



**BUSINESS
ALLIANCE**
FOR A SOUND ECONOMY

April 2026 Advocacy Update

The Business Alliance for a Sound Economy (BASE) is the collective advocacy voice for over 10,000 business and trade association members and 70+ businesses across southeastern North Carolina. BASE marshals its coalition to advance smart and sustainable growth, capital investment, economic prosperity, and quality of life.

General Assembly Kicks Off Short Session: Previewing the Months Ahead



North Carolina's General Assembly reconvened this past week to begin its short session, a final sprint to conclude legislative business before attention shifts to the fall general election. Legislators gavelled-in April 21 with the House calendar showing voting days scheduled through July 2.

Among the top priorities is a **new state budget** since none was adopted during the long session. In fact, the state has operated without a comprehensive state budget agreement since 2023. The current spending plan remains in place until a new agreement is reached with targeted measures to address immediate needs such as disaster recovery

and Medicaid funding. While budget negotiations between the chambers remained unresolved, their respective leaders expressed measured optimism for an eventual agreement.

The **primary divide centers on tax policy**, particularly the pace of further income tax reductions. Smaller differences include spending priorities like employee compensation, education, and capital investment. In the near term, the General Assembly is moving in a pragmatic direction by moving some critical items forward while continuing to work out more substantial differences. For example, the House and Senate agreed to \$319 million to fill a Medicaid funding shortfall for the remainder of the fiscal year, while also adding new oversight measures to tackle waste, fraud, and program inefficiencies.

A few other policy measures will also likely advance with progress hinging to some extent on the budget discussions. Lawmakers could also advance another omnibus regulatory and relief bill, which has in the past provided a vehicle to advance other policies given the tight constraints of a short session.

While the budget and income taxes have proven the greatest sticking points between the chambers in recent history, another potential point of friction appears to be emerging on property taxes (see separate writeup below). Many hope that friction does not derail other legislative wishes such as several hoped-for reforms aimed at growing the state's housing supply and easing costs associated with developing housing.

Property Taxes will Feature Prominently this Short Session

Property taxes have emerged as a central issue in the short session of the General Assembly, with the two chambers advancing differing approaches to rising valuations and taxpayer concerns. While the House is pursuing a long-term structural approach through a **proposed constitutional amendment** to limit local property tax revenue growth, the Senate is looking to call **a time-out on revaluations** for a broader policy review. At the same time, lawmakers are also looking at tune-ups to the current system.



(Pictured: House Speaker Destin Hall addressing BASE membership at the Q1 2026 BASE Member Meeting)

House drives prospective amendment to limit local levies

A Speaker-initiated House Select Committee on Property Tax Reduction and Reform advanced a **proposed constitutional amendment** to require limits on how much local governments can increase property tax revenue. The amendment

itself does not set the cap but directs the General Assembly to establish parameters in statute, likely tied to inflation and population growth, with voter-approved exceptions.

Speaker Destin Hall and bill sponsor **Rep. Brian Echevarria** have positioned the measure as a safeguard against rapidly rising tax burdens driven by increasing property values. Supporters argue it would provide more predictability and protect homeowners from increases tied to jumps in valuation. At the same time, property taxes remain the primary funding source for local governments and too restrictive of a cap could limit the ability to upgrade infrastructure and provide properly scaled and efficient service.

If approved by the General Assembly, the amendment would go before voters on the November 2026 general election with the ballot question: “Constitutional amendment requiring limits on property tax increases by local governments.”



Senate focuses first on a revaluation pause

Across the hall, **Senate Leader Phil Berger** also formed a working group to develop a taxation-related reform agenda, which includes **Appropriations Chairs Michael Lee and Brent Jackson**, Finance Chairs Dave Craven and Tom McInnis, and Senators Lisa Barnes, Jim Burgin, Steve Jarvis, Chris Measmer, Tim Moffitt, and Benton Sawrey.

