

**State of Texas
County of Bexar
City of San Antonio**



**FINAL
Meeting Minutes
City Council B Session**

City Hall Complex
105 Main Plaza
San Antonio, Texas 78205

Wednesday, October 12, 2016

2:00 PM

Municipal Plaza Building

The City Council of San Antonio convened in the “B” Room of the Municipal Plaza Building. City Clerk Leticia Vacek took the Roll Call with the following Councilmembers present:

PRESENT: 11 - Mayor Taylor, Treviño, Warrick, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Krier, and Gallagher

1. A Briefing on proposed amendments to City Code Chapter 33 (Vehicles for Hire) and the Operating Agreements with Transportation Network Companies. [Erik Walsh, Deputy City Manager; William McManus, Chief, Police; Noel T. Jones, Director, Aviation]

Erik Walsh stated that numerous meetings between the Taxicab Industry, the Transportation Advisory Board (TAB), and the Transportation Network Companies (TNCs) were held since the last B Session in early summer.

Steve Baum stated that in August 2015, TNC operations in San Antonio were approved through a Temporary Operating Agreement. He noted that Uber began operations in San Antonio in October 2015; Lyft began operations in December 2015; and Get Me began operations in January 2016. He reported that in June 2016, an extension of the operating agreements to expire simultaneously were authorized. He noted that the current agreements

would expire on October 31, 2016, but would be requested to be extended to November 30, 2016. He stated that a roundtable discussion was held on May 18, 2016 and on June 1, 2016 with 215 attending. He stated that the following were recommended as the result of the roundtable discussions:

1. Maintain choice
2. Background or fingerprints desired
3. More level playing field

Mr. Baum stated that the Government and Public Affairs Department produced a public survey on the Rideshare Experience. He noted that 2,895 surveys were received with the following results noted:

- 83% had outstanding, very good, or good experiences with TNCs
- 82% wanted some kind of background check

Mr. Baum stated that those surveyed were divided on whether or not to have Ten Fingerprint Background Checks or the Named Personalized Background Checks. He noted that they considered affordability, ease of use, safety, whether the service was fair and convenient, price, and cleanliness of the vehicle when making their choice. He stated that Ground Transportation Unit Inspectors conducted more than 200 Secret Shopper Rides, split among the three TNC Companies in all Council Districts. He noted that during those 200 rides; very few infractions were identified. He stated that outreach to the TNCs was made to voluntarily submit to the Ten Fingerprint Background Check and 339 drivers came forward. He noted that most were almost complete and the 91 remaining were attempting to schedule a time to come in. He stated that data has been requested from the TNCs to include where riders were picked up and dropped off. He reported that the data from October 2015-April 2016 pick-ups demonstrated that:

1. Heaviest pick up was at the Airport and Downtown
2. Followed by the area north of Downtown
3. Northwest Side and the 281 Corridor remained consistently busy

Mr. Baum reviewed the following highlights of the revised TNC Operating Agreement:

- Contract term of one year, with three optional one-year extensions
- New fee structure
- Background checks
- Splash screen or filter
- Vehicle inspection (Annual State Inspection)
- Veteran status would not be reflected in driver profile (or active-duty military)

- Aviation (data sharing)

Mr. Baum stated that since 2011, the City Council has steadily modified the rules for Taxicabs and Limousines to reduce regulations. He reviewed said reduced regulations and noted that those changes have allowed more flexibility in the industry. He stated that the Transportation Advisory Board (TAB) made revisions which city staff have reviewed and have supported the majority of them. He noted that the TAB did not support some of the recommendations, and others would require additional discussion. He stated that staff supported the following revisions: 1) Reduce operating fees from \$440 to \$250 (40% decrease); 2) Allow multiple color schemes; 3) Eliminate dispatch licensing requirements; 4) Eliminate additional third-party inspection; 5) Eliminate driver manifests/trip reporting; 6) Vehicles with 15+ passengers must register with the Texas Department of Motor Vehicles; and 7) Relax advertising restrictions.

Mr. Baum reported that staff did not recommend the following proposed revisions:

1. Convert to Medallion System from a Permit System
2. Elimination of disclosure of lease fees to the city
3. Accept State minimum insurance company rating
4. Change driver permit to universal permit

Mr. Baum stated that the following items would require additional discussion:

1. Smart taximeters
2. Flexible pricing
3. Removable top lights and company information
4. Retaining unassigned permits

He reviewed the current and proposed revenue calculations and noted that the proposed revenue would not enable the city to recover administrative costs as the city could only recover staff salaries and business expenses for the Ground Transportation Unit. He noted that in a few years, the basic operational costs would increase and the operating fees would also have to be increased.

