



## Questions and Answers: GMCO Corporation magnesium chloride storage at North 9<sup>th</sup> Street and North Selig Avenue

The information in this document was prepared in response to questions asked during and after a meeting held on March 5, 2020 about GMCO Corporation's new operations at North 9<sup>th</sup> Street and North Selig Avenue. Information has been provided by GMCO Corporation and the City of Montrose.

### **Attachments:**

- GMCO letter dated February 16, 2020 – distributed prior to and at the March 5, 2020 meeting
- Map of Union Pacific Property

### **Background:**

The site is located at North 9<sup>th</sup> Street and North Selig Avenue, west of the Union Pacific railroad tracks, on right-of-way owned by Union Pacific Railroad (Union Pacific). Please see the attached Map of Union Pacific Property showing the right-of-way that is owned by Union Pacific. In recent history, this site had been leased from Union Pacific by Recla Metals. In 2019, GMCO Corporation (GMCO) began leasing the property.

The property is zoned B-3 General Commercial District. This zone district is intended for "a large variety of uses that require large storage areas to conveniently serve customers." The allowed uses in this zone district must be the same as or similar to the Uses by Right listed in the City's regulations including but not limited to: Automobile and vehicle sales or service establishments, mobile home sales or service establishments, rental businesses, feed storage and sales establishments, veterinary clinics or hospitals for large animals, above ground storage facilities for hazardous fuels, parking facilities, renewable energy facilities.

City staff determined that the proposed GMCO use of the site for an above ground storage facility for magnesium chloride was consistent with the Use by Right of "above ground storage facilities for hazardous fuels" because magnesium chloride is a substance that is not hazardous and because the storage of the material poses less hazard than that of storing hazardous fuels.



## Questions and Answers:

Questions are in **bold**, below, and answers are in *italics*.

### **Will GMCO spruce up the area to make it look nice?**

*GMCO stated that they have done lots of work on the property to improve it. The previously existing 720' long X 20' high concrete wall that had graffiti on it has been removed along with many truckloads of trash. As there is not water service on the property, and because GMCO does not own the site, they are not considering planting new vegetation at this time.*

### **How will the magnesium chloride fluid be distributed?**

*GMCO will pump the fluid from the railcars into trucks or the tank. GMCO will then pump the fluid from the tank into trucks that will take the fluid off-site. GMCO noted that even when the past tenant was leasing this site from the Railroad, magnesium chloride came to the site on trains and was distributed from the site. This occurred for over 10 years.*

### **How will trucks enter and exit the site?**

*When normal operations commence, trucks will enter and exit the site from North 9<sup>th</sup> Street. Trucks will not use North Selig Avenue to access the site. During construction trucks are using North Selig Avenue to prepare the site.*

### **Why didn't GMCO partner with the residents?**

*GMCO operates all over the Western Slope and partners with thousands of residents by providing safer roads through the use of our products and services.*

### **How long will the tank be in this location?**

*GMCO plans that the tank and operation will be long-term.*

### **How long has GMCO been in operation?**

*GMCO has been in operation for 56 years.*

### **Why is magnesium chloride so difficult to get off vehicles, when it splashes onto vehicles?**

*GMCO states that it is a misconception that magnesium chloride is difficult to get off vehicles. Water removes magnesium chloride. Magnesium chloride is a mostly clear liquid. Dirt, tire residue, and sand are more visible on vehicles than magnesium chloride.*

### **Where can I find more information about Magnesium Chloride and its effects on vehicles, roads, and the environment?**

*The Colorado Department of Transportation website has information about magnesium chloride at <https://www.codot.gov/programs/research/pdfs/by-subject/by-subject-l-p/magnesium-chloride%20%20%20>.*



**Will magnesium chloride kill vegetation if it comes into contact with it?**

*Too much of any chloride will yellow out or potentially kill vegetation. Magnesium chloride is also used in moderation in fertilizers.*

**Why was GMCO secretive about this project?**

*GMCO stated that they have no reason to be secretive about the project. GMCO is used to working with railroads on railroad properties.*

**How do I contact GMCO?**

*GMCO stated that if anybody has questions they will answer them. Call 970-625-9100.*

