

Corporate and Finance Services Committee - May 28, 2025

Response to Council Direction Regarding the request from the Living Room Community Art Studio to lease units at 1 Mary Street as in-kind services (Ward 4)

That the Corporate and Finance Services Committee recommend to City Council:

Whereas at its meeting of May 26, 2025 Council adopted the Corporate and Finance Services Committee recommendation to refer Correspondence [CF-25-35](#) from the Living Room Community Art Studio requesting to lease units F and G at 1 Mary Street for a period of two to three years through an in-kind arrangement; and,

Whereas the subject property at 1 Mary Street is currently comprised of seven different leasehold areas on the ground floor level and four of these units are vacant with no planned future uses; and,

Whereas units F and G at 1 Mary Street total a combined square footage of approximately 1,510 square feet and have been toured by multiple prospective tenants who are unable to activate the space due to a variety of factors, including but not limited to, the current unit configuration; and

Whereas units F and G have not been occupied since 2021 following use by Atria Development Company as a model unit for the residential project at 80 Bond Street East; and,

Whereas Correspondence [CF-25-35](#) indicates that the Living Room Community Art Studio provides inclusive, arts-based programming that enables individuals and families of all ages, abilities, and backgrounds to realize their potential as creators and cultural stakeholders which directly supports Action 5.A.2 of the Oshawa Economic Development Strategy, Pillar 4 Initiative 6 and 10 of Plan 20Thirty and Strategies 2.1, 2.2 and 4.3 of the Culture Counts: Oshawa Arts, Culture and Heritage Plan; sections 4.5 and 6.2 of the Parks, Recreation, Library and Culture Facility Needs Assessment (P.R.L.C); and,

Whereas the Living Room Community Art Studio also operates the Mobile Art Studio which is a converted bus that allows for the delivery of outreach arts programming across the City which has been part of activations at numerous City events, pop up programming at the Ontario Tech and Durham College campus and other initiatives; and,

Whereas in the context of Correspondence [CF-25-35](#), Section 13.1 of By-Law 178-2022 is met where the proposal aligns with intended priority users of available real property; and,

Whereas Section 13.4 of By-Law 178-2022 also applies as it states "leases and limited interest agreements are generally entered into at market rent. A nominal rent (\$2.00) or

a reduced rent may be applied when: The agreement is with a not-for-profit organization that actively provides services which supplement City services, as determined by the Commissioner, Economic and Development Services in consultation with the Commissioner, Community and Operations Services, and the Commissioner, Corporate and Finance Services.”; and,

Whereas the proposed scope of the usage by the Living Room Community Art Studio will activate a vacant space at 1 Mary Street and extend arts programming to additional community groups in a way that will not require any leasehold improvements to occupy the space; and,

Whereas the City will hold no responsibility for funding or executing leasehold improvements and any alterations desired for the space will require approval by the City of Oshawa and will be completely funded by the Living Room Community Art Studio; and,

Whereas while Section 13.4 of By-Law 178-2022 applies, the Living Room Community Art Studio will be responsible for monthly payments of Taxes, Maintenance and Insurance (T.M.I.) which will be established throughout the lease negotiations, and,

Whereas City staff received a Letter of Value (L.O.V.) for other units located on the ground level of 1 Mary Street in 2022 which estimated the per square foot cost for the main floor commercial space at \$27.00, not including T.M.I.,

Therefore be it resolved that the Corporate and Finance Services Committee select one of the following three options:

Option 1:

That the Corporate and Finance Services Committee recommend to City Council:

That, based on Item CF-25-42 dated May 28, 2025 concerning the request from the Living Room Community Art Studio to lease units at 1 Mary Street as in-kind services, staff be directed to arrange for a Letter of Value (L.O.V.) on Units F and G at 1 Mary Street to determine the recommended market lease rate per square foot for the space and report back to the Corporate and Finance Services Committee in September 2025 with details regarding the value.

or,

Option 2:

That the Corporate and Finance Services Committee recommend to City Council:

That, based on Item CF-25-42 dated May 28, 2025 concerning the request from the Living Room Community Art Studio to lease units at 1 Mary Street as in-kind services, staff be directed to begin negotiations and enter into a two year lease agreement at a base rental rate of \$2.00, exclusive of taxes, maintenance and insurance costs, for the

term of the lease between the City of Oshawa and the Living Room Community Art Studio in a form and content satisfactory to the Commissioners, Economic and Development Services Department and Corporate and Finance Services Department, and the City Solicitor.

or,

Option 3:

That the Corporate and Finance Services Committee recommend to City Council:

The based on Item CF-25-42 dated May 28, 2025, the request from the Living Room Community Art Studio to lease units at 1 Mary Street as in-kind services, be received for information.