MY SEA TO SKY

22nd September 2026

District of Squamish
37955 Second Avenue
P.O. Box 310
Squamish, BC V8B 0A3

Sent via email to: council@squamish.ca

RE: Woodfibre LNG's proposed tax agreement

Dear Mayor and Council:

On behalf of My Sea to Sky, I am writing to formally urge council to **reject Woodfibre LNG's proposed tax agreement** of $142 million over ten years, consisting of a Community Enhancement Payment Agreement (CEPA), and a Revitalization Tax Exemption (RTE) program under section 226 of the Community Charter.

We understand that this is a complex issue. To help inform council, we think it is important to provide additional context to support your decision.

Timeline of the tax negotiations with Woodfibre LNG

In 2014, Woodfibre LNG proposed a **$2 million** tax agreement that would be capped at **$3 million** with inflation during operations. My Sea to Sky successfully advocated for council **not** to accept this unfair tax deal.[1]

In July 2015, the BC Assessment Authority estimated Woodfibre LNG could generate **$5–7 million** in municipal tax revenue per year during operations.[2]

In October 2015, Woodfibre LNG's Environmental Assessment Certificate was approved by the provincial government. According to the *Reason for Ministers' Decision*, Woodfibre LNG informed the province that it would pay **$21 million** in municipal taxes per year during operations.[3]

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[1] Squamish Chief (2014) **Woodfibre tax rate not solidified, says official.** Published 2014-07-31. https://www.squamishchief.com/local-news/woodfibre-tax-rate-not-solidified-says-official-3342076

[2] Squamish Chief (2015) Woodfibre LNG could fetch $7M per year in taxes. Published 2015-07-02. https://www.squamishchief.com/local-news/woodfibre-lng-could-fetch-7m-per-year-in-taxes-3343819

[3] Province of British Columbia (2015) Reason for Ministers' Decision, Woodfibre LNG project, page 6.

This estimate was calculated in 2015 based on a capital cost of **CAD $1.4 – $1.8 billion**. Since then, the capital cost for Woodfibre LNG has increased to **US$8.8 billion** in 2025.[4]

However, we believe that capital costs may be as high as **US $9.9 billion** as per statements made by Woodfibre LNG on page 10 of the Canada Investment Summit Prospectus[5] (see attached) hosted by Prime Minister Carney.[6] This is equivalent to **CAD $13.86 billion**, not including the additional costs of construction of the Eagle Mountain to Woodfibre pipeline and tunnel.

As per the Prospectus, it appears that Woodfibre LNG is seeking additional investors to support expansion to a 2.5 MT LNG export facility. However, the project is already approved by the Canada Energy Regulator to export 3.34 $10^9 m^3$ of natural gas annually as per License GL-340[7] which is equivalent to 2.46 megatonnes (Mt) of Liquefied Natural Gas (LNG). Export license GL-340 allows Woodfibre LNG to export up to an additional 15% of LNG annually. We believe that Woodfibre LNG has been overbuilt to enable it to export at least 2.5 Mt of LNG per year.

Shouldn't the estimated municipal tax revenue for Woodfibre LNG increase commensurately with the increased capital cost of the project?

How much should Woodfibre LNG pay in taxes?

It is our understanding that municipal tax rates (mill rates) are determined by council every year based on community needs and can be adjusted to offset depreciation.

Council identifies how much revenue is needed to pay for critical infrastructure and services, and sets the tax rates for residential, commercial, utilities, farms, managed forests, supportive housing, light industry, and major industry accordingly.

For 2026, the District of Squamish set the major industry tax rate at $125 per $1,000 of assessed value, which generated ~$7.7 million in taxes from Woodfibre LNG during construction. As Woodfibre LNG aims to begin operations in 2027, the question before council is how much Woodfibre LNG should pay in municipal taxes during operations?

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[4] Vancouver Sun (2025) Squamish's Woodfibre LNG price tag balloons to US$8.8 billion https://vancouversun.com/news/local-news/squamishs-woodfibre-lng-price-tag-balloons-to-us8-8-billion

[5] Government of Canada (2026) Canada Investment Summit Prospectus. Document attached.

