



Agenda Report

November 25, 2024

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Police Department

SUBJECT: DIRECT THE CITY ATTORNEY TO PREPARE AN ORDINANCE WITHIN 60 DAYS AMENDING CHAPTER 10.46 OF THE PASADENA MUNICIPAL CODE UPDATING THE POLICE TOWING FRANCHISE PROCESS AND ADOPT A RESOLUTION AMENDING THE FISCAL YEAR 2025 GENERAL FEE SCHEDULE ADJUSTING POLICE IMPOUND AND STORAGE FEES

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the actions proposed herein are not a "project" subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 21065 and within the meaning of Section 15378(b) and statutorily exempt pursuant to State CEQA Guidelines Section 15273 (Rates, Tolls, Fares, and Charges);
2. Direct the City Attorney to prepare an ordinance within 60 days that amends Chapter 10.46 of the Pasadena Municipal Code and updates the police towing franchise process as described in this Agenda Report; and
3. Adopt a resolution amending the Fiscal Year (FY) 2025 General Fee Schedule to adjust the impound and storage rates utilized by non-exclusive police towing franchisees.

BACKGROUND:

In January 1997, the City Council adopted the Police Vehicle Towing Franchise System as described in Pasadena Municipal Code, Chapter 10.46. The purpose of that ordinance is to provide standards and procedures for the granting of non-exclusive franchises for providing vehicle towing, vehicle impounds, post collision street sweeps and vehicle storage services to the Police Department (PD) and the City.

At the time this ordinance was established, parking enforcement operations were assigned to the Police Department. Today, parking enforcement operations are handled by the Department of Transportation (DOT). The ordinance should be amended to expressly allow police towing franchisees to provide assistance through DOT's parking enforcement operations.

The Municipal Code states, the Police Department shall seek applications for police towing franchises annually, and an award is granted for a one-year term with a renewal option for four additional years. This has frequently resulted in staff seeking applications, and if the existing franchisees are being renewed, often no applications for new franchises are submitted. Due to a limited pool of eligible businesses, staff recommends the ordinance be amended to provide for a three-year franchise term, without the optional renewals. This would reduce the amount of time spent on the publication and renewal of annual applications.

Pursuant to the Non-Exclusive Police Towing Franchise Agreement, the impound rates and storage fees are to be set by City Council. The current rates of \$151 per impound and \$42 daily storage fee were adopted by City Council in 2018 by resolution and there has not been a price adjustment since that time. Inflation, cost of operations and services have greatly increased since 2018 and there is a need to amend the fee schedule associated with towing services in the City. Each tow franchisee (there are currently three) pays the City a franchise fee of \$22,500 annually.

The impound rates adopted by City Council in 2018 were established by considering the prevailing rates of the Southern Division of the California Highway Patrol (CHP), Los Angeles County Sheriff's Department (LASD), and Los Angeles Police Department (LAPD). These rates are subject to annual market increases.

The current rates of surrounding police agencies are listed below:

Police Towing Agency	Vehicle Tow Fee Hourly Rate	Storage Fee Daily Rate
Southern Division California Highway Patrol (West Los Angeles Office)	\$265	\$65
LA Police Garage (LAPD)	\$162	\$50
Altadena Sheriff's Department (LASD)	\$176	\$45

The average rates of the above Los Angeles Area Tow rates are \$201 with an average daily storage rate of \$53.33. These rates represent the hourly rate for basic light duty vehicle impounds and the daily rate storage in most cases. Medium duty, heavy duty vehicles and specialized equipment are assessed at a higher rate.

Staff recommends that rates be established in a fair and reasonable manner near the average of the market area. Based upon the prevailing rates detailed above, staff recommends increasing the Vehicle Tow Fee – Per Hour Amount (#598) to \$180 and the Vehicle Storage – Per Day Amount (#599) to \$50. Staff further recommends that the fees associated with police towing (#601 and #602) as listed on the General Fee Schedule be updated by the Consumer Price Index (CPI) each fiscal year during the annual budget process. At this time, staff does not recommend a change to the Non-Exclusive Police Towing Franchise Fee of \$22,500. Please reference the table below:

Fee	Description	FY 2025 Adopted Fee	FY 2025 Proposed Fee
	Towing/Storage of Vehicles (by private providers)		
598	Vehicle Tow Fee – Per Hour Amount	\$151.00	\$180.00
599	Vehicle Storage - Per Day Amount	\$42.00	\$50.00
600*	Non-Exclusive Police Towing Franchise Fee	\$22,500.00	\$22,500.00
	Release of Vehicles		
601**	Abandoned/Abated Vehicles (30-day Impound)	\$170.00	\$170.00
602**	Impounded Vehicles (Non-Victim)	\$150.00	\$150.00

*There is no recommended change to this fee.

**Beginning FY 2026, these fees will be adjusted by CPI.

COUNCIL POLICY CONSIDERATION:

The proposed action is consistent with the City Council’s Strategic Plan Goal of maintaining fiscal responsibility and stability through the periodic review and update of the General Fee Schedule and ensuring public safety through the police towing when necessary.

ENVIRONMENTAL ANALYSIS:

CEQA excludes, from environmental review, actions that are not “projects” as defined by CEQA Guidelines Section 21065 and within the meaning of Section 15378(b). Sections 21065 and 15378(b) define a project as an action which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Section 15378 excludes from the definition of “project” organizational or administrative activities that will not result in direct or indirect physical changes in the environment. The action to amend the Pasadena Municipal Code is an administrative activity that will not result in direct or indirect physical changes in the environment, and therefore is not a “project” as defined by CEQA. Since the action is not a project subject to CEQA, no environmental document is required.

Amending the City’s FY 2025 Adopted General Fee Schedule is statutorily exempt from CEQA pursuant to State CEQA Guidelines Section 15273 (Rates, Tolls, Fares, and Charges), which provides a statutory exemption for the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies, which the public agency finds are for the purpose of:

- (1) Meeting operating expenses, including employee wage rates and fringe benefits;
- (2) Purchasing or leasing supplies, equipment, or materials;
- (3) Meeting financial reserve needs and requirements;
- (4) Obtaining funds for capital projects, necessary to maintain service within existing service areas; or
- (5) Obtaining funds necessary to maintain such intra-city transfers as are authorized by City Charter.

FISCAL IMPACT:

There is no fiscal impact associated with the amended ordinance and the recommended adjustments to the General Fee Schedule. The impound fees associated with towing and storage by private providers are collected by the franchisee for services rendered. The City does not collect these fees. Upon adoption of the resolution, the amendments to the General Fee Schedule are expected to bring towing and storage fees to a current market rate and allow them to be maintained as such moving forward.

The City of Pasadena collects a non-exclusive franchise fee of \$22,500 from each non-exclusive towing franchisee for the cost associated with processing and releasing vehicles for police and parking services. Staff is currently not recommending a change to this franchise fee.

Respectfully submitted,



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Chief of Police

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Approved by:



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