

March 13, 2007

**Honorable Mayor and Members of
The Hermosa Beach City Council**

<p>REQUEST FOR TAXICAB RATE INCREASE FROM \$2.20 TO \$2.65 DROP AND \$2.45 AS THE BASE RATE</p>
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Recommendation:

That the City Council approve the requested taxicab fare increases to \$2.65 drop and \$2.45 per mile from the rate established on January 10th, 2006 which raised the fare to \$2.20 drop and mile.

Background:

The City is in receipt of requests from franchised taxicab companies requesting taximeter rate increases to match those established by the City of Los Angeles' Department of Transportation. The City has four franchised taxicab companies. In January of 2006 a resolution was passed that raised the base fare rate from \$2.00 to \$2.20. Recently, the City of Los Angeles, Department of Transportation raised its base fare from \$2.20 to \$2.65 for drop (.20 cents to fund Bandit Cab enforcement) and 2.45 for the base fare due to the increased costs of gasoline and other operating expenses. Prior to the January, 2006 increase, cab fares had not been raised since 2001.

Staff's recommendation to raise the base fare is for the following reasons:

1. Staff recognizes the increased fuel and operating costs are valid.
2. The new rate will allow for consistent application of the metered amount and reduce the possibility of error or misuse by the taxi operator.
3. The City would benefit from bandit cab enforcement outside our City as these same "bandit" operators also take fares in Hermosa Beach.
4. The City's dial-a-ride program will not pay the additional fee for "Bandit cab enforcement" through agreement with our provider, South Bay Yellow Cab.

Staff has inquired of other cities that have taxicab franchise agreements. Two of the four cities surveyed do not support the fare increase. The Cities of Beverly Hills and West Hollywood both have expressed concerns and don't feel they will benefit from the subsidy for enforcement. The City of Beverly Hills states they will set aside this matter until further inquires can be made, while the City of West Hollywood does not support any increases at this time.

The Cities of Manhattan Beach and Redondo Beach have, as part of their franchise agreements, a requirement to match the fare increases adopted by the City of Los Angeles. South Bay Yellow Cab is our contractor for the City's dial-a-ride program and has agreed to waive the .20 cent bandit cab enforcement fee when billing the City for the provided service.

It is further recommended that our resolution include the language used by the other Beach Cities to index rates to the City of Los Angeles' Department of Transportation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "G. J. Savelli", written in a cursive style.

Gregory J. Savelli
Chief of Police

RESOLUTION NO. 07-

**A RESOLUTION OF THE CITY COUNCIL OF HERMOSA BEACH,
CALIFORNIA, AUTHORIZING AN INCREASE IN TAXIMETER RATES AND
LINKING/INDEXING THESE RATES TO THOSE ESTABLISHED BY THE
CITY OF LOS ANGELES' DEPARTMENT OF TRANSPORTATION.**

The City Council of the City of Hermosa Beach does hereby resolve as follows:

1. Taximeter rates as set forth in Franchise Agreements may be adjusted from time to time by the City Council.
2. Rates shall be as follows:

<u>Flag Drop:</u>	\$2.65 (First 1/7 th mile)
<u>Distance:</u>	\$0.35 for each additional 1/7 th mile (\$2.45 per mile)
<u>Time Delay:</u>	\$0.35 for each 36 seconds waiting and/or traffic delay time
3. Rates charged to the public shall be established by the individual franchisee but shall not be more than that which is charged by the City of Los Angeles. All rate increases will be indexed to the City of Los Angeles rates.

PASSED, APPROVED and ADOPTED this 13th day of March, 2007

PRESIDENT of the City Council and **MAYOR** of the City of Hermosa Beach,
California

ATTEST:

APPROVED AS TO FORM:

City Clerk

City Attorney