

Request for Committee Action

To: Community Development & Regulatory Services
Date: 8/11/2015
From: Community Planning & Economic Development
Prepared by: Patrick Hilden, Business Licenses District Supervisor, 673-3317
Presented by: Patrick Hilden
File type: Receive & File
Subcategory: Report

Subject:

Taxicabs and Transportation Network Companies

Description:

Receiving the attached report about the licensing, enforcement, compliance, and recommendations related to taxicabs and transportation network companies.

Previous Actions:

On July 18, 2014, the Minneapolis City Council directed staff to come back to the Community Development & Regulatory Services Committee one year from the effective date for changes to Chapters 343 and 341 of the Minneapolis Code of Ordinances with a review and recommendation of both ordinances.

Ward/Neighborhood/Address:

All Wards

Background/Analysis:

On July 18, 2014 the Minneapolis City Council approved a set of comprehensive taxicab amendments for Chapter 341 of the Minneapolis Code of Ordinances and added a new Chapter, 343, designed to license and regulates Transportation Network Companies (TNC) in Minneapolis. The following is a status report of the impact of these changes.

Transportation Network Companies (TNC)

Administration

Due to the uniqueness of this type of license, staff has developed an effective working relationship with representatives of the two licensed TNCs, Lyft and UBER X. Staff have found both responsive to requests for information and willing to make corrections of violations that city inspectors have documented. Both companies renewed their City of Minneapolis TNC licenses on time this year.

Program Monitoring and Enforcement

No complaints have been submitted related to surge pricing (fares based on high demand) or failure to pick up a rider based on zip code. Both companies provided data for their Minneapolis business operations from May 1, 2015 – July 1, 2015. That data showed the number of “not accepted” requests for rides by zip code.

Percentage Of Rides Not Accepted by Zip Code			
UBER		LYFT	
Zip Code	% Not Accepted	Zip Code	% Not Accepted
55401	0.39%	55401	15.73%
55402	0.30%	55402	11.57%
55403	0.35%	55403	14.01%
55404	0.39%	55404	13.48%
55405	0.39%	55405	10.60%
55406	0.82%	55406	20.32%
55407	0.44%	55407	16.41%
55408	0.44%	55408	13.85%
55409	0.42%	55409	12.85%
55410	0.39%	55410	22.66%
55411	0.67%	55411	14.54%
55412	2.11%	55412	86.15%
55413	0.47%	55413	16.68%
55414	0.51%	55414	17.65%
55415	0.16%	55415	12.82%
55416	0.57%	55416	55.29%
55417	1.20%	55417	11.84%
55418	0.88%	55418	36.08%
55419	0.40%	55419	16.50%
55421*	3.09%	55421*	100.00%
55423	1.40%	55423	12.26%
55430*	2.97%	55430*	100.00%
55454	0.56%	55454	8.24%
55455	0.52%	55455	23.47%
55487**	0.00%	55487**	0.00%
55488**	0.00%	55488**	0.00%
* Denotes multi-city zip code			
** Denotes no data			

Audits:

Background Checks

Staff has reviewed the operations of both TNC licensees. Unlike taxi service companies, TNC Service Companies are responsible for all drivers' background checks. Due to the potential consumer safety issues and the subsequent detrimental impact on their business, both companies have instituted strong policies to ensure their drivers meet the license requirements. They both use national background verification services. Staff conducted an audit of both company's drivers by requesting evidence of background checks for a random selection of drivers. Reviewing those drivers' records, staff concluded both companies are meeting and exceeding the requirements for the code.

Vehicle Inspections

TNC vehicles are required by code to have mechanical inspections completed annually. Staff created an inspection checklist and made it readily available on the Business Licenses' Website. Staff worked with the TNCs to develop criteria a mechanical garage must meet in order to be an

approved TNC Inspection site, referred to as an Authorized Garage. Staff maintains a list of Authorized Garages on the Business Licenses' Website.

One component included a review of vehicle inspections. We requested samples of completed inspection forms and found some inconsistencies. Some forms were missing vehicle identification information (VIN), date of the inspection, or the image of the inspection form was of poor quality. We documented our concern to both company's representatives and they agreed to put tighter safe guards in to correct these deficiencies.

Street Enforcement

Staff recently conducted an enforcement detail on both companies. Staff submitted five requests for a TNC vehicle through a mobile app. below are the results of those inspections.

Violation Code	UBER	LYFT	Violation Description
LV381	5	5	Trade Dress Out of Compliance
LV382	4	5	Unable to Produce Insurance
LV383	1	1	Trade Dress Standards Required From Company
LV389	1	1	Unable to Produce Inspection Sheet

The results of this inspection detail concluded that the TNC Companies must do a better job at providing and ensure that the drivers have their trade dress visible while in service and that the drivers need better access to proof of having the TNC insurance. Violation orders were written to both UBER and Lyft.

Wheelchair Accessible Vehicles Program

Both companies are participating in the program by paying the license surcharge of \$10,000.00 annually. No complaints have been received by City Staff regarding accessible TNC vehicles.

