

TRANSPORTATION COMMITTEE REPORT relative to extending the terms of the City's existing franchise agreements with nine taxicab companies.

Recommendations for Council action, as initiated by Motion (Bonin - Krekorian):

1. AFFIRM the action taken by the Board of Taxicab Commissioners to extend the term of the City's existing franchise agreements with nine taxicab companies through December 31, 2017.
2. REQUEST the City Attorney to prepare an ordinance to create two options to extend the City's existing franchise agreements with nine taxicab companies for one year terms of January 31, 2018 through December 31, 2018, and January 31, 2019 through December 31, 2019; or, one two-year extension for the term January 31, 2018 through December 31, 2019.
3. INSTRUCT the Los Angeles Department of Transportation (LADOT) to report in 90 days with a preliminary scope of work for a study of the City's existing taxicab regulatory framework and functions, including but not limited to, a review of other regulatory approaches, new technology improvements, performance requirements, and other possible changes.

Fiscal Impact Statement: Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

## SUMMARY

On May 26, 2015, Council considered Motion (Bonin - Krekorian) relative to extending the terms of the City's existing franchise agreements with nine taxicab companies. Motion states that on January 1, 2001, nine taxicab companies were awarded ten-year franchises to operate in the City of Los Angeles. On November 24, 2010, Council extended the terms of the franchise agreements through December 31, 2015.

Motion movers believe that LADOT should fully explore the City's existing taxicab regulatory functions and develop either a new taxicab re-franchising plan or other authorized permitting operating plan for the future, before new taxicab franchises are awarded. Motion recommends that the Department report back on this matter and that the City Attorney prepare an ordinance to extend the term of the existing franchise agreements. Council referred Resolution to the Transportation Committee for consideration.

At its meeting held June 24, 2015, the Transportation Committee discussed this matter with LADOT staff. Department staff stated that the Board of Taxicab Commissioners extended the existing franchise agreements through December 31, 2017. An ordinance is required to extend the agreements any further.

During the public comment period, representatives of taxicab companies with franchise agreements with the City urged the Committee to concur with the action taken by the Board and

to approve an additional extension through December 31, 2019. It was stated that taxicab business has fallen 30%. The decision by the State Public Utilities Commission to not regulate computer application ride service companies as taxis has created an uneven playing field. Taxicab representatives asked that the proposed LADOT study be completed as soon as possible.

Committee members went on to discuss different franchise term extensions. It was agreed that the study was needed to recommend policy guidance for modifying the City's taxi regulations. It was also stated that creating options to extend the agreements for various lengths of time offers Council the most flexibility for responding to changing industry and market conditions. Committee recommended that Council affirm the Board's action to extend the term of the existing franchise agreements through December 31, 2017, and to instruct LADOT to proceed with the proposed study. Committee further recommended that Council request the City Attorney to prepare an ordinance to create options for Council to extend the agreements for an additional two years or for two one-year periods.

Respectfully Submitted,

TRANSPORTATION COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
BONIN:	YES
KORETZ:	YES
LABONGE:	ABSENT
PARKS:	ABSENT
KREKORIAN:	YES

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**