



DISCUSSION

ITEM NO. 1/a

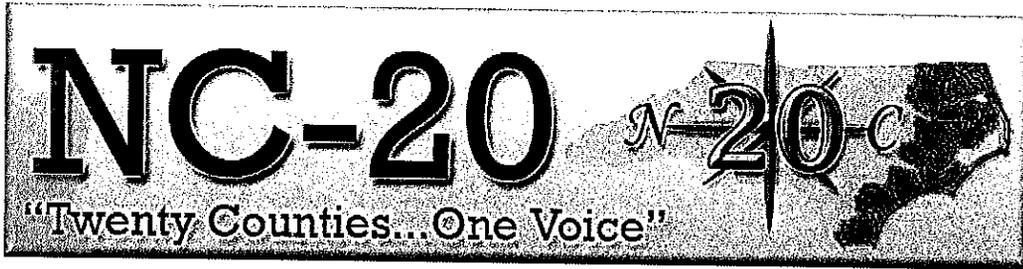
DATE OF MEETING: May 6, 2013

REQUESTED BY: Pender County Commissioner, Chester Ward

SHORT TITLE: Discussion and Information Regarding NC-20 Organization.

BACKGROUND: Commissioner Chester Ward requested at the April 2, 2013 meeting that the Pender County Board of Commissioners discuss the NC-20 Organization and the possibility of inviting a representative of NC-20 to present a formal presentation regarding the organization at a future Commissioners' meeting. NC-20 is a partnership of the people, local governments, and businesses of the 20 coastal (CAMA) Counties in North Carolina dedicated to economic development of the member counties. NC-20's theme is "Twenty Counties...One Voice." The NC-20 Mission Statement reads: "To support, defend, and further the common environment and sustainable economic development interests within the 20 coastal counties through coordinated communication, information sharing, data collection and monitoring, scientific research, and proactive interaction with legislation and executive decision makers at all levels of government." NC-20 is a non-profit, 501(c) (4) membership organization that relies on membership support and contributions to further its mission. NC-20's organizational information is attached, including a list of accomplishments, the organization's Board of Directors, and membership information/fees.

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WELCOME TO NC-20

NC-20 is a partnership of the people, local governments, and businesses of the 20 coastal (CAMA) Counties in North Carolina dedicated to economic development of the member counties.

NC 20 is a non-profit, 501(c)(4) membership organization that relies on membership support and contributions to further its mission.

Access to research, reports and other data compiled by NC 20 is a benefit of paid membership.

Members: When prompted, enter your NC 20 password to view the latest updates on Homeowners Insurance, Flood Insurance, Coastal Regulations, Sea-Level Rise and other important issues.

Not a Member? NC-20 invites you to join! To learn more, go to [Join NC-20](#) or contact NC-20 Chair Tom Thompson at tom@nc-20.com or 252-943-7930.

We look forward to your support and participation!

Email [NC-20](#)



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- Bertie
- Brunswick
- Camden
- Carteret
- Chowan
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- Currituck
- Dare
- Gates
- Hertford
- Hyde
- New Hanover
- Onslow
- Pamlico
- Pasquotank
- Pender
- Perquimans

NC-20 MISSION STATEMENT

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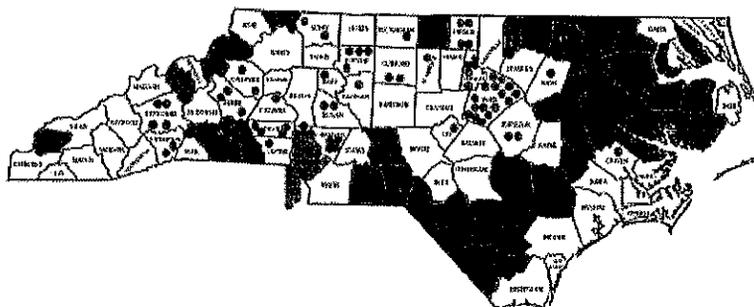
**The Two Carolina's
A look at the economy of the Coastal region.**

The graphic below demonstrates a disturbing trend. It is a trend that has gone largely unnoticed for a number of reasons. One reason is that we have just begun to emerge from the last of two back to back recessions, and absent this graph, there is a feeling that the pain is equally shared. It obviously is not. Another reason is that Eastern North Carolina has never been a manufacturing powerhouse. The Piedmont has always been considered more industrialized, even dating back to colonial times, while the east has largely been considered agricultural. There was a time when manufacturing and agriculture were both low wage occupations. The cotton mills and textile factories of the Piedmont didn't seem that much more glamorous than the tobacco and cotton fields of Eastern North Carolina.

