

File No. 190119 Committee Item No. 2
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation Committee Date June 10, 2019

Board of Supervisors Meeting Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>MTAB Memo PreK Corporate 122118</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>MTA Memo Industry 122718</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>MTA Memo To MTAB 122718</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Referral FYI 020119</u> |
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Completed by: Erica Major Date June 7, 2019
Completed by: Erica Major Date _____

1 [Urging Municipal Transportation Agency to Report Back with Findings of the New Rules for
2 Taxi Pick-Ups at San Francisco International Airport (SFO) and Urging SFO to Restrict
3 Transportation Network Companies]

4 **Resolution urging the Municipal Transportation Agency (SFMTA) to report back**
5 **to the Board of Supervisors on the impact of the Director of Transportation's**
6 **revised rules for taxi medallions, within 90 days of the effective date of those**
7 **rules; and urging the San Francisco International Airport to take necessary steps**
8 **to restrict Transportation Network Companies (TNCs) from picking up fares at the**
9 **Airport.**

10
11 WHEREAS, As of 2019, 1455 medallion cabs are currently in service, and of
12 those 1455 medallion holders, 83 are held by corporations, 176 were issued prior to
13 Prop-K in 1978 and required no driving requirement, 569 were issued post Prop-K to
14 one driver with a driving requirement, and 558 were sold by San Francisco Municipal
15 Transportation Agency (SFMTA) beginning in 2010 for \$250,000 each; and

16 WHEREAS, On October 16, 2018, following presentations by SFMTA and San
17 Francisco International Airport (SFO) staff, the SFMTA Board (MTAB) adopted reforms
18 to the City's regulation of the taxi industry, including the removal of restrictions on the
19 purchase of taxi medallions, a three year waiver of the 5% taxi medallion retransfer fee,
20 and delegation of authority to the Director of Transportation to propose restrictions on
21 the classes of taxi medallions authorized to pick up fares at SFO; and

22 WHEREAS, The MTAB action marked a tangible step in SFMTA's ongoing
23 efforts to level the playing field between the taxi industry and Transportation Network
24 Companies (TNCs) like Uber and Lyft, including SFMTA's participation in over 30 briefs
25

1 to the California Public Utilities Commission (CPUC) to participate in TNC rulemaking;
2 and

3 WHEREAS, The MTAB action also followed the May 2018 release of the
4 PFM/Schaller Report which recommended, among other actions, opening up the
5 medallion market, providing more direct support for purchased medallion holders,
6 lowering medallion prices, right sizing the market, and creating a sustainable accessible
7 taxi program; and

8 WHEREAS, On December 27, 2018, Director of Transportation Ed Reiskin
9 issued a Report on Taxi Medallion Rules at San Francisco International Airport detailing
10 medallion rule changes and timelines for taxi medallions, which include allowing
11 purchased medallions expedited access to collect fares at SFO at all times, allowing
12 Post-K Earned medallions non-expedited access to collect fares at SFO, and a
13 prohibition on Corporate and Pre-K medallions from pick-ups at SFO at all times; and

14 WHEREAS, Since the arrival of under-regulated Transportation Network
15 Companies like Uber and Lyft in 2010, the value of regulation taxi medallions has
16 plummeted, to the detriment of medallion holders who have struggled to earn the fares
17 needed to pay for the high cost of their loans; and

18 WHEREAS, Distinct from the regulatory authority of policymakers in the City and
19 County of San Francisco, whose authority to regulate TNCs has largely been
20 preempted by CPUC edict, the Airport retains jurisdiction to subject TNCs to ground
21 transportation lease and possesses the authority to restrict TNCs from performing pick-
22 ups at the Airport; and

23 WHEREAS, The Airport has entered into a Permit agreement with TNCs to allow
24 them to drop-off and pick-up passengers at the Airport at the Limo rate of \$3.85 for each
25 drop-off and pick-up, which fees are evaluated annually based on a cost recover model;
now, therefore, be it

1 RESOLVED, That the Board of Supervisors hereby urges the SFMTA to report
2 back on the impact of the Director of Transportation's Report on Taxi Medallion Rules at
3 San Francisco International Airport to taxi medallion holders, including the benefit of the
4 adjusted rules to purchased medallion holders, the impact of the new restrictions on
5 Post-K earned medallion holders, the number of medallions that are surrendered as a
6 direct result of the new restrictions, impact of the new rules on the market value and
7 transferability of existing medallions, and an update on the status of Phase 3 (the
8 "Digital Queue") of the SFO Medallion Rules; and be it

9 FURTHER RESOLVED, That the Board of Supervisors urges the Airport
10 Commission of the San Francisco International Airport to take necessary steps to
11 restrict or otherwise de-prioritize access to SFO by Transportation Network Companies;
12 and, be it

13 FURTHER RESOLVED, That the Clerk of the Board of Supervisors forward this
14 Resolution to the San Francisco International Airport and its Commission, to the San
15 Francisco Municipal Transportation Agency and its Board of Directors, and to the San
16 Francisco Taxi Industry.

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MEMORANDUM

DATE: December 27, 2018

TO: The San Francisco Taxi Industry

THROUGH: Edward D. Reiskin 
Director of Transportation

FROM: Kate Toran
Director of Taxes and Accessible Services

SUBJECT: Taxi Medallion Rules at San Francisco International Airport

Introduction

On October 16, 2018, the San Francisco Municipal Transportation Agency Board approved a series of reforms to taxicab regulations to strengthen the industry and to maintain the value of purchased taxi medallions. One key reform was the delegation of authority to the Director of Transportation to limit which types of taxi medallions can pick up at San Francisco International Airport (SFO). This memorandum provides a description of policy goals, the new SFO medallion rules, implementation timeline and key metrics.

