



ADMINISTRATIVE REPORT

Report Date: April 6, 2016
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Meeting Date: May 17, 2016

TO: Vancouver City Council
FROM: Chief Licence Inspector
SUBJECT: Amendment to the Vehicles for Hire By-law No. 6066 - Private Impoundment Towing Rate and Release Fee

RECOMMENDATION

- A. THAT Council approve an increase of 22% in the private impoundment towing rates and release fees, subject to:
 - i. Written agreement from the towing companies to storage charges as shown in Table 1
- B. THAT Council instruct the Director of Legal Services to prepare the necessary by-law amendments for the private impoundment towing rate and release fee, in accordance with Appendix B.

REPORT SUMMARY

The City's Vehicles for Hire By-law sets the private impoundment towing rates and release fees for towing companies working in commercial parking lots within Vancouver City limits. The rationale for a City set rate is that private impoundment of a vehicle takes place without the knowledge and consent of the vehicle's owner; meaning the vehicle's owner has no power to negotiate the towing terms. On this basis the City sets rates that are fair to the towing industry and the general public.

The last applied rate increase was nine years ago in 2007. This report recommends increasing the private impoundment towing rates and release fees so that the industry can recover increased operating costs resulting. The recommended towing rate increase of 22% aligns towing rates with the City's standard inflationary increases for other fees over the last nine years.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The Vehicles for Hire By-law No. 6066 licences and regulates the owners and drivers of vehicles for hire in the City of Vancouver.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager and General Manager of Community Services RECOMMEND approval of the above recommendations.

REPORT

Background/Context

The City regulates the private towing impoundment rate and the release fee under Sections 26 (12) and (13) of the Vehicles of Hire By-law. The By-law prescribes certain maximum fees that may be charged to the owner or driver of a vehicle that has been towed from a commercial lot pursuant to a tow-away notice or when the vehicle is claimed prior to being actually towed away (drop/release).

Council approved the last three rate and release fee increases in July 2007, March 2005 and October 2002.

Strategic Analysis

Staff were approached by the industry to review the private impoundment towing rates and release fees which have not been increased since 2007. After reviewing the industry's proposed rates, as shown in Appendix A, and limited financial information provided by the industry, staff concluded that the proposed rates, as submitted, were not justified until further review and analysis could be carried out.

At this time there is wide discrepancy between the higher fees proposed by the industry, current ICBC rates and with the City's current uninflated rates. After consulting with the towing industry we have agreed that an inflationary rate increase is an interim approach while further review and analysis can take place. We expect the analysis and discussions will be concluded by Q1 2017.

Accordingly, a 22% towing rate increase aligns towing rates with the City's standard inflationary increases for other fees over the last nine years. To enact this change the Vehicles for Hire By-law 6066 Sections 26 (12) and (13) must be amended as shown in Appendix B to facilitate the change in rate.

Table 1 below, shows the recommended change in rates compared with current rates.

Table 1 - Vancouver Current and Proposed Rates

Current Rates	Vehicle Weight Structure (GVW)			
	Up to 3,628 kg	3,629 kg & over		
Impoundment Tow Rates	\$74.90	\$80.55		
Release Rates	\$37.75	\$40.60		
Storage Fee	\$18.50 for the first 24 hours and \$14.00 for each additional 24-hour period			
Proposed Rates	Up to 3,628 kg	3,629 kg & over		
Impoundment Tow Rates	\$91.42	\$98.31		
Release Rates ¹	\$45.71	\$49.16		
Storage Fee, based on vehicle length (metre) ²	Up to 20' (6.1m)	>20' (6.1m) to 35' (10.7m)	> 35' (10.7m)	Motorcycles
	\$22.87	\$45.74	\$68.61	\$11.44

¹Release rates are based on 50% of the proposed impoundment tow rate.

²Storage fees based on ICBC Towing and Storage Rate Payment

Implications/Related Issues/Risk (if applicable)

Financial

The increases recommended in this report are consistent with the rate of inflation since 2007.

The City regulates the private towing impoundment rate and the release fee under Sections 26 (12) and (13) of the Vehicles for Hire By-law. The actual revenue and expense is managed by the individual towing companies and therefore the recommended rate adjustment has no financial implications for the City of Vancouver.

CONCLUSION

It is recommended that a 22% increase reflecting general cost inflation be applied to tow rates in the Vehicles for Hire By-law 6066. It is also recommended that the City give notice to all interested parties of the increase and that Legal Services bring forward by-law changes that include the recommended fee increases and the amendments for enactment.

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Drake's Towing Rate Proposals

GVW (kg)	Up to 2,999	3,000 - 6,300	6,301 - 9,072	Over 9,073
Tow rate	\$142.00	\$180.00	\$220.00	\$190 per hour
Release fee	\$71.00	\$90.00	\$110.00	A hour minimum
Use of dollies	\$40.00	N/A	N/A	N/A
Vehicle length (m)	Up to 6.1	6.1 - 10.7	Over 10.7	
Storage fee/day	\$50.00	\$75.00	\$100.00	
Other				
Administration fee	\$400.00 for all vehicles unclaimed after 30 days			
Annual increase	3% on all items the 1 st day of January each year, effective 2017			

Busters Towing Rate Proposals

GVW (kg)	Up to 2,999	3,000 - 6,300	6,301 - 9,072	
Tow rate	\$130.00	\$170.00	\$210.00	
Release fee	\$65.00	\$85.00	\$105.00	
Use of dollies	\$40.00	\$40.00	N/A	
Hourly rate	N/A	N/S	\$163.00	
Vehicle length (m)	Up to 6.1	6.1 - 10.7	Over 10.7	
Storage fee/day	\$44.00	\$66.00	\$88.00	

By-law Amendment

Section 26 of the Vehicles for Hire By-law is to be amended as noted below:

(12) The maximum fee that may be charged for removal of a vehicle from a commercial parking lot pursuant to a Tow-away Notice shall be ~~\$74.90~~ \$91.42 if such vehicle weighs 3,628 kg or less and ~~\$80.55~~ \$98.31 if such vehicle weighs more than 3,628 kg.

(13) Where a tow truck has been requested to tow a vehicle pursuant to this section and the vehicle is claimed by the owner or driver before the vehicle has actually been towed away, the driver of the tow truck shall release the vehicle upon payment of a fee which shall not exceed ~~\$37.75~~ \$45.71 if such vehicle weighs 3,628 kg or less and ~~\$40.60~~ \$49.16 if such vehicle weighs more than 3,628 kg.