Tyrrell
Washington

NC COUNTIES WITH JDIG GRANTS 2008-2012

Shaded counties are the top 33% of terms of poverty



The advent of the interstate highway system, however, began a steady separation in the distribution of wealth. Aided by investment in State-sponsored research, the computerization of industry, and the mechanization of agriculture, things began to change. First, the Piedmont started gaining jobs and hence population at a faster rate than the east. Eastern farm workers, displaced by such improvements as tobacco harvesters and bulk curing barns, migrated to the Piedmont, and towns such as Raleigh and Durham became world renowned educational centers. And, I might add, Mecklenburg County is not called the state of Mecklenburg for nothing.

In the seventies and eighties, Eastern North Carolina did show some promise in terms of becoming more urbanized and affluent. Such well-known companies as DuPont, Procter & Gamble and Eaton Corporation announced multimillion dollar plants. But that was then, and much of that momentum has been lost. As the graphic above shows, there have been few major manufacturing announcements east of Interstate 95 in at least the last six years. The Craven County JDIG depicted went to Cabo Yachts, which recently announced a shutdown along with Hatteras Yachts, an eastern icon. While plant shutdowns have been common throughout North Carolina due to the increasing rapidity of technological obsolescence and foreign competition, the investments in the Piedmont in microelectronics, biotechnology, and the continued improvement of the interstate highways have spawned yet another generation of manufacturing. Manufacturing employment is not only increasing, but the wages in the urban counties are astronomical by eastern standards.

The situation in the east is now becoming almost desperate. Six of the seven counties that lost population in the last census were in Eastern North Carolina. Not only did Eastern North Carolina lose representation both at the state and Federal levels because of the last census, the residual representation shows just how bad the situation has become. The 20 coastal counties, composed of the inner and outer banks counties, have the same number of State Representatives as Durham County alone. Gone are such countervailing powers as Sen. Marc Basnight and a steady stream of eastern Governors. The top leadership of the State is now divided, probably forever, between Metrolina and Triangle counties.

Admittedly, there are some bright spots in the east, such as the military, but even that seems tenuous due to the shadow of Federal budget problems and the specter of sequestration. Nevertheless, the trend is clear: the east is not just failing to keep pace, it is declining. The question is what can be done? In a nod to brevity, I shall not attempt to fully explain my suggestions. My hope is that they may generate some discussion and provide a springboard to a more robust debate about possible solutions.

First, there is no benefit in reducing incentives to growth in the Piedmont. This is not a zero sum game. Reducing double digit unemployment in the east is its own reward: the social and monetary cost of poverty and unemployment is a drag on all of us. I am not suggesting that our metro areas lower their expectations but that we increase our efforts in the east.

General MacArthur once said, "There is no substitute for victory." I will borrow that sentiment by saying, "There is no substitute for transportation." The eastern counties lie on the most affluent corridor in the world. From Boston to Miami lie the banking and political centers of the most powerful nation in the world. And yet, while all the other eastern States have four-lane, north-south highways, we have one of the most pitiful examples that can be found of transportation neglect. I will be happy to send anyone who asks a video of US 17 between New Bern and Washington in which garbage trucks are stopping traffic to pick up residential roll-out containers. Another sad fact: Myrtle Beach hijacked much of our tourist traffic by providing a four-lane corridor from I-95 decades ago. Many of us have worked for years to realize the dream of a four-lane US 17 coastal corridor that would recapture some of this north-south traffic and we are still waiting. The State DOT has a plan, but it's not a strategic plan, it's a piece at a time, some restricted access, much is not. When it is finished, if it ever is, it will be a second class highway. School buses will still be stopping traffic in significant segments. While considering the impact of JDIG grants and Research Centers, consider that our tourism industry, one of the few bright spots in another wise gloomy economy, is now burdened with ferry tolls and a perpetual debate about closing one of our biggest producers of tourism revenue, NC 12. I'll bet most readers do not know that Dare County sends substantial sums of money back to the State every year due to tourist sales taxes.

