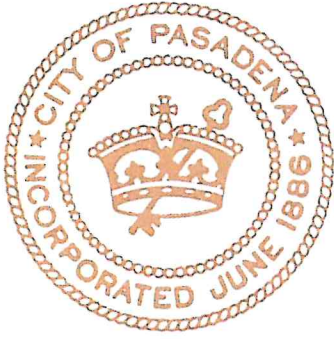




Agenda Report

November 24, 2025

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 SYSTEM**

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
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.

BACKGROUND:

In January 1997, the City Council adopted the Police Vehicle Towing Franchise System as described in Pasadena Municipal Code (PMC), Chapter 10.46 (Attachment A). 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 Pasadena Police Department (PPD) and the City.

On November 25, 2024, city council voted to amend chapter 10.46 of the PMC to avoid annually seeking applications in favor of a three-year franchise award without the option of annual renewals. The general purpose of the amendment was to reduce the amount of time spent on the publication and renewal of applications while still allowing City Council to review the tow franchise system.

After the November 25, 2024, council meeting, the PPD identified additional ways in which the Towing Franchise System ordinance could be amended to better serve the City's needs. In addition to the changes to chapter 10.46 that were previously approved by council, staff recommends City Council direct the city attorney to amend sections 10.46.050, 10.46.080 and 10.46.090 pursuant to the following recommendations:

10.46.050 restricts the ability to limit the franchise agreements to one or any number. To ensure effective police operations and consistent service delivery, the PPD recommends maintaining discretion to determine and to recommend the appropriate number of tow franchises necessary to meet operational needs.

While all applications received will be reviewed and documented for transparency, staff recommends that only the number of qualified tow companies required to support citywide operations be approved. Historically, the City has received between three and five tow franchise applications during each cycle and has effectively operated with three franchise tow partners over the past five years.

Given that each franchisee pays a substantial franchise fee to the City, expanding the number of tow franchises beyond operational need could create unnecessary administrative burdens and financial instability for both the franchise operators and the City. Allowing the PPD to recommend only the number of tow franchises that align with operational demand provides flexibility while maintaining fairness and fiscal responsibility.

10.46.080 and 10.46.090 detail the requirements for the franchise. The PPD maintains a non-exclusive Towing Franchise Operations Manual (Attachment B), which serves as a supplemental administrative guide to the City's towing franchise program. When staff seeks applications for non-exclusive tow franchises, the manual is incorporated as part of the franchise application process and outlines specific operational requirements, performance standards, and administrative rules that all franchise operators must meet and/or adhere to in addition to the requirements as set forth by the PMC.

The manual allows the PPD to ensure consistency, accountability, and compliance among franchise tow providers throughout the term of their agreements. Establishing clear operational standards within the manual at the time of application, the Department can effectively manage franchise operations and conduct oversight without requiring additional City Council action during the contract term.

Staff recommends that the PMC be amended to recognize the Towing Franchise Operations Manual as a governing document within the franchise framework. This inclusion will provide administrative authority for the PPD to implement, update, and enforce the operational requirements necessary to manage franchise agreements approved by the City Council.

COUNCIL POLICY CONSIDERATION:

The recommended action supports the City Council's policy direction to promote efficient and transparent administration of municipal service franchises while maintaining fiscal accountability and operational effectiveness.

By authorizing the PPD to recommend only the number of tow franchises necessary to meet operational demand and by formally recognizing the Department's Towing Franchise Operations Manual within the Pasadena Municipal Code, the city ensures that franchise operations are managed in a manner consistent with best practices, public safety priorities, and City Council oversight intent.

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.

FISCAL IMPACT:

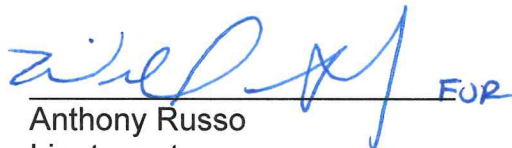
The City of Pasadena collects a non-exclusive franchise fee of \$22,500 from each non-exclusive towing franchisee for the cost associated with processing and releasing vehicles for police and parking services. Currently the city has granted three non-exclusive franchise tow agreements and receives \$67,500 annually in franchise fees.

Respectfully submitted,



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Chief of Police

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Approved by:



MIGUEL MÁRQUEZ
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