

City of Santa Rosa



Legislation Text

File #: 16-1041, **Version:** 1

REPORT - APPROVAL OF TOW VENDOR FRANCHISEE LIST FOR POLICE-GENERATED TOWS, AND REVISION OF FRANCHISE FEE

BACKGROUND: Prior to 2004, the City contracted with local tow vendors to provide tow services to remove stopped, standing, parked and hazardous vehicles from public streets, roads and private property on a rotating basis.

On July 13, 2004, the City of Santa Rosa adopted Ordinance No. 3674 authorizing the City Council to grant franchises to one or more tow operators for police generated tow services. A \$30,000 franchise fee was set and split between 11 franchisees, resulting in a fee of \$2,727.

Resolution No. 26291, approved by Council on June 16, 2005, amended the franchise fee to \$50,000 per year, divided among the 11 tow franchise operators, resulting in a fee of \$4,500.

Currently, there are seven tow operators, resulting in an annual fee of \$7,143. Several tow operators have opted out of the program due to the expense of the franchise fee.

California Vehicle Code Section 12110 authorizes a public agency to charge a fee in connection with the rotational tow vendor service. The fee "may not exceed the amount necessary to reimburse the public entity for its actual and reasonable costs incurred in connection with the towing program." The franchise fee of \$50,000 established in 2005 was based on an estimated program cost of \$242,246 for all towed vehicles.

RECOMMENDATION: It is recommended by the Police Department that the Council, by resolution, approve the tow vendor franchisee list pursuant to City Ordinance No. 3674, Franchises for Police Generated Tow Operations, and revise the related franchise fee to a per vendor fee.

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