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May 23, 2008

VIA E-MAIL AND FIRST CLASS MAIL

Mr. George Passadore
President
TriMet Board of Directors
4012 SE 17th Ave.
Portland, OR 97202

Mr. Richard Van Beveren

Ms. Tiffany Sweitzer

Ms. Sue Van Brocklin

Mr. George Richardson

Mr. Lynn Lehrbach

Mr. Robert Williams

Re: Columbia River Crossing

Ladies and Gentlemen:

This letter is on behalf of our client Diversified Marine, Inc. which operates a successful shipyard on Marine Drive just north of TriMet's Expo Center light rail station. A description of the shipyard is attached.

We have been communicating with Alan Lehto, your rail corridor planning manager, and Janni Baugh and John Baker of your property acquisition staff to discuss the unfortunate fact that Diversified Marine may be displaced by the Columbia River Crossing for two reasons: the new Marine Drive interchange may eliminate all road access to the property; and extension of the light rail line may divide the property into two and may prevent vehicles from traveling east and

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west along the waterfront. So naturally we have been searching for a solution to avoid the displacement and its catastrophic effect on Diversified Marine.

The best alternative for the Marine Drive interchange is the "Southern Alignment", which eliminates the existing cloverleaf that lies on the west side of the freeway and immediately east of the Expo Center light rail station. Currently, trains traveling south from the station are forced to make a wide sweeping turn around the cloverleaf to reach the straight segment of the rail line adjacent to the freeway. Eliminating the cloverleaf will eliminate the need for the turn, and allow the Expo Center station to be placed adjacent to the freeway. This would straighten the line, thereby reducing the travel time to Vancouver, and eliminating the need for a separate rail bridge over the Oregon Slough (aka North Portland Harbor). It would also eliminate the risks that the rail extension poses to the Diversified Marine property and the barrier it poses to vehicles traveling along the waterfront.

If the Expo Center station remains in its current location, extension of the rail line to Vancouver may divide the Diversified Marine property and displace the shipyard. However, as the extension moves north from the Expo Center it will turn east to join up with the main bridge. We understand that it is feasible for the line to turn east in a manner that will avoid dividing the Diversified Marine property, as shown on the attached drawing prepared by the CRC engineers. We urge you to support this alignment.

Regardless of the rail alignment, Diversified Marine and the public at large will need to travel east and west along the waterfront. As part of the Southern Alignment for the Marine Drive interchange, we understand the City of Portland expects to place an east-west city street in this area, with an at-grade rail crossing. This crossing is also essential to the operations at Diversified Marine; without it, trucks will not be able to access the property, and no vehicles of any kind will be able to travel along the waterfront. We ask that you accommodate this public rail crossing, so that the light rail extension does not prevent travel along the waterfront.

In summary, Diversified Marine urges you to support the replacement bridge with light rail, including the Southern Alignment for the Marine Drive interchange. We also respectfully request that TriMet design the light rail extension in a manner that reduces travel times, avoids unnecessary property impacts, and does not create a barrier to travel along the waterfront.



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Thank you for your considerations and courtesies.

Sincerely,



Joseph S. Schaefer
Land Use Planner

JSS:

Attachments

cc: Mr. Kurt R. Redd
Mr. Kent Roberts
Ms. Jill Gelineau
Ms. Janni Baugh
Mr. John Baker
Mr. Alan Lehto

DIVERSIFIED MARINE, INC.

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Diversified Marine, Inc. was established in 1985 by a young entrepreneur with only \$500 and a small tug boat and barge. Waterfront commercial construction services were offered to clients on both the Columbia and Willamette rivers, including Zidell Marine, Boise Cascade and Unocal. Soon the company offered services for large commercial vessels such as repairs and modifications to tugs and barges. In 1990 we moved to North Marine Drive, and shoreside construction and repair facilities were developed.

Soon boat building projects become a large portion of DMI's sales. Since 1996 thirteen new multi-million dollar vessels have been built including the Canby ferry, 150' landing crafts, tugs for Ross Island Sand & Gravel, 80' ship assist tractor tugs, and miscellaneous barges. DMI currently has a contract for two 80' shallow draft tugs, and negotiations are underway for construction of future vessels which will keep us busy through 2015. We employ between up to 35 skilled workers who earn wages well above the regional average. DMI pays taxes on a payroll of \$1.5 million plus taxes on annual sales and income.

DMI uses two commercial drydocks for this work. Our unique location in deep but calm waters off the main river channel allows the drydocks to be raised and lowered without the problems that would be encountered on the Willamette or the Columbia.

DMI offers critical services to west coast marine operators and it is one of only two private shipyards doing so in the Portland metro area. Customers include Brusco Tug & Barge, Foss Maritime, Shaver Transportation, Sause Brothers, Olympic Tug & Barge, US Army Corp of Engineers, Oregon Dept. of Fish and Wildlife, Port of Portland, US Coast Guard, Gunderson and Zidell to name a few.

DMI has been an active industrial business in the waterfront community for over 20 years. When vessels burn, they often discharge toxic pollutants into the river, and DMI assists the Coast Guard with cleanup and removal of wreckage. Our vessels and crews also participate in the ongoing cleanup projects on the Willamette. DMI jumped to assist those in trouble in the flood of 1996, when three of our tug boats pushed 24/7 on the imperiled Macadam Bay house boat moorage, while the rest of our equipment removed debris that was stacking up against the Willamette bridges – all in an extremely hazardous situation. If our business is displaced, who will provide those services in the next emergency?

