M E M O R A N D U M

TO: Mayor and Council

CC: Marc A. Ott, City Manager
Robert Goode, P.E., Assistant City Manager

FROM: Robert Spillar, P.E., Director
Austin Transportation Department



DATE: March 24, 2015

SUBJECT: **CUIR 1312 – Austin Taxicab Task Force Preliminary Recommendations**

On May 15, 2014, Council approved Resolution No. 20140515-025 directing the City Manager to work with taxi franchises and other stakeholders to consider short and long term options for meeting taxi demand, including the use of additional or specialized taxi permits, and the use of Transportation Networking Companies, increasing efficiency of existing permits, setting a standard for taxi service delivery, and to bring a report and any recommendations back to Council.

Background
The interest of the City of Austin is to assure that publicly provided ground transportation services are safe, reliable, reasonably priced and available equally throughout the community. There are members of our community that depend on taxicab services to meet basic mobility needs. Therefore, we require that taxi services be available 24 hours a day, 7 days a week. We require that they serve the entire City and not just peak locations such as festivals. The taximeter is used for all trips within the City so that there will be a consistent price, which could not be artificially raised without notice.

In order to address the current levels of taxi service delivery in Austin, while considering the emergence of Transportation Network companies into the local ground transportation market, staff was directed by Council to engage the Austin Taxicab Task Force (ATTF) and provide a report containing recommendations on potential solutions.

The ATTF conducted four meetings from June through September 2014 and discussed a number of issues currently related to the local taxi industry. These discussions and report have staff's preliminary recommendations. Staff is challenged to keep pace with the rapidly evolving landscape of local ground transportation industries. As we move forward with proposed modifications to the Austin City code, and continue engaging the ATTF, staff anticipates presenting additional recommendations to Mayor and Council as they are formulated.

Recommendations
Attached is an outline of staff recommendations proposed to implement recommended solutions as well as initiate the franchise renewal process. There are currently three

franchises operating in the city of Austin and the terms of those franchises expire in August 2015.

These recommendations address issues such as taxicab dispatch acceptance, driver hours on duty as well as a proposal related to wheel chair accessible taxicab performance measures. With respect to the different service providers, staff recommends increasing the franchise permit allocation for each of Austin's three taxi franchises by one hundred permits each. Staff additionally recommends increasing the 6.5% wheelchair fleet requirement to a minimum of 10% of their respective fleets.

With this recommended allocation and increase of the minimum requirement for accessible vehicles, Yellow Cab's fleet size will fall below 60% of the total market and the accessible wheelchair fleet could increase from 44 wheelchair accessible taxis to 100. This provides a greater opportunity to align the taxicab supply with peak demands for service. This recommended allocation could also provide an opportunity to incentivize increased use of alternative fuel vehicles.

Finally, because the current Austin City code allows for the existence of a total of five taxi franchises and there have only been three franchises for a number of years, staff recommends that Council provides an opportunity for one additional taxi franchise. The ideal franchise would be provided 105 wheelchair accessible taxicab permits to utilize a fleet of 100% wheelchair accessible taxis. Staff proposes that the addition of an entirely wheelchair accessible taxi franchise would not relieve the existing franchises of their current responsibilities with regard to wheelchair accessible service. However, it would ultimately increase the supply of wheelchair accessible taxicabs from 6.5% of the local fleet to nearly 20%, thus better positioning the local fleets to provide a higher level of service to those with accessible needs.

Next Steps
Staff will present an ordinance for Mobility Council Committee briefing on March 25, 2015 and Mobility Council Committee will hear public input on April 1, 2015. Staff will present for Council consideration on the April 23, 2015 council agenda. This ordinance will contain code amendments consistent with staff's recommendations as listed:

- Driver hours on duty
- Dispatch acceptance
- Credit card acceptance
- Wheelchair accessible taxicab performance measures
- 10% minimum wheelchair accessible taxi fleet requirement

Additionally, to address franchise renewal and staff's recommendation for allocating 100 additional franchise permits to each taxi franchise to be affixed to alternative fuel vehicles or wheelchair accessible vehicles, staff will submit an item for council's consideration on first reading only on the April 23, 2015 Council agenda. Due to Austin City Charter requirements, any modifications to franchise ordinances must be considered on three separate readings, where the third reading cannot occur no sooner than 30 days after the first reading. Finally, pending Council's approval, staff will commence the process of advertising the availability of 105 available wheelchair accessible permits for a franchise wishing to agree to provide local taxicab service utilizing a fleet of 100% wheelchair accessible taxis.

