



Staff Report to Economic Development Advisory Committee

Planning and Development

FILE: 3360-20-2023-07

REPORT DATE: October 26, 2023 **MEETING DATE:** November 30, 2023

TO: Economic Development Advisory Committee

FROM: Allison Dominelli, Senior Development Services Technician

SUBJECT: Rezoning Application to Permit a Cannabis Retail Store at 112 – 19150
Lougheed Highway

RECOMMENDATION(S):

THAT the Economic Development Advisory Committee:

- A. Endorse the rezoning application to permit a retail cannabis store at 112 – 19150
Lougheed Hwy; OR
- B. Other.

PURPOSE

To present an application for a new retail cannabis store at 112 – 19150 Lougheed Hwy.

☐ Information Report ☒ Decision Report ☐ Direction Report

DISCUSSION

Background:

Earlier this year, the first cannabis retail store in the City was approved, for a location in Meadowtown Shopping Centre.

A new application for a cannabis retail store has now been received, for a unit in Meadowvale Shopping Centre. This application is a Zoning Bylaw text amendment, to permit a retail cannabis store at 112 – 19150 Lougheed Hwy (see Attachment A). The proposed unit is 733 ft², and located near Shopper's Drug Mart.

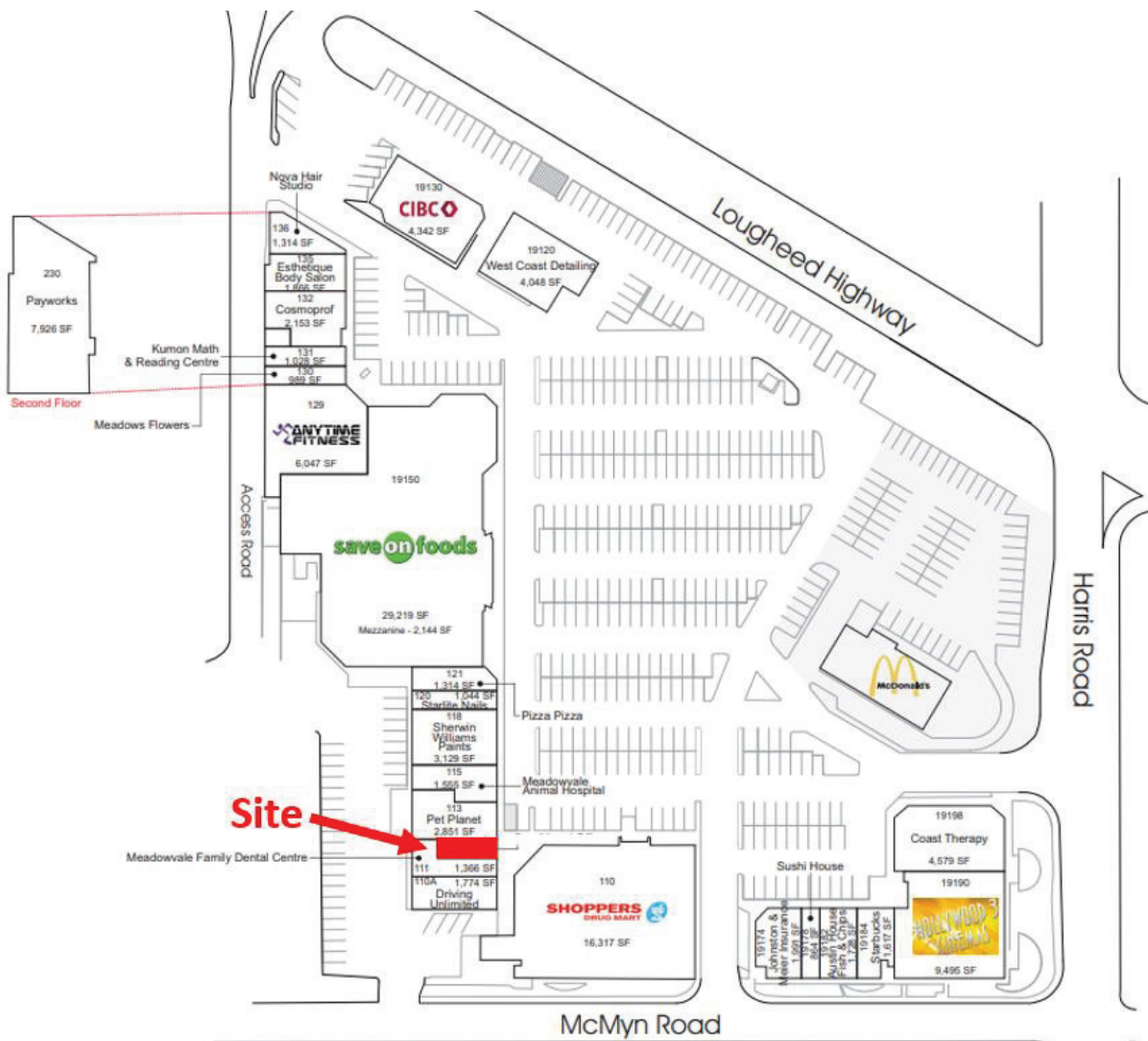


Figure 1: Proposed site

The applicant has operated a cannabis retail store in Kelowna since 2020 (see Attachment B).

There is a third, in-stream application, for a small cannabis retail store proposed to be located at 19167 Ford Rd.

This application was initially considered by Council at their meeting on October 24, 2023, and the following motion was passed:

“Direct the applicant to host a Development Information Meeting regarding the application to permit retail cannabis sales at 112 – 19150 Lougheed Highway.”

At the Council meeting, there was discussion about referring the application to this Economic Development Advisory Committee as well, to obtain feedback about this particular application, and also regarding consideration of the number of cannabis retail stores that the City can support.