Berger's preferred approach would enact a **12-month moratorium** on new property valuations, acknowledging frustration over rising valuations and the valuation process.

He **introduced the bill on April 29**. (Those of us in southeastern North Carolina's real estate and development orbit have a visceral reaction to the "m" word, but thankfully this time it's not being used to inflict harm to the region's economy.)

In recent comments, Berger suggested a legislative cap on property taxes could be premature by enacting structural limits without more thoroughly examining the state's overall tax burden and distribution. He suggested that a moratorium would give lawmakers time to develop future reforms and should be enacted quickly so local governments have clarity before finalizing their budgets for the next fiscal year.

(Pictured: Senate Majority Leader Michael Lee addressing BASE membership at the Q4 2025 BASE Member Meeting)

Days look numbered for affordable housing property tax exemption loophole

The House Speaker's select committee on property tax reform also recommended **House Bill 1042** aimed at closing the so-called "Blue Ridge loophole" in the state's property tax code. The loophole allows certain apartment properties to claim a charitable property tax exemption when a nonprofit has control of the property, even if a for-profit partner holds majority ownership.

The issue traces back to a 2013 Court of Appeals case involving a low-income housing project where a nonprofit held only a 0.1% ownership interest, but the court found the project could still qualify for the exemption based on broader control and operational factors. HB 1042 would tighten that eligibility by limiting the exemption to properties fully owned by qualified nonprofits or affordable housing joint ventures with government financial support. It would also require stronger verification of rent and income limits, long-term affordability protections, and ongoing compliance standards.

The issue has expanded quickly in the past few years, especially for older multifamily properties. An analysis of Wake County showed qualifying properties grew from 69 to 137 over four years, exempting about \$2 billion in assessed value from property taxes and shifting that burden to remaining property owners. Also of note, the House special committee chose not to push a recommendation to limit property tax exemptions for nonprofit hospitals to just 50%.

The Most Up-to-Date Information on Brunswick Sewer Permits

Current Status: Sewer extension permits are moving again for projects tied to the Northeast Brunswick Regional Wastewater System, while the west regional system remains paused pending a response from the NC Department of Environmental Quality (DEQ) to county flow tracking data and treatment plant expansion efforts.

DEQ instituted a variance process for the northeast system and discussions between the agency and county suggested a similar approach could be applied to the west system following review of flow data and the county's plans to expand its treatment capacity. It has been more than 30 days since DEQ received this information from the county. However, there has been continued contact between the county and agency during this time.

Under the variance framework, applicants **must obtain a variance before submitting a permit application**. While this adds time and doubles the cost to obtain the permit, it can at least restart issuance for the time being. The chief difference between the northeast and west system is capacity outlook. Northeast



was already nearing final approval to expand treatment capacity, ensuring ample ability to service future extension permits for practically decades into the future.

Capacity expansion for the west system awaits approval (which has been requested) on the planned method of discharging more advanced treated water from the plant. However, a soon-to-be-open 750,000 gpd reclamation facility and potential interconnectivity to shift flows also weigh in favor of restarting permit issuance immediately, or at the very least clearing the existing backlog of permit applications.

Current Advocacy Priorities: Either of two pending administrative decisions could break the permit logjam. First, DEQ has agency discretion to release stalled permit applications based on its review of the county's flow data, treatment expansion plans, and ability to reduce flow via reclamation and potential flow diversion. Unfreezing permits is statutorily within DEQ's authority and reasonable given the county's data and plans.

Second, the county awaits permit approval to discharge advanced treated water from the west plant's next expansion. Once in hand, the utility will have a clear path forward to largely resolve longterm capacity needs. Beyond these administrative decisions, BASE is also engaged in discussions regarding **statutory clarification** and working to align decision makers and stakeholders. BASE's advocacy goals are to achieve both short-term and long-term solutions to restart all permit issuance as quickly as possible while also returning predictability to the system.

