

Wednesday, June 16, 2010

## MEMORANDUM

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

From: Garry White, Director

Subject: Potential Lease Area for Montlake Mining

### **Background**

The Sitka Economic Development Association organized and facilitated a fish waste forum in December of 2009 to discuss the issues surrounding fish waste in our community, specifically in regards to the regulator environment with the State of Alaska Department of Environmental Conservation, Alaska Department of Transportation, and the Federal Aviation Administration. All major fish processor in Sitka attended the meeting as well as Federal, State, CBS, and other local interested parties.

James Browning, the Executive Director of the Alaska Fisheries Development Foundation, attended the meeting and introduced Peter Stitzel and Peter Nichlason of Montlake Mining Company as a possible solution for Sitka's estimated 16 million pounds of fish waste annually.

Montlake Mining Company is an emerging company in the fish waste business. Montlake has developed a system of processing fish waste that can stabilize fish waste over a period of time to allow for longer processing. Additionally the equipment to process the waste does not need to meet peak volume loads, thus reducing the cost and making the plant run more efficient.

Montlake has acquired letters of intent from all three major fish processing plants to supply their fish waste to Montlake. Montlake is now looking for a location to build their processing plant.

Montlake is interested in the current waste water treatment plant located on lot 11, near the Silver Bay Seafoods plant. The CBS intends to decommission the plant upon completion of Phase III paving of Sawmill Creek Road. The paving project is estimated to be completed in the fall of 2011. In the meantime Montlake has shown interest in leasing building 4690 (former Boat Company building) on Lot 4 of the SCIP.

### **Action**

Before more due diligence has gone to investigating the use of Building 4690 an informal discussion is requested of the SCIP Board.