



MEMORANDUM

TO: Mayor and Council

CC: Marc A. Ott, City Manager
Robert Goode, Assistant City Manager

FROM: Robert Spillar, P.E., Director
Austin Transportation Department

DATE: February 24, 2011

SUBJECT: Annual Taxicab Permit Review

As required by Chapter 13-2 of the Austin City Code, in January each year the Austin Transportation Department, Parking Enterprise Division conducts a review of the change in population and taxicab departures from Austin Bergstrom International Airport (ABIA) to determine the number of taxicab permits needed to provide taxicab service in the city. This memorandum is to inform you that in 2010 the population increased 2.1% and ABIA taxicab departures increased 10.9% warranting an additional 8 taxicab permits.

The City Code contains provisions for the department to distribute these additional permits. 25% (2 permits) are to be held in reserve until 50 permits are available for granting a future franchise. The remaining 75% (6 permits) are to be distributed to existing taxicab franchises that are eligible for additional permits.

A taxicab franchise that holds 60% or more of the total number of taxicab permits is not eligible to receive additional permits. Yellow Cab Company currently holds 69% of the permits and is not eligible for additional permits. Austin Cab Company and Lone Star Cab Company may each be eligible for 3 additional permits if they meet the eligibility requirements described in the City Code.

In addition to the distribution of these permits to existing franchises, the City Code also contains a provision that allows the City Council to grant up to two additional franchises of up to 50 permits each when:

- there have been fewer than 5 taxicab franchise holders in the city for 5 consecutive years,
- and the department has determined that at least one additional permit is necessary.

Both of these conditions exist for the City Council to consider granting new franchises, but the department does not recommend granting any new franchises until the number of permits in reserve equals 50. The current number of permits in reserve is 2. Granting a new franchise now would over saturate the number of taxicabs in the city and not be in the best interest of Austin's taxicab industry, the taxicab drivers, and the customers served.

The department will begin the process to allocate the additional permits that are available to Austin Cab Company and Lone Star Cab Company. Council action is only required if the City Council desires to grant a new taxicab franchise which at this time is not recommended by staff for the reasons stated above.

If you should have any questions or need additional information please contact me at 974-2488, or Steve Grassfield, Parking Enterprise Division Manager at 974-1489.