



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: October 7, 2008
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Meeting Date: October 28, 2008

TO: Standing Committee on Transportation and Traffic

FROM: Director of Licences and Inspections and Chief Licence Inspector

SUBJECT: Additional Taxicab and Dual Taxicab Licences for Years 2008/2009

RECOMMENDATIONS

- A. THAT Council approve the issuance, under the Vehicles for Hire By-law, of 122 taxicab and dual taxicab licences for 2008/2009 subject to Passenger Transportation Board approval.
- B. THAT Council authorize the Chief Licence Inspector to issue the new taxi licences consistent with the conditions outlined in this report and in such a manner that a minimum of 15% of each taxicab fleet consists of dual taxicabs.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services recommends approval of the foregoing recommendations.

COUNCIL POLICY

The Vehicles for Hire By-Law licenses and regulates the owners and drivers of vehicles for hire in the City of Vancouver.

On April 5, 2007, Council approved a taxi licensing expansion program to Year 2010, as outlined in the report "Additional Taxicab and Dual Taxicab Licences" (March 21, 2007). Concurrently, Council established a policy to strongly encourage taxi companies to select the most fuel efficient vehicles with the lowest carbon emission for all new and replacement taxicabs, except for dual taxicabs, or if not possible because of lack of availability or cost, the second best fuel efficient vehicles as determined by Federal Energuide guidelines.

Council's intent was to gradually facilitate conversion of Vancouver's taxicab fleet to the lowest carbon emission taxicab fleet in North America.

PURPOSE

The purpose of this report is to seek Council's approval for the issuance of 122 taxicab and dual taxicab licences for Years 2008/2009 on the condition that the licences are issued in such a manner that a minimum of 15% of each taxicab fleet consists of dual taxicabs. The proposed number of licences is based on the taxicab licensing expansion program to Year 2010 supported by Council in April 2007.

BACKGROUND

Taxi Licensing History

In 1950, Council restricted the number of cabs in the City to one cab per 1,600 population. There were 363 taxicabs licensed at that time and this number remained unchanged until 1980 when 25 more licences were issued. Ten more taxicab licences and 30 wheelchair accessible taxicab licences (ie. dual taxicab licences) were issued from 1982 to 1984, resulting in a total of 428 taxicabs in the City. Afterwards, Council amended the taxi to population provision in the Vehicles for Hire By-Law as follows: the City could issue 10 additional taxi cab licences a year until a ratio of 1.2 taxicabs (excluding dual taxicabs) per 1,000 population was reached.

In 1986, Council permitted an additional 40 temporary taxicab licences for the duration of EXPO. Between 1988 and 1990, Council approved a further 20 taxicab licences for a total of 448.

With no new dual taxicab licences in the City since 1984, Council approved the issuance of an additional 29 dual taxicab licences in March 2005, resulting in a total of 477 taxi licences, including 418 sedans and 59 dual taxicabs. To address frequent complaints concerning longer waiting times for taxicabs and, in particular, significantly longer waits for the mobility impaired, Council approved the issuance of 57 taxicab and 54 dual taxicab licences in 2007. These licences were issued on the condition that, by the end of 2007, at least 15% of each taxicab fleet consisted of dual taxicabs. At this time Council also approved a taxi licensing expansion strategy leading to 2010.

Although the additional taxi licences issued in 2007 have helped to alleviate long wait times, particularly at the cruise ship terminal, and have provided a higher number of dual taxicabs for the mobility impaired, more taxi cabs are necessary to respond to an increasing population and growth in tourism. To meet the increasing demand for taxi services in the city until 2010, taxicab companies will need to gradually expand their individual fleets while ensuring that they can comfortably meet labour, vehicle, insurance, and other related costs.

Regulation of the Taxi Industry in British Columbia

In British Columbia, the issuance of new taxi licences is a dual approval process. Licensed taxi companies in Vancouver are regulated by the Provincial Passenger Transportation Board (PTB) and by Council, through the Vehicles for Hire By-Law. The PTB has the superior role in

the regulation of the taxi industry and controls the number of licences based on service demands in each region of the Province. Any action by Council on taxi related matters is subject to approval by the PTB, while changes approved by the PTB must be reflected in the City's Vehicles for Hire By-Law.

