

#5

CHW:chw
02/18/99

AN ORDINANCE **89301**

AMENDING SECTION 33-026(A) OF THE CITY CODE,
ENTITLED "TRANSFER OF OPERATING PERMIT,"
TO AMEND THE FOUR-YEAR TAXICAB OPERATOR
PERMIT TRANSFER LIMITATION CONTAINED IN
SAID PROVISION.

* * * * *

WHEREAS, the City Code currently provides, in section 33-026(a), that an operating permit for a ground transportation service may be transferred only after the expiration of four years from the date of the original issuance of the permit; and

WHEREAS, the City Council believes that it is advantageous to both the City and the ground transportation industry to reduce the aforementioned limitation to two years;
NOW THEREFORE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. Section 33-026(a) of the City Code of the City of San Antonio is hereby amended to read in its entirety as follows:

(a) Each operating permit issued pursuant to the provisions of this chapter is separate and distinct and shall be transferable from the permit holder to another person or entity only with the approval of the Director. Said permits may be transferred only after the sale of a holder's ground transportation business upon passage of two (2) years from the date a permit was issued to the current permit holder, or upon the death of a holder. The transferability of permits may be limited by policy established by the City Council.

SECTION 2. Any additional taxicab service vehicle permits distributed to a taxicab service by the Director in accordance with the provisions of Chapter 33 of the City Code during the calendar year 1999 must be surrendered to the City in the event said service's operating permit is transferred prior to April 1, 2000.

SECTION 3. This ordinance shall take effect ten days from the date of passage.

PASSED AND APPROVED this 18th day of February, 1999.


M A Y O R
Howard W. Peak

ATTEST: 
City Clerk

APPROVED AS TO FORM: 
City Attorney

99-07

MEETING OF THE CITY COUNCIL

An Amendment

35

AGENDA ITEM NUMBER:

FEB 18 1999

DATE:

MOTION:

ORDINANCE NUMBER:

Vasquez
89301

RESOLUTION NUMBER:

ZONING CASE NUMBER:

TRAVEL AUTHORIZATION:

ALAMODOME
ARTS & CULTURAL AFFAIRS
ASSET MANAGEMENT
AVIATION
BUDGET & MANAGEMENT ANALYSIS
BUILDING INSPECTIONS
HOUSE NUMBERING
CITY ATTORNEY
1 MUNICIPAL COURT
REAL ESTATE (FASSNIDGE)
REAL ESTATE (WOOD)
RISK MANAGEMENT
CITY MANAGER
SPECIAL PROJECTS - FRANCES GONZALES
CITY PUBLIC SERVICE - GENERAL MANAGER
CITY PUBLIC SERVICE - MAPS AND RECORDS
CODE COMPLIANCE
1 COMMERCIAL RECORDER
COMMUNITY INITIATIVES
COMMUNITY RELATIONS
PUBLIC INFORMATION
CONVENTION AND VISITORS BUREAU
CONVENTION CENTER EXPANSION OFFICE
CONVENTION FACILITIES
ECONOMIC DEVELOPMENT
FINANCE - DIRECTOR
FINANCE - ASSESSOR
FINANCE - CONTROLLER
FINANCE - GRANTS
FINANCE - TREASURY
FIRE DEPARTMENT
HOUSING AND COMMUNITY DEVELOPMENT
HUMAN RESOURCES (PERSONNEL)
INFORMATION SERVICES
INTERGOVERNMENTAL RELATIONS
INTERNAL REVIEW
INTERNATIONAL AFFAIRS
LIBRARY
METROPOLITAN HEALTH DISTRICT
1 MUNICIPAL CODE CORPORATION
1 MUNICIPAL COURT
PARKS AND RECREATION
MARKET SQUARE
PLANNING DEPARTMENT
DISABILITY ACCESS OFFICE
LAND DEVELOPMENT SERVICES
1 POLICE DEPARTMENT
1 GROUND TRANSPORTATION
PUBLIC WORKS DIRECTOR
CAPITAL PROJECTS
CENTRAL MAPPING
ENGINEERING
PARKING DIVISION
REAL ESTATE DIVISION
SOLID WASTE
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA
YOUTH INITIATIVES

NAME	ROLL	AYE	NAY
ROGER FLORES, II District 1		✓	
MARIO SALAS District 2		✓	
DEBRA GUERRERO District 3		✓	
RAUL PRADO District 4		✓	
RICK VASQUEZ District 5		✓	
JOSE MENENDEZ District 6		✓	
ED GARZA District 7		✓	
ROBERT MARBUT District 8		✓	
TIM BANNWOLF District 9			ABSENT
JEFF S. WEBSTER District 10		✓	
HOWARD W. PEAK Mayor		✓	

AMENDS ~~NO.~~ NO. 33 OF CITY CODE

To approve staff's recommendations (2 years) & to give staff direction on review of dropping the cap on the # of permits & to have staff come back to Council with an analysis & recommendation on same.

FILE CHAPTER 33 99-07

MEETING OF THE CITY COUNCIL

Amendment

ALAMODOME
ARTS & CULTURAL AFFAIRS
ASSET MANAGEMENT
AVIATION
BUDGET & MANAGEMENT ANALYSIS
BUILDING INSPECTIONS
HOUSE NUMBERING
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LAND DEVELOPMENT SERVICES
POLICE DEPARTMENT
GROUND TRANSPORTATION
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REAL ESTATE DIVISION
SOLID WASTE
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA
YOUTH INITIATIVES

AGENDA ITEM NUMBER: _____

35

DATE: _____

2-18-99

MOTION: *Florez*

Guerrero

ORDINANCE NUMBER: _____

RESOLUTION NUMBER: _____

ZONING CASE NUMBER: _____

TRAVEL AUTHORIZATION: _____

NAME	ROLL	AYE	NAY
ROGER FLORES, II District 1		✓	
MARIO SALAS District 2		✓	
DEBRA GUERRERO District 3		✓	
RAUL PRADO District 4		✓	
RICK VASQUEZ District 5		✓	
JOSE MENENDEZ District 6		✓	
ED GARZA District 7		✓	
ROBERT MARBUT District 8		✓	
TIM BANNWOLF District 9		absent	
JEFF S. WEBSTER District 10		✓	
HOWARD W. PEAK Mayor		✓	

That any additional taxicab service vehicle permits distributed to a taxicab service by the Director in accordance with the provisions of Chapter 33 of the City Code during the calendar year 1999 must be surrendered to the City on the next said service's operating permit is transferred prior to April 1, 2000.

SECTION 2. Any additional taxicab service vehicle permits distributed to a taxicab service by the Director in accordance with the provisions of Chapter 33 of the City Code during the calendar year 1999 must be surrendered to the City in the event said service's operating permit is transferred prior to April 1, 2000.

