



TRANSPORTATION PLANNING & CAPITAL PROJECTS MANAGEMENT BUREAU

Division of Transportation

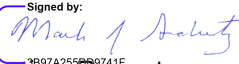
2100 Clarendon Boulevard, Suite 900, Arlington, VA 22201

Memorandum

To: Members, Arlington County Board

Date: 6/25/2026

From: Mark Schwartz, County Manager

Signed by: 
3897A255B89741E

Subject: 2026 Taxicab Certificate Determination Report

County Manager's Recommendation

I recommend that no change in the number of taxicabs, including wheelchair-accessible vehicles, be authorized this year. Ongoing economic pressures, rising operating costs, and persistent challenges in driver recruitment continue to strain the industry's ability to sustain reliable service levels. Due to the fragility of the market, Blue Top Cab has closed operations after being unable to retain drivers and absorb escalating expenses. Staff are also monitoring emerging trends, including the introduction of [robotaxis](#) in the region and tracking related legislation as bills move through the session. There is currently no regulatory framework governing their testing, permitting, or deployment.

Based on staff review, there is sufficient justification to maintain the existing number of taxicabs (341 vehicles) authorized to operate in the County. This report provides a summary of the data, methodology, and rationale that support this recommendation.

Certificate Determination Process

According to Section 25.1-4 of the Taxicab Ordinance (Chapter 25.1 of the County Code), the number of Taxicab Certificates is to be determined by the County Board biennially in even-numbered years. This report states the number of taxicabs proposed to be authorized, the rationale for such number, and the general methodology used in arriving at a recommendation. Following authorization of the number of taxicab certificates, a separate certificate allocation process will begin to decide whether and to whom certificates (including specific numbers of taxicabs) are granted.

New applicants and existing certificate holders can present justification for the request of additional certificates during the certificate allocation process as outlined below:

Certificate Allocation Process

- July 1 to September 1, 2026: Applications may be submitted by current taxicab certificate holders requesting additional taxicabs and by persons who do not hold a certificate. If there is an application for certificates beyond the maximum authorized by the County Manager, the application must include justification indicating relevant facts including but not limited to market changes, industry performance, competition, innovation and any other factors and explain how this information yields a determination different from that determined by the County Manager.
- Prior to September 15: Applications received for additional taxicabs will be forwarded to the Transportation Commission.
- Prior to October 15: The County Manager will provide a recommendation to the County Board regarding the number of additional taxicabs, if any, to be authorized by Certificates and allocated to each applicant, including the number of wheelchair-accessible taxicabs.
- Prior to November 15: The Transportation Commission will provide allocation recommendations to the County Board.
- Prior to December 31: The County Board will hold a public hearing and take action on the applications before December 31, 2026.

Methodology for Certificate Determination

According to Section 25.1-4 of the Taxicab Ordinance, in making his determination regarding the number of taxicabs, the County Manager shall consider the following factors for the immediately preceding two (2) years:

- (1) The percentage change in residents, taxicab and paratransit trips, and indicators of business activity, tourism, and public transportation use (jointly "Market Change") within Arlington County;
- (2) Taxicab industry and Certificate-holder performance indicators;
- (3) Competition, including consideration of the number of Taxicabs authorized to be operated by any Certificate-holder in relation to the total number of Taxicabs authorized to be operated under all Certificates; and
- (4) Other factors having, in the reasonable opinion of the County Manager, specific relevance to the provision of taxicab service to the public.

To provide this recommendation, staff utilized a combination of indicators to assess whether there is a need for an increase in the current number of taxicabs. Significant indicators include both quantitative and qualitative measures: population, employment, transit ridership, number of visitors, hotel occupancy, and senior and disabled transport programs. Staff collected and evaluated the most recent data available in these categories, comparing it to historical information to provide a recommendation.

The sections below outline the current taxicab certificate distribution and summarize staff's evaluation of factors contributing to taxi demand in Arlington County that informed the final certificate recommendation described in the conclusion.

