





May 9, 2024

Dale Case, AICP
Director of Community Planning and Permitting
Courthouse Annex
2045-13th Street
Boulder, CO 80306

VIA HAND DELIVERY
AND VIA EMAIL TO: dcase@bouldercounty.gov

Preliminary Response to Notice of Termination of Nonconforming Status

Dear Mr. Case:

This letter is the preliminary response of CEMEX, Inc. ("Cemex"), to the April 10, 2024, Notice of Termination (the "Determination") issued by the Boulder County Community Planning and Permitting Department (the "Department").

Cemex submits the Determination is in error and did not correctly apply the applicable law and facts.

It is Cemex's understanding that the Determination was made solely in reliance on information in complaints from citizens of Boulder County and the September 25, 2023, report prepared by Stantec Consulting Services, Inc. ("Stantec"), entitled, "CEMEX Lyons Access Traffic Study" (referred to below as the "Stantec Report" or the "Report"). If this is not correct, we request a copy of all information and data on which the Department relied and on which the Determination is based, be provided to us.

1. The Non-Conforming Cement Plant Use Remains Legal.

The Cemex cement plant near Lyons has operated continuously since 1969, at all times with direct vehicular access to and from Highway 66. It is uncontroverted that operations at the plant have not changed since the closure of the Dowe Flats quarry. It is also uncontroverted that raw materials for the manufacturing operations on the Cemex property have been supplied by truck from the commencement of operations, with the volume of trucks increasing and decreasing over time due to numerous factors, including production quantities, vehicle sizes, hours of operation, the source locations and chemistry of raw materials utilized, and the products produced.

In its May 10, 2023, response to the Department's April 12, 2023, letter entitled, "Request for Further Information Regarding Ongoing Use of Cement Plant," Cemex provided the Department with its internal monthly truck counts, beginning in 2006 and continuing through 2023, which showed fluctuations from month to month and from year to year, and at levels often exceeding the counts from 2022. As Cemex had indicated to the Department in a prior letter dated March 24, 2023, responding to the Department's February 7, 2023, "Request for Information Through a Letter of Disclosure," total truck trips in November 2022 (2,355) were considerably lower than they had been in November 2021 (2,643) and November 2020 (3,031). These larger truck volumes occurred when the Dowe Flats quarry was still in operation. However, this information is ignored by the Determination. The volume of traffic following the closure of Dowe Flats is no different than the historical volume of traffic supplying materials to the operations on the property prior to and even during the use of Dowe Flats. Thus, a fundamental premise of the Determination — an increase in traffic — is incorrect.

2. A Change in Traffic Without a Change in the Use of the Plant Property is not an Enlargement or Alteration of a Legal Nonconforming Use.

If the conclusion is reached that the present volume of traffic is a change and not a continuation of historical activity, which we do not believe is correct, the law is clear that a change in traffic alone, without any underlying change in the use of the plant property, is not an impermissible enlargement or alteration of use pursuant to the Boulder County Land Code (the "Code") or pertinent case law.

The one court of which Cemex is aware that has considered whether an increase in traffic alone constitutes an impermissible enlargement of a legal nonconforming use determined that an increase in traffic does not constitute such an enlargement. In fact, the court reached this determination despite the fact that the town's code provided that an increase in traffic could serve as evidence of an enlargement of a nonconforming use. In *Keiser v. Redding Zoning Bd. of Appeals*, 1993 Conn. Super. LEXIS 1242 (Danbury Super. Ct. 1993), a neighboring property owner argued that a church had expanded its nonconforming use in violation of the town code due to increased traffic generated by church services, widening of a driveway, and additional weekly meetings. The town's code provided that "any increase in occupied floor area of a building, land area used, persons employed or traffic generated shall constitute evidence of such enlargement or extension." The court found that "the increase in the traffic generated by the church services alone is not an illegal expansion of the original use" because the church "used its property to conduct church services prior to the revised Regulations . . . ; therefore, the current use of the property for church services is not a change in the character of the use."

