

AGENDA COVER MEMO

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Memorandum Date: April 7, 2010

Order Date: None- discussion only

TO: Board of County Commissioners

DEPARTMENT: Health & Human Services

PRESENTED BY: Karen Gaffney

AGENDA ITEM TITLE: Animal Services Facility Options

I. MOTION

None – discussion only.

II. DISCUSSION

A. Background/Analysis

At its December, 2009 meeting, the Lane County Board of Commissioners charged a working group with generating options for funding, structuring and operating a state-of-the-art facility to replace the existing LCAS facility. The working group members are in agreement that the current facility has outlived its useful life, and needs to be replaced; time is of the essence. Additionally, there is recognition of the high level of community interest in issues related to animal services, and the hope is that this high level of interest can be leveraged in whatever solution is determined for moving forward.

The group identified three categories of options, included in the attached report. These categories include:

- A. Build new, public facility (replacement or remodel) at current or alternate site;
- B. Build new facility (replacement or remodel), working in partnership with a non-profit partner; and
- C. Do nothing.

These options will be discussed as part of the work session. Recommendations on how to proceed will be presented based on further input from the Board.

B. RECOMMENDATIONS

Recommendations will be presented based on further input by the Board.

III. FOLLOW-UP

As directed by the Board.

IV. ATTACHMENTS

- 1. Animal Services Facilities Options Report

Animal Services Facility Options

At its December, 2009 meeting, the Lane County Board of Commissioners charged a working group with generating options for funding, structuring and operating a state-of-the-art facility to replace the existing LCAS facility. Meeting together since January, 2010 and with a deadline of March 31, 2010, this group includes: Karen Gaffney (Lane County), Jeff Perry (City of Eugene), Michael Harman (City of Springfield), David Suchart (Lane County), and Scott Bartlett (Lane County), with assistance from Linda Anson (U of O MBA student).

The working group has been informed in its work by the Lane County Animal Services Master Plan Study (March, 2008) and by a meeting with Cary Lieberman, Executive Director of Greenhill Humane Society.

Summary

The working group members are in agreement that the current facility has outlived its useful life, and needs to be replaced; time is of the essence. Additionally, there is recognition of the high level of community interest in issues related to animal services, and the hope is that this high level of interest can be leveraged in whatever solution is determined for moving forward.

The group identified three categories of options, with examples of these from a variety of communities. These categories include:

- A. Build new, public facility (replacement or remodel) at current or alternate site;
- B. Build new facility (replacement or remodel), working in partnership with a non-profit partner; and
- C. Do nothing.

The issues to be determined by policy makers involve the degree of collaboration desired with the non-profit sector going into the future, as well as the funding mechanism for replacing the facility. In evaluating the options, there are trade-offs involving cost, public accountability for policies and decision making, and stability over time. These and other issues are described with each option listed at the end of the report.

If the jurisdictions agree on a model for moving forward with funding and operating a new shelter, then work on any fundraising and/or facility design can begin.

Background

The current facility that houses Lane County Animal Services (LCAS) and the Eugene Spay/Neuter Clinic was completed in 1978, and is co-owned by Lane County, Eugene, and Springfield. When the facility was constructed it was state of the art and a significant step forward for animal care and control, providing for important services in the community.

In 2005, the Board of Commissioners brought an architectural consultant from Animal Arts (Boulder, Colorado) to the community to conduct a needs assessment. After extensive interviews and analysis, the needs assessment recommended construction of a new 22,000 square foot shelter. The assessment was clear that “the goal of any renovation, expansion, or new shelter should be to create a safe, efficient, and humane facility.” The report highlighted specific concerns about the ADA accessibility of the facility, as well as stating “the arrangement and flow of the existing facility does not allow for the segregation of animal control functions and public access. This permits conflicts between potentially dangerous animals and the public.” The report suggested improvements for parking, and for the entry and reception that would project a friendly image, and minimize human/animal, dog/dog, and dog/cat conflicts. The report addresses needed facility improvements to address adoptions, stray animals, animal holding areas, and animal handling and evaluation.

