

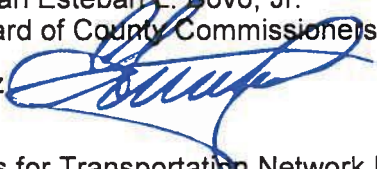
# Memorandum



Agenda Item No. 2B2  
November 21, 2017

**Date:** November 14, 2017

**To:** Honorable Chairman Esteban L. Bovo, Jr.  
and Members, Board of County Commissioners

**From:** Carlos A. Gimenez   
Mayor

**Subject:** Settlement Options for Transportation Network Entities Outstanding Citations

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The following provides settlement options regarding the citations issued to Transportation Network Entities (TNEs), such as Uber and Lyft, during the period they provided unlicensed services (May 2014 through May 2016).

## **Background**

Miami-Dade County's (County) Department of Transportation and Public Works (DTPW), enforced TNEs since May 2014, when the companies began offering ride-sharing services. From the outset, the County determined that TNE services were in violation of Chapter 31 of the County Code, which deems for-hire services without a valid for-hire license to be unlawful. A total of 4,857 citations were issued to operators of TNE vehicles from May 2014 through May 2016, when the Board of County Commissioners (Board) approved Ordinance No. 16-42, which legalized TNE services throughout the County.

A total of 4,489 citations in the amount of \$4,529,590 remain open and are under appeal. Of the total citations, 4,275 were issued to operators under the Uber platform, while 214 were issued to Lyft operators.

## **Administrative Hearing Process**

If no settlement is reached, the County would have to set over 2,000 administrative hearings for each named violator, pursuant to Chapter 8CC of the County Code (in most cases, each violator received two citations: one for not having a valid chauffeur's registration and one for the vehicle not having a for-hire license). Each hearing would require a hearing officer to preside over the proceedings, a clerk from the Clerk of the Court's Office, and the appearance and participation of County staff. Pursuant to Administrative Order 2-5, compensation for the hearing officer is \$50 per hour, up to a maximum of \$400 per day.

If the hearing officer upholds the citation, the named violator shall pay the fine, or appeal the hearing officer's decision, as described below. If the hearing officer finds the named violator not responsible for the County Code violation alleged in the citation, the named violator shall not be liable for the payment of the fine, absent reversal by the appellate court, as described below. The losing party, at the administrative-hearing level, has a right to appeal the decision of the hearing officer to the Eleventh Judicial Circuit, Appellate Division. The appellant bears the cost of the filing fee as well as the costs associated with the preparation of the record. The appellant may be able to recover those costs from opposing party, if successful on appeal. Additionally, the losing party at the Appellate Division may petition the Third District Court of Appeals to review the decision of the Appellate Division.

While it is difficult to predict how long it would take for any of these matters to go through the above-described process, it could take as little as a few months or as much as a few years.

### **Settlement Options**

County staff has been in negotiations with Raiser-DC, LLC (Raiser), a wholly-owned subsidiary of Uber Technologies, Inc., regarding the outstanding citations issued to Uber operators. Below are three separate options forwarded by Raiser. While it is the Board's discretion which of the options it would like to implement, it is recommended that both TNE companies be offered the same settlement agreement, as representatives of Lyft have agreed to the same options proposed by Uber.

- **Option 1:** Raiser will spend \$4.3 million as part of a promotion for "first mile, last mile" UberPOOL trips for trips with more than one rider to and from Metrorail, major bus stops, and park and ride locations in the County during rush hour. Of this amount, up to \$300,000 will be allocated towards a public education campaign to promote this partnership.
- **Option 2:** Raiser will pay \$1 million to the County in addition to \$267,000 to the Clerk of Courts, Traffic Division, as required by Section 31-702(s) of the County Code. Additionally, Raiser will spend \$2 million as part of a promotion for "first mile, last mile" UberPOOL trips to and from Metrorail, major bus stops, and park and ride locations in the County during rush hour. Of this amount, up to \$200,000 will be allocated towards a public education campaign to promote this partnership.
- **Option 3:** Raiser will pay \$2.4 million to the County plus \$267,000 to the Clerk of Courts, Traffic Division.
- **Option 4:** Pursue the Administrative Hearing Process for the over 2,000 violators pursuant to Chapter 8CC of the County Code.

Please note that the \$267,000 payment included in Options 2 and 3 relates to Section 31-702(s) of the County Code, which provides that if a global settlement of all non-adjudicated citations is negotiated, the settlement shall also include an additional \$65 charge to be paid to the Clerk of the Court Traffic Division by each TNE for each settled citation with a written statement regarding the status of code violations, driver's history, outstanding citations, and any other resolved and unresolved civil or criminal matters.

It is important to note that during the budget meeting of September 28, 2017, the Board approved motions relating to the allocation of any possible funds collected from a settlement with TNEs. According to these motions, \$500,000 shall be allocated for the African-American Museum, and an additional \$500,000 shall be allocated to replace the Children's Museum's heating, ventilation and air conditioning (HVAC) system. Any remaining balance from a settlement shall be allocated to the Affordable Housing Trust Fund.

The funding implications of each settlement options are as follows:

- **Option 1:** No funds will be made available for the African-American Museum, the Children's Museum HVAC system, or the Affordable Housing Trust Fund.
- **Option 2:** The African-American Museum and Children's Museum allocations will be funded; however, there will be no funds available to allocate to the Affordable Housing Trust Fund.
- **Option 3:** The African-American Museum and Children's Museum allocations will be funded. The remaining balance of \$1.4 million will be distributed to the Affordable Housing Trust Fund.
- **Option 4:** As with any litigation, there are risks involved and there are no guarantees.

In order to increase access to transit, the proposed program will be focused on major transit facilities, and park and ride lots operating at capacity. By combining the benefits of the near door-to-door service with mass transit, users will experience a seamless and effective journey from their home to their destination, while freeing up space in parking facilities to allow for others to park and ride transit. Ridesharing programs providing access to transit with multiple pickups along their route, like UberPOOL, are key to achieving a higher utilization of our infrastructure.

The proposed "first mile, last mile" partnership, which has been implemented in other cities like Washington D.C., Seattle, and Tampa, will be the largest of its kind in the country. Furthermore, this alternative will promote equitable mobility service for all travelers, making transportation options affordable, and connecting disadvantaged groups to opportunities. The proposed partnership will also accelerate payment integration among modes to establish a longer term solution for mobility in the County.

If you have any questions, please contact Alice N. Bravo, Director, Department of Transportation and Public Works, at 786-469-5406, or me directly.

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