The Code defines "nonconforming use" as "any existing use which does not conform to the use regulations of [the] Code for the zoning district in which such nonconforming use is located, as a result of either (1) the adoption or amendment of [the] Code, or (2) a final administrative or judicial decision precluding the County from enforcing [the] Code specific to a use on the basis of estoppel, laches, or waiver." Code Section 4-1003(A). The Code provides that the right to continue a nonconforming use terminates upon, among other occurrences, "[a]ny other enlargement or alteration of the nonconforming use which has the effect or threatened effect of creating a hazard or nuisance on or off the property, of adversely affecting the character

of the neighborhood, or of intensifying the use of the land or its need for services." Code Section 4-1003(C)(1)(c).

The Determination states that "the Director has determined that the increased level of traffic entering and exiting the Property constitutes an enlargement or alteration of the nonconforming cement plant use" with the effects described above (emphasis added). In support of the conclusion that increased offsite traffic near the Cemex site constitutes an impermissible "enlargement or alteration," the Determination states that the increased traffic constitutes a "hazard" and an "intensif[ication] of the use of the land." Such a conclusion contorts the Code by characterizing truck traffic as the enlargement of the land use rather than the effect of a change in the land use—the Code's list of effects, which includes creating a hazard and intensifying the use of the land, operates to limit the category "enlargement or alteration" rather than define what constitutes an alteration.

In other words, the Code does not state that any hazard, nuisance, or intensification of the use of land qualifies as an "enlargement or alteration" of a nonconforming use; instead, the Code states that enlargements or alterations operate to terminate the right to continue a nonconforming use only when such enlargements or alterations have the listed effects. The Determination reverses this analysis to argue that increases in off-site traffic alone constitute an impermissible "enlargement or alteration" *because* such increases in traffic constitute a hazard and an intensification of the use of land. The Determination states that "[t]he increased level of traffic has created an intensity of use that was noticeable enough for members of the public to file complaints with Boulder County and CDOT, will require new traffic construction and offsite infrastructure to address the traffic hazard created by the significant increase in trucks entering and exiting the Property, and will require a new access permit from the State of Colorado. These factors further support the Director's conclusion that the increases in truck traffic constitute an enlargement or alteration of the nonconforming cement plant use." However, if there is no enlargement or alteration, these factors are not relevant.

Land uses on the Cemex property remain unchanged. From 1969 until present, the existing facilities have been utilized to manufacture cement, with materials being sourced at all times from a variety of locations and at variable rates, often hauled by trucks. That increased background traffic in the area of Cemex's property may have occurred while the plant has

¹As discussed below in Section 3 of this letter, the "new traffic construction" is simply a mechanism to limit left turns by vehicles leaving the Cemex property. This limitation was established as a goal by CDOT pursuant to the 2020 Access Control Plan for Highway 66 that was approved by CDOT and Boulder County. Contrary to the Determination, the proposed traffic improvements were not necessitated by any changes in truck traffic since closure of the Dowe Flats quarry in 2022. Simply put, limiting left turns from unsignalized driveways across modern state highways near urban areas is prudent in most instances.

² The Code specifically provides that alterations or expansions necessary to comply with health and safety requirements of another jurisdiction do not constitute impermissible enlargements or alterations that may operate to terminate the right to continue a nonconforming use. Code Section 4-1003(C)(2) ("An impermissible enlargement or alteration shall not include the following: [...] b. an alteration or expansion which the Building Official determines is necessary to rectify a hazardous health or safety situation or to comply with the public health or safety requirements of another governmental entity having lawful jurisdiction over the structure; [...]") (emphasis added). Thus, even if the traffic improvements were considered alterations or expansions of Cemex's nonconforming use, which we do not agree that they are, the traffic improvements would not operate to terminate the nonconforming use because the improvements were required by CDOT.

continued in operation, cannot be considered in connection with a determination of enlargement or alteration of the nonconforming use on the property.

The Determination's conclusion that the increased traffic alone constitutes a hazard within the meaning of the Code is also incorrect. The Determination states that the increased traffic "creates a safety hazard for vehicles exiting the Property as well as vehicles traveling along State Highway 66" because "CDOT has determined that it is no longer safe for traffic to turn left out of Cemex driveway onto State Highway 66 and will now require these vehicles to turn right out of the Property," and "it is impossible to ensure that all vehicles will avoid making left turns . . . without roadway alterations." As discussed below in Section 3 of this letter, the Access Control Plan for the highway adopted by CDOT and approved by Boulder County in 2020 specifically contemplated limiting left turns out of the Cemex driveway, two or more years prior to closure of the Dowe Flats quarry and any changes in trucking patterns. So, this consideration in no way originated from any changes in materials sourcing for the cement plant or truck traffic following the closure of the quarry.

