



CIVIC LEAGUE
For New Castle County

Informed Citizens for Sound County Growth

P.O. Box 11523 - Wilmington, DE 19850

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MAY
2008

COUNTY COMMENTS

CIVIC LEAGUE FOR NEW CASTLE COUNTY
Informed Citizens for Sound County Growth

Tuesday, May 27, 2008

MEETING

7:00 PM at the Paul Sweeney Public Safety Building
3601 N. duPont Hwy
(Rte 13 South of DMV, North of Gracelawn Cemetery)

AGENDA

Election of Officers and Directors

Program: **Sticking Taxpayers with TIF**

The story behind Tax Incremental Financing will be presented along with potential tax implications for homeowners. The public is invited to attend, participate in discussion, and have questions answered.

Unemotional Yard Waste Review

Here is the latest information on the effect yard waste is having on the ultimate closing of the Cherry Island Landfill. And its financial impact on homeowners. The General Assembly has been advised that yard waste will soon add seven feet to the height of the CIL, thereby hastening the need for its closing. The generally accepted estimate is that 50,000 tons, occupying 90,000 cubic yards are being deposited in the CIL annually. When spread out over the 150 acres in active use at the site (out of the 238 acres owned), this increases the CIL height by 4.46 inches annually. At first it appears that yard waste will add seven feet in only 19 years from now.

Two additional factors need to be considered however: compaction and decomposition. The oft used industry standard is to assume 50% initial compaction of leaves, grass, and twigs, with additional shrinkage annually as the waste decomposes – and throws off methane gas. Using a more conservative 35% for compaction, yard waste can still be added to the CIL for the next 28 years before reaching the feared seven feet of additional height.

Now for the money part. The CIL receives a tipping fee for each ton of solid waste it accepts from haulers. As part of the overall landfill operation, it also earns money from the methane gas it collects via a network of buried pipes. Cost accountants will attribute to solid waste at least \$100, 000 of the \$3.6 million earned annually from CIL gas sales.

These facts should be included in any discussion about banning yard waste, or collecting it separately, or any of the emotion tinged arguments now swirling about this subject. The one outcome to be hoped for is fair treatment of homeowners, especially by state legislators, in these already difficult times.

STATEMENT OF PRINCIPLE

- ◆ Monitor and selectively evaluate government actions including laws, regulations and policy.
- ◆ Provide appropriate forums for informing as well as soliciting input from the public.
- ◆ Establish positions based on responsible studies and consistent with the aims and purpose of the organization.
- ◆ Advocate these positions.

Founded in 1962, the Civic League is non-profit volunteer organization, which studies and illuminates County and State government actions concerning comprehensive developments and the quality of life and is a vocal advocate of relevant positions.

County Comments is the official publication of the Civic League for New Castle County.

Dan Bockover,
President

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A change in the size of the membership booklet is also being made. The new format will be 3 ¾" x 8 ½" to conveniently fit into a #10 envelope, or slip into a jacket pocket or purse.

You are invited to email your thoughts on these proposed enhancements to the membership directory. Please send your email to President@CivicLeagueforNCC.Org.

A special effort will also be made to obtain the email addresses for all members in order to speed communications, and to conserve postage. Even now, if you haven't provided your email address, it will be helpful and very much appreciated if you will make sure we have your email address in our data base.

Please don't delay with your response. Do it now while it's at the top of your mind!

Visit our website at:
www.CivicLeagueforNCC.Org

The Plot Thickens

Is Tax Increment Financing good for the taxpayers of New Castle County??

TIF - Tax Increment Financing has been proposed as a way for governments to raise funds for PRIVATE projects for infrastructure (blighted areas) in New Castle County. Government (New Castle County) sells the bonds, funds are given to developers for infrastructure. Additional property tax gained as the value of the site increases goes to pay off the bonds. (Basiony-N.J. 4/27/08. (20-30-years.) The NJ of 5/11/08 -Ron Williams column-states that attorneys for Bayberry and Brookview are attempting to "circumvent" the open meetings requirement" and meet with councilmen, but avoid violations of the FOIA.

