




Traffic Engineering and Parking Divisions

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Date: May 25, 2010

To: Common Council, Transit and Parking Commission Members, and Mayor

From: David Dryer, City Traffic Engineer 

Subject: 2010-11 Green Cab of Madison Taxicab's operator license application resolution

OVERVIEW

On May 19, 2010, Green Cab of Madison (GCM) applied for a new taxicab company operating license.

In accordance with Madison General Ordinances, Traffic Engineering staff conducted an investigation of GCM's qualifications to receive a taxicab operator's license. GCM was required to answer a series of written questions based on criteria listed in MGO 11.06(4)(b). Attached are GCM's response to these questions along with its business plan, professional references, a letter from Thomas Dott of Associated Bank and Randy Krantz of Neckerman Insurance Agency, and a completed "Taxicab License Application".

INVESTIGATION

Type of Service: GCM has applied to operate a zone taxicab company and provide a shared-ride service. Not unlike how Badger Cab currently operates, Green cabs would not have taxi meters. Fares would be determined using the attached zone map. The rate for one passenger, between any two zones is a predetermined amount. In addition, passengers may be asked to share a ride with an additional passenger. Generally, to compensate for this inconvenience, the fares would be lower than a metered taxicab service.

Taxicab Fleet: GCM's taxicab fleet will initially be comprised of ten Toyota Prius hybrids and one 14 2009 GMC passenger van. After a year's time, ten additional Prius hybrids would be added to the fleet. GCM will purchase a three-year maintenance contract on these vehicles and will provide routine maintenance with current staff and facilities used to maintain their towing fleet.

Professional References: TE staff spoke with each of the references listed on GCM's business plan. In addition, staff spoke to the Senior VP of Associated Bank and VP of their insurance company who spoke to the Schmidt's (GCM) financial capability and their ability to purchase insurance for a taxicab fleet, respectively. Each individual contacted by staff spoke very highly of his or her professional experience with the Schmidt family and its employees. Their banker and insurer both attested to Schmidt's financial capability and ability to provide insurance for the taxicabs they plan to purchase.

Below are staff findings organized by the criteria the Transit and Parking Commission should consider listed under MGO 11.06 (4) (b) 1-8.

1) Financial Capability and Responsibility: Their banker, Thomas Dott, a Vice-President of Associated Bank described the Schmidt's financial approach to business as debt averse and extremely fiscally responsible. He stated that the Schmidt Family will be financing this new company without any loans and that their account balances are sufficient to implement their business plan.

2) The Applicants Prior Experience in Operating a Public Passenger Service: The applicants may have not directly operated a taxicab company; however, they have operated a towing company for 35 years. There are several similar components they plan to leverage in operating a new taxicab company, including: vehicle maintenance and safety expertise, a strong customer relation record, existing 24/7 dispatcher service center. In addition, they have the financial resources, facilities, and administrative expertise, and knowledge of relevant City ordinances to fulfill all taxicab requirements included under MGO.

3) Level and Quality of Service: Sheriff Mahoney described the Schmidt Family as "ethical individuals" who "expect a lot from themselves and their employees". Schmidt's general business approach was described by individuals listed as references as: "ethical", "impeccable", "very reliable", "accountable", "helpful" and "professional".

4) The Experience and Competence of Applicants Drivers: GCM's Business plan outlines a detailed and thoughtful plan to screen, hire and train its drivers. According to Captain Bach and Sheriff Mahoney, Schmidt Towing has an excellent track record of hiring qualified and reliable employees.

5) The Applicants Prior Record of Compliance with Applicable Regulatory Laws: James Harden (WISDOT) oversees salvage yards in the state. He describes Schmidt's salvage yard's compliance with state law as impeccable and holds their business as a role model for the region. Similarly, Sheriff Mahoney and Captain Bach spoke very favorably of Schmidt's Towing ability to follow applicable city/county rules and regulations regarding the towing of vehicles for traffic violations and seized as court evidence.

6) The Applicants Prior Record of Service Complaints: GCM briefly outlines a customer complaint process in their business plan. According to listed references, the applicant has a solid track record in this area. Captain Bach (MPD contract with Schmidt Towing) described an incident where a resident complained about a Schmidt tow truck driver speeding through his neighborhood. John Schmidt, the company owner, and the driver personally apologized to the resident. Debbie Kapetanovic from AAA stated that Schmidt's towing is one of their best contractors and that they are helpful, professional and responsive to rare customer complaints.

7) The Age and Condition of the Vehicles Proposed to be Licensed by the Applicant: The applicant in planning on purchasing new vehicles for the taxicab fleet.

8) The Applicant's Safety Record, Including Records of Accident Experience and Record of Safety Training: GCM has developed "standard operating procedures" instructing employees on the appropriate way to handle accidents. In addition, the software they intend on purchasing allows dispatchers to record accidents efficiently. Lastly, GCM and its insurer will provide safety training to its drivers.

RECOMMENDATION:

After reviewing Green Cabs business plan, meeting with the Schmidt Family, reviewing application materials and speaking with their listed references, it appears that the Schmidt Family has taken this application process very seriously and appears to be well-prepared for starting this new self-funded business venture.

It is recommended that the operating licenses for Green Cab of Madison be issued and that the attached resolution be approved.

DCD:KAP:abc
Attachments