

City of Alexandria

Biennial Taxicab Review 2023-2024

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

RECOMENDATIONS: City Council voted at their May 18, 2024 meeting on a variety of proposed changes to taxicab regulations including taxi fares, the vehicle age requirement, trade dress for vehicles, biennial review of the taxi industry, the dispute resolution section, and reducing insurance requirements. No additional changes are proposed with this biennial review.

STATE OF THE INDUSTRY: The taxi industry continues to face challenges resulting from increased competition from Transportation Network Companies, such as Uber and Lyft. In May 2024, City Council increased taxicab fares to help the taxi industry.

Some Alexandria taxi companies are having trouble attracting new drivers given the different processes required for TNC drivers versus taxi drivers. However, taxicab fares were recently increased which has benefitted the taxi industry.

Additionally, taxicab drivers have reported that insurance rates have risen in recent years.

Travel to and from Reagan National Airport is a large market for Alexandria company taxi trips as reported by some of the companies.

BACKGROUND: Below is a summary table of the considerations for the industry and changes that have been made to taxicab regulations over the past several years.

Table 1: Summary of Taxi Code Changes and Considerations 2021-2024

2021	2023	2023/2024	2024
Reduced fees for taxi companies and drivers	Increased initial meter charge from \$3 to \$4	Initiated taxicab subcommittee and hosted three subcommittee meetings	Traffic and Parking Board consideration of subcommittee recommendations and recommendations to City Council
Reduced regulation and oversight	Increased vehicle age limit to 15 years and 17 years for hybrid vehicles		Increased initial meter charge to \$5.00 and raised the per mile charge to \$2.60 per mile
	Council direction to review additional changes to the Code		

At the February 25, 2023 City Council meeting, the Council approved the increase to the initial meter charge from \$3 to \$4. Additionally, City Council recommended an increase in the vehicle age requirement to 15 years for non-hybrid vehicles and 17 years for hybrid vehicles. City Council asked staff to review further changes to the City Code including evaluating the elimination of the vehicle age requirement and modifications to the fee structure. The Council asked that staff evaluate the entire taxicab regulatory structure outlined in the City Code to explore less regulation by the City of the taxicab industry. City Council asked staff to come back in a year with options for changes to the taxicab regulations that would ease regulations in an effort to benefit the taxi industry. The sub-committee on taxicab regulations was established as a result of directives from the Traffic and Parking Board and City Council.

Three sub-committee meetings on taxicab regulations were held that were open to the public and attended by taxi industry members. Staff drafted proposed code changes from the sub-committee recommendations including preferred options and alternative options that were presented to the Traffic and Parking Board at the March 2024 Board meeting. Table two below details the sub-committee recommendations and the Traffic and Parking Board recommendations.

Table 2: Summary of Taxi Regulations Recommendations for City Council Spring 2024

Topic	Taxi Industry Feedback	Staff Recommendation	Sub-committee Recommendation	Traffic Parking Board Recommendation
Taxi Fares Sec. 9-12-13	Raise taxi fares to meet Arlington's rate or DC proposed rate	Remove the City from setting Taxi fares	Preferred Option: Remove the City from setting taxi fares Alternative Option: Set a fare maximum and require data sharing with Mobile Data Specifications (MDS)	Raise fares including raise the initial meter charge from \$4 to \$5 and raise the per mile charge to \$2.56 per mile
Taxi Vehicle Age Requirement Sec. 9-12-81	Some in favor of eliminating the vehicle age limit requirement for all vehicle types, some in favor of keeping current regulations	Eliminate the vehicle age limit requirement for all vehicle types	Eliminate the vehicle age limit requirement for all vehicle types	Eliminate the vehicle age limit requirement
Trade Dress for Vehicles Sec. 9-12-28	Keep current trade dress requirements for vehicles	Relax trade dress for vehicles	Preferred Option: Keep current regulations Alternative Option: Relax trade dress requirements for vehicles	Keep current trade dress requirements
Biennial Review of Taxi Industry Sec. 9-12-31	No feedback on this item	If the City no longer sets fares and other requirements, this process may be unnecessary or needed less often	Conduct a review of the taxi industry every three years	Keep the biennial review of taxicabs
Dispute Resolution DIVISION 7	Not in favor of removing City from dispute resolution	Remove the City from involvement in disputes of a private employer/company	Eliminate the dispute resolution section	Eliminate the dispute resolution section
Reducing Insurance Requirements Sec. 9-12-6	This information was shared at sub-committee meeting two	Reducing the insurance limit may not be politically feasible	Keep the current insurance requirements	Keep the current insurance requirements

These recommendations were brought before City Council for their consideration at their May 18, 2024 meeting. At the May meeting, City Council voted to:

- Raise fares including raise the initial meter charge to \$5.00 and raise the per mile charge to \$2.60 per mile
- Maintain vehicle age limit requirements
- Maintain current trade dress requirements
- Maintain the biennial review of taxicabs
- Maintain the dispute resolution process
- Maintain the current insurance requirements

TAXI FARES: Currently, the City regulates and prescribes taxicab fares in the City. On February 25, 2023, the City Council approved an amendment to increase the initial charge from \$3 to \$4. No changes were made to the per mile rate at that time. The sub-committee on taxicab regulations explored different fare options at their meetings in 2023/2024. The Commonwealth allows the jurisdictions to establish fares or set maximum fares, but this is an option and not a requirement. If fares are established, they must be done by the regulatory body, such as the City Council, and included in that jurisdiction's code.