Policy Goals

The policy goals of the new medallion rules at SFO are:

1. Support Purchased medallions by prioritizing their pick-ups at SFO
2. Bring taxi supply to San Francisco
3. Incentivize wheelchair accessible ramp taxi pick-ups for paratransit customers and general public wheelchair users

Industry Feedback

Staff initially proposed that Purchased medallions have exclusive pick-up access at SFO. That concept was vetted with the taxi industry at Taxi Task Force and Taxi Town Hall meetings, and feedback was received through email as well.

Based upon taxi industry feedback, staff developed compromise rules, which prioritize Purchased medallions at SFO while still allowing access to Post-K medallions.



SFO Medallion Rules and Timeline

Taxi vehicles must affix a prefix to the medallion numbers already in place on the exterior of the taxi, as stipulated below. The prefix must be similar to the vehicle number in style and color and must be at least four inches high and positioned directly under the windows on or within six inches of the forward-most portion of both front doors, and on the rear facing portion of the trunk lid of the vehicle. If there is a vehicle number on the trunk, the prefix must be affixed there as well, at least 18 inches in length and similar in style and color to the vehicle number.

No prefix is required for Ramp taxis, 8000-series or spare vehicles.

- Vehicles operating **Purchased** medallions must have a "P" prefix applied to the medallion number on the outside of the vehicle. **(Sample photo below)**



- Vehicles operating **Post-K** medallions must have a "K" prefix applied to their vehicle. **(Sample photo below)**



- Vehicles operating **Pre-K** or **Corporate** medallions must have a "T" prefix applied to their vehicle. **(Sample photo below)**





Phase 1: (Start Date: February 1, 2019)

- **Purchased** medallions can pick-up at SFO at all times with expedited access. Upon entering the taxi lot at SFO, vehicles associated with **Purchased** medallions will be sent to the Purchased line, where they will have expedited access to the curb.
- **Corporate, Pre-K** and **8000 Series** medallions and **spare vehicles** are prohibited from pick-ups at SFO at all times.
- **Post-K Earned** medallions can pick-up at SFO at all times without expedited access. Upon entering the taxi lot at SFO, vehicles associated with **Post-K** medallions will be directed to the Post-K line, which will give them regular access to the curb.
- **Ramp Taxi** medallions can pick-up at SFO at all times without expedited access. Ramp Taxi drivers will be allowed expedited access if they meet monthly wheelchair pick-up requirements. See Appendix A for more detail.
- The existing short system will remain in place as before.

Through use of management of the queue in the taxi lots, **Purchased** medallions will be given access to expedited pick-ups at SFO. **Post-K** medallions will be placed in a separate line, with precedence given to Purchased medallions.

Should SFO staff determine that there is a need for additional taxis, SFO retains the right to invite Corporate, Pre-K and 8000-series taxis to the airport as necessary.

Optional Phase 2: (If necessary)

If there is a notable increase in congestion and an increase in taxis being turned away because the lots are full, SFO staff may change Post-K access to SFO:

- Alternating on odd/even basis
- At SFO discretion, when demand for taxis is high and additional supply is needed

Phase 3: Digital Queue (Start Date: TBD)

SFO has an existing phone application, TaxiQ, which currently 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), provides with real-time information about space availability in the holding lot and provides information about flight schedules. The TaxiQ app will be redeveloped to include virtual queue functionality, to manage all taxi pick-ups at SFO. Taxi drivers wishing to pick up fares at SFO will be required to have the app. To pick up at SFO, each taxi driver will request permission to pick up at SFO on the app. If the taxi lot has available capacity, the app will immediately grant permission to enter the lot. If the lot does not have capacity, the driver would be added to a "virtual



queue.” The virtual queue will provide drivers with a reserved place in line, and will alert them when their turn is approaching. This will allow drivers to continue accepting fares in the city while waiting for their turn at SFO. The app will prioritize Purchased medallions over other medallion types allowed to pick-up at SFO, following the same business rules as detailed above. The app will allow a more efficient recalibration, if needed, to ensure that the policy goals are being met.

SFO is willing to support the redevelopment of the app, which will likely require a competitive solicitation. It’s important to note here that SFO had a plan to add this type of 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 functionality, and SFO pivoted away from its plans at that time.

The development of the competitive solicitation process and business rules for the new digital queue app is anticipated to be more efficient because of the effort that SFO has already invested in the first taxi queue app.

Metrics

To measure the effectiveness of the reforms, staff is proposing the analysis of the following metrics:

1. Reduced wait times at SFO

This metric can be measured using data generated at SFO. To enter and exit the taxi lot, drivers must scan a card, and the time of each event is recorded. Staff will consider this effective if the average wait time for purchased medallions decreases 10%.

2. Increased SFO trips for Purchased medallions

Currently, all SFO trips are spread evenly across all classes of medallions, as there are no controls on which classes of medallions may wait in the queue. Staff will consider this effective when Purchased medallions generate 10% more SFO trips per month.

3. Increased fare revenue for Purchased medallion holders

This metric will measure the average fare income generated by Purchased medallion taxis. This metric will be compared to fare revenue of Purchased medallions before and after the implementation. A 10% increase in average fare revenue for Purchased medallions will be considered effective.



