DELAWARE’S COASTAL ZONE ACT

Background and Changes Resulting from the Coastal Zone Conversion Permit Act
Delaware’s Coastal Zone Act

- Passed in 1971 under Governor Russell Peterson
- Response to significant industrial development pressure in DE Bay
- Established the boundaries of the Coastal Zone
- Prohibited new bulk product transfer and new heavy industry in the Coastal Zone
Delaware’s Coastal Zone Act

- Allowed expansion of existing heavy industrial uses with a permit
- Allowed new and expanded manufacturing uses with a permit
- Directed DNREC to issue permits
  - DNREC must consider environmental and economic impact, aesthetic effects, supporting facilities, effect on neighboring land uses and county plans in making decisions
Definition: Bulk Product Transfer Facility

- Any port or dock facility for transfer of bulk quantities of any substance from:
  - Vessel to shore
  - Shore to vessel
  - Vessel to vessel
- Includes unincorporated, loose materials
  - Liquids
  - Sand, gravel, grain
- Does not include:
  - Containers or Palletized items
Industrial and Manufacturing

- **Heavy Industrial Use Characteristics**
  - 20+ acres
  - Contains smokestacks, tanks, distillation columns, scrubbing towers, etc.
  - Has potential to pollute
  - Examples
    - Oil refineries, steel manufacturing, petrochemical complexes, paper mills

- **Manufacturing Use Characteristics**
  - Mechanical or chemical transformation into new products
  - Assembling component parts
  - Examples
    - Warehouses, garment factories, auto assembly,
Coastal Zone Location

- It is useful to note that the CZA did not place any restrictions on commercial or residential development in the Coastal Zone.
Coastal Zone Conversion Permit Act

- Signed Aug, 2017
- Allows expanded uses on 14 existing heavy industry use sites
- Requires developers to obtain a “conversion permit” from DNREC
- Requires DNREC to develop regulations by Oct 1, 2019
Expanded Uses on the 14 Sites

- Conversion of a site to an alternative heavy industry use
- Addition to a site of a heavy industry use
- Operation of a new bulk product transfer facility
- Excludes:
  - Oil refinery
  - Cellulosic pulp paper mill
  - Incinerators
  - Steel manufacturing plant
  - Liquefied natural gas terminal

Demolition at the Former Citi Steel site, Oct 2017
New Bulk Product Transfer is allowed with a Conversion Permit under limited circumstances

- Must be on one of the 14 sites
- Must have had a docking facility in 1971
- Bulk products must be fully used at a facility in the Coastal Zone, or;
- Must be produced in the Coastal Zone
- Grain can be transferred without regard to use in the Coastal Zone
## Additional Considerations for Conversion Permits

<table>
<thead>
<tr>
<th></th>
<th>Manufacturing or Expansion of Existing H.I.</th>
<th>New Heavy Industry</th>
<th>New Bulk Product Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CZ Permit</td>
<td>Conversion Permit</td>
<td></td>
</tr>
<tr>
<td>Net Environmental Benefit</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Effect on neighboring land uses</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Must offset increased emissions</td>
<td>√</td>
<td>√ (Annually)</td>
<td>√ (Annually)</td>
</tr>
<tr>
<td>Must Prepare for Sea Level Rise and storms</td>
<td></td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Must provide financial assurance</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Shall agree to pay for cost of compliance for cleanup</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
</tbody>
</table>
Regulations Governing Delaware’s Coastal Zone

- Established in 1999
- Provides additional definitions
- Clarifies prohibited uses, allowable uses and uses requiring permits
- Outlines permitting procedures
  - Application contents
  - Review process and permit fees
  - Public notice and hearing requirements
Coastal Zone Conversion Permit Regulations

• Coastal Zone Conversion Permit Act directed DNREC to promulgate regulations for conversion permits by Oct 1, 2019

• Regulations Governing Delaware’s Coastal Zone will be amended to incorporate Conversion Permits

• Requires amending certain sections and drafting new sections
  • Only those sections pertinent to conversion permits will be amended/added

• Developers can submit applications prior to promulgation of regulations
Moving Forward

• Establish Regulatory Advisory Committee
  • Seeking your feedback tonight
  • Will assist and provide feedback to DNREC
• Committee to meet routinely
  • All meetings open to public
• Additional Public Workshops will be held
  • Various locations throughout the state
  • Including affected communities
• Initial Draft Regulations will be published in Delaware Register, followed by public hearings
• Administrative Procedures Act will be followed
For More Information

Surf the web:
http://de.gov/conversionpermits

Join the email list:
join-dnrec_coastal_zone@lists.state.de.us

Call us:
(302) 735-3480