

HEARING OFFICER'S REPORT

TO: The Honorable Shawn M. Garvin
Cabinet Secretary, Department of Natural Resources and Environmental Control

FROM: Lisa A. Vest, Regulatory Specialist
Department of Natural Resources and Environmental Control

RE: Coastal Zone Act Permit Application of FujiFilm Imaging Colorants, Inc., to construct and operate a new manufacturing plant to produce high-performance aqueous pigment dispersions at an existing building at its facility located at 233 Cherry Lane, New Castle, Delaware

DATE: July 12, 2021

I. BACKGROUND AND PROCEDURAL HISTORY:

A virtual public hearing was held on Wednesday, May 26, 2021, at 6:00 p.m. via the State of Delaware Cisco WebEx Meeting Platform by the Department of Natural Resources and Environmental Control (“DNREC” or “Department”) regarding the issuance of a Coastal Zone Act (“CZA”) permit for FujiFilm Imaging Colorants, Inc. (“FujiFilm” or “Applicant”), to construct and operate a new manufacturing plant to produce high-performance aqueous pigment dispersions within an existing building at its facility located at 233 Cherry Lane, New Castle, Delaware (“Application”). The CZA regulates new manufacturing activities, or the expansion of existing manufacturing uses, within Delaware’s “Coastal Zone”, which is a geographic area along the Delaware Bay and Atlantic Ocean Coastlines, as defined by the CZA. This hearing was held pursuant to Delaware’s *Coastal Zone Act* and 7 DE Admin. Code 101, *Regulations Governing Delaware’s Coastal Zone* (“CZA Regulations”).

FujiFilm is a printer ink manufacturing facility located within the State of Delaware’s Coastal Zone at 233 Cherry Lane, New Castle, Delaware. The Applicant holds a CZA permit for its current operations (Permit No. CZA-288P), however, this proposed expansion requires FujiFilm to obtain a new CZA Standard Permit from the Department, as the activity proposed is considered to be a new manufacturing facility, pursuant to CZA Regulations’ Section 6.1.3.

The Applicant submitted the initial Application to DNREC on February 23, 2021¹. Upon review, the Department's CZA Program requested additional information from FujiFilm regarding its emission calculations and its offset proposal. The Applicant submitted a revised Application and offset proposal on March 24, 2021. FujiFilm's Application was declared administratively complete on April 28, 2021. Accordingly, the Application was publicly noticed and made available for public comment on May 5, 2021.

It should be noted that FujiFilm also submitted to the Department a Request for Confidentiality, pursuant to 29 *Del.C.* §10002(1)(2), on April 15, 2021, requesting that certain portions of its Application be kept confidential for the purpose of financial security. The Applicant's Request for Confidentiality was reviewed by a Deputy Attorney General within Delaware's Department of Justice, pursuant to DNREC's Freedom of Information Act ("FOIA") Regulations (8 DE Admin. Code 900), and ultimately granted by DNREC Secretary Garvin. As such, a redacted version of the Application was made available for public comment at the time of public noticing, as noted above.

The proposed new manufacturing plant, to be located within the Applicant's existing building at its New Castle County facility, would enable FujiFilm to increase manufacturing capacity for existing products and allow the manufacturing of new products. FujiFilm currently purchases and imports some of its raw materials. The new plant ("L44") would allow for the production of raw materials for high-performance aqueous pigment dispersions, which are currently manufactured at the company's Grangemouth, Scotland facility. L44 would use the same technology used at the Grangemouth site. The Applicant's proposed operations at L44 would involve the dispersion of pigment into polymer, the use of bead mills to reduce the particle size of the pigment, stabilization of the particles with the addition of a stabilizer, centrifugation of the stabilized material, purification of the material using membrane filtration, and sterilization of the final product.

¹ The receipt date does not determine when an application is deemed administratively complete, pursuant to CZA Regulations 8.5.1 and 8.5.5. The application was deemed administratively complete on April 28, 2021, as noted above.

