

**INFORMATION PACKAGE**  
**GENERAL MEMBERSHIP RATIFICATION**  
**CREATION OF JOINT RESERVE AT COQUALEETZA**  
**AND**  
**JOINT RESERVE MANAGEMENT AGREEMENT**  
**DATED FOR REFERENCE JUNE 30, 2005**

**BACKGROUND**

1. The Coqualeetza property has been used for a number of purposes including the Indian Industrial School until the 1930s, the Coqualeetza Hospital and a TB hospital from the 1940s to 1960s, and as a headquarters of the Coqualeetza Education Training Centre society and the Stó:lô Nation starting in the 1980s. At present, the Coqualeetza property continues to be occupied and maintained by the Coqualeetza Education Training Centre society and the Stó:lô Nation society. The property is used for Stó:lô cultural, spiritual, recreational, educational, administrative and public service activities. The land is located in the City of Chilliwack, BC, Coqualeetza Lands commonly known as 7201 Vedder Road and Vacant Land 45640 Wells Road, Chilliwack, BC, excluding any and all registered or unregistered encumbrances or interests. The property is approximately 56 acres in size and presently contains a number of older buildings that were renovated and converted into offices that includes the old TB Hospital, nurse's residence and a boiler/laundry building. In addition there are two new buildings that house the health facility and daycare program.
2. In 2002 the City of Chilliwack sued the Stó:lô Nation society as occupier of the Coqualeetza property for unpaid property taxes from 1999 through to 2002. The Stó:lô Nation society, in turn, claimed that Canada should be liable to pay the taxes. In 2004 this law suit resulted in the Stó:lô Nation society, Indian and Northern Affairs Canada (INAC) and the City of Chilliwack reaching an out of court settlement which included the parties' agreement to work towards reserve status for the Coqualeetza lands.
3. The Stó:lô Nation society and Indian and Northern Affairs Canada have begun working towards the creation of the Coqualeetza reserve. The process of attaining reserve status for the Coqualeetza lands will be similar to the process followed and completed for the St. Mary's lands in Mission, B.C. It is anticipated that the reserve, like the St. Mary's reserve, will be held jointly by all interested Stó:lô Bands and will be managed through a Joint Management Agreement. As with the St. Mary's lands, in order for the Coqualeetza lands to obtain reserve status, the requirements under INAC's "Additions to Reserve" policy must be met.
4. In February of 2005 the jointly signed letter from Steven Joudry of INAC, and Brenda Morgan, of Stó:lô Nation, confirmed that INAC will proceed with setting the land apart jointly if the Bands that agree to participate in the Coqualeetza project, firstly, agree on a written agreement for the joint management for the property, and, secondly, that the creation of the joint reserve and the joint management agreement are confirmed by general membership votes from each of the Bands involved. If the vote is successful, an Approval in Principle (AIP) will be submitted to the Deputy Minister of Indian and Northern Affairs Canada for approval. Once the Deputy Minister approves the AIP, an Order in Council to create a new reserve of the Coqualeetza property will be prepared by INAC and submitted to the Minister of INAC for recommendation to the Governor General in Council for approval. Negotiation of a Service

Agreement and the Harmonization of a Coqualeetza Land use Plan with the City of Chilliwack is a pre-condition to receiving the AIP.

5. Following upon the joint letter from Steven Joudry and Brenda Morgan of February 8, 2005, more than 20 meetings were held over the spring of 2005 for members of the 24 Stó:lô bands and other interested parties. The end result was that 21 of the possible 24 Stó:lô First Nations have formally advised of their wish to proceed with the joint setting apart of the Coqualeetza property as Indian reserve. This agreement is evidenced both by Band Council Resolutions and by the initialling of a Joint Reserve Management Agreement referenced June 30, 2005.
6. The value of the Coqualeetza property, according to the latest British Columbia Assessment Authority assessment, is \$6,500,000.
7. An environmental assessment was carried out in June of 2003 for the property. No significant environmental problems were uncovered by the environmental assessment.
8. The Stó:lô First Nations which have responded positively to the joint February 8, 2005, letter and expressed a desire to have the Coqualeetza property to be set aside as reserve for them are: Aitchelitz First Nation, Chawathil First Nation, Cheam First Nation, Chehalis First Nation, Kwantlen First Nation, Kwaw Kwaw Apilt, Leq'a:mel First Nation, Matsqui First Nation, Popkum First Nation, Scowlitz First Nation, Seabird Island First Nation, Shxw'ow'hamel First Nation, Skawahlook First Nation, Skowkale First Nation, Skwah First Nation, Shxwha:y Village, Soowahlie First Nation, Squiala First Nation, Sumas First Nation, Tzeachten First Nation and Yakwekwioose First Nation.
9. The primary purposes of this vote that you are being asked to take part in is to:
  - (a) approve the Joint Reserve Management Agreement (including the attached lease to the Stó:lô Nation society), and
  - (b) approve the setting apart of the Coqualeetza Reserve jointly for all 21 Stó:lô First Nations who have expressed a continuing interest in the property further to Steven Joudry and Brenda Morgan's joint February 8, 2005 letter.

