



May 15, 2014

As you start the 2014 legislative short session, please let me share with you New Hanover County's legislative priority items for your consideration. These items were presented to and adopted by the New Hanover County Board of Commissioners as part of their May 5, 2014 meeting agenda.

This year's legislative agenda is a concise three-pronged approach establishing the County's intent to focus advocacy efforts on Education, Environment / Ecology and Economic Vitality. New Hanover County is prepared to monitor and advocate for these items as they may appear before the General Assembly and Congress.

Let me know if you need additional information, otherwise our expanded items are as follows:

EDUCATION

Monitor and advocate for the lottery fund reallocation and distribution for school construction

In 2013, the N.C. General Assembly rewrote the state's lottery statutes (G.S. 115C-546.2) to eliminate the guarantee of 40 percent of net lottery proceeds to county school construction needs. For the fourth consecutive year the Legislature reduced the percentage of lottery funds going to counties to help with school capital needs. Without a statutory reference that designates a portion of lottery proceeds to counties for school construction, the Legislature could decide to appropriate all of the lottery proceeds to other education purposes, thereby ending any state support for public school capital needs. For New Hanover County, that equates to approximately \$9.9M.

New Hanover County encourages the reinstatement of language to guarantee net lottery proceeds to school construction.

Advocate for increased teacher pay and funding sources

Good teachers shape students for life outside the classroom, making them well-rounded citizens with a capacity and desire for lifelong learning. Without highly effective educators, North Carolina's students will be ill-prepared for meaningful, well-paying careers, and North Carolina runs the risk of operating without a globally competitive workforce. In 2014, Governor Pat McCrory has announced an initiative to increase teacher pay. LEAs may ask counties to pay for county-funded teacher salary increases in line with the Governor's plans for bringing teacher salaries to minimum of \$35,000.

New Hanover County supports increases in teacher pay and the allocation of predictable and appropriate funding sources.

Monitor and advocate for policies, programs and funding to promote child preparedness

When we invest wisely in our region's children and families, we create a strong foundation and future for our community. Capable children grow to become positive contributors to a prosperous and sustainable society. English proficiency, literacy and comprehension, math proficiency and critical thinking are fundamental in the development of a capable, flexible, innovative and productive society prepared to compete globally and contribute as a critical component of our economic well-being.

Through our strategic planning process, the programs and services of New Hanover County are designed to mitigate barriers, create opportunities, emphasize child preparedness and encourage effective workforce development. New Hanover County therefore supports and encourages the creation and support of policies and programs to promote child preparedness and the exploration of funding sources for their implementation.

ENVIRONMENT AND ECOLOGY

Monitor and advocate for shoreline stabilization, policies, reauthorization and funding

New Hanover County is defined by many things but one of our most important associated features is the extensive coastline along our historic winding river, through our teaming estuaries to our brilliant beaches. For our region, the value of this defining line between land and water is much more than economic. While there are the tangible associated benefits like tourism, ports, fishing and shell fishing; the ecological importance of our beaches, inlets, and waterways is immeasurable.

Our shoreline management, inlet maintenance and harbor dredging projects work to restore and preserve more than sand and soil, and they incorporate good ecological and engineering practices. NHC's three inlets Mason, Masonboro and Carolina each also have site specific and historic attributes. These coastal infrastructure features are managed and maintained as part of our coastal way of life. Undoubtedly, whether a harbor dredging event, inlet management effort or coastal storm damage reduction project our natural resources are always protected and managed as significant features of our coastal interests.

New Hanover County encourages the continued authorization / reauthorization and funding of shoreline stabilization and storm reduction programs.

Review and provide comments regarding 'Waters of the United States' definition

On April 21, the U.S. Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers (Corps) jointly released a new proposed rule that would amend the definition of "waters of the U.S." and potentially expand the range of waters that fall under federal jurisdiction.

