



NEW YORK CITY TAXI & LIMOUSINE COMMISSION

# Leasing Review

## Overview/Update

March 9, 2006  
Commission Meeting

# Outline of Presentation

1. Explanation of Research
2. Lease Cap Review
3. Different Leasing Scenarios
4. Driver Income and Expenses
5. Driver Retention
6. Examples of Contracts
7. Conclusions

# Review of Methods

## Requirements:

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- Investigation of operating expenses, driver earnings and the retention of experienced drivers in the taxi industry.

## TLC Interpretation:

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- Telephone interviews with all base/agents licensed by TLC.
- Enforcement investigation of all base/agents licensed by TLC.
- Follow up calls on rates.
- Telephone interviews with owners, agents, drivers and industry groups.
- Data analysis.

# Lease Rate Caps

- Daily Lease Cap:

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
A.M	\$105	\$105	\$105	\$105	\$105	\$105	\$105
P.M	\$115	\$115	\$115	\$120	\$129	\$129	\$129

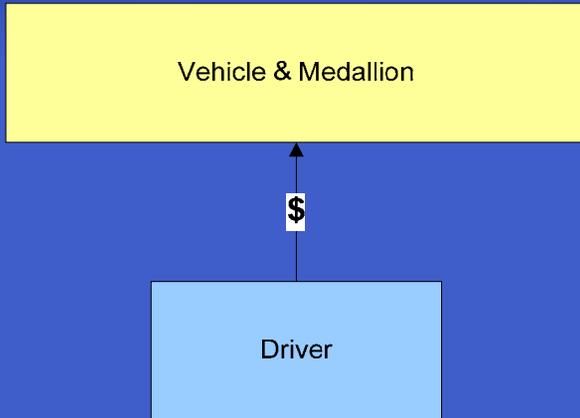
- Weekly Cap for a medallion and vehicle for one shift can not exceed **\$666 weekly.**
- Weekly Lease Cap for a medallion only can not exceed **\$800 weekly.**

# Lease Findings

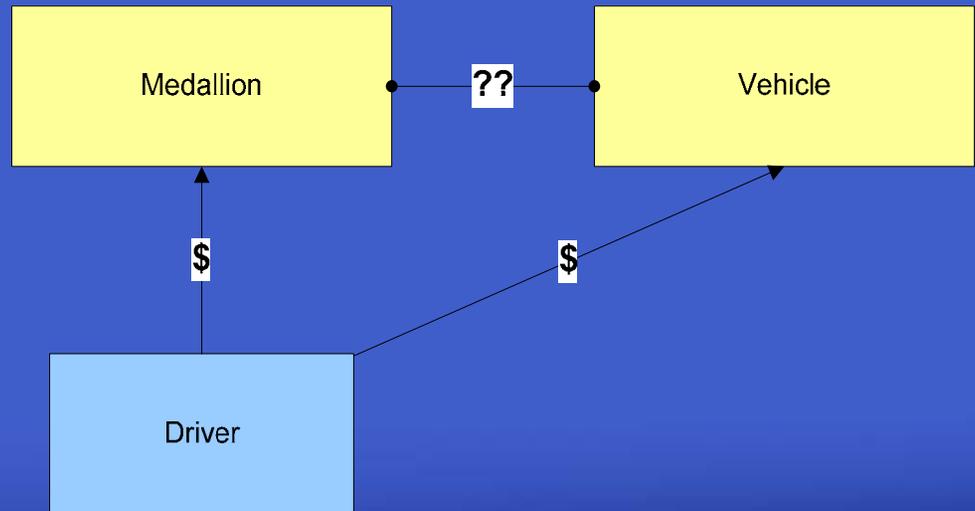
- Daily: Driver leases vehicle and medallion for either AM/PM shift.
- Weekly: Driver leases vehicle and medallion for either AM/PM shift on weekly basis.
- Fleet-to-buy: Driver leases medallion from fleet (acting as agent) on a weekly basis. Separate payment agreement to purchase vehicle from same fleet-agent.
- Weekly Medallion: Driver leases medallion only from agent on weekly basis.
- Medallion w/ vehicle purchase: Driver leases medallion from agent. Separate payment plan to purchase vehicle.

