



City of Richmond

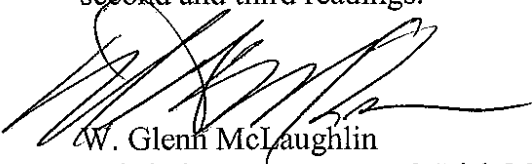
Report to Committee

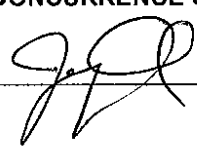
To: General Purposes Committee
From: W. Glenn McLaughlin
 Chief Licence Inspector & Risk Manager
Re: **BUSINESS LICENCE BYLAW
 AMENDMENT BYLAW NO. 8551**

Date: October 13, 2009
File:

Staff Recommendation

That Business Licence Bylaw No. 7360, Amendment Bylaw No. 8551, which amends Business Licence Bylaw 7360 by increasing the maximum number of vehicles for hire permitted to be operated as Class A Taxicabs to be 95 and Class N Taxicabs to be 36, be introduced for first, second and third readings.


 W. Glenn McLaughlin
 Chief Licence Inspector & Risk Manager
 (604-276-4136)

FOR ORIGINATING DEPARTMENT USE ONLY			
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER	
Law.....	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	 for A. NAZARETH	
Transportation.....	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	REVIEWED BY CAO	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

Staff Report

Origin

Taxicabs are permitted and regulated under the Provincial Passenger Transportation Act, the number of taxis licensed to operate in the City is regulated under the Business Licence Bylaw.

In September of 2009, correspondence was received from Richmond Taxi Co. Ltd. advising that the company had received a permit from the Passenger Transportation Board (PT Board) to increase their taxi fleet by 4 vehicles, 2 of which must be accessible taxis, and requested a business licence in order to operate the 4 newly permitted vehicles.

The maximum number of taxis permitted to operate is regulated under Section 2.1.27.3 of the Business Licence Bylaw. This report is to provide Council with the information necessary to enable a decision on the above request.

Findings Of Fact

The City last increased the number of taxis permitted to operate within the City in September of 2008 when Garden City Cabs Ltd. was successful in obtaining 30 permits from the Passenger Transportation Board to operate in the City of Richmond.

The Bylaw currently limits the number of taxis permitted to operate as a vehicle for hire to 93 Class A Taxis and 32 Class N Taxis. Notwithstanding the limit of taxis permitted under the Bylaw, the number of Taxicab Business Licenses issued with PTB permits held by Richmond's four companies are as follows:

COMPANY	CLASS A	CLASS N
Richmond Taxi Co. Ltd.	56	4
Coral Cabs Ltd.	19	
Kimber Cabs Ltd		18
Garden City Cabs Ltd.	18	12
TOTAL	93	34

If Council approves the staff recommendation to increase the number of taxicabs the overall bylaw increase will accommodate all existing and the proposed new licenced taxicabs.

Analysis

Richmond Taxi Co. Ltd applied to the PT Branch in May of 2009 for a permit to add 20 taxis to its existing taxi operation of which 66 would be conventional vehicles and 14 would be accessible vehicles. In September of 2009, the PT Board, after considering the application and

submissions received in response to the application, approved the addition of 4 taxi licences, 2 of the vehicles must be accessible vehicles, which are defined as a vehicle that is specifically designed and manufactured or converted for the purpose of transporting persons who use mobility aids.

As part of the PT Board ruling Richmond Taxi Co. Ltd. was not able to satisfy to the Board's requirements to provide information that would explain the need for an additional 20 vehicles, but the Board noted that there was evidence that an increase of 4 vehicles would enhance the need for additional accessible vehicles and 4 additional vehicles would not have an adverse affect on the taxi industry itself. The PT Board decision is attached to this report. (Attachment 1)


Financial Impact

Increased licence fees from a higher number of licences being issued may be realized.

Conclusion

An increase to the number of taxicabs licensed to operate could decrease wait times while providing added accessible cabs allowing taxi service to keep pace with current and projected growth in the City.

