



**Royal Canadian Mounted Police
Gendarmerie royale du Canada**

**E2287 BU 1271
North Cowichan - Duncan**

THIS OCCUPANCY AGREEMENT is dated for reference this 29th day of November, 2024.

BETWEEN: The Corporation of the District of North Cowichan

(the "Municipality")

AND: HIS MAJESTY THE KING IN RIGHT OF CANADA

as represented by the Minister responsible for
The Royal Canadian Mounted Police

(the "RCMP")

(and jointly referred to as the "Parties")

WHEREAS the Municipality is the registered owner in fee simple of the lands legally described as:

LOT 1, PLAN EPP128531, SECTION 4, RANGE 5, SOMENOS LAND DISTRICT

PID: 031-938-906

with the civic address of 6430 Ford Road, Duncan, BC and the Municipality has constructed a policing building on the lands which is and will be owned by the Municipality (the "Detachment Building");

AND WHEREAS the purpose of this Occupancy Agreement is to facilitate cost sharing associated with the provision of policing services between the RCMP and the Municipality in respect of the Detachment Building;

AND WHEREAS the Municipality has obligations pursuant to the *Municipal Finance Authority Loan* (the "MFA Loan") with the Municipal Finance Authority (the "MFA") under which the Municipality received funds on September 23rd, 2022 (MFA# 158), used only to finance the construction of the Detachment Building, and pursuant to which the Municipality is required to make bi-annual payments in respect of the actual amounts payable in accordance with a loan repayment schedule provided by the MFA (the "MFA Loan Schedule"), a copy of which is attached as Schedule "A";

AND WHEREAS the provision of provincial police services by the RCMP and the cost sharing ratio between the RCMP and the Municipality are governed by the following agreements: *Provincial Police Service Agreement, Municipal Policing Agreement, and Municipal Police Unit Agreement* (the "Policing Agreements");

AND WHEREAS on the date of this Occupancy Agreement, the Municipality has a population greater than 5,000 people and the Detachment Building occupants will include a RCMP municipal police unit for which the Municipality is 100% responsible for Detachment Building occupancy costs pursuant to this Occupancy Agreement;

AND WHEREAS the Municipality, having a population greater than 5,000 people, shall house in the Detachment Building the RCMP municipal police unit and may also house non-municipal RCMP personnel (for example federal, provincial, and aboriginal policing).

AND WHEREAS the RCMP and Municipality wish to outline cost sharing of construction costs, as well as occupancy costs for such municipal and non-municipal RCMP personnel located in the Detachment Building;

AND WHEREAS this Occupancy Agreement further articulates the cost sharing responsibilities between the RCMP and Municipality as it relates to municipal and non-municipal RCMP use within the Detachment Building, the calculation of such shared expenses associated with use of the Detachment Building being affected by the following:

- (a) the ratio of municipal RCMP personnel to non-municipal RCMP personnel (as defined in Section 1.0) which may be subject to an increase or reduction in personnel in accordance with the Policing Agreements;
- (b) the payment schedule between the MFA, Regional District and the Municipality under the MFA Loan; and
- (c) the annual occupancy costs relating to the Detachment Building.

AND WHEREAS this Occupancy Agreement supersedes and takes the place of all prior agreements entered into by the parties.

NOW THEREFORE in consideration of the covenants and agreements hereafter reserved and contained, the Municipality and the RCMP agree with each other as follows:

1.0 Pro-Rata Sharing of Costs

1.1 The following definitions will be used in this Occupancy Agreement in relation to pro-rata sharing of costs:

- (a) **Annual Municipal Establishment**, shall mean, effective on January 1 of each relevant year of the occupancy, the number of approved indeterminate positions, including vacancies and those positions which may be staffed part

time, that are accommodated in the Detachment Building and are primarily intended to provide and/or support the police services for the Municipality, but shall exclude guards, matrons and temporary positions;

- (b) **Annual Non-Municipal Establishment**, shall mean, effective on January 1 of each relevant year of the occupancy, the number of approved indeterminate positions, including vacancies and those positions which may be staffed part time, that are accommodated in the Detachment Building and are primarily intended to provide and/or support the police services as defined in the *Municipal Policing Agreement*, excluding temporary positions; and
- (c) **Annual Pro-Rata Rate** shall be calculated by dividing the Annual Non-Municipal Establishment by the sum of the Annual Municipal Establishment and the Annual Non-Municipal Establishment on January 1 of each year of occupancy.

