

2011 Report on State Planning Issues

Prepared for the Governor and 146th
General Assembly

Presented by:
The Cabinet Committee on
State Planning Issues

October 15, 2011

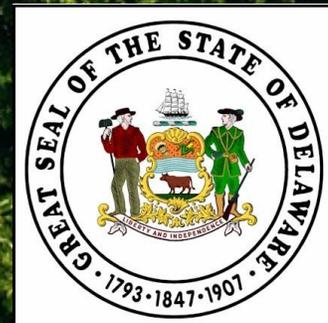


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Purpose of Report



As required by 29 Delaware Code Chapter 91 § 9101 (d), the Cabinet Committee on State Planning Issues is to provide a report to the Governor and General Assembly on its recent activities as well as propose legislative and/or administrative changes to improve the general pattern of land-use within Delaware. This report highlights the outcomes of the Committee's support, through their representative agencies, of implementing the *Strategies for State Policies and Spending*, including a brief analysis on development and demographic trends that support the recommendations for future action contained herein.

The Office of State Planning Coordination

This report is prepared by the Office of State Planning Coordination (OSPC) on behalf of the Cabinet Committee on State Planning Issues. The OSPC reports to the Governor's Office and works closely with the Cabinet Committee on State Planning Issues. OSPC's mission is the continual improvement of the coordination and effectiveness of land-use decisions made by State, county, and municipal governments while building and maintaining a high quality of life in the State of Delaware.

The OSPC meets its mission through:

- Effective coordination of state, county and local planning efforts.
- Coordinating state agency review of major land-use change proposals prior to submission to local governments.
- Research, analysis, and dissemination of information concerning land-use planning.
- Meeting the information and resource needs of all state agencies and local governments.
- Coordinating the spatial data and geographic information (GIS) needs of state agencies and local governments.

The Governor's Land-use Agenda

Governor Markell recognizes the important role that land-use planning has in implementing his overall agenda and has focused his land-use agenda, as elaborated on in the 2010 *Strategies for State Policies and Spending*, around the following principals:

- **Develop a More Efficient and Effective Government** by coordinating local land-use actions with State infrastructure and service delivery, largely through implementing the *Strategies for State Policies and Spending*.
- **Foster Economic Growth** by enabling a predictable and transparent land-use review and permitting process and leveraging state and local investments in infrastructure.
- **Improve Educational Opportunities** for Delaware's children by working with school districts and local governments to locate new schools in cost-effective neighborhood settings in accordance with the *Strategies for State Policies and Spending* and local government comprehensive plans.
- **Enhance the Quality of Life for All Delawareans** by creating complete communities rich in amenities and services, encouraging a range of choices for residence and businesses, and protecting natural resources and our agricultural economy.

Land-use Planning in Delaware – A Brief Overview

- Land-use decisions are made at the county and municipal levels.
- The guiding document for land-use decisions are the local comprehensive plans, which are reviewed at least every five years and updated at least every 10 years.
- Comprehensive plans are legal documents with the force of law, requiring development to be consistent with certified comprehensive plans.
- Comprehensive plans must be implemented within 18 months of adoption by amending the official zoning map(s) to rezone all lands in accordance with the uses and intensities of uses provided for in the future land-use element of the comprehensive plan.
- The comprehensive plans are certified by the State as to their consistency with the State land-use policies in particular, as to State's responsibility to provide infrastructure and services in support of land-use decisions.
- The majority of infrastructure and services needed to support such decisions are provided by the State.
- The State's overall guide to land-use policy is articulated in the *Strategies for State Policies and Spending* which is updated every five years.
- Another major tool the State uses to coordinate land-use with local governments is the Preliminary Land Use Services (PLUS) review process whereby major land-use change proposals, e.g., large subdivisions proposals, comprehensive plan amendments and comprehensive plan updates are reviewed by state agency representatives along with local government representatives and developers.

The Policy Framework for Land-use Planning in Delaware

Background

One of the major goals for land-use planning in Delaware is to direct development to growth areas as agreed to by state and local governments as articulated in the *Strategies for State Policies and Spending* and local comprehensive plans. These are areas where state, county, and local governments are prepared for development with existing infrastructure and/or where infrastructure investment is planned. We continue to make progress toward this goal due to the many significant actions that have occurred since the mid 1990s, which have led to a more efficient land-use-planning process, including the reestablishment of the Cabinet Committee on State Planning Issues, the development of the PLUS process, and the development of the *Strategies for State Policies and Spending*. Also, the local comprehensive planning process was strengthened through legislation that included giving comprehensive plans the force of law, the creation of a comprehensive-plan certification process, a requirement to implement approved comprehensive plans, and other related initiatives.

The State Role in Land-use

Delaware is growing and changing, in population size, composition and where people live. Though land-use decisions are made by local jurisdictions (municipal and county), the impact of local government land-use decisions, land development patterns, and each Delawarean's decision of where to live affects us all statewide. The effect can be felt both fiscally-as taxpayers-and in the livability of our state.



Unlike most other states, Delaware provides many of the services and a great deal of infrastructure throughout the state. For example:

Roads and Other Facilities – The State maintains approximately 90 percent of Delaware roads, as compared to a national average of 20 percent. This includes more than 14,000 lane miles, 1,600 bridges, 1,200 traffic signals, 54 Park-and-Ride facilities, and 250,000 signs.

Schools – The State provides between 70 and 80 percent of school operating funding and provides between 60 and 100 percent of educational-facility capital-construction funding, depending upon a local school district's relative property wealth.





School Transportation – The State provides 90 percent of school transportation costs.



Police and Paramedic Services - The State Police is Delaware’s largest police force, and the State provides 30 percent of paramedic funding to local jurisdictions.

In addition to the services already mentioned, the State also provides the following:

- Service Centers - The State funds 15 State Service Centers that deliver more than 160 programs and services on approximately 600,000 visits annually.
- Para-Transit – In 2009 more than 900,000 trips were made by the Delaware Transportation Corporation (DTC) at a per-person cost to the State of approximately \$33, compared to \$4 for the cost of a fixed-route DART ride.

As can be seen from the above, state government has a large stake in where and how land is developed, and as such, the cost of providing these services is greatly affected by our pattern of land-use. In general, the more spread out we are, the more costly it is for taxpayers. Thus, for the State to allocate resources efficiently, we need to determine a clear path to our goal of conserving our fiscal and natural resources. If state and local governments aren’t working together, a great deal of waste and inefficiency can occur. The two most important documents to insure a coordinated approach are the local comprehensive plan and the *Strategies for State Policies and Spending*.

Cabinet Committee on State Planning Issues

One of the most significant actions in regard to improving the coordination of land-use activities was the re-establishment of the Cabinet Committee on State Planning Issues in 1994. The Committee’s primary purpose is as an advisory body to promote the orderly growth and development of the State, including recommending desirable patterns of land-use and the location of necessary major public facilities. In essence, the mission of the Cabinet Committee is to advise the Governor and General Assembly on coordinating the State’s provision of infrastructure and services with the land-use decision-making process that is controlled by local governments.

The Strategies for State Policies and Spending

Strategies Purpose

- To coordinate land use decision-making with the provision of infrastructure and services
- Why Coordinate?:
 - Land use decisions are a local responsibility;
 - The provision of infrastructure and services is a State responsibility
 - If the above aren't coordinated, then waste and inefficiency can occur



The *Strategies for State Policies and Spending*, most recently updated in 2010, is the key policy document that provides a framework for land-use planning in Delaware. Developed by the Cabinet Committee on Planning Issues to fulfill its directives under Title 29, Chapter 91 of the Delaware Code, the *Strategies* provide a framework for the infrastructure and service investments by state agencies. The *Strategies for State Policies and Spending* is used in a variety of ways, including for state agency capital budgeting, PLUS reviews,

school site reviews public facility location. Local governments rely on this document for the preparation of comprehensive plans, especially as they relate to Titles 9 and 22 of the Delaware Code and certified by the State as directed by Title 29, Chapter 91 of the Delaware Code.

The Preliminary Land Use Services Review Process

Another tool developed to coordinate state and local government land-use activities is the PLUS review, which looks at certain size development activities and comprehensive plan reviews. This is a monthly review process that brings state and local land-use officials together with developers to review development proposals and feasibility studies for economic development activities in the earliest stages of the development process to note possible issues and make suggestions before a developer has invested substantial funds in a project.

Highlights from 2010 -2011

State Spending Strategies:

On April 1, 2011, Delaware Governor Jack Markell signed Executive Order #26, approving an update of the *Strategies for State Policies and Spending*, originally approved in 1999 and updated in 2004.

Legislative Initiatives from the 146th General Assembly:

- Senate Bill 126 with Senate Amendment 1. An Act to amend Titles 9, 22, and 29 of the Delaware Code relating to the review and certification of comprehensive plans. This bill clarifies the process for the review and certification of county and municipal comprehensive plans. The bill also eliminated the Governor's Advisory Council on Planning Coordination and transferred its responsibilities to the Cabinet Committee on State Planning Issues and the Office of State Planning Coordination. The bill did several other things, including changing the due date for local annual reports to July 1 of each year and explicitly authorizing OSPC to prepare the *Strategies for State Policies and Spending* document and maps.
- Senate Bill 138 with Senate Amendment 1. An Act to amend Title 9 Relating to Comprehensive Land Plans. This bill increased the maximum time between county comprehensive plan updates from five to ten years.

Master Planning Activities:

A "master plan" can be defined as a land-use plan focused on one or more sites within an area, which identifies access and general improvements and is intended to guide growth and development over a number of years or in phases. Master planning is a tool that can benefit Governor Markell's land-use agenda to make government more efficient, promote economic development, and, in general, improve the quality of life for Delaware citizens. Such a plan can do this because of the involvement of a wide range of stakeholders, both public and private. In many cases, the process of master planning can work towards pre-approving an area to be "shovel-ready." "Shovel-ready" permitting gives such areas a distinct advantage in attracting economic development activities. There are three major efforts underway at this point in all three counties.

- **Southern New Castle County Master Plan:** The New Castle County Land-use Department is in the process of updating their comprehensive land-use plan and expects to include the work to date on the master plan as part of the 2012 comprehensive land-use plan update.
- **Milford Master Plan:** The plan was adopted in July 2011, and the City has begun the implementation process.

- **Georgetown Master Plan:** A draft of the proposed plan will be sent to all parties in fall of 2011.

2010 Census information:

The OSPC was the lead state agency in working with the U.S. Census Bureau in the successful release of the 2010 Census data. The data verified New Castle as the largest county, with a population of 538,479, though it grew by the smallest percent (7.6%) of the three counties between 2000 and 2010. Sussex County had a 2010 population of 197,145 (an increase of 25.9%). Kent County, though smallest in population (162,310 persons) had the largest percentage increase (28.1%). Among cities and towns, several of the state's smaller municipalities showed the largest percentage growth between 2000 and 2010, reflecting a wave of annexations and in-town residential development that started before 2000 and continued through the housing boom of the early part of the decade. Townsend grew by almost 500%, to 2,049 residents. Cheswold grew to 1,380, an increase of more than 340%. Middletown grew by more than 200% to reach a population of 18,871. Clayton grew to 2,918 residents, an increase of almost 130%, and Millville doubled in size, reaching a population of 544.

2010 – 2040 Projected Population Growth:

According to the Delaware Population Consortium, the state's 2010 population of 895,173 is expected to increase to 1,120,523, or 25 percent, by the year 2040.

