

## Temporary Taxi Licence Review

### ISSUE

The number of taxi licences issued is regulated in Bylaw No. 9651, The Vehicles for Hire Bylaw, 2019. Currently, 165 taxi licences are permanent with 5 being wheelchair accessible taxis. Temporary taxi programs have been adopted by City Council to supplement permanent taxi licences for a defined period. These temporary programs are reviewed periodically to ensure the supply of licensed taxis meets the demand of residents and travelers. Terms of the two existing types of temporary taxi licences, enterprise taxi licences and temporary wheelchair accessible taxi licences, are due to expire in June and September 2024. Should new terms for temporary taxi licences be adopted, and if so, how many licences of each type should be issued?

### RECOMMENDATION

That the Standing Policy Committee on Transportation recommend to City Council that the City Solicitor be requested to prepared amendments to Bylaw No. 9651, The Vehicles for Hire Bylaw, 2019, to:

1. Renew the terms for the existing 21 temporary wheelchair accessible taxis until June 30, 2032;
2. Implement Option 1, to discontinue the Enterprise Taxi Licence Program and grant an additional 14 temporary wheelchair accessible taxi licences to taxi brokerages proportionate to fleet size, for terms from May 1, 2024 until June 30, 2032, as outlined in this report.

### BACKGROUND

City Council, at its Regular Business [meeting](#) on June 24, 2019, resolved to adopt amendments to Bylaw No. 9070, The Taxi Bylaw, 2014, to extend the term of 21 temporary wheelchair accessible taxi licences until September 2, 2024; and to grant licences to vehicle owners, rather than taxi brokers, as had been done in the previous term.

City Council, at its Regular Business [meeting](#) on April 29, 2019, adopted amendments to Bylaw No. 9070, The Taxi Bylaw, 2014, replacing the Seasonal Taxi Licence Program with the Enterprise Taxi Licence Program. The Enterprise Taxi Licence Program issued 35 additional temporary taxi licences to experienced taxi drivers through a lottery with the intent of addressing the shortfall in the number of taxis needed to meet above average demand periods. The original term of the program was to run until June 28, 2023. City Council, at its Regular Business [meeting](#) on March 29, 2023, extended the term to June 28, 2024. This report addresses the expiration of both types of temporary taxi licences and provides recommendations on new term lengths.

**DISCUSSION/ANALYSIS**

Administration monitors a variety of datapoints, key performance indicators (KPIs) and other metrics related to taxi service and wait times. This information is reviewed with taxi industry stakeholders to assist in determining the number and type of temporary taxi licences needed to achieve wait time targets and ensure the reliability of the service for residents and travelers, while not oversupplying.

Data and Key Performance Indicators

A KPI for passenger wait time for taxi service had been set with a target of 90% of trips achieving a wait time of 10 minutes or less for standard taxi service and 15 minutes or less for wheelchair accessible taxi service. The below table shows the percent of standard and wheelchair accessible taxi trips that achieved the wait time target from September 2017 to December 2023.

<b>Event</b>	<b>Pre-Transportation Network Companies</b>	<b>Enterprise Taxis Added</b>	<b>COVID-19 Pandemic</b>	<b>Post-Pandemic</b>
<b>Data Period</b>	<b>Sep 2017 to Jun 2018</b>	<b>Oct 2019 to Mar 2020</b>	<b>Apr 2020 to Mar 2021</b>	<b>Jan 2023 to Dec 2023</b>
<b>Standard Trips (10 min or less)</b>	81%	87%	85%	89%
<b>Accessible Trips (15 min or less)</b>	57%	54%	90%	60%

The period of January 2023 to December 2023 is the strongest indicator of future wait time, as other data reporting periods are associated with significant program changes or events. In 2023, standard taxi trips were 1% below the KPI target while wheelchair accessible taxi trips were 30% below. Administration projects 1.3 million taxi trips will be completed in 2024, 12,000 of which will be wheelchair accessible taxi trips. The 2024 projection is 300,000 taxi trips less than what was completed in the pre-Transportation Network Companies data period when the Enterprise Taxi Licence Program was developed.