SECTION 3. This ordinance shall take effect ten days from the date of passage.

PASSED AND APPROVED this _____ day of _____, 1999.

M A Y O R

ATTEST:

City Clerk

APPROVED AS TO FORM: _____

City Attorney

A handwritten signature in blue ink, appearing to read "Amendment", is written over a horizontal line. The signature is stylized and cursive.

RECEIVED
CITY OF SAN ANTONIO
CITY CLERK
99 JAN 22 AM 10:43

CITY OF SAN ANTONIO
OFFICE OF THE CITY COUNCIL
INTERDEPARTMENTAL MEMORANDUM

TO: Mayor and City Council Members
FROM: Councilman Raul Prado, District 4
COPIES: City Manager Alexander E. Briseño; City Attorney; Assistant to City Council ; Chief of Police
SUBJECT: Exception to Ground Transportation Ordinance

DATE: January 19, 1999

I request City Council concurrence in placing an item on the City Council agenda granting an exception for a sixty day period to the current provision of the Ground Transportation Ordinance which prohibits transferring taxicab operating permit which are less than 4 years old and/or currently pending final issuance. The high costs of operating a public transportation business and market conditions in the local transportation industry have led to a desire to consolidate the business operations of some local taxicab providers. In order to undertake this consolidation on a timely basis so as to meet the ongoing demands of our citizens and visitors for this particular form of ground transportation, I believe it would be in the City's best interest to allow this window of opportunity for permit transfers, regardless of the age of the permit. Taxicab companies which benefit from such transfers would nevertheless need to meet all prerequisites to issuance of operating permits.

Further, that this item be referred to the Policy and Planning Committee and that it be scheduled for council approval as soon as possible. Your favorable consideration of this request would be appreciated.

Raul Prado

RAUL PRADO
DISTRICT 4

MAYOR HOWARD PEAK

José Menéndez (for discussion) *70*
JOSE MENÉNDEZ, DISTRICT 6

ROGER FLORES, II, DISTRICT 1

Ed Garza
ED GARZA, DISTRICT 7

MARIO SALAS, DISTRICT 2

ROBERT MARBUT, DISTRICT 8

Debra Guerrero (20)

DEBRA GUERRERRO, DISTRICT 3

TIM BANNWOLF, DISTRICT 9

Rick Vasquez (21)

RICK VASQUEZ, DISTRICT 5

Jeff Webster (21)

JEFF WEBSTER, DISTRICT 10

CITY OF SAN ANTONIO ATTACHMENT(S)
ITEM NO 35

Interdepartmental Correspondence Sheet

TO: Mayor and City Council through City Manager

FROM: Al A. Philippus, Chief of Police

COPIES TO: File

SUBJECT: Proposed Changes to Ground Transportation Ordinance

DATE: February 18, 1999

SUMMARY AND RECOMMENDATIONS:

This amendment, requested by Councilman Prado, will allow for the transfer of taxicab (company) operating permits, regardless of date of issuance for a sixty day period, after which time the current ordinance provision of a four year limit will prevail.

Staff recommends an alternative to this amendment that will reduce the transfer time provision contained in Section 33-026(a) from four years to two years. This change will effectively address the intent of the request for amendment of the four year transfer provision. Additionally, the two year time period will conform with the two year length of the operator permit agreement. 27 of the 28 taxicab companies will then qualify for transfer under this provision, establishing broader and more equitable business opportunities for the participants in the industry. The amendment will become a permanent change to Chapter 33 rather than a temporary exemption.

BACKGROUND:

In 1993, the vehicle for hire industry in San Antonio had reached a point that warranted a thorough review of its respective services to the community. A nationally recognized consultant was hired to conduct a comprehensive study of commercial transportation industry in general, and taxicabs in particular. One of the many issues addressed by this study involved the transfer of taxicab (company) operator permits. Some participants were acquiring and brokering taxicab permits (which are City property) for personal gain without contributing any form of value or quality of service for the public benefit. In order to eliminate this practice, a recommendation was made that these opportunities be eliminated by the City's refusal to allow any form of taxicab operating permit transfer.

Upon completion of the study, an Industry Review Committee was appointed by City Council to review the report, to suggest adjustments where necessary, and oversee the implementation of the resulting changes. This committee eventually rejected a total transfer prohibition, and instead suggested an ordinance provision which required that taxicab operating permits be held for two contract periods (four years) before transfer was permissible.

On January 27, 1994, the City Council approved Ordinance No. 79523 amending the comprehensive Ground Transportation Ordinance, Chapter 33 of the City Code, and repealing Article II (Taxicabs) in its entirety effective April 1, 1994.

POLICY ANALYSIS

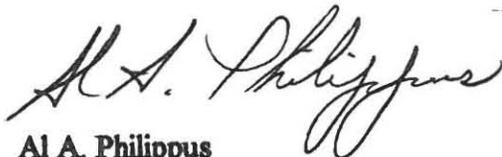
Many of the ordinance changes to Chapter 33 "Vehicles for Hire" accomplished in 1994, including the retention requirement, were somewhat revolutionary concepts within the transportation industry at that time. Consequently, references to the experience or regulations of other cities were unavailable. The cornerstone of these changes involved a transition from criminal regulation to administrative regulation, which was accomplished by establishing a contractual relationship between each permit holder and the city. Operator performance requirements are contained in the form of a two-year contract, which requires a service commitment of two contract periods, lasting a total of four years, before any transfer is possible. This provision ensures that any person entering the taxi business must fully commit to four years of public service before realizing any profit through sale or transfer.

This process has since served to minimize permit brokering, maintain stability in the industry, and facilitate the participation of co-ops and small company operations. It also enhances a level of individual company stability required in the performance of a necessity to the public interest. This provision is one of many factors that have influenced significant improvements to the industry since 1994.

After a review of other cities with similar public transportation issues, local permit transfer activity, and industry stability, Staff recommends that the period of permit tenure required by Section 33-026(a) of Chapter 33 of the City Code, entitled "Vehicles for Hire," be reduced from four years to two years. It is expected that the provision in this form will continue to fulfill its intended purpose to prevent speculative brokering while preserving industry stability.

FINANCIAL IMPACT

Currently, a transfer fee of \$25.00 per vehicle is required by Chapter 33. If a large number of vehicles are transferred, there will be a small financial impact. Staff will review the transfer fee structure and make a recommendation for future consideration.



Al A. Philippus
Chief of Police

Approved:



J. Rolando Bono
Assistant City Manager

Taxicab Permit Transfer

Deputy Chief Jerry Pittman
San Antonio Police Department

2/18/99

City Code Chapter 33 Section 33-026 (a)

■ Transfer of Operating Permit:

Said permits may be transferred only after the sale of a holder's ground transportation business upon passage of (4) four years from the date a permit was issued to the current permit holder, or upon the death of the holder. The transferability of permits may be limited by policy established by City Council.