4. Improved taxi supply in San Francisco proper

This metric was better aligned with the original proposal to limit pick-ups at SFO to only Purchased and Ramp medallion holders, which would have potentially reduced overall wait times in the lot at SFO and brought more supply to San Francisco proper. With the compromise rules, staff does anticipate some increase in taxi supply in San Francisco because 8000 Series, Pre-K and Corporate medallions will no longer have access to SFO for pick-ups, so there will be more supply available to the City. This metric will be measured by an increase in taxi trips starting in San Francisco proper. A 5% increase in taxi trips in San Francisco will be considered effective.

5. Increased Ramp taxi pick-ups

With the new ramp taxi incentives at SFO, ramp taxi drivers have an incentive to increase paratransit and general public wheelchair pick-ups. A 10% increase in wheelchair pickups will be considered effective.

If you have questions about the new rules at SFO, please call Philip Cranna, Enforcement and Legal Affairs Manager, at 415.646.2740.

Enc. Appendix A



APPENDIX A

SUBJECT: Standards for Ramp Taxi Access to San Francisco International Airport

Existing Ramp Taxi Incentive Program

Currently, ramp taxi drivers who provide trips to wheelchair users enrolled in the SF Paratransit program can earn a number of incentives based on their performance. These incentives have been in effect since January 2014 and provide ramp taxi drivers with the ability to earn the following:

1. \$10 per trip incentive
2. Up to five SFO Short Passes if they pick up paratransit wheelchair users in the outlying neighborhoods of San Francisco

This new proposal will replace only Item 2 above - the existing SFO Short Pass incentive for ramp taxi drivers.

New Ramp Taxi Incentive Program

On February 1, 2019, the new proposed changes to taxi access to the airport will be implemented:

- **SFO Short Pass:** Ramp taxi drivers that have completed an average of **20 or more** paratransit wheelchair trips over a four month period (August - November 2018) and have completed **at least five paratransit wheelchair trips** per month in outlying areas, will be allowed to access the SFO Short Pass line for the month of February. This rewards those ramp drivers who have made a commitment to wheelchair service prior to this new incentive program.
- **Expedited Access:** Ramp taxi drivers who completed an average of **10** paratransit wheelchair trips over a four month period (August - November 2018), and have completed **at least two paratransit wheelchair trips** per month in outlying areas, will be allowed access to the Expedited line at SFO.

On March 1, 2019, the standard for access to SFO Short Pass and Expedited Access will be the following:

- **SFO Short Pass:** Ramp taxi drivers that have completed **30** wheelchair trips, of which **at least six** must be completed in the outlying area of San Francisco. Of those 30 trips, at least **20** must be provided to SF Paratransit wheelchair users. General public non-paratransit wheelchair trips can be counted towards the 30 trip minimum, however, ramp taxi drivers will be required to complete an online trip record within two hours of completion of the trip for each general



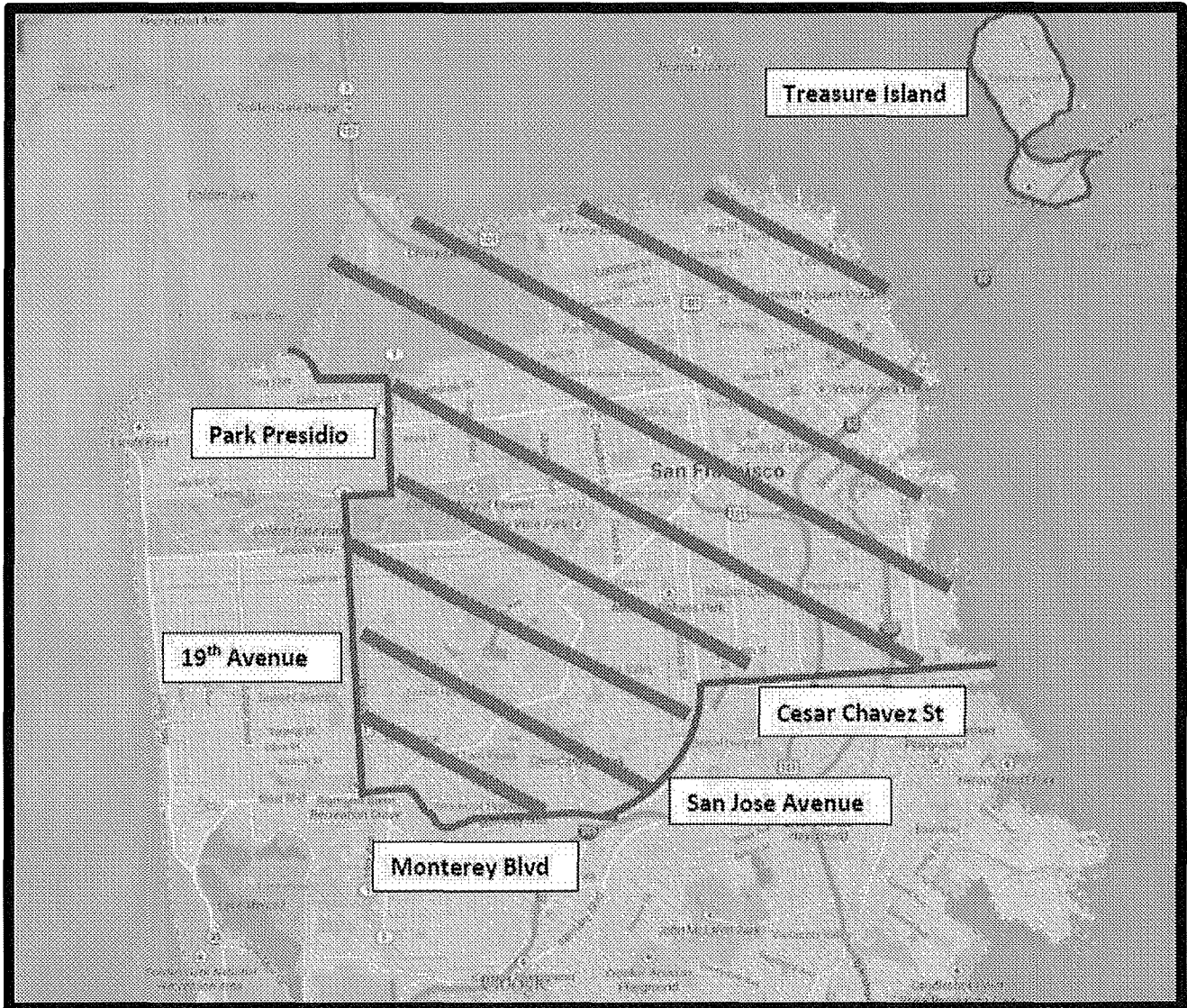
public, non-paratransit wheelchair trips. The general public wheelchair trips will be subject to video audits. Any general public wheelchair trips that cannot be verified through video will not be counted.

