



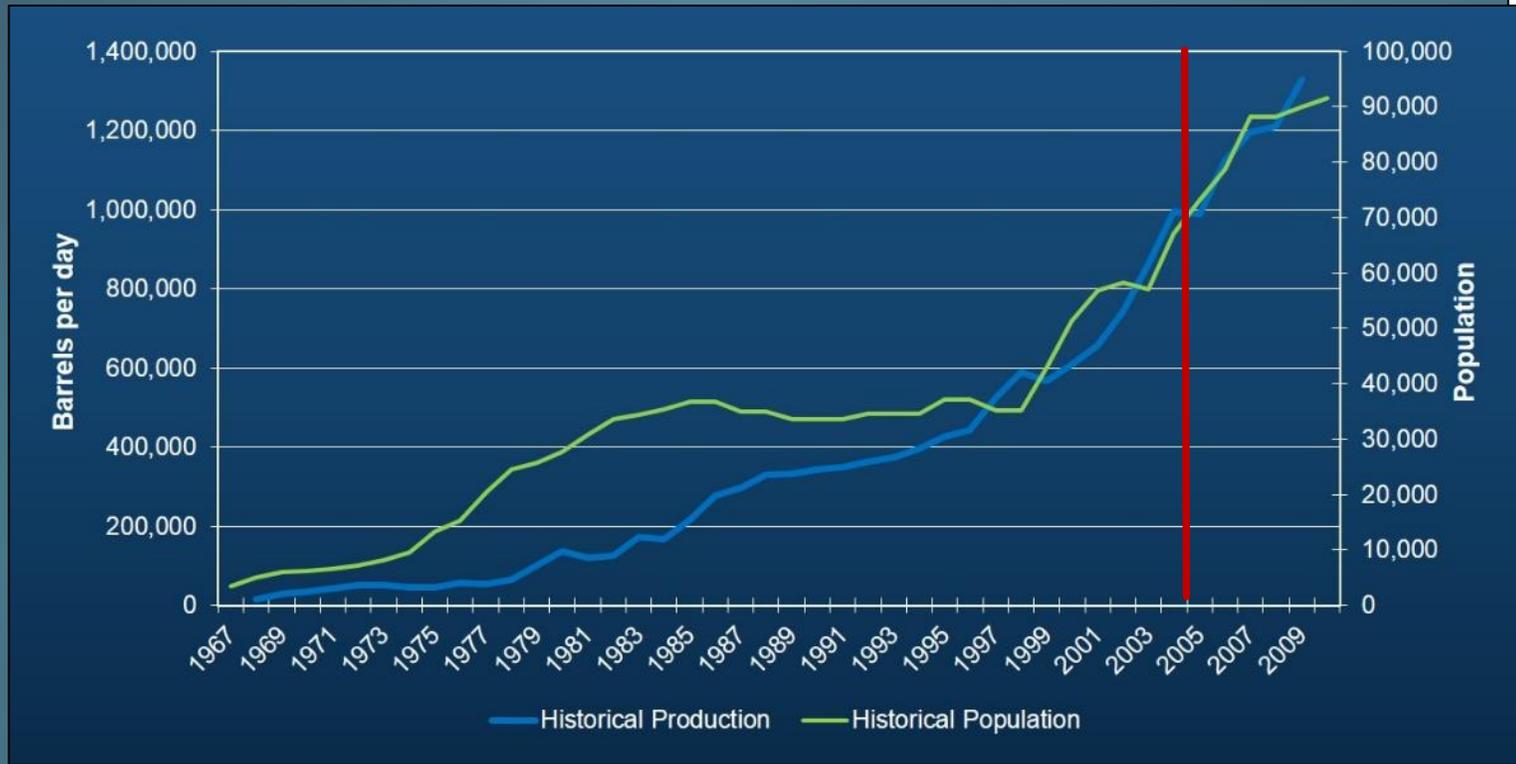
Securing the Investment in Our Future

COLLABORATIVE ENGAGEMENT AFTER RADKE



Fort McMurray
Real Estate Board

Rapid oil sands growth overwhelmed Wood Buffalo



Wood Buffalo Business Case 2005
Athabasca Regional Issues Working Group

A Business Case for Government Investment in the Wood Buffalo Region's Infrastructure