**What will the site look like when it is complete?**

*GMCO stated that it will be a cleaned-up yard that is fenced in. The fence will have privacy slats to minimize the visual impact of operations from street-view. Trucks and trailers will be visible. Currently, one tank is planned to be locate on-site.*

**Will emergency contact information for GMCO representatives be posted at the site?**

*Yes.*

**Do you have an emergency response plan?**

*Yes, including a retention area around the tank that could hold all of the fluid if it were to leak out. This type of secondary containment is regulated by the Colorado Department of Public Health and Environment (CDPHE) under federal Spill Prevention Control and Countermeasures (SPCC) regulations. For more information please contact GMCO at 970-625-9100.*

**How many neighborhoods does GMCO have magnesium chloride tanks in?**

*GMCO operates on properties owned by railroads or private property in industrial settings where rail tracks exist. GMCO stated that the most similar operations are in Florence, Colorado. GMCO locates their operations on sites that are zoned for these uses.*

**How will we know if GMCO changes the chemical that you store in the tank?**

*GMCO is in the magnesium chloride business and does not intend to store any other material in the tank. The City has requested that GMCO notify the City if any uses or operations change on the site, so that the City can ensure that the use is compliant with the zoning, as well as to communicate with community members. If the City notices or is made aware of operations changing on the site, the City will contact GMCO directly and promptly.*

**What is the capacity of the storage tank?**

*Depending on the season, GMCO will generally store up to 800,000 gallons of magnesium chloride in the tank before the summer season. Once they are in season, product goes out faster than railcars come in.*



**When will the train operate?**

*Currently the train comes from Grand Junction to Montrose on Tuesdays and goes back on Wednesdays.*

**Can GMCO put sidewalks in on North 9th Street?**

*GMCO indicated that they will not be installing sidewalks because they do not own the property.*

**Why didn't GMCO consider impact of their operations on the neighborhood?**

*GMCO indicated that the property is in an industrial area next to train tracks. The site was messy when GMCO began leasing it, with a decaying wall and lots of trash on the site. GMCO partnered with the Union Pacific Railroad to make the property usable and to clean it up, which GMCO views as a positive impact.*

**Why didn't GMCO notify the community about this?**

*GMCO operates in industrial settings. GMCO indicated that it is not a secret that industrial uses operate in industrial areas. GMCO recognizes that neighbors live near the site and will answer any questions that community members have.*

**Could the project be done further north and not in a neighborhood?**

*GMCO indicated that this was the site that the Railroad was willing to lease them.*

**How many trains will come to the site?**

*GMCO operations will get serviced one day a week. This schedule and activity is the same as for the previous lessee of the site.*

**How will the residential area be affected by traffic?**

*The City has requested that GMCO only use North 9th Street for access and GMCO agreed. GMCO anticipates the majority of operations will travel between North Townsend and North 9<sup>th</sup> Avenue.*

**Will GMCO operations affect the value of my home?**

*We do not know. Many things affect home values, and each home is different. A realtor or appraiser may be able to give professional advice on this question.*

**How will GMCO operations affect my property taxes?**

*We do not know. Many things affect property taxes. For more information about property taxes in Montrose, please contact the Montrose County Assessor at 970-249-3753.*

**Will there be new railroad safety arms at the North 9<sup>th</sup> Street crossing?**

*Safety arms will not be added.*



### **Can GMCO or the Railroad fix the train/road crossing at North 4<sup>th</sup> Street?**

*The City of Montrose has been in communication with the Railroad regarding the poor condition of the crossing at North 4<sup>th</sup> Street. On March 11, the Railroad completed patching at the crossing to provide a temporary solution to the problem. The City continues to work with the Railroad to find a permanent solution that will be better for vehicles, bikes, and pedestrians.*

### **Can the roads handle the truck traffic? Who would fix them if needed?**

*The roads are currently in good shape due to recent maintenance. North Selig Avenue and North 9th Street between North Selig Avenue and Grand Avenue received a surface treatment in 2018 as part of the MoveMo project. This included extensive patching of any fatigued areas, crack seal, chip seal, and a slurry seal. North 9th Avenue between North Selig Avenue and North Townsend received a full depth asphalt replacement in 2019 as part of the MoveMo project. In the event of future asphalt failures the City will continue to maintain the roads as necessary.*

