

BUDGET COMMITTEE - DECEMBER 14, 2009

ANIMAL SERVICES SHELTER – ADDITIONAL INFORMATION

Recommendation

The Commissioner of Legal & Administrative Services and City Solicitor and the Director of Enforcement Services, in conjunction with the Director of Reserves and Investments, and in consultation with the Director of Building and Facilities recommend:

1. That the report on Animal Services Shelter be received;
2. That staff request direction; and
3. That should direction be to proceed with this project that Building and Facilities retain a cost consultant to perform a review associated with the renovation costs to determine whether the renovation costs are reasonable.

Contribution to Sustainability

By locating the Animal Shelter in the City of Vaughan the public will not be required to drive to another municipality to recover or adopt a pet, therefore reducing automobile usage.

Economic Impact

The report as written has no economic impact. However, should Budget Committee choose option 1, \$309,000 will be added to the proposed 2010 Capital Budget. Option 2 will have impact on future capital budgets.

Communications Plan

As the shelter prepares to open, information will be provided on the City's website.

Purpose

The purpose of this report is to provide information to Budget Committee in order to assist the Budget Committee establishing an Animal Shelter in the City of Vaughan in 2010.

Background - Analysis and Options

The City of Vaughan, along with other adjacent municipalities, has been diligently searching for alternatives for animal services given known constraints and limited time horizon of the City's current service provider.

Over the past number of years municipalities have worked together in ad hoc committees, independently, and in focus groups. A consultant was retained by the Town of Richmond Hill to study and report on the preferred next steps in creating a joint animal shelter facility. The Town of Aurora, Township of King and the City of Vaughan were contributors to that study.

Options explored included establishing a joint facility. Following the presentation of that report, it appeared that Richmond Hill preferred building their own animal shelter, and on October 22, 2007, Council directed that staff provide Richmond Hill with an Expression of Interest to purchase animal shelter services from them.

Ultimately, Richmond Hill backed away from their intention to create an animal shelter, opting for a service contract with the OSPCA.

Staff reviewed sites already owned by the City for a location to build a shelter. At that time, no suitable sites were available.

Staff was also directed to contact the Township of King to review opportunities to provide animal sheltering services for both municipalities. These discussions were not successful in locating a suitable location for a shared shelter.

Subsequently, Council, at its meeting of June 15, 2009 directed

“that staff explore options in existing City leased premises for the creation of an animal shelter facility in the City of Vaughan, including opportunities for the provision of animal services such as, dog grooming, pet supplies, and veterinary clinic...”

As a result of the direction above, staff began discussions with the owner of the property located at 70 Tigi Court. This location is currently the work site for several City departments pending the completion of the new Civic Centre.

Staff also, in an attempt to ensure fair market value for the creation of an animal shelter, had previously issued a Request for Expressions of Interest through the Purchasing Department. This process, RFEOI 09-164, closed without any suitable proponents.

Staff continued to work with the owners of 70 Tigi court. These discussions identified a 6,200 sq. ft. space that would be suitable for an animal shelter at the east end of the complex.

Design

Staff had discussions with the current Animal Control Contractor, the OSPCA, and Ministry of Agriculture, who administers the Animals for Research Act (legislation which provides the minimum specifications for an animal shelter) to ensure the designs for the new shelter met all legal requirements.

The design of the shelter needed to have sufficient capacity to deal with the large number of dogs and cats which are impounded annually. In 2008, 520 cats and 220 dogs were impounded from Vaughan.

There also needed to be facilities to deal with sick animals and quarantined animals separately from the strays and those available for adoption.

There will also be facilities for the public to attend the shelter and adopt animals, and for staff to work from.

Also important, due to the industrial location of this facility, was the creation of a place to exercise the dogs. As such, an indoor exercise area will be created to allow the animals to get some exercise time.

There is also a requirement for an air exchange unit, capable of 12 complete air changes per hour. It is expected that one unit will be suitable for this requirement.