In considering supply, Administration set a benchmark based on a 2010 consultant’s report recommending additional taxi licences if the number of trips per taxi per day exceeds 25. Based on feedback from the taxi industry, the benchmark was converted to a weekly measure with a five-day work week, resulting in 125 trips per taxi, per week. Applying this benchmark against the 1.3 million taxi trips projected for 2024 results in a target of 200 taxi licences.

The number of licensed taxi drivers is also closely monitored. There were 600 licensed taxi drivers when the Enterprise Taxi Licence Program was developed in 2019. The number of licensed drivers declined to 400 during the COVID-19 pandemic, increasing slightly to 480 at the end of 2023. As a result of declining driver numbers, taxi brokerages have reported challenges in filling all shifts in permanent taxis;

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approximately 70 full-time day and night shifts are available. Municipal scans with population metrics are considered by Administration but not heavily relied on to determine the optimal number of taxis. This is due to local considerations such as: rate of car ownership, public transportation usage, other vehicle for hire usage, regional service, climate, economy and tourism. The below table shows the total number of taxis and wheelchair accessible taxis per 10,000 population.

<b>Municipality</b>	<b>Taxis per 10,000 population</b>	<b>Wheelchair Accessible Taxis per 10,000 population</b>
<b>Saskatoon</b> (Existing)	8.3	1.0
<b>Saskatoon</b> (Option 1)	7.5	1.5
<b>Saskatoon</b> (Option 2)	7.5	1.2
<b>Calgary</b>	14.6	1.6
<b>Edmonton</b>	13.2	0.9
<b>Regina</b>	8.0	0.8
<b>Winnipeg</b>	8.0	1.7

Saskatoon has 1 wheelchair accessible taxi for every 10,000 people, which is comparable to Regina and Edmonton, but significantly lower than Calgary and Winnipeg. The total number of taxis per 10,000 population in Saskatoon is 8.3, which is comparable to Regina and Winnipeg but significantly lower than Calgary and Edmonton.

### Taxi Industry Engagement

Engagement with taxi brokerages and the union representing most drivers began in March 2022 through a series of meetings. A survey was conducted in October 2023, involving all taxi industry stakeholders, based on the data and feedback heard in this process. This includes taxi brokerage management, permanent taxi licence owners, taxi drivers and union leadership. Results of the survey are in Appendix 1.

The taxi industry provided mixed feedback on the optimal number and type of additional temporary taxi licences that should be issued. Survey participants that voted in favor of renewing the Enterprise Taxi Licence Program cited concerns about how heavily some brokerages rely on the program, providing additional brokerages for drivers to work and the financial advantages to drivers compared to the cost of leasing a permanent taxi licence. Participants who were opposed to the Enterprise Taxi Licence Program being renewed cited concerns with the reduction in number of taxi trips compared to when the program was first developed, the underutilization of permanent taxis, and the need for several additional temporary wheelchair accessible taxi licences to replace the program.

Survey participants were more closely aligned on the need for additional temporary wheelchair accessible taxis. Participants largely agreed more licences were needed but disagreed on the amount. The union and 78% of taxi drivers felt up to five additional licences were needed. Most taxi brokerages and 55% of taxi licence owners felt 11 to 15 additional licences were needed.

Temporary Wheelchair Accessible Taxi Licences

The term for the 21 temporary wheelchair accessible taxi licences will expire on September 2, 2024. In consideration of the data, KPIs and results of industry engagement, there continues to be a need for significantly more temporary wheelchair accessible taxi licences to supplement the five permanent wheelchair accessible taxis.

