

Memorandum

To: The Arlington County Board
From: Mark Schwartz, County Manager
Subject: 2020 Taxicab Certificate Determination Report

Date: June 24, 2020

County Manager's Recommendation

I recommend no change in the number of taxicabs including wheelchair-accessible vehicles to be authorized this year. It is important to note that there is much uncertainty in the taxicab industry at this time due to the COVID-19 pandemic. The quantitative data that is currently available in this report reflects information that was collected prior to the beginning of the pandemic. Based on staff's review of this data, there is sufficient basis to justify maintaining the existing number of taxicabs (477 vehicles and 39 wheelchair vehicles) authorized to operate in the County. This report provides a summary of the data, methodology and rationale 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 with this recommendation. This report states the number of taxicabs proposed to be authorized, if any, 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 September 1, 2020, if applications are received.

New applicants and existing certificate holders have the opportunity to present justification for the request of additional certificates during the certificate-allocation process as outlined below:

Certificate-Allocation Process

- July 1– September 1, 2020: Applications may be submitted by current taxicab certificate holders requesting additional taxicabs as well as by persons who do not at this time hold a certificate. If there is an application 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 a justification for the request to exceed the County Manager's determined maximum. This justification must indicate relevant facts including but not limited to market changes, industry performance, competition, innovation and any other factors and explain how this information yields a determination different from that determined by the County Manager.

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- Prior to September 15th: Applications received for additional taxicabs will be forwarded to the Transportation Commission.
 - Prior to October 15th: The County Manager will provide a recommendation to the County Board regarding the number of additional taxicabs, if any, (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.
 - Prior to December 31: The County Board will hold a public hearing and take action on the applications before December 31, 2020.

Methodology for Certificate Determination

According to Section 25.1-4 of the Taxicab Ordinance, in making a 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; and (4) 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 staff utilized a combination of indicators to assess whether there is a need for an alteration to the current number of taxicabs. Staff assembled and evaluated current data to provide an initial recommendation regarding the number of taxicabs. The latest available data was obtained from different sources with varying reporting schedules. Staff compared current and past data as part of the evaluation process. 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. These factors were evaluated 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 and (6) Taxicab Current Conditions.

(1) Current Certificate Number and Distribution

There are currently a total of 477 taxicabs in Arlington County, which are operated by six (6) certificate holders. The current taxicab fleet includes 39 wheelchair-accessible taxicabs (8% of the entire fleet). The five companies that provide dispatch service total 405 taxicabs (85% of the entire fleet).

The total number of taxicabs has decreased from 542 in 2019 to 477 vehicles in 2020. Two companies reduced the number of vehicles available to operate: Red Top reduced the number of vehicles from 235 to 195 and Arlington Yellow from 60 to 35. **Table 1** provides the current and past distribution of taxicab certificates by company.

Table 1: Number of Taxicabs by Company (2019-2020)

	2019		2020	
	Total Vehicles	Wheelchair	Total Vehicles	Wheelchair
Friendly*	39		39	
Hess	35		35	
Crown	37		37	
Red Top*	235	20	195	20
Arlington Yellow*	60		35	
Blue Top*	136	19	136	19
Total	542	39	477	39

*Taxicab companies that provide dispatch service

(2) 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 225,200 to 228,400 between the years 2018 and 2020 (as of January 1), which is an increase of 3,200 residents (+1.42%).

Table 2: Arlington County Population (2018-2020)

	2018	2019	2020	Difference	% Change
Population	225,200	226,400	228,400	3,200	1.42%

Source: Arlington County, CPHD, Planning Division, Urban Design and Research Section. As of January 1 of each year.

(3) Business Activity

Business activity is another indicator that was used to evaluate the state of the taxicab industry. At-place employment (the number of jobs in Arlington County) 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 3** shows an increase in at-place employment from 224,200 to 234,800 between the years 2018 and 2020 (as of January 1), which amounts to an increase of 10,600 jobs (+4.73%) inside Arlington County which, as noted in the recommendation, does not account for any employment changes due to the pandemic. Taxicabs also provide a guaranteed ride home 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 objective 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 3: Arlington County At-Place Employment (2016-2018)

	2018	2019	2020	Difference	% Change
At-Place Employment	224,200	227,000	234,800	10,600	4.73%

Source: Arlington County, CPHD, Planning Division, Urban Design and Research Section. As of January 1 of each year.

