

CITY OF MIRAMICHI

**MIRAMICHI MULTIPLEX
ECONOMIC IMPACT
ASSESSMENT**

February 9, 2018

**MIRAMICHI MULTIPLEX
ECONOMIC IMPACT
ASSESSMENT: DRAFT REPORT**

Report summarizing the economic impact of the proposed Miramichi Multiplex on the City of Miramichi and surrounding region.

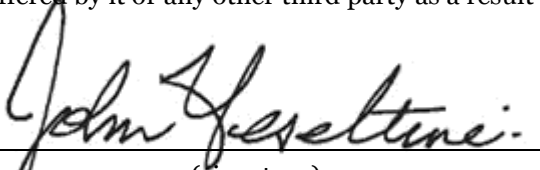


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City of Miramichi

Prepared by:
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February 9, 2018

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Executive Summary

Introduction

Stantec and GATN Consultants have prepared this report on behalf of the City of Miramichi to document the economic benefits expected to be generated by the proposed Miramichi Multiplex.

The Miramichi Multiplex is a major multi-purpose recreation complex planned for the City of Miramichi, New Brunswick. The facility is expected to incorporate skating, aquatic, gymnasium, and community facilities. It is expected to serve the needs of the residents of the City of Miramichi and the surrounding region, as well as attract visitors to the region to watch and participate in events hosted at the facility.

Like other facilities of this type, it is also anticipated that the Multiplex will enhance the image of Miramichi by raising its profile and enhancing the amenities available to residents. Among many benefits, it should add to the range of activities and experiences available to residents, increase their interaction with each other and with visitors, and enhance community health.

The Multiplex Project

The Multiplex project has been under consideration by the City of Miramichi since at least 2013. The envisaged 164,244-square foot structure incorporates arena, aquatic, gymnasium, multi-purpose spaces. It will be constructed on City-owned land in the Douglastown area of Miramichi. It will serve the City of Miramichi and a surrounding region roughly corresponding to Northumberland County.

The proposed Multiplex is similar to several other recently built recreation centres investigated by the consultants. The four case studies completed indicate that the facilities have made substantial contributions to the communities that have developed them. They have enhanced existing business operations and stimulated new businesses to start-up or move to their host region. Stakeholders in Miramichi expect that the Multiplex will have similar benefits for their community.

Impact Assessment Framework

An economic impact assessment examines the effect of an undertaking on the economy in a specified area. The undertaking assessed in this case is the Miramichi Multiplex. As the City has optioned an additional 40 acres adjacent to the proposed building site in Douglastown to accommodate an onsite hotel and other compatible businesses, we have included assessment of an appropriate hotel in the scope of this assessment. Within this section, we address the size, quality, and prospects of the hotel project as a basis for arriving at cost and operating estimates required to assess its additional economic impact. Our assessments of both the Multiplex and the potential hotel complex include the tax benefits that each will generate for all three levels of government. Other business possibilities, which are more difficult to define but certainly exist, as well as a wide range of potential benefits to the community and the nation are discussed qualitatively.

Impact Assessment Results

Impacts are divided between the construction and operation phases for the Multiplex and the potential hotel. The impacts of both projects are quantifiable and sections dealing with each focus on numbers.

Appendix A provides a detailed summary of impacts by type (i.e., direct, indirect, and induced) for components of each as well as for the alternative to their development: repair and continued operation of existing recreation facilities. For each, we have calculated employment benefits, household income associated with employment, change to GDP, tax effects for all three levels of government, and gross production or sales required to support project execution. Impacts are quantified in all cases for Northumberland, the Province of New Brunswick, and the Rest of Canada. We have also framed the municipal tax benefits of the development and included a qualitative discussion of health, quality of life, and entrepreneurship impacts of the Multiplex.

Summary

If the Multiplex is built as planned to replace existing facilities that the City would otherwise repair and continue to operate the comparative impacts will be as summarized in the following table suggesting clear benefits from the proposed project.

Impact	Capital Expenditures			Operating Expenditures		
	Multiplex	Exiting Facilities	Net Benefit	Multiplex	Exiting Facilities	Net Benefit
SALES (Gross Production)	\$1.60	\$0.80	\$0.80	\$0.90	\$0.30	\$0.60
EMPLOYMENT (person-years)	7.9	4.0	3.9	6.5	2.1	4.4
HOUSEHOLD INCOME	\$0.50	\$0.20	\$0.30	\$0.30	\$0.10	\$0.20
GROSS DOMESTIC PRODUCT	\$0.60	\$0.30	\$0.30	\$0.40	\$0.10	\$0.30
GOVERNMENT TAX REVENUES	\$0.100	\$0.040	\$0.06	\$0.500	\$0.010	\$0.49
- Federal Tax Impacts	\$0.040	\$0.020	\$0.02	\$0.022	\$0.004	\$0.02
- Provincial Tax Impacts.	\$0.050	\$0.030	\$0.02	\$0.031	\$0.006	\$0.03

The project will have a clear payback for senior governments that may fund it. Allowing for no interest provisions or price inflation, the Multiplex would generate total Federal and Provincial tax revenues of \$20 million within approximately 5.45 years. In the alternative event that the City repairs and operates existing facilities, it would take 109 years to accumulate \$20 million in tax revenues. Accumulating Federal revenues through construction and operation of the Multiplex would take 33.23 years and 19.1 years to accumulate \$20 million in Provincial tax revenues. If existing facilities are repaired and operated existing facilities 304 years would be required to accumulate \$20 million in Federal revenues and 203 years to accumulate \$20 million in Provincial revenues.

In addition, the Multiplex can be expected to enhance the image of the Miramichi community and produce a range of less tangible benefits for resident and local government.

1.0 INTRODUCTION

The Miramichi Multiplex is a major multi-purpose recreation complex planned for the City of Miramichi, New Brunswick. The facility is expected to incorporate skating, aquatic, gymnasium, and community facilities. It is expected to serve the needs of the residents of the City of Miramichi and the surrounding region, as well as attract visitors to the region to watch and participate in events hosted at the facility.

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1.1 PURPOSE

Stantec and GATN Consultants have prepared this report on behalf of the City of Miramichi to document the economic benefits expected to be generated by the proposed Miramichi Multiplex. Based on our proposal to the City of Miramichi dated June 23, 2017, we committed to prepare an impact assessment addressing both qualitative and quantitative. In the following, we have quantified job and income effects on the Miramichi region, New Brunswick, and national economies. These are expressed in terms of direct, indirect, and induced impacts across the metrics of Gross Domestic Product (GDP), household income, taxes, and employment. We have also assessed municipal financial implications of the initial capital investment in construction of the Multiplex and its long-term operation relative to the costs of rehabilitation and continued operation of the municipal facilities that the Multiplex is expected to replace.

Our assessment will distinguish the following:

- *Construction Impact* – Employment and income effects of building the multiplex
- *Operation Impact* – Employment and income effects of operating the multiplex
- *Municipal Finance Impact* – Net impact on municipal expenditure including additional borrowing and net increase or decrease in operating costs
- *Event Impacts* – Employment and income effects of individual events hosted by the multiplex
- *Entrepreneurship Impact* – The role of the facility in creating a venue for new and existing business owners, from food services, to sports retail, to privately offered fitness classes
- *Third Party Investment Potential (Catalytic Impacts)* – Stimulus to related developments, such as food, accommodations, or retail establishments that rely on or benefit from traffic/visitation generated by the new facility
- *Tourism Impacts* – Employment and income effects specific to visitor attraction to Miramichi attributable to the multiplex
- *Health Impacts* – Physical and mental health benefits to the community of improved access to recreation facilities
- *Quality of Life Impacts* – Benefits of increased options for participatory activities within the community, helping to make Miramichi a choice place to live and work

- *Business Recruitment Impacts* – Influence of upgraded facilities on the attraction of Miramichi to employers and employees

Our analysis, below, quantifies employment and income effects in terms of the number of full-time equivalent jobs and associated income in CDN\$. It not only addresses the Multiplex and associated development anticipated with it (i.e., gross impact), it also compares those expected impacts to the facilities it is expected to replace (i.e., net impact). Other features of the facility are discussed qualitatively drawing on interviews, cases studies, and available literature.

1.2 APPROACH

Stantec and GATN completed a thorough review of secondary resources (e.g., design reports, site assessment reports, business plans, and cost estimates) related to the Miramichi Multiplex. These were examined with the objective of isolating information on capital and operating costs relevant to developing the economic impact assessment. This documentation was also important in the context of understanding the role of the proposed Multiplex in Miramichi. Documents and studies relating to municipal planning, and recreation planning and community health included:

- City of Miramichi, *By-law No. 90 - City of Miramichi Municipal Development Plan 2011-2025*, April 16, 2012
- WSP/Architecture 49, *Miramichi Recreation Infrastructure Assessment and Comparison*, Final Report - R1, September 4, 2014
- dma Planning & Management Services Inc., *City of Miramichi Multiplex – Needs Assessment and Business Plan*, November 2015
- dma Planning & Management Services Inc. and WSP/Architecture 49, “Miramichi Multiplex Market Assessment, Business Plan, Site Assessments, Concept Design, Cost Estimation,” PowerPoint presentation, undated
- dma Planning & Management Services Inc. and WSP/Architecture 49, *Miramichi Multiplex Pre-Design Services*, Draft Final Report, December 22, 2015.

Early in the project, team members visited and assessed the proposed Multiplex site in Miramichi to gain a better understanding of the attributes of the property, as well as the economic implications of various development scenarios. In the course of the same visit, we held a formal meeting with client representatives and conducted in-person interviews with municipal staff and other stakeholders in the city.

Interviews were conducted with individuals from the Miramichi area familiar with the Multiplex proposal to gain their views on the facility’s role and potential in the community. Interviewees included municipal staff, recreation volunteers, and business and community leaders.

Stantec also carried out case study reviews of similar completed facilities in other Atlantic Canadian communities. The case studies were selected to control for communities that serve intermediate-sized regions similar to Miramichi. For each case study, we reviewed available documentation on the facility in question, conducted an online research scan, and concluded with interviews of the facility operators

concerning construction, operation, and future expansion opportunities, among other themes. We also documented costs and developed a broad picture of the influence of each facility on the community and region in which it is located.

In addition to providing insight to the operations of large multi-purpose recreation facilities, the examples illuminated the economic relationships typically associated with these facilities. On the operational side, our research added to our understanding of the employment requirements, as well as the capital and operating costs, and operating revenues for these facilities. It also provided examples of typical spinoff businesses and investments associated with these building types.

2.0 THE MULTIPLEX PROJECT

Stantec and GATN researched available reports and related documentation to establish our understanding of the Multiplex proposal. We also interviewed leading stakeholders to enhance our appreciation of community expectations for the project. Finally, we completed case studies of four similar multi-purpose recreation facilities in Atlantic Canada to understand their costs to construct and operate and the economic and community benefits that each has generated.

2.1 PROJECT DESCRIPTION

The Multiplex project has been under consideration by the City of Miramichi since at least 2013 when Trace Planning and Design of Moncton submitted a Recreation Facility Needs Assessment Plan for Miramichi. Among other conclusions Trace suggested that “the City should explore the centralization and amalgamation of sport assets.”¹ This recommendation was, in fact, predated by a call in Miramichi’s Recreation Master Plan more than 15 years earlier for the “rationalization” of major recreation facilities.²

2.1.1 Building Program

Following up on the Trace report, the City engaged consultants to compare the cost of rehabilitating and maintaining seven existing recreation facilities to their possible replacement by a single consolidated facility.³ The consultants, WSP/Architecture 49, a full service national engineering, environmental, and architecture firm, supported by dmA, a well-recognized recreation consultant, concluded:

*... replacement of the aging recreational infrastructure while resulting in higher capital costs offered a number of advantages. This study also included a discussion of the benefits associated with major multipurpose recreation complexes which is reproduced in this report.*⁴

The referenced study, incorporated as an appendix to the report identified benefits such as modernization of recreation service delivery (a “new model”), operating cost savings, increased levels of use/participation, and increased revenue.⁵

While not directly referenced by dmA, the Multiplex initiative strongly reflects the leading recreation policy of the 2012 Municipal Development Plan:

¹ dmA Planning & Management Services Inc., *City of Miramichi Multiplex – Needs Assessment and Business Plan*, November 2015, p. 2.

² *Loc cit.*

³ See: WSP/Architecture 49, *Miramichi Recreation Infrastructure Assessment and Comparison*, Final Report - R1, September 4, 2014

⁴ dmA Planning & Management Services Inc., *op cit.*, p. 3.

⁵ *Ibid.*, Appendix A.

It is a policy of Council to encourage clustering of recreational facilities in locations that foster:

- a) maximum use by all ages;*
- b) greater community interaction; and*
- c) reduced overall operational and maintenance costs.*

Following Plan Proposals supportive of this policy refer to a “city as a whole” focus and “a broad scope of what constitutes recreation (i.e. not limited to traditional sports),” as well as to rationalization of recreation programs and facilities, and commitment to “a capital assessment review of recreation facilities and selected community facilities to guide future public investment and operations.”⁶

Pursuant to dmA’s assessment, the City further engaged the consultants to refine the building concept and develop a business plan. The recommended Multiplex building program that emerged from this analysis consisted of the following major components:

- Two NHL-size ice surfaces with 1,800 and 200-seat capacities
- 25-metre, six-lane pool with separate recreational, and therapeutic tanks
- Regulation size double gymnasium
- Multi-purpose space
- Indoor walking track
- Ancillary facilities.

Figure 2-2 is a 3D perspective of the proposed facility. **Figure 2-2** presents floor plans for the envisaged 164,244-square foot structure.

