

DATE: October 10, 2019

TO: SFMTA Board of Directors

Malcolm Heinicke, Chair Gwyneth Borden, Vice Chair Cheryl Brinkman, Director Amanda Eaken, Director Steve Heminger, Director Cristina Rubke, Director Art Torres, Director

THROUGH: Tom Maguire

Interim Director of Transportation

FROM: Kate Toran Kate Toran

Director of Taxis and Accessible Services

SUBJECT: Second Quarterly Report on Taxi Medallion Rules at

San Francisco International Airport: May – July 2019

Introduction

The San Francisco Municipal Transportation Agency (SFMTA) is providing a regular quarterly update to the Board regarding the implementation of the new <u>airport taxi rules</u>, which imposed restrictions on the types of taxi medallions that are authorized to provide a taxicab trip originating at San Francisco International Airport (SFO or Airport). The <u>first quarterly report</u> provides background information and tracks the first quarter of implementation of the new SFO rules, February through April 2019.

This second quarterly report tracks progress in meeting the policy goals, from the time period from May through July, comparing the three-month time period in 2018 "before" with the same three-month period in 2019 "after" the Airport rule changes. Comparing the same three-month period from year to year helps exclude any seasonal variation, and assures the comparison is for the same number of days in the quarter; both factors can significantly impact taxi ridership.

One major continuing issue is with poor data quality sent by the taxicabs, aggregated by color scheme, and transmitted by their dispatch service and/or data provider. The transmittals contain a large amount of data that do not appear to be valid trip or activity records, and inconsistencies vary across different dispatch companies. SFMTA staff reached out to all data

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providers to obtain better data and fix data quality issues, and even issued citations for missing data, but generally dismissed most citations because most providers had attempted to improve, however with limited improvements in the data results. Because the same data quality issues continue to persist in this quarter's report, staff have done a similar data cleanup and analysis based on a sample representing 63% of the taxi fleet that generally have usable data. This report continues to use the same four color schemes to allow for a consistent comparison with the prior reporting period. For a full discussion of data quality issues, see Appendix C in the <u>first quarterly report</u>.

This data quality issue does not impact data generated from the SFO dispatch gates regarding wait times and trips from SFO, nor ramp taxi wheelchair pick-ups which are tracked through the paratransit debit card system.

Background and Recent Changes

To quickly summarize, the new SFO rules prioritize Purchased medallion holders, while still allowing Post-K medallions standard access to pick-up at SFO. Corporate, Pre-K, and 8000-series medallions are prohibited from picking up at the Airport. All wheelchair accessible "ramp" taxis have standard access to SFO and as an incentive, have the opportunity to earn short line access based on the number of wheelchair trips provided.

Policy Goals Results

The three policy goals of the taxi pick-up rules at SFO are:

- 1. Support Purchased Medallions
- 2. Bring taxi supply to San Francisco
- 3. Increase wheelchair accessible ramp taxi pick-ups for paratransit customers and general public wheelchair users.

The Purchased medallion taxi fleet has remained higher since the implementation of the new SFO rules, because some foreclosed medallions have been placed back into service and continue to be operated by Yellow Cab Cooperative under an agreement with the San Francisco Federal Credit Union. Table 1 on page 3 shows the changes in supply by medallion type before and after the implementation of the new rules for each quarter, and shows a net increase of 61 Purchased medallions in operation. There is a slight reduction in the number of Purchased medallions in operation this quarter compared to the previous quarter, 619 currently versus 625 in the previous quarter - a net reduction of 6 in operation, due to recent foreclosures or medallion holders choosing not to operate their Purchased medallion. There continues to be a reduction of non-Purchased medallion types, which has caused the total supply of taxis to contract from 1,442 in December 2018 to 1,426 currently, a net reduction of 16 total medallions in operation.

