

Memorandum to the Board of Directors

Quarterly Taxi Report—August to October 2019



SFMTA

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: Jeffrey Tumlin, Director of Transportation 

FROM: Kate Toran, Director of Taxis and Accessible Services 

DATE: January 24, 2020

SUBJECT: Third Quarterly Report on Taxi Medallion Rules at
San Francisco International Airport:
August – October 2019

Introduction

The San Francisco Municipal Transportation Agency (SFMTA) is providing quarterly updates to the Board regarding the implementation of the new [airport taxi rules](#), which imposed restrictions on the types of taxi medallions that are authorized to provide taxicab trips originating at San Francisco International Airport (SFO or Airport). The [first quarterly report](#) provided background information and tracked implementation of the new SFO rules from February through April 2019, while the [second quarterly report](#) (May – June 2019) provided an update along with information on additional initiatives to support the taxi industry.

This third quarterly report continues to track progress in meeting the policy goals, from the period from August through October 2019, comparing the three-month 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 account for seasonal variation, and assures the comparison is for the same number of days in the quarter; both factors can significantly impact taxi ridership.

The data quality issues explained in both the first and second quarterly report remain an ongoing challenge. This report uses the same methodology with data from the four largest 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 [first quarterly report](#).

Background on Recent Changes

To quickly summarize, the new SFO rules prioritize pick-ups for Purchased medallions, 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 access to SFO and, as an incentive, can earn short line access based on the number of wheelchair trips provided.

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.

Policy Goals Results

The Purchased medallion taxi fleet has increased since the implementation of the new SFO rules, because 74 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. There is no change to the number of Purchased medallions in operation this quarter compared to the previous quarter. We should also note that two Purchased medallions were fully paid off during this quarter.

There continues to be a reduction of non-Purchased medallion types, which has caused the total supply of taxis to decrease from 1,442 in December 2018 to 1,372 currently, a net reduction of 70 medallions in operation. This reduction is mostly due to Corporate and Pre-K medallions retiring from the fleet.



**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	Total in Service 12/13/19 – Q3
Corporate: Prior to Prop-K (1978), medallions could be owned by a corporation and were freely transferable. Corporations can hold more than one medallion and there is no driving 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.	83 medallions held by 25 corporations	79 medallions held by 22 Corporations	60 medallions held by 20 Corporations	36 medallions held by 13 Corporations
Pre-K: Prior to Prop-K (1978), medallions could be held by anyone and could be held by more than one person, and were freely transferable. Individuals can hold more than one medallion and there is no driving requirement. Currently, these medallions cannot be transferred or surrendered for consideration.	176 medallions held by 133 individuals	174 medallions held by 131 individuals	159 medallions held by 120 individuals	139 medallions held by 105 individuals
Post-K Earned: These medallions were issued after 1978 at 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.	569	558	550	543
Purchased: These medallions were Purchased under the 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.	558	625	619	619
Ramp Taxis: These medallions operate in wheelchair accessible ramp vehicles. Some medallions are operated by drivers and some are leased to color schemes. Ramp Medallions cannot be transferred or surrendered for consideration.	42	38	38	35
8000-Series: These medallions are leased by SFMTA to the taxi companies for a monthly use fee. These medallions cannot be transferred or surrendered for consideration.	14	2	0	0
Total	1,442	1,476	1,426	1,372



Table 2 below shows a summary of the metrics, and overall, four out of the five metrics have been met in the third quarter 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, also shows that four out of five of the metrics have been met. By limiting the classes of medallions that can access the Airport, Purchased medallions have experienced reduced wait times in the SFO pick-up lot by an average of 16% (equivalent to saving each driver about 15 minutes per airport trip, thus allowing them to provide more trips per shift), and an increase in SFO trips overall and corresponding fare revenues. Congestion at SFO has been reduced, as evidenced by the decrease in taxi turnarounds (which appear to be holding steady at 2% turnarounds for the past six months). Ramp taxi incentives have resulted in a 26% increase in wheelchair trips for paratransit customers, while general public wheelchair trips have doubled with additional incentives offered.

One of the metrics, an increase in taxi supply within San Francisco proper, has not been met and continues to drop further since the reporting began. Reversing this long-standing trend remains a challenge and staff continues to monitor this metric and is working on several initiatives to support the taxi industry, especially within San Francisco proper.

Table 2: Summary of Metric Results

Metric Results	Q1 Feb - April	Q2 May - July	Q3 Aug - Oct	Average Overall Impact
Metric 1: Goal of 10% reduction in wait times at SFO for Purchased medallions.	-27%	-7%	-14%	-16%
Metric 2: Goal of 10% increase in trips for Purchased medallions originating at SFO	+136%	+59%	+50%	+82%
Metric 3: Goal of 10% increase in average monthly fare revenue for Purchased medallion holders.	+41%	+13%	+32%	+29%
Metric 4: Goal of 5% increase in number of taxi trips originating in San Francisco proper.	-16%	-27%	-34%	-26%
Metric 5: Goal of 10% increase in wheelchair accessible ramp taxi pick-ups, paratransit users (including general public)	+20% (+38%)	+40% (+59%)	+26% (+63%)	+29% (53%)
Metrics Met	4/5	3/5	4/5	4/5

