



## ARLINGTON COUNTY, VIRGINIA

### County Board Agenda Item Meeting of November 17, 2012

**DATE:** November 6, 2012

**SUBJECT:** Award of new Certificates of Public Convenience and Necessity to existing and/or proposed new taxicab companies to permit operation within Arlington.

**C. M. RECOMMENDATION:**

Authorize the award of new taxicab Certificates of Public Convenience and Necessity (Certificates) to EV Taxicab, enviroCAB, Friendly Cab, Red Top Cab, and Blue Top Cab companies.

**ISSUES:** The Arlington Taxicab Ordinance (Chapter 25.1 of the Arlington County Code) requires County Board approval of all changes to taxicab certificates. Two issues need to be addressed:

- How many new standard and wheelchair-accessible taxicabs should be authorized and to what companies should new taxicab certificates be issued?
- Should a new taxicab company, EV Taxicab, be authorized to operate in Arlington?

**SUMMARY:** Arlington's Taxicab Ordinance permits business entities and individuals to submit applications for taxicab operations certificates during a specified time period in even-numbered years. This year 10 applications were received, requesting authority to add a total of 323 taxicabs to the Arlington taxicab fleet. Upon review of data evaluating the current demand and operations of the Arlington taxicab industry, the County Manager recommends that a total of 65 taxicabs be added to the 765 existing cabs in Arlington County. Of the 65 taxicabs, 55 should be standard, non-wheelchair-accessible vehicles and 10 should be wheelchair-accessible taxicabs. As a result, the total number of taxicabs in Arlington will be 830, of which 37 will be wheelchair-accessible vehicles.

The 55 new standard taxicabs are recommended to be allocated to:

*BMD/kma*

*AV*

*BRC*

33.

Staff: Angie de la Barrera, DES Transportation  
Richard Viola, DES Transportation

<b>Applicant</b>	<b>Cabs Requested</b>	<b>Recommendation</b>
<b>Friendly</b>	10	5
<b>enviroCAB</b>	40	10
<b>EV Taxicab</b>	49	40
<b>Total</b>	<b>99</b>	<b>55</b>

The 10 wheelchair-accessible taxicabs are recommended to be allocated to:

<b>Applicant</b>	<b>No. Requested</b>	<b>Recommendation</b>
<b>Blue Top</b>	5	5
<b>Red Top</b>	10	5
<b>Total</b>	<b>15</b>	<b>10</b>

**BACKGROUND:** According to Section 25.1-4 of the Taxicab Ordinance the number of Taxicab Certificates is to be determined by the County Board biennially in even-numbered years. The process begins with the County staff assessing the need for additional taxicabs in Arlington and reporting findings of the assessment to the Board and taxicab industry. The Ordinance also specifies a process wherein existing and proposed new taxicab companies can submit applications to request authority to operate additional standard or wheelchair-accessible taxicabs.

On July 1, the County Manager reported that recent growth in demand for taxicabs, as demonstrated by a number of factors including population and job growth, airport use, hotel occupancy, and taxi dispatch activity, warranted an additional of 40 to 55 new standard cabs plus an additional five new wheelchair-accessible vehicles. During the July 1 to September 1 application period, 10 companies applied for new certificates. The applications came from six of the seven current taxicab companies operating in Arlington plus four proposed companies. The ten applicants applied for a total of 323 new standard cabs and 23 new wheelchair-accessible taxicabs.

On October 15, 2012, the County Manager’s 2012 Taxicab Certificates Application Report was issued. It summarized the process that staff used to evaluate the ten applications and recommended how new certificates should be authorized. Included in the report, and attached as Appendix A to this report, are the factors and procedures that staff used in evaluating the applications. Appendix B is a table that shows how each of the applications was scored using the information that was provided in the applications.

**DISCUSSION:** The determination process for the current year began July 1, 2012, with the *2012 Certificate Determination Report* (attached) issued by the County Manager which recommended an increase of 40 to 55 additional standard taxicabs, as well as five (5) new wheelchair-accessible vehicles, to the currently authorized 765 taxicabs. Existing certificate holders and new applicants had the opportunity to present applications for additional taxicabs from July 1 until September 1, 2012.

### Current Certificate Number and Applications Received

There are currently 765 taxicabs authorized in Arlington County. They are operated by seven (7) certificate holders. The current taxicab fleet includes 319 hybrid taxicabs (43% of the total non-wheelchair-accessible vehicles) and 27 wheelchair-accessible taxicabs (3.5% of the entire fleet). The four companies that provide dispatch service total 666 taxicabs (87% of the entire fleet). Table 1 provides the current distribution of taxicab certificates by company.

**Table 1. Current Number of Taxicabs by Company**

Certificate Holder	Number of Taxicabs	Wheelchair
Red Top*	350	23
Blue Top*	166	4
Arlington Yellow Cab*	100	-
enviroCAB*	50	-
Crown Cab	37	-
Hess Cab	35	-
Friendly Cab	27	-
<b>Total</b>	<b>765</b>	<b>27</b>

\*Taxicab companies that provide dispatch service

Table 2 lists the ten applicants for new certificates in the order in which their applications were received. The last application, by Arlington Cab Cooperative Co., initially requested authorization to operate 110 taxis but the applicant amended its application to request 60 taxis.

**Table 2. Applications Received**

Applicant	Total request	No. of wheelchair
EV Taxicab <sup>1*</sup>	50	1
Hess	5	-
Green Line Cab <sup>1*</sup>	60	5
Red Top*	25	10
Blue Top	25	5
Friendly	12	2
Go Green <sup>1</sup>	40	-
enviroCAB	40	-
Crown	6	-
Arlington Cab Cooperative Co. <sup>1</sup>	60	-
<b>Total</b>	<b>323</b>	<b>23</b>

<sup>1</sup> New Company

\* Presented to panel

As part of this year's determination process, staff formed an interdepartmental panel to assist in reviewing applications. The panel was comprised of County staff with expertise in small business development, hotel and visitor services, energy management, paratransit service provision and transportation planning. The 2012 application form, as well as the *2012 Taxicab*

*Certificate Determination Report*, requested all companies to present to this panel. Three candidates took advantage of this new part of the process: EV Taxicab, Green Line Cab and Red Top. During these presentations, staff was able to ask questions, gather additional facts and provide feedback on how to improve the applications.

Staff developed a system for rating the applications that considered how well each application satisfied the County’s stated consideration factors and the expectations. See Appendix A for the list of factors and the scoring system used to rate the applicants. The County’s primary concerns are in four areas:

- Improvement of customer service quality
- Commitment to driver welfare
- Innovation and growth of the local taxicab industry
- Soundness of the company’s financial condition

These primary factors are double-weighted to reflect their greater importance in the evaluation. See Appendix A for a full description of the methodology for each factor.

Table 3a – new companies and 3b – existing companies show the total weighted score for each applicant for standard (non-wheelchair-accessible) vehicles. See Appendix B for the scores on each category and the resulting score.

**Score for Standard Taxicabs – New companies**

<b>Table 3a.</b>	<b>Weighted Score</b>
<b>Arlington Cab Coop</b>	80
<b>EV Cab</b>	84
<b>Go Green</b>	70
<b>Green Line</b>	77

**Score for Standard Taxicabs – Existing Companies**

<b>Table 3b.</b>	<b>Weighted Score</b>
<b>Blue Top</b>	74
<b>Crown</b>	53
<b>EnviroCab</b>	83
<b>Friendly</b>	68
<b>Hess</b>	49
<b>Red Top</b>	76

Table 4 shows the score for applicants that requested wheelchair-accessible vehicles.

<b>Table 4.</b>	<b>Score</b>
<b>Arlington Cab Cooperative</b>	<b>3</b>
<b>Blue Top</b>	<b>5</b>
<b>EV Taxicab</b>	<b>3</b>
<b>Friendly</b>	<b>2</b>
<b>Green Line</b>	<b>3</b>
<b>Red Top</b>	<b>5</b>

## **Certificate Allocation Recommendation**

### **Allocation Recommendation for Standard Taxicabs**

	<b>No. of new Taxicabs</b>
<b>EV Taxicab</b>	40
<b>enviroCAB</b>	10
<b>Friendly</b>	5
<b>Totals</b>	<b>55</b>

Generally, for a new dispatch company to start, a minimum of 40 to 50 cabs are needed both to provide the revenue to cover the business's up-front and operating costs and to have enough cabs on the street to meet the demand for dispatch service. The County Manager determined in the *2012 Certificate Determination Report* that the County needs between 40 to 55 non-wheelchair-accessible taxicabs; therefore there is only room to add one new dispatch company this year.

### **EV Taxicab**

Appendix B shows the maximum and assigned scores that could be or were given to each of the applications. As it was not possible to score the new applicants on all of the factors, each application was also given a weighted score that is a percentage of the total maximum score that the applicant could receive. Based on the rating system, EV Taxicab was rated the highest of all applicants. It proposes to have a fleet entirely made up of all-electric taxicabs. To service the taxi vehicles, EV Taxicab proposes to install six quick-charge stations across the County that will be available to the general public as well as EV's drivers. This will encourage additional usage of zero-emission vehicles, helping Arlington County to be a pioneer in this new technology.