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Table 1: Change in Supply by Medallion Type

Medallion Type	Total in Service 12/27/18 Before New Rules	Total in Service 5/1/19 – Q1 After New Rules	Total in Service 8/26/19 – Q2 After New Rules
Corporate: Prior to Prop-K (1978), medallions could be owned	83 medallions held	79 medallions	60 medallions
by a corporation and were freely transferable. Corporations	by 25 corporations	held by 22	held by 20
can hold more than one medallion and there is no driving		Corporations	Corporations
requirement. The corporation cannot change ownership by			
more than ten percent or the medallion will revert to the City.			
Currently, these medallions cannot be transferred or			
surrendered for consideration.			
Pre-K: Prior to Prop-K (1978), medallions could be held by anyone	176 medallions held	174 medallions	159 medallions
and could be held by more than one person, and were freely	by 133 individuals	held by 131	held by 120
transferable. Individuals can hold more than one medallion		individuals	individuals
and there is no driving requirement. Currently, these			
medallions cannot be transferred or surrendered for			
consideration.			
Post-K Earned: These medallions were issued after 1978 at	569	558	550
no cost to taxi drivers based on the waiting list. They are			
limited to one per taxi driver and can only be held by an			
individual. There is a driving requirement and these			
medallions can be surrendered for consideration if the			
medallion holder is at least 60 years old or has a permanent			
disability, and if there is a buyer. These medallions are not			
transferable.			
Purchased: These medallions were Purchased under the	558	625	619
Medallion Sales Pilot Program that started 2010 and the			
Medallion Transfer Program that replaced the Medallion			
Sales Pilot Program in 2012. Any individual who Purchased a			
medallion under either program may retransfer their			
Purchased permit for sale, with no restriction on age or			
disability, if there is a buyer.			
Ramp Taxis: These medallions operate in wheelchair accessible	42	38	38
ramp vehicles. Some medallions are operated by drivers and			
some are leased to color schemes. Ramp Medallions cannot be			
transferred or surrendered for consideration.			
8000-Series: These medallions are leased by SFMTA to the	14	2	0
taxi companies for a monthly use fee. These medallions			
cannot be transferred or surrendered for consideration.			
Total	1,442	1,476	1,426

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Overall, three out of the five metrics have been met in the second three months of implementation, and the rule changes at SFO have generally had the intended positive effects. Analyzing the average impact since the implementation of the new Airport rules, which provides a bigger picture understanding over the longer time period, four out of five of the metrics have been met. This is shown in Table 2 below. By limiting the classes of medallions that can access the Airport, Purchased medallions have experienced reduced wait times in the SFO pick-up lot, and an increase in SFO trips and fare revenues. Congestion at SFO has been reduced, as evidenced by the decrease in taxi turnarounds. Ramp taxi incentives have resulted in an increase in wheelchair trips for paratransit customers and staff is now able to track ramp taxi trips provided to general public customers.

The increase in taxi supply within San Francisco proper has not been met, and has continued to drop from the prior quarter report period. Staff will continue to monitor this metric and is working on a series of additional initiatives previously described to support the taxi industry, and will support SFO in the implementation of the digital queue, which will allow taxi drivers to serve the City and still be able to reserve a spot in line for a pick-up at SFO.

Table 2: Summary of Metric Results

Metric Results	Q1 Feb - April	Q2 May - July	Average Overall Impact
Metric 1: Goal of 10% reduction in wait times at SFO for Purchased medallions.	-27%	-7%	-17%
Metric 2: Goal of 10% increase in trips for Purchased medallions originating at SFO	+136%	+59%	+98%
Metric 3: Goal of 10% increase in average monthly fare revenue for Purchased medallion holders.	+41%	+13%	+27%
Metric 4: Goal of 5% increase in number of taxi trips originating in San Francisco proper.	-16%	-27%	-22%
Metric 5: Goal of 10% increase in wheelchair accessible ramp taxi pick-ups, paratransit users (including general public)	+20 % (+38%)	+40 % (+59%)	+30 % (49%)
Metrics Met	4/5	3/5	4/5

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Policy Goal 1. Support Purchased Medallions

Metric 1: Goal of 10% reduction in wait times at SFO for Purchased medallions.

Result: Average wait time for a pick-up at SFO for Purchased medallions decreased 7%.