The sub-committee also looked at other Virginia jurisdictions that have recently eliminated fare regulations or have set a fare maximum including Fredericksburg, Newport News, Virginia Beach, Norfolk, and Chesapeake. City staff and the sub-committee recommend removing the City from setting taxi fares. Eliminating this requirement from the Code would allow taxi

companies to regulate their fares and provide them with more flexibility to change their fares based on market conditions including fuel cost, inflation, and cost of living rather than waiting for the biennial review. At the sub-committee meetings, the taxi industry provided feedback that they prefer the City continue to regulate fares but wanted the City to raise fares to match Arlington County's current rate or Washington DC's new rates. At the May 18, 2024 meeting, City Council voted to increase the initial meter charge to \$5.00 and raised the per mile charge to \$2.60 per mile. The existing taxicab fares for Alexandria and surrounding jurisdictions are provided below as a comparison.

Table 3: Current Regional Taxicab Fares by Jurisdiction

Jurisdiction	Initial Charge	Per Mile	Cost for Distance Traveled
City of Alexandria	\$5.00	\$2.60	\$0.52 for each additional one-fifth of a mile
Arlington County	\$3.50	\$2.40	\$0.40 cents for each additional one-sixth of a mile
Montgomery County	\$4.00	\$2.00	\$0.50 cents for each additional quarter mile
Prince George's County	\$3.50	\$2.10	\$0.30 cents for each additional one-seventh of a mile
Fairfax County	\$4.00	\$2.40	\$0.40 cents for each additional one-sixth of a mile
Washington DC	\$4.50	\$2.56	\$2.56 per mile
Washington Flyer	\$3.50	\$2.16	\$0.54 for each additional one-fourth of a mile

As can be seen in the table, the City of Alexandria currently has the highest initial and per mile rates in the region. Due to this and the recent changes made to taxicab fares earlier this year, no additional changes to taxicab fares are proposed with this review.

AGE REQUIREMENT FOR VEHICLES: Currently, Section 9-12-81 regulates how old a taxicab can be to obtain a permit to operate in the City. Vehicle permits are not issued for standard vehicles older than 15 years or for hybrid or alternative fuel vehicles older than 17 years. This was increased in 2023 from 10 years for standard vehicles and 12 years for hybrid or alternative fuel vehicles. During the sub-committee process, staff had also explored eliminating the vehicle age requirement. When considering the taxi vehicle age requirements regulation, the sub-committee looked at the regulations of neighboring jurisdictions, other Virginia jurisdictions that have recently eliminated vehicle age requirements regulations, and vehicle age requirements imposed by TNCs in the region. City staff and the sub-committee recommended eliminating the vehicle age limit requirement for all vehicle types from the City Code. At the sub-committee meetings, the taxi industry feedback on eliminating the vehicle age regulation by the City for all vehicle types was mixed with some in favor of eliminating it and some in favor of keeping the current regulations with the City. City Council voted at their May 18, 2024 meeting to maintain the current age requirements for vehicles. Because City Council voted earlier this year to maintain the current vehicle age requirements and the City has some of the highest vehicle age requirements in the region, no additional changes to vehicle age requirements are proposed with this review.

Table 4: Current Regional Taxicab Vehicle Age Requirements by Jurisdiction

Jurisdiction	Taxi Vehicle Age Requirements
City of Alexandria	15 years for standard vehicles 17 years for hybrid or alternative fuel vehicles older
Arlington County	12 years for gasoline-only powered non-wheelchair accessible vehicles 15 years for wheelchair accessible vehicles 15 years for hybrid, plug-in hybrid, and/or electric vehicles
Fairfax County	12 years for gasoline-only powered non-wheelchair accessible vehicles 15 years for hybrid, plug-in hybrid, electric and wheelchair accessible vehicles
Montgomery County	10 -year-old vehicle or newer for Montgomery County
Washington, DC	10-year-old vehicle or newer for DC Maximum odometer mileage of 300,000 Can apply for a waiver if vehicle is under 12 years and has less than 350,000 miles
Prince George's County	10-year-old vehicle or newer Maximum odometer mileage of 300,000

CITY FEES: In April 2021, the City Council approved significant reductions to the fees related to certificates of public convenience, driver permits, and vehicle permits. The table below provides a summary of the fees prior to 2021 and current fees. These changes substantially decreased fees charged to both companies and drivers. No additional changes to the fees are proposed with this review. During the sub-committee process, taxi industry members said that insurance requirements and increasing insurance costs have been a burden. It was determined that reducing the insurance requirements was not a City priority.

Table 5: Summary of Fees prior to 2021 and Current Fees

Fee Category	Previous Fee	Current Fee
Application or Transfer of CPCN	\$4,000	\$4,000
Certificate Renewal (company)	\$4,000	\$2,000
Each Authorized Vehicle (company)	\$150/cab	\$0/cab
Grandfathered CPCN Renewal	\$150	\$25
Driver Permit Application	\$100	\$25
Driver Permit	\$150	\$25
Initial Vehicle Inspection and Certification	\$100	\$25
Annual Vehicle Renewal	\$150	\$0
Annual Inspection	\$150	\$25

NUMBER OF CABS: There have been no requests from the companies to change the authorizations and allocations. Therefore, staff proposes maintaining the current authorizations and not to change the allocations of taxis for any company shown in Table 6.

Table 6: Summary of Taxi Reauthorizations, Requests, and Recommendations

Company	2022 Authorization	2024 Recommendation
Alexandria Yellow Cab	180	180
Alexandria Union Cab	225	225
King Cab Company	126	126
VIP Cab Company	63	63
Total	594	594

PROPOSED CITY CODE CHANGES: Because City Council voted earlier this year on a variety of proposed changes to taxicab regulations including taxi fares, the vehicle age requirement, trade dress for vehicles, biennial review of the taxi industry, the dispute resolution section, and reducing insurance requirements, no additional changes are proposed with this review. However, the City will be following up with the taxicab companies to ensure they are meeting the code requirements in conjunction with the hack office.