



Legislation Text

File #: ORD 2016-36, Version: 1

AGENDA ITEM REPORT

TITLE:

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO EXECUTE A ONE YEAR EXTENSION TO THE FRANCHISE AGREEMENT WITH EMERALD TRANSPORTATION CORPORATION.
(SECOND READING)(PUBLIC HEARING)

BACKGROUND:

This item was approved on First Reading at the August 11, 2016, Commission Meeting.

On October 1, 2008, the City entered into a five (5) year Franchise Agreement for City-wide wrecker towing service for the removal and storage of vehicles that are creating a traffic hazard, abandoned, disabled from a traffic crash, or for non-consensual removal of vehicles from public streets and areas within the City ("Agreement").

DISCUSSION:

The Agreement provided for a five (5) year initial term with up to five (5) additional one (1) year terms. The Agreement also provided for an annual franchise fee of \$25,000.00, with an increase each year of a minimum of five percent (5%) from the previous year's fee. The initial five (5) year term expired in 2013, and the Agreement has been previously extended three (3) times pursuant to Paragraph 6 of the Agreement. The City is desirous of extending the Agreement a fourth (4th) time, and Emerald Transportation Corporation has agreed to same.

RECOMMENDATION:

Staff recommends approval.

FISCAL IMPACT:

REVENUES: \$ 36,940

EXPENDITURES: \$ 0

BUDGETED? Yes (FY 2017)

NOTES: General Fund Account 01-V32390, Franchise Fee-Towing