[6] Government of Canada (2026) Canada Investment Summit 2026. Website accessed 2026-09-21. https://www.canada.ca/en/campaign/canada-investment-summit-2026.html

[7] National Energy Board (2017) Licence GL-340 issued to Woodfibre LNG. https://docs2.cer-rec.gc.ca/ll-eng/llisapi.dll/fetch/2000/90466/94153/552726/977416/3080702/3290433/A84304%2D3_NEB_%2D_Licence_GL%2D340_%2D_Woodfibre_%2D_A5R2K8.pdf?nodeid=3290761&vernum=-2

We do not know what Woodfibre LNG's assessed value will be, but District staff conservatively estimate $400–600 million as per FAQ 21 published on the District's website.[8]

The average tax rate for B.C. communities with major industry in 2026 was **$40.57** per $1,000 of assessed value (ranging from $3.44 to $125.24). We calculated this by identifying which communities had an assessed value for Major Industry in 2026 as per Assessed Values - Schedule 701 and averaged the Major Industry tax rate listed in Tax Rates - Schedule 702 for those communities.[9]

If Woodfibre LNG paid the average tax rate for major industry, it would contribute **$16 to $24 million every year.**

Before it closed in 2006, the Woodfibre pulp mill in Squamish paid a tax rate of **$58.86** per $1,000 of assessed value. See Tax Rates - Schedule 702 for 2006. Similarly, before it closed in 2021, the pulp mill in Powell River paid a tax rate of **$55.5017** per $1,000 of assessed value. See Tax Rates - Schedule 702 for 2021.

If Woodfibre LNG paid a similar tax rate, it would contribute **$24 to $36 million in taxes every year.**

The table below shows how much municipal tax revenue could be generated from Woodfibre LNG every year at different tax rates, at the estimated assessed value of $400–600 million:

Tax rate per $1,000 of assessed value	**Assessed value of Woodfibre LNG**	
	$400M	**$600M**
$20	$8 million	$12 million
$40 (B.C. average)	$16 million	$24 million
$60	$24 million	$36 million
$80	$32 million	$48 million
$100	$40 million	$60 million
$125 (current)	$50 million	$75 million

[8] District of Squamish (2026) WLNG 10-Year Agreement in Principle. Website accessed 2026-09-21. https://squamish.ca/projects-plans-and-initiatives/projects-in-our-community/wlng-agreement/

[9] Government of BC (2026) Municipal tax rates and tax burden. Website accessed 2026-09-21. https://www2.gov.bc.ca/gov/content/governments/local-governments/facts-framework/statistics/tax-rates-tax-burden

Squamish is one of the fastest growing populations in Canada. We need municipal tax revenue so we can invest in critical infrastructure and services including roads, clean drinking water, waste management, parks and recreation, fire and emergency services, and more.

The District's 2026-2035 Financial Plan identifies several pressures on municipal finances, including: aging infrastructure, inflation and higher costs, higher RCMP costs, transit expansion, and climate preparedness.

If Woodfibre LNG doesn't pay its fair share of municipal taxes, it unfairly shifts the tax burden to home owners and small business owners.

Don't repeat Kitimat's terrible tax deal with LNG Canada

The tax rate for major industry in Kitimat is set to **$32.41** per $1,000 of assessed value, which should generate **$47.8 million** per year for that community.

Instead, the pro-LNG council in Kitimat signed a ten-year tax agreement with LNG Canada for **$24.25 million** over five years of **construction** from 2019–2023 (= $4.85 million per year average) and **$9.7 million per year** for the first five years of **operations** from 2024–2028, adjusted by the Consumer Price Index (CPI). See the infographic shared by the current Mayor of Kitimat via Facebook (attached).[10]

LNG Canada's municipal taxes have been further reduced through the Haisla Bridge Exemption Amount, as the Federal government provided funding to replace the Haisla Bridge, resulting in a **~$16-20 million subsidy on municipal taxes** for LNG Canada, paid for by Canadian taxpayers.

We note that clause 4.2 of the CEPA with Woodfibre LNG states *"The Community Enhancement Payments above shall not be adjusted for CPI or for any other reason whatsoever."*

Woodfibre LNG is not a good corporate citizen

70% of Woodfibre LNG is owned by Sukanto Tanoto, a notorious billionaire from Indonesia whose companies have been linked to tax evasion and profit shifting, human rights abuses, exploitative child labour, animal rights violations, and environmental destruction (see the references on our website).[11]

Corporate ownership is structured so that Woodfibre LNG may never declare a profit in Canada—instead, profits will likely flow offshore to Singapore and/or offshore tax havens to avoid taxes. See posterboards attached.

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[10] Phil Germuth (2026) Re-elect Phil Germuth for Mayor. Kitimat myth versus fact. Infographic shared via Facebook, 2026-09-10.

