



## STAFF REPORT

**Meeting Date:** June 21, 2016  
**To:** Honorable Mayor & City Council  
**From:** Chad Lynn, Assistant Director of Public Works Services  
Genevieve Row, Audit and Permit Administrator  
Logan Phillippo, Management Analyst  
**Subject:** Taxicab Franchise Annual Update  
**Attachments:** 1. Annual Evaluation of Beverly Hills Taxicab Franchisees

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### INTRODUCTION

This report transmits an annual update of the Beverly Hills Taxicab Franchise ("Franchise"). Beverly Hills Municipal Code ("BHMC") 7-4-102 restricts any entity from operating a taxicab service without a franchise granted by the City. BHMC 7-4-103 requires an annual evaluation of each of the Franchisees. The goal of the Taxicab Franchise is to better regulate taxicab companies in order to provide Beverly Hills residents, businesses, employees, and visitors with a first-rate taxicab experience.

### DISCUSSION

The Taxicab Franchise has been in operation since April 1, 2015 when the City entered into Taxicab Franchise Agreements with five separate companies ("Franchisees") through a Request for Proposals ("RFP") process that evaluated respondents' business plans, character qualifications, business experience, financial viability and abilities to meet technical requirements. These initial five Franchisees and corresponding Franchise status and fleet size are listed in the table below.

<b>Franchisee</b>	<b>Status</b>	<b>Permitted Fleet Size (April 2016)</b>
Bell Cab Company, Inc.	Active	8
Beverly Hills Transit Cooperative, Inc. ("Beverly Hills Cab")	Active	60
Independent Taxi Owners Association ("ITOA")	Active	19
LA Checker Cab Co-Operative, Inc. ("Beverly Hills Checker Cab")	Terminated	0
United Independent Taxi Drivers, Inc. ("UITD")	Active	13
<b>Total</b>		<b>100</b>

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The City had originally authorized 185 taxicabs to operate in the City to these five Franchisees. Currently, four of these five initial Franchisees continue to have Taxicab Franchise Agreements in effect. While Beverly Hills Checker Cab was able to successfully meet or exceed the minimum qualifications outlined in RFP selection process, the company did not at any time operate a taxicab service in the city. The City formally terminated the Taxicab Franchise Agreement with Beverly Hills Checker Cab on April 25, 2016 due to non-payment of the \$5,000 annual Taxicab Franchise Fee. The four active Franchisees currently operate a combined fleet of 100 vehicles, which provided approximately 13,900 trips each month during the period January through March 2016.

A Traffic and Parking Commission (“TPC”) ad hoc subcommittee met to discuss matters governing taxicabs and the Taxicab Franchise. Items discussed throughout the year include taxi service trips data, administrative regulations and violations/penalties, a TPC Taxi Guide, annual inspections, customer surveys, Franchisee requests and challenges, driver permits and so on. Quarterly updates were submitted and presented at the March 3, 2016 TPC Regular Meeting as well as two other TPC meetings, which included information regarding these topics. Taxi Franchisees were present at these meetings.

### **Franchisee Annual Evaluation**

The Annual Evaluation of Beverly Hills Taxicab Franchisees (Attachment 1, “Evaluation”) evaluates the Franchisees on nine topics:

1. Compliance with City Rules and Regulations
2. Responsiveness to Dispatch Requests
3. Telephone Responsiveness
4. Commitment to Serving Beverly Hills
5. Service Provision to Seniors
6. Service Provision to People with Disabilities
7. Compliance with Green Vehicle Requirements
8. Other Enhancements Beyond City Requirements
9. Trends and Prospects

Some notable elements of the Evaluation include:

- Bell Cab Company only had one vehicle in service in 2015, though eight vehicles were inspected and permitted as for the Franchise Year beginning April 1, 2016.
- Beverly Hills Cab has the highest overall performance rating with regard to responsiveness dispatch request and telephone answer times.
- 95% Beverly Hills Cab trips begin in Beverly Hills. 64% of ITOA trips and 22% of UITD trips begin in Beverly Hills.
- A survey was sent to 236 taxi card/coupon program participants, which consists of senior and disabled residents. Of these participants, the City received 135 responses. 52% of respondents indicated taxi service had improved in the past year. 37% indicated there had been no change and 10% indicated service had gotten worse.