The problem is that the development of Bayberry was never a blighted area, or an area in need of development, as it was (is) mostly productive agricultural land. Brookview was a fifty year old property of garden apartments which had been owned by absentee landlords, allowed to "rot" with little or no enforcement of housing codes by NCC. The property lost value and was available for sale and redevelopment. Both properties are in UNINCORPORATED parts of NCC. Neither property has been regulated by municipal codes or consistent oversight. The advance hype for Bayberry promises a dense "mixed use" village which will need new infrastructure- roads(Route 301), sewer, police, schools, etc. Increased taxes will pay for services???? Renaissance Village was sold as part of a "hometown overlay" and doubled the density to 1266 or so residential units plus retail and commercial, all on the original 67 acres with the same need for new infrastructure, police, sewer, etc. The problem--the original price of Brookview of \$8-9million became \$30 plus million. The promise was that the market would support a dense, new development in UNINCORPORATED Claymont which means that New Castle County is responsible for many services supported by the tax base. The new property taxes generated would go off to pay for the bonds.

To pay back the bonds, the county will have to enforce codes, collect taxes, and manage well. It is all about money. Did the developer pay too much for Brookview? Is the profit to be made from Bayberry based on turning an agricultural area into an urban setting with promises from state and county entities for services and infrastructure for which funding will have to come from the taxpayers?

New Castle County is 435 square miles and has approximately 540,000-550,000 population. We now have more than 1,000 per square mile now. What will the additional population need in services and how will we pay for them? The state and county are both having budget problems now for the residents we have. The Executive summary of the TIF in Chicago should be required reading for everyone in County Government. It cites lack of comprehensive planning, weak oversight, poor documentation, and significant barriers to public participation.

Fritz Griesinger, in his analysis, discusses the complexity, risk, lack of public benefit, little market for this kind of bond, possibility of default, etc.

THE CIVIC LEAGUE SHOULD REQUEST A THOROUGH PUBLIC DISCOURSE (not a public hearing) with all the stakeholders represented!!!

Every councilperson needs to explain his or her reasoning for support or rejection of this proposal.

Frances West

Who Pays for Delmarva/Blue Water Wind Debate

According to the Public Service Commission's enabling legislation and according to prior Commission rulings developed since the 1970s, the PSC by law is only allowed to accept plant and capital that is used and useful in providing a service to a ratepayer. Consequently, any purveyor that comes before the Public Service Commission must pay the Public Service Commission's bill for staff and commission hours, telephone bills, consultant bills as well as all other bills including advertising designed to spread misinformation by the State, Delmarva and Blue Wind. The Commission, by its prior rulings can not allow a purveyor to place in its rate base any costs not associated with used and useful assets. This was one of the strongest arguments concerning purveyors past failures in delivering water to water rate payers and resulted in placing purveyors under PSC supervision in the 1980s and 1990s. Basically it says as refined by the last major case in the late 1990s concerning Tidewater, that you can build a pump house out of gold, but it doesn't matter, that's not the standard. The standard is clean, clear, safe drinking water at all times delivered in away that it can be used and useful and be available at all times. That ruling only applies to unincorporated areas of the State of Delaware. In fact that ruling removed the temporal limits of the PSC concerning rulings in different counties of the state.

By PSC rulings and enabling legislation, they are prohibited from placing into a rate base anything not used or useful. Is economic development used and useful capital or plant? Can the rate payer rent the economic development or must the general population of the State through its representatives, senators and governor? This is only one of many failures. But keep in mind, this administration ran on the promise that their administration would be a continuation of the past administration. They had no thoughtful platform, just as most every representative and senator had no thoughtful platform. The concept is, those with influence those in the in crowd, can determine what happens and who gets hurt and how bad. They can create diversions and arguments in order to separate people and points of view in a way where they don't have to accept reasoned and logical arguments and empirical research. They can always pass a law because of the political landscape and the vested interests of those they deal with on a regular basis. If you are more willing to dig deeper then we have a better chance at advancing a positive change. The current legislative activity shows a willful disregard and disdain for the people of the state and nation.

Note: This is an abridged version by Michael McDowell, Civic League Board Member. For the full article, please visit www.civicleaguefornc.org (click on Members Comments)

New Membership Directory is Coming

A new membership directory is in the final planning stages and you can still participate in its design.

You'll recall that for many years the member roster for the Civic League for New Castle County has been published in a neat 7 x 8 ½ inch booklet listing all member names, street addresses and phone numbers. We also collected, but did not publish, email addresses, and a few street addresses for members to protect their confidentiality.

We are currently spot surveying members to gain their opinion of amending this format to display only member names, phone numbers and email addresses. Street addresses would be withheld. Another more draconian change would be to publish member names only. Full data would still be collected for operational use by the CL, but not made available to others for unrelated purposes.

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