



IN CAMERA

REPORT

Report Date: May 25, 2022
Contact: Koji Miyaji
Contact No.: 604-829-9711
RTS No.: 14644
VanRIMS No.: 08-2000-21
Meeting Date: June 21, 2022

TO: Vancouver City Council
FROM: General Manager of Development, Buildings and Licensing (“DBL”)
SUBJECT: Animal Services Shelter Replacement and Partnership with British Columbia Society for the Prevention Cruelty to Animals (“BC SPCA”)

IN CAMERA RATIONALE

This report is recommended for consideration by Council on the In Camera agenda as it relates to Sections 165.2(1) of the *Vancouver Charter*:

(e) the acquisition, disposition or expropriation of land or improvements, if the Council considers that disclosure could reasonably be expected to harm the interests of the city; and

(k) negotiations and related discussions respecting the proposed provision of an activity, work or facility that are at their preliminary stages and that, in the view of the Council, could reasonably be expected to harm the interests of the city if they were held in public.

RECOMMENDATIONS

A. THAT Council approve in principle the Vancouver Animal Services shelter replacement and partnership with BC SPCA project, as presented in this report.

B. s.17(1) 

C. THAT the General Manager of Real Estate and Facilities Management and the Director of Legal Services be authorized (on behalf of the City) to negotiate with the BC SPCA all legal agreements required to secure the proposed co-location and

partnership with the BC SPCA, including, without limitation a development management agreement, s.17(1) a licence agreement for use of shared space, and securing the dedicated office space and parking for the exclusive use of the Vancouver Animal Services either through an option to purchase or long-term lease, all on terms and conditions satisfactory to the General Managers of Real Estate and Facilities Management, DBL and the Director of Legal Services, and generally as described in this report, and report back to Council for final approval; sources of funding to be subject to Council approval of the 2023-2026 Capital Plan and electorate approval of the applicable borrowing plebiscite questions, and the 2023 Capital Budget.

- D. THAT no legal rights or obligations will be created by Council's adoption of the above Recommendations, unless and until all required legal documents are executed and delivered by the General Manager of Real Estate and Facilities Management or the Director of Legal Services, as applicable.

REPORT SUMMARY

The purpose of this report is to seek project approval in principle from Council and to further advance discussions with the BC SPCA pertaining to all elements required to have an agreement in place to relocate Vancouver Animal Services ("VAS") into the new proposed BC SPCA building and co-locate VAS and BC SPCA services.

The report will also provide Council with background information and business case for the proposed co-location partnership approach with the BC SPCA, which will benefit the residents of Vancouver for many years.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

- 2004: Council approved the 2004-2009 Animal Control Services Strategic Plan which identified the replacement of the animal shelter facility as a key action item.
- 2014: Animal Services Renewal included in 2015-2018 Cap Plan. Withdrawn from the plan due to potential options to partner with BC SPCA being explored.
- 2015: Council approved the acquisition of 1245 Glen Drive, located adjacent to the City's animal shelter as a strategic future development site and for possible land assembly for a future shelter rebuild given the BC SPCA's stated intention at that time to move its facility to a site not suitable for co-location. The site is held within the Property Endowment Fund.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

Following their respective mandates, the City and BC SPCA have been working closely together over many years to provide excellent animal related services to the residents of Vancouver.

The two organizations have held discussions in the past on opportunities to co-locate without any tangible outcomes due to a variety of reasons including timing, logistics and/or funding availability. The outlook for potential co-location and other partnership opportunities, which would mutually

benefit the two organizations and result in a positive impact to the residents of Vancouver, appear to be feasible through recent discussions. These discussions began in 2019 when the BC SPCA approached the City to discuss a co-location opportunity as part of their facility redevelopment plan, which coincided well with the imminent need for VAS' shelter replacement. This opportunity is time-sensitive and provides significant benefits to the City in cost-effectiveness and improved service delivery. The City Manager recommends proceeding as outlined in this report.

REPORT

Background/Context

Vancouver Animal Services (VAS)

VAS is a unit within the City's Development, Buildings and Licensing department that carries out certain provisions of the *Vancouver Charter* ("Charter") and *Animal Control By-law* (the "By-law"). Both the Charter and By-law authorize the City to establish a Pound, licence dogs, impound animals that are aggressive or at-large, and enforce related regulations.

