



**BUSINESS
ALLIANCE**
FOR A SOUND ECONOMY

February 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.

BASE Hosts NC Speaker of the House



On February 4, BASE hosted the **Hon. Destin Hall**, Speaker of the North Carolina House of Representatives, at its Q1 Member Meeting. The BASE meeting marked the first trip Speaker Hall has taken to New Hanover County since becoming Speaker at the onset of the previous legislative session.

During his remarks, Speaker Hall lauded North Carolina's pro-business policies, which is propelling the state's competitive advantage over most other states. As a result, North Carolina was the third fastest state in the nation last year. The alternative

would be to suffer the fate of states with shrinking populations, fewer jobs, and stagnant to negative growth in property values.

More than 150 members and friends packed the meeting room, along with numerous elected officials from across the region, to hear from Speaker Hall and engage in conversation with him and others. BASE CEO Jerod Patterson presented an advocacy update, including a focus on the DEQ's hold on sewer permits in Brunswick County and other issues of concern to members.

New Hanover County Commissioner and GOP nominee for NC House District 20 **Dane Scalise** introduced Speaker Hall. **Senator Michael Lee**, and **Reps. Charlie Miller, Frank Iler**, and **Ted Davis** were also present, along with area County Commissioners **LeAnn Pierce, Frank Williams, Mike Forte**, and mayors **Ken Dull** and **Pete Parnian**.





Brief Recap: DEQ Sewer Permit Dispute in Brunswick County Drags On

To level set on an ongoing issue discussed in recent updates, here is a concise recap of where things stand regarding DEQ's refusal to issue sewer extension permits in Brunswick County. As of the date of this Advocacy Update, it has been 104 days and counting since DEQ stopped granting sewer extension permits in for Brunswick County's northeast and west regional wastewater treatment systems.

This past November, DEQ stopped approving most applications citing [Session Law 2023-55 \(SB 673\)](#). That provision in general statute was intended to create a *safe harbor* to facilitate approvals, not to impose a new regulatory cap.

North Carolina's longstanding "80/90 Rule" governs (or should govern) permits based on *actual wastewater flow*. DEQ should have no legitimate reason to withhold approval so long as water quality is sufficient and the following capacity conditions are met by the wastewater system:

- At 80% of permitted capacity, a system must submit expansion planning.
- At 90%, it must secure expansion permits and a construction timeline.

SB 673 introduced an alternative *paper allocation* calculation that expressly allows permits up to and above 115% of a system's permitted capacity. **The statute clearly states this threshold is not a ceiling and does not limit DEQ's authority to approve allocations beyond that level.**

DEQ's current position appears to treat 115% paper allocation as a cap, placing permits on hold for the northeast and west Brunswick regional plants. However:

- The northeast plant's actual flow remains in the 60% range, well below 80%, and expansion plans are underway.

- The west plant has just reached 80% actual flow and is advancing expansion planning.
- A new water reclamation facility, targeting an August 2026 open date, will increase capacity to the west plant by another 750,000 gallons per day, pulling its actual flow back below 80%.

Lawmakers designed SB 673 to prevent communities from being stalled by paper allocation metrics when systems are operating safely and planning for future expansions. However, DEQ's interpretation of this provision has essentially produced the opposite effect, substituting a planning tool for the system's actual operational conditions when evaluating extension permit applications.

In short, the legal framework remains that the 80/90 Rule and a wastewater system's actual operational conditions should govern permit extension decisions, but this is no longer the case given the new approach DEQ is muddling through in Brunswick County.



DEQ's Sewer Allocation Math Problem

The sewer systems in Brunswick County currently closed for extensions by DEQ's new interpretive approach have exceeded 115% allocation for years, even as Session Law 2023-55 took effect. **This is precisely why that session law specifies that it should not be construed to prevent DEQ from issuing permits when allocations exceed 115%.**

Allocations for the northeast regional system are approaching 140% while actual flow is in the low-60% range and the county awaits approval for another expansion. Allocations for the west regional system are approaching 200%, yet expansion plans have been in place and future expansions are in design. **This is a mathematical way of life for sewer infrastructure in fast-growing areas with large, master-planned developments.**

Here is the mathematical conundrum for DEQ with its currently flawed approach to this session law: **To bring these plants below 115% allocations, they would need to be built to over two times their actual flow.** They could

never run at more than half capacity or else they would easily exceed 115% allocations, some of which are years if not more than a decade from coming online.

Brunswick County would be forced to spend well over \$100 million to make these capital expansions for systems that are already running in line with longstanding statutory guidelines if not well below their designed capacity. It would have to make excessively large system expansions far in advance of any practical need and long before financial models would deem reasonable.

