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2011 SEP -6 10:06 A

THE CITY OF CALGARY
CITY CLERK'S

NOTICE OF MOTION

CC 661 (R2009-05)

NM2011-September 12

RE: MUNICIPAL SHARE OF PROVINCIAL OIL SANDS ROYALTIES

ALDERMAN Peter Demong

WHEREAS a June 2011 independent study entitled Economic Impact of Staged Development of Oil Sands Production in Alberta (2010 - 2035) by the Canadian Energy Research Institute shows the Government of Alberta may see oil sands royalties increase 5-fold in the next 6 years. During the entire 25 year period, the overall investments, reinvestments, and revenues from operation of the existing and under construction oil sands projects are estimated at \$2.1 trillion. Should there be additional pipelines constructed, Alberta could see an estimated increase of \$4.7 trillion to the provincial economy;

AND WHEREAS the study states that the oil sands impact Alberta more than any other province;

AND WHEREAS the Alberta oil sands are at the heart of most of the growing pressures on municipalities across the province; these pressures are causing most of the issues with regard to growth in every Alberta municipality;

AND WHEREAS the tax base local governments have is always a reactive tax as to what the property values are worth, with municipalities always having to play catch up; as a result many cash-strapped municipalities in Alberta have regularly seen higher than normal property tax increases;

AND WHEREAS the citizens of Alberta who are impacted by the oil sands should all share equally in the benefits of oil sands royalties. A small percentage of these oil sands royalties distributed to each of the municipalities would greatly ease the growing strain and the tax burden felt by individual taxpayers;

AND WHEREAS even if only 10% of the annual oil sands royalties currently being paid to the provincial government were to be transferred to Alberta municipalities instead, the Government of Alberta may still earn a compounding annual increase of 30% in their revenues over the next 6 years;

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AND WHEREAS the Federal, Provincial and Territorial Ministers are currently creating a national energy strategy;

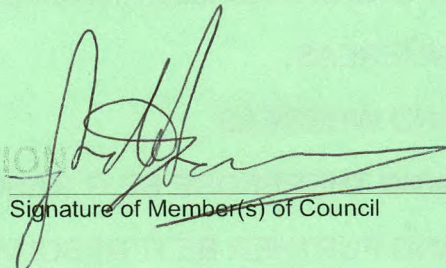
AND WHEREAS the governing Progressive Conservative Party in Alberta is in the midst of a pivotal leadership race, which will be followed by an equally pivotal Provincial election; it may be timely for municipalities to explore the potential opportunity to garner a share of the projected oil sands royalties collected by the provincial government of Alberta;

NOW THEREFORE BE IT RESOLVED that The City of Calgary, through Mayor and Council, the Intergovernmental Affairs Committee and the Alberta Urban Municipalities Association work toward garnering at least 10% of oil sands royalties from the Provincial government for distribution to Alberta municipalities.

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