



5770 Peladeau St., Emeryville, CA 94608

June 1, 2021

**Honorable Mayor and Council members
City of Emeryville**

Thank you for your continued support of the cannabis industry and taking the time to evaluate further expansion of the industry across the City of Emeryville. Your relentless support is immensely appreciated and clearly unmatched across the nation!

The report submitted by the City Manager highlights critical factors about expansion barriers that can be mitigated, to a large extent, with the Potential Interventions. In general, Ohana completely supports the expansion strategies and believes Emeryville offers the industry an incredible opportunity within the robust Bay Area market.

However, given the total population of Emeryville adults who qualify for cannabis use combined with the depth of competition across the neighboring cities, "localized" strategies will most likely neither yield the expected industry expansion nor the tax revenue the City might expect. In contrast, "regional" strategies would undoubtedly produce better results in terms of industry expansion into Emeryville that would in turn significantly increase the corresponding tax revenue. These regional strategies are outward facing and can therefore take advantage of the giant market base of adults across Bay Area and beyond.

Examples of cannabis businesses that can successfully target "regional" markets are:

1. **Non-storefront Delivery** operations with a market base of 6 million Bay Area adults;
2. **Distribution** operations with a market base of 12 million Northern California adults;
3. **Manufacturing and Cultivation** operations with a statewide market base of 24 million adults.

Potential Interventions that are focused on "localized" cannabis business models would further exacerbate the barriers associated with the lack of qualified retail space and most likely not yield any more tax revenue than the current levels. This is due to Emeryville's limited adult population of under 10,000 and the depth of localized retail competition across the neighboring cities with over 120 dispensaries.

I look forward to the Study Session and stand ready to **support and invest in** the City's efforts for the cannabis industry expansion into Emeryville.

Sincerely

A handwritten signature in cursive script that reads "Nasser".

Nasser Azimi, President
Ohana Cannabis Company