This would in turn impose a heavy burden on rate payers and squeeze out other infrastructure priorities, of which there is no lack in Brunswick County. Clearly, no one in the General Assembly intended such an outcome, yet this is what DEQ seems intent on manufacturing.



New Information: Apparent Path for Northeast Permit Issuance

Conversations between the county and DEQ have been ongoing and finally yielded **an apparent pathway to unfreezing the hold on permits for the northeast regional system**. While this represents a positive development with potential to begin issuing permits within the next few months, nothing is yet set in stone. This approach would **involve a variance** in the eyes of DEQ in view of that system's forthcoming expansion. At current juncture, this represents the clearest path to unfreezing permits. **What is especially troubling, though, is that it leaves DEQ's statutory interpretation intact.**

Current Advocacy Priorities

BASE's advocacy priorities on this issue include both short-term and long-term goals, looking at administrative, legal, and legislative avenues. Here are our current priorities and where BASE members can help advance solutions:

Data for West System: Brunswick County must make the gathering and analysis of permit data for the west regional system a top priority. Only

This would not be a variance for the system as a whole but for every individual permit application submitted. Currently, about eight permits are on hold for the northeast system. These would be resubmitted and processed with the variance request, and future permit requests to the northeast system would follow a similar approach. **Please Note: This information is based on ongoing discussions that have not yet concluded.**

Conversations between the county and DEQ have not yet broached the status of the west system. This is in large part because the county has not yet completed gathering DEQ's requested data for that system. It is also because the west system has less excess capacity than the northeast, and the west plant's future expansion (aside from the August 2026 opening of the 750K gpd water reclamation facility) is farther on the horizon.

Ultimately, **the administrative process for the northeast regional system will lay a framework for the west system** to follow. For that to take place, **the county needs to finish compiling permit data for the west system.** The heavy lift for county staff to research and compile such data is not unappreciated, especially given the lack of forewarning from DEQ, but **nor is it an excuse for further delays on an already unacceptable situation.**

DEQ has yet to conclusively state how it defines compliance with its new regulatory approach or the consequences for Brunswick County and potentially other utilities. However, **once the pathway to unfreezing the northeast system is finally codified, Brunswick County must be prepared to immediately dovetail that conversation with the west system.** Moreover, the permit data on the west system are essential to crafting appropriate legislative fixes to serve as guardrails from future abuses by DEQ. Brunswick County is currently the only county in North Carolina where DEQ has taken this approach but it won't be the last.

then can the system be evaluated in line with the administrative framework coming into place for the northeast system, and only then can legislative fixes be evaluated.

Organizational Improvement: Brunswick County should remove organizational barriers between functions involved with tracking permit status, system capacity, capital planning, and system expansions. Staff presented an initial attempt at this to Commissioners last month, but the board did not seem to understand the problem at hand and tabled further discussion. County management appears to be poised to implement some stopgap changes to improve the workflow between otherwise siloed parts of the organization that need to work together on core aspects of utilities planning and management.

Legislative Fixes: At February's Q1 BASE Member Meeting, several members of the region's delegation (along with the Speaker) saw the significant number of businesses and industries impacted by this DEQ sewer morass. BASE and our coalition are working on prospective legislative fixes.

Legal Fixes: Some who are impacted by the permit delays are exploring legal options should they continue to be affected.

BASE and Association Partners Host Candidate Forums



Candidate forums for the March 3 primary elections were hosted by BASE and association partners in New Hanover and Onslow counties.

In Onslow County, the **Jacksonville Board of Realtors** joined with the **Jacksonville Onslow Chamber of Commerce** to host candidate forums for the Republican primaries for Onslow County Commissioner and Board of Education. BASE CEO Jerod Patterson served as moderator for the forums.

The commissioner race in Onslow County features six candidates vying for three seats. Two incumbents are running for re-election and one declined to seek another term.

Commissioner Royce Bennett is seeking re-election. He is an immediate past board member of the Jacksonville Board of Realtors and a current board member of ONWASA. Also seeking re-election is the current chair of the board of commissioners, **Tim Foster**.

Both forums were televised on G10TV and are available for viewing here for the [Board of Education](#) and here for the [Board of Commissioners](#).

In New Hanover County, BASE cosponsored candidate forums with the **Cape Fear Realtors, Greater Wilmington Chamber of Commerce,** and **Wilmington Cape Fear Home Builders Association**. The forum featured candidates for the Democratic commissioner nomination. Incumbent **Rob Zapple** is seeking another term. Healthcare practitioner **LaShonda Wallace**, Wilmington Council Member **Salette Andrews**, and school board member **Judy Justice** are also seeking one of their party's two nominations.

There is no Republican primary since only two candidates filed for the office, incumbent and board chair **LeAnn Pierce** and professional engineer **Richard Collier**, who recently sought a seat on the Wilmington City Council.

