

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 09/22/2008		Item Number: <u>A-6</u>	
AGENDA ITEM: Adoption of a Resolution Establishing New Taxicab Rates Within the City and Rescinding Resolution No. 2007-R010.			
Contact Person/Dept.: Nagam Rao, Finance Dept./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; Culver City Taxicab Company; Independent Taxi Owners Association; United Independent Taxicab Company; Master E-Mail Notification List (09/17/08)			
Department Approval: Jeff Muir (09/12/08)		City Attorney Approval: Carol Schwab (by H. Baker) (09/17/08)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (09/17/08)		City Manager's Approval: Jerry B. Fulwood (09/17/08)	

RECOMMENDATION:

Staff recommends the City Council adopt a Resolution establishing new taxicab rates within the City and rescinding Resolution No. 2007-R010.

BACKGROUND:

The City Council, pursuant to the authority contained in Culver City Municipal Code (CCMC) Section 11.10.305, establishes the maximum rates or fares that taxicabs operating within the City may charge.

While the maximum rates in the City of Culver City remained unchanged between 1986 and 2006, the City of Los Angeles adopted two increases, the first in 2001 and the second in 2005. This created a disparity between the rates taxi drivers could charge in Los Angeles versus in Culver City. As a result, the number of taxicabs actually operating in the City declined from 124 in 1999 to 32 in 2006. This decline can be attributed partly to the slowdown in tourism, but to a greater extent to the difference in rates charged in the cities located in the Westside sub-region. Staff therefore recommended and obtained City Council's approval for two rate increases, the first in February 2006, and the second in March 2007, reflecting the rate increases made by the City of Los Angeles. These actions resulted in an increase in the number of taxicabs operating in the City, from 32 in 2006 to 53 in 2007, and 61 in 2008, with a noticeable drop in the number of calls received from the City's residents complaining about the availability of taxicabs in the City. The figures over the period 1999 to 2008 are shown in the following table.

City of Culver City, California
City Council Agenda Item Report

In the year	No. of Taxi Cabs
1999	124
2000	101
2001	102
2002	55
2003	45
2004	36
2005	29
2006	32
2007	53
2008	61

With the continued increasing trend in gas prices, the City of Los Angeles has increased its taxicab rates, effective August 14, 2008. These revised rates adopted by the City of Los Angeles and which Staff recommends for Council's consideration for the City of Culver City, along with the rates currently applicable in the City of Culver City, are shown in the table below:

	Culver City	Los Angeles (proposed for Culver City)
Flag Drop Flag Drop, for the first 1/7 of a mile Flag Drop, for the first 1/9 of a mile	\$2.45	\$2.65
Distance for each additional 1/11 of a mile for each additional 1/9 of a mile	\$0.35	\$0.30
Waiting For each 32 seconds of waiting time and /or traffic delay For each 37 seconds of waiting time and /or traffic delay	\$0.35	\$0.30

City of Culver City, California
City Council Agenda Item Report

DISCUSSION:

With gas prices continuing to rise, the taxi operators have requested a rate increase in order for them to maintain and sustain their operations.

A journey from City Hall to the Los Angeles International Airport at the current Culver City rates (established in 2007) and at the revised (i.e. Los Angeles') rates would cost \$18.03 and \$19.93 respectively, a difference of approximately 10.60%.

FISCAL ANALYSIS:

While our adoption of rate increases in February 2006 and March 2007 did not have an effect on City expenditures, these rate increases did result in an increase in the number of taxicabs applying for operating permits in the City. Revenues from taxicab operating permits increased by \$14,830 between calendar years 2005 and 2008, and the number of taxicabs increased by 32.

Calendar Year	Revenues	Number of Taxicabs
2005	\$13,460	29
2006	\$18,560	32
2007	\$26,741	53
2008	\$28,290	61

While it is likely that the number of taxicabs wishing to obtain operating permits to operate in the City will continue to rise due to the reduction in the rate disparity between the City of Culver City and the City of Los Angeles, staff would like to take a conservative approach and refrain from making any revenue predictions at this stage.

ATTACHMENTS:

- (1) City of Los Angeles, Notification dated August 12, 2008.
- (2) City of Culver City, Resolution No. 2007-R010 dated March 26, 2007.
- (3) Proposed Resolution

City of Culver City, California
City Council Agenda Item Report

MOTION:

That the City Council:

Adopt a Resolution establishing new taxicab rates within the City and rescinding Resolution No. 2007-R010.