



#300 – 110 E Cordova St  
Vancouver BC, V6A 1K9  
Canada

**W:** [www.kiaro.com](http://www.kiaro.com)  
**E:** [hello@kiaro.com](mailto:hello@kiaro.com)  
**T:** 1.888.623.2420

Mayor and Council  
Committee of the Whole  
City Hall  
1 Centennial Square  
Victoria, BC  
V8W 1P6

November 25, 2019

**Re: Kiaro Brands Inc. Application for Cannabis Retail Store at 475 Gorge Road East**

Dear Mayor and Council Members,

Kiaro is pleased to submit this letter in support of the recommendation by staff that the City Council provide a positive recommendation to the Liquor and Cannabis Regulation Branch in respect of our application for a Cannabis Retail Store ("CRS") at 475 Gorge Road East, in Victoria.

Kiaro represents a community-minded, full service model focused on an exceptional retail experience. We believe in partnering with the communities in which we will operate and commit to engaging in active and ongoing consultation to ensure we continue to educate and engage the communities we serve. Kiaro recognizes the period of transition that the industry and the local community are going through, and so we would like to ensure that the City of Victoria, and our local stakeholders, are aware of our commitment compliance and transparency moving forward in the new regulated environment; especially given the impact of legacy operators in the area.

We want to be clear that the individuals connected to the previous retail store operation have never had direct or indirect management control, or input into any business unit operated by Kiaro Brands Inc., including the proposed CRS to be located at 475 Gorge Road East. The previous operators will not be employed as staff or be connected to the operation of the CRS in any way. Kiaro's relationship with the previous operators is only through the completion of an Asset Purchase Agreement, and we have had no relationship or business dealings with these operators or the premises prior to July 5th, 2019. Kiaro has never operated in the illicit cannabis market and has never operated without the required provincial licence and municipal business licence.

Shares in Kiaro were issued a holding company owned by the individuals who previously operated at 475 Gorge Road East. These shares were payment in lieu of cash to preserve capital to ensure sufficient resources were available to invest a further \$500,000 in tenant improvement work necessary to ensure the premises are fully compliant for provincial and municipal licensing requirements.





#300 – 110 E Cordova St  
Vancouver BC, V6A 1K9  
Canada

**W:** [www.kiaro.com](http://www.kiaro.com)  
**E:** [hello@kiaro.com](mailto:hello@kiaro.com)  
**T:** 1.888.623.2420

Due to our high operational standards, Kiaro has received positive recommendations from city staff in Nanaimo, Port Moody, Vancouver, District of North Vancouver, Saskatoon and La Ronge. Our Directors, Officers and Key Personnel, as well as all of our significant shareholders have passed substantial vetting by both the LCRB in British Columbia, as well as the Saskatchewan Liquor and Gaming Authority in Saskatchewan.

### **About Kiaro**

Kiaro is a B.C. based cannabis brand that currently operates a fully licensed and compliant Cannabis Retail store in Vancouver and two more in Saskatchewan. Kiaro has never receive an infraction notice in respect of any of these stores. We have more stores currently under development in Nanaimo and Port Moody where we have already received positive staff recommendations for the Local Government Recommendation necessary for the LCRB applications.

Our stores carry a variety of curated products appealing to individuals who wish to enjoy cannabis responsibly. Kiaro plans to open retail stores across Canada and, through its stores, offer a customized omnichannel cannabis experience that is inviting, convenient, and appealing, allowing consumers to choose safe and reputable products. We achieve this through best in class staff training, strong product knowledge, and educational resources. We also seek to create true and long-lasting partnerships with the communities and neighbourhoods in which we operate by investing in meaningful community development initiatives that align with our vision and values. Kiaro's name derives from the Italian word *chiaroscuro*, meaning "to emerge from the darkness into light" – a nod to the new era of cannabis legalization.

### **Our Commitment**

- Kiaro's leadership team is comprised of professionals across a variety of industries who have a track record of success and a dynamic plan for sustainable market growth based on a balanced commitment to our people, operations, and finances
- Kiaro represents a community-minded, full service retail model focused on an exceptional retail experience
- Kiaro believes in partnering with the communities in which we will operate and commits to engaging in active and ongoing consultation to ensure we continue to educate and engage the communities we serve
- Kiaro believes in putting people first and creates a supportive working environment by investing in employee education and good management practices





#300 – 110 E Cordova St  
Vancouver BC, V6A 1K9  
Canada

**W:** [www.kiaro.com](http://www.kiaro.com)  
**E:** [hello@kiaro.com](mailto:hello@kiaro.com)  
**T:** 1.888.623.2420

### **Location**

The location of the proposed CRS at 475 Gorge Road East has been carefully chosen as it already met the City of Victoria's stringent Council Policy on Storefront Cannabis Retailer Rezoning.

