

# Agenda Report

TO: CITY COUNCIL

DATE: March 17, 2008

FROM: CITY MANAGER

**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 declaring its intention to consider the granting of three exclusive franchises;
- 2) Set a public hearing for April 21, 2008, 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 January 1997, the City Council adopted the Police Vehicle Towing Franchise System. The purpose of that ordinance was 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.

The franchise is a non-exclusive franchise, allowing a permitted Tow Company to provide trained personnel, tow trucks and storage facilities to recover, if necessary and remove vehicles involved in collisions. Franchisee(s) must be able to tow and store vehicles impounded by police, many times in excess of 30 days and must be able to clean up and dispose of debris at the scene of accidents at which any vehicle to be towed hereunder was involved.

The initial franchise fee established by City Council of \$90,000.00 per year is the aggregate, to be shared equally among the successful bidders. Franchise fees shall be payable quarterly in accordance with section 10.46.160 of the Pasadena Municipal Code.

3.A.7.

Since October 4, 2007, five applications have been received by the City. Three of the applicants have met the application requirements as set forth in the non-exclusive Tow Franchise section of City Ordinance 10.46. The three applicants include: Freddie Mac's Towing Incorporated, Master Automotive Tow Service and J & M Towing. Freddie Mac's and Master Automotive have current tow franchises with the City. J & M Towing has no prior tow franchise 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 contract approving each franchise application, as specified by the 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 April 21, 2008, in 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 applicants.

#### **FISCAL IMPACT**

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

Respectfully submitted,

Bernard K. Melekian City Manager

Prepared by:

Phlunte' Riddle, Lieutenant Pasadena Police Department

Apprøved

Christopher O. Vicino, Acting Chief of Police

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

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 p.m., on April 21, 2008, 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:

Jane Rodriguez, City Clerk

Date Published:

Approved as to form: 3/n/\*\*

Ntcholas George Rodriguez Assistant City Attorney