modernization to the Code and best practices among local municipalities. Staff recommends including the pedi-cab regulation in this ordinance. Pedi-cab regulations have become necessary as a result of the growth in that sector. Allowing pedi-cabs to operate in the City without more robust regulations poses a potential public safety risk. Therefore, the proposed Ordinance contains language for pedi-cabs that mirrors the roles and responsibilities of taxi cab companies and drivers (e.g. permitting process, equipment regulations, regulatory procedures, fleet size, price controls, etc.).

The table below summarizes the major recommended changes to the ordinance.

Current Ordinance	Recommended Changes	Taxi	Pedi-Cab
Taxicab company or driver obtain permit in every jurisdiction where they conduct "pick-ups"	One permit required, per County, where taxicab company or driver is substantially located	✓	
Requirement to have a taxicab fleet of ten (10)	Reduce minimum fleet size to seven (7) at request of taxi companies	✓	
N/A	Include Federal drug testing standard	✓	✓
N/A	Inclusion of specific regulations for permitting and operations including application, inspection of equipment, and safety features		✓
Permit renewal every five (5) years	Permit renewal required annually	✓	✓

Amendments to the FY 2018/19 Municipal Fee Schedule

The City of Santa Clara currently collects approximately \$18,643 in revenue associated with taxicab company business licenses (\$1,965), taxi driver business licenses (\$6,076), driver permit fees (\$2,914) and vehicle inspections (\$7,688). The taxicab stand fees are included in the taxi driver business license fees. A resolution to amend the Municipal Fee Schedule is attached to this report establishing the appropriate pedi-cab fees.

ENVIRONMENTAL REVIEW

On July 19, 2018, the Santa Clara Police Department hosted a meeting among every taxi company with an existing permit in the City of Santa Clara. During the meeting, attendees were invited to bring up suggested amendments to the Ordinance.

The action being considered does not constitute a "project" within the meaning of a California Environmental Quality Act ("CEQA") pursuant to the CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

The City of Santa Clara currently collects approximately \$18,643 in revenue associated with taxicab company business licenses (\$1,965), taxi driver business licenses (\$6,076), driver permit fees (\$2,914) and vehicle inspections (\$7,688). The taxicab stand fees are included in the taxi driver business license fees. A resolution to amend the Municipal Fee Schedule is attached to this report establishing the appropriate pedi-cab fees.

As a result of AB 939, staff does not expect many taxicab companies to be substantially located within the City of Santa Clara. In addition, Government Code §53075.5(e) does not allow the City to require taxicab companies or drivers that are not substantially located within the City to apply for a business license. It is expected that these legislative changes will have a minimal impact to General Fund revenues.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Adopt Ordinance No. 1989 amending Chapter 5.35 ("Taxicabs") of the Santa Clara City Code to ensure that it is compliant with recent state legislation (AB 1069 and AB 939).
2. Adopt a resolution to amend the 2018-19 Municipal Fee Schedule to Add Pedi-Cab Fees.

Reviewed by: Brian Doyle, City Attorney

Approved by: Walter C. Rossmann, Chief Operating Officer

ATTACHMENTS

1. Ordinance No. 1989
2. Resolution Amending the 2018-19 Municipal Fee Schedule to Add Pedi-Cab Fees

RESOLUTION NO. 18-8613

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
AMENDING THE "CITY OF SANTA CLARA 2018-19 MUNICIPAL
FEE SCHEDULE" WHICH ADDS FEES FOR PEDI-CABS**

BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, under the provisions of the City of Santa Clara Municipal Code and Government Code, fees and charges assessed by the City of Santa Clara may be amended or modified upon the adoption of a Resolution by the City Council; and

WHEREAS, the City Council of the City of Santa Clara considers that said amended new fees as per Staff Report 18-1400 dated October 16, 2018 is appropriate and should be adopted.

The City Council of the City of Santa Clara makes the following findings:

1. In conjunction with the Adoption of Ordinance No. 1989 Amending Chapter 5.35 ("Taxicabs") of the City of Santa Clara City Code to ensure compliance with recent state legislation AB 1069 and AB 939 and the rise of the ridesharing business model, Pedi-cab businesses operate within City limits.
2. Pedi-cabs mirror the roles and responsibilities of taxi cab companies and drivers, therefore, Pedi-cabs are subject to the same fees.

Taxi Cab and Pedi-Cab	Taxi-Cab Fee(s)	Pedi-Cab Proposed Fee(s)
Company Application	\$4,422, plus LiveScan fees	\$4,422, plus LiveScan fees
Driver Application	\$2,221 or 1/5 current fee	\$2,221 or 1/5 current fee
Safety Inspection	\$62	\$62
Driver Renewal, Re-test or Re-inspection	\$47	\$47

WHEREAS, the impact to the General Fund for these legislative changes will have minimal impact to General Fund revenues.

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the 2018-19 Municipal Fee Schedule last adopted May 8, 2018 is hereby amended to add Pedi-Cab Fees.
2. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE 16th DAY OF OCTOBER, 2018, BY THE FOLLOWING VOTE:

AYES:	COUNCILORS:	Davis, Mahan, O'Neill, and Watanabe and Mayor Gillmor
NOES:	COUNCILORS:	None
ABSENT:	COUNCILORS:	Kolstad
ABSTAINED:	COUNCILORS:	None

ATTEST:



NORA PIMENTEL
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference: None