

Site Selection

There were many factors taken into consideration when selecting a site for the dispensary such as vehicular traffic counts (ADT), zoning, support of city and economic goals, functionality, cost, parking and length of time to open the facility.

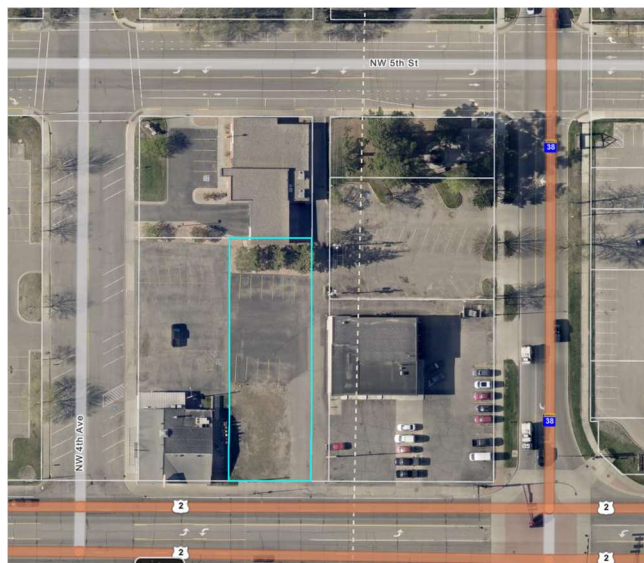
One of the highest priorities was to support the Grand Rapids Economic Development Authority's (GREDA) Highway 2 Land Use and Development Study with the primary goal of redeveloping properties and the look of TH 2 through the central business district (CBD) and west of the CBD.

Five sites along the west TH 2 corridor were identified and evaluated. With these five sites the following criteria were utilized:

- Zoning – Is the lot size large enough to accommodate a 3,000 square foot building and required parking lot?
- Traffic – Does the site have exposure to higher traffic volumes?
- Location – Is the site located on the north or south side of TH 2? Staff feels that the north side of TH 2 is dominant/more favorable because of its direct access to 5th Street NW.
- Cost – How much will it cost to develop the site?
- Time to Opening – How long does it take to build a facility? Base on the Pro Forma (a separate document) the city is losing approximately \$2,000 in Net Income (profit) per day the dispensary is not open.

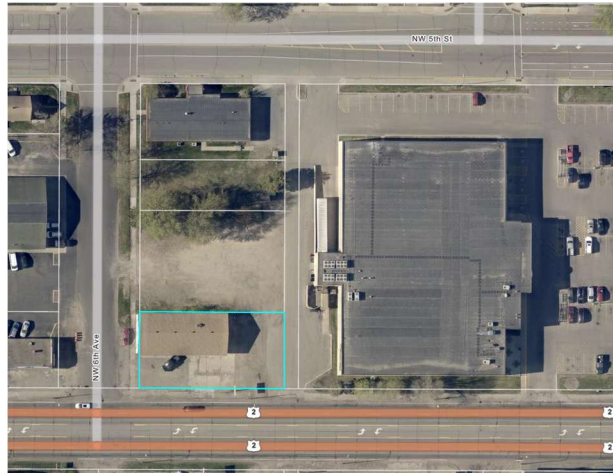
The location of the five sites are as follows:

Site 1 – Park State Bank Site (PSB) is located on the north side of TH 2 between Hwy 38 and 4th Avenue NW.



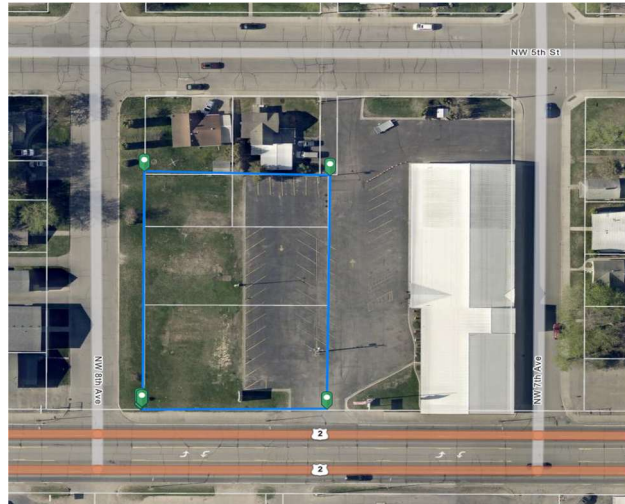
The PSB site is zoned Central Business District. With this zoning there are no building setbacks or parking stall requirements. As a result, the building easily fits on the site. There is also adequate parking in an existing city owned parking lot adjacent to the NE corner of the site which is underutilized. The ADT on TH 2 is 17,554 on the east side and 14,304 on the west side of Hwy 38 providing the highest exposure. The lot is located on the north side of TH 2 which is preferred. The estimate to develop the site is \$2.5 million which includes property acquisition. The estimated opening date for this site is July 1, 2027.

Site 2 – Ben’s Bait Site is located on the north side of TH 2 on the east side of 6th Avenue NW.



