

Feedback from Montreal

The City of Edmonton's Administration wishes to thank the Service du développement économique, Ville de Montréal, for their assistance by providing insight and feedback on the program. The following content was provided by the City of Montréal to supplement the publicly available information on their external website.

1. How is the program going since it started in January 2019?

The program was open for applications starting in January 2019 although subsidies were available retroactively to as early as January 1 2016 for city construction sites and September 21, 2017 for Société de transport de Montréal (transit authority) construction sites. To date we have received 102 applications. We had expected to receive significantly more applications than that but it may be that impacted businesses have not yet gone through a full fiscal year in order to have the documentation needed to apply for some of the commercial sectors where the program is available or for other reasons that we are unaware of for now.

We anticipate rolling out additional information to ensure business owners are aware of the program and understand the application process. We also anticipate, in the next few weeks, sending out a survey to merchants in the 37 commercial sectors where the program is available to obtain feedback on the program.

2. Have you received any feedback from businesses? What have they said about the program?

We have not received much feedback yet from individual businesses. However, we have been told by some of the merchant associations that the threshold of gross profit loss of at least 15% is too high. However, our research to date suggests that 15% seems to be the appropriate level as those businesses with a lower % loss of gross profit are likely able to meet their expenditures (fixed costs) and at least do not have a loss on net profit.

3. What was the rationale for the exclusion of some business activities?

A policy decision was made not to include massage services. For the rest, a decision was made based on business activities less likely to be impacted by major construction.

4. *How many applications have been made? How many have been approved / denied?*

Of the 102 applications received so far:

- 44 were accepted for subsidy, some of which go back to 2016
- 36 were denied, mostly because they did not meet the 15% threshold
- 22 are still in the process of being reviewed, mostly because the application was not complete or further information was needed

5. *How much money in subsidies has been granted? How much of the \$25 million has been used so far?*

To February 13, 2020, we have provided \$1.4 million in subsidies. Based on 44 accepted applications, this represents an average of approximately \$32,000 per business (as indicated above, some received subsidies for more than 1 year).

6. *Do you have any information on businesses that have participated in the program? How many businesses have participated? What kinds of businesses? In what proportions?*

Of the 102 applications received so far, the majority were from restaurants with the second highest industry being clothing stores.

Of the 44 accepted applications:

- 17 were restaurants
- 7 were clothing stores
- 20 other

Of the 36 applications not granted:

- 13 were restaurants
- 3 were clothing stores
- 5 were food industries like grocery stores or bakeries
- 15 other

7. *Do you have any statistics on the effects of the program? Has the number of businesses going out of business decreased? Any other measures of the success of the program?*

We do not yet have any statistics to show the effects of the program. We anticipate the survey will assist in providing feedback on the effect.

8. *Have you found that any of the requirements of the program have been too restrictive or too lenient?*

When developing the program, we looked at some European cities that had a similar program. Most of them use the 15% gross profit loss as the threshold. Based on our experience and the information we received to date, that seems to be the correct threshold.

Further, because we know that many of these small businesses do not produce financial reports, it was decided that in order to ensure the small businesses are able to apply without expending money to prepare the reports, a decision was made not to require audited financial statements. Rather, the application only requires information the businesses should already have in their possession such as corporate Income Tax Returns. A financial report is requested if they have one, but we do not require them to supply it as part of the application.

9. *Have you made any changes to the program after rolling it out? Do you intend to make any changes to the program?*

No changes have been made to the program to date.

10. *How many staff are needed to implement the project so far?*

So far we have 2 staff to implement the program.

We are always attentive to the comments we receive and are open to considering all comments with the possibility of making changes to the program. We anticipate we will make recommendations relating to the maintenance as is or to certain modifications to the program following the results of the survey that we will be carrying out soon.