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## **Health Centre Request for Proposals (RFP) and Agreement Process Summary**

### **BACKGROUND AND CONTEXT:**

Sun Peaks Mountain Resort Municipality (SPMRM) is the owner of the Sun Peaks Community Health Centre. In addition to the Health Centre space, the Municipality owns the portion of space currently leased to Sun Peaks Resort LLP for Ski Patrol operations. The Health Centre and Ski Patrol space make up Strata Lot 1. The Municipality also owns the Ambulance Bay and Amenity Room (the “Additions”) which were constructed by the Sun Peaks Health Association through a federal-provincial grant. The Additions are currently on crown land leased to Sun Peaks Resort LLP by the Province. The Health Centre currently has a restrictive covenant registered on title limiting its use, and a right of first refusal (ROFR) in favour of Sun Peaks Resort LLP in the event of a sale.

The Sun Peaks Health Association (the Health Association) a registered non-profit, is the owner of all medical equipment in the Health Centre, the majority of which were funded through grants.

The Municipality does not directly provide healthcare services, as this is not typically the role of local government. The Municipality, as owners of the Health Centre convened a working group made up of community members and medical professionals to examine healthcare models with the goal of recommending a service model that would work best for the Sun Peaks Community Health Centre.

The Municipality as a local government is prohibited from providing assistance to a business under the local government legislation. This prohibition does not apply to non-profit organizations. “Assistance” would include things like, rent below market rate, no rent, sale below market value, financial support, property tax exemptions etc.

There is a legislative tool that does allow a local government to provide “assistance” to a business through a partnering agreement:

- A partnering agreement requires the other party to agree to “provide a service on behalf of the local government” with “service” being broadly defined as “in relation to a municipality, an activity, work or facility undertaken or provided by or on behalf of the municipality.”
- In the context of the Health Centre, if the Municipality was to provide assistance to an operator that is a business, the partnering agreement must be expressly structured to

provide the health centre facility on behalf of the Municipality. The partnering agreement would impose obligations and expectations on the operator in exchange for the assistance.

- To ensure transparency and public accountability, if a municipality intends to provide assistance through a partnering agreement, it must post public notice.

### **Timeline:**

**August 25, 2025** – SPMRM issued a Request for Proposals (RFP) seeking qualified family physicians to independently lease and operate a full-scope family medicine practice in the Health Centre.

**September 10, 2025** – Dr. Catherine Nowierksi (the proponent) submitted a proposal in response to the RFP. The proposal included a purchase option, which was outside the scope of the RFP.

**October 7, 2025, in-camera council meeting** – Administration provided Council with an update on the RFP process and proposal submitted. Council provided direction to staff that the Health Centre space is not being considered for purchase during the RFP process, which is why a lease-only option was in the RFP.

**October 8, 2025, to October 14, 2025** – Due to lack of details in the proposal, the evaluation committee sent follow-up questions and requested additional information from the proponent, which was provided. Over the course of several weeks, the Municipality and the proponent went back and forth on several items in the proposal, including the option to purchase. It was explained to the proponent that the Health Centre is a community asset, and the Municipality wishes to preserve and protect it as such. The proponent was advised that Council does not wish to consider the private purchase and ownership of the Health Centre at this time. The proponent responded that the purchase option was non-negotiable.

**October 28, 2025, in-camera meeting** – Council reconfirmed that they were not interested in revisiting the sale of the Health Centre.

**November 4, 2025, in-camera meeting** – Given the significant community pressure and stalled negotiations, Council re-considered their position on the sale of the Health Centre. Council discussed terms of any potential lease with an option to purchase. It was agreed that the CAO, Mayor, another member of Council and Darcy Alexander with SPR LLP would meet with the proponents.

**November 10, 2025** – the Mayor, CAO, Councillor Hrycan and Darcy Alexander met with the proponents. That meeting resulted in a discussion of and agreement in principle to a month-to-month rental to get the Health Centre opened as soon as possible, while work continued on the more complex longer-term agreement. Covenant wording, Health Centre equipment, strata plan re-filing and lease with option to purchase, buy back option, exit clause and sale of the property were all discussed.

Administration worked with legal counsel to have a Facility Use Permit (FUP) drafted and prepared as quickly as possible. Administration continued to meet with legal counsel to discuss

and work through a plan for the other complex elements of the Health Centre matter (covenants, land title, stratification etc.)

**November 13, 2025** – email sent to the proponents to advise that the FUP was being prepared and would be sent by the end of the week. The proponent was also advised to contact Alice Muirhead one of the Health Association's Board Members to get the equipment inventory as the equipment is owned by the Health Association.

**November 14, 2025** – the Facility Use Permit (FUP) was shared with the proponents for their review and comments.

The proponents raised concerns with the rent amount in the FUP which reflected a market rent analysis. The Municipality conceded that this amount could be revisited and could be reasonably reduced to reflect the limited use of the space. The proponents sought an exemption from paying rent altogether, even in a short-term FUP arrangement which the Municipality could not legally do, absent a partnering agreement. Administration consulted with legal counsel given the prohibition on providing assistance to a business to explore options such as pursuing a partnering agreement even with a short-term arrangement, or a Facility Use Permit with the Health Association with a sub-lease to the proponents.

