

**Subject: Closure of Forestry Road – FRD 640002 within the Fort Hills
Oil Sands Project Area – Bylaw No. 14/027****APPROVALS:**

Keith Smith, Acting Director
Brian Makey, Chief Operating Officer
Marcel Ulliach, Interim Chief Administrative Officer

Process Note:

Following the Public Hearing being held, Bylaw No. 14/027 will be submitted for signature to the Minister of Transportation. Once Bylaw No. 14/027 is signed by the Minister it will be scheduled for consideration of second and third readings.

Summary:

Suncor Energy Inc. has requested that a forestry road, FRD 640002, located within the Fort Hills Oil Sands Project area (as highlighted in red on Attachment 2) be closed, in order to facilitate development of this project and address safety concerns related to public access within the mining operations area.

Background:

Forestry road, FRD 640002 is located within the Fort Hills Oil Sand Project area, approximately 80 km north of Fort McMurray within Townships 96 and 97, Range 10, W4M. Suncor Energy Inc.'s Fort Hills project area is located on Crown land and is held under leases with the Province, as well as the Alberta Energy Regulator.

The Municipality has direction, control and management of FRD 640002 while ownership resides with the Crown. FRD 640002 was originally constructed by the Department of Lands and Forests to provide access to a fire lookout tower. Jurisdiction over all forestry roads within the Municipality was transferred from Alberta Transportation to the Municipality under Section 9 of a Transportation Transitional Funding Agreement, adopted by Council on March 26, 1996, by Resolution No. 96/206.

In accordance with the Municipal Government Act (MGA), a road closure must be effected by a bylaw, which requires Council approval. The bylaw must be advertised and a public hearing must also be held, after the bylaw is given first reading, in order to provide an opportunity for individuals who may be affected by the road closure to be heard by Council. The bylaw has no effect unless approval is given by the Minister of Transportation (AT) prior to the bylaw being given second reading. In addition to the requirements under the MGA, notification of the road closure bylaw to Alberta Environment and Sustainable Resource Development (AESRD) must be undertaken after completion of the bylaw process in order to cancel the forestry road disposition held with the Province.

The proposed road closure has been circulated to internal municipal departments, AT, AESRD as well as franchise and utility companies. No issues or concerns were raised.

Under the MGA, former forestry roads are open to public travel. A municipality may enter into an agreement with a person with respect to a former forestry road that authorizes the person to use the road for commercial and industrial purposes. Entering into an agreement of this type would pose a public safety concern, as the roadway runs directly through what will eventually be an active mining operation. However, if the proposed road closure is approved, Suncor will legally control and manage access through the Fort Hills project area, which has an estimated life span of 40 years. Alternate and existing public roadways will provide access to and around the site. Access to the bitumen fire tower is no longer required as the site has been decommissioned. A water testing site managed by AESRD is also located along this roadway however AESRD has confirmed that closure of the road will not conflict with access to the testing site.

Budget/Financial Implications:

There will be a minimal financial impact to the Municipality if the proposed road closure is approved as the Municipality currently charges a fee of \$1,000 per year to industrial companies for use of this road. However, this is an administrative fee only and does not provide any real financial benefit. Once the road is closed the land will be transferred to the Province for administration.

Rationale for Recommendations:

Administration supports the road closure because the road is no longer required for its intended purpose, and closure will facilitate development of the Fort Hills Oil Sands Project. Further, public safety concerns related to traffic management issues through the mine site will be addressed by diverting vehicle traffic through alternate routes around the site and away from the mining operations.

Attachments:

1. Bylaw No. 14/027
2. Subject Area Map