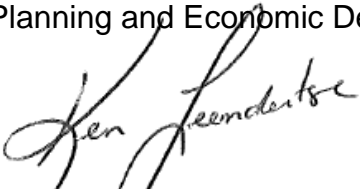




**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Licensing and By-law Services Division**

<b>TO:</b>	Chair and Members Planning Committee
<b>COMMITTEE DATE:</b>	June 16, 2020
<b>SUBJECT/REPORT NO:</b>	Fee Review of Personal Transportation Providers (Schedule 24 of the Business Licensing By-law 07-170) (PED20104) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Monica Ciriello (905) 546-2424 Ext. 5809
<b>SUBMITTED BY:</b>	Ken Leendertse Director, Licensing and By-law Services Planning and Economic Development Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That the fee structure for the licensing of Personal Transportation Providers (PTP), specifically remove Class A, Class B and Class C fees as well as the lump sum Voluntary Accessibility Payment, and impose a new PTP Licensing Fee in the amount of \$5,000 annually and increase the PTP Licensing Per Trip Fee to \$0.30 per trip, to be paid quarterly, effective immediately;
- (b) That subject to the approval of Recommendation (a) the amending by-law attached as Appendix “A” to Report PED20104 which deletes references to Class A, Class B, and Class C, and which has been prepared in a form satisfactory to the City Solicitor, be enacted and effective immediately;
- (d) That subject to the approval of Recommendation (a) Schedule A of the City of Hamilton User Fees and Charges By-law 19-160 be amended accordingly.

**EXECUTIVE SUMMARY**

The Business Licensing By-law 07-170 (Licensing By-law) licenses and regulates the transportation network in the City of Hamilton (the City) which includes taxis, limousines and personal transportation providers (PTP), also known as ride-share companies. The

purpose for licensing is to ensure public safety and consumer protection. The Licensing Section (LBS) is full cost recovery, as such fees are charged accordingly to industry participants to enforce, regulate and administer the By-law.

It has been three years since the PTP licensing fee structure has been reviewed. Staff recommend a change to the fee structure from a high upfront lump sum, to an increased per trip fee. This structure is utilized by other municipalities across Canada, it supports Planning and Economic Development's Open for Business Initiative by reducing financial barriers to companies that want to operate in the City, it will ensure the Licensing Section can continue to fund on-demand accessible transportation through the Accessible Taxicab Financial Incentive Program, and it will support after hours and weekend enforcement for the transportation network. The licensed PTPs and members of the taxi industry have been consulted and support the change to the fee structure.

### **Alternatives for Consideration – Page 6**

### **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** Staff is recommending a new PTP Licensing Fee in the amount of \$5,000 annually and an increased per trip fee to \$0.30 per trip. The per trip fee is inclusive of \$0.24 for administration and enforcement. The remainder \$0.06 is to be used to fund the accessible transportation in the City.

**Staffing:** This report does not recommend any additional staff. There may be additional workload associated with the PTP program, depending on the number of licensees, and the requirement for auditing and proactive enforcement. Staff will monitor this workload and if additional staff is required, it will come forward for Council's consideration through the Budget process and would be fully funded from the licensing fees generated.

**Legal:** Public Notice was provided as required by the City of Hamilton Public Notice By-law 07-351.

### **HISTORICAL BACKGROUND**

Prior to 2015, the City's transportation network consisted almost entirely of taxis. On July 23, 2015 Uber began operating in Hamilton.

On February 10, 2016, Item 7.3 of Council Minutes 16-002 directing staff to develop and bring forward a licence category that addresses ride-sharing was approved.

On April 20, 2016, the General Issues Committee received Item 5 of GIC Report 16-011 regarding a draft licence category and directed the Licensing Section to consult with stakeholders and prepare a new licensing schedule to fit within the Licensing By-law.

During the summer of 2016, internal and external stakeholders were consulted to provide input on the proposed PTP Schedule. In addition, an on-line survey was developed and available to the public on the City's website from July 5 to August 5, 2016 with 809 individuals completing the survey.

On January 25, 2017, Council approved Item 8 of General Issues Committee Report 17-001 to amend the Licensing By-law to create Schedule 24 (Personal Transportation Providers) to regulate ride-share companies within the City and to amend Schedule 25 (Taxicabs) to allow the taxi industry to modernize and innovate by removing unnecessary restrictions, while still ensuring that public safety and consumer protection goals were adhered to.

The introduction of PTPs to the transportation network has broadened the scope of the LBS Division's regulatory, enforcement and administrative oversight, with an increasing amount of time and resources now required to enforce the industry.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

N/A

## **RELEVANT CONSULTATION**

Legal Services, Finance and Administration, Uber, Lyft, Facedrive, Blue Line Taxi and Hamilton Cab were consulted in the preparation of this Report.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

Under Schedule 24, PTPs are licensed as Class A, Class B, and Class C depending on the number of vehicles in the fleet, the PTP is charged the corresponding licensing fee. There are currently three licensed PTPs operating in the City, Class A: Uber and Lyft, and Class C: Facedrive. In addition to a licensing fee, PTPs pay \$0.06 per trip originating in the City, and a flat fee voluntary in lieu of accessible payment.

