

Incentives for Wheelchair Accessible Taxis

ISSUE

Bylaw No. 9548, the Transportation Network Company Bylaw, 2018, requires Transportation Network Companies (TNCs) to remit \$0.07 to the City of Saskatoon (City) on every rideshare trip they conduct. The purpose of this surcharge is to develop a fund to support the wheelchair accessible taxi industry by off-setting some of the capital and operating costs of providing wheelchair accessible taxi service. This report provides options for how the funds raised through the surcharge could be used to incentivize the wheelchair accessible taxi industry and also recommends a reduced annual license fee for wheelchair accessible taxis.

Currently, only TNCs pay the \$0.07 per trip surcharge. While all current licensed taxi brokerages provide wheelchair accessible taxi service, this report outlines provisions for how the surcharge could be expanded to include taxi brokerages in the event they do not provide wheelchair accessible taxi service in the future.

BACKGROUND

History

At its meeting on September 24, 2018, City Council resolved to include a \$0.07 per trip surcharge in the draft of the Transportation Network Company Bylaw.

At its meeting on November 6, 2018, the Standing Policy Committee on Transportation resolved:

“That the letter be referred to the Administration with regard to providing an opportunity for the Saskatoon Accessibility Advisory Committee to have input regarding the use of levy funds and the future sufficiency of those funds.”

At its meeting on December 17, 2018, City Council resolved:

“That Administration pursue further analysis with respect to addressing the gaps in service for accessibility rides, including appropriate compensation for accessibility drivers.”

Current Status

At its meeting on December 17, 2018, City Council received a report from the Administration providing analysis of taxi trip data. In consultation with the taxi industry, the Administration set an internal wait time target of 10 minutes or less for non-wheelchair accessible taxi service. Within the study period, 81% achieved this target. Due to additional time needed to secure a passenger before the taxi meter can be turned on, the wait time target for wheelchair accessible taxi service was set at 15 minutes or less. Only 57% of wheelchair accessible taxi trips achieved this target.

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Wheelchair accessible taxis have additional capital costs in the form of a higher vehicle purchase price to add wheelchair accessible lifts, and in operating costs, through additional unpaid time securing passengers.

Wheelchair accessible taxis and non-wheelchair accessible taxis are currently required to pay the same annual licensing fee of \$525.

Public Engagement

The Administration conducted consultation with various stakeholders in the taxi industry, on a variety of issues related to wheelchair accessible taxi service. The Administration met separately with representatives of Comfort Cabs, United Cabs and Riide taxi brokerages, the United Steel Workers, and taxi drivers and license owners.

The taxi brokerages advised their preference is that incentives be provided to vehicle owners, while the United Steel Workers preferred the incentives be provided to drivers.

On April 25, 2019, the Administration held a come-and-go open house for taxi drivers and license owners. Nine people attended the open house and completed a survey. Four people said they preferred a combination of incentives to both drivers and vehicle owners, two said incentives should go to drivers only, two said incentives should go to vehicle owners only and one stated none of the above.

City of Saskatoon's Current Approach

The Administration has been collecting \$0.07 on every TNC trip since February 2019, when the first company was in operation, and has kept these surcharges in an accessible taxi fund reserve. Incentives for the wheelchair accessible taxi industry will be distributed upon approval of a preferred approach for allocation of this reserve.

The value of the fund reserve that may be distributed annually will depend on the number of TNC trips completed each year. As an example, if 350,000 TNC trips are completed annually, then \$24,500 in surcharge revenue will be generated to support wheelchair accessible taxi service.

Of the taxi industry stakeholders consulted, only two drivers were in support of applying the \$0.07 surcharge on all taxi trips for the purpose of increasing the fund amount and providing larger incentives. The consultation did not include discussion of an option to only charge the \$0.07 per trip to taxi brokerages that do not provide a minimum 5% wheelchair accessible service. Currently all taxi brokerages offer accessible service.

Approaches in Other Jurisdictions

The majority of municipalities in Canada do not collect a surcharge on TNC trips, or provide incentives for wheelchair accessible taxi trips. A municipal scan is shown in Appendix 1.

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OPTIONS

The Administration is recommending that the annual licensing fee for a wheelchair accessible taxi be reduced from \$525 to \$25. The cost of developing policy, licensing and regulating taxis and TNCs is not subsidized by the mill rate. All expenditures are funded through the collection of licensing fees. Fees in excess of expenses are held in a stabilization reserve. The proposed fee reduction would result in a decline in revenues of \$13,000, which will be off-set by licensing fees from TNCs and a lower transfer to the stabilization reserve. The fee reduction is recommended by the Administration to enhance the incentives outlined in Option 1 and Option 2 below.

