

Media Advisory

Grants to Main Street businesses are entirely taxpayer funded

Newmarket, ON, August 4, 2015 – The Newmarket Taxpayers Advocacy Group Inc. (NTAG) recently questioned the lack of oversight with the Newmarket Downtown Development Subcommittee (NDDS). In response to NTAG’s due diligence, the Town of Newmarket claimed that the NDDS program provides \$6.6 million of investment into the local Newmarket economy. NTAG asked for clarification on a number of points and received the following from the Town of Newmarket:

Financial source of NDDS grants and loans:

NTAG has confirmed that taxpayers are directly funding this program specific to Main Street businesses. The Town of Newmarket has confirmed “The Financial Incentive Program is funded through the economic Development annual budget. This forms part of the Operating Budget which is funded through several different sources including taxes, user fees and more”, states the Town of Newmarket.

Data substantiating the claim of a \$6.6 million investment in the Newmarket economy:

“This number is calculated from quotes received prior to funding approval, and receipts provided upon completion of the work”, states the Town of Newmarket. [This refers to quotes for receipts for individual business upgrades/renovations who apply to the program.] “Based on these we are able to obtain an excellent approximation of total project costs. Since program inception, we have tracked the project costs for each individual program component and for each client, and the \$6.6 million is the aggregate total of all project cost since we began the Financial Incentive Program.”

This conclusion is flawed. These are businesses and property owners investing in their own asset. This would be akin to concluding that home renovations result in private sector investment, which benefits Newmarket. The benefit of the NDDS program is to the businesses and property owners utilizing the program. The Town of Newmarket has provided no evidence of any benefit to the economy of our community in any significant manner.

NTAG remains concerned at the lack of oversight with the NDDS program, and the manner in which it is administered. Three current advisory board members of the NDDS, those who approve grants and loans, have all benefited from the program. Several grants do not meet the grant/loan criteria as set out in The Downtown Community Improvement Plan (CIP) – Financial Incentive Program. Many businesses have received two or more grants, when they have moved from one location on Main Street to another.

NTAG implores the Town of Newmarket to take a more active role in this program, at both the staff and council level, to ensure proper oversight in adhering to the prescribed grant/loan rules, and to eliminate any conflicts of interest with current committee members. NTAG continues to question the validity of

this program in this current economic climate, and encourages Council to forthwith review the necessity of the NDDS.

A copy of the Freedom of Information request that provided this information can be found at www.ntag.ca.

The Newmarket Taxpayers Advocacy Group Inc. (NTAG) is a provincially incorporated non-for-profit ratepayers group in Newmarket, ON. NTAG is a non-political, non-partisan, advocacy organization dedicated to fair taxes, less waste and transparent and accountable government in all levels of government (town, region and school boards) in Newmarket, Ontario, Canada. For information on Newmarket Taxpayers Advocacy Group Inc.:

Teena Bogner
President
president@ntag.ca

Doug Brown
Communications Chairperson
Doug@ntag.ca

From: [REDACTED]@newmarket.ca]

Sent: July-17-15 4:07 PM

To: 'president@ntag.ca'

Subject: NDDS follow-up questions

Hello,

You had asked the following:

1. Please advise the source of revenue for these loans and grants. We would like to know if the money for this initiative comes from reserves, residential property taxes or commercial taxes. Please advise.

The Financial Incentive Program is funded through the Economic Development annual budget. This forms part of the Operating Budget which is funded through several different sources including taxes, user fees and more.

2. In the newspaper Mr. Kalio claimed the amount spent on grants and loans has generated about \$6.6 million in private sector investment in the municipality. Please provide evidence of this claim of \$6.6 million in private sector investment.

This number is calculated from quotes received prior to funding approval, and receipts provided upon the completion of the work. Based on these we are able to obtain an excellent approximation of total project costs. Since program inception, we have tracked the project costs for each individual program component and for each client, and the \$6.6m is the aggregate total of all project costs since we began the Financial Incentive Program.

If you wish to request an accounting of how much each property/owner business owner spent on their projects this would be considered third party financial information and we would be required to notify each property owner to request their permission to release. Please file a separate FOI request for this information.

Regards,

[REDACTED]

[REDACTED]

905-953-5300, press 2 ext. [REDACTED]

[REDACTED]@newmarket.ca

www.newmarket.ca