In 2008, the County contracted with PIVOT Architecture and its consultant, Larry Gates from Animal Arts, to complete a master plan for LCAS. The program suggests capacity should be for approximately 83 dogs, 121 cats, and 10 small mammals. The master plan outlined four different options for improving the space, ranging from a remodel and expansion of the current facility, to a new expanded facility, or a remodel/expansion combined with a satellite outreach center. The cost estimates for those options ranged from \$6.6 million to \$9.8 million.

Collaborative Structuring Considerations

Four factors essential to the consideration of collaboration options are the types of services to be provided, the entities involved in the collaboration, ownership of a facility, and operation of a facility.

- *Type of Services.* The services currently required vary by jurisdiction as described below under “Existing Collaboration.” The services provided through the current facility include:
 - Enforcement of animal codes;
 - Care and sheltering of lost, stray, abused, and neglected animals, as well as animals brought in by officers on code violations;
 - Medical and behavioral care for the animals;
 - Fostering and adoption for animals sheltered at LCAS facility;
 - Sale and monitoring of pet licenses;
 - Volunteer and outreach coordination;
 - Program management; and
 - Spay/neuter clinic operated by the City of Eugene.
- *Entities.* The government entities involved are Lane County, Eugene and Springfield. There are a number of non-profit entities related to animal welfare, with the largest and long-standing shelter provider being Greenhill Humane Society.

- *Ownership.* The current facility is owned by Lane County, Eugene and Springfield.
- *Operation.* Eugene operates the spay/neuter clinic, leasing space from Lane County to cover general building expenses. Lane County operates Lane County Animal Services.

Existing collaboration

Currently, LCAS provides sheltering and enforcement services for Lane County and Eugene dogs, cats, and other animals, and Springfield's dogs. Additionally, LCAS sells and monitors pet licenses for both Eugene and Lane County, and provides program management, as well as volunteer and outreach coordination. Most small cities in Lane County contract with LCAS to provide back-up enforcement and animal sheltering services as needed. Eugene operates a spay/neuter clinic for the public, and for some of the shelter animals. Springfield provides its own enforcement services, and does not contend with cats. Greenhill Humane Society accepts owner-relinquished dogs, cats, and small animals from all jurisdictions; in the past, it has provided sheltering services, by contract, to Springfield and some other small cities. Greenhill will accept adoptable animals from LCAS on transfer, and provides spay/neuter surgeries for some of the shelter animals. Greenhill also operates Feral Fix, a trap-neuter-return program for feral cats, in collaboration with Lane County, City of Eugene, and the Lane County Veterinary Medical Association.

Possible collaborations

More than a dozen sheltering operations with facilities constructed in the past ten years were consulted to learn the collaboration structures they chose to use. Public partners in these projects include states, counties, cities, and townships. Non-profit partners include humane societies, SPCA's, and "Friends of" organizations established for the purpose of supporting the shelter. For-profit partners include veterinary hospitals, doggy day cares, dog trainers, retail shops, and others.

The structures chosen by the sheltering operations contacted include:

- Collaborations among public agencies only,
- Public and non-profit collaborations,
- Non-profit only, and
- Public, non-profit and private collaborations.

Sharing construction costs and ownership

If the jurisdictions move forward with replacing the facility and continuing joint ownership, one key decision is how to share the one-time construction costs (which could be paid in a lump sum or bonded for payment over time). All three jurisdictions have budget challenges; however, this facility issue has been long-deferred, and the need is significant. The options for how to share those costs are limitless, but some examples discussed by the group are listed here.

- *Split evenly by the jurisdictions.* If the total cost of the shelter is \$6 million to \$10 million, then each jurisdiction would fund between \$2 million and \$3.3 million. This amount would be reduced based on any private fundraising.
- *Prorate costs based on number of animals housed.* If the total cost of the shelter is \$6 million to \$10 million, then the allocation would be \$3.12 million to \$5.2 million for Eugene (52% of animals), \$1.5 million to \$2.5 million for Lane County (25% of animals) and \$1.02 million to \$1.7 million for Springfield (17% of animals). This only totals 94% of the animals, with the balance in that year coming from other small cities. This amount would be reduced based on any private fundraising that would off-set the amount to be borrowed.
- *Prorate costs based on human population.* If the total cost of the shelter is \$6 million to \$10 million, then the allocation would be \$3.1 million to \$5.17 million for Eugene (51.75%), \$1.73 million to \$2.88 million for Lane County (28.83%) and \$1.17 million to \$1.94 million for Springfield (19.43%). This amount would be reduced based on any private fundraising.