- **Expedited Access:** Ramp taxi drivers that have completed **15** wheelchair trips, of which **at least three** must be completed in the outlying areas of San Francisco. Of those 15 trips, at least **10** must be provided to SF Paratransit wheelchair users. General public, non-paratransit wheelchair trips can be counted towards the 15 trip minimum, however, ramp taxi drivers will be required to complete an online trip record within two hours of completion of the trip for each general public, non-paratransit wheelchair trip. The general public wheelchair trips will be subject to video audits. Any general public wheelchair trips that cannot be verified through video will not be counted.

Please note that ramp drivers will receive a monthly credential that they will have to show SFO staff in order to access either the short line or the expedited access line. That credential is non-transferable and will have the driver's picture on it. Any fraud or misrepresentations will result in the offending driver losing access to the airport incentive program for 12-months. SFMTA reserves the right to update the minimum trip standards at any time.

There will be a two month lag on the reporting (i.e. qualifying ramp taxis for March will be based on trips performed in January). Ramp drivers that do not meet the threshold for the short line or the expedited line will still be allowed access to SFO in the non-expedited line.

Map of the Outlying Areas of San Francisco





MEMORANDUM

DATE: December 21, 2018

TO: SFMTA Board of Directors
Cheryl Brinkman, Chairman
Malcolm Heinicke, Vice Chairman
Gwyneth Borden, Director
Amanda Eaken, Director
Lee Hsu, Director
Cristina Rubke, Director
Art Torres, Director

THROUGH: Edward D. Reiskin 
Director of Transportation

FROM: Kate Toran 
Director of Taxis and Accessible Services

SUBJECT: Corporate and Pre-K Taxi Medallions

Purpose:

This report provides additional information about the Corporate and Pre-K medallions, which were discussed at the October 16, 2018 MTA Board meeting as part of the medallion reform package.

Background: Proposition K

Prior to the enactment of voter passed Proposition K in 1978, San Francisco taxi medallions were freely transferable. At the time, taxis were regulated by the San Francisco Police Department. There was an initial cost at permit issuance, and there was also a secondary market where medallion holders could sell medallions at market value. Individuals could hold multiple medallions. Because there was no driving requirement, often times medallion holders were not taxi drivers.

Prior to the enactment of Proposition K, taxi drivers who did not hold medallions were required to make lease payments at prices set by medallion holders. Taxi drivers had limited ability to determine the terms of the lease payments, as they did not control prices, and demand to drive a taxi was strong at the time. To reform the industry and limit the ability for a small number of investors to extract big profits on taxi permits, and to assist taxi drivers, Proposition K was passed by voters.



Proposition K significantly changed taxi permit requirements with the creation of the Post-K medallion class. The primary requirement of Proposition K was that taxi permits be held by working taxi drivers. To ensure that medallions were held by working drivers, medallion holders were required to fulfill a yearly driving requirement of at least 800 hours, and the permits could not be sold, assigned or transferred. The medallion holder had to be a natural person and could only hold one permit. Under Proposition K, once the permit holder died, the medallion reverted to the SFMTA and was then re-issued to the next driver on the Prop-K waitlist. The Prop-K waitlist was based upon seniority and drivers paid a fee to have their name placed on the list.

The overriding policy goal of Proposition K was to issue permits to actual drivers, unlike the Pre-K and Corporate medallions, which could be held by non-drivers.

Proposition K also allowed for Pre-K medallions to be held by either by individuals or corporations. The corporations could continue to hold medallions so long as the corporation did not transfer or change ownership of a cumulative total of 10% or more of its shares or assets. Once the 10% threshold is crossed, all of the permits that the corporation holds become null and void, and the corporation must then forfeit all of its permits to SFMTA. The 10% threshold gave corporations some leeway in their structure so as not to be unduly burdensome upon them under the transition to Proposition K requirements. Although Proposition K allowed medallions to be held by corporations, a major consideration was to prevent corporate ownership of medallions in perpetuity, so the 10% threshold was created.

While allowing Corporate and individually held Pre-K medallions to continue operating, Proposition K ended the transferability of either class of medallions. By ending the transferability of Pre-K and Corporate medallions, and by limiting any changes to corporate ownership to 10%, it appears that these classes were meant to wind down in favor of the new scheme. However, these medallions continue to operate currently.