The vehicles will be equipped with high-speed internet access and iPads mounted in the backseat for customers to use during the cab ride. EV will also utilize smartphone apps and telephone calls for its reservation system. EV also proposed to employ the *Cabulous* state-of-the-art, cloud-based dispatch system that allows smart-phone and tablet users to identify the real-time locations of taxis in the vicinity. The technology proposed by EV equals or exceeds that of all the other cabs either existing or proposed.

The EV Taxicab applicant is a current Arlington County taxi driver and a recent business school graduate. He brings his experience to the position and wants to work with County staff to improve the drivers' profession. He proposes to provide his drivers with customer and business training, two weeks of annual vacation, health and fitness club membership, financial management training, customer service training, assistance with legal representation and is looking into providing life insurance. The EV Taxicab application impressed County staff through both its use of technology and its apparent commitment to fair treatment for its drivers.

Members of the County's interdepartmental panel were asked to address concerns about the technical and financial aspects of the EV Taxicab application. The panelists' responses are provided below:

Arlington Economic Development – Small Business Program: “Overall, EV Taxicab has a solid business plan that does a good job assessing the business risks and showing effective plans to manage those risks. It presents a well thought out and comprehensive business plan. EV met with Arlington Economic Development (AED) staff and implemented all the changes and suggestions staff pointed out on its business plan. Staff discussed and reviewed in depth its business economic feasibility, based on its projected income and costs, business operations and marketing strategies. Staff concluded that EV Taxicab can add great value to the existing Arlington County taxicab fleet due to their financial feasibility, experience, and innovation on the use of latest technology and customer service initiatives.”

Sustainability and Environmental Management – Energy Management Program: “The proposal by EV Taxicab is a credible game-changer and leap forward for cleaner transportation in Arlington. In addition to reduced greenhouse gas emissions, electric vehicles produce zero tailpipe emissions, thereby improving local air quality. The applicant's proposal is feasible, although it does require the cooperation of other partners. The success of this firm could jump-start the acceptance and use of electric vehicles in Arlington and the DC metropolitan region, and be an important milestone in Arlington's leadership in transportation and the environment.”

The Nissan Leaf can travel 80-120 miles on a full charge (24 kWh), depending on driving conditions. This range is sufficient for hours of travel around Arlington, and a trip to Dulles International Airport and back could be made with about a half-full charge of its battery. The Metropolitan Airport Authority (MWAA) has installed this year four electric vehicles charging stations at Dulles Airport and additionally four more at Reagan National Airport.

An electric taxicab driving 120-180 miles per day will likely require at least one recharging, and quickly. Fast-charge options for the Nissan Leaf exist, but are only now being introduced to the Washington DC metro region. These fast-charge stations provide about 80-100 miles of range in 20-30 minutes of charging. The applicant is in discussions with appropriate property owners (e.g. grocery store parking lots) for the installation and use of fast-charge technology by the firm's drivers, and also for use by the general public. The vehicles could also be charged at home overnight on more-basic charging equipment. The overnight re-chargers are much slower providing about 10 miles of range per hour of charging.

Therefore, not only does this taxicab proposal include recharging infrastructure for its own vehicles, but it facilitates the deployment of fast-charge EV infrastructure for use by Arlington residents and the general public. This investment of private infrastructure for EV fast-charge stations in Arlington will enhance Arlington as a site for purchase and use of EVs for personal transportation in the region.

Staff recognizes that the use of electric vehicles for taxi service is still a new technology in development. Cities around the world are implementing electric taxis and so far have not reported major problems. There is still some risk that the technology is not yet mature. Staff believes that EV Taxicab should be given up to 12 months to fully implement their service. If at that time the company is not fully operational utilizing all electric-powered taxicabs, then the County may withdraw EV's Certificate. Taxicab authorization not used by EV may be reserved for reallocation by the County Board at a later date.

**EnviroCAB**

EnviroCAB had the second highest ratings. It received high scores for its commitment to sustainability and to its employment of better technology for dispatch, credit-card payment and GPS location of vehicles. EnviroCAB has also incorporated an electric vehicle in its fleet for testing and to showcase new technology to the public. Currently, enviroCAB is the smallest full-service company in Arlington. The additional cabs will improve service by reducing customer wait times and also will allow the company to reduce the stand dues it charges its drivers. In their application, enviroCAB proposed to create an incentive program to get more drivers to work peak hours by further reducing their stand dues.

**Friendly Cab**

Although Friendly Cab has been in business for more than 40 years, it is the smallest of Arlington's cab companies. Friendly has requested 10 new cabs in order to grow their business and to enable them to implement dispatch service. The company is already equipped with credit card payment terminals and has been increasing its percentage of hybrid-fueled vehicles. County staff believes that transforming Friendly to a full-service company would add great benefit to Arlington's overall taxi service. The addition of five new cabs to Friendly and its establishment of dispatch service in effect would create another 32 new dispatch cabs.

**Wheelchair-Accessible Taxicabs**

**Table 6. Allocation Recommendation for Wheelchair-Accessible Taxicabs**

	<b>Number of Wheelchair Taxicabs</b>
<b>Blue Top</b>	5
<b>Red Top</b>	5
<b>Totals</b>	<b>10</b>

During the application process, new information regarding the need for additional wheelchair-accessible vehicles came to County staff's attention. This new data regarding higher than previously reported use of Red Top's wheelchair-accessible cabs and new service contracts

secured by Blue Top, in addition to requests heard during a focus group of seniors and persons with disabilities, convinced staff that 10, rather than five, new wheelchair-accessible vehicles are needed. This is five more than the *2012 Certificate Determination Report* had recommended.

Blue Top, in September, signed an agreement with a Medicare/Medicaid transportation service provider to transport all of its clients. Blue Top is estimating that the contract will generate up to an additional 300 trips per day. Also, Red Top stated in its application that in the first seven months of 2012, the demand for wheelchair-accessible trips have increased nearly 42% over the same time in 2011. Given this new data, Red Top requested more wheelchair-accessible vehicles than County staff had estimated in the *2012 Certificate Determination Report*.

Staff recommends the award of five wheelchair-accessible taxis each to Red Top Cab and Blue Top Cab. The Red Top Cab award will improve the on-time performance of the largest provider of taxi rides to wheelchair users in Arlington County. Currently, customers using wheelchairs are advised to schedule rides the day before. Same-day ride requests require two hours' notice. Additional accessible Red Top taxis will improve the overall availability of the fleet. As Red Top Cab is also a provider for Arlington County's Specialized Transportation for Arlington Residents (STAR) Program, on-time performance for STAR trips may also improve.

Blue Top Cab also requires two hours to meet same-day requests for accessible taxi service. Blue Top Cab has two contracts for transportation of people with disabilities, including those using wheelchairs. Awarding five wheelchair-accessible taxi permits to Blue Top Cab will improve on-time performance to its customers. An added benefit of awarding certificates to Blue Top is to ensure that private-pay customers using wheelchairs have a choice of vendors.

These two companies are the only taxi vendors in Arlington County requiring drivers of accessible taxicabs to complete training in disability sensitivity and passenger assistance. These two companies are also the only taxi vendors in Arlington County with wheelchair-accessible vehicles and a strong taxi dispatch capability (wheelchair users are less likely to hail a taxi ride). Concentrating the wheelchair access within these two companies increases the likelihood that a wheelchair-accessible cab will be available when a customer calls to request one.

The proposed increase in the number of taxicabs authorized should improve the quality of taxi service in several ways. The additional 65 cabs will increase the size of the overall fleet, enabling cab numbers to match the recent growth in taxi demand. Moreover, the expansion along with new incentives for peak-hour service and improvements in telephone and electronic dispatch services will help to improve on-time reliability especially during peak demand hours. Almost all of the new cabs placed in service will be driver-owned, thereby creating opportunities for taxi drivers that currently rent cabs to become more invested in the industry.

The additional 10 wheelchair-accessible cabs will expand the Arlington taxi industry's ability to provide travel services for persons with mobility impairments. Red Top, which has the largest fleet of wheelchair-accessible cabs and currently provides much of Arlington's STAR paratransit service, would gain new capacity, while the Blue Top fleet of accessible vehicles would be more than doubled in size and create a second viable taxicab provider for persons with disabilities.

There are a number of environmental and technological advancements that would also be achieved. Foremost would be the introduction of a new fleet of electric vehicles under the operation of EV Taxicab. The quiet, low-pollution cabs will be serviced by a new network of electric charging stations that can also be made available to the general public. In addition enviroCAB is proposing to add one electric vehicle to its expanded fleet of hybrid vehicles. All of the new standard cabs will be either electric or hybrid powered. New technology innovations such as in-cab wi-fi, and tablet/smart phone reservation systems will also be implemented. The traveling public will also benefit from the award of five new cabs to Friendly Cab as this may enable a conversion of their entire fleet to dispatch service.

Staff feels that the demand in the industry warrants some growth at this time. However, the applications received greatly exceed that demand. Selection from amongst the ten applications was made in a manner that would best serve the public health, safety and welfare and in rewarding those applicant companies that are seeking to provide the best service to the traveling public.

