



OR 2003-036

5.4

DEPARTMENT OF  
FINANCE

FINANCE ADMINISTRATION

CITY OF SACRAMENTO  
CALIFORNIA

July 23, 2003

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City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** APPROVE AN EMERGENCY ORDINANCE IMPOSING A MORATORIUM ON THE ISSUANCE OF NEW TAXICAB PERMITS AND AUTHORIZE THE CITY MANAGER TO ISSUE A REQUEST FOR PROPOSALS FOR A STUDY TO EVALUATE THE CITY CODE RELATIVE TO THE TAXI INDUSTRY

**LOCATION AND COUNCIL DISTRICT:** Citywide

**RECOMMENDATION:**

This report recommends that the City Council:

- 1) Approve the attached emergency ordinance imposing a moratorium on the issuance of new taxicab vehicle permits within the city,
- 2) Authorize the City Manager to issue a Request for Proposals (RFP) to retain a consultant to evaluate the current city code relative to the taxi industry and recommend improvements, and
- 3) Provide feedback to staff on the list of issues to address via the consultant study.

**CONTACT PERSONS:** Gus Vina, Finance Director, 808-7138  
Patti Bisharat, Special Projects Mgr, 808-8197

**FOR THE COUNCIL MEETING OF:** July 29, 2003

**SUMMARY:**

City Council has directed staff to identify and make improvements to the City Code for regulation of the taxi industry. This report recommends immediate implementation of a moratorium on the issuance of new taxicab vehicle permits. Permits for new drivers and renewals would continue to be issued. This report also requests authorization to proceed with issuing a Request for Proposals for consultant services to evaluate the current regulations relative to the taxicab industry and recommend improvements.

**BACKGROUND:**

Starting in the late 1970s, deregulation of the taxi industry by local government became common practice. However, in the last 5-10 years, some cities have gone full circle and now have re-regulated the taxi industry.

The City of Sacramento has also grappled with the issue of regulation of the taxi industry for decades. Mostly recently, the problem of an over-abundance of taxicabs has created parking congestion problems in the downtown area and generated complaints from the business community, customers and the taxi industry.

In December 2001, the Law and Legislation Committee directed staff to work with various stakeholders to identify and make improvements to the city code regulating the taxi industry. Following that direction:

- Staff has contacted 20 other agencies to get information regarding taxi industry regulations.
- Council has approved several actions including prohibiting taxi parking in metered spaces during certain hours in specific locations and creating a resolution process to enforce the limitations. This has not proven effective as the taxis simply move to a new area.

This past April, Council approved additional taxi parking restrictions in the area of Chavez Park. At that time, council directed staff to return with an ordinance imposing a moratorium on the issuance of new taxicab permits. This report recommends that Council approve the attached emergency ordinance to impose a moratorium on issuance of new taxicab permits. Permits for new drivers and renewals would continue to be issued. This ordinance would take affect immediately.

City Council  
Ordinance Imposing a Moratorium on Taxi Permits  
July 29, 2003

- Staff has conducted eight different meetings with stakeholders including the business community, taxi industry representatives and other affected city departments to solicit input on issues and concerns.

At the April council meeting, it was also recognized that the actions to-date have been a 'band-aid' approach to addressing the complex issue of regulation of the taxi industry. It was also recognized that city finance staff are not taxi experts and outside assistance would be needed to recommend comprehensive, long-term improvements to the city's existing taxi regulations.

Staff is proposing a consultant be hired to evaluate among other things:

- ◆ Safety  
(e.g. long work hours, drug abuse, criminal history, age and condition of vehicle)
- ◆ Accountability  
(e.g. permits, drivers license, insurance)
- ◆ Customer Service  
(e.g. cleanliness of vehicle, dress code, no industry standards, central dispatch, no recourse for complaints, geographic knowledge)
- ◆ Rates/Fares  
(e.g. overcharging, no uniform rates, posting of rates)
- ◆ Number of Taxicabs  
(e.g. supply exceeds demand, impact to parking availability for business customers)
- ◆ Enforcement  
(e.g. enforcement of current ordinance requirements, citation for non-permitted drivers)
- ◆ Regional Coordination  
(e.g. Airport, Amtrak, other cities)

This report asks for Council's feedback on the above inventory of issues to identify any remaining issues that need to be addressed.

This reports recommends that Council authorize the City Manager to issue a Request for Proposals to solicit a consultant to conduct an evaluation of the city's current code relative to the taxi industry and recommend improvements. Selection of the consultant would include input from the various stakeholder groups.

The following is the estimated timeframe for this project:

Date	Action
July, 2003	Council approves moratorium on issuance of new taxicab permits and RFP for study
August, 2003	RFP for consultant services issued & proposals received
September, 2003	Selection of consultant and contract approved
October, 2003 – November, 2003	Consultant evaluation and development of draft recommendations
December, 2003- January, 2004	Community workshops to review draft recommendations with stakeholders
February - March, 2004	Midyear report to Council with recommendations & implementation schedule

#### **FINANCIAL CONSIDERATIONS**

On July 17, 2003, City Council approved the use of FY2000/01 carryover to fund the cost of a consultant study to evaluate current city regulations relative to the taxicab industry and recommend improvements.