(1) Current Certificate Number and Distribution

At the beginning of this year, there were 441 authorized taxicabs, of which 39 were wheelchair accessible. On May 1, Blue Top ceased service, reducing the total vehicles in operation from 441 to 341 and the number of wheelchair-accessible vehicles from 39 to 20 (reducing wheelchair-accessible vehicles from 9% of the entire fleet to 6%). **Table 1** provides the current taxicab certificates by company as of May 1, 2026.

Table 1: Number of Taxicabs by Company as of May 1, 2026

	Total Vehicles	Wheelchair Accessible
Friendly	39	0
Hess	35	0
Crown	37	0
Red Top	195	20
Arlington Yellow	35	0
Blue Top	100	19
Total Authorized	341	20

Source: Arlington County Taxicab Certificate Holders

(2) Population Indicators

The growth or decline of Arlington County's population is one indicator of an increase or decrease in the supply of potential taxicab passengers. **Table 2** shows that the population of Arlington County had a modest increase from 240,900 to 244,300 between the years 2024 and 2026 (as of January 1), which is 3,400 more residents (1.41%).

Table 2: Arlington County Population (2024-2026)

	CY2024	CY2025	CY2026	Difference CY2024-2026	% Change
Population	240,900	243,760	244,300	3,400	1.41%

Source: Arlington County, CPHD, Planning Division, Urban Design and Research Section. As of January 1 of each year.

(3) Business Activity

Business activity, measured through at-place employment, provides insight into the number of workers commuting into Arlington County and the overall strength of the local economy. Table 3

shows a slight decline in at-place employment from 221,400 in 2024 to 219,700 in 2026, a decrease of 1,700 jobs (-0.77%) over the two-year period.

Table 3: Arlington County At-Place Employment (2024-2026)

	CY2024	CY2025	CY2026	Difference CY2024-2026	% Change
At-Place Employment	221,400	221,200	219,700	-1,700	-0.77%

Source: Arlington County, CPHD, Planning Division, Urban Design and Research Section. As of January 1 of each year.

(4) Transportation Indicators

Transportation indicators, including taxicab dispatch trips and transit ridership, provide evidence as to whether there is sufficient demand for an increase to the current number of taxicabs in Arlington County. Since the COVID-19 pandemic, many workers still have flexible schedules which have impacted the taxicab industry.

Taxicab Dispatch Trips

Taxicab dispatch trips capture the amount of call-in service provided by taxicab certificate holders. Currently, dispatch trips are the most labor- and capital-intensive type of trip, requiring substantial call-center operations. **Table 4** provides a comparison of the number of dispatch trips between 2023 and 2025. Blue Top reported trip data for 2023 but did not track trips for the subsequent two years; therefore, the full difference in ridership cannot be determined.

Table 4: Taxi Dispatch Trip Comparison (CY2023-2025)

	CY2023	CY2024	CY2025	Difference CY2023-2025	% Change
Blue Top	11,465	N/A	N/A	N/A	N/A
Friendly Cab	3	1	0	-3	-100%
Red Top	265,893	230,879	178,494	-87,399	-33%
Total	277,361	N/A	N/A	N/A	N/A

Source: Arlington County Dispatch Taxicab Certificate Holders

Red Top experienced a significant decrease in total dispatch trips from 265,893 in CY2023 to 178,494 in CY2025 (-33%). Friendly Cab also saw a decline, dropping from 3 trips in CY2023 to zero by CY2025. Red Top officials reported a loss of contracts due to changes in procurement and insurance requirements. Overall, there has been a broader decline in demand across Northern Virginia due to recent reductions in federal workforce, contractor activity, and related travel that have reduced transportation demand throughout our service area.

Transit Usage

A diverse set of reliable transportation options is essential to a well-functioning multimodal system. Taxis complement other modes—such as public transit and ridesharing—by providing a dependable fallback during emergencies or periods of limited transit service. By supplementing fixed-route services, taxis help address a key barrier to adopting alternative modes and support

broader mobility goals, including reducing reliance on private vehicle ownership. When effectively integrated with transit, taxis can contribute to meaningful reductions in vehicle miles traveled. Transit usage serves as an important indicator of system performance, reflecting the number of bus, rail, and paratransit passengers within Arlington County. **Table 5** summarizes overall transit ridership trends in Arlington County from fiscal year 2023 through fiscal year 2025.

