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& Sons, Inc.

Letter of Intent

VA-19-002

June 3, 2019

Owner: Pete Lien & Sons, Inc.
PO Box 440
Rapid City, SD 57709

Consultant: Concepts West Architecture, Inc.
831 South Nevada Ave Suite 100
Colorado Springs, CO 80903

Pete Lien & Sons is a family owned business that has been in operation since 1944. The company has been in ready mix concrete since 1966 and operating in Colorado Springs for 25 years. Known locally as TCC, Trans Colorado Concrete, or by their green and white trucks, Pete Lien & Sons currently has three plants and over 50 employees in Colorado Springs.

The majority of raw materials needed to feed the three Pete Lien & Sons plants (aggregates, cement, etc.) are currently hauled from sources within an 80 mile radius of Colorado Springs. These raw materials are then mixed with water and sent to jobsites in and around Colorado Springs. Over the last 25 years development has continued to expand around these plants. While the existing plants are well positioned to continue to serve the areas they have historically served, they are also being used to serve areas 10 to 20 miles beyond their designed reach.

Through efficiency reviews, it has become clear that the influx of development east of Colorado Springs would be better served by a standalone plant in that location. This would cut down delivery time and traveled road miles for finished goods by 20-40 miles per delivery. Pete Lien & Sons would benefit by reducing cost associated with delivering concrete to customers and remain competitive in the market. Customers would benefit by having access to competitively priced concrete and by paying for fewer delivery miles since the plant would be closer to their project sites. The county would benefit by tax base growth as a result of reasonable construction costs for private and public projects, reduction of travel on public roads, and construction related job growth in the area.

Pete Lien & Sons purchased a 92 acre tract of land at the intersection of Judge Orr Road and Stapleton Drive near Falcon for the purpose of developing the site for a ready mix batch plant. See Exhibit A. The current principal use table lists concrete batch plants as a special use in Industrial Zoning Districts I-3 and Obsolete Zoning District M. Pete Lien & Sons was informed by staff during their land search that there is no property zoned I-3 in the Peyton or Falcon area and that a rezone was not possible since it would be considered spot zoning. The only option remaining is for Pete Lien & Sons to seek a variance of use and approval of a major commercial site development plan.

The target area that was considered for this project was 10 square miles along Judge Orr Road. This target area was chosen to meet the objective of providing service to customers in growing markets while:

- Minimizing mileage of concrete trucks (thereby minimizing wear and tear on public roads). The location of this new plant will reduce overall Pete Lien & Sons concrete truck traffic through the county to this area by 50%.
- Allowing maximum distance from established neighbors and minimizing impact to their property.
- Locating in an area that is not likely to be surrounded by sub-acre residential tracts.
- Developing nontributary water rights appurtenant to property.
- Allowing a large buffer area around the plant footprint to mitigate any perceived negative impact (40 acre parcel minimum to stay in line with zoning standards for a facility of this type).
- Allowing for safe and easy access to primary truck routes already being used by Pete Lien & Sons.

There is one parcel of property in the area that is zoned M, but it is undersized for the footprint needed when flood zone considerations are factored in. A second parcel just outside of the 10 square miles considered is zoned M, but it is directly adjacent to an existing Planned Unit Development. This parcel also includes a large area of 100-year flood zone, which splits the acreage and would force the footprint of the proposed facility up against the property line shared with a high density residential development.

Properties on the market south of the subject parcel were rejected due to their elevation in relationship to the planned development to the east, which would have made it difficult to mitigate view shed impacts, as well as access issues off of Curtis Road because of the road's elevation and width. Listed property due east of the purchased property was rejected due to wetland and water availability issues.

The proposed ready mix plant on the subject parcel will be a key component to the growth of the surrounding area. Every property in this area that is set for development will require concrete for construction. While Colorado Springs has been well served by having three standalone Pete Lien & Sons ready mix plants in its boundaries for 25 years, it is no longer practical to haul materials into the city, add water, and then haul them back out to the area being actively developed. Two plants will remain to serve the needs in Colorado Springs, while one plant, which is located on leased property, would be replaced by the proposed new facility. See Exhibit B.