### **How long did the City know about this project?**

*The City noticed work being done on the site in early 2019. The City worked to get information from the Railroad regarding operations at the site, including who would be leasing the site. The City learned details about GMCO's operations on the site in February, 2020 after the City reached out to GMCO to ask questions, which is also when GMCO asked the City questions about fencing and installing the tank. The City requested a letter from GMCO in February to help inform residents about the project and about GMCO.*

### **Why didn't the City hold a public hearing to get neighborhood input about what should occur on this site?**

*Private property owners may develop their site in compliance with the zoning requirements for the site. If no variations or conditional uses are sought by the property owner, and there are no other requirements on the specific parcel, the City does not require a public hearing for any development in the City of Montrose. The City did not require a public hearing for this site because the use was compliant with the zoning requirements for the site and no variations were sought.*

### **If the City had required a building permit, would there have been a public hearing?**

*No. Issuance of a building permit does not include a requirement for a public hearing to be held.*

### **Why didn't the City require GMCO to get a building permit?**

*The City has not required owners to get a building permit when they construct structures that are not buildings. Examples of other structures that are lawfully built in the City without a building permit are cell phone towers and fences. The City treated development on this site in a manner that is consistent with past similar projects.*



***Did GMCO have to get a stormwater permit during construction, as required for other projects in the City of Montrose?***

*For construction of this site, GMCO pulled a construction stormwater permit with the Colorado Department of Health and Environment (CDPHE). The state ultimately regulates these but the City inspects and enforces at a local level as part of our MS4 stormwater permit. These permits address construction stormwater best practices such as preventing dirt erosion, dust, and mud tracking out from the site.*

***Why didn't the City require landscaping on this site?***

*Landscaping can be a requirement of development, when a site development permit is required. Site development permits are required when something is built on the site that requires a building permit, like a new house or a new commercial building. Since a building permit was not required for the storage tank structure on this site, a site development permit was not required and thus landscaping was not required.*

***Will the City install landscaping or sidewalks next to GMCO's fence?***

*If the City desires to install landscaping or sidewalks next to GMCO's fence, the City will need to seek permission from the Union Pacific Railroad, as the Railroad owns the land where a sidewalk or landscaping would be placed. Please see the attached Map of Union Pacific Property, which shows that the area between the GMCO fence and La Raza Park is owned by the Railroad, including North Selig Avenue.*

***Can the City of Montrose purchase the land or rail lines owned by the Railroad?***

*The City of Montrose has approached the Union Pacific Railroad many times over many years offering to purchase the railroad right-of-way and adjacent parcels owned by the Railroad. In 2019, the City of Montrose asked to purchase property owned by the Railroad near the Main Street and Rio Grande intersection. The Railroad indicated that they were not interested in selling it. In March, 2020, the Railroad indicated to the City that they are not interested in abandoning their rail lines in Montrose at this time, because they are still in use. The City will continue to communicate with the Railroad to discuss community goals and plan for the future.*



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gmccorp.com

February 16, 2020

City of Montrose  
Bethany Maher  
bmaher@cityofmontrose.org

Re: Letter of Introduction

As is traditional with GMCO Corporation, we wish to have a lasting relationship with the Cities, Counties, and States that we reside in. GMCO has been around the Western Slope of Colorado for 56 years and we have done this by partnering with local communities. We are based out of Rifle, CO and have many yards and offices throughout Colorado and four other States. We are primarily in the road maintenance business with an emphasis on supplying products and services to keep gravel roads safe and stable in the summer months. We also keep winter roads safe from ice and snow by supplying our customers with superior high-performance products that are also natural and safe for the environment. GMCO also provides asphalt maintenance products such as crackseal and mastic materials. A sister Company, GMCO LLC, provides Chip and Seal paving services to communities on the Western Slope.

