



STATE OF DELAWARE  
**DEPARTMENT OF NATURAL RESOURCES  
AND ENVIRONMENTAL CONTROL**

OFFICE OF THE  
SECRETARY

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DOVER, DELAWARE 19901

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**Secretary's Order No. : 2016-CZ-0022**

**RE: Application of MAGCO, Inc., for a Coastal Zone Act Permit to increase production/throughput capacity at its existing sea salt packaging facility located at 341 Pigeon Point Road, New Castle, Delaware**

Date of Issuance: **May 10, 2016**

Effective Date: **May 10, 2016**

Under the authority vested in the Secretary of the Department of Natural Resources and Environmental Control (Department" or "DNREC") pursuant to 7 *Del.C.* §§6001 *et seq.*, 7 *Del.C.* §§7001 *et seq.*, and the Department's Coastal Zone Act Regulations, the following findings of fact based on the record, reasons and conclusions are entered as an Order of the Secretary in the above-referenced Coastal Zone Act permitting proceeding.

**Background, Procedural History and Findings of Fact**

The Applicant, MAGCO, Inc. ("Applicant", "MAGCO"), seeks a Coastal Zone Act ("CZA") Permit to increase its production/throughput capacity at its existing sea salt packaging facility located at 341 Pigeon Point Road, New Castle, Delaware. The current operation consists of transporting bulk sea salt to the site by truck, reducing the moisture content of the salt through a fluidized dryer bed, sorting the salt into distinct sizes suitable for different end markets, packaging the salt into bags or other containers, and shipping the bags and/or containers off-site to commercial markets. Some of the salt may be

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blended with other materials (potassium chloride, magnesium chloride, calcium chloride, urea, and calcium magnesium acetate) and/or colorant for special product lines. The proposed project would increase MAGCO's existing throughput capacity from 200,000 to 300,000 tons per year. It should be noted that MAGCO's original CZA permit for the salt processing facility (Sec.'s Order No. 2009-CZ-0040) was issued on October 20, 2009. The proposed increase will be achieved solely by increasing the number of hours of operation of the plant, which is primarily a seasonal operation. There will be no expansion of the facility's footprint, and no increase in outdoor salt storage will occur as a result of the increase in throughput.

Environmental impacts are anticipated to be minimal with this proposed facility in New Castle, Delaware, and the same will be discussed in detail below. The Applicant's offset proposal consists of obtaining three (3) tons of nitrogen oxide ("NOx") credits through the Delaware Economic Development Office, which shall more than offset the expected increase in salt and other minor emissions from the expansion of operations.

The Department requires a CZA applicant to set forth in its application the proposed project's possible environmental impacts, including, but not limited to, any increased air emissions of pollutants, water quality/water quantity/water use, and the disposal of solid and hazardous wastes. Furthermore, any application for a CZA permit for an activity or facility that will result in any negative environmental impact shall contain an offset proposal, which will more than offset the proposed negative impacts of any proposed project.

In the present matter, MAGCO's proposed project will result in increased air emissions associated with the increase in throughput for the sea salt drying and packaging operation. There will be no impact on water usage or wastewater generation; no increase in storm water flow; no solid or hazardous wastes; no impact to wetlands, flora or fauna; no aesthetic impacts; no change in glare, heat, noise or vibration; and no impact from radiation, electromagnetic interference, and noxious odors. There will be no new supporting facilities and/or services required to support this proposed project. Effects on neighboring uses will be minimal. It should be noted that the proposed facility and operation is consistent with the City of New Castle's Comprehensive Plan.

Emissions from MAGCO's facility come from products of combustion of natural gas burned in the salt dryer, salt particles released with water vapor during the drying process, and salt particles resulting from the handling and bagging of the salt. The environmental impacts from this project are minimal, and primarily consist of emissions of particulate matter ("PM") in the form of sodium chloride, or salt. There are minor increases of combustion-based PM and NOx attributable to the gas dryer (0.06 tons per year and 0.05 tons per year, respectively). No other environmental impacts are anticipated.