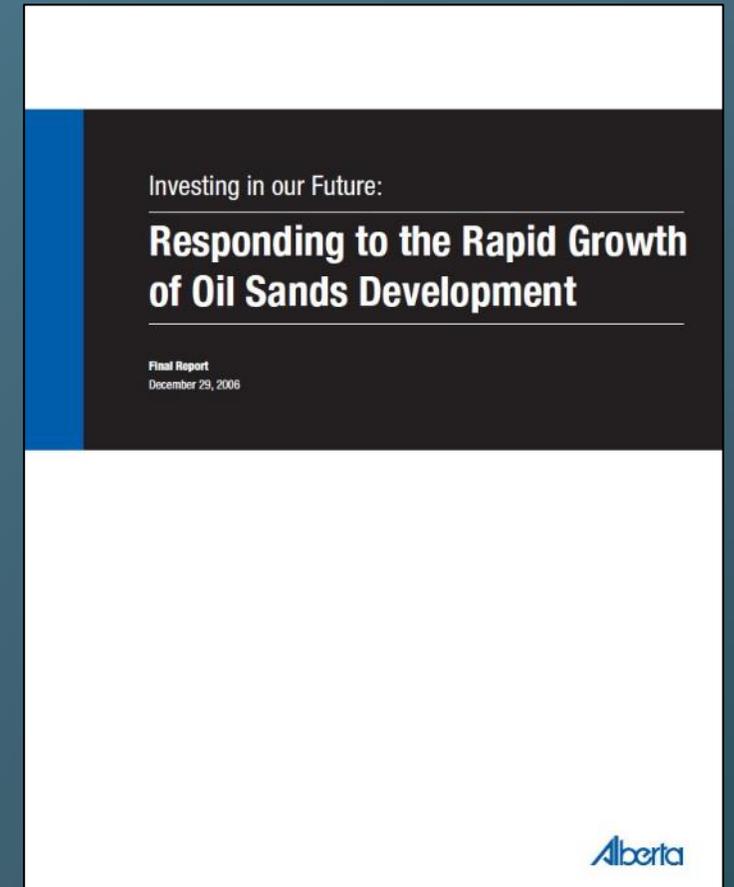
March 2005

Prepared by the Athabasca Regional Issues Working Group (RIWG) in conjunction with:
Regional Municipality of Wood Buffalo (RMWB)
Fort McMurray Public Schools
Fort McMurray Catholic Schools
Keyano College
Northern Lights



Government responds

- ▶ Premier Klein admitted on his departure that his government “had no plan”; Premier Stelmach commissioned *Investing in Our Future*, or the “Radke report.”
- ▶ The report made 30 recommendations to improve policy and decision-making, and to address socio-economic impacts.
- ▶ Among the most important of these was the creation of the Oil Sands Sustainable Development Secretariat.
- ▶ Its recommendations were intended to apply only to 2011. The Secretariat assumed the coordinating function.