The Determination sets forth no basis for the conclusion that increased offsite traffic "intensifies the use of the land." While the Determination notes that the alleged increase in average daily trips (ADTs) at the Cemex property exceeds the threshold at which an increase in ADTs requires Special Use Review under the Code, the County's ADT threshold for special use permits is wholly inapplicable to Cemex's legal nonconforming use. When Cemex's use was established, the Special Use Review requirement for uses generating over 150 ADTs did not exist. Cemex does not hold nor could it seek to obtain a special use permit, given present zoning. As special use review is not applicable here, and special use permit considerations pertain to proposed future land uses, and the conditional approval of the same, not to pre-existing vested land uses as to which no permits exist, the fact that "Boulder County has consistently treated increases in traffic as an intensified use of land that requires additional land use review . . . [s]ince 1994," has no bearing here.³

As noted above, the Director's conclusion that an increase in traffic constitutes an impermissible enlargement or alteration of a legal nonconforming use is at odds with widely accepted principles of local government law. While no Colorado courts have directly addressed the issue, opinions from other jurisdictions and commentary in municipal law treatises reflect the general principle that an increase in production volume is not an impermissible enlargement or alteration of a legal nonconforming use. ⁴ This principle necessarily implies that an increase in

³ As part of its discussion of intensification of the use of land, the Determination erroneously states, "Like all other land uses in the county, the traffic generated by the nonconforming cement plant use is part of the use." Traffic is an impact of a use, not part of the use. The Determination seems to conclude that traffic is part of the nonconforming land use because the County considers traffic in Special Use Review applications. Many criteria may be considered in discretionary land use applications, including various impacts that are not part of the land use itself (such as, for example, economic or social impacts).

⁴ Hansen Bros. Enters. v. Bd. of Supervisors, 12 Cal. 4th 533, 573 (Cal. 1996) ("[W]hile we have no evidence of the understanding of the legislative body which enacted Development Code section 29.2(A) as to the meaning of the term 'enlarged or intensified,' the general rule appears to be that an increase in business volume alone is not an expansion of a nonconforming use. . . . By way of example, we assume that a grocery store operating as a lawful, nonconforming use in an area of increasing population would not be restricted to the same number of customers and

offsite traffic alone, without any change to the use of the property at issue, does not constitute an enlargement or alteration. Almost any increase in production volume—including, as discussed in the examples cited, an increase in production at a quarry or an increase in patrons visiting a grocery store—would produce an increase in traffic. In fact, the cited examples of increases in production volume involve much more significant changes than mere increases in traffic; the examples involve changes to the operation of the nonconforming use itself. Cemex's nonconforming use on the property has remained the same for decades.

3. The Stantec Report Does not Support a Determination to Terminate Cemex's Legal Pre-Existing Nonconforming Land Use.

The purpose of the Stantec Report was not to study or ascertain whether the Cemex plant had changed its cement plant operations or otherwise enlarged or altered its legal, pre-existing nonconforming industrial uses of its property. The Report does not evaluate or find that there has been any change in Cemex's land use at the plant property, nor does it support such a conclusion. Rather, the Report, by its terms, precludes its use for any purpose other than its intended use: an operational analysis of the truck and other traffic on Highway 66 and at four nearby intersections and their approaches. Stantec confirmed, for the intersections included in their study, that there were no impacts to the highway or side street approaches attributable to the Cemex plant or to truck traffic to or from the Cemex plant. The Report, therefore, does not, and cannot properly be used to, support the Determination's conclusion that Cemex has expanded or altered its legal, pre-existing nonconforming land use.