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- All companies are near or above their stated commitment to provide wheelchair accessible vehicles.
- The City requires that at least 50% of each Franchisee's fleet is "green." Beverly Hills Cab and UTID have met this requirement. 48% of ITOA's fleet is "green." These three Franchisees, however, have not met their green vehicle commitments as outlined in their proposals. Bell Cab Company is excluded from this discussion due to having only one vehicle in service.
- Only a minimal number of trip orders are made online or by smart phone app, less than 1% in most cases.
- Both Beverly Hills Cab and UITD's responses to the City's RFP included elements related to local outreach and marketing, but neither have reported on these efforts.
- The growth of ride sharing services such as Uber and Lyft, which began operating in Southern California three years ago, have had significant and negative impacts on traditional taxi business.
- Data from June through August 2011 show that an average of 30,082 trips originated in Beverly Hills each month. These trips were provided by three licensed companies operating 140 licensed Beverly Hills cabs. Data from June through August 2015 from these same three companies show they provided 17,557 trips per month, a 42% decline from 2011.
- California Assembly Bill ("AB") 650, passed by the Assembly and under consideration by the Senate, would enact the Taxicab Transportation Services Act and would repeal existing laws providing for city and county regulation of taxis services. Under the proposed Bill, the State Public Utilities Commission would regulate all taxi services with the exception of the City and County of San Francisco and some taxi service to and from airports. The exclusion of the City and County of San Francisco from such regulation was included as an amendment to the legislation, but it is unclear what factors resulted in such decision. The intent of AB 650 is to make taxicab services more competitive with ridesharing services. Staff will continue to monitor the development of AB 650 and, if the Bill becomes law, provide an update to the City Council at future meeting regarding any possible significant impacts to the City's Taxicab Franchise once they can be evaluated.

### **Other updates**

Staff will present an ordinance that amends the City of Beverly Hills Municipal Code regarding the minimum number of operating taxicabs per franchisee at the June 21, 2016 City Council Formal Session. This proposed ordinance amendment will modify this minimum number from 25 to a number set forth by the City's Transportation Official. More information on this proposed amendment can be found on the corresponding June 21, 2016 Agenda Report.

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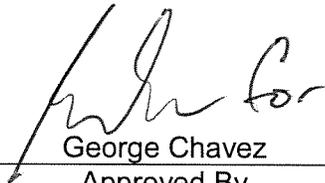
**FISCAL IMPACT**

Funding for administration of the Taxicab Franchise is included as part of the operations budget for Parking Enforcement. Expenses related to the Taxicab Franchise include a full-time Audit and Permit Administrator Position, which is currently vacant, as well as a contract for consulting services. There are additional labor costs associated with the Franchise related to conducting vehicle inspections, conducting enforcement of regulations and providing administrative support as well as some soft costs associated with providing permits and seals.

Revenue related the Taxicab Franchise is generated from permit fees and franchise fees. For the 2016 Taxicab Franchise year, which began April 1, 2016, the City collected \$114,200 in permit fees an additional \$20,000 in annual Taxicab Franchisee fees. Though revenues have declined due to fewer in-service taxicabs and the termination of one Taxicab Franchise Agreement, a full-time Audit and Permit Administrator position vacancy related to Taxicab Franchise administration and a 0.5 full-time equivalent Parking Control Officer positions have accounted for this decreased revenue so that current permit and franchise fees collected may still support program costs. These positions will remain vacant until the outcome of AB 650 is determined and staff may better evaluate how State Public Utilities Commission regulation would impact City taxicab service administration.

