



SFMTA

Taxi Medallion Reform



Municipal Transportation Agency Board

October 16, 2018

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The Important Role of the Taxi Industry

SFMTA's regulatory framework should allow the taxi industry to innovate and compete, while maintaining a core focus on safety and consumer protection.

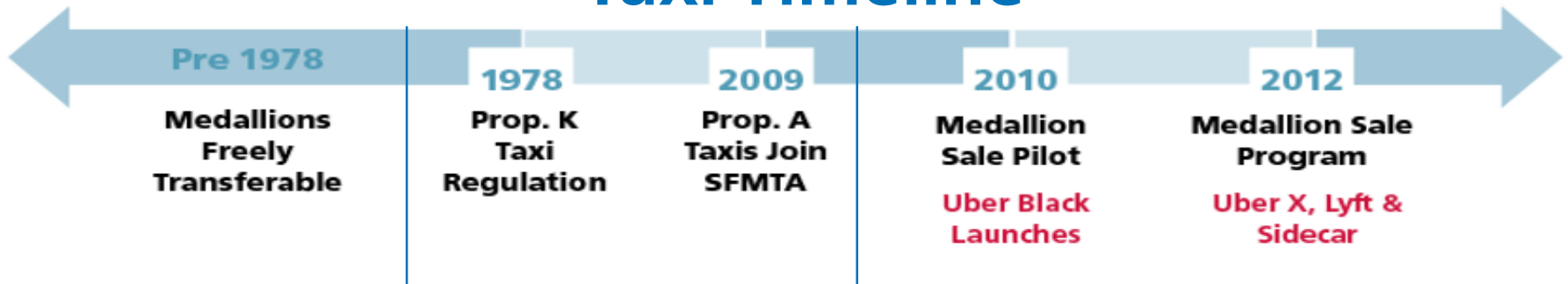
- ❖ Street hail service
- ❖ High level of safety requirements
 - Fingerprint background check
 - Drug and alcohol test
 - Complaint investigation and due process
 - Professional drivers
- ❖ Clean fleet: 95% clean air vehicles
- ❖ Equity
 - Safety Net Service
 - Required to serve all neighborhoods
 - Does not require smart phone or credit card
 - Regulated fares
 - Serves seniors and people with disabilities



SF Taxi Industry: Quick Snapshot

- ❖ 24 taxi companies
- ❖ 8 dispatch services
- ❖ 1,458 medallions in service
- ❖ 4,824 active drivers

Taxi Timeline



M E D A L L I O N T Y P E S

NOMINAL COST & NO DRIVING REQUIREMENT

Corporate:

84 medallions held by 25 business investors

Pre-K:

176 medallions held by 133 investors

FREE & DRIVING REQUIREMENT

Post-K:

569 individual driving medallion holders

PURCHASED & DRIVING REQUIREMENT

560 individual driving medallion holders

OTHER

Ramp:

42 Wheelchair accessible

8000 Series:

14 Leased to color schemes by SFMTA

Estimated Lifetime Average Income Earned

~\$1.6M per medallion
~\$26M for largest corporation



Who Benefited from Medallion Sales?

- ❖ ~ 5,600 Drivers and Medallion Holders: \$110M
- ❖ Transit: \$63M - preserved service coming out of 2009-2010 recession

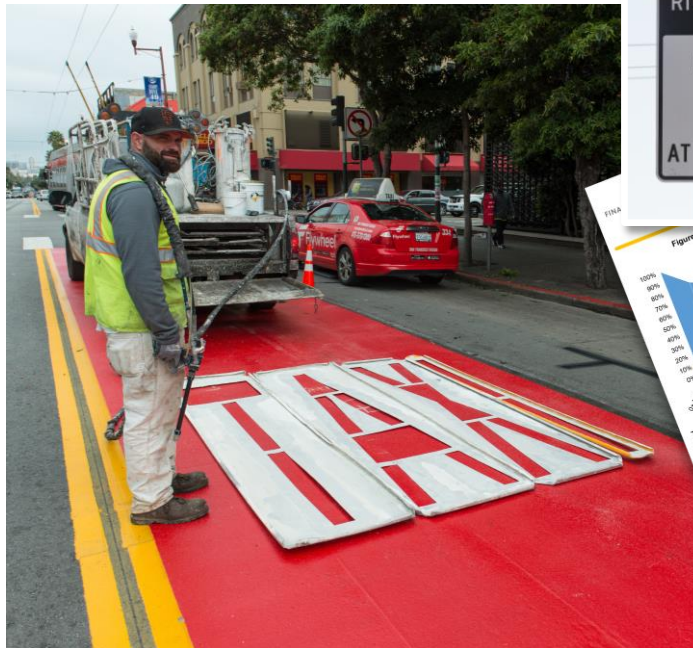


Efforts to Level the Playing Field

- ❖ On-going regulatory review and reform
 - Streamline new driver on-boarding
 - Update vehicle age and mileage requirements
 - Eliminate shift change and SF business location requirements
- ❖ Reduced and eliminated fee revenues by approximately \$10.2M
- ❖ Support Ramp Taxi Incentives
- ❖ Participate in TNC rulemaking – 30+ briefs submitted to CPUC
- ❖ Advocated for SB 1376: TNC Access For All

PFM/Schaller Report

❖ PFM/Schaller Consulting retained to review the current health of the industry and recommend potential regulatory changes



FINAL REPORT

Pro Forma Analysis – Drivers (non-medallion owner)