The proposed new Pete Lien & Sons ready mix facility will operate under State of Colorado air and storm water permits issued by the Colorado Department of Public Health and Environment, as well as any conditions El Paso County may require. The three existing Pete Lien & Sons facilities in El Paso County, of similar design and operation, have complied with environmental regulations and have had no permit violations over the course of 25 years.

Pete Lien & Sons has a long record of environmental excellence. For example, the proposed design for this plant is based on a new plant that Pete Lien & Sons recently built in Rapid City, SD. The Rapid City plant has been awarded the 2018 National Ready Mix Concrete Association 2nd place award for Commitment to Environmental Excellence. Pete Lien & Sons was also the first company in both South Dakota and Wyoming to receive Green Star Certification for excellence in environmental management from the National Ready Mix Concrete Association. In November of 2018, Pete Lien and Sons was also presented the Colorado Division of Reclamation, Mining and Safety (DRMS) and Colorado Stone, Sand & Gravel Association (CSSGA) 2018 Jack Starner Mined Land Reclamation Award for Innovation and Collaboration.

Pete Lien & Sons understands that by asking for this variance we are making a commitment to both the county and the community to meet all requirements established by the County, including the County's Land Development Code, Building Code, and any conditions the County deems necessary for approval of this variance. Pete Lien & Sons is committed to work with the County and community to responsibly develop a ready mix plant that is a benefit to the community as a whole.

While wildlife on the subject property, consisting mainly of prairie dogs, would be affected by the initial disturbance for the plant footprint, Pete Lien & Sons committed to its neighbors during early outreach discussions and meetings to participate in a cooperative plan to manage the prairie dog population found on the subject parcel and on surrounding properties. Since those meetings, Pete Lien & Sons commissioned EDM International Inc. to complete a burrowing owl survey. That report is included in the application packet under a separate cover. The report documents the presence of burrowing owls outside of the project footprint and avoidance buffer. Pete Lien & Sons commits to using avoidance buffers as outlined in the report. More than 60 acres of the purchased 92 will not be disturbed allowing for continued agricultural grazing, existing natural habitat, and wetland.

Current flood zone maps identify 100 year and 500 year areas along the southern and eastern edges of the subject parcel. Further wetland studies conducted on the Pete Lien & Sons property have identified wetlands and soils suitable for wetland expansion projects on the eastern half of the subject parcel. It is Pete Lien & Son's intent to protect the existing wetlands on this property by using them as an undeveloped buffer. Pete Lien & Sons also plans to further investigate the possible expansion of wetlands on this property to develop a wetlands bank as a separate project. The plant footprint has been positioned to allow for maximum wetlands expansion on the east and maximum buffer on the west.

Solutions for Off-Site Impacts

-Pete Lien & Sons is surrounded on three sides by a single landowner who currently has three family homes in various locations on their property and who began construction of a fourth home since Pete Lien & Sons began permitting this project. The neighbor is concerned about their ability to cross Stapleton Drive on foot and any potential impact operations would have on their ability to obtain an organic grass-fed certification for operation of approximately 12 cow/calf pairs. We do not believe the new facility will significantly affect pedestrian safety or this herd.

-Pete Lien & Sons will not discharge any industrial water off site, and material handling and conveying equipment will be controlled using baghouses and best practices as required by the State of Colorado. These practices minimize migration of any materials from the ready mix site to neighboring lands.

-On site traffic and aggregate stockpile handling has been identified as a potential source of dust. Stockpiles will be maintained in concrete block bins to minimize the area of disturbance. Landscaping around the plant will be used to provide further noise and view shed screening as well as wind protection to reduce blowing dust. A water truck and sprinklers will also be used as needed to wet down stockpiles and roads to minimize dust.

-Concerns have been raised with regards to odor. This is typically an issue associated with asphalt batch plants due to their use of petroleum products. Concrete batch plants do not use petroleum in their mix and, therefore, do not produce noticeable odors.

-Concern has been raised that this plant would be run on alternative fuels that could potentially affect air quality. The proposed plant, like all other Pete Lien & Sons concrete ready mix batch plants, will be powered by local electric utilities.