**FEDERAL REAL PROPERTY AND FEDERAL IMMOVABLES ACT LEASE TO THE STÓ:LÔ NATION SOCIETY**

10. The Stó:lô Nation is a tribal council and non-profit society representing 11 Stó:lô First Nations and providing management services for the 21 Stó:lô Bands that agreed to participate in the new Pekw'xe:yles Reserve.
11. The Stó:lô Nation society has shared the Coqualeetza property with the Coqualeetza Education Training Centre since mid 1980s. The Stó:lô Nation society offers a number of services and programs at the property. It has also provided space to various organizations and collected rental monies from them in order to help defray the cost of restoring, maintaining, operating and cleaning the Coqualeetza facilities and grounds. The Stó:lô Nation society has had to subsidize the Coqualeetza project every year with other revenues in order to preserve the property while the reserve creation process has gone forward.
12. In discussions regarding the reserve creation process at Coqualeetza, INAC has advised that it is their policy not to set lands apart as Indian reserve lands which have existing irregular or unauthorized uses.

Therefore, they require that the occupation of the site by these various unauthorized tenant groups either be regularized, or that the property be vacated so that the reserve creation could proceed.

13. In addressing the question of the current unauthorized tenants on the property, it has been clear to all involved that having the Stó:lô Nation society take a lease from the Federal Crown before the reserve is created and grant subleases to the various user groups at the Coqualeetza property was far preferable in a number of ways to having the property forcibly made vacant again. Therefore, a form of lease was negotiated over the summer that would see the Stó:lô Nation society take a lease over the property just before the reserve is created. The result will be that the reserve will be created subject to the lease. This form of lease is attached to the Joint Reserve Management Agreement and is known as the Federal Real Property and Federal Immovables Act Lease (FRPFIA Lease). This is the same mechanism that is being used at the new Pekw'xe:yles Reserve.

Please see the discussion under the heading STÓ:LÔ ELDERS LODGE about the possibility of removing 1 acre (approximately) of land from the FRPFIA Lease for the purpose of constructing and operating a 15 unit Elders Lodge for a 35 year term.

14. The Stó:lô Nation society will pay Canada a nominal rent of \$1.00 per year while the lease is in effect. The lease gives a legally recognized exclusive possession of the property to the Stó:lô Nation society and also allows it to issue legal subleases to the various users of the Coqualeetza property. The continued presence of these tenants will then be legal and no longer an impediment to the reserve creation process.
15. Programs and services will continue to be provided at the Coqualeetza property by the Stó:lô Nation society after the lease is entered into in the same manner as they are now. Public access to the property will continue unchanged after the lease.
16. In financial terms, the effect of the lease will be that any revenues generated from the rent paid by sublease holders during the tenure of the lease will come to the Stó:lô Nation society which will use these monies to help meet the cost of continuing to operate, maintain and restore the main building at the Coqualeetza property. This is not a significant change. The informal rental monies paid by tenants at Coqualeetza since the 1980's were also collected by the Stó:lô Nation society and used to maintain the property. As in previous years, it is very possible that these revenues will not be sufficient to meet the costs of maintaining and improving the grounds and buildings. The Stó:lô Nation society will be responsible for any deficiencies in meeting these costs for the duration of the lease. When the lease expires, the 21 Bands will share any deficiencies equally.
17. The term of the lease to the Stó:lô Nation society is conditional and depends to a degree on the actions of the 21 Bands once the land becomes reserve. The lease will last for at least five years, and may last an additional ten years if the 21 Bands make no progress towards the designation of the property. Essentially, upon the designation of the reserve lands the lease to the Stó:lô Nation society will terminate at the closest five-year interval. In no event will the lease to the Stó:lô Nation society continue past 15 years without the express consent of the participating Bands and the Stó:lô Nation society. In the interim, the 21 Bands will receive the benefit of the continuation of a first class property management system, which has been established by the Stó:lô Nation society.
18. INAC will only execute the *Federal Real Property and Federal Immovables Act (FRPFIA)* lease in favour of the Stó:lô Nation society if the Joint Reserve Management Agreement is ratified in the general