#### **ENVIRONMENTAL CONSIDERATIONS**

Not applicable.

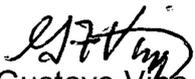
#### **POLICY CONSIDERATIONS**

The current deregulation of the taxicab industry has raised concerns from the business community, hotel industry, customers and taxicab owners. Current problems impact the economic viability, tourism and customer service of city residents and visitors and must be addressed.

**ESBD EFFORTS**

The RFP process for a consultant will include outreach to certified ESBD vendors.

Respectfully submitted,

  
Gustavo Viana  
Director of Finance

RECOMMENDATION APPROVED:



Robert P. Thomas  
City Manager

Attachments  
Emergency Ordinance

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# ORDINANCE NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**AN ORDINANCE ESTABLISHING A TEMPORARY PROHIBITION ON ISSUANCE OF TAXICAB VEHICULAR PERMITS, AND DECLARING SAID ORDINANCE AN EMERGENCY ORDINANCE TO TAKE EFFECT IMMEDIATELY**

**BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:**

**SECTION 1.**

This interim ordinance is enacted to address the following facts and circumstances:

A. Chapter 5.136 of the City Code provides for issuance of taxicab vehicular and taxicab driver permits. Chapter 5.136 sets no limit on the number of permits that may be issued. Chapter 5.136 requires the Director of Finance, or the Director's designee, to issue permits unless investigation of the application reveals grounds for denial.

B. The City Council intends to undertake a thorough review of the City's taxicab regulatory scheme to determine if the current regulations foster the best possible taxicab services for visitors to Sacramento and others needing taxicab services. One of the issues to be determined is whether service quality would improve if there were a limit on the number of taxicab vehicular permits issued by the City. Although this will not be known until the review is completed, the Council believes that the review could demonstrate that no or few additional taxicabs are needed within the City. Communities throughout California and the United States restrict the number of taxicabs operating in their jurisdictions.

C. Because the results of this review might include enactment of an ordinance that establishes a limit on the number of taxicab vehicular permits to be issued, and because the Council wants to reduce the impact that a limitation would have on those persons who, prior to the establishment of the limit, applied for and received permits, the Council desires to suspend the issuance of new taxicab vehicular permits until the review has been

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DATE ADOPTED: \_\_\_\_\_

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completed and the Council has taken any action that the Council deems appropriate.

D. The Council intends that current permit holders be able to renew their permits as authorized by Chapter 5.136.

**SECTION 2.**

A. Effective immediately, and continuing until December 31, 2004, the Director of Finance shall not accept applications for new taxicab vehicular permits. The Director shall continue to process taxicab vehicular permit applications filed prior to enactment of this ordinance.

B. Paragraph A notwithstanding, the Director of Finance may issue a new taxicab vehicular permit for a vehicle that replaces a permitted vehicle that is being removed from service by its operator.

C. The Director of Finance shall continue to accept and process applications for permit renewals.

**SECTION 3.**

This ordinance shall be effective from the date of enactment through December 31, 2004, and shall thereafter expire unless extended by action of the Council.

**SECTION 4.**

This ordinance is declared to be an emergency ordinance, to become effective immediately upon its adoption by the City Council pursuant to Section 32(g)(2) of the Sacramento City Charter. The facts constituting the emergency are as follows. As noted in Section 1 above, the City Council is undertaking a review of taxicab services that may result in the establishment of a limit on the total number of taxicab vehicular permits. In order to facilitate the Council's establishment of a limit without unduly impacting the investment of new permit holders in their vehicles, it is appropriate and necessary to suspend the issuance of new taxicab vehicular permits while the review is underway. It is also necessary and appropriate to have the suspension take effect immediately, to ensure that multiple new permits are not issued as a result of new applications that may be submitted during the thirty-day period that would otherwise elapse before this ordinance would take effect.

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DATE ENACTED:

DATE EFFECTIVE:

ATTEST:

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MAYOR

\_\_\_\_\_  
CITY CLERK

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AMENDED  
ORDINANCE NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

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PROHIBITION ON ISSUANCE OF TAXICAB VEHICULAR  
PERMITS, AND DECLARING SAID ORDINANCE AN  
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IMMEDIATELY**

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B. The City Council intends to undertake a thorough review of the City's taxicab regulatory scheme to determine if the current regulations foster the best possible taxicab services for visitors to Sacramento and others needing taxicab services. One of the issues to be determined is whether service quality would improve if there were a limit on the number of taxicab vehicular permits issued by the City. Although this will not be known until the review is completed, the Council finds that the review could demonstrate that no or few additional taxicabs are needed within the City. Communities throughout California and the United States restrict the number of taxicabs operating in their jurisdictions.

C. Because the results of this review might include enactment of an ordinance that establishes a limit on the number of taxicab vehicular permits to be issued, and because the Council wants to reduce the impact that a limitation would have on those persons who, prior to the establishment of the limit, applied for and received permits, the Council desires

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MAYOR

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