Staff is recommending an amendment to the Business License Bylaw No. 7360 to increase the number of taxicabs licensed to be operated in Richmond.


Joanne Hikida
Licence Inspector
(604-276-4155)

JMH:jmh



Business Licence Bylaw No. 7360, Amendment Bylaw No. 8551

The Council of the City of Richmond enacts as follows:

1. Business Licence Bylaw No. 7360, Section 2.1.27.3(a) is amended by increasing the number of Class A taxicabs to 95.
2. Business Licence Bylaw No. 7360, Section 2.1.27.3(b) is amended by increasing the number of Class N taxicabs to 36.
3. This bylaw is cited as **“Business Licence Bylaw No. 7360, Amendment Bylaw No. 8551”**.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

CITY OF RICHMOND
APPROVED for content by originating dept.
APPROVED for legality by Solicitor

MAYOR

CORPORATE OFFICER



TRANSPORTATION BOARD

202-940 BLANSHARD STREET • PO BOX 9850 STN PROV GOVT • VICTORIA BC V8W 9T5

Application Decision

Application:	AV0083-09
Applicant:	Richmond Cabs Ltd.
Address:	260 – 11180 Voyageur Way, Richmond BC V6X 3N8
Principals:	BASSI, Makham CHEEMA, Harbhajan S. JANDA, Avtar S MANN, Charanjit S. MANN, Preetmohinder S. SANDHU, Harpal S. SOHI, Indermohan S.
Special Authorization:	Passenger Transportation Licence 70391 includes special authorization to operate passenger directed vehicles. The special authorization can be viewed in the <i>PT Board Bulletin</i> of July 26, 2006 at www.ptboard.bc.ca/ptb/bulletins.htm .
Summary:	Addition of Motor Vehicles (PDV) <i>(Section 32 of the Passenger Transportation Act)</i> Proposed addition of 20 motor vehicles to increase the maximum fleet size for passenger directed vehicles from 60 vehicles of which 56 may be conventional taxis, to 80 vehicles of which 66 may be conventional taxis. (The applicant is proposing that 10 vehicles will be accessible taxis.)
Publication:	The application was published in the <i>PT Board Bulletin</i> on May 27, 2009.
Submissions:	<ul style="list-style-type: none"> • Yellow Cab Company Ltd. • Kimber Cabs Ltd. • Garden City Cabs of Richmond Ltd. • Black Top Cabs Ltd.
Board Considerations:	<p>The Board may approve an application forwarded to it under section 26(1) of the <i>Passenger Transportation Act</i> if the Board considers that, as set out in section 28(1) of the Act:</p> <ul style="list-style-type: none"> (a) there is a public need for the service the applicant proposed to provide under any special authorization. (b) the applicant is a fit and proper person to provide that service and is capable of providing that service, and (c) the application, if granted, would promote sound economic conditions in the passenger transportation business in British Columbia. <p>The Board may approve a special authorization if all three provisions are answered in the affirmative. The Board may refuse a licence if any one provision is answered in the negative.</p>
Application Matters:	Many people use taxis in their daily life. People applying to operate taxis must send in letters or other information from would-be passengers. People must send in business

plans and financial statements. People must decide on what and how much information they want to provide. They should think about the type, size and location of their proposed business. They should also think about the number of taxi companies in the area.

People must tell the Board how the information they are submitting shows that:

- there is a public need for a taxi service
- they are fit and proper and capable of running a taxi service
- the addition of their service will have a positive effect on transportation services in an area.

The Board's Application Handbook explains application requirements. It also explains what panel members are looking for when they make a decision on an application.

Board Decisions: The Board approves 4 additional vehicles.

Two of the additional vehicles must be accessible taxis.

Background:

1. Application History

Richmond Cabs Ltd. (RCL) applied to add 20 taxis to its fleet. Ten (10) would be accessible taxis. RCL plans to have the 10 conventional taxis operating within six months, if approved. The 10 accessible taxis would be operational by the end of 9 months, if approved. Mr. William (Bill) McLachlan is Counsel for the applicant.