In addition, the Report is based on extremely limited and select data related to traffic not on the Cemex plant premises. Stantec was not asked to and did not conduct any analysis of the Cemex plant, the plant's operations, or truck traffic to and from the plant property over the many decades that the plant has been in continuous operation, which have been affected by numerous factors including weather conditions, pandemic effects, plant outages, customer demand, economic cycles, product offerings and raw materials chemistry. Traffic counts from only three days in 2023 was compared to Cemex records from 2022, and the data for each year came from two entirely different sources -- Cemex trucking records in 2022 and electronic vehicle counts in 2023. To be an apples-to-apples comparison, this data should have been gathered in the same

volume of business conducted when the zoning ordinance was enacted. Neither an increase in the number of patrons or in the volume of goods sold would be considered an enlargement or intensification of the use. And where increased population creates an increased demand for the aggregate used in road construction, an increase in production to meet that demand would not be construed as an enlargement or intensification of the use." (citing 8A McQuillin § 25.207)); Helicopter Associates, Inc. v. Stamford, 201 Conn. 700, 716 (Conn. 1986) ("[A] mere increase in the amount of business done pursuant to a nonconforming use is not an illegal expansion of the original use."); Union Quarries, Inc. v. Board of County Comm'rs, 206 Kan. 268 (Kansas 1970) (holding that an increase in the volume and intensity of production at a quarry was not an impermissible enlargement of the legal nonconforming use because "the use of the property remained the same as before"); id. at 277 (citing 101 C.J.S. Zoning § 193 at 955-956 ("Generally speaking, the rule forbidding the enlargement or extension of a nonconforming use does not prevent an increase in the amount of use within the same area, so that a nonconforming use may be not only continued but also increased in volume and intensity. A nonconforming use is not limited to the precise magnitude thereof which existed at the date of the ordinance, but may be increased by natural expansion, and a nonconforming use is not unlawfully enlarged or extended although the number of employees has almost doubled. The natural growth of a business or an increase in the amount of business done is not a change from the nonconforming use permitted by the zoning ordinances.")).

locations using the same equipment and the same methods. As such, comparing the data from 2022 to 2023 is comparing apples to oranges and does not support the Director's conclusions even just as to 2022 versus 2023, let alone as to three days sampled in 2023 versus all prior years of cement plant operations from 1969 until now. The purpose of the Report was simply to confirm the results of prior studies by CDOT that took place before the Dowe Flats quarry closed in 2022, not to establish a baseline for all prior years of historical operation.

Stantec also did not do a safety study, and no observations or conclusions were made about the safety of the traffic on Highway 66 or adjacent highways, side streets or intersections. The Report was not intended to and does not address safety. Therefore, no opinions or conclusions about safety can be drawn from it. Accordingly, the Department has cited no basis or support for the following statement in the Determination: "In particular, the significant increase in traffic related to the nonconforming cement plant use has created a safety hazard for vehicles exiting the Property as well as vehicles traveling along State Highway 66." *See* Determination at p. 5.

The cement plant on the Cemex property has always had primary vehicular access to and from Highway 66. Driveways constructed prior to June 30, 1979, did not require CDOT access permits (*see* C.R.S. 43-2-147(6)(a)), and Cemex is not aware that access to the cement plant has ever been previously permitted. CDOT may only require reconstruction of pre-1979 driveway accesses if there has been a change in the use of the property served. C.R.S. 43-2-147(6)(b). The Colorado State Highway Access Code (Volume 2, C.C.R. 601-1, originally adopted on June 18, 1998)) ("Access Code") describes "modifications to existing developed property" as including "the redevelopment, reconstruction, remodeling, assemblage and any other modification to existing property." Access Code § 2.6(1). As noted above, there has been no such change here, as the cement plant commenced operations in 1969 and has continued in operation from then until now.

Last year, CDOT asked Cemex to do a traffic study, which study Cemex had no obligation to undertake but nevertheless proceeded to complete. After Stantec was engaged by Cemex, prior to commencement of the traffic study, Stantec specifically asked CDOT if there were any major existing safety concerns related to the stretch of Highway 66 adjacent to the Cemex plant property. Stantec was not provided any information showing any major safety concerns existed. This was consistent with the March 18, 2020, Access Control Plan ("ACP") approved by CDOT and Boulder County for Highway 66, which includes no significant accident history in the vicinity of the Cemex property. See ACP at p. 13. The ACP further notes that, even assuming no further improvements to this section of Highway 66, there will still be adequate levels of service in the area, including at the intersection of Highways 36 and 66. ACP at p. 20. See https://www.codot.gov/projects/studies/co-66-pel/Assets/sh66_accesscontrolpanelstudy.pdf.