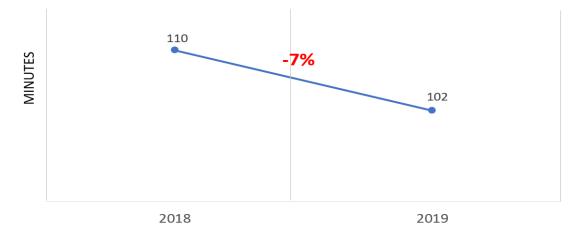
During May through July 2018, the average wait time at SFO for all Purchased medallion taxicabs was 110 minutes. The current average for May through July 2019 is now 102 minutes, a savings of an average of 8 minutes each time a Purchased medallion enters the SFO taxi lot to perform a pickup. This represents a 7% decrease in wait times for Purchased medallions, which does not currently meet this metric goal of 10%. The prior quarter data showed this metric was met (chart on the right), however this quarter's metric was not met (chart below).

Purchased Medallion Wait Time at SFO (Q1 Feb to April)



SFMTA will work with SFO on strategies to further reduce the average wait times to meet the 10% goal, which so far have included adjusting the ratio of Purchased to Post-K from the typical 3:1 ratio to a 4:1 or 5:1 ratio at certain times to prioritize Purchased medallion taxicabs.

Purchased Medallion Wait Time at SFO (Q2 May to July)



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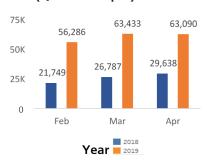
Policy Goal 1. Support Purchased Medallions

Metric 2: Goal of 10% increase in trips for Purchased medallions originating at SFO

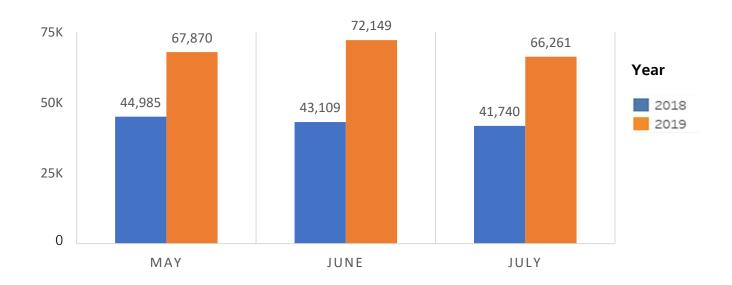
Result: Trips originating at SFO provided by Purchased medallions increased 59%.

During May through July 2018, the quarterly trips originating at SFO for all Purchased medallion taxicabs was 129,834. The current quarterly trips for May through July 2019 are now 206,280, an increase of 76,446 additional trips provided by Purchased medallions originating at SFO. This represents a 59% increase in the number of trips for Purchased medallions, which exceeds this metric goal of 10%. The prior quarter data showed this metric was also met at 136% increase (chart on the right), however this quarter's metric was lower at 59%, but still far exceeded the 10% metric (chart below).

Purchased Medallion Pick-ups at SFO (Q1 Feb to April)



Purchased Medallion Pick-ups at SFO (Q2 May to July)



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Policy Goal 1. Support Purchased Medallions

Metric 3: Goal of 10% increase in average monthly fare revenue for Purchased medallion holders.

Result: Average monthly fare revenue for Purchased medallion holders increased by 13%.

SFMTA estimated the average monthly fare revenue for Purchased medallion holders from May through July grew by 13% in 2019, compared to the same period in 2018. The prior quarter data showed this metric was also met at 41% increase (chart on the right), however this quarter's metric was lower at 13%, but still exceeded the 10% metric (chart below).

