



**EX32.4.2**

March 12, 2018

Casey Brandon  
Director, Revenue Services Division  
City of Toronto  
5100 Yonge Street – Lower Level  
Toronto ON M2N 5V7

Dear Mr. Brandon:

**Re: City of Toronto Third Party Sign Tax Report**

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On behalf of Pattison Outdoor Advertising, I am pleased to respond to Staff in respect to its draft report and recommendations, and we are appreciative of Staff's consultative approach in the matter.

We have several general, and then just a couple of more specific comments to offer, with the latter intended to make the language in the report more compatible with industry nomenclature. As it now stands, the report contains a few ambiguities, which might better be resolved prior to their inclusion in a tax related document.

As to our general observations, we will say that the creation of a new class for larger digital signs, coupled with a re-classification of smaller digital signs, seems a prudent approach. As it is currently constituted, the tax regimen undermines, and will increasingly undermine its primary purpose of revenue generation. There simply is no organic growth to be had. Consequently, we believe that the re-classification of smaller signs will lead to some reasonable opportunity and will, at the same time, serve to generate increased revenue for the City.

This said, we will observe that the rate of increase (some 60%) applicable to those now-existing digital signs which will become Class 6 signs, would be highly challenging for our members. Each of these subject signs was constructed on a financial model which did not contemplate such an increase. We ask Staff either to revisit this rate of increase entirely, or to have it phase-in over a period of years.

Cont.

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**PATTISON OUTDOOR ADVERTISING**

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Further, so as 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. Our members suggest that such period be a minimum of five years.

Our more specific observations are as follows:

- 1) 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. For further clarification, members are amenable to using the highest value classification of the structures signage technology as the assessed taxable amount.
- 2) 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.

Thank you for your time and consideration on this matter.

Yours truly,

A handwritten signature in black ink, appearing to read "Randy Otto".

Randy Otto  
President

Cc: Mike St. Amant, City of Toronto  
Rosanne Caron, COMMB

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