City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 6, 2024

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: JAMES F. PARAJON, CITY MANAGER /s/

FROM: ADRIANA CASTAÑEDA, DIRECTOR, TRANSPORTATION AND ENVIRONMENTAL SERVICES

DOCKET TITLE:
Introduction and First Reading. Consideration. Passage on First Reading of an Ordinance to amend and reordain Section 3 (Towing and Storage Fees and Regulations) of Chapter 13 (Towing and Storage of Motor Vehicles) of Title 9 (Licensing and Regulation) of the Code of the City of Alexandria, Virginia, 1981, as amended.

ISSUE: Consideration of an ordinance to amend Section 9-13-3 of the City code to raise the maximum permitted tow fee for a private tow from $135 to $150 and to raise the maximum permitted additional fees for tows that are after hours, on weekends, or on holidays from $25 to $30.

RECOMMENDATION: That the City Council receive and adopt the proposed ordinance (Attachment 4) to amend the trespass towing fee of $135 to $150 and increase the after-hours charge of $25 to $30; and schedule it for a second reading, public hearing, and final passage on Saturday, November 16, 2024.

BACKGROUND: The City regulates six towing fees, with three of them set by state law. Virginia Code establishes a towing fee range between $135 and $150, allows a $25 to $30 fee charge for evenings, weekends, and holidays (“after-hours fee”), and includes a fixed fuel surcharge. Under Virginia law, Alexandria’s tow fee must be between $135 and $150 (Va. Code § 46.2-1233). The City’s current fees fall below these state maximums and include three additional fees that aren’t regulated by state law.

For private tows, Virginia Code Section 46.2-1233.1 was updated in 2018 to increase the maximum private tow fee from $135 to $150 for passenger vehicles. However, Section 46.2-1233, which governs tow fees in Planning District 8 (including Alexandria), was not updated at that time, keeping the maximum tow fee in the

district at $135. In 2019, the General Assembly amended Section 46.2-1233 to reference the $150 maximum outlined in Section 46.2-1233.1. Section 9-13-3 of the City Code establishes the allowable rates for private company tows within the City.

The City of Alexandria Towing Advisory Board (TAB) generally makes recommendations on rates, policies, and contracts related to the towing, storage, and retrieval of vehicles towed from private property. The TAB recommended to increase the fee to $150 in June 2021. However, it was not adopted in the City Code at that time. In a memo to Council dated September 26, 2022, staff noted that while neighboring Fairfax County charges $150, Alexandria's fee matched the City of Falls Church and Arlington County's at $135. Considering the potential financial strain on lower-income families, staff recommended maintaining the current fee at that time.

DISCUSSION: The City of Alexandria last increased its private tow fee in 2015, raising it from $125 to $135. Since that time, staff has undertaken a comprehensive fair market analysis of these fees.

Fair Market Value Analysis Findings

Council is required to take the fair market value of tows into consideration when setting tow fee limits. *See* Va. Code § 46.2-1233.

- Analysis by the City's Office of Performance Analytics, along with insights from Bureau of Labor Statistics (BLS) data and adjacent jurisdictions, reveals that since 2015, inflation has increased by 25% in the DC area and 29% in the transportation sector. Although these figures represent a general inflation trend, they underscore the rising costs impacting service providers, including towing operators. Updating the fee structure would align with these economic realities.
- The last increase to the City of Alexandria's private tow fee was in 2015, leaving it at $135. In contrast, surrounding jurisdictions have raised their base tow fees to the state-allowed maximum of $150, positioning Alexandria below the regional standard.
- Since 2015, data from the Alexandria Police Department shows a 100.2% increase in private towing activity, largely initiated by tow companies on private property. This surge in demand has come without any adjustment to the base fee, underscoring the need for an updated fee that reflects the current volume and intensity of towing services.

Staff recommends amending the City's towing fee of $135 to $150, following the approach taken by neighboring jurisdictions. This adjustment would reduce confusion and ensures consistency across the region. Additionally, raising the after-hours fee from $25 to $30 is recommended.

Following recent legislation enacted by the Virginia General Assembly on July 1, 2024, the City is reviewing new requirements affecting vehicle towing and impoundment, specifically focusing on expired registrations, trespass towing, and the impoundment of certain vehicle types.

- **SB 925** mandates a 48-hour notice before towing vehicles from multifamily dwellings for expired registration or inspection stickers, with required notification to both the resident and landlord. Non-compliance by towing operators will lead to reimbursement of towing costs to the resident and a civil penalty. City staff are working to ensure these requirements are incorporated into the City Code to align with state law.
- **HB 959** allows localities in Planning Districts 8 and 16, including Alexandria, to require a second

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written authorization from property owners before a trespass tow can occur. City staff are preparing an ordinance amendment for review by the TAB and City Council, expected to be ready by spring.

These legislative changes are scheduled for discussion at the next TAB meeting, where further guidance will be provided on enforcement and ordinance updates. However, TAB action has been delayed due to the recent vacancy of the citizen-at-large seat, which has prevented a quorum. Staff anticipates that the seat will be filled soon, allowing the TAB to review the proposed legislation before it is brought to Council for review in the spring.

FISCAL IMPACT: The change to City Code Section 9-13-3 applies only to the trespass tow fee and will not impact the $125 fee for City-initiated tows, nor will it affect City revenue.
This adjustment would, however, allow private tow companies to collect an additional $15 per tow and an additional $5 for after-hours tows.

ATTACHMENTS:
1. 2022 Memo - Towing Advisory Board Update to City Council 9-26-2022
2. 2024 Memo - Towing Advisory Board Update to City Council 5-21-2024
3. Towing Ordinance Cover
4. Towing Ordinance
5. Fair Market Value Presentation

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