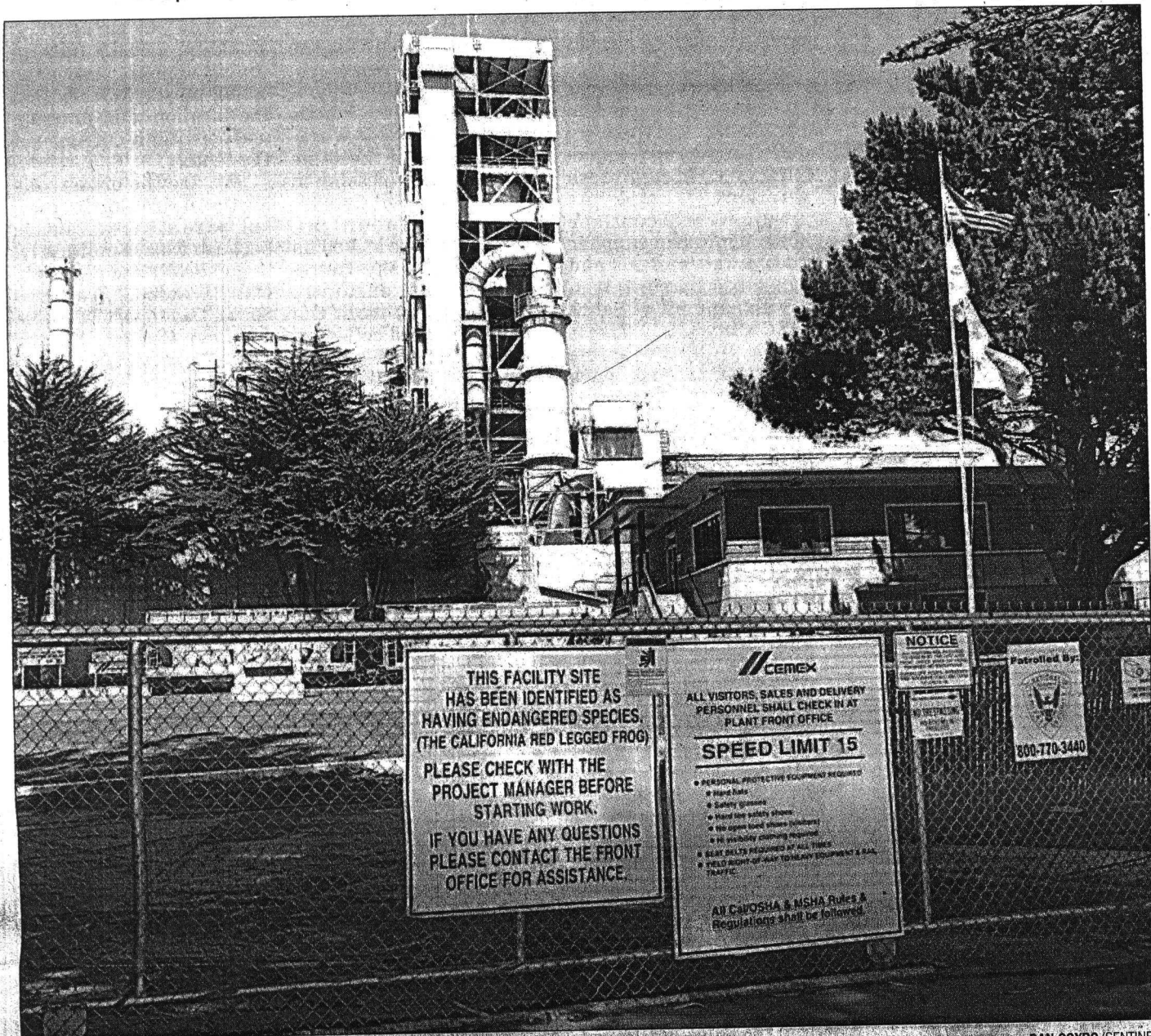


CEMEX FUTURE UNKNOWN

Drop in cement demand could keep plant shuttered longer than planned



DAN COYRO/SENTINEL

Davenport's Cemex plant has now been shuttered for three months.

