



# REPORT TO LAW & LEGISLATION COMMITTEE City of Sacramento

915 I Street, Sacramento, CA 95814-2671

STAFF REPORT  
October 5, 2010

Honorable Members of the  
Law and Legislation Committee

Title: Taxi Vehicle Permit Moratorium and Central Dispatch Systems

Location/Council District: Citywide

**Recommendation:** Direct staff to (1) draft an **Ordinance** requiring taxicab fleet associations to have a central dispatch system and (2) report back with a determination of whether sufficient justification exists to impose a moratorium on taxi vehicle permits.

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

**Presenters:** Dafna Gauthier, Business Permit Manager  
Brad Wasson, Revenue Manager

**Department:** Finance

**Division:** Revenue

**Dept. ID:** 06001231

## Description/Analysis

**Issue:** On July 20, 2010, the Law and Legislation Committee directed staff to look into the problem of having an over-abundance of taxicab vehicles in the City and whether a taxicab vehicle permit moratorium is a viable solution to this problem. The Committee also directed staff to provide definitions relating to central dispatch systems and provide recommendations for requiring fleet associations to have a central dispatch system.

**Policy Considerations:** Taxicabs provide an essential component of the public transit system that serves the city. A well functioning taxi system can be a valuable resource for visitors, business people, and patrons of bars, clubs, restaurants and stores. At the same time, taxis can also assist those who do not have a car for a variety of reasons such as income, age, disability or personal choice. Taxicabs are operated by private persons that utilize the public rights of way to advertise and deliver their services.

**Committee/Commission Action:** None.

**Environmental Considerations:** The regulation of taxicabs is not subject to CEQA because it does not have the potential for causing a significant effect on the environment. (CEQA Guidelines §§ 15060(c) (2), 15061(b) (2), 15061(b) (3), 15321(b), 15378(a).)

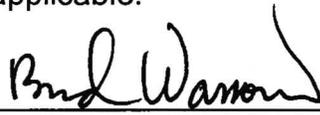
**Sustainability Considerations:** There are no sustainability considerations applicable to amending City Code relating to amending the taxicab ordinance.

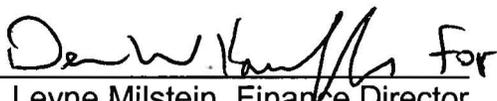
**Rationale for Recommendation:** In order to justify the adoption of a moratorium on taxicab vehicle permits, the City must establish findings that the regulation is reasonably necessary to promote the public health, safety, morals, or general welfare. Staff needs additional time to conduct further research and work with the industry in order to determine whether such justification exists.

Requiring a central dispatch system will improve service to the public and help to eliminate the problematic informal queuing lines. If drivers can roam and receive calls through their central dispatch system, queuing will no longer be necessary.

**Financial Considerations:** None. The proposed changes to the City Code are not anticipated to have any financial impact to the City.

**Emerging Small Business Development (ESBD):** Not applicable.

Respectfully Submitted by:   
Brad Wasson, Revenue Manager

Approved by:  for  
Leyne Milstein, Finance Director

Recommendation Approved:

  
Gus Vina  
Interim City Manager

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**Attachment 1**

**Background**

**1. TAXICAB PERMIT MORATORIUM**

On July 20, 2010 the Law & Legislation Committee directed staff to look into the problem of having an over-abundance of taxi vehicles in the City of Sacramento and research whether a taxicab permit moratorium is a viable solution to this issue/problem.

When the current taxi ordinance was adopted in 2006, it lifted the moratorium on taxicab vehicle permits. The lifting of the moratorium caused an immediate influx of permitted taxi vehicles in the City of Sacramento. The following data shows the number of vehicle permits issued over the past four years.

<b>Year</b>	<b>Vehicle Permits</b>	<b>Increase/Decrease</b>
2006	258	
2007	387	+129
2008	379	-8
2009	428	+49
2010	443	+15

The taxi industry had a significant increase of taxi vehicles from 2006 to 2007. However, there has not been a huge increase in the number of taxi vehicles since 2007. Consequently, market forces appear to have controlled the increase of taxi vehicles to some extent.

Staff has met with the taxi fleet association managers who are in support of a moratorium; however, there are taxi companies who are not in favor of a moratorium because they believe that it is contrary to the principles of free enterprise. The fleet association managers requested the following:

- Impose the moratorium for one (1) year.
- Stop adding new vehicles.
- Allow associations to form only with existing vehicle permits, no new permits.
- Allow existing associations to add new drivers to their associations.
- Allow existing drivers/owner-operated cabs to change associations within existing associations, or a new association may be formed within the established existing permits.
- Provide an exemption for cases where if a person in an association dies, retires, or leaves the country, the association will be allowed to replace that permit without exceeding their moratorium cap amount. If a person leaves and moves to another association, there is no exemption.
- If a fleet does not meet the standard 25 minimum vehicle requirements, or any other ordinance requirements, the fleet permit shall be revoked.

In order to justify the adoption of any regulations on taxicab permits, including a moratorium, the City must establish findings that the regulation is reasonably necessary to promote the public health, safety, morals, or general welfare. In that regard, staff needs additional time to conduct further research and work with the industry in order to determine whether such justification exists.

## 2. CENTRAL DISPATCH SYSTEM

On July 20, 2010 the Law & Legislation Committee also directed staff to look into requiring taxicab fleet associations to use a dispatch system.

### **Dispatching Definitions**

**Dispatching:** The activity of taxi fleets is usually monitored and controlled by a central office which provides dispatching to one or more taxi companies. Dispatch shall be communicated with a dispatch office through either a two-way radio or a computer terminal (called a mobile data terminal), or by paper. There must be a dispatch office location that will be operated 24 hours a day, either at a central dispatch location or an off-site location approved by the City Manager.

**Telephone Operator:** A person who takes calls from clients, then either enter the client's information into a computer or write it down and give it to the dispatcher.

**Central dispatch:** A centralized office used for the purpose of receiving and transmitting service requested for a taxi by radio in order to administer incoming or outgoing calls for service.

**Radiotelephone:** A communication device that allows two or more people to talk using a radio; no cell phone will be allowed or accepted for dispatching purposes.

Staff recommends that all fleet associations be required to have a central dispatch system that complies with the following:

- 24/7 dispatch for all fleets.
- Dispatch system is defined by a two-way radio, not a cellular phone.
- The dispatch system will be in a centralized location with a local address, telephone number, facsimile, TDD phone, and a person who will receive inbound/outbound calls for taxi service.
- The dispatch system shall be manned by at least one person, not physically driving a taxi vehicle; and as long as that taxi fleet is providing service to a customer, they are considered "open" and on duty to the general public.