Heads in the Sands

Fort McMurray struggles to keep pace with its booming oil sands industry

by Dan Rubinstein

Jones, Burns and "Swifty" (left to right). Their site at the Centennial Park campground indicates they're dug in: they've got a TV, VCR and stereo under a tarp—unguarded property respected by their fellow resident campers—and a collection of car seats and lawn chairs strewn around the fire.

The past and future collide on Franklin Avenue. At one end of Fort McMurray's main drag, amid the hustle of apartment construction, roadwork and dusty gas stations, rises a cluster of hotels and government buildings. Inside, frontier authorities work tirelessly to marshal the city's explosive growth, and the oil sands bonanza fuelling it, into a cohesive vision. A few blocks away, past the Boomtown Casino and the shopping mall named after fur trader Peter Pond, near the Fellowship Baptist Church sign counselling passersby to secure joy by putting "Jesus first, Others second, Yourself last," stands a monument honouring the community's origins.

A metal plaque mounted on a modest stone cairn describes Pond as the explorer who "discovered" the Methye Portage in 1778. This land link on the route north opened up the vast Mackenzie River basin, Canada's largest inland waterway system and one of the world's richest fur districts. Located in the thick of Cree and Chipewyan territory, the junction of the Athabasca and Clearwater rivers quickly became a key transportation hub. In 1870, the Hudson's Bay Company built a trading post in the valley where the waters meet and named it after their chief factor in the region, William McMurray.

Erected in 1937, the cairn can still be found on Franklin Avenue—in the parking lot of a construction company and an electronics firm. Squeezed between two parking spaces.

Nearly five hours of lonesome highway north of Edmonton, all boreal forest and muskeg pocked with rigs and wells, the premium on space and the frenetic pace in Fort McMurray seem incongruous. A stream of muddy pickups ply Franklin Avenue and arterial Highway 63, perpetual traffic belying the remote setting. Pause long enough to glance at a "Future Home of ???" billboard in a vacant downtown lot and you're asked if you want to buy some land. Talk to diner staff who open their doors to 5 a.m. lineups, watch office workers scurrying between meetings: you realize how challenging it is to create a sustainable outpost around the machinery that in five years will be producing more than half of Canada's crude oil.

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Led by Syncrude and Suncor, with a patchwork of 60 other oil sands projects in their wake, energy companies are racing to harvest the 315 billion barrels of oil buried in the Athabasca tar sands that are recoverable with current technology. There's more crude in these bitumen reserves than in Saudi Arabia: it's the single largest source of petroleum in the world. Yet debate about the Kyoto accord to reduce greenhouse gas emissions is feeding grave economic doubts, and many locals avoid the word "boom." They prefer "rapid expansion." "Boom," as they know from previous oil rushes, implies an eventual "bust."

The numbers, regardless, are mind-boggling. Spurred by $86-billion of projected oil sands investments in the Regional Municipality of Wood Buffalo, the administrative framework around urbanized Fort McMurray, the city's population soared from 35,000 in 1996 to more than 47,000 in 2002. Since 1996, $17-billion worth of development has been completed. Projects worth $7-billion are now underway, and $62-billon worth are under evaluation. Despite this limbo, the city's population is forecast to reach 60,000 within a decade. The region has already topped 60,000 (including 8,000 living in oil sands work camps) and could hit 75,000 by 2012.

Although it bolsters economies as far away as southern Ontario's manufacturing sector and Newfoundland's fishing outports, Fort McMurray in many ways remains a typical Alberta city. It is flush with employment, harbours a surprisingly harmonious ethnic diversity and is stocked with small-town émigrés who bring a frontier warmth. Dads let sons drive the family SUV to weekend soccer games; moms apologize when their car alarms startle strangers. But Fort McMurray is also a hyperactive anomaly—a place of mass consumption, conformity and me-first bravado, of strip malls, drive-throughs and satellite dishes, a place where businesses and officials are scrambling to supply the infrastructure the population requires.

"Fort McMurray is like nowhere else in the world," says local MLA and former mayor Guy Boutilier, who is also Alberta's Minister of Municipal Affairs. When Boutilier arrived 25 years ago from Nova Scotia to work as a co-op student with Syncrude, Fort McMurray was in the midst of its second boom. The Syncrude plant, today the region's largest, had just opened. (The first boom began in 1964 when the Great Canadian Oil Sands project, now Suncor, transformed the sleepy town of 1,300 into an incipient industrial centre.)