Policy Goal 1. Support Purchased Medallions

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

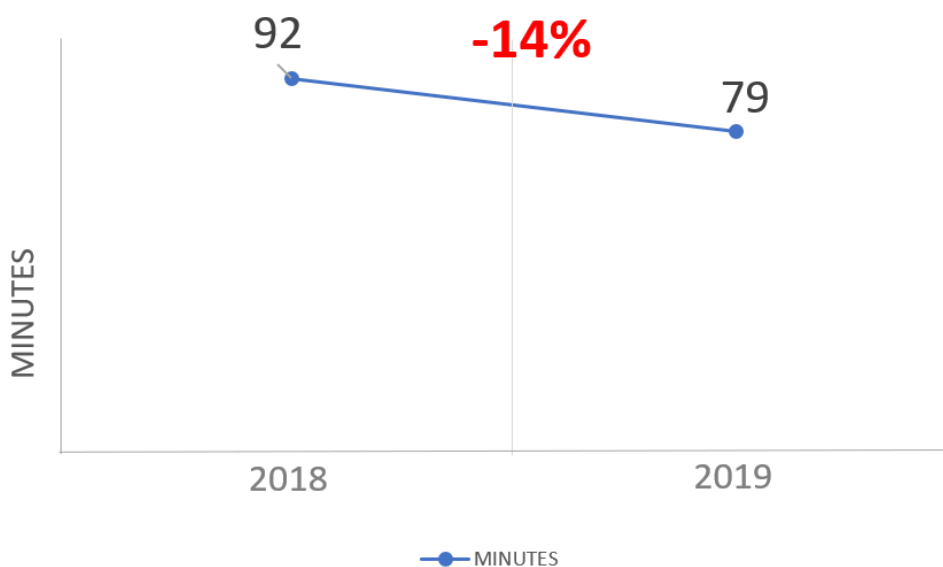
Result: Average wait time for a pick-up at SFO for Purchased medallions decreased 14%.

During August through October 2018, the average wait time at SFO for all Purchased medallion taxicabs was 92 minutes. The current average for August through October 2019 is now 79 minutes, a savings of an average of 13 minutes each time a Purchased medallion enters the SFO taxi lot to perform a pick-up. This represents a 14% decrease in wait times for Purchased medallions, which meets the goal of 10%.

It’s important to note that SFO is working to expand the functionality of the existing TaxiQ app to include a virtual queue mechanism that will further reduce wait times at SFO and increase fleet efficiency. When implemented, the digital queue will provide drivers with a reserved place in line for an SFO pick-up, and will alert them 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.

SFO has received feedback from taxi industry stakeholders and is expected to launch beta testing of the virtual queue functionality in Q1 and full roll-out of the virtual queue is anticipated in Q2, based on the results of the testing phase.

Purchased Medallion Wait Time at SFO (Q3 August to October)



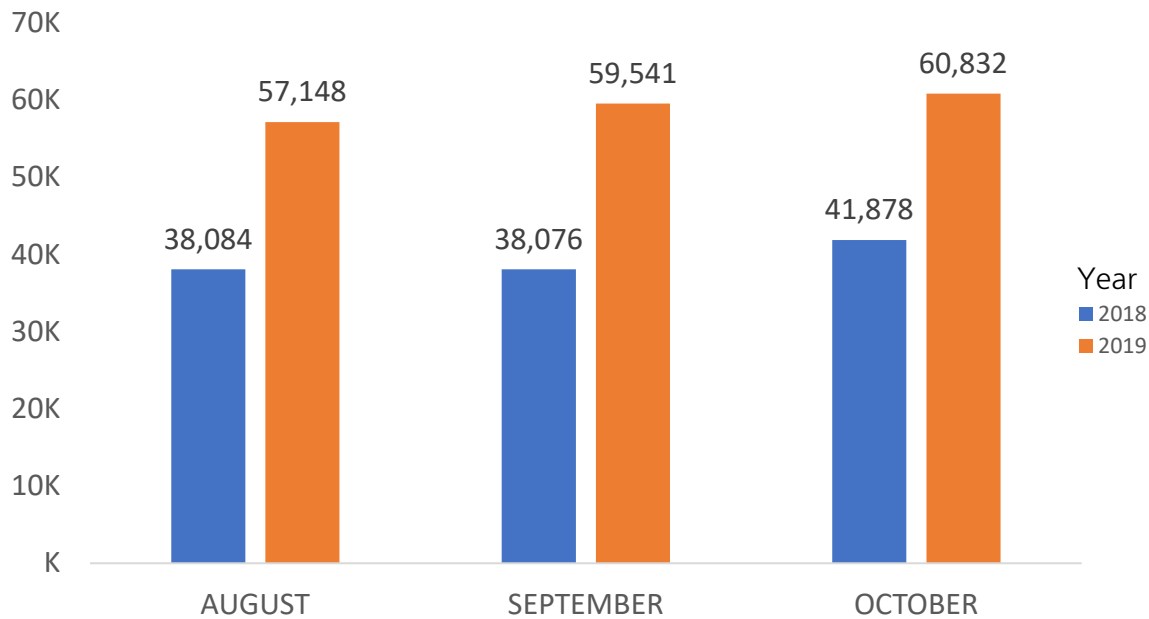
Policy Goal 1. Support Purchased Medallions

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

Result: Trips originating at SFO provided by Purchased medallions increased 50%.

