

NORTH CARIBOO multi-centre

The Impact on Taxation

How much do we pay in taxes for North Cariboo Recreation and Parks now?

The approximate current annual residential tax rate for the North Cariboo Recreation and Parks service is \$130/\$100,000 of assessed value of land and improvements.

What is the effect on taxes of this project?

Rates shown are based on per \$100,000 of residential assessment.

Operating and Capital Budget	\$117
Multi-Centre Pre-taxation	\$13
Current North Cariboo Recreation tax rate	\$130
<i>If we proceed with the project</i>	
Current North Cariboo Recreation & Parks tax rate	\$130
Multi-Centre Project Cost	\$60
Multi-Centre Pre-taxation (eliminated)	(\$13)
Projected North Cariboo Recreation & Parks tax rate	\$177

What will be the impact of a mill closure on taxation for the Multi-Centre?

Industrial taxation has less of an impact on revenue for the North Cariboo Recreation and Parks service than it does for the City. This is because the tax rates are lower for CRD services like North Cariboo Recreation and Parks. The closure of a single mill would impact taxes by approximately 0.24% and 0.36%. The loss of tax revenue, of course, is only one factor to consider as the closure of any major employer in a community will impact the overall economy and affect other businesses. This is an issue that the City/CRD have considered. The City/CRD also remain optimistic that other economic opportunities are possible in the region that may lessen the impact of reductions to the forest sector.

Other Questions

What will the Referendum Question be?

The referendum question will be: "Are you in favour of the Cariboo Regional District extending its authorization to borrow up to \$15,000,000 to provide for the construction of a new arena, theatre and multi-purpose event space, for a further two year period, to allow fundraising efforts to continue?"

What consideration has been given to an alternate plan if the referendum is not successful?

The City/CRD remain committed to fulfilling the mandate provided by the 2008 referendum. If the referendum is successful the City/CRD will continue to pursue funding for the project as presented in the 2008 and 2013 referendums. If the referendum is not successful, the City/CRD will explore other options.

Are there plans to extend the North Cariboo Recreation and Parks boundaries and if so, will new taxpayers be required to pay the same as everyone else in the boundary for the Multi-Centre?

There are no plans at this time to extend the North Cariboo Recreation and Parks boundaries. If the boundaries were to be extended, at some point in the future, all taxpayers within the revised boundaries would be taxed at the same rates as other properties in their class.

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North Cariboo Multi-Centre FAQs

The Scope of the Work

What is the Multi-Centre/What does the Multi-Centre project include?

The proposed Multi-Centre is a new facility containing a 1,600-seat NHL-sized arena, a 450-seat performing arts theatre and accompanying event and assembly space. The existing Arena 1 will be demolished after the Multi-Centre is built.

What would the North Cariboo Multi-Centre look like?

The City and CRD are using the "Design-Build" method of construction for the Multi-Centre project. A comprehensive Request for Proposals package has been prepared that includes performance specifications and design criteria for the construction of the facility. Once all project funding is in place, there would be a competitive process to select the best proposal to design and build the facility for a fixed fee. Because this method of construction is proposed, there are no design drawings for the facility available prior to the referendum. The design of the facility will occur later in the process.

Why did the City and CRD select the Design-Build method to construct the Multi-Centre?

There are advantages and disadvantages to all construction methods. The primary reason the City and CRD selected the Design-Build method is that it provides greater cost certainty than other methods. This is because the City and CRD will enter into a single contract with a Design-Builder who will design and build the facility for a fixed fee, set by the City and CRD. In traditional Design-Bid-Build projects an architect designs the facility and then the project is tendered. Often tenders are higher than expected and this results in cost over-runs. In the Design-Build process, the fee is set by the owner and the contractors bidding on the project must design and build the facility for that fee. This reduces the potential for cost over-runs.

Can the scope of work for the Multi-Centre project be changed?

The referendum on November 9, 2013 is to ask residents if they wish to extend the current loan authorization bylaw

Keeping you informed...

Advance Voting

**Wed. Oct. 30 &
Mon. Nov. 4**

**CD Hoy Room,
Quesnel City Hall**

**Referendum
Sat. Nov. 9
8 a.m. to 8 p.m.**

Voting Stations:

Red Bluff School
1533 Maple Dr.

Parkland Comm. Hall
5016 Bjornson Rd.

Bouchie Lake Elementary
2074 Blackwater Rd.

Barlow Creek Elementary
816 Barkerville Hwy.

West Fraser Fire Hall
243 Jackpine Flats Rd.

Quesnel Legion
262 Kinchant Street

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with no changes to the scope of work. The referendum is based on extending the period of time available to allow for additional fundraising. It is important that voters have a clear understanding of what the project scope is and what the rationale was for those decisions, however no changes to the scope of work will occur prior to the referendum. Voters are being asked whether or not they wish to extend the current mandate based on the present scope of work.

The Project Budget

How much will the Multi-Centre cost to build?

The North Cariboo Joint Planning Committee has set a project budget of \$30 million.

Is the project budget still valid today?