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Pre-1993 Historical

- Permits were being transferred strictly for profit;
- Increased permit costs = higher lease rates;
- Subleases occurred due to permit values;
- Remote proprietorships reduced quality;
- Ownership tracking was difficult; and
- Accident liability difficult to ascertain

2/18/99

Post-1993 Historical

- 1993 - Permit turnover problems identified in Transportation Study, which recommended total prohibition of permit transfers
- 1994 -Taxicab Task Force recommendations:
 - Service commitment for all permit holders
 - Minimum retention period
- 1994 - Council approved 4 year retention
- 1999 - Section 33.026 never amended

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Purposes Served by 33.026

- To require service commitment and capital investment from permit holders;
- To prevent any form of profit derived from acquisition and rapid turnover of permits;
- To minimize value of permit itself;
- To minimize pass through costs to drivers;
- To maintain stability within industry by minimizing permit transfers; and
- Opportunities for co-ops and small businesses

2/18/99

Permitting Process

- Each applicant competes for operating permits;
- Award based on total service commitment;
- Upon award operator enters into a two-year contract with city;
- City requires two consecutive contract periods (4 years) before operating permit can be transferred; and
- Industry turnover has averaged less than 5% due to this process.

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Transfer History

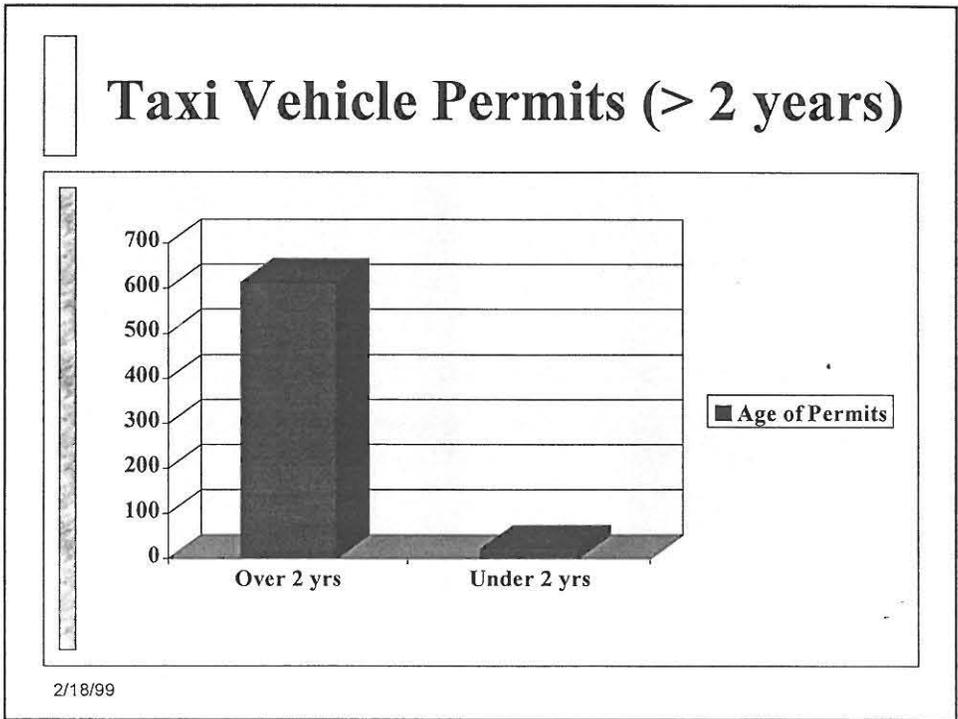
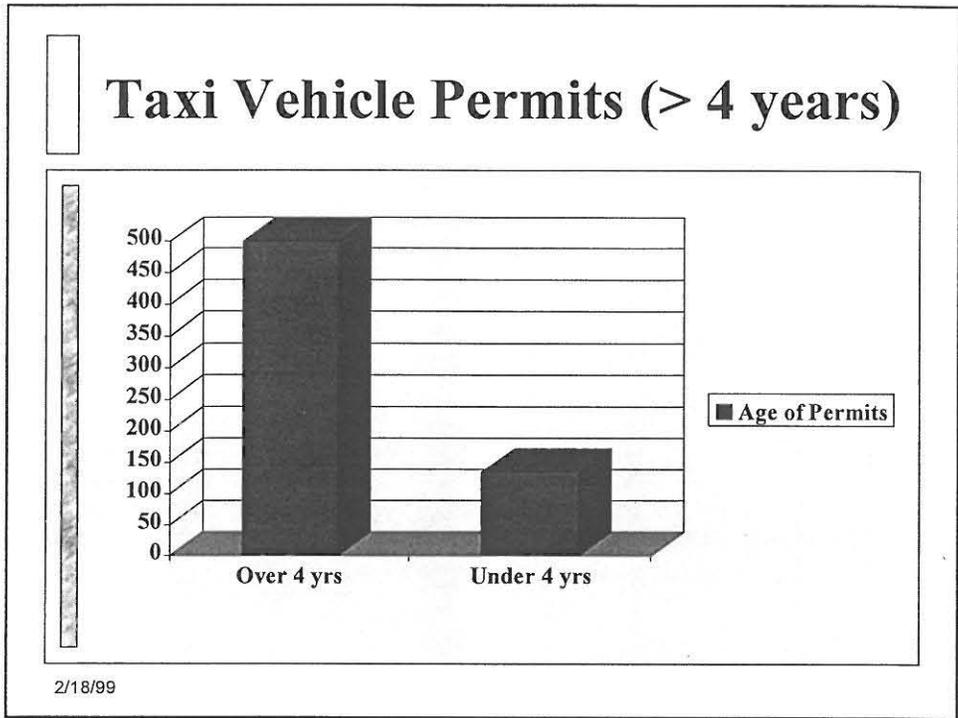
- 1994 Turnover Restricted by Contract
- 1995 Turnover 42 Vehicles transferred
- 1996 Turnover 14 Vehicles transferred
- 1997 Turnover 22 Vehicles transferred
- 1998 Turnover 32 Vehicles transferred
- Average Turnover 27 Vehicles transferred

