

To .....K:Blower.....

Date .....Sept 19, 1986.....

Copies To .....

Ref. ....

From .....K:Morton.....

Subject .....Visit to Keen Industries Site, Enterprise. Sept 17, 1986.....

Keen Industries, an Alberta based transportation company active in northern river transportation, has decided to wind down its operations and has offered to sell its Enterprise property to Giant.

The purchase price of \$15,000 includes transfer of two leases and sale of a 100' X 50' insulated building. One lease is with GNWT for the 31 acre site and the other is with CNR for the rail spur on the site. Both of these leases have lapsed and annual fees are \$4,845 and \$2,055 respectively. Discussions with both agencies indicate that transfer of the leases for 10 year periods would be no problem. The lease offer by CNR is quite a break since their present practice is to charge the construction costs (about \$100/ft) to the user of the spur. We would avoid this expense since the spur is already in place.

The site is about 1.6 mi. southwest of Enterprise and has no electrical or sewer and water service. The nearest available power line appears to be in Enterprise near the CN yard, about 1.6 mi. from the site.

The area is generally quite flat and the soil is well drained sandy clay. The site itself has been cleared but the countryside is otherwise quite heavily forested. There is a borrow pit close by that is probably part of the 31 acre site. There is a good road approach to the site.

The building is an Atco "Foldaway" type, 50' X 100' X 20'h and has 12'w X 14'h double sliding doors on the east end. It also has small mandors on each end and a sliding 8' X 10' door on the north wall. The roof has skylights every 10 ft and the building is in fairly good condition with a couple of dents in the walls and a few holes punched through for one reason or another. The building is framed of double 8" channel in 10' panels with three rows of 2" pipe stringers. The roof trusses can be unbolted to allow the wall and roof sections to fold together for shipping. The walls and roof panels are insulated with 2" rockwool sandwiched between corrugated galvanized steel panels. The structure is presently bolted to a wooden sill that is simply resting on the ground as there are no concrete footings. There are what appears to be a spare set of sliding doors, probably for the west end of the building which has a panel that looks to be removeable so that doors can be installed.

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It is my opinion that the building could be used for the arsenic transfer facility and it would be a simple matter to relocate the building to a prepared earth and gravel site straddling the spur line 200 ft away. Overall, I think the site is almost ideal for our purpose, though somewhat larger than necessary. It has good access, is fairly remote from any populated area, has a ready built spur line, good soil conditions and a good building. I estimate that purchase of this property will reduce the cost of building a transfer facility by more than \$200,000, making the project quite a bit more attractive since the previous estimate made it a marginal undertaking.

We may want to consider alternatives to building a power line to the site as this will be a major cost item and perhaps not justified in the circumstances. The "Pneu-Pac" pneumatic conveying equipment offered by Sprout Waldron is normally equipped with a gasoline engine and a small portable generator should be adequate for any other electrical needs. It may be necessary to provide some propane heating in a limited area to ensure that transfer equipment will start in cold weather.

If we find that a transfer facility is not required, purchase of the building only for \$15,000 would be a good deal if the building could be put to good use. Dismantling, shipping and erection could be done in less than a week by a four man crew and a 25 ton crane.

A handwritten signature in dark ink, appearing to be 'K. Morton', with a stylized, cursive script.

K. Morton