Proposition A:

In 2007, Proposition A was passed, which led to the 2009 transfer of regulatory authority of the taxicab industry to the San Francisco Municipal Transportation Agency, and the regulations regarding Pre-K, Corporate and Post-K medallions continued until the advent of the medallion sales program.

Conclusion:

At the October 16, 2018 meeting, staff recommended that Corporate and Pre-K medallions not be renewed at the end of the current permit term (June 30, 2019) based on the recommendation of the PFM/Schaller report. The findings of the report noted that only 17% of medallions earn a level of income that is financially sustainable, and therefore supply of medallions should better match the



demand for trips. The Board did not approve this recommendation and requested more information, which this report provides.

There are currently 83 Corporate medallions and 176 Pre-K medallions that have been in operation for over 40 years, since at least 1978, many for several years prior to that. It is staff's belief that Pre-K and Corporate medallions were intended to transition to Post-K medallions in short order, after the passage of Proposition K. These classes of medallions have continued to operate until today, and extract value from the taxi industry.

Staff estimates that over their lifetime, Corporate and Pre-K medallions have earned approximately \$1.6 million, per medallion. The largest corporate entity has made an estimated \$26 million over its lifetime. Because these medallions are generally not held by working drivers, this is passive income.

Given that these medallions have been in operation for over 40 years, and by estimates have been the class of medallions that has benefitted the most, in alignment with the PFM/Schaller report recommendation, staff originally recommended that these permits not be renewed at the end of the current permit term. However, after receiving feedback from industry stakeholders, staff does not recommend moving forward with this recommendation at this time.

Staff is not currently planning on bringing this recommendation back before the Board in the near future. Instead, Pre-K and Corporate medallions will be restricted from picking up at SFO, along with 8000 Series and Spares commencing February 1, 2019. Staff will study the effect, if any, that this change has on the Pre-K and Corporate medallions.

Enc. Corporate Medallion Holders Summary; Pre-K Medallion Holders Summary

Corporate Medallion Holders Summary, 12/20/18

Corporation	Last Name	First Name	# Medallions	City
Kenneth Barbieri Inc	Barbieri	Kenneth	3	San Jose
Chang's Inc.	Chang	Timothy	8	Alameda
Jeannon & Co.	Chang	Jimmy	1	San Francisco
Day & Day Taxi	Fong	Phillip	4	San Francisco
Golden Cab	Gee	Mei Wo	2	San Francisco
SKG Corp	Gold	Steven A.	1	San Francisco
Huey Inc.	Huey	Wayne	3	San Francisco
Bernie Hui & Company	Hui	Tony	1	Daly City
Howard Mock Jew	Jew	David	1	San Francisco
Veterans Cab Co Inc.	Josephson	Michael	16	Burlingame
Jimmy Chow Inc.	Lau	Mary	1	Pacifica
Universal Cab	Lee	Sidney C.	2	San Francisco
Kan Brothers, Inc.	Lee	Jennie K.	1	San Francisco
KKL, Inc.	Lee	Anita	1	San Francisco
Leung Transportation Co., Inc.	Leung	Ken	1	San Francisco
State Cab Co., Inc.	Lim	Serena Joy	11	San Francisco
Five Star Cab	Lu	Ralph	2	San Bruno
Twin Peaks Transport	Spain	Michael	2	San Francisco
Carward, Inc.	Wong	Hayward	6	San Francisco
Star Power	Wong	Hayward	7	San Francisco
Eagle Cab	Wong	Gordon	4	San Francisco
CW Transportation	Wong	Catalina K.	2	San Francisco
Tony Gor & Co., Inc.	Wong	Wayne	2	San Francisco
Bayshore Cab Incorporated	Wong	Matthew	1	San Lorenzo

Pre-K Medallion Holders Summary, 12/20/18

Last Name	First Name	# Medallions	City
Adams	David	1	San Francisco
Adler	Ilan	1	Berkeley
Alhadeff	Larry	3	Elk Grove
Alhadeff	Barry	1	Saratoga
Ambrose	Debra	1	Sacramento
Andrews	Richard	1	San Leandro
Angel	William	1	San Francisco
Araneo	Andrew	1	Eureka
Arena	Richard	1	Hayward
Arguelles	Minda (Lara) Siazon	1	San Francisco
Assael	Salomon	1	Parma, Italy
Atherton	Peter	1	Piercy
Beauford	James	1	Vallejo
Berstein	Charles	1	San Francisco
Bertran	Elizabeth Ann	1	Boulder Creek
Blair	Milton	1	Lakewood
Borge	Patricia Lee	1	Marana, AZ
Byers	Richard	1	San Francisco
Byrnes	Thomas	1	Los Angeles
Calou	Richard	1	San Diego
Carcache	Jose	1	Daly City
Carlos	Suzanne & Tom H.*	1	San Jose
Carvelli	Giuseppe	1	Los Angeles
Cavaleri	Yolanda & Bruno*	1	San Carlos
Chan	Check Yau	1	Mountain View
Chong	Edmond	1	San Francisco
Cuevas	Jose	1	San Leandro
Curiel	Blanca Curiel & Luis	1	South San Francisco
Decota	Barbara	1	San Rafael
Desai	Indumati	1	Millbrae
Desai	Arvind	1	Millbrae
Diamond	Mara	2	Orlando, FL
Doloso	David	1	Fairfield
Dong	Dennis	1	Fremont
Dwiri	Nathan	2	San Francisco
Falcon	William	2	Magalia
Faveti	Michael	1	Martinez
Fisher	Joan R.	1	Greenbrae
Flynn	Christopher	1	Gadsden, AL
Fogel	Richard	1	Oakland
Ford	John	1	Rowlett, TX
Fross	Daniel	1	San Rafael
Graf	Leonard	1	Eugene, OR
Graham	Ian	1	Petaluma
Gralnick	Neil	1	Jacksonville, OR
Gray	James	1	Santa Rosa
Greenbach Goldman	Michelle	1	San Francisco
Greenberg	Peter	2	Austin, TX
Guerrero	Manuel	1	Daly City

