

March 9, 2020

Planning and Community Development Department
El Paso County
2880 International Circle
Colorado Springs, Colorado 80910
Attn: Nina Ruiz

Re: Cover Letter to Application for Special Use Permit

Ms. Ruiz:

We represent Copart, Inc., a Delaware corporation, and its affiliates (collectively, “Copart”) with respect to its acquisition and proposed development of a vehicle auction and liquidation facility on approximately 80 acres of vacant land located in El Paso, Colorado (the “County”), which is referred to as parcel number 55041 01 001 (the “Property”). This letter is provided to aid the County in reviewing and approving the attached Special Use application.

BACKGROUND

Copart owns and operates vehicle auction and liquidation facilities nationwide, including four in Colorado, one of which is located on Winters Drive in the City of Colorado Springs. A typical facility consists of an office building, customer parking, a shipping and receiving area, and a short-term storage area for vehicles, trailers, watercraft, and industrial and construction equipment that will be sold at online auction. These assets are typically not owned by Copart (except in the rare case that an insurance company or other seller abandons a vehicle, in which case Copart will take possession), and more often Copart is providing asset management and liquidation services to institutional, commercial, and other private parties who own the assets. Copart only liquidates “intact” assets, meaning that it does not dismantle or crush the assets or dismantle them to sell parts, unlike a junkyard, or vehicle dismantling yard.

The assets are listed for sale through Copart’s website where registered Copart members (primarily licensed dealers, dismantlers, rebuilders, and exporters, but also in some cases end users) bid on the assets, the majority of which are sold wholesale. Importantly, there are no live auctions on-site. If desired, buyers can inspect the assets at the facility, and the winning bidder arranges for pickup and transportation of their newly online-purchased assets.

Copart plays an important role in the liquidation of many vehicles and similar assets, especially in areas that are susceptible to insurance catastrophe events such as floods or hail storms. Often, these communities lack suitable permanent location to store the many vehicles that are deemed a total loss by insurance companies after such events, and do not have liquidation specialists such as Copart in proximity to handle the sudden influx in vehicles subject to liquidation. Copart’s

facilities provide a necessary repository for these assets until they can be efficiently disbursed to buyers around the country and the globe, usually within 50-60 days.

Copart envisions developing a typical regional liquidation facility on the Property, as depicted on the Special Use Map and Plot Plan attached to the Special Use application (the “**Liquidation Center**”). Copart anticipates submitting a site development plan in the near future, which will depict the Liquidation Center in greater detail.

ANALYSIS

The Property is currently zoned I-2: Limited Industrial. The County has advised that the Liquidation Center will be classified as either “automobile and trailer sales” or “heavy equipment rental, sales or storage,” as such uses are defined in the County’s Land Development Code (the “**Code**”). These uses are allowed under I-2 zoning upon approval as a Special Use. The Code defines “automobile and trailer sales” as “open area used for the display, sale, or rental of automobiles, trailers, boats, recreational vehicles, mobile homes and manufactured homes, and where no repair work is done except minor incidental repair and preparation work on automobiles, mobile homes and manufactured homes to be displayed, sold or rented on the premises.” Code, § 1.15. The Code defines “heavy equipment rental, sales or storage” as “an establishment where large machinery and tools used for construction and building purposes are rented, sold or stored, which may include maintenance and parts sales. Heavy equipment shall include but not be limited to bulldozer, tractor, grader, caterpillar tractor, crane, backhoe, trencher, and earthmover.” *Id.* The Liquidation Center will be an “open area” or “establishment” that is used for the sale of automobiles, trailers, boats, and recreational vehicles and some heavy equipment, which are displayed or described online for purchase. Further, Copart performs only minor non-repair, preparation work on-site. Copart has provided the Statement of Operations attached hereto as **Exhibit A** for a more detailed description of its intended use. Based on the above and attached descriptions, Copart’s intended use fits within the definitions for “automobile and trailer sales” and “heavy equipment rental, sales or storage” that are provided in the Code.

