



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

August 2, 2005

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive the supporting documentation into the record; conclude the hearing; find and determine that the rate proposed is just, reasonable and nondiscriminatory, and not in violation of the Long Beach Municipal Code or any provision or law; and authorize the City Manager to amend the permit with Long Beach Yellow Cab Cooperative, Inc., to authorize and establish new rates for taxicab service at \$2.20 per flag drop, \$2.20 per mile, and \$24.00 per hour waiting time. (Citywide)

DISCUSSION

The Long Beach Municipal Code (LBMC) requires a hearing be held before the City Council prior to the authorization of any rate or fare change for taxicab service. The LBMC also requires that the City Council make the determination that the rate be just, reasonable and nondiscriminatory, and not in violation of the provisions of the LBMC or any other provision or law.

Attached for your review is the request of Long Beach Yellow Cab Cooperative, Inc. (Long Beach Yellow Cab), for a rate increase. In subsequent paragraphs the results of the City staff analysis are provided. Taxicab rates were last changed in 2001, and in 1996 prior to that. Since the rate increase of October 2001, the Consumer Price Index for Los Angeles-Riverside-Orange County had increased by 12.5 percent and the cost of operating a taxicab in the Los Angeles-Long Beach area had increased by 9.5 percent by October 2004, which was prior to the latest gasoline price increases. The increase proposed by Long Beach Yellow Cab is approximately 10 percent, but varies slightly depending on the distance of the trip.

City staff contacted neighboring jurisdictions and found that they had recently increased taxicab service rates and/or are in the process of increasing rates during the July to September 2005 timeframe. Although other costs of operating a taxicab have increased (see attached request from Long Beach Yellow Cab), the recent increase in the cost of gasoline is the driving factor in the rate increases of surrounding jurisdictions. The Orange County Taxicab Administration Program (OCTAP), which establishes rates for most Orange County cities, has a rate increase proposal under current review. The City of Los Angeles also has a proposed rate increase under review. The Los Angeles proposal is very similar to that of Long Beach Yellow Cab. The South Bay cities and other small cities surrounding Los Angeles usually change their taxicab rates to match those of Los Angeles. Both current and proposed Long Beach rates are compared to other California cities in the following table. The costs of a 2-mile trip (shopping trip), a 5-mile trip (trip to Long Beach Airport), and a 20-mile trip (trip to Los Angeles or Orange County airports) have been computed and compared.

**Proposed 2005 Taxicab Rate Increase
 ANALYSIS & COMPARISON**

City	Flag Drop Fare	Flag Drop Distance	Add'l Fare Per Mile	Hourly Wait-time Fare	Last Change	CPI* Increase (10/01 - 6/05)	Cost of 2-mile Trip	Cost of 5-mile Trip	Cost of 20-mile Trip
Long Beach: Current	\$2.00	1/10 mile	\$2.00	\$22.50	1996		\$5.80	\$11.80	\$41.80
Long Beach: Proposed	\$2.20	1/11 mile	\$2.20	\$24.00	2001		\$6.40	\$13.00	\$46.00
CLB Percent Increase				6.7%		12.5%	10.3%	10.2%	10.0%
Los Angeles: Current	\$2.00	1/10 mile	\$2.00	\$22.50			\$5.80	\$11.80	\$41.80
Los Angeles: Proposed	\$2.20	1/11 mile	\$2.20	\$24.00	2001		\$6.40	\$13.00	\$46.00
Orange County: Current	\$2.30	1/5 mile	\$2.25	\$26.00			\$6.35	\$13.10	\$46.85
Orange County: Proposed	\$2.40	1/6 mile	\$2.40		2003		\$6.80	\$14.00	\$50.00
Oakland (under review)	\$2.00	1/10 mile	\$2.40	\$24.00	2001		\$6.56	\$13.76	\$49.76
San Francisco	\$2.85	\$0.20	\$2.25	\$27.00			\$6.90	\$13.65	\$47.40
San Diego (average)	Each taxicab company sets its own rates.								
San Jose Area	\$2.50	1.0 mile	\$2.50	\$25.00	2004		\$5.00	\$12.50	\$50.00
South Bay cities (und. rev.)	\$2.00	1/10 mile	\$2.00	\$22.50	2001		\$5.80	\$11.80	\$41.80

This matter was reviewed by Deputy City Attorney Richard Anthony on July 20, 2005, and Budget Management Officer David Wodynski on July 21, 2005.

TIMING CONSIDERATIONS

City Council action on this matter is not time critical.


FISCAL IMPACT

There is no fiscal impact associated with this item.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


 MICHAEL A. KILLEBREW
 DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:


 GERALD R. MILLER
 CITY MANAGER

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