The Department requires a CZA Applicant to set forth in its application the proposed project's possible environmental impacts, including, but not limited to, any increased air emissions of pollutants, water quality/water quantity/water use, and the disposal of solid and hazardous wastes. Furthermore, any application for a CZA permit for an activity or facility that will result in any negative environmental impact shall contain an offset proposal. Offset proposals must more than offset the proposed environmental impacts of any proposed project.²

Pursuant to Section 8.3.2 of Delaware's CZA Regulations, the Secretary shall, in assessing CZA permit applications, consider how a proposed project will affect the following six criteria, as set forth in *7 Del.C. Ch. 70, Coastal Zone Act*: (1) Direct and cumulative environmental impacts; (2) Economic effects; (3) Aesthetic effects (4) Number and type of supporting facilities and their anticipated impacts; (5) Effect on neighboring land uses; and (6) Compatibility with local comprehensive plans. *7 Del.C. §7004(b)*.

In the present matter, the Applicant's proposed project would result in air emissions associated with the operation of two boilers and an HVAC system. Two high efficiency low nitrogen oxide ("NOx") direct fired hot water boilers would be installed in a new boiler building adjacent to L44. Each boiler is rated at 4.6 MMBTU/hour natural gas input. The boilers would recirculate hot water to the equipment inside L44 in a closed system for process heating. A new HVAC system would be installed for comfort heating and cooling of L44. The system has a natural fired heating system that is rated at 1.95 MMBTU/hour natural gas input. Additional equipment installed would not result in the generation of air emissions. A 30 HP air compressor and dryer would be installed in an existing room attached to L44.

There is no anticipated change in air emissions associated with mobile sources. The traffic increase associated with the delivery of raw ingredients to be used in the manufacture of raw materials onsite will be offset by the elimination of traffic delivering those raw materials from Scotland. Current emissions were calculated and compared to emissions associated with the proposed operation of L44 to demonstrate the net increase in emissions. Those calculations are set forth on Page 3 of the Secretary's Assessment Report (April 28, 2021) attached hereto.

² 7 DE Admin. Code 101, *Regulations Governing Delaware's Coastal Zone*, Section 9.0, "Offsets"

With regard to anticipated water use and discharges associated with this project, the New Castle County Department of Public Works currently authorizes FujiFilm to discharge up to 200,000 gallons per day of treated wastewater to the New Castle County Sewer System. The addition of L44 would not result in any exceedance of the amount of wastewater permitted to be discharged onsite. Current discharges were calculated and compared to discharges associated with the proposed operation of L44 to demonstrate the net increase in discharges. Those calculations are set forth on Page 4 of the Secretary's Assessment Report (April 28, 2021) that, as noted above, is attached hereto.

The operation of L44 will produce both Non-Routine and Routine solid wastes. FujiFilm uses Waste Technology Services for its solid waste disposal services. FujiFilm is a registered Small Quantity Hazardous Waste Generator and employs licensed hazardous waste haulers for disposal needs. The proposed project has the potential to generate small amounts of flammable hazardous materials (acetone and methanol) and caustic waste materials such as sulfuric acid when raw materials are out of specification or out of shelf life. This waste generation would not exceed that which is allowed for a Small Quantity Hazardous Waste Generator.

Waste materials are collected in designated areas to hold until a load is generated for pickup. All waste storage complies with Hazardous Waste Regulations for storage and management. Waste would be disposed of at permitted hazardous waste treatment and disposal facilities outside of the Delaware Coastal Zone.

As the proposed project would operate within an existing building at the Applicant's facility, the new activity would not generate an increase in stormwater runoff, nor would there be adverse impacts to land erosion, wetlands, or habitat for flora and fauna. Industrial operations have taken place on this footprint since 1937, and there is no proposed filling, dredging, or draining of wetlands or waterways as part of this project. Furthermore, the proposed operation would not generate glare, heat, noise, vibration, radiation, electromagnetic interference, or obnoxious odors outside of the existing building. Additionally, the project location is not known by the Department's Division of Fish and Wildlife to have any threatened or endangered species present.