2/18/99

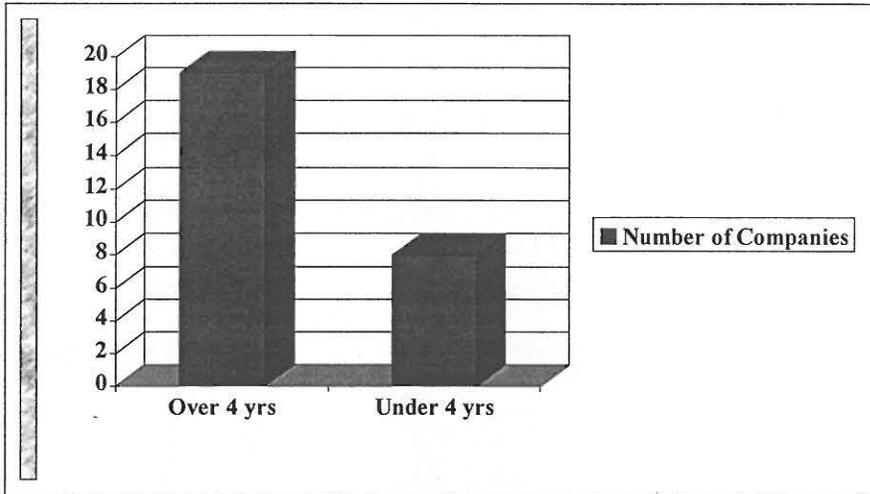
Alternatives

- **Suspend Section 33-026 (a) for 60 days**
- **Eliminate Section 33.026 (a) entirely**
- **Reduce Section 33-026 (a) transfer requirement from 4 years to 2 years.**

2/18/99

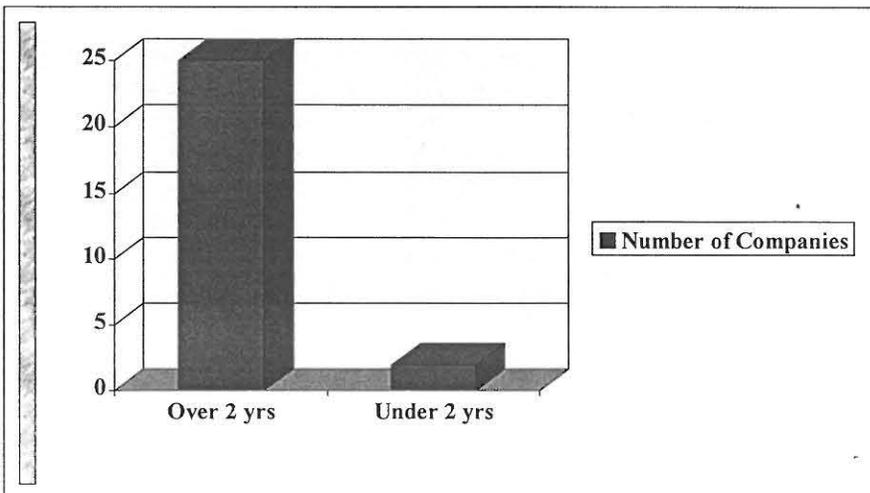


Taxi Companies (> 4 Years)



2/18/99

Taxi Companies (> 2 Years)



2/18/99

Eligible Permits (4/2 yr break)

- 151 Less than 4 years old
- 500 Eligible for transfer (over 4)
- 7 Less than 2 years old
- 634 Eligible for transfer (over 2)
- 31 Available for application
- 672 Total Taxi Permits

2/18/99

City Comparison

<u>City</u>	<u>Permits</u>	<u>Cap Type</u>	<u>Min Transfer</u>
Atlanta	1,582	1985 Limit	None
Austin	525	Population	None
Dallas	2,630	Population/C&N	None
Denver	842	No Cap	None
Detroit	1,310	Fixed Cap	18 months
Houston	2,210	City Council	18 months
Las Vegas	1,200	Equal distribution	None
Miami	1,824	125/yr/Lottery	60 months
Phoenix	700	No Regulation	None
San Diego	850	Population	12 months
Seattle	642	Fixed Lottery	None

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Staff Recommendation

- **Reduce transfer requirement for taxicab (company) operator permits in Section 33-026 (a) from 4 years to 2 years of service**

2/18/99

Staff Recommendations

- **Establish 2-year taxicab (company) operator permits:**
 - Allow transfer of 99% of permits;
 - 27 out of 28 companies eligible to transfer;
 - Maximize equal treatment to all companies;
 - Establish broader business opportunities;
 - Insure public service commitment; and
 - Maintain industry stability.

2/18/99

Staff Recommendation

- **Reduce transfer requirement for taxicab (company) operator permits in Section 33-026 (a) from 4 years to 2 years of service**

2/18/99

Taxicab Permit Transfer

**Deputy Chief Jerry Pittman
San Antonio Police Department**

2/18/99

Closed/Open Permit Systems

- Market oversaturation;
- Reduction in driver income;
- Drivers working longer hours;
- Limited pool of experienced drivers;
- Longer airport waiting times;
- Delays in vehicle service/maintenance;
- Will not necessarily service underserved areas;
- Will not provide for off-peak service needs

2/18/99

Permits/Drivers by Company

■ Checker	104		158	
■ Taxi Express	89		90	
■ Yellow	82		89	
■ Tower	41		41	
■ Victory	40		39	
■ Black Cat	35		33	
■ Alamo City	34		61	
■ Pan Am	32	(457)	34	(545)
■ Metro	15		18	
■ City	14		17	
■ Diplomat	14		14	
■ Fiesta (co-op)	14		14	
■ Texas	10		10	
■ Concord (co-op)	10		10	

2/18/99

Permits/Drivers by Company

■ Kwick (co-op)	10		9	
■ 7-11	8		9	
■ Armadillo	7		8	
■ Arrow (co-op)	9		9	
■ Jetline	7		8	
■ Crown (co-op)	8		8	
■ Luxury	7		7	
■ National	8		8	
■ Owl	7		6	
■ Quality (co-op)	7		6	
■ Royal (co-op)	7		7	
■ Star (co-op)	7		9	
■ Superior (co-op)	8		8	
■ United (co-op)	7	(641)	7	(736)

2/18/99

Newest Companies

■ Victory *	3 years	40 permits
■ Texas *	3 years	10 permits
■ City	3 years	14 permits
■ Crown c/o	3 years	8 permits
■ Quality c/o	3 years	7 permits
■ Superior c/o	3 years	8 permits
■ Pan Am *	2 years	32 permits
■ Metro	1 year	15 permits
■ Jetline	1 year	7 permits

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Taxi Permits (2 yr break)

- **31 Available for application**
- **7 Less than 2 years old**
- **634 Over 2 years**
- **672 Total Taxi Permits**

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Short Term Initiatives

- Evaluate monopoly issues in other cities
- Enlist impact study by staff
- Hold public hearings/TAB
- Conduct legal review of resulting changes
- Present to Council Transportation Committee
- Present to City Council

2/18/99

Long Term Initiatives

- Set percentage cap for any single company
- Remove permit cap completely
- Modify population/permit ratio
- Establish fixed number/ratio co-op permits
- Establish fixed number/ratio SMBE permits
- Introduce handicap access incentives/reqs.

