



# City of San Antonio

## Agenda Memorandum

**File Number:** 15-4478

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**Agenda Item Number:** 4.

**Agenda Date:** 8/13/2015

**In Control:** City Council A Session

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**DEPARTMENT:** Police

**DEPARTMENT HEAD:** Anthony L. Treviño, Jr.

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

An Ordinance authorizing the City Manager to enter into a temporary operating agreement with individual Transportation Network Companies (TNCs) for a period of nine months.

### **SUMMARY:**

This ordinance will authorize the City Manager to enter into a temporary (nine months) operating agreement with Lyft, and other individual TNCs for a period of nine months. During the agreement period, City staff will gather information on public safety, access to transportation options in San Antonio, and other metrics, with the intent of providing the City Council with recommendations based on observed performance.

An Ordinance authorizing the City Manager to enter into a temporary operating agreement with Lyft, and other Transportation Network Companies (TNCs) for a period of nine months.

### **BACKGROUND INFORMATION:**

TNCs have developed smart phone applications that match drivers with passengers who pay for the ride, through the app, with a credit card. The TNC collects the fares, keeps a percentage and forwards the rest to the driver. The Police Department briefed the Public Safety Committee and brought recommendations to update Chapter 33 of the City Code (Vehicles for Hire) which were adopted in part in December 2014 and again in March 2015.

When the March 2015 changes were adopted, Uber and Lyft ceased operations in the City of San Antonio. Since that time, at the direction of the Mayor, Councilman Treviño and City Staff have held additional meetings with Uber and Lyft in order to develop a temporary operating agreement that both the TNCs and the City

Council would find acceptable.

As a result of these negotiations, Lyft has agreed to the attached temporary operating agreement which is designed to provide residents and visitors additional transportation options. Further, it provides riders with the option to choose drivers that are veterans and/or those that have voluntarily submitted to a 10-fingerprint identity verification criminal background checks. It also allows individual drivers (who are in a sense, small business owners) to choose whether voluntary fingerprint checks make business sense for them. It is also designed to allow City Staff the opportunity to gather performance data on actual TNC operations in the City, with the intent of informing any additional recommended changes to Chapter 33 of the City Code.

The operating agreement also:

- Requires TNCs to conduct initial and annual third-party criminal background and driver history checks.
- Requires training on, and compliance with, ADA requirements.
- Requires a zero-tolerance policy on drug/alcohol use, harassment (sexual or otherwise), and discrimination (on the basis of those categories outline in the City's Non-Discrimination Code).
- Requires TNCs, TNC drivers, or both to carry insurance as mandated by HB 1733 from the first day of the agreement.
- Requires a vehicle to be inspected before it begins operation as a TNC vehicle.
- Allows the City to conduct random visual inspections of drivers and vehicles active on the platform.
- Requires the TNC to provide certain operations data to City staff each quarter.
- Requires the TNC to pay \$1.00 for each trip originating at the airport.
- Allows either party to terminate the agreement with 30 days notice.
- Suspends provisions of Chapter 33 of the City of San Antonio Municipal Code applicable to TNCs, and Chapter 3, Division 4, and the rules and regulations developed pursuant to that chapter for a period of nine-months from the time the TNC begins operations in the City.

While the City has already reached an agreement on these terms with the TNC Lyft, the City of San Antonio continues to discuss future agreements with other TNCs who wish to participate in the nine-month program. In order to promote safety and accessibility, the City will engage in outreach efforts to promote and facilitate 10-fingerprint identity verification criminal background checks for TNC drivers. The City will also hold two town hall meetings with the TNCs to solicit feedback and discussion from the public.

#### **ISSUE:**

The proposed agreement will suspend provisions of Chapter 33 of the City of San Antonio Municipal Code applicable to TNCs, and Chapter 3, Division 4, and the rules and regulations developed pursuant to that chapter in order to temporarily facilitate TNC operations in order to a) provide residents and visitors additional transportation options, and b) allow City Staff to gather performance data on actual TNC operations in the City.

#### **ALTERNATIVES:**

The City Council may propose changes to the proposed operating contract or continue to enforce Chapters 3 and 33 as they are currently written.

#### **FISCAL IMPACT:**

The proposed operating agreement requires each TNC to pay an \$18,750.00 operating fee to the City for the nine-month term of the agreement.

**RECOMMENDATION:**

Staff recommends City Council approve the operating agreement as is for a nine-month period. During the term of the agreement, City Staff will provide a six month update, and upon conclusion of the nine-month period, provide any recommended changes to Chapter 33, based on observed operations.

Staff also recommends continued efforts to engage with all other TNCs not currently part of the agreement to come to San Antonio.