We should note that the estimated average fare from SFO for this quarter is \$44.34, a \$0.09 increase from the prior quarter, which means the per trip fare revenues are generally consistent. This suggests that

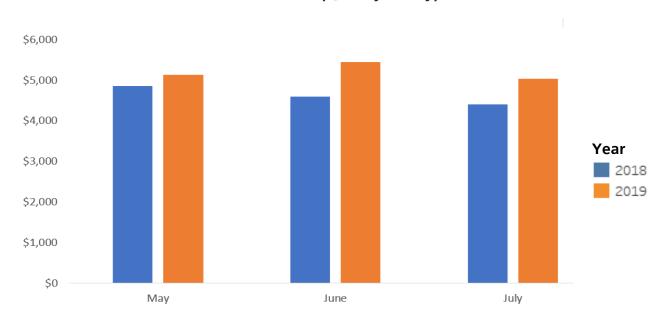
(Q1 Feb to April) \$ 6000 5000 4000 2000 1000

Purchased Medallion Fare Revenue at SFO

the reduction in the average monthly fare revenue compared to the prior quarter is a direct result of the reduced number of Purchased medallion trips shown in the previous metric, Metric 2.

SFMTA and SFO staff will continue to monitor this metric's trend.

Purchased Medallion Fare Revenue at SFO (Q2 May to July)



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Policy Goal 2. Bring more taxi supply to San Francisco

Metric 4: Goal of 5% increase in number of taxi trips originating in San Francisco proper.

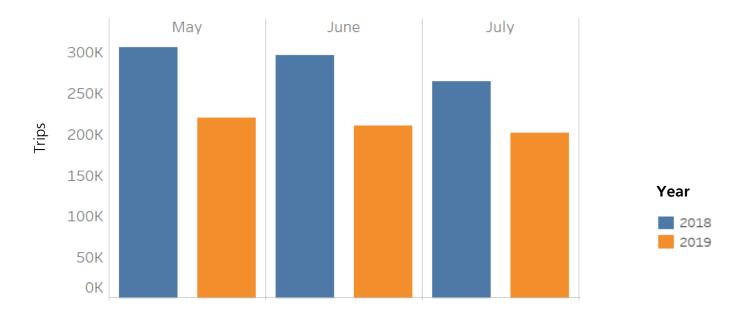
Result: Taxi supply in San Francisco proper is estimated to have decreased approximately 27%.

SFMTA estimated the percentage of trips originate from San Francisco proper decreased by 27% from May through July comparing 2018 to 2019, which does not currently meet this metric goal of 5% increase. The prior quarter data showed this metric was also not met at 16% decrease (chart on the right), with this quarter's metric continuing to trend further downward by 11% to 27% (chart below).

This metric continues to be challenging to analyze due to significant data quality issues and has been estimated based on a sample representing 63% of the taxi fleet.

Taxi Trips Originating in San Francisco Proper (Q1 Feb to April) February March April Year 2018 2018 2018

Taxi Trips Originating in San Francisco Proper (Q2 May to July)



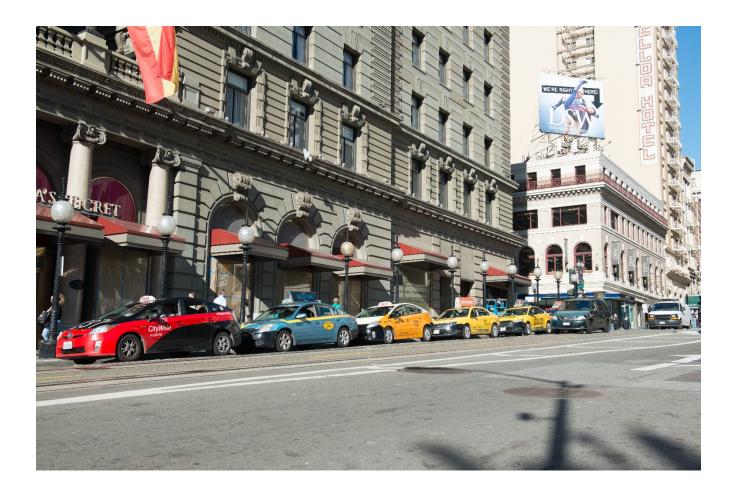
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Staff had anticipated a 5% increase in taxi supply in San Francisco proper because 8000-Series, Pre-K and Corporate medallions no longer have access to SFO for pick-ups, so a reasonable market response would be for those medallions to work the City more intensively. But taxi trips originating in San Francisco proper continue to decline. There are a variety of factors that may impact the number of taxi trips provided in San Francisco proper, including year-over year decline in taxi trips overall, and the reduction of the overall taxi fleet as shown in Table 1 on page 3. Some Purchased medallions are serving SFO exclusively and are providing fewer trips in San Francisco proper. Some of the driving habits and patterns may level out as the adjustment period under the new rules enters a more mature phase.