### **Transportation Commission:**

On November 1, 2012, the Arlington Transportation Commission held a public hearing regarding the authorization of new taxicab certificates. The Commission received testimony from eight of the 10 applicants, as well as from several taxi drivers, including a representative of Arlington United Taxicab Operators (AUTO). The majority of the Commission's concerns were about the method that County staff developed to rate the applicants and the ability of the proposed new company, EV Taxicab, to provide service utilizing electric cabs. The Commission expressed interest in electric vehicles but felt that the technology is not currently adequate for the operation of a taxicab fleet. Although lacking an official quorum, the Commission voted five to zero (5 to 0) in favor of a motion to allocate 20 standard certificates to EnviroCab, 10 standard certificates to Friendly Cab, 10 wheelchair-accessible certificates to Red Top Cab and five (5) wheelchair-accessible certificates to Blue Top Cab.

**FISCAL IMPACT:** The taxicab certificate holders are required to pay the County an annual fee of \$150 per cab to help to cover the cost of the County's full-time Taxicab Industry Regulator and the County's part-time Hack Inspector. The addition of 65 new cabs would generate another \$9,750 in annual revenue for the County plus revenue collected associated with the annual vehicle inspections (\$20 per cab, \$1,300 annually) and the biennial renewal of cab driver licenses (\$40 each). Fees are collected by January 1 of each year. The additional revenue will offset the net tax support of the program. As the number of taxi companies and overall size of the industry increases, additional work is created for the two positions that currently work on taxicab issues and in future years could result in the need for additional staffing resources.

## **Appendix A. Method for Evaluation of Taxicab Certificate Applications**

### **Factors to Consider**

According to Section 25.1-4 of the Taxicab Ordinance, in making her determination regarding the allocation of taxicabs to each applicant, the County Manager shall consider the following factors, and such other relevant information as the County Manager deems appropriate, including the effect of the approval of the application(s) on Taxicab Service in Arlington County:

1. Whether the applicant will offer hail and taxi stand service;
2. Whether the applicant will offer telephone-reservation and dispatch service;
3. How many of the additional taxicabs will be wheelchair-accessible vehicles;
4. To what extent customers may pay using credit or debit cards;
5. Fuel efficiency of proposed additional taxicabs including whether the additional Taxicabs will be hybrid or vehicles not primarily powered by gasoline or diesel fuel;
6. The applicant's recent vehicle productivity, if any, as evidenced by paid taxicab trips per authorized taxicab per day;
7. The applicant's recent vehicle efficiency, if any, as evidenced by percent of total miles travelled for which passengers travel;
8. The days and hours for which service will be available;
9. The applicant's recent customer-service record, if any, as evidenced by the scarcity of complaints per authorized taxicab;
10. The applicant's intended fleet sustainability, as evidenced by the current (if any) and proposed fleet fuel-efficiency ratings;
11. Competition within the industry including the number of taxicabs that the applicant(s) would be authorized, should the number applied for be granted, relative to the total number of taxicabs authorized under all certificates, and the effect thereof on the public convenience and welfare; and
12. Proposed innovation to taxicab service in Arlington County.

In addition to these factors, County staff established additional expectations to be addressed by applicants. These expectations are intended to protect the health, safety and welfare of the traveling public, improve drivers' profession, and maintain competition within the industry. They are as follows:

- The applicant should demonstrate its sound financial condition and a well-developed plan for operation of its business.
- The applicant should demonstrate its ability to accept and guarantee a customer ride reservation by telephone, text message, computer application, or e-mail. The applicant should provide a mechanism to alert a customer of a significant delay.
- The applicant should demonstrate its ability to provide incentives or other mechanisms to address the need for more cabs during the early weekday morning and late weekend night peak hours.
- The applicant should demonstrate that its management agrees to treat drivers fairly, including outlining an internal appeals process for disciplinary actions undertaken by the applicant against its drivers.
- The applicant should demonstrate that its management will provide drivers with adequate training and support to ensure that customers receive high-quality customer service. High-quality service involves courtesy and attention to customers' needs, as well as cleanliness, timeliness, safety, and knowledge of local streets.
- The applicant should demonstrate that it will plan for a majority of the cabs in its fleet to be owned by their operators. The applicant should provide information regarding the number of driver-owned and driver-leased vehicles in its fleet and the dues associated with each type of vehicle (driver-owned and driver-leased).
- The applicant should demonstrate its ability to accept credit & debit cards for payment for all rides.
- The applicant should demonstrate its ability to track and record vehicles' service by both taximeters and GPS. Also, the applicant should demonstrate its ability and willingness to share this electronic data or manifests with County staff.
- The applicant should indicate its willingness to cooperate with County staff on matters such as data collection, information distribution, driver testing and scheduling of vehicle inspections.
- The applicant should demonstrate its ability to provide a fleet that includes energy-efficient vehicles, vehicles with seating for four passengers and ample luggage space, and wheelchair-accessible vehicles.

**Primary Factors:** *County staff has determined that the certain factors are more important in addressing the County's primary considerations and should accordingly be given double weight in the selection process; they are:*

- Improvement of Customer Service Quality – factors # 2, 4 and 14
- Commitment to Driver Welfare – factors #15 and 17
- Industry Innovation and Growth – factor #12
- Sound Company Financial Condition – factor #13

**Wheelchair-Accessible Cabs:** *Factor #3 is the primary consideration for granting of certificates for wheelchair accessible vehicles. It is not included in the evaluation of certificate applications for standard taxicabs.*

### ***System for Scoring the Factors***

*All factors are scored on a scale of 1 to 5. Primary factors are double-weighted (2 X score) to reflect their greater importance in the evaluation.*

#### **Factor #1- Hail or Stand:**

Score of 1 = No hail or stand service is provided

Score of 3 = some portion of vehicles will provide hail and stand service

Score of 5 = all vehicles can provide service for hail and taxi stand requests

#### **Factor #2 – Telephone reservation and dispatch service:**

Score of 1 = No telephone reservation and dispatch provided

Score of 3 = Telephone reservation/dispatch is provided for part-day

Score of 4 = Telephone reservation/dispatch is provided all day

Score of 5 = Telephone & e-mail or text reservation/dispatch is provided all day

#### **Factor #3 – Wheelchair Accessible vehicles:**

Score of 1 = No wheelchair accessible cabs requested

Score of 2 = Wheelchair cab is requested but no dispatch or medical/senior contracts

Score of 3 = Company has either dispatch service or a medical/senior contract

Score of 4 = Company has both dispatch and medical/senior service contract

Score of 5 = Has both dispatch and medical/senior contract plus other WC cab business

#### **Factor #4 – Payment by credit or debit cards:**

Score of 1 = No system for accepting credit & debit card payments is provided

Score of 4 = System for credit & debit card payments is provided

Score of 5 = System allows for “back-seat” payment using credit & debit cards

#### **Factor #5 – Fuel efficiency of new cabs:**

Score of 1 = Cabs to be conventionally fueled with low mpg ratings

Score of 2 = Cabs to be mix of hybrids and conventionally fueled

Score of 3 = All cabs to be hybrid fueled

Score of 4 = Cabs to be a mix of hybrids and electric or alternative fueled

Score of 5 = All cabs to be plug-in electric or alternative fueled

#### **Factor #6 – Vehicle productivity: (Based upon most recently reported company data averages.**

Only applies to operating companies)

Score of 1 = Under 10 reported trips per vehicle per day

Score of 2 = Between 10 and 12 reported trips per vehicle per day

Score of 3 = Between 12 and 16 reported trips per vehicle per day

Score of 4 = 16 to 20 reported trips per vehicle per day

Score of 5 = Greater than 20 reported vehicles per day

#### **Factor # 7 – Vehicle efficiency: (Based upon most recently reported company data averages.**

Only applies to currently operating companies)

Score of 1 = 25 % or fewer reported miles traveled are paid miles

Score of 2 = Between 25 and 35% of reported miles traveled are paid miles  
Score of 3 = Between 35 and 42% of reported miles traveled are paid miles  
Score of 4 = Between 42 and 50% of reported miles traveled are paid miles  
Score of 5 = Greater than 50% of reported miles traveled are paid miles

Factor #8 – Days and Hours of Service:

Score of 1 = Less than 24 hours of service per day and fewer than 7 days per week  
Score of 2 = Service is part day for everyday  
Score of 5 = Service is 24 hours per day everyday

Factor #9 – Customer Service Record: (Based upon data collected by County staff. Only applies to currently operating companies)

N/A – Very few complaints received

Factor #10 – Intended Sustainability: (Includes current vehicles if applicable)

Score of 1 = Percentage of fleet that is hybrid or alternative power less than 20%  
Score of 2 = Percentage of fleet that is hybrid or alt. power is between 20 and 40%  
Score of 3 = Percentage of fleet that is hybrid or alt. power is between 40 and 60%  
Score of 4 = Percentage of fleet that is hybrid or alt. power is between 60 and 80%  
Score of 5 = Entire fleet to be hybrid or alternative powered

Factor #11 – Competition in Industry:

Score of 1 = Company to have 33% or more share of total industry cabs  
Score of 2 = Company to have 20 to 33% share of total industry cabs  
Score of 3 = Existing company to have less than 20% share of total industry cabs  
Score of 4 = New company to have 75 cabs or greater  
Score of 5 = New company to have fewer than 75 cabs

Factor #12 – Innovation:

Score of 1 = Status quo; no changes to existing industry service or operations  
Score of 3 = At least one innovation in local industry service or operation  
Score of 4 = Multiple innovations in local industry service and/or operation  
Score of 5 = First of its kind in USA type of service or operation innovation

Factor #13 – Sound Financial Condition: (Financial plans required only for new companies)

Score of 1 = Financial plan deemed to be inadequate  
Score of 3 = Financial plan deemed to be adequate  
Score of 4 = Existing company with 5 years or less operating experience  
Score of 5 = Existing company with greater than 5 years of operating experience

Factor #14 – Incentives for Peak Hour Service:

Score of 1 = Provides no extra incentives for drivers to work peak demand periods  
Score of 3 = Provides at least one extra incentive for drivers to work peak periods  
Score of 5 = Provides several extra incentives for drivers to work peak periods

Factor #15 – Treats Drivers Fairly:

Score of 1 = No mention of driver written contracts or internal complaint appeals process

Score of 3 = Provides either written contracts for all drivers or an internal complaint appeals process

Score of 5 = All drivers have written contracts and an internal complaint appeals process

Factor#16 – Provides Driver Training:

Score of 1 = No driver training provided by company

Score of 3 = Company provides training for license examination or service to customers

Score of 5 = Company provides training for license examination and service to customers including those with special needs

Factor #17 – Cab Operator Ownership:

Score of 1 = No cabs (both new and proposed) owned by operators

Score of 2 = Less than 50 % of cabs to be owned by operators

Score of 3 = Between 50 and 80% of cabs to be owned by operators

Score of 5 = At least 80% of cabs to be owned by operators

Factor #18 – GPS and Taximeter data collection:

Score of 1 = No GPS in cabs and taximeters cannot provide vehicle use data

Score of 2 = No GPS in cabs and taximeter can provide vehicle use data

Score of 3 = All or some cabs have GPS, however taximeters cannot provide data

Score of 5 = All cabs to have GPS and taximeters that can provide vehicle use data

Factor #19 – Cooperation with County (Only applies to currently operating companies):

Score of 1 = Company representatives do not meet with County staff and do not comply with information requests.

Score of 3 = Company representatives attend most meetings with County staff and usually comply with all information requests in a complete and timely manner.

Score of 5 = Company representatives always attend meetings with County staff and always comply with information requests in a timely and complete manner.

## Appendix B: Scoring of Applications

### Formula – Total Maximum Points

Factors	#1	#2*	#3	#4*	#5	#6	#7	#8	#9	#10	#11	#12*	#13*	#14*	#15*	#16	#17*	#18	#19	Total Points	To Weight Score
New Companies	5	10	5	10	5	N/A	N/A	5	N/A	5	5	10	10	10	10	N/A	10	5	N/A	100	Points/100
Existing Companies	5	10	5	10	5	5	5	5	N/A	5	5	10	10	10	10	5	10	5	5	120	Points/120

### Scores

<u>New Companies</u>	#1	#2*	#3	#4*	#5	#6	#7	#8	#9	#10	#11	#12*	#13*	#14*	#15*	#16	#17*	#18	#19	Total Points	Weighted Score
Arlington Cab Coop	5	5	3	4	3	N/A	N/A	5	N/A	5	5	3	1	3	5	N/A	5	5	N/A	80	80
EV Cab	5	5	3	5	5	N/A	N/A	5	N/A	5	5	5	3	1	3	N/A	5	5	N/A	84	84
Go Green	5	4	1	4	3	N/A	N/A	5	N/A	5	5	1	3	3	1	N/A	5	5	N/A	70	70
Green Line	5	5	3	4	4	N/A	N/A	5	N/A	5	5	3	3	3	1	N/A	5	5	N/A	77	77

<u>Existing Companies</u>	#1	#2*	#3	#4*	#5	#6	#7	#8	#9	#10	#11	#12*	#13*	#14*	#15*	#16	#17*	#18	#19	Total Points	Weighted Score
Blue Top	5	5	5	4	3	3	3	5	N/A	3	2	1	5	1	5	3	5	5	5	89	74
Crown	5	1	1	1	3	1	2	5	N/A	3	3	1	5	1	3	3	5	2	3	64	53
EnviroCab	5	5	1	4	4	4	4	5	N/A	5	3	3	5	3	3	3	5	5	5	99	83
Friendly	5	3	2	4	3	2	3	5	N/A	3	3	3	5	1	3	1	5	5	3	81	68
Hess	5	1	1	1	3	2	3	5	N/A	2	3	1	5	1	1	1	5	2	3	59	49
Red Top	5	5	5	5	3	4	4	5	N/A	2	1	3	5	3	3	5	3	5	5	91	76

\* Factor is double-weighted

# Memorandum

**To:** Chairman and Members, County Board of Arlington County **Date:** June 29, 2012

**From:** Barbara Donnellan, County Manager

**Subject:** 2012 Taxicab Certificate Determination Report

## County Manager's Recommendation

The County Manager recommends that there be a 5% to 7% increase (40 to 55 additional taxicabs) as well as five (5) new wheelchair-accessible vehicles to the currently authorized 765 taxicabs. Based on staff's evaluation of both quantitative and public input data, there are sufficient bases to justify an increase in the number of taxicabs authorized to operate in the County. This report provides a summary of the data that support this recommendation.

## Certificate Determination Process

According to Section 25.1-4 of the Taxicab Ordinance (Chapter 25.1 of the County Code) the number of Taxicab Certificates is to be determined by the County Board biennially in even-numbered years. The determination process for the current year begins on July 1, 2012, with this recommendation. This report states the number of taxicabs proposed to be authorized, the rationale for such number and the general methodology used in arriving at a recommendation. A separate certificate-allocation process for deciding whether and to whom certificates (including specific numbers of taxicabs) are granted will begin after this determination. Existing certificate holders and new applicants have the opportunity to present justification for additional taxicabs or certificates during the certificate-allocation process detailed below:

## Certificate-Allocation Process

- July 1– September 1, 2012: Applications may be submitted by current taxicab certificate holders requesting additional taxicabs as well by persons who do not at this time hold a certificate. If an applicant applies for a certificate, the issuance of which would authorize an increase in the number of taxicabs for such applicant or certificate-holder, and which increase would exceed the number of taxicabs determined by the County Manager, then the application must include relevant facts indicating the reasons that the applicant contends that the market change, industry performance, certificate-holder performance, competition, and other specified factors are other than those determined by the County Manager. Certificate applicants will be invited to meet with a panel of County staff.
- Prior to September 15<sup>th</sup>: At the August 30, 2012, Transportation Commission meeting applications for new taxicabs will be presented to current certificate holders and applicants for certificates for their public review.

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- Prior to October 15<sup>th</sup>: The County Manager will provide a recommendation to the County Board regarding the number of additional taxicabs (to be authorized by Certificates) allocated to each applicant, including the number of wheelchair-accessible taxicabs.
  - Prior to November 15: The Transportation Commission will provide allocation recommendations to the County Board.
  - November 17, 2012: The County Board will hold a public hearing for taxicab certificate holder/non-certificate holder applicants and authorize the County Manager to issue certificates.

### **Certificate Determination**

According to Section 25.1-4 of the Taxicab Ordinance, in making her determination regarding the number of taxicabs the County Manager shall consider for the immediately preceding two (2) years the following factors: (1) the percentage change in residents, taxicab and paratransit trips, and indicators of business activity, tourism, and public transportation use (jointly "Market Change") within Arlington County; (2) Taxicab industry and Certificate-holder performance indicators; (3) Competition, including consideration of the number of Taxicabs authorized to be operated by any Certificate-holder in relation to the total number of Taxicabs authorized to be operated under all Certificates; (4) and other factors having, in the reasonable opinion of the County Manager, specific relevance to the provision of taxicab service to the public.

In order to provide this recommendation a combination of indicators were utilized by staff to assess whether there is a need for an alteration to the current number of taxicabs (765). Staff assembled and evaluated data from 2009 to present to provide an initial recommendation regarding the number of taxicabs. Staff considered it appropriate to begin at year 2009 since that was the last time certificates were awarded. The historical data considered include the percentage change in the population of Arlington County; change in at-place employment; change in county hotel room occupancy levels; percentage change in airport taxi pick up trips; and change in overall transit passenger trips. In addition, community input was gathered from focus groups and a survey conducted by staff. These and other factors were evaluated as the primary indicia of trip generation in order to determine the demand for taxicabs in Arlington County and they are grouped into sections as follows: (1) Current Certificate Distribution, (2) Population Indicators, (3) Business Activity, (4) Transportation Indicators, (5) Tourism Indicators, (6) Competition, (7) and Stakeholders' Input.