Boutilier feels the community is better prepared for expansion today than it was in the seventies, when it earned a reputation as a glorified booze- and brawl-soaked work camp. Wary of those roots, authorities planned ahead, building a city hall and hospital with empty floors and paving fire hydrant-lined streets long before they were furnished with houses. But despite further advances, such as a twinned highway north to the oil sands and a new $22-million highway interchange, Fort McMurray is bursting at the seams again. "The idea that one size fits all," Boutilier says, "I don't think it works here."

LOOKING OUT HIS OFFICE WINDOW at the green hills across the Clearwater River, Stephen Clarke, the municipality's manager of planning and development, lists Fort McMurray's immediate needs. The sewage and water treatment plants, for instance, require $49-million and $12-million upgrades respectively. But there's a lag between development and realizing additional tax revenue, and Clarke is unsure where the money will come from. "We don't want to feel like a spoiled child," he says, "but it's crucial we get support from the government, because we're the engine of growth for much of Alberta."

The Klein government has discussed treating the municipality as a "growth corridor," like Calgary and Edmonton, and providing special funding. They've also contemplated "Alberta advantage" bonds, which would generate capital for roadway and other infrastructure projects by allowing citizens to purchase project-specific bonds. Much of this talk is preliminary, but the province clearly wants to play a role. "At the end of the day," says Boutilier, "we want to prevent opportunity from being missed."

Clarke says Fort McMurray is in no danger, because every issue has been "flagged" and the city's housing crisis is its top priority. According to the

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Regional Issues Working Group, which compiles statistics for planners, the city needs 720 new housing units annually for the next nine years. Builders don't want to oversupply and deflate the market, yet mounting demand encourages them to erect houses and apartment blocks rapidly. Rents and prices remain exorbitant, however, due to the boom-inflated average family income of more than $80,000—$20,000 above Alberta's average. "Because of a lack of supply and increasing demand and the diversity of income, with 40 per cent of families making more than $100,000, the private sector cannot help," says Gilles Huizinga, chief administrative officer of the Wood Buffalo Housing and Development Corporation (HDC), a municipally owned entity established to create affordable housing. "This place," he adds, "is the most desperate area I've ever lived in."

This desperation has triggered a creative response from the HDC. Last summer, residents with a range of incomes moved into Edgewater Court, a provincially subsidized 180-unit downtown development that was nominated for a Canada Mortgage and Housing Corporation innovation award. The municipality and province are also streamlining development bureaucracy, thereby expediting dozens of acres of land onto the market. Still, Huizinga says roughly 3,000 families are either "under-housed" or paying "unreasonable" portions of their income for housing.

"Under-housed" describes families crowded into small apartments or bouncing between homes as extended families double up. From 1999 to 2000, the average number of residents per apartment jumped from 1.8 to 2.7. And these dwellings aren't cheap. A new "starter" home sells for approximately $250,000, a mobile home for up to $150,000. Rents, meanwhile, have doubled and tripled as landlords seek profit amidst this growth spiral. It's standard to pay $1,000 a month for a one-bedroom apartment—if you can find one. An oil sands mechanic, one of an estimated 15,000 Newfoundlanders in town, tells a typical horror story. He and his partner paid $550 a month for their apartment in 1997. Today, the same unit costs $1,550 and the couple have had to move in with relatives. "It wouldn't be a bad place to make a home if you could afford it," the mechanic says. "I ain't gonna be here forever, I know that much."

Besides housing, the influx of money creates another challenge: crime. When Staff Sergeant Scott Stauffer joined the Fort McMurray RCMP a decade ago, the squad had 40 members. Today there are 78, with 10 more expected in April. The detachment recently graduated from "limited duration" status, which means officers will no longer be posted to Fort McMurray for transitory five-year terms.

Much of the crime the force combats is connected to drugs and alcohol, Stauffer says—"because people have a lot of extra cash." The RCMP ensure they're on Franklin Avenue when the bars shut, to pre-empt fights, and with frequent check-stops on the road to the oil sands camps, the police have seen impaired driving charges increase from 238 in 1994 to 375 in 2001. Because of high oil patch salaries—$70,000, for example, to work at an oil sands plant—soft drugs like marijuana have given way to a budding cocaine and crack problem. Overall, drug offences in the city increased from 184 in 1997 to 621 in 2001. Mayor Doug Faulkner has rationalized that people work hard and play hard, but Stauffer's observation that "Fort McMurray is a really good place to come to learn to be a police officer" is telling.

Social service agencies also shoulder an intense workload. Across Franklin Avenue from the government plaza, Lyn Gorman assembles toiletry kits for street people and fills out grant applications in the cramped office of the Wood Buffalo HIV and AIDS Society. Gorman, who is the executive director of the AIDS Society, past president of the district's labour council and the New Democrat candidate from the last provincial election—"Wayne Gretzky could run as an ND here and not win,"—reports that there were no documented cases of HIV in the region in July 2002. By late September, there were 20. "We knew they were

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here," she says, "but nobody came forward. That takes time and trust."

