

July 7, 2017

(Rev 3)

Gulf Island Organics Ltd.
1040 Fort St.
Victoria, B.C. V8V 3K4
778-265-5919

Mayor Lisa Helps
Victoria City Council
1 Centennial Square
Victoria, British Columbia
V8W 1P6

Dear Mayor Helps and distinguished Council:

Gulf Island Organics Ltd. is pleased to submit the following letter and attached documents as per the requirements for a storefront cannabis retailer.

Our dispensary is located at 1040 Fort Street in the Harris Green Commercial District, directly along the Fort Street corridor to Oak Bay. We have secured a long-term lease with multiple renewal options and a right of first refusal. We are the only tenant in the building, which comprises approximately 1500 square feet on the main floor and 600 square feet on the second floor. This is an older non-heritage status character building. There are no proposed changes to the exterior of the building in this rezoning application.

We currently employ 9 full time, and 3 part time dedicated employees. I am pleased to say that our business is growing month over month, and we anticipate our staffing levels will increase steadily over time. We are an incorporated business (Incorporation number BC1074779), with active payroll and GST accounts with CRA under our business number which is 770343523.

We are a family-run business, sourcing our products primarily from Health Canada permit-holding producers. Our team is committed to setting the highest example of professionalism in the industry. We recognize that with the current proposed legislative changes, the entire world is watching Canada – and in turn, the rest of Canada is watching as municipalities such as Victoria lead the way in regulation of this industry. To that end, one of our primary goals and cornerstones of our organizational culture has been to set a new standard of professionalism for cannabis retailers. Our reception area could easily be mistaken for that of any other professional office; for our staff business attire is mandatory, suit vests are the norm - and ties and other formal wear are encouraged. Indeed, a large majority of our clientele are professionals and

retirees who never fail to seize an opportunity to remind us how much they appreciate the civility, privacy and discretion that our store affords them.

Tourists and visitors who are coming to Victoria from abroad will often approach dispensaries simply out of curiosity, even if they have no interest in membership or making purchases. For many visitors, this might be their very first and only impression of a retail cannabis dispensary for the foreseeable future. Even if these visitors never set foot past our reception desk into our member area, they will be asking questions and leaving with an impression – and we believe these visitors and tourists should return from their travels with a surprisingly pleasant story of how their expectations were exceeded in all regards. Truthfully, this is already occurring on a regular basis. We feel very strongly that we offer medical cannabis patients a safe and welcoming environment when sourcing the various medicines that each patient requires.

The Gulf Island Organics Ltd. storefront has been extremely well-received in our neighborhood. Every effort has made to accommodate our neighbors. We are patrons of most of the neighboring businesses, and many of the employees and owners of these businesses are patrons of ours. It has become an absolute pleasure for us to stroll down antique row on a sunny day to greet the neighbors, proprietors and workers of the local businesses by their first names. This past winter brought some atypical Victoria weather, but this provided several opportunities to shovel snow off the sidewalks for our neighbors. We have made it mandatory as a condition of membership for our clients not to loiter, expose or consume cannabis anywhere on site or in public within at least a one block radius. We believe this policy has reduced public consumption of cannabis along the Fort street corridor: as we are the only large full-service dispensary with multiple tills for quite some walking distance, and our clientele are primarily professionals and seniors, our members have been conscientious in this regard in order to not lose their membership privileges.

Gulf Island Organics Ltd. is the only medical cannabis dispensary on our block. The closest medical cannabis dispensary to our store is Herbs, who occupy a relatively small location at 1010 Cook St. According to Google Maps, the distance from the entrance of our store to the entrance of Herbs is approximately 190 Meters from our location at 1040 Fort St. We have included \$250.00 for a variance for the distance to the other retailer. There are no schools or other dispensaries within 350 meters of our location.

The operation of Gulf Island Organics Ltd. does comply with all aspects of the cannabis retailer policy. We have been inspected by the City of Victoria bylaw enforcement officers numerous times and have been found to be compliant with all of the in-store inspection requirements. To our knowledge, there has never been a complaint to the City regarding any aspect of our operation since we opened our Fort street location over a year ago.