With respect to needed offset proposals obtained by the Applicant in this matter, MAGCO has obtained three (3) tons of NOx air credits from the Delaware Economic Development Office ("DEDO") as its offset in this matter. As noted previously, these offsets will more than offset the expected increase in salt and other minor emissions from MAGCO's proposed expansion of operations.

The Department provided public notices of this CZA Application submission and the determination of an administratively complete application following the Secretary's Assessment, which was signed February 12, 2016. CZA Regulation 8.3.6 requires that the Secretary shall, within ninety (90) days of receipt of an administratively complete application, reply to the request for a CZA permit by "...either granting the permit, denying the permit, or granting the permit, but with special conditions. The Secretary shall state the reasons for his decision." In the present instance, the ninety (90) day deadline is May 12, 2016.

A duly noticed public hearing was held on March 24, 2016, at the DNREC offices located at 391 Lukens Drive, New Castle, Delaware. No members of the public attended said hearing, and no comments were received by the Department at any time regarding this Coastal Zone permit application. Subsequent to the public hearing of March 24, 2016, the Department's presiding Hearing Officer, Lisa A. Vest, prepared a Hearing Officer's Report dated April 25, 2016 ("Report").

### **Reasons and Conclusions**

Based on the record developed by the Department's experts and established by the Hearing Officer's Report, I find and conclude that the record developed in this matter supports approval of MAGCO's application for its CZA permit, as consistent with the intent of the CZA and its regulations, which is to balance the economic and environmental interests of the State of Delaware. Therefore, the recommendations of the Hearing Officer are hereby adopted, and I direct that the currently pending CZA Permit Application of MAGCO, Inc., to increase its production/throughput capacity at its

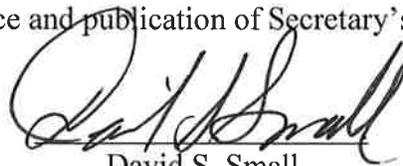
existing sea salt packaging facility located at 341 Pigeon Point Road, New Castle, Delaware, be *granted*.

Accordingly, I direct that a Coastal Zone Act permit be issued to the Applicant, and that the following reasons and conclusions are entered:

1. The Department has jurisdiction under its statutory authority to issue a CZA Permit to the Applicant, subject to reasonable permit conditions deemed appropriate and consistent with the CZA's purposes;
2. The Department provided adequate and lawful public notice of the Coastal Zone Act Application of MAGCO, Inc., and of the public hearing held on March 24, 2016, and held said hearing to consider any public comment that may be offered on the application, in a manner required by the law and regulations;
3. The permit applied for by MAGCO, Inc., is for production/manufacturing activities which will take place within the defined Coastal Zone of Delaware, and is for an increase in production/throughput capacity at its existing sea salt packaging facility located at 341 Pigeon Point Road, New Castle, Delaware. The proposed project would increase MAGCO's existing throughput capacity from 200,000 to 300,000 tons per year, and would be achieved solely by increasing the number of hours of operation of the plant, which is primarily a seasonal operation. There will be no expansion of the facility's footprint, and no increase in outdoor salt storage will occur as a result of the increase in throughput. Environmental impacts are anticipated, however, the Applicant's offset proposal of three (3) tons of NOx air credits obtained from the

Delaware Economic Development Office will more than achieve the offset required under Delaware's Coastal Zone Regulations;

