

Chapter 9: Economic Development

9.0 Accomplishments Since 2007

As the economic driver for the State, New Castle County continues to review development regulations and offer additional incentives and enhancements to attract new business and to help business expand. The continued use of the redevelopment standards has provided opportunities for business to rehabilitate existing developed areas. This allows the County to focus efforts into areas where existing infrastructure is in place and reduces pressure from Greenfield development.

The County has passed several pieces of legislation to help in business development through changes to the approval process, as described under Future Land Use. New Castle County also adopted legislation allowing developers to post a lower initial bond amount until the time of construction of the project. This was done in light of economic hardships that have been incurred by some applicants because of the requirement to post a full performance guarantee or surety prior to recordation. The County then collects the remaining bond at the time of construction instead of holding capital until the project begins.

Several pieces of legislation have aided in business development by expanding the areas where certain businesses can operate. One change now permits certain research and development facilities in the commercial regional and office regional zoning districts where the facility generally resembles an office development. Legislation was passed allowing prior extractive use sites to be redeveloped. Another effort to promote business investment by providing certain incentives for research and technology developments allows a density bonus in the CR, or, BP, I and HI districts. OR, BP and I Uses were consolidated to utilize most effectively all available non-residential land that was not commercial or heavy industrial zoned. By doing so, the County advanced productivity, research, technology, entrepreneurship and high wage job creation. This has given the State and County more land to encourage research and development (R&D) uses and high tech business opportunities in three districts instead of one. Additional legislation was passed to permit the seasonal sale of flowers and trees from roadside stands.

Colleges, universities, and other professional schools (e.g., business administration, dental, law, and medical) may now locate as limited uses in the ON (Office Neighborhood) and CN (Commercial Neighborhood) zoning districts in existing structures and buildings. These uses serve as important businesses, facilitate research and provide essential educational and training opportunities. The need for such outreach has increased significantly to provide even more education and retraining to unemployed and under-employed adults looking to improve and expand their work skills as historical employment opportunities fade and new employment situations arise. Also, the changing business environment provides a greater need for ongoing re-education opportunities for adults for whom a traditional full campus setting is not necessary or convenient. Opportunities for more specialized

professional education facilities to be located in areas with a variety of workplaces offer greater flexibility to the working population at large.

New Castle County also continues to partner on State economic development goals by providing financial incentives for qualified applicants seeking property tax exemption.

9.1 Introduction

New Castle County's location is excellent for economic development. The County is located in the mid-Atlantic section of Interstate 95, approximately midway between Washington, D.C. and New York City and is part of a major metropolitan area. New Castle County has a superior network of transportation infrastructure that includes an Interstate Highway, a deep-water seaport, two main-line freight rail carriers, two regional airports, access to Philadelphia and Baltimore international airports and access to the two ports of Philadelphia and Baltimore.

