

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**

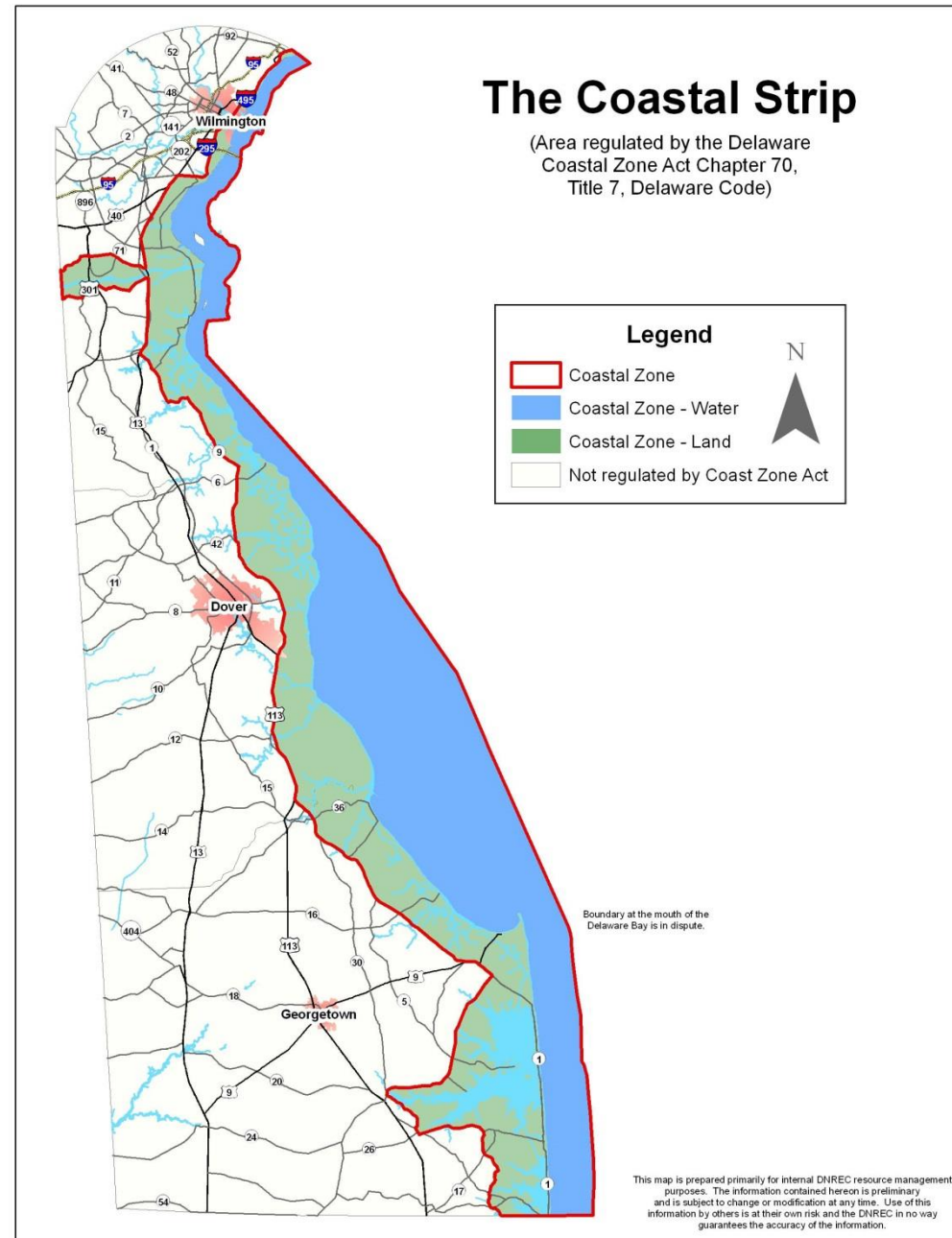
- 20+ acres
- Contains smokestacks, tanks, distillation columns, scrubbing towers, etc.
- Has potential to pollute
- Examples
 - Oil refineries, steel manufacturing, petrochemical complexes, paper mills

• **Manufacturing Use Characteristics**

- Mechanical or chemical transformation into new products
- Assembling component parts
- Examples
 - Warehouses, garment factories, auto assembly,

Coastal Zone Location

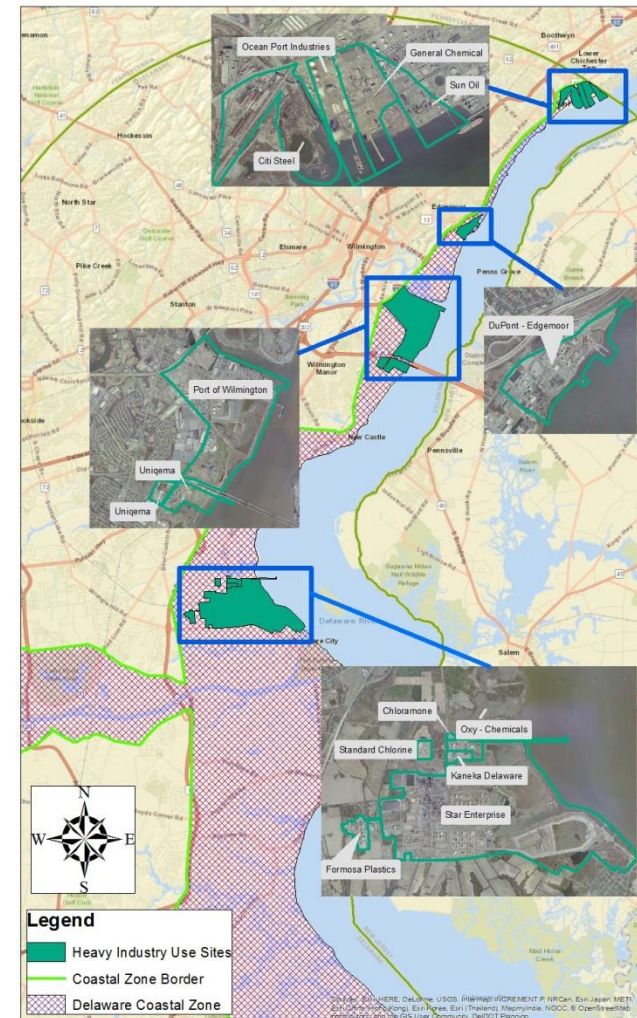
- It is useful to note that the CZA did not place any restrictions on commercial or residential development in the Coastal Zone*



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

Heavy Industry Use Sites in New Castle County



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

	Manufacturing or Expansion of Existing H.I.	New Heavy Industry	New Bulk Product Transfer
	CZ Permit	Conversion Permit	
Net Environmental Benefit	✓	✓	✓
Effect on neighboring land uses	✓	✓	✓
Must offset increased emissions	✓	✓ (Annually)	✓ (Annually)
Must Prepare for Sea Level Rise and storms		✓	✓
Must provide financial assurance		✓	✓
Shall agree to pay for cost of compliance for cleanup		✓	✓

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



DE Storage and Pipeline Site, Port Mahon Road, Kent County

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