

# MEDALLION SALE



**NYC Taxi & Limousine Commission**

**Michael R. Bloomberg**  
Mayor  
**Matthew W. Daus**  
Commissioner/Chair

# TLC Speakers

- **Raquel de los Reyes**

- **Medallion Sale Outreach Coordinator, Moderator**

- **Joseph Eckstein**

- **Deputy Commissioner, Licensing and Adjudications**

- **Jed Appelbaum**

- **Assistant Commissioner, Safety and Emissions**

- **Peter Mazer**

- **Deputy Commissioner, General Counsel**



# Summary of Presentation

- **What is a medallion?**
- **Who can own a medallion?**
- **Why should I buy a medallion?**
- **How do I buy a medallion?**
- **When can I buy a medallion?**



# Current Status of Taxicab Industry

- **12,187 yellow taxicabs.**
- **Over 40,000 taxicab drivers.**
- **240 million passengers (2003).**
- **Average medallion price (February 2004).**
  - **Individual: \$250,000**
  - **Corporate: \$280,000**



**What is a  
Medallion?**

# A Medallion is...



- **A license to own and operate a taxicab.**
- **An asset that may be sold or pledged as collateral for a loan.**
- **The exclusive right to accept street hails.**
- **A regulated business that may only charge fares authorized by the TLC.**



# Who Can Own a Medallion?

# Qualifications for Medallion Ownership



## ■ **Owner must:**

- **Be 18 years of age for corporate ownership and be 19 years of age for individual ownership.**
- **Be a citizen or permanent resident of the United States (subject to a background investigation).**
- **Comply with all TLC rules and pay all required fees.**

# Additional Requirements for Independent Medallion Ownership



- **Possess a current, valid taxicab driver's license.**
  - **24-hour course \$420 (including all licensing expenses).**
  - **80-hour course \$640 (including all licensing expenses).**
- **Must operate the taxicab at least 210 nine-hour shifts per year (an average of 36 hours per week).**

# Requirements for Corporate Ownership



- **Vehicles must be operated twenty-four hours a day, seven days a week.**
- **Owners may not lease cabs for more than:**
  - **\$112 for Thursday, Friday, and Saturday nights.**
  - **\$103 for all other shifts.**

# Forms of Medallion Ownership and Management

- **Own and drive one medallion.**
  - Sole proprietor
  - Partnership
  
- **Own and operate 2 or more medallions as a corporation.**
  - Self-manage
  - Manage via an agent
  - Manage through a fleet

# Vehicles for Medallion Taxis

## ■ Gasoline

- Ford Crown Victoria
- Toyota Sienna
- Honda Odyssey
- Ford Explorer

## ■ Compressed Natural Gas

- Ford Crown Victoria

## ■ Wheelchair Accessible

- Dodge Caravan
- Ford Windstar
- Chevrolet Venture

# Hack-up and Inspection Procedures

## ■ Hack-up Process.

- **Certify taxi for DMV registration.**
- **Install taxi accessories (taximeter, roof light etc).**
- **Installation of medallion at Woodside.**

## ■ Inspections.

- **Every 4 months (3 times per year).**
- **Inspections are prepaid on medallion renewal.**

# Advantages of Owning Restricted Medallions

## ■ Wheelchair-Accessible Taxicabs

- Reduced opening bid prices.
- Additional income from external advertising.
- Eligible for up to 6½ years on the road.

## ■ Alternative Fuel Taxicabs

- Reduced opening bid prices.
- Greater fuel economy.
- Eligible for up to 7 years on the road.
- NYS subsidies may be available.



