



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

Consent
July 22, 2008

Honorable Mayor and
Members of the City Council

Title: Increase Maximum Taxicab Rates

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** approving an increase to the maximum rates, fares and charges for taxicabs and taxicab service.

Contact: Dafna Gauthier, Business Permit Manager, 808-7800

Presenters: N/A

Department: Finance

Division: Revenue

Organization No: 1124

Description/Analysis

Issue: The taxi industry has been operating under the taxi rate schedule established in 2006. Sacramento City Code section 5.136.060 indicates the maximum rates, fares, and charges for taxicabs and taxicab service shall be annually reviewed by the City Manager. The City Manager shall submit to the City Council a determination regarding increases or decreases in the maximum rates based upon changes in the Transportation Consumer Price Index (CPI). This report recommends that the City increase these taxi rates based upon the CPI.

Policy Considerations: City Code authorizes the City Council to establish maximum rates, fares and charges for taxicabs and taxicab service.

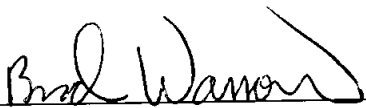
Environmental Considerations: This report concerns administrative activities that are not subject to California Environmental Quality Act (CEQA) because they

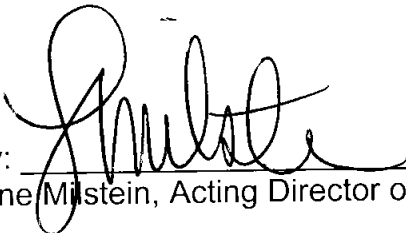
will not result in a direct or reasonably foreseeable indirect physical change in the environment, and they do not constitute a "project" as defined under the CEQA Guidelines. (CEQA Guidelines §§ 15060, 15378)

Rationale for Recommendation: Sacramento City Code section 5.136.060 requires the City Manager to review the maximum rates, fares, and charges for taxicabs and taxicab service, and recommend changes to the City Council. The annual review justifies a rate increase based upon the CPI.

Financial Considerations: This report does not result in any financial impact to the City.

Emerging Small Business Development (ESBD): Not applicable.

Respectfully Submitted by: 
Brad Wasson, Revenue Manager

Approved by: 
Leyne Milstein, Acting Director of Finance

Recommendation Approved:

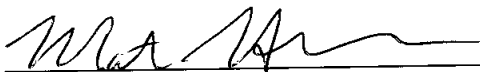

Ray Kerridge
City Manager

Table of Contents:

	Report	pg. 1
Attachments		
1	Background	pg. 3
2	Resolution	pg. 5
3	Taxi Ordinance 5.136.060	pg. 6

Attachment 1

Background

In 2006, the City Council adopted the Taxicab Fleet Operation Ordinance that established the procedure to determine the maximum rates, fares, and charges for taxicabs and taxicab service. The City Manager (or his designee) shall annually review the regulated rates, and based upon the Transportation Consumer Price Index (CPI), the City Manager will make recommendations for an increase or decrease of changes to the taxi rates. Based upon the increase of CPI statistics, the staff recommends the following maximum rate increase.

Current Rates (established in 2006)		Proposed Rates	
Flag drop	\$4.00	Flag Drop	\$5.00
Per Mile	\$2.50	Per Mile	\$3.00
Per Hour	\$26.00	Per Hour	\$30.00
Per Mile increment	1/5 mile \$0.50	Per Mile increment	1/5 mile \$.60

These rates are based on the Transportation Consumer Price Index (CPI), which gives greater weight to fuel and other motoring costs. The CPI rate for 2008 shows an increase of 15.93%. The increase has been adjusted to increments as recommended by the Taxi Consultant in the 2006 City Council report.

The City Manager did not recommend rate changes in 2007 because the Transportation CPI was only 1.71%, and therefore, it did not warrant a rate change. However, the 2007 CPI change was considered with the 2008 rate calculation.

The chart below compares the City of Sacramento's proposed taxi rates with other California cities.

AGENCY	DROP RATE	1ST MILE	WAIT TIME PER HOUR	PER MILE INCREMENT
City of Sacramento - proposed	\$5.00	\$3.00	\$30.00	.60-1/5
City of Stockton	\$2.50	\$2.00	\$22.00	2.00 flat rate only
City of San Francisco	\$3.10	\$2.25	\$27.00	.45-1/5
City of Oakland	\$2.00	\$2.40	\$24.00	.24-1/10
City of San Jose	\$2.50	\$2.50	\$25.00	.25-1/10
City of San Jose - Airport	\$3.50	\$2.50	\$25.00	.25-1/10
City of Fresno	\$3.40	\$2.35	\$28.20	.47-1/5
City of Bakersfield	\$2.50	\$2.50	\$24.00	2.50 flat rate only
City of Modesto	\$4.50	\$3.00	\$25.00	.38-1/8
City of San Diego	\$2.80	\$3.10	\$24.00	.10 1/31
City of San Diego - Airport	\$2.40	\$2.60	\$20.00	.20 1/13
City of Riverside	\$2.22	\$2.20	\$24.00	.22-1/10
City of Los Angeles	\$2.65	\$2.45	\$26.53	.35-1/7

RESOLUTION NO.

Adopted by the Sacramento City Council

APPROVING MAXIMUM RATES, FARES AND CHARGES FOR TAXICABS AND TAXICAB SERVICE

BACKGROUND

- A. In 2006, the City Council adopted the Taxicab Fleet Operation Ordinance (Sacramento City Code, Chapter 5.136) which regulates the maximum rates, fares and charges for taxicabs and taxicab service.
- B. Pursuant to Section 5.136.060 of the Sacramento City Code, the City Manager has reviewed the Consumer Price Index ("CPI") to determine whether maximum rates, fares and charges should be adjusted.
- C. The CPI change for 2007 and 2008 are 1.71 % and 15.93% respectively.
- D. Based on the changes in the CPI, the City Manager has determined that the maximum rates, fares and charges for taxicabs and taxicab service should be increased at this time.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Council finds and determines that the background statements A through D are true.

Section 2. The City Council approves the City Manager's recommendation to increase the maximum rates, fares and charges for taxicabs and taxicab service, and determines that such rates, fares and charges shall be as follows:

Flag Drop	\$5.00
Per Mile	\$3.00
Per Hour	\$30.00
Per Mile Increment	\$.60 per 1/5 mile

Taxi City Ordinance

5.136.060 Maximum rates.

A. The maximum rates, fares, and charges for taxicabs and taxicab service shall be annually reviewed by the City Manager. The City Manager shall submit to the City Council a determination as to increases or decreases in the maximum rates based upon changes in the Consumer Price Index which have taken place since the prior review.

B. The City Manager's determination as to increases or decreases in the maximum fare shall be implemented and remain in effect unless and until the City Council by resolution determines that the City Council should hold a hearing on the City Manager's determination to either disapprove or modify the City Manager's determination. (Ord. 2006-011 § 2 (part))