



**BUSINESS
ALLIANCE**
FOR A SOUND ECONOMY

March 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.

Possible End in Sight for DEQ's Sewer Permit Logjam in Brunswick County

After four months of stalled activity, sewer extension permits for developments that feed into the **Northeast Brunswick Regional Wastewater System** are moving forward once more. The lion's share of stalled permit applications are queued up awaiting the **NC Department of Environmental Quality** to restart permits for the **West Brunswick Regional** system. The permit pause is now 136 days and counting.

For the northeast system, permits are now being processed through a **variance-based approach**, and recent discussions suggest DEQ may extend a similar framework to the west system. As of last month's advocacy update, the county's compilation and review of flow tracking data for the west system was a top advocacy priority for BASE. That work was completed by mid-March, which enabled county and DEQ officials to meet last week to review the data. While a **formal agency response is still pending**, initial indications are that a path forward comparable to the northeast system is now under consideration.



Under this approach, **applicants must first submit a variance request** (along with an application fee) for DEQ review. Once approved, they must **then submit a separate sewer extension permit application** with another application fee. This effectively doubles permitting costs and extends approval timelines. While permits appear likely to be approved under this framework, this new approach **comes at the great expense of both efficiency and predictability.**

In terms of current and future capacity, the northeast system is positioned for a major expansion while the west system faces a more complex path. A long-awaited water reclamation facility will add 750,000 gallons per day for the west system (Mulberry Branch, online in the latter part of 2026), but a larger-scale expansion for the west system is only now in the planning phase. However, the county does have ability to divert flow between systems, which adds operational flexibility that DEQ seems to now recognize.

The next one to two weeks are critical, with DEQ expected to finally specify its approach to the west system. If it follows the same rationale and process as the northeast system, we will have finally received the **long-awaited clarity needed to advocate effectively for specific corrective guardrails**, which will restore predictability, transparency, and efficiency back to the system.

In summary, permitting activity has resumed for the northeast system and initial indications are that the same approach is likely to extend soon to the west system, but we will not know definitively if this is the case until DEQ confirms with Brunswick County officials. While this would bring an end to the stand-still on sewer permits since late 2025, the new approach still reflects a massive a step in the wrong direction and requires continued scrutiny and corrective action.

Pictured below: system boundary map for the West Brunswick Regional (left) and Northeast Brunswick Regional wastewater treatments systems. The west is outlined in gold and the northeast is outlined in magenta. The green lines represent force mains.



Brief Recap on the DEQ Sewer Permit Dispute in Brunswick County

To recap on the sewer permit situation in Brunswick County, DEQ halted most sewer extension permits in November (some 136 days ago) under its recent interpretation of **Session Law 2023-55 (SB 673)**. This effectively froze approvals for both the northeast and west regional wastewater systems. The action marked the agency's first application of this session law. It did so without any warning or guidance to Brunswick County but simply a hard stop on approvals, disrupting the long-established permitting process for sewer extensions, which halted a great deal of economic activity and imperiled real estate and development transactions and jobs.



North Carolina's longstanding "80/90 Rule" has been used to govern these permits based on actual wastewater flow, requiring planning at 80% capacity and expansion commitments at 90%. SB 673 introduced an additional paper allocation calculation that allows permits at or above 115% of permitted capacity and was intended to serve as a safe harbor to facilitate approvals, not to restrict them. In fact, the statute clearly states the 115% threshold is not a ceiling and does not limit DEQ's authority to approve allocations beyond that level.

However, DEQ's interpretation appears to treat that 115% threshold as a hard cap, overriding actual system performance as the determining criteria. As a result, permit activity ground to a halt in Brunswick County even though the northeast system remains well below capacity and the west system is managing flows effectively while expansion plans advance for both systems. In effect, a tool meant to provide flexibility has been applied in a way that compromises the reliability of the permit system and introduces new constraints without much clarity. This clearly diverges from both the statute's intent and longstanding permitting practices.

