

Corbella: Penny tax for Calgary isn't a four-letter word

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Licia Corbella

In Oklahoma City, TAX is a four-letter word.

In that sense, Calgary isn't much different than the largest city in the state of Oklahoma. For years, even while Calgary had the lowest property taxes in the country by far, there was enormous pressure for zero property tax increases. As a result, even as Cowtown boomed, much-needed new infrastructure went bust.

But if the irrepressible community boosters George Brookman and Brian Felesky have their way, Calgary will play catchup in a big way by following the lead set by Oklahoma City and bring in a penny tax to fund a package of needed infrastructure projects that will improve the quality of life of Calgarians.

That's why Brookman and Felesky — who together founded and fund a volunteer advocacy group called Transformation Calgary — flew in Oklahoma City's former mayor, Ron Norick, to explain how he got reluctant citizens to buy into a new tax and, more importantly, how doing so turned his city around.

“Calgary is falling behind,” declared Brookman, CEO of West Canadian Industries Group, to the crowd of about 150 community group leaders on Monday.

“Great art shows fly over our heads because our facilities are outdated. Our central library of the 21st century is on the boards, but it’s not in the ground. The most vibrant and industrious city in the country is 10th in terms of convention space. Our Epcor Centre is in need of upgrading and our efforts to draw great sporting events to this city are hampered by a lack of a great field house and great recreational facilities,” said Brookman, a former volunteer president and CEO of the Calgary Stampede Board.

“We want families to come here not because it’s a great place to make a living,” added Brookman, “we want them to come here to make a life.”

Felesky then said that a recent study didn’t just point out that Calgary is a laggard when it comes to recreational and cultural facilities, but is “dead last.”

Felesky, vice-chairman of investment banking with Credit Suisse, explained to the crowd that adequate arts and recreational facilities are “essential” to vibrant, healthy communities, as they have been proven to decrease crime and obesity, and foster innovation, creativity, talent and capital.

Felesky then introduced Norick, mayor of Oklahoma City from 1987 to 1999, as the “gladiator” of the penny tax to a jurisdiction that hates taxes even more than Albertans.

Norick — a self-described tax-averse conservative Republican — with his lovely understated way, doesn’t come across as a gladiator at all. Nevertheless, Norick suffered quite a few battle scars before he convinced 54 per cent of OK City folk to vote in favour of adding one cent to the consumption tax back in December 1993 to pay for nine needed infrastructure projects.

Norick came to the conclusion that something had to be done to attract businesses and jobs to his city after the city lost a contract to house a new maintenance centre for United Airlines to Indianapolis, Ind.

As had happened before, OK City made the shortlist to win the bid, but lost out because the city was deemed less vibrant and attractive as those it competed against.

“You could have shot a cannon downtown,” admitted Norick of his beloved city.

Top of Norick’s list was to stop “mowing” the river that was supposed to flow through the centre of the city. It had been diked and dammed. Now it’s used as a training site for the U.S. Olympic rowing team, and water taxis and other boats float down the river, which has become a central attraction for tourists who take advantage of the other projects built, including renovations to the Civic Center Music Hall and Cox Convention Center, a triple-A baseball park, a sports centre, a four-storey downtown library (now named after Norick) along with some other projects.

The penny tax, implemented for a limited time and just for the nine projects, raised more than \$360

million to build and maintain the facilities.

The city held a big celebration when the sites were all built and the tax was retired.

But guess what happened? The citizens of Oklahoma City saw the benefit to their quality of life, how the city was now attracting conventions and tourists, and a couple of years later, they voted in favour by more than 70 per cent to implement a similar limited-time penny tax to improve area schools. After that tax was retired, the same good folk voted in yet another plebiscite by almost 80 per cent to fund more facilities.

Before the first penny tax, OK City had 399 hotel rooms; now it has more than 2,000 and tourism revenues have similarly ballooned.

Norick says some businesses were worried that city folk would do their shopping in surrounding communities to avoid the penny tax, but that's not what they found.

Citizens wanted to support their city and shopped at home.

What's more, surrounding communities quickly brought in their own penny taxes, too.

Calgary could add the penny tax to the federally administered GST. Albertans with low incomes could receive rebates to make up for their loss and Calgary can start catching up and eventually surpass the facilities in other Canadian cities.

A new tax may be a hard sell in Calgary — but it was tough slogging for Gladiator Norick, too. But while his battle scars have faded, the new library that appropriately bears his name and the waters of the Bricktown Canal still gleam.

Licia Corbella is a columnist and the editorial page editor. licorbella@calgaryherald.com

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