2.0 Occupied Area

- 2.1 The Municipality hereby grants an Occupancy Agreement providing the right to the municipal and non-municipal RCMP to occupy the Detachment Building. This grant of occupancy shall include the right of the RCMP, its employees, servants, agents, customers and invitees to access and use the Detachment Building and also includes the right to access and use all driveways, parking areas, sidewalks, common loading and stopping areas in and about the Detachment Building.
- 2.2 A copy of the sketch plans of the occupied areas and the Detachment Building are attached to this Occupancy Agreement and marked as Schedule "B".

3.0 Period of Occupancy

- 3.1 This Occupancy Agreement shall be for a period of Ten (10) years, commencing on May 1st, 2024 and ending on April 30th, 2034 (the "Occupancy Period").
- 3.2 The RCMP may renew the Occupancy Period for Two (2) additional renewal periods of Five (5) years each on providing the Municipality with ninety (90) days written notice of its intent to do so. Each renewal period shall be on the same terms as this Occupancy Agreement except that:
 - (a) on the final renewal period there shall be no right of further renewal; and
 - (b) the MFA Loan Schedule attached as Schedule "A" shall be modified to reflect the modified loan repayment schedule that will be in effect during each renewal period.
- 3.3 Subject to the Policing Agreements, this Occupancy Agreement may be terminated earlier than the Occupancy Period end date by either party providing notice of such termination twenty-four (24) months prior to the date of intended termination.

- 3.4 This Occupancy Agreement shall terminate in the event any of the Policing Agreements are terminated.

4.0 MFA Loan

- 4.1 The RCMP shall make bi-annual payments to the Municipality in the amount calculated in accordance with the Annual Pro-Rata Rate.
- 4.2 The Municipality, in accordance with the terms of the MFA Loan, may refinance and vary the terms under which the MFA Loan payments are made. The Municipality shall provide the RCMP with full written particulars of any such change to the MFA Loan and Schedule "A", within thirty (30) days.
- 4.3 The Municipality shall provide the RCMP with certified copies of any current or future municipal bylaws relating to the MFA Loan or the Detachment Building, within thirty (30) days of entering into this Occupancy Agreement or within thirty (30) days of any bylaw being passed.
- 4.4 If the MFA Loan is paid out during the Occupancy Period, the Municipality shall notify the RCMP within thirty (30) days of the final MFA Loan payment and the RCMP's responsibility for any MFA Loan payments pursuant to Section 4.1 shall end on the date such loan is paid out at which time the RCMP shall only be responsible for payments required under Sections 5.0, Occupancy Costs, and Section 7.0, Removal of Fixtures.

5.0 Occupancy Costs

- 5.1 Subject to Section 6, the RCMP shall reimburse the Municipality for annual occupancy costs (the "Occupancy Costs") as set out in Schedule "C" of this Occupancy Agreement.
- 5.2 The RCMP's share of Occupancy Costs shall be calculated in accordance with the Annual Pro-Rata formula provided at Section 1.1(c).
- 5.3 The RCMP shall pay its share of Occupancy Costs for the Detachment Building for each calendar year in two (2) bi-annual payments as follows:
- (a) no later than July 15 of each year of the occupancy, the Municipality will provide the RCMP with an invoice for actual Occupancy Costs incurred from January 1 to June 30 of that year, along with supporting documentation if requested, and the RCMP shall make payment in full within thirty (30) days of receipt of such an invoice and requested supporting documentation; and
 - (b) no later than February 15 of each year of the occupancy, the Municipality will provide the RCMP with an invoice for actual Occupancy Costs incurred from January 1 to December 31 of the previous year, along with supporting documentation if requested, which invoice shall be adjusted to reflect the payment made under subsection (a), and the RCMP shall make payment in full

within thirty (30) days of receipt of such an invoice and requested supporting documentation.

