



# CITY COUNCIL AGENDA STATEMENT



September 18, 2018

File ID: ~~18-0353~~  
18-0435

## TITLE

ORDINANCE OF THE CITY OF CHULA VISTA AMENDING CHULA VISTA MUNICIPAL CODE CHAPTER 5.54, REGULATING TAXICABS AND OTHER FOR-HIRE VEHICLES THROUGH ADOPTION OF SAN DIEGO METROPOLITAN TRANSIT SYSTEM CODIFIED ORDINANCE NO. 11 (SECOND READING AND ADOPTION)

## RECOMMENDED ACTION

Council adopt the ordinance.

## SUMMARY

The Police Department recommends contracting with San Diego Metropolitan Transit System (MTS) to regulate taxicabs and other for-hire vehicles, which would provide a high level of regulatory service to a greater number of for-hire vehicles, to the benefit of public safety.

## ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because it will not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. In addition, notwithstanding the foregoing, the Director of Development Services has also determined that the "Project" qualifies for an Exemption pursuant to Section 15061(b)(3) of the California Environmental Quality Act State Guidelines. Thus, no environmental review is required.

## BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

## DISCUSSION

AB 1069 changed taxi regulation in California. The bill was supported by the taxi industry to make taxis more competitive with Uber and Lyft by reducing operating costs. The bill replaced longstanding city-by-city regulation, requiring multiple permits and fees, with regional regulation and a single permit and fee. Enacted in 2017, the bill imposes requirements on cities that are effective on January 1, 2019. One, in order to require a business license, the taxi company must be substantially located in the city. Substantially located means the taxi company has a primary business address in the city, or the largest share of the taxi's originating trips are in the city, as demonstrated by a taxicab operator. Two, a city must create a Joint

Powers Agreement with other government entities, or enter into an agreement with a transit agency, for the purpose of regulating taxicab companies and taxicab drivers. Three, regardless of where a taxi is substantially located or the type of regional regulation adopted, cities may impose certain regulations on taxis, including: a) limiting the number of taxicab providers that may use taxi stand areas or pick up street hails; b) requiring taxicab service providers to provide services in a manner that ensures equal access for all populations in the city; and c) enacting other public health, safety or welfare ordinances relating to taxicabs.

The Traffic Unit of the Police Department administers the City's taxicab ordinance, Section 5.54 of the Chula Vista Municipal Code. The Department issues taxi medallions as part of the annual business license renewal process. Taxicab businesses are required to pay an annual City business license fee of \$150 for the first taxi and \$50 for each additional taxi. The City currently has 27 licensed taxicab businesses with a total of 54 cabs, bringing in \$5,400 in annual license fees.

Earlier this year, the Department sent letters to taxicab businesses licensed in Chula Vista to advise them that the City was considering contracting with the Metropolitan Transit System (MTS) by January 1, 2019, as a result of AB 1069. The letter included a link to AB 1069 and welcomed questions and comments.

The Police Department is recommending transferring regulation of taxicabs to MTS. MTS is a transit agency that has been providing transit services in the region since 1976 (originally named the Metropolitan Transit Development Board), including bus and trolley services in Chula Vista. MTS has a dedicated Taxicab Administration unit and a robust inspection program to protect the public safety. Responsibilities include determining owner eligibility; inspecting vehicles; issuing permits; monitoring compliance with administrative and operational regulations; and investigating passenger complaints. In addition to regulating taxis, the Taxicab Administration unit regulates other for-hire transportation services, such as jitneys (shuttles following a fixed route), charter, sightseeing, low-speed and non-emergency medical vehicles. MTS provides regulatory services by contract for these vehicles in most cities in its service area, including El Cajon, Imperial Beach, National City, La Mesa, Lemon Grove, Poway, Santee and San Diego. Only Coronado and Chula Vista administer their own taxicab regulations, and Chula Vista does not regulate jitneys, sightseeing, low-speed or non-emergency medical vehicles in any manner, other than requiring a business license. A fact sheet on the MTS Taxicab Administration, which lists services and fees, is attached to this report.

Transfer would provide a higher level of regulatory service to a greater number of transportation services to the benefit of public safety and would free up Police Department personnel to work on other public safety needs. Transfer would require amending the City's ordinance to adopt the MTS ordinance and entering into an agreement with MTS. The proposed ordinance reserves the City's ability to regulate any taxi stands that may be established in future development, as well as requires taxi companies that are substantially located in Chula Vista, as defined by AB 1069, to pay an annual business license tax.

If Council approves, the agreement with MTS will go to the MTS board for consideration. If approved by the MTS board, the agreement would become effective on November 1, 2018. If the MTS board approves, the Department would notify taxicab licensees by letter.

### **DECISION-MAKER CONFLICT**

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the 500-foot rule found in California Code of Regulations Title 2, section 18702.2(a)(11), is not applicable to this decision for purposes of determining a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

### **LINK TO STRATEGIC GOALS**

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. Approving the agreement for taxicab administration supports the goal of operational excellence by allowing San Diego Metropolitan Transit System to regulate taxicab companies and taxicab drivers, which would free up Police Department personnel to work on other public safety matters.

### **CURRENT-YEAR FISCAL IMPACT**

As part of the annual business license renewal process, the City will continue to collect business licenses from the taxicab businesses, which is \$5,400 annually. Approving the agreement with MTS for taxicab administration will result in no current-year fiscal impact.

### **ONGOING FISCAL IMPACT**

Approving the agreement with MTS for taxicab administration will have no ongoing fiscal impact.

### **ATTACHMENTS**

ATTACHMENT 1: Agreement with San Diego Metropolitan Transit System for Administration of Taxicab and Other For-Hire Vehicle Regulations

ATTACHMENT 2: Ordinance amending Chula Vista Municipal Code Section 5.54, Taxicabs, redline-strikeout

ATTACHMENT 3: Ordinance amending Chula Vista Municipal Code Section 5.54

ATTACHMENT 4: MTS Taxicab Administration fact sheet

ATTACHMENT 5: MTS Codified Ordinance No. 11, Providing for the Licensing and Regulating of Transportation Services Within the City

*Staff Contact: Captain Vern Sallee, Police Department*