SFMTA is continuing to work on various strategies to increase taxi trips within San Francisco proper, which are detailed in the Additional Initiatives section of this report.



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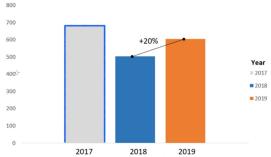
Policy Goal 3. Increase ramp taxi wheelchair pick-ups

Metric 5: Goal of 10% increase in wheelchair accessible ramp taxi pick-ups

Result: Paratransit Ramp taxi wheelchair pick-ups increased 40% and overall ramp taxi trips, including general public wheelchair trips, increased 59%.

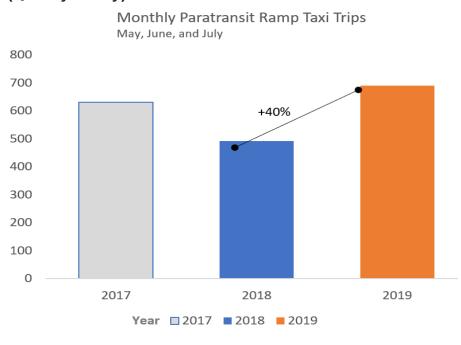
From May through July 2018, the average number of ramp taxi paratransit pick-ups was 492 per month. The current average for May through July 2019 is now 691, an increase of 199 per month. It is important to note that during the same time period in 2017 the monthly average was 632 trips, which then dropped 22% in 2018 likely due to the influx of TNCs and lack of ramp taxi drivers. The increase from 2018 to 2019 not only increased but reversed the declining trend from the

Monthly Paratransit Ramp Taxi Trips (Q1 Feb to April)



prior year. The prior quarter data showed this metric was met (chart on the right), along with this quarter's 40% increase in wheelchair pickups exceed this metric goal of 10% (chart below).

Monthly Paratransit Ramp Taxi Trips (Q2 May to July)



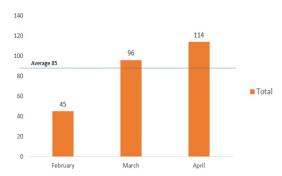
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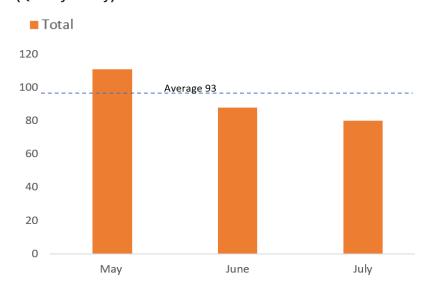
Now that SFMTA has begun tracking and incentivizing general public wheelchair user trips, the data show an average of 93 reported trips a month for this quarter from May through July 2019 (shown below), which has increased from 85 trips the first quarter from February through April (shown right).

General Public Wheelchair Trips, 2019 (Q1 Feb to April)





General Public Wheelchair Trips, 2019 (Q2 May to July)



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Additional Benefit: Taxi Congestion Reduced at SFO

Additional Benefit

Reduction of taxi congestion at SFO

The percentage of taxi drivers turned away due to the lots being full at SFO decreased from 8% to 2% after the implementation of the new rules.

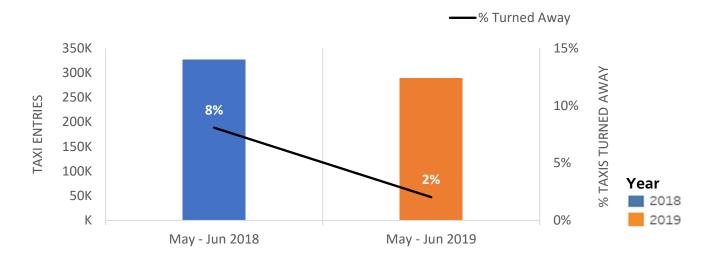
An additional benefit of the new taxi pick-up rules is the reduction in taxi congestion and traffic at SFO, which continued from the prior quarter. From May through July 2018, about 8% of taxi drivers were turned away from full lots on a typical day. The current average for May through July 2019 is now 2% of taxi drivers turned away, a reduction of 6% (chart below). For comparison, the prior quarter data showed a 5% reduction (chart on the right).