Lastly, with regard to the potential to pollute, the proposed operations would be entirely inside an existing building. All vessels would be fitted with an overflow to prevent over or under pressurization of the tanks. Any liquid overflow would be collected in the L44 building sump where it would be pumped to the onsite wastewater pretreatment system.

Regarding the economic effects of FujiFilm's proposed project, improvements expended locally are estimated to be \$3,000,000 to \$5,000,000 with services such as engineering, general construction, electrical, plumbing, and HVAC upgrades. The proposed project would employ 75 to 100 total workers throughout the project construction life cycle, with 35 to 50 workers to be hired in Delaware. Total weekly construction payroll is estimated to be \$15,000 to \$75,000, depending on the construction phase. Additionally, 21 new employees are projected to be hired to directly support the operation of the new plant. Taxes attributable to this project are as follows: (1) State corporate income taxes: \$365,184; (2) County Tax Projection: \$32,603; and (3) School Tax Projection: \$93,083.

The Applicant's proposed operation within an existing warehouse will not impact the aesthetics of the area. Insofar as the number and type of supporting facilities impacts, one new boiler building is proposed. All other supporting infrastructure will be provided by the Applicant within the existing footprint of the property.

With regard to potential effect on neighboring land uses, the project would be constructed on an existing industrial site zoned Heavy Industrial and would be compatible with neighboring uses. The nearest year-round residence to the FujiFilm site is the Collins Park neighborhood, with the first house in that neighborhood approximately 933 feet away from the FujiFilm site. There would be no interference with the public's use of existing public or private recreational facilities or resources. Lastly, insofar as the proposed project's compatibility with current New Castle County plans, the Secretary's Assessment Report (April 28, 2021) states that a New Castle County Building official has confirmed that the proposed project is consistent with both County and Municipal planning.

As noted previously, the Applicant's proposed project anticipates increased air emissions. Section 9.1.1 of the CZA Regulations states that any application for a CZA permit for an activity or facility that will result in a negative environmental impact shall contain an offset proposal. Moreover, such offset proposals must "...more than offset the negative environmental impact associated with the proposed project of activity requiring a permit." DNREC Policy stipulates that negative environmental impacts resulting from proposed projects associated with Title V permitted facilities requiring a CZA Permit be offset at a 1.3:1 ratio. Proposed projects associated with minor source air quality facilities requiring a CZA Permit are offset at a 1.1:1 ratio. FujiFilm is a minor source air quality facility, so the Department has used the 1.1:1 ratio for this Applicant's offset calculations.

Regarding FujiFilm's offset proposal, the Applicant has proposed to purchase three tons of emission reduction credits ("ERCs") from the Delaware Division of Small Business, and to complete an offset project onsite to more than offset their 4.325 tons of annual emissions. The three tons of ERCs shall be comprised of two NO_x credits and one Volatile Organic Compound ("VOC") credit. ERCs originate from the *Emissions Banking and Trading Program* (7 DE Admin. Code 1134) and are parsed into ozone season and non-ozone season for NO_x and VOCs.

FujiFilm will offset 1.392 tons per year of Carbon Monoxide ("CO") emissions by eliminating the use of five existing propane-operated forklifts. These forklifts would be removed from service and from the premises by the commencement of L44 operations. FujiFilm would instead utilize two electric forklifts and three electric powered pallet jacks for onsite operations.

The total emissions offset by the purchase of three ERCs and the completion of the above referenced offset project is 4.392 tons per year, which is more than the required 4.325 tons per year.

The Department provided public notice of this CZA Application’s submission, and the determination of an administratively complete application as set forth in the Secretary’s Environmental Assessment Report, as referenced above, on May 5, 2021. Consequently, the Department held a virtual public hearing on May 26, 2021, as noted above.

The public hearing of May 26, 2021 was attended by Department staff, representatives of the Applicant, and a few members of the public. Only one member of the public offered comment at the time of the hearing, which will be discussed in further detail below. Proper notice of the hearing was provided as required by law.