Table 5: Annual Transit Ridership in Arlington County (FY2023-2025)

	FY2023	FY2024	FY2025	Difference FY2023-2025	% Change
VRE	265,287	288,862	342,757	77,470	29.2%
Metro Rail	24,450,732	31,103,465	36,289,984	11,839,252	48.4%
Metro Bus	10,705,340	14,015,743	13,280,231	2,574,891	24.1%
ART	2,049,102	2,406,677	2,622,988	573,886	28.0%
STAR	45,093	51,773	42,944	-2,149	-4.8%
MetroAccess	16,234	14,022	9,952	-6,282	-38.7%
Total	37,531,788	47,591,680	52,246,099	14,714,311	39.2%

Sources: Arlington County Division of Transportation; Transit Bureau

Overall, transit ridership within Arlington has increased with almost 15 million (39.2%) more customers taking transit since fiscal year 2023.

(5) Tourism Indicators

Tourism indicators, including airport taxi trips and hotel occupancy, provide additional evidence as to whether there is sufficient demand to change the current number of taxicabs in Arlington County.

Airport Volumes

Airport passenger volumes provide a measure for air travelers using taxicabs to provide an intermodal ground connection for flights. Taxicab airport pickups capture whether there is a change in the demand for taxicab service originating at the IAD (Dulles), DCA (Reagan National), and BWI (Baltimore/Washington International) airports. **Table 6** shows a modest increase in airport passengers at DCA, IAD, and BWI of 2.3 million passengers (3%) between the years 2023 and 2025.

Table 6: Airport Passengers - in Millions (CY2023-2025)

	CY2023	CY2024	CY2025	Difference CY2023-2025	% Change
DCA (Reagan National)	25.5	26.3	24.9	-0.6	-2.4%
IAD (Dulles)	25.1	27.3	29.0	3.9	15.5%
BWI	26.2	27.1	25.2	-1.0	-3.8%
Total	76.8	80.7	79.1	2.3	3.0%

Source: Metropolitan Washington Airports Authority and BWI Airport.

Airport passenger arrival taxi trips include all surrounding jurisdiction taxicabs, thus providing a strong indication of potential taxicab use by arriving passengers. These figures do not include passengers who arrange their own pickups from the airport. That volume is captured within the total dispatch trips in Table 4. Trips from IAD are exclusively provided by the Washington Flyer, although trips to the airport can be provided by any cab company. DCA is served by a combination of taxi providers from across the region, including companies based in Arlington County. **Table 7** shows a decrease of 298,316 (-18.6%) passenger arrival taxi trips at IAD and DCA airports combined between the years 2023 and 2025, reflecting a softening in airport-related taxi demand.

Table 7: Virginia Airport Passenger Arrival Taxi Trips (CY2023-2025)

	CY2023	CY2024	CY2025	Difference CY2023- 2025	% Change
DCA (Reagan National)	1,072,817	1,035,724	862,835	-209,982	-19.6%
IAD (Dulles)	530,726	498,854	442,392	-88,334	-16.6%
Total	1,603,543	1,534,578	1,305,227	-298,316	-18.6%

Source: Metropolitan Washington Airport Authority. These are dispatch by airport officials.

Hotel Occupancy

A review of hotel occupancy indicates whether there was a change in the number of travelers staying within Arlington County. There are a total of thirty-eight (38) hotels providing 9,804 rooms within Arlington County in 2025. The fluctuation in visitors has an impact on taxicab trips generated from these locations. The vehicle trip generation of a hotel is dependent on various factors. Size, location, and type of hotel all contribute to trip generation. **Table 8** shows an increase of 249 (2.61%) in the number of rooms available between 2023 and 2025. The rate of occupancy declined slightly by 1.3 percentage points (-1.83%) from 71.0% in 2023 to 69.7% in 2025. The number of rooms occupied daily increased by only 62 rooms (0.92%), and annual room-night demand rose by 22,538 room-nights (0.91%) over the same period.