There was also a question regarding potential hours of operation for a cannabis retail store. These hours are regulated by the Provincial Liquor and Cannabis Regulation Branch, and stipulate that such a store cannot operate outside of the hours of 9am to 11pm.

Relevant Policy, Bylaw or Legislation:

The City's Zoning Bylaw currently prohibits the retail sales of cannabis in all zones; therefore, Council Policy C108 Cannabis Retail Stores was drafted to define the application process for cannabis retail stores to be able to operate in the City, and provides a framework to evaluate these applications. Since this policy was adopted, staff have received numerous inquiries about cannabis retail application submissions and potential new sites.

This application is for a site specific text amendment to the Zoning Bylaw to permit cannabis retail sales at the subject location only.

Analysis:

Subject Application

The application complies with the evaluation criteria in Council Policy C108: Cannabis Retail Stores, as follows:

Criteria	Criteria Met	Notes
Located within the Urban Containment Boundary	✓	
Designated as Highway Commercial, Community Commercial, or Town Centre Mixed Use in the OCP	✓	Town Centre Mixed Use
Located at least 500 m from another cannabis retail store in Pitt Meadows	✓	See Figure 2
Located at least 200 m from the property line of a school, playground, or sports field	✓	See Figure 2
Separation from places frequented by children or youth	✓	
Potential impacts to residents, if located in a building with a mix of commercial and residential uses	N/A	Commercial uses only
Access for vehicles, including potential traffic impacts and parking availability	✓	Access from Lougheed Hwy and McMyn Rd. Ample parking.
Access for pedestrians and cyclists, including proximity to public transit	✓	Bus stops located on Lougheed Hwy and Harris Rd. Pedestrian and cycling access from Lougheed Hwy, Harris Rd, and McMyn Rd.
Proposed size of the outlet is appropriate to the site's context	✓	733 ft². Small unit within the shopping centre that meets needs of the applicant.

Appeal of the storefront and fit with the neighbourhood context



Vinyl-wrapped opaque windows proposed. See Attachment B for precedent images of Kelowna store.

