

**Department of Safety and Inspections,
2011-2012 Taxicab Fares and Charges Review Summary
October 4, 2012**

The Department of Safety and Inspections proposes the following adjustments to the current taxicab fares:

- increase the per mile rate to \$2.75, matching that of Minneapolis and the MAC;
- increase the minimum fare to \$6.00, a \$1.00 increase;
- eliminate "hourly rates;"
- and require a formal fares and charges review every three calendar years.

Saint Paul's taxicab fares were last adjusted and the current fares implemented in 2008. A 2010 review yielded a draft proposal to lift the cap on fares altogether, but lacked sufficient support and failed to materialize into a recommendation to council. Last year, a longstanding Saint Paul based company requested the caps be raised to compensate for escalating operating costs. Soaring insurance rates and spiking fuel prices were highlighted amongst items including a Federal Communications Commission mandate for radio systems to be narrowband compliant by January 1, 2013, stated to be costing that company \$25,000. DSI conducted a comprehensive industry review inclusive of transportation and insurance price indexes deemed most applicable by the Office of Financial Services for comparison, local taxi company and driver input, heightened collaboration with area regulators, and national best practices research to provide justification.

Increase Per Mile Rate to \$2.75

The proposed establishes regional uniformity and provides for more price competition between operators beneficial to customers, yet allows small businesses room to adjust their rates in accordance with market changes and to recoup their rising cost of doing business. The city maintains its straightforward rate and waiting time fare structure absent of hidden costs to passengers in the form of added fees, surcharges, taxes and tolls commonplace in the best practices review.

The differing fares of the Metropolitan Airports Commission, Minneapolis, and Saint Paul are a significant source of public confusion and generate many complaints from area visitors and residents alike. In March, the three jurisdictions met with the Metropolitan Council regarding the place of taxi services in regional transportation planning and the consensus was to pursue regulatory commonality. Additionally, uniform fares have been identified by the area's regulating entities as the number one issue requiring cooperative action.

The industry strongly supports a per mile increase with most voicing it to be overdue. Any progress toward regional uniformity will be received as business friendly to the many companies operating and/or wishing to operate in multiple jurisdictions. Company owners have reported that the relatively high cap in Minneapolis has spurred several to operate below the \$2.75 max to entice customers. The rounded number itself satisfies multiple industry requests for the elimination of "pennies" from the rates.

Increase Minimum Fare to \$6.00

Saint Paul's lack of extra fees and surcharges, inflationary increases driving up the costs to companies providing the public short trips in the neighborhoods, and ardent industry support warranted a \$1.00 adjustment.

Eliminate "Hourly Rates"

No industry representatives reported utilizing "hourly rates," several were unaware of its purpose and none at an industry meeting were opposed to eliminating them. Elimination is consistent with the best practices review.

Require Fares and Charges Review Every Three Years

There is no requirement in the legislative code mandating a regular recommendation to adjust fares. It is proposed that a thorough industry review be conducted every three years and that DSI will make a recommendation to the city council following each review to better insure that market changes are considered.

Summary

It is proposed that Saint Paul increase the per mile rate to \$2.75, matching Minneapolis and the MAC to create uniformity in the region and to minimize public confusion; increase the minimum fare to \$6.00 in response to industry requests and inflation; eliminate "hourly rates" deemed no longer relevant by company owners and operators; and require taxicab fares be reviewed and reported every three years to insure regular adjustments in response to demonstrated market changes. The following pages outline Saint Paul's current rates and all adjustments from 1997 to the present by date, dollar amount, and fare component; and chart data from the best practices study of fares and ordinances from cities deemed relevant for comparison due to population, public attractions, and/or region.

