



City of Killeen

Legislation Text

File #: RS-23-089, **Version:** 1

Consider a memorandum/resolution authorizing the purchase of real property for Animal Services within the City of Killeen.

DATE: May 23, 2023

TO: Kent Cagle, City Manager

FROM: Danielle Singh, Assistant City Manager

SUBJECT: Authorize the purchase of an Animal Services facility

BACKGROUND AND FINDINGS:

The Department of State Health Services conducts inspections at the City of Killeen's Animal Services facilities annually. For the past several years, the condition of the quarantine facility has been cited on the inspection report. If the condition is not addressed, the Department of State Health Services could close the facility and halt operations.

The quarantine facility was built in the 1970's. Since it was constructed, it has been repaired several times, but the condition of the building has continued to deteriorate and needs to be replaced. The construction of a new quarantine facility was included in the FY 2023 Capital Improvement Program in the total amount of \$1,840,000.

The City of Killeen was contacted by the owner of East Lake Veterinary Clinic to see if the City would be interested in purchasing the building. The facility would offer improved kennels, enhanced amenities, and accommodations that would enhance our customer experience. If approved, the City would use the Veterinary Clinic for pet adoptions and other operations. The current adoption facilities could then be used for quarantine facilities. The new facility would also allow the City to expand upon spay/neuter capabilities with an in-house operating room.

The City obtained an independent appraisal of the building, which determined the value of the building to be \$1,710,000. The City will pay \$960,000 in FY23 and make additional payments in FY 2024 and FY 2025 from the capital funds received from Fort Cavazos through an Intergovernmental Services Agreement. These payments will include 8% interest per annum. The total purchase price of the building is \$1,800,000 with interest.

THE ALTERNATIVES CONSIDERED:

1. Do not purchase the East Lake Veterinary Clinic and build a new quarantine facility with less capacity.
2. Do nothing and risk failing State Health Services inspection.
3. Purchase the East Lake Veterinary Clinic.

Which alternative is recommended? Why?

Staff recommends purchasing the East Lake Veterinary Clinic. This option provides the best value and enhances services for the residents of Killeen.

CONFORMITY TO CITY POLICY:

This item conforms to city policy.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

The amount of the expenditure in the current year is \$960,000. The amount of the expenditure in FY 2024 is \$405,000. The amount of the expenditure in FY 2025 is \$435,000.

Is this a one-time or recurring expenditure?

This includes three expenditures over three fiscal years.

Is this expenditure budgeted?

Yes, the current year funding is available in the Governmental CIP Fund in account 349-8955-493.69-02.

If not, where will the money come from?

Payments in FY 2024 and FY 2025 will be made from Fort Cavazos capital funds through the Intergovernmental Services Agreement.

Is there a sufficient amount in the budgeted line-item for this expenditure?

Yes

RECOMMENDATION:

Staff recommends purchasing the East Lake Veterinary Clinic.

DEPARTMENTAL CLEARANCES:

Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

Appraisal
Agreement
Presentation