



**BUSINESS
ALLIANCE**
FOR A SOUND ECONOMY

January 2026 Advocacy Update

The Business Alliance for a Sound Economy (BASE) is the collective advocacy voice for over 9,400 trade association members and 65 businesses across southeastern North Carolina. BASE marshals its coalition to advance smart and sustainable growth, capital investment, economic prosperity, and quality of life.

NC Speaker to headline next BASE meeting

BASE welcomes **the Honorable Destin Hall**, Speaker of the North Carolina House of Representatives, to our next General Member Meeting on **Wednesday, February 4** as our keynote speaker.

Speaker Hall was elected to the North Carolina House of Representatives in 2016 at just 29 years old. The Caldwell County native was sworn in as speaker in January 2025 at age 37, the chamber's youngest Speaker in over 200 years. He previously served as Majority Leader, helping shape the House's legislative agenda.

During his first term as Speaker, Hall marshaled a number of pro-growth bills through the House, including the **NC REINS Act**, which brings heightened oversight and



accountable to state agencies, and the **Power Bill Reduction Act**, which adjusts clean energy mandates to improve the long-term resilience and cost efficiency of the state's power grid.

Following his address to BASE, Speaker Hall will be hosting a private event later that day with New Hanover County Commissioner and **NC House District 20 Candidate Dane Scalise**. While not sponsored by BASE, any member interested in details for that event should contact Jerod directly at jerod@ncbase.org.



RSVP Today for the BASE Member Meeting with Speaker Destin Hall

Wednesday, February 4
Cape Fear Country Club
11:30a Conversation and Lunch
12:00p Program Begins

RSVPs are accepted [here](#).

Issue in Focus: DEQ's recent refusal of Brunswick sewer permits misreads state statute

In November, BASE sent an advocacy alert to members shortly after the NC Department of Environmental Quality (DEQ) refused to grant two sewer extension permits in Brunswick County citing [Session Law 2023-55 \(SB 673\)](#). This session law added a safe harbor provision into statute, which was intended to facilitate permit approvals.



In DEQ's apparent first attempt to apply this provision, the agency's interpretation inverts what was intended as a safe harbor zone into a restrictive cap. This is contrary to legislative intent the opposite result envisioned by the General Assembly.

State statute uses water quality and a wastewater system's actual, measured flow as criteria for permits to extend new lines. Statute clearly outlines two checkpoints for actual flow at which conditions must be met for permits to be issued. Often referred to as **the "80/90 Rule,"** these checkpoints are:

- First, when a wastewater system's actual flow hits 80% of its permitted capacity, the system must submit an engineering evaluation and plans to expand treatment capacity consistent with future needs.

- Second, when the actual flow hits 90% of the system's permitted capacity, it must obtain permits to expand its capacity and submit a construction schedule that demonstrates completion in necessary time to satisfy needs.

The safe harbor provision from S.L 2023-55 establishes an alternative peak daily flow rate calculation for design rate modeling. Looking at paper allocations rather than actual flow, this alternative calculation gives express authority to permit sewer extensions up to and beyond 115% of permitted capacity. This establishes a safe harbor zone and floor for clear permit authorization. In no way does it imply a regulatory ceiling. In other words, lawmakers told DEQ there is no legitimate reason to deny a permit within this safe harbor zone if the 80/90 Rule and water quality are satisfied.

Just as important, statute clearly states: "Nothing in this subsection shall be construed to limit the Department from authorizing allocations above one hundred fifteen percent (115%) of a system's hydraulic capacity." This is precisely the situation in Brunswick County, where DEQ has put permit applications on hold. The agency seems to think that systems in which paper allocation exceeds 115% capacity are in violation of a fictitious regulatory cap.

Two systems in Brunswick, the **Northeast Brunswick Regional** and **West Brunswick Regional**, are in excess of 115% allocation on paper, which is reasonable and understandable for a growing area. At the same time, the county has consistently utilized the 80/90 Rule to ensure capital plans are in line with growing needs. In fact, actual flow to the northeast plant is in the 60s, well below 80%, and the county is already finalizing expansion plans. The west plant just hit the 80% actual flow tripwire and plans are in motion to address its future treatment capacity.