During August through October 2018, the quarterly trips originating at SFO for all Purchased medallion taxicabs was 118,038. The current quarterly trips for August through October 2019 are now 177,521, an increase of 59,493 additional trips provided by Purchased medallions originating at SFO. This represents a 50% increase in the number of trips for Purchased medallions, which exceeds this metric goal of 10%.

Purchased Medallion Pick-ups at SFO (Q3 August to October)



Policy Goal 1. Support Purchased Medallions

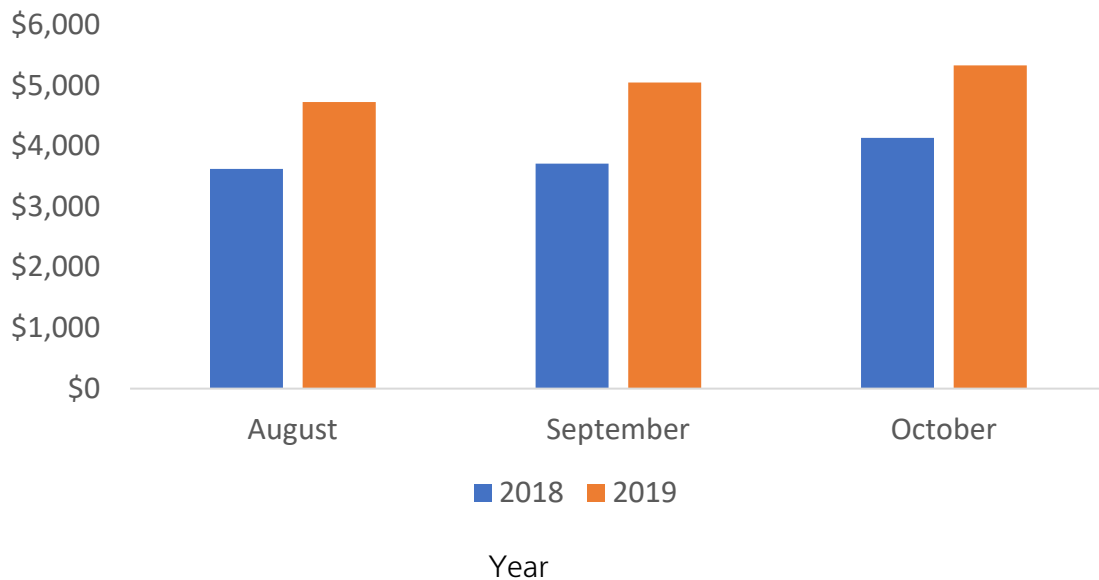
Metric 3: Goal of 10% increase in average monthly fare revenue for Purchased medallion holders.

Result: Average monthly fare revenue for Purchased medallion holders increased by 32%.

SFMTA estimated the average monthly fare revenue for Purchased medallion holders from August through October grew by 32% in 2019, compared to the same period in 2018, which exceeds the 10% metric (chart below).

We should note that the estimated average fare from SFO for this quarter is \$44.04, a \$0.30 decrease (less than 1%) from the prior quarter, which means the per trip fare revenues are generally consistent.

Purchased Medallion Fare Revenue at SFO (Q3 August to October)



Policy Goal 2. Bring more taxi supply to San Francisco

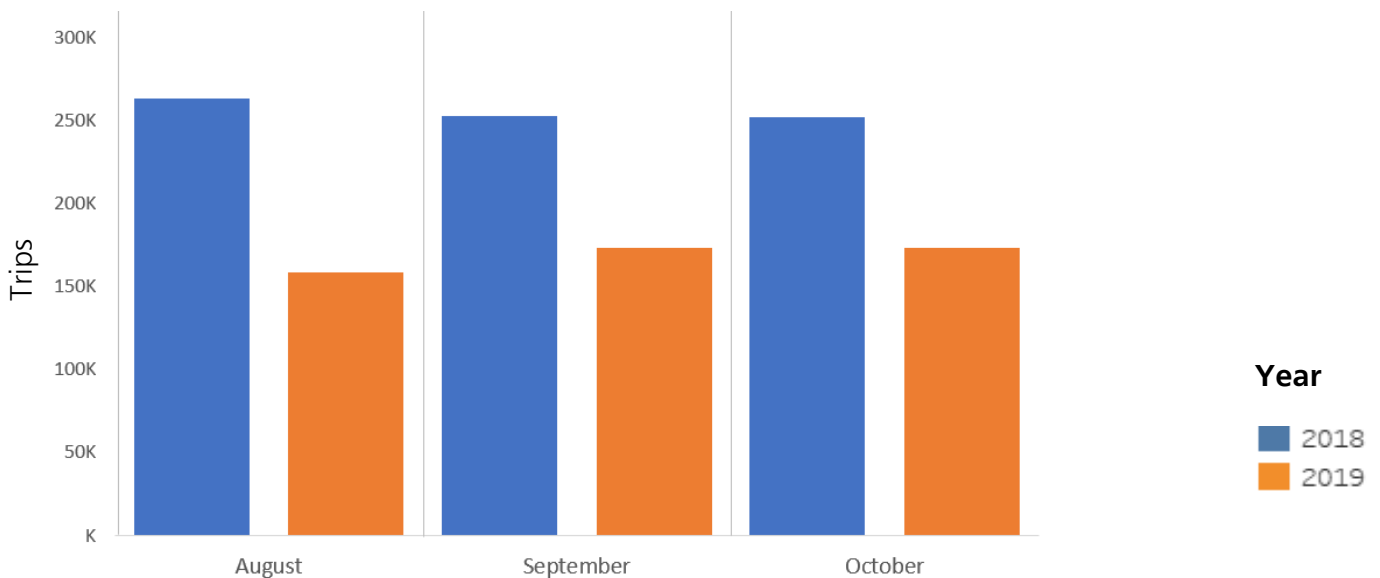
Metric 4: Goal of 5% increase in number of taxi trips originating in San Francisco proper.