[11] My Sea to Sky (2023) Who owns Woodfibre LNG? Website accessed 2026-09-21. https://myseatosky.org/defend/stop-woodfibre-lng/who/

As noted in the timeline above, Woodfibre LNG proposed a tax deal of $2 million per year in 2014 while informing the Provincial government it would contribute ten times that amount in municipal taxes.

In 2022, My Sea to Sky exposed that Woodfibre LNG covertly funded Squamish Forward,[12] a local group led by Evan Drygas and Gord Addison, which started a petition[13] to stop the District from borrowing the money it needed to upgrade critical infrastructure to supply Squamish with clean drinking water and to manage our wastewater. This stunt **cost Squamish taxpayers half a million dollars.**[14,15]

Woodfibre LNG actively undermined trust in local government to influence voters in the leadup to the previous municipal election in 2022, in the hopes that a pro-LNG council would give them a sweetheart deal on taxes.

In April 2026, My Sea to Sky exposed that Woodfibre LNG plans to double or triple in size.[16] Since 2015 we have warned regulators and the public that the capacity of the Eagle Mountain to Woodfibre pipeline and tunnel—currently under construction by FortisBC—could allow Woodfibre LNG to expand significantly. Minister Hodgson's statement[17] confirmed our long-standing concern that Woodfibre LNG has overbuilt infrastructure to enable a phased expansion of the project while sidestepping the environmental assessment process. We are extremely concerned that Woodfibre LNG is exploiting regulatory loopholes to advance a project up to three times bigger than initially assessed.

Council must evaluate the proposed municipal tax agreement with Woodfibre LNG in light of this pattern of corporate conduct, which demands heightened scrutiny and circumspection.

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[12] Breach Media (2022) In this B.C. town, big money is bulldozing democracy. 2022-10-07 https://breachmedia.ca/in-this-b-c-town-big-money-is-bulldozing-democracy/

[13] Squamish Chief (2022) What caused Squamish folks to vote against the public works facility loan? 2022-03-07 https://www.squamishchief.com/local-news/what-caused-squamish-folks-to-vote-against-the-public-works-facility-loan-5135865

[14] Squamish Chief (2022) Squamish residents may be going to the polls over public works yard. 2022-03-02 https://www.squamishchief.com/local-news/squamish-residents-may-be-going-to-the-polls-over-public-works-yard-5118415

[15] Squamish Chief (2022) District of Squamish public works facility loan approved second time around. 2022-09-07 https://www.squamishchief.com/local-news/district-of-squamish-public-works-facility-loan-approved-second-time-around-5791591

[16] Business in Vancouver (2026) Minister reveals ambition to triple production at B.C. LNG terminal. 2026-04-01 https://www.biv.com/news/economy-law-politics/minister-reveals-ambition-to-triple-production-at-bc-lng-terminal-12089730

[17] ARC Energy Research Institute (2026) This Is Our Moment: An Interview With the Honourable Tim Hodgson. Podcast, 2026-03-25. https://www.arcenergyinstitute.com/this-is-our-moment-an-interview-with-the-honourable-tim-hodgson/

MY SEA TO SKY

Lawsuits are a strongarm tactic

Woodfibre LNG's recent lawsuits are a clear intimidation tactic to try to bully the District and avoid paying its fair share in taxes. If the proposed tax agreement is approved by council, we understand that Woodfibre LNG will drop its lawsuits.

However, it is our understanding that local governments have broad authority to set property tax rates for each property class via an annual tax bylaw. We question whether Woodfibre LNG's lawsuits have any merit?

For additional context, Woodfibre LNG claimed in its June 5, 2025 Petition to the Court[18] that paying ~CAD$1.8 million dollars in municipal taxes during construction would make this US$8.8 billion dollar project unsustainable. To put this in perspective, Woodfibre LNG is spending at least **US$6 million a day** (~US$8.8 billion over 4 years) to construct the facility, while quibbling over a few million dollars in municipal tax revenue.

One LNG carrier could earn $37–93 million, every week

LNG prices are extremely volatile. The global price of LNG in Asia has varied over the last fifteen years from a low of US $2.03 per Million Metric British Thermal Units (MMBtu) in June 2020, mid-pandemic, to a high of US $54 per MMBtu in August 2022 when Russia invaded Ukraine.[19]

Based on the current price of LNG in Japan and Korea of $25 per MMBtu in September 2026 (influenced by Trump's military conflict with Iran),[20] one LNG carrier could earn $93 million, every week. Even if the price of LNG drops to $10 per million Btu, one LNG carrier could earn $37 million, every week.

