



# REPORT TO COUNCIL

## City of Sacramento

# 19

915 I Street, Sacramento, CA 95814-2671  
www. CityofSacramento.org

Staff  
September 20, 2005

Honorable Mayor and  
Members of the City Council

**Subject:** Taxicab Reforms

**Location/Council District:** Citywide

**Recommendation:**

1) Adopt staff recommendations related to taxi cab regulations and 2) Direct staff to return in thirty (30) days with an ordinance to implement approved reforms.

**Contact:** Gus Vina, Director of Finance, 808-7138; Max Fernandez, Director of Code Enforcement, 808-7940

**Presenters:** Gus Vina, Director of Finance, 808-7138; Max Fernandez, Director of Code Enforcement, 808-7940

**Department:** Finance

**Division:** Administration

**Organization No:** 1111

**Summary:**

On April 5, 2005, the Mayor and City Council reviewed staff recommendations for taxicab reforms. At that meeting, the Mayor and City Council conceptually approved the staff recommendations. However, there were a number of issues and questions raised. This report addresses those issues and questions. This report also requests that the Mayor and the City Council formally adopt the staff recommendations related to taxicab regulations and direct staff to return with an ordinance to implement those recommendations.

**Committee/Commission Action:**

The Taxi Advisory Panel provided input which was used to develop the recommended reforms. The Taxi Advisory Panel members represent a variety of stakeholder groups

including the taxi industry, hotel and tourism, business, elder and disabled, and staff from impacted City departments.

Further, on August 18 and 31, 2005, staff attended the City's Disability Advisory Commission meetings regarding taxicab accessibility. The Commission voted on several recommendations to be included in the proposed ordinance to address taxicab accessibility. Those recommendations are included in this report.

## **Background Information:**

### **Recommended Taxicab Reforms**

On April 5, 2005, the Mayor and City Council reviewed staff recommendations for taxicab reforms. At that meeting, the Mayor and City Council conceptually approved the recommendations. The following is a summary of the recommended taxicab reforms:

#### Taxicab Companies and Associations

- Require all permit holders to be affiliated with a company or association with at least 25 insured, permitted vehicles
- Provide flexibility as to the legal form of the association, including corporations, sole proprietorships and associations governed by bylaws, as long as a single contact officer is authorized to bind the association in dealings with the City.
- Association responsibilities include, but are not limited to:
  - Maintain a staffed place of business within 10 miles of the city limits
  - Minimum business hours of 9am to 5 pm weekdays where some person in charge can be contacted by phone or in person
  - Maintain a common phone number which must be listed in the telephone directories
  - Provide a two-way dispatch service during operational hours
  - Respond to complaints and report complaints and actions taken to the City
  - Assume responsibility for all penalties incurred by affiliated vehicles and drivers
  - Responsible for all permitting, licensing, and insurance requirements for all vehicles and drivers

#### Fares

- Prohibit "minimum rates" other than flag drop
- Establish maximum rates in common increments
- Continue to allow each operator to set own rates that do not exceed the maximum and that are filed with the City
- Evaluate fare rates annually, based on the CPI-U (Transportation) price index

#### Vehicle standards

- Adopt comprehensive vehicle standards
- Identify garages qualified to conduct comprehensive taxicab inspections

- Require a signed and completed checklist certifying compliance, prior to issuing or renewing vehicle permits
- Establish unique vehicle ID numbers for easy identification

#### Permit Fees and Enforcement

- Increase permit fees consistent with peer cities to improve cost recovery
- Introduce a new category of association fee as part of the minimum fleet size requirement
- Introduce administrative penalties for most violations consistent with current Code Enforcement procedures
- Hold associations and companies liable for all penalties incurred by affiliated vehicles and drivers. (An association would be able to recoup the penalty from the individual, or impose disciplinary measures, but this would not be the responsibility of the City.)

#### Customer Bill of Rights

- Require the Bill of Rights to be posted in taxicabs, including a version in Braille
- Establish a City complaint line, with calls to be referred to company/association operators in the first instance
- Require company/associations to report complaints received, and their resolution, to the City
- An association/company complaint number will be included in the Bill of Rights

#### Drivers Guide

- Following approval of a new ordinance, develop a Guide for Taxi Drivers which would provide user-friendly information on taxi regulations, other regulatory and administrative requirements and safety tips

#### Parking and Taxicab Stands

- Extend the ban on taxicab parking at meters to the entire downtown
- Continue working with the taxi industry on additional taxi stands

### **Outstanding Issues and Concerns**

During the April meeting, a number of issues and questions were raised by the Mayor and City Council as well as the public. Staff worked with the project consultant to review and address these concerns. On September 1, 2005, staff conducted an informational public meeting and provided responses to those concerns. The following summarizes the response to the major issues raised:

#### Vehicle Permit Moratorium

- The current ordinance extending the vehicle permit moratorium expires on December 31, 2005.