Department of Safety and Inspections,
 2011-2012 Taxicab Fares and Charges Review Summary,
 Saint Paul Fares and Charges Adjustments 1997 to Present

| Saint Paul Taxicab Fares | Flag Drop | Fraction of Mile | Mile Max | Minimum Fare Max | Hour Wait Time Max | Hourly Min |
|---|--------------------|-------------------------|-----------------|-------------------------|---------------------------|-------------------|
| Current Rate | \$2.50 @ 1/5 mile | \$0.44 @ 1/5 mile | \$2.20 | \$5.00 | \$24.00 | \$6.00 |
| (Effective Date) | 01/2006 | 08/27/2008 | 08/27/2008 | 10/1999-06/2001 | 08/27/2008 | Pre 10/1999 |
| CF 08-631 Eff. 08/27/08 | \$2.50 @ 1/5 mile | \$0.44 @ 1/5 mile | \$2.20 | \$5.00 | \$24.00 | \$6.00 |
| CF 07-149 Name change only; LIEP to DSI. | NA* | NA* | NA* | NA* | NA* | NA* |
| CF 05-1019 Eff. ~01/2006 | \$2.50 @ 1/5 mile | \$0.38 @ 1/5 mile | \$1.90 | \$5.00 | \$21.00 | \$6.00 |
| CF 01-349 Eff. ~06/2001 | \$2.00 @ 1/16 mile | \$0.10 @ 1/16 mile | \$1.60 | \$5.00 | \$21.00 | \$6.00 |
| "Temporary" Eff. 10/01/99 | \$2.00 @ 1/16 mile | \$0.10 @ 1/16 mile | \$1.60 | \$5.00 | \$21.00 | \$6.00 |
| CF 97-870 Eff. ~09/1997 | \$1.80 @ 1/13 mile | \$0.10 @ 1/13 mile | \$1.30 | \$3.00 | \$18.00 | \$6.00 |

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 Best Practices Review 12/13/2011

| TAXICAB RATE COMPONENT MUNICIPALITY (POPULATION) | Flag Drop | Fraction of Mile | Mile Max | Minimum Fare Max | Wait Time | Hourly Min | Misc/Notes ~5 mile fare (meter rate only) |
|---|---------------------|-------------------------|-----------------|--------------------------------------|--|-----------------------------------|---|
| Saint Paul, MN (285,068) | \$2.50 @ 1/5 mile | \$0.44 @ 1/5 mile | \$2.20 | \$5.00 | \$24.00 hr max | \$6.00 | ~\$13.06 |
| Chicago, IL (2,695,598) | \$2.25 @ 1/9 mile | \$0.20 @ 1/9 mile | \$1.80 | | -\$20.00... -every 36 sec elapsed time \$0.20. | | Multiple fees, taxes, surcharges & tolls. ~\$11.05 |
| Cincinnati, OH (296,943) | \$3.60 @ 1/8 mile | \$0.20 @ 1/8 mile | \$1.60 | \$3.00 | Sources Conflict -\$24.00 -\$31.20 hr (\$0.26 ea 30 sec) | | ~\$11.40 |
| Cleveland, OH (396,815) | \$2.75 @ 1/8 mile | \$0.28 @ 1/8 mile | \$2.24 | | \$18.00 | 443.26(d) permits | \$1.00 ea beyond 4 passengers. Set rates leaving Airport. ~\$13.67 |
| DesMoines, IA (203,433) | \$2.50 @ 1/10 mile | \$0.20 @ 1/10 mile | \$2.00 | | \$0.42 minute, \$25.20 hr | | \$0.50 ea add passenger 12yr+. \$2.00 10pm-4am surcharge.~\$12.30 |
| Kansas City, MO (459,787) | \$2.50 initial drop | \$0.21 @ 1/10 mile | \$2.10 | | \$0.21 ea 18 sec, \$40 hr | | Airport orig fee. \$0.50 ea 2+ add passenger. \$13.00 |
| Milwaukee, WI 594,833 | \$2.75 @ 1/10 mile | \$0.25 @ 1/10 mile | \$2.50 | \$10.00 rides originating at airport | \$0.35 minute, \$21 hr | | Extra passenger & bag/item surcharges. ~\$15.00 |
| Minneapolis, MN (382,578) | \$2.50 @ 1/5 mile | \$0.55 @ 1/5 mile | \$2.75 | \$5.00 | \$0.40 minute \$24.00 hr | 341.770. Agreed rates authorized. | ~\$15.70 |
| Saint Louis, MO (319,294) | \$2.50 @ 1/10 mile | \$0.20 @ 1/10 mile | \$2.00 | | \$24.00 hr | | \$1.00 airport fee \$1.00 ea add passenger ~\$12.30 |