Second, realize that not all new manufacturing plants are high-tech, bio-tech, multi-million dollar investment, \$50,000 a year job providers. Moen is providing 800 jobs in New Bern making the faucets and shower heads many of us have in our homes. They came here 30 years ago and chose not to go to China. For those not involved in economic development, may I introduce the term "on-shoring." It refers to manufacturing work being brought back from China and other low-wage countries because the low wages there are not as low wage as they once were; also, the transportation and management problems often trump any labor savings. What is needed in North Carolina is a development program that works in the East and other rural areas to attract more Moen's. We obviously don't have one. (Blaming the recession is not good enough: Check the

graphic again.) There are a number of cost-effective, productive steps we could take to increase manufacturing job growth in the east which I do not have the space to enumerate here, but I would welcome the dialogue. One suggestion: JDIGs only go to high-wage, large employment plants (usually more than 200 jobs) and they don't require a county match. There are no incentives to go to smaller, less prosperous counties. One-NC grants, given to smaller companies that usually go to rural areas, require a county match. Why? And, quite frankly, there are better methods of inducing employment anyway. Lastly, get off our backs. Several years ago we were singled out for special stormwater treatment. We were told stormwater ponds (think big bucks and loss of usable land) would "capture" the fecal coliform and save our oyster beds. DENR graphics that formed the "sales pitch" for more controls showed New Hanover County Creeks rapidly degenerating in water quality (more than 30% closures). Funny thing though: Dare County had less than 1% and Beaufort County, with only 3%, had actually improved in the past ten years without any increase in stormwater ponds. Fast forward to 2012: DENR has admitted the ponds breed fecal coliform in many cases. If any wants a picture of geese living on a stormwater pond, send me your email address. The cost of this boondoggle? The State doesn't even know. Same with buffer rules on waterfront development and the most insidious threat of all: a projected rapid rise in sea level to 39" in the next 77 years with attendant "help" from the State in the form of land use mandates to "help us adapt." (Large numbers of tide gauges from the northern hemisphere show deceleration in sea level rise, including the Wilmington Tide Gauge, our State's longest record.) In all of these eastern restrictions, not one economic impact study was ever done and there was no mechanism for evaluating and removing restrictions that don't work. Fortunately, the legislature put a four year hold on any regulatory action regarding sea level rise mandates, but why should a proposal with nothing but speculation masquerading as science even be considered? Concluding: the economic disparity is getting worse. One cause is past decisions as to where State investments were made. A second is that present decisions are making things worse. Look at the graphic.

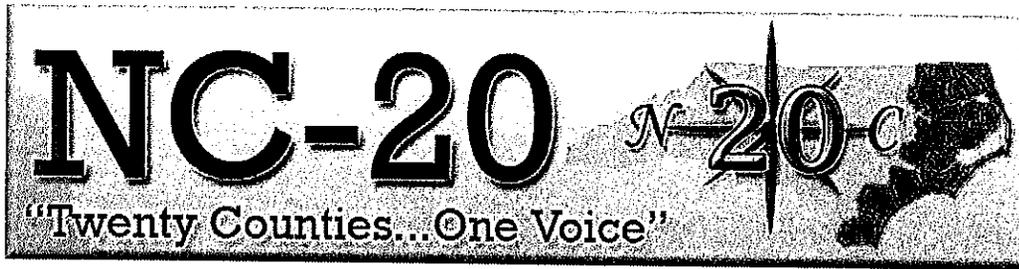
Goodwin touts settlement at NC-20 meeting- April 12, 2013

NEW BERN — The state's insurance commissioner told an audience here Friday his department's recent settlement on homeowners policy rates, which raises premiums for coastal counties, spared property owners from much higher requested increases. But one coastal legislator said the commissioner "caved" in his negotiations with insurers. [read more...](#)