### **Current Certificate Number and Distribution**

There are currently 765 taxicabs in Arlington County, which are operated by seven (7) certificate holders. The current taxicab fleet includes 262 hybrid taxicabs (36% of the total non-wheelchair vehicles) and 27 wheelchair-accessible taxicabs (3.5% of the entire fleet). When combined, the four companies that provide dispatch service total 666 taxicabs (87% of the entire fleet). **Table 1** provides the current distribution of taxicab certificates by company.

**Table 1: Current Number of Taxicabs by Company**

Company / Certificate Holder	Number of Taxicabs	Hybrid	Wheelchair
Red Top*	350	49	23
Blue Top*	166	73	4
Arlington Yellow Cab*	100	64	-
EnviroCab*	50	50	-
Crown Cab	37	15	-
Hess Cab	35	6	-
Friendly Cab	27	5	-
<b>Total</b>	<b>765</b>	<b>262</b>	<b>27</b>

\*Taxicab companies that provide dispatch service

## Population Indicators

The growth or decline of Arlington County's population is one indicator of an increase or decrease in the supply of potential taxicab passengers. **Table 2** shows that the population of Arlington County grew from 205,810 to 214,500 between the years 2009 and 2012, which is an increase of 8,690 residents (+4.2%).

**Table 2: Arlington County Population (2009-2012)**

	2009*	2010	2011	2012	# Change, 2009-2012	% Change, 2009-2012
<b>Population</b>	205,810	207,627	211,100	214,500	8,690	4.2%

\*Estimate.

Source: Arlington County Planning Research and Analysis Team (PRAT), CPHD

There is currently no standard ratio of taxicabs to population but this measure provides a point of comparison between the County's taxicab industry growth and population growth. **Table 3** shows the number of taxicabs per 1,000 residents of Arlington County. The County has experienced an increase in residents of 8,690 (+4.2%) between 2009 and 2012. During that timeframe the County taxicab fleet has remained at 765 taxicabs, resulting in a decrease in the ratio of 4.1% – from 3.717 in 2009 to 3.566 in 2012.

**Table 3: Number of Cabs Per 1,000 inhabitants (2009-2012)**

Cab/Pop. Indicator	2009	2010	2011	2012
<b>Cabs Per 1,000</b>	3.717	3.684	3.624	3.566

Appendix A provides a multi-jurisdictional comparison of taxicabs per 1,000 residents which places Arlington County in context with neighboring jurisdictions and comparable transit-oriented jurisdictions elsewhere in the United States.

## Business Activity

Business activity is another indicator that was used to evaluate the state of the taxicab industry. At-place employment is a business activity indicator that provides a measure as to whether there was a change in the number of jobs within Arlington County. Thus it provides a gauge for commuters entering Arlington County for work-related purposes. **Table 4** shows an increase in at-place employment from 207,800 to 227,500 between the years 2009 and 2012, which

amounts to an increase of 19,700 employees (9.48%). Taxicabs also provide a guaranteed ride home (GRH) to commuters who use alternative modes of transportation. For example, a taxi provides an option if a bus rider must return home in an emergency or a car pooler must stay at work later than expected. This addresses a common objection to the use of alternative modes by supplementing transit with an auxiliary transportation service. The factor used to measure business activity within the county is at-place employment.

**Table 4: Arlington County At-Place Employment (2009-2012)**

	2009	2010	2011	2012	# Change, 2009-2012	% Change, 2009-2012
<b>At-Place Employment</b>	207,800	223,300	225,700	227,500	19,700	9.48%
<b>Taxicabs per 1,000 Employees</b>	3.68	3.43	3.39	3.36	-0.32	-8.7%

Source: PRAT, CPHD

As employment grew, the ratio of taxicabs per 1,000 employees decreased. The ratio of taxicabs to employees has decreased from 3.68 to 3.36 taxicabs per 1,000 employees (-8.7%).

According to the taxi model developed by Bruce Schaller (a noted expert on taxi systems in the United States), population and employment are not the only significant factors in determining demand. Additional factors are: number of visitors, subway commuters, hotel occupancy, senior and disabled transport programs, airport taxi trips and the number of cold-weather days.

### Transportation Indicators

Transportation indicators, including dispatch taxicab trips and transit ridership, provide evidence as to whether there is sufficient demand for an increase to the current number of taxicabs in Arlington County.

#### *Taxicab Trips*

Taxicab dispatch trips capture the amount of call-in service provided by dispatch taxicab certificate holders. Currently, dispatch trips are the most labor- and capital-intensive type of trip, requiring substantial call-center operations. As a County with a predominance of telephone order (dispatch) trips and fewer hail-based trips, the existing taxicab companies that are authorized to operate a specific number of cabs must be adjusted regularly if demand for dispatch cab service is changing. Dispatch service also captures whether there is a shortfall in service in outlying areas since cabs tend to cluster in active airport, hotel, and transit cab stand / street hail markets. **Table 5** provides a comparison between the number of dispatch trips between 2009 and 2011.

**Table 5: Dispatch Taxi Trip Comparison (2009-2011)**

	2009	2010	2011	# Change, 2009-2011	% Change, 2009-2011
<b>Blue Top</b>	232,489*	518,475	429,498	197,009	84.7%
<b>EnviroCab</b>	66,926	60,552	68,364	1,438	2.1%
<b>Red Top</b>	1,727,456	1,808,822	1,898,160	170,704	9.9%
<b>Yellow Top</b>	150,462	152,153	153,006	2,544	1.7%
<b>Total</b>	<b>2,177,333</b>	<b>2,540,002</b>	<b>2,549,028</b>	<b>371,695</b>	<b>17.1%</b>

Source: Arlington County Dispatch Taxicab Certificate Holders

\*According to Blue Top Cab the 2009 dispatch trips reflect a new private taxi stand installed by the FDIC in Virginia Square that reduced the number of requests by 500+ per week and customers calling individual drivers directly. A new mobile app. was also put in place in late 2010.

There was an increase in the total number of dispatch trips by 371,695 (17.1%) during that time period. Overall, all companies providing dispatch have experienced an increase in that trip type.

### *Transit Usage*

Alternative methods of transportation are important to connect multimodal linked trips. Taxis support the use of alternative modes, such as ridesharing and transit use, by giving people who use those modes a fallback option in emergencies or off-peak transit service hours. This also enables people to reduce their car use and ownership. From the PRAT report “2006-2010 American Community Survey 5-Year Estimate”, approximately 12% of Arlington residents do not own a vehicle. The percentage is higher in the Metrorail and Metrobus corridors - 16% in the Rosslyn / Ballston corridor and 19% in the Jefferson Davis corridor.

When taxis are coordinated with transit modes they can contribute to relatively large reductions in vehicle travel. Transit usage is a variable that provides an assessment of the number of bus, rail, and paratransit passengers within Arlington County. **Table 6** indicates an increase in overall transit ridership between 2009 and 2011.

**Table 6: Annual Transit Ridership in Arlington County**

	FY 2009	FY 2010	FY 2011*	# Change, 2011-2009	% Change, 2009-2011
<b>VRE</b>	1,026,984	1,074,686	1,100,000	73,016	7.1%
<b>Metrorail</b>	61,935,162	60,995,789	62,300,000	364,838	0.6%
<b>Metrobus</b>	16,135,049	15,265,677	15,489,647	-645,402	-4.0%
<b>ART</b>	1,428,827	1,990,402	2,261,128	832,301	58.2%
<b>STAR</b>	72,174	84,670	81,434	9,260	12.8%
<b>MetroAccess</b>	21,362	28,507	28,627	7,265	34.0%
<b>Total</b>	<b>80,619,558</b>	<b>79,439,731</b>	<b>81,260,836</b>	<b>641,278</b>	<b>0.8%</b>

Sources: Arlington County Division of Transportation; Washington Metropolitan Area Transit Authority; and Northern Virginia Regional Transportation Authority

\*Estimate based on mid-year ridership provided by VRE

Overall there has been an increase of 641,278 trips for transit modes within Arlington (+0.8%) between 2009 and 2011. Transit trips experienced an increase between 2009 and 2011 in five of the six transit categories. Some of the decline in Metrobus usage is due to restructuring of some bus service from Metrobus to ART bus routes. The overall increase in transit ridership indicates that a change in taxicabs/certificates may be merited.

## Tourism Indicators

Tourism indicators, including airport taxi trips and hotel occupancy, provide additional evidence as to whether there is sufficient demand for an alteration to the current number of taxicabs in Arlington County.

### *Airport Volumes*

Airport passenger volumes provide a measure for air travelers using taxicabs to provide an intermodal ground connection for flights. Taxicab airport pickups capture whether there is a change in the demand for taxicab service originating at the IAD (Dulles), DCA (Reagan National), and BWI (Baltimore/Washington International) airports. **Table 7** shows an increase in airport passengers at DCA, IAD, and BWI of 2,682,420 (+4.3%) between the years 2009 and 2011. These aggregate airport access volumes indicate an increase in the amount of taxicab use demand by arrival and departure passengers.