Hannan	Patrick	2	San Francisco
Haveman	Jackie	1	San Francisco
Hill	Robert	1	Redondo Beach
Hoffschildt	Rita	1	San Francisco
Hoffschildt	Ralph	1	San Francisco
Holvoet	Donald	1	Santa Rosa
Hopkins	Lance	1	Yreka
Howell	Sandy	3	San Jose
Jensen	Neil	1	Mountain View
Johansen	Rick	1	Roseville
Johns	Kenneth	1	Turlock
Johns	David	1	Turlock
Josue	Philip	6	Orinda
Josue	Art	4	Pacheco
Jue	Edwin	3	Sun City
Jue	Albert	1	Danville
Jue	Edith	1	Sun City
Jung	Louie & Nancy	1	San Francisco
Kimmey	Lawrence	2	Port Charlotte, FL
Kimmey	Karla	1	Port Charlotte, FL
Klaif	Martin	1	Afton, VA
Klein	Kenneth* and Dennis	2	Indio
La Rocca	Patrick	1	Novato
Laudenat	David	1	San Francisco
Lazar	John	2	Clayton
League	Nancy	1	Redwood City
Lee	George	2	San Francisco
Lee	Sai	1	San Bruno
Lee	Jung	1	San Francisco
Lembke	Arthur	1	Bedford, TX
Levin	Michelle	3	Lodi
Lo	Peter	1	So. San Francisco
Look	Ronald & Mimi*	1	San Francisco
Louie	Gaylord	1	NewHall
Maher	Janice M.	1	San Bruno
Margolis	James	1	San Francisco
Mazzuki	John	1	Reno, NV
Mellegard	Harlan	1	Hercules
Miller	Carolyn	1	Pacifica
Miller	Sheldon	1	San Francisco
Minoli	Patricia	1	Novato
Miyagishima	Yuji	2	Sparks, NV
Moise	Ronald	1	San Francisco
Molinsky	Larry Alhadeff & Maxine	2	Henderson, NV
Ngai	Ralph Kwok	1	San Francisco
O	Nam Che	1	Lancaster
O'Connor	Jeremiah	1	Vacaville
O'Sullivan	Patrick	1	San Francisco
Palazzi	James* and Sandra	3	Foster City
Parhomenko	William Lazar* & Dol	2	Tiburon
Patel	Kishor	2	Sparks, NV
Patel	Pritkumar	1	Las Palma

Peckham	Elwyn	1	San Francisco
Peppers	Louis	1	Petaluma
Pines	Ditsa	1	Berkeley
Pitkoff	June	1	Carmel
Polemahasuppapole	Pole	1	Hillsborough
Quesada	Maureen	2	San Carlos
Race	Michael Race & Florence	1	Rohnert Park
Rivera	John	1	Liegh Aores, FL
Rosen	Stewart	1	Boonville
Rovens	Louis	1	San Francisco
Sadeghinejad	Mahmood	1	Moraga
Schaefer	Eric	1	Tucson, AZ
Scoma	Anthony C.	1	Davis
Seligson	Stuart	2	San Francisco
Sevilla	Michele	1	Walnut Creek
Shannon	Patrick	1	San Francisco
Singh	Zora	1	Dixon
Steele	Gary	2	Auburn
Steele III	James	1	Sparks, NV
Sung	Steve Myung	1	Foster City
Tehrani	Mostafa	1	Mill Valley
Unger	Doris	1	San Jose
Unger	Sonia	1	Novato
Van Houten	Kenneth	1	Sonoma
Waldman	Steve	1	San Francisco
Welch	Amy Chapman & Georgette*	6	Santa Rosa
Welch	Philip Welch IV & Ge	4	Sebastopol
Williams	Lawrence	2	Sonoma
Wise	Richard Wise & Estel	2	Santa Rosa
Zajda	Peter	1	Soquel
Zmudzinski	Paul	1	San Francisco



MEMORANDUM

DATE: December 27, 2018

TO: SFMTA Board of Directors
Cheryl Brinkman, Chairman
Malcolm Heinicke, Vice Chairman
Gwyneth Borden, Director
Amanda Eaken, Director
Lee Hsu, Director
Cristina Rubke, Director
Art Torres, Director

FROM: Edward D. Reiskin 
Director of Transportation

SUBJECT: Report on Taxi Medallion Rules at San Francisco International Airport

Introduction

On October 16, 2018, the San Francisco Municipal Transportation Agency Board approved a series of reforms to taxicab regulations in an attempt to strengthen the industry and to maintain the value of purchased taxi medallions. One key reform was the delegation of authority to the Director of Transportation to limit which types of taxi medallions can pick up at San Francisco International Airport (SFO). As a condition of the delegation of this authority, the Director shall issue a report to the Board prior to implementation of new rules at SFO, and quarterly reports to track progress in meeting our policy goals. The following report provides a brief background regarding taxi operations at SFO, policy goals, description of the SFO medallion rules, implementation timeline, and key metrics.

