

BILL NO. _____

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE PURCHASE OF THE JACKSON COUNTY ANIMAL SHELTER BY THE CITY OF INDEPENDENCE.

WHEREAS, the Animal Shelter was constructed by Jackson County in 2012 in collaboration with the City of Independence, which retained ownership of the land upon which the Shelter is located; and,

WHEREAS, pursuant to the terms of an agreement signed in July 2019, the City of Independence agreed to take over operation of the Shelter, pay utilities, and provide services to the County valued at a minimum of \$250,000 annually; and,

WHEREAS, in exchange for these services, the County agreed to provide the City free rent at the Shelter, cover debt service and maintenance costs, purchase in future the land under the Shelter for \$240,000, and provide a transitional contribution of \$100,000 for each of the first two years of the agreement ending in June 2021; and,

WHEREAS, despite being a laudable effort of intergovernmental cooperation, this arrangement has often been unworkable in actual practice, requiring the City to be responsible for a facility it does not own and does not have the authority to adequately maintain; and,

WHEREAS, as a tenant providing services in exchange for free rent, the City is not building any equity interest in the facility, and continued use in future years of the building and contents is not guaranteed; and,

WHEREAS, it appears it would be in the best interests of both parties for the City to acquire sole ownership of the facility and provide future services to the County on a fee-for-service basis; and,

WHEREAS, the City and the County have agreed in principle to the following terms for the purchase of the Animal Shelter by the City:

1. The County will sell the Shelter for an amount approximately equal to the outstanding debt, which is about \$4.5 million. The Shelter Building, excluding the land it sits on, was appraised by the County at \$5.5 million and by the City at \$5.3 million.
2. The County will enter into a minimum 5-year agreement with the City for animal sheltering services and will pay a minimum of \$150,000 per year for up to 200 animals. Additional animals will be housed at \$25 per day.
3. The County will enter into a minimum 3-year agreement with the City for animal control services in the unincorporated area of the County and will pay a minimum of \$100,000 per year for this service.

WHEREAS, entering into this agreement presents little financial risk to the City for the following reasons:

1. The fees-for-services to be collected from the County will cover 86% to 100% of debt service costs depending on the number of animals sheltered.
2. If the County elects not to renew the multi-year agreements, the City can make up for 100% of animal control revenue lost, and 80% of sheltering revenue lost, by reducing expenses directly

- related to the services being provided to the County.
3. Deferred maintenance expenses on the facility which would be assumed by the City are estimated to be in the range of \$25,000 to \$78,000 and can be covered with existing Animal Services fund balances.
 4. Projected revenues from the Use Tax, the Animal Service portion of the Health & Recreation Levy, and fees are sufficient to cover all costs of operations, including debt service and annual building maintenance.

WHEREAS, acquiring the Shelter is a better bargain than building a new one, which would have to be about half the size for the same payment based on the costs of comparable new facilities in the region; and,

WHEREAS, the current Shelter also has a superior location, with the property being surrounded by 5 acres of City-owned land, already used as an exercise trail for animals, which could be further developed in future;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. That the City Council of the City of Independence hereby authorizes the purchase of the Jackson County Animal Shelter by the City of Independence, and hereby directs the City Manager to bring forward for City Council approval a contract with Jackson County based on the terms described above, and a plan of finance to facilitate the purchase.

PASSED THIS ____ DAY OF _____, 2021, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.

Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:

City Clerk

APPROVED AS TO FORM AND LEGALITY

City Counselor

REVIEWED BY:

City Manager