6.0 Amendments and Modifications.

6.1 This Occupancy Agreement may not be amended or modified in any manner, except as agreed to by the Parties. The Parties shall however, amend this Occupancy Agreement as reasonably required

- (a) upon completion of a formal plan of the Detachment Building;
- (b) to identify any related agreements and additional provisions;
- (c) to amend and update to reflect more accurately the actual MFA Loan Schedule figures shown in Schedule "A"; and/or
- (d) to address any conflict, inconsistency or clarification required in this Occupancy Agreement or the Schedules attached thereto, as a result of any Related Agreement.

6.2 Schedules. All Schedules that are referenced in this Occupancy Agreement or attached to it are incorporated herein and made a part hereof.

7.0 Municipality Covenants

7.1 The Municipality shall provide accommodation in accordance with the accommodation standards set out in the RCMP departmental standards, to the satisfaction of the RCMP Commissioner and shall meet all of the security standards of the RCMP. The Municipality acknowledges receipt of the departmental standards relating to construction of the Detachment Building.

7.2 In relation to maintenance and repair of the Detachment Building, the Municipality shall comply with all labour, health, safety, environmental, accessibility and occupational health & safety requirements set forth in national, provincial, and municipal codes and requirements prescribed by the authorities having jurisdiction.

8.0 Removal of Fixtures

8.1 At the termination of this Occupancy Agreement, the RCMP may remove all fixtures installed by the RCMP in or on the Detachment Building for the use of all provincial or non-municipal RCMP units or personnel and such fixtures are hereby deemed to be the property of the RCMP. In the event that any property belonging to the Municipality is damaged as a result of any such removal, the RCMP shall pay to the Municipality such compensation as represents the reasonable cost of repairing or replacing the damaged property of the Municipality.

9.0 Dispute Resolution

- 8.1 Any dispute arising from this Occupancy Agreement shall be a matter of consultation between the Commanding Officer for the RCMP and the Chief Administrative Officer of the Municipality.

10.0 Notice

- 10.1 Any notice given in connection with this Occupancy Agreement shall be delivered to the respective addresses set out below or to such other address as either of the parties may designate in writing.

(a) The Municipality The Corporation of the District of North Cowichan
7030 Trans-Canada Highway
Duncan, BC V9L 6A1

Attn: **Teri Vetter, Director, Financial Services**
Email: Teri.Vetter@northcowichan.ca

(b) The RCMP Royal Canadian Mounted Police "E" Division Headquarters
Property & Project Management Section – Mailstop #909
14200 Green Timbers Way
Surrey, BC V3T 6P3

Attn: **Leasing Manager**
Email: Ediv_Leasing@rcmp-grc.ga.ca

11.0 Primacy of Policing Agreements

- 11.1 Nothing in this Occupancy Agreement shall be construed to take precedence over any aspect of the Policing Agreements. In the event that there is an inconsistency between this Occupancy Agreement and the Policing Agreements, the latter shall prevail.

12.0 General

- 12.1 This Occupancy Agreement shall be governed and construed, and the relationship between the parties determined, in accordance with the laws of the Province of British Columbia and Canada.
- 12.2 In this Occupancy Agreement, unless there is something in the subject matter or context inconsistent therewith, the singular includes the plural and the plural includes the singular.
- 12.3 The Parties further agree that this Occupancy Agreement may be executed in counterparts with the same effect as if all Parties had signed the same document and all such counterparts taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have executed this Occupancy Agreement.

For the Municipality:

Witness

Authorized Signatory

Print Name

Print Name and Title

Witness

Authorized Signatory

Print Name

Print Name and Title

For the Minister Responsible for the RCMP:

Witness

Authorized Signatory
Crawford Kilpatrick
Director General
Real Property & Environmental Management
Royal Canadian Mounted Police

This Occupancy Agreement includes the following schedules:

Schedule A - MFA Loan Schedule

Schedule B - Sketch Plans of the Detachment Building and Occupied Areas

Schedule C - Occupancy Costs

SCHEDULE "A"
MFA Loan Schedule

22M MFA Loan								
Client	Issue	Term	BR	CB Bylaw	DB Bylaw	SI Bylaw	LA Bylaw	Principal
North Cowichan		158	20			4439	3787	22,000,000.00
Date	Payment	Principal	Interest	Actuarial	Balance	Relending	Actuarial Rate (%)	
9/23/2022	0	0	0	0	22,000,000.00	4.09	3.5	
3/23/2023	449,900.00	0	449,900.00	0	22,000,000.00	4.09	3.5	
9/23/2023	1,227,843.69	777,943.69	449,900.00	0	21,222,056.31	4.09	3.5	
3/23/2024	449,900.00	0	449,900.00	0	21,222,056.31	4.09	3.5	
9/23/2024	1,227,843.69	777,943.69	449,900.00	27,228.03	20,416,884.59	4.09	3.5	
3/23/2025	449,900.00	0	449,900.00	0	20,416,884.59	4.09	3.5	
9/23/2025	1,227,843.69	777,943.69	449,900.00	55,409.04	19,583,531.86	4.09	3.5	
3/23/2026	449,900.00	0	449,900.00	0	19,583,531.86	4.09	3.5	
9/23/2026	1,227,843.69	777,943.69	449,900.00	84,576.38	18,721,011.79	4.09	3.5	
3/23/2027	449,900.00	0	449,900.00	0	18,721,011.79	4.09	3.5	
9/23/2027	1,227,843.69	777,943.69	449,900.00	114,764.59	17,828,303.51	4.09	3.5	
3/23/2028	449,900.00	0	449,900.00	0	17,828,303.51	4.09	3.5	
9/23/2028	1,227,843.69	777,943.69	449,900.00	146,009.38	16,904,350.44	4.09	3.5	
3/23/2029	449,900.00	0	449,900.00	0	16,904,350.44	4.09	3.5	
9/23/2029	1,227,843.69	777,943.69	449,900.00	178,347.73	15,948,059.02	4.09	3.5	
3/23/2030	449,900.00	0	449,900.00	0	15,948,059.02	4.09	3.5	
9/23/2030	1,227,843.69	777,943.69	449,900.00	211,817.93	14,958,297.40	4.09	3.5	
3/23/2031	449,900.00	0	449,900.00	0	14,958,297.40	4.09	3.5	
9/23/2031	1,227,843.69	777,943.69	449,900.00	246,459.59	13,933,894.12	4.09	3.5	
3/23/2032	449,900.00	0	449,900.00	0	13,933,894.12	4.09	3.5	
9/23/2032	1,227,843.69	777,943.69	449,900.00	282,313.71	12,873,636.72	4.09	3.5	
3/23/2033	449,900.00	0	449,900.00	0	12,873,636.72	4.09	3.5	
9/23/2033	1,227,843.69	777,943.69	449,900.00	319,422.71	11,776,270.32	4.09	3.5	
3/23/2034	449,900.00	0	449,900.00	0	11,776,270.32	4.09	3.5	
9/23/2034	1,227,843.69	777,943.69	449,900.00	357,830.54	10,640,496.09	4.09	3.5	
3/23/2035	449,900.00	0	449,900.00	0	10,640,496.09	4.09	3.5	
9/23/2035	1,227,843.69	777,943.69	449,900.00	397,582.64	9,464,969.76	4.09	3.5	
3/23/2036	449,900.00	0	449,900.00	0	9,464,969.76	4.09	3.5	
9/23/2036	1,227,843.69	777,943.69	449,900.00	438,726.06	8,248,300.01	4.09	3.5	
3/23/2037	449,900.00	0	449,900.00	0	8,248,300.01	4.09	3.5	
9/23/2037	1,227,843.69	777,943.69	449,900.00	481,309.50	6,989,046.82	4.09	3.5	
3/23/2038	449,900.00	0	449,900.00	0	6,989,046.82	4.09	3.5	
9/23/2038	1,227,843.69	777,943.69	449,900.00	525,383.36	5,685,719.77	4.09	3.5	
3/23/2039	449,900.00	0	449,900.00	0	5,685,719.77	4.09	3.5	
9/23/2039	1,227,843.69	777,943.69	449,900.00	570,999.81	4,336,776.27	4.09	3.5	
3/23/2040	449,900.00	0	449,900.00	0	4,336,776.27	4.09	3.5	
9/23/2040	1,227,843.69	777,943.69	449,900.00	618,212.83	2,940,619.75	4.09	3.5	
3/23/2041	449,900.00	0	449,900.00	0	2,940,619.75	4.09	3.5	
9/23/2041	1,227,843.69	777,943.69	449,900.00	667,078.31	1,495,597.75	4.09	3.5	
3/23/2042	449,900.00	0	449,900.00	0	1,495,597.75	4.09	3.5	
9/23/2042	1,227,843.69	777,943.69	449,900.00	717,654.06	0	4.09	3.5	
	33,554,873.80	15,558,873.80	17,996,000.00	6,441,126.20				
Cash Holdback	Demand Note	DRF Total						
220,000.00	618,871.85	838,871.85						