membership votes in November. It is currently planned that the lease will be put into place a day before the reserve is by Order In Council that will formally set aside the property as reserve.

### **STÓ:LÔ ELDERS LODGE**

19. The Stó:lô Nation is in the process of submitting an application to BC Housing and the Fraser Valley Health Authority for funding so that Stó:lô can construct a 15 unit Elders Lodge on approximately 1 acre of land at the northeast corner of the Coqualeetza property once Coqualeetza is added to reserve. If BC Housing and the Fraser Health Authority approve the application, a separate FRPFIA Lease with a 35 year term will be negotiated between Canada and the Stó:lô Nation society that will require Stó:lô to construct and operate and Elders Lodge on the 1 acre (approximately) of land. The purpose of this FRPFIA Lease is to satisfy BC Housing's funding requirements that the Lodge be operated for 35 years. This lease will be known as the Lodge FRPFIA Lease. The Stó:lô Nation will keep you informed about the progress that is being made with the application to BC Housing.

INAC will execute the Lodge FRPFIA Lease in favor of the Stó:lô Nation society if the Joint Management Agreement is ratified in the general membership votes in November and the application to BC Housing and Fraser Valley Health Authority is approved. The Lodge FRPFIA Lease will also commence one day before the Governor in Council approves the creation of the Coqualeetza Reserve.

20. **People are welcome to come out to the Coqualeetza property before voting day (November 24, 2005) and observe the condition of the maintenance of the grounds and buildings. The lease to the Stó:lô Nation society will allow this property management system to continue in place while the 21 Bands make longer-term plans about the use of the property.**

### **DESIGNATION**

21. "Designation" is a process under the *Indian Act*, whereby all the members of the Band vote to suspend their use and occupation of a parcel of reserve lands so that INAC can lease it on behalf of the Band to a 3<sup>rd</sup> party, which will then have the exclusive use of the land further to the terms of the lease.
22. In discussions about how to proceed with the reserve creation process at Coqualeetza, INAC has stated that it will not be easy for the 21 Stó:lô First Nations to manage the property after it is reserve, particularly given the necessity for unanimous agreement on all decisions affecting the property for matters that fall within the scope of the *Indian Act*. It is recognized by all concerned that any significant development of the joint reserve after the expiration of the FRPFIA lease will require a designation vote and subsequent *Indian Act* lease. Therefore, it makes sense that the general membership of all 21 Bands should be allowed the opportunity to consider that option within a reasonable time after the reserve is created. As a result, the Joint Reserve Management Agreement includes the agreement of the Bands to undertake a Comprehensive Development Plan for the property and to submit a proposal based on that plan to a designation vote whereby each and every of the 21 general band memberships would be required to approve the designation proposal.
23. Assuming the designation votes by each of the 21 Band memberships are successful, then the property (or part of the property) would be put under an *Indian Act* lease. It is possible that the lease could itself be given to a development corporation controlled by the 21 Stó:lô Bands involved in this process, or it is possible that the lease could go to an outside developer, in which case the benefits to the Bands would be the sharing in the market value revenue generated by the lease. It is also possible that some of the property could be used for other uses that would not require the designation and leasing of the property.

Decisions on what the Comprehensive Development Plan should include do not need to be made now, and cannot be made now. There was a Land Use Plan prepared in March 2005. Each of the 21 First Nations received a copy. For additional copies contact your First Nation or Valerie Sam.

24. It is anticipated that the Comprehensive Development Plan will take several years to create and will include the involvement of all 21 Band Councils, interested members of each of the 21 Bands, and the local municipality. The involvement of the municipality in the early stages of the Comprehensive Development Plan may well be important, given that many possible development options would require agreement with the municipality as to servicing.