# Leasing Trends

## Scenario 1

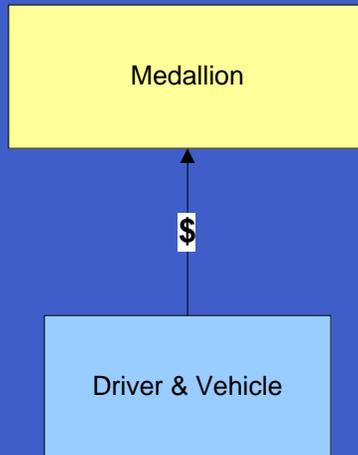


## Scenario 2

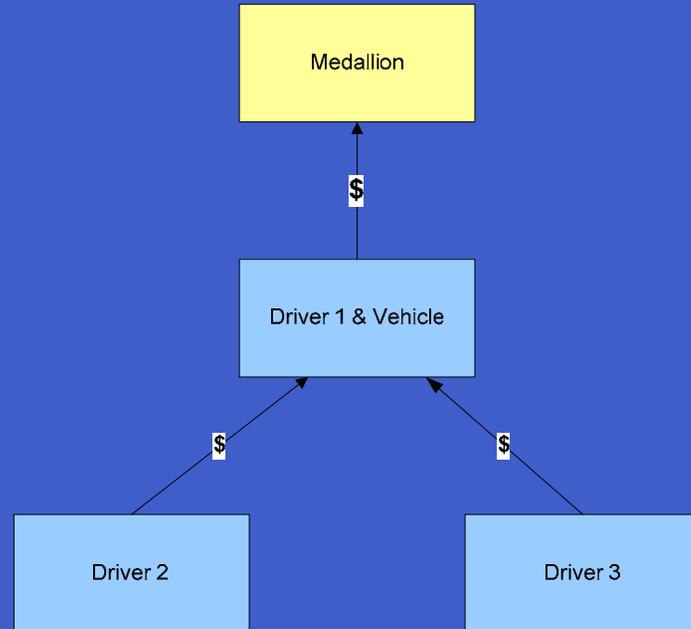


# Leasing Trends (cont.)

## Scenario 3

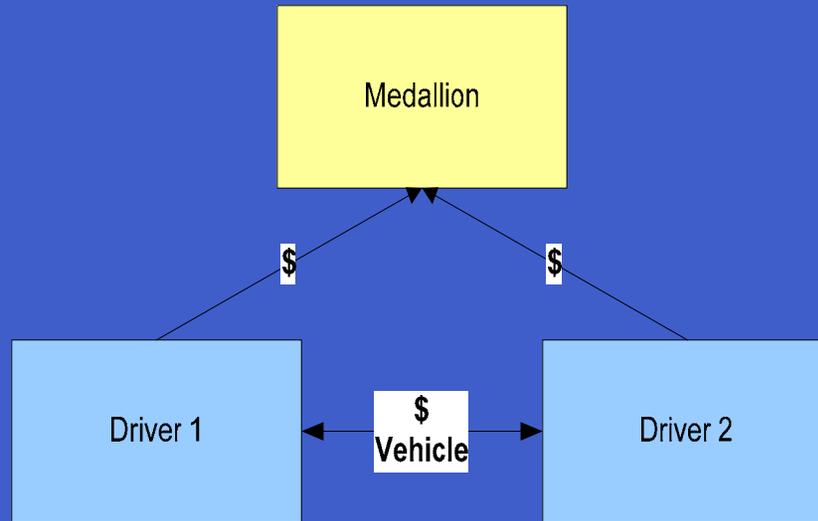


## Scenario 4



# Leasing Trends (cont.)

## Scenario 5



# Leasing Trends

## AM Leasing:

Daily	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Sun.
Lease Cap	\$105	\$105	\$105	\$105	\$105	\$105	\$105
Actual*	\$104	\$105	\$105	\$105	\$105	\$90	\$90

## PM Leasing:

Daily	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Sun.
Lease Cap	\$115	\$115	\$120	\$129	\$129	\$129	\$115
Actual*	\$108	\$113	\$120	\$129	\$129	\$129	\$104

\* Actual represents median number found in data collection.

# Leasing Trends (cont.)

<b>Weekly</b>	<b>AM</b>	<b>PM</b>	<b>Fleet to buy</b>
<b>Lease Cap</b>	<b>\$666</b>	<b>\$666</b>	<b>n/a</b>
<b>Actual*</b>	<b>\$628</b>	<b>\$640</b>	<b>\$1,050</b>

<b>Weekly</b>	<b>Medallion Only</b>	<b>Medallion/Car</b>
<b>Lease Cap</b>	<b>\$800</b>	<b>n/a</b>
<b>Actual</b>	<b>\$775</b>	<b>\$1,115.50</b>

\* Actual represents median number found in data collection.