Result: Taxi supply in San Francisco proper is estimated to have decreased approximately 34%.

SFMTA estimated the percentage of trips originating from San Francisco proper decreased by 34% from August through October compared to the same period in 2018, which does not meet this goal of 5% increase. Reversing this long-standing trend remains a challenge and staff continues to work on various strategies to increase taxi trips within San Francisco proper, which are detailed in the Additional Initiatives section of this report and the two prior reports.

Additionally, 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. Staff will continue to address the data quality issues discussed in Appendix C from the [first quarterly report](#).

Taxi Trips Originating in San Francisco Proper (Q3 August to October)





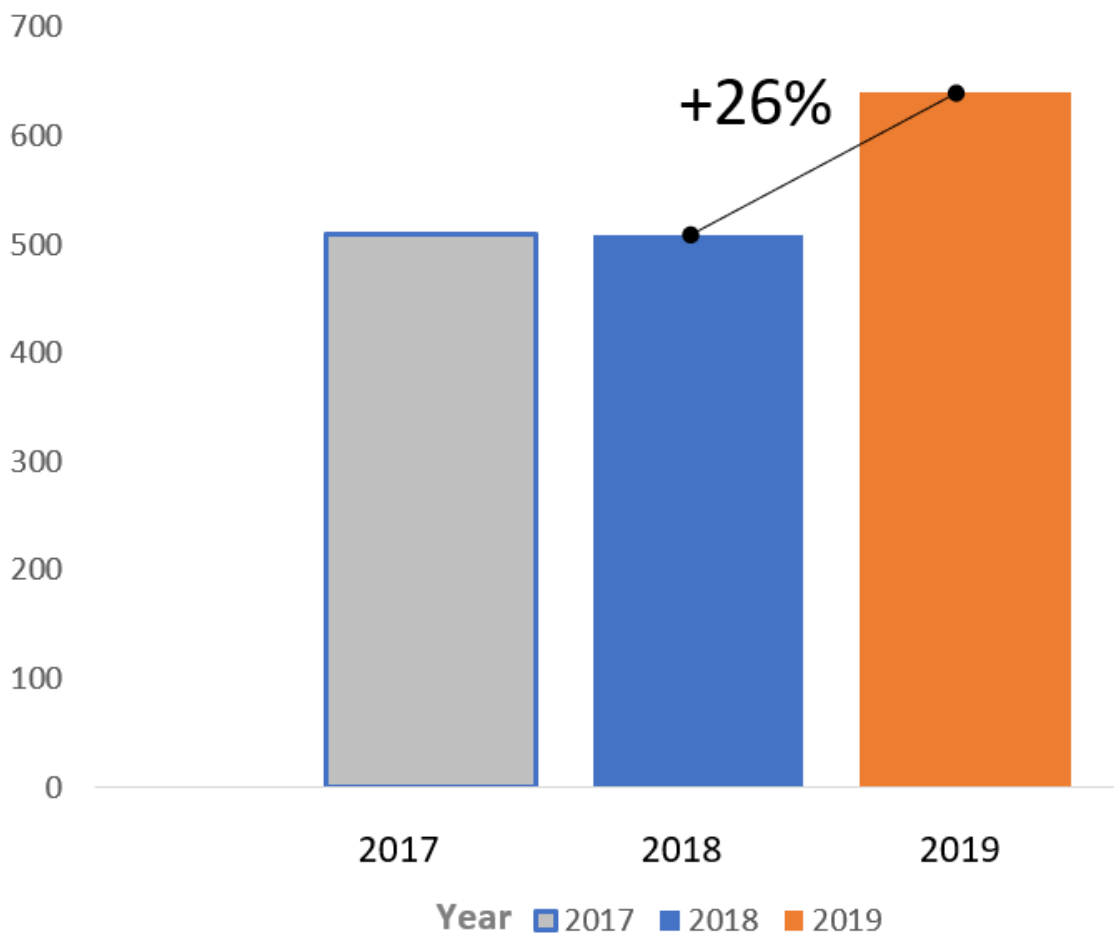
Policy Goal 3. Increase ramp taxi wheelchair pick-ups

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

Result: Paratransit Ramp taxi wheelchair pick-ups increased 26% and overall ramp taxi trips, including general public wheelchair trips, increased 63%.