Background: Taxi Operations at SFO

Currently, approximately 3,300 taxi trips leave SFO with passengers each day based on data gathered from July 9-15, 2018. At the peak hour of an average day, 275 taxis typically depart from SFO with passengers.

Four taxi holding lots are available to taxis at SFO, with a maximum capacity of 427 cabs. The curbs at the terminals have additional capacity of 49 cabs. In total, SFO can accommodate 476 cabs on site. These staging areas are often at full capacity in off-peak hours and sit at more than 80% occupancy for the majority of the day. This oversupply leads to an average driver wait of 1½ to 2 hours for a



fare, increasing up to 3 hours at less busy times. Additionally, when the holding lots are full, taxis wishing to enter are turned away, and they often circle the terminal waiting for an opening, which contributes to congestion at SFO.

The following classes and numbers of medallions are currently in operation with no limits on pick-ups at SFO:

Medallion Type	Total in Service
<p>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.</p>	<p>83 medallions held by 25 corporations</p>
<p>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.</p>	<p>176 medallions held by 133 individuals</p>
<p>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.</p>	<p>569</p>
<p>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, upon identifying an eligible buyer, with no restriction on age or disability.</p>	<p>558</p>
<p>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.</p>	<p>42</p>
<p>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.</p>	<p>14</p>



Policy Goals

The policy goals of the medallion rules at SFO are:

1. Support Purchased medallions by prioritizing their pick-ups at SFO
2. Bring taxi supply to San Francisco
3. Incentivize wheelchair accessible ramp taxi pick-ups for paratransit customers and general public wheelchair users

Industry Feedback

Staff initially proposed that Purchased medallions have exclusive pick-up access at SFO. That concept was vetted with the taxi industry at Taxi Task Force and Taxi Town Hall meetings, and feedback was received through email as well.

Based upon taxi industry feedback, staff developed compromise rules, which prioritize Purchased medallions at SFO while still allowing access to Post-K medallions.

SFO Medallion Rule Changes and Timeline

Phase 1: Start Date February 1, 2019

- **Purchased** medallions can pick-up at SFO at all times with expedited access.
- **Post-K Earned** medallions can pick-up at SFO at all times without expedited access.
- **Corporate, Pre-K** and **8000 Series** medallions and **spare vehicles** are prohibited from pick-ups at SFO at all times.
- **Ramp Taxi** medallions can pick-up at SFO at all times without expedited access. Ramp taxi drivers that meet wheelchair pick-up requirements will have expedited access.

Through use of management of the queue in the taxi lots, **Purchased** medallions will be given access to expedited pick-ups at SFO. **Post-K** medallions will be placed in a separate line, with priority given to Purchased medallions.

The existing short system, that provides head of line privilege upon return to SFO for drivers who provide a trip within a short geographic distance from the airport, will continue to operate unchanged.

Should SFO staff determine that there is a need for additional taxis, SFO retains the right to invite Corporate, Pre-K and 8000-series taxis to the airport as necessary.



Optional Phase 2: (If necessary)

If there is a notable increase in congestion and an increase in taxis being turned away because the lots are full, SFO staff may change **Post-K** access to SFO:

- Alternating days on odd/even basis by medallion number
- At SFO discretion, return to non-odd/even when demand for taxis is high and additional supply is needed

Phase 3: Digital Queue (Start Date: Estimated at 12-18 months)

SFO has an existing phone application, TaxiQ, which currently 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), provides with real-time information about space availability in the holding lot and provides information about flight schedules. The TaxiQ app will be redeveloped to include virtual queue functionality, to manage all taxi pick-ups at SFO. Taxi drivers wishing to pick up fares at SFO will be required to have the app. To pick up at SFO, each taxi driver will request permission to pick up at SFO on the app. If the taxi lot has available capacity, the app will immediately grant permission to enter the lot. If the lot does not have capacity, the driver would be added to a "virtual queue." The virtual queue will provide drivers with a reserved place in line, and will alert them when their turn is approaching. This will allow drivers to continue accepting fares in the city while waiting for their turn at SFO. The app will prioritize Purchased medallions over other medallion types allowed to pick-up at SFO, following the same business rules as detailed above. The app will allow a more efficient recalibration, if needed, to ensure that the policy goals are being met.

SFO is willing to support the redevelopment of the app, which will likely require a competitive solicitation. It's important to note here that SFO had a plan to add this type of 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 functionality, and SFO pivoted away from its plans at that time.

The development of the competitive solicitation process and business rules for the new digital queue app is anticipated to be more efficient because of the effort that SFO has already invested in the first taxi queue app.

Alternatives Considered

Staff has worked with SFO to consider a range of options, with key consideration given to the enforcement and administration of the new rules. The following alternatives were considered and are not being pursued at this time.



Limit pickups to Purchased Medallions Only

The original intention of the SFO reforms was to limit pickups to solely Purchased and Ramp medallions, which represents approximately 600 taxicabs of the total 1,442 taxicabs currently permitted to pick up at SFO. Based upon feedback from the taxi industry, staff has included opportunities for Post-K Earned medallions to continue to serve SFO, while still prioritizing purchased medallions.

Rotational Allowance (All Days)

Purchased medallions, and Ramp medallions that met the prior month wheelchair pick-up requirements, would be allowed to serve SFO on all days and at all times. Other types of medallions would be allowed to serve SFO on a set schedule. Other medallion types would be segmented into groups by vehicle number. The number of groups and schedule could be adjusted, but an illustrative example would be a five-group, five-day rotation. Each of the five groups would be allowed to pick up at SFO on one day out of five, in a rotation such that 1/5 of other medallion types are allowed at SFO on any given day.