Comprising 20.8 FTE staff, VAS operates the 16,000 sq. ft. Vancouver Animal Shelter ("Shelter") facility at 1280 Raymur Avenue, with a focus on achieving the following outcomes:

- Providing public safety from dangerous dogs and other animals through investigations and enforcement;
- Interactions with the public using various communication methods so that the public and pets can coexist safely and mutually attain a good quality of life;
- Providing animal care that meets industry standards as regulators;
- Providing cost effective and efficient operations as a City service to improve safety, quality of life and be fiscally responsible to the tax payers; and
- Providing support to encourage responsible pet ownership, and return lost animals to their rightful owners.

Note: As animal care practices and policies have evolved over the years, VAS has taken on additional responsibilities including adoption services, support for unclaimed animals, public education and engagement.

Current Challenges

VAS staff does its best to provide services to the public, however one of its biggest challenges is the aging Shelter facility that was constructed in 1976 and is at the end of its life. Capital replacement has been identified as necessary by Real Estate and Facilities Management for a number of years. This outdated Shelter facility gives rise to a number of challenges:

- Outdated workspaces that do not meet the needs of today's operational demands;
- Does not meet industry standards for sheltering and animal care i.e. lacks effective quarantining space for sick animals;
- Is not adequately equipped to handle the diversity of animals it shelters;
- Presents reputational risk with reduced ability for VAS to provide adequate animal services compared to neighbouring jurisdictions;

- Inconvenient and limited public access due to the lack of transit connectivity and limited parking; and
- Inadequate physical space for public education, adoption services and engagement.

Evolving Industry Standards

Municipal animal services in Canada has evolved from the historic “animal control” model with high euthanasia rates to the current “no kill” model that emphasizes animal welfare and the search for new homes for impounded animals and as a result, industry standards of care for animal shelters in Canada have evolved. VAS’ outdated Shelter facility lacks many basics specified in the current standards of care that affects the physical and mental wellbeing of sheltered animals, hence making them harder to be adopted.

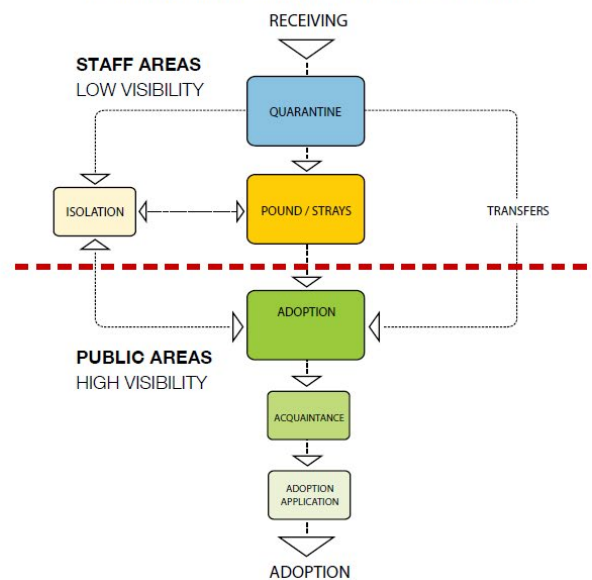
OUTDATED PRACTICE

BYLAW ENFORCEMENT ENFORCED
 EUTHANASIA PRACTICED
 DISEASE MITIGATION + ANIMAL STRESS A LOW PRIORITY
 NO COMMON OR PUBLIC SPACES



CURRENT BEST PRACTICE

COMMUNITY ENGAGEMENT / EDUCATION + ADOPTION FOCUSED
 'NO KILL' POLICY
 DISEASE MITIGATION + ANIMAL STRESS A HIGH PRIORITY



Changing animal demographics

The Shelter was developed with a focus on dogs, but over the last 30 years VAS has experienced a declining trend in the number of dogs impounded and available for adoption. Reasons for this include the implementation of sterilization policies by shelters and private veterinarians, increased awareness of responsible pet ownership, and the increasing popularity of animal fostering.

