



---

## **NEWS RELEASE**

May 2, 2005

### **CITY DEVELOPS STRATEGY TO MANAGE THE ACTUAL COST OF CONSTRUCTION OF THE MUTLIPLEX**

The City of Dawson Creek has developed a strategy to address the actual cost of construction for the South Peace Community, which is now pegged at \$35 million dollars. The challenge of dealing with substantially increased costs for steel and construction became apparent over the last few months as final drawings were prepared and the tenders went out for bid. The booming Dawson Creek economy has also increased the cost of trades and certain commodities.

Council has directed the Multiplex Building Committee and administration to further review the project to identify any additional cost savings and identify all non-tax revenue sources including additional provincial funding through the 2010 Live-Site Program, the use of Fair Share funds, and the potential for encouraging donations from the private sector. The goal of this strategy is to ensure the project will move forward without requiring additional support from local taxpayers.

Ultimately a decision will be made by Council on May 9<sup>th</sup> as to what funds will be made available to the project or additional cost cutting measures that may be undertaken while maintaining the original scope of the project.

“It has become clear that we need to examine all our options and weigh heavily the risks and benefits associated with all those options,” says Dawson Creek Mayor Wayne Dahlen. “We must find a way to balance the increase in construction costs with the potential benefits that the project will bring to all the residents of the South Peace.”

The original project estimate was almost \$22 million dollars for the initial phase with 24.6 for the entire project but as a result of significantly increasing construction costs and the booming Peace country economy, it has been expected that the actual cost would be above that original estimate.

The South Peace Community Multiplex is expected to open in late 2006.

**FOR MORE INFORMATION CONTACT:**

John Malcolm, City of Dawson Creek.....250.784.3614

## **BACKGROUND**

### **SOUTH PEACE COMMUNITY MULTIPLEX BACK GROUND INFORMATION**

The strategies that the City has implemented to deal with the actual cost of construction for the Multiplex include:

1. Reliance Upon The Private Sector
  - The City has established the project to be designed by the private sector, costed by the private sector and built by the private sector to ensure a project that meets its budget constraints and is completed on time.
2. The Hiring of a Construction Manager
  - The Construction Manager has examined all cost savings strategies prior to tendering and will continue to be involved in identifying potential cost savings.
3. Tendering Strategy
  - Elements of the tender were broken up to allow for greater competition with the expectation that would result in better pricing because of increased competition.
4. Examination of all components to identify cost savings without affecting the original scope of the project.
  - Engaging the project manager, building committee and other stakeholders to see if there are items or aspects of the building that could be added at a future date when funds become available.
5. Development of a Legacy Program
  - A formal legacy program has been developed to try and encourage donations from both individuals and corporations to help cover capital costs.
6. Identification of Non-Tax Revenue Sources
  - The City has undertaken a review of what sources of revenue may be available to Council to apply to the project to ensure the original integrity of the facility remains in tact without affecting taxes.

The South Peace Community Multiplex will be a fantastic facility that will be the center of attraction for the community and region. It will not only provide a fantastic recreational experience for residents throughout the south peace but it will also strengthen the City's positioning in a competitive environment making the City even more attractive to people and investors.

The Multiplex has three specific components that have the following features:

### ***Agri-Centre***

- 120' x 250' clear span building with dirt floor riding interior
- Suitable for equestrian, rodeo and livestock activities / events
- Large wash stall capacity for horses and cattle
- Spectator seating with public washrooms
- 100 stalls in Phase 1 and an additional 100 stalls in Phase II

### ***Aquatic Centre***

- 8-Lane 25m Competition Pool
- Swirl Pool, Therapeutic and Leisure Pool
- 1m & 3m Diving Boards
- Waterslides
- Sauna and Steam Rooms
- Male, Female, Family and Special Needs Change Rooms

### ***Events Centre***

- Seating of 6,500 (4,500 permanent & an additional 2,000 Moveable)
- 110' x 230' interior event floor space
- Able to host a variety of Commercial / Vehicle / Agricultural / Industrial Shows
- Special Needs Accessible

### ***Other Multiplex Amenities***

- Can accommodate 2500 seated banquet space in the Event Centre
- Easy access off Highway 2
- Parking for major events with plenty of special needs parking and dedicated truck and trailer rig parking spaces
- Commercial lease/retail opportunities

#### **FOR MORE INFORMATION CONTACT:**

John Malcolm, City of Dawson Creek.....250.784.3614