



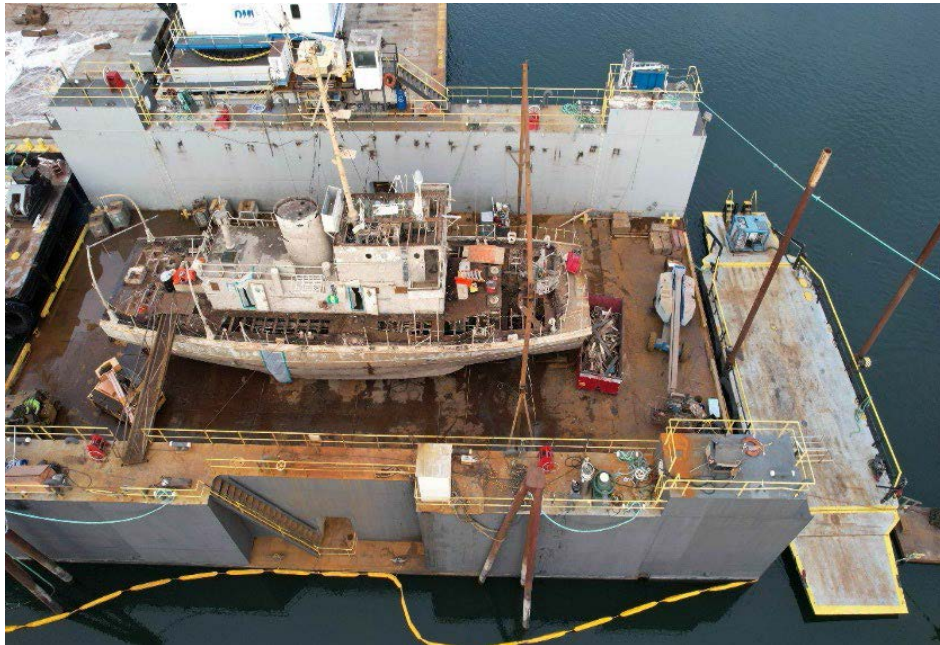
Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Memo

Date: December 21, 2023
To: Warren Johnson, Policy and Compliance Program Director
From: Will Ennis, Senior Solid Waste Planner
Subject: Issuance of new Facility License No. L-199-24 for Diversified Marine, Inc.

Attached for your signature is new Solid Waste Facility License No. L-199-24 authorizing Diversified Marine, Inc. (DMI) to receive and process marine vessels for deconstruction, material recovery and disposal at its facility located at 1801 N. Marine Dr. in Portland (Metro District 5). This memo provides background information on the applicant's request and recommends that Metro issue the proposed license to DMI.



Diversified Marine, Inc. is located at 1801 N. Marine Drive in Portland

Under Metro Code Section 5.01.080, the proposed license is to be approved or denied by the Chief Operating Officer (COO). On August 7, 2023, the COO delegated to the Policy and Compliance Program Director (the Director) authority to carry out the COO's responsibilities under Metro Code Chapter 5.01 for approving or denying a solid waste facility license. As such, the Director is authorized to approve this proposed license.

APPLICANT

DMI is a locally owned business that operates as a ship construction and repair facility. The facility is adjacent to Interstate-5 on the North Portland Channel of the Columbia River and is sited on 1.4-acre property. Sections of tugboats, barges and other work vessels are constructed in an onshore building, or under a covered work area, then craned to drydocks, and assembled. The facility has two dry docks and, when not in use for new construction projects, are used for the inspection, repair and retrofit of tugs and barges, and, in 2022 and early 2023, the deconstruction of two derelict marine vessels which is discussed below.

Vessels to be deconstructed at DMI will generally be floated to the site after having fuel, oils and wastewater removed to prevent spills. All deconstruction activities will take place after the vessel has been secured on a dry dock. An accredited Marine Chemist will certify that each vessel is safe to enter before workers will remove and contain all municipal solid waste for disposal. An accredited asbestos contractor will then perform a survey of the vessel. When asbestos containing materials are identified, a licensed asbestos abatement contractor will remove and secure the materials. Additional contractors will remove lead paint, PCBs and petroleum waste before the vessel is cut into sections for barge transport to Radius Recycling for recycling. All waste streams will be delivered to authorized facilities for disposal.

DMI participated in a pre-application meeting with Metro on March 15, 2023 and submitted an application to Metro requesting a new Solid Waste Facility License on May 10, 2023. The property is zoned General Industrial 2 (IG2) and the proposed use is allowed outright in this zone by the city of Portland as indicated on the Land Use Compatibility Statements signed by a representative of the City. Metro received the \$300 application fee from the applicant on May 11, 2023, and the application was deemed complete on May 26, 2023.

