

# ATTACHMENTS



# City of San Antonio

## Detail View

File Number: 17-3339

**Agenda Date:** 5/17/2017

**Status:** Agenda Ready

**In Control:** Criminal Justice, Public Safety and Services Committee

**File Type:** Staff Briefing - Without Ordinance

**POSTING LANGUAGE:** Briefing and Possible Action on Changes to Chapter 33 [Presented by William McManus, Chief of Police]

**DEPARTMENT:** Police Department

**DEPARTMENT HEAD:** William McManus, Chief of Police

**COUNCIL DISTRICTS IMPACTED:** Citywide

### SUBJECT:

Briefing and Possible Action on Changes to Chapter 33

### SUMMARY:

During the November 30th B Session, City Council directed staff to explore the options for removing the taxi permit cap. City staff, the taxicab industry and a group of independent driver representatives worked over the last few months to evaluate and discuss the inclusion of owner/operator companies into the vehicle for hire industry. The proposed addition of an owner/operator taxi business model will allow for a separate company category to be created within the Chapter 33 Vehicles-for-Hire ordinance. Additionally, City staff is proposing to allow an unlimited amount of permits to our Group Cycle category as requested by the Group Cycle industry.

### BACKGROUND INFORMATION:

In November 2016, a group of approximately 200 taxicab drivers submitted a petition to SAPD and Councilmembers requesting the removal of the permit caps for the taxicab operating permits. During the November 30, 2016 B Session, City Council directed staff to work with the taxicab independent driver representatives to evaluate the removal of the current permit capacity limits and allowing for an owner/operator structure as requested by the independent driver representatives. After several meetings and discussions with the representatives from the independent driver's group /company owners, a recommendation was formed to

Incorporate the owner/operator business model into the vehicle for hire industry.

In March 2016, City Council action approved the incorporation of Group Cycle operations into the Chapter 33 ordinance. Since four companies have successfully launched operations each issued one group cycle permit. The area of operations is primarily with the Pearl district and King William/Southtown areas. Over the last year, SAPD staff has worked closely with the operators to ensure compliance. The Group Cycle operators have requested additional permits issued. Currently, the ordinance allows for one active permit per company. Staff recommended this limit initially as this was a new mode of transportation and the overall impact to the Downtown streets was unknown at that time.

#### **ISSUE:**

City staff at the direction of Council, held several meetings to outline the interests of the industry and communicate the departments' perspective. Staff and independent driver representatives agreed to propose incorporating regulations for an owner/operator model within the Chapter 33 - Vehicles- for- Hire ordinance. In April 2015, San Diego approved a similar request to allow for an individual owner/operator model within their Vehicle -for- Hire ordinance. The city experienced an influx of drivers during the initial opening of the permit system however have seen the market steady and return to a manageable level since inception. Staff and independent driver representatives agreed to propose incorporating regulations for an owner/operator model within the Chapter 33 - Vehicles- for- Hire ordinance. This recommendation would eliminate the programmed 886 taxicab permits and allow owner/operators to function independently. The TAB and taxicab company owners do not support the creation of the owner/operator model as they see this will further saturate the vehicle for hire market in the City.

Group cycles are currently limited by ordinance to one cycle permit per company. SAPD recommended this position last year when they were incorporated into Chapter 33 because this was a new concept to San Antonio and SAPD wanted an opportunity to see how this type of service would impact our very busy downtown area. In the last twelve months of working with the Group Cycle industry, the SAPD has not experienced any negative feedback regarding their operation. SAPD staff met with the King William Association (KWA) to further investigate their experience with them and advise of the request for additional permits. The KWA did not express any issues with the request.

Lastly, in an effort to unclutter Chapter 33, Staff is recommending removal of Article IX - Transportation Network Companies from Chapter 33 as City Council has already approved a long term operating contract with the Transportation Network Companies.

#### **ALTERNATIVES:**

##### **Taxicab Permit Cap**

1. The first alternative suggested by the Taxicab owners is not to add this owner/operator model as they feel this could potentially undermine the entire industry by flooding the market with taxis.
2. The second alternative requested by the industry is to engage a third party company to develop a

needs assessment on the vehicle for hire industry as a whole. This would require funding which the department would have to include in the annual budget process, would have limited value as the on-demand vehicle for hire market has become saturated with the TNCs and further delay the requests of the drivers to become independent of the company controlled taxi market.

