



Agenda Report

January 14, 2019

TO: Honorable Mayor and City Council
FROM: Pasadena Police Department
SUBJECT: AWARD OF NON-EXCLUSIVE POLICE TOWING FRANCHISES AND ADOPTION OF RESOLUTION SETTING MINIMUM INSURANCE REQUIREMENTS FOR FRANCHISEES

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act (CEQA) pursuant to Section 21065 of CEQA and Sections 15060(c)(2), 15060(c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for the project;
2. Following a public hearing, (a) conduct first reading of an uncodified ordinance awarding non-exclusive police towing franchises to: Masters Automotive Tow Services; A-Car Auto Repair Services; Freddie Mac's Inc.; J&M Towing LLC; Navarro's Towing; Henry's Towing and Recovery; Mid-Valley Towing Inc.; and M&M Action Towing; and (b) authorize the City Manager to execute franchise agreements with these entities for a term of one year, with annual renewal options of up to four additional one-year terms, subject to the approval of the City Manager;
3. Adopt a resolution setting the minimum levels and standards of liability insurance for non-exclusive police towing franchises.

BACKGROUND:

In January 1997, the City Council adopted the Police Towing Franchise System, as set forth in Pasadena Municipal Code, Chapter 10.46. This ordinance provides standards and procedures for the granting of non-exclusive franchises for providing vehicle towing, vehicle impounds, street sweeps and vehicle storage services to the Police Department and the City.

Each year, the City is required to advertise the opportunity to apply for a non-exclusive police towing franchise by way of a Request for Applications, which was issued on October 11, 2018. Staff received applications from the following eight firms:

- Orange Grove Collision Center, Inc. DBA Masters Automotive Tow Services – Pasadena
- Walnut-Vista Automotive Industries Inc. DBA A-Car Auto Repair Services – Pasadena
- Freddie Mac's Inc. – South El Monte
- J&M Towing LLC – Alhambra
- Heriberto Eddie Navarro DBA Navarro's Towing – Monterey Park
- Henry's Towing and Recovery – Alhambra
- Mid Valley Towing Inc. – Glendale
- M&M Action Towing Inc. – South Pasadena

Staff recommends that all applicants be awarded a franchise. Of the applicants, Masters Automotive Tow Service, A-Car Auto, Freddie Mac's Towing, and J&M Towing are existing franchisees.

In order to grant the franchises, the City Council is requested to adopt an ordinance granting the franchises. The ordinance itself is being presented by the City Attorney in a separate agenda item at this evenings City Council meeting.

On a related note, Chapter 10.46 of the Municipal Code requires the City Council, by resolution, to set minimum insurance requirements, and staff is recommending updates to those requirements through this agenda item, as well.

COUNCIL POLICY CONSIDERATIONS:

The proposed action is consistent with the City Council's General Plan Goal to ensure public safety and maintain fiscal responsibility and stability.


ENVIRONMENTAL ANALYSIS:

The actions proposed herein are not subject to the California Environmental Quality Act (CEQA) in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The establishment of a Police Towing Franchise fee and the modification of towing and storage fees allowed by towing franchises. These actions would not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed actions are not a "project" subject to CEQA, as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines. Since the action is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:

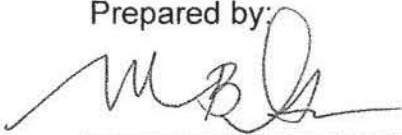
The City is scheduled to receive \$22,500 annually per franchisee, pursuant to Resolution number 9675, adopted on August 27, 2018. Currently, there are four franchisees, although that figure could change, depending on the number of non-exclusive franchises ultimately awarded by the Council.

Respectfully Submitted,



JOHN E. PEREZ
Chief of Police

Prepared by:



Mark B. Goodman
Lieutenant

Approved by:



STEVE MERMELL
City Manager

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF PASADENA ESTABLISHING INSURANCE REQUIREMENTS OF
THE POLICE TOWING FRANCHISE SYSTEM**

WHEREAS, Section 10.46.110 of the Pasadena Municipal Code requires that minimum levels and standards of insurance imposed on holders of non-exclusive police towing franchises be established by resolution of the City Council;

WHEREAS, Resolution no. 7524, adopted by the City Council on August 18, 1997, provides that the Director of Finance shall maintain such insurance requirements; and

WHEREAS, the City's insurance requirements are now addressed by the Risk and Insurance Administrator.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pasadena, California that:

1. Pursuant to Section 10.46.110 of the Pasadena Municipal Code, the amount and type of insurance to be maintained by each police towing franchisee shall be established by the Risk and Insurance Administrator, and shall be sufficient to ensure that the franchisee is able to discharge any liability which may foreseeably be imposed upon said franchisee as a result of the franchisee's police towing activities and to discharge said franchisee's duty to indemnify and defend the City of Pasadena from any such liability.

2. To the extent this Resolution is inconsistent with any prior resolution setting insurance requirements for police towing franchisees, the terms of this Resolution shall prevail.

Adopted at the regular meeting of the City Council on the ___ day of January,
2019 by the following vote:

AYES:

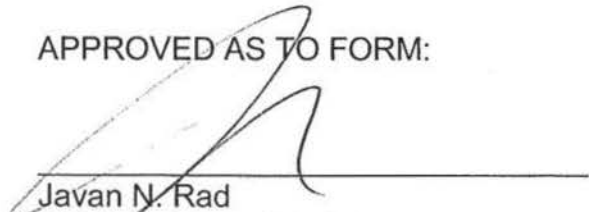
NOES:

ABSENT:

ABSTAIN:

Mark Jomsky, CMC
City Clerk

APPROVED AS TO FORM:



Javan N. Rad
Chief Assistant City Attorney