# Why Should I Buy a Medallion?

# Special Incentives for Purchasing a New Medallion at Auction



- **No five percent (5%) medallion transfer tax.**
- **Ability to purchase a restricted medallion at a lower price.**

# Owner/Driver Cost and Revenue Analysis

## Start-up Costs

<b>Medallion</b>	<b>Average Down Payment:</b> <b>\$50,000</b> (Assuming a 20% Down Payment)
<b>License &amp; Fees</b>	<b>\$1,400 (2-year license)</b>
<b>Taxi Conversion</b>	<b>\$4,000</b>
<b>TLC Hack-up Fee</b>	<b>\$50</b>
<b>Medallion Tin</b>	<b>\$10</b>

# Owner/Driver Cost and Revenue Analysis

Annual Operating Costs	
Liability Insurance	\$3,700 (w/ good driving record)
Vehicle Depreciation and Cost	\$8,000
Maintenance	\$4,000
Gasoline	\$4,500
Motor Vehicle Tax	\$1,000
General & Administrative Costs	\$1,715
Medallion Loan	\$18,000 (1,500 per month) *Estimate rate price
Tires	\$300

# Owner/Driver Cost and Revenue Analysis

- **Start-up Costs**

  - \$55,460

- **Gross Revenue as an Independent Medallion Owner**

  - \$90,747

- **Operating Expenses**

  - \$41,215

- **Net Income from taxicab operations**

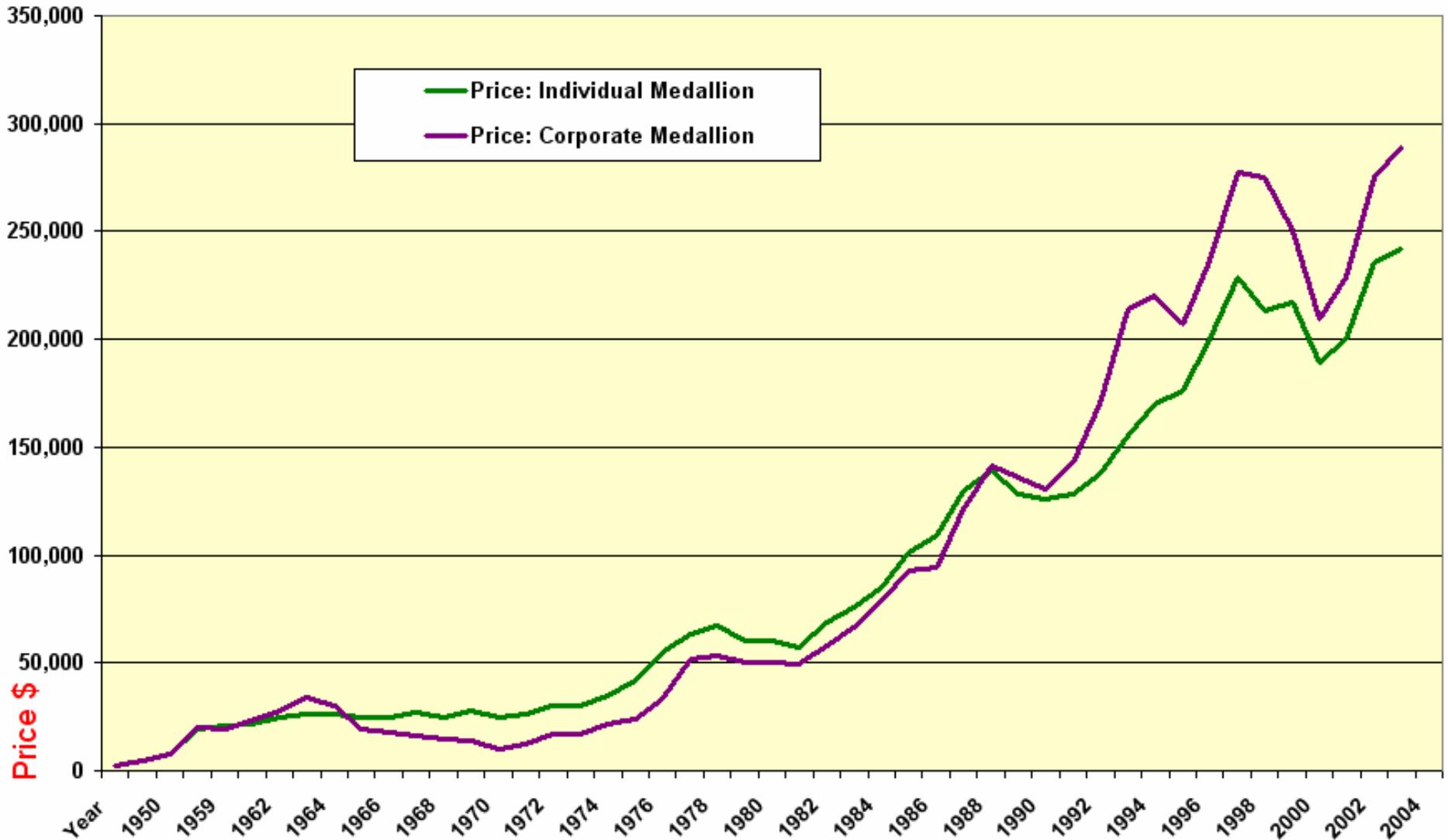
  - $\$90,747 - \$41,215 = \$49,532$

- **Increase in medallion prices from 2002 to 2003**

  - \$25,000

# Long-term Return on Investment

Annual Medallion Price History: 1947-Present





# How Do I Buy a New Medallion?

# Bidding Process

- **Sealed bid public auctions.**
  
- **The Bid itself must indicate:**
  - **the bidder's personal information.**
  - **mini-fleet medallions or individual medallions.**
  - **if bidding for a clean-air fuel or a wheelchair-accessible medallion.**

# Bid Package



- **Each bid package must include:**
  - **Bid Amount.**
  - **Certified check or money order for deposit.**
  - **Completed, approved TLC medallion license application.**
  - **Letter of commitment or bond for 80% of the bid price.**

# Bid Package

- **Contact 3-1-1.**
- **[www.nyc.gov/taxi](http://www.nyc.gov/taxi)**