If Woodfibre LNG doubles or triples in size, the number of LNG carriers will increase to two or three LNG carriers every week.

Given the potential revenue that Woodfibre LNG could earn on a weekly basis, the municipal tax agreement that is currently proposed is a terrible deal for Squamish.

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[18] Woodfibre LNG versus District of Squamish 2025. Petition to the Court. 41 pp. https://drive.google.com/file/d/1XP2NaYmOaCLcpakP4pp2Q1X0_1FtO3qe/edit

[19] FRED (2026) Global price of LNG, Asia. Website accessed 2026-09-21. https://fred.stlouisfed.org/series/PNGASJPUSDM

[20] Trading Economics (2026) Liquefied Natural Gas Japan Korea. Website accessed 2026-09-21. https://tradingeconomics.com/commodity/liquefied-natural-gas-japan-korea

Tax obligations are not a branding opportunity

Article 5 of the Community Enhancement Payments Agreement (CEPA) details that the District of Squamish must notify Woodfibre LNG of any community enhancement projects that it intends to fund with money received through the CEPA. The parties will then discuss whether to attribute the project to Woodfibre LNG through a physical sign and/or public communications.

Quite frankly, this is abhorrent.

Woodfibre LNG is attempting to turn its tax obligations into a branding opportunity.

This is a recurrent pattern for Woodfibre LNG, as the company uses its obligations to claim outsized public credit. For example, in February 2024, Woodfibre LNG contributed ~10% of the cost of a new CT scanner for Squamish General Hospital, while claiming all the credit.[21]

Council cannot and must not allow Woodfibre LNG to promote the taxes it owes to the District of Squamish as an act of corporate generosity.

Community Enhancement Payments Agreement is high risk

We are extremely concerned that the “voluntary” Community Enhancement Payments are not imposed by law as a tax and will therefore have reduced enforceability relative to property taxes.

Should Woodfibre LNG default on a payment, FAQ # 24 on the District website states that this could result in the District of Squamish pursuing litigation to collect CEPA payments.

An analysis in Clean Technica in January 2026[22] stated that it is uncertain if Woodfibre LNG will operate beyond 2035, with a medium-high risk of stranded assets. Given the volatility of LNG export markets, and the rapid increase in renewable energy as countries invest in energy security,[23] council needs to evaluate the very real risk that Woodfibre LNG will default on its payments.

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[21] Woodfibre LNG (2024) Squamish Hospital Foundation fundraising for a CT scanner now a reality following $900k commitment from Woodfibre LNG. Press release 2024-02-12. https://woodfibrelng.ca/news/2024/02/12/squamish-hospital-foundation-fundraising-for-a-ct-scanner-now-a-reality-following-900k-commitment-from-woodfire-lng/

[22] Barnard M (2026) Canada’s LNG Mirage: Why Most Projects Won’t Be Built and Taxpayers Won’t See the Payoff. Clean Technica 2026-01-10 https://cleantechnica.com/2026/01/10/canadas-lng-mirage-why-most-projects-wont-be-built-and-taxpayers-wont-see-the-payoff/

[23] CBC News (2026) Is Donald 'drill, baby, drill' Trump helping the world transition away from oil? 2026-09-16 https://www.cbc.ca/news/business/renewable-energy-global-transition-volatility-9.7342800

Conclusion

We urge Council to **reject the proposed ten-year, $142 million tax agreement with Woodfibre LNG**.

Why would the District of Squamish exempt Woodfibre LNG from paying its fair share of taxes?

Why would we accept a tax deal that is below the average tax rate for communities with major industry across B.C.?

Why would we lock in a deal that prevents future benefit if Woodfibre LNG doubles or triples in size?

Why would we lock in a deal that does not increase with inflation?

Why would we cap potential municipal tax revenue for Woodfibre LNG given that we don't know what the assessed value of this multi-billion-dollar LNG export facility will be?

Why would the District of Squamish voluntarily give up municipal tax revenue it is entitled to collect through regular taxation?

Why would we lock in a deal that shifts the tax burden to homeowners and business owners?

Where are the economic benefits that Woodfibre LNG promised our community?

Please stand up for Squamish residents and demand that Woodfibre LNG contribute its fair share of municipal taxes. Reject Woodfibre LNG's terrible tax deal.

Sincerely,

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