Scenario Inputs	High Driver (Gate or Access)	Low Driver (Operating as Gate & Gate or Access)
Per Shift Inputs		
Fares Per Shift (excluding tips)	\$250	\$200
Average Tip Per Fare	20%	20%
Gate Fee/Income per shift	\$50	\$50
Shifts per Week		
By Driver		
Annual Income Statement		
Revenue		
Fare Income	\$72,000	\$50,040
Tip Income	\$14,400	\$11,808
Total Revenue	\$86,400	\$61,848
Expenses		
Operating		
Gate Fees		
Color Scheme Services		
Insurance		
Vehicle Loan		
Repairs		
Annual Fees/licensing		
Total Operating Expenses		
Net Income		

Figure 3: Fare Revenue per 8 to 12 Hours August 2016 through April 2017

City of San Francisco Municipal Transportation Agency
Evaluation and Recommendations to Improve the Health of the Taxi Industry in San Francisco

FINAL REPORT
Prepared by: PFM Group Consulting
Schaller Consulting
DATE: May 1, 2018

415 351-5544
www.pfm.com

PFM/Schaller Report

- ❖ Released May 2018
 - ❖ Extensive Feedback from Taxi Industry
-

PFM/Schaller Recommendation 1: Full Service Color Schemes
No Clear Support

PFM/Schaller Recommendation 2: Right Size the Market
Minimal Support

PFM/Schaller Recommendation 3: Create Sustainable Accessible Taxi Program
Strong Support

Strong Feedback & Support:

- ❖ Open Up Medallion Market
- ❖ Provide More Direct Support for Purchased Medallion Holders
- ❖ Lower Medallion Price*

*Requires consent of SF Federal Credit Union

Focus of Reform: Purchased Medallion Holders

- ❖ Invested the most (\$250k) and yet make the least

Estimated Annual Earnings*

Purchased Medallion	Post-K (Free) Medallion	Driver
\$38,000	\$54,000	\$52,000

- ❖ 158 foreclosures
- ❖ 236 on list to sell
- ❖ No medallion sales since April 2016

*Source: PFM/Schaller Report: Evaluation and Recommendations to Improve the Health of the Taxi Industry in San Francisco

Medallion Reform Proposal

1. Open up the buyer market
2. Limit types of medallions authorized to pick up at SFO
3. Waive 5% retransfer fee for three years
4. Balance fleet size and trip volumes
 - ❖ Non-renewal of Corporate/Pre-K Medallions (260)



Recommendation 1: Open Buyer's Market

- ❖ Eliminate requirement that only SF taxi drivers can purchase
- ❖ Eliminate driving requirement for purchased medallion holders
- ❖ Allow business entities and joint tenants to purchase
- ❖ Allow purchase of up to 50 medallions maximum
- ❖ Allow purchased medallion holder or designee to enter into agreement with color scheme to operate medallion upon death, suspension or revocation & eliminate monthly use fee

*A Medallion that is not operated full-time or is not available for full-time operation is good cause for revocation

Recommendation 2: Increase Taxi Supply in SF

❖ Three policy goals:

- Bring supply to SF
- Support purchased medallion holders
- Congestion management

❖ Authorize the DOT to limit medallion types that pick-up at SFO

- Allow Purchased Medallions to pick-up
- Allow Ramp Medallions that have met wheelchair pick-up requirements to pick up

SFO Lot holds 427 taxis

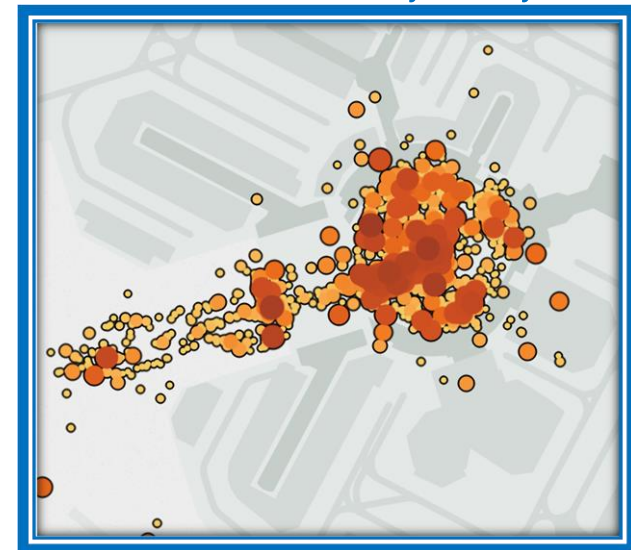


Lot at maximum capacity daily



Average wait time up to 3 hours

Taxi Weekday Activity at SFO



Average amount of dwell time



3 minutes

60+ minutes

Recommendation 3: Waive 5% Retransfer Fee

- ❖ Waive 5% fee (\$12,500) for three years
- ❖ 5% fee currently goes to Taxi Driver Fund
- ❖ Taxi Driver Fund has been disbursed
 - Approximately \$4.7M disbursed to over 4,400 drivers
 - check amounts range from \$500-\$1,200
 - Free A-Card renewal for two years



Taxi Driver Fund Distribution

Recommendation 4: Balance Fleet Size

- ❖ PFM/Schaller Recommendation based on key finding: only 17% of medallion holders earn a financially sustainable income (\$65k)
- ❖ Non-renewal of Corporate and Pre-K medallions at end of fiscal year
 - No driving requirement
 - Have been in operation since pre-1978
 - Estimated lifetime average income earned per medallion: ~\$1.6M

Additional Medallion Reforms

❖ Expand Ramp Taxi Incentive Program

Existing:

- \$10 per wheelchair trip incentive
- Short line pass at SFO for each two wheelchair trips in outlying neighborhoods

New:

- \$600/mo. subsidy for accessible vehicle purchase and operation
- ## ❖ Support Taxi Operations
- Taxi Stands
 - Bus Only Lanes
 - Left Hand Turn Restriction Exemptions
 - Explore Marketing Campaign



Questions