Wringing as much outreach as possible from her $75,000 annual budget, Gorman is worried. Considering the sweeping global migration to Fort McMurray, which includes newcomers from cultures where condoms aren't used, and the tours of prostitutes that come through on a prairie circuit, she fears the virus will spread. "But we might not feel the effects here," she says, flipping through eight pages of escort ads in the Yellow Pages. "We'll see it all over the world as people go back to their homes."

Down the hall from Gorman, the YMCA's director of immigrant settlement services is doing double duty answering phones and assisting job bank clients. "Five years ago, I used to be able to sit back and put my feet up from time to time," Ed Sandau says. "I don't enjoy that luxury anymore." Roughly 200 landed immigrant families arrive every year, he says, printing off a pie chart that shows three dozen countries of origin. Some welders from Iran and engineers from Algeria have come to join family, but most immigrants come for the bounty of jobs, Sandau says. And locals here don't resent foreigners. Case in point: the sizeable Islamic population didn't experience any notable harassment after the September 11 attacks.

At the local Salvation Army headquarters, above a bustling thrift store, business manager Frank Menezes, like Sandau, is overrun. The charity's 32 shelter beds and 30 emergency sleeping mats are usually full and its drop-in soup kitchen was discontinued last spring (temporarily, Menezes hopes) when the program ran out of money. Although he doesn't have exact figures, he knows there are at least 60 homeless people in Fort McMurray every day. "Demand is increasing very fast," says Menezes, who also helps people find jobs, drug and alcohol counselling or a place to sleep off a binge when it's –30° C outside. "Industry has grown so fast, it's difficult for infrastructure to catch up."

TAKE A SHORT DRIVE to one of three large campgrounds on the edge of the city and you'll see some of the "underhoused." At the Tower Road campground, trailers and motorhomes are lined up in orderly rows with satellite dishes out back. Three men from New Brunswick sit under an awning griping before heading off to their oil sands jobs. "I pay $830 a month to live here," says one, "for a mud hole in a gravel pit." "We talk about it every hour of the day," says the second man (all three ask to remain anonymous). "If there was work at home, we wouldn't be here." They came to Alberta for money, but they're not saving much, says the third, noting that electricity meters will push wintertime rents in the campground up to $1,200. "It's not the same attitude like in the East," he says. "All people talk about here is money. Down home, you get the smell of the ocean. Here it's all pollution." Yet they know that despite their complaints and wearying sleep-eat-work routines, desperate people will keep coming from Atlantic Canada.

At the Centennial Park campground, shouting distance from Highway 63 at the southern end of Fort McMurray, a pair of young men from B.C. grumble about the constant drone of trucks and airbrakes and seem dubious about sleeping outdoors all winter. But 25-year-old Chris Burns and 23-year-old

CARL PATZEL

Aaron Jones enjoy their drywalling jobs. "My first day here, I got a job," says Burns, rolling a cigarette and stoking the campfire on a chilly autumn night. "I'm sticking around for the long haul. I need the money." Their site at the campground indicates they're dug in: they have a TV, VCR and stereo under a tarp—unguarded property respected by their fellow resident campers—and a collection of car seats and lawn chairs strewn around the fire.

"It seems pretty promising," nods Jones, whose wife and twin boys will soon join him from Courtenay, B.C. Jones has a three-bedroom trailer lined up for their arrival. Burns says only 10 building permits were issued in Courtenay in 2001. Here, they work non-stop, hurriedly drywalling 800-square-foot apartments that will rent for $1,700 a month. And each unit is exactly the same. "It's nice," says Jones. "I know the measurements for everything before I show up."

Neighbourhoods like Confederation Heights, where Jones and Burns are slapping together apartments, starkly contrast their highway-side campground. Across the Athabasca from Centennial Park and up the ring road that serves as the commercial hub for the area, these neighbourhoods, which are home to more than 24,000 people, feel surreally similar to the outskirts of Calgary.

At an elementary school in one subdivision, Thickwood Heights, Grade 6 teacher John Vyboh, who is also a municipal councillor, recounts his arrival 21 years ago from Montreal. A Liberal candidate in the last provincial election, Vyboh has had countless opportunities here—like portraying Mozart in an amateur theatre production of *Amadeus*. Vyboh, who doesn't lock his doors at night and leaves his keys in the car, praises Fort McMurray as a wonderful place to raise kids. "It's like living in the suburbs," he says, "but we're a heck of a long way from downtown."

