

City sets aside sale of taxi medallions as their value plummets

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Mayor de Blasio's executive budget assumes no cash will come in from taxi medallions sales for the next five years. (DON EMMERT/AFP/Getty Images)

The city has indefinitely pushed off selling more taxi medallions as the market for the once-valuable medallions continues to plunge.

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The taxi medallions — once worth as much as a million dollars each — have fallen off a financial cliff as yellow taxis took a beating from competitors like Uber and Lyft. This year medallions have been selling for less than \$200,000.

The city last sold 350 medallions in the 2014 fiscal year, and is authorized to sell 1,650 more under state law.

Since then, years of city budgets have projected revenue from the taxi sales that never materialized. As of November, the spending plan assumed \$731 million would come in over five years.

Hizzoner's latest budget dispenses with the notion medallions will be flying off the rack any time soon.

"This change allows the city to continue to monitor the medallion market, and does not foreclose any medallion auctions at a future date," Taxi & Limousine Commissioner Meera Joshi (photo below) said Thursday at a City Council budget hearing.

"The prices have come down considerably," she said, adding that it's also become impossible for would-be buyers to get loans. "All the transactions are going to be without financing and all cash, which is certainly going to depress the value of it."

Matthew Daus, a former TLC chairman, said it was a smart move by the city to recognize the reality on the street.

"They'd be crazy to do a sale at this point in time," he said, noting that putting additional yellow cabs on the street amid declining ridership would have hurt already-suffering drivers.



"The prices have come down considerably," Taxi and Limousine Commissioner Meera Joshi said Thursday at a City Council budget hearing. (Bloomberg/Bloomberg via Getty Images) Medallion owners have complained that they invested their savings in what they thought was a sure bet, since the law says only yellow cabs can take passengers who hail them on the street. But that didn't account for apps like Uber, which is legally treated like a car service arranged by phone.

"The drivers are being hurt and the city is being hurt by the way this whole situation has been managed," said Carolyn Protz, a member of the NYC Taxi Medallion Owner Driver Association. The collapse of the yellow cab industry has led to four driver suicides in recent months, industry advocates say.

The city has seen an influx of for-hire drivers, mostly for e-hail apps — doubling the number from 90,000 to 180,000 since 2011.

Officials say they're again looking to rein in the growth of Uber, both to cut down congestion and give a break to yellow cab drivers. A push by de Blasio to cap the number of cars the company could deploy three years ago collapsed.

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The city also wants to find a way to bolster drivers' incomes.

"The number of licensed drivers has outstripped ... demand," Joshi said. "The administration's goal is to establish a regulatory framework to protect drivers' incomes."