II. SUMMARY OF THE PUBLIC HEARING RECORD:

The public hearing record (“Record”) consists of the following documents:

- (1) a court reporter’s verbatim transcript;
- (2) ten documents introduced by responsible Department staff at the public hearing and marked by this Hearing Officer accordingly as “Department Exhibits 1-10”; and
- (3) a copy of the Applicant’s PowerPoint Presentation offered at the time of the public hearing, marked by this Hearing Officer accordingly as “Applicant’s Exhibit 1.”

The Department’s persons primarily responsible for reviewing this CZA Application, Ms. Laura Mensch, Principal Planner with the Department’s Division of Climate, Coastal and Energy, and Ms. Erin Wilson, Environmental Scientist III (also with the Division of Climate, Coastal and Energy), developed the record with the relevant documents in the Department’s files.

Representing the Applicant at the hearing was Maureen Concordia, who, following Ms. Mensch's PowerPoint presentation offered on behalf of the Department (and the introduction of the Department's exhibits to be entered into the hearing record), proceeded to offer a brief background of the Applicant's proposed operation. At the conclusion of the Applicant's presentation, the floor was then opened for the purpose of receiving public comment on the record regarding this proposed project.

The only comments received by the Department in this matter were those offered by Martin Willis at the time of the public hearing. Mr. Willis expressed gratitude toward the Applicant for bringing its manufacturing process to Delaware from Scotland and wished the Applicant success in this endeavor. Further, Mr. Willis noted that he is hopeful FujiFilm secures a local Delaware contractor to construct their building, should the Secretary approve this pending CZA Application. No other comments were received by the Department from the public regarding this matter.

For the benefit of the Record, the Secretary's Environmental Assessment Report (April 28, 2021), as referenced above, is attached hereto as Appendix "A," and is expressly incorporated herein as such.

III. RECOMMENDED FINDINGS AND CONCLUSIONS:

This Application is for a permit to be issued under the CZA. I find that the Applicant's facility is located within Delaware's "Coastal Zone". I also find that, while FujiFilm's proposed project will result in increased air emissions, the Department has certified the proposed offsets are more than sufficient, as required per Section 9.1.1 of the CZA Regulations. The Applicant has proposed to acquire three (3) tons of ERCs to be used as their offset at a ratio of 1.1:1, in order to more than offset the increased emissions that would result from the proposed operation as set forth above. The Department believes that the offset FujiFilm has proposed and set forth in the Application complies with the applicable regulations.

The Department is to evaluate a CZA application based upon a consideration of the CZA's balancing of economic and environmental factors. The CZA requires the Department to consider the following issues of any given proposed project: (1) environmental impacts; (2) economic impacts; (3) aesthetic impacts; (4) the number and type of supporting facilities required and their impacts on all other factors; (5) the impact on neighboring land uses; and (6) the county and municipal comprehensive plans. 7 *Del.C.* §7004.

The Record developed in this matter indicates that the Department's experts have considered the above factors and have recommended issuance of a permit to the Applicant in this matter. Further, the experts recommended that FujiFilm's CZA Application, as well as the proposed offset proposal, is sufficient.

Based on the Record developed, I find and conclude that the Applicant has adequately demonstrated its compliance with all requirements of Delaware's *Coastal Zone Act* and its CZA Regulations, as noted herein, and that the Record supports approval of FujiFilm's CZA Application. In conclusion, I recommend that a Coastal Zone Permit consistent with the Record developed in this matter be issued by the Department in the customary form, and with appropriate conditions, to ensure continued improvement of environmental quality in the Coastal Zone of the State of Delaware.

