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September 9, 2026

Council File No.: 26-0529
Council Districts: All
Contact person and phone:
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The Honorable Members of the Los Angeles City Council
Arts, Parks, and City Facilities Committee
c/o Office of the City Clerk
City Hall Room 395, City Hall
Los Angeles, CA 90012

Attention: Armando Bencomo, Legislative Assistant

**SUBJECT: CF NO. 26-0529 - DEPARTMENT OF ANIMAL SERVICES REPORT ON
ESTABLISHING RETAIL SPACE IN EACH FACILITY TO SELL PET SUPPLIES WITH REVENUE
GOING BACK INTO OPERATIONS OF ANIMAL SHELTER, AND CONSIDERING THE
POSSIBILITY OF LEASING SPACE TO A THIRD-PARTY WITH THE SAME GOAL**

Recommendation for Council Action:

NOTE AND FILE this report as this report is for informational purposes only.

SUMMARY

The Department of Animal Services ("Department") currently operates six shelter locations throughout the City of Los Angeles. Each year, thousands of animals come through the shelters, many of which are adopted by individuals and families seeking to add a new member to their households. The motion associated with this Council File asks that the Department explore establishing a retail operation or leasing space at each of its facilities to allow new and existing pet owners to purchase the supplies required to maintain their new pets as well as increase revenues to assist with department operations.

DISCUSSION

The Department supports the concept of providing adopters with convenient access to basic pet supplies at or near the time of adoption. However, in discussing the currently feasibility of such an endeavor, a number of immediate challenges were considered. The issues of overriding concern are as follows:

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Shelter Design and Space

The Department's existing shelter facilities were not designed or configured to accommodate dedicated retail operations.

At present, the shelters have designated food storage rooms for shelter animals and supply closets for materials necessary to conduct daily shelter operations. These spaces are generally being used for their intended operational purposes, and there is limited additional storage capacity. In fact, the Department has had to purchase additional storage capacity because existing facilities do not provide sufficient space to meet current operational storage needs.

The lack of available storage presents an immediate challenge to establishing an onsite retail operation. A retail store would require space not only to display merchandise but also to receive, secure, organize and store inventory. Suggested products such as pet food, scratching posts, crates, collars, leashes, bedding, toys, litter and other supplies would require appropriate storage conditions and sufficient space to maintain an inventory that is adequate to meet customer demand.

Similarly, most of the existing shelter configurations provide limited opportunities for the safe and effective display of merchandise. There may be opportunities at certain facilities, including potentially the East Valley and North Central shelters, where a portion of existing space could be evaluated for conversion or dedication to a small retail area. Other shelter locations have more significant space limitations and may not have an area that could adequately and safely accommodate a dedicated retail operation without affecting existing shelter functions.

Accordingly, the Department cannot currently identify dedicated retail space at every shelter facility without further study of each individual location to determine what changes would be required to accommodate a retail operation.

Operational Considerations

Establishing retail operations would require significantly more than identifying an area in which to place merchandise. The Department would need to develop an operating model addressing inventory, procurement, pricing, security, sales, customer service, accounting and space management.

The various communities each of our locations serves have varying needs and demands based on adoption trends as well as demographic data. The Department must determine which products would be appropriate for each location and establish inventory levels based on the needs and purchasing patterns of the communities served by each shelter. A months-long feasibility study would allow the Department to evaluate those differences and determine what products, if any, should be offered at each location.

Staffing Requirements

The Department does not currently have sufficient staffing to independently operate retail stores at its shelter locations.

A retail operation would require personnel to perform functions including:

- Ordering and receiving merchandise;
- Maintaining inventory and monitoring stock levels;
- Storing and securing merchandise;
- Displaying and replenishing products;

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- Processing sales and maintaining appropriate financial controls;
 - Providing customer service; and
 - Assisting new pet owners with identifying supplies appropriate for their newly adopted animals.

These responsibilities would be in addition to the Department's existing animal care, intake and adoption services, medical services, field services and administrative responsibilities. Operating retail locations without dedicated staffing could negatively affect existing shelter operations and would therefore require additional resources or a different operating model.

Procurement

Procurement of supplies to be sold would also require coordination with the General Services Department. The Department would have to establish an appropriate contracting and procurement process for acquiring merchandise to be sold through the stores. Products would need to be obtained at competitive prices so that Animal Services can offer reasonable prices to adopters and create an incentive for customers to purchase supplies onsite rather than seeking them from other retailers.