PUBLIC NOTICE AND OPPORTUNITY TO COMMENT

On October 2, 2023, Metro issued public notice and provided the public an opportunity to review and comment on the license application for 30 days. A description of the proposed facility and the license application was available on Metro's website. Interested parties could submit comments via an online form or leave a voicemail on a multi-language phone line. Postcards with information in six languages about the proposed license and comment period were mailed to 171 businesses, residents and owners of properties located within approximately one-quarter mile of the facility. Notice was also emailed to community-based organizations and neighborhood associations located in the vicinity of the facility and emailed to stakeholders with general interest in solid waste issues.

Metro received three comments during the public comment period which are attached to this memo. Two comments expressed general support for DMI and one comment opposed the proposed license.

Comment in opposition summary

The commenter raised concerns related to offsite impacts caused by noise, hours of operation, and the potential for release of hazardous materials. The commenter requested that Metro deny the application.

Applicant response

Metro shared the comments it received with the applicant. The applicant subsequently provided additional information in response to the concerns that were raised about the proposed operation. The applicant's response is copied below.

"In 2012 we owned and operated three drydocks. We purchased a fourth drydock and towed it to our facilities in September of 2021. Two drydocks are not utilized and are moored downriver. Of these two, drydock no. 3, will be dismantled and deconstructed next year, pending permits and licenses. This will leave DMI with two functioning drydocks, one for ship construction and one for ship repair & ship deconstruction, and a third not in service downriver. We have for the most part reduced the number of drydocks and their usage.

In 2012 we were operating with a total of 77 to 80 hourly/salaried personnel. In 2023 we are at a total of 48 hourly/salaried personnel. The number of welders has remained constant between 19 to 24 hourly personnel. Again, we have reduced our personnel, not increased.

Our Shipyard operates from 0700 to 1730 hours Monday thru Friday and Saturday from 0700 to 1530 hours. In the past ten years we have three times operated the drydock outside of these times due to safe water depth conditions, in addition, due to various high heat conditions in the summers we open early at 0600 and closed early at 1430 hours for the protection of our employees, with noise restrictions from 6am to 7am.

Smoke and or gasses/fumes from welding is based on the number of welders. The type of smoke/gas is based on the type of wire used during welding; we have always purchased wire with low smoke characteristics. We believe our OSHA record on PPE; hearing and respirators speaks to our commitment to our employee health, and our neighbor's health.

The deconstruction of vessels has been and will be by wire saw not torches or burning methods. This reduces the smoke/gasses/fumes to a near zero emission level, please see Shipyard documents for more details.

All hazardous materials are managed, contained, and removed by State of Oregon licensed subcontractors, as written in the Shipyard documents.

Diversified Marine's facility has been a neighbor since 1986, it has always operated as a Shipyard, our neighbors home prices/value has/have increased since 1986 as has ours, we do not foresee where that trend will change."

Metro response

Metro thanks the individuals who took time to provide comment on the application. Regarding the concerns that were raised about the proposed facility operations, the proposed license includes specific operating requirements for managing waste and other provisions related to noise, odor and dust control measures. The facility also holds a Solid Waste Transfer Station and Material Recovery Facility permit issued by Oregon Department of Environmental Quality (DEQ). DEQ and Metro will routinely conduct unannounced inspections at this facility to ensure that it operates in accordance with its permit and license requirements and implements measures to control and minimize any off-site impacts from its waste related activities.

As a condition of the DEQ permit and proposed Metro license, the facility is required to maintain an operating plan that describes the procedures it will use to control and minimize the off-site impacts from activities. The facility must obtain written approval from Metro and DEQ before it could make any changes to its operating procedures. This provides operational transparency and helps Metro and DEQ monitor the facility for compliance with its regulatory requirements.

In addition to performing routine inspection of the facility, Metro will investigate all complaints or concerns raised about a solid waste facility. Metro established an online complaint form that the public can use to notify Metro if they believe that a facility is not complying with its requirements or causing off-site impacts (<https://www.oregonmetro.gov/solid-waste-facility-complaint-form>). In addition, the proposed license requires the facility to comply with all applicable local, regional, state and federal regulations, which would include any local regulations related to noise or traffic. Metro works closely with partner agencies to resolve complaints or neighbor issues that arise.

Staff finds that the attached license includes appropriate provisions to address the concerns identified by the commenter. Staff does not recommend any additional license provisions at this time.

METRO CODE LICENSE REQUIREMENTS

DMI participated in a pre-application conference with Metro on March 15, 2023, and subsequently submitted to Metro a complete license application and the appropriate application fee of \$300, as required by Metro Code Chapter 5.01. The application was deemed complete on May 26, 2023.

Pursuant to Metro Code 5.01.180, a license application must include the following information:

- (1) *Proof that the applicant can obtain the types of insurance specified by the Chief Operating Officer during the license term;*

The applicant has provided documentation demonstrating that it meets Metro's insurance requirements.

