
Replacement Program for Seasonal Taxi Licences

Recommendation

That the Standing Policy Committee on Transportation recommend to City Council that the City Solicitor be requested to amend Bylaw No. 9070, The Taxi Bylaw, 2014, to replace the Seasonal Taxi Licence Program with the Enterprise Taxi Licence Program, as outlined in this report.

Topic and Purpose

This report outlines proposed amendments to Bylaw No. 9070, The Taxi Bylaw, 2014, to replace the existing Seasonal Taxi Licence Program with the Enterprise Taxi Licence Program, effective June 29, 2019.

Report Highlights

1. The existing Seasonal Taxi Licence Program (Seasonal Program) allocated 24 temporary taxi Licences over a three year term, with these taxis permitted to operate 24 hours a day, between September and June of each year. Additional extensions have been granted, and the current term for this Program will end on June 28, 2019.
2. An Enterprise Taxi Licence Program (Enterprise Program), proposed to replace the Seasonal Program, would see 35 temporary taxi licences allocated to drivers for a four year term and permitted to operate on a year round basis. Taxis licenced under this program could be driven only by the driver receiving the licence and therefore would operate less than 24 hours per day.
3. Amendments to Bylaw No. 9070, The Taxi Bylaw, 2014, (Taxi Bylaw) to accommodate this new program, and to update provisions for the lottery process to award Enterprise Taxi Licences are outlined.

Strategic Goal

This report supports the City of Saskatoon's (City) Strategic Goal of Moving Around by optimizing the flow of people and goods in and around the city.

Background

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

“That the Administration implement the option referred to in the report to replace the existing 24 seasonal License plates, operating from September to June, with 30 to 48 temporary Licenses, issued on a year round basis, but restricted to one driver operating a maximum of 12 hours per day.”

At its meeting on January 28, 2019, City Council resolved:

Replacement Program for Seasonal Taxi Licences

“That the City Solicitor be requested to amend Bylaw No. 9070, The Taxi Bylaw, 2014, to extend the term of Seasonal Taxi Licences, beginning March 1, 2019 until June 28, 2019;”

At its February 25, 2019, meeting, City Council adopted amendments to the Taxi Bylaw, extending the existing term of Seasonal Taxi Licences from February 28, 2019 until June 28, 2019.

Report

Seasonal Taxi Licences

Seasonal Taxi Licences are owned by the City and awarded to taxi drivers via a lottery for a three year term. While taxis licensed under this program must be operated by the awardee, the taxi can also be leased to a second driver, which allows the taxi to operate up to 24 hours per day.

While this program addresses some demand related concerns, the industry and the administration have identified that a revised program which provides more flexibility to meet periods of high demand is needed.

The existing term for the Seasonal Taxi Licence was extended from August 27, 2018, to February 28, 2019 to provide time for the taxi industry to develop a joint proposal for a revised program. The taxi industry was not able to reach consensus on a joint proposal, and the term was further extended until June 28, 2019, to allow time for the Administration to conduct consultation, develop program revisions for Council's consideration, and implement the approved program.

Proposed Enterprise Taxi Licence Program

The Administration recommends that, upon expiry of the Seasonal Program on June 28, 2019, it be replaced by the Enterprise Taxi Licence Program (Enterprise Program). Taxis licensed under the Enterprise Program would operate in a manner similar to Seasonal Taxi Licences with the most significant changes being the number of licences issued, restriction to one driver per Enterprise Licence and provision for year round operation of Enterprise Licences.

The proposed components of the Enterprise Taxi Program were identified based on consideration of input from various stakeholders within the taxi industry, as well as assessment of the existing Seasonal Licence Program. The proposed revisions provide a balance that will address the identified shortfall in the number of taxis needed to meet above average demand periods, while ensuring this program does not add further competition to the existing licensed taxi operators during lower demand periods. The stakeholders expressed varied opinions on some of program components (see summary of input – Attachment 1) and the proposed options seek to identify a compromise between varying positions.