4. The Department has carefully considered the factors required to be weighed in issuing a CZA permit, and finds that the proposed use is appropriate for the Coastal Zone at the proposed location, and that it should be permitted as set forth in MAGCO's application;
5. The Department shall issue a CZA permit to the Applicant, MAGCO, Inc., and said permit shall include all conditions consistent with the final Order and any other reasonable conditions that the Department includes in a CZA permit, to ensure that Delaware's environment will be protected from harm, consistent with the CZA and its regulations;
6. The Department has carefully considered all the statutory factors to be considered in making a decision on a CZA permit and those required to be considered under the CZA regulations;
7. The aforementioned CZA permit will allow the Applicant to operate its business while reducing the overall environmental impacts to the Coastal Zone area, in furtherance of the purposes of 7 *Del. C.*, Ch. 70;
8. The Department has an adequate Record for its decision, and no further public hearing is appropriate or necessary;
9. The Department shall serve and publish its Order on all affected persons in a manner consistent with the service and publication of Secretary's Order.



David S. Small  
Secretary

**DELAWARE  
COASTAL ZONE ACT  
PERMIT**

NUMBER: 424

ISSUED TO: MAGCO, Inc.

TO PERMIT: The increase in production/throughput capacity at their existing sea salt packaging facility.

SITE LOCATION: 341 Pigeon Point Road, New Castle, Delaware

Conditions Incorporated and Made Part of this Permit:

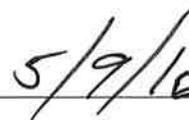
Standard:

1. This permit is conditional upon the Permittee's compliance with all other applicable permit requirements, regulations and laws of the State of Delaware.
2. Issuance of this permit does not relieve the Permittee of the legal obligation of complying with all building permits, subdivision and other applicable code requirements of the county or municipality wherein the permitted project is located.
3. If there are significant deviations from the plan and operations approved by the Secretary, the Permittee shall notify the Secretary as soon as possible. This permit may be revoked and a new permit application required if the Secretary deems the deviation to substantially change the nature of scale of the project and to be of actually or probably harm to the purposes of the Coastal Zone Act.

Signature: \_\_\_\_\_



Date: \_\_\_\_\_



David S. Small, Secretary

Department of Natural Resources & Environmental Control



## HEARING OFFICER'S REPORT

**TO:** The Honorable David S. Small  
Cabinet Secretary, Department of Natural Resources and Environmental Control

**FROM:** Lisa A. Vest   
Public Hearing Officer, Office of the Secretary  
Department of Natural Resources and Environmental Control

**RE:** **Application of MAGCO, Inc., for a Coastal Zone Act Permit to increase production/throughput capacity at its existing sea salt packaging facility located at 341 Pigeon Point Road, New Castle, Delaware**

**DATE:** April 25, 2016

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### **I. BACKGROUND AND PROCEDURAL HISTORY:**

On Tuesday, March 24, 2016 at 6:00 p.m., a public hearing was held at the DNREC office located at 391 Lukens Drive, New Castle, Delaware, in order to receive comment on MAGCO, Inc.'s ("Applicant", "MAGCO") application for a permit from DNREC under its authority in the Coastal Zone Act ("CZA"), 7 *Del. C.*, Ch. 70. The CZA regulates new manufacturing activities, or the expansion of existing manufacturing uses, within Delaware's "Coastal Zone", which is a geographic area along the Delaware Bay and Atlantic Ocean Coastlines, as defined by the CZA. This hearing was held pursuant to the aforementioned Delaware Coastal Zone Act and Delaware's *Regulations Governing Delaware's Coastal Zone*.

Pursuant to this Applicant's CZA permit application received by the Department on January 4, 2016<sup>1</sup>, MAGCO, Inc., seeks permission to increase its production/throughput capacity at its existing sea salt packaging facility located at 341 Pigeon Point Road, New Castle, Delaware. The current operation consists of transporting bulk sea salt to the site by truck, reducing the moisture content of the salt through a fluidized dryer bed, sorting the salt into

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<sup>1</sup> The receipt date does not determine when an application is deemed administratively complete, pursuant to CZA Regulations 8.3.1 and 8.3.6. The application was deemed administratively complete on February 12, 2016, which began a 90 day time period in which the Department must render its decision concerning this matter.

distinct sizes suitable for different end markets, packaging the salt into bags or other containers, and shipping the bags and/or containers off-site to commercial markets. Some of the salt may be blended with other materials (potassium chloride, magnesium chloride, calcium chloride, urea, and calcium magnesium acetate) and/or colorant for special product lines. The proposed project would increase MAGCO's existing throughput capacity from 200,000 to 300,000 tons per year. The proposed increase will be achieved solely by increasing the number of hours of operation of the plant, which is primarily a seasonal operation. There will be no expansion of the facility's footprint, and no increase in outdoor salt storage will occur as a result of the increase in throughput.

