

Taxicab vehicle convenience and necessity hearing

Staff Recommendations

June 21st, 2006

The Department of Licenses and Consumer Services Division believes that there is a deficiency in the availability of taxicabs particularly in the area of wheelchair accessible vehicles, and for general service taxicabs during the peak evening hours to service the downtown entertainment districts. It is suggested that staff be directed to develop one of the plan options listed below for future consideration by the City Council. Each of the plans below has a distinct advantage or disadvantage for the local taxicab industry.

Plan A. No change is made to the ordinance with respect to increasing the number of available taxicab vehicle licenses.

Advantages	Disadvantages
Current owners of taxicab vehicle licenses will retain a substantial value in their licenses due to the restricted number of licenses now available.	There is no mandate for alternative fuel, or fuel efficient vehicles.
Some wheelchair accessible vehicles may remain in the fleet on a voluntary basis	There is no mandate or incentive for wheelchair accessible vehicles.
	New taxicab owners or service companies must purchase vehicle licenses on the open market to have the opportunity to operate in Minneapolis.

Plan B. Increase the number of Taxicab vehicle licenses by 45 licenses in each of the years 2006, 2007, 2008, 2009, and remove the cap on vehicle licenses completely in 2010.

Mandate that new companies have at least 10% of their fleet be wheelchair accessible vehicles, and that at least 10% of their vehicles be of the alternative fuel and/or fuel efficient vehicle type.

Existing service companies would have a mandate to have 5% of their fleet be wheelchair accessible vehicles by 2007, and that at least 5% of their vehicles be of the alternative fuel and/or fuel efficient vehicles by 2007. These mandates increase to 10% in 2008.

Advantages	Disadvantages
The 45 new taxicab vehicle licenses could be distributed to up to three new companies that would endeavor to provide quality service to residents and visitors through use of mandates for alternative fuel vehicles, fuel efficient vehicles and wheelchair accessible vehicles.	Existing taxicab vehicle owners will likely see the monetary values of their licenses diminish to zero within four to five years.
Minneapolis could be a national leader in the use of green vehicles for taxicab fleet operations.	Additional staff will be required for taxicab inspection and regulatory processes.
New service companies will be able to form a company without having to purchase licenses from existing owners at artificially inflated prices.	