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EXHIBIT	NO.	\

City of Alexandria, Virginia

10-12-10

MEMORANDUM

DATE:

OCTOBER 6, 2010

TO:

THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM:

JAMES K. HARTMANN, CITY MANAGER

SUBJECT:

PROPOSED AMENDMENT TO TAXICAB ORDINANCE REQUIREMENTS

FOR CERTIFICATE HOLDERS

ISSUE: Proposed Amendment to Taxicab Ordinance Requirements for Certificate Holders.

RECOMMENDATION: That City Council pass the ordinance on first reading and schedule it for public hearing, second reading, and final passage on Saturday, October 16. The Traffic and Parking Board has recommended approval of the ordinance change.

<u>DISCUSSION</u>: The taxicab ordinance enacted by City Council in 1975 provided that taxi drivers, rather than taxicab companies, hold certificates of public convenience and necessity. Individual drivers could transfer between taxicab companies at any time. Under this ordinance the City experienced many problems with taxicab drivers unwilling to adequately serve the public, and in 1982 Council amended the ordinance to provide that certificates change from driver possession to taxi company possession.

In the late 1990's Alexandria tax drivers began lodging complaints that cab companies were mistreating them and that taxi company certificates should be revoked and returned to drivers. To address this concern, in 2001 the City established a Taxicab Task Force to assess the needs of the industry and recommend improvements. The task force held a number of meetings and issued a report containing five recommendations:

- 1) Institute a two-tier system for categories of taxicabs airport cabs and local radiodispatch cabs;
- 2) Institute a certificate recall to create a certificate pool;
- Amend the City Code to require that the cab companies incorporate dispute resolution between drivers and the cab companies;
- 4) Have dedicated taxicab representatives on the Traffic and Parking Board; and
- 5) That staff develop a concept to issue certificates directly to long-term taxicab drivers.

Although these recommendations were not adopted because agreement on changes could not be reached, efforts were made to improve the relationship between the drivers and cab companies to address driver concerns. In August 2002, the Tenants and Workers' Support Committee (now named Tenant and Workers United) began representing approximately 130 cab drivers. The Committee also proposed allowing drivers to hold their own certificates. In 2003 the City hired a consultant and established a task force to investigate further the needs of the taxicab industry.

In June 2005, the current taxicab ordinance was approved by Council as a result of the work of the 2003 task force. The new ordinance permitted drivers to transfer between companies during the annual review period if the driver was in good standing. In addition, a provision in the ordinance required each company to provide a minimum of two dispatch calls per driver per day. The purpose of this Code provision was to foster self-regulation within the industry and to avoid the problems experienced with the 1975 ordinance.

In late 2009, two companies, VIP Cab and Union Cab, risked losing their authorization to operate for failure to meet dispatch requirements. In addition, the companies in compliance with dispatch requirements were losing large numbers of drivers through transfers, and taxi company owners, led by Union Cab, requested the City to place an indefinite moratorium on enforcing the current taxicab ordinance. Rather than enacting an indefinite moratorium, the City requested company owners to develop recommendations to revise the ordinance. As part of this effort the City deferred the Annual Review of the Taxicab Industry for 12 months to allow the company owners work group to develop recommendations to be vetted and acted on by City Council.

As noted above, the provisions of the 2005 taxicab ordinance would require that two companies (VIP and Union Cab) be shut down for failure to meet dispatch requirements. Furthermore, the companies that have been meeting the dispatch requirements have been losing a large number of drivers through the transfers which are permitted under the ordinance provisions. To address these issues, the company owners work group developed a driver survey to prioritize what was important to drivers and incorporate that input into recommendations. The survey was distributed to drivers at all the cab stands, including those at Reagan National Airport, as well as the Hack Office and at all the taxi companies in the City. While the survey was being distributed, City staff spoke with the drivers to disseminate information and solicit their input. Over 100 drivers, primarily from Union Cab, responded to the survey. The results indicated the ability to transfer between companies was very important to those who responded. Companies and drivers should be required to serve dispatch trips, but those surveyed felt that the City should remove the two calls per driver per day requirement. The survey results further indicated that drivers supported a policy prohibiting transfer into companies that did not meet City dispatch requirements.