Background: Late last year, NC DEQ halted most sewer extension permits in Brunswick County under its interpretation of **Session Law 2023-55 (SB 673)**, marking the first time the agency applied the law in this manner and doing so without prior guidance. The action effectively froze approvals for both the northeast and west regional wastewater systems, disrupting a long-standing permitting framework and slowing economic activity, real estate transactions, and development.

Historically, permits have been governed by the state's "80/90 Rule," which relies on actual wastewater flow to trigger planning and expansion. While SL 2023-55 introduced a paper allocation calculation allowing permits beyond 100% capacity as a safe harbor, DEQ appears to be treating the 115% safe harbor threshold as a hard cap, overriding measures of real-world system performance and capital plans to expand treatment capacity. As a result, permit activity stalled despite available capacity and ongoing expansion efforts, creating uncertainty and raising concerns that the law is being applied in a way that diverges from its original intent and established practice.

Big Policy Win: Holly Ridge Adopts BASE and JBOR Recommendations for New Comprehensive Plan

Holly Ridge's Town Council unanimously approved the **Town of Holly Ridge Envision 2050 Comprehensive Land Use Plan** at its April 14 regular meeting. Earlier this year, BASE and its association partner the **Jacksonville Board of Realtors** provided seven recommendations to improve the plan.



Six of the seven were incorporated by the town council into the approved final version, marking a big policy win for BASE and JBOR in our efforts to encourage land use policies to better align with the needs of the area's workforce and housing market. The following recommendations were incorporated:

- Adding a provision so that the **needs of the local workforce** are considered when evaluating housing decisions.
- Two provisions to clarify the CLUP's role as a planning vision but **not a prohibition on potential development** should it deviate from the plan in part. The town retains flexibility on future land use decisions if added density, uses, or other exceptions could result in a desirable outcome.
- One provision to **protect against unintentional downzoning** by providing a clear approach for balancing potentially competing standards. This could include **flexible compliance options** like clustering, alternative buffer configurations, and density-neutral design standards to resolve potential conflicts and produce more desirable results. (A recommendation to mirror the downzoning prohibition in state statute was not accepted.)
- Two provisions to **improve transparency and public understanding around growth and land use decisions** regarding annexation education and public engagement.

Leland continues its UDO revision; contact BASE to be added to distribution list

The Town of Leland is in the middle of a year-long process to develop a UDO within its code of ordinances. While much of the work is simply reorganizing ordinances with a unified framework, a fair amount of policy revision could take place within this process.

Every month the town publishes a draft chapter for planning board and council review, with a final vote for adoption after all chapters have been reviewed. **If you would like to receive a copy of these chapters as they roll out**, email Jerod Patterson (jerod@ncbase.org) to be added to BASE's distribution list for Leland UDO chapters.



Coastal Resource Commission Considers Inlet Hazard Boundary Updates; Impacts to SE NC Properties

The NC Coastal Resources Commission (CRC) voted to move forward with rulemaking to update **inlet hazard area** and **ocean erodible area** rules, beginning the next formal step in a process that could impact buildability constraints near some of the region's most dynamic coastal shorelines.



Several properties along the coastline near inlets in Brunswick, New Hanover, Pender, Onslow, and Carteret counties stand to be impacted by the rule updates. Here is a link to the slide deck from the [staff presentation to the CRC](#).

The issue last came before the commission in August 2025, when the Science Panel presented updated inlet hazard boundary

recommendations. Rather than immediately advancing rules, the commission and advisory bodies took additional time to review the data and address concerns, including whether proposed boundaries and setback measurements could make existing structures nonconforming or affect redevelopment rights. The updated approach now moving forward would use newer erosion data, inlet-specific setback factors, and boundaries for developed inlets, while measuring setbacks from existing vegetation or pre-project lines and limiting seaward expansion.

The rulemaking process deserves close attention since hazard boundaries could affect buildability on certain coastal parcels. **Preserving the rights of owners is both a concern and a delicate balance** given that inlets are uniquely dynamic areas and impacted by erosion and shoreline migration. **Initial rule proposals include provisions for retaining buildability** through landward structure placement given several factors. A redline of these rule proposals is available in the linked slide deck above.