The Secretariat coordinated the government response

Figure 8: Government of Alberta public infrastructure investment summary

Project	Amount
New Grant MacEwan and Athabasca River bridges across the Athabasca River	\$ 155 million
Holy Trinity High School – Fort McMurray Catholic School Division (FMCSGD)	55.8 million
École McTavish Junior High – Fort McMurray Public School Division (FMPSD)	49 million
Bill Woodward School, Northland School Division, Anzac	18.3 million
Highway 63 twinning	680 million
Sport and Wellness Centre, Keyano College	33.4 million
Cost of Living Allowance (COLA) for public sector employees	33.2 million
Affordable housing, Wood Buffalo Housing & Development Corporation	54 million
Enhanced health care funding, Northern Lights Regional Health Centre (NLRHC) (at 81%, the largest increase in the province)	206.4 million
<ul style="list-style-type: none"> Three new clinics Long-term and continuing care centre (land purchase) 	
Water treatment plant upgrade – Regional Municipality of Wood Buffalo (RMWB)	103 million
Highway 881 widening and paving	118 million
Phase 1 Timberlea RCMP detachment	52 million
Investing in Our Future response	417 million
<ul style="list-style-type: none"> Thickwood and Confederation Way interchanges Long-term and continuing care centre (construction), NLRHC Lower townsite wastewater collection system upgrade, RMWB Regional landfill development, RMWB St. Paul's Elementary and St. Anne school maintenance and renewal, FMCSGD and FMPSD Community Health and Wellness Centres, AHS Northern Lights Regional Health Centre expansion (ambulatory care, ICU, emergency department and ambulance bay) Child care centre construction RMWB Strategic municipal planning, RMWB 	
Persons Creek North Community Development Plan, RMWB	95 million
South RCMP Station and cell block, RMWB	10 million + land
Persons Creek North and Saline Creek Plateau deep-servicing infrastructure, RMWB	241 million
MacDonald Island Park Recreation Centre (\$1.3M) and Ft. McMurray Historical Society (\$1M)	2.3 million
Green Transit Incentives Program (GreenTRIP), RMWB	35.9 million
Archie Simpson Arena, Fort Chipewyan, RMWB	1 million
Homeless outreach support programs, RMWB	2.7 million
Land exchange agreement*, RMWB	131.8 million
Hospital emergency services helpout, NLRHC	5.5 million
Former Willow Square site land purchase and grant funding for affordable housing, RMWB	20 million
Persons Creek interchange	300 million
	\$ 3.0 billion

* Most projects are complete or well underway but some – long-term and continuing care, Highway 881 improvements – have been delayed.
 * This is a nominal value based upon historical prices and recent appraisals. The actual value will not be determined until the land is sold.
 Source: Various, includes Government of Alberta news releases and the Oil Sands Sustainable Development Secretariat.

Responsible Actions: A Plan for Alberta's Oil Sands, released in February 2009, is a 20-year strategic plan that provides for innovative, collaborative and responsible development of the oil sands within the three oil sands regions and the industrial heartland, and benefits the whole province. Through implementation of Responsible Actions, economic growth will be optimized, the environmental footprint will be reduced and the quality of life for Albertans today and in the future will be increased. The plan builds on the vision outlined in the Provincial Energy Strategy and is closely connected to the Land-use Framework.

In the past year, the Government of Alberta has worked with their partners including stakeholders on over 50 projects and initiatives to implement Responsible Actions. This report identifies key activities that have occurred through implementation of the six strategies and progress to date towards the achievement of the desired outcomes for responsible oil sands development.

Progress reports will be completed annually, with additional interim reports provided as needed. Responsible Actions and the implementation plan are available at www.treasuryboard.alberta.ca.