Further, I recommend the Secretary adopt the following findings and conclusions:

1. The Department has jurisdiction under its statutory authority to issue a CZA Permit to the Applicant, subject to reasonable permit conditions deemed appropriate and consistent with the CZA's purposes;
2. The Department provided adequate and lawful public notice of the CZA Application of FujiFilm, and of the public hearing held on May 26, 2021, and held said hearing to consider any public comment that may be offered on the Application, in a manner required by the law and regulations;

3. The permit applied for by FujiFilm is for the construction and operation of a new manufacturing plant which will take place within the defined Coastal Zone of Delaware, specifically, to produce high-performance aqueous pigment dispersions within an existing building at its facility located at 233 Cherry Lane in New Castle, Delaware. Environmental impacts are anticipated, however, the Applicant's offset proposal satisfies the Department's offset standard;
4. The Department has carefully considered the factors required to be weighed in issuing a CZA permit, and finds that the proposed project is acceptable for the Coastal Zone at the proposed location, and that it should be permitted as set forth in FujiFilm's Application;
5. The Department shall issue a permit to the Applicant, FujiFilm Imaging Colorants, Inc., and said permit shall include all conditions consistent with the final Order, and any other reasonable conditions that the Department includes in a CZA permit, to ensure that Delaware's environment will be protected from harm, consistent with the CZA and its Regulations;
6. The Department has carefully considered all the statutory factors to be considered in making a decision on a CZA permit, and those required to be considered under the CZA Regulations;
7. The issuance of the aforementioned CZA permit does not relieve the Applicant of the legal obligation of compliance with all building permits, subdivision, and other applicable code requirements of the county or municipality wherein the permitted project is located;

8. If there are deviations from the Applicant's proposed plan and operations previously approved by the Secretary, FujiFilm shall notify the Secretary as soon as possible. If the Secretary receives information which he or she believes may alter the scope of the project, the Secretary may revoke the permit or require FujiFilm to submit a new application to reflect the altered nature of the project;
9. The aforementioned CZA permit will allow the Applicant to operate its business while reducing the overall environmental impacts to the Coastal Zone area, in furtherance of the purposes of *7 Del. C., Ch. 70*;
10. The Department has an adequate Record for its decision, and no further public hearing is appropriate or necessary; and
11. The Department shall serve and publish its Order on all affected persons in a manner consistent with the service and publication of the Secretary's Order.

/s/Lisa A. Vest
LISA A. VEST
Public Hearing Officer

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Attachments/Appendices:

Appendix A: Secretary's Assessment Report (April 28, 2021)



STATE OF DELAWARE
**DEPARTMENT OF NATURAL RESOURCES AND
ENVIRONMENTAL CONTROL**

RICHARDSON & ROBBINS BUILDING
89 KINGS HIGHWAY
DOVER, DELAWARE 19901

OFFICE OF THE
SECRETARY

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SECRETARY'S ASSESSMENT REPORT OF A COASTAL ZONE ACT PERMIT APPLICATION

FujiFilm Imaging Colorants, Inc.
Printer Ink Manufacturing Facility
233 Cherry Lane, New Castle, DE 19720
CZA-441P

INTRODUCTION

Under subsection 8.5.3 of 7 *DE Admin. Code* 101 *Regulations Governing Delaware's Coastal Zone* ("Regulations"), the Secretary of the Department of Natural Resources and Environmental Control (DNREC) shall provide a written assessment of any application for a Coastal Zone Act permit, including the proposed project's likely impact on the criteria listed in subsection 8.1, as well as a preliminary determination of the sufficiency of the offset project under section 9.0 of the Regulations. The completion of this assessment acknowledges the application submitted by FujiFilm Imaging Colorants, Inc. ("FujiFilm") is administratively complete. The fact that DNREC considers the application to be administratively complete does not constitute its position as to whether a permit should be issued or denied. That decision will be made after a public hearing is held and any comments are reviewed.

PROPOSED PROJECT OVERVIEW

FujiFilm is proposing to construct a new manufacturing plant within an existing building at its New Castle Facility at 233 Cherry Lane, New Castle, DE 19720. The new plant (L44) would enable FujiFilm to increase manufacturing capacity for existing products and allow the manufacturing of new products.

