

DATE: July 12, 2018

TO: Bertha Henry, County Administrator

FROM: Jeffery Halsey, Director
Environmental and Consumer Protection Division

SUBJECT: Biennial Taxicab Rate Review

Recommendation

Increase the Broward County taxicab rates as follows:

1. Increase drop rate (amount charged for the first 1/6 mile of travel) from \$2.50 to \$2.95 (to match the Miami-Dade drop rate).
2. Increase the Airport and Port minimum pickup rate from \$10 to \$13 (consistent with CPI increase).
3. Add new Port/Airport intra-facility flat rate fare of \$8 (per Port and Airport request).
4. Fares to be made effective January 1, 2019 (to permit time for industry and Port/Airport to prepare for new fares).

Background

In accordance with [Section 22½-11\(c\)](#) of the Broward County Code of Ordinances, at two-year intervals the Environmental and Consumer Protection Division is to provide the County Administrator a written recommendation on taxicab rates. This recommendation is to be based on the Consumer Price Index (CPI) and any additional information deemed appropriate by the Division. Further, on [November 7, 2017 \(Item 21\)](#), the Board requested the Division evaluate taxicab fares.

Considerations

In deriving the recommended fare increases, the Division considered the following:

1. The current fares are \$2.50 for the drop rate (covering the pickup and the first 1/6 mile of travel), \$0.40 for every 1/6 additional mile and \$0.40 for each minute of wait time. These fares have been in place since at least 2005. There is a built-in drop rate adjustment in \$0.50 increments when gas prices exceed \$4 per gallon (unleaded regular gasoline).
2. A \$10 minimum fare is permitted for any customer picked up at the Airport or Port (once the meter exceeds \$10 during the trip, the metered rate is applied).
3. Any pickups from the Airport include an additional \$3 Airport fee.
4. Except for the \$3 Airport fee, all fares represent maximum allowable; operators can charge less.
5. The CPI increase for 2016 and 2017 (the previous two-year period) is 3.5% (see attached CPI report).

6. The Port and Airport report the need for an intra-facility fare. Some passengers seek taxicab services within each facility (for example, to travel from one terminal to another), but are not willing to pay the \$10 minimum (much less so the new \$13 minimum) since that is much higher than the meter fare for the short distances traveled within the Airport or Port. This results in lost revenue for the taxicab industry and, in the case of the Port, undesired pedestrian travel between terminals. The Port and Airport recommend an \$8 intra-facility fare.
7. The Airport does have a shuttle that runs on a 10-minute schedule between all terminals from 6:00 a.m. to 9:00 p.m. seven days per week at no cost to customers. Customers would be able to choose between waiting for this shuttle or paying the \$8 intra-facility fee for an immediate taxi ride.
8. The Port and Airport will require time to establish internal taxicab management processes for the intra-facility fare. Accordingly, the fare effective date is recommended to be January 1, 2019.
9. The Division held three workshops (7-25-17, 1-19-18, and 6-11-18) with the taxicab industry where rate increases were discussed. There was no industry-wide consensus on a rate change. Views included keeping rates the same, increasing rates, and zone rates.
10. The United Drivers of Broward (UDOB) has proposed a flat fare of \$20 for up to 2 passengers between the Airport and the Port, plus an additional \$5 per additional passenger.
11. In March 2018, the Division conducted a series of test drives with a metered vehicle between the Port and Airport and compared costs to Transportation Network Companies' (TNCs) fares for a similar trip. Based on this effort, a \$20 fare between the Port and Airport (without the additional \$5 per passenger) exceeds the Division's estimates of current market rates by approximately 34% (taxicab fares) and 58% (TNC fares).
12. The current \$10 minimum fare for Port and Airport pickup has been in place since at least 2005. [The Bureau of Labor and Statistics CPI Inflation Calculator](#) equates \$10 in 2005 to \$13.09 in 2018.
13. Miami-Dade fares are currently \$2.95 for the drop rate, \$0.85 per 1/6 mile for the remainder of the first mile, than \$0.40 per 1/6 mile thereafter. Miami-Dade also has several zone rates.

In accordance with [Section 22½-11\(c\)](#) of the Broward County Code of Ordinances, any taxicab rate change requires a public hearing. My number is 954-818-7509 if you have any questions or concerns.

Attachment

cc: Monica Cepero, Deputy County Administrator
Mark Gale, Aviation
Steve Cernak, Port Everglades
Henry Sniezek, Director, EPGMD
Leonard Vialpando, Deputy Director, EPGMD

ATTACHMENT

**Chapter 40.37 Broward County Administrative Code
Consumer Protection Fee Schedule Report**

Row	Number Description	Value ¹	
		October 2015 - September 2016	October 2016 - September 2017
A	CPI for current period	235.495	240.939
B	CPI for previous period	232.661	235.495
C	Index point change between current and previous periods (A-B)	2.834	5.444
E	Index delta divided by previous period CPI (C/B)*100	1.20%	2.30%
CPI for Urban Wage Earners and Clerical Workers		Increased by 1.20%	Increased by 2.30%
Two Year CPI Change		Increased by 3.50%	

¹Data from Bureau of Labor Statistics, Southeastern Regional Office (1982-84=100).

Date Completed: June 26, 2018

Completed By: Anika Hamilton, Business Manager
Building Code Services Division

Reviewed By: Jeffery Halsey, Director
Environmental and Consumer Protection Division