The company owners working group used the results of the driver survey to recommend ordinance revisions. Once the proposed revisions were developed, the Traffic and Parking Board held a public hearing to solicit comments on April 26, 2010.

On July 19, 2010, a special meeting for the drivers was held at Patrick Henry School to review the proposed ordinance revisions. Staff met one-on-one with drivers to answer questions and gather input.

A final public hearing was held before the Traffic and Parking Board on August 23, 2010, to allow for further input on the proposed revisions.

On September 27, the Traffic and Parking Board met and recommended, by a unanimous vote, the attached taxicab ordinance for Council consideration. The Board modified the original proposed ordinance to reduce the per driver dispatch requirement from two calls per day to one call per day.

The key recommended changes are:

- Instead of suspending and ultimately terminating a taxicab company for failing to meet the required minimum average dispatches per day, the company will not be suspended or terminated rather the company would not be allowed to accept new driver transfers.
- 2) Drivers would be only able to transfer to taxicab companies which were compliant with the dispatch requirement.
- 3) The required number of average daily dispatches would be reduced from two per day to one per day.
- 4) The number of taxicabs authorized by a certificate issued by the City to a company will be reviewed every two years rather than annually.
- 5) The City's review of the taxicab industry would be changed from annually to biennially, and now include a review of how the needs of the elderly or disabled were being met. The same two year cycle would also apply to a driver's ability to transfer. Drivers would only be able to transfer every two years, rather than annually, as currently allowed.

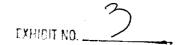
ATTACHMENT:

Attachment I. Proposed Taxicab Ordinance

STAFF:

Mark Jinks, Deputy City Manager Richard J. Baier, P.E., LEED AP, Director, T&ES Abi Lerner, P.E., Deputy Director, T&ES Bob Garbacz, Transportation Division Chief, T&ES

1 2 3	Introduction and first reading: 10/12/10 Public hearing: 10/16/10 Second reading and enactment: 10/16/10
4 5 6	INFORMATION ON PROPOSED ORDINANCE
7 8 9	<u>Title</u>
10 11 12	AN ORDINANCE to amend and reordain Article A (TAXICABS), Chapter 12 (TAXICABS AND OTHER VEHICLES FOR HIRE), Title 9 (LICENSING AND REGULATION) of The Code of the City of Alexandria, Virginia, 1981, as amended.
13 14 15	Summary
16 17 18 19	The proposed ordinance amends certain sections of the City's taxicab ordinance, as recommended to City Council by the Traffic & Parking Board at its September 27, 2010 meeting.
20 21	Sponsor
21 22 23	N/A
24 25	Staff
26 27 28	Abi Lerner, P.E., Deputy Director of Transportation, T&ES Bob Garbacz, P.E., Transportation Division Chief, T&ES Christopher P. Spera, Deputy City Attorney
29 30	Authority
31 32 33	§§2.02(a)(5)(6), §2.04(d), Alexandria City Charter
34 35	Estimated Costs of Implementation
36 37 38	None
39 40	Attachments in Addition to Proposed Ordinance and its Attachments (if any)
41 42 43 44	None



ORDINANCE NO. __ AN ORDINANCE to amend and reordain certain provisions of Article A (TAXICABS), Chapter 12 (TAXICABS AND OTHER VEHICLES FOR HIRE), Title 9 (LICENSING AND REGULATION) of The Code of the City of Alexandria, Virginia, 1981, as amended. THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS: Section 1. That Article A, Chapter 12 of Title 9 of the Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained by the following amendments to the identified sections, as follows: (New language is underscored, deleted language is stricken) ARTICLE A. 1 TAXICABS DIVISION 1 Generally Sec. 9-12-1 Definitions. Unless otherwise expressly stated or the context clearly indicates a different intention, the following terms shall, for the purpose of this article, have the meanings indicated in this section: (Intervening sections are unchanged) (5.1) Dispatch service. A service that receives telephone (text or e-mail) requests for taxi service and wirelessly dispatches those requests to taxicabs in the field. The provision of taxicab service in which requests for service from the general public are received at a central facility by telephone, in person, or other means, and communicated to drivers by two way radio, or other data communication service with equivalent functionality, resulting in delivery of the requested taxicab service to the requesting party. (5.2) Dispatch Call. A taxicab trip generated by the customer contacting a central dispatch center and the call being dispatched to one of that company's taxicabs by the dispatch center. (Intervening sections are unchanged) (7.1) Driver move. When a driver leaves his existing company to another company that has a vacant authorization. A driver move may take place at any time and has no impact on the number of authorizations held under either company's certificate of public convenience and necessity.