Ryan Rocha stated that the ridership at the Airport continues to increase. He noted that in order to create parity among vehicles for hire; GEO Fencing would be utilized, which would track TNCs by tracking vehicle plates. He stated that currently, TNCs self-reported their operations at the Airport. He stated that this presented challenges in accounting for revenue. He noted that to create parity amongst vehicles for hire, one would have to look at the following three areas: 1) Level the playing field; 2) Geo Fencing or data sharing; and 3) Cost recovery.

Mr. Rocha reviewed how GEO Fencing would allow staff to look at a vehicle license plate number and see its time on and off the Airport GEO Fencing Boundary Area. He noted that for cost recovery staff recommended increasing the current per trip fee from \$1.00 to \$1.50 and to eliminate the \$150 permit fee for Taxicabs and Limousines. He stated that this would allow for cost recovery and has been discussed with the Taxicab and the TNC Industry. He noted that another option presented was an increase to the Airport Minimum Departure Fee. He stated that it was proposed to increase from \$10.50 to \$15.00. He noted that Airport Staff was opposed to said increase as a pass-through to the customer because both the Per Trip Fee and the Airport Minimum Departure Fee would be passed-through to the customer. He stated that this would not compute to a one on one gain for both taxicabs and TNCs. He noted that Aviation would continue to track the data and see what customers choose and revise the cost recovery model as needed. He stated that Aviation would track charter operations and revise the \$50 Annual Permit Fee if needed. He noted that the costs to consider for all ground transportation were operating and management expenses such a labor, utility costs, parking revenue control equipment, maintenance, and capital investment. He stated that the best way to establish equity among the vehicles for hire and cost recovery was by eliminating the \$150 permit fee for the Taxicabs and Limousines and by increasing the per trip fee from \$1.00 to \$1.50 for all vehicles for hire.

Mayor Taylor asked of the outreach by the City on fingerprints for drivers. Mr. Baum replied that outreach was provided via social media and the process has been streamlined where everything can be completed online with the exception of fingerprinting and the Photo ID. He stated that staff would partner with the TNCs to provide outreach to their current and new drivers. Mayor Taylor asked of the New Fee Structure for TNCs. Mr. Baum stated that currently, the operating agreement was based on a \$25,000 per year operating fee for a TNC. He noted that other cities charged anything from a per trip fee to a fee based on the number of drivers and/or vehicles, or a certain percentage of the gross revenue per year. He stated that each one of them had pitfalls and most of them created administrative challenges. He noted that staff were looking to create a minimum fee to begin with the city which would cover basic administrative costs and then adding a capped per trip fee. He stated that the TNC Business Model required a lot less in administrative costs than the Taxicab Business Model. Mayor Taylor thanked everyone for their work and stated that she was pleased that a solution could be identified to enable TNCs to operate in the city.

Councilmember Treviño recognized today as Indigenous Peoples Day and stated that he would like to recognize the important contribution made to our Word Heritage City by the Indigenous People. With regard to TNCs, he noted that the process had been fair and transparent and has set the right tone for addressing innovative models like rideshare. He asked of the current negotiations with TNCs. Mr. Baum replied that staff was very close to coming to terms for a new Operating Agreement and was optimistic about bringing the item

to the City Council in November 2016.

Councilmember Viagran highlighted Breast Cancer and Domestic Violence Awareness Months. On TNCs, she stated that the 10-Point Fingerprint Check had encouraged Entrepreneurship and asked if the TNCs were required to have trade dress on their vehicles. Mr. Baum replied that trade dress was specifically prohibited for TNC vehicles inside the city. Councilmember Viagran asked of the number of TNC Drivers operating in the city. Mr. Baum replied that he did not know.

Councilmember Gallagher expressed concern that there was not 100% compliance with background checks. He suggested that the process be made more accessible by hosting special events and spoke in favor of a splash screen.

Councilmember Krier asked why the City regulated TNCs. Mr. Baum replied that TNCs were regulated because they conducted their operations on the public right-of-way. Mrs. Sculley added that they were regulated due to safety concerns and their rates. Councilmember Krier expressed concern that so few TNC Drivers had been fingerprinted and asked of the splash screen. Mr. Walsh stated that a splash screen delivers information to riders when utilizing the application but indicated that it was not a filter. Councilmember Krier asked how many locations were available for someone to complete their background check. Mr. Baum replied that there were eight locations where one could complete a background check.

Councilmember Nirenberg spoke of the reduction in drunk driving from January-June 2015 and stated that he favored getting more TNC Drivers on the road. He added that he supported removing regulations. Mr. Baum stated that the Taxicab Industry was not in favor of removing regulations.