**RECOMMENDATION**

This report transmits an update and is for informational purposes only.

  
George Chavez  
Approved By

# ATTACHMENT 1



To: City of Beverly Hills  
From: David Koffman  
Subject: Annual Evaluation of Beverly Hills Taxicab Franchisees  
Date: June 6, 2016

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## **Background**

In December 2014 the City of Beverly Hills awarded franchises to operate taxi service to five companies. The companies were Bell Cab Company, Inc.; Beverly Hills Taxi Coop, Inc.; Independent Taxi Owners Association; Los Angeles Checker Cab Co.; and United Independent Taxi Drivers. These franchises became effective April 1, 2016. Section 7-4-103 of the Beverly Hills Municipal Code calls for annual evaluations, stating: “Franchisees shall be evaluated annually on the basis of service quality; compliance by the franchisee, its affiliated vehicle owners, and its drivers with the city’s taxicab rules and codes; compliance with terms of the franchisee agreement; and other matters as determined by the transportation official.” This memorandum is submitted as part of that evaluation. It is based on data provided in required quarterly reports by the taxi franchisees and data provided by City staff. Except where indicated otherwise, the data are for the period April 1, 2015 through March 31, 2016.

The evaluation covers the following topics:

- Compliance with City Rules and Regulations
- Responsiveness to Dispatch Requests
- Telephone Responsiveness
- Commitment to Serving Beverly Hills
- Service Provision to Seniors
- Service Provision to People with Disabilities
- Compliance with Green Vehicle Requirements
- Other Enhancements Beyond City Requirements
- Trends and prospects

## **1. Compliance with City Rules and Regulations**

### **Vehicle Permitting and Vehicles in Service**

The City’s taxi rules require that “Each franchisee shall ensure that the full number of taxicab vehicles it is authorized to operate is available for taxicab service in the City.” Of the five companies that were awarded franchises for the year beginning April 1, 2015, only Beverly Hills Cab, which was allocated 60 permits, has actually brought as many vehicles for inspection and sealing as were allocated. As shown in Figure 1:

- Bell Cab was allocated 40 permits, but only brought in eight cabs for permitting, of which only one has actually operated in service.

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- ITOA was allocated 43 permits, but had just 29 permitted for the year beginning April 1, 2015 and just 19 for the year beginning April 1, 2016.
- LA Checker was allocated 14 permits but never brought any cabs for inspection and permitting.
- UITD was allocated 28 permits, but had just 22 permitted for the year beginning April 1, 2015 and just 12 for the year beginning April 1, 2016. As of early May 2016, UITD was planning to bring one additional vehicle for permitting.

The actual number of vehicles operating on most days is well below the number of vehicles theoretically “in service.” The companies reported, for each day, the number of Beverly Hills permitted vehicles that logged in for at least four hours. Averaged over several months, Beverly Hills cab reported an average 53.7 vehicles in service, ITOA reported an average of 14.9 and UITD reported an average of 12.1.

**Figure 1 Vehicles Allocations and Permitting**

Taxicab Company	CPCN Prior to April 1, 2015	Franchise Allocation, April 1, 2015	Vehicles Inspected and Permitted, April 1 2015	Vehicles in Service	Franchise Allocation, April 1, 2016	Vehicles Inspected, Permitted April 1 2016
Bell Cab	N/A	40	8	1	8	8
Beverly Hills Cab	60	60	60	60	60	60
Independent (ITOA)	43	43	29	29	29	19
LA Checker	N/A	14	0	0	0	0
United Independent (UITD)	28	28	22	22	22	13
<b>Total:</b>	<b>131</b>	<b>185</b>	<b>119</b>	<b>112</b>	<b>119</b>	<b>100</b>

All taxi vehicles that were brought in for inspection and permitting have been sealed. A few vehicles did not pass inspection initially, as they had to address items such as radios not working correctly, vehicle detailing, and minor paint on bumpers. The taxi companies were responsive in addressing items promptly and the vehicles were then sealed.

