



City of San Antonio

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Title: 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]

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
11/30/2016	1	City Council B Session		

DEPARTMENT: San Antonio Police Department

DEPARTMENT HEAD: William McManus, Chief

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Briefing on proposed amendments to City Code Chapter 33 (Vehicles for Hire) and the Operating Agreements with Transportation Network Companies

SUMMARY:

City staff and the Transportation Network Companies (TNC) have negotiated a new operating agreement for City Council consideration. Staff has also worked with the taxicab and limousine industries to update the rules under which the vehicle-for-hire industry operates. City staff and the TNCs have found agreement regarding operations within the city, while City staff and the taxicab industry agree in some areas and remain divided on others.

BACKGROUND:

Transportation Network Companies:

In August 2015, City Council approved a temporary operating agreement allowing TNC companies the ability

to operate for a nine-month period outside of the Vehicle for Hire, Chapter 33 Ordinance. There are currently three TNCs operating in San Antonio: Uber, Lyft and GetMe. In June 2016, City Council extended all three temporary operating agreements to October 31, 2016, allowing the City Manager to execute three one-month extensions if necessary. The City has executed all three one-month extensions, with the current agreement valid through December 31, 2016. This has provided additional time for staff to finalize the next agreement.

The SAPD Ground Transportation Unit (GTU), as of 11/21/16, has received 373 applications for the voluntary fingerprint background check, 282 drivers have completed the process and 249 drivers have picked up their verification cards with an assigned “T” number. As of the same date, GTU had conducted 250 TNC quality assurance rides with no major findings.

The SAPD and Government & Public Affairs Department held two round table discussions with members of the public on May 18 and June 1, 2016, with approximately 215 members of the public in attendance. The three main takeaways from the round table discussions were: 1) that the community wants to maintain a “choice” in ground transportation options, 2) there is no consensus on whether drivers should be fingerprinted or just backgrounded, and 3) there should be a more level playing field between all Vehicles-For-Hire.

Staff surveyed the public as well, online and via paper surveys, regarding their experience using TNCs and traditional Vehicles-For-Hire. There were 2,895 survey respondents in total and 83% indicated an outstanding, very good or good experience using TNCs. There were 82% of respondents that supported some kind of background check; 27% indicated that a background check was acceptable, 14% wanted fingerprinting, and 41% said either method would be acceptable.

The Texas Legislature may deal with legislation designed to establish statewide regulations for TNCs in the next legislative session beginning in January 2017. There have been two committee meetings on the issue in preparation for the 85th Legislative Session: the Texas Committee on Industry and Business Committee meeting on June 8, 2016 and the Texas House Committee on Transportation hearing on August 20, 2016.

Taxicabs and Limousines:

Since 2011, the City has steadily modified the rules to reduce regulations and allow more flexibility in the taxicab and limousine industries, including: increasing drop rates, increasing per mile rates, increasing maximum age of vehicles, reduction and eventual elimination of annual inspections, and lengthening permit time. However, traditional vehicles for hire companies, primarily Taxi and Limousine companies, have voiced concern that TNCs have eroded their market and that the regulations in Chapters 33 and 3 (Airport) of the City Code impede their ability to remain competitive.

Over the past several months, staff has met with industry representatives and the Transportation Advisory Board (TAB) to identify the regulations they believe stifle the competitive environment. The TAB met on September 26, October 4 and October 24, 2016 to discuss differing proposals to modify Chapters 33 and 3, and recommended a set of changes that would further relax the regulations under which the taxicabs and limousines operate.

ISSUE:

At the B Session, staff will present recommendations to City Council on amendments to Chapter 33 to further reduce City regulations on the Ground Transportation industry as well as a proposed operating agreement with Transportation Network Companies. Based on City Council input, these items will be scheduled for future City Council action at A Session

ALTERNATIVES:

This item is for briefing purposes only.

FISCAL IMPACT:

This item is for briefing purposes only.

RECOMMENDATION:

This item is for briefing purposes only.