FujiFilm currently purchases and imports some of its raw materials. The L44 plant would allow for the production of raw materials for high-performance aqueous pigment dispersions, which are currently manufactured at the company's Grangemouth, Scotland facility. L44 would use the same technology used at the Grangemouth site.

L44's unit operations would involve the dispersion of pigment into polymer, the use of bead mills to reduce the particle size of the pigment, stabilization of the particles with the addition of a stabilizer, centrifugation of the stabilized material, purification of the material using membrane filtration, and sterilization of the final product.

The applicant submitted a request for confidentiality, pursuant to 29 *Del. C.* §10002(1)(2) for the purpose of financial security. The merit of this request was reviewed by a Deputy Attorney General, within Delaware's Department of Justice, according to DNREC's Freedom of Information Act (FOIA) regulations (8 *DE Admin. Code* 900). The request was granted by the DNREC Secretary and, as such, a redacted version of the application will be available for public comment.

APPLICATION ASSESSMENT

An application must consider the potential effect on the criteria set forth in 7 *Del. C.* §7004(b) and subsection 8.1 of the Regulations:

1. Direct and cumulative environmental impacts
2. Economic effects
3. Aesthetic effects
4. Number and type of supporting facilities and their anticipated impacts
5. Effect on neighboring land uses
6. Compatibility with county and municipal comprehensive plans

1. DIRECT AND CUMULATIVE ENVIRONMENTAL IMPACTS

AIR EMISSIONS

The proposed project would result in air emissions associated with the operation of two boilers and an HVAC system.

Two high efficiency low NO_x direct fired hot water boilers would be installed in a new boiler building adjacent to L44. Each boiler is rated at 4.6 MMBTU/hour natural gas input. The boilers would recirculate hot water to the equipment inside L44 in a closed system for process heating.

A new HVAC system would be installed for comfort heating and cooling of L44. The system has a natural fired heating system that is rated at 1.95 MMBTU/hour natural gas input.

Other equipment installed would not result in the generation of air emissions. A 30HP air compressor and dryer would be installed in an existing room attached to L44.

There is no anticipated change in air emissions associated with mobile sources. The traffic increase associated with the delivery of raw ingredients to be used in the manufacture of raw materials onsite will be offset by the elimination of traffic delivering those raw materials from Scotland.

Current emissions were calculated and compared to emissions associated with the proposed operation of L44 to demonstrate the net increase in emissions. The table below shows the net increase of emissions associated with the operation of L44.

Pollutant	Existing Emissions		Net Increase/Decrease		New Total Emissions		Percent Change (compare tons/year)
	Lbs/day	Tons/year	Lbs/day	Tons/year	Lbs/day	Tons/year	
Nitrogen Oxides (NO _x)	1.424	0.260	5.276	0.963	6.700	1.2228	371%
Carbon Monoxide (CO)	0.783	0.143	11.950	2.181	12.733	2.3240	1525%
Carbon Dioxide (CO ₂)	1708	311.8	26074	4758.4	27782	5070.2	1526%
Lead	0.000007	0.000001	0.00011	0.00002	0.00012	0.00002	1526%
Nitrous Oxide (N ₂ O)	0.031	0.006	0.140	0.026	0.172	0.031	448%
Particulate Matter (PM) PM Total	0.108	0.020	1.651	0.301	1.760	0.321	1526%
PM Condensable	0.081	0.015	1.238	0.226	1.320	0.241	1526%
PM Filterable	0.027	0.005	0.413	0.075	0.440	0.080	1526%
Sulfur Dioxide (SO ₂)	0.009	0.002	0.130	0.024	0.139	0.025	1526%
Total Organic Compounds (TOC)	0.157	0.029	2.390	0.436	2.547	0.465	1526%
Methane	0.033	0.006	0.499	0.091	0.532	0.097	1526%
Volatile Organic Compounds (VOC)	0.078	0.014	1.195	0.218	1.273	0.232	1526%

WATER USE AND DISCHARGE

The New Castle County Department of Public Works currently authorizes FujiFilm to discharge up to 200,000 gallons per day of treated wastewater to the New Castle County Sewer System. The addition of L44 would not result in any exceedance of the amount of wastewater permitted to be discharged onsite.