**Payment of Fees**

All five companies that were awarded franchises paid their \$5,000 annual franchise fee prior to the deadline of March 31, 2015. However, there have been issues with payment of franchise fees for the year beginning April 1, 2016.

- LA Checker has paid no fee. The City provided notice and subsequently terminated the Franchise Agreement.
- Bell Cab, Beverly Hills Cab, and UITD were late in paying their fees and were assessed penalties.
- ITOA submitted a check on time, but it was returned for insufficient funds, after which the company provided a cashier's check. A late penalty was assessed.

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**Citations**

A total of six administrative citations were issued in the year beginning April 1, 2015, roughly in proportion to each company’s presence in Beverly Hills. There was one serious case stemming from a residential break in. The others were for minor violations. The six citations were:

Beverly Hills Cab

- Residential break-in
- Driver standing in street/not in taxi, in taxi stand
- Dress Code - Driver wearing jeans

ITOA

- Windows/Windshield/Tint
- Driver standing in street/not in taxi, in taxi stand

UITD

- Driver standing in street/not in taxi, in taxi stand

**2. Responsiveness to Dispatch Requests**

The standard for responsiveness is that 90% of dispatch requests are served within 15 minutes and that 100% of dispatch requests are served within 45 minutes. Beverly Hills Cab has consistently performed above standard. Independent (ITOA) has been consistently below standard and United Independent (UITD) has been far below standard. These performance results are consistent with the data presented in the next section, which show that Beverly Hills Cab drivers spend almost all of their time serving Beverly Hills, while drivers for the other companies spend more time serving West Hollywood. It may also be that some drivers for the other companies simply prefer to wait for business at taxi stands rather than respond to dispatch requests.

**Figure 2 Response to Dispatch Requests**

Company	Percent Served within 15 minutes	Percent Served within 45 minutes	Performance
Beverly Hills Cab	99%	100%	Above standard
Independent (ITOA)	85%	99%	Below standard
United Independent (UITD)	59%	85%	Below standard

\*Bell Cab Company is excluded from this table due to insufficient data.

In addition, Bell Cab provided a performance report for the last quarter of the franchise year, i.e. January – March 2016. The report showed one vehicle in operation with a Beverly Hills permit, which provided a total of 23 trips in the three month period.

The fifth company that was awarded a franchise, Los Angeles Checker Cab, did not bring any vehicles for permitting and did not operate any service in the city.

**3. Telephone Responsiveness**

The standard for telephone responsiveness is 93% of calls answered in 30 seconds or less. It is not possible to measure hold times for calls from Beverly Hills only, but the companies have provided

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hold time data for their total call volume, including the entire Los Angeles area. Beverly Hills Cab’s performance was well above the standard, while ITOA’s performance was below standard by 3% and UITD’s performance was just 1% below standard.

**Figure 3 Telephone Answer Times**

Company	Percent Answered Immediately	Percent Answered within 30 Seconds	Performance
Beverly Hills Cab	68%	99%	Above standard
Independent (ITOA)	72%	90%	Below standard
United Independent (UITD)	53%	92%	Near standard

\*Bell Cab Company is excluded from this table due to insufficient data.

#### 4. Commitment to Serving Beverly Hills

There is no specified City standard for the extent to which companies focus on serving Beverly Hills. However, the percentage of all trips carried by Beverly Hills-licensed cabs that begin in Beverly Hills provides an indication of how much time these cabs spend in the city and therefore how available they are to serve residents and visitors to the city. Note that this statistic pertains only to that portion of each company’s fleet that is licensed by the City of Beverly Hills. Many of these vehicles are also licensed to operate in West Hollywood and some of the wheelchair accessible cabs are licensed to operate in Los Angeles. Beverly Hills Cab’s Beverly Hills fleet does 95% of its business in Beverly Hills, which is consistent with the company’s above-standard response times. ITOA’s Beverly Hills fleet does 64% of its business in Beverly Hills, which is consistent with ITOA’s somewhat below-standard response time. The fact that UITD’s Beverly Hills cabs do only 22% of their business in the city is consistent with that company’s poor response times.