Percentage of Taxis Turned Away at SFO (Q1 Feb to April)



This reduction in the number of turnarounds resulted in less taxi congestion, and a reduction in the number of taxi drivers turned away, benefiting taxi drivers and reducing vehicle emissions.

Percentage of Taxis Turned Away at SFO (Q2 May to July)



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Additional Initiatives to Support the Taxi Industry

Staff is currently focusing on the following initiatives to provide additional support to help the taxi industry's medallion holders, companies, drivers, riders, and paratransit taxi riders:

Allowing Purchased and Post-K Medallions to use Spare Taxi Vehicles at SFO

One recent change during this period, starting July 2019, was to allow the use of Purchased and Post-K medallions temporarily placed in spare taxi vehicles to access SFO pickups. This is meant to further allow such medallion holders to continue benefiting from the Airport rule changes in the event their primary vehicles are unavailable due to repairs, collisions, upgrades, mandatory inspections, etc. When the new Airport rules were first implemented, spare vehicles were not allowed to pick-up at SFO, because staff could not ascertain the medallion type temporarily being operated in a spare vehicle. This change was made possible because SFMTA issued new color-coded physical metal medallion plates as a part of the annual medallion renewal process, with green plates for Purchased priority, and orange for all others. This color-coding is easy to visually identify and direct as a cab is approaching the SFO taxi holding area. This recent change has allowed 1,036 Airport pickups in spare taxis in the month of July 2019, during the first month of implementation of the new color-coded medallions.

Expanded Ramp Taxi Incentives

To continue improving service to wheelchair users, SFMTA has introduced the following new ramp taxi <u>incentives</u>:

- \$10 per trip for each general public wheelchair trip provided in a ramp taxi. SFMTA offers a \$10 per trip incentive for ramp taxi trips provided to paratransit customers, and the addition of a \$10 per trip incentive for ramp taxi trips provided to general public customers is comparable and has been added because there is now a mechanism to track and audit these trips.
- \$15 per trip incentive for ramp taxi trips (paratransit and general public) provided between 8pm and 6am: evening trips have been historically challenging to provide and this incentive is intended to increase wheelchair trips during this historically underserved time.
- \$15 per trip incentive for ramp taxi trips (paratransit and general public) where the pick-up is in the outer areas of San Francisco: accessible taxi trips in outlying neighborhoods1 have been hard to serve because they require deadheading. This incentive is intended to improve service to wheelchair users in outlying neighborhoods.

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¹ "Outlying neighborhoods" are defined as the lower density, primarily residential neighborhoods of San Francisco outside of the city's business center. The boundary for the outlying neighborhoods includes all areas west of Park Presidio and 19th Avenue as well as the areas south of Cesar Chavez and Monterey Blvd. This include most of the Richmond, Sunset, Bayview/Hunter's Point, Oceanview/Merced Heights/Ingleside (OMI), and Parkmerced neighborhoods.



The new ramp taxi incentives started on August 1, 2019, and a summary of incentives issued by type will be included in the next quarterly report.

Recruit Additional Ramp Taxi Medallion Holders and Drivers

SFMTA is committed to strengthening the ramp taxi program and increasing the number of ramp taxis on the road. SFMTA will be marketing this ramp taxi incentive program to sedan taxi drivers with a high number of paratransit trips completed, in an effort to recruit more ramp taxi drivers. In addition, SFMTA is also exploring the possibility of having the first hybrid ramp taxi in service in San Francisco. SFMTA has a subsidy program to incentivize the purchase of clean air vehicles, and this is the first opportunity to purchase a wheelchair accessible hybrid vehicle for use as a ramp taxi. The <u>subsidy</u> for a clean air accessible vehicle is \$3,500, and staff have reached out to interested ramp taxi drivers and ramp vehicle conversion dealers.

