

Agenda Report

December 13, 2010

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Police Department

SUBJECT: ADOPTION OF A RESOLUTION TO CONSIDER GRANTING NON-EXCLUSIVE VEHICLE TOWING FRANCHISES AND SETTING A PUBLIC HEARING

RECOMMENDATION:

It is recommended that City Council:

1. Adopt a resolution to consider the granting of non-exclusive vehicle towing franchise to the following firms;
 - Masters Automotive Tow Services of Pasadena
 - A-Car Auto of Pasadena.
 - Freddie Mac Towing Inc of El Monte
 - J & M Towing of Alhambra
2. Set a public hearing for January 10, 2011, at 7:30 p.m. to consider granting these franchises; and
3. Direct the City Clerk to publish the resolution at least once in a newspaper of general circulation in the City not less than ten days prior to the date set for the hearing.

BACKGROUND

In January 1997, the City Council adopted the Police Vehicle Towing Franchise System, Pasadena Municipal Code (P.M.C.) Section 10.46. The purpose of that ordinance is to provide standards and procedures for the granting of non-exclusive franchises for providing towing, impounds, street sweeps and storage services to the Police Department and the City as directed by the Police Department.

Consistent with the requirements of the Towing Franchise System, each year the City is required to advertise the opportunity to participate in the Franchises System by way of a public notice, which was issued on July 28th 2010. The requirements for the Franchise are set forth in a request for proposals which is made available to all interested parties. Firms with existing franchises need not reapply and are eligible for annual renewal of their franchise for up to five years. Of the four firms recommended for award, all but A-Car Auto of Pasadena are existing franchisees.

Staff has reviewed the performance of the existing franchisees; Freddie Mac's Towing Incorporated of El Monte, Master Automotive Tow Service of Pasadena and J & M Towing of Alhambra as well as the application submitted by A-Car Auto of Pasadena and is recommending that all be awarded a new franchise.

The franchise fee of \$150,000 to be shared equally among the successful franchises was established by the City Council in Resolution Number 7524, adopted on August 18th, 1997. While, in 1999, the City Council granted a partial waiver of the franchise fee amount, as the Tow Operators of that time argued that the fee was absorbent and did not allow for a profit. Staff recommends that the \$60,000 waiver continue for one additional year. Franchise fees shall be payable quarterly in accordance with section 10.46.160 of the Pasadena Municipal Code.

The process set forth in the municipal code calls for the City Council to adopt a resolution to consider the granting of non-exclusive vehicle towing, which is the action recommended this evening, to be followed by a public hearing no less than 14 days after adoption of the resolution to consider the actual granting of the non-exclusive tow franchises.

FISCAL IMPACT:

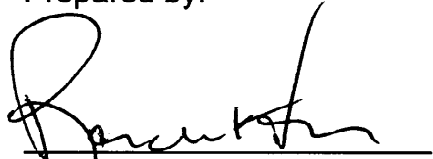
The City will receive an aggregate total of \$90,000 from the awarded franchises.

Respectfully submitted,



Phillip L. Sanchez
Chief of Police

Prepared by:



Randell Taylor
Lieutenant

Approved by:



Michael J. Beck
City Manager

RESOLUTION NO. _____

**A RESOLUTION DECLARING THE CITY OF PASADENA'S INTENTION TO
CONSIDER THE GRANTING OF NON-EXCLUSIVE POLICE TOW FRANCHISES
AND THE SETTING OF A PUBLIC HEARING THEREON**

WHEREAS, on January 1997, the City Council approved an ordinance which established the Tow Franchise System; and

WHEREAS, Section 10.46 of the Pasadena Municipal Code as enacted by said ordinance, provides that the City Council shall adopt a resolution declaring its intention to consider the granting of non-exclusive franchises and setting a hearing thereon; and

WHEREAS, staff has reviewed the applications and found that they comply with the provisions as set forth in said application;

WHEREAS, the City Council desires to hold such hearing;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF PASADENA THAT:

- I. The following applicants shall be considered for award of a non-exclusive franchise to tow and store vehicles in the City of Pasadena. All have provided the information required by the Chief of Police.

The potential franchisees are:

1. Freddie Mac Towing Inc
2. Master Automotive tow Service
3. J & M Towing
4. A-Car Auto

Each approved franchise shall be subject to the terms and conditions specified in the City Charter, in the non-exclusive franchise system ordinance, in the ordinances and resolutions granting the franchise, and in all other applicable federal, state, and local laws and regulations.

For those franchisees that Council recommends for approval, the term of the franchise will begin on the date the franchise agreement is signed and will last for 12 months. Renewal terms will be for one year from signed date. There may be up to four (4) additional renewal terms of one (1) year each in the sole discretion of the City Manager, for a maximum potential franchise of five (5) years.

- II. A public hearing shall be held at 7:30 pm, on January 10, 2011, at the City Council Chambers, 100 N. Garfield Ave., Room #S249, Pasadena, or as soon thereafter as each of the matters may be heard. At the hearing, all persons desiring will be provided the opportunity to speak in favor of, or in opposition to, the granting of a non-exclusive franchise to the applicant.

ADOPTED at the regular meeting of the Council of the City of Pasadena on this _____, by the following vote:

AYES:

NOES:


ABSENT:

ABSTAIN:

Mark Jomsky, City Clerk

Date Published:

Approved as to form:



Nicholas George Rodriguez
Assistant City Attorney