Section 5.3.2(C) of the Code provides specific criteria for approval of a Special Use, and the Liquidation Center satisfies each of these criteria, as explained below.

I. Criteria for Approval of a Special Use

1. The special use is generally consistent with the applicable Master Plan.

The County adopted the Policy Plan in 1998 (the “**Policy Plan**”), which functions as the “overall policy element of the county master plan” and provides “guidance, direction and expectations concerning broader land use planning issues including growth management, compatibility, land use equity, property rights, and service standards.” While informative, the Policy Plan is “considered advisory and not legally binding upon the land use decisions of the County.” Further, applicable policies in the Policy Plan “should be considered and applied comprehensively rather than singularly” and the Policy Plan recognizes that because “[m]ost development proposals will naturally be consistent with some policies while inconsistent with others . . . [t]he appropriate approach is to evaluate all of the relevant policies and then make a

land use decision with respect to overall consistency based upon a preponderance of the policies within this Policy Plan.”

The Liquidation Center is generally consistent with the goals and policies described within the Policy Plan, including the following:

- a. Policy 5.1.3 provides that the County should “[e]ncourage economic development strategies tailored to the unique conditions of particular subareas of the County.”

Policy 5.1.5 states that the County should “[p]romote quality and diverse economic development that is consistent with adopted plans, emphasizing both the creation and retention of jobs that meet the needs of citizens of the County at all skill levels.”

Pursuant to Policy 5.1.6, the County is encouraged to “[p]romote economic development alternatives, such as locating in industrial parks, which place the lowest strain on available infrastructure.”

Policy 5.1.12 is to “[d]iscourage or prevent land uses which threaten the long-term operating viability of critical infrastructure, such as the airport and industrial areas which must grow to accommodate new primary jobs for the County’s growing population.”

RESPONSE:

This subarea of the County and incorporated Colorado Springs are designated for industrial uses of varying intensity. Indeed, the Property is surrounded by existing industrial uses and properties zoned for future industrial uses, either under the Code or as M-2 (Heavy Industrial) or PIP-2 (Planned Industrial Park) under the Colorado Springs zoning code. The Liquidation Center is precisely the type of use intended in this subarea of the County, and likely will be surrounded by like or more intense industrial uses as the area develops. Approval of the proposed Special Use will further the County’s strategy of consolidating industrial uses with similar uses in this subarea of the County. Further, because the Property is centrally located within a major industrial park, it will use the previously master-planned infrastructure that existing and planned industrial uses will use, which will minimize the strain on County infrastructure caused by such industrial uses. In fact, Copart will create minimal impact on the current utility and public works infrastructure due to low use of water and wastewater services and roadway infrastructure.

Further, development of the Liquidation Center will create jobs for citizens of the County that possess a range of skill levels, and will help diversify the workforce within the County. Copart typically employs between 26-31 full-time employees at each facility, with jobs such as General Manager, Assistant Manager, Forklift Driver, and Non-Exempt

Yard Personnel. It should be noted that, while Copart is a worldwide employer of business professionals, operational managers, operational workforce, and computer technology professionals, Copart considers each of its facilities as an employment center that offers many opportunities for furthering careers of all employees through training, promotion, education, and position placement throughout our business locations.

Finally, Policy 5.1.12 recognizes that the County has made a public policy decision to locate industrial uses in specific areas within the County, that industrial uses are vital to the County's overall economic health, and that it is important for the County to preserve these areas for industrial development. Development of the Liquidation Center furthers this policy by fulfilling the County's intentions to promote industrial development in appropriate areas.

Therefore, approval of the Special Use for the Liquidation Center will help achieve these policies from the Policy Plan.

- b. Goal 6.1.b provides that the County should “[s]upport growth and development in the unincorporated County in a manner which reasonably limits long term public costs, provides for the development of supporting infrastructure, preserves environmental quality, provides economic opportunities, and otherwise enhance[s] the quality of life.”

Policy 6.1.10 is to “[e]nsure that new development will not create a disproportionately high demand on public services and facilities by virtue of its location, design or timing.”