In July 2006, the Board approved 4 additional taxis for RCL. In July 2008, the Board refused RCL's application for 15 accessible taxis. This decision was reconsidered and confirmed in December 2008.

2. Company Structure

Under its passenger transportation licence, RCL is allowed to operate 60 taxis. Fifty-six (56) are conventional taxis. The rest are accessible taxis. RCL may pick up passengers in the City of Richmond including the Vancouver International Airport (YVR).

RCL is a subsidiary of Richmond Taxi Co. Holdings Ltd. This parent company has 2 subsidiaries – RCL and Coral Cabs Ltd. Coral Cabs is a licensed taxi company. It has the same passenger pick up area as RCL. It operates 19 conventional taxis. Both RCL and Coral Cabs operate out of the same head office and use the same dispatch system.

The 2 companies have a combined fleet of 79 vehicles. RCL states that 35 of its conventional taxis, 2 of its accessible taxis and all 19 Coral Cab taxis operate mainly in Richmond. Generally, the 2 companies have 19 taxis at the main YVR terminal and 4 taxis at YVR's south terminal. These airport cars are dispatched to the city if they are needed there.

RCL (and Coral Cabs) have a service agreement with the Vancouver International Airport Authority (YVRAA). Under this agreement 74 taxis may line up at the airport for passengers. Before 2008, RCL had 71 cars that were allowed to line up at the airport. This is a performance based contract and RCL must provide a certain number of airport trips per month.

3. Submissions

There were 4 submissions to this application. The submitters addressed the 3 provisions of section 28(1) of the Passenger Transportation Act. They all said that there is no public need for more taxis. Approval of this application would further dilute the market share for all companies. This would make it more difficult to compete for taxi business.

The applicant responded to the submissions. I have considered the submissions and the responses in my review of this application.

Reasons:

I. *Is there a public need for the service that the applicant proposes to provide under special authorization?*

Applicant Information

Until January 2008, RCL had 19 taxis dedicated to YVR. These were not dispatched by RCL to serve city customers. The shareholders removed this restriction in January 2008. These vehicles now have full dispatch privileges in Richmond.

RCL stated that it has experienced an increased volume of city calls which is why it is not meeting its contract requirements with YVRAA. RCL has received 33 warnings for failing to meet minimum trip requirements. The applicant provided copies of YVRAA non-compliance reports for October 2008 to June 2009.

The applicant provided statistics from YVRAA. Data released in May, 2009, shows a 3% decline in airport traffic during the first half of this year. February 19, 2009 meeting minutes indicate that taxi transponder trips were down 2.3% in January 2009 from January 2008. In January 2009, YVR recorded 38 taxi shortages totaling 19.51 hours and required 133 outside taxis. In comparison, in January 2008, the Taxi Program recorded 104 taxi shortages totaling 30.34 hours and required 652 outside taxis.

The applicant provided figures on growth in trips paid by credit card from 2004 to 2008. RCL figures reveal that in 2006/2007 credit card growth was 26 per cent over the previous year. During 2007/2008 this growth was 3 per cent. The applicant also reported but did not verify that cash receipts are up during this period.

RCL provided dispatch reports for the combined fleet that includes Coral Cabs. It also provided a summary of dispatch times for July and August 2007, and October and November 2008. During both periods summarized, the average wait time per trip is 14 minutes. Approximately 25 per cent of the total number of trips has a wait time of more than 15 minutes. The applicant stated that these wait times are unreasonable.

RCL provided several support letters from local associations, businesses, hotels, a seniors' residence, a hospital and individual users. A number of letters were dated 2007. Thirty-seven support documents are dated January to March 2009. These include 19 original letters and 18 form letters.

The majority of the original and form letters support this application because of their positive experiences with RCL. They attest to RCL's professionalism and refer to its "friendly, safe, reliable and courteous service". Letters also describe RCL as being "always on time" and "always punctual".