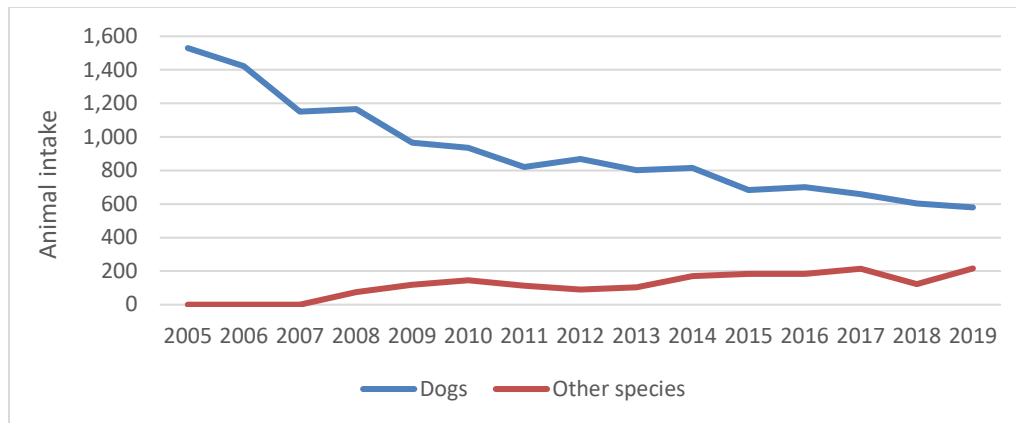


Figure 1 – Vancouver Animal Shelter annual animal intake (2005-2019)

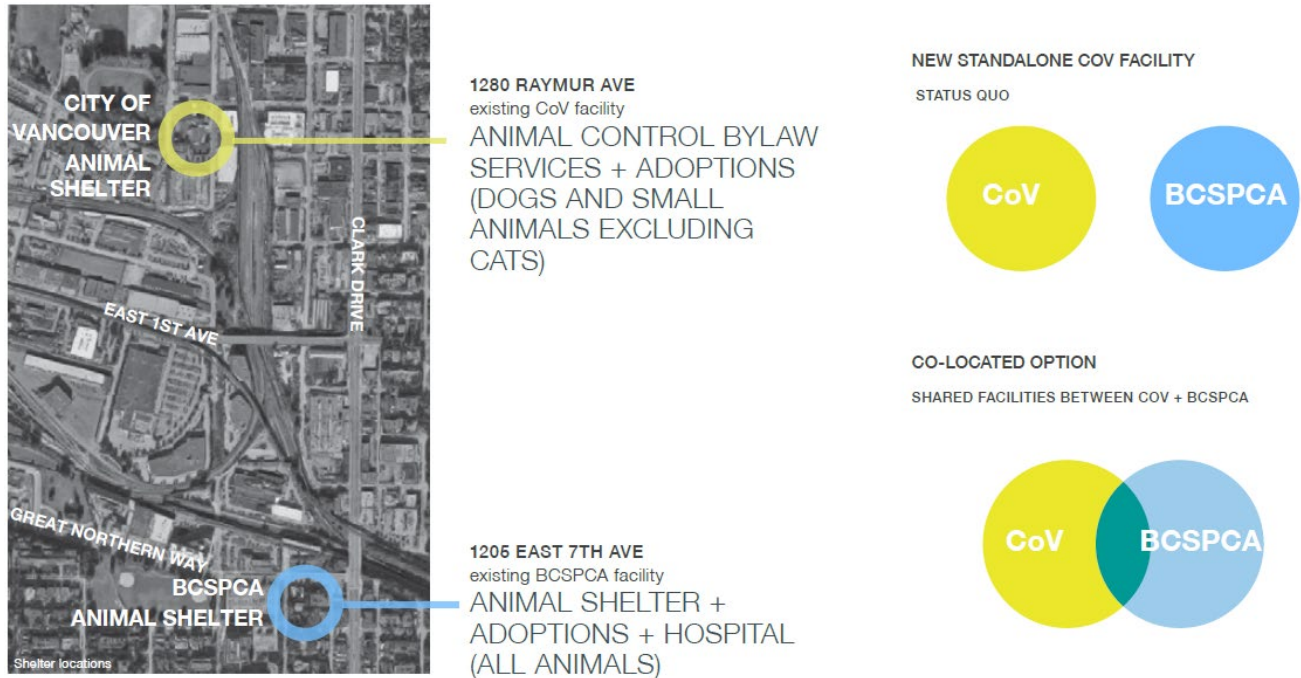
* 2020 and 2021 data was omitted as it was COVID influenced and not representative of the trend

The Shelter is now caring for an increasing number of smaller animals such as birds, reptiles and rodents but it lacks dedicated space for them, resulting in makeshift animal quarters converted from existing staff spaces. Staff are also unable to house these animals in under-utilized dog kennels due to the unsuitable physical configuration of the space and proximity to dogs, which can induce stress and disease.

Opportunity/ Partnership with BC SPCA

The *Prevention of Cruelty towards Animals Act* is the provincial animal welfare statute that outlines the required standards of care for animals in BC and empowers the BC SPCA to administer and enforce the Act. As a registered non-profit animal rescue, the BC SPCA maintains a network of over 44 animal shelters across the Province, including a facility in Vancouver at 1205 E. 7th Avenue that also houses the Provincial BC SPCA offices and a veterinarian hospital. The BC SPCA is the designated poundkeeper in a number of BC municipalities, including Maple Ridge, Burnaby, Richmond and Nanaimo.