The cost of living, though, makes retaining teachers difficult for school boards. In order to satisfy urgent needs, Vyboh wants the municipality to access oil sands royalties before they're funnelled south to Edmonton, and council is looking into new ways of levying taxes. Vyboh believes the energy companies should chip in more. They are good corporate citizens, he says. They sponsor arts and sports. "But you have to look at the meat and potatoes, not just which festival you fund. It's a choreographed dance. You have to make sure that if you're leading, you can't leave the other person behind."

Bill Almdale, executive director of the Regional Issues Working Group, insists energy companies are doing enough. By supplying RIWG with experts to sit on its many planning committees and contributing the entire $700,000 annual budget, the companies help the municipality make accurate predictions. Last year, energy companies paid $32-million in municipal taxes. They also fund their own on-site medical services, collect their own garbage and plow their own roads. "These companies do a tremendous amount," says Almdale. "People don't understand how much they do. They're doing far more than their share. Far more than their share."

Almdale would have a tough time convincing Dr. Michel Sauvé, president of Fort McMurray's medical staff association. Last summer, Sauvé alleged that TrueNorth Energy tried to buy the silence of local doctors who were objecting to the company's proposed $3.5-billion Fort Hills oil sands project. After offering $50,000 for research into population growth and health care, TrueNorth president David Park wrote Sauvé a letter promising an extra $100,000 if the association didn't speak out against Fort Hills at an Energy and Utilities Board hearing. The doctors' main concern? That another major oil sands project, and the people it would attract, would further strain the local health-care system. (The project was approved by the EUB in October, but in January TrueNorth announced it was postponing the project indefinitely due to Kyoto-related market conditions.)

Sitting in the cafeteria of the Northern Lights hospital, ignoring his beeper long enough for a coffee, Sauvé explains how dramatically health-care resources are stressed in Fort McMurray. When a community grows so quickly, he says, you can't merely increase the number of doctors per capita; you

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must also upgrade specialty services. Northern Lights is Alberta's only regional hospital without an MRI machine, Sauvé says. It also needs an ear, nose and throat specialist and an orthopedic surgeon—it doesn't have either now. "If you break a bone," he advises, "it'd better be a small bone."

Fundamentally, Sauvé is concerned that since doctors weren't told about the billions of dollars being injected into the oil sands until the last minute, they had no way to plan ahead. "How long does it take for a billion dollars to be transferred electronically in a market setting? And how long does it take for the provincial government to put that money into health care? If growth occurs at the speed industry wants, can the public good be planned along the same timelines?" The TrueNorth dispute, Sauvé says, is emblematic of this gap. Sauvé says he's never heard anyone plan even a decade ahead. "What we need," he says, "is a sense of vision beyond one-year plans."

With thousands of permanent local employees, the corporations driving Fort McMurray's growth do want to see a true community bloom. According to Ann Dort-MacLean, president of the Wood Buffalo Environmental Organization (a coalition of industry, government, environmental groups and native communities), the oil companies are concerned about issues like air pollution. But though she speaks of a good working relationship with industry, she's troubled by the oil sands developments' cumulative effects—"the sheer amount of what's going on."

Dort-MacLean sees economic diversification as the path to a sustainable future. Most oil sands plants bury their used tires, she points out, so a tire recycling facility would be a natural fit. "They have to get past all the money they're making," she says, "otherwise they'll end up with a little ghost town in the north."

Terry Lynn Silverquill's 11-year-old son, Cole, fishing in the Clearwater River, just minutes from downtown.

When she arrived in the late seventies with thousands of other Maritimers, Dort-MacLean didn't foresee a long stay—her husband had a contract position with Syncrude. But their one year became more than two decades, and Dort-MacLean worked for several non-profit organizations while raising three boys. Today, two of her sons live in Edmonton and she's encouraging the third to experience the world outside the Fort McMurray "bubble." She doesn't see herself retiring here. "It's a beautiful community with great people," she says, "but there are no controls. They've got to stop thinking about the almighty dollar and start thinking about the people."

TERRY LYNN SILVERQUILL RECENTLY MOVED BACK to Fort McMurray with her son and husband. He landed an oil sands job. It's home—her dad still phones to alert her when the northern lights are particularly vivid—and she says she'll never leave again. Standing on the banks of the Clearwater River with her family for a Saturday afternoon of fishing, Silverquill says she came straight to the water when she returned. "The hills, the trees… I missed the skies up here. The sunrises and sunsets. Growing up, I always wanted it to be bigger, to have more stores, to be more of a city. Now I miss the nature. A lot of the places we used to go, they're all developed. I like progress, but I guess there's a cost."

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