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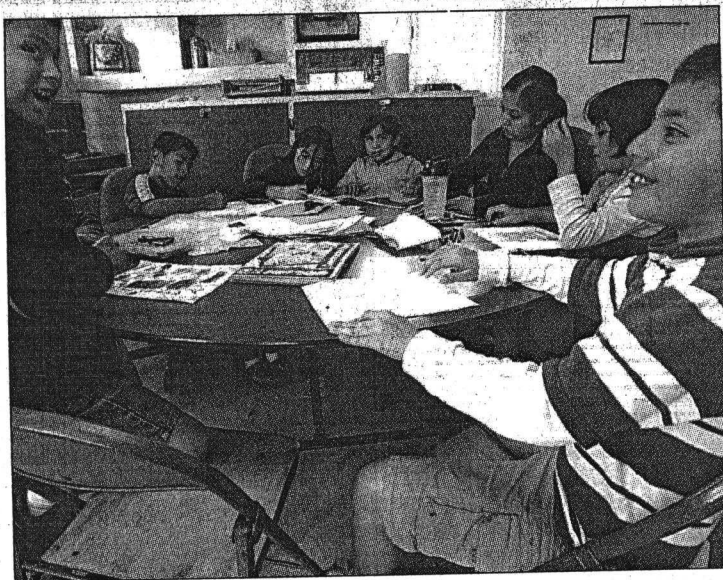
DAVENPORT — Dust is settling on the small coastal town of Davenport as residents wait to hear about the future of Cemex, the largest cement manufacturer in the nation.

Three months into what was to be a six-month closure, the plant does not have a definite reopening date due to a drastic drop in demand for cement, according to Cemex spokeswoman Jennifer Borgen.

"We are unable to say whether we can reopen in the next three months or even four," Borgen said. "We're completely dependent on the economy. Right now everything remains idled."

The halt that began in March was driven primarily by what company officials describe as a dramatic fall in demand for cement in California and predictions of ongoing abysmal cement sales in 2009.

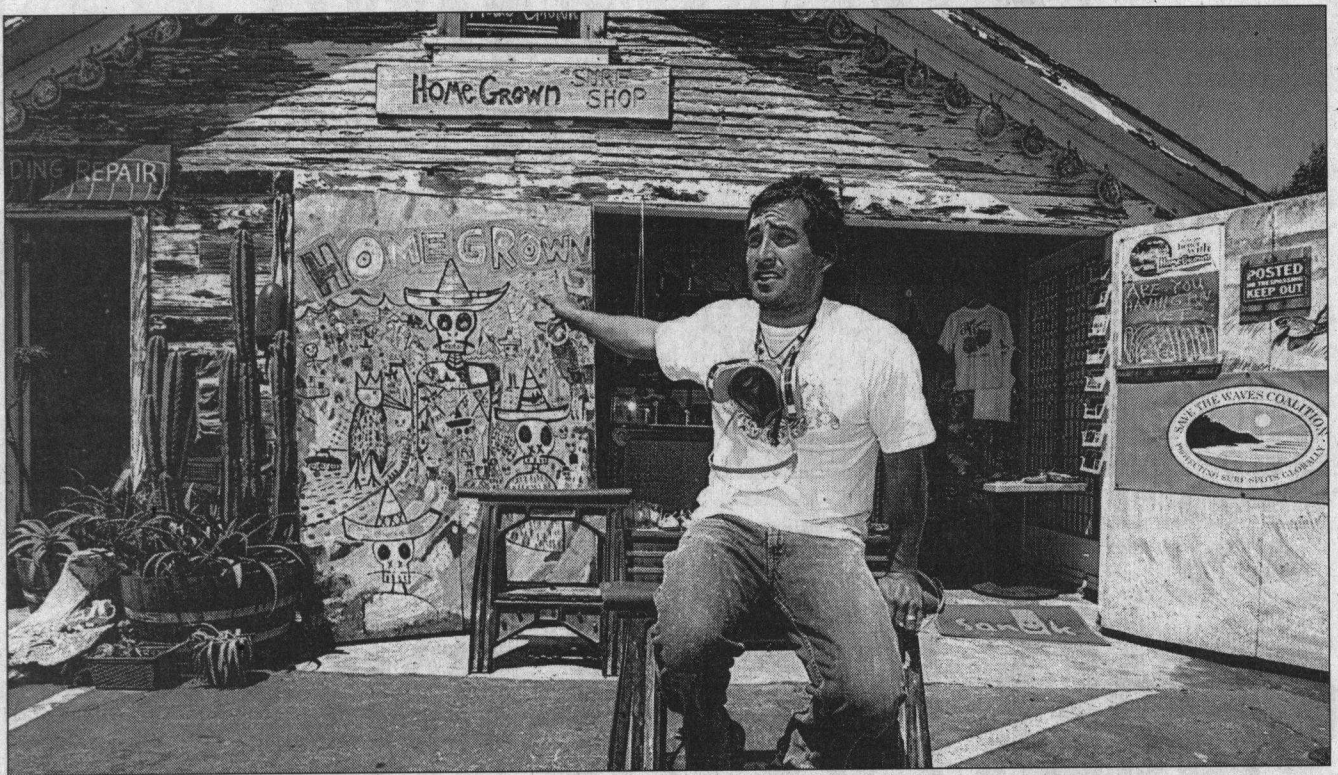
In the first quarter of 2009, Cemex, headquartered in Monterrey, Mexico, reported net sales of \$3.6 billion, a 32 percent decline from last year's \$5.4 bil-