Both Republican and Democratic primary fields for New Hanover County Board of Education participated in the forum. Four seats are open in 2026. Six Democrats and five Republicans are vying for their parties' nominations. These include GOP incumbents **Josie Barnhart, Pat Bradford,** and **Melissa Mason**, alongside newcomers **Dr. Amy Dunning** and **Chris Sutton**.



Holly Ridge Approves Major Annexation and Development Plans

At a special-called meeting on **February 19**, the **Holly Ridge Town Council** held public hearings and then **voted 3–2** to approve a voluntary annexation and related development actions tied to the **Camp Davis** area. The request covered about **1,227 acres** in **Onslow and Pender counties** and was paired with rezoning and a development agreement.

According to the draft development agreement, the project contemplates roughly **2,750 total residential units** (up to **450 multifamily** and up to **2,300 single-family**, with up to **20%** as townhomes), plus about **64 acres** of commercial/office/institutional space.

It is well established that **the development would proceed with or without annexation**, but **annexation gives Holly Ridge added revenue and more direct oversight** regarding land use. Town leaders were able to gain inclusion of

nonresidential acreage for much-needed services and amenities for the entire surrounding area. They also gained inclusion of a greater diversity of housing options, which will support the area business growth and development, and had the developer earmark land for a potential future school. Thanks to this constructive approach, Holly Ridge is in a far more propitious position to attract a future grocery store and other commercial services.

Nonetheless, a packed house brought vehement opposition in the form of lightly informed yet strongly held beliefs that denial would somehow prevent the development or prove less taxing on existing residents, when just the opposite is true. Thankfully, a narrow majority of Council Members **Phil Misciagno**, **Pamala Hall**, and **Greg Hines** decided in the best interest of the town and its future, rather than bowing to the political pressure of an angry mob apparently intent on spiting itself.

New Hanover County Continues Work on Comprehensive Plan

At the New Hanover County Board of Commissioners' agenda briefing on **January 29**, commissioners signaled they were **not ready to schedule an adoption vote** on the county's revised comprehensive plan, **Destination 2050**, and instead directed staff to keep working on it to address lingering concerns.



Destination 2050 has been under development for nearly two years. Rather than rushing a vote, the board opted to send the draft back for additional staff work and to continue gathering input—an approach leaders framed as necessary to “get it right” before locking in policies that will shape future rezonings and development decisions. No timeline has been set for next steps for the plan, but action is still considered likely this Spring.



Wilmington Showcases State Policy Agenda at Legislator Breakfast

Wilmington's city leaders met with state and federal representatives at the **City of Wilmington's** annual legislative breakfast on February 20 at City Hall's Skyline Center. **Mayor Bill Saffo** and all members of city council welcomed state **Sen. Michael Lee**, **Reps. Charlie Miller, Ted Davis**,

and **Deb Butler** and staff representing U.S. **Sen. Thom Tillis, Ted Budd**, and **Gov. Josh**

Stein. Representatives from **BASE** and the **Greater Wilmington Chamber of Commerce** were also present.

Discussion included the city's interest in housing affordability. CFPUA's Executive Director also joined to express opposition and discuss **draft legislation to prohibit one-way interbasin transfers** like the one currently proposed by the Fuquay-Varina to permanently remove over 6 million gallons per day from the Cape Fear River, despite an apparently lower river level and adverse impacts on downstream communities. Sen. Lee expressed confidence in a legislative outcome to benefit the region's interest in protecting its water source.

Brunswick Adopts Revised Stormwater Ordinance

In late January, the **Brunswick County Board of Commissioners** voted unanimously to amend the county's stormwater ordinance following a recommendation from staff, which was shaped in part by constructive engagement from BASE and its partners.



Commissioners first considered revisions in November but **postponed action after BASE highlighted some unintended consequences in the proposed ordinance language.** The county's primary interest was to effectively manage the 100-year storm event. The originally proposed language would have required stormwater systems to detain and convey the full 100-year storm to pre-development flow rates, which would have resulted in significantly oversized infrastructure beyond what is necessary to effectively manage such a storm event.

This raised several practical concerns. Oversized systems consume additional land, which can reduce open space and tree preservation. It also adds unnecessarily to construction costs along with higher long-term maintenance burdens, which fall on the backs of homeowners, neighborhoods, and potentially a future county stormwater utility were it to eventually absorb existing infrastructure. All this would occur with no meaningful improvement to resilience beyond what sound engineering principles already provide.

An earlier proposal also included expanded riparian buffers, adding buffers around wetlands, and prohibiting stormwater controls within buffer areas. Those provisions would have elevated infrastructure in ways that could create structural and safety challenges, let alone conflicting with state statute.