A fiscal analysis will now be prepared and reviewed by the CRC, and public comment invited on proposed rules. Following a public hearing the CRC will consider any potential revisions, schedule a vote, and send the rules to the NC Rules Review Committee for procedural sign-off. **The next CRC meeting is scheduled for June 18.** BASE members are encouraged to communicate concerns or recommendations to Jerod Patterson (jerod@ncbase.org) in addition to sharing their feedback through the formal process.

2026 Property Revaluations: Onslow Complete, Pender in Chaos, Neither May Matter

Pender Commissioners seek to claw back new property valuations

Pender County stomped the brakes on [its property revaluation](#), which was to go into effect with this year's budget. **Commissioners in April voted to stop using the new valuations, which were already mailed to residents in March** and nearing a May 15 protest deadline. The surprise pause upended a two-year valuation process by third-party property appraisers, for which the county paid \$2.3 million. Commissioners then moved for an independent audit of the revaluation data.

Onslow completes revaluation without issue

Onslow County property owners are now reviewing updated assessments following the county's 2026 revaluation. The Board of Equalization and Review is set for hearings through May.

Pender is in the seventh year of its current valuation, which state statute requires be updated at least every eight years. If the county misses that deadline, it could encounter legal challenges to the validity of its tax bills. Were the county to abandon its current revaluation effort entirely, it would face a logistical challenge to conduct another in such a short period of time. (See also the above writeup on a potential moratorium on revaluations in the General Assembly.)

The legal questions don't stop there. The county had already mailed notices of new valuations to property owners before voting to essentially claw them back and revert to the old valuations for the 2026 tax year. According to the **NC Department of Revenue**, the new schedule of values became effective on January 1 and commissioners lacked statutory authority to change valuations at that stage in the process beyond the standard appeals process.

According to the county, the new valuations increased more than 100% on average from the 2019 valuation, with some parts of the county seeing upwards of an 185% increase. Of course, this does not translate to a commensurate increase in tax bills. During the budget process, local governments calculate a revenue-neutral tax rate as a new baseline.

Many counties (as in *every other county* in BASE's geographic footprint from Brunswick to Carteret) use four-year revaluation cycles to smooth out spikes in value. By waiting as long as it did between revaluations, Pender residents saw much larger jumps in values.

Of course, **Pender County is burning through county managers at a rate of one per 14.4 months since 2019** (it's now on its sixth manager since the 2019 revaluation). With that kind of discontinuity, it's no wonder revaluations don't occur with more often. To this point, **Commissioner Jimmy Tate chided the current manager** for not providing the Board with more guidance during its deliberations over how to handle the 2026 revaluation.

Revaluations typically involve their fair share of public confusion, a fact not helped by outdated and conflicting information on Pender County's website about revaluation appeals (in some places the deadline is advertised as Oct 1 and in others as May 15).

Property values increased by a median of 37% since the last revaluation in 2022, for an annualized growth rate of 8.19%. The revaluation is in-line with estimations of 35-40% in total taxable property value.

Even though state law only requires revaluations every eight years, Onslow County conducts them every four years, which keeps assessed values closer to market conditions and prevents large spikes in value.

But none of this may matter...

As noted previously in this update, Sen. Phil Berger introduced SB 889, which would **stop all 2026 revaluations** in their tracks, treating the good, the bad, and the ugly all the same.

In this scenario, counties who performed revaluations in 2026 would revert to the previous year's valuation data. Stay tuned for more updates, as Pender and Onslow county residents will be affected by the outcome of this legislation.



City of Wilmington Completes Major Reorganization

The City of Wilmington has rolled out a major **realignment of its organization**.



Morehead City, Holly Ridge Replacing Council Vacancies

Morehead City Council received 11 applications to fill the council seat

City Manager Becky Hawke began presenting the restructuring during budget development workshops with Council.