NC-20 Contact: Tom Thompson

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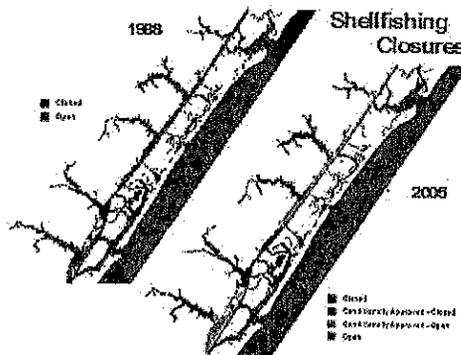
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What We Have Accomplished

An unincorporated group of local officials representing county/city governments, along with business associations, from the 20 coastal counties (CAMA) found themselves fighting excessive storm water regulation first proposed by the EMC in 2009. It was led by county managers Paul Sprull, Bobby Outten, David Peoples. They joined forces with the associations representing the North Carolina Home Builders, Realtors and others. The regulation as proposed would have required large investments in stormwater retention. There was very little scientific evidence that the rules as proposed would have a beneficial impact in many cases. Based on the claim that fecal coliform was contaminating oyster beds, the State proposed substantial retention of stormwater. DENR provided a graphic showing a New Hanover County portion of the Intercoastal Waterway with more than 60% closure rates and called this "Typical".



In fact, it was anything but typical. Carteret, Pamlico, Beaufort and Dare had less than 5% closures. No matter. The "one size fits all" approach by the State was explained by one State official thusly: "This isn't about science... it's about political science." In the end, the compromise reached was better than the original proposals, but two things became obvious to the NC 20 participants:

1. Facts do not matter in regulatory issues as much as power.
2. The 20 coastal counties were fighting with different lobbying groups, different strategies, and uncoordinated efforts.

Thus, NC 20 was born. Ironically, as this is being written several years later, the State has admitted that their solution not only didn't work, but that it actually made things worse.

In June of 2012, DENR, reporting to the CRC, admitted that stormwater ponds do not work here. They recommended that we use impervious surface materials to replace stormwater ponds. While this is a victory of sorts since our original objection to the ponds was that they would breed, not diminish fecal coliform, impervious concrete is about 10 times more expensive. And, once again, there is no compelling science to suggest that this will work either. What will work is on-site modification of soils as explained by Dr. Barrett Kays at our recent symposium in Morehead City. Essentially, it results in zero discharge in many situations, saving valuable land previously used for other remedies such as ponds.

• Homeowners Insurance was our next battle. Homeowner and dwelling rates for wind were and still are unreasonably high on the coast. Currently, the claims paid in the Outer Banks counties that compose half of the NC 20 region average about \$0.06 while the claims paid in the rest of the State average about \$0.21 which means, essentially, that the coast is subsidizing the rest of the State. In 2010, the Rate Bureau, proposed substantial increases in the cost of homeowners insurance in both rates, deductibles, and other insurance practices. The Beach Plan, in particular, was singled out for drastic revisions. NC 20 was incorporated by this time and these proposals met with far more coordinated resistance than was the case in the stormwater battle. HB 1305 was subsequently passed with major revisions that lessened the economic injury, and millions of dollars were saved by such changes as reducing the Beach Plan deductibles from 2 - 5% in any

storm to 1% in named storms only. NC 20 also got the surcharge on Beach Plan policies reduced from 20% to 15%, a savings of about \$15 million. Although a substantial number of NC 20 members participated in this effort, all would agree that the Board members Bobby Outten, Dare County Manager, and NC 20 President, Willo Kelly, deserves the lion's share of the credit due to their coordination of county efforts, exhaustive research and persistent questioning of insurance industry lobbyists and the staff of the Insurance Commissioner's office. Today, we are the unquestioned leader in the opposition to the 2012 rate filing. Our members comprised about 90% of the recent public hearing in Raleigh. We are also exploring a wide variety of options to permanently solve the problem of predatory pricing by the insurance industry.