Administration is recommending extending the term of the existing 21 temporary wheelchair accessible taxi licences for eight years, ending on June 30, 2032. Those licences will continue to be granted to the current owner of the vehicle and allow the vehicle owner to continue to affiliate with a taxi brokerage of their choice. An eight-year term is recommended due to the significant capital investment required to purchase a wheelchair accessible taxi.

If the vehicle associated with any of the existing 21 temporary wheelchair accessible taxi licences is sold, the licence would be cancelled and the new vehicle owner would be eligible to apply for the licence. As the length of the term is substantial, it is recommended that new requirements be included in the bylaw. Should the taxi cease to operate, the licence will be returned to the City and redistributed to a taxi brokerage, proportionate to fleet size of permanent taxis.

As this is an existing program, the approach of granting the licence to the vehicle owner continues to be a viable approach to managing taxi licences, as well as a direction that is consistent with the preference of the union and most drivers. The primary disadvantage of this approach is that it does not guarantee every taxi brokerage will have access to a licence and provide wheelchair accessible taxi service. Residents and travellers will need to know which taxi brokerages are providing wheelchair accessible service. This can be addressed through additional taxi licences in the options section.

**OPTIONS**

In addition to the above recommendation, two options are provided to grant an additional 14 temporary taxi licences, which would increase the total number of taxi licences to 200. The below table summarizes the total number of licences that would be available under each option.

<b>Taxi Licence Type</b>	<b>Existing</b>	<b>Option 1</b>	<b>Option 2</b>
Permanent	160	160	160
Permanent WCA	5	5	5
Enterprise	35	0	8
Temporary WCA	21	35	27
<b>Totals</b>	<b>221</b>	<b>200</b>	<b>200</b>

Option 1: Grant 14 Additional Temporary Wheelchair Accessible Taxi Licences and Discontinue the Enterprise Taxi Licence Program.

If this option is selected, 14 temporary wheelchair accessible taxi licences, with an eight-year term from May 1, 2024 to June 30, 2032 would be made available and

granted to taxi brokerages proportionate to their fleet sizes of permanent taxi licences, with each brokerage receiving at least one.

Qualifying brokerages would be given a six-month period to apply and obtain a licence. If a brokerage does not meet this requirement, the licence would be offered to the next qualifying brokerage. This would be the first increase in the number of wheelchair accessible taxis since 2015 and would increase the total number of wheelchair accessible taxis from 26 to 40.

The Enterprise Taxi Licence Program would be discontinued with the existing licences expiring on June 28, 2024. Advantages

- Will increase the number of wheelchair accessible taxis from 1 to 1.5 per 10,000 people, similar to rates in Calgary and Winnipeg;
- Increases the total number of wheelchair accessible taxis to 40, providing the minimum number of vehicles projected to be required to achieve the wait time KPI for wheelchair accessible service; and
- A total of 200 taxis would be licensed. This is projected to be sufficient to achieve the standard taxi wait time KPIs, as wheelchair accessible taxis can provide service to all residents and travellers.

### Disadvantages

- Due to supply chain challenges, wheelchair accessible vehicles may not be immediately available. There may be a period of several months after the Enterprise Taxi Licence Program expires where fewer than 200 taxis are in service. However, this will occur over the quarter of the year where demand is lowest, which is anticipated to negate any impact on wait time.

### Option 2: Grant Eight Enterprise Taxi Licences and Six Additional Temporary Wheelchair Accessible Taxi Licences.

If this option is selected, the Enterprise Taxi Licence Program would be renewed for a new four-year term. A total of eight licences would be issued through a lottery to experienced taxi drivers, with terms from June 29, 2024 to June 28, 2028.

Amendments to Bylaw No. 9651, The Vehicles for Hire Bylaw, 2019, would be required to address administrative challenges identified during the previous term. Taxi brokerages will be responsible for remitting additional trip data for enterprise taxis to ensure drivers are meeting their obligations of operating the taxi a minimum of 40 hours per week. Additional bylaw amendments are required to clarify the eight-week vacation and medical leave period and that it is for the term of the annual licence and not the calendar year; and the leave period includes any unexpected sick time or extenuating circumstances beyond the licensee's control.