Notable department realignments include combining Finance & Budget, and establishing Asset & Property Management, Safety & Risk Management, Transportation, Compliance, Strategy & Innovation, and Special Initiatives as departments. Parking Operations, Solid Waste Services, Downtown Services & Events, and Design & Construction are broken out from previously combined departments.

The new structure incorporates a Chief of Staff alongside three Deputy/Assistant Managers. The Fire Chief will personally report to Hawke alongside the Police Chief and Special Assistant for Legislative Affairs. Hawke noted that the realignment could make it possible to shrink the city's headcount, easing what is projected to be a significant budget impact in her recommended budget for employee compensation.

BASE is scheduling an opportunity for interested members to speak with city leadership about the reorganization, how it could impact conducting business with the city, and to provide an opportunity for feedback, so stay tuned for that.



vacated by newly elected **Mayor Lee Stiles**. The council seat will be up for election again in December 2027 at the end of its term. On April 28, **Nathan Chambers** (pictured above) was selected to fill the seat. Chambers currently serves on the **Carteret County Board of Education** and also chairs the **Morehead City Planning Board**. Presumably the planning board role will require replacement.

Council chose the application process during a March 31 special meeting, with members splitting 2–2 before Mayor Stiles cast the tie-breaking vote in favor, making the final vote 3–2. Applications closed April 17, and council considered candidates during a special meeting on April 28. Chambers received four votes among remaining council members during the initial balloting and then a unanimous vote to be seated on the council.

In **Holly Ridge**, **Josh Patti resigned from Town Council** in April following his resounding defeat in a March 2026 GOP primary challenge to state Rep. Carson Smith. Smith bested Patti by a wide margin in both Pender and Onslow counties, which the district spans. The town initiated a formal appointment process to fill the council seat rather than leaving it vacant until the next election.

An application window opened on April 13 and ran through April 27 for a letter of interest. Applicants will be invited to a public meeting, where each candidate will speak and answer questions from the Town Council, after which the council will vote to appoint a replacement to serve the remainder of the term. The process follows the town's adopted Council Vacancy Policy (2024).

NC Insurance Commissioner Negotiates Scaled-Back Increase for Dwelling Policies

Insurance Commissioner **Mike Causey** announced a negotiated settlement with the **North Carolina Rate Bureau** that will **increase dwelling insurance rates by 5% per year over the next two years**, rather than the significantly higher increase initially proposed. The

agreement applies to dwelling policies (typically used for rental properties, second homes, and investment real estate) not primary homeowner policies.

This change is **separate from the previously approved 7.5% increase for standard homeowner insurance policies** scheduled to take effect in 2026.

For real estate investors and property owners, the dwelling policy proposal carried broader implications for operating costs and cash flow, particularly in markets where margins are already tightening due to higher interest rates, taxes, and maintenance costs.

Under North Carolina's rate-setting system, the Rate Bureau (representing insurance companies) files proposed increases based on loss trends and market conditions. The Insurance Commissioner does not have unilateral authority to set rates lower than what is justified by actuarial data. Instead, the commissioner can approve, reject, or negotiate a settlement. If no agreement is reached, the process moves to a formal administrative hearing, which can delay implementation but also introduces uncertainty for policyholders and insurers alike.

In this case, the original request would have resulted in materially higher premium increases across many property types, raising concerns for landlords and investors about rent pressures and the viability of certain properties. By negotiating phased 5% increases, the immediate financial impact of such a significant proposed increase was avoided, as was a prolonged rate dispute.

Homeowners rates through June 2027 were settled last January. At that time, the Rate Bureau originally requested a 42.2% increase and a settlement allowed for two annual increases of 7.5% each, with the first effective in June 2025 and the second set to take effect in June 2026. That settlement also prevented another homeowner rate increase before June 2027. (Note that percentages are for the statewide average increase, with some individual properties experiencing more and others less.)