The Administration is also recommending the draft of the Vehicles for Hire Bylaw include a requirement that taxi brokerages whose fleet of affiliated taxis have fewer than 5% wheelchair accessible taxis, be required to remit \$0.07 per taxi trip to support the wheelchair accessible taxi industry and that trips completed by a wheelchair accessible taxi or rideshare vehicle be exempt from paying the \$0.07 levy. In order to allow the taxi industry time to adjust to the fees, the Administration is recommending the surcharge come into effect on January 1, 2020.

Option 1 - Provide Incentives to Wheelchair Accessible Taxi Drivers

This option would provide financial incentives to wheelchair accessible taxi drivers, based on an equal distribution of the reserve fund for each accessible trip provided. It is estimated that the projected reserve at the beginning of January 2020 will be sufficient to provide \$1.60 per wheelchair accessible taxi trip completed. The per-trip incentive will fluctuate based on the number of TNC trips and the number of wheelchair accessible taxi trips. These incentives would partially compensate for the additional time spent by drivers securing passengers that use a wheelchair. If this option is chosen, incentives would be provided bi-annually to taxi drivers, based on the number of wheelchair accessible taxi trips completed.

Advantages

- This option provides a direct incentive for wheelchair accessible taxi trips and may encourage drivers to prioritize wheelchair accessible trips, thereby further reducing wait time.

Disadvantages

- When considered on a per trip basis, the incentive amount may be insignificant to encourage drivers to prioritize wheelchair accessible trips.
- More time consuming to administer, a bi-annual payment would need to be made to any driver that completed a wheelchair accessible trip.
- The Vehicles for Hire Bylaw would need to include additional wheelchair accessible trip data reporting requirements to include the taxi driver ID number.

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Option 2 - Provide Incentives to Wheelchair Accessible Taxi Owners

This option provides financial incentives to each owner of the 26 wheelchair accessible taxis, estimated to be approximately \$940 per vehicle (based on projected funds in the Reserve), to compensate for the cost of converting the vehicle to provide wheelchair accessible taxi service. The incentive value will not be known until the end of the year, as the funds available in the reserve will depend on the number of TNC trips completed.

Advantages

- Compensates vehicle owners for a portion of the costs of converting a vehicle to provide wheelchair accessible service by providing annual payment.
- Straight forward to administer, as the 26 vehicle owners will receive a flat incentive once per year.

Disadvantages

- Does not directly impact driver behaviour or reward drivers and owners who actively respond to calls for accessible service. Relies on drivers to comply with bylaw obligations to prioritize wheelchair accessible taxi trips.

RECOMMENDATION

That the Standing Policy Committee on Transportation recommend to City Council that:

1. The City Solicitor be requested to include an annual fee for a wheelchair accessible taxi of \$25 (a reduction from the current fee of \$525) in the draft of the Vehicles for Hire Bylaw;
2. The City Solicitor be requested to include a provision in the draft of the Vehicles for Hire Bylaw to require taxi brokers whose taxi fleet has fewer than 5% wheelchair accessible taxis to remit \$0.07 on every non-wheelchair accessible taxi trip; and
3. Option 2 to provide incentives to wheelchair accessible vehicle owners, as outlined in this report, be adopted.

RATIONALE

At its meeting on June 24, 2019, City Council resolved to request the City Solicitor to prepare amendments to the Taxi Bylaw, which would award the licenses directly to the vehicle owners rather than the taxi brokers. Of the 26 wheelchair accessible taxis, 21 are temporary licenses that are owned by the City. When considered in conjunction with the Administration's recommended reduction in taxi license fees for wheelchair accessible taxis, it is estimated that the vehicle owners will receive a total of approximately \$1,440 in annual incentives.

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Providing incentives to vehicle owners is less complex, time consuming and costly to administer and does not rely on trip data from taxi brokerages. At the end of the license year, the Administration would only need to divide the amount generated through surcharge revenue amongst the 26 wheelchair accessible taxi license holders. As the majority of wheelchair accessible taxis are owned by the drivers, many taxi drivers will benefit. This would be a more efficient program compared to providing bi-annual payments (as outlined in Option 1) to many different individual drivers based on calculations of the number of wheelchair accessible taxi trips provided by each of those individual drivers.

APPENDICES

1. Municipal Scan of Wheelchair Accessible Taxi Incentives
2. Letter from Saskatoon Accessibility Advisory Committee

Report Approval

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