



# City of San Antonio

## Agenda Memorandum

**File Number:** 17-5409

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**Agenda Item Number:** 2.

**Agenda Date:** 9/26/2017

**In Control:** Public Safety Committee

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**DEPARTMENT:** Police Department

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

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

Proposed Chapter 33 Revisions - Vehicles for Hire Ordinance

### **SUMMARY:**

City staff, the taxicab industry and a group of independent driver representatives have worked over the last seven months to evaluate and discuss potential modifications to the Chapter 33 Vehicle-for-Hire ordinance. After months of effort, City Council is now being presented with several proposed changes for its consideration. These include the:

- Creation of a single owner/operator category for taxicabs and the removal of the taxicab permit cap
- Elimination of certain limousine requirements
- Removal of all Transportation Network Company (TNC) related portions of Chapter 33

### **BACKGROUND INFORMATION:**

#### ***Taxicabs***

In past years there have been various changes made to the Chapter 33 Vehicle-for-Hire ordinance. During the recent 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 30th B-session with City Council, SAPD presented the taxicab driver's petition and outlined the requests initiated by the independent drivers group. As a result, City Council directed staff to investigate the owner/operator request and identify any potential obstacles within Chapter 33 for companies wanting to enter the Vehicle - for - Hire market. After several meetings and discussions with representatives from the independent drivers group and existing taxicab companies, a recommendation was formed that if the City was to incorporate the owner/operator business model into the Vehicle - for - Hire industry, then the permit cap (1/1,700 population) would also be removed which would creating an open market for Taxicab permits.

In March 2017, the Transportation Advisory Board (TAB) reviewed the request to create an owner/operator category and remove the permit caps from the taxicab industry and unanimously voted to reject the recommendation.

On May 17, 2017, City staff made a B-session presentation regarding the aforementioned recommendation and City Council posed four questions requiring additional research.

**1) *What other cities are operating on a formula basis?***

San Antonio, Seattle, Denver, Austin, and Detroit all use some type of formula. All cities that have a cap on taxicab permits utilize some type of formula to determine the amount of taxicab permits they issue, however, the formulas vary widely from city to city.

**2) *What other cities are operating without a permit cap?***

Dallas, Minneapolis, San Diego, and Houston

**3) *Which cities have removed/added to permits and what was the outcome?***

Dallas, Minneapolis, San Diego, and Houston have removed their permit caps on taxicabs. Initially, these cities experienced a large influx of taxicabs, however after 18 - 24 months the increase of taxicabs stabilized between a 10 and 25 percent increase in permits from their earlier permit figures.

**4) *Which other cities have single owner/operator permits?***

San Diego, Houston, Dallas and Minneapolis are some of the cities that allow for single owner/operator permits.

On August 28, 2017 this issue was presented once again the TAB for a recommendation. The TAB maintained its original position that they do not support any changes to Chapter 33 related to the creation of an owner/operator category or removal of the taxicab permit caps.

***Limousines***

In the 1990's, the Limousine section of Chapter 33 was amended to create the requirement that a limousine company must own and maintain at least 1 stretch limousine to be a permitted company and requiring all services be arranged at least one hour in advance. The limousine ordinance evolved over the years and in 2013 Chapter 33 was amended as to require 2 stretch limousines or 1 stretch limousine and 2 luxury vehicles to be a permitted company and introduced a minimum per hour trip fee of \$67.50 that all companies must operate at.

Interest was expressed by individuals who want to enter the limousine industry as black car service and not own or operate a stretch limousine. These individuals have requested City Council to revisit three requirements from Chapter 33, Section 5 - Limousines which they feel have prohibited entry into an open market and limits options for interested Vehicle-for-Hire transportation groups. They include:

1. requirement for limousine companies to own at least one stretch limousine,

2. charge of a minimum fare of \$67.50 per hour and;
3. mandate that all limousine rides be pre-arranged at least one hour in advance.

On August 28, 2017, the Transportation Advisory Board was asked for a recommendation on these changes, they were adamant about their position and do not support any changes to Chapter 33 Article V Limousines.

### ***Transportation Network Companies (TNCs)***

Approximately four years ago TNCs arrived onto the streets of the CoSA at an exponential rate causing the city to take various actions. Among these were changes made to Chapter 33 (Title IX) to accommodate TNCs. In May 2017, House Bill 100 was passed and as a result, the State of Texas took over the regulation of TNCs making any local regulation unenforceable.

### **ISSUE:**

#### ***Taxicabs:***

City staff held several meetings to outline the interests of the industry and communicate the department's perspective.

The independent driver representatives have proposed incorporating regulations for an owner/operator model within the Chapter 33 Vehicles-for-Hire ordinance. The taxicab company owners and the Transportation Advisory Board are not in support of the addition of this category.

#### ***Limousines:***

Recently, individuals who are interested in starting up a limousine company have requested that the requirement of owning two stretch limousine or one stretch limousine and two luxury vehicles be removed. Others oppose the requirement that the limousine industry charge a minimum hourly rate of \$67.50 and that all trips must be pre-arranged 1 hour in advance as these do not allow companies to openly compete in a free market environment.

### ***Transportation Network Companies (TNCs):***

On May 29, 2017 the State of Texas took over all regulations of Transportation Network Companies with the passage of HB 100. As a result, staff is recommending removal of Article IX - Transportation Network Companies of Chapter 33 because it has been nullified and is unenforceable.

### **ALTERNATIVES:**

#### ***Taxicabs***

1. Do not add the owner/operator model and do not remove the Taxicab permit caps.
2. Allow for an owner/operator model with an unlimited amount of permits; leaving existing companies within the programmed 886 taxicab permits.
3. Allow for single owner/operator model and provide an unlimited amount of permits for all taxicabs.
4. Create a program to allow for a gradual release of additional permits to monitor how the market responds.
5. Create a pilot program to gauge the interest in the single owner/operator model and monitor the impacts to the industry.

#### ***Limousines***

1. Do not make any limousine related changes to Chapter 33
2. Remove any one or combination of the three requirements.

3. Remove the requirement to own a stretch limousine, to charge a \$67.50 minimum rate, and have one-hour prearranged advance notice.

***Transportation Network Companies (TNCs)***

1. Do not make any changes to the ordinance regarding TNCs
2. Remove all TNC related Chapter 33 sections in conflict with HB100

**FISCAL IMPACT:**

No Fiscal Impact

**RECOMMENDATION:**

***Taxicabs***

Staff recommends the removal of the Taxicab permit cap and allowing for the single owner/operator business model within Chapter 33 - Vehicles - for - Hire.

***Limousines***

Staff recommends the removal of the stretch limo requirement, minimum rate \$67.50 and prearranged requirements from Chapter 33 - Vehicles - for - Hire.

***Transportation Network Companies (TNCs)***

Staff recommends removing all articles, sections, or portions of Chapter 33 that reference Transportation Network Companies since HB 100 has nullified the local regulations.

**Attachments:**

- Criminal Justice, Public Safety and Services Committee Memo - May 17, 2017
- Criminal Justice, Public Safety and Services meeting minutes - May 17, 2017
- Chapter 33 Criminal Justice, Public Safety and Services Committee Presentation - May 17, 2017