

Hayashi, Christiane

From: Pino Carvel...]
Sent: Wednesday, April 15, 2009 12:08 PM
To: MTABoard
Cc: Hayashi, Christiane
Subject: Taxi Medallions and Prop K Reform

Dear members of the SFMTA Board,

My name is Giuseppe Carvelli, I have been a taxi driver in the City since 1976 and a Pre K Permit holder since 1977.

I am one of those "lucky" individuals that were able to buy a taxi medallion back when these permits were marketable and transferable.

I would like to offer my input into the current debate on the Taxi Permit Reform.

First of all I believe that no matter what the final proposal will be, a distinction should always be made between the K permits and the Pre K permits.

This distinction is nothing new to the City, it already exists, it makes sense.

Pre K permit holders like me who have bought their permit many years ago as an investment or to be a professional taxi driver, would not like to see more hardship imposed on us as to how and when to manage their taxi business, let alone that they can't leave it to their family as it was possible and in my intentions at the time I purchased the permit.

I am 60 years old, I have been driving my taxi for the last 34 years and this taxi permit represents "my everything", included my pension/retirement fund and I just can't see it disappear and be left with very little for my approaching retirement. How would I be able to sustain myself and my family?

That said, I would like to introduce a simple yet comprehensive plan to address the taxi medallions issuance and transferability, the City need to monetize these permits, the needs of the drivers on the current medallion waiting list and the Prop K reform.

1) I believe the City could use 200 more cabs and therefore could issue 200 new taxi medallions over a period of 4 years--50 per year--

2) These new medallions would be auctioned on the open market. I believe an appropriate minimum bid price would be \$ 150,000.00 per permit.

Approximately 10 million dollars per year in revenue to the City would be generated by this auction process.

3) Only one permit per person---Corporations and taxi companies **would not and should be not** be allowed to bid on the auction.

4) Drivers who are currently waiting for permits on the waiting list would be allowed the right to match the successful bid.

5) Drivers who need financing could do so by going to traditional lenders or even to the cab companies that would operate such medallions.

Traditional lenders would make loans available to drivers/purchasers only if these permits are treated as assets that are transferable at any time from

person to person. A transfer fee would be paid to the city and could be set at \$ 5,000.00 per permit.

7) Current K medallion holders would be allowed to make their permits transferable by paying a One Time \$ 50,000.00 fee to the City

This one time fee would generate approximately 60 million dollars for the City.

8) Pre K medallion holders, having already paid once for their taxi permit, would be charged a one time fee equal to one half of the fee paid by the K

medallion holders to make their permit transferable again.

Assuming that this fee would be equal to \$ 25,000.00 these Pre-K fees would generate approximately over 3 million dollars for the City.

9) Current corporate medallions would be allowed a one time opportunity to be transferred to individuals, subject to the same fees as proposed above.

9) Once the taxi permits become transferable, any subsequent sale/transfer of a taxi permit would be subject to a City Transfer Fee of \$ 5,000.00

10) Yearly Taxi Permit Renewal Fees could be increased to \$ 1,000.00. This Fee would generate 1 one half million dollars per year to the City.

I believe this is the right time to do away with Proposition K, it never really worked well for the taxi industry with its overwhelming and hard to enforce regulations and driving requirements. Let's make these Taxi Permit transferable again as they already are in many cities in this country.

Thanks in advance for your time in reading my proposal and please let me know if I can be of any assistance to you all.

Sincerely,
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