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 weather-related days.

(4) 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. Table 4 provides a comparison between the number of dispatch trips between 2017 and 2019.

Table 4: Dispatch Taxi Trip Comparison (2017-2019)

	2017	2018	2019	Difference	% Change
Blue Top	199,425	146,731	92,714	-106,711	-53.5%
Friendly Cab	96	200	300	204	212.5%
Red Top	987,698	588,188	518,971	-468,727	-47.5%
Arlington Yellow	0	181	142	142	-
Total	1,187,219	735,300	612,127	-575,092	-48.4%

Source: Arlington County Dispatch Taxicab Certificate Holders

There was a decrease in the total number of dispatch trips by around 575,000 (-48.4%) during that time period.

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 during off-peak transit service hours. This also enables people to reduce their car use and ownership.

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 5** indicates the overall transit ridership between 2017 to 2019 in Arlington County.

Table 5: Annual Transit Ridership in Arlington County (FY2017-2019)

	FY 2017	FY 2018	FY 2019	Difference	% Change
VRE	868,097	840,000	845,500	-22,597	-2.6%
Metro Rail	47,376,700	48,681,279	48,207,767	831,067	1.8%
Metro Bus	12,125,361	13,153,625	12,603,303	477,942	3.9%
ART	3,403,439	2,989,030	2,829,192	-574,247	-16.9%
STAR	86,455	78,500	74,218	-12,237	-14.2%
MetroAccess	18,630	18,406	22,611	3,981	21.4%
Total	63,878,682	65,760,840	64,582,591	703,909	1.1%

Sources: Arlington County Division of Transportation; Transit Bureau

Overall transit modes within Arlington has maintained ridership (+1.1% change) between 2017 and 2019.

(5) 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 6** shows an increase in airport passengers at DCA, IAD, and BWI of 2.9 million passengers more (+4%) between the years 2017 and 2019.

Table 6: Airport Passengers - in Millions (2017-2019)

	2017	2018	2019	Difference	% Change
DCA (Reagan National)	23.9	23.5	23.9	0.0	0.0%
IAD (Dulles)	22.9	24.1	24.8	1.9	8.3%
BWI	26.0	27.2	27.0	1.0	3.8%
Total	72.8	74.8	75.7	2.9	4.0%

Source: Metropolitan Washington Airports Authority and BWI Airport.

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 7** shows a decrease of 496,648 (-18.5%) passenger arrival taxi trips at IAD and DCA airports combined between the years 2017 and 2019.

Table 7: Virginia Airport Passenger Arrival Taxi Trips (2017-2019)

	2017	2018	2019	Difference	% Change
DCA (Reagan National)	1,919,125	1,738,349	1,522,475	-396,650	-20.7%
IAD (Dulles)	760,654	720,882	660,656	-99,998	-13.1%
Total	2,679,779	2,459,231	2,183,131	-496,648	-18.5%

Source: Metropolitan Washington Airport Authority. These are dispatch by airport officials.

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-five (45) hotels providing 11,575 rooms located within Arlington County in 2019. 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 8** shows an increase in the number of rooms available between 2017 and 2019. Also, during this period, approximately 297 more rooms were filled per day, which equates to 108,343 (+3.46%) more rooms occupied over the course of the year.

Table 8: Hotel Occupancy (2017-2019)

	2017	2018	2019	Difference	% Change
Rate of Occupancy	76.70%	75.50%	74.50%	-2.20%	-2.87%
Number of Rooms	11,193	11,575	11,580	387	3.46%
Rooms Occupied Daily	8,585	8,739	8,882	297	3.46%
Rooms Occupied Annually	3,133,536	3,189,781	3,241,879	108,343	3.46%

Sources: Arlington Economic Development

(6) Taxicab Current Conditions

The taxicab industry was deemed an essential business per federal government guidelines, therefore the taxicab industry has continued to operate during the COVID-19 pandemic. Staff has been working closely with the industry through this time regarding the following:

1. Requested the taxicab industry to provide information regarding how they are keeping vehicles clean and safe for drivers and customers following CDC guidelines. Companies have responded that they are letting their drivers know and larger companies are providing masks and cleaning supplies when possible.
2. Some companies are looking into partitions between drivers and passengers as the CDC recommends. Staff has checked with Public Health to provide input on several products that the industry is considering.
3. Staff is making sure there is a minimum level of service to the public, including wheelchair vehicles, in particular when transit is reducing operations.

