

February 27, 2026

To: His Worship Cam Guthrie, Mayor of Guelph

CC: Guelph City Clerk (For the Public Record – March 4 Meeting)

CC: City Council

Your Worship,

I recently attended your State of the City address on February 12th. Answering a question about steadily increasing Development Charges (DCs), you stated your belief that "with more supply, we could have more choice, and more competition that will drive some prices down." You are absolutely right to focus on adding supply.

Ahead of the March 4 Public Meeting on the DC Update Study, I am writing to counsel a fiscally responsible shift in our strategy. While I commend your commitment to protecting Guelph's AAA credit rating, the growth pays for growth model is faltering. Builders are facing a perfect storm of non-viability: high construction costs, cooling market values, and compounding municipal burdens.

Today, roughly one-third of new housing costs are government-fee-based. Whether a project is halted directly by a \$15.5 million DC bill—like █████ Scottsdale Drive—or rendered unviable by the cumulative weight of DCs, Parkland Dedications, and new regulatory hurdles like the draft Community Planning Permit System (CPPS), the result is the same: shovels stop. For high-density infill, this is actively causing a stagnation deficit.

Lowering the municipal fee side is the most direct way for the City to help these projects pencil out in the short term. When these burdens stall a project, we are not saving taxpayer money; we are losing it. A vacant lot pays minimal taxes; a 10-storey building provides a perpetual tax annuity. In the time it takes to wait to collect a one-time fee on a paused project, the City loses more in annual property tax revenue than the fee itself is worth.

Our single-tier peers are already proving the ROI of using temporary waivers to offset these costs:

- In Barrie, Mayor Alex Nuttall used his Strong Mayor powers to launch a DC waiver pilot that quickly stimulated nearly 2,000 housing starts.
- In London, City Council offers a 100% Residential Development Charge Grant to encourage private-sector investment specifically in their core, immediately offsetting upfront development friction.

- In Hamilton, staff analysis of their 2025 DC exemptions confirmed the payback period—the time new property taxes take to recuperate the waived fee—is less than 3.5 years.

You have the unique legislative authority to break this deadlock. I urge you to use your Strong Mayor powers to implement a 3-year Infill Acceleration Pilot, waiving 100% of DCs for high-density projects downtown, in the Ward, and wherever existing infrastructure can accommodate it. This sunset clause will spur construction, expand our tax pool, and permanently lower the burden for all Guelph residents.

Sincerely,

Sandy Clipsham

█ Preston Street

Guelph, Ontario