Tracking the Cape Fear Interbasin Transfer Request; Area Senators Weigh in

A requested interbasin transfer (IBT) from the **Cape Fear River** to Fuquay-Varina has entered its final regulatory phase. The request would allow Fuquay-Varina, in partnership with Sanford, to withdraw up to six million gallons of water per day from the Cape Fear basin over the next 30 years to support their population growth. After use, the water would be discharged into the Neuse River basin rather than returned, resulting in a permanent net loss of water from the Cape Fear system.

The draft environmental impact statement has been released, public hearings have been held, and the comment period closed on April 1. State regulators are now reviewing feedback and preparing a final report for the **North Carolina Environmental Management Commission** (EMC). The commission is expected to begin formal consideration as early as May, with a final decision likely later this summer.

Opposition has intensified across southeastern North Carolina. The **Cape Fear Public Utility Authority**, numerous local governments, and regional business and industry groups have raised concerns about long-term water supply, economic impacts, and precedent. **A coalition of state senators including Michael Lee, Bill Rabon, Brent Jackson**, Val Applewhite, Tom McInnis, and Danny Britt Jr. have formally **urged the EMC to deny the request**.

In a March 31 letter, the senators argue the proposal's permanent removal of water from the basin poses harm to the water supply, water quality, ecological health, and long-term economic prospects for the lower Cape Fear region. They emphasize the **importance of returning water to the basin of origin and warn that approving the transfer based primarily on cost would set a dangerous precedent**. The letter further stresses that water policy decisions must account for cumulative downstream impacts and maintain equitable access across regions that depend on shared resources. It calls on the EMC to reject the application and ensure the state's water resources are managed in a fair, sustainable, and regionally balanced manner, rather than allowing upstream growth pressures to shift long-term risks onto downstream communities.

Leland's Budget Provides Example of Positive Economics of Growth

Leland is ahead of the curve, having adopted its FY27 budget on April 16. The Leland budget is a **clear example of how growth can expand a community's capacity for public investment while also reducing pressure on existing taxpayers**.

The \$50 million budget lowers the property tax rate from 27 cents to 25 cents (a 7.4% reduction) while still funding new positions, employee compensation adjustments, public safety upgrades, and capital improvements. Key investments include road resurfacing, emergency services, equipment replacement, and planning for future infrastructure. **Rather than having to reduce its service level to meet new commitments, Leland was able to achieve both while also lowering the rate**.

That outcome is driven by **growth in the town's underlying tax base**. Leland's taxable value increased from approximately **\$6.74 billion to \$7.2 billion** over the past year, even outside of a revaluation cycle. This is the direct result of new development and investment growing the tax roll.

A broader tax base allows the cost of public services to be distributed across more properties, reducing the relative burden on existing residents while still generating sufficient revenue. The town also benefits from rising sales tax collections tied to population and commercial activity, also a direct result of continued growth.

Observers could point out that Leland's planning board would do well to take note of how the town and its residents are realizing the benefits of growing property and sales tax bases. The board's recent reticence during annexation discussions and general reluctance toward growth belie the tremendous long-term benefit the town is realizing from its tax base expansion. (Although, the board did send through an annexation request near Compass Point on its second pass in mid-April.)



As the town's FY26-27 budget demonstrates, growing property and sales tax revenue enables the town (and county) to fund infrastructure and service expansions that elevate livability, convenience, and quality of life, while also easing the burden on existing property owners.

Local Budgets Taking Shape for FY26-27

New Hanover County: Commissioners are actively evaluating options ahead of the county manager's recommended budget, due May 18 to the Board of Commissioners. Recent discussions show reluctance to use the county's Revenue Stabilization Fund to bridge budget gaps caused by retaining existing service levels and enacting commissioner priorities. Staff presented multiple scenarios, including maintaining the current 30.6-cent rate with fund usage or increasing the rate by roughly 2 cents to close an estimated \$16 million gap without tapping reserves. Commissioners have requested additional scenarios with and without rate adjustments, fund usage, and potential cuts for consideration. The county also has a \$320 million school bond heading to the voters this November.