From August through October 2018, the average number of ramp taxi paratransit pick-ups was 509 per month. The current average for August through October 2019 is now 640, an increase of 131 per month. This represents a 26% increase in the number of ramp taxi wheelchair pick-ups, which exceeds this metric goal of 10%.

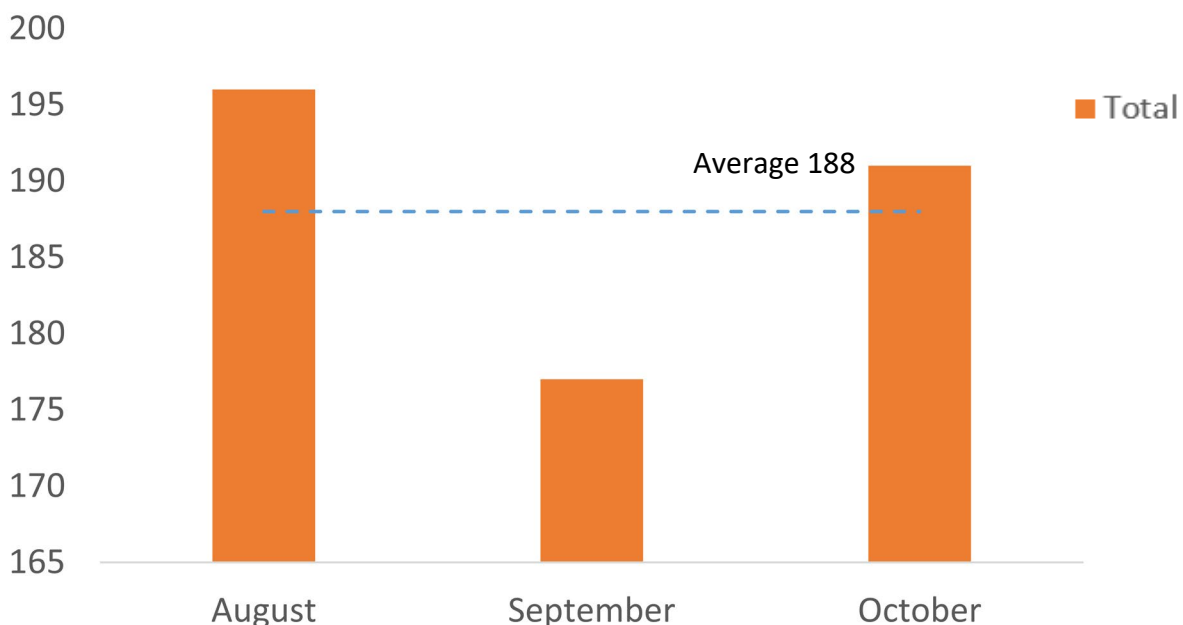
**Monthly Paratransit Ramp Taxi Trips
(Q3 August to October)**



This quarter has shown a significant increase in the number of general public wheelchair trips, compared to the previous two quarters, now that SFMTA has begun tracking and incentivizing general public wheelchair user trips in 2019. This quarter shows an average of 188 reported trips a month (shown below), while the past two quarters show 93 and 85 average reported trips per month. This represents a 63% increase in the overall number of ramp taxi trips provided.



General Public Wheelchair Trips, 2019 (Q3 August to October)



