

EX32.4.1

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By email: casey.brendon@toronto.ca mike.stamant@toronto.ca

Re: City of Toronto Third Party Sign Tax
Consultation and Report

Gentlemen,

OUTFRONT Media Canada thanks the City Staff for the open and consultative manner with which this review has been conducted. Tax increases are unlikely to be embraced by the tax-payer, but in at least in this instance, it appears the legitimate concerns of the industry have been given a fair hearing.

We hope that the following comments will be regarded as constructive. That is our intention.

While the proposed changes may be revenue neutral at the outset, we believe that as time passes the changes will increasingly serve the City and the industry on several fronts:

Revenue Growth for the City: The reclassification of certain smaller-size digital signs to a lower class will encourage the industry to seek more opportunities of this nature, within the limitations of the sign by-law, and ultimately this will result in tax-revenue growth for the City.

Reasonable Opportunity for the Industry: Although this is not within the ambit of City finance, it is our hope that the reclassification might in future be accompanied by appropriate relaxations in the sign by-law to allow for some modest growth.

Tax Fairness: The proposed changes provide some relief for the industry and for its landlords on those classes of signs which have been most drastically impacted by the TPST. The related shift of the tax-burden to higher value signs is not an unreasonable approach as it is those signs which are subject to far more sophisticated financial modelling. We ask that consideration be given to point #2, which follows.

Recommendations:

- 1) To provide some cost-certainty going forward, we ask that the new tax structure be fixed for a period of years, and for that period be linked to C.P.I. increases. We suggest that such period be a minimum of five years.
- 2) For the new Class 6 sign, in 2019 the tax would increase very substantially. It would be helpful if that increase could be phased-in over three years.
- 3) We would like clarification that there can be only one tax class and one corresponding tax amount applied to each singular sign structure. The purpose being to avoid a possibility of double taxation on any one sign structure.
- 4) We would like for the nomenclature of the various sign structures to be more descriptive to avoid ambiguity or confusion with the interpretation of the proposed tax class structure. Specifically, in each individual instance where a specific sign product is mentioned, we ask that it be prefaced with whether said sign structure is static, electronic, or mechanical, etc.
- 5) The TPST is a tax on the sign structure and not the revenue associated with the sign structure. With these proposed changes the word "aggregate" has been introduced. The word serves a purpose we do not necessarily object to, but it nonetheless needs to be made clear that the tax is on the sign structure itself.

We acknowledge that your department has already spent quite a bit of time on this matter, and that you have reporting requirements to meet. However, we ask that you consider one further meeting with ourselves, and perhaps others, to review our points 3, 4 and 5. The purpose of this meeting is to ensure that if the proposed changes are adopted by Council, they are as clear and unambiguous as possible.

Once again, thank you for your graciousness and consideration throughout this process.



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