Taxicabs

Administration

With 59 changes to the Taxicab Ordinances, many procedures to review license applications and conduct street enforcement required modification. The taxicab driver and vehicle applications were updated which made it easier to complete requirements. On July 29, 2015, Minneapolis had 995 licensed taxicab drivers and 949 licensed taxicab vehicles. License approval was expedited by training additional staff to conduct electronic criminal and driving history background verifications. Outdated requirements removed from the application process have not diminished the quality of the data needed to safely approve an applicant to hold a taxi vehicle license or taxi driver license. Staff worked in partnership with the taxi industry to take on the task of ensuring the data in the city's license files was accurate. During the vehicle license renewal period, December 2014 – February 2015, all City of Minneapolis' taxi vehicle license files were updated with current ownership information, ensuring that the data submitted met all ordinance requirements. Other significant changes allowed Taxi Service Companies to create and conduct New Driver Training Programs. Staff developed criteria for those programs and approved those Service Company's programs that met all criteria. With the revisions of the Taxi Ordinance and process changes staff have implemented, it is now easier and less expensive to operate a taxi business in the City of Minneapolis.

Background Checks

By training additional staff to conduct electronic driver and criminal background verifications, staff was able to complete 1428 background checks in record time prior to the taxi driver license renewal date of June 30, 2015.

Vehicle Inspections

Amendments to the Taxi Code of Ordinances in July 2014 allowed owners of vehicles to complete their own vehicle inspection. Working with the industry, staff created an inspection form and made it readily available on the Business Licenses Website. Staff also worked with the industry to create criteria for a mechanical garage to be an approved inspection site. After inspection by staff, approved mechanical garages were placed on an Authorized Garage list posted on the Business Licenses Website. The City of Minneapolis' Currie Garage is still available to conduct taxi vehicle inspections. Some vehicle owners have chosen to continue to use the Currie Garage.

Street Enforcement and Complaints

Staff has been working on developing and improving systems for responding to complaints and street enforcement. By realigning Inspector's responsibilities and duties, we have focused our resources more efficiently and effectively towards our business need to quickly respond to customer complaints. Redesigning some of the processes inspectors use has made it easier for all staff to document and process violations and follow up on the correction of those violations. If the violation is not corrected, this documentation helps us uphold and defend violations and citations issued during the course of an appeal.

The name for the new process for conducting street inspections is Quality Inspections . Inspectors document each time they conduct a vehicle inspection or have an interaction with a taxi driver. This serves to measure both accountability and work performed by staff. From June 16, 2015 through July 24, 2015, 444 inspections were conducted for licensed taxi drivers and licensed taxi vehicles. No violations were found during 373 of these inspections. Violation orders or citations were written for 71 inspections. The following chart shows what violations were found.

Violation Code	Number of Violations Issued	Violation Description
LR016	2	Unlicensed Taxicab
LR017	2	Unlicensed Driver
LV043	5	No Parking in Certain Areas
LV046	23	Condition of Vehicle
LV165	7	Taxi Paint Colors
LV185	1	No Minneapolis Taxi License Displayed
LV227	1	Safety Equipment Issue
LV297	2	No Stopping or Standing Outside of Taxi Stand
LV304	3	Damaged, Unclean, Substandard
LV305	10	Out of Service as Unfit
LV306	4	Unattended in Taxi Stand
LV320	2	Blocking Traffic
LV322	3	Failure to Obey Police/Inspector
LV324	1	Failing to Engage Meter
LV344	1	No Electronic Credit Card Machine
LV354	3	Decal Issues
LV360	1	Parked in a Handicap Spot

Another element of our Quality Inspections Program includes taxicab ride alongs for our inspectors. This will provide us with a glimpse of the customer experience and encourage taxicab vehicle owners and drivers to comply with requirements of the Taxicab Ordinances.

Wheelchair Accessible Vehicles

The City of Minneapolis' Wheelchair Accessible Vehicle Program was totally revamped last year. There are three Service Companies that have a total of 20 converted vans offering services to individuals who use wheelchairs. All other licensed taxicabs participate in the program by paying a license surcharge to support this program. We have not received any complaints for failure to provide services to individuals requesting a wheelchair accessible taxi. An information flyer, also available on the Business Licenses' website, has company names and telephone numbers for reserving a wheelchair accessible taxicab.

Future Ordinance Amendment Recommendations

Staff recommends amending the TNC ordinances to address the following issues:

- 1) Duplicating the State of Minnesota TNC insurance requirement.
- 2) Allowing city staff to conduct background checks for TNC drivers.
- 3) Eliminating the Minnesota and Wisconsin residency requirements.

Staff recommends amending the Taxi ordinances to address the following issues:

- 1) Changing the way in which repairs are made to a vehicle.
- 2) Allowing a refund of the application fee to an unqualified taxi driver applicant.
- 3) Addressing stealing/altering/counterfeiting a Minneapolis license.

Financial Review:

No financial impact.

Attachments:

1. TaxiTNC.ppt