Current discharges were calculated and compared to discharges associated with the proposed operation of L44 to demonstrate the net increase in discharges. The table below shows the net increase of water discharges associated with the operation of L44.

Pollutant	Current Discharge Concentration (ppm)	New or Changed Discharge (ppm)	Current Discharge		Net Increase/Decrease		New Total Emissions		Current Permitted Emissions
			Lbs/day	Tons/year	Lbs/day	Tons/year	Lbs/day	Tons/year	lbs/day
Ammonia	0.60	6.6	0.35	0.06	0.55	0.10	0.90	0.16 (increase of 166%)	600
Biochemical Oxygen Demand (BOD)	70.250	608.000	18.200	3.320	50.870	9.1400	69.070	7.75 (increase of 64.9%)	3000
Total Suspended Solids, TSS	51.50	200	25.74	4.70	16.73	3.05	42.47	12.46 (increase of 275%)	1250
Arsenic (As)	<0.03	Not expected*	0.00	0.00	-	-	0	0	0.225
Cadmium (Cd)	<0.005	Not expected*	0.00	0.00	-	-	0	0	0.175
Cyanide (CN)	<0.01	Not expected*	0.00	0.00	-	-	0	0	0.817
Chromium (Cr)	<0.015	Not expected*	0.00	0.00	-	-	0	0	0.125
Copper (Cu)	0.34	1.9	0.11	0.02	0.16	0.03	0.27	0.05 (increase of 150%)	3.753
Lead (Pb)	<0.01	Not expected*	0.00	0.00	-	-	0	0	0.123
Mercury (Hg)	0.00	Not expected*	0.00	0.00	-	-	0	0	0.0008
Molybdenum (Mo)	<0.01	Not expected*	0.00	0.00	-	-	0	0	0.00
Nickel (Ni)	0.05	Not expected*	0.00	0.00	-	-	0	0	2.502
Selenium (Se)	<0.05	Not expected*	0.00	0.00	-	-	0	0	1.626
Zinc (Zn)	0.79	Not expected*	0.25	0.05	-	-	0.25	0.05	8.732

*Not expected from the raw materials used

STORMWATER

The proposed project would occur within an existing building with no increase in impervious surfaces. The new activity would not generate an increase in stormwater runoff.

LAND EROSION

The proposed project would operate within an existing building and would not impact land erosion.

SOLID AND HAZARDOUS WASTE

The operation of L44 will produce both Non-Routine and Routine solid wastes. FujiFilm uses Waste Technology Services for its solid waste disposal services.

FujiFilm is a registered Small Quantity Hazardous Waste Generator and employs licensed hazardous waste haulers for disposal needs. The proposed project has the potential to generate small amounts of flammable hazardous materials (acetone and methanol) and caustic waste materials such as sulfuric acid when raw materials are out of specification or out of shelf life. This waste generation would not exceed that which is allowed for a Small Quantity Hazardous Waste Generator.

Waste materials are collected in designated areas to hold until a load is generated for pickup. All waste storage complies with Hazardous Waste Regulations for storage and management. Waste would be disposed of at permitted hazardous waste treatment and disposal facilities outside of the Delaware Coastal Zone.

WETLANDS OR HABITAT FOR FLORA AND FAUNA

The proposed project would operate within an existing building and would not impact wetlands or habitat for flora and fauna. Industrial operations have taken place on this footprint since 1937 and there is no proposed filling, dredging, or draining of wetlands or waterways as part of this project.

GLARE, HEAT, NOISE, VIBRATION, RADIATION, ELECTROMAGNETIC INTERFERENCE, OBNOXIOUS ODORS

The proposed project would not generate glare, heat, noise, vibration, radiation, electromagnetic interference, or obnoxious odors outside of the existing building.