- Another economic attack on the coast was a ruling that appeared on the DWQ web site stating that Variances issued under the Tar Pam and Neuse Buffer Rules were no longer to be considered transferable. NC 20 scheduled a meeting at the Convention Center in New Bern on September 1, 2010, to inform the public of that this ruling could effectively condemn property in the event a new owner could not qualify under whatever future rules were issued. The State had unilaterally and in violation of the law issued this ruling. A few days prior to NC 20's called public meeting on this ruling, DWQ posted a revised public notice on their web site which stated that a Variance ran with the land, could be transferred with ownership, and that Variances, once issued, would not expire. The previous posting of August 3, 2010, stating otherwise was deleted from their web site. At our September NC 20 meeting, four officials from the State came and apologized. Board member Missy Baskerville sounded the alarm, led the charge, and deserves the credit for this unprecedented reversal on the part of the State.

The assaults on our economy didn't end, however. Sea Level Rise (SLR) was the next issue that presented itself (and still does) as a threat to NC 20 Counties. It began with a draft policy from the CRC that included a planning "mandate" requiring 39" SLR be included in all land use plans. Here it is:

(a) "Consistent with this report (Science Panel - NC Sea-Level Rise Assessment Report - March 2010), the Commission adopts a planning benchmark of one meter (39 inches) of relative sea level rise above present by 2100, for the twenty coastal counties. The benchmark will be used for land use planning, and to assist in designing development and conservation projects.

(f) Private development should be designed to and constructed to avoid sea level rise impacts with the structure's design life. Water dependent structures should be designed to accommodate projected sea level rise within their design life. The Commission may require additional development standards for new and replacement structures built within areas subject to sea level rise impacts.

(g) In order to minimize the magnification of hazards, disruption and losses associated with water levels, public infrastructure should be designed and constructed to avoid sea level rise impacts within the infrastructure's design life to maximum extent practicable, except in instances where the infrastructure is built to serve an adaptation purpose, or if the structure is water dependent and designed to accommodate projected sea level rise within its design life. "

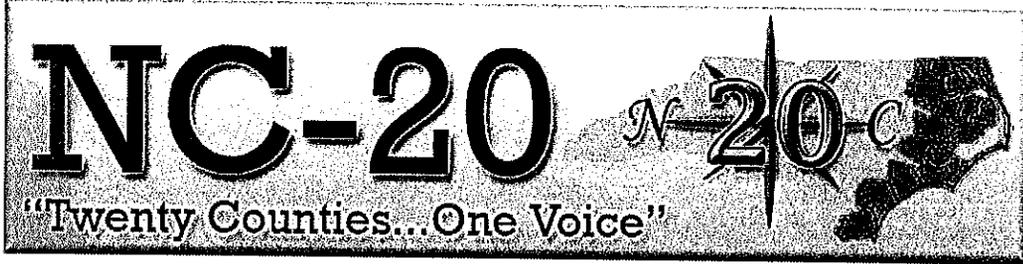
The immediate problem was the unmentioned (and unknown) cost of such a mandate. How many square miles would be lost to the tax rolls and private property owners by being labeled "flood zone?" (2000 square miles as it actually turned out). How much would it cost to raise structures and infrastructure to accommodate such an outcome? And, what about roads that would be built for a flood/SLR event 88 years from now – they would become, in effect, de facto dams. All that "preparation" would not come cheaply. The economic substitution effect of spending more on everything now meant actually ending up with less of everything later, including much needed roads and private investment. If there were valid science behind the proposal, there would have been no argument. But, sadly, there was virtually no science at all supporting such an event, only "computer models" driven by assumptions about global warming, ice melting, and sea levels rising. Most long term tide gauges showed no acceleration and, in several of the studies, a deceleration. That meant the slow, linear rate of rise (about 8" - 10" per century) was diminishing, not getting worse. NC 20 provided data that showed that there was abundant data from very reputable scientists that disagreed with accelerated SLR. The "mandate" language was removed by the CRC. NC 20 continued to challenge the Science Panel of the CRC on many of its assertions and conclusions, but the Science Panel and the CRC both continued to insist that 39" is a rational number. In June of 2012, the North Carolina State Legislature sided with NC 20 and passed H819, a bill written by Reps. Pat McElraft and Bill Cook. The bill essentially provides for a more scientific study and the elimination of any rules, regulations, or policies mandating a 39" planning benchmark until a more, open scientific investigation determines the likelihood and direction of SL changes. The battle for was ferocious at times, especially on the House side. Ultimately, the Senate passed the bill 50 -1 and the house by 67 – 45 plurality. A number of NC 20 Board members were intimately involved with SLR, but Larry Baldwin, David Burton, and Bud Stillely played prominent roles.