-Concern has been raised that water demand would affect local domestic users. Pete Lien & Sons plans on developing water rights for this property in the nontributary Arapahoe and/or Laramie Fox Hills aquifers underlying the subject property, if granted approval by the state. Development of such nontributary ground water resources must comply with state statutory requirements and the rules and regulations of the Colorado Ground Water Commission and will not detrimentally impact local domestic water users.

-The effect the plant height will have on views has also been raised as a concern by neighbors. Consideration was given to this issue when choosing this property. Visual impact studies have been conducted to verify that the proposed facility will not block or significantly impact the neighbors' views of the mountains. In addition, Pete Lien & Sons is working with the facility design team to minimize the

height of the structures. Finally, the proposed landscaping plan is designed to screen the plant facilities from the neighbors' views.

Noise from plant operations and traffic was raised as a concern by the neighbors. The plant has been positioned to maximize buffer zones that separate the active plant facilities from neighbors. Landscaping will also provide a buffer for noise from traffic and plant activity. Traffic studies do not indicate a significant increase of traffic for Judge Orr Road, Stapleton Drive or connected intersections that would predict a significant increase in road traffic noise beyond what currently exists.

In Summary Pete Lien & Sons is proposing a 23 acre footprint situated on a 92 acre parcel with at least 500 feet of buffer from the plant mixer to any property line. This is a much bigger setback than required. The facility footprint will further be buffered from view using landscaping and fencing appropriate for livestock so that agricultural use can be continued on the property.

Land Development Code Section 5.2.4.C – Criteria

In approving a variance of use, the following criteria may be considered:

The strict application of any of the provisions of this Code would result in peculiar and exceptional practical difficulties or undue hardship.

-The target area that was considered for this project was 10 square miles along Judge Orr Road. This target area was chosen to meet the objective of providing service to customers in growing markets while:

- *Minimizing mileage of concrete trucks (thereby minimizing wear and tear on public roads). The location of this new plant will reduce overall Pete Lien & Sons concrete truck traffic through the county to this area by 50%.*
- *Allowing maximum distance from established neighbors and minimizing impact to their property.*
- *Locating in an area that is not likely to be surrounded by sub-acre residential tracts.*
- *Developing nontributary water rights appurtenant to property.*
- *Allowing a large buffer area around the plant footprint to mitigate any perceived negative impact (40 acre parcel minimum to stay in line with zoning standards for a facility of this type).*
- *Allowing for safe and easy access to primary truck routes already being used by Pete Lien & Sons.*

There is one parcel of property in the area that is zoned M, but it is undersized for the footprint needed when flood zone considerations are factored in. A second parcel just outside of the 10 square miles considered is zoned M, but it is directly adjacent to an existing Planned Unit Development. This parcel also includes a large area of 100-year flood zone, which splits the acreage and would force the footprint of the proposed facility up against the property line shared with a high density residential development.

Properties on the market south of the subject parcel were rejected due to their elevation in relationship to the planned development to the east, which would have made it difficult to mitigate view shed impacts, as well as access issues off of Curtis Road because of the road's elevation and width. Listed property due east of the purchased property was rejected due to wetland and water availability issues.

The proposed use is compatible with the surrounding area, harmonious with the character of the neighborhood, not detrimental to the surrounding area, not detrimental to the future development of the area, and not detrimental to the health, safety, or welfare of the inhabitants of the area and County;

-The proposed ready mix plant on the subject parcel will be a key component to the growth of the surrounding area. Every property in this area that is set for development will require concrete for construction. While Colorado Springs has been well served by having three standalone Pete Lien & Sons

ready mix plants in its boundaries for 25 years, it is no longer practical to haul materials into the city, add water, and then haul them back out to the area being actively developed. Two plants will remain to serve the needs in Colorado Springs, while one plant, which is located on leased property, would be replaced by the proposed new facility. See Exhibit B.

The proposed use will be able to meet air, water, odor or noise standards established by County, State or federal regulations during construction and upon completion of the project;

The proposed new Pete Lien & Sons ready mix facility will operate under State of Colorado air and storm water permits issued by the Colorado Department of Public Health and Environment, as well as any conditions El Paso County may require. The three existing Pete Lien & Sons facilities in El Paso County, of similar design and operation, have complied with environmental regulations and have had no permit violations over the course of 25 years.

