



MIRAMICHI WELLNESS MULTIPLEX UPDATE #3

VARIOUS FACTORS INCREASE COST OF FACILITY BY \$11.5M, PROJECT ON SCHEDULE FOR OPENING IN SEPTEMBER 2026, SITE CLEARING UNDERWAY

Miramichi City Council were presented with a project update for the Miramichi Wellness Multiplex at the Council in Committee meeting on December 5, 2023. Council was told by Tim MacLeod, an engineer with CBCL Limited the cost of the facility has increased from \$73.4 million in September to \$85.4 million as detailed designs of the facility allowed the construction team to get more accurate pricing from suppliers and equipment manufacturer and engage with trade contractors.

Treasurer Nancy Gorman advised council several options were being evaluated to cover the extra cost. The funding plan to support the increase in the Multiplex cost estimate includes:

- Additional \$2M from general capital reserve
- Increasing the amount of long-term borrowing by \$5M
- Allocating the 2025 and 2026 portions of the Canada Community Building Fund grant to the Multiplex project - \$2.6M
- The remaining \$2.4M is expected to come from Capital from Revenue – through efforts to tighten up on spending where possible and looking into new revenue streams for 2025 and 2026

Mayor Adam Lordon said while it is unfortunate the cost of the project has increased; council and staff have worked to be prepared for it.

“This is some good context around the inflationary environment around many of those factors,” Lordon said. “It’s unfortunate that it took so long to secure the funding for this project, or maybe we wouldn’t be in such a drastic position, but we are where we are. We’ve been planning and saving for this moment for years.” The provincial and federal governments have committed a combined \$30 million to the project with the City covering the remaining cost.

Both MacLeod and Director of Engineering Darren Row told council efficiencies have been found in the design to allow for cuts to the overall cost.

“Most construction costs have doubled in the past two or three years. We’re working hard to avoid compromising on the quality and look of the building, but we’re trying to find the best possible value for our money, although it’s a huge challenge,” said Row.

Since the last update in September, MacLeod said design development and pre-construction services began, the Indigenous engagement was finalized, the design and construction schedules were revised, two trade packages were developed and issued, the pool contractor was secured, and site clearing and grubbing by North Shore Construction began December 4 and will continue until winter conditions set in.

MacLeod added all tendering with trade packages for the project will go through Bird Construction Group, the firm the City hired to oversee the construction of the facility in September.

Updated designs of the facility were shown to council by TEAL Architects and MJMA Architecture and Design. The detailed designs showed each area of the facility along with two colour option themes.

Tom Emodi, TEAL owner told council there was a large team working on the design development including various engineers, a landscape architect and they were working closely with the construction management team as well.

“We’re on schedule according to everything that has been looked at,” he added.

As the design development ends, the designs work will continue during pre-construction and construction until Spring 2024.

Quick Facts on the Miramichi Wellness Multiplex

- \$30 million in funding for the Multiplex was announced in April - \$18 million from the federal government and \$12 million from the province. The City will fund the remaining costs.
- The facility will be built on city owned property located off Douglastown Boulevard. This property will also create significant private development opportunity in the heart of the City's Regional Commercial District.
- The facility will 1,800-seat arena, an indoor walking track, a leisure pool and competitive pool, a gymnasium, concessions, an indoor playground, and a multipurpose room.
- The Multiplex will replace six aging and deteriorating recreation facilities in the city. They include the Lindon Recreation Centre, Golden Hawk Recreation Centre, MVHS pool, Chatham outdoor pool, Lord Beaverbrook Arena and the Kinsman outdoor pool.