Rotational Allowance (Busy Times Only)

Purchased medallions, and Ramp medallions that met the prior month wheelchair pick-up requirements, would be allowed to serve SFO on all days and at all times. Other types of medallions would be allowed to serve SFO on days that are typically busier. This could be just Fridays, or Fridays and Sundays, or Fridays, Sundays and Mondays. Medallions would be grouped into even and odd medallion numbers, and would alternate which group would be allowed into SFO on each busy day so as not to overwhelm the system.

Short System Benefits

Currently, SFO has implemented a "Short System" in the taxi lots that allows drivers who complete "short trips" within a geofence area to skip the queue and head to the front of the line. This system was implemented to deter taxi drivers from refusing short fares after waiting in the queue for such a long time by allowing them to return to the front of the line to seek a longer fare. Staff considered allowing Purchased medallion holders to have two "short trips" per shift, or by allowing Purchased medallions to simply have short access at all times. However, SFO strongly indicated that allowing this type of access would overload the Short System, so it was not deemed viable.

Comparison to other cities

Managing taxi supply at airports is common, and staff reached out to two California airports (San Diego and Los Angeles) to develop an understanding of their systems. San Diego does not have "airport only" medallions per se, instead the San Diego International Airport issues separate permits to taxis that are permitted by San Diego Metropolitan Transit System. MTS permitted taxis may operate in 9 cities and unincorporated areas of San Diego County. In total, there are 361 taxis



permitted to operate at the San Diego Airport. Of the 361 airport permits, 89 are able to operate on all days, while there are 136 "A" and 136 "B" permits. These permits may only operate on predetermined days that are "A" or "B." Los Angeles allows all taxis to operate at Los Angeles, but they are only allowed to operate one out of every five days. Taxis are assigned lettered permits A-E, with prescheduled days allowing one of the five permit types in for the day. Only 20% of the fleet is allowed to serve the Airport on a given day, which helps with congestion and prevents the drivers from waiting too long for a fare.

Many airports operate closed systems, whereby a single or couple taxi companies are given exclusive access to airport pickups through a competitive bidding process. Seattle has a single taxi company providing on-demand service under a concession agreement. Washington-Dulles is another example of a closed system where two companies provide on-demand service under a concession agreement.

Metrics

To measure the effectiveness of the reforms, staff is proposing the analysis of the following metrics:

1. Reduced wait times at SFO

This metric can be measured using data generated at SFO. To enter and exit the taxi lot, drivers must scan a card, and the time of each event is recorded. Staff will consider this effective if the average wait time for purchased medallions decreases 10%.

2. Increased SFO trips for Purchased medallions

Currently, all SFO trips are spread evenly across all classes of medallions, as there are no controls on which classes of medallions may wait in the queue. Staff will consider this effective if Purchased medallions generate 10% more SFO trips per month.

3. Increased fare revenue for purchased medallion holders

This metric will measure if the average fare income generated Purchased medallion taxis. This metric will be compared to fare revenue of Purchased medallions before and after the implementation. A 10% increase in average monthly fare revenue for Purchased medallions will be considered effective.

4. Improved taxi supply in San Francisco proper

This metric was better aligned with the original proposal to limit pick-ups at SFO to only Purchased and Ramp medallion holders, which would have potentially reduced overall wait



times in the lot at SFO and brought more supply to San Francisco proper. With the compromise rules, staff does anticipate some increase in taxi supply in San Francisco because 8000 Series, Pre-K and Corporate medallions will no longer have access to SFO for pick-ups, so there will be more supply available to the City. This metric will be measured by an increase in taxi trips starting in San Francisco proper. A 5% increase in taxi trips originating in San Francisco will be considered effective.

5. Increased Ramp taxi pick-ups

With the new ramp taxi incentive program at SFO, ramp taxi drivers have an incentive to increase paratransit and general public wheelchair pick-ups. A 10% increase in wheelchair pick-ups will be considered effective.

Staff will provide a quarterly report, commencing the first quarter after implementation.

BOARD of SUPERVISORS



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TDD/TTY No. 554-5227

MEMORANDUM

TO: Ed Reiskin, Executive Director, Municipal Transportation Agency
Ivar Satero, Director, Airport Department

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: February 1, 2019

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Safai on January 29, 2019:

File No. 190119

Resolution urging the Municipal Transportation Agency (SFMTA) to report back to the Board of Supervisors on the impact of the Director of Transportation's revised rules for taxi medallions, within 90 days of the effective date of those rules; and urging the San Francisco International Airport to take necessary steps to restrict Transportation Network Companies (TNCs) from picking up fares at the Airport.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: erica.major@sfgov.org.

c: Kate Breen, Municipal Transportation Agency
Janet Martinsen, Municipal Transportation Agency
Joel Ramos, Municipal Transportation Agency
Cathy Widener, Airport Department

RECEIVED
1/29/10 @ 5:12pm
A

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Topic submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Safai, Peskin

Subject:

Urging Report Back on Findings of the Director of Transportation's New Rules for Taxi Pick-Ups at SFO and Urging SFO to Restrict TNCs

The text is listed:

Resolution urging the SFMTA to report back to the Board of Supervisors on the impact of the Director of Transportation's revised rules for taxi medallions within 90 days of the effective date of those rules and urging the San Francisco International Airport to take necessary steps to restrict Transportation Network Companies (TNCs) from picking up fares at the Airport.

Signature of Sponsoring Supervisor: []

For Clerk's Use Only