Policy 6.1.11 encourages the County to “[p]lan and implement land development so that it will be functionally and aesthetically integrated within the context of adjoining properties and uses.”

RESPONSE:

Similar to the policies described in (a) above, these policies focus on the concentration of industrial uses to limit their impacts on public costs, preserve the environment, and ensure their compatibility with adjacent properties.

The Liquidation Center will be located in a part of the County designated for industrial uses. It will not create a disproportionately high demand on public services or facilities. Given the current zoning, the County clearly anticipates industrial uses in this area. The Liquidation Center will have no greater impact on public facilities than any other industrial use. Indeed, other industrial uses allowed by right in I-2 zoning, such as dry cleaning plants, manufacturing facilities, freight terminals, food processing facilities, and garbage service facilities, will have a much greater impact on the local environment and public infrastructure because they will

generate more waste, hazardous materials, and traffic, and present greater risks of fires, explosions, and other accidents compared to the proposed Liquidation Center. As previously noted, the Liquidation Center will create minimal impact on utility and public works infrastructure due to Copart's low use of water and wastewater services and roadway infrastructure.

Finally, locating the Liquidation Center in this industrial park means it will be integrated within the functional and aesthetic context of adjoining uses. As depicted on the Plot Plan, the Liquidation Center will consist of a small office building at the north end of the Property, with 57 parking spaces for employees and patrons, and the rest of the Property will be vehicle storage areas. This fits the general industrial aesthetic that has developed, and will continue to develop, in the area.

For the above reasons, approval of the Special Use for the Liquidation Center will further these goals and policies from the Policy Plan.

- c. Policy 6.2.8: Clearly defined boundaries should be established for large institutional, industrial, and commercial areas and used in order to protect the integrity of established and developing neighborhoods.

Policy 6.3.4: Commercial, office, industrial and, residential development should be compatible with surrounding land uses in terms of scale, intensity and potential impacts.

RESPONSE:

As discussed at length above, the Liquidation Center is within a part of the County zoned for industrial uses and currently occupied by industrial users. The nearest neighborhood is more than 2,100 feet to the east and the properties between the Property and the neighborhood are all zoned I-2 under the Code or PIP-2 (Planned Industrial Park) under the Colorado Springs zoning code. The low-intensity use of the Liquidation Center will not impact the distant existing or future residential neighborhoods more than – and likely far less than – other uses allowed by right under I-2 or PIP-2 zoning.

Further, the intensity of the Liquidation Center will likely be far lower than the existing and future industrial uses developed in proximity. A Nustar petroleum facility is located west of the Property along Drennan Road with 7 tanks totaling 324,000 barrels of gasoline, diesel, and jet fuel and ethanol along with a 4-bay truck loading rack and automated bottom loading vapor combustor. This facility is a more intense industrial use than the proposed Liquidation Center, which will consist primarily of a small office building and storage lots with no manufacturing or other industrial processing of any kind. Existing nearby uses to the southeast and south of

the proposed Liquidation Center include a U.S. Government military equipment storage yard, and a local school district bus storage and maintenance facility.

Therefore, approval of the Special Use will further these policies from the Policy Plan.

- d. Goal 7.1 Reasonably accommodate unique and special uses which provide value to the greater community and which can be made consistent with surrounding uses.

The Liquidation Center is not a typical, intensive industrial use. In fact, the County at first classified the use as Automobile and Boat Storage Yard, which is an allowed use by right in I-2 zoning. However, after reviewing the use in more detail, the County subsequently determined that the Liquidation Center is more akin to Automobile and Trailer Sales Area; thus, the Special Use application. The point is that the Liquidation Center is a rather unique use that often does not fit into typical industrial categories, as defined by zoning codes.