We have taken steps to minimize our environmental impact, and are transitioning our plastic products entirely to recyclable and biodegradable options. Our windows have been upgraded to double-pane for better thermal efficiency, and we continue to take further steps to enhance the efficiency of our operation from an environmental perspective. We have contracted waste and paper recycling removal; bottles and recyclables which are not collected via this service are periodically returned to the appropriate depot for processing.

The social and economic benefits arising from our operation are significant in their scope and impact. We have created stable jobs for our employees, with payroll and source deductions remitted. We expect the number of jobs in our facility to increase for the foreseeable future. We are also registered for GST/HST and utilize proper point of sale systems and financial reporting. Dispensaries such as Gulf Island Organics demonstrably divert money away from the black market and organized crime, and back into public coffers. Our products are lab-tested; our customers are guaranteed that they will never have a product tainted by dangerous drugs or contaminants. As a retail storefront we continue to require a wide array of services and products on an ongoing basis, from the trades that have maintained and improved our store, to the retail suppliers of our display cases, packaging, artwork, apparel and so on. On an ongoing basis, we require various supplies, items and services which are not a part of the typical street cannabis trade – from web design to accounting and bookkeeping. Even the architects and surveyors have found gainful work and large contracts working for dispensaries during the licensing process, and the rezoning and licensing fees contribute to the hiring of additional City staff.

As we transition the multi-billion dollar demand for cannabis from the existing markets into a federally-approved regime for the distribution of Cannabis, it is important for us to emphasize and support the reputation and role of BC and specifically the Gulf Islands for their world-renowned high quality craft cannabis. It is already well-known that cannabis is a massive part of the economy in BC; what is yet to be determined is the future of this industry. Several proposals for next year would see millions or billions of dollars of economic activity effectively relocated to another region or province. While we do plan to work within any upcoming Federally-approved framework and follow all related rules, it is one of our core principles to source local, organic, BC-produced cannabis first whenever we can.

Our tenancy has offered our landlord the ability to purchase our building and maintain a vibrant tenant for the benefit of all retailers on this block, as well as the benefit to our employees for their employment. As a result of our occupancy of 1040 Fort Street, our aging building has become a very well-maintained one. Last year our roof was replaced and our worn exterior was repainted. This has improved the appearance of the building from the curb to the benefit of everyone in the neighborhood. We have drawn a number of customers to the neighboring businesses and this continues on an ongoing basis.

Over the past year, we have taken on numerous opportunities to interact with our neighbours along this section of Fort Street. We are proud of the fact that each and every single one of the owners, managers and front-end employees at all of the neighbouring businesses we've spoken with have expressed a positive reaction to the subject of our storefront. From the sandwich shops and cafés to the local antique shops and gym/yoga facilities, we have had numerous pleasant interactions with our neighbours. We have been complimented by our neighbours on numerous occasions for our professionally-dressed staff and welcoming reception area, which we believe sets a standard and provides a solid example of a properly-executed retail storefront. We believe that our strict membership policy which includes no loitering and no consumption or exposure of cannabis products anywhere near our storefront has contributed to making our storefront part of an orderly, friendly and welcoming neighbourhood.

The successful rezoning of our location would benefit the other retailers on our block, as our patients shop at other retailers. There are no negative factors with respect to our operation. Our patients tend to be typically in their mid 50s. To date there has not been any issue with any of our patients or our neighbours, and we have never received any complaints related to our operation.

With respect to safety and security, we have successfully implemented the necessary measures to ensure the safety of all concerned and we have submitted a security plan with our business licence application previously. Having previously benefitted from and complied with all aspects of municipal services such as annual fire inspections, we are eager to implement any suggestions for improvement the City or its related departments may have.

The property is not on the heritage registry.

We hope that you find in favour of our application. If you require any additional information, please contact me at your earliest convenience.

Best regards,

A handwritten signature in black ink, appearing to read 'Oliver March', written in a cursive style.

Oliver March.
Gulf Island Organics Ltd.