What DEQ seems to fundamentally misunderstand is that paper flow is a planning tool but **only actual flow should govern permit decisions**. Treating the two as interchangeable not only undermines but inverts the General Assembly's intent. The purpose of S.L 2023-55 was to provide relief for fast-growing systems, which face long lead times for infrastructure expansion. Its desired intent was to ensure that housing and infrastructure development are never impeded by reviews of paper allocations when facilities are operating safely and expansion plans are underway.

State statute expressly provides DEQ with the criteria and the authority to grant the sewer permit requests in Brunswick County now before the agency. By halting sewer expansion solely because paper capacity exceeds 115%, DEQ runs completely counter to state statute and legislative intent. The 80/90 Rule, which Brunswick County's wastewater system has consistently tracked and passed, is and remains the operative criteria for evaluating these permits.



Key Points: Where are we now and how did we get here?

Without warning, DEQ departed from the 80/90 rule and instead cited the paper allocation metrics in S.L 2023-55 as grounds to withhold permit approval for two permit requests

The county was notified on or around November 13 of this decision

DEQ asked Brunswick County to provide data pursuant to its paper allocation review

Since the data requested by DEQ had never previously been required, the county began compiling information on the current status of 1100+ sewer applications, including status of allocations for other utilities like H2GO, which utilize the county's treatment plants

It is anticipated that these data will be provided to DEQ within the next few weeks (late-January to early-February), followed by a meeting with DEQ to determine the agency's position

The county is awaiting DEQ approval of expansion plans for the northeast plant, which further demonstrates that plant has ample capacity

Data requests and review for the northeast plant (*pictured above*) are likely to be handled first, since that plant has so much excess capacity and a planned expansion in the wings

The county is bringing water reclamation facility online with a target completion date of August 2026, which will grow the west regional plant's treatment capacity by

How BASE is fighting for a solution

For two months, administrative decisions at DEQ have thrown the brakes on economic activity in Brunswick County.

These administrative decisions came without warning, giving no time for county leaders or private developers to plan or prepare for the agency's action.

The agency's clear misreading and misapplication of state statute has halted sewer infrastructure extensions and economic activity, which is exactly what the General Assembly sought to prevent.

BASE is committed to identifying the advocating for the fastest possible resolution to this situation through both agency decision making and legislative action. It is clear that DEQ requires legislative redress as a necessary corrective action.

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BASE's advocacy efforts include the following:

Actively communicate with Brunswick County elected leaders and administrators in on current status and any developments

Advocate for the county's data review and response to receive all necessary resources and highest possible prioritization

Secured an all-hands meeting on January 13 with county leaders to express our members' sense of urgency on this matter

Provide a throughline to governmental affairs partners at

about 11.5% (0.75 MGD) and likely pull the west regional plant's actual flow into the low 70 percent range

How DEQ responds to the county's data is unknown, but its lack of forewarning and clarity has imperiled numerous projects, including healthcare and economic development, and is costing millions of dollars in economic harm and work stoppages that impact tradespersons and their families

the state level

Keep BASE members informed on status, developments, and likely timeframes for resolution as they evolve

Develop legislative options and language for quick action once the General Assembly reconvenes in April

New Hanover Planning Board hears new Comp Plan

New Hanover County staff presented the final draft of the **Destination 2050 Comprehensive Plan** to the county's **Planning Board** in January, which recommended its advancement to the **Board of Commissioners**. The revised comprehensive plan will guide growth and development in the county for the next several years.



The draft reflects some changes to the zoning map, most of which pertain to shifting the type of development desired in particular areas. Indications are that future development is expected to accord fairly closely with the plan, with less appetite for rezonings barring a significant value add to the community. Commissioners are expected to take formal action toward adopting the plan in February.



Holly Ridge comp plan and annexation moving along

Holly Ridge has a **draft comprehensive plan** currently under CAMA review by the Division of Coastal Management. The plan was submitted on October 30 and the agency has 120 days to provide feedback from its review, would would put its deadline at February 27.