Given its relatively unique nature, not every community has a liquidation facility. In the event of a flood, hail storm, or other catastrophic event that impacts hundreds or thousands of cars in such a community, it can be difficult to store and ultimately relocate those cars because there is no centralized facility capable of handling the requisite volume. While admittedly not as vital as a hospital or other life-safety facility, the Liquidation Center fills a need that allows local markets to store and liquidate cars and other vehicles safely, conveniently, and efficiently. Even in the absence of natural disasters or major recalls, the Liquidation Center will provide a unique and necessary service for El Paso County to facilitate orderly liquidations.

Therefore, approval of the Special Use to allow for the Liquidation Center helps accomplish this goal from the Policy Plan.

Whereas the Policy Plan provides County-wide guidance, it states that individual Small Area Plans “should be relied upon for specific land use guidance or detailed direction[.]” The County’s Small Area Plan Boundary Map shows that the Property is located within the Proposed Fountain Valley small area; however, the County has not yet adopted a Small Area Plan for that area.

The County has, however, adopted the 2003 Highway 94 Comprehensive Plan (“**Highway 94 Plan**”), which provides a “framework for future growth and development in the Highway 94 Planning Area.” The Property lies within the Highway 94 Planning Area and more specifically within the Colorado Centre Sub-Area. The Highway 94 Plan notes that the Colorado Centre area has experienced some difficulty in developing over the last 40 years, including the bankruptcy reorganization of the Colorado Centre Metropolitan District. At the same time, it notes “the

existence of large parcels zoned and suitable for development,” a “planned roadway network [that] could carry traffic through the area,” and interest in commercial and industrial development (including for distribution and manufacturing facilities) due to the Foreign Trade Zone and proximity to the Colorado Springs Airport and Peterson Air Force Base. The Highway 94 Plan also notes the existence of multiple industrial uses within the Colorado Centre Sub-Area, including the Colorado Gold Chips factory and the Valero (now Nustar) gasoline storage facility. The Colorado Centre Sub-Area is described as “featur[ing] commercial, office, and light industrial zoning” and as “unique compared with the other sub-areas due to its relationship with the cities of Colorado Springs and Fountain, and because urban density development is underway, and because much of the Area is within or adjacent to areas with established urban services.” The Highway 94 Plan recommends urban uses “for County enclaves surrounded by the City of Colorado Springs,” which would include the Property. It further recognizes that the Property is within an existing employment center and designates the Property as “Urban and Zoned Urban” on the Concept Map for future land uses. The Liquidation Center would fit well with other existing and likely commercial and industrial uses in the Colorado Centre Sub-Area and the intended uses for the Property according to the Highway 94 Plan.

Like with the Policy Plan, the Highway 94 Plan establishes a vision and numerous goals, objectives, policies, and implementation strategies for the future development of the Highway94 Plan Area. The Liquidation Center is generally consistent with the vision and many of the goals, objectives, policies, and implementation strategies described within the Highway 94 Plan, including the following:

- a. Objective 1.1 provides that the County should “focus new growth in nodes or general character areas to minimize the cost of providing utilities and public services, to preclude environmental degradation, and to preserve agricultural, scenic, historic, and natural resources”

Goal 2 provides that County should strive to “achieve a desirable and efficient use of the land while enhancing the physical environment through functional and compatible land use configurations”

Objective 2.1 encourages development “with due recognition of the unique site characteristics of each sub-area”

Objective 2.2 provides that the County should “ensure that the nature and intensity of proposed developments are consistent with the Land Use Map and Sub-Area scenarios”

Policy 2.2.1. states that “new developments should demonstrate compatibility with surrounding land uses in terms of general use, connectivity, building heights, scale, overall densities, dust, and noise and feature gradual transitions in densities and/or appropriate buffers”

Policy 2.2.2 says the County should “accommodate a compatible mix of industrial, office, commercial, residential, open space, and recreational land uses”

Policy 2.2.3 provides that “locate high density uses [should be] in defined activity nodes”

Goal 5 is that the County should “ensure that any proposed light industrial development is appropriate for the Planning Area”

Objective 5.1 states “accommodate light industrial uses within the Planning Area as described in the sub-area scenarios”

RESPONSE:

The Property is within the Colorado Centre Sub-Area, which the highway 94 Plan recognizes contains existing commercial and industrial uses and designates for future urban, commercial, and industrial uses. Approval of the Liquidation Center would concentrate new commercial and light industrial areas around existing nodes for similar activities with consistent natures and intensities. The Liquidation Center would be compatible with the surrounding commercial and light industrial uses, and would be buffered from the nearest residential uses by landscaping, a perimeter fence, use of low intensity lighting, a major arterial road, and an existing tree line and topography.

