

Agenda Report

TO: CITY COUNCIL

DATE: April 30, 2007

FROM: CITY MANAGER

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

RECOMMENDATION

It is recommended that City Council:

- 1) Adopt a resolution declaring its intention to consider the granting of four non-exclusive franchises;
- 2) Set a public hearing for June 11, 2007, 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

On November 3, 1992, the City Council adopted the Solid Waste Collection Franchise System. The purpose of that ordinance was to provide standards and procedures for the granting of non-exclusive franchises for solid waste collection and to generate revenue for the preparation and implementation of an Integrated Waste Management Plan and for other municipal purposes.

The franchise is a non-exclusive franchise, allowing a permitted hauler to collect, transport, dispose and/or recycle solid waste kept, accumulated, or produced in the City. The terms and conditions are the payment of a franchise fee based upon 16 percent of gross monthly receipts; conformance with generally accepted accounting principles for all accounts and revenue arising out of the operations; and specified reporting of collection, disposal, waste reduction, and recycling activities.

Since March 2007, four applications have been received by the City. All of the applicants have met the application requirements as set forth in the non-exclusive Solid Waste Franchise section of City Ordinance 8.61.080. The four applicants include California Waste Services, LLC, Qualls & Sons, Inc., North Hills Recycling, Inc. and The 5C's Trucking, Inc. All four applicants are new and have no prior history with the City.

For those franchisees that Council recommends for approval, the term of the franchise shall be for 12 months beginning on the effective date of the ordinance approving each franchise application, as specified by ordinance.

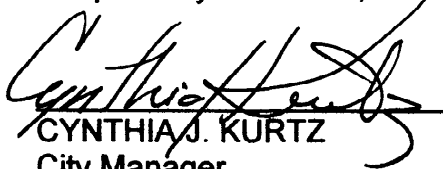
There may be up to four additional renewal terms of one year each at the sole discretion of the City Manager, for a maximum potential franchise of five years. The franchisee has no vested or contract right in any such renewal term. There shall be no other renewal of a non-exclusive franchise; however, any person, including any person whose franchise is not renewed, may submit a new application for a new non-exclusive franchise.

A public hearing shall be held at 7:30 p.m., on June 11, 2007, in the City Council Chambers, 100 N. Garfield Ave., Room #247, 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.

FISCAL IMPACT

The City will receive a fee of 16 percent of gross customer receipts generated by each of the franchisees. The amount of revenue the City will receive from the franchise holder is based upon the number of customers and level of service they provide and cannot be determined at this time. Franchisees are required to submit monthly revenue and fee reports to the City. Franchisees are subject to, and the City performs, random audits annually to ensure that the information provided to the City is accurate.

Respectfully submitted,


CYNTHIA J. KURTZ
City Manager

Prepared by:


Carmen Rubio, Program Coordinator
Street Maintenance & Integrated Waste Management

Reviewed by:


Arlington Rodgers, Jr., Administrator
Street Maintenance & Integrated Waste Management

Approved by:


Martin Pastucha, Director of Public Works

RESOLUTION NO. _____

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

WHEREAS, on November 3, 1992, the City Council approved an ordinance which established the Solid Waste Collection Franchise System; and

WHEREAS, Section 8.61.080 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 collect refuse in the City of Pasadena. All have provided the information required by the Director of Public Works.

The potential franchisees are:

1. California Waste Services, LLC
2. Qualls & Sons, Inc.
3. North Hills Recycling Inc.
4. The 5C's Trucking, Inc.

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 end on June 30, 2008. Renewal terms will be for one year and will each start on July 1 of the following year. 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 p.m., on June 11, 2007, at the City Council Chambers, 100 N. Garfield Ave., Room #247, 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:

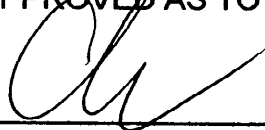
ABSENT:

ABSTAIN:

Jane Rodriguez, City Clerk

PUBLISH:

APPROVED AS TO FORM:



4/09/07

Nicholas George Rodriguez
Assistant City Attorney