Each jurisdiction would determine how it would fund its share (i.e. with bonds). The working group recognizes that, although the need for a new facility is real, the funding of its construction is impacted by the presently depressed economy and tight government budgets. Factors such as sources of capital (private vs. public, or both), the length of time before design and construction begin, and the arc of the economy may impact the sources of funding selected by the jurisdictions.

Overview of Options

The following discussion focuses on three broad approaches, with details of each approach as well as its advantages and disadvantages. An appendix further illustrates the approaches with examples of specific jurisdictions which have built facilities during the last 10 years using one of these models.

If the jurisdictions choose to go forward under either Option A or Option B, then more detailed planning can take place. This would include the specific financing, as well as design work to help optimize the potential for the site to be used around the clock as much as possible, maximize sustainability, and enhance revenue generating opportunities. In the event that a new facility is built under Option A or Option B, planning in the design phase could be done to create revenue-generating spaces that could help offset the increased cost of operating a larger facility, and might eventually help lower the overall operating cost of the facility. Additional analysis would be needed to more specifically identify the revenue-generating ability of some of those design options.

- ***Option A – Build new, public facility (replacement or remodel).*** This option would have the jurisdictions replace or remodel the existing facility at the current site or replace it at another location. There are a range of approaches for the jurisdictions to pay for the new facility, and could be a combination of one-time funds available now, bonding the costs and paying those over 20 years, and raising funds from the private sector through a capital campaign.

- **Option B - Build new facility (replacement or remodel), working in partnership with a non-profit partner.** This option would have the jurisdictions work closely with a non-profit in the community, and could be designed for more or less involvement by the non-profit. On one end of the continuum, the jurisdictions could work to coordinate services with an existing non-profit to minimize duplication of operations, but both would still maintain independent facilities. On the other end of the continuum, the jurisdictions could provide their own enforcement services and contract out all of the animal care services. Adopting an option on this end of the continuum would essentially end the “Tri-Agency” approach to animal services, with each jurisdiction independently contracting with a non-profit entity for necessary services.
- **Option C - Do Nothing.** This option would leave the current facility unchanged, and would result in further degradation of the facility and the services provided there.

Specific Options for Consideration and Identified Pros and Cons

Option A: New Public Facility (with or without capital campaign which contributes private funding—see section below on Funding Options).

Pros	Cons
1. Maximum control over facility, operations, and policies rests with government which is accountable to the public	1. Could be more expensive to build and operate than private options
2. Speed for implementation—work could begin immediately.	2. Trade-offs with other budget priorities
3. Jurisdictions would retain asset	

The building design could include spaces for revenue-generating activity that could help offset some of the increased expense.

Option B - Public/Private Partnership for New Facility: This option would work closely with a non-profit in the community, and could be designed for more or less involvement by the non-profit. Two examples of this option are shown below.

Option B¹: Contract with private non-profit with sufficient facility to shelter and care for animals, and contract with private providers for spay/neuter services; government would directly provide enforcement services. This assumes a non-profit is willing to contract and has a sufficient facility that could accommodate LCAS services. If a new facility needs to be built, jurisdictions could contribute toward that effort.

Pros	Cons
1. Least expensive for operations	1. Potential loss of government control over policies
2. Focus government on enforcement responsibility only.	2. Timeline is minimum of four to five years
3. Least expensive way to get new facility	3. Shift of jobs from AFSCME (union)
	4. Would need to re-bid every 3 years
	5. County does not have building asset and would be vulnerable to non-profit going out of business or electing to stop providing services to the jurisdictions.

Other variations could include contracting for all services (to include enforcement), or some other subset of services to be determined.

Option B²: Develop an expansion plan collaboratively with private non-profit; results in two facilities but services are more coordinated; fundraising is coordinated.

Pros	Cons
1. More control over policies than B ¹	1. Cost of two facilities (one private, one public)
2. More coordination of effort could result in less duplication and better services geographically	2. Could be confusing to community donors

The building design could include spaces for revenue-generating activity that could help offset some of the increased expense.