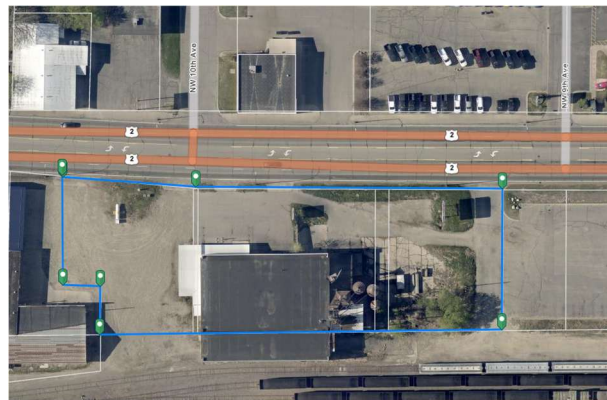
The Ben’s Bait Site is zoned General Business District. With this zoning there are building and parking lot setbacks in addition to parking stall requirements. As a result, additional property would need to be acquired to the north. The ADT on TH 2 is 14,304 providing lower exposure than Site 1. The lot is located on the north side of TH 2 which is preferred. The estimate to develop the site is \$2.9 million which includes property acquisition and parking lot construction. It does not include the cost of cleanup for known contaminated soils. which includes property acquisition. The estimated opening date for this site is July 1, 2028.

Site 3 – Glen’s Army Navy Site is located on the north side of TH 2 on the east side of 8th Avenue NW.



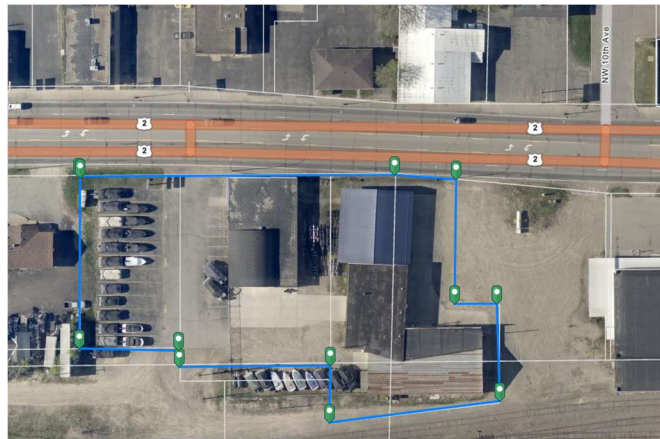
The Glen’s Site is zoned General Business District. The proposed 3,000 square foot building would not fit on the site because the existing building is grandfather non-conforming, and it does not currently meet the minimum parking lot requirements. In essence, unless you are building an extremely small building on the greenspace, this site is undevelopable and not considered.

Site 4 – Farm Coop Site is located on the south side of TH 2 generally between 9th Avenue NW and 10th Avenue NW.



The Farm Coop Site is zoned General Business District. With this zoning there are building and parking lot setbacks in addition to parking stall requirements. The ADT on TH 2 is 14,304 providing lower exposure than Site 1. The lot is located on the south side of TH 2 which is not preferred. The estimate to develop the site is \$2.7 million which does not include property acquisition or contamination cleanup. The GREDA currently owns the site and is in the process of demolition. The total estimated cost of investment in the property is \$610,000. Assuming the dispensary would acquire half of the property the total development cost for the dispensary would be approximately \$3 million without contamination cleanup costs. The estimated opening date for this site is July 1, 2028.

Site 5 – Former Grand Rapids Marine Site is located on the south side of TH 2 generally west of 10th Avenue NW.



The former Grand Rapids Marine Site is zoned General Business District. With this zoning there are building and parking lot setbacks in addition to parking stall requirements. The ADT on TH 2 is 14,304 providing lower exposure than Site 1. The lot is located on the south side of TH 2 which is not preferred. If acquired, it is recommended to utilize the west building adjacent to the parking lot. It is approximately 6,000 square feet which is twice the size needed for the dispensary. The easterly building is non-conforming but could be transferred to GREDA for consolidation into the Farm Coop site redevelopment. In a conversation with the owner, he is asking around \$500k per building parcel. The estimate to develop the site is \$1.5 million for the remodel of a building constructed in 1962. This does not include property acquisition. Assuming the dispensary would acquire half of the property the total development cost for the dispensary would be approximately \$2 million. The estimated opening date for this site is January 1, 2028.

The following table weighs the various considerations from 1 (least favorable) to 5 (most favorable). With location as you move west you are losing vehicles that would be turning north up Hwy 38 and desire for customers to travel further west. When considering time, based on the Pro Forma, the city is losing \$2k/day in Net Income for everyday the dispensary is not open.

Location	Zoning	Traffic	Location	Cost	Time	Total
Site 1	CBD	5	5	4	5	24
Site 2	GB	3	4	2	1	15
Site 3	Not a feasible site					
Site 4	GB	3	3	2	1	14
Site 5	GB	3	3	5	4	19

Based on the information above, city staff are recommending moving forward with Site 1 currently owned by Park State Bank.