**Table 7: Airport Passengers**

	2009	2010	2011	2009-2011 Difference	% Change
<b>DCA (Reagan National)</b>	17,577,359	18,118,713	18,823,094	1,245,735	7.1%
<b>IAD (Dulles)</b>	23,213,341	23,771,232	23,211,856	-1,485	0.0%
<b>BWI (Baltimore/Washington International)</b>	20,953,615	21,936,461	22,391,785	1,438,170	6.9%
<b>Total</b>	<b>61,744,315</b>	<b>63,826,406</b>	<b>64,426,735</b>	<b>2,682,420</b>	<b>4.3%</b>

Source: Metropolitan Washington Airports Authority

Airport passenger arrival taxi trips include all surrounding jurisdiction taxicabs, thus providing a strong indication for potential taxicab use by arriving passengers. This does not include pickups of passengers who make their own arrangements to be picked up at the airport. That volume is captured within the total dispatch trips in Table 3. Trips from IAD are exclusively provided by the Washington Flyer, although trips to the airport can be provided by any cab company. DCA is served by a combination of taxi providers from across the region, including companies based in Arlington County. **Table 8** shows an increase of 248,696 (9.7%) passenger arrival taxi trips at IAD and DCA airports combined between the years 2009 and 2011.

**Table 8: Virginia Airport Passenger Arrival Taxi Trips**

	2009	2010	2011	Difference	% Change
<b>DCA (Reagan National)</b>	1,695,672	1,785,870	1,855,592	159,920	9.4%
<b>IAD (Dulles)</b>	857,156	927,830	945,932	88,776	10.4%
<b>Total</b>	<b>2,552,828</b>	<b>2,713,700</b>	<b>2,801,524</b>	<b>248,696</b>	<b>9.7%</b>

Source: Metropolitan Washington Airport Authority

### *Hotel Occupancy*

A review of hotel occupancy indicates whether there was a change in the number of travelers staying within Arlington County. There are a total of forty-two (42) hotels providing 10,759 rooms located within Arlington County. Currently there are 183 rooms under construction as well as 1,132 rooms approved by the County Board but not yet built as of April 1, 2012. The fluctuation in visitors has an impact on taxicab trips generated from these locations. The vehicle trip generation of a hotel is dependent on various factors. Size, location, and type of hotel all contribute to trip generation. **Table 9** shows an increase in hotel occupancy between 2009 and

2011. This indicates that there has been an increase in visitors and therefore a higher demand for taxicab use at Arlington County hotels. From 2009 to 2011, approximately 669 more rooms were filled per day, which equates to 244,339 more rooms occupied over the course of the year.

**Table 9: Hotel Occupancy**

	2009	2010	2011	# Change, 2009-2011	% Change, 2009- 2011
<b>Rate of Occupancy</b>	71.79%	73.40%	72.00%	-	-
<b>Number of Rooms</b>	9,858	10,759	10,759	901	9.1%
<b>Rooms Occupied Daily</b>	7,077	7,897	7,746	669	9.5%
<b>Rooms Occupied Annually</b>	2,583,126	2,882,444	2,827,465	244,339	9.5%

Sources: Arlington Economic Development and CPHD - PRAT

The hotel business is dependent on the taxi industry. Hotel occupancy has increased from 2009 to 2011, which shows an increase of 9.5% in taxicab demand for visitors to Arlington County during that period.

## Competition

Competition is a factor of concern within Arlington County due to the current distribution of taxicabs among certificate holders. The distribution of taxicabs for the existing certificate holders by company provides evidence that Transportation Inc. (Red Top Cab and Arlington Yellow Cab) is much larger than other certificate holders in terms of number of taxicabs operating under its two certificates. The company was founded in 1968 and thus has the most years of industry experience among the existing seven certificate holders. This has afforded it the ability to expand to its current size. Transportation Inc. operates a total of 450 taxicabs (58.8% of taxicab industry) in Arlington. Transportation Inc. is able to provide more service via dispatch because of the number of taxicabs and licensed drivers it has available for Arlington's workers, residents, and travelers. Its taxicab service is supplemented by a dispatch call service center which is the largest of all of the dispatch companies with at least 20 phone operators providing service for Red Top Cab and Arlington Yellow Cab during each shift.

The other two dispatch companies that compete with Transportation Inc. are Blue Top Cab and EnviroCab. Blue Top Cab is the second-largest taxi company within Arlington County, with a total of 166 taxicabs (21.7% of the total fleet). Blue Top Cab was founded in 1984 and is the second-oldest taxi company in Arlington. Blue Top Cab currently staffs two to three (2 to 3) phone operators to accommodate the call volumes for its existing fleet. EnviroCab was founded in 2007 and is the fourth-largest taxi company, with 50 taxicabs (6.5% of the total fleet) in operation. EnviroCab currently staffs seven (7) phone operators and cashiers to accommodate its call volumes and cashiering for its existing fleet. EnviroCab also has a computerized dispatch and order entry system to provide convenient service to customers and automated dispatch to its drivers. EnviroCab offers a unique hybrid-only fleet.

Friendly Cab (27 taxicabs), Hess Cab (35 taxicabs), and Crown Cab (37 taxicabs) do not currently provide dispatch service. These non-dispatch companies primarily rely on taxicab stands and pre-established customer relationships for their passenger business. Driver availability to their customers is based on the individual driver's preferred work schedule. These companies operate smaller fleets that may not be able to support a dispatch-oriented business

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model. They have a limited ability to serve the county's workers, residents, and travelers because of their size and business structure.

The current structure of the industry indicates the need for more competition in the industry through the addition of certificates issued to smaller companies or companies that are not presently certificate holders.

### **Stakeholders' Input**

This spring, staff engaged in a series of public outreach efforts with three major stakeholder groups regarding taxicab service:

1. Riders – through an online survey to gather public opinion among current ridership about the quality of taxicab service in Arlington. The survey was open from March 15 - June 15, 2012. About 1,015 responses were collected.
2. Businesses, institutions and commissions – staff conducted focus groups to gather their input on taxi service. Nine focus groups were scheduled and they included representatives from Arlington's hotels, restaurants, property managers, the Virginia Hospital Center, and the Transportation, Transit, Aging, and Disabilities advisory groups and commissions.
3. Taxicab Drivers – an independent consultant was hired to conduct a telephone survey of Arlington's licensed taxicab drivers to gain a fuller understanding of driver concerns and their opinions about the industry.

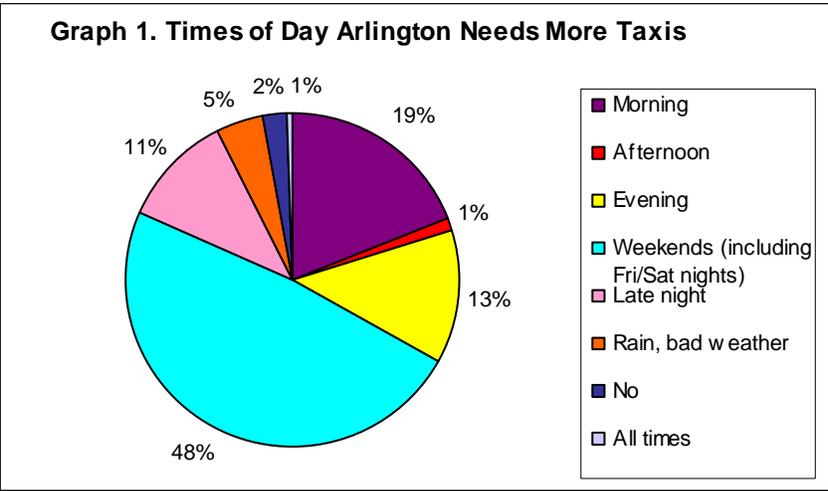
Appendix B shows a table with a summary of the different stakeholders and the efforts by staff to gather community input.

#### *Summary of Internet Riders Survey*

Staff conducted an online survey through [SurveyMonkey.com](http://SurveyMonkey.com) to gather input from taxicab riders. The survey ran from March 15, 2012 to June 15, 2012, and 1,016 responses were collected. More than 52% of the responders take taxis 5-25 times a year and almost 30% take rides 1-2 times a week. Over 83% of the responses are from Arlington residents and 48% of the respondents said that they take trips by taxi to and from places outside Arlington. Most of the trips were arranged by telephone (52%) while almost 18% were arranged by mobile apps or online, and over 17% were hailed on the street.

Almost 56% responded that Arlington taxicab service is better than in other jurisdictions in the region and 36% responded that it is about the same as other jurisdictions.

One of the open-ended questions in the survey asked: "Are there particular times of day when Arlington needs more or better taxi service?" Out of the 1,016 responses to the survey, 460 people chose to answer this open-ended question. **Graph 1** shows that the majority of Arlington County taxicab riders (48%) responded that weekends, including Friday and Saturday nights, are a time when the County needs more taxi service. Responses also showed a need for more taxis during morning (19%) and evening (13%) rush-hour periods.



*Business Focus Group Comments Summary*

**Rosslyn Hotels**

On May 10, 2012, staff held a focus group with representatives of Rosslyn hotels. Overall, the participants said that taxicab service in Arlington is generally good. However, all present said that morning rush hour between 7:30 and 9:30 a.m. was a difficult time to get cabs for their guests. Evenings, weekend evenings, and during bad weather are also periods when getting a cab is difficult. Hotels often utilize private sedan services when there are no taxis available for their guests.

