

**Subject: Advocacy Initiative - Teck Frontier Oil Sands Mine Project****APPROVALS:****Annette Antoniak**\_\_\_\_\_  
Director\_\_\_\_\_  
Chief Administrative Officer**Recommended Motion:**

THAT the Mayor be authorized to send a letter to all members of the Federal Government Cabinet requesting that the Teck Frontier Mine project be approved and outline the benefits of the project to our region; and

THAT Mayor Don Scott, Councillor Krista Balsom, Councillor Keith McGrath, Councillor Jeff Peddle and Councillor Verna Murphy be approved, on behalf of Council, to travel to Ottawa to petition the Federal Government for final approval of the Teck Frontier Mine Project and that all costs associated with the travel, including accommodations, meals and per diems, be accommodated in Council's 2020 Business Travel Budget.

**Summary:**

The Teck Frontier Oil Sands Mine (Frontier) project requires multiple government approvals before construction can begin. Although approved by a Joint Federal-Provincial Review Panel in 2019, the Federal Government's final approval is still required. A decision from the Federal Cabinet to approve, deny or request additional information is expected before the end of February.

Frontier is expected to cost \$20 billion to build and Teck Resources Limited (Teck) has estimated it will spend \$219 million annually on contracts and services in the Regional Municipality of Wood Buffalo (RMWB) during operations. Over the life of the project, it will pay \$12 billion in taxes to Canada, \$55 billion to Alberta in royalties and taxes, and \$3.5 billion in property taxes to the RMWB.

Administration is recommending that Council continue to show their support for this project by traveling to Ottawa before the end of February and petitioning the Federal Government for final approval. Consistent with the development of other oil sands projects, Frontier will bring many benefits to the region including employment, property taxes, and community support.

**Background:**

The Frontier Oil Sands Mine Project proposed by Teck is located roughly 110 km north

of Fort McMurray on the west side of the Athabasca River - roughly 25 km north of Suncor's Fort Hills Mine. It is estimated that Frontier will create up to 7,000 construction jobs and 2,500 operations jobs. The construction workforce is expected to peak at 6,300.

Teck has previously stated that maximizing local procurement and employment are primary goals for this project. It projected that Frontier will result in a peak regional population increase of 4,700 additional residents. Teck also expects that housing demand will peak at 1,680 units. To that end, Teck has stated its intention is to bus employees from Fort McMurray to the site for the duration of the shift. Teck has committed to implementing a fly-in/fly-out program for employees from Fort Chipewyan.

A public hearing was held for the Frontier project in 2018. The RMWB's support for the project was presented via a written submission and verbal presentation by Mayor Don Scott. Following that hearing, the Joint Provincial-Federal review panel recommended approval of Teck's Frontier Oil Sands Mine.

#### **Budget/Financial Implications:**

The costs associated with this travel are approximately \$1,800 per attendee and can be absorbed within Council's existing 2020 budget allocation for business travel.

#### **Rationale for Recommendation:**

In general, the development of the oil sands brings many benefits to the region. In 2016-2017, oil sands operations cumulatively spent \$5.5 billion with businesses in the RMWB and have contributed over \$100 million in community investment.

Administration has identified a list of federally elected officials to meet with in Ottawa and arrangements are being made to finalize meetings should Council endorse this effort.

Therefore, it is recommended that members of Council travel to Ottawa for these discussions. These efforts will help illustrate the project's benefits to Canadians and will continue to show Teck, and the oil sands industry in general, that the RMWB supports development in our region.

#### **Strategic Priorities:**

Regional Economic Development