



City of San Antonio

Agenda Memorandum

File Number:19-7238

Agenda Item Number: 19.

Agenda Date: 11/7/2019

In Control: City Council A Session

DEPARTMENT: Aviation

DEPARTMENT HEAD: Russell J. Handy

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Standard Operating Agreement with Uber and other Transportation Network Companies or Rideshare Companies at the San Antonio Airport System

SUMMARY:

City Council consideration of an ordinance authorizing a standard operating agreement with Raiser LLC dba Uber Technologies Inc. The agreement establishes the responsibilities of Uber for operating at the San Antonio Airport System. The agreement with Uber will commence on December 1, 2019. It also authorizes the City Manager or his designee to enter into future operating agreements with other Transportation Network Companies (TNCs), also known as rideshare companies, at the San Antonio International and Stinson Municipal airports that are substantially similar to this agreement.

The initial term of the agreement is three years with the option to extend for two, additional one-year periods. All revenue generated by the agreement will be deposited into the Airport Operating and Maintenance Fund.

BACKGROUND INFORMATION:

In May 2017, the Texas Legislature passed House Bill 100, which prohibited cities but not city-owned airports, from regulating TNCs and its operations. In November 2017, the Texas Department of Licensing and Regulations (TDLR) adopted the rules for how airports could regulate and set rates for TNCs operating at the airport. The rules included the prohibition of airports to require a TNC from sharing data or setting a rate without methodology.

In April 2018, City Council authorized changes to Chapter 3, Airports, of the San Antonio Municipal Code through Ordinance No. 2018-04-12-0266. Chapter 3, also known as the Rules and Regulations of the San Antonio Airport System, sets forth the standards that all persons, businesses, and tenants conducting operations at both airports must follow and provides the Aviation Department the authority to enforce the standards. Additionally, the changes encouraged the use of web-hosted rideshare monitoring applications as well as authorized the Aviation Director to set the rate following the methodology approved under TDLR.

ISSUE:

Over the few months, the City and Uber have been negotiating an agreement for operations at the San Antonio Airport System. The proposed agreement is similar to the agreement the City held with TNCs before House Bill 100 passed. The agreement prohibits taxicab (or other ground transportation) vehicles from being used as a TNC vehicle (or vice versa); discusses waiver and insurance requirements; and, outlines the required data TNCs will provide to the City on a monthly basis. Additionally, the agreement also provides specific airport information such as:

- Use of a geo-fence application by the TNC to identify the geographic coordinates that define the boundaries of airport property for the TNCs. This application shall collect and provide the airport system with information such as:
 - Any entrance or exit onto the defined geo-fence
 - Real-time information to airport system when a passenger is picked up or dropped off on airport property as part of a prearranged ride
- Establishes a per-trip fee, in accordance with TDLR guidance, for each originating and departing trip on airport property
- Requirement to have a third-party perform or perform a criminal background check on each driver before the driver begins operating on airport property

The airport system currently has two other TNCs providing services. This authorization will allow the City Manager or his designee to enter into substantially similar agreements with these TNCs and any potential new operators. The agreements will include the same term of service; per fee rates, and geo-fence requirement; however, there may be areas of each company's operation that are different that can be accommodated for in the agreement without giving a competitive edge to any company.

As this agreement outlines the responsibilities of both the City and TNC, City Council authorization is required.

ALTERNATIVES:

City Council could elect to not approve the standard operating agreement for TNCs at the San Antonio International and Stinson Municipal airports. However, this agreement was developed to adhere to House Bill 100. Additionally, the current fee structure and data monitoring processes are outdated and inadequate to meet federal requirements for recovering airport operating costs and producing reasonable revenue. With City Council approval, it will provide both the City and TNCs the regulations and rules for operating at either airport.

FISCAL IMPACT:

Ordinance approving a standard operating agreement with transportation network companies, also known as rideshare companies, operating at the San Antonio Airport System for three years with the option to extend for

two, additional one-year periods. All rates are set by Chapter 3, Airports, of the San Antonio Municipal Code and all revenue generated will be deposited into the Airport Operating and Maintenance Fund.

The operating agreement will set the per trip rate for TNCs operating in the airport system in accordance with state and local laws. Chapter 3 authorizes the Aviation Director to set the rates for TNCs using the methodology approved under the Texas Administrative Code. The operating agreement authorizes that these rates may be adjusted once a year based on costs and market conditions and with at least 60 days of notice to the TNC before any rate change.

The rate for TNCs for FY 2020 is \$2.50 for picking up or dropping off customers at the San Antonio International Airport and \$1.50 for picking up or dropping off customers at Stinson Municipal Airport. These funds will be deposited into the Operating and Maintenance Fund for the Aviation Department.

RECOMMENDATION:

Staff recommends the approval of a standard operating agreement with Uber and the authorization of the City Manager or his designee to enter into substantially similar agreements with other transportation network companies operating at the San Antonio Airport System.