**Rosslyn Businesses**

On May 11, 2012, staff held a focus group with representatives of other Rosslyn businesses (comprising retail, restaurants, and larger companies). Most stated that the quality of service by Arlington cabs is high. One business commented that cabs can be too small for some travelers with luggage, but they enjoyed the cleaner and newer Arlington cabs compared to D.C. cabs.

**Columbia Pike Businesses**

On May 24, 2012, staff held a focus group with Columbia Pike businesses who stated they need cabs to get bar patrons home safely late at night, especially at 2:00 a.m. when bars close. The participants said that while Arlington cabs are cleaner and more reliable than D.C. cabs, some have been using Uber – a limo/sedan service provider – instead of cabs because they show up faster and are professional.

**Ballston Businesses**

On May 30, 2012, staff met with a representative of a hotel in Ballston. He said that the early morning (7:00-7:30 a.m.) was a difficult time to get a cab and he would like more cabs for peak hours. He also said some hotel patrons will use a private limo service for pick-up and drop-offs at airports. He said there was also a need for larger vehicles to handle parties of four or more and/or those with lots of luggage.

**Clarendon Businesses**

On June 5, 2012, staff held a focus group with various Clarendon business representatives. They stated that cab service in Arlington is noticeably better than in other places. Arlington cabs are cleaner and better maintained than D.C. cabs, although D.C. cabs are easier to hail. They

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also stated that they sometimes use the Uber service for their VIP guests and that Taxi Magic – a web-based taxi booking service - is also a good tool.

#### Virginia Hospital Center

On June 6, 2012, staff met with several Hospital employees who said that the Hospital uses cabs regularly for patients, visitors, employees, etc. Overall, they like the cab service and believe the cabs are clean and generally responsive. However, patients experience very long waits (2-4 hours) for wheelchair-accessible vans, especially on nights and weekends.

#### Senior Living/ Nursing Home Businesses

On June 12, 2012, staff met with representatives from two senior living facilities and the Commission on Aging. The senior living facility representatives stated that they never get complaints about taxi service and customer service is generally very good. However, as with Virginia Hospital Center, when using wheelchair accessible vehicles they anticipate a long wait and occasional unavailability.

#### Transportation Commission, Disability Advisory Committee/Transit Advisory Committee and Transit Accessibility Subcommittee/ Commission on Aging

On June 12, 2012, staff met with representatives of these groups for one focus group meeting. Attendees stated that taxicab service for the disabled is better than other jurisdictions. However, they also repeatedly pointed out the need for more wheelchair-accessible cabs – stating that wait times are long and it is almost impossible to arrange accessible taxicabs on weekday evenings and on weekends.

#### Crystal City Hotels

On June 14, 2012, staff held a focus group at the Crystal City BID with primarily hotel representatives. They stated that when cabs are not available – weekday mornings from 7-9 a.m. and evenings 6-8 p.m. – they will use limo/sedan service or deliver the guests themselves. In addition, it is sometimes hard to get a wheelchair-accessible vehicle. Displeasure was expressed regarding the small size of some taxicabs for parties of four and/or those with luggage. All representatives mentioned the presence of at least four to five unregistered drivers in unmarked cars trying to pick up passengers.

#### *Summary of Taxicab Driver Survey*

In June of 2012 a telephone survey of all 1,451 taxicab drivers licensed in Arlington County was conducted by a third-party research firm on behalf of the County. Over 300 drivers responded to the survey, resulting in a margin of error of +/- 5% at the 95% confidence interval. Only preliminary analysis of the results has been conducted as of the date of this report, however, there are a few elements of the preliminary analysis that should be noted here.

#### Ways to get trips:

Overall, 53% of drivers responded that dispatch is the most common way to get trips (meaning to locate riders), while 28% responded taxicab stands, and 11% are hailed on the street.

#### Busiest Times of Day:

Overall, 58% of drivers responded that they get the most trips on weekday mornings, with 11% responding weekends late at night, and 9% responding weekend evenings. For the second-busiest time overall, 24% responded weekend evenings, 23% weekday evenings, and 19% weekend late nights.

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### Number of Cabs:

Overall, 39% of drivers responded that there are too many taxicabs on the road, while 37% responded that there are just the right amount, and another 22% responded that there are not enough.

### *Staff Observations*

Staff regularly interviews drivers during annual taxicab inspections, observes taxi stand locations, and attends meetings with other jurisdictions' taxicab regulators. Based on information gathered during these exchanges, staff has concluded that the amount of available taxicabs is not sufficient to support passenger business within Arlington County. A primary issue faced by the industry is not having a sufficient number of taxis during peak hours such as morning and evening rush hours, as well as on Friday and Saturday nights. Businesses use private sedan services when taxis are not available for their guests' needs. Hotel staff from Crystal City, Pentagon City, and along the Rosslyn-Ballston Corridor reported that there is a shortage of taxicabs at the taxicab stands that serve their concierge desks at peak times of day, especially the morning rush period.

In addition, it is the County Hack Inspector's opinion that there should be an increase in the number of taxis. He has observed that there is a shortage in the number of cabs in Arlington during certain times. Those times are weekday mornings, Friday and Saturday nights, and rainy/foul weather days, and the availability of Arlington-based taxicabs appears to be insufficient.

Companies and drivers reported to the Hack Inspector that cabs from other jurisdictions are coming into Arlington to pick up fares in violation of the Arlington County Taxicab Ordinance. The majority of "poaching" is reported in Clarendon, Ballston and Courthouse on Friday and Saturday nights when there is a high demand for taxi service.

### *Existing Taxicab Certificate Holder Observations*

During meetings with existing certificate holders most have provided input regarding the need to increase taxicabs in the County. All dispatch companies have informed County staff of difficulties meeting the current demand from 6:00-9:00 a.m. on weekdays, and on weekend evenings. They have also reported information regarding poaching by taxis from other jurisdictions during those times.

### **Certificate Determination Recommendation**

After thorough research, staff has developed a weighted formula to determine the number of taxicabs (not including wheelchair accessible vehicles) needed in the County. This weighted formula is based on estimates of taxicab users. **Table 10** shows that the County needs about a 6% increase in the number of taxicabs.

**Table 10. Formula for Certificate Determination Recommendation**

	<b>Weight</b>	<b>% Increase since 2009</b>	<b>Weighted % Increase</b>
<b>Population</b>	<b>30%</b>	<b>4.2%</b>	<b>1.3</b>
<b>Employment</b>	<b>20%</b>	<b>9.5%</b>	<b>1.9</b>
<b>Airport</b>	<b>25%</b>	<b>4.3%</b>	<b>1.1</b>
<b>Hotels</b>	<b>20%</b>	<b>9.5%</b>	<b>1.9</b>
<b>Transit</b>	<b>5%</b>	<b>0.8%</b>	<b>0.0</b>
<b>Total</b>			<b>6.2</b>

*Wheelchair-Accessible Taxicab Determination*

A separate wheelchair-accessible taxicab determination was developed based on existing capacity and reported dispatch trips. As a result of these efforts, staff recommends five (5) additional wheelchair-accessible taxicabs be authorized in 2012. Although it is difficult to gauge the exact demand for wheelchair-accessible taxicabs, staff made this determination based on testimony from the disability and senior citizen communities and the paratransit staff.

Arlington has three wheelchair-accessible taxicab service providers: 1) MetroAccess provides service through WMATA-owned vehicles operated by MV Transportation and Diamond Transportation as well as occasional trips dispatched to Red Top Cab. Neither MV Transportation nor Diamond Transportation is an Arlington taxicab company; 2) Arlington's STAR program provides service using nine (9) vehicles operated by Diamond Transportation, three (3) vehicles without taxi meters that are operated by Red Top Cab, and an additional 23 accessible vehicles with taxi meters that operate under Red Top's certificate; and 3) private-pay users can obtain wheelchair-accessible taxi rides through Red Top's twenty-three (23) and Blue Top's four (4) wheelchair-accessible taxicabs.

Thus, Arlington County currently has a total of twenty-seven (27) wheelchair-accessible taxicabs operating under these two certificates. Friendly Cab provided three (3) wheelchair taxicabs until this year. Due to the loss of a medical contract and the lack of dispatch service, their wheelchair vehicles were not readily accessible to the community that needed them.

Wheelchair-accessible taxicabs provide service on a dispatch basis. Red Top Cab's twenty-three (23) wheelchair-accessible taxicabs and Blue Top's four (4) wheelchair-accessible taxicabs offer service using this method. **Table 11** shows a modest decrease in Red Top's wheelchair-accessible taxicab trips (-848) between 2009 and 2011.

**Table 11: Wheelchair-Accessible Taxi Trips**

<b>Wheelchair-Accessible Taxicab Trips</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b># Change, 2009-2011</b>	<b>Biennial Change %</b>
<b>Dispatch Trips</b>	23,190	21,392	22,342	-848	-3.7%

Source: Transportation Inc. (Red Top Cab Wheelchair Taxi Service Provider)

Data do not reflect the wheelchair trips that Blue Top Cab provides because data were not available at the time of finalization of this report. Blue Top has informed County staff they have received numerous complaints that they often run short of wheelchair-accessible taxicabs.