**Figure 4 Percentage of Trips Beginning in Beverly Hills**

Company	Total Trips*	Trips Beginning in Beverly Hills	Percentage Beginning in Beverly Hills
Beverly Hills Cab	127,798	121,157	95%
Independent (ITOA)	51,254	32,830	64%
United Independent (UITD)	45,495	9,862	22%

\*Trips carried by taxis licensed in Beverly Hills

\*\*Bell Cab Company is excluded from this table due to insufficient data.

#### 5. Service Provision to Seniors

There is no specified City standard for the extent to which companies focus on serving Beverly Hills seniors. The measures used as an indication of how much companies serve these customers are:

- Senior taxi card trips carried as a percent of total Beverly Hills trips
- Senior taxi card trips per taxi licensed to operate in Beverly Hills

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Beverly Hills Cab carries the vast majority of senior taxi card trips. These statistics are consistent with the results of the City’s recent survey of senior taxi card users. Out of 135 responses to the survey, 124 indicated Beverly Hills Cab as the company that was used on the respondent’s latest ride. Even though Beverly Hills Cab is the overwhelming choice of senior taxi card users, these trips still account for only 2.6% of the company’s overall Beverly Hills business, or an average 5.9 trips per month for the average taxi.

Neither ITOA nor UITD carries a significant number of senior taxi card trips. These trips account for less than one percent of the companies’ Beverly Hills taxi business and less than one trip per month for the average taxi.

**Figure 5 Senior Taxi Card Trips**

Company	Senior Taxi Card Trips	Senior Taxi Card Trips as Pct. of Total Beverly Hills Trips	Taxi Card Trips per Vehicle per Month
Beverly Hills Cab	3,133	2.6%	5.9
Independent (ITOA)	126	0.4%	0.2
United Independent (UITD)	41	0.8%	0.6

\*Bell Cab Company is excluded from this table due to insufficient data.

Figure 6 gives summary results of the survey of taxi card users. The responses were not tabulated separately for each taxi company, but most of the responses concern Beverly Hills Cab, since that is the company used in most cases. In most respects, the riders rated service as either 4 or 5 on a 5-point scale. The most negative comments concerned “courtesy of the driver.” Fifty-two percent of respondents felt that taxi service had gotten better in the past year and 37% felt there had been no change; 10% felt taxi service had gotten worse.

## 6. Service Provision to People with Disabilities

Three measures relate to serving people with disabilities:

- Number of wheelchair accessible vehicles
- Wheelchair trips carried as a percent of total Beverly Hills trips
- Wheelchair accessible trips per wheelchair accessible taxi licensed to operate in Beverly Hills

In their proposals to the City, each franchisee committed to a specific number of wheelchair accessible vehicles, based on their originally requested number of permits. The companies report the total number of vehicles and the number of accessible vehicles actually operating each month. None of the companies has as many accessible vehicles operating as committed, but all are near or above their commitments in terms of percentage of the fleet actually operating.