Key State Investments for FY 2011:

- Public school enrollment continues to rise, topping 129,000 students in 2010-11. To meet this continued demand, the State expended \$1 billion in operating costs for public education, which is roughly one-third of Delaware's \$3 billion operating budget.
- One new public school opened to meet the needs of increasing public-school enrollment and replace aging school infrastructure. In addition there are currently five new facilities under construction.
- In FY11, the State has expended over \$ 327 million of state and federal monies on capital transportation projects to address the maintenance and expansion of our transportation system.
- Vehicle miles traveled have decreased, while transit ridership has increased. These are positive trends that reduce congestion and maintenance costs while improving air quality. Unfortunately, these trends have also led to decreased Transportation Trust Fund revenues, which are needed to meet future capital project needs.
- For FY11, the State has provided approximately \$18 million to local governments for water and sewer infrastructure through the Water Pollution Control Fund.
- The State portion of the paramedic funding decreased from 40% to 30% in FY10; however, the cost of the paramedic program continues to rise. In FY11, the State

- funding for this program is closer to the funding provided by the State in FY07, when the contribution was 40%.
- The State has expended \$114 million to operate the State Police, which provides support to all local police agencies and serves as the primary police service for unincorporated portions of Kent and Sussex Counties.
 - In FY11, the Delaware Agricultural Lands Preservation Foundation preserved 61 farms comprising 6,000 acres at a cost of \$2,186 per acre, the best value in state farmland rights purchases seen in five years.
 - Delaware homeowners have continued to struggle through the foreclosure crisis. There were over 6,400 foreclosures in calendar year 2010, the most in the past five years.
 - Delaware State Housing Authority (DSHA) has accelerated assistance to homeowners to help them avoid foreclosure by counseling 1,624 homeowners and providing 190 loans and grants in FY11. This is the greatest activity in both of these programs in the last five years.
 - DSHA has continued to provide assistance to first-time homebuyers, enable the preservation and production of rental housing, and assist low to moderate income homeowners in rehabilitating their homes in FY11.

Development Trends Reporting:

The OSPC has been collecting building-permit and development-approval data from all 60 local jurisdictions since the start of 2008. Specifically, we have collected data on building permits, development approvals, and rezonings (see Report 1 for detailed information). This report includes data and analysis on development activity in calendar years 2008 through 2010. Key findings include:

Development Approvals 2008-2010:

- From 2008 through 2010, a total of 20,831 residential units were approved by local governments in Delaware. Sussex County jurisdictions approved the most units- 7,791, or 37 percent of the total. Development approvals were the highest in 2008 when 10,324 units (49% of the total statewide) were approved. Notable here is the resurgence of approvals in New Castle County in 2010 and the sharp decline in approvals in Kent County since 2008.
- During this period, local governments approved 17,152 residential units (82% of the total) in areas delineated as Investment Levels 1, 2 and 3 in the *Strategies for State Policies and Spending*. In both New Castle and Kent Counties, more than 95 percent of all residential units approved by local governments were in Levels 1 through 3. In Sussex County only 57 percent were located in levels 1 through 3.
- From 2008 through 2010, local governments approved 10,235,840 square feet of non-residential development. More than half of this development was approved in New Castle County (54%). The remainder was split between Kent and Sussex Counties (27% and 19%, respectively). Notable here are the resurgence of approvals in Kent County in 2010 and the sharp decline of approvals overall in Sussex County.

- Most of the non-residential development approved by local governments in Delaware (94%) was located in Investment Levels 1, 2 or 3.

Development Permits 2008-2010:

- Statewide, 78 percent of residential units permitted by local governments were located in Investment Levels 1, 2 or 3 as defined by the *Strategies for State Policies and Spending*. New Castle County jurisdictions issued permits for 97 percent of their residential units in Levels 1 through 3, followed by Kent with 81 percent and Sussex with 68 percent.
- During this period, building permits for 10,024 residential units were issued by local governments in Delaware. The majority of these permits were issued in Sussex County, where local governments issued permits for 4,978 residential units (50% of all units permitted in the state). Notable here is the decline in permitting in all counties from 2008 through 2010.
- From 2008 through 2010, local governments issued permits for 7,457,487 square feet of non-residential development. As with non-residential development approvals, over half of the activity (62%) was focused in New Castle County. Sussex County jurisdictions permitted 18 percent of the total, while Kent jurisdictions permitted the remaining 20 percent of non-residential development activity. Notable here is the 43 percent statewide drop in permitting activity from 2008 to 2010.
- Statewide, 93 percent of all non-residential square footage was permitted in Levels 1 through 3.

Comprehensive Planning:

Comprehensive plans are certified by the State once it is determined that they are consistent with State land-use policies as articulated in the *Strategies for State Policies and Spending*, and in particular, as to the State's responsibility to provide infrastructure and services in support of land-use decisions. This year, the Governor has reviewed four comprehensive plans for certification. These local jurisdictions include Wyoming, Laurel, Delmar, and Cheswold. In addition, OSPC has worked with local jurisdictions on rezonings, comprehensive plan amendments, and local ordinances.

Preliminary Land Use Services (PLUS) Reviews:

The PLUS process is a monthly review process that brings state and local land-use officials together with developers to review development proposals in the earliest stages of the development to note possible issues and make suggestions before a developer has made substantial investment in a project. The process is also used to review comprehensive plans for updates and amendments. The State reviewed 54 PLUS applications between October 2010 and September 2011. These applications included comprehensive plan reviews, updates and amendments, rezonings, subdivision plans, and a request by the Economic Development Office to review several sites in the

Smyrna and Middletown areas for a large employer looking for a feasible site to locate a 1-million-square-foot facility.

Highlights of the Local Jurisdiction Survey:

The University of Delaware's Institute for Public Administration (IPA) worked with the OSPC to talk with representatives of the counties and towns in the state in hopes of gaining more insight into the issues they are confronting in their daily operations. The jurisdictions included large and small communities with large and small budgets in all three counties.

- Towns and counties are continuing to put their energies into retaining businesses and/or attracting locally based businesses. Many of the smaller towns suggested that their limited resources make it difficult to compete for businesses, but they did mention that having greater access to elected local officials and administrators and the ability to provide personal attention more quickly to business owners concerns are advantages they have over larger jurisdictions.
- Towns would like to attract new businesses, but if they are unsuccessful they still want to have those businesses located in the region because of the secondary affects, like housing needs and, if commercial, the convenience the new business may offer to existing residents (closer grocery store, different restaurant, etc.).
- Towns that have minimal or no healthcare facilities would like to attract one, citing their aging population and the distance to existing healthcare facilities particularly in emergency situations. Towns also view new and expanded healthcare facilities as a strong positive initiative for economic development, often serving as the impetus for secondary markets for those facilities.
- Many of the jurisdictions that provide water and/or wastewater service have over-built and expanded their systems in anticipation of economic growth, particularly new residential development. The jurisdictions are struggling with paying for the operation and capital cost of this new infrastructure without the number of users planned for and in some cases finding that the lack of flows is having a negative effect on the projected life of these facilities (e.g., pumps, etc.).
- Many jurisdictions cited the positive relationships they have with state agencies and the personal relationship they have with agency staff. However, many also offered that they don't feel there are significant State incentives being offered for new economic activity in their towns and would like to have agency staff dedicated to each of the counties or to municipalities.
- Several jurisdictions cited their inadequacy in communicating with residents and businesses about the value they receive for their tax dollars. There is a need to

better promote those services that are provided and informing their “customers” of the alternative costs if they were located outside current boundaries.

- Municipalities and counties vary widely in their administrative organization, tax structures, and the services provided to residents and/or businesses. They cannot be stereotyped and there is a need to better understand the differences among the jurisdictions to improve the effectiveness of economic development initiatives.

Land-Use Agenda Work Plan for 2011–2012

In order to continue to implement Governor Markell’s land-use goals for Delaware, the following work plan is proposed:

Complete Communities:



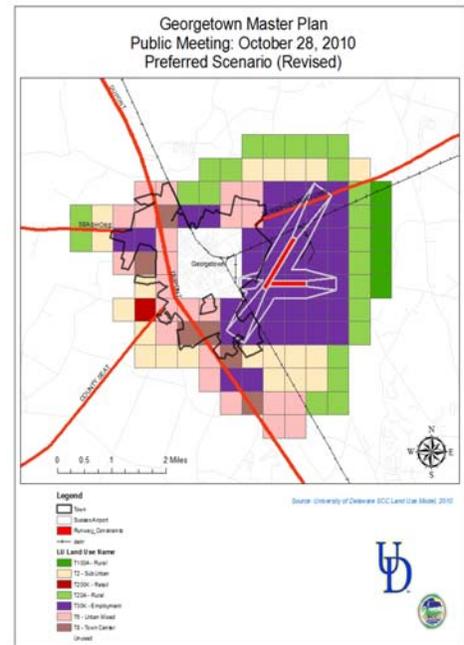
This is a project meant to focus on the Governor’s agenda of creating more efficient government, promoting economic growth, and improving the quality of life for all Delaware citizens. Like master planning, it is felt that helping local communities promote this concept will help make areas “shovel ready” for development activities that state and local governments can use to promote economic development activities.

The Office of State Planning Coordination will work with all state agencies as well as with the University of Delaware’s Institute for Public Administration in developing a guide to promote complete communities to local land-use decision makers. As characterized in 2010 *Strategies for State Policies and Spending*, the term “complete communities” typically refers to communities with integrated pedestrian and bike networks, newer streets interconnected with existing streets, intermingling of residential and commercial uses, and the inclusion of parks or open-space networks within developments. If properly designed, these communities would include a more diverse range of transportation and housing options and a more economical extension of public services and utilities. Additionally, since this type of development would use less land, there would be less pressure on using the State’s agriculture and open space lands for development.

Master Planning:

Continuation of the development/implementation of the ongoing master plan projects as well as for two new projects (see Highlights Section for a description of “Master Planning”):

- **Southern New Castle County Plan:** The New Castle County Council, in cooperation with local jurisdictions and residents, will begin to implement selected items from the comprehensive land-use plan to address housing needs, transportation and environmental issues within the region.
- **Kent County Transportation Master Plan:** Kent County Levy Court, in cooperation with state and local jurisdictions, will begin to plan areas within the County’s growth zone to address future transportation needs in order to further implement the County’s new and existing land-use policies.
- **Milford Master Plan:** The City, in cooperation with the State, will begin to implement various policies and construction projects to promote economic development within the community.
- **Bridgeville/Greenwood Master Plan:** To meet requirements of protecting and preserving the Chesapeake Bay, the towns will begin a master plan to address environmental needs and ensure the communities maintain their “pollution diets.”
- **Georgetown Master Plan:** The Town and County will work to adopt the plan and begin to implement policies recommendations.



Delaware Population Consortium:

The State should formalize the Delaware Population Consortium (DPC) in Delaware Code and direct state agencies and county and local governments to use DPC projections in planning projects. Having one set of mutually agreed-on demographic projections, developed by a consortium that includes a broad cross-section of stakeholders, is vital to efficient and effective land-use planning, economic development, school planning, and other State functions. The Delaware Population Consortium has a long tradition of annual population projections for the State, counties, and major cities in Delaware. This proposal would make the consortium more official and help plan for long-term maintenance of demographic data resources for the State. This would also allow for easy transition when leadership of the consortium changes.