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Based upon the community's input on long waits for wheelchair-accessible taxicabs, County staff recommends that a total of five (5) new wheelchair-accessible taxicabs are needed to provide mobility for this community.

## **Conclusion**

### *Taxi Fleet Size & Certificate Recommendation*

The taxi demand indicators, community input contributions, information from the existing certificate holders, and County staff observations provide evidence to support the recommendation to increase the number of taxicabs by 5% to 7% (40-55 more cabs) as well as five (5) new wheelchair-accessible vehicles. With this increase the County will move from 765 taxicabs to 805 - 820 cabs to ensure that taxicab service is provided to the public at an optimal level. During the period between 2009 to present the increases in population and at-place employment were not reflected in increases in the number of taxicabs. Dispatch trips are a major source of business for the taxicab industry in Arlington County, and an increase in approximately 371,695 (17.1%) trips over the past three years indicates a substantial increase in demand. Airport passengers and hotel occupancy have both increased significantly as well, by 4.3% and 9.5%, respectively.

In addition to these indicators, the following is a summary of what County staff heard from the community regarding the availability of taxicabs:

1. Most attendees said that the taxi service provided by Arlington cabs is clean, comfortable and reliable (certain peak hours excepted). Cabs are hard to locate during several peak times. There is the perception that cabs are difficult to arrange or hail during peak hours (weekday mornings from 6:30-9:30 a.m.; weekday evenings, weekend evenings (5:30-8:00 p.m.) and weekend nights when bars close). Peak wait times are usually 30 minutes but sometimes much longer.
2. If cabs are unavailable, riders typically resort to sedan services. Hotels will utilize sedan/limo service (sometimes through arranged contracts) when taxicabs are unavailable for their customers. Restaurants and other businesses will utilize other providers as well, such as Taxi Magic or Uber to arrange sedans or alternative means for finding taxicabs at peak times. Several focus group attendees mentioned that they do not own personal cars and rely on cabs extensively for both business and personal trips.
3. Hotels often find it difficult to get companies to send several cabs for a large group and sometimes will arrange for private limos instead. It is difficult to find taxicabs for large special events in commercial areas (such as the Marine Corps Marathon, Jazz Fest, etc). Event organizers often do not coordinate with taxicab companies in advance.
4. It generally takes longer to get a wheelchair-accessible taxicab. Riders experience long waits for wheelchair-accessible vans on nights and weekends. Wheelchair-accessible taxicab trips that are not pre-arranged often mean a wait of 2-4 hours. Wheelchair-accessible taxicabs seem unavailable at nights or on weekends.
5. Also frequently mentioned is the importance of taxi drivers accepting credit/debit cards for fares, and when drivers refuse or are unable to take credit cards they lose business.

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Based on all the information presented in this report, the County Manager recommends that there be a 5% to 7% increase (40-55 additional cabs) as well as five (5) new wheelchair-accessible vehicles to the number of taxicabs authorized by certificates issued later in 2012.

*Factors to consider for making a recommendation*

According to section 25.1-4 of the Taxicab Ordinance, the County Manager shall consider the following factors, in no particular order, and such other relevant information as the County Manager deems appropriate, including the effect of the granting of the application(s) on Taxicab Service in Arlington County:

1. Whether the Applicant will offer hail and Taxi Stand service;
2. Whether the Applicant will offer telephone-reservation and dispatch service;
3. How many of the additional Taxicabs will be Wheelchair-accessible vehicles;
4. To what extent customers may pay using credit or debit cards;
5. Fuel efficiency of proposed additional Taxicabs including whether the additional Taxicabs will be hybrid or vehicles not primarily powered by gasoline or diesel fuel;
6. The Applicant's recent vehicle productivity, if any, as evidenced by paid Taxicab trips per authorized Taxicab per day;
7. The Applicant's recent vehicle efficiency, if any, as evidenced by percent of total miles travelled for which Passengers travel;
8. The days and hours for which service will be available;
9. The Applicant's recent customer-service record, if any, as evidenced by the scarcity of complaints per authorized taxicab;
10. The Applicant's intended fleet sustainability, as evidenced by the current (if any) and proposed fleet fuel-efficiency ratings;
11. Competition within the industry including the number of Taxicabs that the Applicant(s) would be authorized, should the number applied for be granted, relative to the total number of Taxicabs authorized under all Certificates, and the effect thereof on the public convenience and welfare; and
12. Proposed innovation to Taxicab service in Arlington County.

*Service Gaps to be Filled*

Based on the community input and complaints received, staff acknowledges the need for more cabs during peak hours between 6:30 a.m. to 9:30 a.m. on weekdays and throughout weekend evenings. Staff learned that a number of unidentified cars posing as cabs are circulating among hotels during peak hours. Also, hotel staff and restaurants have been relying on limo/sedan services and do not always check their insurance for any liabilities. Staff believes there is a need to help prospective passengers avoid this risk and to make sure the travelling public is able to access regulated Arlington County cabs, including during peak times. In an effort to

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address this need, staff is requesting taxicab certificate holders to acknowledge and provide solutions through the following list of expectations.

*Expectations for certificate holders in Arlington*

The following is a list of expectations that County staff would like to see included in applications submitted by persons seeking new certificates. These expectations are intended to protect the health, safety and welfare of the traveling public, improve drivers' profession and maintain competition within the industry.

- The applicant should demonstrate its sound financial condition and a well-developed plan for operation of its business.
- The applicant should demonstrate its ability to accept and guarantee a customer ride reservation by either telephone, text message, computer application, or e-mail. The applicant should provide a mechanism to alert a customer of a significant delay.
- The applicant should demonstrate its ability to provide incentives or other mechanisms to address the need for more cabs during the early weekday morning and late weekend night peak hours.
- The applicant should demonstrate that its management agrees to treat drivers fairly, including by outlining an internal appeals process for disciplinary actions undertaken by the applicant against its drivers.
- The applicant should demonstrate that its management will provide drivers with adequate training and support to ensure that customers receive high-quality customer service. High-quality service involves courtesy and attention to customers' needs, as well as driver cleanliness, timeliness, safety, and knowledge of local streets.
- The applicant should demonstrate that it will plan for a majority of the cabs in its fleet to be owned by their operators. The applicant should provide information regarding the number of driver-owned and driver-leased vehicles in its fleet and the dues associated with each type of vehicle (driver-owned and driver-leased).
- The applicant should demonstrate its ability to accept credit & debit cards for payment for all rides.
- The applicant should demonstrate its ability to track and record vehicles' service by both taximeters and GPS. Also, the applicant should demonstrate its ability to share this electronic data or manifests with County staff.
- The applicant should demonstrate its ability to cooperate with County staff on matters such as data collection, information distribution, driver testing and scheduling of vehicle inspections.
- The applicant should demonstrate its ability to provide a fleet that includes energy-efficient vehicles (including several with seating for four passengers and ample luggage space) and some wheelchair-accessible vehicles.

## Appendix A

### Multi-Jurisdictional Comparison of Taxicabs per 1,000 residents

<b>Jurisdiction</b>	<b># of Cabs Operating</b>	<b>Population (2010)</b>	<b># Taxicabs per 1,000 population</b>	<b>Density (pop/sq. mi.)</b>
<b>Metro Washington DC Area</b>				
Arlington County	765	207,627	3.70	7,993.60
City of Alexandria	729	139,966	5.07	9,314.30
District of Columbia	6,513	601,723	11.00	9,856.50
Fairfax County	576	1,081,726	0.57	2,766.80
Montgomery County	715	971,777	0.75	243.90
Prince George's County	775	863,420	0.94	134.70
<b>Comparable Transit-Oriented Jurisdictions</b>				
Portland, OR	382	583,776	0.69	4,375.00
Seattle, WA	674	608,660	1.13	7,250.90
San Francisco, CA	1,500	805,235	1.88	17,179.10

Sources: U.S. Census American Community Survey and Arlington County PRAT

## Appendix B

### Taxicabs Service Assessment - 2012

<b>Stakeholders</b>	<b>Subgroup</b>	<b>Mechanism</b>	<b>Advertising</b>
<b>Drivers (approx. 1,500 licensed)</b>		Telephone Survey	Direct Mail – post-card for pre-alert notification
<b>Riders</b>	<i>General</i>	Online Survey	In taxicabs, media, social media
<b>Riders</b>	<i>Consumer Groups: Disabled/Seniors</i>	Focus Group w/ Commissions – Disability, Aging, Transportation, Transit	Direct connect
<b>Riders</b>	<i>Consumer Group: Seniors</i>	Focus Group with management of Arlington Senior Centers	Connect through Comm. on Aging
<b>Taxicab Companies</b>		Ongoing discussions; Meeting	Direct connect
<b>Business Community</b>	<i>BIDs/Partnerships*</i>	Focus Groups (~5)	Direct connect through BIDs/Partnership executive directors
<b>Business Community</b>	<i>Institutional Company</i>	Focus Groups w/ Virginia Hospital Center	Direct connect