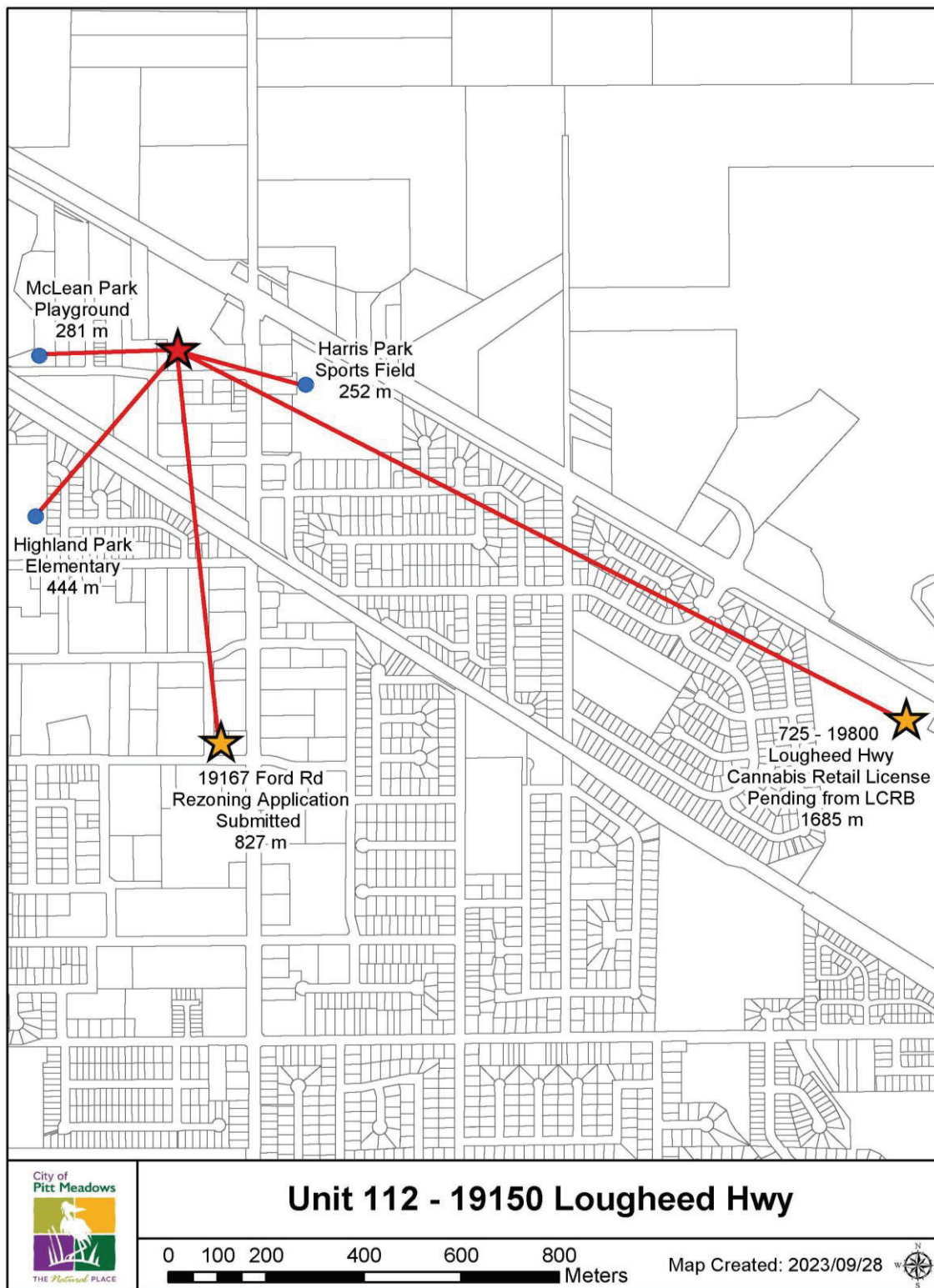


Figure 2: Location (i.e., red star) relative to nearest sports field, playground, school, and other cannabis retail

The application supports the strategy in the City's Economic Development Strategic Plan to provide a supportive environment for small business through policy and regulation.

Number of Cannabis Retail Stores

In their deliberations, Council raised the question about the number of cannabis retail stores that the City can and/or should permit. Some municipalities have a cap on the number cannabis stores permitted:

<i>Municipality</i>	Max # of Stores	Current # of Stores
<i>Langley Township</i>	5	2
<i>Maple Ridge</i>	none	5
<i>Port Coquitlam</i>	none	5
<i>Port Moody</i>	5	3
<i>New Westminster</i>	6	5
<i>Delta</i>	6	6
<i>White Rock</i>	1	1

The second question was whether municipalities should influence the market by limiting the number of a certain type of business.

The City's Policy does not currently contain a cap; however, when factoring the minimum distance buffers outlined in the policy, the areas where another store could be considered are limited (see areas in red in Figure 3 below). Those "remaining" areas, furthermore, may not adequately satisfy other criteria in Council Policy C108: Cannabis Retail Stores, such as access for pedestrians and cyclists, for example. When the policy was being developed, it was thought that the buffers, combined with market forces, would effectively limit the number of cannabis retail stores in the urban area to three.

