

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

99-089

SYNOPSIS -

AGENDA:

David M. and Jean E. Houston, d/b/a Unique Courtesy Services, have applied for a Certificate of Public Convenience and Necessity to operate a limousine service in the City. As required by ordinance, a public hearing must be held prior to a certificate being issued.

MARCH 5, 1999

SUBJECT:

CERTIFICATE OF
PUBLIC
CONVENIENCE AND
NECESSITY-UNIQUE
COURTESY
SERVICES

Currently, there are no holders of certificates to operate limousine service in the City under the limousine ordinance. It is the recommendation of staff that this limousine service is needed for the public convenience, and the applicant is fit, willing, and able to perform this service.

Airport officials concur that limousine service is needed for patrons using the Des Moines International Airport.

TYPE:

FISCAL IMPACT -

RESOLUTION
ORDINANCE
RECEIVE/FILE

If a Certificate of Public Convenience and Necessity is issued, it is expected that the company would pay the City annual fees of \$400 (Annual Certificate Fee of \$150 and Vehicle License Fee of \$50 per vehicle for the currently listed five vehicles).

SUBMITTED BY:

FLOYD BENTZ, P.E.
ACTING CITY
ENGINEER

RECOMMENDATION -

Staff recommends issuance of the Certificate of Public Convenience and Necessity on a probationary basis, subject to quarterly review by the City Traffic Engineer.

BACKGROUND -

On February 5, 1996, by Roll Call No. 96-480, the City Council approved a Certificate of Public Convenience and Necessity for David M. and Jean E. Houston, doing business as

Unique Courtesy Services, 808 Adams Street, Norwalk, Iowa 50211, to operate a limousine service in the City. Unique Courtesy Services, now addressed at 627 Wright Road, Norwalk, Iowa 50211, have operated a limousine service in Des Moines since 1996, but have not as of this date renewed their 1998 license to operate a limousine service.

Section 19-51 of the City Code requires that if the certificate is not renewed within 30 days after the expiration thereof, renewal of the certificate shall be done in the same manner as a new application. David M. and Jean E. Houston, doing business as Unique Courtesy Services, have filed an application with the City Traffic Engineer requesting permission of the City Council to operate a normal and charter limousine service in the City of Des Moines.

Upon the filing of an application for a Certificate of Public Convenience and Necessity, the City Council shall hold a public hearing on the matter of the issuance of a certificate. Any interested person may file with the City Clerk a memorandum in support of or in opposition to the issuance of the certificate. On March 1, 1999, by Roll Call No. 99-628, the City Council established the date of March 5, 1999 for this public hearing.

Under the limousine ordinance, the City regulates two types of limousine service: 1) normal limousine service, defined as transportation by a motor vehicle (with a passenger capacity of 7-19 passengers) from the Des Moines International Airport to a hotel, motel, the central business district or Drake University, and 2) charter limousine service, defined as transportation by a motor vehicle (with passenger capacity from 7-19 passengers) of five or more passengers from or to any point in the City on a prearranged basis.

Section 19-47 of the Municipal Code defines a limousine as a motor vehicle with a passenger capacity of more than six and less than 20 engaged in the transportation of passengers for hire in normal or charter limousine service.

Section 19-49 of the Municipal Code requires the following

information to be provided in an application for a Limousine Certificate of Convenience and Necessity:

(1) The name and address of the applicant. If the applicant is a corporation, its name, the address of its principal place of business, and the name and address of its registered agent. If the applicant is a partnership, its name, the names of general and limited partners, and the address of its principal place of business.

(2) The financial status of the applicant, including the amounts of all unpaid judgments against the applicant and the nature of the transaction or acts giving rise to the judgments. If the applicant is a firm, partnership, corporation, or any other type of business entity which has been organized for less than five years, prior to the date of application, this information shall be provided for each of the shareholders, partners, officers, or other investors of the business entity.

(3) The experience of the applicant in the transportation of passengers including a statement of any state or municipality where the applicant has ever been licensed to operate a taxicab or limousine service whether such license was ever suspended or revoked and the reasons for suspension or revocation, and whether an application for a license or a renewal of a license was denied and the reasons for denial.

(4) Any facts which the applicant believes tend to prove that public convenience and necessity requires the granting of a certificate.

(5) The number of vehicles to be operated or controlled by the applicant.

(6) The location of proposed depots and terminals.

(7) A statement of the condition of the vehicles to be operated, including information as to the age and type of each vehicle, and the date on which the vehicle passed its most recent safety inspection, if any.

(8) A statement as to whether the applicant has ever been convicted of violating any criminal statute or ordinance, including traffic laws and municipal ordinances, if the applicant has been convicted, a statement as to the date and place of conviction, the nature of the offense, and the

punishment imposed.

(9) The number of vehicles proposed for operation during periods of maximum demand and during periods of least demand.

(10) Where the applicant will operate its central place of business.

(11) The color scheme or insignia to be used to designate the vehicles of the applicant.

(12) Such further information as the traffic director may require.

The application filed by David and Jean Houston provides the information as required above. A copy of the application is attached.

During 1998, the Traffic and Transportation Division received complaints regarding the operation of Unique Courtesy limousines at the Des Moines International Airport. These complaints detailed unauthorized solicitation for passengers within the Airport terminal, failure to identify their vehicles exclusively and clearly as Unique Limousines, picking up and dropping off passengers in unauthorized areas, and charging customers in excess of the rates stipulated in the City Code. In addition, the Traffic and Transportation Division has no record of Unique Limousine drivers obtaining any Taxicab Drivers Licenses during 1998, as required by Section 19-56 Taxicab Drivers License-Required.

Mr. Houston has acknowledged that he and his drivers may not be aware of all of the requirements to operate a limousine service in Des Moines, and has further acknowledged that he had two drivers last year who may have committed unauthorized activities at the Airport. These two drivers are no longer employees of Unique Courtesy Services. Mr. Houston has advised staff that he intends to operate his limousine service in compliance with the City's ordinance requirements.

There are no other currently licensed companies providing limousine service in Des Moines. Their 1998 annual report states that Unique Courtesy Services carried over 28,000 passengers last year, so clearly there is a public need for this type of service. In working with Mr. Houston in this matter,

Traffic and Transportation staff believe that he does intend to operate within the regulations, and therefore recommends that the City Council approve the issuance of a Certificate of Public Convenience and Necessity. However, because of the past complaints and to help insure compliance with these regulations, staff further recommends that this certificate be issued on a probationary basis, subject to quarterly review by the City Traffic Engineer.

Through the years there has been a proliferation of limousine services, which have developed outside the sphere of the City's regulation, such as hotel/motel courtesy vans. They have not been regulated since they do not operate as vehicles for hire on City streets. Stretch limousine service (motor vehicles providing prom, party, or celebrity-type transportation for hire on a prearranged basis) is provided in motor vehicles with a passenger capacity of six or less. Such vehicles are not limousines under the City's limousine ordinance. Although the passenger capacity of stretch limousines falls within the definition of a taxicab, these vehicles have not been regulated as taxicabs because they are not regularly operated 24 hours a day through a central dispatch.

A committee composed of representatives from the Traffic and Transportation Division, Police Department, Airport, City Manager's Office, the taxicab companies, and taxicab drivers has been meeting to complete a comprehensive review of the taxicab ordinance. Based on the additional questions and issues that have arisen concerning limousines, it is proposed that this committee be expanded to include representatives of limousine operators, and expand their scope to include a comprehensive review of the limousine ordinance.

Attachment