

To the Mayor and Members of the City Council**December 1, 2015**

Page 1 of 1

**SUBJECT: VEHICLE FOR HIRE AGE LIMITS AND ANNUAL FEES**

The purpose of this informal report is to provide an update on the Ground Transportation for Hire Ordinance revisions. The revisions are prompted by the need to streamline the Ordinance for existing operators and to update the Ordinance to regulate Transportation Network Companies. City staff sought input from stakeholders at meetings held on following dates: February 12, 2015; March 12, 2015; September 25, 2015; October 16, 2015; and October 22, 2015. City staff expects to present the Ordinance revisions to the City Council by the end of the first quarter of calendar year 2016.

Current Ordinance regulations do not allow vehicles to be more than five (5) years old as calculated from the first day of January of the model year. Current Ordinance regulations also require annual operating license fees and vehicle fees be paid in full on January 1, 2016. As part of the Ordinance revisions, City staff will be recommending that vehicle age limits be repealed. In addition, City staff will be recommending a new fee schedule that will continue to support the program.

Stakeholders are currently preparing to purchase new vehicles to comply with the vehicle age limits on January 1, 2016. Stakeholders are also preparing to pay the annual operating license fees and vehicle fees on January 1, 2016. Because the revisions to the Ordinance will not be presented to the City Council before January 1, 2016, City staff is recommending that the City Council adopt interim measures to prevent undue financial burdens on existing stakeholders.

City staff recommends that the City Council adopt an ordinance before January 1, 2016 to repeal the vehicle age limit requirements in their entirety. Required safety inspections will continue. Additionally, City staff recommends that the City Council authorize the annual operating license fees and vehicle fees that are due on January 1, 2016 to be paid on a pro-rated basis until a new fee schedule is adopted. These interim measures will allow current stakeholders to continue to operate without violating the City Ordinance until the full Ordinance revisions are acted on in early 2016.

Staff will place an M&C for Council action to amend the existing Ordinance as outlined above on the December 8, 2015 Council agenda.

David Cook
City Manager