

**DATE:** March 18, 2015  
**TO:** Portland City Council  
**FROM:** Mike Wilkerson and Randy Pozdena, ECONorthwest  
**SUBJECT:** ECOCAB – TAXI MARKET STUDY

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As part of the Private for-Hire Transportation (PFHT) application process, ECONorthwest was asked to conduct a market study analyzing the current taxi market in the City of Portland. The following is an overview of the findings, we started by replicating the measures identified in the 2009 PFHT Demand Study, we also analyzed the raw data from the 3Q Global, “mystery shopper” study. Our full report is contained the proposal, Exhibit 1 pages 7 through 14.

- Based on 2013 data for the 11 comparable cities identified in the 2009 PFHT report, Portland has the 2<sup>nd</sup> lowest number of cabs per resident, with 7.5 cabs per 10,000 residents, less than half of the median city in the sample.
- The median city in the survey was Cincinnati with a total of 17.6 cabs per 10,000 residents. If Portland were to have the same ratio of population to cabs as the median city in the sample, that would equate to 1,075 cabs, or an increase of 617 licenses over current levels.
- Other demand indicators identified are total employment, airport boardings, total visitors, and convention center visitors—all of these indicators have increased since the last demand study coinciding with the economic recovery.
- Another stated factor the Revenue Bureau should consider when making a recommendation is the current status of the public transportation system—the TriMet level of service in terms of total ridership peaked in 2012 and has decreased in the past two years. During this period we have seen an increase in total population and employment, however, ridership dropped in 2014 to levels not seen since 2007.
- Ultimately the most important indicator of an adequate supply of cab service is responsiveness—based on the 3Q Global mystery shopper study data, 22 percent of calls resulted in no response or an indication that no cabs were available. During peak hours, the wait time for a cab was under 10 minutes one third of the time and in excess of 30 minutes 7 percent of the time. Finally, for 16 percent of calls during peak hours, cabs did not show up for a scheduled pick up.

Steve  
Novick  
Commissioner

Leah Treat  
Director

Date: February 11, 2015  
From: Private For-Hire Transportation Board Administrator (Administrator)  
To: Private For-Hire Transportation (PFHT) Board  
Subject: New Taxi Company Application: EcoCab Portland, LLC

### Background

New taxi company applications are reviewed by the PFHT Board per Title 16, Sections 16.40.150 (application), 16.40.160.A-C (Administrator's Review/Recommendation) and 16.40.160.D (Board Review). Section 16.40.150 requires a completed application, proof of company registration with the Secretary of State, a list of persons or entities with more than 10% stock ownership (if stock certificates issued), and a nonrefundable \$250 application fee.

EcoCab Portland, LLC (EcoCab) submitted a new taxi company application on October 31, 2014. EcoCab is a new company to Portland, but is currently operating in Longview, Washington. EcoCab's application proposes an electric car taxicab company, beginning with 12 all-electric cars and 3 ADA-compliant vans for 15 total permitted vehicles, and phasing up to 51 vehicles over time. The EcoCab application met the requirements of Section 16.40.150 and was advanced for the Administrator to review and recommend. In support of the Administrator's review, a feasibility study by ECONorthwest was incorporated into EcoCab's application.

### Administrator Review

The Administrator finds that EcoCab is capable of meeting the requirements pertinent to a taxicab company in Portland per the requirements of Chapter 16.40. In accordance with Section 16.40.160.B, following are Administrator review factors with comments:

1. *The current status of the public transportation in the city:* EcoCab and ECONorthwest found that the number of visitors and overnight guests in Portland is growing, while concurrently there can be experienced a lack of available cabs during peak times, including weekend evenings and special events. Those findings are consistent and align with evidence received by PFHT from existing taxicab companies.
2. *The current and future ability of the public transportation system to provide the timely and effective movement of persons:* The Administrator recognizes that, aside from private vehicle usage, the transportation system is largely reliant upon taxicabs and Tri-Met. Tri-Met service declines during off-hours, evenings, and weekends, leaving the public to rely primarily on taxicabs. The Administrator supports EcoCab's findings that during off-hour, evening, and weekend time frames the current transportation system does not fully achieve timely and effective movement of persons and is anticipated to experience challenges in achieving same in the future.

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3. *The ratio of population within the City of Portland to the number of taxicabs currently in operation:* The Administrator's review finds that Portland's current ratio of cabs to population is comparatively low. ECONorthwest's study noted that Portland remained below nine of ten comparable cities in its rate of taxicabs to population, and that in 2013 Portland held lower cab-per-person rates than Sacramento, Seattle, Kansas City, Cincinnati, Denver, Boston, Arlington, New Orleans, and Atlanta. In fact, in all those cities except Seattle and Kansas City, the ratio more than doubled that of Portland.