The Economic Development Advisory Committee is welcome to provide feedback on whether the City should consider a hard cap on the number of allowed cannabis stores. The feedback will be shared with Council and, if directed by Council, the Policy can be amended to include a hard cap on the total number of cannabis retail stores.

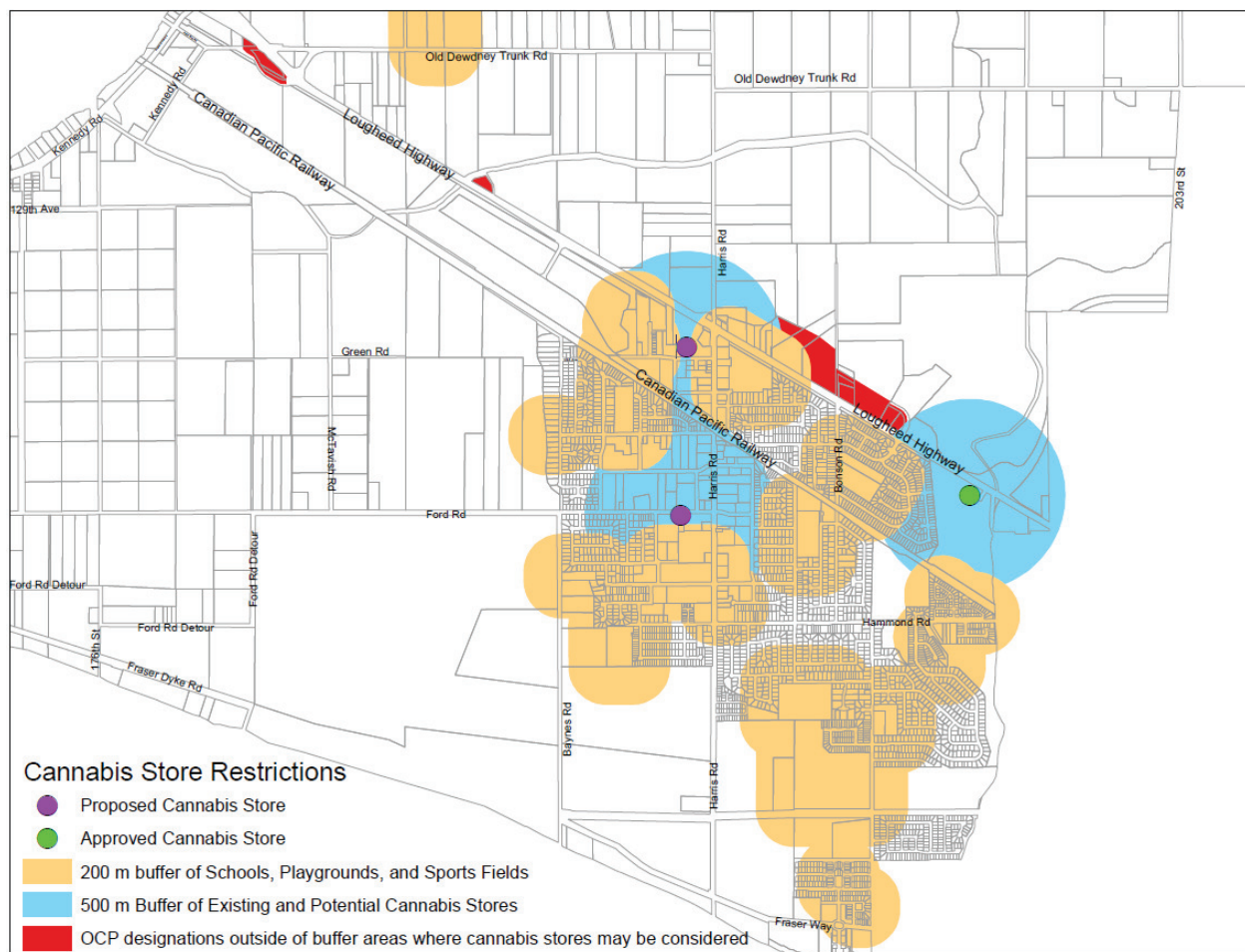


Figure 4: Areas where other cannabis retail stores could potentially locate, complying with Council Policy C108 criteria

Next Steps

Feedback from this Committee, as well as initial public feedback obtained by the applicant from a development information meeting, will be provided to Council when the application is submitted for consideration of 1st and 2nd reading.