March Primaries Shake Up Local Boards and Bring Several New Faces



In **New Hanover County**, nearly 31,000 voters participated in the primary. Democrats tapped **Rob Zapple** (pictured) and **LeShonda Wallace** as County Commissioner nominees. Zapple is a licensed General Contractor seeking his third term. Wallace is an advance practice nurse in her first race.

Republicans **LeAnn Pierce** (pictured) and **Richard Collier** advanced unopposed. Collier is a professional engineer with McKim & Creed and serves on the Wilmington Planning Commission. Pierce currently chairs the NHC Commission and previously served as Mayor of Carolina Beach.

Current Commissioner **Dane Scalise** is the GOP nominee for **NC House District 20**. If victorious in November, he will vacate that seat and the Board of Commissioners will select his replacement to fill out the term until the 2028 election.

For the **Board of Education**, Republicans nominated incumbents Pat Bradford and Josie Barnhart alongside Amy Dunning and Chris Sutton, who narrowly defeated incumbent Melissa Mason. Democrats selected Brittnei LaRue, Wendy Dale, and Jerry Jones, Jr., with a fourth nominee to be named following Rick Southerland's withdrawal.

Voters will also consider a **school bond referendum of approximately \$320 million this fall**.



Pender County will see significant turnover on its Board of Commissioners. Brad George and Jerry Groves did not seek re-election, and Chairman Randy Burton was defeated in the primary. **Jimmy Tate** (pictured) is the lone incumbent to return, joined by newcomers **Shayne Frey, Ryan Collins, and Andy DeVane**.

In **Brunswick County**, the Republican primary produced a notable shift on the Board of Commissioners. Incumbent **Randy Thompson** secured renomination, while **Marty Cooke** was narrowly defeated by **Patti Hewett**. Based on campaign statements, a posture change by the Board toward future development should be expected. Both Republican nominees will face Democratic challengers in November, though Republicans have historically maintained strong margins in countywide races.

In **Onslow County**, the GOP Primary also determined the eventual officeholder in several races. **Tim Foster** and **Royce Bennett** finished first and second in the County Commissioner race, with **Whitney Cantrell** placing third. In the NC House District 16 race, **Carson Smith** defeated **Joshua Patti by a wide margin**, including a 2-to-1 advantage in the Onslow portion of the district. Unlike several neighboring areas, Onslow largely favored candidates who seek to capitalize on the benefits of growth for their constituents.



Taking Stock of the Elections: What do the Results Mean for Growth and Development?

Assessing the Role of BASE in Shaping the Region's Approach to Land Use and Growth

Growth and development are among the top themes of nearly every race for county commissioner or municipal office in this region of late. Southeastern North Carolina is in a difficult place to navigate within its growth curve. Areas that have been largely rural until recent history lack the infrastructure backbone found in more established suburban contexts with similar rates of growth. Infrastructure exists in the region's municipal centers but its age can present an equally large handicap. State ownership of most roads offers little discretion to area leaders seeking to advance local solutions to transportation related growing pains.

That does not absolve local governments of their responsibilities. Advance capital planning and investments in schools, utilities, stormwater management, and emergency services are quite literally the job of local government. Population growth should not be considered an excuse for not doing that job.

Quite the contrary, **growth presents a generational opportunity** for this region's local governments to: (1) **leverage a growing tax base** to finance capital improvements that would otherwise cost an individual taxpayer significantly more and quickly overwhelm a local government's financing capacity, and (2) work collaboratively with developers so that future **land development becomes part of the solution** for preexisting planning and infrastructure deficiencies.

This is not a blessing afforded to many communities. **Over half the counties in America are dealing with declining populations**, wreaking havoc on local economies, local government budgets, core services and infrastructure maintenance, while placing larger tax burdens on residents. **Growth is the engine that makes it possible for local governments to fulfill their responsibilities** to provide infrastructure and core services in the most tax-efficient manner possible. Saying that you want to stop or slow growth is like asking your financial advisor to stop investing in winning stocks because you don't know how to handle the gains.

