



MEMORANDUM

To: Mayor and Members of Council

From: Kimberley Kitteringham, City Clerk and Director of Legislative Services & Corporate Communications

Martha Pettit, Deputy City Clerk, Legislative Services

Jeff Baker, Supervisor of Business Licensing & Standards, Legislative Services

Prepared by: Jeff Baker, Supervisor of Business Licensing & Standards, Legislative Services

Date: November 23, 2021

Re: Supplementary Memo – Follow-Up to the March 2, 2020 General Committee Regarding the Licensing of Private Transportation Companies (PTC's)

RECOMMENDATION:

1. That the memorandum entitled “Supplementary Memo – Follow-Up to the March 2, 2020 General Committee Regarding the Licensing of Private Transportation Companies (PTC's)” be received; and;
2. That the proposed amendments adopted by General Committee and adopted by Council on November 23, 2021 take effect on April 1st, 2022; and further,
3. That staff be authorized and directed to do all things necessary to give effect to this resolution.

BACKGROUND:

The City of Markham does not currently regulate PTCs. Nevertheless, two prominent PTCs – UBER and LYFT – are operating in Markham. At the General Committee meeting on March 2, 2020, staff provided a PowerPoint presentation on a proposed regulatory framework for the regulation of Private Transportation Companies in Markham (see presentation attached as *Appendix “A”*). Staff identified five policy objectives that supported the proposed regulations of PTC's by the City: 1. Public Safety; 2. Consumer Protection; 3. Sustainability; 4. Responsive Regulations; and 5. Regulation Consistent with Industry Standards. Details of these five objectives can be found in the original report attached as *Appendix “B”*.

At the conclusion of the March 2, 2020 meeting, General Committee approved the proposed PTC regulatory framework as well as various amendments to the City's current licensing rules related to the operation of taxicabs and limousines in Markham (see minute excerpt attached as **Appendix "C"**). Staff were also requested to table a supplementary memo at the Council meeting scheduled for March 31, 2020 with "*additional information on the City of Toronto's ride levy for an accessibility fund, licensing requirements, licensing fees, ride rates and potential revenue*". Further, staff were requested to report back (within a year of implementation) on the impact of the new PTC regulations - particularly with respect to the impact on the City's licensing revenues and program costs as well as enforcement challenges, in an effort to evaluate the effectiveness of the new licensing regime. Unfortunately, as a result of the COVID19 Pandemic, the March 31, 2020 Council meeting was cancelled and staff were therefore unable to table the requested supplementary memo. Further, for a variety of reasons related to the COVID19 Pandemic and the resulting uncertainty it created within the ground transportation industry in general, the adoption of the new PTC regulatory framework by Markham City Council was held in abeyance until now.

Requested Supplementary Information (follow-up to March 2, 2020 General Committee meeting)

1. City of Toronto - Accessibility Fund

In 2019, Toronto Council adopted several amendments to the City's *Vehicles-for-Hire By-law* which included the creation of an Accessibility Fund Program. This Program was created to support the availability of accessible services and to offset the higher cost of providing wheelchair accessible service. The Program is funded by a regulatory charge on members of the industry. However, Toronto's taxi licensees (TTL's) and standard taxicab owners who operate accessible taxicabs are exempt from these fees. As part of Toronto's annual licensing fees for new applicants, or upon renewal, vehicle-for-hire owners and drivers (PTCs and traditional taxicabs/limousines) have regulatory fees applied, which in turn are used to subsidize the Accessibility Fund. These funds are then dispersed to wheelchair accessible owners and drivers based on service standards and eligible criteria, and the drivers are also required to have valid accessible service training.

Note: Toronto drivers under contract with the Toronto Transit Commission (TTC) are not eligible

2. City of Toronto Licensing Requirements

Individuals applying for a City of Toronto taxicab or limousine licence must provide the following at the time their application is submitted:

- 2 forms of government issued identification
- Original criminal record and judicial matters check
- Copy of Provincial drivers license (with at least 3 years driving experience)
- Copy of their Ministry of Transportation drivers abstract
- Photo of applicant

- *Proof of successful completion of third party training program¹

The City of Markham requires all of the above elements as part of its current licensing rules - save and except for the proof of a third party training program. However, this requirement was included in the March 2, 2020 report to General Committee and will be implemented once Council adopts the resolution.

3. City of Toronto Taxi Fares

The City of Toronto By-law does not allow accessible taxicab operators to charge higher or additional fees for their services (i.e. to charge persons with disabilities more than that which is charged to persons without disabilities). Markham staff are currently preparing amendments to the Mobile Licensing By-law to address several *Accessibility for Ontarians with Disabilities Act* (AODA) requirements that were identified in a recent review by the City's Auditor General (MNP) on Markham's legislative compliance with Provincial rules for taxicab/ground transportation services. These amendments will be tabled by Business Licensing & Standards staff at General Committee in the first quarter of 2022.

4. Accessible Taxi Options in York Region

Subsequent to the March 2, 2020 General Committee meeting, Business Licensing and Standards staff reached out to the neighbouring York Region municipalities to determine the current landscape as it relates to the provision of accessible taxicab service in the Region of York. Only the City of Vaughan has issued an accessible taxicab licence, however, this taxicab plate is not currently in operation. The Towns of Newmarket and Aurora have not issued accessible taxicab licences since 2014 and 2015 respectively, while the City of Richmond Hill has not licensed an accessible taxicab since 1999. In Markham, no accessible taxicab licences have been issued since 2004. The remaining York Region municipalities either do not currently have, or have never, licensed an accessible taxicab.