- **TLC facilities:**
  - **40 Rector Street, Fifth Floor, New York, New York 10006.**
  - **32-02 Queens Boulevard, Long Island City, New York 11101.**
  - **24-55 BQE West, Woodside, New York 11377.**
  - **1893 Richmond Terrace, Staten Island, New York 10302.**
- **From licensed TLC brokers and agents.**
- **From TLC staff at public events.**

# Broker/Attorney Services



- **Use of a broker or attorney is optional.**
- **A list of licensed brokers is on our website, [www.nyc.gov/taxi](http://www.nyc.gov/taxi)**

# Information on Taxicab Brokers and Attorney Services

- **Advises the buyer of ownership responsibilities.**
- **Assists the buyer in:**
  - **Purchasing a TLC-approved vehicle.**
  - **Preparing TLC applications/documents.**



# How is a broker or attorney paid?

- **The broker or attorney would be paid by the buyer.**
- **The fee will vary, depending on services provided.**
- **The TLC licenses all taxicab brokers but does not license attorneys.**

**When Can I Buy a  
Medallion?**

# Timeline for the Medallion Sale

- **300 medallions per fiscal year (July through June) for 3 years.**

- **Upcoming Sale:**

- **Corporate: April 12th to April 15th. Bid opening is Friday, April 16th.**

- **Individual: April 19th to April 22nd. Bid opening is Friday, April 23rd.**

# Bid Process Technical Workshops

■ **TLC's Legal Department will conduct workshops at 40 Rector Street, 5<sup>th</sup> Floor, Manhattan on the following dates:**

- **Tuesday, March 16<sup>th</sup>**
- **Thursday, March 25<sup>th</sup>**
- **From 9:00 a.m. to 11:00 a.m.**

**Space is limited. You must R.S.V.P. by March 12th to attend. Call (212) 676-1135 to reserve your seat or for more information dial 3-1-1.**

# For Further Information or to be Placed on the Mailing List:

- Log on to the TLC Website: [www.nyc.gov/taxi](http://www.nyc.gov/taxi)
- Dial **3-1-1**  
New York City's  
Government  
Services Hotline.