Implement planning legislation passed by the 146th General Assembly:

Specifically, Senate Bill 126 with Senate Amendment 1, which clarifies the process by which the State shall review and certify county and municipal comprehensive plans and Senate Bill 138 with Senate Amendment 1, which will increase the maximum time between comprehensive plan updates from five to ten years. The OSPC will work with local governments to help with any changes to the comprehensive plan requirements associated with these bills.

Study the feasibility of data and geographic information systems (GIS) coordination statewide:

Even though Delaware agencies have done well in creating and sharing GIS data and information as a collegial body, this group lacks clear authority, a data maintenance budget, and a staff member needed to carryout statewide, multi-agency projects, and to work with DTI on the development of shared data and software infrastructure. The OSPC would study the cost and cost savings of statewide GIS coordination and report its findings back to the Cabinet Committee on State Planning Issues and the Governor.

Regularly occurring activities:

Office of State Planning Coordination staff will continue to perform their regular duties as they relate to the PLUS process, development data collection and analysis, municipal annexation reviews, comprehensive plan reviews, local government assistance, demographic data collection and analysis, and other related activities.

Detailed Reports

The following sections represent the detailed information supporting the information and analysis presented in this report.

Report 1

Development-Trends Data and Analysis

Report 2

State Financial Investments Supporting Recent Trends

Report 3

Demographic Data

Report 4

Comprehensive-Planning Progress

Report 5

Highlights of the Local Jurisdiction Survey by the Institute for Public Administration

Report 1

Development-Trends Data and Analysis

Development-Trends Data, January 2008–December 2010

OSPC has been collecting building-permit and development-approval data from all 60 local jurisdictions since the start of 2008. Similar data compilations have been available for many years but differ in format from county to county. Other compilations (such as assessment files) may or may not include the physical location of permits and approvals and rarely are reported consistently among jurisdictions.

OSPC has collected data on building permits, development approvals, and rezoning. This data collection includes tax-parcel information, which allows detailed analysis of development location using GIS. Data are combined to create a statewide data set that includes municipal and county data in a single format. This report includes data and analysis on development activity in calendar years 2008 through 2010.

It is important to note that these data are different from, and in some ways more precise than, Delaware's land-use/land-cover data. The land-use/land-cover data sets from 2002 and 2007 are based on aerial photography and can be used to analyze gross land-use changes over time. The Development-Trends Data represent actual local government permits and approvals in specific time frames.

The Development-Trends Data presented below reflect two indicators of local government activity-development approvals and actual building permits. Development approval information shows where developers have obtained approvals from local governments to build projects. These data can be used to track the resolution of PLUS applications and show where developers are preparing to build in the future. These projects may or may not be built, depending on a variety of factors related to the economy, financial markets, real estate market demand, and the viability of the developer. Building-permit data are a stronger indication of where actual land development activity is occurring. Because permit information is actual, rather than speculative, it is a better indicator of actual market demand and development trends.

Please be aware of the context of these data. The U.S. economy was officially in a recession from December 2007 to June 2009. The housing industry was one of those sectors most affected by the recession; the bursting of the housing bubble was one of the main symptoms of the problem. The data reported here reflect a time period when the economy, in general, and the housing market, in particular, has been in turmoil.

Residential Development Approvals

From 2008 through 2010, a total of 20,831 residential units were approved by local governments in Delaware. Sussex County jurisdictions approved the most units-7,791 or 37 percent of the total. Development approvals were the highest in 2008 when 10,324 units (49% of the total statewide) were approved. Notable here is the resurgence of approvals in New Castle County in 2010 and the sharp decline in approvals in Kent County since 2008.

The location of these approvals is an indication of the extent to which local governments are following their certified plans and, by extension, the *Strategies for State Policies and Spending*. During this period, local governments approved 17,152 units (82% of the total) in areas delineated as Investment Levels 1, 2 and 3 in the *Strategies for State Policies and Spending*. In both New Castle and Kent Counties, more than 95 percent of all residential units approved by local governments were in Levels 1 through 3. In Sussex County, only 57 percent were located in levels 1 through 3.

Residential Units Approved by Development Application

	2008	2009	2010	Total
New Castle County	3,070	357	3,989	7,416
Kent County	3,536	1,525	563	5,624
Sussex County	3,718	2,538	1,535	7,791
Total	10,324	4,420	6,087	20,831

Source: Delaware Office of State Planning Coordination

Residential Building Permits

Building-permit data more closely approximate actual building activity. During this period, building permits for 10,024 residential units were issued by local governments in Delaware. The majority of these permits were issued in Sussex County, where local governments issued permits for 4,978 residential units (50% of all units permitted in the state). Notable here is the decline in permitting in all counties from 2008 through 2010.

The location of new residential units is perhaps the best measure of how planning coordination, land-use regulations, real estate market trends, and consumer preferences are converging. Statewide, 78 percent of residential units permitted by local governments were located in Investment Levels 1, 2 or 3, as defined by the *Strategies for State Policies and Spending*. New Castle County jurisdictions issued permits for 97 percent of their residential units in Levels 1 through 3, followed by Kent with 81 percent and Sussex with 68 percent.

Residential Units Approved by Building Permit

	2008	2009	2010	Total
New Castle County	974	770	784	2,528
Kent County	1,246	693	579	2,518
Sussex County	1,723	1,700	1,555	4,978
Total	3,943	3,163	2,918	10,024

Source: Delaware Office of State Planning Coordination

Non-Residential Development Approvals

Non-residential development approvals include commercial, office, industrial, and institutional uses. From 2008 through 2010, local governments approved 10,235,840 square feet of non-residential development. More than half of this development was approved in New Castle County (54%). The remainder was split between Kent and Sussex Counties (27% and 19%, respectively). Notable here are the resurgence of approvals in Kent County in 2010 and the sharp decline of approvals overall in Sussex County.

Most of the non-residential development approved by local governments in Delaware (94 percent) was located in Investment Levels 1, 2 or 3. In fact, in both New Castle and Kent Counties, less than 1 percent of non-residential square footage was approved for Level 4 areas.

Non-Residential Square Footage Approved by Development Application

	2008	2009	2010	Total
New Castle County	2,824,514	1,447,092	1,207,256	5,478,862
Kent County	1,706,264	326,537	794,784	2,827,585
Sussex County	1,275,214	617,060	37,119	1,929,393
Total	5,805,992	2,390,689	2,039,159	10,235,840

Source: Delaware Office of State Planning Coordination

Non-Residential Building Permits

From 2008 through 2010, local governments issued permits for 7,457,487 square feet of non-residential development. As with non-residential development approvals, over half (62%) of the activity was focused in New Castle County. Sussex County jurisdictions permitted 18 percent of the total, while Kent jurisdictions permitted the remaining 20 percent of non-residential development activity. Notable here is the 43 percent statewide drop in permitting activity from 2008 to 2010.

Non-residential development has been permitted almost exclusively in Investment Levels 1 through 3. Statewide, 93 percent of all non-residential square footage was permitted in Levels 1 through 3. Kent County jurisdictions did not permit any non-residential development in Levels 3 or 4. New Castle County permitted one percent and Sussex County 25 percent in Level 4.

Non-Residential Square Footage Approved by Building Permit

	2008	2009	2010	Total
New Castle County	2,193,753	1,114,275	1,320,617	4,628,645
Kent County	1,011,517	265,099	189,781	1,466,397
Sussex County	909,973	169,016	283,456	1,362,445
Total	4,115,243	1,548,390	1,793,854	7,457,487

Source: Delaware Office of State Planning Coordination

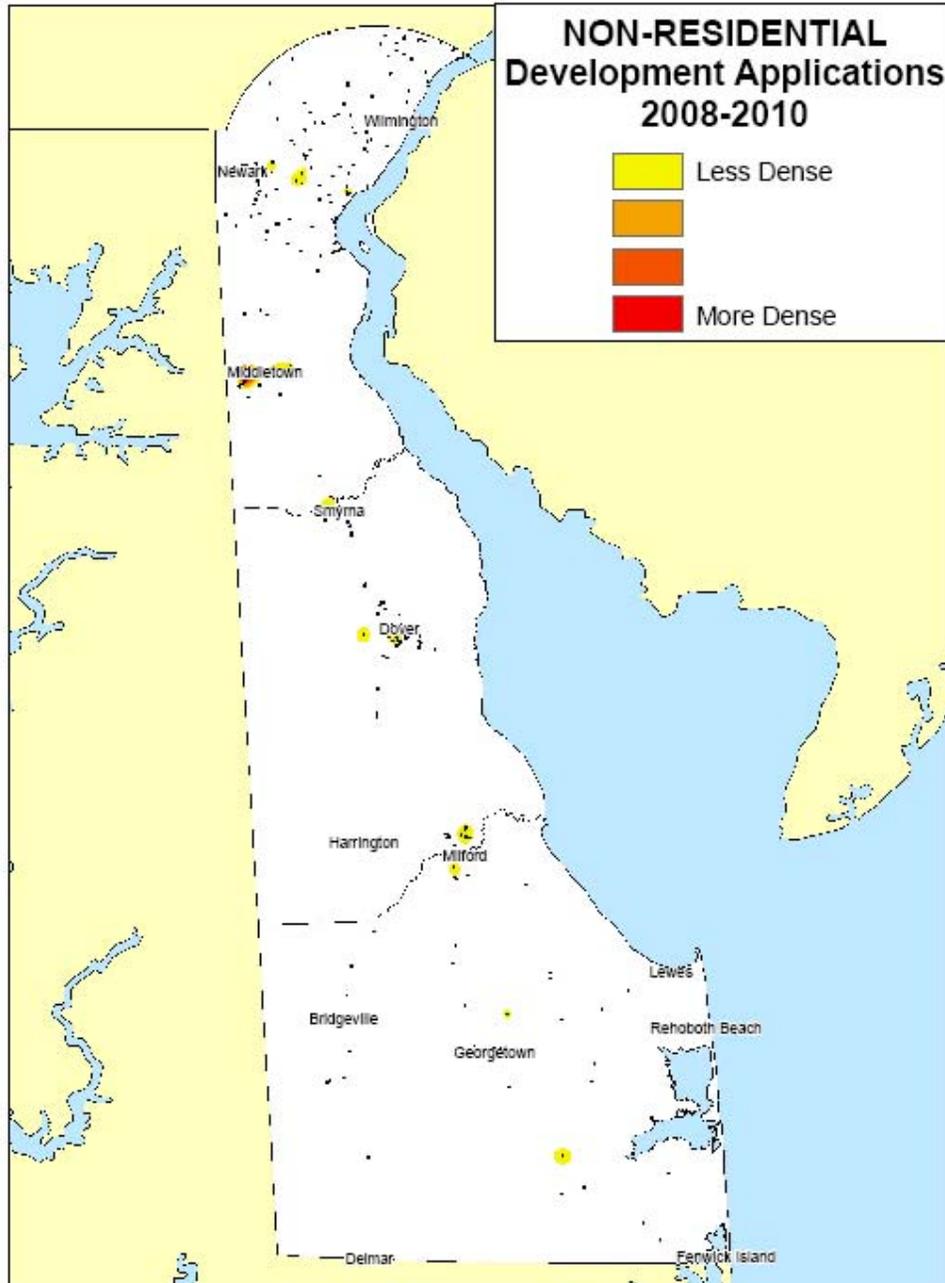
Summary and Conclusions

Development approvals and building permits for both residential and non-residential uses showed noteworthy declines in calendar year 2009 when compared to 2008, followed by modest gains in some areas in 2010. This is expected, given the state of the economy and the significant impact of the current economic crisis on housing and real estate development. Approvals for new projects, particularly non-residential projects, have declined the most. There is a large inventory of approved but unbuilt or incomplete development projects throughout the state, which may partially explain the reluctance of the development community to speculate on new projects. Economic conditions, in general, and the availability of financing, in particular, are other reasons commonly cited by developers for the downturn in new development activity. Residential building activities are most predominant in Sussex County, while non-residential development activity is focused in New Castle County.

