

November 29, 2016

Dear Executive Committee Member,

Re: Third Party Sign Tax (TPST)

I am writing to you in my role as President of the Out-of-Home Marketing Association (OMAC) whose members include Astral Out-of-Home, Clear Channel Canada, OUTFRONT Media and PATTISON Outdoor.

We are very surprised to learn that the City of Toronto is reviewing the TPST as part of the Revenue Strategy. The TPST was implemented in 2010 and from the initial year to 2016 there has been a 6% increase in the tax. This is higher than the City's property tax increases on commercial properties in general during the same period.

The TPST has had a significant impact on the industry; the tax is so onerous that it is a factor in each lease discussion with the consequence being that it is estimated that OMAC's members alone have taken down over 250 boards due to economic non-viability. The removal of these boards has resulted in a loss of tax revenue for the City of Toronto as well.

The imposition of above inflationary increases in the TPST, such as the 25% increase suggested in the Nov. 17, 2016 City's Revenue Strategy Direction Report was recognized by KPMG in their report to City Staff as potentially being harsh and detrimental to the outdoor advertising industry. The outdoor advertising industry has already experienced well in excess of inflationary increases given the increases in the TPST, along with rising permit fees and the introduction of a property assessment tax.

The outdoor advertising industry contributes greatly to economic growth in the City of Toronto. OMAC members create direct and indirect employment to thousands of professionals, rental income to the City and private property owners and marketing support for products and services that drive our local economy.

There is a mechanism in the tax by-law for annual increases and there has been no consultation with the outdoor advertising industry on any proposed changes to the TPST By-Law. OMAC and its' members request that any increases to the TPST are as prescribed in the By-Law.

Regards,

A handwritten signature in black ink that reads "Rosanne Caron".

Rosanne Caron
President
OMAC