Pete Lien & Sons has a long record of environmental excellence. For example, the proposed design for this plant is based on a new plant that Pete Lien & Sons recently built in Rapid City, SD. The Rapid City plant has been awarded the 2018 National Ready Mix Concrete Association 2nd place award for Commitment to Environmental Excellence. Pete Lien & Sons was also the first company in both South Dakota and Wyoming to receive Green Star Certification for excellence in environmental management from the National Ready Mix Concrete Association. In November of 2018, Pete Lien and Sons was also presented the Colorado Division of Reclamation, Mining and Safety (DRMS) and Colorado Stone, Sand & Gravel Association (CSSGA) 2018 Jack Starner Mined Land Reclamation Award for Innovation and Collaboration.

The proposed use will comply with all applicable requirements of this Code and all applicable County, State and federal regulations except those portions varied by this action;

Pete Lien & Sons understands that by asking for this variance we are making a commitment to both the county and the community to meet all requirements established by the County, including the County's Land Development Code, Building Code, and any conditions the County deems necessary for approval of this variance. Pete Lien & Sons is committed to work with the County and community to responsibly develop a ready mix plant that is a benefit to the community as a whole.

The proposed use will not adversely affect wildlife or wetlands;

-While wildlife on the subject property, consisting mainly of prairie dogs, would be affected by the initial disturbance for the plant footprint, Pete Lien & Sons committed to its neighbors during early outreach discussions and meetings to participate in a cooperative plan to manage the prairie dog population found on the subject parcel and on surrounding properties. Since those meetings, Pete Lien & Sons commissioned EDM International Inc. to complete a burrowing owl survey. That report is included in the application packet under a separate cover. The report documents the presence of burrowing owls outside of the project footprint and avoidance buffer. Pete Lien & Sons commits to using avoidance buffers as outlined in the report. More than 60 acres of the purchased 92 will not be disturbed allowing for continued agricultural grazing, existing natural habitat, and wetland.

Current flood zone maps identify 100 year and 500 year areas along the southern and eastern edges of the subject parcel. Further wetland studies conducted on the Pete Lien & Sons property have identified wetlands and soils suitable for wetland expansion projects on the eastern half of the subject parcel. It is Pete Lien & Son's intent to protect the existing wetlands on this property by using them as an undeveloped buffer. Pete Lien & Sons also plans to further investigate the possible expansion of wetlands on this property to develop a wetlands bank as a separate project. The plant footprint has been positioned to allow for maximum wetlands expansion on the east and maximum buffer on the west.

- The applicant has addressed all off-site impacts;

Pete Lien & Sons is surrounded on three sides by a single landowner who currently has three family homes in various locations on their property and who began construction of a fourth home since Pete Lien & Sons began permitting this project. The neighbor is concerned about their ability to cross Stapleton Drive on foot and any potential impact operations would have on their ability to obtain an organic grass-fed certification for operation of approximately 12 cow/calf pairs. We do not believe the new facility will significantly affect pedestrian safety or this herd.

-Pete Lien & Sons will not discharge any industrial water off site, and material handling and conveying equipment will be controlled using baghouses and best practices as required by the State of Colorado. These practices minimize migration of any materials from the ready mix site to neighboring lands.

-On site traffic and aggregate stockpile handling has been identified as a potential source of dust. Stockpiles will be maintained in concrete block bins to minimize the area of disturbance. Landscaping around the plant will be used to provide further noise and view shed screening as well as wind protection to reduce blowing dust. A water truck and sprinklers will also be used as needed to wet down stockpiles and roads to minimize dust.

-Concerns have been raised with regards to odor. This is typically an issue associated with asphalt batch plants due to their use of petroleum products. Concrete batch plants do not use petroleum in their mix and, therefore, do not produce noticeable odors.

-Concern has been raised that this plant would be run on alternative fuels that could potentially affect air quality. The proposed plant, like all other Pete Lien & Sons concrete ready mix batch plants, will be powered by local electric utilities.