**November 18, 2025** – email from the proponents in response to the FUP, in which – rather than providing comments on that document – they attached their own draft Temporary Lease to Occupy (TLO) and associated schedules, along with an explanation of why they wanted this approach instead. The TLO was contrary to the direction that was agreed to and contained terms that Council had not fully considered or agreed to and or were not permitted absent a partnering agreement. Legal counsel advises that this is not a recommended approach, as landlords typically do not allow a tenant to draft the terms and conditions of a lease.

**November 18, 2025, in-camera meeting** – Council discussed the ongoing challenges in its negotiations with the proponents and considered ways to move things forward. Council directed that a special in-camera meeting be convened for November 25, 2025, and that an invite be extended to the proponents to join the meeting.

**November 19, 2025** – detailed response provided by Administration to the November 18 email, explaining that the newly proposed TLO approach represented a departure from the agreed-upon direction and that the Municipality could not accept this approach. A thorough explanation of the applicable restrictions and requirements was also provided, including the statutory prohibition on providing assistance to a business and the legislative requirements for entering into a partnering agreement. The proponents were invited to attend the November 25, 2025, special in-camera council meeting in an effort to continue to collaborate and get things back on track.

**November 25, 2025, special in-camera council meeting** – discussion and agreement with the proponents to proceed with a lease with option to purchase plus partnering agreement. Lease term, waiver of rent through partnering agreement, service level expectations, patient priority, appraisals, covenants, right of first refusal and stratification were all discussed.

**November 25, 2025 – December 10, 2025** – Administration worked with legal counsel on the preparation of the draft agreement. Legal counsel advised that the schedules (covenants) would take more time as they were technical in nature and the ownership structure of the premises

was complicated. In the interest of time, proposed terms and content of the covenants would be included in the draft agreement with the detailed schedules to follow.

**December 5, 2025** – email sent to the proponents to update them on the progress of the draft agreement. They were advised that once the draft was ready, it would first need to be reviewed by Council to ensure it was acceptable to them, before it could be sent to the proponents for comment.

**December 11, 2025** – draft agreement sent to Council in advance of December 16, 2025, in-camera meeting. Council provided questions and comments, which were promptly addressed by legal counsel and then shared back with Council.

**December 16, 2025, in-camera meeting** – The draft agreement was reviewed with Council to ensure that it aligned with Council's direction before being shared with the proponents. Council directed that several revisions be made, including additional detail regarding the buy-back provision in favour of the Municipality should the proponents fail to operate the facility as a community health centre in the future. Council resolved to release the finalized draft agreement to the proponents once those revisions had been made.

**December 22, 2025** – after legal counsel completed the revisions, the final draft agreement was sent to the proponents along with an offer to discuss any questions or proposed changes. Proponents were advised that the schedules (covenants) were still being developed by legal counsel, as they were technical in nature and required additional time, but that the general terms and intended content of those covenants were included as comments in the draft agreement.

**January 13, 2026** – email sent to the proponents following up on the draft agreement, along with an offer to meet and work through any questions, comments or changes they wished to propose. No response to the email was received.

**January 30, 2026** – email sent to the proponents again requesting that they schedule a meeting to work toward finalizing the agreement. No response to the email was received.

**February 4, 2026** – further communication sent to the proponents checking in on the status of any comments or questions on the draft agreement and offer to meet again if needed.

**February 4, 2026** – email sent from the proponents attaching a new agreement and schedules – different from the draft under negotiation – advising that this was their final agreement, with a target opening date of February 16, 2026. This agreement was a complete departure from what was agreed to in the in-camera November 25 collaboration meeting.

**February 10, 2026, in-camera meeting** – Council discussed the proponents' change in direction and their departure from the agreed-upon process. Council also reviewed, at a high-level, several terms and conditions contained in the new agreement, many of which were inconsistent with what had previously been discussed and agreed to in principle, and some of which would put the Municipality in breach of its legislative obligations and its responsibilities to the community. Council directed that Administration advise the proponents that this new agreement could not be accepted and to request that the proponents confirm their willingness to proceed under the Municipality's established framework and provide comments or requested revisions to the draft previously provided by the Municipality.

**February 12, 2026** – email sent to the proponents as per Council's direction noted above.

**February 13, 2026** – response from the proponents confirming they remain ready to finalize an agreement and requesting that the Municipality provide the schedules which they require to complete their review of the draft agreement the Municipality prepared. The proponents reference their original RFP submission as forming the basis of any final agreement, which is inconsistent with – and contrary to – procurement law and the discussions between the Municipality and the proponents to date.

**February 17, 2026** – Draft schedules to the agreement provided to the Municipality from legal counsel.

**February 19, 2026 – February 23, 2026.** Further email correspondence between the Municipality and proponents regarding process timelines, agreements and related matters reflects differing positions and understandings between the parties.

**February 24, 2026, in-camera meeting** – Council reviewed the draft schedules to ensure they reflected the agreed upon framework. Council passed a resolution that the full agreement package (draft agreement that was previously sent along with the draft schedules) be sent to the proponents for review and comments.

**February 25, 2026** – draft agreement re-sent to the proponents along with draft schedules with a request for review and comments.