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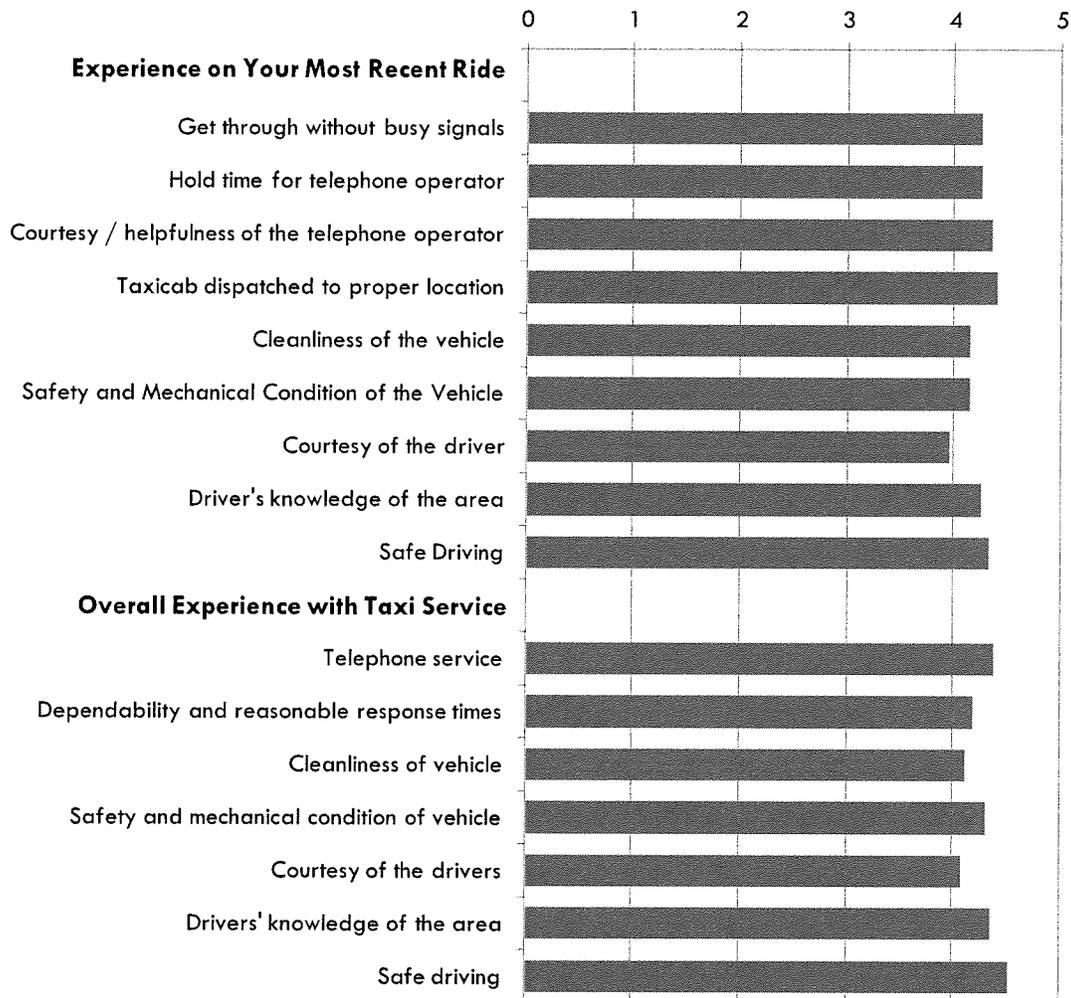
**Figure 6 Wheelchair Accessible Vehicles**

	Wheelchair Vehicle Commitment	Average Daily WC Vehicles in Service	Accessible Vehicle Percentage
Beverly Hills Cab	10 of 60 (17%)	7.8 of 53.7 total	15%
Independent (ITOA)	5 of 60* (8%)	1.3 of 14.9 total	9%
United Independent (UITD)	6 of 50* (12%)	4.6 of 12.1 total	38%

\*ITOA was actually awarded 43 vehicle permit authorizations. UITD was awarded 28.

\*\*Bell Cab Company is excluded from this table due insufficient data.

**Figure 7 Opinions of Taxi Service by Taxi Card Users**



Source: Survey of 135 users of the Beverly Hills Senior Taxi Card

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The companies report the number of wheelchair accessible trips carried each month. Beverly Hills Cab is the company whose wheelchair accessible taxicabs carry the most wheelchair trips. Even so, these trips are only 0.3% of the company’s Beverly Hills business. The 354 wheelchair trips carried in the year ending March 31, 2016 amounted to 4.4 trips per accessible vehicle per month. This means that a driver who drives an accessible taxi on a regular basis will serve approximately one wheelchair trip per week.