BASE and its advocacy partner, the **Jacksonville Board of Realtors**, reviewed the plan and are providing the town with feedback. Holly Ridge is at a critical juncture. With smart land use decisions, the town is poised to harness great benefit from economic development to grow its nonresidential tax base, improve service level, and expand proximate job and commercial options for residents.

On a separate matter, at its January 14 meeting, the town commission voted to take the next steps toward evaluating a requested **1500-acre annexation**. The annexation spans both Onslow and Pender counties. While the proposed development would likely occur regardless of annexation, the town has an opportunity to grow its tax base and partner with the developer to support alignment with community priorities.

Brunswick stormwater ordinance approaches January 20 vote



At their November 17 meeting, Brunswick County Commissioners postponed action on proposed revisions to the county's stormwater ordinance.

During the public hearing, BASE offered comments to the Board, which outlined several concerns with the original proposal and some alternatives to enhance flood resilience while remaining consistent with sound engineering practices.

As originally proposed, the ordinance sought to require stormwater systems to detain and convey the full 100-year storm to pre-development flow rates. This would result in significantly oversized infrastructure relative to what is needed to safely manage even 100-year storm events.

Overbuilding stormwater systems does more than increase construction costs—it also worsens housing affordability, raises overhead costs for local businesses, and intensifies workforce challenges across the community. Oversized stormwater facilities consume more land, reducing available open space and limiting opportunities to preserve or plant trees.

The original proposal also sought to **widen riparian buffers**, add buffer requirements to **wetlands**, and **prohibit stormwater controls within buffer areas**. The effect of these requirements would have significantly elevated stormwater infrastructure, which poses a host of problems for its longterm structural integrity, public safety, and recreational value.

Since that meeting, BASE and engineering experts from within the BASE network met with county staff to discuss concerns and explore alternative ordinance language that would satisfy the desire of county leaders to safely weather the 100-year, 24-hour storm event without the unintended consequences that accompany oversized infrastructure facilities.

Adjustments to riparian buffers, including buffering around wetlands, have been removed due to conflicts with state statute. Although engineering and land planning best practices also support their removal. The new ordinance language does require stormwater infrastructure to manage the 100-year storm event, but specifies that **both primary and emergency spillways can be utilized**. Pre-post analysis of the 25-year storm would only include the primary spillway.

BASE also reiterated that ordinance changes alone will do little to address Brunswick County's existing stormwater challenges, which largely stem from under-developed and in some instances poorly maintained stormwater infrastructure in public land and long-established developments. In contrast, many newer projects are already designed to manage major storm events effectively and, in some cases, improve downstream flood conditions. The most meaningful opportunity to address countywide stormwater issues lies in the **stormwater utility feasibility study** that was approved earlier this year.

County Commissioners are expected to take a final vote on the revised ordinance language at their January 20 meeting.

WOTUS rule approaches finalization as EPA Reviews Public Comments

The public comment period on the EPA's proposed update to the definition of "Waters of the United States" (WOTUS) closed on **January 5**. The agency is reviewing those comments as it prepares a final rule, which will become effective 60 days after being published.



This proposal, developed in response to the Supreme Court's *Sackett* decision, aims to bring clarity, consistency, and common sense to Clean Water Act jurisdiction after years of shifting interpretations that increased costs and uncertainty for regulated industries.

Major changes in the proposed WOTUS definition include:

- **Clear limits on jurisdictional waters**, focusing on relatively permanent, standing, or continuously flowing waters such as rivers, streams, lakes, and oceans.
- **Narrower treatment of wetlands**, requiring a **continuous surface connection**—meaning wetlands must physically touch a jurisdictional water and hold surface water at least during the wet season to be regulated.
- **Defined tributary standards**, limiting jurisdiction to tributaries that connect directly—or through other jurisdictional waters—to traditional navigable waters with predictable flow.
- **Preservation and clarification of key exclusions**, including prior converted cropland, certain ditches, and waste treatment systems.
- **A new, explicit exclusion for groundwater**, removing a major source of past confusion.
- **Use of locally familiar terminology**, such as "wet season," to reflect regional and seasonal realities and improve on-the-ground decision-making.
- **Greater respect for state and tribal authority**, reinforcing cooperative federalism by allowing local regulators to manage land and water resources within clear federal guardrails.