The great irony in attempts by local governments to erect roadblocks to growth is that their primary effect is to make it more difficult to afford the public expenditures required to address infrastructure and service needs. **This is what happens when growth is viewed as the problem instead of part of the solution** (and a necessary part at that). Changing that misperception is the great challenge before BASE, our partner associations, and our membership in the years ahead.

Moving forward, **our strategic focus as an organization will seek to tackle this challenge head-on** and equip our partners and membership to do likewise by cultivating data, research, real-world expertise, and practical policy solutions that align growth and development with infrastructure instead of pitting them against one another. Our commitment is to work with every local leader, even those with whom we may now

disagree, to inform better decision-making, elevate the conversation beyond short-term pressures, and chart a path that is both fiscally responsible and forward-looking.

Our mission is to ensure that growth is recognized and leveraged as the most powerful force imaginable for this region to develop a strong and resilient infrastructure, elevate its quality of life, and realize economic prosperity for generations to come.



Assessing Phil Berger's Primary Defeat and What Comes Next

Twenty-three votes out of more than 26,000 was the margin that ousted the most powerful man in Raleigh from his senate seat, upending 15+ years of continuity in the chamber's leadership.

In his concession on March 24, Berger emphasized that he will remain in the post of President Pro Tem for the duration of his term, leading the chamber through the upcoming short session which begins in a few weeks. He cited protecting the legacy of Republican leadership dating back to 2011 and maintaining the party's veto-proof super majority as priorities for the rest of his term.

As is often the case in politics, before the ink dried on Sen. Berger's concession statement, attention turned to who would assume the chamber's leadership role. **Senate Majority Whip Todd Johnson** of Union County confirmed that he would seek the role, as did **Deputy President Pro Tem Ralph Hise** of Mitchell County. **New Hanover County's Michael Lee**, currently Majority Leader and an active fundraiser and policy leader for the caucus, also joined the field, saying, "I am prepared to step forward and provide the leadership needed to meet the challenges ahead." Other names mentioned as possible candidates include **Sen. Amy Gale**y of Alamance County and **Sen. Brent Jackson** of Sampson County.

Senator Phil Berger's Concession Statement in Full:

"While this was a close race, the voters have spoken and I congratulate Sheriff Page on his victory. Over the past 15 years, Republicans in the General Assembly have fundamentally redefined our state's outlook and reputation. It has been an honor to play a role in that transformation. Looking ahead, I remain committed to working with my colleagues in the short session to ensure North Carolina continues to be the best state in the nation in which to live, work, raise a family, and retire. In the months ahead, I will also do everything I can do to support all Republican Senate candidates and protect our supermajority."

Land Use Plans and Ordinances

Several land use plans and development ordinances are in development across the region. In **New Hanover County**, commissioners are providing additional feedback to county staff on ongoing **revisions to the county's long-range comprehensive land use plan, Destination 2050**, with an expected revised draft later this year. Also later this year, the **City of Wilmington** is expected to begin its own comprehensive plan revision.

In **Brunswick County**, staff is completing a comprehensive revision of the county's unified development ordinance. After a significantly prolonged process, BASE is urging staff and

Commissioners to move the process toward completion.

The **Town of Leland** is also beginning the process of revising its development ordinances. Leland's current approach is intended to stretch over the course of about a year, bringing one chapter at a time to the Planning Board and then Town Council for review and approval. These documents have a major impact on land development, including the ability to develop a mix of housing options that match the workforce's affordability needs.



Holly Ridge is considering a set of targeted refinements to its Draft Comprehensive Land Use Plan (CLUP), which could be considered by Town Council at the **April 14 meeting**. These insights came courtesy of association partner **Jacksonville Board of Realtors and BASE**. They focus on tightening language and improving how the plan would be applied in practice, such as:

- Aligning housing policies with **local workforce needs**
- **Flexible design and density-neutral approaches when meeting open space and landscaping requirements**
- **Alternative compliance options to help avoid unintentional downzoning**
- Reinforcing that the CLUP is a **guiding document that reserves discretion for case-specific consideration**.