ITOA and UITD taxis carried one-tenth the number of wheelchair accessible trips as Beverly Hills Cab taxis. As discussed in the next section, ITOA had an average of just over one wheelchair accessible cab operating on a typical day, so this vehicle operator provides a significant number of accessible trips, averaging 2.5 trips per month.

**Figure 8 Wheelchair Accessible Taxi Trips**

	Wheelchair Accessible Taxi Trips	Wheelchair Trips as Pct. of Total Beverly Hills Trips	Wheelchair Trips per Accessible Vehicle per Month
Beverly Hills Cab	354	0.3%	4.4
Independent (ITOA)	36	0.1%	2.5
United Independent (UITD)	33	0.3%	0.6

\*Bell Cab Company is excluded from this table due to insufficient data.

## 7. Compliance with Green Vehicle Requirements

The basic requirement set by the City is that each franchisee’s fleet should consist of at least 50% “green” vehicles by the end of the first year of the franchise, or any higher percentage committed to by the franchisee in their proposal. All of the franchised companies committed to higher percentages. None of the companies has reached the committed percentage, though all are near or above the minimum City requirement. Figure 9 shows percentages based on the average number of vehicles actually operating on each day, not the number of vehicles that have been permitted.

UITD was awarded 28 permits, but actually operated just 12.1 vehicles on an average day of which 4.6 on average were wheelchair accessible vehicles that are excluded from the green vehicle targets. Of the non-accessible vehicles actually operated on an average day, 79% were green vehicles. While this falls well short of the company’s commitment of 100%, it far exceeds the City’s 50% minimum requirement and the performance of the other companies.

Beverly Hills Cab has operated an average of 53.7 cabs out of its authorized total of 60. On average, 56% of the vehicles in operation have been green vehicles, well short of the company’s commitment of 71.7% but well above the City’s minimum requirement of 50%.

ITOA has operated an average of 14.9 cabs out of its authorized total of 43. Of these, just 48% were green vehicles on average, well short of the company’s commitment of 71.7% and just short of the City’s minimum requirement of 50%.

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**Figure 9 Green Vehicles - Committed and Actual**

	Green Vehicle Commitment	Average Daily Vehicles in Service	Green Vehicle Percentage
Beverly Hills Cab	71.7%	30.1 green of 53.7 total	56%
Independent (ITOA)	71.7%	7.1 green of 14.9 total	48%
United Independent (UITD)	100% of non-wheelchair vehicles	6.0 green of 7.5 non-WC	79%

\*Bell Cab Company is excluded from this table due to insufficient data.

## 8. Other Enhancements Beyond City Requirements

The franchisees all promised a variety of activities and improvements in response to a section of the franchise request for proposals that invited “enhancements.” Two of these enhancements have already been discussed: commitments to provide green vehicles above and beyond the City’s 50% minimum requirement, and commitments regarding numbers of wheelchair accessible vehicles. The companies also committed to security cameras in their vehicles, a feature that has been made a City requirement that is included in the vehicle inspection process. Additional items are discussed below.

### Cellular Ordering and Payment

All of the companies committed to providing mobile ordering and payment methods. The intent of these offerings is to give customers a level of convenience similar to that provided by transportation network companies. At the time of the franchise RFP, all of the companies already had smartphone ordering apps, but generally without any payment feature. Some drivers were participating in a service provided by the company Flywheel, which had an app-based ordering and payment system. None of the companies has provided any information about improvements to its own mobile offerings. The quarterly reports submitted by the companies include data about the numbers of trips ordered via website or smartphone app.

- Beverly Hills Cab reported 0.5% of orders being made via the company’s website and 0.5% by smartphone app.
- ITOA reported 0.8% of orders being made via the company’s website and 0.8% by smartphone app.
- UITD reported 1.2% of orders being made via the company’s website and one by smartphone app.