3. The third alternative suggested by the taxicab company owners is should Council approve the creation of the owner/operator model with an unlimited amount of permits is to remove the current 895 cap on the company permits as well. This would allow companies to have the fluidity to acquire and return as many permits as they see necessary.
4. Independent Owner / Operators have requested an unlimited number of Owner/Operator Permits, but are willing to accept a limit on the number of these permits as a "first-step" pilot program.

#### **FISCAL IMPACT:**

The independent owner/operator permit fee will remain equal to what companies are required to pay for each permit. The expected revenue from this recommendation is unknown as SAPD is unsure of the number of drivers that will be able to meet all of the requirements of Chapter 33 and be approved as an independent owner/operator.

#### **RECOMMENDATION:**

Staff recommends moving this item for full council consideration in June 2017 for the creation of the requested owner/operator model within Chapter 33 and elimination of the 886 company permit cap, allowing for additional group cycle permits to be issued and removal of Article IX - Transportation Network Companies from Chapter 33.

#### **FISCAL ORDINANCE LANGUAGE:**

**CRIMINAL JUSTICE, PUBLIC SAFETY, AND SERVICES  
COUNCIL COMMITTEE MEETING**

**MAY 17, 2017**

**11:00 A.M.**

**MUNICIPAL PLAZA BUILDING**

**Members Present:** Councilmember Rebecca Viagran, Chair, *District 3*  
Councilmember Roberto Treviño, *District 1*  
Councilmember Shirley Gonzales, *District 5*  
Councilmember Ray Lopez, *District 6*  
Councilmember Mike Gallagher, *District 10*

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**Members Absent:** None

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**Staff Present:** Councilmember Rey Saldaña; Erik Walsh, *Deputy City Manager*;  
William McManus, *Police Chief, SAPD*; Steve Baum, *Assistant  
Director, SAPD*; Art Reinhardt, *Assistant Director, Transportation  
and Capital Improvements Department*; Jim Kopp, *Assistant City  
Attorney*; Denice F. Treviño, *Office of the City Clerk*.

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**Call to order**

Chairperson Viagran called the meeting to order.

**1. Approval of the April 18, 2017 Criminal Justice, Public Safety and Services Committee Meeting Minutes**

Councilmember Lopez moved to approve the minutes of the April 18, 2017 Criminal Justice, Public Safety, and Services Council Committee Meeting. Councilmember Gallagher seconded the motion. The motion carried unanimously.

**Items for Consideration:**

Item 3 was addressed at this time.

**3. Briefing on Councilman Saldana's Council Consideration Request on "Don't Block the Box" Pilot Program with the San Antonio Police Department (SAPD). [Mike Frisbie, Director, Transportation and Capital Improvements]**

Art Reinhardt stated that in May 2016, Councilmember Saldaña submitted a Council Consideration Request (CCR) requesting city staff to research and recommend measures to address mobility and safety at critical intersections in San Antonio. He noted that a pilot program was developed and presented to the Governance Committee in August 2016 and to the Criminal Justice, Public Safety, and Services Committee in October 2016. He stated that when a driver enters an intersection and is unable to travel all the way through it; cross traffic was prevented from moving through the intersection including emergency vehicles. He noted that this behavior also endangers cross traffic pedestrians and bicyclists by blocking crosswalks and

bike lanes. He stated that this was an essential element of the Vision Zero Campaign and reviewed the following pilot program steps:

- Identify one intersection per district
- Collect data of blocked intersection before sign install
- Initiate public awareness campaign
- Install signs at designated intersections
- Collect data of blocked intersection after sign install

Mr. Reinhardt stated that in partnership with the City Council Districts; the Department of Transportation and Capital Improvements (TCI) identified one intersection by district for inclusion in the pilot program. He noted that beginning on January 25, 2017 through February 3, 2017, "Don't Block the Box" intersection signs were placed at the pilot locations. He stated that after 30 days, TCI collected data to evaluate signage impact on driver behavior. He noted that this was the first step of the enforcement component of the pilot program. He stated that the following table summarized the resulting data observed through the placement of video cameras at the pilot locations:

PILOT DISTRICT	INTERSECTION	PERCENTAGE
1	San Pedro Ave. at Euclid Ave.	+1%
2	Houston St. at W.W. White Rd.	+3%
3	Military Dr. at Logwood Ave.	+1%
4	Springvale Dr. at Valley Hi Dr.	+1%
5	Commerce St. at Zarzamora St.	NO CHANGE
6	Culebra Rd. at Westwood Loop	-3%
7	Fredericksburg Rd. at Woodlake Dr.	-2%
8	Huebner at Fredericksburg Rd.	NO CHANGE
9	West Ave. at Silversands Dr.	+1%
10	Bulverde Rd. at Autry Pond-Classen Spur	NO CHANGE

Mr. Reinhardt stated that beginning in May, TCI has partnered with SAPD on the next step of the enforcement component. He noted that from May 1 and May 14, 2017; 132 citations had been issued. He stated that violations would be documented through the month of May 2017. He noted that once complete, TCI would conduct traffic video data collection during the month of June 2017 to evaluate the impact of SAPD enforcement on improving driver behavior.

Councilmember Saldaña stated that people today did not realize that a law against blocking an intersection existed. He noted that the pilot program would serve to increase public awareness.

Chairperson Viagran asked of the increase in violations noted at some intersections. Mr. Reinhardt stated that data was collected during a single day. Councilmember Viagran noted that awareness was key to the success of the pilot program.

Councilmember Lopez asked if more intersections would be identified. Mr. Reinhardt replied that more intersections would not be added at this time but possibly at a later date.

Councilmember Lopez spoke of adding more sites to increase the sample size. He asked if this would be enforced at all intersections. Mr. Reinhardt replied that there was a State Law against blocking an intersection so it would be enforced at all intersections.

Councilmember Treviño noted that sign placement would be important to the effort as people do not pay attention to the lines on the street.

No action was required for Item 3.

Item 2 was addressed at this time.

**2. Briefing and Possible Action on Changes to Chapter 33. [Presented by William McManus, Chief of Police]**

Steve Baum provided the following overview regarding Taxicab Permit Caps:

- September 2016-200 drivers submitted a petition to SAPD to remove permit caps from Chapter 33-Vehicles for Hire
- December 2016-City Council approved several revisions to Chapter 33 to include a reduction in permit fees and relaxing city regulations
- January 2017-SAPD Staff met with the independent driver group and group cycle representatives to discuss overall goal for removal of the caps
- February 2017-SAPD met with Taxicab Owners to discuss the permit cap issue. Owners do not support the recommendation to remove permit caps.
- March 2017-SAPD met with the Transportation Advisory Board (TAB). The TAB did not support recommendations for removal of the permit caps.

Mr. Baum provided the following overview of independent driver feedback:

- Under the current model, the drivers are required to pay a lease rate to the company to include a daily lease fee and insurance.
- This requires the drivers to pay the fee regardless of working hours.
- The driver must pay the daily rate in order to secure the permit spot.
- The drivers are requesting the opportunity to be independent owner/operators which is currently not allowed under Chapter 33.

Mr. Baum provided the following overview of Taxicab company owner feedback:

- Taxicab owners feel that the introduction of the Owner/Operator Model would further dilute the Vehicle for Hire market.
- Taxicab owners have suggested the following three alternatives to the Owner/Operator Model recommendation:
  1. No further changes to Chapter 33
  2. Solicit for a third party needs assessment for the industry

**3. If Owner/Operator Model was created, remove the caps for all Taxicab company permits**

Mr. Baum reviewed the results for other cities which have adopted the Owner/Operator Model. He stated that staff recommended the creation of the Owner/Operator Model within Chapter 33 and removing the current 886 cap on Taxicab company permits. He noted that administrative and enforcement challenges have been identified with the proposed changes but staff was confident that the industry would acclimate over a period of time. He stated that in March 2016, SAPD incorporated Group Cycles into the Chapter 33 Ordinance. He noted that since the inclusion, four companies have launched operations successfully. He stated that staff had met with the Group Cycle Industry and they have requested that additional permits be issued. He noted that over the last 12 months, SAPD had not received any complaints regarding Group Cycle operations. He stated that staff met with the King William Neighborhood and did not receive any negative feedback regarding the operation of group cycles in this area. He noted that staff proposed removing the permit cap on Group Cycles. He stated that staff was seeking direction from the Committee.

Chairperson Viagran call upon the citizens registered to speak.

Marvin Peretz spoke against removal of the permit caps.

Sean Jordan spoke against removal of the permit caps.

Cruz Chavira spoke in favor of removal of the permit caps.