The Holly Ridge recommendations seek to introduce clearer direction for balancing competing standards within the plan, and to improve **transparency and understanding** around how growth decisions are made and how the plan is used moving forward. Overall, these are practical adjustments that make the CLUP more usable while maintaining its role as the framework for managing growth.

Holly Ridge Leaders Positioning Town for Future Prosperity

Holly Ridge has positioned itself for the future with the approval of a voluntary annexation of approximately **1,226 acres** tied to a master-planned development known as Project Ajax. Last month, the Town Council's **3–2 vote** establishes a development agreement and zoning framework that allows for **more than 2,000 new homes**, along with integrated commercial space, a nature park, and a potential future school site.



This action reflects a **thoughtful, well-planned approach to growth**—one that prioritizes balance, predictability, and long-term community value. With a **10+ year build-out**, the plan allows housing supply to be delivered in phases, helping

maintain market stability while ensuring that infrastructure scales alongside population growth.

The project goes beyond residential development. By incorporating commercial uses and community amenities, it creates a **true mixed-use environment** that supports convenience, reduces strain on transportation networks, and aligns development with infrastructure investment. It also plays a critical role in supporting workforce housing needs connected to the nearby Camp Davis Industrial Park. Guided by the town's **Draft 2025 Land Use Plan**, this approval ensures that growth occurs within a clear framework that expands the tax base, enhances economic development opportunities, and provides a diverse mix of housing options.



WMPO Hears Public-Private Partnership to Replace Cape Fear Bridge

*(Pictured: Rendering of the **Gordie Howe International Bridge**, a replacement structure to connect Michigan with Windsor, Ontario, being delivered as a public-private partnership)*

An unsolicited proposal has been received and will be formally reviewed by

NCDOT and the **Wilmington Metropolitan Planning Organization (WMPO)**, marking the most significant forward movement on the **Cape Fear Memorial Bridge** replacement in years.

Submitted in late February by Delivering Bridges LLC, the proposal outlines a **six-lane, high-rise fixed-span bridge** with an estimated cost of approximately **\$1.18 billion**, financed in part through tolling. Unlike a similar unsolicited proposal rejected in 2021, WMPO has since voted to **explore all options, including public-private partnerships (P3s)**, allowing this proposal to move forward for evaluation. NCDOT is expected to analyze the proposal and report back to the board later this summer.

This proposal comes amidst a substantial funding gap in dedicated money for the project. While roughly **\$327 million** has been identified through federal and state sources, the total project cost now exceeds **\$1.1 billion**, leaving a shortfall of plus or minus **\$700 million**. Moreover, the lion's share of the identified funding, a \$242 million federal grant, requires action from the General Assembly this year to retain the funding's availability.

Importantly, how the project is funded directly impacts whether it moves forward. Without considering a toll, the replacement bridge ranks **257 on the State Transportation Improvement Program (STIP)**. With a toll component, it rises into the **top 10**, making it eligible for state funding and positioning it for potential construction.

BASE's Comments to the WMPO Board on the Cape Fear Memorial Bridge

On behalf of BASE, Jerod Patterson delivered the following comments to the Wilmington MPO Board at its March 25 Regular Meeting:

The Business Alliance for a Sound Economy is the advocacy voice for nine business and trade associations with over 10,000 collective members and 72 businesses who operate and employ thousands of workers throughout New Hanover, Brunswick, and Pender counties.



We are committed to advocating for this region's core infrastructure needs, recognizing that infrastructure is an essential backbone for long-term economic vibrancy and quality of life.

Last year, this Board adopted the **Cape Fear Navigating Change 2050 Metropolitan Transportation Plan** to align our transportation priorities with state and federal funding realities.

