



To: Mayor and City Council
CC: Marcus Jones, City Manager
From: Brent Cagle, Aviation Director
Date: April 1, 2019
Subject: Airport Taxi Contract Update and Request for Extension

Background Information:

The Aviation Department regulates on-demand taxi service at Charlotte Douglas International Airport. Airport regulations include,

- limiting the number of licensed taxis that service on-demand customers (note that the Aviation Department does not regulate scheduled taxi service at Charlotte Douglas International Airport).
- requiring the taxi companies and operators to adhere to more stringent vehicle age and condition requirements than required under the City's general Passenger Vehicle for Hire (PVH) ordinance.
- limiting the areas where taxis can "hold" to wait for customers to a taxi hold lot and designated areas of the terminal curb-front.

The Aviation Department requires on-demand service providers to adhere to these regulations to insure a consistent customer experience for those passengers choosing on-demand service, to insure consistent operations along the Airport roadway, and to insure the number of taxis available for on-demand customers is consistent with the demand for the service.

In 2015 and 2016 the Aviation Department and Taxi Research Partners conducted a study to determine the best approach for the Aviation Department in providing customers with on-demand taxi services. The study affirmed that a regulated approach was consistent with airport industry practices and the study provided the Aviation Department with a methodology for establishing and adjusting the number of Airport taxi licenses necessary to meet future passenger demand. The Aviation Department conducted a competitive RFP process for on-demand taxi services during 2016 and on June 27, 2016, the City Council approved the award of Airport Taxi Operating Agreements for on-demand service (or walk-up service) to City Cab, Crown Cab, Green Cab and Yellow Cab as recommended by the Community Safety Committee. The on-demand service Airport operating agreements included the following provisions,



- The Aviation Department issued 171 taxi permits to the following four (4) companies: City Cab (47), Crown Cab (47), Yellow Cab (47) and Green Cab (30).
- The Agreements were for a three-year base term with three additional one-year renewal terms subject to City Council's review after the first two agreement years. The City Council would then allow the City Manager to proceed with the three additional one-year renewal terms.
- The Agreements will reach the three-year mark on July 17, 2019.
- The Aviation Department's intent was to utilize all six years of the contract and options to allow the taxi operators sufficient time to amortize their capital investment (their vehicles).

Taxi Operator Performance:

- Airport customers and the Aviation Department have been pleased with the four (4) contracted taxi providers quality of the service.
- Customer complaints regarding the performance of City, Crown, Green and Yellow have been consistently low over the initial two years – from July 2017 to present the Aviation Department has recorded two (2) customer complaints related to on-demand taxi service at the Airport.
- The number of Notice of Violations issued to City, Crown, Green and Yellow for breaching the Airport's rules and regulations governing taxicab operations has been consistently low over the initial two years – since July 2017 to present the Aviation Department has noted 4 failed vehicle inspections for taxis and issued 19 citations to taxi drivers related to Airport rules and regulations.
- The Aviation Department has forged strong working partnerships with leadership of City, Crown, Green and Yellow through quarterly ownership meetings and the contracted operators are responsive to the Department when issues or concerns arise.
- The condition and cleanliness of the taxicabs has remained satisfactory.
- The extension of the contract will allow airport taxi drivers (all independent contractors) greater flexibility to pay off vehicle purchases which are necessary due to the Airport's stricter vehicle age requirements.

Recommendation:

The Aviation Department recommends that the City Manager exercise the three additional one-year renewal terms.