Kenny Chiem spoke against removal of the permit caps.

Din Mohammad Arhafori spoke against removal of the permit caps.

Adrian Gonzalez spoke against removal of the permit caps.

Maribel Gildemeister spoke regarding Taxicabs not taking short trips.

Wayne Peretz spoke against removal of the permit caps.

Richard Karam spoke against removal of the permit caps on behalf of the Taxi President's Association.

Bruce Mery spoke against removal of the permit caps on behalf of the Taxi President's Association.

George Alva spoke against removal of the permit caps.

Michael Khadem spoke against removal of the permit caps.

John Bouloubasis spoke against removal of the permit caps.



Abrehale Gebre spoke in favor of removal of the permit caps.

Linda Thomas spoke in favor of removal of the permit caps.

Hector Garcia spoke in favor of removal of the permit caps.

Octavio Manresa spoke in favor of removal of the permit caps.

Luis Rodriguez spoke in favor of removal of the permit caps.

Luis Garcia spoke in favor of removal of the permit caps.

Robert Gonzales against removal of the permit caps.

Elena Roman spoke in favor of removal of the permit caps.

Chairperson Viagran asked why the model was changed from an Owner/Operator Model to the Permit Cap Model in the 1980's. Mr. Baum stated that he could not identify who changed it or why it was changed. Chairperson Viagran asked of the number of Transportation Network Company (TNC) drivers in the City. Mr. Baum replied that he did not know the number of TNC drivers in the City but noted that there were four TNC's operating in the City.

Councilmember Lopez asked of the number of Transportation Inspectors and their roles. Mr. Baum stated that there was one Manager and four Inspectors. He noted that they were responsible for oversight of pedicabs, taxicabs, group cycles, limousines, carriages, and tour buses. Councilmember Lopez asked of the dispatch method which could be used with the Owner/Operator Model. Mr. Baum stated that taxicabs could subscribe to a dispatch service or provide service by use of an application. Councilmember Lopez noted that more information was needed before making a decision.

Councilmember Gallagher agreed that more information was needed before a decision could be made. He expressed concern regarding the traffic congestion which may increase and that staff did not know how many TNC drivers existed. He supported review of the population/permit ratio and advocated for further study of this item.

Councilmember Gonzales thanked TAB Members for their service.

Councilmember Treviño spoke in support of continued discussion of this item.

Chairperson Viagran stated that the Committee would like to see other options and continue to discuss the option of removal of the permit caps.

Councilmember Lopez moved to recommend and forward the removal of permit caps for group cycles to the full City Council for consideration. Councilmember Gallagher seconded the motion. The motion carried unanimously.

Erik Walsh confirmed that the Committee would like to see additional information regarding the following:

- Gradual release of permits
- Set amount of permits during a pilot period
- Benchmark for the population/permit ratio

Chairperson Viagran recessed the Criminal Justice, Public Safety, and Services Council Committee into Executive Session at 12:50 p.m. to deliberate issues related to the San Antonio Public Safety Radio System pursuant to Texas Government Code Section 551.076 (security devices and audits) and 551.071 (consultation with attorney).

Chairperson Viagran reconvened the meeting at 1:17 p.m. and stated that no action was taken during the Executive Session.

**Consideration of items for future meetings**

**Adjourn**

There being no further discussion, the meeting was adjourned at 1:17 p.m.

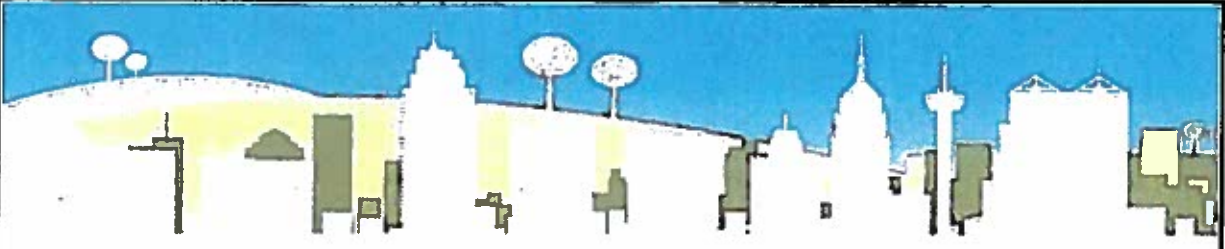
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***Rebecca Viagran, Chair***