GMCO supplies products to many private and government entities on the Western Slope. Our Montrose facility will supply products and service to the following:

Major Towns and Cities

Montrose  
Olathe  
Delta  
Ridgeway  
Ouray  
Telluride  
Telluride Metro  
Silverton  
Durango  
Cortez  
Pagosa Springs  
Creede

*Honesty, integrity, and commitment since 1964*

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Gunnison

Counties

Montrose

Delta

Gunnison

Montezuma

La Plata

Archuleta

Hinsdale

Ouray

San Juan

Mineral

State Entities (CDOT)

All CDOT locations located in the Counties mentioned above

Federal Government

Rio Grande National Forest

San Juan National Forest

Uncompahgre National Forest

Gunnison National Forest

Black Canyon of The Gunnison

Curecanti National Recreation Area

Our products are also used to service private citizens and industry

Mining Industry

Ski Industry

H.O.A. 's

Railroads

Horse Arenas / Livestock yards

Driveways



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### **Why Montrose?**

GMCO services its customers through strategically placed railyards. These railyards allow for the use of bulk railcars. Every railcar holds approximately 4 truckloads of product. We have yards in Glenwood Springs, and Grand Junction. All of the entities mentioned above have been serviced from our Grand Junction yard or directly by truck from the Ogden, Utah magnesium chloride facility. At times, we also work off railcars placed in Olathe, or Montrose.

This has worked well over the years, but it is a lot of wear and tear on our trucks and is more pollutive to the environment when you look at the efficiency and environmental friendliness of transporting by railroad. A year ago, GMCO reached out to the Union Pacific Railroad to see about options in or around Montrose. It is the end of the line for them in South West Colorado and is serviced by local train crews out of Grand Junction and Montrose.

There were very few options that the UPRR had in the Montrose area. They showed us the one property that had an existing rail spur. The spur would be fine with a little rehabilitation. The issue was the property. The property was a liability for the UPRR. It had giant messy gravel piles, berms, mud lakes when it rained, and a giant concrete wall that paralleled the rail spur. It was a 20' drop off the wall to the rail with no safety fencing or barrier. In their mind, this particular railroad property had been abused for decades and they wanted it cleaned up and all hazards removed. GMCO decided to partner with the railroad on this endeavor and started the wall removal last summer. Due to other pressing projects, we pulled our crews off for several months and then recently contracted with a local Montrose Company to finish the dirt work on the property. The railroad invested heavily into rehabilitating the rail spur last fall. Crews worked for weeks replacing railroad ties and ballast. GMCO has worked with the Union Pacific Railroad for close to 40 years. It has been a great partnership and they are excited to ship more by rail to the Montrose area.

In addition to this facility serving GMCO, we have been in contact with other businesses who may wish to use the rail spur to ship their products in and out of Montrose. All non-hazardous products.

### **What will be on the property?**

The property will be fenced for security and aesthetics. We plan on having privacy slats in the chain link fence to make it look better to the local neighborhoods. We don't have plans for high overhead lights. Generally, we will have load lights when



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we load from tank to truck. We will also keep the dust and weeds under control. Again, this is something that hasn't been done on this property before.

GMCO has voluntarily elected to go with low profile tanks to store the magnesium chloride. The height of these tanks will roughly be 12'. Most of our yards have upright vertical tanks that are around 25-30' tall. We could have gone with a smaller yard and taller tanks but because of the local neighborhood, we decided to lease more property to house more of the lower profile tanks. The tanks and structures will not be as high as the previous dirt berm and concrete wall. The storage tanks will all be fully contained. We also plan to have a small office trailer on the property, and we will stage 2-3 of our semi-trucks on the property. We have many local employees who live in Montrose and Delta County. We will also have GMCO tanker trailers on site to be pulled by local independent truckers.

**What is the product?**

The product is liquid magnesium chloride. It is the product sprayed on the local County and City roads and CDOT sprays it on the highways during the winter. It is an all-natural product that comes out of the Great Salt Lake. It is non-hazardous and is also used in animal feed. More information can be found on our website and our suppliers' websites:

