


**CITY OF LOS ANGELES**  
**INTER-DEPARTMENTAL MEMORANDUM**

Date: June 12, 2020

To: Honorable City Council  
c/o City Clerk, Room 395, City Hall  
Attention: Honorable Mike Bonin, Chair, Transportation Committee

From: Seleta J. Reynolds, General Manager   
Department of Transportation

Subject: **TAXICAB FRANCHISE EXTENSION COUNCIL FILE 10-0996-S1**

**SUMMARY**

This report requests an extension of the existing taxi franchise agreements to allow for additional time to approve fees. The City of Los Angeles was unable to institute fees prior to the June 30, 2020 franchise expiration date due to the recent Coronavirus pandemic (COVID-19). For this reason, the Los Angeles Department of Transportation (LADOT) is seeking additional time to complete the Taxi Reform process.

**RECOMMENDATIONS**

That City Council, subject to the approval of the Mayor, DIRECT LADOT to extend the current taxi cab franchises for four months with the ability for Council to revoke or terminate them at any time within that period upon adoption of a new regulatory model.

**BACKGROUND**

Nine existing ordinances grant franchises to taxi companies, giving them the exclusive right to provide taxicab service in the City of Los Angeles (City). City Council granted these franchises following a "Public Convenience and Necessity" analysis, using the procedures prescribed in Administrative Code Section 13 and Ordinance No. 58200 that grant franchises, permits, and privileges. The City initially adopted the franchise model in the mid-1990s, and the existing ordinances became effective on January 1, 2001. Following a series of extensions, these ordinances and the subsequent franchise agreements expire on December 31, 2019.

In October of 2019, Council approved the elimination of Franchise agreements as well as approved an extension of the Franchises through June 30, 2020 which would give LADOT time to restructure the taxicab permitting program.

In March 2020, COVID-19 forced the City to prioritize emergency response efforts. Due to the diversion of staff to respond to the Covid-19 emergency, the Department has not been able to complete all of the steps necessary to implement a taxicab permit system by July 1, 2020; therefore, it is necessary to extend the franchise system for an additional four months.

**DISCUSSION**

LADOT regulates all for-hire vehicles for the City of Los Angeles. This includes granting franchises, permitting vehicles and drivers, and enforcing compliance and other issues related to the performance of for-hire service.

Council authorized LADOT to enter into a permitting system with all rules and guidelines to be established through the LADOT and the Taxi Commission. The primary issue that cannot be solely determined through the taxi commission relates to permit fees charged to the industry. Because the Franchise ordinance allows for the collection of permit fees from the industry a new permitting fee structure must be created to replace it and ensure that the City is able to conduct company enforcement and collect revenue for the privilege of operating on the public right of way.

LADOT developed a draft permit fee program with information and presented it to the City Administrative Office (CAO). The CAO has not approved and finalized these fees, and the Department requests additional time to allow for this review.

**FINANCIAL IMPACT**

There is no impact to the General Fund. With the proposed extension, fees will continue to be collected, if ordered, until a new permit fee structure is put in place.

SJR:JM