***Respectfully Submitted,***


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***Denice F. Trevino, Office of the City Clerk***






## Chapter 33 – Revisions


**William P. McManus**  
Chief of Police  
May 17, 2017 – Public Safety Committee



## Chapter 33 Proposed Revisions

### Items for Discussion

1. Taxi Permits 
2. Group Cycle Permits 
3. Chapter 33, Article IX – Transportation Network Companies 



## Background – Taxicab Permit Caps

- **September 2016** – 200 drivers submitted a petition to SAPD to remove permit caps from Chapter 33 – Vehicles for Hire
- **December 2016** – City Council approved several revisions to Chapter 33 to include reduction in permit fees and relaxing of City regulations
- **January 2017** – SAPD staff met with the independent drivers group and group cycle representatives to discuss overall goal for removal of the caps
- **February 2017** – SAPD met with Taxicab owners to discuss the permit cap issue. Owners do not support the recommendation to remove permit caps.
- **March 2017** – SAPD met with the Transportation Advisory Board: TAB does not support recommendation for removal of the permit caps



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## Independent Driver Feedback

- Under the current model, the drivers are required to pay a lease rate to the company to include daily lease fee and insurance
- This requires the drivers to pay the fee regardless of working hours
- The driver must pay the daily rate in order to secure the permit spot
- The drivers are requesting the opportunity to be independent owner/operators which is currently not allowed under Chapter 33

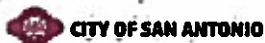


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## Taxicab Company Owner Feedback

- Taxicab owners feel the introduction of the Owner/Operator model will further dilute the Vehicle for hire market
- Taxicab owners have suggested three alternatives to the Owner/Operator recommendation
  1. No further changes to Chapter 33
  2. Solicit for a third-party needs assessment for the industry.
  3. If Owner/Operator category is created remove the caps for all taxicab company permits.



## Taxicab Permit Caps

- Staff is recommending the creation of the Owner/Operator category within Chapter 33 and removing the current 895 cap on Company permits
- Administrative and enforcement challenges have been identified with these changes but staff is confident the industry will acclimate over a period of time.



## Group Cycle

- In March 2016, SAPD incorporated Group Cycles into the Chapter 33 ordinance. Since the inclusion, four companies have launched operations successfully.
- Staff has met with the group cycle industry and they have requested additional permits be issued.
- Over the last 12 months, SAPD has not received any complaints regarding Group Cycle operations
- Staff met with the King William neighborhood and did not receive any negative feedback regarding the operation of group cycles in this area.



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## Transportation Network Companies

- In December 2016, City Council approved a three-year operating contract for Transportation Network Companies
- Since then, three companies, Uber, Lyft and GetMe, have committed and two additional companies have voiced interest in the San Antonio market
- With the approval of the long term operating contract, Staff is recommending the removal of Article IX – Transportation Network Companies from the Chapter 33 ordinance.



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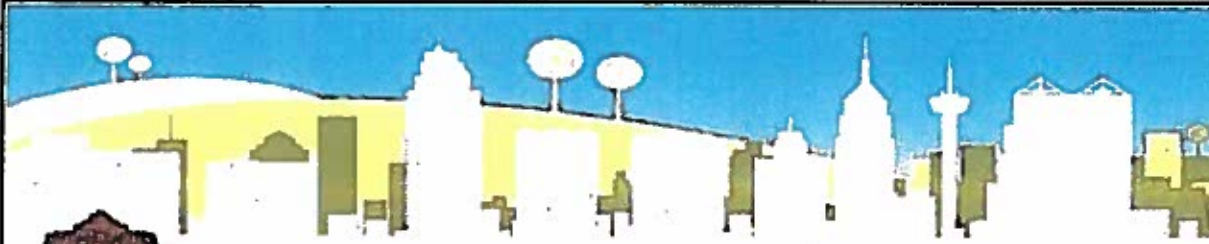





## Staff Recommendation

- Staff is recommending moving to A Session to consider revisions to Chapter 33, to include:
  - The creation of the Owner/Operator category within Chapter 33 and removing the current 895 cap on Company permits
  - Removing the permit cap on Group Cycles
  - Deleting Chapter 33 Article IX "TNCs"







## Discussion

**William P. McManus**  
 Chief of Police  
 May 17, 2017 – Public Safety Committee

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