Ultimately, if this rezoning application is approved, then a positive recommendation will be provided to the LCRB upon receipt of the licence application referral. Then, the LCRB will determine whether to issue the licence or not, based on their review and evaluation process. If the licence is issued, the applicant will then apply for a business licence from the City.

KATZIE FIRST NATION CONSIDERATIONS

Referral ☐ Yes ☒ No

SIGN-OFFS

Written by:

Allison Dominelli,
Senior Development Services Technician

Reviewed by:

Colin O'Byrne,
Manager of Planning

Patrick Ward,
Director of Planning and Development

ATTACHMENT(S):

- A. Letter of Intent
- B. Kelo Cannabis Business Presentation

**Letter of Intent
Cannabis Store Zoning Application
Kelo Retail Corp.**

September 26, 2023

City of Pitt Meadows
12007 Harris Rd.
Pitt Meadows, B.C. V3B 7N2

The Honorable Mayor and Councillors,

Regarding: Application for a non-medical cannabis retail store

We, Tanya, and Vadim Gramuglia, on behalf of Kelo Retail Corp. (**Kelo**) are applying to operate a non-medical cannabis retail store at the Meadowvale Shopping Centre, #112 – 19150 Lougheed Highway. Kelo has a signed lease for the 733 square foot location.

In support of our application, we ask that you see our Presentation Deck paired with this application and consider the contents of this letter.

We are long time Pitt Meadows residents and have raised our children here for the past 15 years. Vadim is a successful local realtor. Tanya is the president of Kelo and manages the family business, a single cannabis store in Kelowna operating under the trade name of Kelo Cannabis. We would like to open our second store in our hometown.

We have been heavily involved in the Pitt Meadows community since 2008 contributing to several initiatives that include:

- Sponsorship & support of the Pitt Meadows Friends in Need Food Bank
- Programs and fundraising for Pitt Meadows Elementary & Davie Jones Elementary
- Sponsorship for the Ridge Meadows Rustlers & Barracudas Meadow Ridge Female Minor Hockey Association including several golf tournaments, team sponsorships and serving on the Barracudas board and executive.

Location

Our chosen location appears to meet all the requirements of the Pitt Meadows Cannabis Policy. Our proposed location is in an appropriately designated area, over 500 m from another cannabis store and over 200 m from the property line of a school, playground, or sports field. In addition to the distance criteria our location meets the City's other considerations.

- Our location has good separation from places frequented by youths such as parks, daycares and community gathering places.
- Our location has no residential uses.
- Parking and access are excellent.

Community benefits

- We offer good local jobs to the residents. Our Kelowna store pays our employees well above the minimum wage and well above our competitors. Part of our success has been paying higher wages and having staff with hire engagement levels with customers. That higher engagement level leads to safer and healthier choices.
- Health Canada quality controlled local supply to encourage safe product use.
- Kelo will continue the important community involvement it does in Kelowna that Vadim and Tanya already bring to the community in Pitt Meadows.
- Our store will present well with its upscale casual look. Please refer to the photos of our Kelowna store in our presentation deck.
- We are long standing law abiding citizens and we will sell our products with the strictest attention to the laws. Highlights of some of these laws include the following:
 - No display of products in the store window.
 - All display products must be locked up.
 - Minors are not allowed in the store.
 - We must maintain recorded camera and security systems keeping the surrounding area safer.
 - Consumption in or around the store is illegal.

Pitt Meadows OCP alignment

The OCP states that a community consideration is that 85% of Pitt Meadows residents must commute for work compared to 56% of Metro Vancouver residents. The OCP goes on to state that Maple Ridge is at 66% and that there is room for improvement in Pitt Meadows. Our store will employ ten to fifteen people at reasonably good wages locally. Policy 4.2.1 is to encourage transit-accessible and walkable employment opportunities.