Six (6) letters and 9 forms indicate that recently longer wait periods have been experienced, particularly during peak periods.

The BC Paraplegic Association and the Richmond Centre for Disabled provided letters for more accessible taxis. They stated that there is a need for these taxis because of the aging population and the 2010 games.

RCL refers to a City of Richmond report that states 1 in 4 taxis in Richmond should be accessible by 2010. Currently, 34 of the 127 taxis licensed in the City of Richmond are accessible. This is slightly better than a 1 to 4 ratio.

Submitter Information

The submitters contend that there is no public need for more taxis. If more taxis are approved, it would be harmful to the economic health of the industry.

Garden City Cabs of Richmond Ltd. (Garden City) began operating in June of 2008. It may operate 30 taxis, 18 conventional taxis and 12 accessible taxis. According to Branch records, on June 8th of this year, GCCR achieved full activation of all 30 identifiers. However, the company states that it made a decision to

temporarily park and removed the insurance from 3 conventional taxis and 3 accessible taxis effective June 15th, due to a lack of business.

The applicant responded to these submissions. RCL claims that Garden City has been trying to build up its business by taking away business from RCL, doing such things as waiting at RCL stands. A list of incidents, as tracked by RCL, was provided. The applicant stated that while there may be no public need for other companies, it is not the obligation of RCL to provide a customer base for their competitors. RCL said that Garden City's lack of business is because it is not following its business implementation plan and cannot retain good drivers. RCL contends it has a wait list of drivers once approval for additional vehicles is obtained.

Garden City and Kimber Cabs cited recent Board decisions to refuse additional vehicle applications from RCL and other companies as support for refusing this application.

Black Top Cabs stated that approval of additional vehicles would be detrimental to companies operating out of YVR.

Board Analysis & Findings

Taxi operators who want to add taxis to their fleet must show that extra taxis are needed to serve the public. Applicants must state how they settled on the number of additional vehicles that they are asking for. They must tell the Board how the material that they have given proves public need. They must give the Board objective data that may be confirmed.

RCL did not explain how it determined that it needs 20 more vehicles. The information it provided does not show a need for 20 more taxis in Richmond.

I accept that RCL is not meeting its YVR obligations. However, it is not clear to me whether this failure is because of a shortage of taxis or its dispatch policy change.

RCL dispatch summaries indicate that the average wait time per trip is approximately 14 minutes. The average number of trips over 15 minutes is about 25 per cent of the total number of trips. These statistics were the same in 2007 and 2008.

The total increase in revenue during the last 4 years indicates that the company has experienced some increase in business. Credit card revenues increased more than 25 per cent between 2006 and 2007 (when RCL increased its fleet by 4 vehicles), and 3 per cent in 2008. Additionally the applicant stated that cash revenues are also up.

I did not give any weight to letters dated in 2007. These are out of date. The majority of support letters indicate a high level of satisfaction with RCL's service. Considering that the population in Richmond is approximately 200,000 and that RCL is the primary taxi company in the city, the few original and form letters provided is not convincing evidence of a need for 20 more taxis.

The Board considers each application on its own merit with respect to section 28(1) of the *Passenger Transportation Act*. I am not bound by previous Board decisions on additional vehicle applications.

The YVRAA has issued 74 licenses to RCL and its corporately related company for the airport. My approval of additional vehicles does not change the number of taxis that are licensed by the Airport. Moreover, the YVRAA is not satisfied with the service provided by RCL. Therefore, I am not convinced by the submission of Black Top Cabs.

I find that the applicant has demonstrated that there is a public need for 4 additional vehicles. Two may be conventional and 2 must be accessible. The applicant requested an equal number of accessible and conventional taxis.

All 4 vehicles must be in operation within 6 months of the date of this decision. I am requiring that 2 accessible taxis be available for service on a 24 hour basis. Also, I am stipulating that the 2 conventional

taxis are conditional upon the applicant and its corporately related company having a contract with YVR for 74 taxis. If the applicant loses this contract, or the number of vehicles allowed is 71 or less, it will lose the 2 conventional taxis.