Environmental impacts are anticipated to be minimal with this proposed facility in New Castle, Delaware, and the same will be discussed in detail below. The Applicant's offset proposal consists of obtaining three (3) tons of nitrogen oxide ("NOx") credits through the Delaware Economic Development Office, which shall more than offset the expected increase in salt and other minor emissions from the expansion of operations.

The Department requires a CZA Applicant to set forth in its application the proposed project's possible environmental impacts, including, but not limited to, any increased air emissions of pollutants, water quality/water quantity/water use, and the disposal of solid and hazardous wastes. Furthermore, any application for a CZA permit for an activity or facility that will result in any negative environmental impact shall contain an offset proposal. Offset proposals must more than offset the proposed environmental impacts of any proposed project<sup>2</sup>.

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<sup>2</sup> CZA Regulation 9.0, "Offset Proposals".

In the present matter, MAGCO's proposed project will result in air emissions associated with the sea salt drying and packaging operation. There will be no impact on water usage or wastewater generation; no increase in storm water flow; no solid or hazardous wastes; no impact to wetlands, flora or fauna; no aesthetic impacts; no change in glare, heat, noise or vibration; and no impact from radiation, electromagnetic interference, and noxious odors. There will be no new supporting facilities and/or services required to support this proposed project. Effects on neighboring uses will be minimal. It should be noted that the proposed facility and operation is consistent with the City of New Castle's Comprehensive Plan.

Emissions from MAGCO's facility come from products of combustion of natural gas burned in the salt dryer, salt particles released with water vapor during the drying process, and salt particles resulting from the handling and bagging of the salt. The environmental impacts from this project are minimal, and primarily consist of emissions of particulate matter ("PM") in the form of sodium chloride, or salt. There are minor increases of combustion-based PM and NOx attributable to the gas dryer (0.06 tons per year and 0.05 tons per year, respectively). No other environmental impacts are anticipated.

With respect to needed offset proposals obtained by the Applicant in this matter, MAGCO has obtained three (3) tons of NOx air credits from the Delaware Economic Development Office ("DEDO") as its offset in this matter. As noted previously, these offsets will more than offset the expected increase in salt and other minor emissions from MAGCO's proposed expansion of operations.

The Department provided public notices of this CZA Application's submission and the determination of an administratively complete application following the Secretary's Assessment, which was signed on February 12, 2016. CZA Regulation 8.3.6 requires that the Secretary shall,

within ninety (90) days of receipt of an administratively complete application, reply to the request for a CZA permit by "...either granting the permit, denying the permit, or granting the permit, but with special conditions. The Secretary shall state the reasons for his decision." In the present instance, the ninety (90) day deadline is May 12, 2016. Consequently, as noted above, the Department held a public hearing on March 24, 2016, at the DNREC offices located at 391 Lukens Drive, New Castle, Delaware. It should be noted that no members of the public attended the aforementioned hearing held on March 24, 2016, and no comments were received at any time by the Department regarding this Coastal Zone permit application.