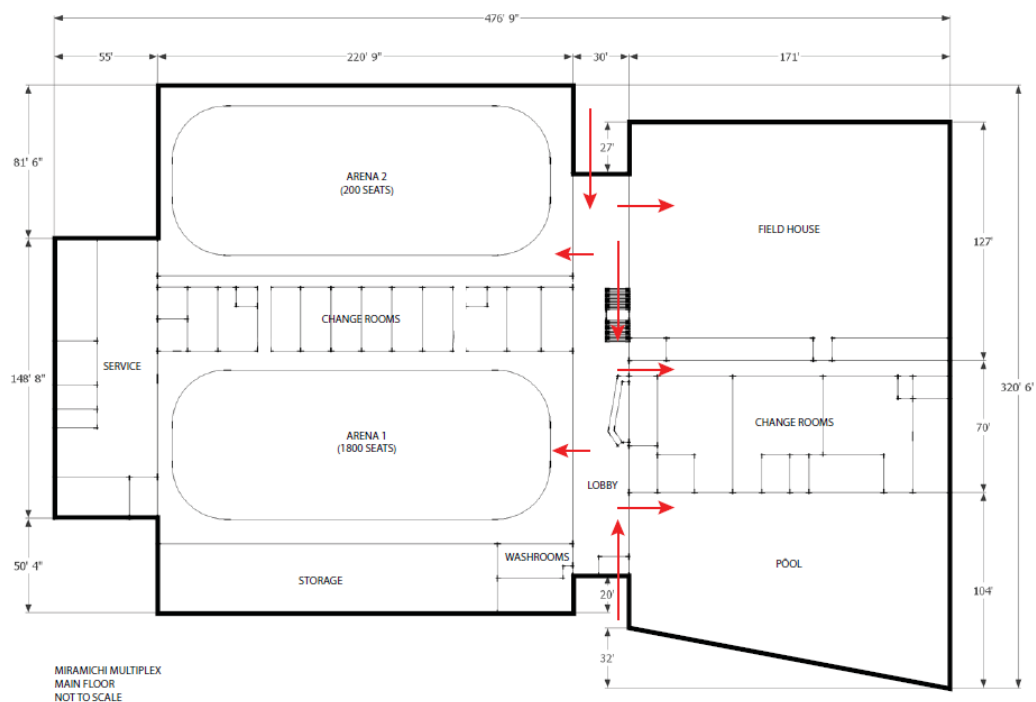
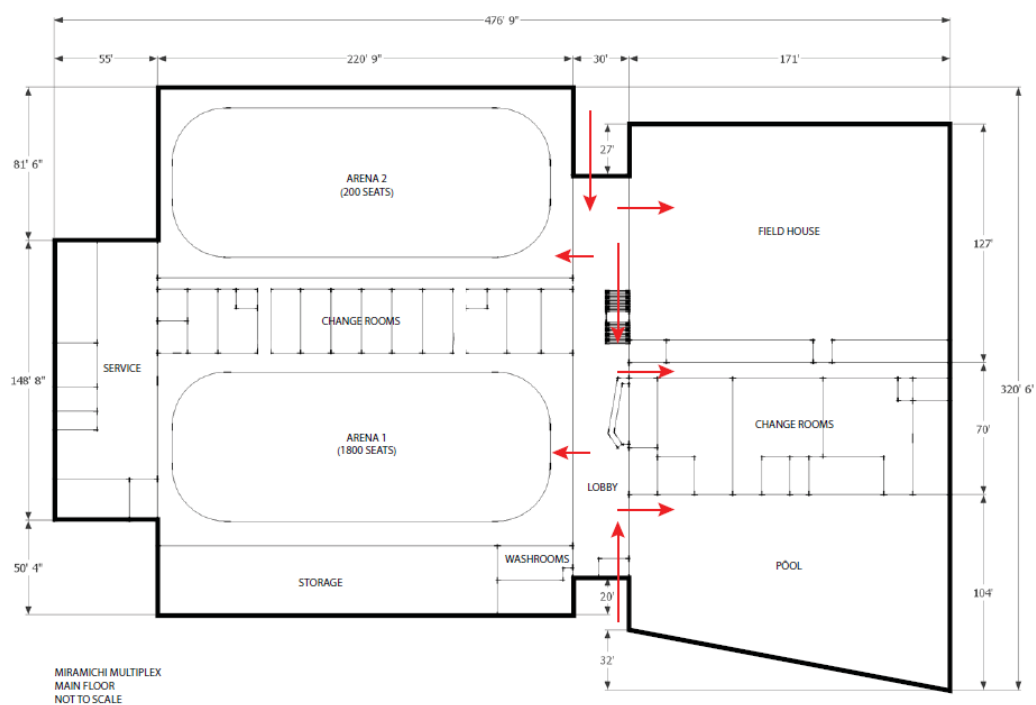
Figure 2-1 Building Elevation, Miramichi Multiplex



Source dmA Planning & Management Services Inc. and WSP/Architecture 49, *Miramichi Multiplex Pre-Design Services*, Draft Final Report, December 22, 2015, p. 61.

⁶ City of Miramichi, By-law No. 90 - *City of Miramichi Municipal Development Plan 2011-2025*, April 16, 2012, p. 144.

Figure 2-2 Building Plans, Miramichi Multiplex



Source WSP/Architecture 49, Miramichi Recreation Infrastructure Assessment and Comparison, Final Report - R1, September 4, 2014, pp. 280-281

The building uses a popular model for contemporary multi-purpose recreation facilities in all major facilities are accessed from a single street-like corridor. The arrangement ensures security by minimizing entrances and providing surveillance from the reception area. A single reception area streamlines the interface with users. The common corridor space, furthermore, allows users and visitors to observe all areas and activities, encouraging interest in the full range of opportunities on offer.

dmA has recommended serious consideration of what they call “best practice facilities” of which the walking track is one example. Additional facilities suggested by the consultants include community board room/classroom/skills development space, community kitchen, rock climbing wall, child minding space, and food service and community social space. We also anticipate the incorporation of private sector businesses complementary to the recreation and cultural functions of the complex. The current plan is to build only the 1,800-seat ice surface to reduce the initial capital cost.

2.1.2 Project Site

The project is to be built on land owned by the City of Miramichi in Douglastown on the northwest bank of the Miramichi River. The site is on business park lands accessed from the King George Highway, which runs parallel to the river and Highway 5. Highway 5 crosses the river from Chatham and flies over the King George Highway to reach the northeast access to the business park. The City has optioned 40 acres adjacent to the proposed Multiplex site where it hopes to attract businesses that will complement and benefit from proximity to the recreation facility. The prospect of a hotel development on a portion of this land has been included in our economic impact assessment below.

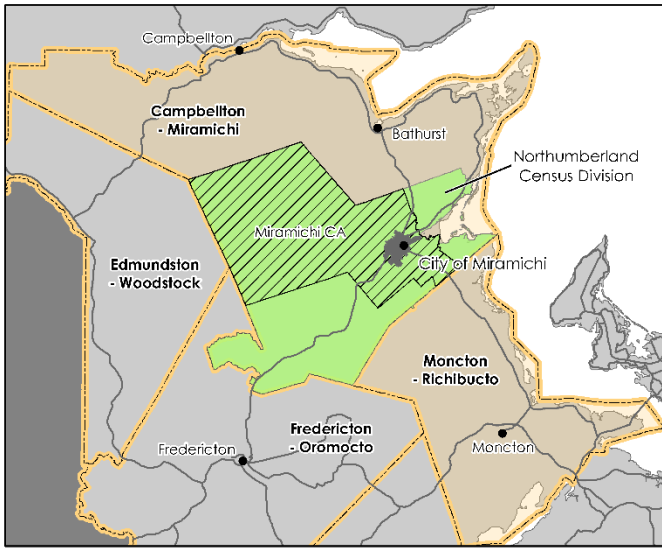
The Multiplex will front on Douglastown Boulevard. Businesses in the park include a Wal-mart, a retail strip mall, and several fast-food restaurants. The Federal Service Canada Centre is also within the park adjacent to the planned Multiplex property. Two shopping centres, Bridgeview Plaza (63,636 square feet) and Northumberland Square (108,882 square feet), are on the King George Highway immediately to the southwest of the intersection of the Highway and Douglastown Boulevard.

The area is developing strongly with contemporary big box and strip mall retail. Additional vacant land is available in the business park and nearby along King George Highway. Via Highway 5 the proposed Multiplex site has good access to other areas of the city and the region. Some concern has been expressed that the facility may negatively effective traditional shopping areas in the city, particularly downtown Chatham, by reinforcing the growth of the competing suburban shopping district. The site is however well connected by the bridge. It can be reached from the Miramichi Rodd Hotel in Chatham, for example, in eight minutes.

2.2 CONTEXT

The Multiplex is expected to serve the citizens of Miramichi and the surrounding area. Delineation of the service area is important to the assessment summarized below in this document. The City of Miramichi is an amalgamated municipality created in 1995 from several communities located along the northern reach of the Miramichi River on New Brunswick's North Shore. The largest communities combined through the amalgamation were the towns of Newcastle and Chatham. Also included were the Villages of Douglastown, Loggieville, and Nelson-Miramichi; the local service districts of Nordin, Moorefield, Chatham Head, and Douglasfield; and a portion of the former local service district of Ferry Road-Russellville. The city is the seventh largest municipality in New Brunswick and the province's fifth largest city according to the 2016 Census of Canada. Its 2016 population was 17,537 down from 17,811 in 2011 (**Figure 2-3** and **Table 2-1**).

Figure 2-3 City of Miramichi and Related Regional Areas



Source: Statistics Canada

While the geographic extent of the city is substantial, the Multiplex will undoubtedly draw users from areas outside its limits. Miramichi is designated by Statistics Canada as the core component of the Miramichi Census Agglomeration (CA), which recognizes the area with which the City has “a high degree of integration.” The

Census recorded 27,523 residents in the CA in 2016, 9,986 living outside the City Limits. The population of the CA as a whole declined more than the population of the city from 2011 to 2016. Outlying areas lost 3.1% of their population.

Table 2-1 Populations, Regional Areas, Miramichi, 2011 and 2016

Type	2016	2011	Change
City of Miramichi	17,537	17,811	-1.5%
Miramichi Census Agglomeration	27,523	28,115	-2.1%
CA less City of Miramichi	9,986	10,304	-3.1%
Northumberland County (Census Division)	44,952	46,204	-2.7%
Northumberland less CA	17,429	18,089	-3.7%
Campbellton-Miramichi Economic Region	154,351	158,745	-2.8%
Economic Region less Miramichi CA	126,828	130,630	-2.9%
Moncton-Richibucto Economic Region	209,256	203,837	2.7%

Source: Census of Canada 2011 and 2016

A third region similar to the CA that is important in this context is Northumberland County. Until the municipal reform pursuant to the Byrne Commission in the 1960s the county was once a rural municipality; however, it is now only used as a geography for which Statistics Canada and other entities record data. Statistics Canada classifies it as a Census Division. It is also continues to be recognized and referred to by residents of the area who are familiar with its boundaries. It is important to recognize in the context of this study because the Statistics Canada input-output (IO) model that we have applied to calculate economic impacts provides its outputs at the Census Division level. The county encompasses all

of the CA and additional communities occupied by 17,429 residents according to the 2016 Census. Areas within the County but outside the CA lost 3.7% of their population between 2011 and 2016.

A third region involving Miramichi recognized by Statistics Canada is the Campbellton-Miramichi Economic Region, which stretches from Miramichi to the New Brunswick-Quebec border at the City of Campbellton. The region had a 2016 Census population of 154,351, which was 2.8% smaller than in 2011. Excluding the Miramichi CA, it lost 2.9% of its population. A second economic region of note is Moncton-Richibucto, immediately east of Miramichi. It stretches from the eastern edge of the Campbellton-Miramichi Economic Region to the New Brunswick-Nova Scotia border and encompasses the growing Moncton region. Its 2016 population was 209,256, up 2.7% from 203,837 people in 2011.

The limits of the catchment area served the Multiplex and the areas significantly affected by its economic influence are dictated by distances to other large communities that offer similar opportunities. The Moncton Census Metropolitan Area, for example, had a 2016 Census population of 144,810. The City of Moncton is currently building a downtown sports and entertainment centre that will seat up to 9,000. It has many existing facilities including the 6,554-seat Moncton Coliseum. Although Moncton is roughly an hour and half drive (approximately 145 km) from Miramichi, many residents mention it as a frequent destination for shopping and major events.

While no centre on the North Shore west of Moncton is larger than Miramichi, the City of Bathurst 78 km (51 minutes) north, has a population of 11,897 and many similar amenities to Miramichi. The K. C. Irving Centre in Bathurst is the home of the L'Acadie Bathurst Titan of the Quebec Major Junior Hockey League and offers a second ice surface for minor hockey. It seats 3,162 for hockey and can be expanded to 4,400 for entertainment events. Bathurst offers shopping opportunities that undoubtedly draw some consumers that would otherwise go to Miramichi.

Finally, about 175 km (2 hours) to the south of Miramichi is Fredericton, the capital of New Brunswick, which has a Census Agglomeration population of 101,760, and many amenities similar to Moncton. Much of the intervening area between Miramichi and Fredericton is lightly populated and nearly all areas north of the Fredericton CA are in Northumberland County. The increased distance and travel time to Fredericton appears to discourage its drawing power for Miramichi residents who, in our experience, refer to it much less than Moncton.

Each of these three communities circumscribes the region on which the Multiplex is likely to draw. Unquestionably, Miramichi attracts residents to the east of its limits, perhaps as far as Richibucto, but the substantial draw of Moncton will outweigh it for most residents beyond that point. Similarly, Bathurst limits the ability of Miramichi to pull residents from beyond it to its shopping and attractions and is a more convenient location for residents more than 25 kms to the east of the city. The ability to draw in population from more sparsely populated areas to south along the Miramichi is greater but it dissipates within an hour to an hour of the city as Fredericton becomes a more convenient option. Taken together, these limits suggest that Northumberland County is a reasonable approximation of the catchment area of the Multiplex and, with allowance for some reach beyond the county boundaries the service area population of the facility is approximately 50,000 people.

2.3 STRATEGIC INTERVIEWING SUMMARY

To enhance our knowledge of the Miramichi Multiplex and community aspirations for its development, Stantec and GATN consultants interviewed nine individuals located in Miramichi or with significant interests in the city. The following interview subjects were identified to the consultants by City of Miramichi staff:

- Brian Geneau, Historic Chatham Business District
- Jim Gertridge, Rodd Miramichi River Hotel
- Dewey Somers, Miramichi Minor Hockey
- Jim Watters, Minor Basketball/Volleyball
- Marc Allain, Carrefour Beausoleil
- Paul McGraw, City of Miramichi
- Claude Schofield, Miramichi Swim Club
- Hal Somers, Towne Auto Group
- Peter MacKenzie, Plaza Group.

Stantec and GATN staff conducted face-to-face interviews with most of the listed subjects when they visited Miramichi on September 28 and 29, 2017. Additional interviews were completed by phone with individuals who were not available in Miramichi on either the 28th or 29th. GATN also met with representatives of the Northumberland County Sports Network on November 15th in Miramichi.

The consultants asked respondents roughly 20 questions concerning expectations for the project, prospects of success, expected economic benefits, and potential improvements to development of the project and management of the resulting facility. The outline was loosely applied as a tool to stimulate discussion and not all questions were posed to all interview subjects as some interview subjects raised certain topics without prompting from their interviewers.

In general, respondents were supportive of the Multiplex project. Most felt it was an appropriate undertaking for the community that would have clear benefits for residents and the city's economic growth. Some were concerned that the project would increase taxes and might run a deficit. Others expressed concerns that the new centre could negatively affect established facilities such as the Lord Beaverbrook Arena. Several others, by contrast, suggested that the Multiplex might be under designed. One respondent, for example, contended that two ice surfaces should be built now and another contended that more seating should have been incorporated for hockey. Another individual with the benefit of having visited Credit Union Place in Summerside praised the range of facilities in the Island facility and the benefits for family users who can keep several children as well as parents simultaneously busy with different activities.

Views on the location of the Multiplex in Douglastown were mixed. Certainly, some respondents with an affinity for Downtown Chatham noted the benefits of synergies with traditional businesses there and with the many events that the Downtown hosts. On the other hand, most noted the Multiplex on its selected site would provide a boost for the newer business area surrounding it and acknowledged that the location in Douglastown will facilitate future expansion off the facility as well as the establishment of new businesses attracted by the traffic and clientele they expect it to generate. The City representative interviewed, in fact, noted that the Multiplex will be built toward the back of the property on which it is located to ensure room for businesses to infill in front of it. One interview subject, however, touted the Chatham Industrial Park, which he said would be more accessible to teams and visitors coming to

Miramichi from Moncton and which in his opinion is not subject to the same level of traffic congestion as Douglastown.

Most respondents feel the Multiplex will be beneficial for local businesses. Business owners and investors in the community we interviewed were probably the biggest boosters of the project. They and others, believe the centre should support existing hotels, restaurants, and businesses such as sporting goods outlets. Several respondents also noted that hotel/motel accommodations are in short supply in the region and suggested that the Multiplex would likely be sufficient to encourage the construction of a new hotel. Some were equally sanguine that restaurants and sporting goods retailers in Miramichi would expand with the Multiplex in place.

