

# City of Alexandria

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## Biennial Taxicab Review 2021-2022

### **RECOMMENDATIONS:**

#### **1. Eliminate the age requirement for vehicles.**

Given the supply chain issues for new vehicles, staff recommends eliminating the age requirement for vehicles and allowing the companies to determine a maximum age if necessary. The Traffic and Parking Board further recommends making an exemption for any vehicle that reaches the age limit prior to the City Code amendment taking effect.

#### **2. Maintain Current Cab Authorizations**

Alexandria should continue to provide flexibility for the existing companies to temporarily reduce their size to meet demand without penalty.

#### **3. Maintain Existing Fees**

In 2021, the City Council approved significant reductions in fees for certificates, driver permits, and vehicle permits. No additional reductions are proposed at this time.

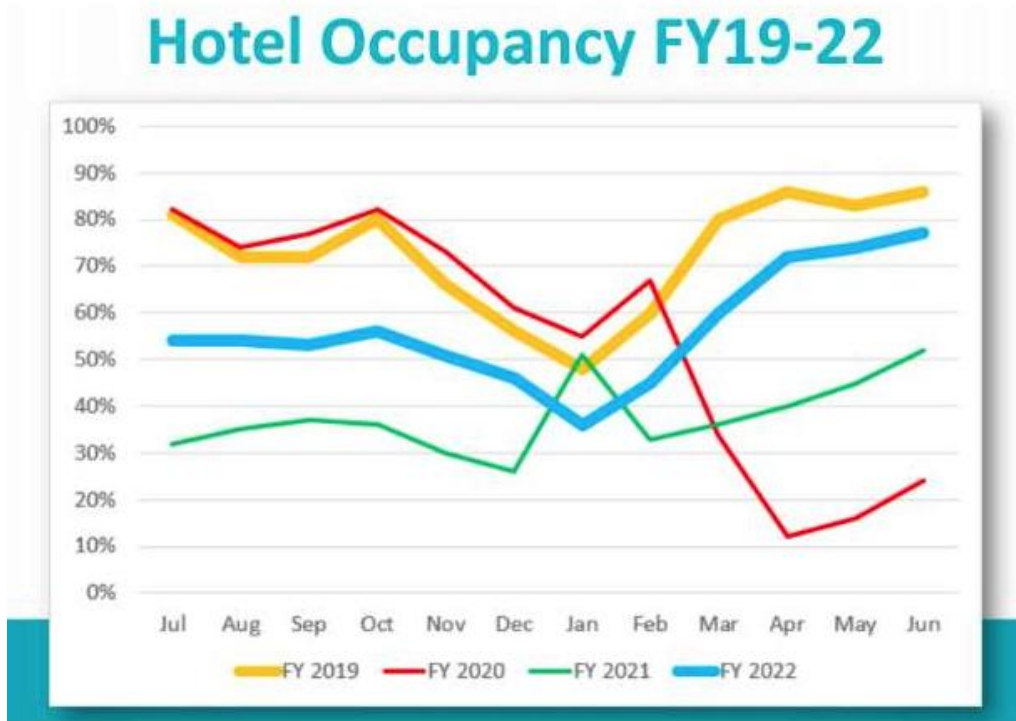
#### **4. Increase Existing Fares**

The \$1 fuel surcharge will expire in March 2023. Staff recommends increasing the existing Initial Meter Charge from \$3.00 to \$3.50. The Traffic and Parking Board further recommends approving a \$0.50 fuel surcharge for an additional year (through March 2024) when the \$1 surcharge expires. This additional time will allow staff to coordinate with neighboring jurisdictions to align fares.

**PURPOSE:** The Biennial Taxicab Review is required by the Alexandria City Code (Section 9-12-31) every two years. During this review, the Traffic and Parking Board shall receive comment at a public hearing as to the economic condition of the taxicab industry, the adequacy of public service rendered by the industry, and whether any changes to the regulation of the industry are necessary or desirable, including changes to the number of taxicabs authorized for each taxicab company holding a valid certificate. This document provides a summary of the existing conditions and proposed recommendations.

**STATE OF THE INDUSTRY:** The taxi industry continues to face challenges resulting from the pandemic and the increased competition from Transportation Network Companies, such as Uber and Lyft. Regarding the impacts of the pandemic, many taxi trips start or end at hotels and National Airport. While travel is increasing, it is not back to pre-pandemic levels.

Pre-pandemic hotel occupancy in Alexandria was typically 80% or better. According to Visit Alexandria, hotel occupancy is increasing, and Spring 2022 averaged around 75%. This upward trend is a positive indicator for the state of travel and tourism in Alexandria. See the chart for more details.



Travel to and from Reagan National Airport is also a large market for taxi trips, and passengers at National Airport are significantly higher than the height of the pandemic. As of August 2022, the total number of passengers at the airport was up over 138% from the previous year.

Regarding competition from TNC's, the taxi industry continues to lose market share to these ride-hail companies. Many Alexandria taxi companies are having trouble attracting new drivers given the different processes required for TNC drivers versus taxi drivers. However, TNC fares have increased over the years, and currently many taxi trips are actually less expensive than a TNC ride. This could benefit the taxi industry in attracting riders back to taxi services.

In April 2021, the City Council approved significant changes to the City Code to help the taxi industry. These included significant reductions in fees and lessening of requirements for drivers and vehicles. While these changes have helped the existing taxi companies and drivers operating in Alexandria, it has not attracted new companies or drivers to the market.