- (2) *A copy of all applications for necessary DEQ permits, any other information required by or submitted to DEQ, and a copy of any DEQ permits;*

The applicant has submitted a copy of its application for a DEQ Solid Waste Disposal Site Permit which was submitted to DEQ on May 9, 2023. On November 9, 2023, DEQ opened a 35-day public comment period on a proposed permit for a transfer station/material recovery facility. The public comment period ended December 11, 2023. DEQ received no comments regarding the proposed permit. DEQ issued Solid Waste Disposal Site Permit No. 1751 to DMI on December 13, 2023.

- (3) *A copy of any closure plan that DEQ requires, including documents demonstrating financial assurance for the costs of closure. If DEQ does not require a closure plan, the applicant must provide a closure document describing closure protocol for the solid waste facility at any point in its active life;*

DEQ finds that DMI is a low-risk facility based on the limited waste types accepted, and that the wastes are not deposited permanently at the site but are removed regularly. Therefore, DEQ finds the facility exempt from financial assurance requirements. The facility has included a closure plan in the operating plan submitted to Metro.

- (4) *Signed consent by the property owner(s) agreeing to the proposed property use. The consent must also disclose the applicant's property interest and the duration of that interest. The consent must include a statement that the property owner(s) have read and agree to be bound by the provisions of Section 5.01.320(f) if Metro revokes the license or refuses any license renewal;*

The applicant provided two property use consent forms and both include a consent to be bound by the provisions of Metro Code. The applicant submitted one property use consent form signed by Kurt Redd, owner of Inland Holdings, Inc. Both DMI and Inland Holdings, Inc. are owned by Mr. Redd, who is also president of DMI. The applicant submitted a second property use consent form signed by a representative of Oregon Department of State Lands (DSL) which owns the submerged land above which is moored DMI's processing dry dock.

- (5) *Proof that the applicant has received proper land use approval; or, if the applicant has not obtained land use approval, then a written recommendation of the planning director of the local governmental unit having land use jurisdiction regarding new or existing disposal sites, or alterations, expansions, improvements or changes in the method or type of disposal at new or existing disposal sites. The recommendation may include, but is not limited to, a statement of compatibility of the site, the solid waste disposal facility located thereon and the proposed operation with the acknowledged local comprehensive plan and zoning requirements or with the statewide planning goals of the Land Conservation and Development Commission; and*

The applicant provided copies of two Land Use Compatibility Statements signed by a representative of the city of Portland stating that the proposed use at the site is allowed outright on the two parcels owned by Inland Holdings and DSL, respectively.

- (6) *Any current permit and a list of anticipated permits that a governmental agency may require. If the applicant has previously applied for a permit, the applicant must provide a copy of that permit application and any permit that any other government agency granted.*

The applicant provided Metro a copy of its DEQ Solid Waste Disposal Site Permit application. DMI also holds a NPDES 1200-Z Industrial Stormwater Permit (File No. 111695). DEQ issued Solid Waste Disposal Site Permit No. 1751 to DMI on December 13, 2023.

DECONSTRUCTION OF THE MARINE VESSELS *ALERT* AND *SAKARISSA*

Although DMI has applied to Metro for a new solid waste facility license, the facility has previously deconstructed two derelict vessels at its facility. In 2022, DMI was awarded a contract by DSL to deconstruct two derelict vessels, the Alert and the Sakarissa, that were submerged in the Columbia River, west of the Interstate 5 bridge. Metro partnered with the DSL, U.S. Coast Guard, and DEQ and provided partial funding to remove the two vessels from the Columbia River in September 2022.

Deconstruction, or processing of, non-putrescible waste is a solid waste activity requiring a solid waste facility license under Metro Code. However, due to the unique circumstances of this project, including a compressed timeline, multi-agency coordination and the public interest in quickly raising and deconstructing these vessels, Metro did not require DMI to obtain a Metro license in this instance. However, Metro notified DMI that any future deconstruction activities at its Portland facility would require Metro authorization prior to beginning any deconstruction activity. DMI obtained a Solid Waste Letter of Authority from the DEQ prior to commencing deconstruction of the vessels in 2022. The facility has also obtained a DEQ Solid Waste Transfer Station and Material Recovery Facility permit since that time.

STAFF RECOMMENDATION

Staff recommends issuing new Solid Waste Facility License No. N-199-24 to Diversified Marine, Inc. authorizing it to receive and process marine vessels for deconstruction, material recovery and disposal. If approved, the proposed license will take effect January 1, 2024, and expire December 31, 2028. A copy of the proposed license is attached for your signature.

Attachments:

- Proposed solid waste facility license No. N-199-24
- Diversified Marine, Inc. solid waste facility license public comments