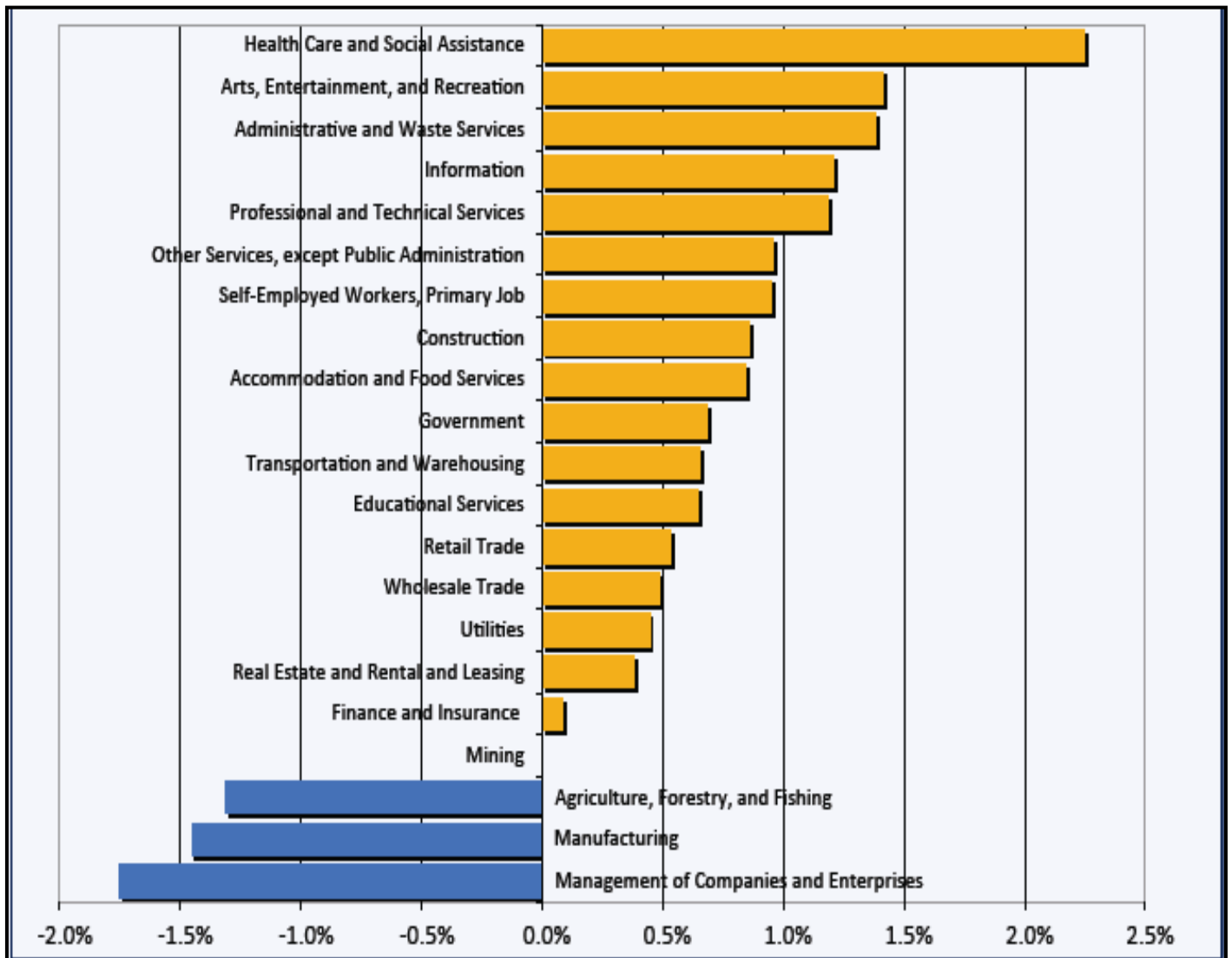
The County has a workforce of approximately 270,000 with a total workforce in the region of 1.8 million. As part of the Philadelphia MSA, there are over 92 colleges and universities in the region. New Castle County is the economic heart of Delaware, which was ranked number one in 2010 as the state with the best legal environment, number two for taxes, and number 12 for the best states for business.

A number of higher education institutions call New Castle County home including the University of Delaware (UD), Delaware Technical and Community College (Delaware Tech), Wilmington University and Widener University. The University of Delaware has over 16,000 undergrad students and 3,500 graduate students. Delaware Tech has over 20,000 degree students and 20,000 certificate and continuing education students.

9.2 Economic Base / Major Employers

As the most populous County, New Castle County also has the largest employment base, accounting for 63% of the total labor force, 62% of the total employed, and 76% of total wages in the state. Once an economy that relied heavily on the chemical industry, state legislation brought a number of banking and financial interests to Delaware and New Castle County in the 1980s. Since that time, the service-based jobs of the financial industry have continued to be an important component of the overall employment picture. In the last several years, however, the financial sector has downsized their local workforce, resulting in significant job losses. During the last four years, both automotive assembly plants have shut down, as well as the Avon plant near Newark and the refinery in Delaware City. Figure 9-1 below depicts the occupation and industry projections for New Castle County from 2008 through 2018. Both the Newport automotive plant and the refinery will be reopening for some industrial job recovery, but the number of industrial jobs continues to decrease. The loss in jobs is reflected by the change in the unemployment rate in Delaware, which was 3.3% in May of 2001, 3.5% in 2007 (at the time the 2007 Comprehensive Plan Update was adopted) and 8% in May of 2011 (Bureau of Labor Statistics).

Figure 9-1: 2008 – 2018 Occupation and Industry Projections for Delaware



Source: Delaware Department of Labor

9.3 Labor Market

Along with population growth in the County, the labor force has also grown since the 2007 plan update, as shown in Table 9-1. In response to the national recession, the unemployment rate has risen

significantly in the past 10 years. Median Household income has increased, as shown in Table 9-2, with the most significant increases coming from the number of households with incomes over \$100,000.