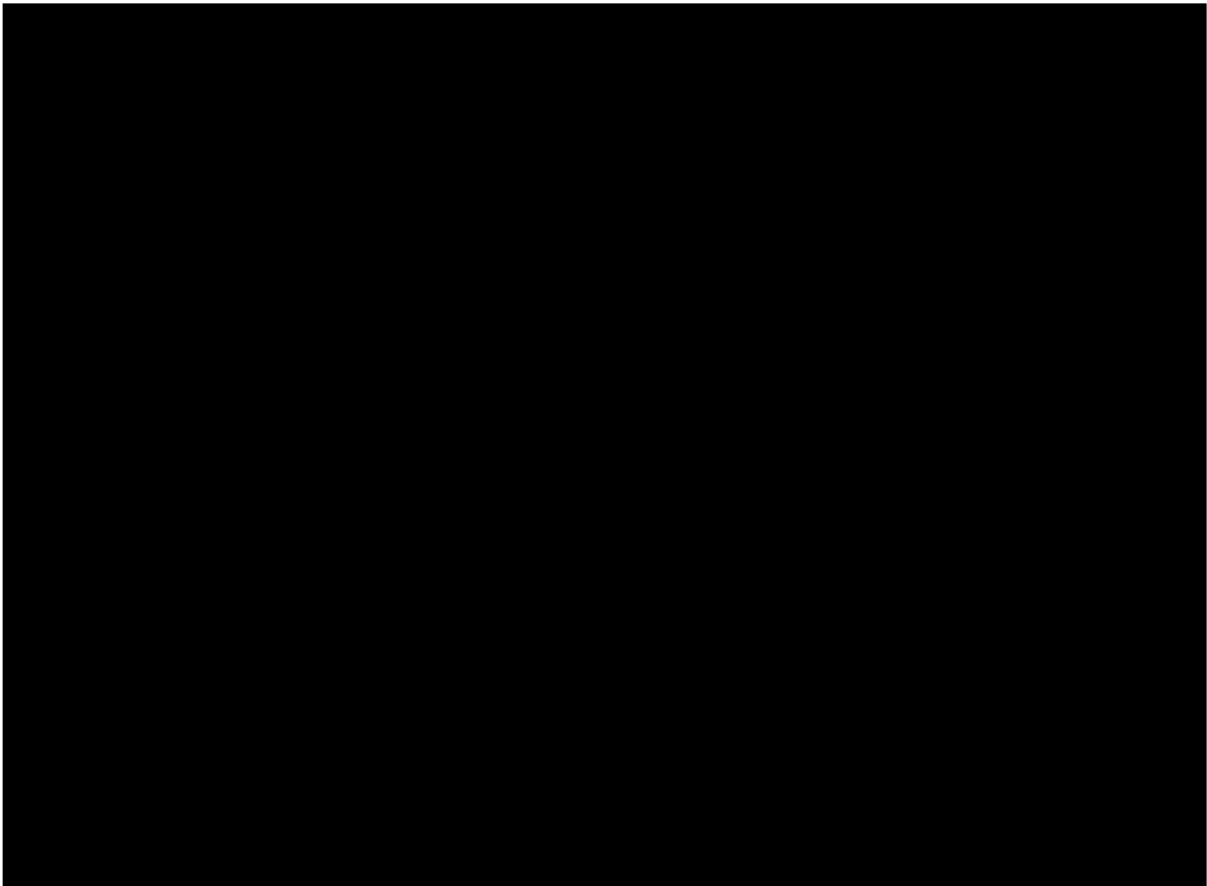
SCHEDULE "B"
Sketch Plan of the Detachment