Therefore, approval of the Special Use to allow for the Liquidation Center helps accomplish the above goals, objectives, and policies from the Highway 94 Plan.

- b. Objective 2.4 provides that the County should “consider the availability and cost of community services, such as schools, fire protection, emergency response, and law enforcement, for proposed developments”

Policy 2.4.1 encourages the County to “ensure that public facilities and services are effectively installed, operated, and maintained and that the proposed development will not require costly future public outlays, create undue hardship for existing residents, or exacerbate service shortfalls”

RESPONSE:

The Property lies within the Colorado Centre Metropolitan District and will be served by that district (or the City of Colorado Springs under agreements with the district) for water, wastewater, and fire and other first responder services. Development of the Liquidation Center will not require any additional services from schools and negligible additional services from police and fire. The Liquidation Center will not require any public outlays, create any undue hardship for residents, or exacerbate any service shortfalls.

Therefore, approval of the Special Use to allow for the Liquidation Center helps accomplish the above objective and policy from the Highway 94 Plan.

- c. Objective 2.8 states that the County should “achieve land use compatibility for hard-to-locate businesses”

RESPONSE:

The Highway 94 Plan recognizes that certain uses may be difficult to locate within the County, but are necessary due to community need. Therefore, it seeks to consolidate these uses with other more customary commercial and industrial uses, i.e., to create nodes where similar uses can congregate, as noted in above policy statements. The Liquidation Center is in many respects a very typical commercial/light industrial use. However, Copart recognizes that its use is atypical in the sense that it is not well known and often misunderstood. Further, the Liquidation Center is also “hard-to-locate” in the sense that it serves a specific and necessary community need that is now underrepresented in the County and Colorado Springs metro area. The Highway 94 Plan has identified the Colorado Center as one are within the County where commercial and light industrial uses should be consolidated to ensure compatibility.

Therefore, approval of the Special Use to allow for the Liquidation Center helps accomplish the above objective from the Highway 94 Plan.

Finally, the County adopted its Water Master Plan in 2019 (the “**Water Plan**”), which “seeks to proactively address water supply” in anticipation of a looming water supply gap. The intent of the Water Plan is to “ensure that land use decisions are based on balancing efficient use of limited water supplies with the water needs of current and future residents[]” of the County. Fortunately, the Colorado Centre Metropolitan District committed to providing water service to the Property and has confirmed that it already has sufficient water reserved for the development of the Property. Moreover, the proposed Liquidation Center has a limited need for water service when compared to a residential subdivision or even a more intense industrial use. Therefore, approval of the Special Use for the Liquidation Center helps further and achieve the goals and policies set forth in the Water Plan related to the promotion of efficient water use that is consistent with thoughtful, sustainable, and planned growth.

For the above reasons, approval of the Special Use to allow for the Liquidation Center is generally consistent with the County’s Master Plan, the Highway 94 Plan, and the Water Plan.

2. The special use will be in harmony with the character of the neighborhood, and will generally be compatible with the existing and allowable land uses in the surrounding area.

As mentioned above, the Property is surrounded by properties zoned I-2 under the Code or M-2 or PIP-2 under the Colorado Springs zoning code. A Nustar petroleum facility is located on Drennan Road further to the west, and a transportation center and a U.S. Army Reserve Center

are in proximity. The Property is also a considerable distance from residential uses, the nearest of which is more than 2,100 feet east of the Property. In addition to the nearly half-mile of distance, multiple industrial zoned properties, a four-lane highway, and a relatively dense tree wall separate the Property from the residential uses to the east. Moreover, Copart's facilities are typically only open to customers Monday through Friday from 8:00 AM to 5:00PM, when most residents will be at work, school, or otherwise out of the house, and not at night or on weekends, except when required to service rare casualty events.