Should you have any questions related to the attached outline of recommendations, please do not hesitate to contact me

Attachments:

1. Outline of staff recommendations proposed to franchise renewal process.

Taxicab Task Force Recommendations

October 2014

A. Driver's Hours On-Duty:

   a. (Existing) §13-2-55 Rest Period for Drivers – A driver who operates a ground transportation service vehicle for 12 consecutive hours must take an eight-hour rest period before resuming operation of a ground transportation service vehicle.

   b. (Recommended Amendment) – A driver who operates a ground transportation service vehicle may only operate the ground transportation service vehicle for a total of 12 cumulative hours within a 24-hour period.

B. Dispatch Acceptance:

   a. (Existing) §13-2-345 Response To Dispatched Service Requests – While operating a taxicab, a driver shall respond to service requests from the driver's dispatch terminal when the location for pick-up is within a reasonable distance from the location of the taxicab.

   b. (Recommended Amendment) – While in service, a taxicab driver shall affirmatively respond to service requests from the driver's dispatch terminal when the taxicab has been determined to be closest to the location of pick-up by GPS.

C. Accessible Service Performance Measures:

   a. (Existing) §13-2-404(B) – For a franchise holder to qualify for special franchise permits during the second and succeeding years after this ordinance takes effect, each modified ground transportation service vehicle for which a special permit was issued during the preceding year must have been in operation for at least 12 hours a day for 274 days of the preceding 12-month period.

   b. (Recommended Amendment) – For a franchise holder to qualify for special franchise permits, each modified ground transportation service vehicle for which a special permit was issued shall:

      i. maintain an average response time to requests for accessible service within seven minutes of the franchise's average response time for non-accessible service requests; and

      ii. provide service to a minimum of three percent of the total dispatched accessible trips completed by the franchise each month.

iii. all future allocated special franchise permits be utilized on company-owned wheelchair accessible vehicles operated by employee drivers.

*Failure to satisfy performance measures should result in the assessment of administrative fees, up to permit revocation for continued underperformance.

Approaching the franchise renewals, all franchises will be required to submit a comprehensive plan detailing how the modified accessible service performance measures will be addressed.

D. Credit Card Acceptance:

a. Although credit card payments are widely used by all three taxi franchises, this method of accepted payment should be mandatory (with supporting ordinance).

E. Standard for Taxi Service Delivery:

a. As per Council Resolution 20140515-025, franchise ordinances should contain a provision requiring ninety percent of requests for service result in pickups within fifteen minutes. This information should be provided to ATD monthly.

F. Universal Dispatch:

a. ATD recognizes the benefits of a dispatch system that provides taxi customers with access to the nearest available taxicab regardless of franchise affiliation. However, there are a number of issues to be addressed before a recommendation can be made.

i. Representatives from all three franchises shared concerns about access to GPS data.

ii. Funding for a universal dispatch system would need to be determined.

G. Transition Toward Employee Drivers:

a. Members of the task force (including driver representatives and franchise representatives) indicate there is currently no desire to further pursue a transition from independent contractor drivers to employee drivers. Although discussions will continue regarding utilizing employee drivers with wheelchair accessible taxis.

H. Insurance:

a. From the driver's perspective, there was concern as to whether drivers are covered under the franchise's self-insurance in the event of a collision. Per City Code §13-2-74(2) Hiring Drivers As Independent Contractors, when executing a contract with an independent contractor, the holder (franchise) is to ensure the driver is covered under the holder's insurance policy and the holder shall obtain proof of coverage before allowing the driver to operate a ground transportation service vehicle. Per City Code, independent contractor taxi drivers are required to be covered by franchise insurance policies.

I. <u>"Legacy Permits":</u>

a. ATD recommends that due to the number of potential changes to the local ground transportation landscape, a Legacy permit program not be implemented at this time.

J. <u>Green Vehicle Incentives:</u>

a. To incentivize the use of alternative fuel vehicles, it is recommended the 8 year service life of vehicles utilized as taxis be increased to 10 years, with the potential of a longer term should the vehicle continue to successfully pass the required vehicle safety inspections.

K. <u>Need for Specialized or Additional Taxi Permits:</u>

a. When analyzing the current levels of taxicab service locally, the current capacity (756 taxicab permits) can be partially attributed. Considering the creation of "space" for Transportation Network Companies (TNCs), there needs to be consideration placed on modifying the current system used to determine necessary taxicab permits.

L. <u>Calculation of Necessary Franchise Permits ("The Formula")</u>

a. The department shall determine the annual increase or decrease in the number of necessary franchise permits that results in achievement of performance measures set for the overall franchise program. The performance measures should be approved by City Council in review and approval of the overall performance measures established for the department.

b. ATD recommends allocating one hundred additional franchise taxi permits to each franchise, thus increasing the local taxicab fleet to a total of 1,056 taxis.

Additionally increasing the wheelchair accessible fleet requirement from 6.5% to a 10% minimum requirement of accessible vehicles per fleet.