# Driver Expenses

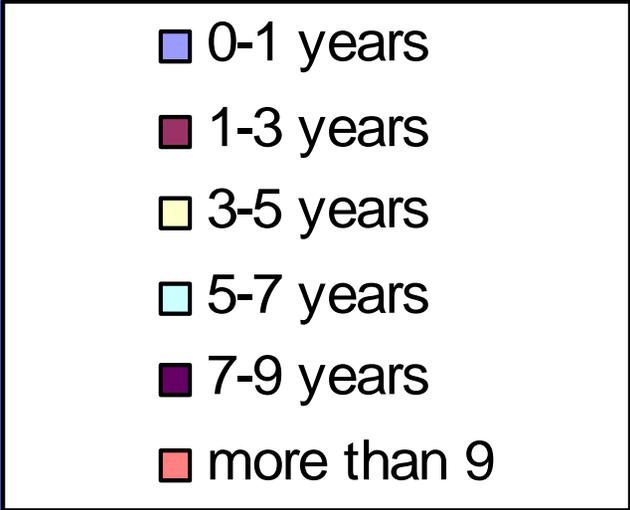
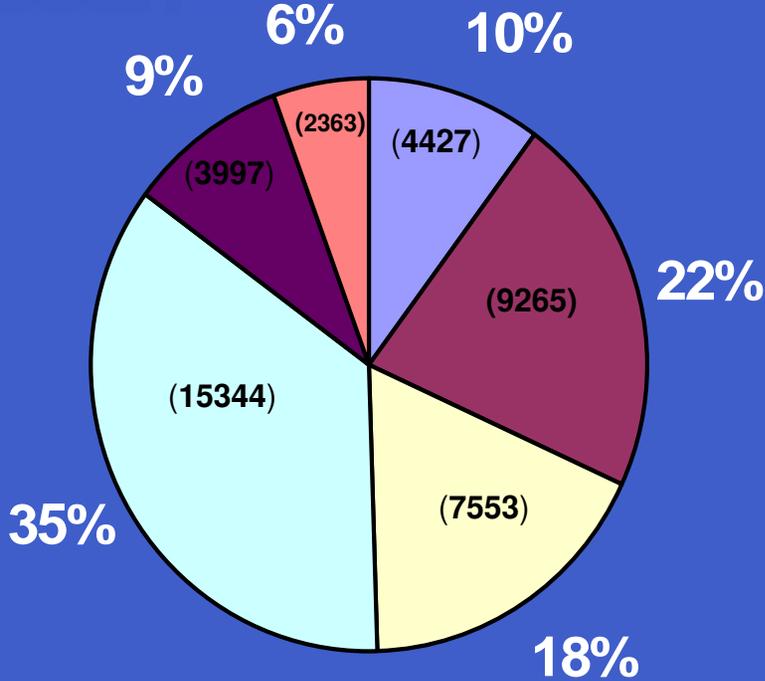
Daily	Driver Owned Vehicle	Lease/Fleet	Owner-Driver
Medallion Lease	\$57.14	\$103.96	\$57.14
Depreciation/Int.	\$10.36	\$0	\$18.96
Maintenance	\$16.12	\$0	\$18.18
Gas	\$25.65	\$25.65	\$28.98
Liability Insurance	\$0	\$0	\$13.46
Workers Comp.	\$0	\$0	\$0
General/admin.	\$0	\$0	\$4.38
Licensing and fees	\$.15	\$.15	\$2.76
MVT	\$0	\$0	\$3.48
<b>Total Expenses</b>	<b>\$109.43</b>	<b>\$129.76</b>	<b>\$147.31</b>

