

1 [Increasing the gate fee that may be charged by "full-service" taxicab companies from \$91.50
2 to \$110, establishing an expiration date, and ratifying gate fees previously charged retroactive
3 to January 1, 2003.]

4 **Ordinance amending the San Francisco Police Code by adding Section 1137.1, to:**
5 **increase the gate fee that may be charged by "full-service" taxicab companies, as**
6 **defined in the ordinance, from \$91.50, as authorized by Board Resolution No. 605-06, to**
7 **\$110; establish an expiration date; and, ratify gate fees previously charged retroactive**
8 **to January 1, 2003.**

9 Note: Additions are *single-underline italics Times New Roman*;
10 deletions are *strikethrough italics Times New Roman*.
11 Board amendment additions are double underlined.
12 Board amendment deletions are ~~strikethrough normal~~.

12 Be it ordained by the People of the City and County of San Francisco:

13 Section 1. The San Francisco Police Code is hereby amended by adding
14 Section 1137.1, to read as follows:

15 **SEC. 1137.1. TEMPORARY GATE CAP INCREASE.**

16 **(a) Findings.**

17 1. Full-service taxicab companies, as defined herein, furnish upwards of ninety percent of taxi-
18 provided paratransit transportation services in the City and County. Such companies also provide
19 most of the taxi-related transportation service in numerous neighborhoods in the south, southeast, and
20 western portions of the City and County. Full-service companies typically operate large fleets of taxis
21 utilizing computer-aided dispatch, global positioning technology, and/or dispatch centers with a proven
22 and effective citywide reach in order to shorten response time, provide higher levels of customer
23 satisfaction, and, during emergencies, ensure the availability of fleets of transportation vehicles as a
24 supplement to the homeland security needs of the City and County. These companies have historically
25 been able to schedule regular replacement of their vehicles and acquire, maintain, and operate

1 wheelchair-accessible vans which, for various reasons, are more expensive to acquire and operate
2 when compared to their sedan counterparts. These companies also enter into collective bargaining
3 agreements with unionized employees and provide permanent staff with compensation packages
4 including health, welfare, and retirement benefits.

5 2. The majority of "gas and gate" lease opportunities for taxi drivers are provided by full-
6 service taxicab companies.

7 3. Since 1999, the formula and procedures set forth in Sections 1135.1 and 1137 of Article 16
8 of the Police Code have failed to result in regular and adequate gate cap increases consistent with, at a
9 minimum, increases in the Consumer Price Index, the standard referenced in those sections.

10 4. As a consequence, the gate cap increases adopted since 1999 have not only failed to keep up
11 with the general rate of inflation, they have proved seriously inadequate when compared to price and
12 cost indices specifically tailored to businesses providing transportation services in a metropolitan area
13 like San Francisco.

14 5. Revenues generated by the payment of gate fees on a per-shift basis have traditionally
15 produced a significant portion of the overall revenues of full-service taxicab companies that, in
16 addition to the basic "motor vehicle for hire" transportation, provide a wide range of important
17 services to the people of the City and County.

18 6. Since 1999, as the gate cap regulatory process has stagnated and gate fees, measure in
19 constant dollars, have actually declined, the operating costs of taxicab companies providing a full
20 range of services have substantially increased. These increases include, among others: the cost of
21 financing and maintaining adequate business premises for office operations, vehicle maintenance and
22 parking; new vehicle acquisition, including wheelchair-accessible vans and alternative fuel
23 automobiles; liability and workers' compensation insurance; increased employee costs, including the
24 expense of adding staff needed to support such services as paratransit operations and to ensure the free
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1 flow of performance and accounting data to the City; central radio communication facilities; and, the
2 cost of advanced technology, such as computer-aided dispatch, credit card processing, global
3 positioning equipment, and related systems. In addition, these companies are now struggling to
4 participate in a health care delivery system for taxi drivers that, even at minimum levels, threatens to
5 impose a new financial burden for which a revenue source cannot be identified.

6 7. As a result of the "regulatory lag" in gate cap increases outlined above, many if not all of the
7 full-service taxicab companies have suffered and are in danger of continuing to suffer substantial
8 business losses, declining revenue, and increasing operational expenses, thereby jeopardizing their
9 financial stability and potentially forcing them, in the very near future, into insolvency. At a minimum,
10 increasing costs may compel these companies to curtail if not eliminate transportation services which
11 are critical to both disadvantaged individuals citywide and numerous neighborhoods already suffering
12 from perceived transportation deficiencies.

13 8. The failure or the continuing impaired financial operation of full-service taxicab companies
14 threatens the health, welfare, and safety of the people of the City and County.

15 9. Because the revenue losses referenced herein are contributing substantially to the imminent
16 risk of financial collapse of the few operating full-service taxicab companies, waiting for the biannual
17 gate cap review process to correct those deficiencies is no longer an option. Instead, a temporary
18 increase in the gate cap for full-service taxicab companies is compelled by circumstances that threaten
19 the continued provision of numerous important public services.

20 (b) **Definitions.** For purposes of this Section:

21 1. The term "full-service" taxicab company shall mean any holder of a color scheme permit
22 issued pursuant to Section 1125 that satisfies the following requirements:

23 (A) It has submitted all information required by the Controller's rules and regulations for the
24 three most recent years for which information is required;

1 (B) All taxicabs, when in actual operation under the taxicab company's color scheme, are
2 covered by workers' compensation insurance, with evidence of such coverage submitted to the Taxicab
3 Commission no later than the effective date of this ordinance;

4 (C) The company has provided more than 1,500 paratransit trips in each of the three months
5 immediately preceding the effective date of this ordinance and continues to provide that minimum level
6 of paratransit service during each month for which the gate fee authorized in this Section is charged;
7 and,

8 (D) The company operates its own taxicab dispatch service pursuant to a permit issued
9 pursuant to Section 1127.

10 2. The term "gate fee" shall be defined as provided in Section 1135.1(c) of Article 16 of this
11 Code.

12 (c) Gate Fee Increase. Notwithstanding any provision of Sections 1135.1, 1137, or other
13 applicable provisions of Article 16 of this Code to the contrary,

14 1. From and after the effective date of this ordinance, a full-service taxicab company may
15 charge an average gate fee to taxi drivers not to exceed \$110.00 for a shift of 10 hours or longer. The
16 cap shall be prorated at \$11.00 per hour for shifts shorter than 10 hours. The average gate fee shall be
17 determined by adding together the gate fees charged by the company for all available shifts during a
18 given one-week period and dividing that total by the number of available shifts during the week.

19 2. The increased gate fee authorized by this Section shall expire effective January 1, 2010, or if
20 the powers and duties of the Taxi Commission are transferred to the Board of Directors of the
21 Municipal Transportation Agency in the manner provided by law, upon a resolution of the Agency's
22 Board of Directors so providing, whichever occurs first.

23 3. In view of the findings set forth above, the average gate fees actually charged to taxi drivers
24 by a full-service taxicab company from and after January 1, 2003 through and including the effective
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1 date of this ordinance are hereby declared to be fair, reasonable, and in compliance with any
2 applicable provision of Section 1135.1, as amended.

3 (d) **Effective Date.** This Section shall become effective on the first day of the month following
4 final approval of this ordinance in accordance with law.

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APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
THOMAS J. OWEN
Deputy City Attorney