



Southwest Alberta Sustainable Community Initiative Box 1297, Pincher Creek, AB T0K 1W0

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An open letter to the communities of Pincher Creek and District:

## **Toward a Sustainable Economic Future for Southwest Alberta**

In 2015, Shell Canada publicly announced that downsizing and eventual closure of its Waterton Complex would likely occur in 10 to 15 years, based on projected depletion of gas reserves. Closure could come sooner depending on economic conditions and market trends, and even if the facility were sold, its operating life would still be limited by the finite life of the reserves.

### ***Closure of the Waterton Complex is a matter of WHEN, not IF.***

The Southwest Alberta Sustainable Community Initiative (SASCI) has embarked on a multi-year initiative to support our region's communities in transitioning smoothly to a future without Shell's Waterton operations. We began by contracting an experienced independent consultant to assess the economic and social impacts of the approaching facility closure. The assessment is now complete, and the findings are sobering:

- Annual GDP in the region will decline by \$34 million.
- Tax revenues to the Municipal District of Pincher Creek will decline by over 20%.
- An estimated 265 high-paying full-time equivalent jobs will be lost at the facility and at local businesses, affecting 8% of the current local labour force.
- As many as 650 people could leave the region as workers and their families relocate to new jobs, affecting up to 9% of current local housing stock.

The effects of these and other economic and social changes will be felt throughout the region. Closure of the Waterton Complex will seriously disrupt our economy and communities unless concerted effort is made to mitigate the effects and help our communities transition to more diverse and resilient economic footings.

Communities in Alberta and elsewhere in the world have experienced severe decline after a local mine, mill or other large employer has closed. Other communities have prospered in the face of such formidable challenges by 'owning the issue' and taking responsibility for their economic future.

### ***Serious disruption can be avoided with sound strategy and collaborative initiative.***

There is an immediate need for our communities to rally and put our collective energy, ingenuity, and entrepreneurship to work in shaping the economic future of our region. SASCI will begin hosting community information and engagement sessions in early 2019 with this purpose in mind.

We encourage you to read the report from the socio-economic impact assessment and reflect on the findings and their implications. We then invite you to engage with us and other stakeholders in concerted dialogue and coordinated action that moves our region's communities toward a sustainable economic future.

### ***We look forward to working with you.***

SASCI is grateful to Shell Canada, the Town of Pincher Creek, and the Alberta Real Estate Foundation for their continued support of this initiative. We thank the many people in our communities who contributed time, attention, and information to the socio-economic impact assessment. Finally, we thank Nichols Applied Management for their professionalism in conducting the assessment and preparing this report.