

May 12, 2022

Dear Mayor Guthrie & Council Members:

Re: CLAIR MALTBY SECONDARY PLAN

I am writing to ask all Council members to press pause at the Special Council Meeting on Monday, May 16th and refer the Clair-Maltby Secondary Plan final report back to staff.

There are a number of important outstanding issues with respect to Clair Maltby, which others will speak to, my focus is on the financial impact of this huge green field project for the current residents of Guelph.

First to thank staff and Watson associates for all their hard work on this file. It has taken up a huge amount of the staff time of the planning department. Prior to the pandemic, I attended several of the workshops/forums/open houses facilitated by staff to explain to the Guelph populace and the developers who have an interest in building in this area, what the staff were proposing. More recently, my thanks to the city financial staff for answering questions promptly and clearly.

The infrastructure costs for the proposed Clair-Maltby development were estimated in early 2021. This estimate did not include the inflationary costs of current construction projects. This sharp rise in costs, is not peculiar to Guelph, overall inflation is running at close to 7% the highest in close to 30 years. However, construction costs, due to a number of factors beyond our control are estimated to have increased by between 30- 50%. Those increased costs will have a *major* impact on the overall cost of infrastructure which needs to be in place to support this new greenfield development site.

In early 2021 the overall cost was estimated to be \$560 million. If we assume that in Guelph construction and development costs will increase at the low end of inflation, this would mean an increase to overall costs of \$168 million for a total of \$728 million, almost three quarters of a billion dollars.

Of course these up front costs will be spread over a several years; however, the Watson report indicates that development in the Clair Maltby area will be spread over a 20 year period, and so income from DCs will also be spread over that 20 year period. Council members will already be aware that the detailed fiscal analysis completed is based on 2021 estimates and includes ALL sources of income, not just DCs.

Page 2 of 2

Clair Maltby Secondary Plan

A portion of this estimated \$728 million will not be covered by DCs and other income and will be added to the tax rate for current residents. In addition, since infrastructure must be put in place before development, the city will need to pay for these up front capital costs and will incur debt to do so.

Before council makes a decision on the secondary plan for the Clair Maltby, I would urge Council to direct staff to complete a revised fiscal analysis which is based on the current rates of inflation and that this information be shared with Guelph residents prior to council considering the Clair Maltby secondary plan for acceptance.

Clair Maltby is the most expensive project under taken by the city and includes a substantial investment through their tax dollars of the current residents of Guelph. There is no mention in any of the supporting material how such a huge investment will impact on other growth projects in other parts of Guelph. It is important to have all the financial information to hand and to take the time to get this right.

I would be remiss not to also mention that there is no information on how the Clair Maltby project will contribute to the City of Guelph's aspirational target of carbon neutrality by 2050. A new community which is likely to house minimally 16,000 new residents by 2041, is an important opportunity for the city to put in place effective targets to support the shift to carbon neutrality. Currently, there are no targets or stricter requirements for developers to help the City of Guelph achieve carbon neutrality by 2050

Sincerely

E. Lin Grist