**TAXI FARES:** Over the last year, the cost of gasoline has increase significantly which has had further impacted the taxi industry. In June 2022, the price per gallon in the DC region reached a high of \$5.05 after averaging only \$3.36 a year earlier. In response to the increases in fuel cost and after considering the unanimous recommendation of the Traffic and Parking Board in March

2022, the City Manager authorized a fuel surcharge of \$1.00 per trip. This surcharge is authorized for up to one year unless the City Manager recommends it end earlier. In the recent months, fuel prices have trended back down, but October averages are still higher than the past five years.

The existing taxicab fares for Alexandria and surrounding jurisdictions is provided below as a comparison. Table 1 shows that the jurisdictions all charge slightly different fares and charge for different things.

**Table 1: Existing Taxicab Fares and Charges**

	Alexandria	Arlington	Fairfax County	Montgomery County	Washington, DC
Drop	\$3.00	\$3.00	\$3.50	\$4.00	\$3.50
Mileage (\$/Mile)	\$2.16	\$2.16	\$2.10	\$2.00	\$2.16
Waiting	\$0.42/min	\$0.39/min	\$0.36/min	\$0.47/min	\$0.42/min
Passengers	\$1.25	\$1.00	\$1.00	\$1.00	\$1.00
Suit case	\$0.50	\$0.50	\$0.50	\$1.00	-
Trunk	-	-	\$2.00	-	-
Groc. Bags	-	-	\$0.25	-	-
Animals	\$2.00	-	\$1.00	-	-
Snow	\$5.00	-	-	\$2.50	\$15.00
Other	-	-	-	-	-
Cleaning	-	\$25	\$25	-	-

There have not been any changes to taxi fares in several years and given the increased costs to operate a vehicle, it may be appropriate to consider increases. Many of the surrounding jurisdictions are also considering changes to the fare schedule in next year with their review process. Staff recommend adding \$0.50 to the Initial Meter Charge (or Drop Fee), which brings this to \$3.50. The Traffic and Parking Board further recommends a \$0.50 surcharge through March 2024. Both of these actions will offset the elimination of the \$1 meter surcharge when it expires and brings the fares in line with other counties and the District. Staff recommends continued coordination with the neighboring jurisdictions on any changes they are making in attempt to standardize rates for the region.

**CITY FEES:** In April 2021, the City Council approved significant reductions to the fees related to certificates of public convenience, driver permits, and vehicle permits. Table 2 provides a summary of the fees prior to 2021 and current fees. No additional changes to the fees are proposed with this review.

**Table 2: Previous\* and Current Fees**

	<b>Previous Fee</b>	<b>Current Fee</b>
Application or Transfer	\$4,000	\$4,000
Certificate Renewal (company)	\$4,000	\$2,000
Each Authorized Vehicle (company)	\$150/cab	\$0/cab
Grandfathered CPCN Renewal	\$150	\$25
Duplicate CPCN	\$25	\$0
Driver Permit Application	\$100	\$25
Driver Permit	\$150	\$25
Manifest Books	\$50	\$0
Duplicate Driver Permit	\$25	\$0
Initial Vehicle Inspection & Cert.	\$100	\$25
Annual Vehicle Renewal	\$150	\$0
Transfer of Vehicle Permit	\$100	\$0
Duplicate Vehicle Permit	\$25	\$0
Annual Inspection	\$150	\$25

\*Rate changes went into effect on July 1, 2021

**NUMBER OF CABS:** There have been no requests from the companies or drivers to change the authorizations and allocations. Therefore, staff proposes maintaining the current authorizations and not to change the allocations of taxis for any company shown in Table 3.

**Table 3: Summary of Taxi Reauthorizations, Requests, and Recommendations**

<b>Company</b>	<b>2021 Authorization (maximum)</b>	<b>Requested Amendment</b>	<b>2022 Recommendation (maximum)</b>
Alexandria Yellow Cab	180		180
VIP Cab	63		63
Alexandria Union Cab	225		225
King + White Top	126		126
<b>TOTAL</b>	<b>594</b>		<b>594</b>

**AGE REQUIREMENT FOR VEHICLES:** Currently the City Code (Section 9-12-81) and the Taxi Regulations approved by the City Manager establish the maximum age for vehicles permitted as:

- 10 years for non-hybrid vehicles
- 12 years for hybrid vehicles

Issues with computer chips shortages and supply chain problems stemming from the pandemic have had a disruptive impact on the automobile industry. New car and truck sales are projected to be down almost 20% from pre-pandemic levels, resulting in supply issues for both new and used cars. Several of the taxi companies have approached the City about increasing the

maximum age allowed for vehicles. Currently, Arlington County allows non-hybrid vehicles to be up to 12 years and hybrid vehicles to be 15 years.

Staff is recommending eliminating the age requirement altogether and allowing the taxi companies to establish age requirements for their own fleets, similar to how the TNC's operate. The state safety inspection is still required, which ensures a vehicle, regardless of age, meets state safety requirements. By eliminating this requirement, the City removes an additional regulatory burden on the industry.

In recognition of the proposed elimination of the age requirement, the Traffic and Parking Board also recommends exempting all vehicles from complying with the age requirement until the City Code is permanently amended to eliminate the age requirement.

**PROPOSED ACTIONS:** To implement these recommendations, staff is proposing the following changes to City Code:

- Section 9-12-81(l) – Age of Vehicles - Eliminate this subsection.
- Section 9-12-132(a)(1) – Increase the Initial Meter Charge from \$3.00 to \$3.50.

Staff is also recommending the City Manager take the following actions:

- Approve a \$0.50 fuel surcharge to take effect April 1, 2023 through March 31, 2024.
- Exempt all vehicles from the requirements of City Code Section 9-12-81(l) with respect to a maximum age through March 31, 2023.