

# Business leaders try to drum up support for penny tax

## Former Oklahoma City mayor speaks in support of proposal

BY JASON MARKUSOFF, CALGARY HERALD    OCTOBER 29, 2012



Lorraine Hjalte, Calgary Herald CALGARY, AB : OCTOBER 29, 2012 - Transformation Calgary co-chair Brian Felesky, left, listens while Oklahoma City mayor Ron Norick explains how a penny tax worked in his city on October 29, 2012 in Calgary. (Lorraine Hjalte/Calgary Herald) (For City story by ) 20040169A

**Photograph by:** Lorraine Hjalte, Calgary Herald

**CALGARY** — Calgary business leaders were beating the drum again Monday for a one-cent Calgary sales tax for civic projects, but admit they've got a gruellingly long road ahead to make it happen.

Their group, Transformation Calgary, would need to win support from city council, the province and the federal government — and the public in a referendum to create the “penny tax” that boosters say could give Calgary new arts and recreation facilities.

None of those four groups are onside yet. And even if the stars do align, the penny tax appended to GST would take effect long after the penny itself is removed from circulation next year.

Brian Felesky, the group's co-chairman, said he's “pathologically optimistic” they can build a popular groundswell or “parade” of Calgarians willing to pay for the facilities that Calgary lacks, from a track field house to an opera centre.

“Both the federal government and the provincial government will be very cognizant of that parade, and they will not find it in their capacity to stand in the way and say, ‘We’re not going to give you permitting legislation,’ ” Felesky told reporters Monday.

As Felesky and co-chairman George Brookman renewed the pitch they launched in 2011, they had help from former Oklahoma City mayor Ron Norick. In 1993, he helped persuade voters to OK a short-term sales surtax that brought the U.S. city its convention centre, downtown library, sports arena and renovated music hall.

“Oklahoma is not a state that likes to raise taxes ... but they understand taxes if it’s for a specific purpose, a specific time,” the self-professed conservative Republican said.

Oklahoma City already had 3.13-per-cent permanent municipal sales tax collected by the state government, so the city had no problem getting state approval for the penny surtax after voters said yes in a plebiscite.

But since Calgary and Alberta have no sales tax, the city would have to get Ottawa to administer it, and also obtain provincial permission. The Redford Tories have quashed talk of a sales tax; the Harper Conservatives, who slashed GST to five points from seven, have frowned on the idea.

The Calgary group briefed various sports and arts groups on the penny tax Monday afternoon, and eight council members earlier in the day. Mayor Naheed Nenshi has mentioned it repeatedly as an intriguing idea but doesn’t yet endorse it — nor do aldermen.

Felesky’s group wouldn’t recommend Calgary hold a penny tax referendum alongside a municipal election, lest it skew voters’ opinions of the proposal’s supporters and opponents.

A stand-alone plebiscite would cost around \$1 million, according to a city report last year on a proposed public vote on secondary suite rules. Transformation Calgary doesn’t have a target date for its vote.

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