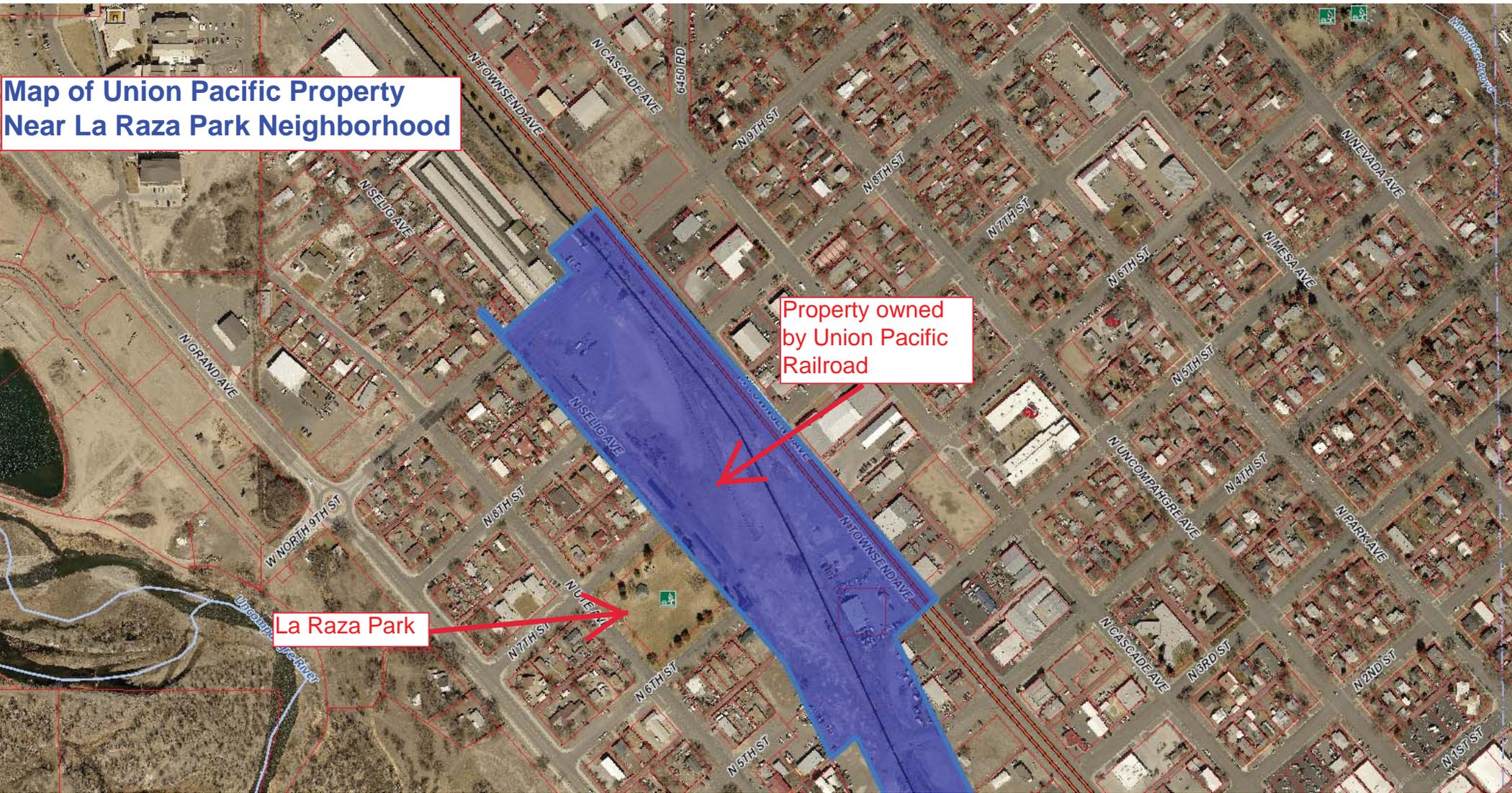
Gmccorp.com  
Freezgard.com  
Dustgard.com

We hope the City of Montrose and its citizens find this letter informative and answers most questions that have come up. We have been a part of Western Colorado and its communities for decades. GMCO is not new to The City of Montrose and Montrose County. We pride ourselves in supporting and giving back to the communities we partner with. If there are questions, please let us know.

Thank you,

Jeremy Henderson  
President  
GMCO Corporation

**Map of Union Pacific Property  
Near La Raza Park Neighborhood**



Property owned  
by Union Pacific  
Railroad

La Raza Park