

City Councilor _____ introduced the following resolution and moved for its adoption:

CITY OF GRAND RAPIDS, MINNESOTA

RESOLUTION NO. 23 - ____

**A RESOLUTION IN SUPPORT OF
THE HWY 35 LLC CANNABIS GROW & MANUFACTURING PROJECT**

WHEREAS, HWY35 LLC, a registered Minnesota Limited Liability Corporation in good standing (the Company), has proposed a project to redevelop the 135-acre Grand Rapids industrial site of the former Ainsworth OSB manufacturing plant, converting it into a cannabis grow and manufacturing facility (the Project); and

WHEREAS, the Project will invest approximately \$67MM into equipment and buildout of approximately 240,000 square feet of the facility shell, which has been vacant since Ainsworth ceased operations on the site in 2008, resulting in the loss of approximately 180 jobs in the community; and

WHEREAS, the Project will make full use of the public investment in infrastructure available at the site, including high voltage power supported by a new substation and the recently completed \$6.0MM sanitary sewer and water infrastructure extension funded by multiple local, state and federal agencies; and

WHEREAS, as proposed and if supported by DEED and the IRRR, the Project will scale up quickly with a two-phase plan to create up to 400 direct jobs with varying skill levels from low to highly technical and with annual wages ranging from \$40,000 to \$160,000; and

WHEREAS, the jobs, many of which are required by the law to be union positions, will be filled by a workforce already residing in our broader region and some which will move to our region; and

WHEREAS, the owners of the Company have expressed an interest in supporting new workforce housing development and have begun to dialogue with housing developers considering housing projects in the area; and

WHEREAS, the owners of the Company have a verified reputation of experience and wherewithal to finance, obtain licenses, develop, startup and successfully operate cannabis manufacturing facilities in several other states; and

WHEREAS, the Company has established relationships with other multi-state operators, packaging companies, transportation companies and third-party testing labs. This, together with their plan to be a first mover to market will provide opportunities to solidify their brands in the market and attract spin-off development to the site in addition to the Project; and

WHEREAS, City and Grand Rapids Economic Development Authority officials, in the areas of community and economic development, administration, fire, and law enforcement have visited Company facilities in Kansas City, MO to observe their operation, technology, workforce, and security systems; and

WHEREAS, City and Itasca Co. law enforcement and emergency management officials have also communicated directly with law enforcement from those jurisdictions where the Missouri facilities are located to gather information; and

WHEREAS, all this due diligence work, together with our collaboration with the IRRR staff in their extensive due diligence efforts have resulted in strong support from the City for the Project; and

WHEREAS, the City understands well that the establishment of Minnesota facilities, such as this Project, will be required to produce product for this new Minnesota industry as shipping into the state from other states is not permitted and, furthermore, that this may be our only regional opportunity to capture the economic benefit of this new industry for decades to come; and

WHEREAS, the City supports and values the IRRR and DEED proposal to use funds from the Douglas J. Johnson Trust Fund and the 21st Century Fund to support the Project with secured equipment financing with incentivized employment targets to promote an expedited scaling up of this new industry; and

WHEREAS, the City will give consideration to the establishment of a Redevelopment TIF District to support the Project and future spin-off development located at the site upon receiving an application from the Company.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRAND RAPIDS, MINNESOTA: that the City of Grand Rapids fully supports the establishment of the Project in our community.

Adopted by the City Council this 16th, day of October 2023.

Dale Christy, Mayor

ATTEST:

Kim Gibeau, City Clerk

City Councilor _____seconded the foregoing resolution and the following voted in favor thereof _____; and the following voted against same; _____, whereby the resolution was declared duly passed and adopted.