

BACKGROUND: The City has regulated the taxicab industry for many decades according to regulations established in the City Code. This industry has been significantly impacted by the introduction of ride-hailing businesses such as Uber and Lyft that have grown exponentially over the last decade. More recently, the industry continues to suffer from impacts associated with the pandemic. In 2021, the City Council approved several changes to the taxicab requirements in the City Code that greatly reduced fees paid to the City by taxi companies and drivers and reduced some regulation and oversight by the City on the industry.

In November 2022, staff presented the City’s Biennial Review of the taxi industry (Attachment 3) to the Traffic and Parking Board, which is required by City Code to consider 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”. During this review, staff noted the positive impact of the previous changes and identified two additional areas that should be updated to help support this industry. The Board recommended removing the age limits for vehicles, but after discussion, the recommendation is to maintain an age limit, but increase it to align with other jurisdictions. These changes require amending the City Code to implement.

DISCUSSION: The proposed ordinance (Attachment 2) continues efforts to support the taxi industry by removing barriers for drivers and allowing more competitive pricing. There are two specific changes that are proposed.

- ***Increase the maximum age for vehicles:*** Section 9-12-81 establishes the maximum age for vehicles permitted as 10 years for non-hybrid vehicles and 12 years for hybrid vehicles. New car and truck sales are projected to be down almost 20% from pre-pandemic levels, resulting in supply issues for both new and used cars. Additionally, studies show that vehicles are lasting longer, and the average age of all vehicles is increasing each year.

The proposed amendment would increase the maximum age for vehicles permitted to 12 years for non-hybrid vehicles and 15 years for Hybrid vehicles. The annual state safety inspection is still required, which ensures a vehicle, regardless of age, meets state safety requirements. By changing this requirement, the City reduces a financial barrier to drivers.

Most of the neighboring jurisdictions have a maximum age requirement and many have increased the age in recent years. The proposed change aligns with both Arlington and Fairfax County.

- ***Increase Existing Fares:*** City Code Section 9-12-132 establishes the fares taxis are permitted to charge. There have not been any permanent changes to taxi fares in over a decade, yet the costs to operate a vehicle have increased. The City Manager approved a \$1 fuel surcharge in March 2022 to offset the rising cost of gasoline; however, this surcharge will expire in March 2023. Many of the surrounding jurisdictions are also considering changes to the fare schedule in next year with their review process. Page 3 of the Biennial Review (Attachment 3) provides an overview of existing fares in Alexandria and several neighboring jurisdictions.

The proposed amendment would increase the Initial Meter Charge (or Drop Fee) by \$1.00, from \$3.00 to \$4.00. This brings the fares closer in line with other counties and the District of Columbia. Staff will continue to coordinate with the neighboring jurisdictions on any changes they are making in attempt to standardize rates for the region.

At the November 2022 Traffic and Parking Board meeting to review the Biennial Review, several representatives from taxi companies and taxi drivers attended and voiced support for the changes. They

indicated challenges with complying with the vehicle age requirements and noted the fares had remained the same for many years. The Traffic and Parking Board was supportive of these changes and voted unanimously to support the recommendations in the Biennial Review, which include the full elimination of vehicle age requirements. The Board held another public hearing at their January 2023 meeting to consider the specific City Code amendment. At that meeting, several taxi drivers spoke in support of the changes, but asked the Board to recommend an additional increase to the fares. As a result, the Board recommended the fares be increased to \$4.00 (as reflected in this City Code amendment) instead of the original recommendation of \$3.50 in the Biennial Review. The Board also requested that staff work with them and the taxi community this fall to continue discussions about fares and possibly make further changes if needed to improve wages for the taxi community. As part of that effort, staff will coordinate with neighboring jurisdictions about their changes to fares and work with the taxi industry on evaluating data they can make available for review.

FISCAL IMPACT: There is no fiscal impact from these two changes on the City. Administration of the taxi requirements continues to be managed by the Hack Office within the Police Department. There is no additional work required by this Office to oversee changes to the age of the vehicles or the increased fares. While the increase to the fares will have a positive fiscal impact to the taxi companies and drivers, the City does not receive any revenue from the fares. All permit fees will remain the same.

ATTACHMENTS:

Attachment 1: Ordinance Cover Sheet
Attachment 2: Ordinance
Attachment 3: Biennial Review

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