Most also noted the potential for events. While recognizing that the size of the Miramichi market places some limits on the acts and events that the community can attract, several respondents noted successful events held in Miramichi such as the Rock and Roll (vintage) Car Show and sporting events. Some respondents suggested that the potential for concerts is limited in Miramichi with other facilities on the North Shore and the much larger market in Moncton within two hours.

Special events are expected to augment tourism. Although none of the interview subjects considered that the Multiplex itself would be an attraction outside of the immediate catchment area of Miramichi, many noted the drawing power of car and boat shows, and especially sports tournaments. One respondent noted, for example, that Miramichi hosts a 22-team ringette tournament and the young female players often individually bring entourages of family members requiring hundreds of room nights. The currently limited local supply of fixed roof accommodation may limit the community's ability to exploit this potential fully.

Most respondents feel the City needs to invest confidently in its future. The ability to leverage senior government support is critical to development of the Multiplex. Aside from the recognition that most communities receive outside funding for large recreation projects of this type, it is unlikely that the City of Miramichi can finance the facility with this support. Some respondents also suggested the City should pursue private sources of support through sponsorship and naming rights.

2.4 CASE STUDY ANALYSIS

Stantec undertook four case studies of recently built recreation centres in Atlantic Canada that we felt might provide information relative to our assessment of the proposed Miramichi Multiplex. The facilities reviewed were Mariners Centre, Yarmouth, NS; Rath Eastlink Centre, Truro, NS; Garcelon Civic Centre, St. Stephen, NB; and Credit Union Place, Summerside, PEI. The facilities were completed between 2001 (Mariners Centre) and 2013 (Rath Eastlink Centre and Garcelon Centre). **Figure 2-4** presents photographs of all four facilities.

Stantec compiled information from a variety of secondary sources (i.e., web sites, feasibility studies, available financial information) and interviews with facility operators. Interviews addressed the following:

- *Construction Impact* – Employment and income effects of building the Multiplex
- *Operation Impact* – Employment and income effects of operating the Multiplex

- *Municipal Finance Impact* – Net impact on municipal expenditure including additional borrowing and net increase or decrease in operating costs
- *Event Impacts* – Employment and income effects of individual events hosted by the Multiplex
- *Entrepreneurship Impact* – The role of the facility in creating a venue for new and existing business owners, from food services, to sports retail, to privately offered fitness classes
- *Third Party Investment Potential (Catalytic Impacts)* – Stimulus to related developments such as food, accommodations, or retail establishments that rely on or benefit from traffic/visitation generated by the new facility
- *Tourism Impacts* – Employment and income effects specific to visitor attraction to Miramichi attributable to the Multiplex
- *Health Impacts* – Physical and mental health benefits to the community of improved access to recreation facilities
- *Quality of Life Impacts* – Benefits of increased options for participatory activities within the community, helping to make Miramichi a choice place to live and work
- *Business Recruitment Impacts* – Influence of upgraded facilities on the attraction of Miramichi to employers and employees.

All four facilities are municipally owned. Mariners Centre and the Rath Eastlink Centre are municipal partnerships overseen by intermunicipal commissions, while Garcelon and Credit Union Place are owned and operated directly by the municipality in which the structures are located. Three of the four rely on catchment areas with roughly 60,000 residents. The Garcelon Centre claims less than 20,000. The cost to construct ranges from \$19 million for the Garcelon Centre to \$47.5 million for the Rath Eastlink facility. The cost of the Mariners Centre, which was completed in 2001, is not known; however, the operators are discussing an expansion plan that their consultant estimates will cost \$30 million.

An arena is central to each complex (see **Table 2-2** for summary information). Mariners Centre and Credit Union Place have two ice surfaces, while Garcelon and Rath Eastlink have just one. The primary ice surface in each case satisfies NHL requirements with spectator seating. Capacities range from 1,050 for the Garcelon Centre and 4,228 for Credit Union Place. All four host teams in the Maritime Junior A Hockey League, although the facilities are also used by high schools teams, minor and senior hockey, and recreation purposes. All except Mariners Centre have aquatic facilities. Aquatic facilities are proposed as a leading component of the proposed expansion plan for Mariners Centre.

Mariners Centre draws very well for junior hockey. The facility has the best attendance in the Maritime Junior A league and its operators feel the seating capacity was underbuilt. The benefit of the facility has also been affected by the reduction of hotel rooms in Yarmouth resulting from the temporary stoppage of the ferry from Maine. Available rooms fell from 600 to 300. While the ferry has been restored, it continues to face significant challenges. A developer is nevertheless interested in building a hotel on the Mariners Centre property.

Figure 2-4 Comparable Multi-purpose Recreation Facilities, Maritime Provinces

Mariners Centre, Yarmouth, NS



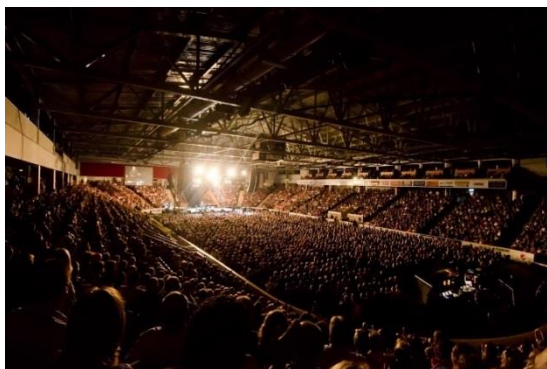
Rath Eastlink Centre, Truro, NS



Garcelon Civic Centre, St. Stephen, NB



Credit Union Place, Summerside, PE



Source Various

Rath Eastlink Centre has had a challenging start due to ice-making issues. It is running a deficit over \$1 million/year, which is attributable to broader issues. Only the fitness centre generates positive revenue. Although Truro is the largest town in Nova Scotia and the central Nova Scotia area is prosperous, the facility is influenced by proximity to Halifax. Halifax supplements substantial hotel accommodations (800 rooms) available in Truro and Colchester; however, facilities in the much larger market offer events that the Rath facility cannot match. Nevertheless, Rath Eastlink has hosted major acts that have sold out its capacity.

The facility was built in association with the region's hospital. Partnerships with the hospital promote wellness and have been successful. The business component of the facility, however, is limited to catering and bar service.

Garcelon Centre faces more significant market challenges. Areas to the north have better access to the cities of Fredericton and Saint John. Areas to the south are in the United States and, while they form a component of the facility's market, the border inhibits interaction. Additional populations in the catchment area are located on islands from which travel to St. Stephen requires the use of ferries, some of which land in the US and all of which add significantly to the challenges of travelling to St. Stephen. Even travel from the Town of St. Andrews, which operators cite as an important component of their market, is affected by the coastline, which requires a substantial trip from the town's site at the end of a lengthy peninsula to reach the highway to St. Stephen.

Although the Garcelon Centre was built for less than half the price of the other two facilities for which we have a construction costs, it runs the largest deficit in percentage terms by a significant margin. Facility operators suggest that their pool presents the biggest challenge as it generates substantial costs relative to its level of use.

The facility has done well with events and the operators have been surprised by the demand for meeting rooms. They are also satisfied with food service operations, although they are managing food services inhouse after an unsuccessful attempt to contract the operation out. While the operators consider the number of rooms in St. Stephen to be sufficient to support their facility, they were critical of the quality. The Algonquin Hotel in St. Andrews is an important supplement. They feel the facility has had substantial benefits for local businesses.

While operating costs and deficit information are not available for Credit Union Place in Summerside, the facility manager contacted and reputation suggest the facility has been very successful. It has the largest capacity of the four facilities examined and hosts many national-level sporting events. Its success has been significantly assisted by the long-term commitment of the City of Summerside to sport tourism and the attraction of PEI to tourists.

Credit Union Place has the broadest array of facilities of the four we have investigated. It also has an array of business tenants. Operators feel hotel accommodations in the area are insufficient and poor quality. They have applied to build a 180-unit hotel in association with their facility.

Table 2-2 Comprarable Multi-purpose Recreation Complexes, Maritime Provinces, 2017

	Mariners Centre, Yarmouth, NS	Rath Eastlink Centre, Truro, NS	Garcelon Civic Centre, St. Stephen, NB	Credit Union Place, Summerside, PEI
Opened	2001	2013	2013	2008
Owner(s)	Town of Yarmouth, District of Yarmouth, District of Argyle	Town of Truro, County of Colchester	Town of St. Stephen	City of Summerside
Catchment	60,000	60,000	15,000-20,000	65,000
Capital Cost	N/A (\$30 million expansion proposed)	\$47.5 million	\$19 million	\$43 million
Major Components	<ul style="list-style-type: none"> • One NHL-size ice surface, one non-regulation • Boardroom for 17 people • Large meeting space for 175 • Dining areas for 400 • Licensed lounge for 95 • Outdoor ball hockey arena • Barn with animal stalls and riding ring • Propose walking track, cafe and food services, play area, aquatic centre (competition, recreation, and therapy), gymnasium, and curling club. 	<ul style="list-style-type: none"> • NHL-size ice surface • 8-lane, 25-metre competition pool • Leisure pool • Climbing Wall • Group Exercise Room and Fitness Centre • Walking/Running Track • Bar service • Bistro with catering services, 	<ul style="list-style-type: none"> • NHL-size ice surface • Walking/jogging track • 25-metre leisure pool and therapy pool • Culture, community, and conference centre • Auxiliary canteen/catering and pro shop services 	<ul style="list-style-type: none"> • Two NHL-size ice surfaces • Indoor 25-metre pool, leisure pool, sauna, steam room, and water slide • Indoor walking/running track • Fitness Centre • Two squash courts • Multi-purpose room/fitness centre • 5 and 10-pin bowling • Snack counter • Licensed bar • Hot food service • Convention centre for 500 • Meeting rooms • Tennis Courts • BMX and Skateboard Park • PEI Sports Hall of Fame • Outdoor turf field • Two restaurants
Capacity (Ice hockey)	2,000	3,100	1,050	4,228
Annual Operating Budget	\$1.2-\$1.3 million	\$3.5-\$4 million	\$1 million	N/A
Annual Deficit	\$200,000 (15%)	\$1.2 million (30%)	\$500,000 (50%)	N/A

Source Stantec Consulting Ltd.

Credit Union Place contracts out most of its operations. Unlike the other facilities reviewed, which promote many of their own events, Credit Union Place relies on private promoters. The facility owns two restaurants that it has successfully contracted out. Attendance at events is strong. It has been helped by the attraction of PEI to tourists, who combine trips to the Island with events at the facility. The operators feel the facility makes an important contribution to the local economy.

The operators of all four facilities investigated contend their operations have significant economic benefits. All contend that they support local businesses, some of which would be unlikely to survive without the additional sales generated in the community by activities and events at each facility. Hotels, restaurants, and sporting goods outlets were specifically noted as business types that benefit from the presence of a recreation complex. Businesses in these categories are frequently included in facilities and often establish near them. The two most successful operations reviewed, Mariners Centre and Credit Union Place, are, in fact, considering building hotels on their respective properties.

Hotels and recreation complexes have a synergistic relationship. Concerts and sporting events can draw significant numbers to an area. The presence of suitable accommodations is critical to support these events. Rooms must be available in the area if visitors are to travel to events. Accommodations extend stays and increase benefits for other local businesses, particularly restaurants.

3.0 IMPACT ASSESSMENT FRAMEWORK

An economic impact assessment examines the effect of an undertaking on the economy in a specified area. The undertaking assessed in this case is the Miramichi Multiplex as described in **Section 2.1** above. As the City has optioned an additional 40 acres adjacent to the proposed building site in Douglastown to accommodate an onsite hotel and other compatible businesses, we have included assessment of an appropriate hotel in the scope of this assessment. Within this section, we address the size, quality, and prospects of the hotel project as a basis for arriving at cost and operating estimates required to assess its additional economic impact. Our assessments of both the Multiplex and the potential hotel complex include the tax benefits that each will generate for all three levels of government. Other business possibilities, which are more difficult to define but certainly exist, as well as a wide range of potential benefits to the community and the nation are discussed qualitatively.

3.1 QUANTITATIVE ASSESSMENT

The impact assessment presented in **Chapter 4.0** below, quantifies job and income effects on the Miramichi, New Brunswick, and national economies using data collected through our research, and applied Statistics Canada's input-output (IO) model specific to New Brunswick, including the number of full-time equivalent jobs and associated income.

The following defines the types of impacts discussed in this report:

- **Direct Impacts** – are production, income, employment, taxes, and spending on goods and services associated with the direct spending on those contractors, designers, engineers, etc. who are directly involved in the associated project. This would include wages and salaries paid to construction workers, building suppliers and engineers in activities from site preparation to commissioning of the facilities.
- **Indirect Effects** – are production, income, employment, tax, resource or environmental changes in backward linked industries. For example, these are the impacts associated with the suppliers to the building contractors, and in turn, the suppliers of these suppliers. Examples of indirect effects would be the impacts associated with the transactions between an excavation/site preparation contractor and a company that services this contractor's heavy equipment during the course of the Project.
- **Induced Effects** – are the changes in household spending caused by changes in household income. These are the impact from contractor employees and/or their supplier employees spending their wages and salaries on goods and services. As an example, it is the steel worker who personally spends wages they earned during their project work on the operation of their household.

The combination of both the induced and indirect effects is called the spinoff effects.

3.2 IMPACT TYPES

The economic impact of the proposed Multiplex has several important dimensions. For analysis, we are including:

- **Construction Impacts:** The economic impact of the proposed construction – in this case, the Multiplex and a hotel expected to be built in association with the Multiplex - in proposed and triggered industrial, commercial, and related infrastructure construction activity, the majority of which will leverage local employment and locally/provincially based suppliers of goods and services
- **Operational Impacts:** The economic impacts of ongoing and expanded recreational services resulting from the operation of the Multiplex
- **Municipal Impacts:** The potential impact of the development on the City's tax base, through positive impacts on retention and immigration
- **Event Impacts:** The potential of the new facility to attract more/larger events to the region relative to current facilities (i.e., some events require facilities and amenities of certain standards before they will entertain event hosting proposals from venue operators)⁷
- **Tourism Impacts:** Related to event impacts is tourism related spending on good and services that are impacted by the facility and the capacity it adds to the region. These may be though sporting, entertainment, or craft/trade-show related events.
- **Other Impacts:** These include more intangible quality of place/quality of life factors such as health impacts, the role of the centre in immigration attraction and resident retention, the role of the Multiplex in supporting employer recruitment to the region, among other

We also assessed municipal financial implications of the initial capital investment in construction of the Multiplex and its long-term operation against the costs of rehabilitating and continuing to operate the municipal facilities that the Multiplex is expected to replace. Our assessment addressed the diverse range of impact themes outlined below.

3.3 CONSTRUCTION IMPACTS

It is normal when considering building and infrastructure projects to separating the construction and operation phases as the nature of expenditures differs considerably before and after completion of construction. Construction extends from site preparation to the commissioning of the facilities. Construction impacts resulting from purchases of goods and services in relation to the development are considered “one time only” because, although they may occur over several years, construction spending ends when the facilities are completed and the construction phase concludes.

⁷ See Canadian Sport Tourism Alliance, “Up for Bid,” <http://canadiansporttourism.com/upforbid.html> for some examples

Construction typically accounts for a large share of total impacts for a project like the Multiplex or the hotel project we are associating with it. It normally involves large capital expenditures during a period when the facility will generate little or no revenue. Also, while there is normally uncertainty concerning the ultimate cost to build, construction costs are usually less speculative than operating costs, which are incurred even further in the future over multiple years and are subject to an even greater number of more volatile variables.