The location of new development and actual construction depends on many factors, including State infrastructure investments, county and municipal land-use plans, local government land development regulations, real estate market demands, lending practices, the viability of individual land developers, and consumer preferences. The Development-Trends Data indicate that development patterns, in general, are consistent with the *Strategies for State Policies and Spending* and certified local-government comprehensive plans.

The vast majority of residential units (78%) and non-residential square footage (93%) permitted in from 2008 through 2010 were permitted in areas considered “growth areas,” Levels 1, 2 and 3 of the *Strategies for State Policies and Spending*. It is worth noting that non-residential development is mostly occurring close to infrastructure in Levels 1 and 2 and is rarely permitted in Level 4, even in Sussex County. Residential development is less constrained to growth areas Sussex County, which approved 43 percent of its new residential development in these rural areas.

Map 1 – Non-Residential Development Applications 2008–2010

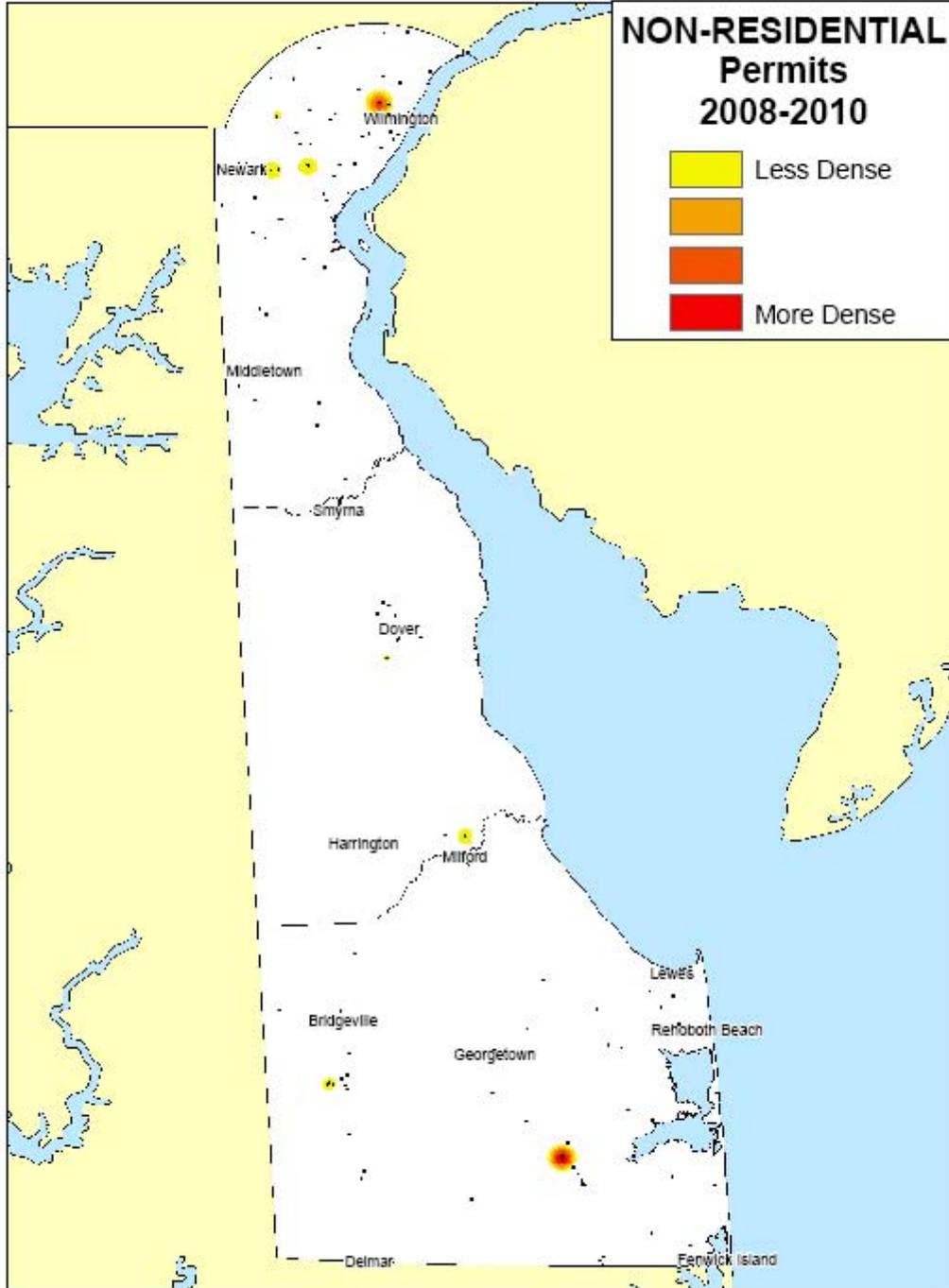


Non-Residential Sq. Ft. by Development Application

Jurisdiction	2010			2009			2008			
	08 - 10	Jan - June	July - Dec	Total	Jan - June	July - Dec	Total	Jan - June	July - Dec	Total
New Castle County	3,125,365	446,978	591,428	1,038,406	0	497,482	497,482	1,067,933	521,544	1,589,477
Bellefonte	0	0	0	0	0	0	0	0	0	0
Delaware City	0	0	0	0	0	0	0	0	0	0
Elsmere	980	0	0	0	0	0	0	980	0	980
Middletown	2,089,717	0	0	0	929,463	2,250	931,713	1,058,595	99,409	1,158,004
New Castle	666	0	0	0	0	0	0	0	666	666
Newark	249,217	151,600	17,250	168,850	14,580	0	14,580	47,491	18,296	65,787
Newport	0	0	0	0	0	0	0	0	0	0
Odessa	0	0	0	0	0	0	0	0	0	0
Townsend	0	0	0	0	0	0	0	0	0	0
Wilmington	3,317	0	0	0	3,317	0	3,317	0	0	0
Kent County	136,908	0	0	0	51,438	75,950	127,388	0	9,520	9,520
Bowers Beach	0	0	0	0	0	0	0	0	0	0
Camden	63,339	63,339	0	63,339	0	0	0	0	0	0
Cheswold	0	0	0	0	0	0	0	0	0	0
Clayton	0	0	0	0	0	0	0	0	0	0
Dover	1,482,307	272,091	449,104	721,195	86,365	35,691	122,056	407,066	231,990	639,056
Farmington	0	0	0	0	0	0	0	0	0	0
Felton	0	0	0	0	0	0	0	0	0	0
Frederica	0	0	0	0	0	0	0	0	0	0
Harrington	10,250	5,125	5,125	10,250	0	0	0	0	0	0
Hartly	0	0	0	0	0	0	0	0	0	0
Houston	0	0	0	0	0	0	0	0	0	0
Kenton	0	0	0	0	0	0	0	0	0	0
Leipsic	0	0	0	0	0	0	0	0	0	0
Little Creek	0	0	0	0	0	0	0	0	0	0
Magnolia	0	0	0	0	0	0	0	0	0	0
Smyrna	614,163	0	0	0	0	25,820	25,820	254,514	333,829	588,343
Viola	0	0	0	0	0	0	0	0	0	0
Woodside	0	0	0	0	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0
Sussex County	705,425	0	0	0	376,476	0	376,476	328,949	0	328,949
Bethany Beach	0	0	0	0	0	0	0	0	0	0
Bethel	0	0	0	0	0	0	0	0	0	0
Blades	0	0	0	0	0	0	0	0	0	0
Bridgeville	96,500	0	0	0	13,500	83,000	96,500	0	0	0
Dagsboro	0	0	0	0	0	0	0	0	0	0
Delmar	25,350	15,400	0	15,400	0	0	0	0	9,950	9,950
Dewey Beach	0	0	0	0	0	0	0	0	0	0
Ellendale	0	0	0	0	0	0	0	0	0	0
Fenwick Island	0	0	0	0	0	0	0	0	0	0
Frankford	0	0	0	0	0	0	0	0	0	0
Georgetown	98,443	5,719	0	5,719	33,340	0	33,340	59,384	0	59,384
Greenwood	0	0	0	0	0	0	0	0	0	0
Henlopen Acres	0	0	0	0	0	0	0	0	0	0
Laurel	19,673	0	0	0	0	0	0	0	19,673	19,673
Lewes	0	0	0	0	0	0	0	0	0	0
Milford	911,042	0	0	0	91,893	20,040	111,933	508,291	290,818	799,109
Millsboro	382,061	0	0	0	0	0	0	382,061	0	382,061
Millville	0	0	0	0	0	0	0	0	0	0
Milton	139,063	0	0	0	0	0	0	17,563	121,500	139,063
Ocean View	0	0	0	0	0	0	0	0	0	0
Rehoboth Beach	0	0	0	0	0	0	0	0	0	0
Seaford	63,200	16,000	0	16,000	31,200	0	31,200	0	16,000	16,000
Selbyville	0	0	0	0	0	0	0	0	0	0
Slaughter Beach	0	0	0	0	0	0	0	0	0	0
South Bethany	0	0	0	0	0	0	0	0	0	0

Please Note: The county totals reported are reflective of activities within the county jurisdiction **ONLY** and do not reflect a combined total of the county and various municipalities.

