

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 02/13/2006		Item Number: <u>A-3</u>							
AGENDA ITEM: Adoption of a Resolution Establishing New Taxicab Rates Within the City and Providing for the Posting Thereof and Rescinding Resolution No. 86-R158.									
Contact Person/Dept.: Nagam Rao, City Treasurer/Treasury		Phone Number: (310) 253 5889							
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☒							
Public Hearing: ☐		Action Item: ☒ Attachments: ☒							
Public Notification: Beverly Hills Cab Company (02/08/06); Culver City Taxicab Company (02/08/06); Independent Taxi Owners Association (02/08/06); United Independent Taxicab Company (02/08/06); Master Notification List (02/08/06)									
Department Approval: Crystal C. Alexander (02/06/06)		CAO Approval: Martin R. Cole for Jerry B. Fulwood (02/06/06)							
City Controller Approval: n/a									
<u>RECOMMENDATION:</u> Staff recommends the City Council adopt the Resolution establishing new taxicab rates within the City, and providing for the posting thereof, and rescinding Resolution No. 86-R158. <u>BACKGROUND:</u> The City Council pursuant to the authority contained in the Culver City Municipal Code Section 11.10.305 establishes the maximum rates or fares that taxicabs operating within the City may charge. In November 1986, by Resolution No. 86-R158, the rate for taxicabs operating in the City was established at: \$1.80 for the flag drop or 1/8 of a mile, and \$0.20 for each additional 1/8 mile, and \$0.30 for each minute of waiting time. The number of taxicabs permitted to operate in the City of Culver City was set in 1992 at 260 for all the companies combined. The actual number of taxicabs plying in the City has declined over the years as follows: <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse; text-align: center;"><thead><tr><th style="padding: 5px;">In the year</th><th style="padding: 5px;">No. of Taxi Cabs</th></tr></thead><tbody><tr><td style="padding: 5px;">1999</td><td style="padding: 5px;">124</td></tr><tr><td style="padding: 5px;">2000</td><td style="padding: 5px;">101</td></tr></tbody></table>				In the year	No. of Taxi Cabs	1999	124	2000	101
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2001	102
2002	55
2003	45
2004	36
2005	29
2006	32

During the period 2001 to 2006, the City of Los Angeles increased their taxicab rates twice; once in 2001 and the other more recently in 2005. The details of the rate increases are given in the following table.

	June 7 2001	Sept 13 2005
Flag Drop Flag Drop, for the first 1/10 of a mile Flag Drop, for the first 1/11 of a mile	\$2.00	\$2.20
Distance for each additional 1/10 of a mile for each additional 1/11 of a mile	\$0.20	\$0.20
Waiting for each 32 seconds of waiting time and /or traffic delays	\$0.20	\$0.20

Though the taxicab operators in our City had submitted a request for a rate increase to the City Council in August 2001, it was not considered nor followed up by the taxi operators. They have submitted another request more recently in December 2005, which is now before you for consideration.

DISCUSSION:

With the tourism industry in Southern California continuing to show a steady growth after the slump caused by 9/11, the demand for taxi services and rental car agencies is expected to continue to rise in the foreseeable future. This demand would be strengthened as the convenience of commuting to and from malls in taxis gains greater acceptance, and as parking spaces become more and more scarce.

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During the second half of 2005, with gas prices soaring to unprecedented levels, taxicab operators had requested staff to review the rate structure in Culver City. Since the neighboring cities with a far greater number of taxicabs permits were understood to be studying the impact of the rising gas prices, staff decided to await the results of their findings.

The results were that the City of Los Angeles initiated a rate increase on September 13, 2005, which was followed by an increase by the City of West Hollywood on October 17, 2005, and the City of Beverly Hills on November 15, 2005. The Cities of Long Beach and Burbank have also increased their rates to match those of the City of Los Angeles.

Given below is a table showing the current rates applicable in the City of Culver City, and the City of Los Angeles for ready comparison

	Culver City	Los Angeles
Flag Drop Flag Drop, for the first 1/8 of a mile Flag Drop, for the first 1/11 of a mile	\$1.80	\$2.20
Distance for each additional 1/8 of a mile for each additional 1/11 of a mile	\$0.20	\$0.20
Waiting For each 60 seconds of waiting time and /or traffic delay For each 32 seconds of waiting time and /or traffic delay	\$0.30	\$0.20

A journey from City Hall to the Los Angeles International Airport at the current Culver City rates (i.e. established in 1986) and the Los Angeles rates would cost \$11.97 and \$16.26 respectively, a difference of approximately 36%.

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As would be observed from the 260 taxicab permits available, the number of permits actually renewed annually has been declining, and from 124 in 1999, has come down to 32 this year.

A review of the changes introduced by the other cities this year also indicates a tendency to bring about uniformity in the rate structure at the incremental levels as well. So cities which operated the same rate of \$0.20 for the incremental distance of 1/9 or 1/10 of a mile had chosen to adopt the 1/11 of a mile for the incremental distances. Similarly the waiting time calculations have now been standardized in increments of 30 seconds instead of 32, 36 and 60 second cycles. This trend for developing a uniform rate structure is with a view to reducing the number of complaints received from customers who are likely to take one city's taxi operator on the way out and return by another city's taxi operator. A different rate structure would result in two different charges for the same journey, which is believed to have led to a lot of public aggravation.

FISCAL ANALYSIS:

While the adoption of this resolution will not have any effect on expenditures, it may result in stopping the decline in the number of taxicab renewals, and may even result in increasing the number of taxicab permits renewed. Since this is difficult to predict, staff would like to take a conservative approach and refrain from making any revenue predictions at this stage.

ATTACHMENTS:

- (1) City of Los Angeles, Department of Transportation memo dated September 16, 2005.
- (2) City of West Hollywood, Resolution No. 05-3326
- (3) City of Beverly Hills, Agenda Report dated November 15, 2005
- (4) Proposed Resolution

MOTION:

That the City Council:

Adopt the Resolution establishing new taxicab rates within the City and providing for the posting thereof and rescinding Resolution No. 86-R158