

## **Vehicle Storage Facility Research**

In June of 2007 the Morgan Hill Police Department explored the idea of operating a storage facility for vehicles impounded for 30 days pursuant to the California Vehicle Code. With the help of the CPCA research page, the department identified three agencies in Southern California who currently operate vehicle storage facilities (VSF). After speaking with representatives from the agencies and personally visiting two, we were able to obtain a better understanding of how vehicle storage facilities operate and some of advantages and disadvantages of such an operation.

Some of the advantages to VSF are obvious in terms of cost recovery; however, we found the additional benefit of better checks and balances with the tow companies to be of significant importance as well. Anecdotal research of our tow companies indicated that some vehicles were being released prior to the 30 days and without proper release signatures. Naturally, the storing of impounded vehicles ourselves will eliminate that possibility and allow for closer monitoring of the tow contract.

We found that the cost recovery depends on several factors including number of vehicles towed, type of vehicles towed, and number of vehicles claimed after 30 days. The agencies reported a 55-65% release rate meaning that 6 of every 10 vehicles towed are picked-up by the owner. This allows for increased revenue for those agencies as vehicles claimed are more valuable than vehicles sold at auction. Unfortunately, our release rate is closer to 35% so our cost recovery would undoubtedly be lower. Taking into consideration all factors, our department estimated a cost recovery of \$225,000 per year based on the towing of 425 vehicles each year.

Unclaimed vehicles are the greatest challenge of the storage process; although there are processes in place at all three agencies that minimize the impact. Vehicles that are not claimed are sold in an auction format. Two of the agencies operate their own auction, whereas one agency contracts with an auction provider. The two agencies who auction their own vehicles have minimum purchase requirements and have safeguards in place to prevent city or department employees from purchasing vehicles from the auction.

I would like to thank the agencies of Claremont, Colton and Upland for their assistance in developing our draft plan. Their sharing of ideas and experiences helped us design a program that is currently under review. If anyone has specific questions, please feel free to call or e-mail.

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