Map 2 – Non-Residential Building Permits 2008–2010

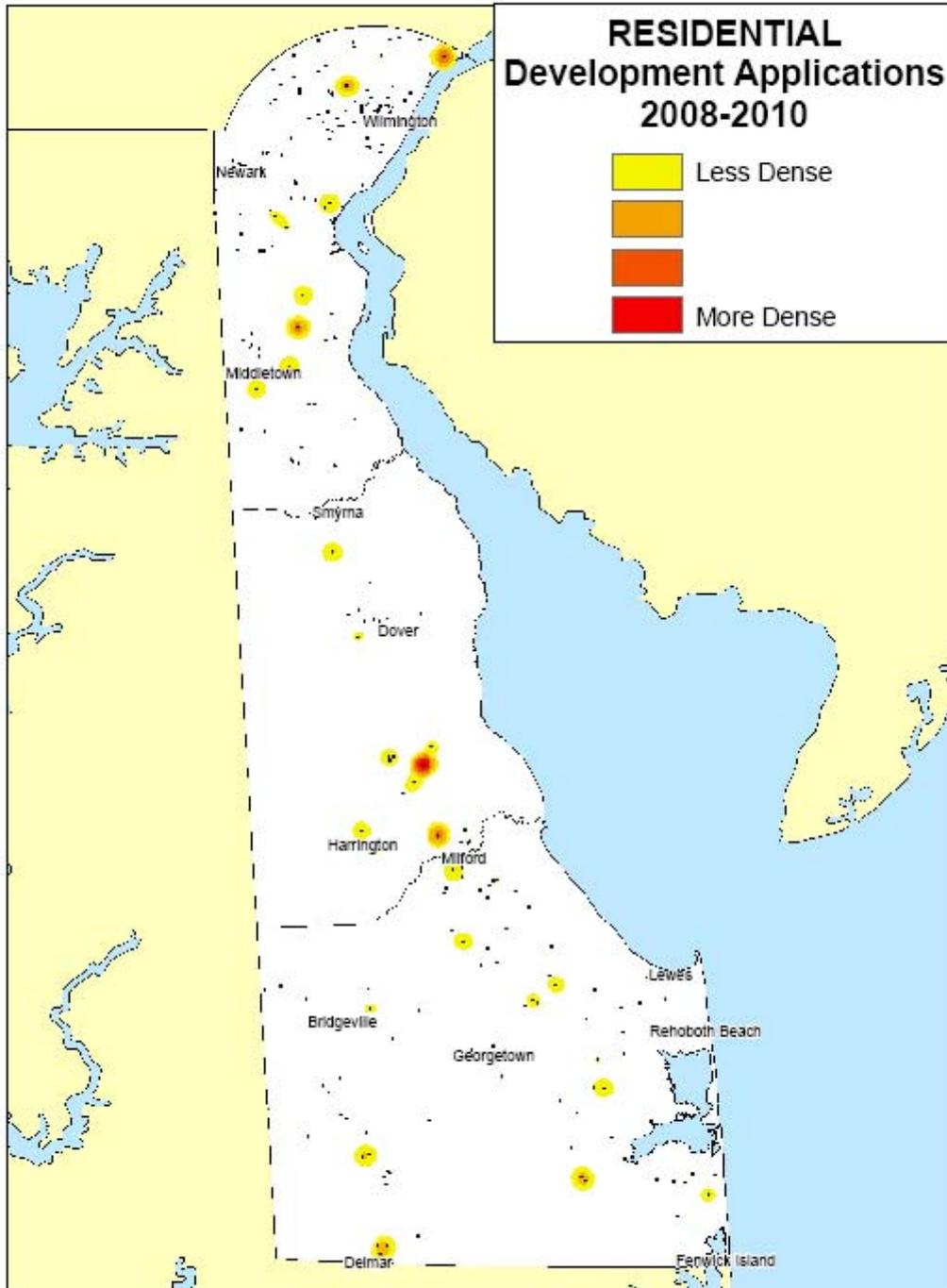


Non-Residential Sq. Ft. by Building Permit

Jurisdiction	08 - 10	2010			2009			2008		
		Jan - June	July - Dec	Total	Jan - June	July - Dec	Total	Jan - June	July - Dec	Total
New Castle County	2,769,745	521,047	337,230	858,277	288,335	290,889	579,224	823,232	509,012	1,332,244
Bellefonte	0	0	0	0	0	0	0	0	0	0
Delaware City	15,025	0	0	0	0	0	0	0	15,025	15,025
Elsmere	0	0	0	0	0	0	0	0	0	0
Middletown	384,742	6,560	3,900	10,460	31,682	17,300	48,982	321,150	4,150	325,300
New Castle	210,520	1,200	0	1,200	0	0	0	1,200	208,120	209,320
Newark	495,722	48,723	365,987	414,710	19,988	1,342	21,330	44,182	15,500	59,682
Newport	0	0	0	0	0	0	0	0	0	0
Odessa	0	0	0	0	0	0	0	0	0	0
Townsend	0	0	0	0	0	0	0	0	0	0
Wilmington	752,891	0	35,970	35,970	85,527	379,212	464,739	252,182	0	252,182
Kent County	1,979	0	0	0	0	0	0	1,979	0	1,979
Bowers Beach	0	0	0	0	0	0	0	0	0	0
Camden	25,160	0	0	0	0	0	0	25,160	0	25,160
Cheswold	0	0	0	0	0	0	0	0	0	0
Clayton	90,075	0	90,075	90,075	0	0	0	0	0	0
Dover	1,050,779	38,473	28,808	67,281	25,305	135,794	161,099	126,152	696,247	822,399
Farmington	0	0	0	0	0	0	0	0	0	0
Felton	5,125	5,125	0	5,125	0	0	0	0	0	0
Frederica	0	0	0	0	0	0	0	0	0	0
Harrington	17,500	16,300	0	16,300	0	0	0	0	1,200	1,200
Hartly	0	0	0	0	0	0	0	0	0	0
Houston	0	0	0	0	0	0	0	0	0	0
Kenton	0	0	0	0	0	0	0	0	0	0
Leipsic	0	0	0	0	0	0	0	0	0	0
Little Creek	0	0	0	0	0	0	0	0	0	0
Magnolia	0	0	0	0	0	0	0	0	0	0
Smyrna	132,729	0	0	0	5,000	0	5,000	22,264	105,465	127,729
Viola	0	0	0	0	0	0	0	0	0	0
Woodside	0	0	0	0	0	0	0	0	0	0
Wyoming	9,900	0	0	0	0	0	0	9,900	0	9,900
Sussex County	516,045	119,293	96,180	215,473	0	46,200	46,200	141,990	112,382	254,372
Bethany Beach	9,800	0	0	0	0	0	0	9,800	0	9,800
Bethel	0	0	0	0	0	0	0	0	0	0
Blades	0	0	0	0	0	0	0	0	0	0
Bridgeville	13,500	0	0	0	0	0	0	0	13,500	13,500
Dagsboro	43,742	0	0	0	0	0	0	21,242	22,500	43,742
Delmar	81,879	15,400	0	15,400	0	0	0	1,300	65,179	66,479
Dewey Beach	22,000	0	0	0	0	0	0	22,000	0	22,000
Ellendale	0	0	0	0	0	0	0	0	0	0
Fenwick Island	0	0	0	0	0	0	0	0	0	0
Frankford	0	0	0	0	0	0	0	0	0	0
Georgetown	60,083	0	5,719	5,719	3,500	800	4,300	50,064	0	50,064
Greenwood	3,000	0	0	0	0	0	0	3,000	0	3,000
Henlopen Acres	0	0	0	0	0	0	0	0	0	0
Laurel	29,200	0	0	0	0	0	0	29,200	0	29,200
Lewes	1,800	0	0	0	0	0	0	1,800	0	1,800
Milford	246,788	10,300	28,288	38,588	95,000	78,544	173,544	34,656	0	34,656
Millsboro	293,768	9,500	0	9,500	0	1,656	1,656	246,457	36,155	282,612
Millville	0	0	0	0	0	0	0	0	0	0
Milton	12,577	0	0	0	0	6,253	6,253	0	6,324	6,324
Ocean View	0	0	0	0	0	0	0	0	0	0
Rehoboth Beach	5,000	0	0	0	0	0	0	5,000	0	5,000
Seaford	123,363	0	7,276	7,276	12,000	9,388	21,388	9,594	85,105	94,699
Selbyville	33,050	0	2,500	2,500	0	14,675	14,675	10,375	5,500	15,875
Slaughter Beach	0	0	0	0	0	0	0	0	0	0
South Bethany	0	0	0	0	0	0	0	0	0	0

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Map 3 – Residential Development Applications 2008–2010

