

City of New Castle
Public Workshop Meeting
Town Hall – 201 Delaware Street – New Castle
Tuesday – August 19, 2014, 6 p.m.

Present:

Council President Linda Ratchford
Councilperson John Cochran
Councilperson Ted Megginson
Councilperson Albert Vannucci

Absent:

Councilperson Teel Petty

Also present: City Administrator William Barthel

President Ratchford called the meeting to order at 6 p.m. Roll call followed.

The purpose of the hearing is to review a study that highlights the economic benefits the pier at the end of Delaware Street will have on both the City and the State economy.

Deborah K. Tollett, a certified planner with Delta Development Group, presented projected costs and benefits of a new pier and docking facility at the end of Delaware Street. She cited the City's residential and commercial base, historic and cultural amenities, tourism and waterfront as assets. Activities planned for the area are water transportation, potential docking of the Kalmar Nyckel and other tall ships, and other waterfront activities. (*Report is available on the City website.*)

Ms. Tollett explained the IMPLAN model that was selected to measure the economic impacts of the pier. Data used in the model is standardized data that is widely accepted and reliable. A county-level model was used to best determine increases in state and local taxes, job creation, and visitation to historic sites. Other communities with amenities similar to the City of New Castle were used to project about 26,400 visitors yearly. A statewide study was used to calculate tourist spending that showed average spending of \$104 per person per day (lodging, food, shopping, entertainment).

Summary of benefits – expected to increase tourism, increase total visitor spending, support local businesses, support new business development, create new jobs, provide new amenities and social activities for local residents.

Ms. Tollett stated that one of the greatest benefits of this project is using “new” spending to attract new development. Existing businesses could grow and add employees and new businesses could begin as a result of more demand. She spoke of a mixed-use site adjacent to the downtown area (former Brosius & Eliason site) as a potential residential and/or commercial site. Each business and residence would generate property taxes. Ms. Tollett suggested the location

might be good for a hotel that would then generate a hotel tax. Such a development would add to property values. Increased tax revenue supports local infrastructure and services.

President Ratchford asked about the benefit to the historic downtown by having a more vibrant waterfront. Ms. Tollett said any increase in foot traffic creates a “sense of place” and waterfront activities will expand that sense of place. Water transportation will bring more people into the community without straining the infrastructure. A balance of places to shop, places to eat, and places that are open day and evening creates synergy.

The floor was opened for public comment.

Rod Gillespie asked about the status of a cost benefit study (utilities, insurance, maintenance, snow removal) and if Ms. Tollett has any other benefit analysis data associated with pier/water structures in other communities. Ms. Tollett said this is her first “pier” project. Mr. Gillespie asked about the number of school-age children included in visitor count data adding they do not contribute money. Estimates were obtained using data from the New Castle Historical Society and like groups and are not perfect data. He questioned the water transportation noted in the study, citing safety and availability.

Tom McDowell asked why the old wharf isn’t repaired or replaced and dredge in front of the ice breakers to make the water deeper for tall ships.

Alice Jarvis questioned the data Ms. Tollett used to determine potential visitors and tourist spending to New Castle saying they include the entire state, including beach tourists. Ms. Tollett acknowledged a cross section of visitors statewide was used to calculate potential spending (\$104/day) of visitors to the City.

A resident raised the issue of parking. Parking was not part of this study, but is being addressed by the Parking Sub-committee.

Carol Hickman asked if the cost of the study (\$7,500) is typical for a study of this type. Ms. Tollett said it is usually higher. The study was funded by Duffield Associates. Funding for Duffield Associates was provided by the State to the City of New Castle.

John Morton, Chairman of the Kalmar Nyckel Foundation, read a portion of a letter to the group that they sent to the state Department of Natural Resources and Environmental Control in support of the pier project. He suggested bringing the ship to New Castle for a week in May and September. A mix of activities like day sailing and educational programs could be done. Private charters are also available. Mr. Morton said that New Castle would be attractive for other tall ships to dock, noting there is no docking facility between Lewes and Philadelphia. Festivals can be a big attraction connecting with land-based events. The Kalmar Nyckel used to dock in New Castle using the former pier. Services needed for the ship while docked include City security, water, and electricity. The ship provides their own on-ship security.

Dorsey Fiske asked about fees associated with having the Kalmar Nyckel participating in venues. Mr. Morton said there are fees, adding they do not pay docking fees in Wilmington or Lewes. Fees would be negotiable.

Administrator Barthel talked about operational costs associated with the pier facility.

Wood decking, treatment and sealant	\$155.00 (treated every 5 years)
Painting, coatings of railings	\$340.00 (every 10 years)
Winter removal of floating dock and debris post-storm	can be performed by City employees
Light fixture maintenance	\$300.00
Winterization of water line	\$200.00
Lease required by DNREC	\$225.00
Electricity	provided by Municipal Services Commission

\$1,220 plus 20% contingency = \$1,500/year

Insurance costs are being researched, but are not expected to be excessive. A minimal maintenance pier is planned.

Mr. McDowell asked if what is said tonight will be published in the *New Castle Weekly*. Administrator Barthel said minutes will be available once approved and will be on the City website. President Ratchford emphasized that all meetings about the pier project are public.

Carol Hickman asked if the state Bond monies are restricted to the pier only. President Ratchford said monies specific to the pier project would revert back to the state if not used for the pier.

A question was asked about cost overruns. President Ratchford is comfortable with the estimate and the addition of contingency monies. A cost study was done on the project that provided figures. Administrator Barthel added that a bidding process would be done based on the final specifications of the project, thereby allowing for an additional check and balance.

Dick Day asked if a comparison was done on using the existing dock compared to installing a new dock. Mr. Cochran informed it was recommended to move the pier because of the strong river currents. The existing ice breaker would need to be rebuilt. The Army Corps of Engineers has jurisdiction over the ice breakers and they are not interested in a rebuild.

President Ratchford and Mayor Reese have met with officials of Pennsville, New Jersey and they are interested in installing a pier facility to join both cities.

A motion was made and seconded to adjourn the workshop at 7:30 p.m.

Respectfully submitted,

Debbie Turner
Stenographer