

**ECONOMIC DEVELOPMENT
ELEMENT**

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Economic Overview

Historically, farming has been the dominant force in Sussex County's economy. The County ranked 27th in the U.S. in market value of its farm products in 2002, according to the latest national data available. The County is most famous for its poultry farming. The County produces more broiler chickens (over 200 million per year) than any other county in the United States - nearly twice as many as the second leading county, Cullman County, Alabama.

Sussex County is also the largest soybean producing county east of the Appalachian Mountains. The 2002 U.S. Census of Agriculture classified over 70% of the farms in Sussex County as poultry or soybean/grain farms. Vegetable and melon farms were third most numerous.

Sussex County is by far the foremost agricultural area in Delaware. Sussex farms accounted for 75% of Delaware's farm product value in 2002. However, farmland acres in the County continue to decrease. Sussex County lost 30,147 acres of farmland to other uses between 1997 and 2002, a decrease of nearly 10%. During that same five-year period, the number of farms in Sussex County dropped by 11%, from 1,481 to 1,312. These trends result from both development of farmland and the consolidation of smaller family farms into larger farm holdings.

Sussex County's location, geography and quality of life has led to a rapidly growing economy overall. In July 2007, the County's unemployment rate was 2.9%, compared with 3.4% in Delaware and 4.6% nationally. The number of jobs grew at a faster rate in Sussex County between 1995 and 2005 than they did in either Delaware or the United States. Tourism has been the strongest factor driving this job growth. The Leisure & Hospitality sector and the Wholesale & Retail Trade sector added the most jobs during that ten-year span. The down side is that these two



economic sectors include more low paying jobs than most other areas of business. Analysis by the Delaware Department of Labor concluded that the average annual wage of Sussex County's non-farm workers was \$30,100 in 2005. This was third among Delaware's three counties and only two-thirds of the Statewide average (\$44,600).

Table 18
Sussex County – Largest Employers
(listed alphabetically)

<u>Business Name</u>	<u>Business Type</u>	<u>Location by School District</u>
Allen’s Family Foods	Poultry processing and marketing	Cape Henlopen
Allen’s Hatchery Inc.	Agricultural production	Seaford
Bayhealth Medical Center - Milford Memorial Hospital	Hospital	Milford
Beebe Medical Center	Hospital	Cape Henlopen
Caulk Dentsply	Dental product manufacturer	Milford
Delaware Electric Cooperative Inc.	Electric utility	Woodbridge
Delaware Technical & Community College	Higher education	Indian River
Delmarva Power	Electric utility	
Eastern Shore Poultry	Poultry processing	Indian River
Food Lion Inc.	Grocery	
Grotto Pizza Inc.	Pizza marketing service	Cape Henlopen
Indian River School District	Schools and education	Indian River
Intervet America Inc.	Poultry chemicals	Indian River
Invista	Textile-nylon mill	Seaford
M&T Bank	Banking services	Indian River
Mountaire of Delmarva Inc.	Poultry processing	Indian River
Mountaire of Delaware	Poultry processing	Indian River
Nanticoke Health Services	Hospital	Seaford
Pats Aircraft LLC	Airplane fuel tank refurbishing	Indian River
Perdue Inc.	Poultry processing	Indian River
Pinnacle Foods Inc.	Pickles and food processing	Indian River
Rusty Rudder Restaurant	Restaurant	Cape Henlopen
Sea Watch International Inc.	Food processing	Milford
State of Delaware	State government	
Sussex County	County government	
Wal-Mart	Department store	Indian River
Wal-Mart Supercenter	Department store	Seaford
Wilmington Trust Company	Banking services	Indian River