FIPPPA s. 15(1)(l)



Sketch Plans of the Occupied Areas

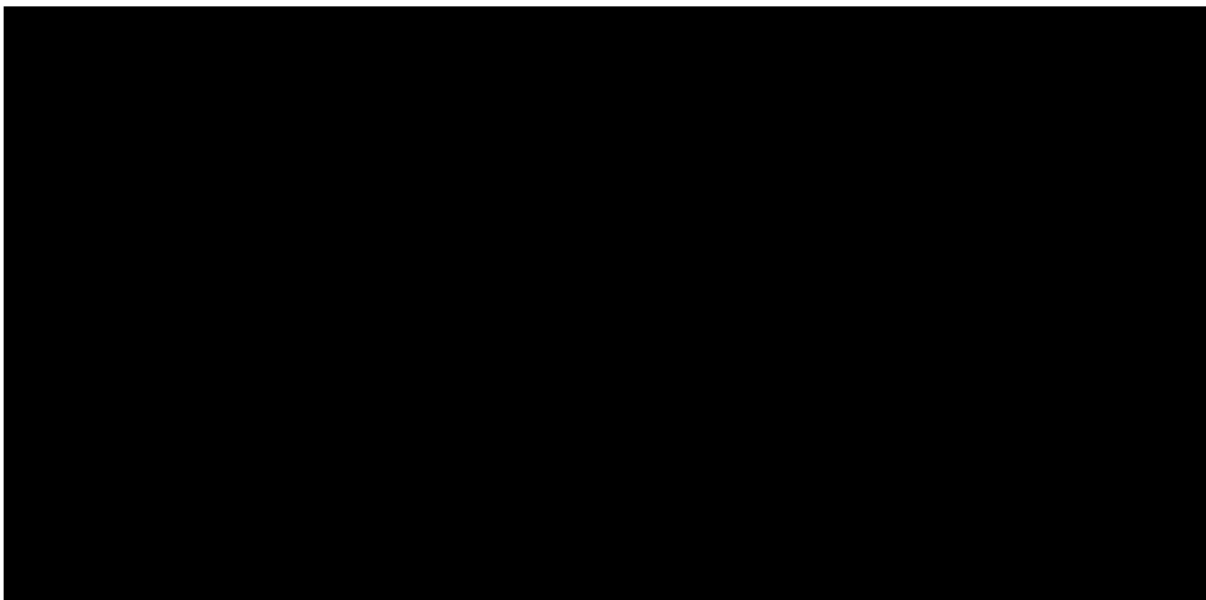
FIPPPA s. 15(1)(l)



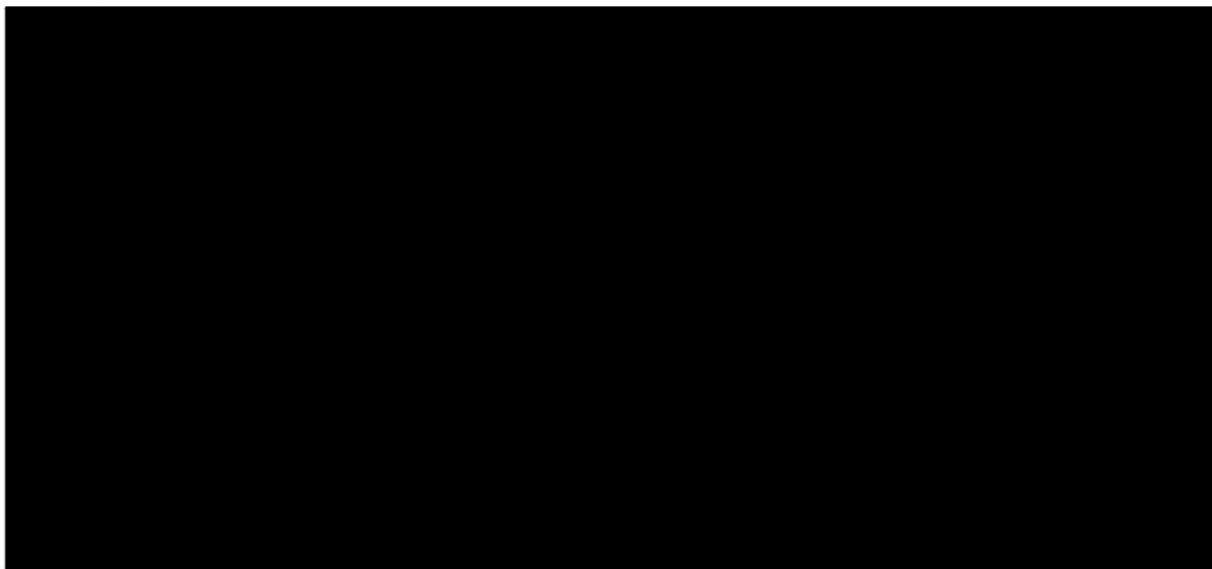
GRAPHIC OFFICE INTERIORS	Graphic Office Interiors Ltd 1751 Seair Heights Seair Heights BC V8M 0E3 P. 250.544.3900 F. 250.544.6663	Level 1 - Furniture Electrical Plan	All drawings and/or interiors Ltd. They are copied, used or dist. Office Interiors Ltd.
		10/23/2023 North Cowichan Civic Building	