Additional Benefit: Taxi Congestion Reduced at SFO

Additional Benefit

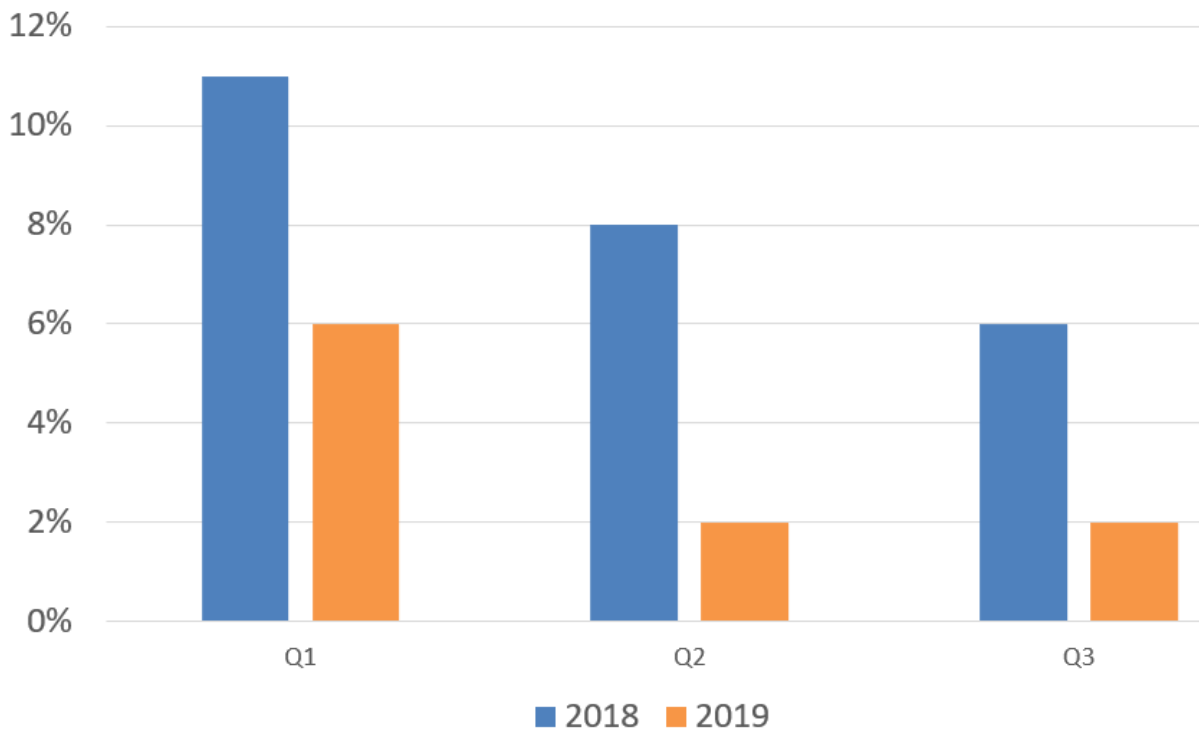
Reduction of taxi congestion at SFO

The percentage of taxi drivers turned away due to the lots being full at SFO decreased from 6% 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 Q3 August through October 2018, about 6% of taxi drivers were turned away from full lots on a typical day. The current average for Q3 August through October 2019 is now down to 2% of taxi drivers turned away, a reduction of 4% (chart below). For comparison, the prior quarter data showed a 6% reduction, from 8% to 2%.

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
(Q1 February to April, Q2 May to July, Q3 August to October)**



Additional Initiatives to Support the Taxi Industry

Staff is currently focusing on the following initiatives to provide additional support to the taxi industry.

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

During the initial implementation of the new taxi pick-up rules at SFO, spare taxis were not allowed to perform pick-ups at SFO, even if they were operating a Purchased or a Post-K medallion because there was no efficient mechanism to enforce potential violations (e.g. medallion types prohibited from picking up at SFO operating in spare vehicles). Staff identified this as an industry concern and developed a solution – identifying medallion type on the medallion plate – thereby allowing efficient enforcement for situations that occur when a Purchased or Post-K medallion is operating in a spare vehicle due to a mechanical issue. This recent change has allowed 6,992 Airport pick-ups in 92 spare taxis during this quarterly reporting period. This has allowed Purchased and Post-K medallion holders to continue to generate revenue and fares when their primary taxi vehicles are undergoing repair.

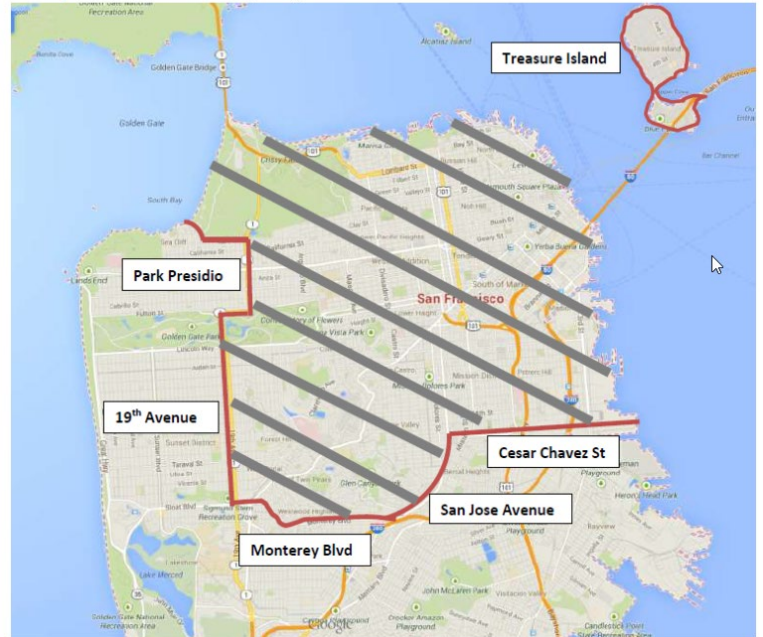
Expanded Ramp Taxi Incentives

SFMTA introduced additional ramp taxi [incentives](#) on August 1 to continue improving service to wheelchair users. The expanded incentives include \$10 per trip for each ramp taxi trips provided to a general public wheelchair user, and \$15 per trip for ramp taxi trips provided in outlying neighborhoods and during nighttime hours. These new incentives have contributed to doubling the number of general public wheelchair trips provided when compared to the previous quarter, along with making more ramp taxis available for paratransit taxi riders.