The Davenport Resource Center is seeing increased demand for food, clothing and educational services like this after school child-care program.

DAN COYRO/SENTINEL

'I'm sad for my friends that are no longer working there but at the same time it's been a blessing in disguise. I'm not constantly sweeping dust from the plant that would collect in my store. Instead of smelling ammonia, I smell bacon.'



DAN COYRO/SENTINEL

Neftali Espino, owner of Homegrown Surf Shop in Davenport, says he doesn't smell chemicals since Cemex closed — just bacon from the Whale City Cafe.

CEMEX

Continued from A1

lion. The company's gross profit in the first quarter this year was \$1.045 billion, down 34 percent from the previous year.

Cemex isn't the only local cement business experiencing economic troubles. With the slowdown in construction, Granite Rock Co.'s concrete plant has been closed for most of the past six months, and concrete materials are being supplied from Santa Cruz instead of the Watsonville plant.

Graniterock president Bruce Woolpert confirmed Friday that company officials have met with the Teamsters union, which represents workers at the Watsonville plant, to talk about suspending operations there.

"We are balancing respectful treatment with market realities," he said. "We do not anticipate construction activity improving in Watsonville until 2011 at the earliest."

He pointed out that there are no discussions with employees or union representatives regarding Gran-

iterock's building materials store on Beach Street.

"It has been open all year and every day for the last 70 or so years and there are no discussions about modifying or changing those operations," he said. "As a result, we will continue to be a significant supplier of building materials and ready-mix concrete to Watsonville, and all of Santa Cruz County."

Back in Davenport, Cemex's financial woes were compounded starting last summer when the Monterey Bay Unified Air Pollution Control District began testing the air quality around the plant. The discovery of chromium 6 found in cement dust caused concern among residents. Though the chromium did not exceed acceptable levels, curtailing the chromium was aided by intermittently suspending operations over six months while continuing to pay workers. However, that was not a factor in the decision to furlough workers, Borgen said.

Businesses such as Swanton Berry Farms and Homegrown Surfboards are not feeling the economic impact of the absence of Cemex, but many businesses continue

to share concerns for the future of the town's economic stability.

"I'm sad for my friends that are no longer working there but at the same time it's been a blessing in disguise," Neftali Espino, owner of Homegrown Surfboards said as he looked up into the sunny sky Thursday. "I'm not constantly sweeping dust from the plant that would collect in my store. Instead of smelling ammonia, I smell bacon."

On a regular basis the Davenport Resource Service Center serves 24 families, 30 teens and 60 senior citizens providing a wide range of programs. The center provides meals, clothing, health services, transportation and extracurricular activities for youth year round.

Due to the sluggish economy and the closing of the plant, the center has seen a 20 percent increase in the demand for those services and a 20 percent decrease in funding.

After the relatively small turnout to the town's annual Cinco de Mayo celebration last month, the center did not make enough money to fully fund the summer program for the teens it serves. The Cemex plant

would have easily filled in the gap of \$3,800. Instead the center must look to shorten the duration of the program and potentially cut hours at the center.

"We are the crossroads for the entire North Coast, but we're at a disadvantage because we are culturally, linguistically and geographically isolated," Francisco Serna, Davenport Resource Services Center director said. "We serve 1,008 people each year and yet I'm not sure where we are going to be by next August."

Pacific Elementary School was able to make up for the annual donation of \$15,000 from Cemex to fund its music program.

Noel Bock, chair of the Davenport North Coast Association, said the parent club wrote a check for \$22,000 for the music program.

"Fortunately the parent club has been accruing money for awhile now through our annual drive," Bock said. "The community has been very supportive of this school but it is still alarming to us to think of that company not being there in the long run. I just can't say what we're going to do next year. We'll just have to keep raising funds."