II. *Is the applicant a fit and proper person to provide that service and is the applicant capable of providing that service?*

The Board considers "applicant fitness" from two perspectives, or in two steps: (a) is the applicant a "fit and proper person" to provide the proposed service; and (b) is the applicant capable of providing that service?

RCL has been providing taxis service in the City of Richmond and the Vancouver International Airport for a number of years. It is the largest taxi company in Richmond. RCL has a computerized dispatch system. All vehicles have GPS units.

Management is experienced in the taxi industry. They receive training in financial accountability and relevant legislation. There is a "New Driver Information Booklet" and training program. These give drivers information on company policies and performance standards. They explain what happens if drivers do not comply with company policies.

Yellow Cabs stated that RCL and other companies have been operating illegally in the City of Vancouver to the detriment of the Vancouver taxi industry. Kimber Cabs said that RCL does not exercise control over its drivers or its cabs.

The applicant noted that the submitters provided no supporting evidence for these allegations. The applicant provided copies of disciplinary letters to employees who violate terms of licence or company policies. RCL says that this illustrates the company's diligence in any such matters.

However, Passenger Transportation Branch records show a total of 6 Administrative Penalties between April 2007 and March 2009 issued to RCL. The majority are for operating outside of the area authorized by the applicant's terms and conditions of licence. These incidents have been resolved to the satisfaction of the Branch, but could indicate an ongoing issue exists. The applicant is reminded of the seriousness of such infractions and of how they reflect on fitness. I also note that the company disciplines its employees who do not comply with licensing.

The applicant provided a business plan, current financial and pro forma income statements information for Richmond Taxi Co. Holding Company, which includes both Richmond Cabs Ltd. and Coral Cabs Ltd. The pro-forma financial statements do not reflect the current proposal for 20 more taxis. The statements, from 2009 to 2011, are based upon 15 additional vehicles as was requested in the previous application (AV2633-07). However, it is apparent from the current statements that this is a viable operation.

I find that the applicant is a fit and proper person to provide the proposed service and is capable of providing that service.

III. *Would the application, if granted, promote sound economic conditions in the passenger transportation business in British Columbia?*

The Board looks at the "economic conditions" issue from a wide-ranging view. The economic conditions of the "transportation business in British Columbia" are considered ahead of the economic and financial interests of an individual applicant or operator. The Board supports healthy competition. It discourages competition that could unduly harm existing service providers.

It must be taken into consideration that the Board approved a new entry to the taxi industry in Richmond in June 2008. Garden City was approved to operate 30 taxis. The company continues to work toward making its fleet fully operational.

The applicant has shown it has experienced some growth since 2006, when it last increased its maximum fleet size. Also, the applicant provided evidence to prove it is not meeting the minimum trip requirements as stated in its contract with YVR.

The applicant has not demonstrated public need for 20 additional vehicles, nor provided any information to explain how that number of vehicles was determined. I am convinced that to introduce 20 additional taxis in the Richmond taxi market at this time could have an adverse affect on the sound economic conditions of this local taxi market. However, I am permitting a modest increase of 4 additional vehicles, 2 of which must be accessible. I am also tying approval of 2 conventional taxis to the existence of a contract between RCL and YVRAA.

The additional vehicles should enable to applicant to continue to service its existing customers and better meet its contractual obligations with YVRAA.

I find the granting of 4 additional vehicles will promote sound economic conditions in the transportation industry in British Columbia.

Activation of Identifiers

Unless otherwise approved by the Board, the additional Identifiers approved in this decision must be activated within **6** months of the date of this decision. Any additional identifiers that have not been activated within the 6 month time period are no longer approved and the maximum fleet size is reduced accordingly.

Notice to Registrar re: Activation

The Registrar must not, without direction from the Board, issue any identifiers for additional vehicles approved in this decision that have not been activated within the 6 months of the date of the decision. (**Note:** activation means completed paperwork for each vehicle has been submitted by the licensee to the Registrar.)