(7.2) Driver transfer. When a driver moves from his existing company to another company through the biennial transfer process set forth in Section 9-12-31(i). For each such driver transfer approved, the number of authorizations held under the original company's certificate of public convenience and necessity shall be reduced by one authorization and the number of authorizations held under the new company's certificate of public convenience and necessity shall be increased by one authorization.

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(Intervening sections are unchanged)

Sec. 9-12-30 Amending certificates of public convenience and necessity.

(a) The number of taxicabs authorized by a certificate may be amended once <u>every</u> two years a year during the <u>annual biennial</u> review of the industry and the following procedures shall apply:

(1) A certificate holder may apply for an amendment to the number of vehicles authorized by the certificate, no later than August 1 of each year <u>in which a review is conducted</u>, on the form provided by the city manager.

(2) An owner whose vehicle is has been affiliated with one certificate holder for not less than two years may apply not more frequently than once during a year in which a review is conducted, on the form provided by the city manager, to have that affiliation transferred to a different certificate holder. Any such application shall be submitted to the city manager no later than November 15 of each that year. All applications from eligible owners will be approved in order of seniority, subject to the net authorization loss limitations set forth in section 9-12-31(c) herein. Notwithstanding the foregoing, no owner shall be denied his or her application for a transfer pursuant to this section more than two consecutive years review cycles, regardless of whether or not granting such an application results in the limit set forth in section 9-12-31(c) being exceeded by application of this policy. In the event the application of this policy results in the net reduction of more than the limit set forth in section 9-12-31(c) of any taxicab company's authorized vehicles, the city manager shall have the authority to grant the impacted taxicab company such additional authorized vehicles as to allow the company to only suffer a net reduction in authorized vehicles equal to the limit set forth in section 9-12-31(c), upon a finding that such a grant will be in the public convenience and necessity including, without limitation, promoting high quality dispatch and customer service. Each such application shall be signed by the prospective certificate holder, certifying acceptance of the owner if the transfer of affiliation is approved.

(3) A public hearing on all such applications shall be held by the board as part of the annual biennial review of the taxi industry pursuant to section 9-12-31, and the board shall make a recommendation thereon to the city manager.

(Intervening sections remain unchanged)

Sec. 9-12-31 Annual Biennial review of taxi industry.

(a) Between September 1 and November 15 of 2010, and during the same period every two years thereafter each year, the board and city manager shall conduct a review of the taxicab industry in Alexandria. The board shall conduct a public hearing, after giving reasonable notice to all applicants, existing certificate holders and the public. The board shall receive comment as to the economic condition of the taxicab industry, the adequacy of public service rendered by the industry, and whether any changes to the regulation of the industry are necessary or desirable, including changes to the number of taxicabs authorized for each taxicab company holding a valid certificate.

(b) Performance information required to be submitted by certificate holders pursuant to section 9-12-32 shall be considered by the board and the city manager as part of the review.

(c) In reviewing applications to renew certificates of public convenience and necessity, the board and city manager shall consider the certificate holder's record of compliance with section 9-12-32, and shall establish the maximum and minimum number of vehicles that may be affiliated with each certificate holder, as follows:

(1) the minimum number of authorized taxicabs for each certificate holder shall not be fewer than : 1) during the first year after the effective date of this ordinance, 10 percent less than the number then authorized; 2) during the second and third years after the effective date of this article, 15 percent less than the number then authorized, except by operation of section 9-12-30(a)(2).; and 3) during the fourth year after the effective date of this article and thereafter, 10 percent less than the number then authorized at the time of the biennial review, except by operation of section 9-12-30(a)(2). Notwithstanding the foregoing, the minimum number of authorized taxicabs for any company that has substantially met (the level of dispatch service required under this Code for the intervening two years since the prior review shall not be reduced below the number of authorizations allowed in the prior review.

