



Staff Report

City of Manhattan Beach

TO: Honorable Mayor Montgomery and Members of the City Council

THROUGH: Richard Thompson, Interim City Manager

FROM: Bruce Moe, Finance Director
 Robert V. Wadden, Jr., City Attorney
 Steve Charelian, Revenue Services Manager

DATE: November 16, 2010

SUBJECT: Adoption of an Ordinance Prohibiting Compensation for Exclusive Taxicab Pickup Agreements

RECOMMENDATION:

Staff recommends that City Council Adopt Ordinance No. 2135 which amends the Vehicle for Hire Ordinance (4.108) to establish vehicle for hire pick up rights. For purposes of this section, there shall be no money or compensation exchanged for establishing exclusive taxicab pickup agreements.

FISCAL IMPLICATIONS:

The City will receive \$138,930 in taxicab franchise fees in Fiscal Year 2010-2011. In addition to the franchise fees, the City receives approximately \$2,100 each year through an exclusive taxicab pickup agreement that South Bay Yellow has with the Marriott hotel (we receive those revenues through the ground lease the City holds on the Marriott property). Passage of this Ordinance will eliminate the compensation to the Marriott, thereby reducing City revenue by \$2,100 annually.

BACKGROUND:

At the November 3, 2010 meeting, City Council introduced and waived further reading of Ordinance No. 2135. The Ordinance prohibits exclusive taxicab pickup agreements for compensation within the City.

DISCUSSION:

If adopted this evening, Ordinance No. 2135 will prohibit any compensation (monetary or otherwise) for exclusive taxicab pickup rights. It does not prohibit the actual arrangements, rather it simply prohibits the exchange of consideration (money or value) for such agreements.

If approved this evening, the Ordinance will take effect in thirty days.

Attachment: Ordinance No. 2135

ORDINANCE NO. 2135

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, AMENDING MANHATTAN BEACH MUNICIPAL CODE BY ADDING A NEW SECTION 4.108.185 PROHIBITING EXCLUSIVE TAXI PICK UP AGREEMENTS FOR COMPENSATION

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The Manhattan Beach City Council hereby finds as follows:

- a. Some businesses which routinely make taxi cab service available on their premises for their customers have created exclusive relationships, whether formal or informal, with certain franchised cab companies which, in exchange for compensation, exclude other companies fully franchised to operate within the City;
- b. Such exclusive arrangements for compensation undermine the value and effectiveness of the City's taxi franchise system and discourage competition between franchisees;
- c. It is therefore necessary and in the interest of the health, safety and welfare of the residents of Manhattan Beach to amend the municipal code to add a new section to make exclusive taxi pick up arrangements for compensation impermissible within the City.

SECTION 2. A new Section 4.108.185 is hereby added to Chapter 4.108 of the Manhattan Beach Municipal Code to read as follows:

“4.108.185 - Vehicle For Hire Pick Up Rights

Any agreement, for which consideration is exchanged, whether formal or informal, whereby a property owner or business owner or operator or an employee of a business owner or operator agrees to allow only a particular franchise operator or operators to provide service to the exclusion of other franchise operators is expressly prohibited. For purposes of this section the term “consideration” shall mean money or any other thing of monetary value. Nothing in this section shall prohibit an agreement to allow only a particular franchise operator or operators to provide service to the exclusion of other franchise operators where no consideration is exchanged. Any person violating the provisions of this section shall be guilty of a misdemeanor and any franchise operator found in violation of this section may have their franchise suspended by the Chief of Police for not more than 120 days. The procedure set forth for franchise revocation in Section 4.108.120 of this Chapter shall be used for any franchise suspension imposed pursuant to this section.”

SECTION 3. Each and every other provision of Chapter 4.108 shall continue in full force and effect.

SECTION 4. Any provisions of the Manhattan Beach Municipal Code, or appendices thereto, or any other ordinances of the City, to the extent that they are inconsistent with this ordinance, and no further, are hereby repealed.

SECTION 5. This notice shall be published by one insertion in *The Beach Reporter*, the

official newspaper of the City, and this ordinance shall take effect and be in full force and operation thirty (30) days after its final passage and adoption.

SECTION 6. The City Clerk shall certify to the adoption of this ordinance; shall cause the same to be entered in the book of original ordinances of said City; shall make a minute of the passage and adoption thereof in the records of the meeting at which the same is passed and adopted; and shall within fifteen (15) days after the passage and adoption thereof cause the same to be published by one insertion in *The Beach Reporter*, the official newspaper of the City and a weekly newspaper of general circulation, published and circulated within the City of Manhattan Beach hereby designated for that purpose.

PASSED, APPROVED, and ADOPTED this 16th day of November, 2010.

Ayes:
Noes:
Absent:
Abstain:

Mayor, City of Manhattan Beach, California

ATTEST:

City Clerk

APPROVED AS TO FORM:

By 

City Attorney