- Staff recommends that the Mayor and City Council approve an ordinance to extend the vehicle permit moratorium an additional twelve (12) months with a provision allowing the Director of Finance to issue vehicle permits on a case-by-case basis as appropriate.
- Any new vehicle permits issued would be required to comply with the new ordinance.
- This recommendation would allow current permit holders with the opportunity to establish fleet association but provide staff with the flexibility to issue permits as needed.

#### Fleet Management Issues

- The Fleet Management permit would be required to operate or manage a taxicab company, fleet, or taxi service in the City.
- The fleet must include at least twenty-five (25) taxicabs under the operation of the fleet.
- The Fleet Management permit requires the provision of a color plan for vehicles but does not require a single color scheme.

#### Maximum Rate Structure

- Staff recommends the following maximum rate structure:
  - Flag Drop: \$4.00
  - Per Mile: \$2.50
  - Per Hour: \$26.00
- The recommended rate is higher than the rate as proposed in April 2005.
- The revised proposed rate is based on the most current CPI-U (Transportation).
- Companies would not be allowed to charge a minimum rate.

#### Taxicab Parking

- Staff recommends banning taxicab parking downtown
- Staff will work with the taxi industry to identify key locations for additional Taxi Parking Zones.

#### Accessibility

- Staff met with the City's Disability Advisory Commission (DAC) on August 18 and 31, 2005 to discuss taxicab accessibility. Attachment A is a copy of a memorandum from the DAC.
- The following summarizes the motions by the DAC to be forwarded to the Mayor and City Council for consideration:
  - Ordinance should include language prohibiting discrimination against people with disabilities with an enforcement mechanism in the permitting process.
  - Ordinance and supporting regulations should require fleets to operate a minimum number of accessible vehicles as a condition of doing business in Sacramento as follows:
    - Acquire within 90 days a minimum of one accessible vehicle per fleet, as defined by the federal and state regulations; and

- Within 18 months companies would be required to have a ratio of one accessible taxi per each 25 vehicles in the fleet or part thereof. Irrespective of the number of vehicles, accessible vehicles must be operating during the hours of operation by the company.
- Staff recommends that fleets acquire one accessible vehicle per fleet within six (6) months.

#### Miscellaneous Issues

- Child Seats in Taxis
  - Staff does not recommend this requirement at this time due a number of factors. The consultant team could not identify any other cities that required the provision of child safety seats. Also, this requirement could result in significant costs and impacts on other passengers (i.e., reduction in luggage capacity). Further, it would be difficult for this to be effective because taxis would have to carry a range of seats for children of different ages. However, operators would be free to offer this as an additional service.
- Out of Dispatch Service
  - Taxicabs which were not in service would be required to prominently display an "Out of Service" sign and would be prohibited from accepting fares.

In addition to the preceding issues, the following addresses other concerns that were raised by the Mayor and the City Council:

#### Low emission/energy efficient vehicles

- Staff recommends a City policy authorizing the Director of Finance to reduce or waive vehicle permit fees for hybrid or alternative fuel vehicles to encourage the use of these vehicles.
- Associations and companies are encouraged to apply for State and federal energy efficiency and clean fuel grants.

#### Regional Coordination

- City staff continues to work with the County of Sacramento on the coordination of taxicab services throughout the County.

#### **Enforcement**

To enforce the requirements of the proposed taxicab ordinance and other business compliance issues, staff will be returning to the Mayor and the City Council with a recommendation related to the Business Compliance Division of the Code Enforcement Department. In regard to taxicab permits, the Revenue Division would be responsible for processing and issuing permit applications and collecting the related fees. Code Enforcement would provide support for appeal hearings through its existing hearings procedures.

Staff will return with a separate report detailing the proposed enforcement plan and staffing necessary, including administrative and field personnel to adequately enforce the provisions of this and other applicable ordinances.