In the course of planning discussions and analysis spanning several years, consultants have prepared cost estimates for the proposed Multiplex. Estimates have varied as features of the project have evolved and time has passed.⁸ In consultation with municipal staff and with consideration of ongoing inflation, we have assumed that the facility will cost on the order of \$60 million and have used this figure in our construction impact analysis. As the project continues to evolve and construction estimates move from Class C to Class A (construction drawings), we expect this total construction value to be further refined.

When completed, the project will have resulted in approximately \$60 million in direct construction related spending, mixed among commercial/institutional and municipal servicing-related construction costs.

3.4 OPERATIONAL IMPACTS

Operational impacts will begin on the commissioning of each facility. On their commissioning, each facility will deploy staff, who will likely be hired a short time in advance, and begin to incur costs for operation such as cleaning and housekeeping and heat and lights. Although these expenditures will be costs to the operators of both the Multiplex and the hotel, they will be benefits to the employees engaged and the external suppliers of goods and services. Simultaneous with incurring costs to operate, both facilities will also begin to generate revenues. The Multiplex will collect membership and entrance fees from residents, rents and fees from event organizers, and variety of other sources of income available to it. The hotel likewise will sell rooms, meals, and other services to clients.

Case study research suggests that the Miramichi Multiplex is likely to operate at a deficit, although related lessons learned suggest opportunities to minimize the shortfall. The solution must be configured to the unique circumstances in Miramichi, and it must take into account:

- Which, if any, operations should be outsourced (e.g., event promotion and management, concessions)?
- How will the operating costs of the pool be managed?

How can the facility earn innovative sources of revenues (e.g., naming rights, fitness and pool packages for visitors to the community, rental of event staging and hosting equipment)?

⁸ See: WSP/Architecture 49, *Miramichi Recreation Infrastructure Assessment and Comparison*, Final Report - R1, September 4, 2014, pp. 282-287 and dmA Planning & Management Services Inc. and WSP/Architecture 49, *Miramichi Multiplex Pre-Design Services*, Draft Final Report, December 22, 2015, p. 3.

3.5 MUNICIPAL FISCAL IMPACTS

The municipal finance impact addresses the net impact on municipal expenditures reflecting the increase or decrease in operating costs as well as additional borrowing charges to be carried by the City of Miramichi. The impact of a possible deficit for the Multiplex must be considered in the context of municipal finances. At the same time, we recognize that the facilities the Multiplex will replace were likely running their own deficits. This means that the net change in the operating deficit will be an important factor.

The construction of a hotel will have more straightforward impacts on municipal coffers. As a privately owned commercial property, the hotel will pay property tax to the City based on its assessed value, which should be approximated by its cost to construct.

Similar benefits should accrue to the City from other new commercial construction stimulated by the addition of the Multiplex as well as physical upgrades to existing properties encouraged by the increased customers drawn to Miramichi by opportunities and events generated by the facility. The complex may also enhance the value of residential properties in the community if it attracts new residents or if it simply enhances the value of residences with access to its valued amenities. These effects are, however, difficult to predict and quantify and are, therefore, discussed below in qualitative terms.

3.6 EVENT IMPACTS

Event impacts are the employment and income effects of events hosted by the Multiplex. The value of event-related impacts of the Multiplex considers the incremental economic benefits brought to the community. In other words, it is important to isolate sports, entertainment, and other events that are directly attributable to venue features and capacities created by the new Multiplex. Events likely to occur with the current configuration of facilities are outside the scope of this assignment.

The impact of the operational expenditures to host these Multiplex-enabled events provides an economic benefit to the community. Further to this, the value of these new events will be enhanced to the extent that they attract participants and spectators from outside the Miramichi region. The attendance profile will vary depending on the mix of uses and the unique characteristics of each event. A conservative approach to event analysis discounts a regional draw of residents – considered by some to be recycled and not incremental. In contrast, attendees from outside Miramichi will lead to a net increase in economic activity – as opposed to Miramichi residents moving their spending within the region.

While it is difficult to develop a precise estimate of how much spending will come from non-residents, it is possible to make informed estimates based on interview information, anecdotal evidence, and case study findings, as well as knowledge gained by consulting team members from related work in sporting, entertainment, and cultural event research. At the same time, it is important to recognize Miramichi's potential for events within the context of the acts and events that the community could be expected to attract, "competition" with other facilities on the North Shore, and the much larger market and facilities available in Moncton.

Beyond the quantitative assessment of event impacts, signature events provide an important but less measurable boost to awareness of the destination community and help build hosting capacity over time – often through volunteer networks, and enhanced hosting systems and processes. In relation to this profile-

raising effect, the facility also supports community building, through its facilitation of holiday craft fairs, markets, and similar domestically oriented events. Events of this type promote local vendors and draw vendors from other parts of the province, offering low-cost opportunities for would-be entrepreneurs to develop their businesses. Related to this, the facility could also support school- and community-related activities such as concerts, plays, and fairs.

An assessment by the Canadian Sport Tourism Alliance of a recently completed eight-team provincial-level U14 event that generated just over 1,100 spectators offers a guide to the potential of Multiplex-hosted events. Assuming the completed facility could host an equivalent swimming, hockey, or gymnastics event, it may expect similar impacts. For the three-day, U14 event, attended largely by parents and family members accompanying the participants, total spending amounted to just under \$343,000, supported 3 FTEs, generated \$99,000 in taxes, \$359,000 in GDP, and triggered total sales of just under \$700,000 in the community. For every event attendee, \$122 the model calculated the event generated in wages in the hosting region. Other events have similar impacts, with more locally oriented events generating wage impacts of \$36 per attendee and those requiring more overnight travel generating more than \$100 in wages impact per visitor. Based on one study, if Miramichi offered an event or an equivalent series of events that collectively attracted 10,000 overnight guests in a year, and these attendees stayed in the area for four nights on average, they would collectively contribute more than \$1.1 million in wages and salaries to the local area.

3.7 TOURISM IMPACTS

Tourism impact covers employment and income effects specific to visitor attraction stimulated by the presence of the Multiplex in Miramichi. Some tourism benefits are included under ‘Event Impacts,’ discussed above; however, the new Multiplex will also have a positive impact on retailers, restaurants, and accommodation providers in Miramichi to the extent that it draws incremental visitors to the area. While it is difficult to estimate with precision how much incremental activity will occur, a conservative baseline for new visitation attributable to the Multiplex is anticipated out-of-region traffic related to new shows, tournaments, and entertainment events that will be enabled by a new facility.

3.7.1 Tourism Industry Overview

Tourism has been identified as a key opportunity for growth in the New Brunswick Economic Growth Plan. Currently, tourism visitor spending in New Brunswick is estimated at \$1.3 billion, making it the third-largest service sector in the province. The recently released New Brunswick Tourism Growth Strategy: New Tourism Economy seeks to grow visitor spending to \$2 billion by 2025. The government has committed to increased investments in tourism. The Department of Tourism, Heritage and Culture budget was increased by 18% for 2017-18. In addition, capital investment in parks, trails, historic sites, and other tourism infrastructure will increase by 19% in 2018-19.

3.7.2 Tourism Activity Trends

Overall tourism industry performance in New Brunswick has been strong. In the summer of 2017, for the second consecutive year, the province experienced an increase in the number of tourists it attracted. Attendance at public attractions included in New Brunswick's tourism indicators increased 10% for the June to September season compared to 2016. In addition, room sales in the accommodation sector increased 4% between January and September 2017 compared to 2016. The provincial accommodation occupancy rate was up three percentage points over that period. Finally, there was a 6% increase in campsite rentals at provincial parks between June and September.⁹

3.7.3 Miramichi Accommodation Supply

The relationship between recreation complexes and accommodation providers is synergistic and mutually beneficial. Tournaments, other sporting events, consumer shows, and concerts can draw significant numbers to an area. The presence of suitable accommodations is critical to facilitate out-of-region attendance in support of these events. Rooms must be available in the area if visitors are to travel to events. As detailed in **Table 3-1**, the Miramichi area presently has 13 accommodation operations in the with 423 rooms. Of these, seven are larger properties (29 rooms or more) suited to teams or groups, which account for 379 rooms. Alternatively, using a minimum Trip Advisor quality threshold of four stars, the area has nine properties and 299 rooms of medium to high quality.

The annual average occupancy rate for the Miramichi region was 51% in 2016, and is on course to exceed this level in 2017. The annual occupancy for Miramichi lags behind the provincial average – by four points in 2016 and six points in 2017. The provincial average is buoyed by the province's three largest cities, Saint John, Moncton, and Fredericton. Miramichi performs well considering it does not have the commercial traffic base of the larger centres, yet it hosts a largely year-round inventory unlike rural areas where many rooms are removed from the market in the off-peak months when demand declines.

There is some volatility in monthly comparisons for Miramichi between 2016 and 2017 (**Table 3-2**). This is not unusual for a relatively small accommodation base, where occupancy can swing due to events and local construction, commercial infrastructure upgrades, and other activities that often engage transient workers. The significant gains in the first quarter of 2017 speak to the increased efforts of local economic development and tourism agencies to attract the snowmobile market.

⁹ http://www2.gnb.ca/content/gnb/en/departments/thc/news/news_release.2017.11.1484.html

Table 3-1 Accommodation Supply, Miramichi and Region, 2017

Property	Location	Number of Rooms	Star Rating	Rates	Trip Advisor Rating	Season	Comments
Hotels / Motels / Resorts							
Days Inn	Miramichi	64	4	\$89 - \$175	4	Y/R	Recently renovated
Econo Lodge	Miramichi	38	3	\$70 - \$119	4	Y/R	
Governor's Mansion Inn	Miramichi	5	3	\$99 - \$179	4.5	Y/R	
Rodd Miramichi River	Miramichi	79	5	\$125 - \$254	4.5	Y/R	Recently renovated
Lakeview Inn and Suites	Miramichi	60	3 ½		4	Y/R	
Howard Johnson Inn and Suites	Miramichi	63	3 ½		3.5	Y/R	
Fundy Line Motel	Miramichi	46	n/a	\$60 - \$130	3.5	Y/R	Not listed in NB Travel Guide
Metepenaglag Lodge	Red Bank	10	3 ½	\$89 - \$99	4	Y/R	
Taylor's Motel	Doaktown		n/a		n/a	Y/R	Local clientele. Not listed in NB Guide
Bed and Breakfast							
King George Bed & Breakfast	Miramichi	4	4	\$115 - \$145	5	Y/R	
Regent Street Bed & Breakfast	Miramichi	3	4	\$95 - \$115	4.5	Y/R	
Cottages / Vacation Homes							
Country Haven Lodge & Cottages	Gray Rapids	7	3 ½	\$175	5	Y/R	
Franks Holiday Resort	Chelmsford	29	3		4.5		
Kouchibouguac Resort	Kouchibouguac	15	n/a		3	Y/R	Not listed in NB Guide

Source: GATN Consulting

Table 3-2 Miramichi Accommodation Demand, Occupancy Rates (%), 2016-2017

Month	Miramichi ¹⁰			New Brunswick		
	2016 (%)	2017 (%)	Change (% Points)	2016 (%)	2017 (%)	Change (Points)
January	27	43	+16	36	41	+5
February	38	49	+11	43	45	+2
March	39	47	+8	46	48	+2
April	42	38	-4	51	49	-2
May	55	44	-11	52	56	+4
June	60	51	-9	60	64	+4
July	74	81	+7	78	81	+3
August	75	79	+4	80	86	+6
September	63	64	+1	67	70	+3
October	50			57		
November	50			51		
December	33			37		
Annual	51	55	+4	55	61	+6

Source: GATN Consulting

3.7.4 Hotel Opportunity Assessment

Key informant interviews and community consultation noted a pent-up demand for Miramichi accommodation, particularly in the context of tournaments and large events. There is a perception among some respondents that visitor accommodations are in short supply in the region. Many suggested, given the perception of existing unmet demand, the Multiplex would stimulate construction of a new hotel. We would agree that any shortage will be exacerbated by the additional demand generated by the larger seating capacity of the Multiplex and its increased focus on events that draw from outside the region. This section touches on the business case around a new hotel that would benefit from incremental activity at the Multiplex, pent-up demand, and an increased focus on the tastes and preferences of today's market as well as the benefits of proximity to the Multiplex and day-use access to the recreation facilities.

Table 3-3 lists newer hotels comparable to the type the Project Team expects to attract in Miramichi and other New Brunswick communities with similar populations, traffic patterns, and economic conditions. Considerations for selection of the specific properties included quality, amenities, size, operating season, upkeep, and pricing. The six benchmark properties are a mix of national chains and smaller independents. All six are favorably reviewed by guests, with a minimum of a four-star TripAdvisor rating. The amenities for the competitive set range from mid-level (e.g., Comfort Inn Bathurst and Super 8 Hôtel Caraquet) to more extensive amenities (e.g., Rodd Miramichi River).

¹⁰ Described as Fredericton to Miramichi in New Brunswick Tourism, Culture and Heritage Accommodation Reporting

Table 3-3 New Brunswick Properties Market Appropriate for Miramichi Multiplex

Property	Location	Number of Rooms	Star Rating ¹¹	Rates	Trip Advisor Rating	Season	Comments
Days Inn	Miramichi	64	4	\$89 - \$175	4	Y/R	Recently renovated
Rodd Miramichi River	Miramichi	79	5	\$125-\$254	4.5	Y/R	Recently renovated
Comfort Inn Bathurst	Bathurst	76	3 ½	\$95 - \$190	4	Y/R	Newly renovated
Atlantic Host	Bathurst	98	4	\$130 - \$225	4	Y/R	Renovated January 2017
Danny's Inn & Suites Hotel Event Centre	Bathurst	37	4	\$130 - \$170	4	Y/R	
Super 8 Hôtel Caraquet	Caraquet	50	3 ½	\$120 - \$190	4	Y/R	

Source: GATN Consulting

Table 3-4 summarizes standard performance measures for the selected group available through New Brunswick Tourism, Heritage and Culture. The annual occupancy rate for the comparable properties reached a five-year high of 55% in 2016. The annual rate was 53% in 2012 and declined to a low of 49% in 2014 before recovering in 2015. The opening of the Best Western Plus Bathurst Hotel & Suites in March 2014 may be a factor in lower occupancies in 2014 as it likely reduced room sales at the three Bathurst properties (ie., the Comfort Inn, Atlantic Host, and Danny's Inn & Suites Hotel Event Centre).

Monthly occupancy rates for the six properties register seasonal fluctuations – ranging from lows in December and January to highs in August. Indications are that snow related tourism in Miramichi, Bathurst, and Caraquet helps to dampen the seasonal variation. In 2016, monthly occupancies ranged from a low of 35% in January to high of 82%. Results for 2017 are on track to outperform 2016 with room nights sold for the first ten months of the year outpacing 2016 by 11%. The competitive set outpaced the overall province, which posted a 4% gain in room nights. The comparable properties also outperformed the overall performance of Miramichi area hotels, providing reassurance that a quality medium sized hotel is a good fit with for the Multiplex site.

The upward trend for the competitive set is encouraging, but the occupancy rates are not approaching a level that suggests a robust performance that will, by itself, justify the construction of a new motel or hotel. On the other hand, evidence of supply constraints includes recent steady growth in annual occupancy rates, peak season occupancy over 85%, and an annual occupancy of 70% or higher. When market conditions approach this threshold, it would be more likely to support new construction.