2/18/99

Staff Observations

- **The specific reason for suspension of article has yet to be formally validated;**
- **Section 33.026 (a) has fulfilled its intended purpose to eliminate permit brokering;**
- **The suspension of Section 33.026 (a) is legally permissible; (precedents, singular benefit); and**

2/18/99

Staff Observations

- **Taxi Driver apprehension/concerns/work action**
 - Raising operator fees
 - Driver exclusion
 - Airport monopoly
- **Immediate profit on new permit transfers**
- **Small business and co-op disadvantage**
- **Significant capital and service commitment**
- **Improved taxi service citywide, and in presently under-served minority and disadvantaged areas**

2/18/99

Staff Recommendations

- **Establish 2-year taxicab (individual) vehicle permit requirement:**
 - Bars transfer of any vehicle permits until 2 years of service completed;
 - Prevents permit speculation/profit;
 - Complements two year service requirement for operator permit; and
 - Insures public service commitment.

2/18/99

ADVANCED CENTURY TRANSIT OPPOSES SPECULATION OF TAXI PERMITS

Taxicab permits are issued to promote efficient, safe, reliable, and quality ground transportation services in the City. (Charter, Sec. 33-011). Taxicab permits are not issued to be a windfall of for purposes of speculation.

Any permits issued by the City should go to a company that plans to use them-not sell them.

Advance Century Transit (ACT):

- * Is a local company.
- * Has applied for permits every year for at least 10 years but has never received one permit from the city.
- * Will actually use any permits issued for taxicabs, not for a windfall.
- * Provides at least 120 jobs for San Antonians.
- * Has a computer dispatch system.
- * Because the City has not issued it any permits, provides dispatching services for 120 non-company (competing) cabs at a loss in order to cover the city.
- * Does not discriminate by place of departure, destination, or length of trip

ACT welcomes competition on a level playing field. We welcome any taxicab company that will have to build its business the way ACT was built. This is by permits from established taxicab operators, not from speculators.

ACT asks the City to refuse to issue any pending permit to any person or firm who will not actually use the permit to put a taxicab on the streets of San Antonio.

Advance Century Transit does business as Taxi Express, Prince Limousine, Courier Express, and ACT Inc.

Presented by Henry Ridgeway

February 18, 1999

for:

San Antonio City Council Members

From:

ADVANCE CENTURY TRANSIT, INC.

For your perusal, please find attached multiple letters requesting Additional issuance of "Vehicle for Hire" permits.

Please take note that Advance Century Transit, Inc. has NEVER been offered issuance of any permits from the City of San Antonio; rather it has established a going concern by having to PURCHASE all of their existing permits.

Yours truly,

Jay Khadem
Jay Khadem

President

ADVANCE CENTURY TRANSIT, INC.
(Serving San Antonio for 15 Years)
1630 Broadway
San Antonio, Texas 78215
(210) 222-2222 (FAX) 333-3333

City of San Antonio Police Department
Ground Transportation Unit
442 Ninth St.
San Antonio, Texas 78215
RE: City Permits

Dear Ms. Deosdade:

In addition to the information provided your office in our letter date August 13, 1998, it is necessary that this permit situation with the City of San Antonio be redirected to the real concern that faces my company in the provision of reliable and efficient taxi cab service to the San Antonio Metropolitan area. This letter is submitted to your office to document my concerns the number of permits that my company requires for the provision of taxi services.

Status Quo of the Current Taxi Permit Situation

At present Advance Century Transit, Inc. has the following permits:

<u>No. of Permits</u>	<u>Taxi Cab Company</u>
65	Taxi Express
25	Downtown
15	Metro Cab
<u>105</u>	

<u>No of Units</u>	<u>Independent Cab Company</u>
9	Arrow Cab
7	7-11
14	Diplomat
10	Concord
7	Royal
7	United
7	Armadillo
7	Quality
7	Owl Cab
7	Star Cab
8	Superior
14	City Cab
<u>104</u>	

The combined number of units that are under the dispatching system for Taxi Express

is 209. Taxi Express responds to approximately up to 3,000 calls each day. Our reputation has been the only company in San Antonio to consistently respond to any and all calls received by our operators in unsurpassed. Taxi Express does not filter calls or select calls based upon any concerns about origin or destination. Each call that is received by operators is treated equally and our drivers respond to all calls, as opposed to other companies who despite their advertising and propaganda always ask where is the destination. These companies reject any calls which are considered "short trips."

We have been providing this service to the San Antonio Metropolitan Area for the past fifteen years. During the course of those years my company has suffered casualties from the inherent risk involved with the taxi cab business in a large metropolitan area. As a poignant reminder of the cost of this service, I have placed upon our office walls pictures of drivers whose lives have been taken while on duty with Taxi Express. Taxi Express is familiar to the public, our numbers are posted on customer counters of HEB, Handy Andy, and other grocery stores. This extension of trust by those companies gives testimony to the extent to which Taxi Express has become a part of the business community.

In addition to responding to calls from the public at large, we also have contracts with educational institutions, not for profit agencies and institutions. Taxi Express has been engaged in such contracts for the past ten years. We have demonstrated through these contract relationships that we provide a dependable service and our billing reflects the integrity with which we conduct our business.

Taxi Express has been working with the City of San Antonio for the past fifteen years, and it seems that because we are so familiar to the City that we have become almost a part of the taxi cab environment and are not recognized for the strides that this company has made in the provision of taxi cab service to the San Antonio Area. In the past years, I and my business associates have provided technical and political support for the adoption of the current taxi cab ordinance. We have always welcomed fair competition in the market place and have consistently provided dispatching service to neophyte companies that were issued permits by the city of San Antonio. In the past years, we have patiently stood our ground and provided service to the community. We have patiently awaited for the day to come when Taxi Express would be recognized for our contribution to the economy of this city. However, it seems that just as those most familiar are the least recognized for their active involvement the perception that is held by the City is still tied to the humble beginnings of Taxi Express.

Growth and Our Responses to the Market

Our growth and expansion has always been as a result of the demand by the public for our service. As you are well aware, this growth has been financed by our acquisition of other cab companies. The increase in the number of permits has been the result of our economic necessity and from our commitment to the provision of service to the public. Taxi Express, for reasons that are not clear to me or my legal representatives has never been issued one permit by the City of the San Antonio to meet this expanding demand for our service.

