

Thursday, March 25, 2010

## MEMORANDUM

To: Sawmill Cove Industrial Park Board of Directors (SCIP Board)

From: Garry White, Director

Subject: OmegaSea

### **Background**

OmegaSea Ltd. was one of the first tenants at the SCIP, leasing portions of the pulp dock warehouse. OmegaSea's business model is to take fish waste and turn it into pet foods. In the past, OmegaSea produced the product at the park and created jobs. In recent years, they grinded and froze the fish waste to be transferred to a manufacturing site outside of Sitka.

OmegaSea has been actively involved in trying to help Sitka deal with its emerging fish waste issue. The State of Alaska Department of Environmental Conservation has stated that they have issue with the current way the two larger fish processing plants in the Sitka harbor channel are disposing of their waste. Omega has been looking at various additional pet food products and markets to utilize the estimated 16 million pounds of fish waste produced annually in Sitka.

### **Additional information**

OmegaSea is looking to purchase an estimated 20,000 SF of property to construct a warehouse to grind and freeze fish waste for a high end pet food market. The plant is estimated to produce 4-6 FTE with the ability to expand to more employees. The overall investment of this project is estimated at \$1.2 million.

OmegaSea is currently speaking to several local processors to obtain a commitment for access to their fish waste. They currently have 2-3 million pounds of the waste presold and the operation is expected to generate a profit the first year. A more detailed business plan can be provided from OmegaSea.

Attached is a drawing of the proposed area showing 24,949 SF and an overview of the physical property. A suggested final property selection would be based on using the existing leftover infrastructure from the pulp mill.

OmegaSea would like to offer \$15,000 for the ~20,000 SF portion of Lot 16. The CBS assessor values Lot 16 at \$4/SF.

