

Hayashi, Christiane

From: D. Korkos
Sent: Wednesday, November 25, 2009 10:59 AM
To: Hayashi, Christiane
Cc: Hansu Kim; Carl Macmurdo
Subject: The Korkos Plan

Hi Chris,

Since everyone is submitting a plan, I thought I'd put in my two cents. I don't wish to give a presentation. I'm just submitting this to you.

My plan is similar to the one you presented last month at the Yellow Cab meeting with a few changes and additions.

The Korkos Plan

1) Allow sales of all regular taxi medallions at a fixed sales price of two hundred fifty thousand (250k) with a ten (10) percent transfer tax.

Note: An auction system with a 250k cap may allow for more flexibility in the future.

2) Because ramp cabs have higher purchase and maintenance costs and have more restrictions and requirements making them slightly less valuable, allow current ramp permit holders to sell their permits for eighty (80) percent of the full value with a ten (10) percent transfer tax. In this case that would be two hundred thousand (200k) with a ten (10) percent transfer tax of twenty thousand (20k). Rampers would have first right of refusal to purchase a regular medallion.

NOTE: Rampers selling their ramp permit and buying a regular medallion would not have to pay capital gains tax because they are investing their capital gains in a similar business.

3) Allow companies to purchase available ramp permits for the above sales price of two hundred thousand (200k). Sales to companies could be based on whatever ramp pick up performance standards the MTA may want to include.

(I was in the ramp program for four years and ramp cabs were most efficient when they were under company control.)

Cap the number of ramp permits at seven (7) percent of the fleet. Currently that would be about 100 ramps (7% of 1420 cabs). New ramp medallions would be sold directly to "good service" companies.

4) Grandfather in the first 200 Daly/Ma qualified on the list, charging them only the transfer tax of twenty five thousand (25k).

(when you get a "free" phone you still have to pay the tax on its full value)

The rest of the listers have second right of refusal.

Note: Rampers that fall under the "grandfathered" category should be given a one time option of getting a regular medallion for the transfer tax price, or selling at some future date.

My projections, (best guess), for the City's profit in the first two years:
(the dreaded numbers)

1) Seven million five hundred thousand (7.5m) from sales of an estimated 300 current permit holders that are ready to sell.

$300 \text{ transferred permits} \times \$25,000 \text{ tax} = \$7.5\text{m}.$

2) Two million five hundred thousand (2.5m) from an estimated 100 transferred ramp permits.

$100 \text{ ramps} \times \$25,000 \text{ tax} = \$2.5\text{m}$

3) Five (5) million in transfer tax from the grandfathered listers.

$200 \text{ listers} \times \$25,000 \text{ tax} = \$5 \text{ mil}$

Total moneys raised in the first two years:

$\$7.5\text{m} + \$2.5\text{m} + \$5\text{m} = \15 million

Loan access and interest percentages have been discussed in full detail in most other plans.

If you have any questions or comments please contact me at:

●K

OR

Sincerely,

Demis Korkos

11/25/2009

ps -- Have a great Thanksgiving

11/29/2009