

ORDINANCE NO. _____

1 AN ORDINANCE FOR THIRD READING AWARDING A FRANCHISE TO
2 LONE STAR CAB COMPANY TO OPERATE A TAXICAB SERVICE IN THE
3 CITY OF AUSTIN FOR FIVE YEARS; AND WAIVING THE REQUIREMENTS
4 OF SECTION 13-2-309(B) OF THE CITY CODE RELATING TO THE
5 MAXIMUM NUMBER OF PERMITS THAT MAY BE ALLOCATED.

6
7 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

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9 **PART 1. WAIVER.**

10 The city council waives Section 13-2-309(B) (*Granting of Taxicab Franchise*
11 *Under Certain Circumstances*) of the City Code, which limits the maximum number of
12 permits that may be allocated to a franchise to 50

13 **PART 2. FRANCHISE GRANT.**

14 The city council awards a franchise to operate a taxicab business on the streets,
15 alleys, and public ways in the City of Austin to ABCABCO, INC., D/B/A Lone Star Cab
16 Company ("franchise holder") for a five-year period

17 **PART 3. FLEET SIZE.**

18 The franchise holder must maintain an active fleet of at least 25 and not more than
19 55 taxicabs. This taxicab allocation may be amended during the course of the franchise

20 **PART 4. FRANCHISE OWNERSHIP INTEREST REQUIREMENTS.**

21 (A) At all times during the franchise period or any periods of extension or renewal
22 of the franchise, the company holding the franchise shall be operated as a
23 cooperative venture in which

24 (1) at least 51 percent of the controlling company ownership is held by
25 drivers who drive and own their own taxicabs, drive at least 30 hours per
26 week, and are not corporate officers or directors, and

27 (2) at least 25 percent of the controlling company ownership interest is held
28 by individual drivers who

29 (a) own one taxicab and drive their own taxicab, and

30 (b) drive at least 30 hours per week

1 (B) The franchise holder shall submit a report not later than the 30th day after the
2 end of each calendar quarter that documents the persons who hold ownership
3 interests in the company with the appropriate calculations that demonstrate
4 compliance with Subsection (A)

5 **PART 5. COMPUTERIZED DISPATCH SYSTEM.**

6 (A) The franchise holder shall maintain a fully operational Global Information
7 System (GIS) automated computer dispatch system, dispatch service requests
8 in an efficient manner, and correct any GIS dispatch system malfunctions
9 immediately to maintain efficient customer service.

10 (B) The franchise holder shall submit a report not later than the 30th day after the
11 end of each calendar quarter documenting the system status and any system
12 failures

13 (C) In the event of a system failure that exceeds four hours, the franchise holder
14 shall

15 (1) notify the Public Works Department not later than the first business day
16 after the system failure, and

17 (2) not later than the fifth business day after a system failure, shall submit a
18 report documenting the nature and duration of the failure and whether
19 the franchise holder's back-up radio dispatch communication system
20 performed during the system failure.

21 **PART 6. COMPLIANCE WITH CITY CODE.**

22 The franchise holder shall comply with the provisions of the City Code relating to
23 ground transportation services and all amendments to those provisions during the period
24 of the taxicab franchise, and rules promulgated enforce the code provisions

25 **PART 7. MAINTENANCE OF RECORDS.**

26 The franchise holder shall maintain complete records of all dispatched calls, all
27 expenses incurred in connection with the operation of the taxicab service business, and all
28 revenues derived from the taxicab business

29 **PART 8. INSPECTION OF RECORDS.**

30 The franchise holder shall permit the Public Works Department to inspect all
31 records of this franchise in accordance with Section 13-2-306(D) (*Recordkeeping*
32 *Requirements*) of the City Code

