



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 21

**Agenda Date:** March 20, 2025

**In Control:** City Council A Session

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**DEPARTMENT:** Animal Care Services

**DEPARTMENT HEAD:** Jonathan Gary

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Amendment to the Stray Kennels Funding Agreement with Animal Defense League.

**SUMMARY:**

This Ordinance approves an amendment to the Stray Kennels Funding Agreement with Animal Defense League to add compensation for transferring up to 3,184 pets from ACS, in an amount not to exceed \$123,000.00 in FY 2025 and not to exceed \$207,200.00 in subsequent years. Funding is available in the FY 2025 Adopted General Fund Budget. Funding for subsequent years is contingent upon City Council approval of the annual budget.

**BACKGROUND INFORMATION:**

On May 30, 2013, City Council authorized a Funding Agreement, Primary Ground Lease, and Sub Ground Lease with the Animal Defense League of Texas (ADL) to facilitate the construction and operation of the Stray Animals Kennels Project located at ADL's main campus (11300 Nacogdoches) for a term of 25 years, terminating June 9, 2038. The City provided \$2,134,000 toward the design, construction, and operation of the facility and in return, ADL agreed to rescue a total of 73,232 animals from ACS, or 3,184 animals per year. At the end of the lease, ownership of the facility automatically transfers to ADL.

Under the original agreement, ADL must rescue a minimum of 3,184 animals per year or reimburse the City at a rate of approximately \$27 per animal not rescued. However, recognizing that the most important aspect of the contract is the number of pets rescued through this contract, which is of greater value to the City than the amount of reimbursement received, City Council approved the first amendment to the contract in FY 2020 to provide more flexibility in how ADL can meet its obligation and ensure more pets are rescued. The first amendment allows ADL to defer its unmet rescue obligation to future years rather than requiring a reimbursement to the City. The amendment did not decrease the number of animals ADL is required to rescue under this contract.

#### **ISSUE:**

Due to the structure of this funding agreement, ADL is pulling ACS pets at a loss. They are running extra adoption specials, which lowers their revenue, in order to move enough pets out to meet their transfer obligation. To help combat the financial strain of the current agreement, ACS is proposing to offer compensation for up to 3,184 animals pulled under this contract. Compensation would be a per animal reimbursement, beginning after ADL pulls an initial 2,000 pets. For the current contract year, ACS is proposing a \$100 per animal reimbursement for pets 2,001 – 3,000 and \$125 for pets 3,001 – 3,184. For subsequent years, the reimbursement would increase to \$175 for pets 2,001 – 3,184. Any pets pulled beyond the 3,184 would be applied to ADL's unmet obligations from prior years.

#### **ALTERNATIVES:**

Should the amendment with ADL not be approved, ADL would not be compensated under this agreement and would continue pulling ACS pets at a financial loss.

#### **FISCAL IMPACT:**

This ordinance authorizes an amendment to a funding agreement with Animal Defense League of Texas (ADL) to allow compensation for up to 3,184 pets pulled from ACS in an amount not to exceed \$123,000.00 in FY 2025 and not to exceed \$207,200.00 in subsequent years. Funding is available in the FY 2025 Adopted General Fund Budget. Funding for subsequent years is contingent upon City Council approval of the annual budget.

#### **RECOMMENDATION:**

Staff recommends the approval of this ordinance.