Note:

- M: Muni Employee
- VS: Victim Service Volunteer
- C: Chaplain
- RM: Prov RM
- ERT: Prov RM
- BCHP: Prov RM
- PS: Public Servant



GRAPHIC OFFICE INTERIORS	Graphic Office Interiors Ltd 1751 Sean Heights Saanichton BC V8M 0A3 P. 250.544.3500 F. 250.544.6663	Level 2 - Furniture Electrical Plan		All drawings and plans are the property of Graphic Office Interiors Ltd. They are copied, used or distributed without the written consent of Graphic Office Interiors Ltd.
		10/23/2023	North Cowichan Civic Building	



GRAPHIC OFFICE INTERIORS	Graphic Office Interiors Ltd 1751 Sean Heights Saanichton BC V8M 0B3 P. 250.544.3500 F. 250.544.6663	Level 3 - Furniture Electrical Plan		All drawings and plans are the property of Graphic Office Interiors Ltd. They are copied, used or distributed without the written consent of Graphic Office Interiors Ltd.
		10/23/2023	North Cowichan Civic Building	

SCHEDULE "C"
Occupancy Costs

1. Occupancy Costs refer to the RCMP's proportionate share of expenses relating to the Detachment Building. Occupancy Costs for each calendar year will be determined as follows:

$$\text{Occupancy Costs} = \frac{\text{Non-Municipal Establishment}}{\text{Non-Municipal} + \text{Municipal Establishment}} \times \text{Operating Expenses as per Clause 2 below}$$

2. Operating Expenses include the following:

- (a) interior and exterior maintenance, repairs and redecorating;
- (b) site maintenance including landscaping and gardening (including related labour and payments to contractors);
- (c) snow and ice removal expenses (including related labour and payments to contractors);
- (d) janitorial services and cleaning of windows (including related wages, cleaning supplies and cleaning contracts);
- (e) heating, cooling and ventilation system service contracts (including related repairs, maintenance, and wages and salaries to operate said systems);
- (f) charges for electricity, gas, water, and sewage;
- (g) charges for telephone, cable, and internet;
- (h) consumable washroom supplies;
- (i) common area furnishings;
- (j) garbage, waste and recyclables removal; and
- (k) property, liability and fire insurance on the Detachment Building and contents.

3. Occupancy Costs do not include real property taxes and assessments.

4. Major Expenditures

- (a) For any major expenditures and/or operational changes which may result in an increase in Occupancy Costs that exceed typical year to year inflationary changes, the Municipality will advise the RCMP in advance and seek their agreement, acting reasonably, to same prior to proceeding. Examples of major expenditures and operational changes would include items such as a: new roof; boiler replacement; and building expansion.
- (b) For any major expenditures and/or operational changes under 4(a) of this Schedule, the parties shall jointly agree whether such expenditures or operational changes will be capitalized and amortized over the Occupancy Period then remaining or be charged to the year of the Occupancy Agreement in which they occur.