¹¹ Canada Select when available, otherwise CAA.

Table 3-4 New Brunswick Properties Market Appropriate for Miramichi Multiplex

Table 6-1. New Brunswick Properties Market / Appropriate for Miramichi Complex									
2012				2013			2014		
Month	Rooms Sold	Rooms Available	Occupancy	Rooms Sold	Rooms Available	Occupancy	Rooms Sold	Rooms Available	Occupancy
Jan	5,406	12,803	42%	5,453	12,710	43%	4,381	12,648	35%
Feb	5,719	11,977	48%	5,482	11,480	48%	4,628	11,452	40%
Mar	6,480	12,803	51%	5,833	12,679	46%	5,300	12,524	42%
Apr	5,627	12,390	45%	6,541	12,180	54%	5,124	11,523	44%
May	7,082	12,710	56%	6,885	12,679	54%	5,426	11,625	47%
Jun	7,265	12,390	59%	6,741	12,180	55%	6,509	11,396	57%
Jly	8,453	12,710	67%	8,082	12,586	64%	8,339	12,524	67%
Aug	8,939	12,710	70%	9,140	12,679	72%	8,547	11,997	71%
Sep	6,980	12,390	56%	6,902	12,270	56%	6,386	12,120	53%
Oct	6,916	12,710	54%	6,711	12,679	53%	6,067	11,501	53%
Nov	6,572	12,300	53%	5,678	12,338	46%	5,367	11,130	48%
Dec	4,531	12,710	36%	4,020	12,648	32%	4,292	12,431	35%
TOTALS	79,970	150,603	53%	77,468	149,108	52%	70,366	142,871	49%
2015				2016			2017		
Month	Rooms Sold	Rooms Available	Occupancy	Rooms Sold	Rooms Available	Occupancy	Rooms Sold	Rooms Available	Occupancy
Jan	4,699	12,493	38%	4,355	12,515	35%	6,223	12,419	50%
Feb	4,573	11,284	41%	5,324	11,687	46%	6,716	11,276	60%
Mar	5,213	12,462	42%	6,289	11,953	53%	6,820	12,493	55%
Apr	4,645	12,150	38%	5,178	11,642	44%	5,521	12,049	46%
May	6,555	12,586	52%	6,598	12,012	55%	7,160	12,474	57%
Jun	6,725	12,090	56%	7,709	12,080	64%	8,209	12,112	68%
Jly	8,413	12,679	66%	9,496	12,381	77%	9,772	12,518	78%
Aug	8,949	12,586	71%	10,235	12,447	82%	10,485	12,524	84%
Sep	6,921	12,120	57%	7,124	12,082	59%	8,193	12,120	68%
Oct	6,947	12,679	55%	6,460	12,424	52%	7,261	12,518	58%
Nov	5,579	12,150	46%	6,286	12,047	52%			
Dec	4,229	12,524	34%	4,812	12,297	39%			
TOTALS	73,448	147,803	50%	79,866	145,567	55%	76,360	122,503	62%

Source New Brunswick Tourism, Heritage and Culture

These factors are important, but do not determine new construction viability on their own. Other considerations and development criteria include:

- Significant local and regional appeal, existing or in final planning stages (e.g., attractions, experiences, golf courses, and destination snowmobile/hiking trails) such that the area is a tourist destination This would include opportunities for early and late season activity
- Co-branding where synergies and strong branding already exists with a local attraction/ experience (e.g., craft brewery and restaurant)

- Accommodation projects of a quality and type that fit with Tourism New Brunswick's strategic market segments
- Projects that diversify the offer in popular destination areas, such as a boutique country inn
- Proponents that have appropriate experience and qualifications, and a well-developed business plan and feasibility study.

Consideration should also be given to the net overall benefit to the region and other tourism businesses, such as restaurants, attractions, entertainment, as well as the impact the new project(s) would have on upgrading accommodation experiences in the entire area. For example, will new properties and new competition encourage existing properties to upgrade, thereby enhancing the entire area as a tourist destination?

3.7.5 Accommodation Trends and Market Factors

It is imperative for the hotel developers to adjust to constantly evolving consumer trends and preferences to ensure that the hotel meets the demands and expectations of Multiplex users and visitors to the area. This includes elevating quality standards and offering the right mix of amenities. At the same time, it is important to be mindful of sharing economy travel trends, that are influencing travel decisions and tastes.

Important accommodations trends relevant to the potential development, including design and décor include:

- Unique and creative ideas for destination properties are increasingly popular
- Quality at high end luxury properties continues to increase
- Smaller and more intimate boutique hotels offering personalized service and a lifestyle promise - both independent properties and 'collections' from major brands - are becoming increasingly popular
- Reimagined lobbies and common areas mixing high tech and multi-use public and private spaces that create an environment that encourages guests and locals to interact
- Hotels are working hard to bring 'local' and 'community' into their properties. Examples of these practices include:
 - Displaying local art in lobbies and rooms
 - Providing local and regional cuisine
 - Encouraging local use of the property for dining and entertainment
 - Participating and partnering in community events.
- Hotel restaurants are striving to improve quality by featuring fresh, locally sourced food
- Guests consider free wi-fi essential and expect it throughout the property

- Natural elements and materials are increasingly being used in design and amenities
- More properties are striving to be cozy and comfortable - a “home away from home”
- Quality, along with great customer service, is critical at all price levels
- The look, functionality, and amenities of guest rooms are evolving. Examples include:
 - Creative use of furnishings with minimalist designs and less bulky furniture
 - Use of textures rather than patterns in décor
 - Lots of white with a few bright colours
 - Increasing customer emphasis on cleanliness
 - Quality bedding and bath linens; and no duvet covers
 - Flat screen televisions
 - Many accessible and convenient power outlets (including close to the bed) for charging multiple devices
 - Larger bathrooms with spa-like fixtures; items such as rain shower heads are becoming standard
 - Smaller and more efficient rooms with increased emphasis on common areas for working and socializing
 - Increased use of technology to control lights, air conditioning and room access
 - Adjustable LED lighting
 - Integration of fitness equipment into rooms.

3.7.6 Third Party Investment Potential (Catalytic Impacts)

Third Party Investment benefits extend well beyond the hotel discussed above. The Multiplex can be expected to boost both new and established business in the area, while facilitating the establishment of new businesses attracted by Multiplex traffic and clientele. New business opportunities noted by case study informants included restaurants and businesses such as sporting goods outlets.

The Multiplex will also present third party contactors and service providers with business opportunities including concessions; catering; event and meeting promotion, support, and organization; pool supplies; and servicing; and fitness instruction; among others. The new facility may also inspire new business development and entrepreneurial ventures. These expectations for catalytic impacts were supported by business owners and investors in the community consulted for this study (**Section 2.3** above).

4.0 ECONOMIC IMPACT RESULTS

Our economic impact assessment was conducted consistent with the framework and assumptions set out in **Chapter 3.0**. Impacts are divided between the construction and operation phases for the Multiplex and the potential hotel. The impacts of both projects are quantifiable and sections dealing with each below focus on numbers. **Appendix A** provides a detailed summary of impacts by type (i.e., direct, indirect, and induced) for components of each as well as for the alternative to their development: repair and continued operation of existing recreation facilities. The section also frames municipal tax benefits of the development and concludes with a qualitative discussion of health, quality of life, and entrepreneurship impacts of the Multiplex.

4.1 CONSTRUCTION

Construction impacts are the employment and income effects of building the Multiplex. These impacts would be spread over the period of construction, an interval that would need to be confirmed but may be 18 months from start to finish.

4.1.1 Multiplex

Direct, indirect, and induced impacts associated with construction of the Multiplex are broken out by gross production, employment, household income, Gross Domestic Product, and tax revenues.

Gross Production (total sales)

Gross Production is the total value of all economic transactions associated with the project (i.e., the sum of all sales including the sale and resale of inputs as they move through the supply chain). Often cited as ‘the economic impact’, it is among the summary statistics reported by IO models. Caution should be exercised in using and reporting this statistic. By definition, it double counts spending as it is the sum of all sales by industry resulting from the spending being modelled. The Gross Production impacts include:

\$50 million	•in gross production accruing in Northumberland
\$76 million	•in gross production accruing to the rest of New Brunswick
\$126 million	•in gross production accruing to the entire province of New Brunswick
\$42 million	•in gross production accruing to the rest of Canada
\$168 million	•in total Canada-wide gross production

Employment Impacts

Employment impacts are person years of employment generated through direct and spin-off impacts. A person year is equal to 2,000 hours and defined as a full-time equivalent position (FTE). FTEs shown are calculated on the basis of annual salaries, on an industry by industry basis, for each region shown.

265	•person-years in total employment accruing in Northumberland
364	•person-years in total employment accruing to the rest of New Brunswick
620	•person-years in total employment accruing to the entire province of New Brunswick
182	•person-years in total employment accruing to the rest of Canada
801	•person-years in total Canada-wide employment impact

Household Income Effects

Household income effects are the sum of wages and salaries associated with the person-years of employment presented under Employment Impacts above.

\$15 million	•in household income accruing in Northumberland
\$21 million	•in household income accruing to the rest of New Brunswick
\$36 million	•in household income accruing to the entire province of New Brunswick
\$11 million	•in household income accruing to the rest of Canada
\$47 million	•in total Canada-wide household income effects

Gross Domestic Product (GDP)

Change in GDP for each region identified as a result of direct and spin-off impacts measured.

\$20 million	•in GDP accruing in Northumberland
\$31 million	•in GDP accruing to the rest of New Brunswick
\$51 million	•in GDP accruing to the entire province of New Brunswick
\$18 million	•in GDP accruing to the rest of Canada
\$69 million	•in total Canada-wide GDP impacts

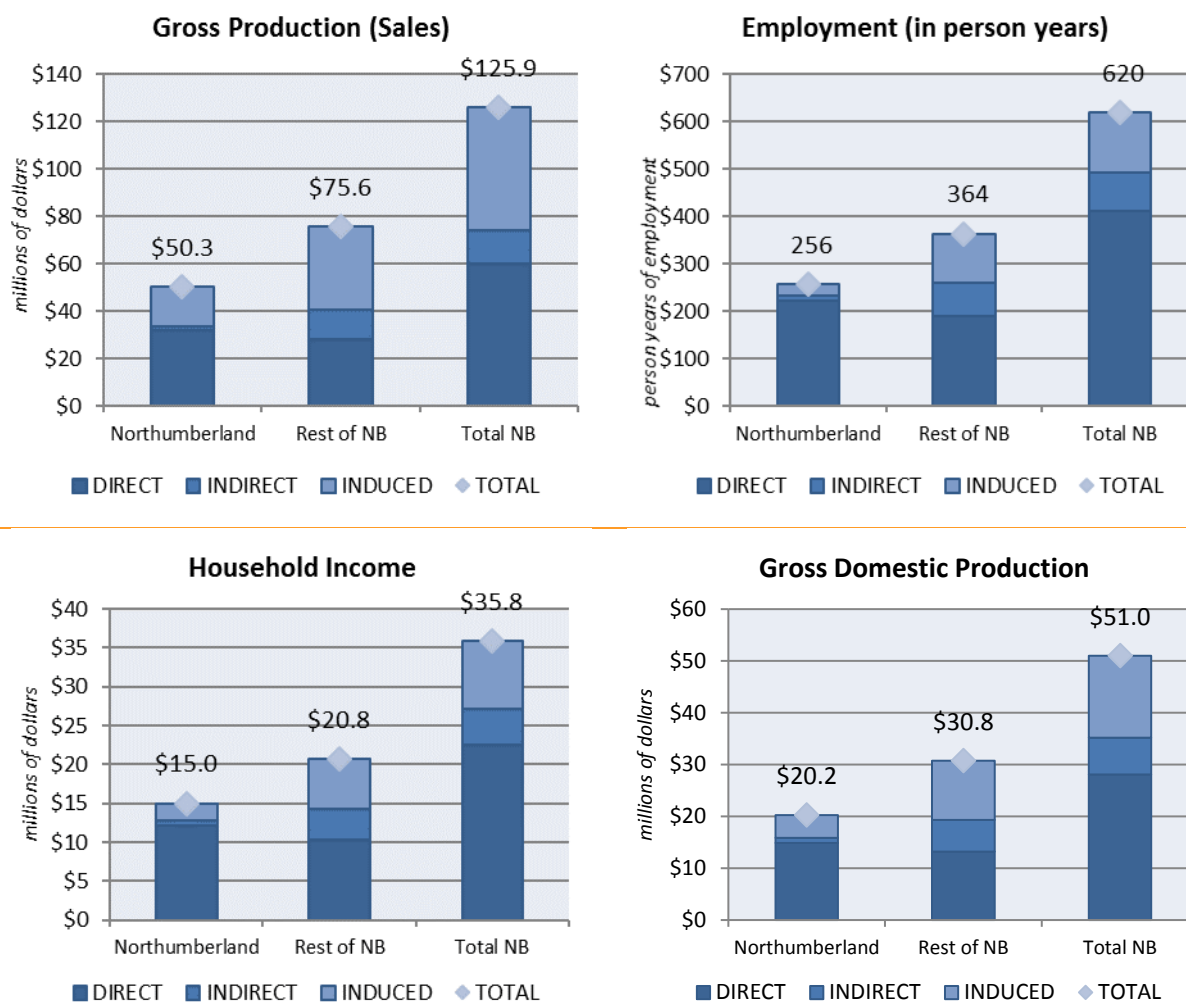
Government Tax Revenues

Estimated local, Provincial, and Federal tax revenues generated through direct and spin-off impacts.

\$2.8 million	•in government tax revenues accruing in Northumberland
\$4.6 million	•in government tax revenues accruing to the rest of New Brunswick
\$7.4 million	•in government tax revenues accruing to the entire province of New Brunswick
\$3.7 million	•in government tax revenues accruing to the rest of Canada
\$11.1 million	•in total Canada-wide government tax revenues

Regardless of the time required to complete construction, our estimates of direct and spin-off economic impacts are as shown in **Figure 4-1**. The table accompanying the four figures provides additional detail for Canada.