Flywheel appears to have suspended its cellular ordering and payment offering in the Los Angeles area.

### Local Outreach and Marketing

Beverly Hills Cab and UITD committed to an array of local outreach and marketing efforts. These included an Active Adult Center luncheon; a workshop with the Health and Safety Commission, staff, and medical experts; all drivers CPR certified within one year; liaison with the City’s Technology Committee and IT staff; holiday discount ride coupons to religious services; and rear window ads and CVB brochures during the City’s Centennial. In addition, UITD committed to participation in a Mothers Against Drunk Driving voucher program and a VIP coupon providing a

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10% discount for seniors and disabled. Neither company has followed up with City staff on any of these items or provided any reports about them.

Beverly Hills Cab and ITOA committed to systems using cell phone texting to obtain customer feedback and to provide trip status information to customers. These features may already have been in place at the time of the RFP, but no further information about them has been provided to the City by the companies.

## **9. Trends and Prospects**

### **Trends**

The experience of the past year in Beverly Hills mirrors in many ways the overall decline of taxi service throughout the Los Angeles area and the U.S. in the face of competition from transportation network companies (TNCs). The Los Angeles Times reported on April 14, 2016<sup>1</sup> that “Since the ride-hailing services began operating in Southern California three years ago, the number of L.A. taxi trips arranged in advance has fallen by 42%, according to city records, and the total number of trips has plummeted by nearly 30%. The steepest drops were in the city's most popular nightlife and tourist destinations: the Westside, Hollywood and downtown.” As a result, taxi companies have had difficulty retaining drivers, who find that it no longer makes sense to pay for a fixed weekly or monthly lease as well as city permit fees.

As part of the City's Taxi Franchise Study, data was collected for the three month period from June through August 2011 showing a total of 90,246 trips originating in Beverly Hills provided by the three licensed companies, an average of 30,082 trips per month. At that time, the three companies had 140 licensed Beverly Hills cabs. These three companies were Beverly Hills Cab, ITOA and UITD.

In June through August of 2015, the same three companies provided 17,557 trips per month, a decline of 42%. Since then, the volume of trips carried has declined still further to just 13,933 trips per month in period January through March 2016. This could be a slow time of year, but the downward trend is nevertheless clear and dramatic. As shown earlier, these three companies now have just 92 permitted vehicles and fewer than that actually in service.

### **Prospects**

All of the taxi companies serving Beverly Hills are organized as membership cooperatives. This means they are entirely self-financed and do not have access to outside capital that would allow them to invest in major technological improvements. It is also unclear whether it would be feasible for them to consider consolidation or other forms of restructuring to help stabilize their businesses.

Other Westside cities, including West Hollywood and Santa Monica, are facing similar issues and could benefit from a coordinated approach to taxi regulation.

Developments at the state level could also have a major impact on the City's role in taxi regulation. Assembly Bill 650 (Low) is currently under consideration by the California Legislature. The bill would enact the Taxicab Transportation Services Act and provide for the regulation of taxi services by the Public Utilities Commission as a matter of statewide concern,

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<sup>1</sup> “Uber and Lyft have devastated L.A.'s taxi industry, city records show”, Los Angeles Times, April 14, 2016.

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except the City and County of San Francisco would continue local taxi regulation. The bill would repeal existing laws providing for city and county regulation of taxi services, but would authorize airports to continue to regulate taxi service to and from airports. Permits issued by the PUC would be valid statewide. There would be no limit on the number of permits or companies, and regulation of fares or methods of metering would be expressly prohibited. Liability insurance requirements would be no more than \$100,000 per person and \$300,000 per incident. AB 650 has been passed by the Assembly and is under consideration by the Senate. The League of California Cities indicates as of May 6, 2016 that it “will continue to monitor this measure and assess its potential impact on local control.”