In response to County feedback, Copart conducted a basic site line study to determine if the Liquidation Center would be viewable from the multiple locations surrounding the Property, including from the Pikes Peak National Cemetery to the east on Drennan. The resulting photo simulations (which have been submitted to the County as part of the application) demonstrate that the Liquidation Center is not viewable from any of the simulated viewing locations due to topography, landscaping, the proposed perimeter fence, or the existing tree wall along Marksheffel Boulevard. Nonetheless, Copart has reconfigured the Liquidation Center to change the orientation of the automobiles to minimize any glare or reflections that could be seen offsite due to automobile windows and mirrors.

The Liquidation Center is a low-intensity use that will be compatible with existing and future industrial uses in the area and the residential uses far to the east. The surrounding I-2, M-2, and PIP-2 zoning allow a variety of uses by right that are more intense and arguably less compatible with surrounding non-industrial uses compared to the Liquidation Center, such as bottling works, dry cleaning plants, electronics manufacturing, emergency facilities, food processing, freight terminals, garbage service facilities, inert material disposal site – minor, lumber yards, medical marijuana infused product manufacturer – both hazardous and nonhazardous, marijuana cultivation centers, sexually oriented businesses, large animal hospitals, construction batch manufacturing, custom manufacturing, light and heavy general industry, junkyards, meatpacking, recycling processing centers, stockyards, transfer stations, vehicle dismantling yards, and landfills. Given the intensity and variety of the foregoing allowed uses, the Liquidation Center may present the least intense use in the area once it is fully developed. It will create relatively little traffic because most cars and other assets are transported on and off property via trucks that carry multiple vehicles at a time, which consolidates vehicle trips. The Liquidation Center will be surrounded by an opaque white perimeter fence that provides security but also buffers views into the facility. Further, Copart is a “dark” facility, with only low-intensity lighting of its building and drive entryway.

Therefore, the proposed Liquidation Center will be in harmony with the character of the neighborhood and compatible with both existing and future uses in the area.

3. The impact of the special use does not overburden or exceed the capacity of public facilities and services, or, in the alternative, the special use application demonstrates that it will provide adequate public facilities in a timely and efficient manner.

The Liquidation Center requires relatively little in the way of public facilities and services. It generates very little traffic because the cars and other vehicles are transported in bulk via truck,

and it has only a small burden on other facilities such as utilities when compared to other industrial uses.

Given that the existing roads and other public facilities have been developed with other industrial uses in mind, the addition of the Liquidation Center will not overburden existing capacities. The Liquidation Center will not have any residents and, therefore, will not place any additional burden on parks or schools.

4. The special use will not create unmitigated traffic congestion or traffic hazards in the surrounding area, and has adequate, legal access.

As shown on the Plot Plan, the Liquidation Center will require two access points onto Foreign Trade Zone Boulevard. The main access will be full-movement while the secondary access (located 500 feet to the south) will be gated and used only for emergencies and maintenance. Copart anticipates that most users will access the Site from the south and west from County Road 21 through the planned industrial park to the west of the Site, then east on Bradley Road, and finally north on Foreign Trade Zone Boulevard or alternatively from the north traveling on Markscheffel Boulevard, then west onto Bradley Road before turning north on Foreign Trade Zone Boulevard. These roads all have capacity to accommodate Copart's relatively small amount of traffic.