***Non-Farm Employment By Sector
July 2007 (in thousands)***

	<u>State of Delaware</u>		<u>Sussex County</u>	
	Number of Jobs	Percent of Jobs	Number of Jobs	Percent of Jobs
Natural Resource, Mining & Construction	30.3	6.8	5.9	7.6
Manufacturing	32.2	7.3	12.4	15.9
Wholesale Trade	15.4	3.5	1.6	2.1
Retail Trade	55.1	12.4	12.4	16.0
Transportation, Warehousing & Utilities	13.1	3.0	2.4	3.1
Information	6.8	1.5	0.5	0.6
Finance, Insurance & Real Estate	43.5	9.8	4.9	6.3
Education & Health Services	58.0	13.1	9.2	11.8
Leisure & Hospitality Services	46.5	10.5	13.4	17.2
Business & Professional Services	63.5	14.3	4.2	5.4
Other Services	20.6	4.6	3.3	4.2
Government	58.7	13.2	7.6	9.8
Total	443.7	100.0	77.8	100.0

Economic Development Agencies

The Sussex County Economic Development Office leads Sussex County’s efforts to promote the location and development of business in the County. The Economic Development office also strives to:

- Diversify and expand the local job base.
- Recruit new businesses to industrial/business parks located in Sussex County.
- Respond to requests for demographic, labor force and other information.
- Link business persons who are interested in locating in Sussex County with funding assistance potentially available from the State, the federal government or others.
- Help existing or prospective employers find out about continuing education, professional development, and job training opportunities for their employees.

The Sussex County Economic Development Office cooperates with several economic development entities, including the following among others:

- Delaware Small Business Center - low cost counseling and education.
- Delaware Economic Development Office - help obtaining financing and worker training.
- Delaware Manufacturing Extension Partnership - manufacturing support and expertise.
- Delaware Department of Labor - links to qualified job seekers.
- Delaware Division of Corporations - incorporation information.
- Service Corps of Retired Executives - business counseling by successful retirees.
- Small Business Development Center - education, counseling, and research assistance.
- Southern Delaware Tourism - a tourism and convention bureau.
- The several local Chambers of Commerce operating in Sussex County.



Industrial/Business Parks

There are four industrial/business parks in Sussex County.

Sussex County Industrial Airpark

This 350-acre property site near Georgetown is a former U.S. Navy site. Today, Sussex County owns it and operates it as an airport and an industrial park. The complex contains 17 businesses, which employ more than 1,100 people. An airplane outfitter and a poultry processing company are the largest businesses located there. In 2007, Sussex County Council appointed a full-time Director of Airport and Airpark Operations for this site, which is now nearly fully developed.



Sussex County uses the airpark as both a transportation center and a catalyst for economic development. In 2005, the County leased five 1/2-acre pads sites to private companies for the construction of 10,000 square foot private hangars. Those leases were the latest in a multi-year, multi-million-dollar effort by Sussex County to improve amenities and safety at the site. Sussex County Airport hosts aircraft ranging from single-engine planes to larger cargo and corporate jets. Over 50,000 landings and takeoffs occur there each year.

Other improvements either planned, in progress, or completed at the airport:

- Extending the main 5,000-foot-long runway at the airport by 1,000 feet, as well as realigning nearby Park Avenue. This project will cost approximately \$20 million, with the Federal Aviation Administration paying for 95 percent of the project. The State and Sussex County will split the rest. While these improvements will not be under construction until at least 2010, engineering and land acquisition are underway.
- Rehabilitating an abandoned runway to use as a secondary crosswind runway for smaller aircraft. Demolition of the old runway is complete. Construction on the new one will begin shortly. Total cost will be \$7 million, with the federal government again funding 92 percent.
- Installing a precision approach path lighting system.
- Adopting a stormwater management plan to support airport and park development.

- Erecting a 145-foot airport beacon, making the airport easier for pilots to find.
- Building a perimeter fence surrounding the airport to improve security.
- Creating five hangar pad sites for lease, with improvements to an adjoining apron, taxiway and service road.
- The construction of a \$1.2 million terminal building, finished in 2002, which includes a restaurant and the airport operator.
- Improving water supply to meet fire protection needs.