Connecting Health Opportunities and Information Citywide for Equity (CHOICE) Transportation Program

In an effort to improve access to health care in San Francisco, SFMTA, in partnership with the San Francisco Department of Public Health (SFDPH) and the non-profit, Community Living Campaign (SFCLC), is conducting a pilot program to provide taxi service to individuals with limited mobility. The pilot project will provide taxi trips to medical services/wellness programs for Potrero Hill Health Center (PHHC) and Southeast Health Center (SHC) patients. A transportation liaison will also be embedded at the two public health clinics, working to connect patients to the transportation services and sign up eligible individuals for the CHOICE taxi program. The goal of the program is to improve health outcomes by removing spatial and access barriers to transportation for low income individuals. Taxi drivers will earn a \$10 per trip incentive for trips provided in this program to offset deadheading and potential short trips to specific medical facilities. The grant term is for three years with a budget of \$498,600. Currently, Transportation Liaisons have been hired and are being trained. Staff at clinics are identifying potential clients for the program who will be offered an assessment consultation and connected to appropriate services and information, based on the individual's transportation needs.

Better Market Street

Taxis are a core part of the planned <u>Better Market Street</u> project, which will deliver transformative transportation, streetscape and safety improvements along 2.2 miles of Market Street between Octavia Boulevard and the Embarcadero. The project will allow taxis to use the curb lane on Market Street by converting the center track lane to Muni only. Taxis will be sharing the curb lane with commercial vehicles, buses, and bicycles only. The project will ban all private vehicles (including TNCs such as Ubers and Lyfts) on Market Street between 12th and Steuart streets. In addition, there will

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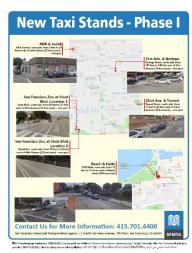


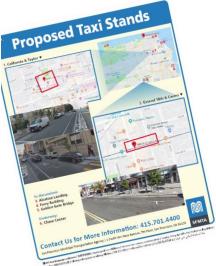
be over 20 new passenger loading zones created along cross streets to make loading/unloading easier. These changes could occur as soon as spring 2020 as part of a quick build implementation. The full project will rebuild the entire street, adding a dedicated bikeway, loading zones, and new transit stop improvements. Phase 1 of the full project will be 5th to 8th streets, with construction expected to begin in 2021 and take 2 years to complete.

Taxi Stands

New taxi stands have been recently implemented at the following locations:

- 46th and Judah
- SF Zoo
- 22nd and Taraval
- 32nd and Noriega
- Hyde and Beach
- Chase Center
- Alcatraz Landing
- Salesforce Transit Center





In September, staff started the process of refurbishing 14 existing taxi stands with new paint, and updating signage as needed. Field crews will be out in the coming months to perform the work.

One heavily used taxi stand will soon be temporarily relocated for a few months. The Townsend Corridor Improvement <u>Project</u> will soon be under construction to create safer and organized spaces on the roadway for all road users to travel and load. During construction, the taxi zone will be temporarily relocated to the west side of 4th Street south of Townsend Street during construction. The area will be signed as a "Taxi Zone Only" and additional wayfinding signs in and around the Caltrain station will all direct passengers to this zone.

Hydrogen Fuel Cell Electric Vehicle Taxi Pilot

SFMTA has a <u>history</u> with piloting clean air taxis, including Compressed Natural Gas (CNG) and hybrid vehicles, with hybrid vehicles the current standard. Continuing this innovative trend and SFMTA's commitment to clean air taxis, the Agency recently partnered with the Department of the Environment, Green Cab, and several hydrogen fuel cell vehicle manufacturers to pursue grant funding to pilot the use of new Fuel Cell Electric Vehicles (FCEV) and report on the effectiveness of FCEVs as taxi vehicles. Three new hydrogen fueling stations are currently being constructed in San Francisco.