Option C - Do Nothing. This option would leave the current facility unchanged. Other governmental bodies have also indicated agreement that the existing facility has outlived its useful life. This option is not a recommended option.

Funding Options for Building a Public Facility

Option 1: Jurisdictions sell bonds to cover the cost of the construction, and then pay those off over 20 years based on a shared formula.

This approach would allow the project to move forward quickly; however the jurisdictions would need to pledge their general funds to pay back those bonds in the absence of an identified revenue stream. A danger in waiting is that building costs will increase and the project will become more expensive over time. A general

estimate for repayment is 10% of principle each year, i.e., an \$8 million bond sale requires payments of about \$800,000 per year for 20 years to cover interest and the cost of the sale.

Option 2: Jurisdictions sell bonds to cover part of the cost of construction, and then pay those off over 20 years based on a shared formula. The balance of the cost is raised through a private capital campaign through a “Friends of Animal Services” or some similar group that would need to be formed.

This approach would lower the amount of payback responsibility for the general funds, based on the percentage of the total cost that was raised through the capital campaign. Some delay would result because a “Friends of” organization does not currently exist, and the capital campaign would take some time to launch. The jurisdictions could set a target for the amount of money to be raised and then allow the project to move forward once that amount has been pledged. The capital campaign could be one identified revenue stream to pay back the bonds, allowing for donors to spread their donations out over time. This approach lowers the burden on the general fund while creating an opportunity for the public to be involved in the project.

Option 3: Jurisdictions put a bond measure on the ballot to pay for a new facility.

If the measure passed, this approach would result in an identified revenue stream for repayment of the bonds and not impact the jurisdictions' general funds. If it fails, the jurisdictions would be back to square one in addressing the serious needs of the facility, and time and money would have been spent without moving the effort forward. This option requires time and expertise to run a public campaign, and could compete with other funding priorities to be placed on the ballot by the jurisdictions.

Conclusion

After lengthy discussions about the current facility and needs, the working group recommends that options for cost-sharing on a new facility be explored with the regional governmental partners.

APPENDIX

Illustrations of Other Shelters Utilizing Each Option

Option A: New Public Facility; governments provide both enforcement and animal care services

1. **Orange County Animal Services Center located in Chapel Hill, NC;** 24,000 sf facility completed June, 2009. County owns and operates. After much community controversy, the County assumed direct responsibility from a non-profit (Animal Protection Society) for its own sheltering operations, then created Animal Services as a department. County provides sheltering, adoption and enforcement services to its own townships and two other townships, and provides after-hour, emergency services to another (which has its own animal control officer). Its own townships receive services at no cost, other townships have contracts. Construction funding was borrowed, becoming part of County's longer-term debt package.
2. **City of San Jose Animal Care Center.** Completed in 2004. City of San Jose owns and operates facility, and has an Animal Advisory Committee (nine community volunteers). On a fee-for-service basis, San Jose provides services to itself, Los Gatos, Milpitas, Saratoga, and Cupertino. In 2001, after Humane Society Silicon Valley told San Jose it could no longer provide services for it, San Jose created Animal Care and Services Division with 3 sections:
 - Shelter – housing, adoptions, behavioral counseling to new owners, grooming of shelter animals, oversight of low-cost spay/neuter clinic;
 - Field services – responds to resident calls for help with stray, injured, dead, lost, nuisance, or dangerous animals; and
 - Administrative – oversees all financing, budgets, data bases; sells dog and cat licenses; provides customer service; recruits, trains and coordinates volunteers; publicizes and promotes shelter animals; handles community and press inquiries; organizes special events.
3. **Silicon Valley Animal Care Center.** Completed in 2006, 17,000 sf; funding provided by all three cities. Silicon Valley Animal Control Authority (a Joint Powers Agency of the three cities) was formed after Humane Society Silicon Valley told the three cities it could no longer provide services for them (2001). The Joint Powers Agency owns and operates facility, and provides enforcement, sheltering and adoptions, and a spay/neuter clinic to the cities of Campbell, Monte Sereno, and Santa Clara; each City pays the Authority for the share of services used.
4. **City of Calgary Animal Services Centre.** Only the 2,500 sf veterinary clinic was new (2009). City of Calgary owns and operates; all operations paid for

by licensing fees, not tax dollars; cats and dogs, both, require licenses at 3 months of age, with annual renewals. Three public agencies (City of Calgary Animal & Bylaw Services - under City Planning & Building Dept., Animal Services Peace Officers, and Responsible Pet Ownership Bylaw) provide licensing and microchipping/tattooing, enforcement, sheltering, adoption, spay/neuter, and education.