1 **PART 9. TAXICAB OWNERSHIP, LEASE, OR CONTROL**

2 The franchise holder shall own, lease, or contract for control of each taxicab used
3 in the taxicab franchise

4 **PART 10. ANNUAL FRANCHISE PERMIT FEE.**

5 The franchise holder shall pay an annual franchise permit fee of \$400 for each
6 vehicle authorized in this franchise to the City of Austin at the office of the Director of
7 the Public Works Department. This fee may be amended by the city council during the
8 effective period of the franchise

9 **PART 11. SUSPENSION.**

10 (A) The city manager may suspend this franchise upon a determination that the
11 franchise holder has

12 (1) substantially breached the terms of this franchise,

13 (2) failed to comply with the provisions of the City Code relating to ground
14 transportation services, as amended,

15 (3) become delinquent in the payment of any fees or charges required by
16 law in connection, directly or indirectly, with the operation of the
17 franchise holder's taxicab business,

18 (4) failed to comply with a correction order issued to the franchise holder
19 within the time specified in the order, or

20 (5) intentionally or knowingly impeded the city manager or a law
21 enforcement agency in the performance of their duties

22 (B) If the city manager suspends this franchise, the franchise holder may submit a
23 written request to the city manager requesting reinstatement of the franchise,
24 stating the grounds supporting a reinstatement. After receipt of a request for
25 reinstatement, the city manager shall inspect the suspended franchise holder's
26 operation to determine whether the franchise holder has corrected the
27 deficiency that is the basis of the suspension. The city manager may approve
28 or deny reinstatement after the inspection

29 (C) If the city manager denies reinstatement of the franchise, the franchise holder
30 may file an appeal of the city manager's decision with the city clerk not later
31 than the 14th day after notice of the denial. The city clerk shall place the
32 appeal on the next city council agenda

PART 12. FORFEITURE.

(A) The franchise is subject to forfeiture if

- (1) the franchise holder is convicted of a violation of a provision of the City Code relating to ground transportation services during the period of the taxicab franchise,
- (2) it is shown that the taxicab franchise holder has substantially breached the terms of this franchise, or
- (3) the franchise holder fails to pay an outstanding final judgment against the franchise holder that arises out of circumstances related to ground transportation service

(B) On receipt of a report from the city manager that probable cause exists for the cancellation and forfeiture of the franchise, the city council shall hold a hearing, after a 30-day notice to the franchise holder, to determine if cause exists to cancel the franchise. If the city council finds at the hearing that cause exists to cancel the franchise, it may cancel the franchise after the hearing.

PART 13. FRANCHISE CONDITIONS

The franchise holder shall, no later than [10 days before the effective date of this ordinance], provide the following to the Public Works Department

- (A) proof of insurance as required by Section 13-2-34 (*Insurance Required*) of the City Code,
- (B) demonstration of ability to receive calls for service at franchise holder's dispatch facility,
- (C) demonstration of ability to dispatch calls and communicate with franchise holder's taxicabs at franchise holder's dispatch facility, and
- (D) demonstration that each authorized franchise permit is assigned to a vehicle meeting the standards described in Chapter 13-2, Article 3, Division 5 (*Vehicles and Equipment*) of the City Code

1 **PART 14. FRANCHISE ACCEPTANCE.**

2 The franchise holder shall file its written acceptance of the terms of this ordinance
3 with the city clerk not later than the (60th day after the city council's adoption of this
4 ordinance).

5 **PART 15. EFFECTIVE DATE**

6 This ordinance becomes effective on the (61st day after the city council's adoption
7 of this ordinance), unless the franchise holder fails to meet all requirements in Part 11
8 (*Franchise Conditions*) or fails to file its written acceptance of this ordinance as required
9 by Part 12 (*Franchise Acceptance*) If the franchise holder fails to meet the requirements
10 or fails to file the written acceptance, this ordinance is void

11 **PASSED AND APPROVED**

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15 _____, 2007

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17 Will Wynn
18 Mayor

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20 **APPROVED:**

21 David Allan Smith
22 City Attorney

23
24 **ATTEST:**

25 Shirley A Gentry
City Clerk