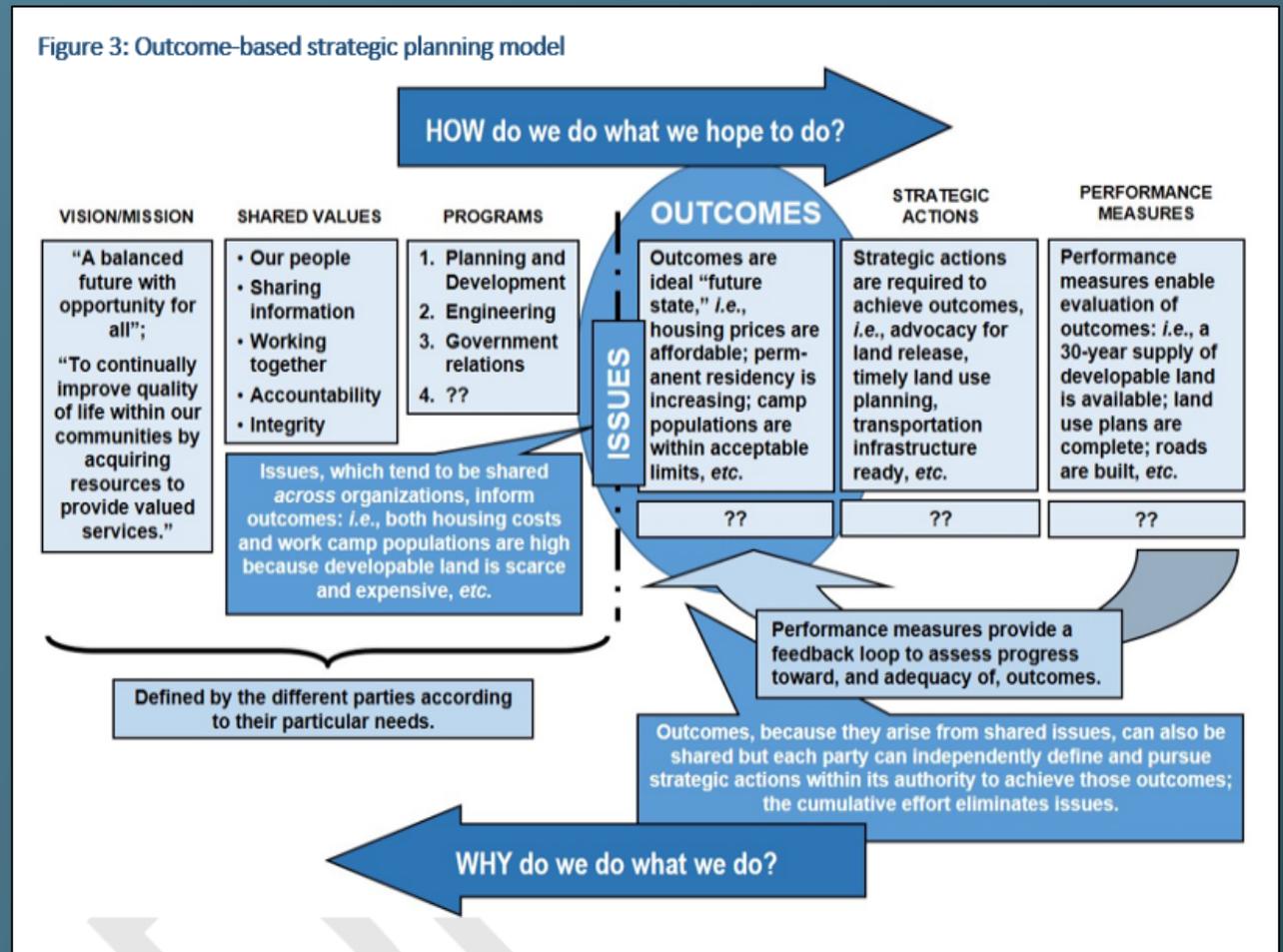
Progress Report 2011
 RESPONSIBLE ACTIONS: A PLAN FOR ALBERTA'S OIL SANDS

And now ...?

- ▶ Bitumen production has risen from 1.2 M bpd in 2006 to 2.1 M bpd.
- ▶ The Oil Sands Secretariat is buried inside Alberta Energy.
- ▶ Special funding commitments since 2011 are barely \$300 million.
- ▶ Individual departments work at cross-purposes.
- ▶ Transportation funding has evaporated; RMWB provided bridge funding for improvements to Highways 63 and 69.
- ▶ Single-family housing rose 64 percent from 2006 to 2011.
- ▶ The work camp population rose 231 percent, from 10,422 to 34,490.
- ▶ The industry transitions in 2017 from cap-ex to op-ex.
- ▶ Socio-economic impacts continue to challenge municipal sustainability and responsible oil sands development.

Stakeholders re-engaged

1. The cost of oil sands production in Alberta is competitive with resource development costs in other jurisdictions.
2. The oil sands work force is stable – job quality is high, recruitment and retention rates are high – following the transition from building oil sands plants to operating them because the quality-of-life in Wood Buffalo is attractive.
3. Urban growth and community development are responsive and responsible and contribute to quality-of-life.