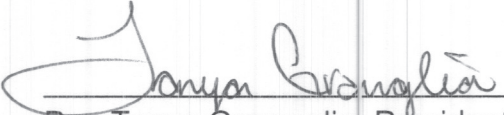
Policy 4.4.3, about the Harris Road Corridor, says that land use designations should encourage local shopping. Later it says that a wide range of commercial businesses are to be encouraged.

Timeline

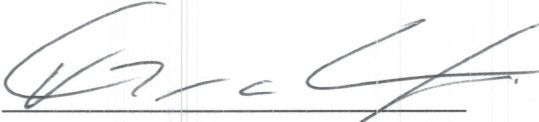
We will arrange our affairs to allow us to start construction of our leasehold improvements immediately after the Province and Mayor and Council give us the requisite approvals. We are hoping that to be by the end of the year. We anticipate that the store will open within three months of the commencement of construction.

We very much look forward to the day that Kelo Cannabis can be part of the Pitt Meadows community. We thank you in advance for your support.

Yours very truly
Kelo Retail Corp.



Per: Tanya Gramuglia, President



Per Vadim Gramuglia, Director

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The name Kēlo (pronounced 'kee-loh') is derived from an ancient African dialect and in its loosest translation means:

“Glorious Life”

Kēlo
CANNABIS



Interior Aesthetics





Exterior Aesthetics



Brand Story

At Kelo Cannabis we're all about living your glorious life with passion, drive, and a wicked sense of adventure. Whether you're shredding pow at Big White or relaxing on a patio after a long hike at Knox Mountain, we want you to soak up the good vibes and enjoy your life to the fullest.

Our team is obsessed with all things cannabis, from the latest strains to high-tech accessories, we want to share it all with you! We're all about connection, whether through conversations about the best local restaurants or finding the cannabis products that suit your lifestyle.

Based in Kelowna, BC, our dispensary emulates the fun-loving, adventurous lifestyle that characterizes the Okanagan. We make sure to carry a variety of staples, brand names, and local weed products for you to explore, and we hope you use them to embrace your glorious life!



Our Values

01.

Find the Fun

When you walk into our store, we want to change your day for the better. We look for opportunities for fun in everyday interactions, and we love the little side conversations. Earning smiles and laughs from our customers makes our day.

02.

Be Open-minded

No snap judgements here. We're passionately curious to discover and learn more about everyone's story. We want to know more and truly care about listening to what's being said.

03.

Informed Expertise

We're passionate about cannabis. Our love for this plant and great products drives us to stay in the know on the latest developments in the market and explore cannabis deeper every day. We're here to offer our knowledge when you ask for it and ensure you always leave feeling confident and comfortable with your purchase.

04.

Living a Glorious Life

We believe that cannabis can bring fun to life and help you connect with yourself and others. We're all about having a good time and feeling your best. Whether you want to chill with friends, get creative, or relax after a long day, cannabis is a great way to enhance these events. We aim to empower you to live your best life with cannabis products that complement your current and future experiences.

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Mutual Benefits

1

Increased traffic to the building, neighborhood, and adjacent tenants

2

Established funded company with working capital

3

Industry leaders poised to be long term solid tenants

4

Tenant improvements typically well in excess of \$300,000

5

Provincially mandated interior and exterior security measures reduce the crime risk to the entire area

Existing Licensed Store In Kelowna

- Located in downtown Kelowna's premier North End
- Growing successful store in a high store environment
- Superior Interior design
- Well paid professional staff
- Top performing delivery service in Kelowna
- Great reputation amongst city residents
- Supporter of other small businesses through direct delivery

