



## ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item  
Meeting of June 17, 2008**

**DATE:** June 5, 2008

**SUBJECT:** Enactment of an Emergency Ordinance to amend, reenact and recodify Section 25-14 (Rates of Fare) of Chapter 25 (Taxicabs) of the Arlington County Code by adding thereto a new subsection 25-14 (1) (j) specifying a one dollar (\$1.00) gasoline surcharge per trip, to become effective upon enactment; and Authorization to advertise a Public Hearing on July 19, 2008, for Enactment of an Ordinance to amend, reenact, and recodify Section 25-14 (Rates of Fare) of Chapter 25 (Taxicabs) of the Arlington County Code by

- a. Amending subsection 25-14 (1) (a), subsection 25-14 (1) (b), and subsection 25-14 (1) (c) relating to drop, mileage, and wait time charges, to become effective August 1, 2008, and/or
- b. Repealing or amending subsection 25-14 (1) (j) relating to a one dollar (\$1.00) gasoline surcharge per trip, to become effective August 1, 2008.

**C. M. RECOMMENDATION:**

1. Enact an Emergency Ordinance to amend, reenact and recodify Section 25-14 (Rates of Fare) of Chapter 25 (Taxicabs) of the Arlington County Code by adding thereto a new subsection 25-14 (1) (j) specifying a one dollar (\$1.00) gasoline surcharge per trip, to become effective upon enactment (Attachment A).
2. Authorize the advertisement of a Public Hearing on July 19, 2008, for Enactment of an Ordinance to amend, reenact, and recodify Section 25-14 (Rates of Fare) of Chapter 25 (Taxicabs) of the Arlington County Code by
  - a. Amending subsection 25-14 (1) (a), subsection 25-14 (1) (b), and subsection 25-14 (1) (c) relating to drop, mileage, and wait time charges, to become effective August 1, 2008, and/or
  - b. Repealing or amending subsection 25-14 (1) (j) relating to a one dollar (\$1.00) gasoline surcharge per trip, to become effective August 1, 2008.

**ISSUES:** Should taxicab fares be increased to reflect the increase in the price of gasoline? Is adding a surcharge to each trip or increasing the mileage rate the preferable strategy? Should a surcharge be added on an emergency basis until a permanent fare increase can be enacted?

**SUMMARY:** It is recommended that the County Board enact an Emergency Ordinance (Attachment A) to permit taxicab drivers to immediately add a \$1.00 surcharge for each trip to

County Manager: \_\_\_\_\_

County Attorney: \_\_\_\_\_

Staff: Richard Hartman, DES, Division of Transportation

compensate them for the increased cost of gasoline. The emergency ordinance would be in effect for not more than 60 days, unless re-enacted by the County Board on a non-emergency basis. It is further recommended that the County Board advertise a public hearing to consider, on a non-emergency basis, two options for increasing taxicab fares - a \$1.00 gasoline surcharge added for each trip and/or an increase in the mileage charge from \$1.80 to \$2.00 per mile (Attachments E and F).

**BACKGROUND:** The most recent taxicab fare increase (not a surcharge) in Arlington was approved by the County Board in October 2005, and went into effect November 1, 2005. At the time of that fare increase, the initial drop charge remained \$2.75, the mileage charge was increased from \$1.60 per mile to \$1.80 per mile, and the waiting-time charge was increased from \$20.70 per hour to \$22.50 per hour. These fare increases in November 2005 replaced a \$0.50 per trip gasoline surcharge that had been enacted in June 2005.

The gasoline surcharge enacted in 2005 was in response to the cost of gasoline increasing to around \$2.40 per gallon in July of that year. Following Hurricane Katrina, the price of gasoline had spiked to over \$3.00 per gallon in September 2005. At the time the Board enacted the (non-surcharge) fare increases, the price of gasoline had begun to decrease, and the fare was based on a gasoline price of about \$2.75 per gallon. In recent months, the price of gasoline has risen sharply and it is now close to \$4.00 per gallon.

**DISCUSSION:** In early May, several Arlington taxicab companies asked the County Manager to consider a fare increase or surcharge to compensate drivers for the increasing cost of gasoline. The requests include two different types of fare increases. Blue Top Cab and Crown Cab companies asked that the initial charge be raised by \$1.00. Red Top Cab asked that the mileage charge be increased from \$1.80 to \$2.00 per mile. The current fare is \$2.75 for the initial 1/6 mile, \$0.30 for each additional 1/6 mile, and \$0.30 for each 48 seconds of waiting time (\$22.50 per hour). On May 20, as gasoline prices continued to rise, Red Top Cab requested that a fare surcharge of \$1.00 be added on an emergency basis, to be replaced in July by a permanent increase in the mileage charge. Letters from the taxicab companies requesting a fare increase or surcharge are attached to this report (Attachments B through D).

Staff recommends that a \$1.00 gasoline surcharge be enacted on an emergency basis and that both a \$1.00 surcharge and an increase in the mileage charge of \$0.20 per mile be advertised for consideration by the Board at the July 19 meeting.