**Implementation Timeline**

The following is the timeline for implementing the taxicab reforms if approved by the Mayor and the City Council:

- Recommendations to City Council – September 20, 2005
- Proposed Ordinance to City Council (Pass for Publication) – October 18, 2005
- Proposed Ordinance to City Council (Adoption) – October 25, 2005
- Ordinance Effective Date – November 30, 2005
- Transition Provision Date – November 30, 2006

**Financial Considerations:**

Staff will be recommending a staffing and cost recovery plan in a separate report to the Mayor and the City Council. Adoption of the proposed ordinance and implementation of the recommended reforms will require additional staff for Code Enforcement and Revenue Division. As directed by the Mayor and the City Council, staff will be recommending a fee schedule that will provide full cost recovery.

**Environmental Considerations:**

Not applicable.

**Policy Considerations:**

Staff recommends that the Mayor and the City Council formally adopt the staff recommendations related to taxicab regulations and direct staff to return with an ordinance to implement those recommendations.

**Emerging Small Business Development (ESBD):**

Nelson/Nygaard, the project consultant, is a certified small business vendor.

Respectfully Submitted by: *Tina Lee-Vogt*  
Tina Lee-Vogt  
Senior Management Analyst

Approved by: *Gustavo Vina*  
Gustavo Vina  
Director of Finance

Recommendation Approved:

*Cassandra H.B. Jennings*  
ROBERT P. THOMAS  
City Manager

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**RESOLUTION NO. 2005-XXXX**

**RESOLUTION TO APPROVE RECOMMENDATIONS  
ON TAXICAB REGULATIONS**

**BACKGROUND:**

- A. The Mayor and the City Council have recognized a problem with an overabundance of taxicabs in the downtown area competing for a limited number of customers;
- B. The Mayor and the City Council directed staff to identify and implement improvements to the City Code for regulation of the taxicab industry;
- C. In 2003, the City retained the services of Nelson/Nygaard Consulting Associates to conduct a taxicab study;
- D. The study process included the creation of the Taxi Study Advisory Panel to provide advisory input, expertise, and feedback to the project team during the course of the study;
- E. The study process included an extensive outreach component with eleven public meetings with stakeholder groups; and
- F. The recommended reforms were based on input from the Taxi Advisory Panel as well as input from the public meetings and meetings with the City's Disability Advisory Commission.

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

- Section 1 To approve the recommendations on reforms to the City's taxicab regulations as set forth in Exhibit A of this resolution.
- Section 2. To direct staff to return to City Council in thirty (30) days with an ordinance to be adopted by the City Council to amend the City Code related to taxicabs to implement the recommendations as set forth in Exhibit A of this resolution.

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**Exhibit A to the Resolution**

**City of Sacramento  
Specific Recommendations for Taxicab Reforms**

Taxicab Companies and Associations

- Require all permit holders to be affiliated with a company or association with at least 25 insured, permitted vehicles
- Provide flexibility as to the legal form of the association, including corporations, sole proprietorships and associations governed by bylaws, as long as a single contact officer is authorized to bind the association in dealings with the City.
- Association responsibilities include, but are not limited to:
  - Maintain a staffed place of business within 10 miles of the city limits
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Fares

- Prohibit "minimum rates" other than flag drop
- Establish maximum rates in common increments
- Continue to allow each operator to set own rates that do not exceed the maximum and filed with the City
- Evaluate fare rates annually, based on the CPI-U (Transportation) price index

Vehicle standards

- Adopt comprehensive vehicle standards
- Identify garages qualified to conduct comprehensive taxicab inspections
- Require a signed and completed checklist certifying compliance, prior to issuing or renewing vehicle permits
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Permit Fees and Enforcement

- Increase permit fees consistent with peer cities to improve cost recovery
- Introduce a new category of association fee as part of the minimum fleet size requirement
- Introduce administrative penalties for most violations consistent with current Code Enforcement procedures
- Hold associations and companies liable for all penalties incurred by affiliated vehicles and drivers. (An association would be able to recoup the penalty from

the individual, or impose disciplinary measures, but this would not be the responsibility of the City.)

Accessibility

- Prohibit discrimination against people with disabilities with an enforcement mechanism in the permitting process.
- Require cab companies to operate a minimum number of accessible vehicles as a condition of doing business in the City of Sacramento as follows.