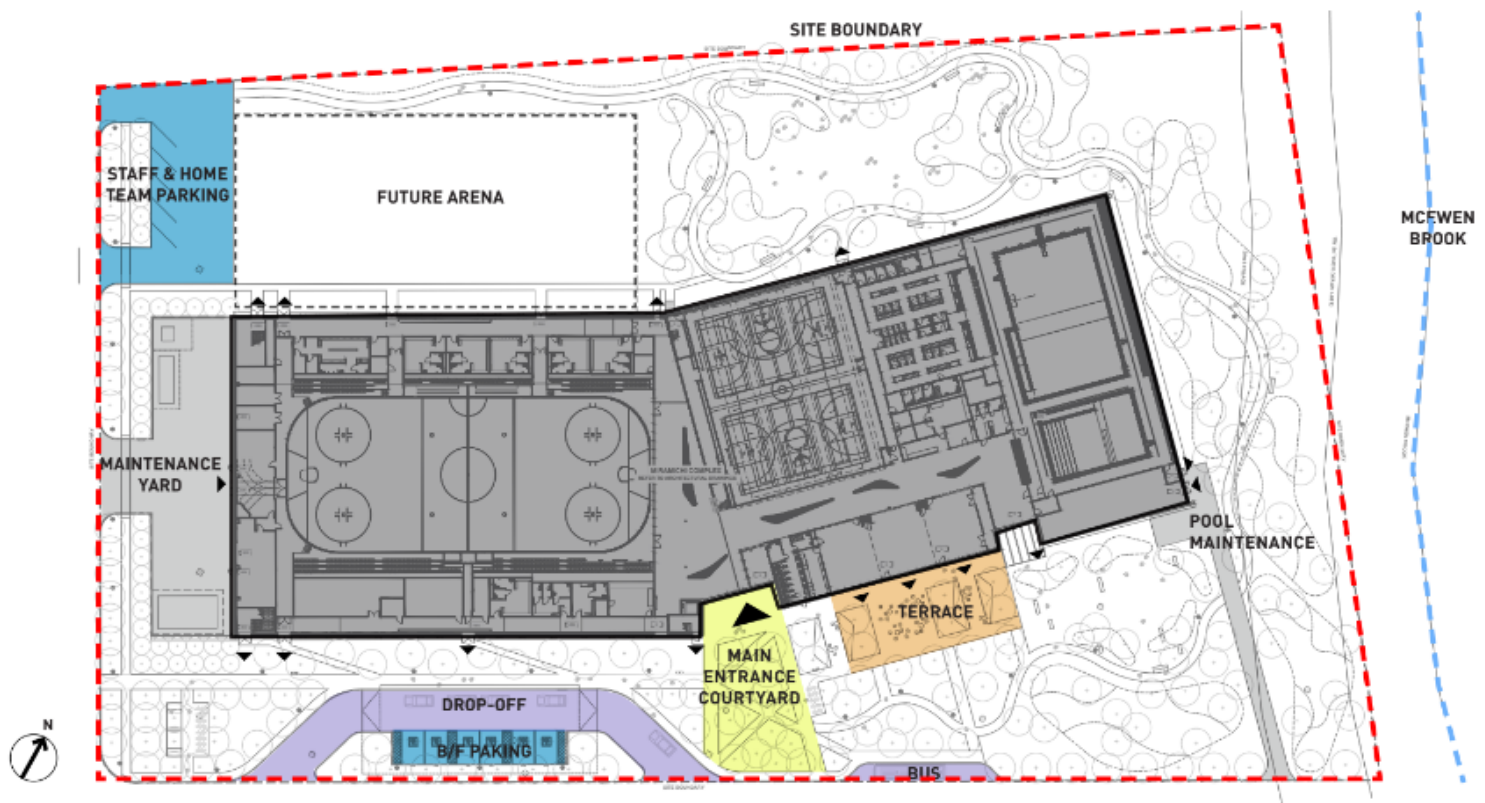
+2. LANDSCAPE & EXTERIOR - MAIN ENTRANCE VIEW



+2. LANDSCAPE & EXTERIOR - POOL NORTH VIEW



+2. LANDSCAPE & EXTERIOR - SITE PLAN



Project Update

Completed Works

March 2022	June 2022	August 2022	September 2022	December 2022	May 2023	June 2023	September 2023
<ul style="list-style-type: none"> Procurement of AE Design Team 	<ul style="list-style-type: none"> Engagement of AE Design Team 	<ul style="list-style-type: none"> Validation and Optimization of Existing Design begins 	<ul style="list-style-type: none"> Stakeholder meetings 	<ul style="list-style-type: none"> Presentation to Council Funding Presentation to Province 	<ul style="list-style-type: none"> Funding Announcement Project Schedule Revised Schematic Design Begins 	<ul style="list-style-type: none"> Procurement of the Construction Manager 	<ul style="list-style-type: none"> Design Presentation to Council including Project Cost Update Engagement of Construction Manager

Since Last Update

September 2023	October 2023	November 2023	December 2023
<ul style="list-style-type: none"> Design Development + Pre Construction Services Begin Indigenous engagement finalized 	<ul style="list-style-type: none"> Revision and refinement of the design and construction schedules 	<ul style="list-style-type: none"> TP1 Development and Issuance Pool Contractor Engagement TP2 Development and Issuance 	<ul style="list-style-type: none"> TP1 contractors on site to begin work



Construction Update

- TP1 – Site Preparation
Awarded to local contractor North Shore
- TP2 – Elevator, Ice Plant & Pre Cast Bleacher
Currently out for pricing with the market, expecting engagement in January 2024
- Pool Contractor
Limited specialized contractors able to implement a project of this scale and quality. Significant demand, so early engagement was critical to ensuring your project achieves the desired construction timelines. Engagement within next week



Multiplex Project Cost Estimate – Dec 4, 2023

Element	Description	Estimated Cost	Estimated % Cost
1	CONSTRUCTION	\$ 76,185,080	89.7%
1.1	Building	\$ 67,270,586	79.2%
1.2	Overall Site Development	\$ 4,205,553	5.0%
1.3	Construction Contingency	\$ 4,708,941	5.5%
2	PROFESSIONAL FEES	\$ 4,593,050	5.4%
2.1	A&E Professional Fees	\$ 3,943,000	4.6%
2.2	Project Specific Insurance	\$ 250,050	0.3%
2.3	Owners Advisors/Legal Fees	\$ 400,000	0.5%
3	FF&E	\$ 650,000	0.8%
3.1	FF&E	\$ 650,000	0.8%
NET PROJECT COST ESTIMATE		\$ 81,889,912	95.9%
4	TAX	\$ 3,490,824	4.1%
4.1	HST	\$ 12,214,220	14.4%
4.2	HST Rebate	\$ (8,723,396)	-10.3%
TOTAL PROJECT COST		\$ 84,918,954	100.0%