**SUMMARY OF THE PUBLIC HEARING RECORD:**

The public hearing record consists of the following exhibit documents, which are hereby marked by this Hearing Officer as follows: (1) a verbatim transcript; (2) six documents (with Index List) introduced at the public hearing by Kevin Coyle, Principal Planner, DNREC Division of Energy and Climate as Department Exhibits 1-6; (3) hard copy of the Applicant's PowerPoint presentation offered at the public hearing on March 24, 2016, previously marked as "MAGCO Ex. #1"; and (4) Memorandum dated May 4, 2016 from Kevin Coyle, AICP CEP, Principal Planner of the Department's Division of Energy & Climate, to David S. Small, DNREC Secretary, recommending that the Applicant's pending CZA permit application be issued.

The Department's person primarily responsible for reviewing the CZA Application, Kevin Coyle, developed the record with the relevant documents in the Department's files. Representatives of MAGCO were present at the hearing, as well as Michael Logan, Vice President of Environmental Services for Compliance Plus Services, Inc., the environmental consultant for the Applicant in this matter. Following opening remarks from Mr. Coyle on behalf of the Department (and the introduction of the Department's exhibits to be entered into

the hearing record), Mr. Logan proceeded to offer a brief presentation on behalf of the Applicant for the benefit of the record regarding this proposed project. At the conclusion of the Applicant's presentation, the floor was then opened for the purpose of offering public comment on the record regarding MAGCO's proposed project. However, as noted above, no members of the public attended the March 24, 2016 hearing, and no comments were received by the Department at any time regarding this matter.

Subsequent to the aforementioned public hearing, the Department's Coastal Zone Act Program ("Program") reviewed the record in its entirety regarding MAGCO's pending CZA permit application, and provided this Hearing Officer with a memorandum dated May 4, 2016 indicating that the Program has no further comments or concerns regarding this matter, and recommending that this CZA permit be issued. For the Secretary's review, Mr. Coyle's memorandum of May 4, 2016 (previously identified as "Ex. #4 hereinabove) is hereby expressly incorporated into this Report, and attached hereto as Appendix "A".

## **II. RECOMMENDED FINDINGS AND CONCLUSIONS:**

This application is for a permit issued under the CZA. Preliminarily, I find that MAGCO's facility is located within Delaware's "Coastal Zone", and that the proposed project would represent an increase in production/throughput capacity at its existing sea salt packaging facility located at 341 Pigeon Point Road, New Castle, Delaware. The current operation consists of transporting bulk sea salt to the site by truck, reducing the moisture content of the salt through a fluidized dryer bed, sorting the salt into distinct sizes suitable for different end markets, packaging the salt into bags or other containers, and shipping the bags and/or containers off-site to commercial markets. Some of the salt may be blended with other materials (potassium chloride, magnesium chloride, calcium chloride, urea, and calcium magnesium acetate) and/or

colorant for special product lines. The proposed project would increase MAGCO's existing throughput capacity from 200,000 to 300,000 tons per year. The proposed increase will be achieved solely by increasing the number of hours of operation of the plant, which is primarily a seasonal operation. There will be no expansion of the facility's footprint, and no increase in outdoor salt storage will occur as a result of the increase in throughput.

The Department is to evaluate a CZA application based upon a consideration of the CZA's balancing of economic and environmental factors. The CZA requires the Department to consider the following issues of any given proposed project: (1) environmental impacts; (2) economic impacts; (3) aesthetic impacts; (4) the number and type of supporting facilities required and their impacts on all other factors; (5) the impact on neighboring land uses; and (6) the county and municipal comprehensive plans. *7 Del.C. §7004.*

The record developed in this matter indicates that the Department's experts have considered the above factors, and have recommended issuance of a permit to the Applicant in this matter. Further, the experts recommended that the application was sufficient, and that, while the Applicant's proposed project will create environmental impacts, MAGCO has obtained three (3) tons of NOx air credits from the Delaware Economic Development Office ("DEDO") as its offset in this matter. As noted previously, these offsets will more than offset the expected increase in salt and other minor emissions from MAGCO's proposed expansion of operations. I agree with the recommendations of the Department's experts.