The PTB establishes the appropriate number of taxicab licences in all regions of the Province, ensuring that sufficient figures are established to meet public demand. Although the PTB has superior authority over taxicabs, the City's continued role in amending its bylaw to reflect changes set by the Province is important as the City handles complaints and conducts taxicab inspections bi-annually. As taxicabs must maintain high safety standards for the protection of passengers, inspections involve checking taxi meters over a measured distance, inspecting the interior for cleanliness and the exterior for body damage, and determining whether the vehicle has a valid Motor Vehicle Inspection sticker. The City also regulates the type and age of individual vehicles and the issuance of chauffeur permits and driver identification. Regular taxi meter checks assure passengers that the amount charged is correct under the Vehicles for Hire By-Law. Regular inspections carried out by City staff ensure that Vancouver's taxicab service is one of the best in North America.

Taxi Roundtable Process

In April 2006, a Taxi Roundtable process was commenced wherein representatives of the taxi industry, Tourism Vancouver, the Justice Institute and the City of Vancouver come together on a regular basis to discuss issues of mutual importance with the aim of addressing taxi-related issues, improving taxi service levels citywide and exploring business development opportunities. Since its conception, the Taxi Roundtable has proven to be an effective process in addressing many important taxi-related issues and securing commitments to move forward on business development opportunities. There has been a demonstrated willingness around the table to further enhance both the level of service to the community as well as the overall professionalism of Vancouver's taxi sector.

The Taxi Roundtable is currently working on issues that would further help improve service and satisfy growing demand, including shift changes, use of bus-only lanes and additional taxi stopping zones to pick up/drop off passengers. The Taxi Roundtable will also be initiating a comprehensive review of the TaxiHost training program offered by the Justice Institute, with the intent of updating the program to satisfy the needs of today's drivers.

DISCUSSION

Demand for Service

The City has received relatively few taxi service complaints over the past decade with most complaints focused on accessible service. The addition of 29 and 54 dual taxicab licenses in 2005 and 2007, respectively, appeared to address some of these issues, as complaints have been reduced. Furthermore, the 54 dual taxicab licences in 2007 were approved on the condition that, by the end of 2007, at least 15% of each taxicab fleet consisted of dual taxicabs. This goal has been successfully achieved.

In addition to the accessibility issue, there has been an increasing demand for taxi service centered on an inability to receive service in a timely manner. This demand is difficult to qualify but the following factors must be considered:

- Increasing downtown residential units;
- Decreasing availability of parking in the downtown core;
- Construction activity in the downtown core;
- Increased use of public transportation and reduced use of private vehicles; and
- Increased tourism visits including the cruise ship industry.

Taxicab/Population Ratios

There is a wide range of taxicab to population ratios in North American cities and population alone is not a definitive means of determining taxi numbers. In the absence of a clear formula for determining the ideal number of taxicabs per population, all jurisdictions use different factors to arrive at optimal taxicab numbers. In particular, Vancouver taxi demand differs from many other major cities due to factors such as a large downtown resident population, substantial tourism, the cruise ship industry and relative proximity to the International Airport.

Approved Approach to Taxi Licence Issuance

Issuing too many licences at once could result in a surplus of taxi cabs versus existing demand, leading to illegal activities fuelled by excessive competition, insufficient revenue for owners and drivers and deterioration in service quality. Furthermore, an unreasonable increase of taxi licences in Vancouver would affect taxi service in neighbouring municipalities. Deregulation of taxi licensing in other cities has resulted in significant problems and in some cases the industry has been re-regulated.

For these reasons, the Vehicles for Hire By-Law restricts the total number of taxicabs and dual taxicabs so that the numbers accurately reflect existing demand. Currently, the By-Law states, "The total number of taxicabs owned or operated by persons licensed under this By-Law must not exceed 475 taxicabs and 113 dual taxicabs."

In April 2007, Council approved a taxi licensing expansion strategy to Year 2010. The strategy phases in new licences over a predetermined period of time, and monitors service and wait time levels on an annual basis to ensure existing demand is being met, without a surplus supply. The table below shows the approved gradual and controlled increase in taxicab licences over a three year period leading up to the 2010 Olympics/Paralympics based on a ratio of 1.2 taxicabs per 1,000 population.