We are committed to continuing our engagement with civic, residential and business groups prior to opening, as well as over the long-term should we be successful in our proposal for a CRS, because we want to incorporate their needs and feedback into our operating processes. When the opportunity presents itself, we are also committed to providing information and resources for our key stakeholders about how the regulated retail cannabis sector can and will protect the interests of local residents by improving public health and safety, and curbing the presence of the illicit market in the community. Kiaro is fully committed to ensuring that we build a location that allows us to be partners in the revitalization efforts in our neighbourhood to increase both commercial diversity and long-term employment opportunities.

### **Building and Site**

The proposed site shares the aims of revitalization of the local neighbourhood and was conceived to improve and enhance the aesthetics of the community and surrounding area to ensure a positive experience for local business owners, residents and visiting tourists to the Rock Bay area. Our design and operating practices will ensure we continue to foster an environment that is inviting, tourist-friendly and responsive to the needs of Victoria's citizens. The proposed site's operating hours and size are consistent with neighbouring businesses, and we are planning for significant upgrades to the building, including tenant improvements to the interior and exterior, as well as on-going maintenance, window cleaning and landscaping to complement the esthetics of the local community.

We are committed to facilitating ease of access to the CRS, and to reduce traffic congestion by encouraging our clients to utilize the available on-site parking for the exclusive use of customers of the proposed CRS. We will also post information for our clients and staff regarding sustainable transit solutions and alternative modes of transportation to reduce reliance on personal vehicles, and to help reduce traffic congestion and advance a more environmentally friendly culture.

### **Community Impact**

We are confident Kiaro will not only meet but exceed the community's expectations for a retail cannabis store. We have consulted with local residents and business owners in the area and are aware of potential challenges and negative impacts of the proposed CRS on the community. As a result, Kiaro has identified the specific measures to minimize or prevent these impacts from occurring by ensuring compliance through:





#300 – 110 E Cordova St  
Vancouver BC, V6A 1K9  
Canada

**W:** [www.kiaro.com](http://www.kiaro.com)  
**E:** [hello@kiaro.com](mailto:hello@kiaro.com)  
**T:** 1.888.623.2420

1. Ongoing staff training and staff meetings to review government policy bulletins, regulatory changes and municipal developments. This is over and above all mandatory government training
2. Store design and operating protocols that ensure no minors enter the premises
3. Ensuring that our staff are asking for two (2) pieces of identification, including one with a picture to confirm both age and identity. Kiaro commits to adherence to all federal and provincial laws and regulations, and will consistently implement compliance to the highest operational standards by only accepting the prescribed forms of primary and secondary ID options, and verifying the ID of every patron that enters the store
4. Regularly updating our staff on how to verify various kinds of ID from across the globe
5. Security cameras will be active and recording at all times, including when the store is not open for business
6. Security camera recordings will be turned over the B.C. Liquor and Cannabis Regulation Branch or law enforcement as required
7. The store layout will ensure that no cannabis products are visible from the street, and there will be no offsite storage of cannabis products to improve security and public safety
8. Strict inventory management and sales records will be maintained and made available to provincial government inspectors upon request
9. Patrons intoxicated by alcohol or drugs will be refused service and asked to leave the store immediately
10. Any patron causing a disturbance will be addressed promptly by staff and if behaviour is not immediately addressed, they will be asked to leave the store
11. An incident log will be maintained to report problematic patrons, accident or injury in the store, any illegal acts, or need to call emergency personnel. We will ensure that staff learnings are shared through review of the logbook and at regular staff meetings
12. Staff will cooperate at all times with law enforcement or inspectors
13. All cannabis products will remain in sealed containers, and no cannabis products will be opened in the store to prevent odours from impacting the community.
14. We will educate staff and customers that the excise tax label and other seals on cannabis product containers must remain intact while they are in transport to prevent odours and improve safety.
15. Cannabis products will not be accessible to customers other than at the point of sale and will otherwise be stored in the back room or in locked display cabinets which will further prevent odour issues and improve safety
16. Cannabis smell jars will be physically affixed to the counter and not accessible to touch by the customers
17. Display of social responsibility materials regarding health and safety impacts provided by government; and we will provide our own information in compliance with government guidelines





#300 – 110 E Cordova St  
Vancouver BC, V6A 1K9  
Canada

**W:** [www.kiaro.com](http://www.kiaro.com)  
**E:** [hello@kiaro.com](mailto:hello@kiaro.com)  
**T:** 1.888.623.2420

18. Semi-annual community open-house event where local business owners and residents can engage directly with Kiaro management at an off-site location to share their feedback, learn more about our activities in the community, and about the value of the regulated retail cannabis sector in terms of improving public health and safety and eroding the presence of the illicit market
19. Display of Signs in accordance with prohibitions on smoking inside and in the near vicinity of the building that state the phrase "no smoking" with a graphic symbol, which will be a minimum of six centimeters in diameter,
20. We will also work to educate our staff and clients about the prohibitions with respect to no-smoking in local parks in our area as well as designated public spaces and required distancing protocols from transit stops.
21. All customers will be provided a shopping bag that complies with the advertising and promotional restricts in the federal Cannabis Act.
22. There will be no online sales from the store or by Kiaro in B.C and no delivery services to ensure compliance with provincial regulations

### **Minimizing Odours**

All legal cannabis products in Canada are packaged in smell proof and child resistant containers which are sealed at the manufacturer. These packaged cannabis products may not be opened in the retail store except for minimal quantities in sealed cannabis smell jars physically affixed to the counter. The product may also not be consumed on the premises or in the immediate vicinity of the store. These requirements mean that there should be no possibility of odour issues from the store; however, if there was ever a problem identified, we would immediately take measures to address it. Kiaro is committed to consistently engaging with our local community of business neighbours and residents to ensure compliance, and to work towards collective solution building should any issues arise.