- Flood mapping arose as our next challenge. Although NC 20 was able to get the 39" mandate of the CRC removed, the CRC refused to delete or repudiate the report. The genie was out of the bottle and the first indication was that the Department of Crime Control and Public Safety, headed by Secretary Reuben Young, adopted the CRC's estimate and began drawing flood maps. NC 20, with the help of Rep. George Cleveland and the NC 20 legislative delegation, was subsequently able to convince the Department to use historic data which showed no acceleration, and to monitor SLR and adjust accordingly. The historic rate of SLR using the best available data is 8" by the year 2100 and NC 20 has agreed with the State Department of Crime Control and Public Safety to revisit the data every five years and adjust if necessary. Drs. Robert Dean, Professor Emeritus, and James Houston, Director Emeritus, (U. Florida and Corps of Engineers respectively) have a comprehensive, worldwide study documented on our website that shows a slight negative acceleration, meaning even the slight linear increase in SLR is beginning to level off.

- NC 20 is a 501-C-4 non-profit chartered specifically to represent the 20 CAMA counties in

regulatory matters. Its website is a wealth of information on many coastal issues. All counties from Onslow north are members and several of the towns are members as well. Individual memberships are available at differing levels depending on the interest and dedication of the individual members. Newsletters are monthly unless there is an ongoing "hot" battle in which communication is more frequent. The web site is: www.nc-20.com.

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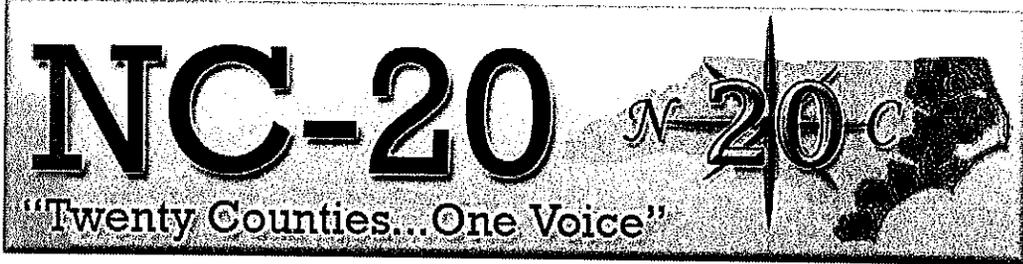


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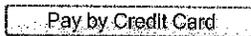
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*We support science-based regulatory policies and equity in coastal insurance.
You can lend your voice to those efforts. Join the team today.*

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NC-20
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Individual \$50.00 – Appropriate for an individual with an interest in being a part of NC 20's mission and receiving NC 20's newsletter and invitations to all meetings.

Professional \$250.00 – Appropriate for professionals such as attorneys, engineers, real estate and insurance agents, etc. with an economic interest in state and federal regulation as it affects our coastal counties.

Executive Club \$1,000.00 – Non-voting member of the NC 20 Board of Directors who will be included in all policy discussions and formulation of action plans.

President's Club \$2,500.00 – Same as Executive Club, except will be a voting member of NC 20's Board of Directors.

Chairman's Club \$5,000.00 – Member of the Executive Committee

If you want to preserve the beauty of the coastal counties while ensuring that we can use our God-given assets to increase the quantity and quality of jobs, increase our tax base, and leave our children a legacy of prosperity, join NC-20. Our membership is composed of government, business and individual members who love Eastern North Carolina and who want to see it prosper. Our dues are intentionally low to permit as wide a membership as possible. Meetings are held regularly throughout the Inner and Outer Banks Counties to update members on activities and legislative initiatives. Newsletters are sent quarterly, and we maintain constant communication with our legislators on issues of concern.

NC 20 operates on a fiscal year basis. Dues are payable October 1st of each year.

Thank you for your support.

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