



**GUELPH
CHAMBER**
OF COMMERCE

City of Guelph Development Charges

Delegation Night

Monday January 21, 2019

President & CEO Speech

Good evening Mayor Guthrie, City Councillors, and members of city staff. My name is Kithio Mwanzia and I am the President & CEO of the Guelph Chamber of Commerce. We are pleased to be here today to offer the business voice and to play an active role as a dynamic solutions provider so as to build a stronger more robust economy and community here in Guelph.

The Guelph Chamber of Commerce is a member driven organization with close to 900 members representing more than 30,000 employees. We have received the National Accreditation with Distinction and are proud to be the champion of the business community here in Guelph. It is our Mission to set the national standard for building community prosperity.

Tonight's presentation has been informed not only by that Mission but by the Chamber's research and consultation with businesses of all sizes that are actively involved in the building of our community.

Currently, Ontario is experiencing improved economic projections and stronger than anticipated economic performance. This has led to Guelph having favourable economic statistics, with one of the lowest unemployment rates in the country and one of the highest GDPs per capita.

However, our community faces significant risks, much like the rest of the province stemming from uncertainty about U.S. economic policies, specifically when it comes to trade, taxation and migration. In order to maximize Guelph's economic growth, Council must consider how decisions made around this horseshoe can confront these challenges that many local employers are impacted by.

In recent Business Confidence Survey—62% of businesses in Ontario indicated they are not confident about the economic outlook of the province due to the high price of inputs such as business costs.

I would like to reiterate our publicly expressed concern that the proposed increase in the fees Guelph charges to builders for new developments will have an effect on housing affordability and the retention of top talent. 65% percent of local employers surveyed through the City's competitiveness survey indicated finding talent as being one of their biggest barriers to success. The cost of residential building could drive up the cost of living in Guelph, which in turn could make the city less attractive to live in for the top talent local businesses need.

The proposed bylaw calls for a 17.35 per cent increase in development charges for residential development and 23.85 per cent increase in the non-residential rate, costs which ultimately will be passed on to the end-user.

No increase in cost of doing business in Guelph lives in isolation. While the increase may be comparable to neighbouring jurisdictions, it is incumbent on city council and staff will find ways in which to mitigate the increases by insuring greater ease of doing business and potentially reducing other soft costs businesses may incur.

Council must work towards, re-affirming its 'Get to Yes' Imperative, which was Council's commitment to being more business-friendly, which included a commitment to ensuring that when fees are increased that increases would be mitigated by reducing compliance and soft costs for businesses. This development charge question provides the opportunity to effectively live up to this commitment and ensure council remain accountable for the pledge that was signed.

Finally, and focusing again on talent, our community is lucky to have such fine post-secondary education institutions as partners. Both Conestoga College and the University of Guelph play important roles in our community, economic prosperity and vibrancy. Post secondary institutions are not a statutory exemption set out by the *Development Charges Act*. It is however the prerogative of City's to provide such exemptions.

Numerous jurisdictions extend this exemption to both Colleges and University that call them home. We fully support treat post-secondary education institutions fairly and uniformly and would therefore advocate for the full exemption from development charges for both Conestoga College and University of Guelph.

Thank you again for providing the Chamber with the opportunity to speak this evening, and I look forward to your questions.