In 2019, the BC SPCA approached the City with the opportunity to co-locate VAS' services with their new "animal campus". In order to understand VAS needs, the City hired the Office of McFarlane Biggar ("OMB") to undertake a functional programming study. The study also included test-fit options for a stand-alone facility on existing City sites and the co-location opportunity.



In December 2020, the City shared the functional programming information with the BC SPCA and, based on a review of the information, the following was proposed, which was detailed in a Letter of Intent:

1. Co-location: A joint facility to be constructed on the BC SPCA’s existing site at 1205 E. 7th Avenue to meet the City’s animal services needs through a combination of:
 - i. additional animal care spaces, including dog kennels, small animal spaces and aviary rooms;
 - ii. dedicated office space for VAS s.17(1)
 - iii. access to shared spaces such as public education spaces;
 - iv. adequate parking for the fleet and public; and
 - v. storage and other functional space needs as required by VAS; and

2. s.17(1)

The City and BC SPCA signed a Memorandum of Agreement (“MOU”) to engage in further discussions on the detailed terms of the proposed co-location s.17(1) and to consider the details of the necessary legal arrangements, subject to receiving approvals from the City’s Leadership Team and Council, and the BC SPCA’s governing bodies including its Board of Directors.

Project Description

BC SPCA plans to redevelop its existing Vancouver facility at 1205 E. 7th Avenue with a 120,000 sq. ft. “animal campus” consisting of a multi-storey building with:

- veterinary hospital, animal gymnasium and shelter;
- education centre and public atrium;
- BC SPCA Provincial office;
- office space to be used for future expansion and dedicated space for VAS office use; and
- underground parking.



Timeline and Construction

A preliminary concept plan has been prepared by the BC SPCA’s consultant team and reviewed with the City; BC SPCA intends to submit a Development Permit application in the next few months.

The BC SPCA intends to complete the project and commence operations within a three-year window with a planned building completion date of 2025. BC SPCA has indicated that they are prepared to complete this building project on their own if required.

Ownership and Development Management Arrangements

Under the proposed partnership, the land and building will be owned by the BC SPCA, except for a separate dedicated City office space and parking which will preferably be owned by the City as a separate air space parcel, subject to negotiation. In the event that an air space parcel cannot be secured, a long term lease will be considered. The remaining shared spaces (including guaranteed kennel space, education and training areas) will be accessed through a licence agreement.

The City’s capital funding contribution will be, in general, limited to the incremental costs incurred to the project as a result of the BC SPCA/City partnership. These include both hard and soft costs associated with the City’s dedicated spaces, encompassing i) animal care spaces based on the number of City guaranteed kennel spaces; ii) common area costs based on the proportionate share of overall gross floor area; and iii) parking spaces based on the number of dedicated parking stalls for the City’s fleet and a proportionate share of visitor stalls for the public. Other shared spaces such as educational and training areas will be based on a fee for usage model, with no capital funding contribution from the City.

There would be three main Agreements to secure the City’s interest.

1. Development Management Agreement – BC SPCA and the City will enter into a development management agreement to outline the overall capital budget and each share of funding contribution, risk allocation (project delivery, cost escalation, etc.), decision making process, tendering, mutual appointment of project professionals and consultants, deliverables, construction standards and sustainability requirements.

s.17(1)

3. VAS Office Space – the City will take long-term exclusive use of the dedicated VAS office space and related parking. Subdivision and freehold acquisition by the City of a separate air space parcel containing the office space and parking is the preferred option in securing the VAS's long-term tenure and future service continuity on this co-location site, and is proportionate to the City's sizeable capital funding contribution to this project. In the event that an air space parcel cannot be secured, a long term lease will be considered.

BC SPCA will take on the primary responsibility to manage the project with the City funding its proportionate share of the costs for design and construction and the City will provide oversight for the VAS portion of the project as set out in a Development Management Agreement.

Any other ancillary legal agreements required by the General Managers of Real Estate, DBL, and/or the Director of Legal Services will be negotiated as and when deemed appropriate by them, and report back to Council for approval; sources of funding to be subject to Council approval of the 2023-2026 Capital Plan and electorate approval of the applicable borrowing plebiscite questions, and the 2023 Capital Budget.