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The objective of this pilot is to demonstrate and analyze the performance and applicability of FCEVs in high-mileage, last-mile transportation option, and also promote hydrogen FCEV opportunities throughout the Bay Area and beyond by creating a branding, outreach and education campaign to disseminate project information, case studies, and economic and performance data. The proposal was submitted in June, but was not selected for funding. Staff is currently working with the remaining partners to explore the possibility of pursuing a scaled down version of this pilot.

Late Night Transportation Pilot

SFMTA partnered with the Mayor's Office of Economic and Workforce Development to submit a grant application to fund taxi trips for late night bar and restaurant workers. This was a recommendation in the Late Night Transportation Working Group study: "The Other 9-to-5: Improving Late-Night and Early-Morning Transportation for San Francisco Workers, Residents, and Visitors", and would help support two stakeholder groups (late night workers and taxi drivers). The grant was not successful, but SFMTA will continue to pursue similar grant opportunities.

Taxi Advertising Campaign

An update from the previous quarter, staff is looking into the possibility of using remaining balances that are unclaimed from the Drivers Fund as one potential source for an advertising campaign. In addition, SFMTA is in the process of recruiting a staff person to launch this campaign. Industry outreach will be conducted prior to developing and launching this advertising campaign.

Updates from SFO

Digital Queue Implementation

SFO is working to expand the functionality of its existing smart phone application, TaxiQ, which allows drivers to participate in SFO's distance-based short system (providing head-of-line privileges upon return to the Airport for drivers who receive a "short" fare), and provides real-time information about space availability in the holding lot and flight schedules. The TaxiQ app is being redeveloped to include digital queue functionality to manage all taxi pick-ups at SFO. When implemented, the digital queue will provide drivers with a reserved place in line for an Airport pick-up, and will alert drivers when their turn is approaching. This will allow drivers to continue providing service in the City while waiting for their turn at SFO. The app will follow the current business rules and prioritize Purchased medallions over other medallion types allowed to pick-up at SFO. The app will allow a more efficient recalibration, if needed, to ensure that the policy goals are being met. At this stage, business rules for the app have been finalized and development is ongoing with a targeted full launch in the first half of 2020.

It's important to note that SFO previously had a plan to add virtual queue functionality to its existing TaxiQ app and was working with a vendor in summer 2017, but the taxi industry strongly opposed the virtual queue, and SFO pivoted away from its plans at that time.

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Reduction in SFO Fee

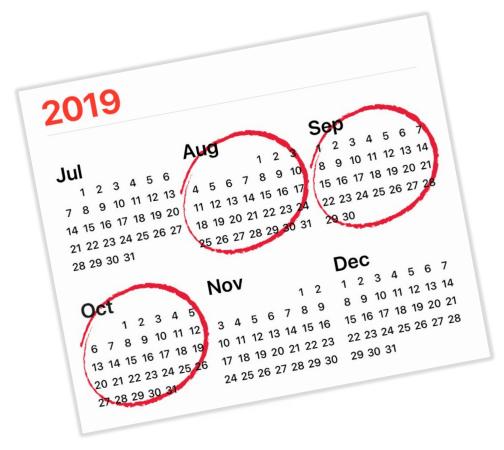
In July 2019, SFO <u>lowered</u> the taxi pick-up fee from \$5.00 to \$4.50, which was approved by the Airport Commission. The San Francisco Transportation Code allows a \$4.00 pass-through to passengers. This fee reduction saved taxi drivers \$.50 on each trip, with an estimated total average annual savings \$500,000 to taxi drivers providing pick-ups at SFO.

TNC Pickups at SFO

SFO has <u>relocated</u> all TNC (Uber, Lyft and Wingz) pickups in the domestic terminals to Level 5 of the domestic garage. This step was taken to improve traffic flow on the main departures level roadway and has had the intended result with greatly improved terminal curbside traffic flow. During peak periods there have been some pickup delays for TNC passengers, however following system refinements average wait times do not generally exceed 12 minutes even at peak times. SFO will continue to monitor traffic conditions and make adjustments as needed.

Quarterly Report Schedule

The next report will cover the time period from August through October 2019.



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