-Concern has been raised that water demand would affect local domestic users. Pete Lien & Sons plans on developing water rights for this property in the nontributary Arapahoe and/or Laramie Fox Hills aquifers underlying the subject property, if granted approval by the state. Development of such nontributary ground water resources must comply with state statutory requirements and the rules and regulations of the Colorado Ground Water Commission and will not detrimentally impact local domestic water users.

-The effect the plant height will have on views has also been raised as a concern by neighbors. Consideration was given to this issue when choosing this property. Visual impact studies have been conducted to verify that the proposed facility will not block or significantly impact the neighbors' views of the mountains. In addition, Pete Lien & Sons is working with the facility design team to minimize the height of the structures. Finally, the proposed landscaping plan is designed to screen the plant facilities from the neighbors' views.

-Noise from plant operations and traffic was raised as a concern by the neighbors. The plant has been positioned to maximize buffer zones that separate the active plant facilities from neighbors. Landscaping will also provide a buffer for noise from traffic and plant activity. Traffic studies do not indicate a significant increase of traffic for Judge Orr Road, Stapleton Drive or connected intersections that would predict a significant increase in road traffic noise beyond what currently exists.

- The site plan for the proposed variance of use will provide for adequate parking, traffic circulation, open space, fencing, screening, and landscaping;

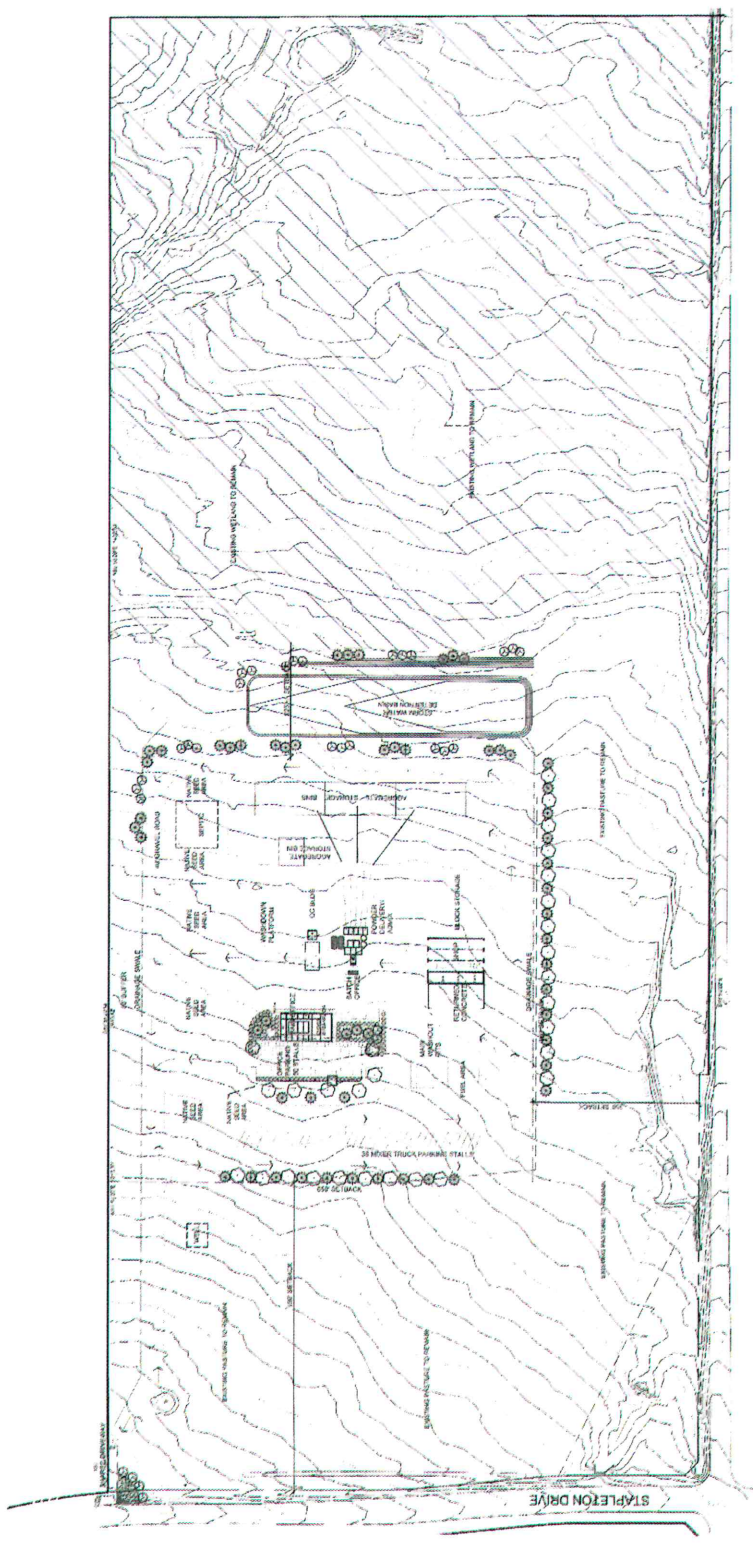
-The proposed landscaping plan is designed to screen the plant facilities from the neighbors' views. Pete Lien & Sons is proposing a 23 acre footprint situated on a 92 acre parcel with at least 500 feet of buffer from the plant mixer to any property line. This is a much bigger setback than required. The facility