The proposed "waters of the U.S." regulation from EPA and the Corps could have significant impact on counties across the country, in the following ways and New Hanover County encourages careful study of the consequences of such language change:

The proposed rule would modify existing regulations, which have been in place for over 25 years, regarding which waters fall under federal jurisdiction through the Clean Water Act (CWA). The proposed modification aims to clarify issues raised in recent Supreme Court decisions that have created uncertainty over the scope of CWA jurisdiction and focuses on the interconnectivity of waters when

determining which waters fall under federal jurisdiction. Because the proposed rule could expand the scope of CWA jurisdiction, counties could face significant impacts as more waters become federally protected and subject to new rules or standards.

The proposed rule would define ditches as "waters of the U.S." if they meet certain conditions. This means that more county-owned ditches would likely fall under federal oversight. In recent years, Section 404 permits have been required for ditch maintenance activities such as cleaning out vegetation and debris. Once a ditch is under federal jurisdiction, the Section 404 permit process can be extremely cumbersome, time-consuming and expensive, leaving counties vulnerable to citizen suits if the federal permit process is not streamlined.

The proposed rule would apply not just to Section 404 permits, but is also relevant to other Clean Water Act programs, including stormwater, water reuse and green infrastructure. Such programs may become subject to increasingly complex and costly federal regulatory requirements under the proposed rule.

ECONOMIC VITALITY (please see New Hanover County's new economic vitality page of our redeveloping website at <http://economynhc.com>)

Monitor and advocate for laws, practices and funding mechanisms to encourage job creation, retention, and growth

Building a sustainable future for generations to come is the vision for advancing the economic prosperity of New Hanover County, its businesses, communities and residents.

Working closely with a variety of community partners is key to creating an environment that stimulates balanced growth through job creation, business assistance, housing options, and the development of a skilled workforce.

New Hanover County strategic policies and action steps aim to grow, maintain and create successful economic opportunities within our county and municipalities. The County will monitor and advocate for laws, practices and funding mechanisms to forward this objective.

Monitor and advocate for film incentives and/or film promotion in New Hanover County

In these times when the nation, state, region and New Hanover County are struggling to sustain and grow its job market, it is imperative that we provide incentive for and promotion of an existing and viable industry in our county and municipalities. While the film industry directly accounts for approximately 2,000 employees during some course of a production or season, many local businesses were established, have grown and depend on the film industry. Car rental, party supplies, clothing stores, restaurants, catering, hotels, sign companies and the list goes on and on. The indirect impact of film on the New Hanover County economy is immense. Any industry in this region providing this level of business impact to our community should be encouraged and allowed to prosper. Reciprocally, our businesses, communities and County will prosper. Without it, New Hanover County stands to lose thousands of direct and indirect businesses and jobs to competitive states eager for the industry.

Monitor and advocate for continuation of NC Historic Preservation Tax Credits

NC passed the preservation credits in 1998 and the state offers a 20% credit to projects for income producing buildings and a 30% credit for non-income producing projects (personal residences). During the 2014 short session, the NC General Assembly will decide whether to extend the state credits or allow them to sunset January 1, 2015.

In historic Wilmington, there has been over \$46 million in Historic Preservation Credit projects completed of which \$38 million was for income-producing projects.

The Historic Preservation Tax Credits have shown to be a positive "Return on Investment" for decades now in North Carolina, New Hanover County and Wilmington. With the revitalization of our historic structures comes an increase in tax value, therefore an increase in tax revenue for our municipalities, the city of Wilmington and all of New Hanover County.

On April 23, 2014 Governor McCrory announced his support for the credits with the following statement, "I'm going to make a recommendation to revive this program, redefine it, make it even more effective and preserve buildings, preserve our history and create jobs . . ."

New Hanover County supports and asks for continuation of the Historic Preservation Tax Credits and the private investment these tax credits encourage, the job creation they support, and the value added to our County. Historic preservation creates jobs, encourages the revitalization of our communities, brings new business downtown, as well as contributes to the quality of life in our community.

Thank you for your consideration and support.



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Cc:

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