



COMPUTER ANIMATION STUDIOS OF ONTARIO



Ontario

Ontario Media Development
Corporation

January 10, 2017

Budget Committee
Toronto City Hall
100 Queen Street West,
10th Floor
West Tower
Toronto, Ontario

Dear Sir/Madam:

On behalf of the Computer Animation and Visual Effects Studios of Ontario, we are writing to express our grave concerns with regard to the proposed 2017 Transportation Services Operating Budget, which includes a proposal for new Road Use permit fees specific to Commercial Film and Television Productions.

The Mayor's Toronto Film, Television and Digital Media Board (TFTDMB), co-Chaired by Councillor Fletcher, and industry stakeholder Jonathan Ahee, provides advice to City Council with the goal of ensuring Toronto remains a premier filming jurisdiction in North America.

We respectfully request that you allow the TFTDMB the opportunity to properly review the impact of the proposed new fees on our industry, before consideration for inclusion in any City Budget.

The negative impact these fees could have on production both large and small will be significant enough to jeopardize production volumes, and importantly, will challenge our client relationships, paving the way for skepticism, putting Toronto at a disadvantage with competing jurisdictions.

As you know, the visual effects and animation industry has grown 300 percent since 2011. Our most recent results for 2014 show us employing over 7000 artists and revenue of \$400 Million dollars with 70% of our volumes from Live Action Productions. This year, we expect a growth of an additional 30%!

Technology has created global competition, thus we are constantly challenged to keep production within our city limits. Recently, we have dealt with a few surprises that shook our client's perception about stability and ease of production in Toronto.

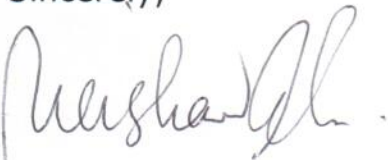
We have spent this past year repairing the reputational damage, with both individual company marketing trips, and stakeholder trips with the Mayor, and with Provincial Ministers, to LA. We have worked together to reassure our clients that our tax credits are stable, and that the City of Toronto has a plan to enhance ease of production within the jurisdiction.

In fact, we will be joining the Mayor on another such trip this month.

This proposal for additional user fees is contrary to the Mayor's promise and threatens to jeopardize the delicate bond re-established with our clients.

We hope that you will allow the TFTDMB the opportunity to properly review the impact of the proposed new fees on our industry, before consideration for inclusion in any City Budget.

Sincerely,



Neishaw Ali,
President

Computer Animation Studios of Ontario

Cc TFTDMB co-Chair, Councillor Paula Fletcher
TFTDMB co-Chair, Jonathan Ahee, President, Nabet 700-M Unifor