Since we have been forced to seek solutions to this demand for in means which do not make any business or economic sense. To meet the growing demand, I have been forced to provide dispatching services to outside companies who are in reality competitors. The hard reality is this. We provide dispatching services at a direct labor cost of almost \$200.00 per month for each unit dispatched while we only collect \$30.00 per month for each independent cab company. In addition to this direct cost we have invested in computerized dispatching and pager relayed customer calls which are not covered by the radio fee and are the result of our effort to meet demand.

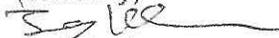
We are forced to make this irrational economic exchange because we must meet the demand or lose the faith and trust of the public. When customer's call our universally recognized number we must respond lose our market position by failing to respond to calls. Our own drivers are forced to compete with drivers from other companies. We are forced to finance this dispatching system with corporate funds which could be used to improve other aspects of our taxi business.

Our Petion to the City

We have used significant corporate funds to meet this demand by purchasing additional companies. We have meet those obligations as specified in the purchase contracts which were drafted in accordance with the current city ordinance. We are respectfully petitioning the city to rescind its demand for the revocation the permit and to reinstate the permit agreement to 65 permits. The facts are as follows: Taxi Express purchased the permit and was approved by the city for the transfer of the permit to Taxi Express. As our letter stated we paid for the vehicle, we paid for the inspection of the vehicle. We meet all the requirement of the city and yet you have taken the unfair positon of seeking to cancel this permit. In the fifteen year history of this company Taxi Express has never been issued even one permit. An now because of a systemic deficiency on the part of the city in its handling of internal documents that control the inspection of vehicles, you are subjecting my comany to additional economic hardship and retribution.

In short, we are petitioning the city to rescind it request and to not proceed in this matter. Additionally, we request that the city provide us with a written response to the issues raised in our August 13, letter and to the points made this communication. A documented response to this matter is justified because of the serious nature of the action proposed by the City in this proposed action.

Sincerely,



Jay Khadem
President

ADVANCE CENTURY TRANS. INC.

**1630 Broadway
San Antonio, Tx. 78215**

(210) 222-2222

(210) 333-3333

APRIL 16, 1998

**GROUND TRANSPORTATION UNIT
442 NINTH ST.
SAN ANTONIO, TX 78215
MR. RICK CULLORS**

DEAR MR. CULLORS,

AS YOU KNOW TAXI EXPRESS ALWAYS HAD APPLIED FOR NEW PERMITS TO MEET THE CONVENIENCE AND NECESSITY DEMAND FOR TAXI CABS IN SAN ANTONIO FOR MANY YEARS AND NEVER HAVE RECEIVED NOT EVEN ONE PERMIT THROUGH THE CITY OF SAN ANTONIO. BASED OF THE DEMAND TAXI EXPRESS HAD NO OTHER OPTION BUT TO USE INDEPENDENT CAB COMPANIES (WHICH WAS NOT ONLY INCONVENIENT BUT WAS HIGHLY COSTLY FOR TAXI EXPRESS WITH NO CONSIDERATION FROM THE CITY OF SAN ANTONIO REGARDING ANY PERMITS TO ACCOMADATE) TO MEET THE DEMANDS OF THE PUBLIC. AS YOU KNOW IN ALL THE LETTERS, CONTRACTS AND CORRESPONDENCE MR. DAMIEN PRIETO ASKED TO TRANFER THE PERMITS TO JAY KHADEM AND BECAUSE ONE OF THE CONTRACTS WAS NOT DATED DOESN'T MEAN THAT THE SUBJECT CAN BE CHANGED.

MR. CULLORS, TAXI EXPRESS IS NOT IN THE TAXI TRADE-IN BUSINESS. THEREFORE WE ARE REQUESTING THAT THE TRANSFER OF DOWNTOWN CAB AS SOON AS POSSIBLE AS ALL THE VEHICLES HAVE ALREADY BEEN PAINTED, INSTALLED WITH THE NEW COMPUTERIZED RADIO SYSTEM AND INSPECTED AS TAXI EXPRESS AND APPROVED BY THE CITY OF SAN ANTONIO WITH THE COLOR AND NAME CHANGE.

AS PART OF THE TAXI EXPRESS THE SAME DAY INSPECTION OFFICE ISSUED TRANSFER AND APPLICATION FORMS WE PAID THE FEES NECESSARY.

DURING THE LAST WEEKEND WE RECEIVED MORE THAN 7500 CALLS. THEREFORE WE MUST PROCEED WITH THE COMPLETION OF THIS TRANSFER SO THAT TAXI EXPRESS MAY BETTER SERVE THE CITY OF SAN ANTONIO AND BE BETTER ABLE TO SERVE THE CUSTOMERS AND BE ABLE TO PROVIDE SERVICE AND MEET THE NEED OF THE PUBLIC BY TAXI EXPRESS.

SINCERELY,



**JAY KHADEM
TAXI EXPRESS**

Advance Century Transit, Inc.
1630 Broadway, San Antonio, Texas 78215
(210) 222-2222 (FAX) 333-3333

Received
9/23/97
AKO

September 22, 1997

City of San Antonio Police Department
Ground Transportation Unit
442 Ninth St.
San Antonio, Texas 78215
Attention: Re. Cullors
Transportation Supervisor
RE: Transfer of Downtown Cab Company

Dear Mr. Cullors:

Before we discuss the appropriateness of the suggest merger of the companies as was specified in the August 27, 1997 letter, some facts need to be established about the utilization of Taxi Express Permits.

Open Slots

Downtown Cab Company

One hundred percent of the Downtown Company permits (i.e 25) are being utilized and filled with operational vehicles.

Metro Cab Company

Again, one hundred percent of the Metro Cab Company permits (i.e. 15) are being utilized and filled with operational vehicles.

Taxi Express

All sixty five permits operated by Taxi Express have assigned vehicles and their supporting title documentation is at the Ground Transportation Unit. Seven of the sixty five vehicles are currently off line and are awaiting the installation of our new computer dispatch system. Our conversion of these seven vehicles will be completed prior to September 30, 1997

City Cab Company

We currently converting mini vans from our vehicle inventory to fill any open slots for the permits under City Cab Company. We have enclosed copies of these mini van titles.

Current Operations

As you know Taxi Express has an computer assisted dispatching system which allows management to document the number of calls received on a daily basis. We are submitting a copy of a computer printout from the activity occurring on September 21, 1997 which indicates the receipt of more that three thousand seven hundred and seventy five demand calls for taxi cab service. This number calls is well below the amount experience in the first and second week of each month.

This level of customer demand, even though Taxi Express is not currently advertised in the SW Bell Yellow Pages, radio, television or the local news paper, etc. would indicated that the customer demand is based upon our history of reliable service and word of mouth advertising.

Taxi Express has a history of being the first cab company to make innovations in taxi cab service in San Antonio:

Taxi Express was the first company to put a Lincoln Towncar in service as a taxi cab.

