

## Judge: Salt Lake City can install new cab service at airport, elsewhere

Transit • Ruling may clear the way for out-of-state taxi firms to move in over objections of Utah-based companies.

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PUBLISHED APRIL 30, 2013 9:00 AM

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Salt Lake City officials moved a step closer Monday to setting up new taxi services after a state judge threw out several legal challenges brought by two local cab companies over the way the city had awarded the contracts.

Third District Judge Kate Toomey ruled that the Salt Lake Department of Airports was within its authority when it chose Ace Taxi Service of Cleveland and Total Transit of Glendale, Ariz.

The decision could deal a crippling blow to Salt Lake City-based Yellow Cab and Ute Cab, should mean there will be newer cabs on the streets and, according to the city, shouldn't lead to an increase in fares, although the local companies dispute that assertion.

In October 2011, the two out-of-state companies were selected in a competitive bid process to provide ground transportation services at Salt Lake City International Airport and throughout the city.

But that same month, the effort was halted after the local firms filed a lawsuit disputing the process. The companies, which have provided services to the Salt Lake area for decades, claimed the city had violated its promises that no contracts would be awarded until after their appeals on the fairness of the procedure were heard.

They have continued providing services leading up to Toomey's ruling on Monday.

Airport spokeswoman Barbara Gann said the decision "brings Salt Lake City closer to improved taxi service. We are hopeful that the case will be fully resolved soon so the city can move ahead and implement contracts with Ace Taxi Service and Total Transit."

At this point, there is no timetable when new taxi services will be put into place because of a couple of pending legal issues.

But assuming those are resolved, only cab companies under contract would be allowed to transport passengers from the airport or pick up riders anywhere in the city on demand, meaning no prior arrangements need be made. All other firms would have to arrange rides beforehand.

Under the new contracts, riders could expect to see newer vehicles. The city has said fares are unlikely to go up, but a study commissioned by the local cab companies said that rates would have to increase 40 percent to comply with requirements in the new contracts.

Devo Bevis, president of Ace Taxi Service, who expects to be doing business in Salt Lake City as 1800 Taxicab SLC, said his company is ready to provide service despite the long legal delays. It "has given us a year of experience with some of the equipment we'll be putting in Salt Lake City. It's given us time to work out the bugs."

The case has been a protracted one. The controversy over taxi services dates to November 2010, when the Salt Lake City Council voted to scrap its longtime permits, called certificates of convenience, with Yellow, Ute and City cab companies. In March 2011, the airport first put taxicab contracts out to bid.

In Monday's ruling, Toomey said the local cab companies had no constitutionally protected property right at stake and so were not entitled to due-process protections during their administrative appeals to the city.

Based on that analysis, the companies had no right to administrative hearings where evidence was presented or to the appointment of an administrative law judge during appeals.

Attorney Don Winder, representing the cab companies, said "Respectfully, we think the court erred in dismissing our constitutional arguments and, at the appropriate time, we will be filing an appeal."

The judge did not dismiss the cab companies' contentions related to conflicts of interest on the part of the city, and Winder said he will be filing an amended complaint on those issues.

One involves the appointment of the city's chief procurement officer, Bryan Hemsley, to the board that ruled on all of the cab companies' protests to the city.

"The risk of bias, or actual bias, in this situation may have affected the fairness of the proceeding," the judge noted in her 52-page ruling.

The city has denied Hemsley's level of involvement in the bidding process and argued there was no evidence he was biased.

9/21/2015

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City Councilman Carlton Christensen said more than a decade of study and debate has gone into the city going in a different direction.

"We knew it was a big decision, but this gives us the opportunity to provide taxi services at a level we were not able to do before at the airport and in neighborhoods. Obviously, we must wait and see how things proceed, but we are looking forward to more enhanced services."

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