Figure 4-1 Direct and Spin-off Construction Impacts, Miramichi Multiplex



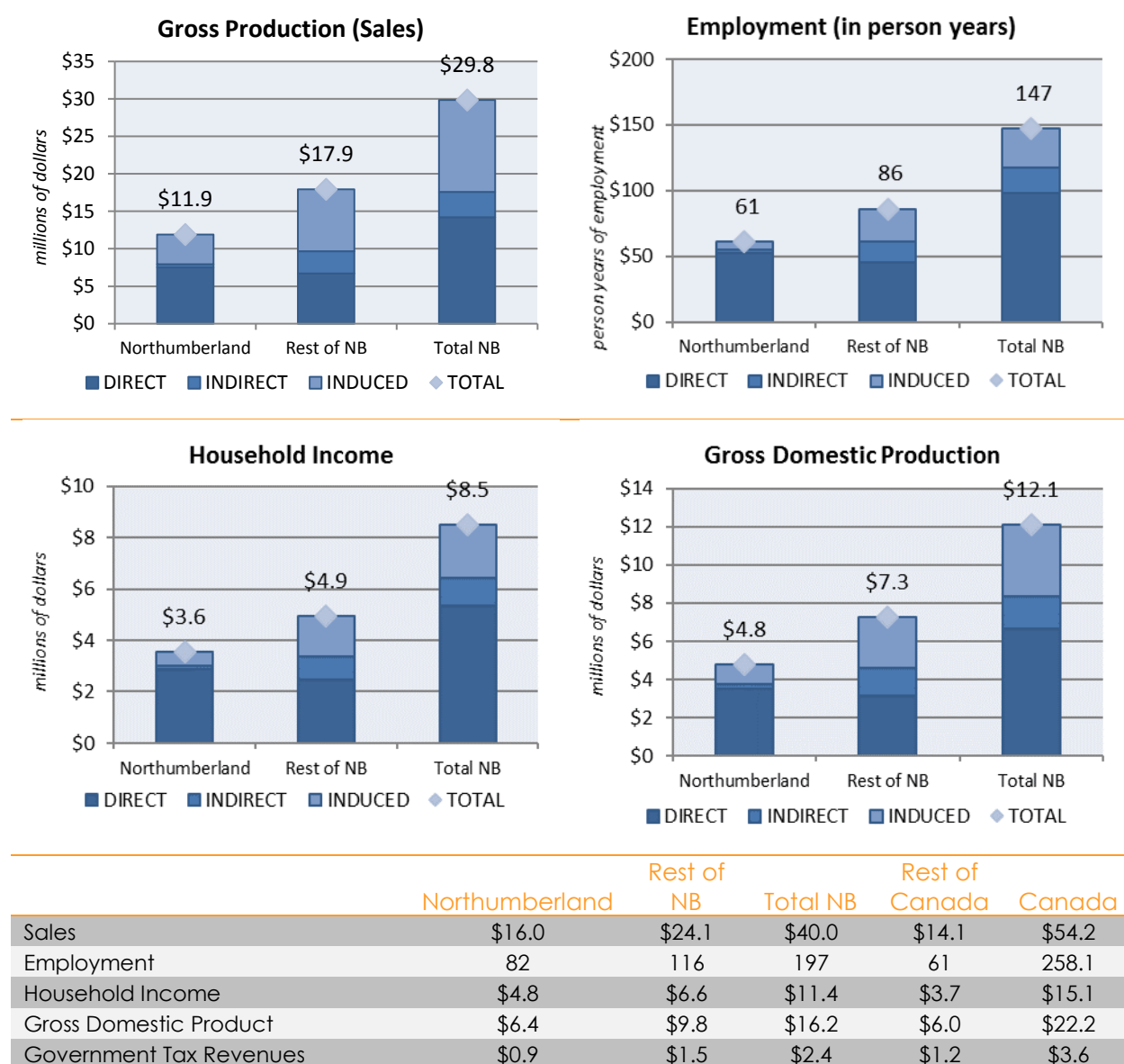
	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
Total Sales (Gross Production)	\$50.3	\$75.6	\$125.9	\$42.1	\$168.0
Employment	256.3	363.5	619.8	181.5	\$801.3
Household Income	\$15.0	\$20.8	\$35.8	\$10.9	\$46.7
Gross Domestic Product	\$20.2	\$30.8	\$51.0	\$17.8	\$68.8
Government Tax Revenues	\$2.8	\$4.6	\$7.4	\$3.7	\$11.1

Source: GATN Consulting

4.1.2 Existing Buildings

By way of comparison, the alternative of spending \$20,131,800 for capital improvements would generate one-time only construction related impacts that are roughly 32% of the total impacts generated for the region through the construction of the new Multiplex.¹² **Figure 4-2** provides related estimates of production and employment.

Figure 4-2 Direct and Spin-off Construction Impacts, Repairs and Upgrades to Existing Recreation Buildings, Miramichi



Source: GATN Consulting

¹² This estimate includes Functional Upgrades, Condition Upgrades, and Capital Improvements to existing facilities, estimated at just over \$20 million.

These impacts would occur only if the City carried out the repairs and upgrades on the scale that underpins the \$20 million estimate provided to the City.

4.1.3 New Hotel

Local business leaders, including those in the tourism industry, as well as other members of the community interviewed for this study expect that the new Multiplex will trigger the development of a new hotel near the Multiplex site. Interview participants believe that the critical mass needed for a new hotel will be achieved with the completion of a Multiplex that can attract local, regional, provincial, and/or Atlantic-level sporting events.

The accommodation scan for Miramichi presented in **Section 3.7.3** above, suggests there may be an opportunity for a new hotel build in the economy value-added hotel category (e.g., Red Roof, Super 8, Quality Inn, Holiday Inn Express line of hotels). Although several of Miramichi's existing offerings in these categories have been renovated in the last few years, no recent construction has been undertaken.

A full business case assessment of a new hotel is beyond the scope of this study; however, TripAdvisor ratings for exiting operators in this category in Miramichi (e.g., Days, Econo) are a respectable 4 on a 1 to 5 scale, where 3 is average and 5 is excellent. A new build could realistically supersede this rating given the opportunity to design for contemporary needs and expectations. Its attraction might be further augmented by the amenities available in the adjacent Multiplex particular meeting spaces in the recreation facility that could act as a demand generator for the hotel. This synergy could be expected to augment revenue derived from the facility from both sport and meeting room users.

In order to assess the impact of a hotel, we made the following assumptions were:

- The Multiplex will trigger an investor to develop a 130-room mid-market/economy hotel
- The hotel will operate year-round (365 days) and thereby significantly increase the room night capacity by creating a potential of more than 42,000 room nights
- The average room rate will be \$139.

Construction costs were estimated on the basis of discussions with existing operators in the Atlantic Region. Contacts suggest a hotel of this scale and quality, including a pool, would cost on the order of \$14.3 million, not including lands costs.

Given this cost estimate, the following summarizes the one-time only impacts of a constructing a hotel.

Gross Production (total sales)

\$22 million	•in gross production accruing in Northumberland
\$11 million	•in gross production accruing to the rest of New Brunswick
\$33 million	•in gross production accruing to the entire province of New Brunswick
\$14 million	•in gross production accruing to the rest of Canada
\$48 million	•in total Canada-wide gross production impacts

Employment Impacts

152	•person-years in total employment accruing in Northumberland
52	•person-years in total employment accruing to the rest of New Brunswick
204	•person-years in total employment accruing to the entire province of New Brunswick
64	•person-years in total employment accruing to the rest of Canada
267	•person-years in total Canada-wide employment impacts

Household Income Effects

\$6 million	•in household income accruing in Northumberland
\$3 million	•in household income accruing to the rest of New Brunswick
\$9 million	•in household income accruing to the entire province of New Brunswick
\$4 million	•in household income accruing to the rest of Canada
\$12 million	•in total Canada-wide household income effects

Gross Domestic Product (GDP)

\$8 million	•in GDP accruing in Northumberland
\$5 million	•in GDP accruing to the rest of New Brunswick
\$13 million	•in GDP accruing to the entire province of New Brunswick
\$6 million	•in GDP accruing to the rest of Canada
\$19 million	•in total Canada-wide GDP impacts

Government Tax Revenues

\$1.1 million	•in government tax revenues accruing in Northumberland
\$0.7 million	•in government tax revenues accruing to the rest of New Brunswick
\$1.8 million	•in government tax revenues accruing to the entire province of New Brunswick
\$1.2 million	•in government tax revenues accruing to the rest of Canada
\$3.0 million	•in total Canada-wide impacts

These New Brunswick impacts are illustrated in the graphs in **Figure 4-2**, which highlights the direct and spinoff impacts, with spinoff impacts presented in terms of both indirect and induced effects for each of Northumberland, the rest of New Brunswick, and for the two combined to represent the total province. As with the Multiplex, these impacts might be spread over an 18-month construction period of .

4.1.4 Other Impacts

A variety of construction-related activities that may be triggered by the draw of a new Multiplex. For example, exiting hotel operators may renovate their accommodations, new food services may locate near the site, and sports and health-related service providers may invest/expand their offices in anticipation of greater demand. Construction investments of this are not estimated in this report but are likely to occur on some level as a result of the construction and operation of the Multiplex.

4.2 OPERATIONAL IMPACTS

This section outlines the employment and income effects of the Multiplex and hotel in operation.

4.2.1 Multiplex

Table 4-1 summarizes estimates of anticipated operational spending for the Multiplex during the first five years after completion of construction prepared by dma and presented in November 2015.¹³

Table 4-1 Expected Operating Expenditures, Miramichi Multiplex, Years 1 through 5

Salaries	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year Total
Facility manager/Director	\$99,750	\$101,745	\$103,780	\$105,855	\$107,973	\$519,103
Aquatic Coordinator	\$66,500	\$67,830	\$69,187	\$70,570	\$71,982	\$346,069
Facility Coordinator	\$73,150	\$74,613	\$76,105	\$77,627	\$79,180	\$380,676
Program Coordinator	\$66,500	\$67,830	\$69,187	\$70,570	\$71,982	\$346,069
Administrative Assistant (35 hours per week)	\$53,200	\$54,264	\$55,349	\$56,456	\$57,585	\$276,855
Operations Staff (40 hours per week)	\$207,480	\$211,630	\$215,862	\$220,179	\$224,583	\$1,079,734
Total FT Staff Costs	\$566,580	\$577,912	\$589,470	\$601,259	\$613,284	\$2,948,505
Head Guard	\$85,048	\$86,749	\$88,484	\$90,254	\$92,059	\$442,595
Assistant Guard	\$68,326	\$69,693	\$71,087	\$72,508	\$73,958	\$355,572
Instructor	\$32,426	\$33,075	\$33,737	\$34,411	\$35,099	\$168,749
Aquafit Instructor	\$5,722	\$5,837	\$5,954	\$6,073	\$6,194	\$29,779
Cashier / Customer Service Assistance	\$30,727	\$31,341	\$31,968	\$32,608	\$33,260	\$159,904
Maintenance Staff	\$131,622	\$134,255	\$136,940	\$139,679	\$142,472	\$684,968
Rink Attendants - public skating	\$3,219	\$3,283	\$3,349	\$3,416	\$3,484	\$16,751
Rock Climbing Supervisor	\$5,365	\$5,472	\$5,581	\$5,693	\$5,807	\$27,918
Total PT Staff Costs	\$362,456	\$369,705	\$377,099	\$384,641	\$392,334	\$1,886,236
Total Staff Costs	\$929,036	\$947,617	\$966,569	\$985,901	\$1,005,619	\$4,834,741
Marketing, Promotions	\$20,000	\$20,400	\$20,808	\$21,224	\$21,649	\$104,081
Office Supplies	\$10,000	\$10,200	\$10,404	\$10,612	\$10,824	\$52,040
Office Equipment	\$10,000	\$10,200	\$10,404	\$10,612	\$10,824	\$52,040
Telephone	\$6,000	\$6,120	\$6,242	\$6,367	\$6,495	\$31,224
Postage/Courier	\$2,000	\$2,040	\$2,081	\$2,122	\$2,165	\$10,408
Insurance	\$46,000	\$46,920	\$47,858	\$48,816	\$49,792	\$239,386
Dues/Subscriptions	\$500	\$510	\$520	\$531	\$541	\$2,602
Volunteer Recognition/Recruitment	\$2,000	\$2,040	\$2,081	\$2,122	\$2,165	\$10,408
Total Office Costs	\$96,500	\$98,430	\$100,399	\$102,407	\$104,455	\$502,190
Utilities	\$295,770	\$301,685	\$307,719	\$313,873	\$320,151	\$1,539,198
Pool Chemicals	\$10,000	\$10,200	\$10,404	\$10,612	\$10,824	\$52,040
Cleaning & Maintenance Supplies	\$10,000	\$10,200	\$10,404	\$10,612	\$10,824	\$52,040
Small Equip. Repair	\$10,000	\$10,200	\$10,404	\$10,612	\$10,824	\$52,040
Minor Building Repair	\$10,000	\$10,200	\$10,404	\$10,612	\$10,824	\$52,040
Contracted Cleaning	\$20,000	\$20,400	\$20,808	\$21,224	\$21,649	\$104,081
Total Maintenance Costs	\$355,770	\$362,885	\$370,143	\$377,545	\$385,096	\$1,851,439
Aquatic program supplies	\$10,000	\$10,200	\$10,404	\$10,612	\$10,824	\$52,040
Part-time staff training	\$3,000	\$3,060	\$3,121	\$3,184	\$3,247	\$15,612
Total Program Costs	\$13,000	\$13,260	\$13,525	\$13,796	\$14,072	\$67,653
TOTAL EXPENDITURES	\$1,394,306	\$1,422,192	\$1,450,636	\$1,479,648	\$1,509,241	\$7,256,023

Source dma Planning & Management Services Inc.

¹³ dma Planning & Management Services Inc., *City of Miramichi Multiplex – Needs Assessment and Business Plan*, November 2015, p. 56.

Over the first five years of operation, the centre will directly employ over 100 full-time equivalent positions (person-years) and spend over \$7.3 million, largely within the region, on a variety of goods and services. Over the period, this spending will generate the following impacts.

Gross Production (total sales)

\$14	• million in gross production accruing in Northumberland
\$4	•million in gross production accruing to the rest of New Brunswick
\$18	•million in gross production accruing to the entire province of New Brunswick
\$5	•million in gross production accruing to the rest of Canada
\$23	•million in total Canada-wide gross production impacts

Employment Impacts

110	•person-years in total employment accruing in Northumberland
18	•person-years in total employment accruing to the rest of New Brunswick
128	•person-years in total employment accruing to the entire province of New Brunswick
21	•person-years in total employment accruing to the rest of Canada
149	•person-years in total Canada-wide employment impact

Household Income Effects

\$6 million	•in household income accruing in Northumberland
\$1 million	•in household income accruing to the rest of New Brunswick
\$7 million	•in household income accruing to the entire province of New Brunswick
\$1 million	•in household income accruing to the rest of Canada
\$8 million	•in total Canada-wide household income effects

Gross Domestic Product (GDP)

\$7 million	•in GDP accruing in Northumberland
\$2 million	•in GDP accruing to the rest of New Brunswick
\$9 million	•in GDP accruing to the entire province of New Brunswick
\$2 million	•in GDP accruing to the rest of Canada
\$11 million	•in total Canada-wide GDP impacts

Government Tax Revenues

\$1.0 million	•in government tax revenues accruing in Northumberland
\$0.2 million	•in government tax revenues accruing to the rest of New Brunswick
\$1.3 million	•in government tax revenues accruing to the entire province of New Brunswick
\$0.4 million	•in government tax revenues accruing to the rest of Canada
\$1.7 million	•in total Canada-wide government tax revenues

4.2.2 Hotel

Section 3.7 above, provides a brief overview of the hotel operations were used to create the hotel operating scenario summarized in **Table 4-2**. The model is based on previous GATN assignments through which the consultants developed and now maintain a hotel production function. If built, the model shows that the 130-room hotel envisioned to complement the Multiplex would incur annual operating expenditures of just over \$2.5 million on a variety of goods and services, based on an assumed occupancy rate. The salaries and wages, combined, would support direct employment of just over 26 FTEs.

Table 4-2 Estimated Economic Impacts, Repairs and Upgrades to Existing Buildings Construction

4 Hotel Operations	Year 1
Cost of sales (direct expenses) (a+b)	\$1,064,200
A) Wages and benefits	\$481,300
B) Purchases, materials and sub-contracts	\$582,900
Operating expenses (indirect expenses)	\$1,250,500
Labour and commissions	\$362,300
Amortization and depletion	\$155,500
Repairs and maintenance	\$82,300
Utilities and telephone/telecommunications	\$116,500
Rent	\$6,900
Interest and bank charges	\$203,900
Professional and business fees	\$172,600
Advertising and promotion	\$122,700
Delivery, shipping and warehouse expenses	\$7,300
Insurance	\$20,500
Other Expenses	\$249,700
Total Expenses	\$2,563,500

Source: GATN Consulting

We estimate resulting economic effects from the first five years of hotel operation be as set out following.

