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REPORT TO GOVERNANCE COMMITTEE MEETING OF WEDNESDAY, JULY 10, 2024

SUBJECT **Creation of a Sub-regional Service for Expansion of the West Shore RCMP Detachment**

ISSUE SUMMARY

The communities of Colwood, Langford and View Royal are requesting CRD create a sub-regional service to expand the West Shore RCMP detachment.

BACKGROUND

The municipalities of Langford, Colwood and View Royal jointly own the West Shore RCMP building located at 698 Atkins Avenue in Langford. This facility was originally constructed in the 1960s, with an expansion built in 1999. The RCMP detachment serves the communities of Langford, Colwood, View Royal, Highlands and Metchosin, as well as the Songhees and Esquimalt reserve lands. The existing facility is nearing capacity and with current and projected growth in the West Shore communities, there is a need to construct a new facility with more space that will accommodate a larger staff contingent and modern facilities that will support specialized and diversified policing services.

In February of 2023, Colwood, Langford and View Royal created a Joint Police Facilities Steering Committee to define the scope of a new, expanded RCMP facility. Early estimates indicate the cost of a new detachment building will be approximately \$82 million, with a 25% contingency, bringing the potential total cost to \$103 million.

In order to finance the construction, Colwood, Langford and View Royal Councils have passed resolutions requesting CRD create a sub-regional service for the purpose of debt financing the West Shore RCMP Detachment Expansion, to a maximum of \$103 million. Correspondence from the three municipalities is attached to this staff report as Appendices A, B, and C. A memorandum containing detailed background information on the RCMP building and the current expansion plans is attached at Appendix D.

ALTERNATIVES

Alternative 1

The Governance Committee recommends to the Capital Regional District Board:

That CRD continue to engage in discussions with staff from the municipalities of Colwood, Langford and View Royal to explore the creation of a sub-regional service to expand the West Shore RCMP detachment.

Alternative 2

That this report be referred back to staff for additional information.

IMPLICATIONS

Service Delivery Implications

Service Establishment and Loan Authorization bylaws are subject to elector approval and approval by the Provincial Inspector of Municipalities. Staff have undertaken some preliminary discussions with policy and finance staff at the Ministry of Municipal Affairs to determine the feasibility of CRD creating the service. Initial feedback from the Ministry is that it is not possible for the service to exist simply for the purpose of debt financing, however, CRD could create a sub-regional service for the construction, operation and maintenance of the RCMP detachment building, with the three municipalities as service participants.

Neither CRD or the municipalities have any interest in CRD leading the design, construction, operation and maintenance of the building. This can be overcome by CRD's ability to enter into comprehensive legal agreements to assign the responsibilities of design, construction, operation and maintenance to the three municipalities. Those agreements would contain release and indemnity clauses to protect CRD for any potential liabilities arising from its ownership of the building and provide exclusive possession to the municipalities for the term of the debt, with a provision that the ownership of the building would transfer to the three municipalities once the debt was retired. Staff would seek to have these agreements negotiated prior to adoption of the service establishment and loan authorization bylaws and require these agreements be endorsed as a condition of creating the service.

Elector Approval Implications

To establish this service and to borrow for construction of the facility, participating area approval is required. This can be obtained by municipal consent on behalf, which must be unanimous; alternative approval process, whereby 10% of voters in the participating areas are not opposed; or elector assent, also known as referendum.

Given this is a service requested by councils, the recommended elector approval method is municipal consent on behalf. This will ensure the requirement for unanimity is met for this undertaking.

Financial Implications

The estimated borrowing for the project is \$82 million but the total cost could be up to \$103 million, to be debt serviced over the term of the loan by the municipalities of Colwood, Langford, and View Royal. Debt servicing would be based on a proportional cost share, to be determined between the three municipalities. The CRD understands that land acquisition costs will be addressed amongst the three municipalities.

A subregional service is not the only way to fund the expansion. Each of the three municipalities could pursue a proportional share of borrowing and undertake debt service individually, however, individual borrowing would require each municipality to conduct its own elector approval process and have the required borrowing capacity, whereas a subregional service approval can be obtained by one combined approval process which is more efficient and potentially more likely to achieve a unified result.

One important difference in funding the building through a sub-regional CRD service where CRD owns the building, as opposed to each of the municipalities securing their own borrowing, is that the municipalities are not able to create a development cost charge (DCC) program – i.e. those fees payable by developers of property within a specific area – if CRD owns the building. The three municipalities have expressed a desire to explore establishing a DCC program for this service. There is the potential for CRD to establish DCCs to fund the growth-related capital cost of construction of the building, however, administration of a development cost charge program on behalf of the municipalities would require CRD staff resources and is a higher level of CRD involvement than was initially anticipated. Staff will continue to engage in discussions with staff from the municipalities to further investigate this issue.

Alignment with Board & Corporate Priorities

A regional district provides those services which its constituent municipalities and electoral areas request it to provide, as approved by the Regional Board and the Province. The request to create a sub-regional service for constructing and debt servicing a building, paid for by those municipalities requesting the service, is consistent with the purpose and function of a regional district.

First Nations Implications

The detachment serves the Songhees and Esquimalt reserve lands through a combination of federal and provincial funding. An expanded West Shore RCMP building will provide more space for additional RCMP officers to address the current and future policing needs in those growing communities.

Climate Implications

Construction of the building, if built by CRD, would be subject to the CRD's Green Building Policy. Consultation will be required with the municipal participants if the standards set out in this policy would be applicable to the construction of this facility.

CONCLUSION

CRD has been asked to create a subregional service to provide financing for an expanded West Shore RCMP detachment. On the Province's advice, CRD is able to establish a subregional service for design, construction, operation, and maintenance of a new RCMP detachment, and may do so with consent of the participating municipalities. CRD would contract all responsibility for the design, construction, operation, and maintenance to the participating municipalities and enter into agreements that would ensure ownership of the building would transfer to the three municipalities on completion of the debt term.

RECOMMENDATION

The Governance Committee recommends to the Capital Regional District Board:
That CRD continue to engage in discussions with staff from the municipalities of Colwood, Langford and View Royal to explore the creation of a sub-regional service to expand the West Shore RCMP detachment.

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ATTACHMENTS

- Appendix A: November 23, 2023 Letter from View Royal
- Appendix B: November 28, 2023 Letter from Langford
- Appendix C: November 29, 2023 Letter from Colwood
- Appendix D: Backgrounder on West Shore RCMP Building