The substantial research and analysis that went into that effort revealed \$8 billion in real yet unfunded transportation needs over the next 25 years for this MPO region alone, to say nothing for the balance of Brunswick and Pender counties beyond the MPO's boundaries. Left unresolved, a systemic lack of investment in core infrastructure will approach a crisis moment in growing regions such as ours in North Carolina.

On the cover of Cape Fear Navigating Change is a picture of the Cape Fear Memorial Bridge. There is no more appropriate symbol for the situation in which we find ourselves.

Today, you'll receive and discuss an unsolicited proposal for a public private partnership to replace that bridge. This is not the first such proposal seen by this board and it likely won't be the last.

I'm not here to advocate for or against that proposal. I'm simply here to ask you to advance a serious and ongoing examination of the options that such an arrangement could afford us to make this bridge replacement a reality.

The hard work of this Board and numerous staff, elected officials, and advocates secured a federal grant of \$242 million and another \$85 million through the STIP. Yet for that hard work, an estimated \$700 million funding gap remains with no clear answer in sight. And retaining and putting to use the funds we have secured is of great importance.

My encouragement is to stay the course. Examine every possible option with an open and discerning mind. Looking for solutions. It's okay to be slow to say "yes," but let's be even slower to say, "no." Until we find a solution to this problem, limiting our options is the only thing that should be off the table.

Federal Housing Legislation Continues to Advance

Major housing legislation continues to advance in Congress, with the Senate passing the **21st Century ROAD to Housing Act**, a blended bill combining both House and Senate housing proposals. The latest iteration cleared the Senate on a decisive 89–10 vote, reflecting strong bipartisan alignment on the need to increase housing supply, although North Carolina's **Senators Thom Tillis** and **Ted Budd** voted against the measure. Sen. Tillis specifically pointed to a late-added provision targeting large institutional investors and build-to-rent portfolios, arguing it could discourage capital formation and ultimately work against the bill's broader supply goals.



The underlying House and Senate bills both advanced with wide bipartisan support in recent months, and while differences remain, **the combined package reflects a clear, shared direction: reduce regulatory friction, accelerate permitting timelines, expand financing tools, and lower the cost of delivering new housing across income levels.** Senate floor discussions also emphasized workforce housing incentives, rehabilitation of existing housing stock, and

expanded use of tax credits and loan programs to unlock development in constrained markets.

Over the past week, House leadership and committee staff have begun reviewing the Senate-amended version, with early signals suggesting leadership is weighing whether to take up the bill as amended or move to a conference-style negotiation to reconcile remaining differences—particularly around investor-related provisions, federal program expansions, and the scope of preemption or incentives tied to local land use policies. There has also been quiet but notable engagement from industry groups and housing coalitions urging the House to act quickly to preserve the bill's momentum and avoid reopening major policy fights. Either path keeps the legislation on a relatively fast track compared to most housing efforts, with bipartisan momentum and growing external pressure suggesting the coming weeks will be pivotal in determining whether a final package reaches the President's desk.

For those in real estate, land development, or adjacent fields, the relevance of federal legislation may be an open question. Many of the most persistent barriers—zoning constraints, substantial delays with plan review and permitting, cumbersome ordinances, and inconsistent local standards just to name a few—are all matters of state and local control. The state's massive housing shortage, felt especially significantly in the state's southeastern corner and among more affordable market segments, reflect these state and local problems.

While federal legislation will not directly resolve those issues, it can move the guidepost by realigning incentives and program requirements. By tying funding to outcomes, promoting model approaches, and rewarding jurisdictions that produce housing, Congress is signaling a shift toward supply-focused policy. That signal matters. It creates both political cover and practical frameworks for state and local leaders to revisit policies that limit and add unnecessary costs and delays to development projects.

The action is certainly incremental but if passed, 21st Century ROAD to Housing reflects a broader shift and **the most explicit legislative acknowledgment to date that the nation's housing supply shortage is a real problem that warrants center stage in the policy conversation.** Passing the bill in Washington is just the beginning. Sustaining that momentum and translating it into aligned state and local action are key to turning this policy direction into meaningful housing production.

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