APPROVED TAXI LICENCE EXPANSION STRATEGY TO YEAR 2010

Year	Additional Taxicab Licences
Remainder of 2007	111
2008	58
2009	64
2010	10
TOTAL	243

As it is difficult to determine the precise number of taxi licences to address existing demand, staff have reviewed information from a number of sources to gauge existing taxi demand versus supply. The Port of Vancouver has reported that irrespective of substantial

construction in the downtown area, there has been an improvement in taxi service times in 2008 thus far. However, comments from hotel doormen, further complaints from the public and comments received through the city's web taxi survey revealed that additional taxi licences are warranted.

Based on this feedback, staff confirm that the taxi licence expansion strategy approved by Council in April 2007 is still valid. Furthermore, staff recommend that, based on the late date of this report in 2008 and the time it will take the Provincial Passenger Transportation Board to approve new licences, Council support both the 2008 and 2009 taxi licence allotments simultaneously. Although a few of the 122 new licences may be placed on the road over the remainder of 2008, the majority would be phased in next year based on the availability of accessible vans, conversion of vehicles, driver availability and driver training. The new licences are to be issued on the condition that taxi companies in the City maintain a minimum 15% of their fleet in dual taxicabs and that all new and replacement vehicles (except for dual taxicabs) are the most fuel efficient vehicles with the lowest carbon emission, or if not possible, the second best fuel efficient vehicles as determined by the Federal Energuide guidelines.

Once taxi companies complete their licence applications to the City and the requested distribution between taxicab sedans and dual taxicabs is finalized, the Director of Legal Services will be requested to prepare a by-law amending Section 23(1) of the Vehicles for Hire By-law which restricts the maximum number of taxicabs and dual taxicabs owned or operated by persons licensed under the By-Law.

Staff will report back to Council in 2009 with the additional taxi licence numbers proposed up to Year 2010 and provide an update in service levels. At this time, staff will also revisit the taxi licensing expansion strategy with the goal of extending it to Year 2013.

Considerations in the Issuance of New Taxi Licences

Fuel Efficient Taxicab Vehicles

In 2005, the City of Vancouver adopted both a Corporate Climate Change Action Plan for City operations, and a Community Climate Change Action Plan (CCAP) for the broader community. These plans call for a significant reduction of carbon emissions over the next several years. Almost half of the targeted emission reductions will come from adoption of more efficient vehicle engine technologies, utilization of cleaner fuels and implementation of optimized vehicle operator practices. The City is interested in partnering with organizations that, where possible, demonstrate they are taking steps to introduce lower carbon emission vehicles.

In April 2007, Council reinforced its sustainability objectives by supporting a policy that strongly encouraged taxi companies to select new taxicab vehicles and replacement sedan vehicles based upon the chart in Appendix A. This chart has been updated for 2008 and serves as a useful tool for taxi companies to determine the acceptable make/models of vehicles. The chart shows the most fuel efficient vehicles for 2008 (ie. Federal Energuide Award winners) and the second best top fuel efficient vehicles (ie. Top Efficiency). The Energuide award winners cover each of the major classes of vehicles including sub-compact, compact, mid-size, full size, station wagon, mini-van, SUV's, large van, truck.

In the last round of licence allocation, taxi companies complied with Council policy by selecting hybrids for all new and replacement sedan vehicles. This has made Vancouver's fleet of new taxi vehicles one of the most fuel efficient in North America. The City would like this trend to continue with the goal of building the lowest carbon emission taxi fleet (per vehicle) in North America by ensuring all new licences and replacement vehicles meet high fuel efficiency requirements. The long term goal of fuel-efficient vehicle selection is to have at least 90% of new vehicles from the "award winner" class and the remaining 10 % from the "Top Efficiency" class (in the year the vehicles were introduced).

Dual Taxicab Licences

Further to Council's sustainability and accessibility agenda, the last approved taxi licence issuance in 2007 ensured that by the end of 2007, at least 15 % of each taxicab fleet would consist of dual taxicabs. This goal has been achieved successfully.

As the number of fuel efficient vehicle makes/models available to satisfy the requirements of a wheelchair accessible taxicab continue to be severely limited, staff does not recommend making fuel efficient vans a requirement for any new dual taxicab licence for this next round of licence issuance.

Annual Review of Taxicab Service and Demand Levels

Staff's review of information from a taxi on-line survey, complaint records, comments from hotel doormen and feedback from the Port of Vancouver and Tourism Vancouver has concluded that an acceptable level of taxi service has not yet been reached and 122 additional taxi licences in 2008/2009 should improve service deficiencies.