In addition, six temporary wheelchair accessible taxi licences would be made available with terms from May 1, 2024 to June 30, 2032, which would increase the total number of wheelchair accessible taxis from 26 to 32. These additional licences would be granted to taxi brokerages proportionate to their fleet sizes of permanent taxis, with

each brokerage receiving at least one. Qualifying brokerages would be given a six-month period to apply for and obtain a licence. If a brokerage does not meet this requirement, the licence would be offered to the next qualifying brokerage.

### Advantages

- Enterprise taxi licences utilize non-wheelchair accessible vehicles, which are less expensive and easier to procure. If a new four-year term is initiated, it is anticipated that all eight Enterprise Taxis will be in service immediately; and
- The total estimated number of taxis will be 200, which is projected as sufficient to achieve the standard taxi service wait time KPI.

### Disadvantages

- A total of 32 wheelchair accessible taxis will be in operation, which is projected to be insufficient to achieve the wait time KPI for wheelchair accessible service.

### Analysis

Administration recommends Option 1, to issue 14 additional temporary wheelchair accessible taxi licences and discontinue the Enterprise Taxi Licence Program.

A reduction in the number of projected taxi trips, while increasing the number of wheelchair accessible taxis from 26 to 40, is projected to be a suitable number of taxis overall to achieve KPI targets for both standard and wheelchair accessible taxi service. While preferred by some in the taxi industry, the need for additional temporary non-wheelchair accessible taxis is not supported in either the trip data or KPIs.

Due to the reduction in the number of drivers, program impacts resulting from Option 2 are not anticipated to result in a net increase in taxi service. Instead, the program will likely shift a limited driver pool from driving permanent taxis to driving temporary taxis, leaving permanent taxis to continue to be underutilized. With Option 1, a reduction in total number of taxis from 221 to 200 is therefore not anticipated to result in an increase in wait time for taxi service, as there are a sufficient number of shifts available in either permanent taxis or in the new proposed temporary wheelchair accessible taxis to accommodate all 35 existing enterprise taxi drivers.

Administration is recommending the new temporary wheelchair accessible taxi licences outlined in both options be offered to taxi brokerages rather than to taxi drivers. This is a departure from the approach taken with the existing temporary 21 wheelchair accessible taxi licences, as it will ensure all taxi brokerages are able to provide wheelchair accessible taxi service. Taxi brokerages have demonstrated they are capable of procuring wheelchair accessible taxis, despite supply chain challenges and rising capital costs. At this time, issuing licences directly to taxi brokerages is seen as the only viable method of ensuring wheelchair accessible service is provided.

## **FINANCIAL IMPLICATIONS**

The Taxi Licence Program is funded through licence application fees and is not supported by the mill rate.

The 2024/2025 budget estimated 10 Enterprise Taxi Licences would be granted with application fees of \$550 in 2024 and \$625 in 2025. It was also estimated that there would be 34 wheelchair accessible taxis with application fees of \$25 in both 2024 and 2025. If Option 1 is selected, application fees for taxi licences will be \$5,350 less than budgeted for in 2024 and \$6,100 less than budgeted for in 2025. This amount will be offset by a reduction in the contribution to the Vehicle for Hire Stabilization Reserve.

## **OTHER IMPLICATIONS**

There are no privacy, legal, social or environmental implications identified.

## **NEXT STEPS**

If City Council selects Option 1, the City Solicitor will prepare the necessary bylaw amendments for consideration by City Council at a future meeting. Information about the bylaw amendments will be shared with stakeholders in the taxi industry, including how many licences were awarded to each taxi brokerages.

Administration will monitor the data and KPI for the duration of the eight-year temporary term and will recommend adding additional temporary taxi licences should they be needed.

## **APPENDICES**

1. Survey Results and Comments

## **REPORT APPROVAL**

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