Customer Bill of Rights

- Require the Bill of Rights to be posted in taxicabs, including version in Braille
- Establish a City complaint line, with calls to be referred to company/association operators in the first instance
- Require company/associations to report complaints received, and their resolution, to the City
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Drivers Guide

- Following approval of a new ordinance develop a Guide for Taxi Drivers which would provide user-friendly information on taxi regulations, other regulatory and administrative requirements and safety tips

Parking and Taxicab Stands

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City of Sacramento

**Disabilities Advisory Commission**

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**To:** Gus Vina, Department of Finance  
**From:** Carol J Bradley, ADA Coordinator  
**Date:** September 1, 2005

**Memorandum Re: DAC Actions on Taxi Industry Regulations**

Here are the actions taken by the Sacramento Disabilities Advisory Commission at it's August 31, 2005 meeting.

The Sacramento Disabilities Advisory Commission unanimously passed the following 2 motions:

The DAC recommends to the city that the Ordinance regulating Taxicab operations in Sacramento include language prohibiting discrimination against people with disabilities with an enforcement mechanism in the permitting process.

The Sacramento Disabilities Advisory Commission recommends to the City that the ordinance and supporting regulations require cab companies to operate a minimum number of accessible vehicles as a condition of doing business in Sacramento as follows: (1) acquire within 90 days a minimum of one accessible vehicle per fleet, as defined by the federal and state regulations; and that within 18 months companies would be required to have a ratio of one accessible taxi per each 25 vehicles in the fleet or part thereof. Irrespective of the number of vehicles, accessible vehicles must be operating during the hours of operation by the company.

It was also recommended that the regulations include training on customer service to people with disabilities.

Cc: Tina Lee-Vogt  
Ken Fleming  
Geri Hamby

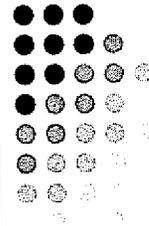
*Ron Brown, Chairperson*  
*Richard A. Flynn*  
*Jeff S. Thom*

*Margaret Anaya Tan, Vice Chair*  
*Juan Haro*  
*Jay Watson*

*Robert L. Benson*  
*Jean Riker*

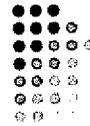
# Recommended Taxicab Reforms

Sacramento City Council  
September 20, 2005

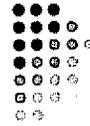


## Summary of Recommended Taxicab Reforms

- Fares
- Vehicle Standards
- Permit Fees and Enforcement
- Customer Bill of Rights
- Drivers' Guide
- Parking and Taxicab Stands
- Taxicab Companies and Association

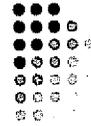


## Vehicle Permit Moratorium



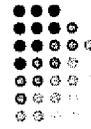
- Initial Recommendation:
  - Vehicle permit moratorium expires on December 31, 2005.
- Revised Recommendation:
  - Extend moratorium twelve (12) months.
  - Finance Director to issue vehicle permits on a case-by-case basis.
  - New permits must comply with the new ordinance.

## Fleet Management



- Initial Recommendation:
  - Fleet Management Permit required to operate taxi service in the City.
  - Fleet must include at least 25 taxicabs.
  - **Fleet vehicles must have same, common color scheme.**
- Revised Recommendation:
  - **Fleet management must provide a color plan for fleet vehicles but they need not have the same, common color scheme.**
  - One year transition period for existing permit holders to comply with new ordinance.

## Maximum Rate Structure

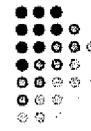


- Initial Recommendation:
  - Maximum rate structure:
    - Flag Drop: \$2.40
    - Per Mile: \$2.40
    - Per Hour: \$24.00
- Revised Recommendation:
  - Maximum rate structure:
    - Flag Drop: \$4.00
    - Per Mile: \$2.50
    - Per Hour: \$26.00
  - Based on current CPI-U (Transportation) and evaluated and updated periodically as needed.
  - Companies cannot charge a minimum rate.

## Accessibility



- DAC Recommendation:
  - Specifically prohibit discrimination against people with disabilities
  - Require each fleet to operate a minimum number of accessible vehicles as follows:
    - One accessible vehicle per fleet, within 90 days; and
    - One accessible taxi per each 25 vehicles within 18 months.
  - Accessible vehicles must operate during the company operating hours
- Staff Recommendation:
  - Require One accessible vehicle per fleet within 6 months



## Implementation Timeline

- Proposed Ordinance to City Council (Pass for Publication) – October 18, 2005
- Proposed Ordinance to City Council (Adoption) – October 25, 2005
- Ordinance Effective Date – November 30, 2005
- Transition Provision Date – November 30, 2006