



## STAFF REPORT ACTION REQUIRED

### Supplemental Report: Regulating Ground Transportation in Toronto

<b>Date:</b>	April 29, 2016
<b>To:</b>	City Council
<b>From:</b>	Executive Director, Municipal Licensing and Standards
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2016\Cluster B\MLS\LS16004

#### **SUMMARY**

At its meeting of April 14 and 15, 2016, the Licensing and Standards Committee (LSC) received a report from staff recommending a new regulatory regime for taxicabs, limousines, and Private Transportation Companies (PTC).

This supplemental report contains an update to the financial impact section of the staff report submitted to the LSC identified as LS10.3, *A New Vehicle-for-Hire Bylaw to Regulate Toronto's Ground Transportation Industry* based on impacts arising from committee decisions. This report also provides clarification related to the determination of licensing fees and updated financial impact data as it relates to the allocation of program costs on the basis of the most current daily ride estimates.

At the LSC meeting, the Committee considered a suite of staff recommendations. As a result of adopting some but not all staff recommendations, ML&S can expect a net budget pressure of \$0.600 million. This pressure arises from the Committee's decision to adopt the waiver of accessible training and accessible licensing fees, while not adopting other recommendations that would offset the lost revenue resulting from the fee waivers.

If City Council were to adopt Committee recommendations, taxicab and limousine licensing fees would need to be increased back to the 2016 budgeted rates with an additional increase. This would mean that limousine licence fees would need to be increased 5.5% above the 2016 budgeted rates and taxicab licence fees would need to be increased 2.6% above the 2016 budgeted rate (taxicab licence fees are currently frozen at 2015 rates, so this increase is actually 5.3% above current rates).

## RECOMMENDATIONS

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**The Executive Director, Municipal Licensing and Standards recommends that:**

1. City Council receive this report for information.

### **Financial Impact**

This supplemental report provides updated financial impact information regarding the Committee recommendations, and provides corrected and updated information in respect to the revenue impact chart and licensing fees.

#### *Impact of Committee Recommendations*

At the meeting, Committee adopted staff recommendations that included waiving licensing fees for accessible vehicles, and accessibility training fees for taxicab drivers. The balance of the report, including the licensing of PTCs and associated fees; and a revised fee structure for all ground transportation, were intended to provide the funding offset for these recommendations. As a result of the decision to not approve the revised fee structure, staff have identified a \$0.600 million budget pressure for ML&S.

To offset this pressure, taxicab and limousine licensing fees would need to be increased back to the 2016 budgeted rates with an additional increase. This would mean that limousine licence fees would need to be increased 5.5% above the 2016 budgeted rates and taxicab licence fees would need to be increased 2.6% above the 2016 budgeted rate (taxicab licence fees are currently frozen at 2015 rates, so this increase is actually 5.3% above current rates).

The applicable fees required to implement the Committee's recommendations without resulting in a net budget pressure to the City are laid out in Attachment 1.

#### *Corrected Revenue Impact Information*

This updated information is to be considered in addition to the information previously provided in the staff report. Following the Committee meeting, staff noted that the allocation of costs across the three licensing categories were incorrect.

The chart provided in the original staff report had costs allocated based, in part, on the volume of trips per day being taken across each of the three categories of services: taxicabs, limousines and PTCs. The volume of PTC trips per day had been updated as it related to the per trip fee calculation (from 17,000 to 45,000). However, it was subsequently noted that the costing assumptions based on staff effort, had not been realigned proportionally.

The following updated chart reflects the estimated distribution of program costs.

**Table 1: Updated Impact to Fees based on Staff Original Recommendations**

	<b>Budgeted Revenue</b>	<b>Proposed Revenue</b>	<b>Total Revenue Change</b>
TAXI Licensing	10,146	6,671	- 3,475
Limousine Licensing	1,094	713	- 381
PTC Licensing	N/A	5,173	5,173
<b>Total Revenue Impact</b>	<b>11,240</b>	<b>12,556</b>	<b>1,316</b>

The balance of the information related to the financial impact section of the report remains accurate.

*Amendments to proposed licensing fees*

In recognition of the restated distribution of program costs, and should City Council adopt a new regulatory regime inclusive of PTCs, this report is intended to present further information related to the calculation of applicable fees.

The original staff report presented an approach to the calculation of PTC Licensing fees which included an annual base amount, calculated as: \$10/driver based on the number of drivers in the preceding 3 month period plus a \$0.20/trip fee. This represented a total estimated recovery of approx. \$3.5 million. It also outlined a 17% reduction in taxicab fees that would have recovered approx. \$8.2 million.

Given the correction to the allocation of program costs as indicated above, new estimated licensing fees related to a PTC licensing scenario would need to represent a \$5.2 million cost recovery, and taxicab fees of approximately \$6.670 million.

The following is a fee scenario for recovery, based upon the approach taken in the original staff report and updated to reflect this new allocation:

- Vehicle-for-Hire Driver (Taxicab and Limousine Drivers) - \$130/year
- Taxicab owners receive - 17% reduction
- All accessible fees are waived
- PTC application fee: \$20,000
- PTC annual fee: \$15/driver
- PTC trip fee: \$0.30/ride

The fully revised licensing fees for full cost recovery based upon staff's original recommendations are laid out in Attachment 2.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **COMMENTS**

The licensing fees have been developed based on full cost recovery from taxicabs, limousines and PTCs. Any deviations from the proposed structure may result in a financial impact that may result in an under or over recovery of fees.

## **CONTACT**

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## **SIGNATURE**

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Tracey Cook, Executive Director  
Municipal Licensing and Standards

## **ATTACHMENTS**

Attachment 1:

LSC recommendations – required amendments to Chapter 441, Licensing Fees

Attachment 2:

Original staff recommendations – required amendments to Chapter 441, Licensing Fees (updated)