### **NATURE OF JOINT HOLDING**

25. The joint property interest of the various Bands in the Coqualeetza property leads to the fact that revenues related to the reserve will be shared equally by the Bands. This principle of equal sharing is confirmed by the Joint Reserve Management Agreement. In voting for this Joint Reserve Management Agreement you will be voting to endorse the sharing equally Band by Band in the results of the revenue and responsibilities created by the reserve.
26. The Joint Reserve Management Agreement also confirms the need for unanimous agreement on the use of the property once it is set apart as reserve. As an example, if BC Hydro desired to place a power-line through the reserve it would need to have a section 28(2) permit issued to it under the *Indian Act*. The issuing of such a permit under the *Indian Act* requires the agreement of the Minister of INAC and the Band Council. Given the joint holding, the agreement of “the” Band Council under the Act would be interpreted to be the agreement of all the Band Councils.

### **SERVICING AGREEMENT – CITY OF CHILLIWACK**

27. It is a requirement of the setting apart of the new Coqualeetza Reserve that, after the successful vote on the approval of the Joint Reserve Management Agreement, the 21 Bands execute a Servicing Agreement with the City of Chilliwack which is the local municipality which provides water, sewer and fire protection services for the property now. During the term of the *Federal Real Property and Federal Immovables Act* Lease to the Stó:lô Nation society, the Stó:lô Nation society will be paying these servicing agreement costs. However when the lease expires, the Bands will equally share a legal liability to the City each year for the cost of services. This amount is not large, and over the last few years it has amounted to approximately \$6,600.00 per year.

### **PROPERTY TAXATION**

28. It is intended that the 21 Stó:lô First Nations will exercise at some point complete jurisdiction over the property including *Indian Act* section 83 property taxation bylaws. One effect of carrying out such a bylaw will be to remove any residual ability in the City to tax non-native interests in the reserve.
29. This process of establishing a joint property tax regime for the Coqualeetza Reserve is not complete and further discussions and negotiations with the INAC, the Minister of INAC and the Indian Taxation Advisory Board are anticipated in the months ahead.

## **THE VOTING MECHANICS FOR THE NOVEMBER 2005 RATIFICATION**

30. Voting to ratify the joint holding of the Coqualeetza property as reserve and the Joint Reserve Management Agreement will be allowed by mail-in ballot for those members of the 21 Bands who do not live on reserve.
31. In person voting for on-reserve residents will take place at nine locations for the advance poll on November 8, 2005: Kwantlen, Matsqui, Sumas, Leq'a:mel, Skwah, Stó:lô Nation Building #1, Chawathil, Shxw'ow'hamel and Cheam Administration Buildings. Polls will be open from 11:00 am to 4:00 pm, an elector from the 21 Bands/First Nations can vote at any of the locations.
32. In person voting for on-reserve residents will take place at four locations for the final poll on November 24, 2005:
  - (a) the Band Office at Chehalis reserve,
  - (b) the main building at the St. Mary's property,
  - (c) Building One at the Stó:lô Nation offices at Coqualeetza in Chilliwack, and
  - (d) at the Band Office at Seabird Island reserve.
33. The final voting day will be **THURSDAY, NOVEMBER 24, 2005 FROM 9:00 AM TO 8:00 PM.**
34. A majority of electors from each First Nation is not required to vote, but of those which turn out to vote, a majority from each First Nation must vote "Yes" or else the reserve creation will not carry on for that First Nation, as described in the joint Brenda Morgan and Steven Joudry letter of February 8 of 2005, which would likely see the reserve set apart in the spring of 2006.
35. We very much hope for a good turnout and a strong "Yes" vote to allow the Coqualeetza reserve process to finally come to a completion next year!

## **INFORMATION**

36. If you have more questions, there will be a **formal information meeting** about this process at Building #8 at the Stó:lô Nation offices at the Coqualeetza property in Chilliwack (7201 Vedder Road) on **Thursday, November 3<sup>rd</sup>** from noon to 3:00 pm.
37. For more information, or to obtain copies of any of the agreements, please contact:

Valerie Sam, Stó:lô Nation Lands Department  
 Building # 1, 7201 Vedder Road, Chilliwack, BC V2R 4G5  
 Telephone: 604-824-2454  
 Fax: 604-858-9959, Website: [www.snlands.com](http://www.snlands.com)