

TRANSPORTATION COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to amending the City's current nine taxicab franchise agreements for an additional two-year period through December 31, 2019.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the extension of the City's nine taxicab franchise agreements through December 31, 2019.
2. PRESENT and ADOPT the accompanying ORDINANCE dated September 21, 2017 amending the City's nine taxicab franchise agreements, currently set to expire on December 31, 2017, for an additional two-year period.

Fiscal Impact Statement: The Los Angeles Department of Transportation (LADOT) reports that in 2016, the LADOT collected \$1,919,431 in franchise fees from the nine taxicab franchises. Vehicle application fees were also collected in the amount of \$330,732. If the franchises are not extended, there could be a potential loss of \$3,094,163 to the LADOT, and without a proper collection mechanism, a depletion of the Bandit Enforcement Fund .

Community Impact Statement: None submitted.

Summary:

On October 11, 2017, your Committee considered September 27, 2017 LADOT and September 25, 2017 City Attorney reports and an Ordinance dated September 21, 2017 relative to to amending the City's current nine taxicab franchise agreements for an additional two-year period through December 31, 2019. According to the LADOT, in the mid-1990s, the City adopted a franchise model of regulation for its taxicab industry. Existing franchise ordinances went into effect in 2001 and were renewed in 2005 and again in 2010. After the renewal in 2010, the franchises were scheduled to expire in 2015 with two one-year renewal options. Both renewal options have been exercised and the nine current franchises are set to expire on December 31, 2017.

Taxis are an essential service and even a life line for some residents of Los Angeles. The City, through its regulation of taxicabs, has been able to set service and equity standards while also helping the environment by requiring vehicles that meet certain clean air standards. The City has furthermore required wheelchair accessible service to ensure mobility for the wheelchair using population. For these reasons, the City has a continuing interest in regulating this mode of transportation. With the advent of Transportation Network Companies (TNCs), which functionally operate like taxicabs but with a different set of rules and regulations in California; the current model of taxicab regulation has come under intense scrutiny. Because TNCs operate in a less formal regulatory environment, they have been able to increase the supply of vehicles and drivers without restriction thus reducing the business and the profits of taxicab companies and drivers tremendously.

It is anticipated that any new ordinances and/or other proposed permitting processes will be based on consultant recommended changes to current franchise terms and conditions and will

take into account newly approved recommendations related to taxicab operations, potential use of autonomous vehicles, driver and vehicle permitting requirements, driver benefits, improved performance monitoring, and enhanced technology among other issues that are outlined in the scope of work. Any agreed upon recommendations, including new franchise/permitting ordinance(s) and revisions to the Los Angeles Municipal Code, will initially be presented to the Taxicab Commission for approval with Council ultimately approving any new regulatory plan. Finally, while this TOS study is being conducted, it is important that taxicab service for the citizens of Los Angeles continue unabated. It is expected that implementation of any potential new regulatory structure would begin prior to December 31, 2019.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Ordinance to extend the nine taxicab franchise agreements for an additional two-year period as detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

TRANSPORTATION COMMITTEE



MEMBER VOTE

BONIN: YES

MARTINEZ: YES

KORETZ: YES

ARL

10/11/17

-NOT OFFICIAL UNTIL COUNCIL ACTS-