Table 8: Hotel Occupancy (CY2023-2025)

	CY2023	CY2024	CY2025	Difference CY2023-2025	% Change
Rate of Occupancy	71.0%	74.0%	69.7%	-1.3%	-1.83%
Number of Rooms	9,556	9,586	9,805	249	2.61%
Rooms Occupied Daily	6,772	7,094	6,834	62	0.92%
Rooms Occupied Annually	2,471,903	2,589,179	2,494,441	22,538	0.91%

Source: Arlington Economic Development

(6) Taxicab Current Conditions

Staff have been working closely with the taxicab industry and made the following updates since the 2024 report:

1. Starting January 2026, the Arlington County Board approved an increase in the mileage rate from \$2.40 per mile to \$2.60 per mile, and the initial charge from \$3.50 to \$4.50. The new rate compensates drivers for the increased cost of doing business and pressures to attract drivers.
2. In discussions with taxicab companies, staff continue to hear about significant operational challenges, including the rising cost of purchasing and maintaining vehicles, increasing insurance premiums, and persistent difficulties recruiting drivers. As a result, companies are struggling to maintain their existing fleet levels from year to year, and therefore, companies are not seeking to add vehicles at this time. As a direct consequence of these pressures, Blue Top Cab ceased operations on May 1, 2026.
3. Staff continue to communicate with regulators in nearby jurisdictions to discuss trends, including the upcoming robotaxis, scheduled to start commercial operations in Washington, DC in the near future. In addition, the Virginia General Assembly has established a statewide study working group on autonomous vehicles, with a final report due in November 2026.

Wheelchair-Accessible Taxicab Determination

A separate wheelchair-accessible taxicab determination was developed based on existing capacity and reported dispatch trips.

Arlington has three wheelchair-accessible taxicab service providers: 1) Arlington's STAR program provides service using accessible taxicabs and vehicles operated by the company Diamond Transportation; 2) MetroAccess provides service with WMATA-owned vehicles operated by contractors including Diamond Transportation in Virginia while trips not scheduled in MetroAccess vehicles are dispatched to Red Top Cab; and 3) private-pay users can obtain wheelchair-accessible taxicab rides through Red Top's twenty (20) wheelchair-accessible taxicabs.

Table 9 shows an increase of approximately 388 (6.8%) in Red Top wheelchair-accessible taxicab trips between 2023 and 2025. Blue Top did not track wheelchair-accessible trips for CY2024 or CY2025, so the overall difference in wheelchair-accessible trips across all providers is unknown.

Table 9: Wheelchair-Accessible Taxi Trips (CY2023-2025)

	CY2023	CY2024	CY2025	Difference CY2023-2025	Change %
Blue Top	8,392	N/A	N/A	N/A	N/A
Red Top	5,701	7,591	6,089	388	6.8%
Total	14,093	N/A	N/A	N/A	N/A

Sources: Red Top and Blue Top Taxicab companies

Conclusion

Overall, the taxicab industry in Arlington continues to face significant operational and economic pressures, limiting companies’ ability to expand service at this time. Contract losses, regional declines in transportation demand, and rising costs have reduced available vehicles and even led to company closures. Staff are concerned with the loss of approximately half of the wheelchair-accessible taxicab fleet and will continue monitoring whether demand is being met, revisiting this assessment at the next biennial review.

While staff are closely monitoring emerging trends, including the introduction of robotaxis in Washington, DC and ongoing statewide study efforts in Virginia, current conditions support maintaining the existing number of authorized taxicabs until the industry stabilizes.

Taxi Fleet Size & Certificate Recommendation

Based on a thorough analysis of quantitative data and consultations with the taxicab industry, the conclusion drawn for the 2026 Certificate Determination Report indicates that there is no immediate need for additional taxicabs.

Taxicabs remain an important and reliable mode of transportation in Arlington County, serving community members across all demographics, including senior citizens and low-income residents. In addition, taxicabs provide a critical service by offering wheelchair-accessible vehicles to customers who require them.

Staff maintain regular communication with representatives from the taxicab companies and with regulators in neighboring jurisdictions to monitor industry conditions and emerging trends. Based on these discussions and the data outlined above, staff conclude that the current number of available taxicabs is sufficient to meet passenger demand within Arlington County.

Based on the information presented in this report, the County Manager recommends that there be no change in the current number of 341 total taxicabs authorized by certificate holders, which includes 20 wheelchair-accessible vehicles.