The single improvement that the Stantec Report recommends is the elimination of left turns by vehicles exiting the Cemex site. While the Determination inaccurately characterizes this issue as a major safety concern that has resulted from changes in Cemex's trucking between 2022 and 2023, this is not true. The elimination of left turns was specifically identified and included in the ACP *three years prior* to the cessation of deliveries of raw materials from the Dowe Flats quarry across the highway. *See* Appendix E to ACP at pp. 12 and 13, which can be viewed at https://www.codot.gov/projects/studies/co-66-pel/Assets/sh66acp_appendices.pdf (the Cemex driveway is tabulated by CDOT as Access Number 49). Cemex is now implementing

this change. At no point has Stantec or CDOT confirmed any change in the use of Cemex's property. Under these circumstances, CDOT's issuance of an access permit to Cemex is addressed by Section 2.3(3)(d) of the Access Code, which reads as follows:

(d) The property owner or authorized representative served by a lawful access may make physical improvements to an access with the permission of the issuing authority and the Department. The applicant shall make the request on standard permit application forms and may specify that the request is for improvements according to this subsection. This subsection does not apply when there is or will be a change in historical grandfathered use or access use in accordance with Code section 2.6. Processing of the application shall be the same as provided in Code section 2.3 except the Department and issuing authority may only take action on the request for improvement ... If approved for improvements, the permit need not require full Code design compliance, so long as access is improved above current conditions and there is no deterioration in safety or operation of the highway. Denial of an application to enlarge, relocate, or modify an existing lawful access shall in no way impair the permit for or right to the existing access for its legal historical use.

As such, the elimination of left turns at the Cemex driveway is permissible in the absence of any change in the historical grandfathered use of the Cemex property, and the fact that this additional traffic improvement might be made is not in and of itself a change of such use.

As noted above, Stantec's recommendations fully conform with the 2020 ACP. CDOT has reviewed the Report and recommended that left turns out of the Cemex driveway be eliminated. Cemex is complying with CDOT's recommendation. The current preclusion of left turns out of the Cemex driveway, the use of an accelerating/merging lane for trucks that turn right, and a new raised median will all combine to minimize the chance of a traffic accident at that location. The Report was not intended to be used for any other purpose, particularly in light of the fact that its objectives are being fully achieved.

4. The Termination of Cemex's Right to Continue Plant Operations in these Circumstances Would Violate Substantive and Procedural Due Process Principles and Effect a Regulatory Taking.

First, the Department has violated Cemex's substantive due process rights. "[S]ubstantive due process ensures the state will not deprive a party of property for an arbitrary reason regardless of the procedures used to reach that decision." *Hyde Park Co. v. Santa Fe City Council*, 226 F.3d 1207, 1210 (10th Cir. 2000). A party's substantive due process rights are violated when "the alleged purpose behind the state action has no conceivable rational relationship to the exercise of the state's traditional police power through zoning." *Crider v. Boulder Bd. of Cty. Comm'rs*, 246 F.3d 1285, 1289 (10th Cir. 2001) (citation omitted); *see also Norton v. Village of Corrales*, 103 F.3d 928, 932 (10th Cir. 1996). In other words, a party's substantive due process rights are violated when the government's articulated basis for its decision bears no rational relationship to a legitimate governmental interest. *Id.*

Here, in terminating Cemex's grandfathered legal non-conforming use and right to operate, the Department is attempting to deprive Cemex of its property in an unusual, arbitrary, capricious, or irrational manner that was based upon improper considerations unconnected with

legitimate government objectives. See, e.g., Cross Cont. Dev., LLC v. Akron, 742 F.Supp.2d 1179, 1192 (D. Colo. 2010) ("Assuming these facts as true for purposes of the motion to dismiss and construing the facts in the light most favorable to CCD, I find that these facts could allow this Court to draw the reasonable inference that Defendants' acts were arbitrary, capricious and/or conscience shocking.").

In 2022, after prior coordination with Boulder County Open Space, Cemex tendered a land use application to Boulder County for the purpose of potentially extending the duration of permitted local mining of materials for its cement plant at the Dowe Flats Quarry across Highway 66 for fifteen more years (until 2037). Part of the package that had been negotiated in advance with Open Space staff and the County's attorneys included Cemex's offer to condition an approval of its extension request on closure of the cement plant across the highway when the quarry ceased operations. In determining to recommend approval of this application, the Department repeatedly acknowledged that the land use history of the plant is entirely separate from the quarry, and that the plant might continue operating after closure of the quarry, with supplies from other sources. The Board of County Commissioners (BOCC) nonetheless voted to deny this application. Now the Department appears to be seeking to prohibit the very activity it had acknowledged might continue, absent any evidence and without adequate legal support for its position that an impermissible expansion of the use of Cemex's property has taken place. If the County wished to continue to limit the hauling of raw materials to supply the plant, or to set a firm date for closure of the cement plant, it missed its opportunity to do so.