# Driver Income

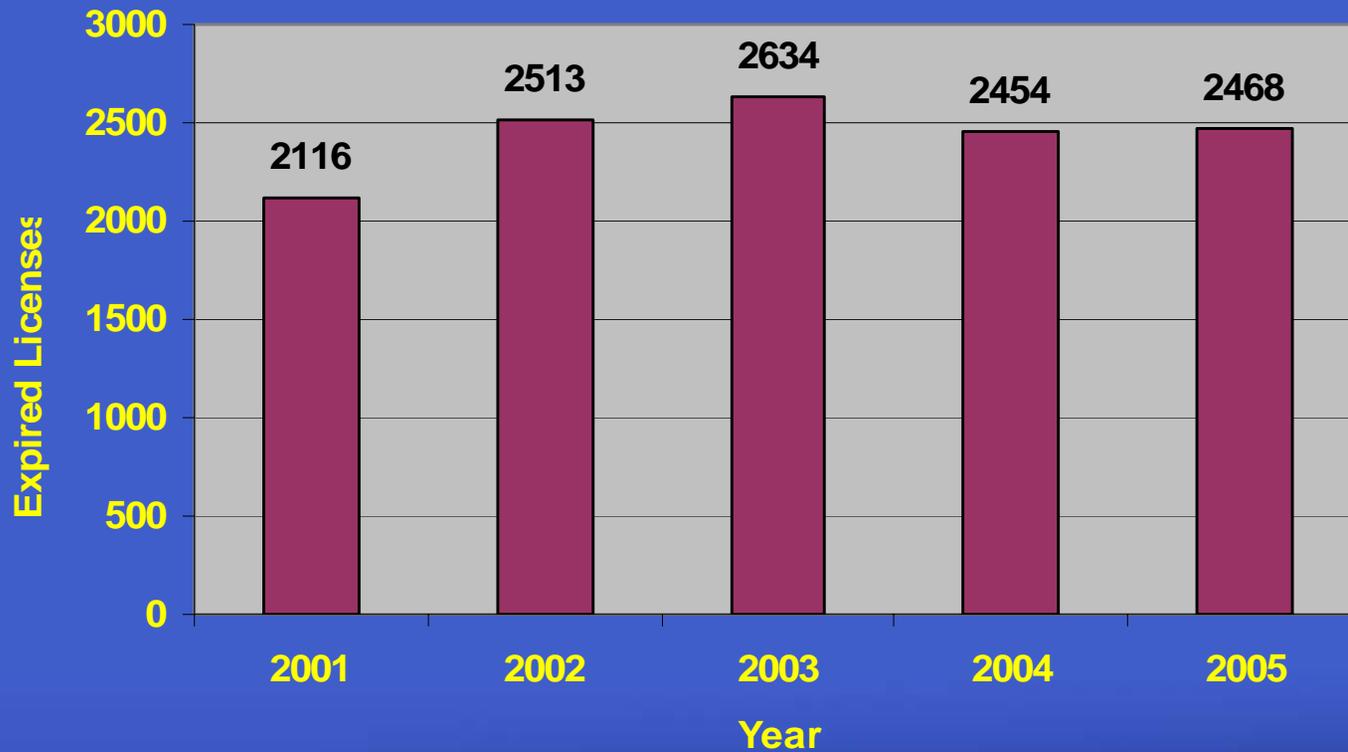
Daily	Long Term Lease/DOV	Lease/Fleet	Owner-Driver
Fares	\$240	\$240	\$272
Night Surcharge	\$5.38	\$5.38	\$2.06
Lease Income	Unknown	n/a	\$57.14
Tips	\$37.39	\$37.39	\$41.97
<b>Total Income</b>	<b>\$286.64</b>	<b>\$286.64</b>	<b>\$373.17</b>

Daily	Long Term Lease/DOV	Lease/Fleet	Owner-Driver
Expenses	\$109.43	\$129.76	\$147.31
Income	\$286.64	\$286.64	\$373.17
<b>Take-Home</b>	<b>\$177.21</b>	<b>\$156.88</b>	<b>\$225.86</b>

# Driver Tenure



# Driver Retention: Annual Attrition



# Example of Fleet Contract

## LEASE AGREEMENT FOR AN INDEPENDENT DRIVER

LAST NAME	FIRST NAME	MIDDLE	
STREET ADDRESS	CITY	STATE	ZIP CODE
SOCIAL SECURITY #	DRIVERS LISCENSE #	DATE OF BIRTH	
DAYTIME PHONE #	HOME PHONE #	BEEPER/CELL PHONE #	

I \_\_\_\_\_ hereby understand and agree to the following conditions:

- 1) My shift will be no more than twelve hours a day. My penalty will be \$ 5 for every 15 minutes thereafter.
- 2) My deposit will be forfeited under the following circumstances:
  - a) Any accidents incurred during my shift, which is not reimbursed by the insurance carrier.
  - b) Any and all parking tickets received during my shift.
  - c) Any T.L.C. tickets issued for not filing out the trip sheet; or dirty car tickets.
  - d) Deposits will be returned 60 days after the last day of work.
  - e) Deposits will be returned by check ONLY bearing no interest.
- 3) It is my responsibility for paying all daily fees (shift, EZ pass, and gas) regardless of any accidents or incidents, which occur during my shift.
- 4) In the event of an accident I fully agree to cooperate with the Lawyers and Insurance companies representing Utica Taxi center and their underlying corporations for a period of up to, but not limited to 5 years, regardless of my employment status.