4. Staff has been having virtual meetings with regional regulators. Ideas discussed, around the region during these meetings are: emergency legislation and changes to local ordinance, using taxicabs instead of Metro Access and to deliver food, medicine or hospital workers.
5. ACPD has made an emergency change to our ordinance. Renewals for the public driver license will have an automatic 60 days extension from June 10, 2020. That date might be changed if the Sheriff's office has not opened the public fingerprinting section. This will allow drivers to continue to work and reduce having to go to the Police department in person.
6. Staff has been sending information to companies regarding possible loans and grants that might be available. Also, staff has encouraged them to fill out surveys and follow the information provided by Arlington Economic Development Department.

For the past few years, the industry has also been facing the existence of Transportation Network Companies (TNCs) that operate in Arlington under Virginia's Department of Motor Vehicles authority. TNCs have created a change in market conditions and continue to impact the taxicab industry. There is no data available to quantify the number of providers although it is believed to be significant.

Wheelchair-Accessible Taxicab Determination

A separate wheelchair accessible taxicab determination was developed based on existing capacity and reported dispatch trips.

Arlington has three wheelchair-accessible taxicab service providers: 1) Arlington's STAR program provides service using accessible taxicabs from the twenty (20) operated by Red Top Cab and fourteen (14) vehicles operated by Diamond Transportation; 2) MetroAccess provides service with WMATA-owned vehicles operated by contractors including Diamond Transportation in Virginia while trips not scheduled in MetroAccess vehicles are dispatched to Red Top Cab; and 3) private-pay users can obtain wheelchair-accessible taxi rides through Red Top's twenty (20) and Blue Top Cab's nine (9) wheelchair-accessible taxicabs.

Table 9 shows an overall decrease of 7,959 (-25.5)% in wheelchair-accessible taxicab trips between 2017 and 2019.

Table 9: Wheelchair-Accessible Taxi Trips (2017-2019)

	2017	2018	2019	Difference	Change %
Blue Top	3,948	3,659	3,851	-97	-2.5%
Red Top	27,241	27,204	19,379	-7,862	-28.9%
Total	31,189	30,863	23,230	-7,959	-25.5%

Sources: Blue Top and Red Top companies

Conclusion

There has been a significant decline of commercial activity at all levels due to COVID-19 and the stay-at-home orders. It is uncertain when and if businesses will return to normal, and how residents and visitors will travel during a phased-in lifting of restrictions and after the COVID-19 pandemic subsides.

Taxi Fleet Size & Certificate Recommendation

Upon completion and review of quantitative data which reflects information prior to the COVID-19 pandemic situation, staff reached a conclusion for the 2020 Certificate Determination Report. The economic indicators presented in this document do not support for additional taxicabs at this time.

Taxicabs are an important and reliable mode of transportation for Arlington County including community members who do not have access to a smart phone, such as senior citizens and low-income customers. Unlike TNCs, which are not currently subject to compliance with the American with Disabilities Act (ADA), taxicabs are required to provide wheelchair accessible vehicles to customers that need them.

The number of existing authorized taxicab vehicles has changed from 542 to 477 from 2019 to 2020 reflecting a decrease of about 12 percent of total taxicabs available. This business adjustment was made by two of the six companies, Red Top and Arlington Yellow, that were impacted by the drop in overall business.

Staff regularly have discussions with representatives from the taxicab companies, interview drivers during taxicab inspections, observe taxi stand locations, and communicate with other jurisdictions' taxicab regulators. Based on these exchanges and the data collected as outlined above, staff has concluded that the number of available taxicabs seems sufficient to support passenger business within Arlington County in general.

Based on the information presented in this report, the County Manager recommends that there be no change in the current number of 477 total taxicabs authorized by certificate holders, which includes 39 wheelchair-accessible vehicles.