If finalized as proposed, the rule is expected to reduce permitting delays, eliminate unnecessary compliance costs, and provide the regulatory certainty trades need to plan projects with confidence—while continuing to protect the nation's truly navigable waters.

Interbasin transfer request faces stiff opposition from Lower Cape Fear region



Local governments, utilities, businesses and environmental groups across the southeast part of the state are passing statements of opposition to a request from **Fuquay-Varina** for an **Interbasin Transfer Certificate** that would allow it to **permanently withdraw 6.17 million gallons per day from the Cape Fear River** and discharge the same amount into the Neuse River Basin.

The **Cape Fear Public Utility Authority** noted several serious damages this could pose by permanently reducing the water available to the 500,000 and growing downstream residents who rely on the river as their primary water source. The region has experienced drought conditions before, which required mandatory water restrictions. Were the level of the Cape Fear River to be permanently reduced, the severity and frequency of these restrictions would most likely increase. A comprehensive writeup is available [here](#).

A simple solution would be to require Fuquay-Varina to return their treated discharge back to the Cape Fear River rather than the Neuse River. The town is attempting to save the cost of a return line to the Cape Fear River at the expense of downstream residents. The **N.C. Environmental Management Commission** held three public hearings in December and is reviewing the proposal's Draft Environmental Impact Statement. Public comment is being accepted through April 1, 2026 by email to maya.holcomb@deq.nc.gov.

Federal housing reform moves from Senate to House

The **House Financial Services Committee** has advanced the **Housing for the 21st Century Act**, the chamber's bipartisan housing package with a number of measures aimed at increasing the nation's housing supply.

House action follows the Senate's advancement of the **ROAD to Housing Act** earlier this year. Similar to the senate legislation, the house's measure strongly aligns with its senate counterpart and is a bipartisan effort, showing significant consensus for Congress to act.

The house act focuses on several core areas, including land use and zoning policy, regulatory reform, and housing finance tools. Key provisions would direct the **Department of Housing and Urban Development** to develop and share best practices with state and local governments to expand housing production. It would also reduce regulatory barriers by easing restrictions on



infill and mid-sized construction projects and eliminating duplicative and time-consuming reviews under the **National Environmental Policy Act**.

Additional reforms target the **HOME Investment Partnerships Program**, lowering construction costs by allowing greater flexibility in sourcing building materials. The legislation further seeks to stimulate multifamily development by increasing loan limits and indexing them to a multifamily construction price index, better reflecting real construction costs and improving project feasibility.

Alongside this housing package, the committee also approved the **NFIP Extension Act of 2026**, which would extend the **National Flood Insurance Program** through September 30, 2026, and apply the extension retroactively to September 30, 2025.

Congress advances Clean Water Act permit reform

In December, the U.S. House passed the **PERMIT Act** by a 221–205 vote, advancing a comprehensive legislative package aimed at **reforming the Clean Water Act permitting process**.

The bill seeks to reduce regulatory uncertainty, cut red tape, and streamline approvals for development projects while maintaining environmental protections. It would address permitting delays, which for years have been a source of higher costs, slower construction, and constrain the supply of buildable land.

The PERMIT Act focuses on improving efficiency and clarity for both **Section 404 dredge-and-fill** permits and **Section 402 NPDES permits**. Key provisions extend the duration of nationwide permits, clarify federal jurisdiction, reduce permitting backlogs, establish timelines for legal challenges, and provide states with a clearer pathway to assume wetlands permitting authority. The House also adopted an amendment to reduce compensatory mitigation costs while preserving water quality standards.

Following House passage, the PERMIT Act was received in the Senate and **referred to the Senate Committee on Environment and Public Works**, where its next steps will be decided.

U.S. House advances bill to expedite permits

The U.S. House approved the **Standardizing Permitting and Expediting Economic Development (SPEED) Act**, aimed at reducing regulatory barriers that significantly drive up the cost of multifamily housing.

Federal, state, and local regulations account for **more than 40 percent of the cost** of a typical multifamily development, highlighting the role permitting and review requirements play in limiting housing production.

The SPEED Act targets the federal permitting process by **reforming how the National Environmental Policy Act (NEPA) applies to housing projects**.