footprint will further be buffered from view using landscaping and fencing appropriate for livestock so that agricultural use can be continued on the property.

Sewer, water, storm water drainage, fire protection, police protection, and roads will be available and adequate to serve the needs of the proposed variance of use as designed and proposed.

Pete Lien & Sons has not received comments from providers regarding inadequacy of services available to serve this site's needs.

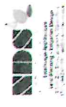
Exhibit A



LANDSCAPE CONCEPT PLAN

PLANT SCHEDULE

SYMBOL	CODE	SIZE	PLANT NAME	QUANTITY	DATE	SCALE
(Symbol)	01	12"	SPRING BURNING BUSH	10	11/18	1/8" = 1'-0"
(Symbol)	02	12"	DOGWOOD	10	11/18	1/8" = 1'-0"
(Symbol)	03	12"	DOGWOOD	10	11/18	1/8" = 1'-0"
(Symbol)	04	12"	DOGWOOD	10	11/18	1/8" = 1'-0"
(Symbol)	05	12"	DOGWOOD	10	11/18	1/8" = 1'-0"
(Symbol)	06	12"	DOGWOOD	10	11/18	1/8" = 1'-0"
(Symbol)	07	12"	DOGWOOD	10	11/18	1/8" = 1'-0"
(Symbol)	08	12"	DOGWOOD	10	11/18	1/8" = 1'-0"
(Symbol)	09	12"	DOGWOOD	10	11/18	1/8" = 1'-0"
(Symbol)	10	12"	DOGWOOD	10	11/18	1/8" = 1'-0"
(Symbol)	11	12"	DOGWOOD	10	11/18	1/8" = 1'-0"
(Symbol)	12	12"	DOGWOOD	10	11/18	1/8" = 1'-0"
(Symbol)	13	12"	DOGWOOD	10	11/18	1/8" = 1'-0"
(Symbol)	14	12"	DOGWOOD	10	11/18	1/8" = 1'-0"
(Symbol)	15	12"	DOGWOOD	10	11/18	1/8" = 1'-0"
(Symbol)	16	12"	DOGWOOD	10	11/18	1/8" = 1'-0"
(Symbol)	17	12"	DOGWOOD	10	11/18	1/8" = 1'-0"
(Symbol)	18	12"	DOGWOOD	10	11/18	1/8" = 1'-0"
(Symbol)	19	12"	DOGWOOD	10	11/18	1/8" = 1'-0"
(Symbol)	20	12"	DOGWOOD	10	11/18	1/8" = 1'-0"



Sheet
SP-D6

CONCEPT
LSP PLAN

Concepts West
Architecture, Inc.
833 South Harvard Avenue - Suite 102
Flagler Beach, FL 32112
Phone: 386-339-1111
Fax: 386-339-1112

Pete Lien & Sons
TRANS COLORADO CONCRETE
Judge Orr Road & Stapleton Drive, Falcon, El Paso County, CO

Job No. 18-001
Contractor: Pete Lien & Sons
Request: Nov. 30, 2018



Exhibit B