Gross Production (total sales)

\$22 million	• in gross production accruing in Northumberland
\$11 million	• in gross production accruing to the rest of New Brunswick
\$33 million	• in gross production accruing to the entire province of New Brunswick
\$14 million	• in gross production accruing to the rest of Canada
\$48 million	• in total Canada-wide gross production impacts

Employment Impacts

152	•person-years in total employment accruing in Northumberland
52	•person-years in total employment accruing to the rest of New Brunswick
204	•person-years in total employment accruing to the entire province of New Brunswick
64	•person-years in total employment accruing to the rest of Canada
267	•person-years in total Canada-wide employment impacts

Household Income Effects

\$6 million	•in household income accruing in Northumberland
\$3 million	•in household income accruing to the rest of New Brunswick
\$9 million	•in household income accruing to the entire province of New Brunswick
\$4 million	•in household income accruing to the rest of Canada
\$12 million	•in total Canada-wide household income effects

Gross Domestic Product (GDP)

\$8 million	•in GDP accruing in Northumberland
\$5 million	•in GDP accruing to the rest of New Brunswick
\$13 million	•in GDP accruing to the entire province of New Brunswick
\$6 million	•in GDP accruing to the rest of Canada
\$19 million	•in total Canada-wide GDP impacts

Government Tax Revenues

\$1.1 million	•in government tax revenues accruing in Northumberland
\$0.7 million	•in government tax revenues accruing to the rest of New Brunswick
\$1.8 million	•in government tax revenues accruing to the entire province of New Brunswick
\$1.2 million	•in government tax revenues accruing to the rest of Canada
\$3.0 million	•in total Canada-wide impacts

4.3 MUNICIPAL FISCAL IMPACT

Recreation facilities typically enhance the value of nearby properties. The Multiplex will generate further supplementary municipal tax benefits to the extent that the facility bolsters property assessments in the surrounding area and is a catalyst/anchor for other developments such as additional or expanded accommodations, food services, and synergistic retail and services. Related benefits would also potentially include Multiplex-triggered municipal investments such as new and enhanced infrastructure, and streetscape enhancements.

As the Multiplex is expected to be municipally owned, it will not be subject to taxation. Other privately or corporately owned non-residential construction and upgrades stimulated by the presence of the Multiplex, on the other hand, will be. While development of this type is certainly anticipated, its nature and value is highly speculative. The broad potential can however be understood in terms of the revenues associated with the hotel if it is built for \$14 million and assessed at the same value. The property tax revenue from the structure to the City of Miramichi at a mil rate of \$1.73 would be just over \$247,000 per year.

4.4 OTHER IMPACTS

Additional areas of potential impact are community, social, business development, and sport development benefits. Some of these benefits are measurable, while others are more subjective. Among many examples is increased attendance and enhanced fan experience for the Miramichi Timberwolves through relocation to the new and larger Multiplex.

4.4.1 Health

The physical and mental health benefits of sport, recreation, exercise, and socialization are well documented. The Multiplex will promote these benefits to the extent that it encourages increased participation in healthy living activities. Improved access to a greater range of quality recreational options within the community will potentially benefit all residents with improved health outcomes. For example, seniors, youth, and family users who can keep several children as well as parents simultaneously busy

with different recreational activities. The new Multiplex may open possibilities for new health and wellness initiatives with the region's hospital and health promotion agency.

Sport, recreation, and other forms of physical activity improve health outcomes, in turn reducing healthcare costs. Estimates of national healthcare spending due to physical inactivity range in the billions annually. An active individual is less likely to be sick – reducing medical visits and related costs as well as workplace absenteeism. Exercise and recreation reduce obesity, stress, and blood pressure, among other factors, with associated in health care cost savings. Exercise will help residents cope more effectively with stress; in turn, reducing depression and improving mental health outcomes.

Research suggests physical activity and recreation are promising in minimizing or removing risk factors faced by many children and youth. Participation in recreation activities can provide benefits related to psychological health, physical health, familial interaction, peer influence, academic performance, community development, and lifestyle behaviors.

4.4.2 Quality of Life

Recreation facilities and services help determine how “livable” communities are. A new Multiplex will also promote social inclusion by accommodating residents of all ages, economic status, and abilities/disabilities. The facility will also be a source of public pride and cohesion. An important dimension of quality of life is “balance”, promoting a general sense of well-being. Improved quality of life supports spiritual well-being and, ultimately, economic sustainability.

Community recreation facilities contribute to a healthy community. Recreation brings neighbors together creating a livelier community atmosphere, encouraging safer and cleaner neighborhoods. Recreational facilities also help improve a community’s image, and enhances the area’s desirability.

Recreation activities help youth develop strategies for resolving conflict. They learn team and planning related abilities. Recreation also enhances cognitive and motor skills. Individuals with more highly developed motor skills tend to be more, calm, resourceful, attentive, and cooperative – attributes that support improved learning outcomes among others.

Sport improves social cohesion. Sport participants experience a high degree of interaction with other individuals, which improves interpersonal relationships and promotes social cohesion. The Multiplex will give city residents more opportunities to be actively involved in their communities, providing life lessons about responsibility and respect for others. Importantly, it gives them the chance to give back to their communities.

4.4.3 Business Recruitment and Entrepreneurship

As noted in several locations above, the City of Miramichi is seeking through the development of the Multiplex to enhance its appeal to employers and employees. Modern well-appointed recreational facilities attract businesses and employees in search of a superior quality of life. Quality recreation facilities are one of the top reasons cited by businesses in relocation decisions and are an important factor in business retention. Most of the stakeholder contacts interviewed for this assignment noted the importance of the project to the attraction of Miramichi and its image as a healthy, progressive community.

With the prevalence of online communication and teleworking, small business employees have increased flexibility in where they live, as long as they have quality Internet service. The Multiplex will boost the attractiveness of Miramichi to this this highly mobile workforce.

5.0 SUMMARY

The following provides a comparative summary of two scenarios – build a new Multiplex compared to repairing and operating existing facilities – framed from the perspective of their economic impact.

5.1 CONSTRUCTION SPENDING

If the Multiplex is built as planned and described above, every \$1 million in construction spending by the City (of City funds), should generate an estimated:

- \$1.6 million in SALES (Gross Production) generated in Northumberland
- 7.9 person-years of EMPLOYMENT generated in Northumberland
- \$0.5 million in HOUSEHOLD INCOME generated in Northumberland
- \$0.6 million in GROSS DOMESTIC PRODUCT generated in Northumberland
- \$0.1 million in GOVERNMENT TAX REVENUES generated in Northumberland including:
 - \$0.04 million in Federal Tax Impacts generated in Northumberland
 - \$0.05 million in Provincial Tax Impacts generated in Northumberland.

These one-time-only impacts would accrue during the construction period.

Alternatively, should the City choose to continue with existing facilities for which repairs are required, every \$1 million in construction spending by the City (of City funds) should have the following impacts:

- \$0.8 million in SALES generated in Northumberland
- 4.0 person-years of EMPLOYMENT generated in Northumberland
- \$0.2 million in HOUSEHOLD INCOME generated in Northumberland
- \$0.3 million in GROSS DOMESTIC PRODUCT generated in Northumberland
- \$0.04 million in GOVERNMENT TAX REVENUES generated in Northumberland including:
 - \$0.02 million in Federal Tax Impacts generated in Northumberland
 - \$0.03 million in Provincial Tax Impacts generated in Northumberland.

The main reasons why the Multiplex generates roughly twice the impact per dollar of municipal spending is because as much as \$20 million of the project's capital cost is expected to be contributed through a mix of federal and/or provincial funding, and because the hotel construction expected with the Multiplex would be funded privately with no investment from the City.

5.2 OPERATIONAL SPENDING

As with capital expenditures on construction, operating costs under the two scenarios generate different economic impacts. Over a five-year period, every \$1 million spent to operate the new Multiplex would generate an estimated:

- \$0.9 million in SALES generated in Northumberland
- 6.5 person-years of EMPLOYMENT generated in Northumberland
- \$0.3 million in HOUSEHOLD INCOME generated in Northumberland
- \$0.4 million in GROSS DOMESTIC PRODUCT generated in Northumberland
- \$0.5 million in GOVERNMENT TAX REVENUES generated in Northumberland including:
 - \$0.022 million in FEDERAL TAX REVENUES generated in Northumberland
 - \$0.031 million in PROVINCIAL TAX IMPACTS generated in Northumberland.

If, on the other hand, the City continues to operate existing facilities (after their repair), every \$1 million in operations-related spending by the City would cause an estimated:

- \$0.3 million in SALES generated in Northumberland
- 2.1 person-years of EMPLOYMENT generated in Northumberland
- \$0.1 million in HOUSEHOLD INCOME generated in Northumberland
- \$0.1 million in GROSS DOMESTIC PRODUCT generated in Northumberland
- \$0.010 million in GOVERNMENT TAX REVENUES generated in Northumberland including:
 - \$0.004 million in FEDERAL TAX REVENUES generated in Northumberland
 - \$0.006 million in PROVINCIAL TAX IMPACTS generated in Northumberland.

The smaller impact per dollar of municipal spending on existing facilities following repair work is because, while overall operating costs are lower with new and more efficient facilities centralized in the Multiplex, we expect programming and related activity at the Multiplex to be more intensive and to require significantly more staff.¹⁴

¹⁴ The 2014 *Miramichi Recreation Infrastructure Assessment and Comparison* (p. 2) estimated 20-year operating costs for the proposed Multiplex would be on the order of \$9.5 million, while operation of the existing facilities the Multiplex is expected to replace would cost approximately \$11.3 million over the same interval.

Operating savings, afforded by the more efficient Multiplex, could be allocated to alternative expenditures by the City or returned to the taxpayer for consumption/investment.

Table 5-1 provides estimates of the general revenues (in total, and for the Federal and Provincial governments) that construction and operation of a new Multiplex would generate in comparison to the same revenues resulting from the repairing and continued operation of existing facilities.

Table 5-1 Tax Impacts, Miramichi Multiplex and Repairs and Upgrades to Existing Buildings

TOTAL TAX IMPACTS	New Multiplex	Repair Existing Facilities
From Construction (one-time)	\$14.4	\$3.9
From Operation (per year)	\$1.0	\$0.15
Time in years to generate \$20 million in combined cumulative Federal and Provincial Taxes	5.45	109
FEDERAL IMPACTS		
From Construction (one-time)	\$6.0	\$1.6
From Operation (per year)	\$0.4	\$0.06
Time in years to generate \$20 million in cumulative Federal Taxes	33.23	304
PROVINCIAL IMPACTS		
From Construction (one-time)	\$8.4	\$2.3
From Operation (per year)	\$0.6	\$0.09
Time in years to generate \$20 million in cumulative Provincial Taxes	19.08	203

Source: GATN Consulting

Allowing for no interest provisions or price inflation, the Multiplex would generate total Federal and Provincial tax revenues of \$20 million within approximately 5.45 years. In the alternative event that the City repairs and operates existing facilities, it would take 109 years to accumulate \$20 million in tax revenues. Accumulating Federal revenues through construction and operation of the Multiplex would take 33.23 years and 19.1 years to accumulate \$20 million in Provincial tax revenues. If existing facilities are repaired and operated existing facilities 304 years would be required to accumulate \$20 million in Federal revenues and 203 years to accumulate \$20 million in Provincial revenues.

5.3 COMMUNITY BENEFITS

Depending on procurement requirements, Miramichi's opportunity to optimize and maximize local economic benefits from this development project could include the following key components:

- Increasing the incremental income from the optimized use of Miramichi's labour, services, material and products in the execution of the contracts inherent to the planning, site development, construction, and the operation of the proposed multi-purpose recreation centre. Policies around this could include requirements for bidders that help ensure involvement of local contractors throughout the development.

- Creation of sustainable new income and associated benefits that will last beyond the completion of the construction project may have the following additional benefits:
 - **Entrepreneurship Development** – Onsite businesses ranging from food services to health services to program are required and should be drawn from the local community and/or developed through partnerships with area businesses.
 - **Basis for Succession Planning** – The Multiplex may also provide an opportunity to succession where existing recreation-related services/businesses may open offices in the new centre through partnering with young/new entrepreneurs with a view to them taking over from the partnering owners.
 - **Apprenticeship Development** – Inducements to involve local apprentices can be built into the project to help apprentices more quickly acquire journeyman status, supporting the overall capacity of the construction trades labour force as well as help with the individual tradesperson's career progression.
 - **Sporting Excellence** – The Multiplex will provide diverse opportunities for athletic development and fitness. It will enhance the capacity of existing recreational organizations in the community to accommodate residents and enhance their recreation experiences and skills development. It should also open opportunities for new organizations promoting additional opportunities. Improved facilities supporting better training and practice and higher levels of competition should enhance the production of elite athletes from the community and their performances in higher levels of competition.