(2) the maximum number shall provide a sufficient number of taxicab authorizations for each certificate holder to provide a satisfactory level of dispatch service based on current and anticipated number of dispatch trips provided.

(3) in the event that the board and city manager shall authorize the issuance of one or more new certificates, the minimum number of taxicabs authorized for each existing certificate holder may be further reduced by an additional five percent below the current authorization.

(d) The board and city manager shall set the total number of vehicles to be authorized for each taxicab company holding a valid certificate, giving consideration to such factors as bear on public convenience and necessity, including but not limited to:

(1) the demonstrated need on a company-by-company basis on the number of cabs necessary to provide satisfactory public service, including ensuring adequate availability of taxicabs for dispatch service and taxi stands;

changes in the number of trips actually served by taxicabs for each existing (2) company; (3) the ability of current drivers to earn a living wage; a demonstrated commitment to specifically serve the needs of the elderly and/or **(4)** disabled community; the dispatch levels attained during the two year period immediately preceding the biennial review, so that no company shall be granted more authorizations than supported by its actual dispatch performance for the prior two year period; and such factors listed in section 9-12-25(d) as the board or city manager deem (6) applicable. (Intervening sections remain unchanged) Every second year, starting in 2005, the annual The biennial review of the taxicab (g) industry shall also include a review of the fares and industry fees, including a review of the base fare, permitted additional charges and all fees charged to and by the certificate holders, owners and drivers. The public hearing before the board shall include comments on such fares, charges and fees and any recommended changes thereof. The board shall forward its conclusions, recommendations and findings of fact as to such fares, charges and fees as part of its report pursuant to subsection (f) of this section. In reviewing such fares, charges and fees, the board and city manager shall, without limitation, take the following factors into consideration:

- (1) driver income compared to the City of Alexandria adopted living wage;
- (2) cost of industry related regulatory and enforcement expenditures; and
- (3) such factors listed in section 9-12-25(d) as the board or city manager deem applicable.
- (h) Not later than December 15 of the year in which the biennial review is conducted, the city manager shall issue an order stating the manager's findings and conclusions as to the economic condition of the taxicab industry and determinations as to any pending applications or proposals under section 9-12-30. In issuing his order, the city manager shall presume that the factual findings of the board are prima facie correct. If the manager disagrees with any of the recommendations of the board the manager shall, with the issuance of the order, enumerate the reasons for not accepting such recommendations. The order of the city manager may be used by him in determining the public convenience and necessity under the provisions of this article.
- (i) The city manager may approve taxicab owner applications to transfer affiliation from one certificate holder to another certificate holder <u>during the biennial review process</u>. In reviewing transfer applications, preference shall be given based on driver seniority to the extent feasible, and the board and city manager shall give consideration to such factors as bear on public convenience and necessity including but not limited to:

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not less than 16 18 hours a day, seven days a week until one year following the date of issuance,

after which dispatch must be provided as set out in paragraph (1) or (2), depending on the size of the certificate holder;

- - provide the minimum level of service for dispatch and call response time as prescribed by regulation; however, in no circumstance may regulation set an average dispatch call volume equaling less than two one dispatch call per driver per day. Dispatch service requirements shall be calculated based the total number of dispatch calls served by the certificate holder during the time period reviewed by City staff.

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(d) maintain a business office and required records within the boundaries of the city;

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have affiliated a minimum of 40 taxicabs under its color scheme, and a maximum of 50 percent of the total number of taxicabs authorized under this article. This limitation may be modified by the city manager upon a finding that the public convenience and necessity will be served by such a modification.

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provide a minimum of one vehicle, or one % of the vehicles authorized under the certificate, whichever is greater, for ADA compliant handicap accessible transportation, and every vehicle permit issued for a handicap accessible vehicle shall state on the permit that it is to be used for a handicap accessible vehicle only. Each certificate holder has an affirmative obligation to make such ADA complaint vehicles available during the hours in which it provides dispatch service for dispatch to a qualified handicapped passenger in the event not less than 2 hours notice is provided by the passenger;

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(Intervening sections remain unchanged)

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(t) all certificate holders shall accept major credit cards as payment for fares in excess of \$10, even when operating outside the City of Alexandria. The City Manager, in implementing the fees allowed for taxicabs pursuant to this chapter, may allow an appropriate surcharge for credit card use to be imposed on passengers. (Ord. No. 4402, 6/14/05, Sec. 1)

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Sec. 9-12-34 Authorizations not in use.