Copart hired local traffic engineering consultant Felsburg Holt & Ullevig ("**Felsburg**") to produce the Traffic Memorandum, dated February 10, 2020, Project No 119506-01 (the "**Traffic Memo**"), which has been provided to the County for review. Based on an analysis of the Liquidation Center's expected use and the comparable use category from the Institute of Transportation Engineers (which Felsburg determined to be "Used Automobile Sales Facility"), the Traffic Memo concludes that the Liquidation Center will generate approximately 250 automobile trips per day. Of these, approximately 24 will be in the AM peak hour and 34 will be in the PM peak hour, and approximately 100 will be truck trips delivering or removing inventory. The Traffic Memo further concludes that existing roads are more than adequate to handle the anticipated traffic without a reduction in service below acceptable levels of service, and that no new traffic improvements, such as turn lanes, will be required at this time to serve the Liquidation Center. Given Copart's unique use, Felsburg also created a customized model for the Liquidation Center based on the number of employees and Copart's historical use at other facilities. This customized model resulted in a project 166 daily trips with 17 trips in the AM peak hour and 18 in the PM peak hour. In order to be conservative, Felsburg based its conclusions on the ITE model, which showed the higher number of daily and peak hour trips.

The County has requested that Copart agree to predetermined haul routes. In response to this request, Copart commits to directing the trucks driven by its employees to use Bradley Road either (a) west to South Powers Boulevard and then either north to Milton E Proby Parkway and South Academy Boulevard and then west to Interstate 25 or south and west to Interstate 25 or (b) east to South Markscheffel Boulevard and then north to either Bradley Road, Highway 94, or Highway 24. If Foreign Trade Zone Boulevard is ever reopened to allow traffic from the Liquidation Center to flow north, Copart's trucks may also travel north to Drennan Road and then north or south on Markscheffel Boulevard. Of course, Copart cannot control the routes taken

by third-parties (such as inbound tow operators and other third-party haulers) and so cannot commit to specific haul routes for those vehicles.

Accordingly, the Liquidation Center, with its convenient location and specialized market, will minimize traffic friction, noise, and pollution and promote free traffic flow without excessive interruption.

5. The special use will comply with all applicable local, state, and federal laws and regulations regarding air, water, light, or noise pollution.

Copart operates all of its facilities in compliance with all applicable local, state, and federal laws. Unlike other more intense industrial uses, such as recycling processing centers or manufacturing facilities that may manufacture or process hazardous materials, the Liquidation Center does not present any acute risks of violating applicable laws. Compared to other uses allowed within this zone district by right, the Liquidation Center presents a very low risk of creating environmental issues. Copart also maintains a vigorous in-house Equipment, Safety and Environmental compliance division that performs detailed training and implementation of preventative and maintenance programs.

6. The special use will not otherwise be detrimental to the public health, safety and welfare of the present or future residents of El Paso County.

The Liquidation Center does not present any risks to the public health, safety, or welfare of the present or future residents of the County. If anything, as explained above, the Liquidation Center is a less-intense industrial use than many of the uses allowed by right on the Property and in the vicinity. Moreover, the Liquidation Center fulfills a community need in that it facilitates the local liquidation marketplace and can absorb increased inventory after insurance casualty events such as floods and hail storms.

Therefore, this criteria of approval for the Special Use application is satisfied.

7. The special use conforms or will conform to all other applicable County rules, regulations or ordinances.

Development and operation of the Liquidation Center will conform to all applicable County rules, regulations, and ordinances. Copart places an emphasis on operating safe and lawful facilities.

II. Responses to County Inquiries

1. Traffic.

The County requested additional information regarding traffic, which has been provided in Section I.4 above.

2. Water and Sanitation.

The County requested additional explanation of how water and wastewater services will be provided to the Liquidation Center. Copart has obtained and delivered to the County a will serve letter from the Colorado Centre Metropolitan District stating that the district will provide water and wastewater services to the site. Copart expects that there to be limited water use in connection with the Liquidation Center and is expecting a 1” water meter for the building and possibly an additional 1” water meter for the right-of-way irrigation. However, it is possible that the building and irrigation may be able to share a single 1” water meter, which will be known once the building is designed.

3. Soils for Landscaping.

The County noted that the natural soils in the area of the Property do not allow for significant plant growth and inquired as to how the proposed plants will be planted and if soils will be trucked in to help them establish.