I have read the above and agree to all terms. I fully understand that Utica Taxi Center reserves the right to employ Lawyers and collection agencies, at my own expense, if I do not comply with the terms and conditions set forth above.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

# Example of Leasing Contract

## AGREEMENT

Agreement between \_\_\_\_\_ which operates taxi medallions  
licensed by NYC TAXI & LIMOUSINE COMMISSION-lessor, and \_\_\_\_\_ Lessee  
Lessee TLC license# \_\_\_\_\_ who operates medallion taxi as a driver.  
Where lessor provides lessee with taxi cab medallion # \_\_\_\_\_ plate# \_\_\_\_\_  
from: \_\_\_\_\_

Where lessor takes full responsibility for maintenance and mechanical repair of the above taxi cab.  
Lessee takes full responsibility for paying rent on time from the date when this agreement takes an  
effect, weekly or daily [upon an agreement], otherwise lessee deposit will be used as a rent payment or  
to recover lessor losses up to full amount

Lessee takes full responsibility for any damage done to the car, due to his negligent operation of the  
taxi cab.

If lessee was involved in an accident, where the car, which he/she was driving was hit in the rear/back  
and there is a police report and information provided about another car, he/she is not responsible for  
the damage done to the car.

Lessee takes full responsibility for any tampering with the taximeter, or installation of any device  
which accelerate meter operation, any one who will be found tampering with the taximeter will be  
prosecuted to the full extent of the law!!!

If meter for any reason start to operate improperly-lessee must stop working immediately and report to  
meter shop licensed by NYC TLC for repairs.

Lessee must make sure that every thing including taximeter is in good working order, before he/she start  
work!

Lessee is an independent contractor and not an employee of taxi cab corporation

Lessee who lease taxi cab weekly- must bring car to the garage once a week for service and maintenance  
other wise lessee is responsible for any mechanical damage to the car.

If lessee dose not bring car to the garage on time and does not pay rent on time, it will be considered as  
an unauthorised use of private property and will lead to prosecution.

Lessee takes full responsibility for paying all PVB, DMV, TLC tickets, which are recieved during the period  
of time when taxi cab med# \_\_\_\_\_, plate# \_\_\_\_\_ was operated by the above lessee.

This agreement takes an affect from \_\_\_\_\_

Date: \_\_\_\_\_

Lessee \_\_\_\_\_

Lessor \_\_\_\_\_

# Leasing Themes

- Tipping: Drivers tip dispatchers and other fleet/agent employees between \$5-\$15 per shift for newer vehicles/hybrids and access to gas.
- There are surcharges in addition to the rates set by lease caps: sales tax, vehicle rental tax and tips.
- Taxes: Bases/Agents have no universal tax practice/policy.
- Term “week” is defined differently depending on base/agent; it is interpreted as 5, 6 or 7 days.
- Driver contracts with fleets/agents and between drivers may be vague, informal agreements.
- Some fleets serve as agents by leasing the medallion and financing the purchase of the car separately.

# Data Sources and References

## Lease Caps:

City of New York  
Taxi & Limousine Commission Rules

## Industry Lease Rates:

- Enforcement data collection occurred throughout Jan.-Feb. 2006
- Phone interviews conducted by Samara Epstein and Jennifer Palmer Jan.-Feb. 2006

## Data:

- Driver Retention extrapolated from TLC data. Collected: February 27, 2006 29,978 drivers (70 % of all current hack licensees).
- Energy Information Administration (EIA) Gasoline Update: <http://www.eia.doe.gov/> collected February 21, 2006
- Schaller, Bruce. (2004). *The New York City Taxicab Fact Book*. [www.schallerconsult.com/taxi/taxifb.pdf](http://www.schallerconsult.com/taxi/taxifb.pdf)



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