Program Revisions and Resulting Bylaw Amendments

Proposed program revisions are as follows:

Replacement Program for Seasonal Taxi Licences

1. Increase the number of licences to 35

An increase in the number of licences issued (11 additional licences compared to the 24 issued under the Seasonal Program), with a restriction that these vehicles be operated by a single driver, would provide the ability to mobilize a greater number of taxis during high demand periods, while minimizing the potential of having an excess of taxis on the road, competing for rides, during low demand periods. Additional detail regarding the benefit that the proposed number of licences would have on addressing peak demand periods is provided in Attachment 2.

2. Permit only one driver (the licence awardee) for each Enterprise Taxi Licence

With only one driver operating an Enterprise taxi, they are more likely to schedule their work hours during peak demand periods when profitability is enhanced. Input received from taxi drivers confirmed this is the approach that most drivers would take if awarded an Enterprise Taxi Licence.

3. Allow for Year Round operation of Enterprise Licences

The opportunity to operate year round ensures availability for event-specific demand through the summer, and provides a sustained source of income for the licence awardee.

4. Reduce Licence fee

A lower annual licence fee of \$350, which represents two-thirds of the fee of other taxi licences is proposed, to recognize that Enterprise Taxis cannot be leased to a second driver. Therefore, these vehicles cannot be in operation on a 24 hour basis as other taxis can be. The proposed fee would allow licensing costs to be recovered, (e.g., application review, annual inspections, spot checks), while recognizing that costs tied to the frequency of operation (e.g., investigating bylaw contraventions) should be lower due to fewer hours of operation. With approval of 35 Enterprise Licences the total licence revenue will be \$350 lower in comparison to the Seasonal Taxi Licence Program. This will be offset by a lower transfer to the stabilization reserve.

5. Require licensee to operate on a full time basis, with provision for holiday and medical leave.

Under the Seasonal Licence program the awardee is required to operate full time (a minimum 40 hours per week), and such a requirement is proposed for Enterprise Taxis as well. Industry stakeholders expressed concern that accommodation is required to allow licensees to take time off for vacation or medical leave without forfeiting the licence to the City, as they would no longer have an option to lease the vehicle to a second driver to maintain the full time operating status during such times.

Replacement Program for Seasonal Taxi Licences

The Administration is recommending that the bylaw include provision for the licensee to take time off for vacation, to a maximum of 6 weeks per year, without forfeiture of the licence to the City. Provision to accommodate medical leave is also recommended.

6. Clarify calculation to determine age of vehicle

The Taxi Bylaw requires all non-wheelchair accessible vehicles being operated as a taxi, be no older than seven years. Vehicle age is specified as the difference between the vehicle model year and the current licence year. Because the Enterprise Taxi Licences will be issued in June, rather than at the beginning of the calendar year, the application of this formula could result in some vehicles that are more than seven years old to operating as Enterprise Taxi between January and June, before the licence expires. The Administration is recommending the bylaw be amended to specify that the age of a vehicle be calculated by subtracting the vehicle model year from the current year, rather than from the year in which the licence was initially issued. This will ensure the vehicle age formula is applied equitably to both permanent and temporary taxis, and that no non-accessible taxis, more than seven years old, are operating.

7. Revise Lottery Process to award Licences

The Taxi Bylaw outlines a lottery process for awarding Seasonal Taxi Licences, and a similar process is proposed to award Enterprise Taxi Licences. Some changes are recommended to address concerns heard through the stakeholder consultation, and to provide a more equitable process for applicants as follows:

- a) Require four years of taxi driving experience to be eligible for the lottery, an increase of one year compared to the Seasonal Taxi requirement of three years. This will award licences to more experienced taxi drivers that have been working in the taxi industry for a longer period of time.
- b) Issue licences for a four year term. Enterprise Taxi Licences awardees cannot recover operating costs by leasing to a second driver. A longer term will provide greater assurance that the awardee will be able recover costs such as the purchase or lease of a vehicle. The Seasonal Licence program specified a term of three years.
- c) Remove the requirement that lottery applicants have an available vehicle at the time of entering the lottery. This requirement is onerous for drivers who do not already own or lease a vehicle, and would require them to make a significant financial investment in a vehicle, simply to enter the lottery.
- d) Allow more time for lottery winners to apply for a licence and complete a light vehicle inspection after being selected. It is proposed that the time period during which the lottery applications can be received be reduced to two days, in order to allow for a 14 day period of time after lottery awardees are selected, to allow them time to make arrangements for a vehicle, and fulfil licensing requirements.

Options to the Recommendation

As an option to the recommendation, City Council may choose to establish an Enterprise Taxi Program with alternative program requirements, more closely

Replacement Program for Seasonal Taxi Licences

representing the Seasonal Taxi License program. This could include any combination of the following:

- 1) Maintain the lottery eligibility requirement of three years taxi driving experience, rather than increasing it to four years;
- 2) Maintain a licence term length of three years, rather than increase it to four years;
- 3) Choose to issue a different number of Enterprise Taxi licences; or
- 4) Limit the number of hours per day that each Enterprise Taxi Licence can be operated.

This option would have implications on being able to achieve, to the fullest extent, the objective of ensuring the taxi industry is able to better serve higher demand periods while minimizing competition during lower demand periods.

As a second option, City Council may choose to continue to issue temporary taxi Licences under the current Seasonal Taxi Program, establishing a new three year term and issuing of 24 licences which could be operated by the awardee and a second driver for up to 24 hours per day. This option would maintain the status quo on the levels of service and a continued limitation to meet taxi demand during peak periods.

As a third option, City Council may choose to eliminate provision for issuance of temporary taxi licences, in anticipation that TNCs now permitted to operate in Saskatoon, could address unmet demand and periods of excessive wait times. With this option, the capacity of TNCs operating in Saskatoon is not known at this time. Further, TNCs are not able to replicate all the services provided by taxis, including service to customers without access to a smart phone or credit card, and by street hail and taxi stands.

Public and/or Stakeholder Involvement

The Administration consulted with taxi brokers, the United Steel Workers and taxi drivers, requesting input on key aspects of the Enterprise Taxi Licence Program, including the number of licences, term lengths and lottery eligibility. Staff met individually with a taxi broker representative as well as a union representative from United Steel Workers to discuss and gather their input on a proposed replacement program. Taxi drivers, and taxi license owners were invited to attend a come-and-go meeting that included presentations by the Administration with opportunity to complete a multiple choice survey related to the components of a program to replace the Seasonal Taxi Licence model as well as provided additional comments. 52 drivers completed the survey. The consultation results are summarized in Attachment 1.

Communication Plan

The Administration will communicate the details of the program to the taxi industry, and will provide information regarding lottery entry dates to eligible taxi drivers.

Financial Implications

The taxi program is not subsidized by the mill rate. All expenditures are funded through the generation of fees. Fees in excess of expenses are held in a stabilization reserve.

Replacement Program for Seasonal Taxi Licences

The Enterprise Taxi Licence Program will reduced expected revenues by \$350. This will be offset by a lower transfer to the stabilization reserve.

Other Implications

There are no policy, environmental, privacy, or CPTED implications.

Due Date for Follow-up and/or Project Completion

The term of the existing Seasonal Taxi Licence expires on June 28, 2019. To ensure sufficient time to award Enterprise Taxi Licences through a lottery, and for awardees to arrange for a vehicle, amendments to the Taxi Bylaw are required to be approved by City Council prior to May 28, 2019.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachments

1. Summary of Taxi Industry Consultation
2. Proposed Enterprise Taxi Licence Program Addressing High Demand Periods

Report Approval

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