At this time, Copart is proposing the following soil amendments for planting areas:

- A. ASPEN RICH COMPOST -- 4 CUBIC YARDS PER 1,000 S.F.
- B. COMMERCIAL FERTILIZER (20-10-5): 10 lbs. PER 1,000 S.F.
- C. SUPERPHOSPHATE: 10 lbs. PER 1,000 S.F.

As Copart progresses into the design development and construction phases, it can send a soil sample out to a Colorado State University extension that will test the soil and advise as to what soil amendments will work best for the Property to promote plant growth.

4. Visual and Sound Impacts.

As described above, it is expected that the Liquidation Center will have a minimal visual or audible impacts on nearby properties. This is supported in part by the photo simulations that Copart obtained, which demonstrate that the Liquidation Center will not be readily visible from any of the simulated viewing locations due to topography, landscaping, the proposed perimeter fence, or the existing tree wall along Marksheffel Boulevard, as further described in Section I.2 above. Further, Copart has reoriented how vehicles will be stored onsite to mitigate the risk of glare from windows and mirrors. Copart’s facilities are typically only open to customers Monday through Friday from 8:00 AM to 5:00PM, when most residents will be at work, school, or otherwise out of the house, and not at night or on weekends, except when required to service rare casualty events.

The Property lies within and adjacent to existing and planned industrial uses and will not contribute any visual or audible impacts meaningfully in excess of existing and planned industrial uses.

III. Conclusion

As demonstrated above, the application for approval of a Special Use to allow for the Liquidation Center satisfies all of the criteria for approval in the Code. We hope this letter has been helpful in presenting information about the proposed Liquidation Center and respectfully request approval of Copart's application for Special Use.

Sincerely,

A handwritten signature in blue ink, appearing to read 'CSmith', written in a cursive style.

Charlie Smith

Exhibit A

Copart Statement of Operations

Copart, Inc., (“**Copart**”), and its subsidiaries, provide cutting edge asset liquidation services (“**Copart Asset Services**”) to institutional, commercial, and private owners (collectively “**Sellers**”) of used undamaged or damaged, operable and inoperable, vehicles, trailers, watercraft, and powersports, industrial and construction machinery and equipment (collectively, “**Assets**”). Most Sellers are insurance companies, licensed dealers, financial institutions, charities, municipalities, and fleet operators. Copart Asset Services include short-term storage and sale of Assets, and ancillary receiving, shipping, lien sale and administrative activities. All Assets are liquidated intact, meaning no dismantling, draining of fluids, crushing, or sale of parts occurs at a Copart facility (“**Facility**”).

A typical Facility will consist of an office building, customer parking, a shipping and receiving area, and a short-term storage area for Assets. After being received at a Facility, Assets are inspected, photographed, catalogued, and placed in ground-level short-term storage designed for quick retrieval. Assets are never stacked, and remain in short-term storage for an average of only 50 to 60 days.

After being placed in short-term storage, Assets are listed for sale through Copart’s proprietary online auction-style website and mobile apps for purchase only by Copart registered members (collectively, “**Members**”). Members are primarily licensed dealers, dismantlers, rebuilders, and exporters, and in some cases are end users. All offers are submitted and accepted electronically, without the use of a live auctioneer. Members are provided the opportunity to inspect Assets at a Facility, although most Asset inspections are limited to viewing images and information made available online. Members may electronically submit preliminary offers from (a) anywhere in the world via a personal computer or mobile device with internet access (each, a “**Remote Online Device**”), or (b) a limited number of computer kiosks located at the Facility. The high preliminary offer is carried over to the online virtual sale, during which Members may submit offers electronically only from a Remote Online Device.

Assets are sold to the Member with the highest offer (“**Buyer**”), who then arranges for pickup and transportation of their Assets from a Facility. Payment for sold Assets may be made electronically, via wire-transfer, or in person at a Facility. Titles to sold Assets are either picked up by the Buyer along with the sold Assets, or mailed by Copart to the Buyer.