Following November's meeting, BASE and its partners worked with engineers and technical experts from across its network to meet with and provide county staff with alternative considerations. As a result of these conversations, **the county was able to achieve its stated objective of safely managing the 100-year storm event without imposing requirements that add cost and complexity without measurable benefit.** A revised ordinance was adopted by commissioners and the county's stormwater manual will reflect the adjustments developed by staff.

In previous comments to commissioners, BASE noted that ordinance changes alone will not solve Brunswick County's broader flooding challenges, many of which stem from aging or under-maintained public infrastructure. **The more meaningful long-term opportunity remains the county's stormwater utility feasibility study approved earlier this year.**

Federal Housing Legislation Continues to Advance

On February 9, the **U.S. House** passed the **Housing for the 21st Century Act (H.R. 6644)** by a 390–9 vote, sending the bill along to the other chamber. The House vote comes on the heels of the Senate's previous passage of its own bill, the **ROAD to Housing Act (S. 2651)**.

For those who work every day to build and sell homes, the broad takeaway is straightforward: the **housing supply (or lack thereof) is emerging as a national priority**, recognizing its direct relationships to affordability, inflation, and the economy. Both bills focus mostly on process reforms that collectively would make it faster, clearer, and less administratively complex to develop new housing, especially when federal funds are involved.



The **House and Senate proposals overlap significantly**. Each seeks to streamline environmental reviews for federally supported projects, modernize long-standing programs like **HOME** and **Community Development Block Grants (CDBG)**, expand financing capacity, and direct HUD to publish best-practice guidance that can influence local zoning and permitting decisions. In other words, they aim to remove friction and unlock capital.

Where the two differ is in how strongly Washington should push local governments. The Senate's ROAD Act includes a "Build Now" pilot that would tie certain CDBG dollars to measurable housing growth — offering bonuses to communities that increase supply and potentially penalizing those that fall behind. The House bill leans more toward transparency and flexibility, requiring jurisdictions to identify restrictive land-use barriers and publicly owned buildable land while broadening how CDBG funds can be used for housing construction.

The challenge in Congress is to negotiate the differences in these bills in a manner that does sacrifice bipartisan or bicameral alignment, nor water down the legislation. The risks are real.

For those in BASE's orbit, skepticism is understandable. Most of the bottlenecks builders face in North Carolina are local: zoning that blocks "missing middle" housing, parking mandates, lengthy permitting timelines, inconsistent design standards, and this just scratches the surface. Moreover, the need here is real. A recent statewide analysis projects a housing shortage of nearly 800,000 in North Carolina by 2029.

Federal legislation will not rewrite local zoning codes. But it can begin a domino effect. By tying funding to performance, publishing model frameworks, standardizing reporting, and

rewarding production, Congress can shift incentives and expectations. That, in turn, can give state lawmakers and local officials political cover and practical tools to bring state and local policies more in line with the federal incentive structure.

For those navigating local resistance and regulatory delays, like an intergovernmental sewer utility morass or increasingly restrictive ordinances, federal action of this sort may feel like a mere novelty. But it does signal something important: supply is now at the center of the national conversation, and it's there with remarkable bipartisan agreement. Continuing to drive that conversation, inculcate it in policy, and push for future policy alignment can help drive change from Washington down to Raleigh and eventually to city and town halls and county commissions across the state.



Still Awaiting Final Rule from EPA on WOTUS

Public comments on **EPA** and the **U.S. Army Corps of Engineers'** latest proposal to update the **Clean Water Act** definition of **Waters of the United States (WOTUS)** closed in January. The agencies are now in post-comment review, analyzing the record, preparing responses to significant comments, and drafting a final rule. EPA has not publicly set a deadline for when the final rule will be issued. Timelines vary widely as to when the final rule might be expected.

The proposed rule is intended to fully align with the Supreme Court's decision in *Sackett v. EPA*. In practical terms, it would significantly narrow which waters are subject to federal Clean Water Act jurisdiction. Only relatively **permanent waters** (such as rivers, streams, and lakes that contain standing or continuously flowing water) and **wetlands that have a direct and continuous surface connection to those waters** would qualify. Wetlands must be physically connected in a way that makes them indistinguishable from the adjacent waterbody, **removing isolated wetlands from jurisdiction**.

The proposal also revises key definitions, including "relatively permanent," "continuous surface connection," and "tributary," and requires clearer downstream connections before a tributary can be regulated. It expressly excludes groundwater and expands or clarifies exclusions for certain ditches, prior converted cropland, and waste treatment systems. In addition, **waters that cross state lines would no longer be automatically subject to federal jurisdiction** simply because they are interstate; they would need to meet one of the other jurisdictional categories. **Overall, the rule would reduce the number of streams and wetlands requiring federal permits**. The revised rule will eventually take effect 60 days after being published.

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

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