Since 2001, the Region of York has operated a "Mobility Plus" service, now known as "Mobility On Request" (MOR). At the time of inception, MOR merged several transit agencies from across the Region, including Vaughan Transit and Markham Transit, which had operated similar services since the 1980's. MOR is York Region's equivalent to the Toronto Transit Commission's Wheel Trans Services, and currently operates a fleet of over 130 buses, vans and passenger vehicles, with the ability to add to their existing fleet as part of their contract. MOR currently serves approximately 5,000 users per month and has between 12,000 – 14, 000 users registered on their platform. Under its current service model, MOR can also connect its users with other mobility service providers in neighbouring municipalities including: City of Toronto Wheel Trans, Mississauga Transit, Brampton Transit and Durham Region Transit. Markham's Business Licensing and Standards staff met with YRT representatives in preparation of this supplementary

¹ On November 10, 2021, Toronto City Council passed a resolution requesting staff to pause the issuance of new vehicle for hire driver and PTC licences until such time as the City implements a mandatory driver training program to make the service safer. In July 2019, Toronto City Council adopted new mandatory training requirements for vehicles-for-hire drivers, such as taxicabs and limousines, and private transportation company drivers, such as Uber and Lyft, following the death of Nicholas Cameron on March 21, 2018. The training requirements, however, were never implemented by the City because of COVID19 Pandemic demands.

memo and indicate they are open to continued discussions on how to best service those residents with accessibility needs.

As stated in the original report to General Committee in 2020, Markham staff considered proposing an accessibility fund for Markham taxi/limo operators similar to the one in Toronto but decided against it given there are no accessible taxicabs currently licensed by any of the York Region Municipalities. Further, Markham staff consider YRT's current MOR service model to be sufficient, and will continue to work with the City's Advisory Committee on Accessibility and its neighbouring regional municipalities to address any future accessibility needs.

As previously discussed at GC in 2020, Markham City staff had proposed at that time, that all new plate owner applicants be required to operate as an Accessible Taxicab for a minimum of 4 years prior to being eligible to operate as a standard taxicab. However, since that time City staff have now had a chance to further re-evaluate the necessity of this specific requirement and have determined that this is no longer necessary. See *Appendix "D"* for the updated Schedule 6 - Regulations and Governing of Taxicab Brokers, Owners and Drivers.

Please Note: UBER and LYFT do not offer accessible vehicle service outside of Toronto and have indicated they do not have any plans to expand their accessible vehicle service at this time. This further underlines the fact that there has been no increased market demand for this type of vehicle in the outer GTA, otherwise they'd be providing it.

5. City of Markham Revenue Projections

As noted in the March 2, 2020 General Committee report, even prior to the COVID19 Pandemic, Markham's taxicab industry was experiencing a sizable decline in ridership numbers as a result of the emergence of PTC's. This resulted in a significant number of taxicab drivers and taxicab owners choosing not to renew their licences, or in many cases, leaving the industry altogether.

Taking into account the declining ridership, owners and drivers leaving the industry, and the effects of PTC's on the traditional taxicab companies, City staff anticipate a continued decline in annual revenue from the brokers, plate owners and drivers of traditional taxis. A further decline could also occur once the proposed PTC amendments are adopted and in place, as some traditional taxi companies are already operating on a platform that mirrors the proposed regulations for the PTC style platform and would require them to be licensed under those new regulations.

If Council adopts the proposed PTC regulatory framework based on the discussions with UBER and LYFT, staff anticipate annual licensing fee revenue from PTC's to be \$10,000 - \$15,000 (annual broker licence), and an annual per trip ride levy (proposed at .30 cents/ride) would provide approximately \$150,000 - \$200,000 in additional annual licensing revenue for the City of Markham.

SUMMARY

The COVID19 Pandemic has had an enormous impact on the world and how we conduct our day-to-day lives and the "new normal" is still very fluid. In terms of the ground transportation industry,

both traditional taxicab brokers as well as PTC's have experienced a significant reduction in ridership beginning in March 2020 when the first COVID19 Pandemic restrictions were announced. Factors contributing to this decline included:

- Closure of non-essential businesses
- Companies closing offices completely, or reducing staffing levels
- Provincial mandates restricting non-essential travel

As part of the recommendations contained in the March 2, 2020 report to General Committee, staff proposed an adjustment of the annual licensing fees for taxicabs and limousine owners, drivers and brokers (where applicable) in order to provide a more equitable environment in the ground transportation industry. Given the challenges associated with the COVID19 Pandemic, staff believe these recommendations (along with the deferred payment options afforded to the industry since 2016) are still applicable and will go a long way in easing the financial burden on those licensees governed by the current by-law.

While ridership numbers were down significantly, the way in which these two platforms operated their respective services did not change throughout the COVID19 Pandemic, hence, the continued need for a consistent regulatory framework remains.

Markham Business Licensing and Standards staff will report back to Markham City Council within 1 year of the new PTC framework's implementation regarding any challenges, etc.

ATTACHMENTS:

- Appendix "A"** – Staff Presentation from GC on March 2, 2020 on the Licensing of Private Transportation Companies (PTC's) and Associated Amendments to the *Mobile Licensing By-law*
- Appendix "B"** - Staff Report from GC on March 2, 2020 on the Licensing of Private Transportation Companies (PTC's) and Associated Amendments to the *Mobile Licensing By-law*
- Appendix "C"** - Excerpt of the Minutes of March 2, 2020 General Committee Meeting
- Appendix "D"** - Updated Schedule 6 - Regulations and Governing of Taxicab Brokers, Owners and Drivers