Strategic Analysis

s.17(1)

Benefits to a partnership model with the BC SPCA are as follows:

- Reduced development costs and maintenance cost over time for co-location compared to a stand-alone option;
- Higher quality animal care service to all the animals that VAS is required to handle
 - facility will be better equipped;
 - animals will have easier and timely access to on-site veterinarian services and hospital;
- Improved customer service by providing a “One Stop Shop” type service to the public supported by good public transit access and adequate parking;
- Improved public safety through public education and community outreach opportunities; and
- Improved City staff and volunteer commuting options.

Note: Current dog kennels have fallen behind industry standards and need to be replaced. Through a partnership with the BC SPCA, the City could pool resources more efficiently to meet

the community's animal sheltering needs instead of maintaining or building new kennel spaces that could exceed demand.

Financial

Capital Cost Estimates

Preliminary discussions and planning have determined that partnering with the BC SPCA will require considerably less capital costs **s.17(1)**

s.17(1) Temporary VAS offices and animal sheltering will not be required as they would be if the City redeveloped its own site resulting in minimal, if any, disruption to the continuity of services.

Stand-alone Option - Existing City Site(s)



Project Cost (2022 \$) ~\$30M
 Temporary re-located VAS offices: \$350K/year x 2 years = \$700K
 Temporary shelter \$500K/year x 2 years = \$1M
 Land Purchase (PEF site): ~\$7M
Total City Cost: ~\$38.7M

Co-location Option - Existing BC SPCA Site



1205 EAST 7TH AVE, VANCOUVER, BC

Project Costs - BC SPCA share (2022 \$) ~\$63M
Project Costs - City share (2022 \$) ~\$20M
 Temporary VAS offices: N/A
 Temporary shelter cost: N/A
 Air Space Parcel Purchase: ~\$2M
 Project contingency/cost escalation: \$2.4M
Total City Project Cost: \$24.4M

Under the co-location model, the City's overall capital funding contribution to this partnership is estimated to be ~\$24.4M, inclusive of ~\$2M for acquisition of the air space parcel, if possible, and

\$2.4M of project contingency and cost escalation. To date, there is an approved multiyear Capital Project Budget of \$2.4M for planning. Sources of funding for the additional \$22M are subject to Council approval of the 2023-2026 Capital Plan and electorate approval of the applicable borrowing plebiscite questions, and the 2023 Capital Budget.

Should the proposed BC SPCA/City partnership proceed, the City property located at 1280 Raymur Avenue (existing Shelter site), with an estimated value of ~\$10M, could be assembled with the adjacent PEF site for redevelopment purposes. In that case, PEF would pay the Capital Fund for the site, which could be used to offset the City's share of the project costs subject to Council approval.

Operating Budget

Upon completion and occupancy of the BC SPCA building, there will be associated operating costs, the full costs of which are still to be determined. Building and maintenance costs would be comparable per sq. ft. in a stand-alone vs. co-location scenario, but are estimated to be approximately \$50,000 less annually in a co-located facility.

s.17(1)

After taking into consideration the savings in building and maintenance costs s.17(1) s.17(1) the overall shortfall is estimated to be \$60,000. This funding shortfall will need to be considered as part of a future annual operating budget processes.

s.17(1)

CONCLUSION

The current VAS Shelter facility is well past the end of its life span and is in need of replacement. The BC SPCA has approached the City with an opportunity to co-locate VAS services with their new building, which the BC SPCA are planning to build on their current location and complete in 2025. There have been discussions in the past to consider this co-location partnership, however, the timing

and/ or other factors prevented this opportunity from being further explored. The City and the BC SPCA believe the timing and the opportunity to co-locate is a good and positive option for both parties at this time.

Staff recommends to Council that the City adopt in principle the proposed operational and capital partnership with the BC SPCA, for the following reasons:

- This partnership with the BC SPCA increases overall animal service delivery to the residents of Vancouver s.17(1) and provides for customer service improvements not likely to be achieved if the City was to construct a stand-alone animal care facility;
- s.17(1)
- The partnership is aligned with VAS's 50-year operating vision and will enable the achievement of all the City's community outcomes for animal services; and
- There are significant economies of scale and capital cost efficiencies in co-locating the Vancouver Animal Shelter with the BC SPCA.

Staff further recommends that the project team continue its good-faith negotiation with the BC SPCA to further solidify operational and capital details of the proposed partnership.

Funding for planning has already been approved and remaining Capital funding for the project is included in the draft 2023-2026 Capital Plan.

Any Operating budget impacts will need to be considered as part of a future annual operating budget process.

* * * * *