Budget and Revenue Management

At present, the Department does not have a designated budget to purchase supplies or merchandise for a retail location. If approved by the Animal Services Commission and City Council, the Department could potentially use unrestricted Animal Welfare Trust Fund (AWTF) resources to support the establishment and operation of a retail program. If unrestricted AWTF funds are used to establish the retail program, City Council approval by resolution would likely be required to authorize the expenditure as a new program pursuant to Los Angeles Administrative Code Section 5.200(b)(2).

The Department could sell merchandise at a profit provided that any surplus funds generated through the retail operation is used exclusively to support the Department. Charter Section 104(g) expressly permits City departments to engage in merchandise concessions when those concessions are consistent with and support the department's operations and purposes.

Third-Party Retail Operations

An alternative approach would be to lease available space at selected Department facilities to a qualified third-party vendor that would operate the retail component.

This approach could reduce the direct operational burden on the Department by placing responsibility for staffing, inventory, purchasing, sales and customer service with the third-party operator. Depending on the structure of the arrangement, the Department could potentially receive rental payments, a percentage of sales, or another negotiated financial benefit that could be directed toward shelter operations, subject to applicable City requirements.

However, there are questions that would need to be resolved before determining whether a third-party operation would be viable. In particular, the Department would need to determine whether there is sufficient demand for pet supplies at each prospective location to support a vendor's investment in inventory and dedicated onsite staffing.

A months-long study would allow the Department to assess adoption volume, customer demand, available space, potential sales volume and other factors necessary to determine whether a third-party operator would have a reasonable business opportunity at individual shelter locations.

Comparable City Department Retail Operations

Other City departments provide examples of different approaches to operating retail activities.

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The Zoo Department operates retail locations through a contracted concessionaire, allowing a third party to provide retail services without requiring the Department to directly staff and manage the stores.

The Library Department provides another model, with its foundation operating the store associated with the Department.

Other Local Shelter Retail Operations

Pasadena Humane has an online shelter shop that allows interested parties to purchase needed supplies online and pick them up in the shelter.

These examples demonstrate that retail activities can be structured through different organizational and contractual arrangements as well as using other creative retail business models. The Department would need to determine which model, if any, is appropriate for its facilities and mission.

CONCLUSION

Animal Services recognizes the potential benefit of providing newly adopted pet owners with convenient access to essential supplies while creating an additional source of revenue that could support shelter operations. However, the Department's existing facilities have limited space, insufficient storage capacity and staffing constraints that prevent immediate implementation of dedicated retail operations at every shelter.

A retail operation would require additional space for merchandise display and inventory, a dedicated and approved funding source, a reliable procurement process, competitive pricing, dedicated staffing or a third-party operator, and an understanding of the specific needs and demand at each shelter location. There may be additional legal and legislative concerns that may need to be addressed prior to implementation.

Recommended Next Steps

Animal Services recommends conducting a months-long feasibility study before establishing retail operations at any shelter location. The study would allow the Department to:

1. **Assess each shelter facility** to identify potential space for merchandise display, inventory storage and customer transactions without interfering with animal care or other shelter operations.
2. **Evaluate community-specific needs** at each shelter location and identify the types of pet supplies that would be most useful to adopters.
3. **Determine potential demand and revenue** by analyzing adoption volume, customer needs and potential purchasing patterns.
4. **Evaluate staffing requirements and costs** associated with a department-operated retail model.
5. **Coordinate with the General Services Department** to identify the appropriate procurement and contracting mechanisms for purchasing merchandise at competitive prices.
6. **Evaluate a third-party model**, including whether sufficient demand exists to attract a vendor willing to provide dedicated staffing and inventory at individual shelter locations.
7. **Identify most ideal business models**, including direct Department operations, a concession agreement, a lease, revenue-sharing arrangement, or another appropriate contractual structure.

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8. **Identify legal and legislative issues**, including any Animal Services Commission and City Council approvals and/or resolutions that may be required to implement any selected business model.
9. **Develop a pilot program, if feasible**, at one or more facilities where sufficient space and demand exist, before considering expansion to additional shelters.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Gabrielle Amster', with a stylized, flowing script.

Gabrielle Amster
General Manager