Wilmington: The city manager's recommended budget is scheduled for delivery on May 5, followed by a May 19 public hearing and adoption expected on June 2 or June 16. The central issue is revenue. City staff have presented tax-rate increase scenarios ranging from 4 cents to 6.26 cents, with the full 6.26-cent increase billed as necessary to maintain current service levels, cover rising operating costs, and address major issues with employee compensation deferred needs. The largest driver is a proposed living-wage adjustment for city employees, alongside higher health insurance costs, capital needs, public safety equipment, IT support, and facility maintenance. Council has shown reluctance toward the full increase and some interest in a phased approach to compensation, or reassessing service responsibilities. (See also writeup on the city's organizational realignment.)

Brunswick County: A marathon budget workshop is scheduled for May 4. Key issues this year include employee compensation, fire services funding, school capital needs, and continued infrastructure needs. County staff are working to incorporate recommendations from a salary market study into the manager's recommended budget. (The board asked for legislation to increase fire fee caps by up to 50% with no more than a 25% in FY27. Regardless fire service costs are a major consideration.) A public hearing is also scheduled for May 18 on a proposed \$349.6 million school bond.

Pender County: Last year, Pender County was one of the last local governments in the region to pass a budget, voting down their budget just two weeks before the end of the fiscal year, and finally passing one at the tail end of June. This year's chaos makes last year look mild. Pender schools recently overviewed \$6.5 million in new needs for the upcoming fiscal year, which will force a hard conversation for commissioners on the county's commitment to its schools alongside budget pressures from compensation and benefits. More basically, the county has yet to decide how to move its revaluation process forward. Their first-year county manager has his hands full on this one.

Onslow County: FY26-27 will be the first year using data from the 2026 countywide revaluation (see separate writeup for more information). County schools are looking for a modest increase in local funding, about \$1.7 million (2.1%), although state funding decisions could impact that number. Last year, commissioners were able to maintain a stable tax rate. A manager's recommended budget is expected sometime in May.

Jacksonville: Jacksonville's FY26-27 **draft budget is public**, with the manager proposing a slightly reduced budget, revenue-neutral tax rate, and targeted investments to begin Phase 1 of the Uptown Jacksonville Project. Minimal utility rate increases are also proposed.

Carteret County: Carteret County is in the internal development stage of its FY26–27 budget, with the manager's recommended budget not yet public. Early signals suggest public safety and emergency services as potential cost drivers. The county's Fire & EMS Commission met April 27 to discuss budget

matters and funding requests. County schools will also be cost driver for budget discussions. The school board is considering an 11% increase in local operations funding from \$31 to \$31.4 million, and \$6 million in capital requests. The county's previous budget totaled \$180 million in spending, one of the lowest tax rates in the state, and a remarkably healthy unassigned fund balance, which is critical for agility and preparedness for disaster response.



New Hanover and Brunswick School Bonds on the November Ballot

New Hanover County's \$320.5 million school bond is moving toward the November 2026 ballot. On April 20, county commissioners unanimously approved their intent to apply to the Local Government Commission, with the application due May 4. If approved, commissioners are expected to introduce the bond order on May 18 and hold a **public hearing on June 1**.

The expected project list includes new Trask Middle School (\$94.7M), phase one of New Hanover High School's master plan (\$59.7M), Pine Valley Elementary replacement (\$56.3M), Riverlights Elementary/Mary C. Williams replacement (\$53.8M), Porters Neck Elementary addition and various districtwide upgrades. County staff estimate repayment would require **about 1.75 cents per \$100 valuation**, or roughly \$87.50 per year on a \$500,000 home, though that estimate may still change.