Option B - Public/Private Partnership for New Facility: This option would work closely with a non-profit in the community, and could be designed for more or less involvement by the non-profit.

1. **Regional Animal Services Center in Reno, Nevada.** 60,000-sf facility completed in 2006 for \$16 million (raised by City, County, and Humane Society). City (Reno) gave land to County (Washoe); County voters approved bond issue for \$10.5 million; County government pledged \$1.25 million more; two private donations totaled \$1.5 million; and Nevada Humane Society raised \$4 million for construction and \$1.5 million for move-in and operational costs. Washoe County (Regional Reno Animal Services) owns facility, and uses a small section for license sales, impoundment and administration. Nevada Humane Society uses majority of facility, and provides all sheltering other than impoundments, lost and found, adoption, spay/neuter, comprehensive clinic for shelter animals, training and behavior assessment, wildlife care and rehab, exercise and play area, grooming, cremation services (to public, veterinarians, shelter).
2. **Ithaca, NY's Dorothy and Roy Park Pet Adoption Center (no-kill).** Tompkins County SPCA (non-profit); capital campaign funded by individuals, many businesses, major donors; completed in 2004, as first LEED-certified shelter in US. Tompkins County SPCA owns and operates facility; contracts with all townships in County, and with City of Ithaca, local health department, and Tompkins County. Provides sheltering, adoption, low-cost spay/neuter for public and for shelter animals, animal control and cruelty intervention, lost and found, dog obedience training, and cremation services (to public as well as sheltered animals).
3. **Lied Humane Center in Omaha, NE;** 65,000 sf, completed in 2000. Nebraska Humane Society owns and operates the facility, and provides sheltering, adoptions, spay/neuter, and animal control to City of Omaha and six other cities and non-incorporated communities in Omaha metro area. Private companies which share the facility provide income streams through provision of dog daycare, obedience classes, a kids' summer camp, and cremation services.
4. **Humane Society Silicon Valley (HSSV) in Milpitas, CA.** "Not just an animal shelter, but an animal community center;" \$25 million facility, funded by

community donations, completed 2009. Non-profit owns and operates facility, providing sheltering and adoptions, with multiple private partners (boarding facility, dog day care, grooming services, dog park and training center, medical clinic for affordable spay/neuter, veterinary hospital, pet store, pet-friendly café, community room rental); revenues are generated almost exclusively through private income producers, community donations, and program fees from adoptions, spay/neuter services, etc. Previously provided services by contract for seven cities, but cut off six cities in 2001; currently provides sheltering services for stray animals to one city in Santa Clara County on a yearly contract with a "per animal rate" which provides less than 10% of revenue.

5. **Calgary Humane Society (non-profit)**. Construction costs of \$10 million were raised through a capital campaign completed in 2006. Non-profit Humane Society owns and operates facility, and provides sheltering, veterinary clinic, lost and found, adoptions, humane education, violence prevention program, emergency boarding for citizen medical emergencies, pet training and behavioral consulting, cremation (to public as well as sheltered animals), and sale of pet gear. Peace Officers investigate animal cruelty and neglect, and enforce the Animal Protection Act of Alberta (2,000 incidents per year). Animal Welfare Responders transport strays from veterinary clinics, trap at-risk cats, and attend public animal emergencies. Call Centre fields public inquiries, responds to reports of cruelty and neglect, and dispatches field personnel.
6. **Potter League for Animals, Newport, RI, (non-profit humane society)**. This centralized animal resource center was completed in 2009. Humane Society leases land from the State (50 years at \$1/year) because shelter is on unused portion of local airport. Humane Society raised construction funding, to which the municipalities with sheltering contracts contributed (as a smaller capital expenditure than building their own shelters). Humane Society owns and operates facility, and provides sheltering, lost and found, and adoptions. Municipalities provide own enforcement services.