City Council Staff Report

Subject: Amend For-Hire Licensing regulations
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Department: Finance, Economic Development
Date: November 7, 2019
Type of Item: Old Business – Discussion Only, no action requested

Recommendation
Modify the current For-Hire business license to:
1) Change the type of license to a “Ground Transportation license”; and
2) Adopt a reciprocal license approach, similar to recent food truck regulations, where providers only require one license through any jurisdiction in the state of Utah. The reciprocal license would continue the evolution of PCMC’s attempts to create a level marketplace for drivers (local, for-hire, shuttles, TNC’s, etc.) and still ensure basic driver background and insurance requirements consistent with Utah State Code.

Summary
• Local Park City transit and parking systems have largely been adequate for visitor and event volumes for decades.
• The advent and rise of ride share companies, including technology and legislative advances, have dramatically changed how people move between destinations, particularly during vacation and business travel.
• As a result, Old Town increasingly succumbs to extreme traffic and congestion during peak periods, creating serious public safety, sustainability and quality of life concerns in residential areas.
• Concurrently, under a separate report, staff is also recommending a series of proactive measures to better balance the elevated levels of public services and investment (transit, parking, bike share, walkability, etc.) and expansive array of ground transportation options (taxis, shuttles, TNCs, etc.). They are:
  o Paid parking permits for Main Street drop, load, and staging (DLS Zones) – to be eligible to purchase a permit, proof of business license would be required;
  o Prohibit other commercial drop and load on Main Street; and
  o Create free areas for drop, load, and staging off of Main Street.

Taken together (progressive regulation of For-Hire and greater operational control and organization of Main Street), staff believes we can help mitigate some of the public safety concerns, better balance residential concerns, and increase guest experience and access to businesses on Main Street.

Background
• In 2019, despite extreme periods of traffic and congestion due to increased visitors and ground transportation vehicles, PCMC only licensed approximately 101 For-Hire vehicles through approximately 80 individual companies. Of those 101, only 19 businesses were
physically located in Park City limits. PCMC’s existing licensing program is broken, with little hope of success, if not significantly overhauled.

- Staff recommends better alignment with new trends in the private transportation industry vis a vis our Community Critical Priority.

**Breakdown by Primary Address**

- The following would qualify for reciprocal licensing:
  - A rideshare/TNC driver who is registered through the state;
  - A hotel shuttle driver who is licensed via their parent employer’s business license;
  - A for-hire (or taxi) driver who is licensed by another Utah jurisdiction and meets the same minimum standards as the TNC driver.

- If not licensed elsewhere, a Park City Ground Transportation (business) license would be available.

- With Council support, staff is prepared to return on November 21 with an ordinance to reflect these modifications.
  - The new ordinance would be effective December 15, 2019, thereby allowing a training/education period to address unforeseen consequences prior to winter.

**Analysis**

Ground Transportation Vehicles (GT) are private vehicles used to transport passengers, whether or not a fare is charged. GT’s have become a major component of PCMC’s overall transportation system and, when executed efficiently and strategically, help many of the community’s environmental, traffic and congestion, parking, and public safety goals. GT regulations, restrictions, and/or policies are mentioned in several adopted plans for Park City Municipal, including the General Plan (p.11-12), 2017 Parking Management Plan (p.57-59); and Transportation Demand Management Plan.

In 2015, Park City Municipal created Transportation as a Community Critical Priority. At more or less the same time, the hired transportation industry underwent dramatic changes that have, at times, contributed to additional public safety concerns and additional traffic and congestion. In particular, TNCs, such as Uber/Lyft, seemed to explode in their popularity after Utah State Legislative exemption from municipal licensing: [SB 294; 13-15-109, 354](https://www.legislature.utah.gov/billsearch/) -“...this chapter supersedes any regulation of a municipality, county, or local government regarding a transportation network company, a transportation network driver, or transportation network services.”
For example, a direct implication was the almost overnight change in local licensing, leaving our regulation of local For-Hire companies nearly obsolete. For-Hire licenses (traditional taxi/hired transportation) issued by Park City dropped 87% since the State preemption; in 2014 we had 125 For-Hire licenses and 803 vehicles in the program; in 2019, we only have 80 For-Hire licenses and 101 vehicles in the program.

**Alternatives**

1) **Modify for-Hire business license process**  
GT License incorporated as larger operational overhaul of Old Town to better balance public safety, resident, business, and tourism interests.

- Reclassify “For-Hire” to “Ground Transportation” (GT);
- Clarify and restate baseline requirements for drivers insurance standards and alignment with State Code;
- Continue to require drivers who conduct business in PCMC to have a business license including the following which suffice:
  - PCMC GT license available at City Hall or online;
  - Parent hotel or lodging company with a business license;
  - Reciprocal business licenses from other jurisdictions; including:
    - TNC umbrella license;
    - Ground transportation license (taxi, or other private vehicle used to transport passengers, whether or not fare charged);

**Pros:**
- Police feel strongly a business license with consistent driver standards allows enforceability and basic safety standard.
- Allows level playing field for all ground transportation drivers.
- Requires any driver who wants access to premium drop and load on Main Street to document current business license.

**Cons:**
- While there is a consensus and frustration with TNC’s from our local for-hire community, it is difficult to gain 100% consensus from local stakeholders regarding licensing and next steps (most want to eliminate regulation b/c of industry trends, while other suggest more rigorous standards and enforcement is necessary).

**Alternative 2) - Complete deregulation** – Given the decline in the number of licenses issued by PCMC, and little to no significant criminal complaints, complete deregulation is a viable option with relatively little risk. With no confidence in drivers having background clearances and appropriate insurance, the Park City Police Department is strongly opposed to this alternative.

**Alternative 3) - Status quo** – Little to no impact, yet does not attempt to proactively manage documented congestion issues on Main Street, coupled with the existing program requires considerable administrative and applicant effort, for little benefit to the public.