

Report

Date February 19, 2025
Subject Royal Canadian Mounted Police Occupancy Agreement

File:

PURPOSE

To seek Council's approval of a new agreement to accommodate the Royal Canadian Mounted Police's (RCMP) non-municipal personnel within the North Cowichan/Duncan RCMP Detachment building located at 6430 Ford Road.

BACKGROUND

North Cowichan is obligated to provide facilities for its contracted RCMP municipal police force. Additionally, by agreement, it has also housed the RCMP's non-municipal personnel in the same building for many years. The new RCMP North Cowichan/Duncan detachment, located at 6430 Ford Road, was completed and occupied in May 2024. This milestone has prompted drafting a revised Occupancy Agreement following the finalization of long-term borrowing to cover the total construction costs. The Occupancy Agreement further articulates the cost-sharing responsibilities between the RCMP and North Cowichan as it relates to municipal and non-municipal RCMP use within the Detachment building for the operation and maintenance of the building as well as the debt.

DISCUSSION

The attached agreement requires that the RCMP pay its proportionate share of the long-term debt costs set out in Schedule A of the agreement. Please note that an amendment will be required once North Cowichan has the amortization schedules for the Federation of Canadian Municipalities (FCM) loan of \$10 million and the long-term borrowing of \$11 million from the Municipal Finance Authority (MFA) spring issue. E-Division, responsible for the agreement, wishes to expedite this process to settle any outstanding payments for the debt before their fiscal year-end on March 31, 2025, as the agreement needs to be sent off to Ottawa for signature.

Schedule B of the agreement has been redacted due to the sensitive nature of the sketch plans of the detachment and occupied areas within the detachment under section 15(1)(l) of the [Freedom of Information and Protection of Privacy Act](#).

The RCMP must also pay its proportionate share of the costs to operate and maintain the property. These costs are set out in Schedule C of the agreement and include things such as utilities, staff wages, insurance, and janitorial costs.

OPTIONS

1. **(Recommended Option)** THAT Council approves and authorizes the Chief Administrative Officer and Director, Financial Services to sign the Occupancy Agreement with the Royal Canadian Mounted Police for a term of ten years, ending April 30, 2034, with the option to renew for an additional two

renewal periods of five years.

- This option allows time for the agreement to be signed and in effect prior to the RCMP's year-end.
2. THAT Council approves and authorizes the Chief Administrative Officer and Director, Financial Services to sign the Occupancy Agreement with the Royal Canadian Mounted Police for a term of *[Council to state years]* with the following amendments *[Council to state amendments]*, ending April 30, 2034, with the option to renew for an addition two renewal periods of five years.
- This option may delay the agreement from being in effect prior to the RCMP's year-end and would delay payment of the RCMP's pro-rate share of the debt.

IMPLICATIONS

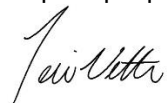
The debt costs to date amount to approximately \$3.8 million, and since the pro-rata share fluctuates annually, the exact repayment is currently unclear. However, staff estimate it ranges from 47.88% in 2022 to 49.4% in 2024.

Without the Occupancy Agreement in place, the RCMP will not reimburse North Cowichan for their respective share of the debt or operational costs, which may affect North Cowichan's cash flows to meet current obligations when they come due.

RECOMMENDATION

THAT Council approves and authorizes the Chief Administrative Officer and Director, Financial Services to sign the Occupancy Agreement with the Royal Canadian Mounted Police for a term of ten years, ending April 30, 2034, with the option to renew for an additional two renewal periods of five years.

Report prepared by:



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Approved to be forwarded to Council:



Ted Swabey
Chief Administrative Officer

Attachment:

- (1) RCMP Occupancy Agreement (redacted)