

DATE ISSUED: April 24, 2003

REPORT NO. 03-068

ATTENTION: Honorable Mayor and City Council  
Docket of April 29, 2003

SUBJECT: Regulation of Short-Ride Neighborhood Transportation Vehicles  
(SRNTs)

REFERENCE: Manager's Report 02-142 dated July 11, 2002 and  
Manager's Report 03-021 dated February 2, 2003

### SUMMARY

Issue – Should the City regulate Short-Ride Neighborhood Transportation vehicles (SRNTs)?

Manager's Recommendation – Regulate Short-Ride Neighborhood Transportation vehicles for a limited period of time and under limited operating conditions with the goal of transferring the regulatory process to MTDB.

Other Recommendation – The Land Use & Housing Committee voted 4-1 on February 12, 2003 to approve the Manager's Recommendation.

Fiscal Impact – Fees will be charged to cover costs of the regulatory process.

### BACKGROUND

On July 17, 2002, the Land Use & Housing Committee was presented with a proposal to regulate electric-powered low-speed vehicles for hire. As a hybrid technology, these Short-Ride Neighborhood Transportation vehicles (SRNTs) do not fall under the parameters of either MTDB's taxicab/paratransit regulations or any existing City

ordinances. Of particular concern to the Committee members were the potential negative economic impacts on the taxicab and pedicab industries. The Committee directed staff to return with additional information on the subject.

Staff returned to the Committee on February 12, 2003 with a proposal to establish a pilot program for the operation of SRNTs, including a limit on the number of SRNTs that could operate at any given time, the number of SRNT permits that could be issued to any given owner/operator, and with geographic restrictions. The Committee voted 4-1 in favor of this pilot program, with the added goal of ultimately transferring the program, once established, to MTDB.

During the discussion at the meeting of February 12, 2003, Mr Noel Neudeck expressed concern that the SRNTs were not ADA-compliant and that the City was exposing itself to liability by regulating them. Of particular concern to Mr Neudeck was that SRNTs are unable to transport non-transferable wheelchair users. The Committee directed staff and the City Attorney's office to investigate this claim and to report back with a response prior to the issue being heard at Council.

## DISCUSSION

Short-Ride Neighborhood Transportation vehicles (SRNTs) offer a clean-air transportation alternative to move people safely and quietly within an urban environment. These vehicles are zero-emission vehicles which run solely on electricity. The vehicles have four wheels, are mechanically prevented from traveling over 25 miles per hour, and are equipped with a 3-point seatbelt system. Power is provided by a 72-volt, 4-horsepower motor that can run for up to 8 hours. Each vehicle has an occupancy limit of four persons, including the driver. The vehicles are prohibited by the Vehicle Code from operating on streets with a posted speed limit of higher than 35mph; this restriction precludes SRNTs from operating at Lindbergh Field, on freeways, and on major downtown streets such as Pacific Highway and Harbor Drive. Because of the need to recharge the vehicles' batteries, long-distance trips are impractical.

Several entrepreneurs are proposing to run fleets of SRNTs to transport passengers within high-density neighborhoods of San Diego, including Centre City. However, these vehicles do not fall under the auspices of MTDB's paratransit regulations, as they do not currently meet MTDB's definition of a taxicab. There are also no current City ordinances which cover their operation as vehicles for hire. The SRNTs which are currently operating are doing so under California Public Utilities Commission guidelines, which prohibit the drivers from being flagged down by potential passengers and to operate on a dispatch-only basis.

Staff is therefore proposing that a new ordinance governing the regulation and operation of SNRTs be developed and adopted. This ordinance would include provisions for licensing, minimum age for drivers, and background checks on drivers.

To address the Committee's concerns about potential negative economic impacts on the taxicab and pedicab industries, staff is proposing the following:

- that a maximum of 35 operating permits for SRNTs be issued;
- that no individual or business be issued more than 15 operating permits;
- that operation of SRNTs be geographically limited to the general downtown area, defined as the area bounded by Commercial Street, Nutmeg Street, 20<sup>th</sup> Street, and the tidelands;
- that City Manager establish an oversight task force to evaluate the impacts on an ongoing basis (the task force would include representatives from the City's Traffic Engineering Division, Office of Small Business, and Police Department, the Small Business Advisory Board, and an appropriate Centre City agency or planning group);
- that staff return to the Committee every six months for a two-year period to report on the impacts of SRNTs on the taxicab and pedicab industries, and to recommend adjusting the regulations and/or amending or rescinding the ordinance if need be.

The geographical boundaries described above would allow for SRNTs to serve clients in Bankers Hill and to access the Prado entrance to Balboa Park.

The City Attorney's office has determined that this proposed ordinance implements a pilot program. If the pilot program becomes permanent, and if agreed upon, it can be transferred to MTDB by means of an MOU between the City and MTDB. In this contractual relationship, the City would set the fundamental policies governing the regulation of SRNTs and MTDB would implement those policies.

With regard to the ADA accessibility issue, the City Attorney's office has concluded that the City's regulation of SRNTs would not violate the ADA. The ADA prohibits both public and private entities from discriminating against qualified disabled individuals in transportation services offered to the general public. The City of San Diego is not engaging in providing this particular transportation service, but rather it would be allowing a private entity to operate within the City's jurisdiction. The City's obligations, if any, would arise under Title II of the ADA. In this particular instance, however, the City's actions do not fall within Title II parameters.

Clearly, the SRNT operators cannot discriminate against disabled individuals who are capable of using their services. The SRNTs are a transportation service provided by a private entity primarily engaged in the business of transporting people. Accordingly, the SRNTs must comply with any applicable ADA Title III requirements and US Department of Transportation requirements. Generally, SRNTs cannot deny rides to disabled individuals who are capable of using their services, nor can they charge disabled passengers a higher rate than non-disabled passengers. Compliance with accessibility requirements is the obligation of the SRNT operators.

CONCLUSION

Staff believes that SRNTs could serve a niche market in an environmentally-friendly manner, subject to regulation by the City and oversight by a City Manager-appointed task force to determine if there are negative impacts to other transportation service providers, and at full cost-recovery. A pilot program with geographical restrictions, limits on the number of permits issued, and with frequent report-back periods should be implemented.

ALTERNATIVE

Transfer the regulation of SRNTs for hire directly to MTDB.

Respectfully submitted,

Approved by,

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D. Cruz Gonzalez, Director  
Transportation Department

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George I. Loveland  
Senior Deputy City Manager

LOVELAND/AH