Approved as January 2020, the PTP fees are:

**Class A:** means a PTP consisting of a fleet of 100 or more vehicles

- Licensing Fee: \$52,530
- Voluntary Accessibility Payment: \$20,000
- Total Annual Fee: \$71,750

**Class B:** means a PTP consisting of a fleet of 25-99 vehicles

- Licensing Fee: \$21,012
- Voluntary Accessibility Payment: \$8,000
- Total Annual Fee: \$28,400

**Class C:** means a PTP consisting of a fleet of 1-24 vehicles

- Licensing Fee: \$5,253
- Voluntary Accessibility Payment: \$2,000
- Total Annual Fee: \$7,175

### **New PTP Licensing Fee Structure**

The current PTP licensing fees do not align with the cost associated with licensing, regulating and enforcing the transportation network, and providing on-demand accessible transportation. The proposed new PTP Licensing Fee Structure would ensure the City remains Open for Business, as the current upfront cost is a barrier to entry for ride-share companies that are interested in operating in Hamilton. Furthermore, the new PTP Licensing Fee Structure would level the playing field with the taxi industry, offset the declining licensing fees from the taxi industry and fund the Accessible Taxi Incentive Program.

Staff recommends removing the Class A, Class B, Class C distinctions in Schedule 24, to proceed with a flat annual licensing fee of \$5,000 annually, and \$0.30 per trip fee. The \$0.30 per trip fee is inclusive of \$0.06 to be used to fund accessible transportation including the Accessible Taxi Incentive Program, and the remaining \$0.24 of the per trip fee would be used for enforcement and administration of the City's transportation network.

Staff have reviewed the best practices used by other jurisdictions and have noted that increasing the per trip fee is a best practice across Canadian municipalities (Appendix "B").

### **Accessible Taxicab Financial Incentive Program**

Licensing is committed to providing a safe, sustainable and customer focused transportation network. The transportation network enhances mobility and reduces social isolation for those with disabilities in Hamilton communities.

Under the current PTP Licensing Structure there is a flat fee voluntary in lieu of accessible payment provided to LBS.

<b>Year</b>	<b>Total in Lieu of Accessible Payment</b>
2017	\$20,000
2018	\$48,000
2019	\$48,000 <sup>1</sup>
2020	\$54,887-\$142,191 <sup>2</sup>

The new PTP Licensing Fee will allow for \$0.06 per trip originating in the City to go directly towards funding the Accessible Taxicab Financial Incentive Program, allowing for on-demand accessible transportation.

On January 14, 2020, Council approved Item 9 of Planning Committee Report 20-001, approving \$80,000 from the Working Funds-General Reserve 112400 for a period of 16 months. If this Report is approved and relying on the 2019 trip numbers, the new PTP Licensing Fee Structure will cover the remainder of the Accessible Taxicab Financial Incentive Pilot Program and will fund the program if it is made permanent. Once actuals are realized, staff can report back at the 2021 budget to determine if LBS can pay back the amount approved from the Working Funds-General Reserve 112400. Approximately \$10,200 per month is paid out to the accessible taxicab drivers participating in this pilot program.

### **City's Transportation Network**

The new PTP Licensing Fee Structure will assist with enforcement of the City's transportation network. There are 471 taxi plates, and approximately 1,163 taxicab drivers during 2019. The taxi industry paid approximately \$440,000 in licensing fees in 2019.<sup>3</sup> By comparison there are approximately 7,500 PTP drivers across all three platforms.<sup>4</sup> Currently, the cost responsibility between PTP and the taxi industry are not relatively equal for enforcement and administration. Below the chart depicts the total per

---

<sup>1</sup> \$20,000 from Uber and Lyft, \$8000 from Facedrive.

<sup>2</sup> Estimate based on previous trip range. Total will be prorated in 2020 for Q2-Q4.

<sup>3</sup> Inclusive of: taxi plates, taxi spares, taxi brokers, taxi drivers, leases, accessible priority list, standard priority list, taxicab transfer fees.

<sup>4</sup> Many drivers drive for more than one PTP, and this number may include those drivers more than once.

trip fees received by LBS at \$0.06 between 2017 and 2019. The new PTP Licensing Fee for 2020 will allow for \$0.24 per trip originating in the City to be used towards administration and increased enforcement.

<b>Year</b>	<b>Total PTP Fees Collected<sup>5</sup></b>
2017	\$154,887
2018	\$227,137
2019	\$264,591
2020	\$219,548 - \$568,764 <sup>6</sup>

This increased enforcement will ensure public safety and consumer protection in the City, with no increase to the levy.

Overall, the additional PTP fees obtained through the new PTP Licensing Fee will:

- Offset the cost of decreased licensing fees from the taxi industry;
- Enhance the monitoring, analysis and planning functions within enforcement;
- Continue public education efforts; and
- Fund the Accessible Taxicab Financial Incentive Program.

## **ALTERNATIVES FOR CONSIDERATION**

1. Remove or adjust the flat annual licensing fee of \$5,000.
2. Decrease the per trip fee to \$.20 per trip, inclusive of \$0.15 per trip to fund enforcement and administration and \$.05 per trip to fund the Accessible Taxi Incentive Program.

## **ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

### **Economic Prosperity and Growth**

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

### **Our People and Performance**

Hamiltonians have a high level of trust and confidence in their City government.

## **APPENDICES AND SCHEDULES ATTACHED**

---

<sup>5</sup> Inclusive of per trip fees and licensing fees.

<sup>6</sup> Estimate based on previous trip range and new licensing flat fee. Amount will be prorated in 2020 for Q2-Q4 dependent on approval.

**SUBJECT: Fee Review of Personal Transportation Providers (Schedule 24 of the Business Licensing By-law 07-170) (PED20104) (City Wide) - Page 7 of 7**

---

Appendix "A": Amending Business Licensing By-law 07-170

Appendix "B": Jurisdictional Scan