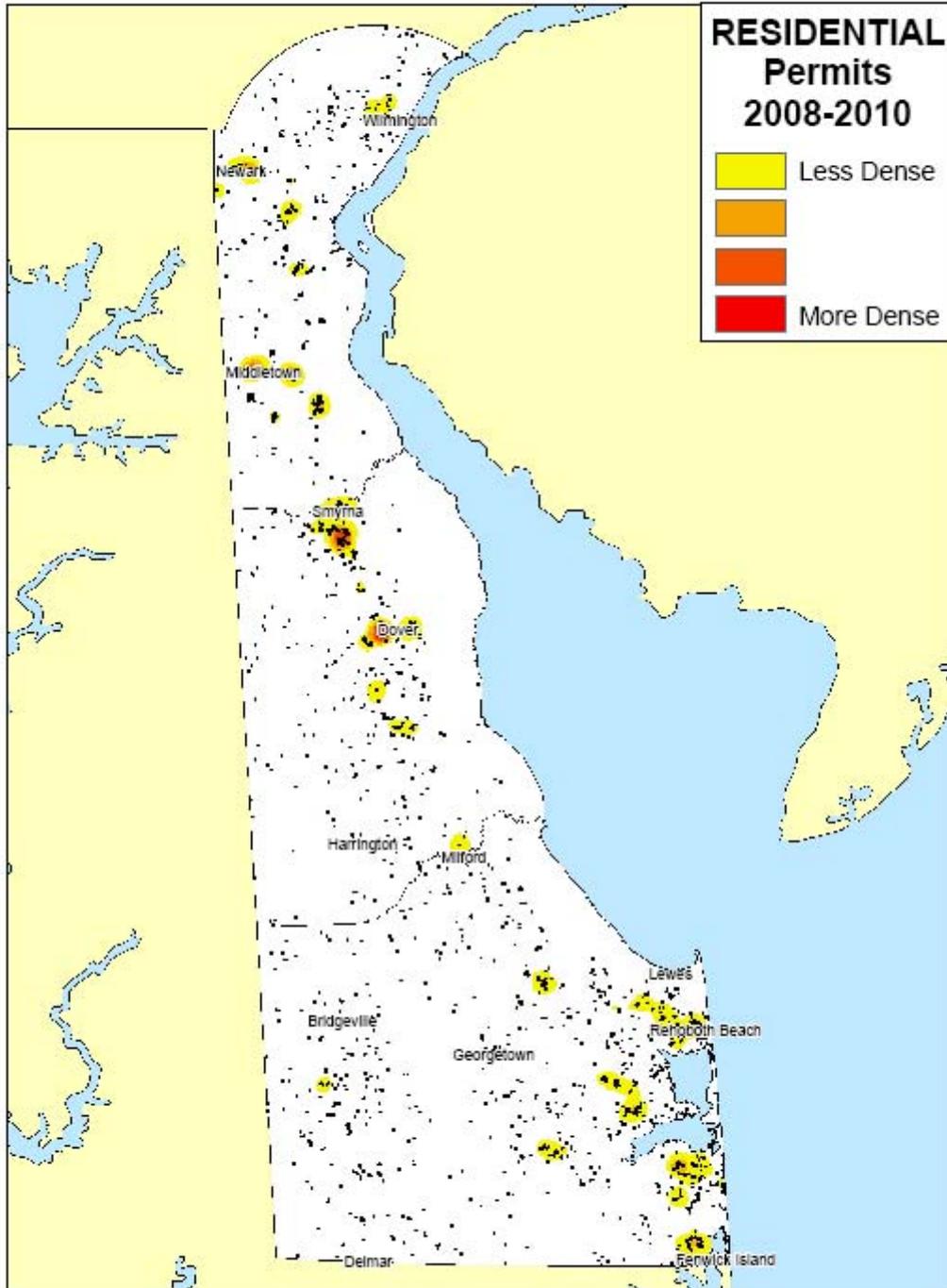


Residential Units by Development Application

Jurisdiction	08 - 10	2010			2009			2008		
		Jan - June	July - Dec	Total	Jan - June	July - Dec	Total	Jan - June	July - Dec	Total
New Castle County	6,037	2,880	435	3,315	0	225	225	1,232	1,265	2,497
Bellefonte	0	0	0	0	0	0	0	0	0	0
Delaware City	0	0	0	0	0	0	0	0	0	0
Elsmere	1	0	0	0	0	0	0	1	0	1
Middletown	1,020	472	0	472	10	4	14	534	0	534
New Castle	8	0	0	0	0	0	0	8	0	8
Newark	195	74	65	139	26	0	26	17	13	30
Newport	0	0	0	0	0	0	0	0	0	0
Odessa	0	0	0	0	0	0	0	0	0	0
Townsend	0	0	0	0	0	0	0	0	0	0
Wilmington	155	31	32	63	83	9	92	0	0	0
Kent County	1,670	444	0	444	0	0	0	1,226	0	1,226
Bowers Beach	0	0	0	0	0	0	0	0	0	0
Camden	0	0	0	0	0	0	0	0	0	0
Cheswold	0	0	0	0	0	0	0	0	0	0
Clayton	3	0	0	0	1	0	1	0	2	2
Dover	514	0	119	119	54	324	378	17	0	17
Farmington	0	0	0	0	0	0	0	0	0	0
Felton	0	0	0	0	0	0	0	0	0	0
Frederica	1,871	0	0	0	0	0	0	0	1,871	1,871
Harrington	411	0	0	0	0	0	0	0	411	411
Hartly	0	0	0	0	0	0	0	0	0	0
Houston	0	0	0	0	0	0	0	0	0	0
Kenton	0	0	0	0	0	0	0	0	0	0
Leipsic	0	0	0	0	0	0	0	0	0	0
Little Creek	0	0	0	0	0	0	0	0	0	0
Magnolia	5	0	0	0	5	0	5	0	0	0
Smyrna	4	0	0	0	0	4	4	0	0	0
Viola	0	0	0	0	0	0	0	0	0	0
Woodside	0	0	0	0	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0
Sussex County	3,073	274	314	588	369	800	1,169	328	988	1,316
Bethany Beach	0	0	0	0	0	0	0	0	0	0
Bethel	0	0	0	0	0	0	0	0	0	0
Blades	0	0	0	0	0	0	0	0	0	0
Bridgeville	0	0	0	0	0	0	0	0	0	0
Dagsboro	741	333	408	741	0	0	0	0	0	0
Delmar	933	0	0	0	0	0	0	933	0	933
Dewey Beach	0	0	0	0	0	0	0	0	0	0
Ellendale	405	0	0	0	0	405	405	0	0	0
Fenwick Island	0	0	0	0	0	0	0	0	0	0
Frankford	0	0	0	0	0	0	0	0	0	0
Georgetown	215	0	0	0	28	0	28	0	187	187
Greenwood	0	0	0	0	0	0	0	0	0	0
Henlopen Acres	0	0	0	0	0	0	0	0	0	0
Laurel	653	0	0	0	0	0	0	0	653	653
Lewes	102	102	0	102	0	0	0	0	0	0
Milford	1,787	0	0	0	402	1,057	1,459	327	1	327
Millsboro	48	0	0	0	48	0	48	0	0	0
Millville	185	0	0	0	0	0	0	185	0	185
Milton	360	0	0	0	0	337	337	23	0	23
Ocean View	0	0	0	0	0	0	0	0	0	0
Rehoboth Beach	0	0	0	0	0	0	0	0	0	0
Seaford	367	104	0	104	159	0	159	0	104	104
Selbyville	0	0	0	0	0	0	0	0	0	0
Slaughter Beach	0	0	0	0	0	0	0	0	0	0
South Bethany	0	0	0	0	0	0	0	0	0	0

Please Note: The county totals reported are reflective of activities within the county jurisdiction **ONLY** and do not reflect a combined total of the county and various municipalities.

Map 4 – Residential Building Permits 2008–2010



Residential Building Permits

Jurisdiction	08-10	2010			2009			2008		
		Jan - June	July - Dec	Total	Jan - June	July - Dec	Total	Jan - June	July - Dec	Total
New Castle County	1,491	339	243	582	178	275	453	251	205	456
Bellefonte	0	0	0	0	0	0	0	0	0	0
Delaware City	12	1	2	3	0	0	0	1	8	9
Elsmere	4	1	1	2	0	0	0	2	0	2
Middletown	511	81	25	106	71	78	149	95	161	256
New Castle	92	4	0	4	0	78	78	7	3	10
Newark	192	24	9	33	32	1	33	105	21	126
Newport	0	0	0	0	0	0	0	0	0	0
Odessa	0	0	0	0	0	0	0	0	0	0
Townsend	49	9	6	15	8	3	11	16	7	23
Wilmington	177	19	20	39	28	18	46	47	45	92
Kent County	1,166	181	138	319	173	191	364	211	272	483
Bowers Beach	7	0	0	0	1	0	1	4	2	6
Camden	37	0	0	0	4	0	4	24	9	33
Cheswold	2	0	0	0	0	0	0	2	0	2
Clayton	48	2	3	5	12	1	13	6	24	30
Dover	533	43	87	130	37	41	78	270	55	325
Farmington	1	0	0	0	0	0	0	0	1	1
Felton	11	2	0	2	3	2	5	3	1	4
Frederica	14	1	3	4	2	0	2	0	8	8
Harrington	49	27	0	27	1	5	6	11	5	16
Hartly	1	0	0	0	0	0	0	1	0	1
Houston	2	0	1	1	0	0	0	0	1	1
Kenton	1	1	0	1	0	0	0	0	0	0
Leipsic	0	0	0	0	0	0	0	0	0	0
Little Creek	0	0	0	0	0	0	0	0	0	0
Magnolia	5	0	0	0	1	4	5	0	0	0
Smyrna	529	61	19	80	92	110	202	82	165	247
Viola	0	0	0	0	0	0	0	0	0	0
Woodside	0	0	0	0	0	0	0	0	0	0
Wyoming	19	4	2	6	4	2	6	3	4	7
Sussex County	3,903	714	522	1,236	451	848	1,299	669	699	1,368
Bethany Beach	54	17	7	24	2	6	8	8	14	22
Bethel	1	0	1	1	0	0	0	0	0	0
Blades	11	1	1	2	0	0	0	9	0	9
Bridgeville	65	9	11	20	6	19	25	10	10	20
Dagsboro	21	5	1	6	2	4	6	6	3	9
Delmar	7	2	1	3	1	1	2	1	1	2
Dewey Beach	6	0	1	1	1	1	2	0	3	3
Ellendale	2	0	0	0	0	1	1	0	1	1
Fenwick Island	15	2	2	4	1	4	5	6	0	6
Frankford	1	0	0	0	0	1	1	0	0	0
Georgetown	70	1	1	2	24	26	50	10	8	18
Greenwood	7	0	4	4	3	0	3	0	0	0
Henlopen Acres	7	2	1	3	0	0	0	2	2	4
Laurel	21	7	1	8	5	2	7	6	0	6
Lewes	65	15	13	28	10	17	27	4	6	10
Milford	148	1	41	42	8	12	20	85	1	86
Millsboro	144	14	21	35	11	30	41	52	16	68
Millville	155	20	21	41	24	56	80	7	27	34
Milton	118	13	8	21	16	17	33	34	30	64
Ocean View	100	17	22	39	14	28	42	5	14	19
Rehoboth Beach	42	3	7	10	7	11	18	6	8	14
Seaford	43	5	4	9	1	6	7	14	13	27
Selbyville	35	7	1	8	6	11	17	8	2	10
Slaughter Beach	6	2	1	3	2	0	2	0	1	1
South Bethany	24	4	5	9	7	4	11	0	4	4

Please Note: The county totals reported are reflective of activities within the county jurisdiction **ONLY** and do not reflect a combined total of the county and various municipalities.

Overview of Analysis Methods and Limitations

The OSPC conducted a spatial analysis in order to examine the location and extent of recently approved development across Delaware. *ArcMap*, a geographic information systems (GIS) software package produced by Environmental Systems Research Institute, Inc. (ESRI), was used to conduct the analysis. The analysis utilized the best available spatial datasets in order to compare the location of recently approved development relative to the location of the State Investment Levels delineated in the *Strategies for State Policies and Spending*.

The OSPC requested that Delaware's municipalities and counties submit data on the location and characteristics of development applications approved and building permits issued during calendar years 2008 through 2010 at six month intervals. These submissions formed the basis for the spatial analysis. For each building permit or development application, the submissions included parcel identification data, the number of residential units and/or amount of non-residential square footage associated with the permit/application, and, in some cases, street address or other information (e.g., subdivision name) descriptive of the particular permit/application.

Using the parcel identification information as a unique identifier, the submissions were "joined" with recent county parcel files to create a spatial dataset representing the location and characteristics of Delaware's approved development applications and issued building permits. These data were overlaid on a spatial dataset representing the Investment Levels from the *Strategies for State Policies and Spending*. The number of residential units and amount of non-residential square footage approved in each of the four Investment Levels were then counted.

The results of this analysis indicate general trends regarding the location and magnitude of recently approved development in Delaware's incorporated and unincorporated areas and should not be seen as providing precise numbers that can be quoted with certainty. The considerations below should be kept in mind as these datasets are reported and further scrutinized:

The following pieces of data were removed from the dataset for analysis purposes:

- Building permits or development applications marked as "expired"
- Building permits or development applications that were identified as "non-residential" but had no square footage information
- In instances where county and municipal jurisdictions reported building permits or development applications for the same parcel, the duplicate county information was removed
- In some cases, parcel information had changed between the time that a development/permit was approved/issued and the time that this analysis was conducted. This made it difficult to locate certain parcels in the latest versions of the county parcel files. Older versions of the county parcel files and online

mapping sites for individual counties were referenced in order to properly locate these parcels. In the case of parcels for which multiple residential units were reported and subdivision subsequently took place, these units were equally allocated among the newly created parcels.

- Street addresses were used to locate some parcels for which a matching parcel identifier could not be found.
- The information used to construct this dataset was passed from local jurisdictions to OSPC. Human error could have contributed to possible data inaccuracies.

Report 2:

State Financial Investments Supporting Recent Trends

In support of a growing population and changing demographics, the state government provides a variety of infrastructure and services. In accordance with the *Strategies for State Policies and Spending* and the Governor's land-use agenda, Delaware has strategically invested state taxpayer dollars in important infrastructure and services. These funds help pay for public education, transportation, water and wastewater, public safety, agricultural and forest preservation, and housing. The following are some highlights showing fiscal trends and indicators from the past five fiscal years:

Public Education

In fiscal year 2010, capital expenditures for public education equaled \$102,369,017, which included the continued funding for on-going capital projects previously authorized.

Table 1 – Public Education Trends and Indicators FY07 – FY11

	FY07	FY08	FY09	FY10	FY11
Total Enrollment*	122,263	124,041	125,430	126,271	129,403
Charter School Enrollment	7,756	8,512	8,626	9,173	9,525
State Portion, Public Education Operating Budget (in thousands)	\$1,050,658.9	\$1,112,961.7	\$1,150,575.4	\$1,121,078.7	\$ 1,044,165.8
Education Bond Bill	\$140,811,300	\$141,311,800	\$132,788,300	\$137,672,800	\$ 102,369,017
New Construction and Land Acquisition**	\$53,877,600	\$63,305,500	\$120,504,900	\$84,678,000	\$ 57,822,117***
New Schools Opened****	5	0	2	4	1

Table 1. Public Education Trends and Indicators FY07-FY11

Source: Delaware Office of Management and Budget; Delaware Department of Education

* Total enrollment includes charter school enrollment.