The average taxi-trip distance in Arlington is about six miles, so the mileage increase of \$0.20 per mile would yield about \$1.20 per trip, comparable to the \$1.00 yield from a gasoline surcharge. An increase in taxi fares of \$1.00 or \$1.20 per trip appears to be appropriate in light of current gasoline prices. At the time of the last fare increase in November 2005, it was calculated that a typical taxicab used on average about one gallon of gasoline for each trip, including non-revenue miles. (This was based on the Ford Crown Victoria, which, despite a growing number of hybrids employed during the past year, still constitutes a large majority of the Arlington taxicab fleet.) At about one gallon per average trip, a \$1.00 increase in the price of gasoline would correspond closely with a \$1.00 increase in the average taxi fare. An increase of \$1.00 or \$1.20 per trip would cover the increase in the price of gasoline from the \$2.75 per

gallon that was used in establishing the previous fare increase to a level of \$3.75 to \$3.95. By August, gasoline prices could be at that general range, or significantly higher or lower.

The table below shows the effect of each option (surcharge and mileage rate increase) on the fares for some representative taxi trips (all numbers are exclusive of waiting and extra charges).

Trip Characteristics	Current Fare	Surcharge Option	Increase	Mileage Option	Increase	Both Options	Increase
To grocery store – 2 miles	\$6.35	\$7.35	\$1.00 (15.7%)	\$6.75	\$0.40 (6.3%)	\$7.75	\$1.40 (22.0%)
Courthouse to National Airport – 5 miles	\$11.75	\$12.75	\$1.00 (8.5%)	\$12.75	\$1.00 (8.5%)	\$13.75	\$2.00 (17.0%)
Ballston to Dulles Airport – 22 miles	\$42.35	\$43.35	\$1.00 (2.4%)	\$46.75	\$4.40 (10.4%)	\$47.75	\$5.40 (12.8%)

For short trips, the increase in the mileage charge would raise the fare less than the gasoline surcharge. For a trip of medium length, typical for Arlington, the effect would be about the same for either option. For a long trip, such as to Dulles Airport, the increase in the mileage charge would have a significantly larger effect than a surcharge.

The advantage of the mileage-charge option is that it ties the fare increase more directly to the cost of gasoline and compensates the drivers for their actual expenses. The advantage of the gasoline surcharge option is that it would not require the taximeters to be recalibrated and it could more easily be raised or lowered if the price of gasoline were to change significantly. Should gasoline prices continue to rise toward \$5.00 per gallon, both options may have merit.

The table below compares Arlington’s current taxicab fares with those for some of the other jurisdictions in the region.

Jurisdiction	Initial Charge	Per Mile	Waiting Per Minute	Gasoline Surcharge
Arlington	\$2.75	\$1.80	\$0.375	0
Alexandria	\$2.75	\$2.04	\$0.375	\$0.50
Fairfax Co.	\$2.75	\$1.75	\$0.35	\$1.00
Montgomery	\$4.00	\$1.60	\$0.40	\$1.50
District	\$3.00	\$1.50	\$0.25	\$1.00

Other jurisdictions are all considering instituting or increasing a gasoline surcharge or raising fares in reaction to the recent rise in the price of gasoline.

The Transportation Commission considered the emergency surcharge at its meeting on June 5, and voted 10-0 to recommend an emergency increase in taxi fares. However, the Commission, by a vote of 6-4, favored raising the mileage charge on an emergency basis instead of adding a surcharge. Staff feels that instituting a surcharge, rather than raising the mileage rate, is the appropriate action to take on an emergency basis. Adding a surcharge could be done

immediately upon enactment. Signs would be posted in the taxis and the drivers could add the surcharge as an extra charge on the meter. It would take several weeks to fully implement a mileage rate increase. The taximeters in more than 700 vehicles would need to be recalibrated and all of the vehicles would have to be reinspected. The public would be more accepting of a surcharge as an emergency response to the rapidly fluctuating price of gasoline. It is the approach that has been taken by localities throughout the region and around the country. Changing the mileage rate is a more permanent action that is appropriately undertaken following public discussion, advertisement and a public hearing.

Staff recommends that the County Board enact an emergency ordinance establishing the \$1.00 per trip surcharge and authorize the advertisement of both fare options for consideration at the July 19 meeting. This will give the taxicab industry and its customers the opportunity to comment on both of these options.

**FISCAL IMPACT:** The surcharge or fare increase would apply to all taxicab trips, including those used for County programs. The Department of Environmental Services contracts with Red Top Cab to transport disabled persons under the STAR paratransit program. STAR currently uses Red Top for about 5,000 trips per month with an average trip length of about eight miles. At this rate of use, the \$1.00 surcharge would cost an additional \$60,000 per year and the increase of \$0.20 per mile would cost \$96,000 per year. DES expects that the costs to STAR that result from a surcharge or fare increase would be covered by the program's contingency for program adjustments included in the FY 2009 adopted budget. The increase would also have a smaller impact on the operating budgets of the Department of Human Services and the Department of Parks, Recreation & Cultural Resources, which use taxicabs to transport clients for some of their programs. It is anticipated that increased costs for DHS and PRCR would be offset by providing fewer taxi trips or by shifting funds from other programs.