Table 9-1 New Castle County Labor Force & Unemployment				
	2000		2010	
	Number	Percent	Number	Percent
Population (over 16)	389,036		428,223	
Labor Force	263,440	67.7	286,255	66.9
Not in Labor Force	125,596	32.3	141,709	33.1
Civilian Employed	252,320	64.1	261,666	61.1
Armed Forces	549	0.1	269	0.1
Unemployed	13,571	3.5	24,589	5.7
Unemployment Rate		5.2		8.6

Source: U.S. Census 2000 & 2010

Table 9-2 New Castle County Household Income				
	2000		2010	
	Number	Percent	Number	Percent
Less than \$10,000	11,944	6.3	11,280	5.6
\$10,000 to \$14,999	7,785	4.1	7,891	3.9
\$15,000 to \$24,999	18,761	9.9	20,352	10.2
\$25,000 to \$34,999	20,440	10.8	17,884	8.9
\$35,000 to \$49,999	29,904	15.8	25,219	12.6
\$50,000 to \$74,999	41,058	21.7	36,651	18.3
\$75,000 to \$99,999	26,272	13.9	26,755	13.4
\$100,000 to \$149,999	21,873	11.6	32,122	16.1
\$150,000 to \$199,999	6,088	3.2	12,092	6.1
\$200,000 or more	4,849	2.6	9,594	4.8
Median Household Income	52,419		59,959	

Source: U.S. Census 2000 & 2010

A Well-Educated Workforce

New Castle County's workforce is well educated as shown in Table 9-3, with the 2nd highest concentration of engineers and scientists in the nation. In the past ten years, educational attainment in the County has increased, with 89.2% of the County's population having a high school diploma or higher, up nearly 4 percent from 2000. 33.2% of the County's population has a bachelor's degree or higher, up nearly 4% from 2000.

Table 9-3 New Castle County Educational Attainment		
	2000	2010

	Number	Percent	Number	Percent
Population 25 and older	324,810		355,742	
Less than 9 th grade	12,675	3.9	12,095	3.4
9 th to 12 th grade (no diploma)	34,570	10.6	26,324	7.4
High School graduate	96,294	29.6	105,299	29.6
Some college, no degree	63,540	19.6	70,081	19.7
Associate degree	21,957	6.8	23,834	6.7
Bachelor's degree	59,976	18.5	69,725	19.6
Graduate degree	35,798	11.0	48,025	13.5
Percent high school grad or greater		85.5		89.2
Percent Bachelor's degree or greater		29.5		33.2

Source: U.S. Census 2000 & 2010

9.4 Goals, Objectives, and Strategies

Goals:

1. Continue to promote a strong and sustainable economy.

A sound and healthy economy contains a diverse business mix that is able to provide employment growth, low unemployment and opportunity for strong income growth. The availability of sufficient land for business expansions and timely provision of infrastructure are also key elements of a strong economic base. These elements are discussed further in the County's objectives for economic development.

Objectives:

1. Encourage a diversified economic base.

New Castle County's business mix is increasingly diverse, resulting in an economy that is less reliant on any one industry and better able to weather economic fluctuations. The US Census, Bureau of Labor Statistics, Delaware Population Consortium, and Wilmington Area Planning Council (WILMAPCO) project minimal changes to the mix of businesses through 2040, with an employment base that is less dependent on manufacturing while shifting increasingly towards a service-based economy. The education and health services sector and the leisure and hospitality industry are expected to have the greatest economic growth during the period. While the trend is towards a service-based economy, the retention and recruitment of high-wage manufacturing jobs will help maintain diversity in the County's economic base.

2. Continue to ensure the availability of sufficient land for employment growth in a variety of industry sectors.

The County's growth management strategy encourages the most efficient use of the County's limited land resources in order to accommodate employment growth and strengthen the

County's tax base. At the same time, the County recognizes the need to protect natural resources and improve environmental quality, provide adequate public facilities and services and assure appropriate planning for community services. In addition to the redevelopment of existing properties and neighborhoods, the County also recognizes that commercial development will occur on greenfield sites, resulting in increased pressure on natural resources and environmental quality, infrastructure and services. A balance must be struck to ensure a healthy economic and natural environment that will continue to attract employers and workers.

Given employment projections for 2040 (Table 2-3), New Castle County estimates that roughly 3,000 acres of non-residentially zoned land will be necessary to accommodate nearly 37 million square feet of commercial, office and industrial growth. Ideally, much of this growth will not occur on undeveloped sites, but on existing underdeveloped or brownfield properties.

Under the current growth management strategy, the County has more than sufficient amounts of acreage zoned to accommodate projected employment growth through 2040. More than 32,000 acres of land are currently zoned for non-residential uses, with approximately 11,000 (34%) of that acreage undeveloped.

The provision of timely and coordinated infrastructure improvements is critical to the condition of adequate land supply. New Castle County is projected to remain Delaware's principal employment center over the long term, requiring investments in roads, sewer, new communication technology, and education to occur in adequate proportions within the County and across the state.