Appendix A ECONOMIC IMPACT ESTIMATES

CAPITAL EXPENDITURE MULTIPLEX

SALES	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$31.7	\$28.3	\$60.0	\$3.1	\$63.1
INDIRECT	\$1.7	\$12.6	\$14.3	\$11.7	\$25.9
INDUCED	\$16.8	\$34.8	\$51.6	\$27.3	\$78.9
TOTAL	\$50.3	\$75.6	\$125.9	\$42.1	\$168.0
% of Total	40%	60%	100%	26%	100%
EMPLOYMENT	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	222.8	189.5	412.4	16.1	428.4
INDIRECT	11.1	70.0	81.1	60.0	141.1
INDUCED	22.3	104.0	126.3	105.4	231.7
TOTAL	256.3	363.5	619.8	181.5	801.3
% of Total	41%	59%	100%	24%	100%
HOUSEHOLD INCOME	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$12.1	\$10.4	\$22.5	\$1.0	\$23.5
INDIRECT	\$0.7	\$3.9	\$4.6	\$3.6	\$8.2
INDUCED	\$2.2	\$6.5	\$8.7	\$6.2	\$14.9
TOTAL	\$15.0	\$20.8	\$35.8	\$10.9	\$46.7
% of Total	42%	58%	100%	24%	100%
GROSS DOMESTIC PRODUCT	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$14.9	\$13.2	\$28.1	\$1.5	\$29.6
INDIRECT	\$1.0	\$6.1	\$7.1	\$5.8	\$12.9
INDUCED	\$4.4	\$11.4	\$15.8	\$10.5	\$26.3
TOTAL	\$20.2	\$30.8	\$51.0	\$17.8	\$68.8
% of Total	40%	60%	100%	27%	100%
GOVERNMENT TAX REVENUES	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$1.2	\$1.2	\$2.4	\$0.3	\$2.7
INDIRECT	\$0.1	\$0.8	\$0.9	\$0.9	\$1.8
INDUCED	\$1.5	\$2.6	\$4.1	\$2.5	\$6.6
TOTAL	\$2.8	\$4.6	\$7.4	\$3.7	\$11.1
% of Total	38%	62%	100%	32%	100%
Federal Tax Impacts	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$0.679	\$0.664	\$1.344	\$0.137	\$1.480
INDIRECT	\$0.075	\$0.418	\$0.493	\$0.494	\$0.987
INDUCED	\$0.452	\$0.949	\$1.402	\$1.061	\$2.463
TOTAL	\$1.206	\$2.032	\$3.238	\$1.692	\$4.930
% of Total	\$0.373	\$0.627	\$1.000	\$0.355	\$1.000
Provincial Tax Impacts	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$0.561	\$0.539	\$1.100	\$0.117	\$1.217
INDIRECT	\$0.060	\$0.339	\$0.400	\$0.451	\$0.850
INDUCED	\$1.005	\$1.673	\$2.678	\$1.433	\$4.111
TOTAL	\$1.626	\$2.551	\$4.177	\$2.001	\$6.178
% of Total	39%	61%	100%	30%	100%

CAPITAL EXPENDITURE HOTEL

SALES	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$7.5	\$6.7	\$14.2	\$0.8	\$15.0
INDIRECT	\$0.4	\$3.0	\$3.4	\$2.9	\$6.3
INDUCED	\$4.0	\$8.2	\$12.2	\$6.8	\$19.0
TOTAL	\$11.9	\$17.9	\$29.8	\$10.5	\$40.3
% of Total	40%	60%	100%	26%	100%
EMPLOYMENT	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	52.8	44.9	97.7	4.0	101.8
INDIRECT	2.6	16.6	19.2	15.0	34.2
INDUCED	5.3	24.6	29.9	26.3	56.2
TOTAL	60.7	86.2	146.9	45.3	192.2
% of Total	41%	59%	100%	24%	100%
HOUSEHOLD INCOME	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$2.9	\$2.5	\$5.3	\$0.3	\$5.6
INDIRECT	\$0.2	\$0.9	\$1.1	\$0.9	\$2.0
INDUCED	\$0.5	\$1.5	\$2.1	\$1.6	\$3.6
TOTAL	\$3.6	\$4.9	\$8.5	\$2.7	\$11.2
% of Total	42%	58%	100%	24%	100%
GROSS DOMESTIC PRODUCT	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$3.5	\$3.1	\$6.7	\$0.4	\$7.0
INDIRECT	\$0.2	\$1.4	\$1.7	\$1.4	\$3.1
INDUCED	\$1.0	\$2.7	\$3.7	\$2.6	\$6.4
TOTAL	\$4.8	\$7.3	\$12.1	\$4.4	\$16.5
% of Total	40%	60%	100%	27%	100%
GOVERNMENT TAX REVENUES	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$0.3	\$0.3	\$0.6	\$0.1	\$0.6
INDIRECT	\$0.0	\$0.2	\$0.2	\$0.2	\$0.4
INDUCED	\$0.3	\$0.6	\$1.0	\$0.6	\$1.6
TOTAL	\$0.7	\$1.1	\$1.8	\$0.9	\$2.7
% of Total	38%	62%	100%	32%	100%
Federal Tax Impacts	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$0.161	\$0.157	\$0.318	\$0.034	\$0.353
INDIRECT	\$0.018	\$0.099	\$0.117	\$0.123	\$0.240
INDUCED	\$0.107	\$0.225	\$0.332	\$0.265	\$0.597
TOTAL	\$0.286	\$0.482	\$0.767	\$0.422	\$1.190
% of Total	\$0.373	\$0.627	\$1.000	\$0.355	\$1.000
Provincial Tax Impacts	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$0.133	\$0.128	\$0.261	\$0.029	\$0.290
INDIRECT	\$0.014	\$0.080	\$0.095	\$0.113	\$0.207
INDUCED	\$0.238	\$0.396	\$0.635	\$0.357	\$0.992
TOTAL	\$0.385	\$0.605	\$0.990	\$0.499	\$1.489
% of Total	39%	61%	100%	30%	100%

CAPITAL EXPENDITURE REPAIR

SALES	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$10.1	\$9.0	\$19.1	\$1.0	\$20.1
INDIRECT	\$0.5	\$4.0	\$4.5	\$3.9	\$8.5
INDUCED	\$5.4	\$11.1	\$16.4	\$9.2	\$25.6
TOTAL	\$16.0	\$24.1	\$40.0	\$14.1	\$54.2
% of Total	40%	60%	100%	26%	100%
EMPLOYMENT	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	70.9	60.3	131.2	5.4	136.6
INDIRECT	3.5	22.3	25.8	20.1	45.9
INDUCED	7.1	33.1	40.2	35.4	75.5
TOTAL	81.5	115.6	197.2	60.9	258.1
% of Total	41%	59%	100%	24%	100%
HOUSEHOLD INCOME	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$3.9	\$3.3	\$7.2	\$0.3	\$7.5
INDIRECT	\$0.2	\$1.3	\$1.5	\$1.2	\$2.7
INDUCED	\$0.7	\$2.1	\$2.8	\$2.1	\$4.9
TOTAL	\$4.8	\$6.6	\$11.4	\$3.7	\$15.1
% of Total	42%	58%	100%	24%	100%
GROSS DOMESTIC PRODUCT	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$4.7	\$4.2	\$8.9	\$0.5	\$9.4
INDIRECT	\$0.3	\$1.9	\$2.3	\$1.9	\$4.2
INDUCED	\$1.4	\$3.6	\$5.0	\$3.5	\$8.6
TOTAL	\$6.4	\$9.8	\$16.2	\$6.0	\$22.2
% of Total	40%	60%	100%	27%	100%
GOVERNMENT TAX REVENUES	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$0.4	\$0.4	\$0.8	\$0.1	\$0.9
INDIRECT	\$0.0	\$0.2	\$0.3	\$0.3	\$0.6
INDUCED	\$0.5	\$0.8	\$1.3	\$0.8	\$2.1
TOTAL	\$0.9	\$1.5	\$2.4	\$1.2	\$3.6
% of Total	38%	62%	100%	32%	100%
Federal Tax Impacts	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$0.216	\$0.211	\$0.427	\$0.046	\$0.473
INDIRECT	\$0.024	\$0.133	\$0.157	\$0.166	\$0.323
INDUCED	\$0.144	\$0.302	\$0.446	\$0.356	\$0.802
TOTAL	\$0.384	\$0.646	\$1.030	\$0.568	\$1.598
% of Total	\$0.373	\$0.627	\$1.000	\$0.355	\$1.000
Provincial Tax Impacts	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$0.178	\$0.172	\$0.350	\$0.039	\$0.389
INDIRECT	\$0.019	\$0.108	\$0.127	\$0.151	\$0.278
INDUCED	\$0.320	\$0.532	\$0.852	\$0.481	\$1.333
TOTAL	\$0.517	\$0.812	\$1.329	\$0.671	\$2.000
% of Total	39%	61%	100%	30%	100%

OPERATING EXPENDITURE MULTIPLEX

SALES	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$7.3	\$0.0	\$7.3	\$0.0	\$7.3
INDIRECT	\$1.3	\$0.8	\$2.1	\$1.1	\$3.1
INDUCED	\$5.9	\$3.1	\$9.1	\$3.8	\$12.8
TOTAL	\$14.5	\$3.9	\$18.4	\$4.9	\$23.2
% of Total	79%	21%	100%	21%	100%
EMPLOYMENT	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	100.0	0.0	100.0	0.0	100.0
INDIRECT	3.4	4.0	7.3	5.0	12.3
INDUCED	6.6	14.4	21.0	15.5	36.6
TOTAL	110.0	18.3	128.3	20.5	148.9
% of Total	86%	14%	100%	14%	100%
HOUSEHOLD INCOME	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$4.8	\$0.0	\$4.8	\$0.0	\$4.8
INDIRECT	\$0.3	\$0.2	\$0.5	\$0.3	\$0.8
INDUCED	\$0.7	\$0.7	\$1.4	\$0.9	\$2.4
TOTAL	\$5.8	\$1.0	\$6.8	\$1.2	\$8.0
% of Total	86%	14%	100%	15%	100%
GROSS DOMESTIC PRODUCT	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$4.8	\$0.0	\$4.8	\$0.0	\$4.8
INDIRECT	\$0.8	\$0.4	\$1.2	\$0.7	\$1.9
INDUCED	\$1.4	\$1.2	\$2.7	\$1.5	\$4.2
TOTAL	\$7.1	\$1.6	\$8.7	\$2.2	\$10.9
% of Total	81%	19%	100%	20%	100%
GOVERNMENT TAX REVENUES	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$0.5	\$0.0	\$0.5	\$0.0	\$0.5
INDIRECT	\$0.0	\$0.0	\$0.1	\$0.1	\$0.2
INDUCED	\$0.5	\$0.2	\$0.7	\$0.3	\$1.1
TOTAL	\$1.0	\$0.2	\$1.3	\$0.4	\$1.7
% of Total	81%	19%	100%	23%	100%
Federal Tax Impacts	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$0.247	\$0.000	\$0.247	\$0.000	\$0.247
INDIRECT	\$0.020	\$0.019	\$0.039	\$0.046	\$0.084
INDUCED	\$0.160	\$0.087	\$0.247	\$0.151	\$0.398
TOTAL	\$0.427	\$0.106	\$0.533	\$0.197	\$0.729
% of Total	\$0.802	\$0.198	\$1.000	\$0.253	\$1.000
Provincial Tax Impacts	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$0.212	\$0.000	\$0.212	\$0.000	\$0.212
INDIRECT	\$0.015	\$0.016	\$0.030	\$0.055	\$0.085
INDUCED	\$0.364	\$0.117	\$0.480	\$0.194	\$0.674
TOTAL	\$0.591	\$0.133	\$0.723	\$0.248	\$0.972
% of Total	82%	18%	100%	22%	100%

OPERATING EXPENDITURE HOTEL

SALES	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$12.8	\$0.0	\$12.8	\$0.0	\$12.8
INDIRECT	\$1.9	\$4.3	\$6.2	\$5.0	\$11.1
INDUCED	\$7.4	\$6.8	\$14.2	\$9.5	\$23.7
TOTAL	\$22.1	\$11.1	\$33.2	\$14.5	\$47.6
% of Total	66%	34%	100%	30%	100%
EMPLOYMENT	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	132.0	0.0	132.0	0.0	132.0
INDIRECT	10.5	26.4	36.9	28.1	65.0
INDUCED	9.2	25.8	35.0	35.5	70.5
TOTAL	151.8	52.1	203.9	63.6	267.5
% of Total	74%	26%	100%	24%	100%
HOUSEHOLD INCOME	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$4.2	\$0.0	\$4.2	\$0.0	\$4.2
INDIRECT	\$0.6	\$1.5	\$2.1	\$1.6	\$3.7
INDUCED	\$1.0	\$1.4	\$2.4	\$2.1	\$4.5
TOTAL	\$5.8	\$2.9	\$8.7	\$3.7	\$12.4
% of Total	67%	33%	100%	30%	100%
GROSS DOMESTIC PRODUCT	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$5.0	\$0.0	\$5.0	\$0.0	\$5.0
INDIRECT	\$1.2	\$2.3	\$3.5	\$2.5	\$6.0
INDUCED	\$1.9	\$2.5	\$4.4	\$3.6	\$8.0
TOTAL	\$8.1	\$4.8	\$12.8	\$6.1	\$18.9
% of Total	63%	37%	100%	32%	100%
GOVERNMENT TAX REVENUES	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$0.4	\$0.0	\$0.4	\$0.0	\$0.4
INDIRECT	\$0.1	\$0.2	\$0.3	\$0.3	\$0.6
INDUCED	\$0.6	\$0.5	\$1.1	\$0.9	\$2.0
TOTAL	\$1.1	\$0.7	\$1.8	\$1.2	\$3.0
% of Total	62%	38%	100%	37%	100%
Federal Tax Impacts	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$0.219	\$0.000	\$0.219	\$0.000	\$0.219
INDIRECT	\$0.046	\$0.110	\$0.157	\$0.183	\$0.340
INDUCED	\$0.198	\$0.187	\$0.385	\$0.365	\$0.750
TOTAL	\$0.463	\$0.298	\$0.760	\$0.549	\$1.309
% of Total	\$0.608	\$0.392	\$1.000	\$0.411	\$1.000
Provincial Tax Impacts	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$0.168	\$0.000	\$0.168	\$0.000	\$0.168
INDIRECT	\$0.044	\$0.085	\$0.128	\$0.161	\$0.290
INDUCED	\$0.442	\$0.292	\$0.733	\$0.494	\$1.227
TOTAL	\$0.653	\$0.376	\$1.029	\$0.655	\$1.685
% of Total	63%	37%	100%	34%	100%

OPERATING EXPENDITURE Repair

SALES	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$2.8	\$0.0	\$2.8	\$0.0	\$2.8
INDIRECT	\$0.5	\$0.3	\$0.8	\$0.4	\$1.2
INDUCED	\$2.3	\$1.2	\$3.5	\$1.5	\$5.0
TOTAL	\$5.6	\$1.5	\$7.2	\$1.9	\$9.1
% of Total	79%	21%	100%	21%	100%
EMPLOYMENT	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	39.0	0.0	39.0	0.0	39.0
INDIRECT	1.3	1.5	2.9	1.9	4.8
INDUCED	2.6	5.6	8.2	6.1	14.2
TOTAL	42.9	7.1	50.0	8.0	58.0
% of Total	86%	14%	100%	14%	100%
HOUSEHOLD INCOME	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$1.9	\$0.0	\$1.9	\$0.0	\$1.9
INDIRECT	\$0.1	\$0.1	\$0.2	\$0.1	\$0.3
INDUCED	\$0.3	\$0.3	\$0.6	\$0.4	\$0.9
TOTAL	\$2.3	\$0.4	\$2.7	\$0.5	\$3.1
% of Total	86%	14%	100%	15%	100%
GROSS DOMESTIC PRODUCT	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$1.9	\$0.0	\$1.9	\$0.0	\$1.9
INDIRECT	\$0.3	\$0.1	\$0.5	\$0.3	\$0.7
INDUCED	\$0.6	\$0.5	\$1.0	\$0.6	\$1.6
TOTAL	\$2.8	\$0.6	\$3.4	\$0.9	\$4.2
% of Total	81%	19%	100%	20%	100%
GOVERNMENT TAX REVENUES	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$0.2	\$0.0	\$0.2	\$0.0	\$0.2
INDIRECT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1
INDUCED	\$0.2	\$0.1	\$0.3	\$0.1	\$0.4
TOTAL	\$0.4	\$0.1	\$0.5	\$0.2	\$0.7
% of Total	81%	19%	100%	23%	100%
Federal Tax Impacts	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$0.096	\$0.000	\$0.096	\$0.000	\$0.096
INDIRECT	\$0.008	\$0.007	\$0.015	\$0.018	\$0.033
INDUCED	\$0.062	\$0.034	\$0.096	\$0.059	\$0.155
TOTAL	\$0.166	\$0.041	\$0.208	\$0.077	\$0.284
% of Total	\$0.802	\$0.198	\$1.000	\$0.253	\$1.000
Provincial Tax Impacts	Northumberland	Rest of NB	Total NB	Rest of Canada	Canada
DIRECT	\$0.083	\$0.000	\$0.083	\$0.000	\$0.083
INDIRECT	\$0.006	\$0.006	\$0.012	\$0.021	\$0.033
INDUCED	\$0.142	\$0.046	\$0.187	\$0.075	\$0.263
TOTAL	\$0.230	\$0.052	\$0.282	\$0.097	\$0.379
% of Total	82%	18%	100%	22%	100%