

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: February 23, 2015
	Agenda Item No. 44 Roll Call No. <u>15-0335</u> Communication No. <u>15-081</u> Submitted by: Pamela S. Cooksey, P.E., City Engineer

AGENDA HEADING:

Amending Chapter 126 of the Municipal Code to update the Vehicles for Hire Ordinance to be inclusive of all vehicle for hire types.

SYNOPSIS:

Recommend approval of staff recommendations, including first reading of the ordinance regarding the proposed ordinance changes.

FISCAL IMPACT:

Amount: Reduction in amount of money collected for taxi/limo driver’s license fees, estimated at \$20,000 per year.

Funding Source: 2014-2015 Operating Budget, Page 76 Engineering Department Traffic & Transportation – Ordinance and Accident Investigation, EG062082

ADDITIONAL INFORMATION:

Staff received direction from the City Council to draft changes to the existing Vehicle for Hire ordinance to regulate new vehicle for hire operators that do not fit into the definitions currently outlined in the City code for limousines, taxi cabs, and paratransit vehicles. Council expressed concerns over public safety. These companies, known as Transportation Network Companies use a digital online platform to request and pay for rides. The current code does not allow for this type of technological use.

City staff reviewed sample ordinances from Tulsa, Oklahoma; Washington, D.C.; Minneapolis, MN; the Commonwealth of Virginia, State of California, and the State of Colorado for regulation of Transportation Network Companies.

On December 3, 2014 a public meeting was held with interested stakeholders to present the proposed changes to the current vehicles for hire ordinance. Comments received were: 1) competition is welcome, but need to provide similar insurance and background checks to ensure safety, 2) some felt that the current cab service is lacking: late arrivals, no shows, dirty cars, poor customer service, 3) some stated that the current regulations restrict competition, 4) don’t need more management, consider de-regulation altogether. Others felt that Transportation Network Companies allow for more

convenience and have shown a reduction in DUI's in other cities by providing more transportation options and that the City needs to embrace new technology and modern concepts to keep moving Des Moines forward.

The comments received at the December 3, 2014 stakeholders meeting and the proposed changes to the ordinance were presented to City Council at a council workshop on December 8, 2014. Council reviewed the proposed revisions and directed staff to redraft the proposed changes to the City's current ordinance to create a more uniform ordinance that would apply to all Vehicles for Hire. Council also reemphasized the concerns about public safety by having good background checks and requiring adequate insurance coverage.

Highlights of the revised code include:

- A Vehicle for Hire Company certificate issued by City Council is required to operate in the City of Des Moines:
 - (a) Vehicle for Hire Company Certificate issued annually
- Company must obtain both criminal and DOT background checks on any driver
- City no longer issues individual Taxi/Limo Driver's License
- Company must provide liability insurance for operation of the vehicles
- City Code no longer establishes rates
- Vehicles identified by decal on outside of vehicle
- Company provides Driver Identification Card for each vehicle
- Class D Chauffeur's License Required
- Company must background check any driver before they are given access to the Vehicle for Hire Company's dispatch service or digital platform:
 - (a) Third party accredited by the National Association of Professional Background Screeners shall be used
 - (b) Full criminal and driving record check
 - (c) Provision for sex offender database check for match or conviction, automatic disqualification from acting as a driver
 - (d) Driving while Intoxicated – Clarification on driving while intoxicated, 10 years or less from conviction date cannot be a driver
 - (e) An annual audit may be performed by City to verify that checks have been completed according to City code requirements
 - (f) City no longer limits number of vehicles operating each month
- Fees based upon number of vehicles operating each month on average
- Credits given towards new fees for companies that have already paid their 2015 operating fees

PREVIOUS COUNCIL ACTION(S):

Date: January 12, 2015

Roll Call Number: [15-0062](#)

Action: [From](#) Luke Bodeen, 913 56th Street, West Des Moines, to speak regarding Uber. Moved by Hensley to receive and file comments. Motion Carried 7-0.

Date: November 3, 2014

Roll Call Number: [14-1746](#)

Action: [To](#) direct the City Manager to negotiate an interim operating agreement—subject to legal department approval as to form— to provide minimum standards with which Uber must comply until the ordinance is ready to be enacted and to seek public input and prepare an ordinance to better govern Transportation Network Companies (TNCs) and to provide general governance requirements for any other livery mode of conveyance of passengers within the City. SPONSOR: Mayor and Council. Moved by Hensley to refer to the City Manager and City Attorney to work on an operating agreement and draft an ordinance that includes enforcement, insurance verification, tracking system, driver information, equal and transparent fares, customer service availability for dispute resolution and equal service throughout the City and penalties for violation of the ordinance. An update will be provided on November 17th. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Second and third readings of the ordinance.

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