

## AGENDA



Thursday, April 19, 2007

## Public Works

Item No. 17

## RECOMMENDATION FOR COUNCIL ACTION

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**Subject:** Approve an ordinance on second reading awarding a franchise to operate a taxicab service in the City pursuant to Section 13-2-309(C) of the City Code; and waiving the provisions of Section 13-2-309(B) of the City Code relating to the maximum number of permits which may be allocated to a franchise applicant.

**Amount and Source of Funding:** The taxicab permit fee of \$400 per year per permit is a revenue source. Expected annual revenue is \$22,000.

**For More Information:** Felix Benavides, P.E., 974-7027; Morris Poe, 974-1562; Laura Bohl, 974-7064.

**Prior Council Action:** June 8, 2006 - City Council directed staff to set aside 55 taxicab permits to create a new taxicab franchise; August 24, 2006 - City Council approved an ordinance changing the procedure for awarding a taxicab franchise from a lottery to merit based selection process; September 28, 2006 - City Council approved the evaluation criteria for the selection of a new taxicab franchise; April 5, 2007 - Approved award of franchise on first reading to Lone Star on a vote of 4-3.

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In June of 2006, City Council directed staff to set aside 55 taxicab permits to create a new taxicab franchise. Then on August 24, 2006, the City Council amended the City Code to change the procedure for selecting a new taxicab franchise from a lottery process to a merit-based selection process. The Urban Transportation Commission, franchise applicants, existing franchise holders, taxi drivers, and city staff jointly developed proposed evaluation criteria for the selection of a new franchise holder. The City Council approved the criteria on September 28, 2006.

The City Code provides that the City Council may grant one or two additional taxicab franchises when there have been fewer than five taxicab franchise holders for five consecutive years. In addition, the Code also provides that the Council may award up to 50 franchise permits to a franchise if the Public Works Department has determined that at least one additional permit is necessary. When there is more than one franchise applicant, the City Code requires the franchise to be awarded to the applicant determined by the Council to be the best-qualified using a merit-based selection process. In awarding this proposed franchise ordinance, Council would waive the 50-permit limit in Section 13-2-309(B) and award 55 permits. Three of the 55 permits come from a pool of permits that have been reserved for a new franchise and 52 of the permits are based on future permit increases.

The following companies submitted applications for a new taxicab franchise: ABCABCO, Inc., d/b/a Lone Star Cab Company; Capital City Cab Company; and Green Eagles, Inc., d/b/a Longhorn Cab Company. A selection panel reviewed and evaluated each application and determined that two companies rated high and within one evaluation point of each other; however, the overall ranking resulted in Capital City Cab Company as the highest ranking applicant for a new taxicab franchise. The evaluation matrix is included in the accompanying materials.

The Urban Transportation Commission considered the ranking of the selection panel on January 9, 2007 and by a vote of 6 – 0 – 2 absent recommends that the franchise be awarded to Capital City Cab Company and asks the City Council to proceed as expeditiously as possible.

The City Charter requires that a franchise ordinance be read at three separate meetings. The third and final reading cannot occur until thirty days after the first reading. If the Council adopts an ordinance, the new franchise will be effective sixty days after Council approves the ordinance on the third reading.

On April 5, 2007, Council approved award of franchise on first reading to Lone Star on a vote of 4-3.