Costs

The cost estimates for the renovations of the proposed property at Tigi Court were initially estimated at \$350,000-\$400,000. This cost was arrived at using the estimates from 2006/2007 when a study on creating an animal shelter was conducted for Richmond Hill, King, and Vaughan.

The proposed 2010 Capital Budget includes Capital Projects By-2508-10 and BY-2509-10 for the Animal Shelter Services in the amount of \$412,000, funded \$274,600 Taxation and \$137,400 City Wide Development Charges – General Government. This project funding in the amount of \$412,000 is currently above the proposed funding line.

An estimate of the actual proposed work, which staff had been awaiting, was received late November 30th and indicates the cost for the renovations for the proposed facility \$824,000 (includes 3% admin.) or \$129 per square foot. The increase in renovation cost from the original 2007 estimate is in part due to new legislative requirements for air exchange units, and increases in the cost of building materials and trades to complete the work.

Staff have reviewed the plans for the new shelter to determine if the shelter could be made smaller to reduce the costs. A smaller shelter is not feasible, and would not significantly reduce the renovation costs, as the air exchange units, and other costly renovations would still be required. The renovation costs would likely be the same or higher depending on the location in need of renovation.

However, based on further discussions with the landlord, the costs of the required leasehold improvements for the animal shelter have been revised to \$721,000 (includes 3% admin) or \$113 per square foot, an increase of \$309,000 over the original estimate. The proposed funding for the additional costs in the amount of \$309,000 would be \$103,000 City Wide Development Charges – General Government and \$206,000 Taxation. Funding is available with the exception of Taxation.

The leasehold improvements will be completed by the landlord.

Building and Facilities staff have reviewed the proposed revised costs and advise that the renovation costs are reasonable as proposed. As the leasehold improvements will be completed by the landlord and for greater certainty on the costs, Building and Facilities staff recommend that a cost consultant be retained to review the proposed renovation costs to determine whether these costs are reasonable. The fees associated with this review can be funded from Capital Project EY-2508-10 Animal Shelter Services.

The \$90,000 cost for operating the facility, including rent, utilities and management contract will be within the 2010 Operating Budget amounts submitted. The ongoing costs will be dependent upon the results of the tendering process.

The management of animal control and the shelter will be circulated early in the New Year to allow enough time for any proponents to respond, and new contracts be developed.

Renovation Costs Funding Options

Option 1

Should Budget Committee wish to proceed with this project in 2010, the funding for the additional costs in the amount of \$309,000 (subject to cost consultant review) would be \$103,000 from City Wide Development Charges – General Government and \$206,000 from Taxation.

Option 2

Should Budget Committee wish to proceed with this project in 2010, the landlord has agreed to a five year payment schedule at an interest rate of 6% on the additional costs (subject to cost consultant review) for the years 2011 to 2015. The monthly payment would be estimated \$5,800 (\$69,600 annually). Total financing costs for the five years is estimated at \$47,990. The proposed annual funding in each of the five years (2011 – 2015) is \$23,200 from City Wide Development Charges – General Government and \$46,400 Taxation.

Other Information

Discussions with the owner of 70 Tigi Court resulted in an agreement to provide the city with first right of refusal for the space immediately next to the animal shelter. This will provide potential future expansion of the shelter, or expansion into a pet grooming or veterinary facility.

King Township has provided the City a letter expressing their interest in exploring some type of agreement for animal space. King Township is also a customer of Kennel Inn Inc. and is in need of an animal control/shelter solution. Staffs have commenced preliminary discussions with King Twp., and it would appear as though a business arrangement is possible the objective would be to accommodate their needs within the existing plan.

Regional Implications

N/A

Conclusion

A viable animal shelter solution has been identified at 70 Tigi Court. This location can be operational by the end of August 2010. A potential “customer”, King Township, has been identified, which may offset some operating costs.

Should Budget Committee wish to proceed with this project in 2010, staff have provided two (2) funding options.

Attachments

N/A

Report prepared by:

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Respectfully submitted,

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Commissioner of Legal & Administrative Services
and City Solicitor

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