Who is our clientele

Brandon | Daily recreational user

Age | 25

Gender | Male

Income | \$42,000

Marital Status | Single

Favourite Brands | Local Breweries, CDN, Local restaurants, Cactus Club, Earls

Renting in the downtown core

Living with roommates

Counterculture

Wanting to support the 'local' shops instead of the government shops



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Who is our clientele

Emily | Curious and looking for products to help relieve stress

Age | 31

Gender | Female

Income | \$48,000

Marital Status | Single/Dating

Favourite Brands | Aritzia, White Jeep, Yoga

Living downtown and surrounding areas

Young professional / Real Estate

They're on dating apps

Searching social media sites such as Instagram and Pinterest

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Who is our clientele

Sam | Occasional user at events, and social gatherings

Age | 58

Gender | Male

Income | Well-off with passive income

Marital Status | Married

Favourite Brands | Marks, Home Depot, Rayban, Range Rover, Molson Canadian

Lives with family

Has children in post-secondary education

Involved in the community and supports local industry

Has a healthy bank account but still makes financially responsible decisions



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Our Team

PROVEN TRACK RECORD



Chief Executive Officer

Max Whalen



Cofounder and President

Tanya Gramuglia



Director

Vadim Gramuglia

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President and Co-Founder

Tanya Gramuglia

- President since inaugural store inception (Kelowna 2020)
- Oversees marketing, internal auditing and personnel as well as day to day operations
- Has grown Kelo into one of the most successful cannabis stores in Kelowna (city with a cannabis store oversupply)
- Involved in business and real estate for over 18 years, placing a high priority on being (and staying) connected with communities, business professionals, and colleagues province-wide
- Mother of two and Pitt Meadows resident for 16 years
- Active member on the Ridge Meadows Barracudas Female Minor Hockey Executive Board



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Chief Executive Officer

Max Whalen

- Innovative cannabis industry expert driven by his passion for producing measurable success in all facets of the sector
- Max's system-oriented approach to leadership and management has fueled Kelo's 120% sales growth over the past two years
- Max has been instrumental in building Kelo's unique competitive edge within the local cannabis market through advanced product procurement strategy, deployment of holistic operational systems, traditional employee mentorship, and establishment of community outreach initiatives
- Max graduated from the University of British Columbia with a Bachelor in Business Management



Director

Vadim Gramuglia

- Actively involved in every facet of the real estate industry since 2004
- Top Producer at Prudential Real Estate from 2004 to 2008 and at Remax All Points Realty from 2009 to present
- Has achieved numerous company Sales and MLS Medallion Club Awards with the Real Estate Board of Greater Vancouver
- Spends his spare time involved in community activities and the different athletic and related community activities of his children



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Giving Back

We value the importance of creating relationships and growing within our community and believe it is important to give back through charity and local events....



Community Involvement



Pitt Meadows

The Gramuglia family has been actively involved in supporting the Pitt Meadows Community since 2008

Initiatives Include

- Sponsorship and support of the Pitt Meadows location of the Friends in Need Food bank
- Programs for Pitt Meadows Elementary and Davie Jones Elementary Schools
- Sponsorship of the Ridge Meadows Hockey Association, the Ridge Meadows Rustlers and the Meadows Ridge Female Hockey Association, the Barracudas
- Sponsorship of a myriad of golf tournaments at Pitt Meadows golf fundraisers

Community Involvement



Kelowna



Initiatives Include

Central Okanagan Food Bank:

- Delivery drivers also pick up food for the food bank

Kelowna Stands With Ukraine:

- Proceeds raised to help purchase safety equipment and medical supplies for Ukrainian soldiers

City Council:

- Work with city council to help ensure the needs of the community are being met

PROFESSIONAL REFERENCE



January 17, 2022

To Whom it May Concern

We developed a higher end multi-tenant industrial commercial development on the peripheral of downtown Kelowna.

One of the early tenants to commit to leasing space was Kelo Cannabis. They have been very reasonable to deal with through the entire process of leasing and their completion of Tenant Improvements.

I would like to make the following comments:

1. The quality of their interior improvements is superior to most retail/commercial tenants. All improvements were completed to a very high standard.
2. The quality of their signage and graphics, which both can be seen externally are also of a very high standard.
3. They consistently maintain the exterior areas adjacent to their premises.
4. The overall development contains 24 strata title units comprising a total of 63,000 square feet. We have not experienced any negative issues related to homeless, vagrancy or security concerns related specifically to this tenancy. As it is in most cities these problems do exist and we do have incidences on occasion related to the entire development but none that we would specifically attribute to Kelo Cannabis.
5. We have not experienced any negative incidents with the customers of Kelo. They attend the store, typically a short visit and depart.

In addition to this we also have a Cannabis Store (Skye Cannabis) in a retail development in West Kelowna. I would attribute all the above comments to that location as well.

Sincerely,

A handwritten signature in blue ink, appearing to be "K. [unclear]", written over a horizontal line.

The logo for Kelo Cannabis, featuring the word "Kelo" in a large, bold, orange sans-serif font, with the word "CANNABIS" in a smaller, black, all-caps sans-serif font below it.

Thank you.

www.kelocannabis.com



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