



City of San Antonio

Agenda Memorandum

File Number: 18-3577

Agenda Item Number: 17.

Agenda Date: 5/31/2018

In Control: City Council A Session

DEPARTMENT: Police

DEPARTMENT HEAD: William McManus, Police Chief

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

Ordinance amending Article I and Article VIII to Chapter 33 of the City Code (Vehicles for Hire) by defining "Owner/Operator" and providing for single taxicab owner/operator permits.

SUMMARY:

At the direction of City Council, City staff, the taxicab industry and a group of independent driver representatives have worked over the last 15 months to evaluate and discuss potential modifications to the Chapter 33 Vehicle-for-Hire ordinance. After over a year of effort, City Council is being presented with recommended changes to Chapter 33:

- Create independent operator taxi permits and delete the requirement for a holder to have at least three taxicabs to be considered a company.
- Issue 75 permits to new single taxicab companies in 3 different distributions. 32 permits to be released by October 1, 2018, 25 Permits shall be released on October 1, 2019, and 18 permits shall be released on October 1, 2020. The director has the authority to release permits ahead of schedule if demand requires after October 1, 2019.

BACKGROUND INFORMATION:

In recent years there have been various changes made to the Chapter 33 Vehicle-for-Hire ordinance. During the latest planning proceedings for these revisions, a group of approximately 200 independent taxicab drivers submitted a petition to SAPD requesting the creation of an owner/operator permit category for drivers within Chapter 33.

At the November 30, 2016 B-session with City Council, SAPD presented the independent taxicab driver's petition and outlined their request. As a result, City Council directed staff to investigate the owner/operator permit concept. After researching the matter, staff formed a recommendation that would both allow single permit taxicab companies to operate and remove the permit issuance ratio for taxis from Chapter 33.

In March 2017, staff presented their proposal to the Transportation Advisory Board (TAB). The Board reviewed the proposal and unanimously voted to reject it. On May 17, 2017, City staff presented to the Public Safety Council Committee regarding the aforementioned recommendations and Committee members asked staff to conduct further research.

On August 28, 2017, the San Antonio Police Department (SAPD) returned to the TAB to confirm the board's position had not changed. The Board stated they were not in support of the creation of the single permit companies.

On September 26, 2017, City staff presented the issue before the new Public Safety Council Committee. The Committee did not take any action regarding the above-described recommendations and made a recommendation to send the issue to the Transportation Council Committee.

On December 14, 2017, City Staff made a presentation to the Transportation Committee and recommended changes to Chapter 33, which would allow for owner/operator taxicab drivers. The Committee suggested that a neutral party be brought in to attempt to mediate a resolution between the group of drivers wanting owner/operator permits and the group of company owners and drivers that were opposed to the idea.

In early 2018, Mrs. Danielle Hargrove was hired to mediate a compromise between both sides. In addition to receiving background information from SAPD, Mrs. Hargrove met with representatives from the three stakeholder groups: taxi drivers, taxi companies and taxi co-ops. The mediation session occurred on February 23, 2018. There were eight participants, which included the following representatives:

- Cruz Chavira - Star Cab Co-Op
- Robert Gonzales - National Cab
- Octavio Manresa - Independent Taxi Driver
- Hector Garcia - Independent Taxi Driver
- Roman Martinez - Yellow Cab
- Cristina Teixeira-Goncal - Independent Taxi Driver
- Javier Shadai- Independent Taxi Driver
- Michael Khadem - ETI Taxi Cab

The group formed a consensus in the following areas:

- Keep existing permit cap;
- Create owner/operator permits; and
- Qualifications - staff can determine years of experience, required fingerprinting and background checks, sole ownership, and obtain commercial insurance.

There was no consensus among the group with respect to the number of permits. After meeting with taxi representatives and City staff, Mrs. Hargrove presented her conclusions to the Transportation Council Committee on March 27, 2018.

On April 23, 2018, Mrs. Hargrove and City staff presented the consensus issues reached during the mediation

session to the Transportation Advisory Board. After a lengthy discussion, the TAB approved a recommendation to allow the creation of independent operator permits, issue a total of 75 permits over a three year period (32 permits by October 1, 2018; 25 permits by October 1, 2019; and 18 permits by October 1, 2020). Additionally, if there were qualified individuals that desired permits, the Chief of Police should be able to pre-issue permits to meet the demand up to the total of 75. This authority would begin on October 1, 2019. The 75 permits will be created by Yellow Cab giving up 25 permits, the City including seven existing unissued permits, and the proposed ordinance creating 43 permits.

ISSUE:

A group of independent driver representatives has requested an owner/operator category be adopted within the Chapter 33 Vehicles-for-Hire ordinance. Currently, Chapter 33 requires a permit holder to have at least three taxicabs to operate as a taxicab company. City staff is recommending the three-vehicle minimum be removed from Chapter 33 to allow a single car taxicab company to be permitted within the city.

Additionally, City staff is also recommending the release 75 permits in three stages to only new single car taxicab companies to be begin by October 2018 and completed by October 2020. The permits will come from population growth, unutilized permits, and/or creation of new permits.

ALTERNATIVES:

- Issue 75 permits all at once to new single taxicab companies through a fair process.
- Make no changes to Chapter 33.

FISCAL IMPACT:

Applicants for the new independent operator permits will pay the same \$250 a year annual fee as existing cabs. It's anticipated that existing drivers will apply for the new permits therefore overall revenue will be minimally impacted.

RECOMMENDATION:

Consistent with the Transportation Advisory Board recommendation, staff recommends creating independent operator taxi permits and deleting the requirement in Chapter 33 for a holder to have at least three taxicabs to be considered a company. Staff also proposes to issue 75 permits to qualified independent taxi operators in the following manner:

- 32 permits to be released by October 1, 2018;
- 25 permits shall be release on October 1, 2019;
- 18 permits shall be release on October 1, 2020;
- The Chief of Police has the authority after the first year to release permits ahead of scheduled if there are qualified applicants.

The 75 permits will be created by Yellow Cab giving up 25 permits, the City including seven existing unissued

permits, and the proposed ordinance creating 43 permits.