The goal continues to be an average target response time of 7 to 8 minutes in the downtown core and 8 to 10 minutes outside the downtown area with adjustments for peak periods. It should be noted that response times may be greater than indicated, particularly in the downtown core, due to on-going construction and increased congestion in the downtown core.

Method of Taxi Licence Allocation

It is very difficult for individuals or new companies to obtain new taxi licences due to excessive start-up expenses and the approval process. The four existing companies are planning to make application to the PTB and the City for licences.

The following factors should be considered as part of the licence issuance process:

1. All new and replacement vehicles (other than dual taxicabs) must be either wheelchair accessible or meet the sustainability goals as outlined in this report.
2. Each taxi company must maintain at least 15% of their fleet in dual taxicabs.
3. Taxi companies must continue to comply with Council's policy concerning the selection of, whenever possible, Energuide fuel efficiency award winners in order to facilitate conversion of Vancouver's taxicab fleet to the lowest carbon emission taxicab fleet in North America.

FINANCIAL IMPLICATIONS

The additional 122 taxicab and dual taxicab licences will increase annual revenue by approximately \$58,500.

ENVIRONMENTAL IMPLICATIONS

Further to Council's approval of the Community Climate Change Action Plan in 2005, there is now a requirement for all departments to replace city vehicles with fuel efficient makes/models and encourage city businesses and various organizations to convert to fuel efficient vehicles. Staff believe that by encouraging all new taxi sedan licences and replacement vehicles (with the exception of dual cabs) to be highly fuel efficient vehicles, the goals of the Community Climate Change Action plan are closer to being met.

CONCLUSION

This report seeks Council's approval for the issuance of a total of 122 taxicab and dual taxicab licences for Years 2008/2009 on the condition that the licences are issued in such a manner that a minimum of 15% of each taxicab fleet consists of dual taxicabs. The use of highly fuel-efficient vehicles for all new sedan taxicabs and replacement vehicles (with the exception of dual cabs) is encouraged through Council policy. The proposed number of new taxi licences is based on the taxicab licensing expansion strategy to Year 2010 approved by Council in April, 2007.

Once taxi companies complete their licence applications to the City and the requested distribution between taxicab sedans and dual taxicabs is finalized, the Director of Legal Services will be requested to prepare a by-law amending Section 23(1) of the Vehicles for Hire By-law which restricts the maximum number of taxicabs and dual taxicabs owned or operated by persons licensed under the By-Law.

Staff will report back to Council in 2009 on the appropriate number of additional taxi licences required for 2010 based on service demand and population changes, and amendments to licence numbers will be made if required. This report will also provide a further 3 year plan for taxicab licensing expansion up to 2013.

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APPENDIX A

City of Vancouver Taxi- Fuel Efficient Vehicle Selection Table (2008)

Class (1)	2008 Award Winners (l/100km city)	2008 Top Efficiency (l/100km City)	2008 Examples- Top Efficiency Category
Compact	4.7 Honda Civic Hybrid	4.7 - 7.1	7.1 Toyota Corolla*
Mid-Size	4.0 Toyota Prius	4.0 - 5.7	5.6 Nissan Altima Hybrid
Full-size	9.4 Honda Accord	9.6 - 9.9	9.6 Hyundai Sonata
Station Wagon	7.1 Honda Fit	7.1 - 8.0	7.9 Pontiac Vibe
Min-Van	9.6 Mazda 5	9.6 - 12.0	12.0 Dodge Caravan

** This is the only vehicle in the 'Top Efficiency' category for this class in 2008*

The following assumptions were used for the 2008 table:

- 1) This table is focused only on fuel efficiency ratings. Other tools can be used to balance fuel efficiency versus vehicle costs (see Hybrid Experience Website for payback assessment- hybridexperience.ca/LCC_Tool.htm).
- 2) The Top Efficiency Class was arbitrarily established to include at least one other make of vehicle that is closest to the efficiency of the Award Winners.
- 3) The 2-seater, sub-compact, SUV's, Large Van, and truck classes are not applicable and therefore not included in this table.
- 4) Only 'City' driving fuel efficiency rating are used with the assumption that Vancouver City taxis are operating mostly in the city.
- 5) This chart was developed to be used on trial basis until the value is confirmed and/or until the federal government implements a more comprehensive best-in-class guide.