Second, the Department violated Cemex's procedural due process rights. Under Colorado and federal law, "[t]he fundamental requirement of due process is the opportunity to be heard at a meaningful time and in a meaningful manner." Moreland Props., LLC v. City of Thornton, 559 F. Supp. 2d 1133, 1156–57 (D. Colo. 2008) (citing Stanko v. Maher, 419 F.3d 1107, 1115 (10th Cir. 2005)) (emphasis added). Courts consider the following factors in determining the existence of a procedural due process violation: (1) the private interest that will be affected by the official action; (2) risk of an erroneous deprivation of such interest through the procedures used, and the probable value, if any, of additional or substitute procedural safeguards; and (3) the Government's interest, including the function involved and the fiscal and administrative burdens that the procedural requirement would entail. Id. at 1157. Here, the Department erroneously deprived Cemex of its property interest by terminating its grandfathered legal non-conforming use and right to operate without allowing adequate procedural due process under the circumstances. See, e.g., id. at 1157.

Third, the Determination constitutes a regulatory taking of Cemex's property in violation of the Colorado constitution. Under Colorado Constitution Article 2, Section 15, "[p]rivate property shall not be taken or damaged, for public or private use, without just compensation." "Takings jurisprudence balances the competing goals of compensating landowners on whom a significant burden of regulation falls and avoiding prohibitory costs to needed government regulation." *Animas Valley Sand & Gravel, Inc. v. Bd. of Cnty. Comm'rs*, 38 P.3d 59, 63 (Colo. 2001). The Takings Clause, Colo. Const. art. II, § 15, encompasses regulatory and physical takings. 38 P.3d at 63. There are two applicable regulatory-takings tests, which turn on the extent of the economic interference with property. *Id.* at 64. *First*, a categorical, *per se* taking occurs when a regulation denies an owner all economically viable use of its land. *Id. Second*, where

"the property in question retains more than a de minimis value," a taking may occur under a "fact-specific inquiry" in which the property's "diminished economic value is considered in connection with other factors" to determine whether it "effectively has been taken from its owner." *Id.* at 65-66. Here, such an impact would occur if the Determination is allowed to stand, requiring that the Department pay Cemex just compensation.

Conclusion

As set forth above, the Determination is in error because: (1) any increase in traffic alone without a corresponding change in the use of the Cemex property is not an impermissible enlargement or alteration of Cemex's legal nonconforming use; (2) cement plant operations have historically and consistently entailed the use of a fluctuating mix of raw material sourced from various locations and delivered via various transport methods, including larger historical volumes of truck traffic than were considered in the making of the Determination; and (3) the Report does not support the Department's conclusion that use of the Cemex property has impermissibly expanded. If the Determination stands, it would also be in violation of both substantive and procedural due process principles and effect a regulatory taking of Cemex's property.

Cemex, which has not owned the plant throughout its operational history, is continuing to gather historical information and further consulting with experts. Noting that this response was required only 30 days after issuance of the Determination, in reliance on communications with the Department, Cemex appreciates the opportunity and reserves the right to supplement this submittal with additional information and argument in support of Cemex's position that the Determination was in error, either prior to the Department's final determination or in connection with any subsequent proceedings before the BOCC. Additionally, should it be determined that a hearing request was required within 30 days, Cemex hereby makes such a request, and if the Director's final determination of this matter remains adverse to Cemex, Cemex also reserves the right to pursue the hearing before the BOCC. Lastly, Cemex reserves the right to pursue abatement pursuant to Section 4-1003(H) of the Code at any time prior to the conclusion of these proceedings before the Department, any subsequent BOCC proceedings, and any resulting judicial appeals.

Sincerely,

By:

CEMEX, Inc.

John Hetternan

Assistant Secretary

cc: The Honorable Members of the County Commission of Boulder County

(via email: commissioners@bouldercounty.gov)