Councilmember Warrick asked if staff was expecting the same amount of TNC Drivers as in the past. Mr. Rocha replied that the numbers were self-reported so their accuracy could not be ensured. Councilmember Warrick asked if other TNCs had been approached to see why they were not conducting business in the city. Mr. Baum replied that other TNCs had not been approached. Councilmember Warrick asked if the current ordinance was flexible as business models change. Mr. Baum stated that the City Council was receptive to changes required.

Councilmember Lopez asked of the position of the Texas Municipal League (TML) regarding TNCs. Jeff Coyle stated that the TML's Position was to let Local City Officials make decisions regarding TNCs. Councilmember Lopez expressed support for 100% background checks.

Councilmember Gonzales asked if there was a correlation between the number of drunk driving incidents and the presence of TNCs. Chief McManus stated that there was no factual correlation that could be made between the two. Councilmember Gonzales expressed support for background checks.

Mrs. Sculley stated that staff would continue to work with all of the industries to develop a recommendation to bring to the City Council in November 2016.

Mayor Taylor thanked staff for the presentation.

EXECUTIVE SESSION

Mayor Taylor recessed the meeting into executive session at 4:20 pm to discuss the following:

- A. Deliberations regarding economic development negotiations and discuss related legal issues pursuant to Texas Government Code Sections 551.087 (economic development) and 551.071 (consultation with attorney).
- B. Deliberate the purchase, exchange, lease or value of real property and discuss related legal issues pursuant to Texas Government Code Sections 551.072 (real property) and 551.071 (consultation with attorney).
- C. Discuss legal issues related to collective bargaining pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- D. Discuss legal issues related to a lawsuit styled Virginia Finster v. City of San Antonio pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- E. Discuss legal issues related to a lawsuit styled Babe Anderson v. City of San Antonio pursuant to Texas Government Code Section 551.071 (consultation with attorney).

RECONVENED

Mayor Taylor reconvened the meeting at 6:03 pm and announced that no action was taken in Executive Session. She addressed Item 2. City Clerk Vacek announced that Councilmember Krier was attending a Homeowners Association Meeting in District 9.

PUBLIC HEARING

City Clerk Vacek read the caption for Item 2:

2. First Public Hearing regarding the South San Antonio Voluntary Annexation Area consisting of twelve tracts of land and totaling approximately 421.6 acres (0.66 square miles), generally located north of Priest Road, south of Loop 410, east of I-35 South, and west of I-37 in the southern portion of San Antonio's Extraterritorial Jurisdiction. [Peter Zanon, Deputy City Manager; Bridgett White, Director, Department of Planning & Community Development]

Mayor Taylor opened the First Public Hearing regarding the South San Antonio Voluntary Annexation Area. She called upon the citizens registered to speak.

Mark Perez expressed concern with the transition between Bexar County and the San Antonio Fire Department.

Nazirite Ruben Flores Perez expressed support for the Annexation noting the need for Fire and Police Protection.

Rhonda Warhne stated that she was representing her client, Francis Jenkins in reference to a letter he received regarding Voluntary Annexation. She noted that there was a paperwork glitch with the Bexar Appraisal District not sending out the paperwork to re-file for Agricultural Use.

There being no other citizens registered to speak, Mayor Taylor closed the Public Hearing.

CITIZENS TO BE HEARD

Mayor Taylor called upon the citizens registered to speak under Citizens to be Heard.

Clemente Sanchez stated that he recently read an article about an escaped Mental Patient who had murdered his wife. He expressed concern that the Pre-K 4 SA Facility or individuals in the neighborhood were not contacted regarding the incident. He asked that they be proactive in protecting the community.

Nazirite Ruben Flores Perez expressed concern with the Cartels in Mexico and stated that everyone should stick together.

Antonio Diaz stated that although a Resolution was approved for Indigenous Peoples Day last year; nothing had been done this year to recognize the occasion. He requested that

Columbus Park be renamed and that the statue be removed from the facility.

Rhett Smith expressed concern with the San Antonio Police Department Officers that wore Donald Trump Hats and stated that all candidates should receive equal treatment.

Faris Hodge, Jr. submitted written testimony to include newspaper articles regarding the upcoming Presidential Election, Salaries of Heads of Public Colleges, and Paid Sick Leave. He requested that the Alamodome be named after him.

ADJOURNMENT

There being no further discussion, Mayor Taylor adjourned the meeting at 6:28 pm.

APPROVED

IVY R. TAYLOR
MAYOR

ATTEST:

LETICIA M. VACEK, TRMC/CMC/MMC
CITY CLERK