THREATENED OR ENDANGERED SPECIES

Operations for the proposed project would occur entirely inside the existing building. The project location is not known to DNREC Division of Fish & Wildlife to have any threatened or endangered species present.

POTENTIAL TO POLLUTE

The proposed project operations would be entirely inside an existing building. All vessels would be fitted with an overflow to prevent over or under pressurization of the tanks. Any liquid overflow would be collected in the L44 building sump where it would be pumped to the onsite wastewater pretreatment system.

2. ECONOMIC EFFECTS

Improvements expended locally are estimated to be \$3,000,000 to \$5,000,000 with services such as engineering, general construction, electrical, plumbing, and HVAC upgrades.

The proposed project would employ 75-100 total workers throughout the project construction life cycle. Thirty-five to 50 workers would be hired in Delaware. Total weekly construction payroll is estimated to be \$15,000 to \$75,000, depending on the construction phase.

Twenty-one new employees are projected to be hired to directly support the operation of the new plant.

Taxes attributable to this project:

State corporate income taxes	\$365,184
County Tax Projection	\$32,603
School Tax Projection	\$93,083

3. AESTHETIC EFFECTS

The operation within an existing building does not impact the aesthetics of the area.

4. NUMBER AND TYPE OF SUPPORTING FACILITIES IMPACTS

One new boiler building is proposed. All other supporting infrastructure will be provided by FujiFilm within the existing footprint of the property.

5. EFFECT ON NEIGHBORING LAND USES

The project would be constructed on an existing industrial site zoned Heavy Industrial and will be compatible with neighboring uses. The nearest year-round residence to the FujiFilm site is the Collins Park neighborhood, 933 feet from the first house in the neighborhood. There would be no interference with the public's use of existing public or private recreational facilities or resources.

6. COMPATIBILITY WITH COUNTY AND MUNICIPAL COMPREHENSIVE PLANS

A New Castle County Building Official confirmed that the proposed project is consistent with county and municipal planning.

OFFSET PROPOSAL

Subsection 9.1.1 of the Regulations states that offset proposals must “more than offset the negative environmental impact associated with the proposed project of activity requiring a permit.”

As indicated by the assessment, the negative environmental impacts of the proposed project, under normal operating conditions, are limited to air emissions.

FujiFilm proposes the purchase of three tons of emission reduction credits (ERCs) from the Delaware Division of Small Business, and the completion of an offset project onsite to more than offset 4.325 tons of annual emissions.

The company plans to purchase a total of three ERCs, two NO_x and one VOC (accounting for TOC emissions), from the Delaware Division of Small Business. ERCs come from the *7 DE Admin. Code* 1134 Emissions Banking and Trading Program and are parsed into ozone season and non-ozone season for NO_x and VOCs.

FujiFilm will offset 1.392 tons per year of CO emissions by eliminating the use of five existing propane-operated forklifts. These forklifts would be removed from service and from the premises by the commencement of L44 operations. FujiFilm would instead utilize two electric forklifts and three electric powered pallet jacks for onsite operations.

The total emissions offset by the purchase of three ERCs and the completion of the above referenced offset project is 4.392 tons per year, which is more than the required 4.325 tons per year.

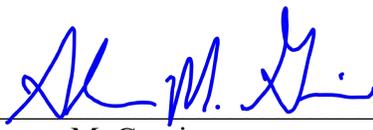
SUFFICIENCY STATEMENT AND CONCLUSION

The application by FujiFilm addresses the questions of the permit application form and the criteria required to be reviewed under 7 *Del. C.* §7004 and subsection 8.1 of the Regulations.

The applicant proposes purchasing three tons of emission reduction credits from the Delaware Division of Small Business and would complete an offset project to more than offset the project's 4.325 tons of annual emissions.

DNREC conducted a thorough review of this CZA permit application, including supplemental information, and considers it administratively complete and sufficient to proceed to public hearing.

Approved:



Shawn M. Garvin
Secretary

Date:

April 28, 2021