



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 11

Agenda Date: November 21, 2024

In Control: City Council A Session

DEPARTMENT: Building & Equipment Services

DEPARTMENT HEAD: Jorge Perez

COUNCIL DISTRICTS IMPACTED: District 5

SUBJECT:

Lease Amendment for Animal Care Services Department – Spay & Neuter Clinic.

SUMMARY:

This ordinance authorizes the execution of a Lease Amendment with TCP Las Palmas Partners LTD to increase the City contribution towards the tenant improvements by \$300,000.00 for a total value of \$762,500.00 to renovate 3,700 S.F. of clinic space at 803 Castroville Road, for use by the Animal Care Services Department (ACS). Funding in the amount of \$300,000.00.00 for one time improvement cost is available from General Fund Animal Care Services capital project balances from the overflow kennel. This will cancel the ACS Overflow Kennel project.

BACKGROUND INFORMATION:

In June 2024, City Council approved leases for two new Spay Neuter facilities to augment the approximately 33,000 spay/neuter surgeries performed annually by the City and the community spay/neuter program. The lease included the monthly rent as well as \$462,500 for tenant improvements to accommodate the needs of a spay/neuter clinic. ACS intends to increase this number of surgeries by opening two new veterinary clinics in FY 2025. When opened this facility will improve accessibility for west side residents for these services with an additional 6,500 spay/neuter surgeries anticipated to be completed when this facility is fully operational.

ISSUE:

This ordinance would authorize the execution of a Lease Amendment with TCP Las Palmas Partners LTD to increase the City contribution towards the tenant improvements by \$300,000.00 for a total value of \$762,500.00 to renovate 3,700 S.F. of clinic space at 803 Castroville Road, for use by the Animal Care Services Department.

Once City Council approved the lease in June, the construction documents for the tenant improvements were drafted. However, the bids received for building out this surgical facility were higher than anticipated. After careful consideration of finishes and equipment necessary to outfit this storefront surgical facility, it was determined that the project could not be delivered within the prescribed budget and an additional \$300,000.00 was required to complete the project.

ALTERNATIVES:

An alternative to entering into this lease amendment would be to identify a partner with sufficient funding sources to complete the construction. ACS attempted to find operating partners through a public solicitation process, and none came forward, so this alternative is unlikely to produce results.

FISCAL IMPACT:

This ordinance authorizes the execution of an amendment to a lease agreement with TCP Las Palmas Partners to increase the City contribution towards the tenant improvements by \$300,000.00 for a total value of \$762,500.00 to renovate 3,700 S.F. of clinic space at 803 Castroville Road, for use by the Animal Care Services Department.

All other terms and conditions of the lease will remain unchanged including monthly rent which will commence upon the completion of the facility improvements.

Funding for one time improvement cost in the amount of \$300,000.00 is available from the General Fund ACS capital project balances from the overflow kennels. This will cancel the ACS Overflow Kennel Project.

RECOMMENDATION:

Staff recommends approval of this ordinance.