Alignment is a key priority

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Strategic Plan 2015-2017

Building a Strong and Resilient Community

- Responsible Government
- Balanced Regional Services
- Vibrant Economy
- Effective Land Strategy
- Reliable Transportation System
- Sustainable Region
- Healthy and Active Lifestyle

LET'S TALK ROYALTIES

LetsTalkRoyalties.ca

Strategic Overlay	Can royalty "levers" encourage innovation and diversification?
Economic Overlay	What is the broader economic context in which to view royalties?
Capital Markets Overlay	How well do Alberta companies compete for markets and capital?
Traditional Review	How does Alberta's royalty regime compare to other jurisdictions?

Alberta

oil sands community alliance

Oil Sands Community Alliance Stakeholder Session Fort McMurray Summary Report

September 2014

Other stakeholders we have consulted

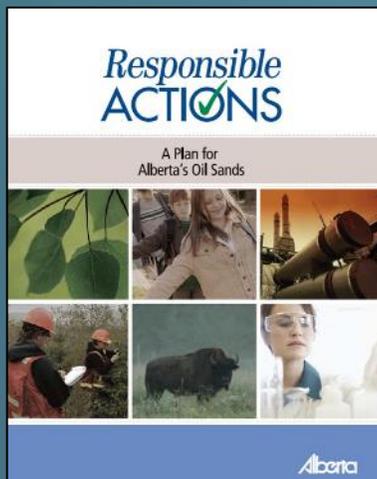
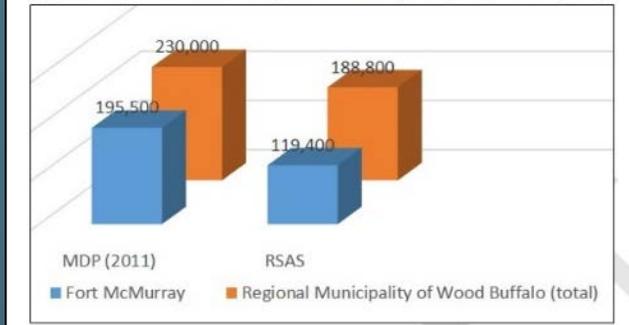


Prioritized issues

Figure 5: Prioritized socio-economic top-eight issues ranking^{1 3}

Rank	Issue
1	Ineffectiveness of the Oil Sands Sustainable Development Secretariat in 2015
2	Error prone population forecasting negatively affects policy responses and spending decisions
3	Regional transportation is inadequate to meet the needs of responsible development
4	Persistent impediments impair urban and rural development
5	Large fly-in/fly-out (FIFO) labour force living in work camp accommodations
6	Recruitment and retention of oil sands employees – see quality-of-life amenities, e.g., health care, education, emergency services, recreation and culture, etc.
7	New flood abatement requirements
8	Unilateral annexation of 20 townships from Regional Municipality – lost revenues exceed \$2 billion

Figure 11: Population forecast comparisons for 2030, MDP (2011) to RSAS (2014)



It's not about money; it's about relationship

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- ▶ The next phase of the Province's engagement to support responsible oil sands development is *not* about money. The current climate of fiscal restraint means government funding is limited.
- ▶ It *is* about relationships, collaborative engagement, shared outcomes and coordinated action.
- ▶ It *is* about assisting a new government with no experience in Wood Buffalo to understand the socio-economic issues that slow oil sands development and make it more expensive
- ▶ It *is* about socio-economic issues that undermine the autonomy and aspirations of the Regional Municipality.
- ▶ It *is* about laying the foundation for the next phase of responsible oil sands development when global prices recover.

Preparing the Province

- ▶ We intend to table this report before the opening of the Fall Session of the Legislature on October 26.
- ▶ We have done advance work with elected officials and department bureaucrats.
- ▶ We have done advance work with media in Edmonton and Calgary.
- ▶ We have done advance work with OSCA.

Questions