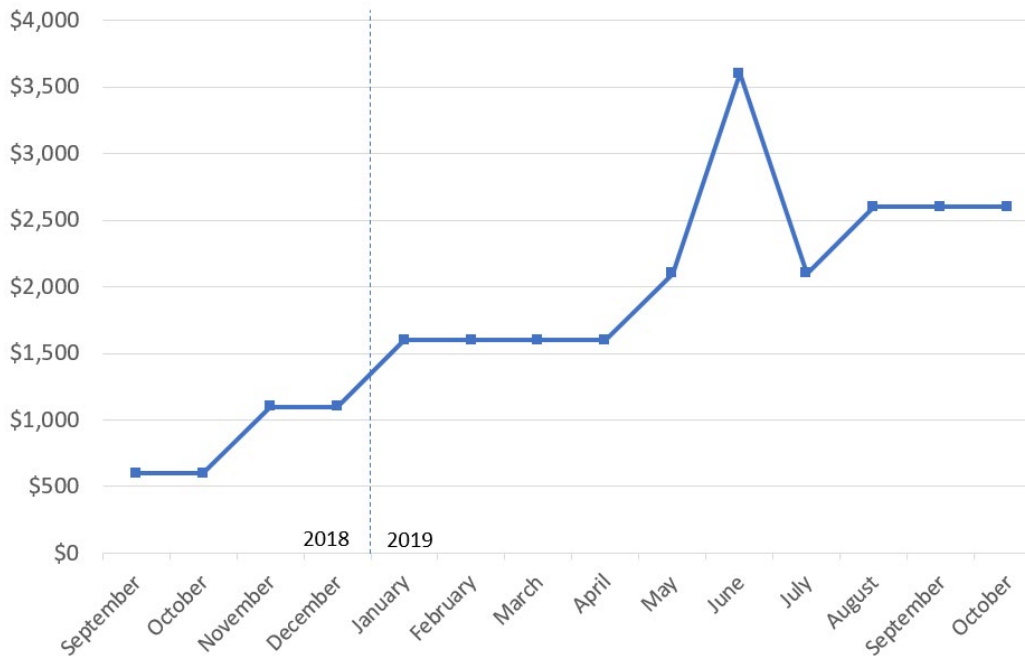


- \$10 per trip incentive for ramp taxi trips (paratransit and general public)
 - o August 2019: \$6,040 (604 trips)
 - o September 2019: \$5,190 (519 trips)
 - o October 2019: \$5,760 (576 trips)
- \$15 per trip incentive for ramp taxi trips (paratransit and general public) provided during evenings (8pm - 6am), or where the pick-up is in the outer areas of San Francisco.
 - o August 2019: \$3,975 (265 trips)
 - o September 2019: \$4,110 (274 trips)
 - o October 2019: \$3,630 (242 trips)
- Up to \$600 per month ramp vehicle subsidy (for purchasing and operating their own ramp taxi vehicle that meet certain performance standards each month).
 - o August 2019: \$2,600
 - o September 2019: \$2,600
 - o October 2019: \$2,600

Map of the Outlying Areas of San Francisco



Ramp Vehicle Subsidy





Transit Only Lane Access

Approximately 83% of transit only lanes in the City allow taxis, which provides taxis more efficient access through certain areas of the City. The only lanes that do not allow taxi access are labeled Muni Only and have safety considerations, such as raised track areas for light rail or cable car areas. As part of SFMTA's commitment to supporting the taxi industry, access to transit only lanes are typically included in new projects. Access to transit only lanes provides a significant benefit to taxi drivers, who are able to move more quickly and safely through the City using red lanes. During the timeframe of this report, the SFMTA Board passed two key street projects that will benefit the taxi industry: Fourth Street Improvements and Better Market Street.

1. Fourth Street Improvements

On October 1, 2019, the SFMTA Board approved the Fourth Street project, which extended the existing transit- and taxi-only lane on Fourth Street between Market and Folsom south of Clementina to Folsom and shared with traffic only where motorists are allowed to cross to access right-turn lanes. The entire segment will remain in effect 24 hours a day, seven days a week, including the portion south of Howard Street, and will be colorized red. In addition to the transit benefits, these changes are expected to reduce conflicts between taxis and other traffic and minimize taxi delays due to traffic congestion. The changes will improve taxi access to the Moscone Center and provide a key Central Subway connection. Additionally, as part of this improvement project, on the west side of Fourth Street just south of Minna Street, an approximately 125-foot-long taxi loading zone will be maintained (separated into two roughly equivalent segments by a short segment of red curb adjacent to a fire hydrant), which has space for up to six taxis. The project is considered quick-build and expected to be built in early spring 2020.

2. Better Market Street

The Better Market Street project was approved by the SFMTA Board on October 15, 2019 and quick build implementation is anticipated to start early in the 2020. Taxis are a core part of the Better Market Street 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 Uber and Lyft) on Market Street between 12th and Steuart streets. In addition, there will be over 20 new passenger loading zones created along cross streets to make loading/unloading easier. 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 begin after the quick build implementation phase and will be 5th to 8th streets, with construction expected to begin in 2021 and take 2 years to complete.