**AN EMERGENCY ORDINANCE TO AMEND, REENACT, AND RECODIFY SECTION 25-14 (RATES OF FARE) OF CHAPTER 25 (TAXICABS) OF THE ARLINGTON COUNTY CODE BY ADDING A NEW SUBSECTION 25-14 (1) (j), RELATING TO A ONE DOLLAR (\$1.00) GASOLINE SURCHARGE PER TRIP, TO BECOME EFFECTIVE UPON ENACTMENT.**

- 1. BE IT ORDAINED that Section 25-14, Chapter 25, of the Arlington County Code is amended, reenacted and recodified, by adding a new subsection (1) (j) to read, in pertinent part as follows, effective upon enactment:**

**Section 25-14. Rates of Fare.**

**(1) Schedule.**

\* \* \*

(j) Gasoline Surcharge: Notwithstanding any provision of subsection (1) above, a gasoline surcharge in the amount of one dollar (\$1.00) may be added to the fare of each taxi trip.

\* \* \*

- 2. Be it further ordained that remaining subsections of the above section hereby amended, reenacted and recodified shall remain as previously enacted.**
- 3. Be it further ordained that the County Board finds that an emergency exists in that the failure to immediately enact this Ordinance will adversely affect the public welfare and the County citizens' transportation needs.**
- 4. Be it further ordained that this Ordinance shall not be enforced for more than sixty (60) days after it is enacted by the County Board, unless this Ordinance is reenacted in conformance with the applicable provisions of the Code of Virginia.**

**AN ORDINANCE TO AMEND, REENACT, AND RECODIFY SECTION 25-14 (RATES OF FARE) OF CHAPTER 25 (TAXICABS) OF THE ARLINGTON COUNTY CODE BY AMENDING SUBSECTION 25-14 (1) (j), RELATING TO A ONE DOLLAR (\$1.00) GASOLINE SURCHARGE PER TRIP, TO BECOME EFFECTIVE AUGUST 1, 2008.**

- 1. BE IT ORDAINED that Section 25-14, Chapter 25, of the Arlington County Code is amended, reenacted and recodified, to read, in pertinent part as follows:**

**Section 25-14. Rates of Fare.**

**(1) Schedule:**

\* \* \*

(j) Gasoline Surcharge: Notwithstanding any provision of subsection (1) above, a gasoline surcharge in the amount of one dollar (\$1.00) may be added to the fare of each taxi trip.

\* \* \*

- 2. Be it further ordained that the above subsection 25-14 (1) (j), as enacted by the County Board on an emergency basis on June 17, 2008, is hereby amended, reenacted and recodified on a non-emergency basis.**
- 3. Be it further ordained that remaining subsections of the above section hereby amended, reenacted and recodified shall remain as previously enacted.**
- 4. This Ordinance shall become effective on August 1, 2008, at 12:00AM.**

**AN ORDINANCE TO AMEND, REENACT, AND RECODIFY SECTION 25-14 (RATES OF FARE) OF CHAPTER 25 (TAXICABS) OF THE ARLINGTON COUNTY CODE BY AMENDING SUBSECTION 25-14 (1) RELATING TO THE INITIAL DROP, MILEAGE, AND WAIT TIME CHARGES, AND REPEALING AN EMERGENCY ORDINANCE ENACTED BY THE COUNTY BOARD ON JUNE 17, 2008, EACH TO BECOME EFFECTIVE AUGUST 1, 2008.**

**1. BE IT ORDAINED that Section 25-14, subsection (1), Chapter 25, of the Arlington County Code is amended, reenacted and recodified to read, in pertinent part as follows, effective upon enactment:**

**Section 25-14. Rates of Fare**

(1) Schedule. Taximeter fares shall be defined as Class A fares; the Taxi shall be under the direction of the passenger and shall travel by the route designated by the passenger if the passenger has a preference. Any stopovers en route shall be at the direction of the passenger. For such service, it shall be unlawful to charge other than the following rates, with subsection (1) (c) to be determined by the taximeter:

- a. For the first ~~1/6~~ 1/5 mile (initial drop charge) \$2.75
- b. For each succeeding ~~1/6~~ 1/5 mile (mileage charge) ~~\$0.30~~ \$0.40 (~~\$1.80/mile~~ \$2.00/mile)
- c. For each ~~forty-eight (48)~~ sixty-four (64) seconds of wait time ~~\$0.30~~ \$0.40 (~~\$22.50/hour~~)

\* \* \*

- 2. Be it further ordained that Section 25-14, subsection (1) (j) of Chapter 25 of the Arlington County Code, as enacted by the County Board on an emergency basis on June 17, 2008, is hereby repealed, effective August 1, 2008.**
- 3. Be it further ordained that remaining subsections of the above section hereby amended, reenacted and recodified shall remain as previously enacted.**
- 4. This ordinance shall become effective on August 1, 2008, at 12:00 AM.**