4. *The demonstrated need for additional taxicab service in the City that is not accomplished by existing companies, as shown by the applicant.* The Administrator refers to the previously mentioned cabs-to-population ratio, but also to Table 1 (exhibit 1, page 7 of 50) in the ECONorthwest study provided by the applicant which shows Portland's population grew 4.4% from 2010 to 2013 while concurrently Tri-Met ridership remained almost perfectly flat. Coupled with the growth in overnight visitor stays, which increased nearly 6% during the same time period, the Administrator agrees with EcoCab that there appears to be a demonstrated need falling disproportionately on the private for-hire transportation sector.

5. *The present utilization patterns of taxicabs currently in operation:* This factor is best responded to by referring to Table 3 (exhibit 1, page 12 of 50) in the ECONorthwest study which found that not only were 6% of taxicab arrivals over 30 minutes late compared to their company quoted time, but 16% of callers were told either that there were no cabs available or nobody answered the call. This is in addition to 6% of calls where the company either could not or refused to provide an estimated time of arrival. Agglomerated, the study indicates that 28% of all calls result in either no taxicab, a substantially late taxicab, or company failure to provide an arrival time. Given that result, the present taxicab utilization pattern serves at least 28% of customers poorly, leading the Administrator to support the addition of new taxicabs and taxicab companies.

6. *The interests of the applicant in establishing a local business to legitimately serve the citizens of this City:* This factor is best represented by expressions emanating from the applicant company. In EcoCab's application, the company indicated it is "energized by the taxicab business and especially so by providing services through a local electric car taxicab business." While it is perhaps difficult to ascertain what a "legitimate" service constitutes in Portland, the Administrator does point to EcoCab's expressed alignment with Portland's core culture and values, including a fleet with employee drivers receiving a fair wage with benefits.

#### Administrator's Recommendation

The Administrator recommends that the PFHT Board **approve** the EcoCab new taxicab company application.

Attachment: EcoCab Application

Steve  
Novick  
Commissioner

Leah Treat  
Director

## Private For-Hire Transportation Board Recommendation to the City Council

Date: March 18, 2015  
To: Commissioner Steve Novick and the Portland City Council  
From: Private For-Hire Transportation Board  
Subject: Public Hearing to Consider a New Taxi Company Permit: EcoCab Portland, LLC.

In accordance with Section 16.40.160.D of City Code, the Private For-Hire Transportation Board (Board) reviewed the new taxicab company permit application submitted by EcoCab Portland, LLC (EcoCab) during its regular meeting on February 11, 2015. The Board reviewed both the application submitted by EcoCab and the staff recommendation submitted by the Private For-Hire Transportation Board Administrator (Administrator).

The Administrator recommended approval of the EcoCab application. Following deliberation, the Board voted to recommend approval of EcoCab's new taxicab company permit application for up to 51 vehicles to the City Council by a unanimous vote. Following is background information which informed the Board's deliberation and vote:

Date of original application: October 31, 2014

Number of taxicab permits requested: 15 initially, 51 over time.

Proposal: An electric car taxicab company, initially starting with twelve all-electric cars and three ADA-compliant vans. The applicant requested taxicab permits up to 51 vehicles. EcoCab indicated that its drivers will be employees and not independent contractors.

Market Conditions: As evidenced by an ECONorthwest feasibility study performed under contract to EcoCab, Portland's population continues to increase while the ratio of taxicabs to population remains low. The Administrator concurred with ECONorthwest's market findings. Likewise, the number of visitors and overnight guests is higher, coupled with evidence that there is a lack of available cabs during peak times. The lack of availability includes weekend evening and during special events. Again, the Administrator concurred with those findings.

EcoCab's new taxicab company permit application is being forwarded by the Board to the City Council per Section 16.40.160.E, and in this instance with a recommendation for Council approval. The staff recommendation is also attached.

This Board recommendation is being provided to the City Council in support of a Public Hearing to consider EcoCab's new taxicab company permit application. During the public hearing, the City Council may direct officers and/or major stockholders in the applicant company to appear before it. The Council's review is de novo, but is to include review of the staff recommendation, this Board recommendation, and factors found in Section 16.40.160.B of City Code, which are listed as follows:

1. The current status of the public transportation system in the City;
2. The current and future ability of the public transportation system to provide the timely and effective movement of persons;

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3. The ratio of population within the City to the number of taxicabs currently in operation;
4. The demonstrated need for additional taxicab service in the City that is not accomplished by existing companies, as shown by the applicant;
5. The present utilization patterns of taxicabs currently in operation; and
6. The interests of the applicant in establishing a local business to legitimately serve the citizens of this City.

