

**March 14, 2016
Cobourg, ON –**

CIVIC Proposal Needs Serious Rethink *Lack of accountability a serious structural flaw*

The Cobourg Taxpayers Association (CTA) says the CIVIC Business Case to be presented to Council this evening for approval in principle is seriously flawed.

Although there are numerous aspects of the CIVIC proposal that are questionable, the most serious is the entire lack of accountability to the public, said spokesperson Ken Strauss.

CIVIC's mandate includes providing bridge financing, mortgage financing, construction loans and loan guarantees for developers.

Strauss said "CIVIC will spend over \$10 Million of taxpayers' money including almost \$150,000 per year in salary for additional bureaucrats. The total is half of Cobourg's annual budget or more than \$1,500 for each Cobourg family and yet it will not be accountable to either Council or taxpayers for the decisions they make involving the use of public funds".

He stressed that the Town is creating a corporation that will operate independent of Council with its own Board of Directors.

"The only way taxpayers will know how public funds are spent is after the fact and maybe not even then".

Strauss drew attention to Centreventure (Winnipeg's CIVIC equivalent) and the alleged tax fraud and purchase of two hotels. A private company now owns 11 per cent of both hotels, even though it never used its own money to acquire the stake in the hotels.

"Even the Winnipeg Mayor, who is an honorary Chair of Centreventure, wasn't aware of the arrangement".

The legal opinion cited in the report presented by Cobourg's Economic Development Officer Wendy Gibson raises serious accountability concerns regarding the expenditure of taxpayer money.

"Council should ask itself why similar attempts to CIVIC failed or were rejected in municipalities such as Brampton and Oshawa", said Strauss.

Strauss said the complete CIVIC concept needs a serious rethink. The CTA has established its own project team to examine in detail all aspects of the CIVIC proposal and will be bringing a delegation to Council in due course.

-30-

For more information, please contact
Ken Strauss at 905-377-9854