** New Construction and Land Acquisition is a subset of the Education Bond Bill. The remaining portion of the Education Bond Bill funded other capital projects at school facilities.

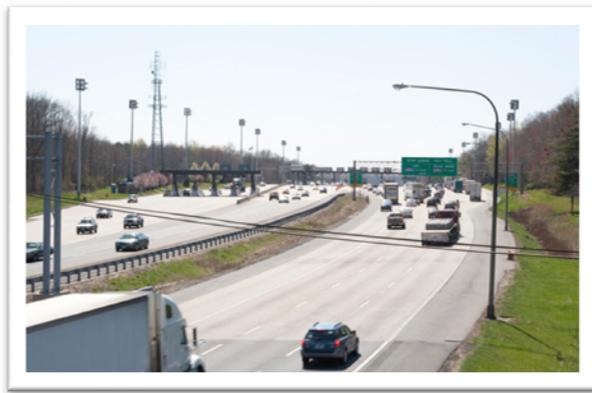
*** FY11 Education Bond Bill includes extraordinary site costs for two school projects that were necessary to complete before construction could begin.

****New schools are public schools that involve the construction of a new building utilizing State capital funds. Building additions and charter schools are not included.

Enrollment in public schools continues to rise, having increased from 122,263 during the 2006-2007 school year to 129,403 in the 2010-2011 school year. These figures include students in charter schools, which receive operating funds but not capital funds

from the State. In order to address increasing enrollment and the need for modern, updated facilities there was one new school (utilizing state capital funds) opened during FY11. There was also one new charter school opened (state capital funds are not used for charter schools). There are five other new schools currently under construction or nearing construction. These include two elementary schools, one early childhood education center, an intermediate school, and an 1,800 student high school. In order to maximize the benefits to the communities and leverage State and local school-district investments, all of these facilities are located in Levels 1, 2 or 3 of the *Strategies for State Policies and Spending*.

Transportation



The State is responsible for maintaining approximately 90 percent of all roads Delaware roads compared with other states, which maintain about 20 percent of the roads. The State also is responsible for transit services. Responding to the demands of Delawareans for a safe, efficient transportation system is a challenge, especially in light of recent growth and development trends. In FY11, DelDOT

made capital expenditures of over \$127 million in State funds to address Delaware's transportation needs. Total capital spending in FY11 was more than \$328 million including federal funds.

Table 2 demonstrates some encouraging trends that may ultimately play a role in reducing infrastructure costs, traffic congestion, and improving air quality. The number of registered motor vehicles has declined, while the number of licensed drivers has increased. This may indicate that some of the older, less efficient vehicles are being retired from the fleet. In addition, the number of vehicle miles traveled (VMT) has decreased since 2007, resulting in less wear and tear on our roads, less air pollution and less traffic congestion. This decrease in VMTs corresponds to an increase in transit ridership, indicating that some Delawareans are shifting modes from private vehicles to transit.

There are also some transportation challenges apparent in Table 2. Transportation Trust Fund revenues have decreased, ironically due to reduced VMT and increased fuel efficiency of the automobile fleet, which are such positive trends for other reasons. At the same time, capital expenditures have increased since FY07 to address needed improvements to the transportation infrastructure. Paratransit requires a significant subsidy to operate, and its ridership has increased due to the aging population.

Table 2. Transportation Trends and Indicators FY07-FY11

	FY07	FY08	FY09	FY10	FY11
Licensed Drivers	627,087	634,293	639,532	645,000	652,336
Registered Motor Vehicles*	854,604	857,697	823,590	825,000	822,151
Vehicle Miles Traveled*	9.5 billion	8.9 billion	9.0 billion	9.1 billion	8.9 billion
DART Rail Ridership (SEPTA)	1,028,631	1,073,296	1,137,709	1,237,000	1,158,650
DART Fixed route Ridership	8.31 million	8.63 million	9.15 million	9.16 million	9.92 million
Paratransit Ridership	811,907	855,164	900,128	901,000	968,323
Transportation Trust Fund Revenues (in thousands)	\$494,597	\$450,548	\$450,490	\$436,211	\$432,400
State Capital Expenditures (in thousands)	\$183,663	\$220,654	\$223,524	\$170,337	\$127,500
Federal Capital Expenditures (in thousands)	\$104,459	\$155,733	\$201,516	\$239,114	\$200,700
Total Capital Expenditures (in thousands)	\$288,122	\$376,387	\$424,040	\$409,451	\$328,200

Source: Delaware Office of Management and Budget; Delaware Department of Transportation

*Data for calendar year

Water and Wastewater



While the operation of drinking water and wastewater systems has traditionally been the domain of Delaware's local governments, the State does provide significant funding to allow for the improvement and expansion of these systems. Table 3 lists recent State and federal expenditures on water and wastewater items through the Water Pollution Control Funds, which are programs that are administered by Department of Natural Resources and Environmental

Control (DNREC) to provide support for community water and wastewater service projects. The State has also provided assistance for wastewater projects through a 21st Century Fund Wastewater Management Account.

Table 3. Water and Wastewater Funding to Local Governments FY07-FY11

	FY07	FY08	FY09	Fy10	FY11
Projects Funded	5	3	1	17	8
Water Pollution Control Funds (State)	1,350,000	2,248,333	2,250,000	7,279,347	3,014,796
Water Pollution Control Funds (Federal)	0	3,141,667	11,250,000	40,866,269	15,073,979
Water Pollution Control Funds (Total)	1,350,000	5,390,000	13,500,000	48,145,615	18,088,775
21 st Century Wastewater Fund*	10,325,000	1,500,000	2,500,000	150,000	0

Source: DNREC Financial Assistance Branch

*State Funds

NOTE: This table has been updated to include all grants awarded from the 21st Century Fund. This information was not included in last year's report.

Public Safety

Paramedic Program

The State currently provides 30 percent of the funding that the counties use to provide their jurisdictions with paramedic service. In FY11 the State provided \$10,788,253* in funding to the counties to support the paramedic program. The fourth quarter spending on this program by Kent County was not available at press time, so the actual total will be higher.

Table 4. State Paramedic Program Funding FY07-FY11

	FY07	Fy08	Fy09	Fy10	FY11
State Portion	40%	40%	40%	30%	30%
New Castle County	\$4,724,359	\$5,090,914	\$5,293,550	\$5,299,828	\$4,047,353
Kent County	\$1,434,287	\$2,110,950	\$2,110,950	\$1,392,085	\$984,266*
Sussex County	\$4,752,530	\$5,166,800	\$4,365,867	\$4,365,867	\$5,756,634
Total	\$10,911,176	\$11,887,651	\$12,571,300	\$11,058,500	\$10,788,253

Source: Delaware Office of Management and Budget

* Fourth quarter total from Kent County not available at the time of publication. Kent County total expenditures are for three quarters only.

State Police

Over the past five years, the funding necessary to support the State Police has steadily increased from \$107,332,200 in FY07 to \$114,265,900 in FY11. In addition, the number of personnel employed to meet Delaware’s public safety needs has increased from 901 in FY07 to 913 in FY11 (total employees include both troopers and related support staff).

Table 5. State Police Personnel and Budget FY07 – FY11

	FY07	FY08	FY09	FY10	FY11
Total Employees	901	914	924	922	913
Budget (in thousands)	\$107,322.2	\$112,723.3	\$110,534.6	\$112,920.5	\$114,265.9

Source: Delaware Office of Management and Budget

*Includes both troopers and civilian staff

Note: as we were updating this report we noticed an error in the FY10 numbers reported in the October 2010 report. These numbers have been corrected in the table above.

Farmland Preservation

Delaware has one of the most well regarded and most productive farmland preservation programs in the nation. Farmers and other landowners sell easements to their land to the State, which essentially extinguishes their right to develop the land but continues to allow a wide range of agricultural uses. In the past five fiscal years, the program has preserved 184 farms, totaling just over 19,000 acres. This has been accomplished using a combination of federal, state and local funds.

Fiscal Year 2011 witnessed the most farms preserved in both number and acres in the past five fiscal years. The cost per acre of farmland easement has decreased significantly, from a peak of \$5,822 per acre in FY07 to \$2,186 per acre in FY11. The easement value is based on the assessed market price of the land for “highest and best use,” which is usually housing development. This decrease can be attributed to the state of the economy in general, and, more specifically, to the reduced demand for new housing and land-development projects. The result of this situation is that more acres of land can be preserved for each tax dollar in the current market.

Table 6. Farmland Preservation by Easement FY07-FY11

	FY07	FY08	FY09	FY10	FY11***
Farms Preserved	19	25	20	59	61
Acres Preserved	2,689	2,955	2,816	4,487	6,132
State Funds	\$10,419,129	\$8,707,319	\$12,612,007	\$5,036,700	\$6,777,685
Federal Funds	\$4,011,790	\$2,396,189	\$0	\$5,793,984	\$6,028,490
Local Funds	\$1,152,634	\$3,101,385	\$0	\$679,029	\$600,000
Legal and Survey*	\$185,409	\$136,650	\$132,637	\$217,203	\$320,000
Total Funds	\$15,840,963	\$14,341,543	\$12,744,645	\$11,726,916	\$13,726,175
Cost per Acre**	\$5,822	\$4,807	\$4,479	\$2,565	\$2,186

Source: Delaware Department of Agriculture

*State Funds

**Cost per acre paid to land owner excludes legal and survey costs.

*** FY11 totals include an extended selection of the previous round of selections as well as the current selections for Round 16.

Housing

In 2011, the foreclosure crisis and lean economic times have continued to impose great stress on Delaware's housing system and on working families. As a result, DSHA has been very busy addressing these challenges by focusing on affordable rental preservation; homeownership; and foreclosure prevention.

Approximately 637 units of Delaware's aging affordable rental stock were preserved through contract renewals, and another 281 units preserved through rehabilitation. In addition, DSHA created 83 new affordable rental units for deserving Delaware families. Even with record low interest rates and a large number of affordably-priced homes on the market, homebuyers have found it increasingly difficult to purchase homes because of new lending requirements and economic uncertainty. Still, the agency helped 1,767 households purchase their homes and 393 homeowners of modest income maintain their homes through rehabilitation.

With foreclosure filings remaining at near record levels, DSHA assisted over 1,600 families facing foreclosure through housing counseling, and foreclosure assistance loans and grants. All of this was made possible through a diverse array of programs offered by DSHA, funded through both state and federal sources.

Housing Development Fund

The Housing Development Fund (HDF) is the primary financing resource used by DSHA to support the development of affordable housing statewide. Funding sources for the HDF include state General Assembly appropriations, document-recording surcharge, loan repayments and interest income. The Council on Housing, authorized by Delaware Code, reviews and approves the allocation of loans and grants through the Housing Development Fund. The types of activities that are considered for HDF funding include, but not limited to, homeless services, affordable rental, homeownership, foreclosure prevention, housing rehabilitation, housing counseling, and non-profit administration services.

Table 7. DSHA Trends and Indicators FY07-FY11

	FY07	FY08	FY09	FY10	FY11***
Homeownership Assistance	2,776	1,855	1,678	1,119	1,767
Homeownership Rehabilitation	393	370	360	415	393
Rental Units Produced	6	44	36	7	83
Rental Units Preserved: Rehabilitation	274	323	358	204	281
Rental Units Preserved: Contract Renewals	83	286	653	393	637
Foreclosure Filings*	3,853	4,488	6,150	6,457	2,554**
Foreclosure Assistance: Loans and Grants	7	89	54	52	190
Foreclosure Assistance: Prevention Counseling	N/A	109	653	661	1,624

Source: Delaware State Housing Authority

*calendar year

** through June

Delaware Economic Development Office (DEDO)

DEDO will continue its efforts to work with local communities through the Business Development Leaders it has designated for each county especially in looking for appropriate programs and incentives for local governments to take advantage of.