At the close of the hearing, the Council will direct the Portland Bureau of Transportation to issue a taxicab company permit to the applicant if it finds (per Section 16.40.160.G):

1. That the interests of the City will be served thereby; and
2. That the applicant has sufficient financial resources to be able to meet the minimum standards established by Section 16.40.270.

In turn, Section 16.40.270 contains the following provisions which establish the minimum standards under which taxicab companies must comply:

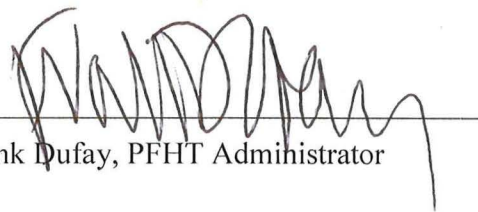
- A. A dispatch system in operation 24 hours each day capable of providing reasonably prompt service in response to requests received by telephone.
- B. Acceptance of any request for taxicab service received from any location within the City.
- C. Service city-wide, 24 hours a day, 7 days a week. If more than 65 percent of the company's permitted taxicabs are found within a 1-mile radius of the Portland International Airport's main entrance road at any given time (not including any taxicabs at a company headquarters), a rebuttable presumption exists that the company is not providing city-wide service.
- D. A minimum fleet of 15 taxicabs.
- E. At least 2/3 of the taxicab company's permitted fleet must be utilized and in service at all times. Utilization is measured by the number of days in operation divided by a given number of days. This test will be for no fewer than 30 days.

Recommendation:

It is recommended that the Council approve EcoCab's new taxicab company permit application and proposal as approved by the Board subject to the following condition: that the Administrator determine that EcoCab evidences sufficient financial resources to meet the minimum standards under which a taxicab company must comply per Section 16.40.270 of City Code.



Kelly Sills, PFHT Board Chair



Frank Dufay, PFHT Administrator

**TO THE COUNCIL:**

The Commissioner-in-Charge hereby transmits herewith the joint Bureau/Board recommendations as approved on February 11, 2015 on the new taxi company and vehicle permit application from EcoCab Portland LLC, and said applicant's original application materials.

Respectfully Submitted,



Commissioner Steve Novick

Attachments: EcoCab Application and Staff Recommendation

Agenda No.  
**REPORT NO.**  
Title

Public Hearing to consider a New Taxi Company Permit for EcoCab Portland, LLC (Report)

<p style="text-align: center;"><b>INTRODUCED BY</b> Commissioner/Auditor: <b>COMMISSIONER STEVE NOVICK</b></p>	<p>CLERK USE: DATE FILED <u>MAR 13 2015</u></p>
<p style="text-align: center;"><b>COMMISSIONER APPROVAL</b></p> <p>Mayor—Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick <i>SN</i></p>	<p style="text-align: center;">Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <u><i>M. Caballero</i></u> Deputy</p>
<p style="text-align: center;"><b>BUREAU APPROVAL</b></p> <p>Bureau: <b>Transportation</b> Transportation Systems Management Group Manager: Rob Burchfield Assistant Director: <i>R.B.</i></p> <p>Prepared by: Kelly Sills:slg Date Prepared: March 5, 2015 <i>slg</i></p>	<p><b>ACTION TAKEN:</b></p> <p><b>MAR 18 2015 PERMIT APPLICATION APPROVED WITH CONDITION</b></p>
<p>Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p><b>City Auditor Office Approval:</b> required for Code Ordinances</p>	
<p><b>City Attorney Approval:</b> required for contract, code, easement, franchise, comp plan, charter</p>	
<p><b>Council Meeting Date</b> <b>March 18, 2015</b></p>	

<b>AGENDA</b>
<p><b>TIME CERTAIN</b> <input checked="" type="checkbox"/> Start time: <b>10:30</b></p> <p><b>Total amount of time needed: 30 MIN</b> (for presentation, testimony and discussion)</p>
<p><b>CONSENT</b> <input type="checkbox"/></p>
<p><b>REGULAR</b> <input type="checkbox"/> <b>Total amount of time needed:</b> _____ (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	1. Fritz ✓	
2. Fish	2. Fish ✓	
3. Saltzman	3. Saltzman ✓	
4. Novick	4. Novick ✓	
Hales	Hales ✓	