

Improving Taxicab Service and Regulation

Plagued by an open-entry system with few rules compared to nearby jurisdictions, the City of Santa Monica was experiencing an oversupply of cabs, confusion for customers, and numerous cabs without effective dispatch or supervision competing for scarce downtown taxi zones. The City wanted to improve taxi service, reduce harmful emissions from taxicabs, and increase the vitality of the taxi industry.

Nelson\Nygaard was retained to:

- Review the City's existing taxicab regulation system
- Analyze current taxicab industry conditions
- Review best practices among peer cities
- Nelson\Nygaard developed three alternative approaches, all of which included:
 - Regulations that apply to companies, as well as to individual drivers and vehicles as under the old system
 - Measures to avoid an oversupply of cabs
 - Stricter standards for drivers, vehicles, dispatching, and vehicle markings
 - Requirements for low-emission vehicles

The preferred approach calls for the City to conduct an RFP process leading to award of franchises with flexible limits to the number of "full-time equivalent" taxicabs in the city, taking into account the fact that many taxicabs also operate in the neighboring, much larger, Los Angeles market. The proposed limits consider an analysis of current demand for taxicabs and the resulting low income that it provides to taxi drivers and owners. The City Council has since approved ordinance changes to implement our recommendations.



Project Duration: 2007-2008

Total Budget: \$56,445

For more information:

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