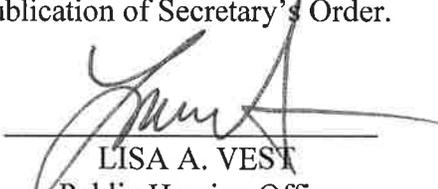
Based on the record developed, I find and conclude that the Applicant has adequately demonstrated its compliance with all requirements of the Delaware Coastal Zone Act Regulations and Statutes, as noted herein, and that the record supports approval of MAGCO's CZA permit application. In conclusion, I recommend that a Coastal Zone Permit consistent with

the record developed in this matter be issued by the Department in the customary form, and with appropriate conditions, to ensure continued improvement of environmental quality in the Coastal Zone of the State of Delaware.

Further, I recommend the Secretary adopt the following findings and conclusions:

1. The Department has jurisdiction under its statutory authority to issue a CZA Permit to the Applicant, subject to reasonable permit conditions deemed appropriate and consistent with the CZA's purposes;
2. The Department provided adequate and lawful public notice of the Coastal Zone Act Application of MAGCO, Inc., and of the public hearing held on March 24, 2016, and held said hearing to consider any public comment that may be offered on the application, in a manner required by the law and regulations;
3. The permit applied for by MAGCO, Inc., is for production/manufacturing activities which will take place within the defined Coastal Zone of Delaware, and is for an increase in production/throughput capacity at its existing sea salt packaging facility located at 341 Pigeon Point Road, New Castle, Delaware. The proposed project would increase MAGCO's existing throughput capacity from 200,000 to 300,000 tons per year, and would be achieved solely by increasing the number of hours of operation of the plant, which is primarily a seasonal operation. There will be no expansion of the facility's footprint, and no increase in outdoor salt storage will occur as a result of the increase in throughput. Environmental impacts are anticipated, however, the Applicant's offset proposal of three (3) tons of NOx air credits obtained from the Delaware Economic Development Office will more than achieve the offset required under Delaware's Coastal Zone Regulations;

4. The Department has carefully considered the factors required to be weighed in issuing a CZA permit, and finds that the proposed use is appropriate for the Coastal Zone at the proposed location, and that it should be permitted as set forth in MAGCO's application;
5. The Department shall issue a permit to the Applicant, MAGCO, Inc., and said permit shall include all conditions consistent with the final Order and any other reasonable conditions that the Department includes in a CZA permit, to ensure that Delaware's environment will be protected from harm, consistent with the CZA and its regulations;
6. The Department has carefully considered all the statutory factors to be considered in making a decision on a CZA permit and those required to be considered under the CZA regulations;
7. The aforementioned CZA permit will allow the Applicant to operate its business while reducing the overall environmental impacts to the Coastal Zone area, in furtherance of the purposes of 7 *Del. C.*, Ch. 70;
8. The Department has an adequate Record for its decision, and no further public hearing is appropriate or necessary;
9. The Department shall serve and publish its Order on all affected persons in a manner consistent with the service and publication of Secretary's Order.

  
LISA A. VEST  
Public Hearing Officer

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Attachments/Appendix:  
Appendix A: Memo, Kevin Coyk (05/04/16)

**APPENDIX "A"**



EXHIBIT  
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Ex. #4 (LN)



STATE OF DELAWARE  
DIVISION OF ENERGY & CLIMATE  
100 W. WATER STREET  
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Department of Natural Resources  
And Environmental Control

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Phone: (302) 735-3480

**MEMORANDUM**

**TO:** David S. Small, Secretary

**THRU:** Philip J. Cherry, Director 

**FROM:** Kevin F. Coyle, AICP CEP, Principal Planner 

**DATE:** May 4, 2016

**SUBJECT:** MAGCO, Inc. Throughput Increase CZA Permit Application

The Coastal Zone Act Program has reviewed the file regarding the CZA Permit Application from MAGCO, Inc. in its entirety. The Program has no further comments or concerns. We recommend that the CZA Permit be issued.

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