Special Authorization:

Passenger Directed Vehicle (PDV)

Terms & Conditions:

Maximum Fleet Size: **At any time** - a fleet size of 62 vehicles may be operated, of which 56 may be conventional vehicles.

YVR Contract - The licensee may operate an additional 2 conventional taxis if the Vancouver International Airport Authority (VIAA) has approved airport licenses for 71 or more vehicles in fleet of the licensee and its corporately related company, Coral Cabs Ltd.

- a. When making application for renewal of its licence, Richmond Cabs Ltd. must submit a letter to the Registrar of Passenger Transportation from Ground Transportation, Vancouver International Airport Authority, stating that its contract with Richmond Cabs Ltd. remains in good standing.
- b. The letter referred to in (a) must confirm the number of airport licenses approved for Richmond Cabs Ltd.
- c. If the number of airport licenses is 71 or less, the licensee must return 2 identifiers for conventional taxis to the Registrar.

Specialty Vehicles: The **accessible taxis** must be operated in accordance with the *Motor Vehicle Act Regulations* including Division 10 (*motor carriers*) and Division 44 (*mobility aid accessible taxi standards*), as amended from time to time, and in accordance with any other applicable equipment regulations and standards.

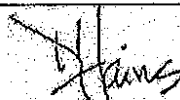
Vehicle Capacity: Vehicles can accommodate a driver and not less than 2 and not more than 7 passengers.

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- Express authorizations:
- (i) Vehicles must be equipped with a meter that calculates fares on a time and distance basis.
 - (ii) Vehicles may be equipped with a top light.
 - (iii) The operator of the vehicle may, from within the originating areas only, pick up passengers who hail or flag the motor vehicle from the street.
- Service 1:** *The following terms and conditions apply to Service 1:*
- Originating Area: Transportation of passengers may only originate from any point in the City of Richmond, including the Vancouver International Airport.
- Destination Area: Transportation of passengers may terminate at any point in British Columbia.
- Return Trips: The same passengers may only be returned from where their trip terminates in the *destination area* to the City of Richmond, excluding the Vancouver International Airport, if the return trip is arranged by the time the originating trip terminates.
- Reverse Trips: Transportation of passengers may only originate in the *destination area* if the transportation terminates in the City of Richmond, excluding the Vancouver International Airport, and the cost of the trip is billed to an active account held by the licence holder that was established before the trip was arranged.
- Service Limitation: A minimum of 2 accessible taxis must be operated and available for hire 24 hours each day every day of the week.
- Service 2:** *The following terms and conditions apply to Service 2:*
- Originating Area: Transportation of passengers may only originate from any point in the City of Richmond including the Vancouver International Airport.
- Destination Area: Transportation of passengers may terminate at any point beyond the British Columbia/United States border when engaged in an extra-provincial undertaking.
- Taxi Cameras: Taxi camera equipment may only be installed and operated in vehicles when the licensee is in compliance with applicable taxi camera rules, standards and orders of the Passenger Transportation Board.
- Transfer of a licence: **This special authorization may not be assigned or transferred except with the approval of the Board pursuant to section 30 of the Passenger Transportation Act.**
- Taxi Bill of Rights:
- a) A Taxi Bill of Rights issued by the Ministry of Transportation ("Taxi Bill of Rights") must be affixed to an interior rear-seat, side window of each taxicab operated under the licence.
 - b) The Taxi Bill of Rights must at all times be displayed in an upright position with the complete text intact and visible to passengers.
 - c) Licensees may only display a current Taxi Bill of Rights.
- Eco-friendly taxis: Any additional conventional vehicles approved for this licence on or after June 11, 2007 and for which a passenger transportation identifier is issued, must be operated as 'eco-friendly taxis' as defined by Board Policy Guidelines in effect at the time the vehicle is issued a passenger transportation identifier.

Board Panel Chair:

Donna Hains

Signature of Panel Chair:



Determination Date:

September 3, 2009

**Entered by the Director and
Secretary to the Board:**