

Town of Markham

Premier Taxi Plate Program

History

- February 2001 – Finance Committee Approval to Proceed to Public Meeting to gather input from both residents and members of the industry on the need for additional taxicabs
- March 2001 to February 2002 – 3 Public Meeting Held

Input

- Residents
 - Poor Condition of Vehicles
 - Cleanliness of drivers
 - Driver Conduct
 - Moving Violations
 - Taxis without identifying features
 - Lengthy waiting times
 - Smoking

Input

- Taxi Industry
 - Limited number of Taxi Licences
 - Vehicles not passing inspections due to minor body damage unfair
 - Cost of leasing the plates escalating
 - Cost of operating vehicle rising
 - Additional Plates benefit only owners and not drivers
 - Suggested a system similar to Toronto's Ambassador Plate Program

Premier Plate Program

- Implemented 2002
 - New Class of Premier Taxi Licences
 - Immediate issue of 20 plates
 - Requirement for vehicles three years or less to be phased in
 - Initial licence fee be accepted over a 24 month period
 - Cap of 50 limousine licences

Pros and Cons – Regular Plates

- Pros
 - One-time lump sum payment
 - Opportunities for entrepreneurs to acquire many plates

Pros and Cons – Regular Plates

- Cons
 - Speculative, market driven
 - Absentee owners
 - Benefit only if driver remains in the industry and avoids illness
 - Control many plates through contracts
 - High cost entry costs
 - Money taken out of the taxi industry
 - Possibility of loss of plate due to mismanagement

Pros and Cons – Premier Plates

- Pros
 - Low cost of acquiring a plate
 - Ease of creating a small business and long term financial plan
 - Immediate ownership
 - More money available for investment in vehicles/equipment
 - Pride of Ownership

Pros and Cons – Premier Plates

- Cons
 - Loss of speculative opportunity to sell a plate
 - Owner must maintain a finance plan for long term financial security
 - Cannot lease the plate

Financial Comparison Model

- Regular Plates

Initial Purchase Cost \$100,000

with \$5,000 down \$ 5,000

Loan Payment Cost 5% interest

rate by the month for 20 years \$155,470

Plate Value \$100,000

Owner Equity \$100,000

Financial Comparison Model

- Premier Plates

Initial Purchase Cost	\$ 5,000
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RRSP Contributions 5% annual
interest by the month over 20

years	\$ 627
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Plate Value	\$ 0
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Owner Equity	\$182,612
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Benefits to Municipality

- Owner operated vehicles
- Newer vehicles
- Reduced Absentee Owners
- Easier enforcement

Questions