In a related effort, Sussex County is cooperating with PATS Aircraft and Delaware Technical & Community College to create an FAA-approved training program for airplane mechanics. This program will be the first of its kind in Delaware. It will focus on training certified airframe mechanics, the specialists who work on all parts of an airplane other than the engine, propeller, and instruments. The County will supply space at the airport for this training, with PATS Aircraft providing technical expertise, and Delaware Tech formulating the curriculum. Sussex County purchased a hangar at the airport and is renovating it for this purpose.



Selbyville Industrial Park

The 35-acre Selbyville Industrial Park is in the Town of Selbyville at Route 113 and the Maryland line. The Town recently sold the last lots it owned at that site. Sixteen businesses are located there, including manufacturers and other firms. The Town is now looking for land to establish a business park but has not yet identified the right site at the right price.

Seaford Industrial Park

Seaford Industrial Park is a 128-acre tract on the north side of the City of Seaford, one mile from Route 13. The park houses approximately 15 manufacturing firms and other businesses. The City of Seaford has now subdivided and sold all of the lots at this location.

Ross Business Park

The City of Seaford also owns Ross Business Park, which is on the Market Street extension in Seaford. The City has subdivided and sold almost all the lots at this site. Planning has begun for a second phase that will add 150 acres nearby to the park.

Keeping Agriculture Viable

The Existing Land Use map included in the Future Land Use Element of this comprehensive plan shows clearly that Agricultural and Undeveloped Lands account for much more acreage in Sussex County than any other type of use. As stated in this Economic Development element, Sussex County is Delaware's leading agricultural producer, by far. Historically, Sussex County was shaped by agriculture. Farming and farmland are still major, character-defining aspects of Sussex County's landscape and economy today.

Sussex County's role in funding the preservation of farmland and open space is detailed elsewhere in this Comprehensive Plan. The County's other existing and proposed land preservation initiatives, such as the density bonus program, transfer of development rights, and new environmental protection ordinances are also identified in the Land Use and Conservation elements. To augment those efforts, Sussex County hopes to establish two types of voluntary overlay zoning districts to help preserve farmland and keep the County's agricultural economy viable. These two districts would be voluntary in the sense that only willing land owners would be so zoned. These districts would be overlays in that they could occur anywhere in the unincorporated portions of the County where certain conditions are met. No specific sites for these zones would be immediately designated on Sussex County's zoning map.

Agricultural Preservation Overlay

The Future Land Use map shows numerous small concentrations of properties that have voluntarily joined the State's agricultural preservation district. Under Delaware law, enlisting in

this type of district is a prerequisite for selling your land's development rights to the State. Land owners in this district are essentially on a "waiting list" until enough funds become available from the State and/or the County to acquire the development rights to their farmland. Landowners on this waiting list sign up for a ten-year period. If the State has not bought their development rights by the end of ten years, the land owner can opt out of the program. During the time they are on the waiting list, landowners agree not to develop their farms, with the exception of a very limited amount of residential use at a very low overall density and designed primarily to serve the needs of farm families and on-site farm workers.

The County would like to establish a zoning overlay to afford more permanent protection under zoning to land owners who are now part of the State agricultural preservation districts and others who may wish to be participate. Regulations within this zoning district would remain in place as long as the land is so zoned, rather than the regulations elapsing at the end of ten years. Hopefully, clusters of farmland owners will become interested so that urban development does not grow up between these farms—development that would fragment what is now a largely farmland area. This type of fragmentation can make it difficult to sustain normal farming operations because the new neighbors sometimes object to slow moving tractors on the road, tractors operating at night, farmland odors and other aspects of farming.

Incentives for a landowner to join a district of this type would include:

- Reassessment so that the participating land owner's real estate tax bill is based on the value of the property for agricultural use, not full-value development potential.
- Requirement that developers of new subdivisions nearby must attach a statement to each deed that puts new homeowners on notice regarding the likely presence of odor, noise and other conditions associated with normal farm operations.
- Genuine interest in preserving farmland and maintaining an agricultural environment compatible with farm operations in their immediate proximity.