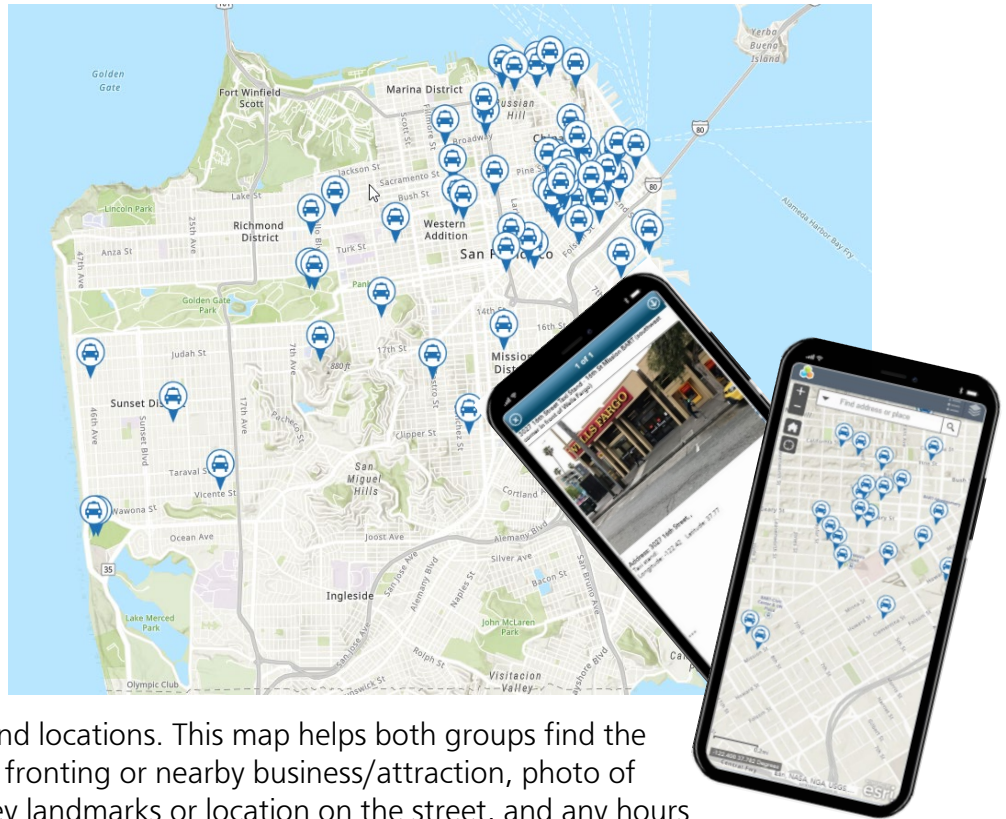
Staff is also working to develop an interactive, on-line map of transit only lanes, which will be a useful tool for taxi drivers.

Taxi Stands

Curb space is at a premium in San Francisco and the taxi industry benefits from the designation of valuable space for taxi stands. SFMTA is continuing to work to expand and improve designated curb space for taxi drivers by continuing to add new taxi stands, such as those at key locations installed last quarter:

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

Staff also conducted a complete field inventory of taxi stands, and requested refurbishment of 14 stands that were in need of new paint or signage, 7 of which have been completed. After completing the inventory, staff created an online map (sfmta.com/TaxiStands) for both interested passengers and taxi drivers to find their nearest taxi stand locations. This map helps both groups find the taxi stand with a description of the fronting or nearby business/attraction, photo of the taxi stand and surroundings, key landmarks or location on the street, and any hours of operation or restrictions at the curb. In addition to showing active taxi stands, the map also displays temporarily removed taxi stands, which were removed or relocated due to construction or other long-term impacts, that SFMTA intends to reinstall.



SFMTA is continuing to solicit suggestions on where passengers, drivers, and businesses would like new taxi stands to be installed. Installing a new taxi stand requires a months-long process of working with fronting businesses, obtaining approval from the Board through legislation, painting the color curb, removing meters, installing signs, informing the potential users of the new taxi stand and enforcing the new taxi stand zone once it is operational. SFMTA has earmarked \$60,000 for taxi stands in the current fiscal year.

Other Business Improvements

In order save time and effort for the taxi industry by improving existing administrative processes, staff has overseen the development of a Salesforce platform. The Salesforce platform will eliminate existing paper-based processes and allow for faster and more efficient processing of vehicle introduction forms and color scheme change forms. The back-end of the platform has been built out and is presently being tested by Yellow Cab Cooperative. As the processes are tested and refined, roll-out to the new system to the entire industry will occur.

Driver Fund Disbursement

SFMTA continues to issue disbursement checks to drivers who meet the criteria who are eligible for the Taxi Driver Fund payout but have not yet picked up their checks. SFMTA also continues to issue free driver permit renewals for those drivers as part of the Driver Fund benefit (\$127 value per permit).



Taxi Driver Appreciation

Outstanding San Francisco taxi drivers were honored at a luncheon on December 5, 2019 and presented with a Taxi Driver Certificate of Recognition from Assemblymember Chiu, with their families, colleagues and staff in attendance.

Drivers were selected based on customer compliments to 311 and to SF Paratransit.

On October 3, 2019, the

San Francisco Taxi Industry suffered a major tragedy with the passing of taxi driver Berkant Ahmed and his two passengers, Mary Miller of Chicago and Judson Bergman of Barrington, IL. Mr. Ahmed was transporting his passengers from SFO when National #308 was struck by a wrong-way driver. Mr. Berkant is survived by his wife and daughter. Partnering with SFO and San Francisco Department of Health, counseling was offered on site at the SFO taxi lot the day after the tragedy. SFMTA Board Chair Malcolm Heinicke adjourned the October 15, 2019 meeting in honor of Mr. Ahmed.



Quarterly Report Schedule

The next report will cover the time period from November 2019 through January 2020.