Report 3

Demographic Data

The U.S. Census Bureau's latest population estimates indicate that Delaware had 897,934 residents in 2010, an increase of 114,334 (14.6%) since the 2000 Census. Among the counties, Kent County grew by the largest percentage, adding more than 35,000 people (more than a quarter of its 2000 population total). Sussex was not far behind, gaining more than 40,000 (almost 26%). The estimates show New Castle County growing by only 7.6 percent, or a bit more than 38,000 new residents.

Population Change, 2000 to 2010, State of Delaware, Counties and Towns				
	Population		Change 2000 to 2010[1]	
	2000	2010	Number	Percent
Delaware	783,600	897,934	114,334	14.6%
Kent County	126,697	162,310	35,613	28.1%
New Castle County	500,265	538,479	38,214	7.6%
Sussex County	156,638	197,145	40,507	25.9%

[1] Source: U.S. Census Bureau, 2010 Census Redistricting Data (Public Law 94-171) Summary File

According to the Census Bureau, net in-migration was the largest growth factor for both Kent and Sussex Counties between 2000 and 2010. Kent County gained just over 28,750 and Sussex County 56,850 new residents by migration. In Kent County, domestic in-migration far outstripped international in-migration. In Sussex County, the opposite was true. In New Castle County, which saw a net loss of residents to domestic migration, natural increase (births minus deaths) was the largest growth factor.

Delaware Population Projections: 2010 to 2040				
	Population Projections		Projected Change 2010 to 2040 [1]	
	2010	2040	Number	Percent
Delaware	895,173	1,120,523	225,350	25%
Kent County	160,058	204,952	44,894	28%
New Castle County	538,170	606,881	68,711	13%
Sussex County	196,945	308,690	111,745	57%

Source: Delaware Population Consortium Release Date: October 2010

According to the Delaware Population Consortium, Delaware's population is projected to grow by more than 225,000 between 2010 and 2040, an increase of 25 percent, reaching a projected population of more than 1.1 million. Sussex County is expected to see the largest percent increase in population (57 %) and grow by almost 112,000 to 308,290 residents. Kent County's population is projected to reach 204,952 by 2040, gaining nearly 45,000- an increase of 28 percent. New Castle County is expected to grow by 13 percent over the same period, adding almost 69,000 to reach a 2040 population of 606,881.

Report 4:

Comprehensive Planning Progress

Since October 2010, there were eight municipalities that had comprehensive plans or five-year plan updates adopted and certified by the Governor.

The following table shows the current status of all municipal comprehensive plans. Municipalities that are currently known to be updating or amending their comprehensive plans are noted to be “in progress.” There are three municipalities in New Castle County that do not have plans because they have ceded control of planning and zoning to the county. In addition, there are three very small municipalities in Kent County that do not have plans due to the lack of capacity and resources to develop them.

Municipal and County Comprehensive Plan Activity 2008–2010 YTD

Municipality	County	Latest Planning Activity	Date Certified
Bowers Beach	Kent	Comprehensive Plan	05/15/2009
Camden	Kent	Plan Update	05/05/2008
Cheswold	Kent	Plan Update	12/18/2010
Clayton	Kent	Plan Update	12/08/2008
Dover	Kent	Plan Update	02/09/2009
Farmington	Kent	Comprehensive Plan	11/17/2004
Felton	Kent	Plan Update	11/10/2008
Frederica	Kent	Comprehensive Plan	03/17/2004
Harrington	Kent	Comprehensive Plan	05/19/2008
Hartly	Kent	No Activity	
Houston	Kent	Comprehensive Plan	07/12/2007
Kenton	Kent	No Activity	
Leipsic	Kent	Comprehensive Plan	11/06/2006
Little Creek	Kent	Comprehensive Plan	08/07/2006
Magnolia	Kent	Comprehensive Plan	03/16/2009
Viola	Kent	Comprehensive Plan	03/17/2004
Woodside	Kent	No Activity	
Wyoming	Kent	Plan awaiting certification	01/05/2004
Milford	Kent / Sussex	Plan Update	01/26/2009
Smyrna	Kent / New Castle	Plan Update in Progress	05/16/2003
Arden	New Castle	Under County Control	n/a
Ardencroft	New Castle	Under County Control	n/a
Ardentown	New Castle	Under County Control	n/a
Bellefonte	New Castle	Comprehensive Plan	08/13/2007
Delaware City	New Castle	Comprehensive Plan	11/24/2008
Elsmere	New Castle	Plan Update	08/12/2010
Middletown	New Castle	Plan Update in Progress	11/07/2005
Newark	New Castle	Plan Update	10/27/2008

New Castle	New Castle	Plan Update	07/21/2009
Newport	New Castle	Plan Review	05/01/2008
Odessa	New Castle	Comprehensive Plan	10/02/2006
Townsend	New Castle	Plan Update	07/07/2010
Wilmington	New Castle	Plan Update	09/28/2010
Bethany Beach	Sussex	Plan Update in Progress	06/17/2005
Bethel	Sussex	Comprehensive Plan	07/08/2008
Blades	Sussex	Comprehensive Plan	04/17/2008
Bridgeville	Sussex	Plan Update in Progress	09/11/2006
Dagsboro	Sussex	Plan Update	04/27/2009
Delmar	Sussex	Plan Update	10/25/2010
Dewey Beach	Sussex	Plan update in Progress	07/29/2007
Ellendale	Sussex	Plan Update	10/06/2009
Fenwick Island	Sussex	Comprehensive Plan	10/16/2007
Frankford	Sussex	Plan Update	09/08/2008
Georgetown	Sussex	Plan Update	01/13/2010
Greenwood	Sussex	Plan Update	01/08/2008
Henlopen Acres	Sussex	Plan Update in Progress	07/09/2004
Laurel	Sussex	Plan Update	6/20/2011
Lewes	Sussex	Comprehensive Plan	10/19/2005
Millsboro	Sussex	Plan Update	06/01/2009
Millville	Sussex	Plan Update	02/10/2009
Milton	Sussex	Plan Update	05/03/2010
Ocean View	Sussex	Plan Update	07/13/2010
Rehoboth	Sussex	Plan Update	07/23/2010
Seaford	Sussex	Plan Update	01/12/2010
Selbyville	Sussex	Plan Update	08/06/2007
Slaughter Beach	Sussex	Comprehensive Plan	01/14/2008
South Bethany	Sussex	Comprehensive Plan	07/14/2006

Report 5

Highlights of the Local Jurisdiction Survey by the Institute for Public Administration

September 2011

The University of Delaware's Institute for Public Administration (IPA) worked with the OSPC to talk with representatives of the counties and towns in the state in hopes of gaining more insight into the issues they are confronting in their daily operations. The jurisdictions included large and small communities with large and small budgets in all three counties. The communities also varied in the number of employees comprising their staffs and the types of services they provide to their residents and businesses. IPA will continue this initiative but at this time believes it has gained some perspective into these issues as follows:

- Downtown areas are struggling in most towns, but all recognize the importance of continuing to focus on their revitalization. The poor economy has taken its toll on these downtown areas, but there are other issues that have also contributed to this condition, including the aging of structures (minimal building maintenance investment through the years), the location of newer commercial areas located immediately outside of the downtown area, lack of people living and/or working, within walking distance of downtown areas, and parking.
- Towns and counties are continuing to put their energies into retaining businesses and/or attracting locally based businesses. Many of the smaller towns suggested that their limited resources make it difficult to compete for businesses, but they did mention that having greater access to elected local officials and administrators and the ability to provide personal attention more quickly to business owners concerns are advantages they have over larger jurisdictions.
- Towns would like to attract new businesses, but if they are unsuccessful they still want to have those businesses located in the region because of the secondary effects, like housing needs and, if commercial the convenience the new business may offer to existing residents (closer grocery store, different restaurant, etc.).
- Towns that have minimal or no healthcare facilities, would like to attract one, citing their aging population and the distance to existing healthcare facilities particularly in emergency situations. Towns also view new and expanded healthcare facilities as a strong positive initiative for economic development, often serving as the impetus for secondary markets for those facilities.

- Many of the jurisdictions that provide water and/or wastewater service have over-built and over expanded their systems in anticipation of economic growth, particularly new residential development. The jurisdictions are struggling with paying for the operation and capital cost of this new infrastructure without the number of users planned for and in some cases finding that the lack of flows is having a negative effect on the projected life of these facilities (ie. pumps, etc.).
- All jurisdictions recognize that aging infrastructure is a huge concern and know that obtaining funding to replace infrastructure will continue to be difficult, given the current economic climate in their jurisdiction, the state, and the nation. Several mentioned the need to maintain or improve their bond rating in order to borrow funds at the least costly rate.
- As tax revenues have decreased, jurisdictions providing utilities have relied more heavily on those revenues to fund their budgets. Although water and wastewater revenues have been essential in funding those two services, it is the jurisdictions that provide electric to their residents and businesses that have been able to help pay for some of their other town services by using these revenues. Many towns also expressed a concern that there is increasing pressure on them to sell off their electric service to larger providers that can offer lower rates. They point out that the smaller, local provider can respond much faster to service interruptions and have received favorable comments from customers that have contacted them.
- Well managed jurisdictions have re-evaluated their use of transfer tax revenues in their annual budgets. The sharp decrease in that revenue source affected many jurisdictions, but many learned from this and have adapted by allocating the use of these funds differently.
- All jurisdictions employ staffs and many have had to reduce their staffs during the past couple of years in response to the downturn in the economy. None of the jurisdictions anticipate adding staff in the short-term, although all hope to maintain existing staffing levels.
- Many jurisdictions cited the positive relationships they have with state agencies and the personal relationship they have with agency staff. However, many also offered that they don't feel there are significant State incentives being offered for new economic activity in their towns and would like to have agency staff dedicated to each of the counties or to municipalities.
- Direct benefits to municipalities for new development may not equate to the benefits experienced by the State, particularly when the development attracts new jobs. As concerns, municipalities cite limited property tax revenues from new commercial developments (due in part to old property value assessments) and the

need to secure new developments as utility customers (when offered). Benefits to the town tend to increase if the new employees buy homes and become residents of their jurisdiction.

- Several jurisdictions cited their inadequacy in communicating with their residents and businesses about the value they receive for their tax dollars. There is a need to better promote those services that are provided and informing their “customers” of the alternative costs if they were located outside current boundaries.
- Municipalities and counties vary widely in their administrative organization, tax structures, and the services provided to residents and/or businesses. They cannot be stereotyped, and there is a need to better understand the differences among the jurisdictions to improve the effectiveness of economic development initiatives.

Acknowledgements

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*“Complete Communities
create lively walkable places
that bring businesses to the
street.”*

This report has been prepared by the Delaware Office of State Planning Coordination, in concert with and on behalf of the Cabinet Committee on State Planning Issues, in accordance with 29 Delaware Code Chapter 91. The Cabinet Secretaries and State agency staff provided data, ideas, expertise, and editorial comments to the OSPC staff to assist in the preparation of this report.