Agricultural Industry Overlay

Zoning in Sussex County can easily accommodate roadside produce stands, fruit & vegetable patches, pony rides, processing of products on-site, and other forms of smaller scale farm-related businesses. These farm-based uses should be permitted in all agricultural zoning districts, provided the product or service offered is mostly home grown on-site. In addition, farm-based businesses, such as knife sharpening, small blacksmith operations, etc. can be allowed as permitted accessory uses.

A more specialized zoning district is needed to encourage and deal with large scale agricultural operations, such as feed mills, animal slaughter houses, and the like. Sussex County proposes to establish an Agricultural Industry Overlay District where appropriate parcels can be designated for these types of uses. To ensure these uses are located in suitable places, associated regulations would establish large minimum tract sizes, large setback requirements, the need to have convenient highway access and other stipulations suited to these intensive industrial activities. Within these overlay districts, residential uses would not be permitted in order to avoid potential

conflicts between homes and industry. However, certain commercial uses would be allowed, including feed stores, yard ornament sales, retail dairy sales, and other activities directly compatible with agriculture.

Economic Development Strategies

- Maintain land use, zoning and conservation policies and regulations that keep agriculture economically viable in Sussex County.
- Ensure zoning regulations accommodate environmentally safe agribusiness uses in appropriate locations, including businesses that promote new uses for agricultural products and byproducts.
- Complete long term capital improvements planned for Sussex County's airport.
- In the longer range future, consider different ways to access the airport site from the west, south and north.
- Intensify efforts to diversify the local economy by recruiting employers with year-round, higher paying jobs. This will help balance the on-going growth of seasonal, lower paying jobs associated with tourism and other service sectors.
- Continue establishing more job training and professional development partnerships with local employers and educational institutions.
- Coordinate water and sewer facilities planning with the need to bring these utilities to areas zoned for business uses.
- Continue coordinating with DeIDOT to provide safe and convenient road access to areas zoned for business uses. To help protect the strongest driving force in the County's economy, all levels of government must focus on ways to relieve traffic congestion to and from the beaches and the Route 1 beach towns.
- Continue working with local governments, local chambers of commerce, non-profit business centers and relevant state agencies to assist existing and prospective employers with financing, labor force and job training needs.
- Fund a professional target market analysis by a specialized economic development consulting firm. A study of this type will identify:
 - What business types are the best match for Sussex County's assets and constraints, including location, geography, labor force, educational resources, industrial and office sites, and transportation network, among other considerations.

- How the County and its partner economic development entities could better implement a coordinated business recruitment strategy.

In essence, this type of study would clearly define: a) what types of businesses are likely to find Sussex County most appealing; and b) how the County, and others, should go about targeting these businesses.

- Actively encourage and participate in a broad-based Sussex County committee whose goal will be to improve the economy here by fostering the creation of more higher paying jobs. A related goal of this committee will be to diversify our economic base so that the County is better able to withstand and accommodate future economic change. This committee will include representatives from various local chambers of commerce, the incorporated towns, the Delaware Economic Development Office, and Sussex County staff.

Sussex County CEDS

The Economic Development Strategies identified above are consistent with the following items contained in the Sussex County Action Plan component in the State of Delaware Comprehensive Economic Development Strategy (CEDS).

- Maintain agriculture but diversify within the sector toward more value added products to cushion against potential disruptions in the dominate poultry segment.
- Maintain and enhance where possible the resort / visitor industry in the Beaches.
 - Market natural resources and quality of life and unique culture.
- Identify and plan for future growth industries:
 - Focus on less land use intensive industries.
 - Promote and foster entrepreneurship through education and entrepreneurial ventures that tap into and capitalize on the intellectual capacity of executive retiree population.
 - Focus on industries conducting research and development and other high value, knowledge-based business activities.
- Provide for the development of the necessary infrastructure to provide a competitive business environment.
 - Ensure accessibility to and expansion of transportation, utility and information-technology services serving businesses.
 - Provide for the development of affordable workforce housing and live near your work approaches.
 - Emphasize infrastructure holistically and not focus solely on business parks.

- Identify regional strengths and opportunities with Kent County, the Maryland Eastern Shore and Virginia.
- Provide for the development of a sustainable, high quality workforce.