### **Preventing Smoking or Cannabis Consumption**

"No Smoking" and "No Consumption" signs will be posted inside and outside of the store. The signs will be compliant with provincial regulations and municipal by-laws that restrict smoking. Anyone found to be smoking or otherwise consuming cannabis products in or near the store will be asked to leave immediately. We will also keep engaged with the local business community, and residents in the area to ensure are meeting community expectations and working towards collective solution building if any issues arise.

### **Targeted Market Segments**

All marketing and branding efforts will be undertaken in compliance with the marketing and advertising restrictions in the federal Cannabis Act and the provincial Cannabis Control and Licensing Act, as well as any additional restrictions put in place by the City of Victoria.





#300 – 110 E Cordova St  
Vancouver BC, V6A 1K9  
Canada

**W:** [www.kiaro.com](http://www.kiaro.com)  
**E:** [hello@kiaro.com](mailto:hello@kiaro.com)  
**T:** 1.888.623.2420

Kiaro's target demographics for the proposed CRS are set out as:

- Aged 35 - 65 with 60% Male, 40% Female
- Post-secondary education with a household Income: +\$75,000
- Successful careers, with strong social connections with friends and family
- Active lifestyles and open-minded, interested in exploration such as travel, personal development, health and others
- Some cannabis experience, but limited product knowledge

### **Promoting the Cannabis Act and Cannabis Control and Licensing Regulations**

Kiaro is committed to ensuring our retail cannabis stores not only meet but exceed the regulations set by the federal government, provinces and municipalities. We see our role as crucial to:

- Protecting young Canadians by keeping cannabis out of the hands of children and youth
- Enhancing public awareness about responsible use
- Improving public understanding about social stigma and legal issues
- Offering only legally sourced, federally approved, analytically tested products acquired from government authorized distributors and licensed producers

### **Integration of Cannabis Retail into the Establish Business Community**

Prior to submission of Kiaro's application for a CRS in the community, we undertook engagement with the local business community, specifically the Greater Victoria Chamber of Commerce and Rock Bay business group, to discuss local community impact and business concerns related to the opening and operations of a CRS. Kiaro's engagement with local businesses and community stakeholders is a cornerstone of the work we undertake both prior and following the opening of any CRS. We are committed to ensuring we are integrated into the established business community by:

- Joining local business associations to support the community's greater development goals
- Providing educational resources through open-house and community events
- Executing a clean, modern design that compliments the community's business esthetic
- Providing refined and sophisticated retail experience to destigmatize cannabis retail and compliment the City's revitalization objectives
- Ongoing education for staff and providing only high-quality, analytically tested products
- Making ourselves available for additional consultation with the local community stakeholders

### **Positive Impacts for the Community**

We believe Kiaro's planning and operational impacts will also create a number of positive outcomes for the community. Financial impacts in the local area will be realized through our commitment to sourcing out local service providers to help build and operationalize the proposed CRS; as well as through contributions by way of property taxes and licensing fees which will help strengthen local





#300 – 110 E Cordova St  
Vancouver BC, V6A 1K9  
Canada

**W:** [www.kiaro.com](http://www.kiaro.com)  
**E:** [hello@kiaro.com](mailto:hello@kiaro.com)  
**T:** 1.888.623.2420

economic development and commercial diversity. Kiaro is also committed to creating positive social impacts by operationalizing a best-in-class retail experience to help destigmatize the retail cannabis sector; and by partnering with the communities in which we operate and engaging in active and ongoing consultation. We believe in putting people first and in creating a supportive working environment by investing in employee education and good management practices. We know that knowledgeable, well trained and community-minded staff are the cornerstone of a successful cannabis retail store, and so in support of creating positive outcomes for the people and communities in which Kiaro operates, we are committed to:

- Inclusive hiring practices with above average wages for frontline staff, strong salaries for management, and comprehensive benefits packages for all team members
- Positive company culture, work/life balance, and professional development opportunities
- Ongoing product, systems and compliance training
- Supporting local community involvement and active volunteering within the municipality

Thank you very much for considering this application for a CRS.

Sincerely,

A handwritten signature in black ink, appearing to read "AGordon", with a horizontal line drawn underneath the letters.

**Andrew Gordon**

Senior Vice President | Strategic Partnerships & Community | [andrew@kiaro.com](mailto:andrew@kiaro.com)