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If a certificate holder fails to operate any authorized vehicles for more than 90 consecutive days, the authorization to operate such inactive vehicles shall terminate automatically and revert to the city, and the city manager shall issue a new certificate for the lesser number of authorized vehicles that remain in use.

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The provisions of subsection (a) shall not be applicable to that portion of an increase in authorized vehicles granted under the provisions of section 9-12-30 for a period of 365 days after an increase in certificates is authorized.

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1 If a driver affiliated with any certificate holder that is not in compliance with the 2 dispatch service requirements set forth in Section 9-12-32(c) elects to leave the industry, the authorization affiliated with that driver shall be terminated upon the driver's departure from the 3 industry and revert to the City. 4 5 6 (Intervening sections remain unchanged) 7 8 Sec. 9-12-58 Temporary suspension of permits and civil penalties. 9 10 The chief of police or the hack inspector shall have the power to suspend any 11 driver's permit for a period not to exceed five days for any one or more of the following causes: 12 13 (1) any violation of section 9-12-56: 14 15 any violation of section 9-12-57; or (2) 16 17 any violation of section 9-12-60. (3) 18 19 In addition to the foregoing, any driver who violates sections 9-12-56, 9-12-57 or 9-12-60 shall be guilty of a class two five civil violation. The hack inspector shall have the 20 21 authority to assess the civil penalties set forth for such violations in City Code Section 1-1-11 and shall coordinate with the office of the City Attorney to determine when suspensions, civil 22 penalties or a combination of both shall be imposed. 23 24 25 Sec. 9-12-59 Appeal from temporary suspension. 26 27 Whenever the chief of police or hack inspector has suspended a permit pursuant to section 28 9-12-58, the driver may appeal to the board, by filing a written notice of appeal with the hack 29 inspector, within five days after being notified of his suspension. The hack inspector shall thereupon schedule, within a reasonable time, a hearing before the board. Notice of such hearing 30 shall be given the applicant at least five days before the hearing. Any suspension shall be stayed 31 pending the hearing before and decision of the board. The board shall have authority to affirm, 32 reverse or modify the suspension appealed from. The action of the board shall be final and there 33 34 shall be no rehearing. There shall be no appeal to the Traffic & Parking Board from the imposition of a civil penalty not accompanied by a suspension, but civil penalties not 35 36 accompanied by a suspension may be contested in the manner set forth in City Code 1-1-11(c)(3). 37 38 Sec. 9-12-60 Suspension and revocation of permits by the board. 39 40 The board shall have the power to recommend that the city manager suspend or 41 revoke any driver's permit issued under the provisions under this division for any one or more of 42 the following causes:

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45 46 (Intervening sections remain unchanged)

1 (13)repeated or egregious rude or discourteous conduct towards a passenger, City 2 official or member of the public; or 3 4 (Intervening sections remain unchanged) 5 6 Sec. 9-12-81 Requirements for vehicles. 7 8 Every taxicab and the equipment used in connection therewith, subject to a vehicle permit 9 pursuant to this division, shall at all times comply with the following minimum standards: 10 11 (Intervening sections remain unchanged) 12 13 (h) Information to be displayed on outside of vehicle. 14 15 Every taxicab shall bear on the rear thereof and on each side thereof in lettering at (1) least two and one half three inches high the word "taxicab" or "cab." 16 17 18 **(2)** The certificate number under which the taxicab is operated, clearly visible, shall 19 be placed on the rear and on each side of each taxicab. 20 21 (3) The prevailing rates of fare shall be displayed on each side of the taxicab by 22 means of cards or stickers, furnished by the director of finance at a cost established by regulation, placed in the side rear window in such a manner as to be visible from the outside. The form, size 23 24 and content of said cards or stickers shall be as approved by the hack inspector. 25 26 Display of permit. Every driver shall post his driver's permit in such a place as to 27 be in full view of all passengers while the driver is operating a taxicab. 28 29 Display light. Every taxicab shall be equipped with a plainly visible light signal permanently affixed on the exterior of the cab of a design approved by the hack inspector, which 30 31 signal shall be turned on and exhibited at all times when the taxicab is on duty and available for 32 hire. 33 34 (Subsequent sections remain unchanged) 35 Section 2. That this ordinance shall become effective upon final passage. 36 37 38 WILLIAM D. EUILLE 39 Mayor 40 Introduction: 10/12/10 41 42 | First Reading: 10/12/10 Publication: 43 44 Public Hearing: Second Reading: 45 46 Final Passage:

Introduction and First Reading

Proposed Changes to
Taxicab Ordinance
October 12, 2010



Purpose

 Inform council members of the proposed code changes.

Answer questions concerning the proposed changes.

History

- 1974 Airport opened to local cabs
- 1975 Certificates held by drivers
- 1982 Certificates held by companies
- 2001 First taxicab taskforce formed
- 2003 2nd Taskforce & Consultant
- 2005 New ordinance allowed drivers to transfer with authorizations and established dispatch requirements for companies
- 2009 Company taskforce created by City Manager at a time when multiple companies are on probation for failing to meet dispatch requirements and are at risk of being put out of business.

Why Change?

- Loss of companies potentially means loss of jobs for drivers – (1 company voluntarily shut down rather than try and meet dispatch requirements; two other companies in jeopardy of being shut down for not meeting dispatch requirements.)
- The companies consistently meeting/ exceeding dispatch requirements lose drivers through transfers to non-compliant companies
- Small companies just making dispatch requirement cannot grow.

Balance of Competing Concerns

- Find a way to make it easier for companies to stay in business, thereby preserving driver jobs.
- Maintain a commitment to dispatch service requirements, which is the only reliable proven means of assessing service to the community.
- Make it easier for new/small companies to grow, but limit growth to an appropriate rate.
- Ensure reasonable level of stability for companies meeting/exceeding dispatch service levels.
- Be sensitive to the total number of authorized Alexandria cabs.

Proposed Changes Ordinance Section,9-12-1

"Dispatch Service" added for clarity

"Dispatch Call" added for clarity

"Driver Move" added for clarity

"Driver Transfer" added for clarity

Ordinance Section, 9-12-30 Amending Certificates

 Review period (Transfers) changed from yearly to every <u>two</u> years.

 Drivers must be with a company for two years before they are able to transfer.

Ordinance Section, 9-12-31 Biennial Review

- City sets the minimum number of drivers for each company.
- Drivers cannot transfer into a company if the transfer will bring the company out of dispatch compliance
- Only drivers serving dispatch calls will be allowed to transfer
- Drivers cannot transfer into non-compliant companies

Ordinance Section, 9-12-31 Continued

 Companies may not reduce in size by more than 2.5% per year due to transfers.

 Companies may not increase in size by more than 10% per year due to transfers.

Ordinance Section, 9-12-32 Requirements of Companies

- Companies with less than 130 cabs only need to provide dispatch 16 hours per day, 7 days a week.
- Companies with 130 or more cabs must provide dispatch 24/7.
- Companies must be able to provide ADA vehicle when given 2 hours notice.
- Taxis must accept credit cards.

Traffic and Parking Board Recommendation

 9-12-32(c) – Change the minimum dispatch requirement from 2 dispatch calls per day per driver to 1 call per day.

Ordinance Section, 9-12-34 Authorizations not in use

 If a driver from a non-compliant company leaves the industry, the driver's authorization with that company is terminated.

Ordinance Section,9-12-58 Temporary Suspension and Penalties

 The Hack Inspector can now access civil penalties rather than suspensions.

Ordinance Section, 9-12-60 Suspension & Revocation of Permits

 The City can now suspend or revoke drivers permits if the driver is found to be rude or discourteous toward the public or a city official.

Ordinance Section, 9-12-81 Requirements for Vehicles

 The word "Taxicab" or "Cab" must appear on the taxicab's rear and on each side in 3 inch lettering.

 The dome light must be permanently attached to the cab.

Next Steps

 City Council public hearing on Saturday October 16.

 State of the Industry Hearing to be held in November.