Specifically, the bill clarifies that the use of federal funding alone does not automatically make a project a “major federal action” subject to NEPA review. This change would allow multifamily projects using federal grants, loans, or loan insurance to move forward without lengthy environmental reviews when there is no direct federal involvement.

Together with the House's passage of the PERMIT Act, Congress is demonstrating growing momentum for permitting reform and heightened awareness to the role government plays in driving up housing costs. The SPEED Act is now in the senate's hands.

Primary races to watch this March

Early voting in person begins in less than one month (February 12) for the March 3 party primary elections. Here are some of the local and state legislative races to keep an eye on across southeast North Carolina:



Brunswick County Commissioner, Place 1:

In the Republican primary, incumbent **Randy Thompson** is a vocal advocate for development moratoriums faces challenger **Clif Cheek**, who currently chairs the county's planning board.

Brunswick County Commissioner, Place 2: Incumbent **Marty Cooke** has developed a reputation as a balanced and reasonable commissioner. He faces a challenge in the Republican primary from **Patti Hewett**. Together, these two commissioner seats could determine the balance of the board for either balanced growth or future stagnation.

NC House District 17 (Brunswick County): Incumbent **Frank Iler** drew a challenger in the Republican primary from **Nia Moore**, who recently sought and lost a campaign for Belville mayor.

New Hanover County Commissioner: The **Democratic primary** for county commissioner is where the action is... incumbent **Rob Zapple** is seeking re-election alongside three other Democrats vying for two slots. Wilmington Councilperson **Salette Andrews**, former New Hanover School Board member **Judy Justice**, and former county HHS board chair **LeShonda Wallace** are competing also.

New Hanover County's races will heat up in the general election. The GOP escaped a commissioner primary, with incumbent **LeAnn Pierce** and professional engineer **Richard Collier** enjoying a bye this March. **Senator Michael Lee** drew no primary opponent, nor did Democrat **Deb Butler**, or Republican **Charlie Miller** (whose NC House district spans New Hanover and Brunswick counties). NHC Commissioner **Dane Scalise** was tapped as the party's candidate for the seat held by the retiring **Rep. Ted Davis**, and faces NHC School Board member **Tim Merrick** in the fall.

Onslow County has a Republican showdown for the Board of Commissioners. Incumbents **Tim Foster** and **Royce Bennett**. Bennett wears a number of important hats, including serving on the ONWASA Board, and is an active member of the Jacksonville Board of Realtors. Four others join them in a race for three seats: Whitney Cantrell, Walter Scott, Elliot Jarman, and Tyler Googe.

Only one of Onslow County's state house seats is contested. Republican **Carson Smith**, whose **District 16** seat spans Onslow and Pender counties, drew challenge from **Joshua Patti**. Patti is a Holly Springs town commissioner who was recently booted from his Mayor Pro Tem slot by his colleagues.

Pender County has a full slate of County Commissioner candidates on the ballot on the Republican side. The county is not competitive in general elections, so these races will determine the board's composition. Four of five seats are on the ballot, so the races are highly consequential for the board's future direction.

Pender County Commissioner, Place 1: **Shayne Frey** is overtly opposed to growth and advocates for a moratorium on development. He faces **Joe Sina** in that primary.

Pender County Commissioner, Place 2: Current commission chair **Randy Burton** faces off with **Ryan Collins**, whose statements on development are critical in tone but less antagonistic than Place 1 counterpart Fray.

Pender County Commissioner, Place 3: **David Fallin** faces off with **Andy Jesse Devane**. Fallin previously sought the seat unsuccessfully in 2018. Devane has maintained a fairly even-keeled tone in his campaign statements.

Pender County Commissioner, Place 4: Incumbent **Jimmy Tate** is running to fill the remaining year of this unexpired term. He was reappointed to the seat earlier this year after previously serving on the board. His challenger is perennial candidate **Max Southworth-Beckwith**.

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 this piece of North Carolina we call home and for the industries that are driving it forward. **As we enter the new year, please be sure to include BASE in your budget plans for 2026.** 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 our best days are yet to come.*

-Jerod Patterson, CEO



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