As New Castle County considers land for economic growth, it is also important that the County recognizes the need for employment opportunities convenient to residents throughout the County's growth areas.

3. Continue to promote redevelopment of existing or underutilized properties.

Continued redevelopment of existing or underutilized properties can promote the economic development goals of a community through job creation, commercial and retail development, and neighborhood revitalization. In addition, the redevelopment and re-use of existing or abandoned properties frequently contributes to a community's financial stability and provides an opportunity to reduce blighted neighborhoods, and increases property-tax revenues.

The County will continue to promote and encourage the redevelopment of existing properties. The County supports redevelopment projects that provide increased capital investment to underutilized areas to enable those areas to return to productive, safe, and economically viable communities. Recent estimates by the County's Department of Land Use indicate that the

majority of non-residentially zoned County lands are currently improved, or partially improved with existing structures. Much of this existing developed non-residential land remains underdeveloped, as those sites with existing structures are not always developed to the maximum extent allowed by the County Code.

Concurrently, New Castle County will actively promote and encourage the remediation and redevelopment of brownfield sites located throughout the County. According to a paper published in September 2005 by Delaware CEDS (Comprehensive Economic Development Strategy), it is estimated that thousands of brownfield sites, or properties that may meet the criteria as brownfield sites, exist within the State of Delaware. Of these, DNREC has designated certain sites that can be the focus of New Castle County's redevelopment efforts.

Varying in size and current or previous use, most of the potentially contaminated sites are likely to be found within incorporated areas. Many brownfield properties have ideal locations near existing employment centers and transportation networks. Typically, transportation and utility infrastructure is already in place, which makes the property ready for purchase, remediation, and redevelopment. The market value of brownfield sites may be substantially less than comparable development sites; however, once remediated, the market value of the property typically rebounds, and the value of surrounding properties may escalate as well.

4. Encourage the growth and development of high-technology business by offering development incentives.

The County's economy has long been a source of innovation and technological advancement. Due to the presence of the state's research universities as well as numerous world-class industrial firms renowned for the commercialization of technology, Delaware has the second highest concentration of scientists and engineers in the United States. In addition, Delaware is ranked among the top states in the nation for the number of patents issued per 100,000. This superior workforce and innovative research and development environment provide excellent opportunities for technology-based business growth.

To take advantage of these strengths, New Castle County will encourage collaboration with technology employers, manufacturers, investors, local universities, other agencies and not-for profit corporations to support the retention and growth of high wage manufacturing and technology jobs. The County will also encourage the continued teamwork with the State of Delaware to attract and sustain manufacturing and technology-based business. New Castle County is currently reviewing regulatory changes that will facilitate technology-based business development.

5. Preserve industrially zoned lands to support new industrial development ranging from small business incubator facilities to larger business organizations.

Amendments to the County Code have been adopted which permit several non-industrial uses on industrial zoned land. In addition, several categories of non-residential zoning may create confusion regarding permissible uses. It is important that the County assess the uses permitted in zoning districts and ensure that the County is able to accommodate good corporate neighbors.

Strategies:

1. Promote infill and redevelopment to optimize existing infrastructure, creating transit corridors with a mix of housing and relieve the pressure of greenfield development.
2. Continue to update the UDC regulations governing mixed uses, villages and hamlets to promote development of mixed-use centers in targeted locations.
3. Continue to update the UDC regulations to provide density incentives along transit corridors, in mixed-use centers, and for provision of affordable housing.
4. Encourage and offer incentives for the retention and growth of high wage manufacturing and technology jobs.
5. Encourage collaboration with public and private sector partners to advance strategies for job retention and creation.
6. Seek assistance in the form of grants, loans, tax incentives or other subsidies provided at the state or federal level that support business retention and attraction.
7. Develop a marketing strategy to reach the small business community and provide information about the land development process and the ways in which the County can provide information and assistance as they start new enterprises or seek to expand.
8. Reevaluate permitted uses in industrial zones and eliminate those that are permitted in and are better suited to other zoning districts. Simplify North American Industrial Classification System (NAICS) industrial categories to group similar uses more efficiently. Revise standards to allow more efficient use of industrial land. Consider consolidating zoning districts with overlapping uses (I, HI, BP, OR).
9. Support expansion of freight and commuter rail, port of Wilmington, and regional air cargo transport.
10. Coordinate with the State to develop a program to encourage reuse of Brownfields in the Coastal Zone.
11. Coordinate with the State to provide for the land and building space required by target industries, especially manufacturing uses.
12. Coordinate with the State to create and market regulatory and/or financial incentives for industry to reuse former industrial sites.
13. Coordinate with the State to enhance and strengthen the competitiveness of existing industry.