Taxi Express was the first company to provide twenty five brand new minivans for taxi cab service in San Antonio.

Taxi Express was the first company to use computer assisted dispatching in the provision of taxi cab service.

Taxi Express was the first and only taxi cab company to develop and use telephone pagers in the dispatching of calls to divers.

In addition, our company was the only major cab company to fully meet the vehicle year and model requirements as specified in the current Chapter 33 Vehicles for Hire city ordinance with an investment of over seven hundred thousand dollars (\$700,000) in new and additional vehicles.

Over the last ten years Taxi Express has utilized only the most experienced and qualified drivers to operate its vehicles to comply with Sec. 33-054 of Chapter 33 Vehicles for Hire, and to meet a standard of due care under our self insurance responsibilities with the state of Texas. As you know most of our drivers are over thirty five years old and many of them have over forty years experience in public transportation.

These efforts of the part of Taxi Express has developed a reputation of prompt, excellent and reliable service to the riding public.

Our commitment to the riding public to provide prompt and excellent service regardless of race, location, or destination over the past ten years has come at a high price. Taxi Express has had the sad experience of losing the lives of some of its best drivers to the

criminal element in San Antonio while providing taxi cab service to the poorer areas of San Antonio. Our commitment has required that we stand by the bed side of wounded drivers waiting all night for their survival and recovery and providing any necessary help.

As president of the Taxi Express, I was appointed by the Mayor Wolfe to serve on the committee with former councilmen Roger Perez and Howard Peak along with transportation personnel and experts to formulate the Chapter 33 Vehicle for Hire.

During the initial implementation of the Chapter 33 Vehicle for Hire ordinance, Taxi Express stood by and watched other taxi companies, associations or cooperatives receive additional permits. However, Taxi Express not awarded even *one permit* during that time. In the fifteen year history of Taxi Express, **the City of San Antonio has yet to issue a single permit to our company.**

Our history of providing fair and prompt service to the riding public has created a demand for service which has made it necessary to increase the number of vehicles operating under our radio system. However, since were denied the necessary number of permits for our expansion to meet the growing demand for service, we had to increase of vehicles by brining in independent cab companies and cooperatives and associates who had been awarded additional permits by the city. At one time or another Taxi Express dispatched calls for Alamo City Cab Company, Fiesta Cab Company, Black Cat Cab Company, Pan Am Cab Company, and all other independent associations and companies. We have been in an awkward position of having to rely on competitors to provide service to our customers.

Because of the high demand for service from Taxi Express Customer's and the use of independent's who blocked radio's and keyed mikes to disrupt our radio service, we were forced to invest over a hundred thousand dollars (\$100,000) in systems that would enable us to maintain control over our radio dispatching. However, the independents resorted to various means that hampered our ability to identify and tract vehicles and calls. In 1996, we developed an unique computerized radio system which would prevent the independent's from scanning and blocking our radio calls. These improvements were met with protests from independent companies' drivers dispatched by Taxi Express. These protests and boycotts were carried by the local media.

Our efforts to improve our taxi cab service to the riding public of the City of San Antonio have continued and we are on the verge of installing new fully computerized dispatching systems in all of our cabs. These computer terminals in the vehicles will provide for instantaneous identification of the location of the call and the nearest taxi which greatly improve the safety and reliability of our service.

Taxi Express takes the position that any and each call is of equal merit. Taxi Express does not screen or discriminate against the poorer sections of San Antonio (*as is done by other companies*), such as Alazan Courts, Victoria Courts, Willie Courts, etc. Our commitment to the riding public requires that we provide service to hundreds of

individuals even when they are only making routine runs to and from their local grocery stores. As you know, other companies ignore these calls because their drivers are on a commission basis and these individuals are left without service because of their company policies.

Some taxi companies pay "commissions" to hotel doormen to hold taxi cab passengers until their "preferred" taxi companies arrive even if it causes the passenger to miss their flights or disrupt their schedules. Our telephone operators and drivers relay instances of these unusual wait times to management on a daily basis.

Taxi Express' Position on the Suggested Merger

We do not agree with the proposed merger, and insist that the transfer be approved as soon as possible and that we become the Permit Holder of record and responsibility. This will allow us to speed up our plans and to add additional new vehicles and additional improvements.

Taxi Express's Request and Petition for Additional Permits

Based upon these operational conditions and our philosophy of fair and equitable service to the riding public, and our commitment to the provision of the most prompt and safe service (for both the passenger and the driver) possible, we can not continue to make an investment in a completely computerized system without our being in control of our vehicles, drivers and computer systems. Therefore, we are pleading with the City of San Antonio to free us from our dependence upon the non Taxi Express Units and to allow us to increase our fleet so as to continue meeting the demand of our riding public for safe, prompt and reliable service. Our commitment to the riding public extends even to the handicap and disabled. We propose to provide taxi service to Americans with disabilities by providing units with handicap lifts and access.

Therefore, in order for Taxi Express to meet its commitments, we are requesting that an additional one hundred permits be issued by the City of San Antonio to Taxi Express.

Sincerely,



Jay Khadem, President
Advance Century Transit, Inc.

cc. Anna M. Deosdade, Transportation Manager
cc. Captain Smith, Director of Ground Transportation

ADVANCE CENTURY TRANSIT INC.

DBA

Taxi Express, Prince Limousine, Courier Express, ACTinc.

1630 Broadway
(210) 222-2222

San Antonio, TX. 78216
FAX 333-3333

**City of San Antonio
Ground Transportation Department**

Dear Sirs:

Advance Century Transit, Inc. is requesting that the City of San Antonio issue fifty five permits to Taxi Express. Taxi Express is making this request based upon several factors that indicate that the public interest would be served with this allocation of permits to its taxi cab fleet.

Taxi Express has been in operation in San Antonio for the past ten years. Since its inception, Advance Century Transit, Inc. has had to accommodate its growth through the acquisition of other cab companies and the subsequent transference of permits to Taxi Express. Since in the past the city of San Antonio took the position that no additional permits were to be issued to taxi cab companies, the corporation had no alternative except the purchase of other cab companies. This method of growth has been very costly and has required that the corporation invest heavily in these intangible assets which were under the control of the City of San Antonio.

Despite the heavy drain on capital, Taxi Express has led the local taxi cab industry in the following areas:

- 1) **Computer assisted dispatching systems.** Taxi Express is the only company that has adopted a computer assisted dispatching system. This dispatching system has been of great assistance to San Antonio in both the provision of service to its citizens and the solving of crimes that involved taxi cab drivers as victims.
- 2) **Radio Identifiers.** After the loss of drivers and several instances of thefts and other crimes, Taxi Express installed radio identifiers and emergency switches in its units to help improve the safety of its drivers.
- 3) **Advisory and Community Participation.** Advance Century Transit, Inc. staff and personnel served on boards and committees established by City Council during the development phase of the current taxi cab ordinance. Taxi Express, during the taxi cab strike of 1993 and early 1994 maintained its commitment to service and did not participate in taxi cab strikes.