Brunswick County is advancing a \$349.6 million school bond to voters in November. Commissioners approved the school board's request in October, but shifted the referendum from the March primary to the November general election to allow more

time for public outreach. The bond package is driven by enrollment growth and school-capacity needs, particularly in the county's fast-growing northern area. It would fund major school capital needs, including two new schools, land acquisition, and districtwide upgrades.

On April 20, commissioners unanimously introduced the bond order and scheduled a **public hearing for May 18**. At that hearing, commissioners are expected to consider adopting the bond orders and set the referendum. The estimated tax impact has been described as phased, with previous estimates at roughly **5.74 cents on the property tax rate**, depending on issuance timing and final debt structure.

New and Old Faces: Administration and Planning Board Changes

Morehead City: Former longtime Morehead City Manager **Randy Martin** was selected in March and approved by contract in April to begin May 1 as interim manager for up to five months. This follows the resignation of City Manager **Chris Turner** following a closed-session personnel meeting. Assistant City Manager **Daniel Williams** is serving as acting manager until Martin steps in.

Onslow County: Deputy County Manager **Steve Eaton** received a quick promotion. Originally hired in December for the deputy job, he is now **interim county manager** following the termination of his short-time boss **David Smitherman** in February. The county opened its recruitment for a permanent replacement on March 27.

Oak Island: Town Manager **Kathryn Adams** announced that she will retire later this year. The town is her underway with recruiting her replacement.

Pender County: **Trey Thurman's** had enough as County Attorney, announcing his resignation at the last board meeting in April. The county hired the **Hartzog Law Group** as a stop gap until the position is filled, much to the consternation of **Commissioner Jimmy Tate**, who noted the lack of process for the seemingly pre-determined action.

Brunswick County: **Planning Board** members **Jim Board** and Vice Chair **Jason Gaver both resigned** from the board. Gaver resigned after moving out of the county, while Board cited frustration with the planning board's limited authority. The planning board's scope is administrative more than discretionary and he wanted greater latitude to pass judgment on development plans rather than ensuring their adherence to all the applicable codes and ordinances. Commissioners appointed **Travis Cruse** to fill Gaver's District 4 seat, while the other vacancy remains open.

Leland: **Michael Vahue** was appointed to a vacant seat on the town's planning board.



Greater Wilmington Chamber Leads Inner-City Visit

The Greater Wilmington Chamber of Commerce, a BASE association partner, led a successful inner-city visit to Asheville in April, attended by several regional business leaders and elected leaders. The visit featured several policy presentations on economic development, workforce development, affordable and workforce housing production, and economic niches of particular interest to the Wilmington region like the healthcare economy and leveraging the economic impact of arts and tourism. Cultivating these visits has proven strategically valuable in learning from the experiences of other communities.



Brenda Harris named Newport Mayor, Creating Vacancy on Council

Newport has selected a new mayor following the planned **departure of longtime Mayor Dennis Barber**, who stepped down April 30 after more than a decade in the role. The Town Council **voted unanimously to elevate council member Brenda Harris to mayor.** Harris, elected in 2023, will serve through the next regular municipal election in November 2027, consistent with state law governing midterm vacancies. Her appointment creates a vacancy on the Town Council. The town is expected to begin the process of filling that seat in the coming weeks, though no formal timeline has been announced.

A note to members...

Thank you for your continued partnership with BASE, the only organization in southeastern North Carolina solely devoted to advocating for public policies that support and sustain good growth and economic vitality.

This is a critical moment in the growth arc of southeastern North Carolina and the work of BASE has never been more important. Our mission is not only to advocate for economically sound policy solutions—from the courthouse to the state house, and from city halls to the nation's capitol—but also to educate and inform the public on the vital importance of growth and development to this region's future prosperity and quality of life.

This is our time to contribute mightily to shaping a better and more prosperous future for southeastern North Carolina and for the industries driving it forward. Help expand our ranks and grow our coalition by recruiting others to join BASE. Together, we can and will keep this region's economic engine roaring and ensure that its best days are yet to come.

-Jerod Patterson, CEO