The \$30 million budget was reviewed in 2013 by a project management firm to determine if it was still valid. The consultant confirmed that while construction costs had escalated marginally since the Design-Build RFP package was completed in 2010, the budget was still valid and the Multi-Centre could be built for \$30 million. Because the Design-Build construction method is being used, the budget is fixed by the City and CRD. The City and CRD feel it can receive competitive bids from Design-Build teams within the original project budget.

How can we be sure that there won't be cost overruns on the Multi-Centre Project?

While there is a risk of cost over-runs on any major construction project, the City and CRD have taken steps to minimize this risk. The Design-Build construction method reduces the risk of cost over-runs through the use of a single contract for a fixed fee. The actual Design-Build contract for the project will be \$26 million. This will leave \$4 million for project management fees, fixtures, furnishings, and equipment, and for project contingencies. These contingencies are intended to offset unexpected costs or change orders related to the project.

How much will it cost to operate the Multi-Centre?

The Multi-Centre Business Plan prepared by consultants in 2006 estimated that the net operating cost for the Multi-Centre would be approximately \$434,360. Adjusted for inflation this total is approximately \$489,303 in 2013 dollars. It is important to note that the City/CRD will not be operating three arenas and that the demolition of Arena 1 will result in operational savings which will offset many of the costs of the Multi-Centre. The estimated cost to operate the arena component of Multi-Centre, including the multi-purpose space will be similar to the estimated savings from the demolition of Arena 1. It's anticipated that the increase in operating cost for the Multi-Centre, over and above the services currently provided as part of the North Cariboo Recreation and Parks service will be approximately \$130,000. Roughly \$100,000 of this total is for the cost to operate the theatre and \$30,000 is the estimated additional cost to insure the building.

Funding Secured to Date

How much money has been secured to date for the project?

Over \$24.5 million has been secured to date for the project. This includes cash in hand, pledges, commitments, and planned long-term borrowing.

What are the sources of funding for the project (how much of this total is from borrowing, taxation, grants, donations, and other sources)?

The total funding secured to date breaks down, approximately, as follows:
\$15 million – Long-term borrowing
\$1.9 million – Commitment from capital reserves
\$6 million – Grants
\$1.75 million – Donations

How much money has been collected from the Multi-Centre Pre-Taxation?

In 2007 the CRD started 'pre-taxation' for the Multi-Centre. Approximately \$500,000 was collected in 2007. Each year since, approximately \$300,000 has been collected. To date approximately \$2.3 million has been collected as 'pre-tax' for the Multi-Centre, some of which has been expended on such tasks as developing the Design-Building package, leaving a balance of \$1.9 million to be used towards the ultimate construction.

What happens to the money that has been collected as a 'pre-tax' for the Multi-Centre?

These funds are transferred into the North Cariboo Recreation and Parks capital reserve. There is no separate 'Multi-Centre Reserve'.

How much money has been spent on the Multi-Centre to date?

To date \$537,684 has been spent or committed to the project, including funds committed to the November 9 referendum. These expenses have been offset by grants of \$131,968.

What has the money spent on the Multi-Centre to date been for?

The money spent to date has primarily been for consulting plans, design work, and fundraising.
\$107,863 – Studies and Plans (Pre-Feasibility Study, Business Plan, Traffic and Parking etc.)
\$168,042 – Design-Build RFP Development
\$125,000 – Fundraising
\$136,779 – Other expenses (referendum, advertising, committee expenses, community surveys etc.)

What happens to the Pre-Tax money if the Multi-Centre is not built?

The money stays in the North Cariboo Recreation and Parks budget in the Capital Reserve. The North Cariboo Recreation and Parks capital reserve currently has a balance of \$3.8 million of which \$1.9 million has been committed to the Multi-Centre project. If the Multi-

Centre project does not proceed, these funds will remain in the capital reserve to be used for capital works within the North Cariboo Recreation and Parks function.

What grants have been received for the project to date?

The City/CRD has received two grants to date for the project. A \$4 million grant from the Province of BC and a \$2 million grant from the Northern Development Initiative Trust.

Do the grants have deadlines that may expire?

The Provincial grant has an expiry date of March 31, 2015 however staff have provided regular updates to the Ministry of Community, Sport and Cultural Development and they are well aware of the status of the project and the upcoming referendum. There is no indication from the Province that there will be any issue providing an extension for this grant. The commitment from the Northern Development Trust does not have a deadline. Approval of the \$2 million grant is subject to the City/CRD securing the funds needed for the project to proceed. After funding is secured, the City/CRD will enter into a funding agreement. Funding agreements with NDIT normally provide a two year time-frame to complete the project, although extensions may be provided if requested.

If we make a donation to the Multi-Centre, will we receive a refund if the project does not go forward?

Cash donations of over \$100 will be refunded if the Multi-Centre project does not proceed, providing donors have not received a tax deductible receipt. Once a tax receipt has been issued, a refund cannot be provided in accordance with Revenue Canada regulations. Funds that cannot be refunded will be transferred to the North Cariboo Recreation and Parks capital reserve.

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