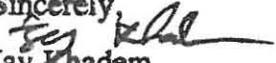
- 4) **Vehicles and Equipment.** After the adoption of the current city ordinance, Advance Century Transit, Inc. was the only large company in San Antonio to convert all of its fleet in accordance with the new city regulations. This investment in vehicles and equipment approached nearly one half of a million dollars.

In the early months following the adoption of the new taxi cab ordinance, Taxi Express waited patiently for its turn in the allocation process. City staff and City Council adopted the policy that all new permits that were to be issued under the new ordinance were to go to the small permit holders and associations. Advance Century Transit, Inc. was instructed to suspend its request for permits until the later part of 1994. Both City staff and City Council made public statements that once the smaller permit holders were given their opportunity to expand their businesses, Advance Century Transit, Inc. would be given a fair review and would be issued new permits.

Now Advance Century Transit, Inc. finds itself in the following position. Although, Taxi Express has only 12.5 percent of the permits currently issued in San Antonio, it dispatches for approximately 36.7% of units in San Antonio. These independent cab companies are outside the control of Taxi Express and pay a radio fee to have its units dispatched. These companies are in effect competitors of Taxi Express who are not able to afford the cost of a separate dispatching system and the labor costs associated with twenty four hour radio service. Taxi Express itself has a commitment to the local non-tourist client in San Antonio which is not shared by all of the independent cab companies. Since these are separate entities, Taxi Express can not control when and for how long these cabs are in service. Taxi Express has found itself in the position of needing the additional cabs to cover the demand it receives from its advertising and trade mark number 222-2222, while at the same time being in competition with these companies for business accounts. Advance Century Inc. because of the freeze on taxi cab permits for the larger companies in 1994, has served as a safe haven for some of these small companies to defray business expenses until they developed a sufficient client base to support radio and dispatching services. While other permit holders are issued new permits with little capital investment except vehicles and signage, Taxi Express is carrying the real burden of taxi cab service in San Antonio and has not been issued a new permit in its entire history.

Therefore, based upon Taxi Express is requesting **fifty five (55)** new permits which is approximately fifty percent of its independent units. With these permits in hand Taxi Express, is ready to install computer controlled data terminals in all of its units. This direct computer dispatching with enable Taxi Express to enter into the current state of the art dispatching which minimizes wait time and dispatch time. Taxi Express is poised to make this commitment to San Antonio, and will help San Antonio to become the world class economic center its citizens deserve.

Sincerely,


Jay Khadem
President

promised, "our staff is addressing other maintenance issues, hot water in showers, restroom (improvements), etc."

All because one North Side mom was concerned enough about West Side swimmers to spark a campaign to protect their health and safety.

■ A Houston company's attempt to gain a virtual monopoly of San Antonio's cab services will be discussed at today's City Council meeting (agenda item 35).

A month ago, it seemed that the company, Coach USA/Yellow Cab Services Corp. — assisted by powerful lobbyists Frank Madla and Bill Siebert — would cut a deal with City Council with little notice and no opposition.

Then "just an ordinary cabbie" called this column to report a "rumor" about the impending taxi-industry takeover.

That report — verified as fact here — was the first step in moving back-room decision-making into the sunlight and giving local cab drivers a chance

to organize an opposition movement.

The results of that organizational effort will be seen at City Hall today as vocal San Antonio cabbies make it clear that they won't let council members push them quietly over the livelihood cliff.

■ A priest at a Kelly-neighborhood church called to say, "Thank you for the columns on the RED HORSE project. I noticed today (in a Feb. 11 Express-News report) that it has been canceled."

He was referring to an Air Force plan to use a portion of East Kelly to train reservists in the operation of earth-moving equipment.

Alerted by Express-News reports of potential noise/dust problems in nearby neighborhoods, South Side community activists mounted public protests and forced Air Force officials to reconsider the decision and ultimately announce: "All efforts to expand the RED HORSE operation at East Kelly will cease."

The activists were aided by tough, no-nonsense, behind-the-

scenes discussions between Air Force brass and City Councilmen Raul Prado and Rick Vasquez and County Commissioner Robert Tejada.

The trio of politicians and the neighborhood activists deserve public recognition for leading the effort to kill the latest slap-the-South-Side deal.

Unfortunately, San Antonians will never know the name of the real hero of this story — the person who provided the tip that stopped (in my estimation) a 99-percent-done deal.

The tipster — who asked to remain unidentified — obtained the info through a curious series of events that would make an interesting column in itself.

Someday, if I receive ID permission from this pivotal character, maybe South Siders will get to read the most intriguing — and heroic — chapter of the RED HORSE tale.

To leave a message for Roddy Stinson, call ExpressLine at 554-0500 and punch 4408, or e-mail rstinson@express-news.net.

itive signs in Kosovo talks

Christopher Hill, the American who heads the international mediating team at the talks, flew Tuesday to Belgrade with a tough message for Milosevic: Sign a deal by Sunday or face a new round of

also of all the citizens of our country," Milosevic said in a statement carried by the official news agency Tanjug.

Later Wednesday, the United States announced an additional 51

ic warfare planes, and 29 refueling planes now in the United States at a base in Europe.

The six-nation Contact Group on the Balkans — made up of the United States, Russia, Britain, France, Germany and Italy —

Presented by Farni Hodge

Affidavit of Publisher

STATE OF TEXAS,

COUNTY OF BEXAR

CITY OF SAN ANTONIO

PUBLIC NOTICE
AN ORDINANCE 89301
AMENDING SECTION 33-026(A) OF THE CITY CODE, ENTITLED "TRANSFER OF OPERATING PERMIT," TO AMEND THE FOUR-YEAR TAXICAB OPERATOR PERMIT TRANSFER LIMITATION CONTAINED IN SAID PROVISION.
• • •
PASSED AND APPROVED
this 18th day of February, 1999.
/s/HOWARD W. PEAK
Mayor
ATTEST:
/s/ NORMA S. RODRIGUEZ
City Clerk
2/25

Before me, the undersigned authority, on this day personally appeared Helen I. Lutz, who being by me duly sworn, says on oath that she is Publisher of the Commercial Recorder, a newspaper of general circulation in the City of San Antonio, in the State and County aforesaid, and that the Public Notice - An ordinance #89301 hereto attached has been published in every issue of said newspaper on the following days, to-wit: February 25, 1999.



Sworn to and subscribed before me this 26th day of February, 1999.



Notary Public in and for Bexar County, Texas

