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Press Release

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Stormwater Rule Won't Kill Coastal Development

Ocean, N.C. – Opponents claim that complying with new rules intended to control runoff from polluting North Carolina's coastal waters will bring economic development to a standstill in the state's 20 coastal counties, but they're arguing against history and ignoring the workings of state government and the effects of similar rules already in place.

"Every time we change rules we're told the new rules will stop development," Tom Reeder, former head of the state's wetlands and stormwater branch, says in the N.C. Coastal Federation's 2008 *State of the Coast Report*. "Nothing we've ever done has stopped development. All we do is regulate the pollution that will come from new development."

The federation's annual report, which will be released June 4, shows that the predictions of economic calamity are grossly overstated. The report also examines the devastating effects polluted runoff is having on coastal waters, traces the fractious history of the state's attempts to control what is now the largest source of water pollution along the coast and debunks many of the myths opponents have used against the new rules.

Those rules, passed by the N.C. Environmental Management Commission earlier this year, require new development to reduce building densities near shellfish waters or control more of the resulting runoff. They replace a 20-year-old stormwater program that state regulators and the state's most respected coastal water quality scientists all acknowledge has failed to protect coastal waters from bacterial pollution. The new rules are scheduled to take effect Aug. 1 unless the N.C. General Assembly intervenes.

Special interests, which include some of the most powerful lobbyists in Raleigh, have waged a well-financed campaign to persuade legislators to kill or delay the rules. The rules' effects on land development and home ownership have been at the heart of their argument. Some homebuilders, developers, realtors and their lobbyists have claimed, with little proof, that the new rules will raise the cost of a new house by as much as \$48,000. A county commissioner in Pamlico County predicts, with no evidence, that property values there will plummet 81 percent. It could get so bad, the opponents charge, that middle-income families will be shut out of the coastal housing market.

That's not likely to happen, at least if history is any guide. Dr. Eban Goodstein, an economist at Lewis and Clark College in Portland, Ore., has studied the economic effects of regulations and has written a textbook on the subject. "The economic arguments are always the

first ones used against new regulations,” he said. “The costs of meeting regulations are almost always wildly overestimated.”

Goodstein studied about a dozen environmental regulations, dating back to the 1970s. He compared what meeting the rules were forecast to cost to what they actually cost. In every case, the forecast costs exceeded the actual cost by at least 50 percent. “The forecast costs are always way too high because when the regulations are put in place business always finds a way to do it cheaper,” Goodstein said. “These forecasts, though, always assume that business will continue following the same process or use the same material and simply absorb the costs of meeting the regulation. The forecasters always ignore the ability of business to be flexible and to innovate.”

And regulations, says Goodstein, often spur innovation.

Brunswick County is among the fastest-growing counties in the country. Yet, it has had similar stormwater rules in place since 2002. Steve Stone, Brunswick’s assistant county manager, doesn’t know what all the fuss is about.

“I’m confused as to why there has been such an uproar,” he says. “Engineers and developers here have not been saying to us that it is too hard to comply with our regulations. We’re a little puzzled by some of the issues others are raising about the new rules.”

Brunswick County in September 2002 enacted countywide stormwater regulations to comply with a federal mandate that affected medium-sized cities and counties in the state. New Hanover and Onslow counties came under the program last year. The state closely fashioned the new coastal stormwater program after those rules.

“There has been no significant downturn in the permits in those counties,” said Reeder. “We’ve actually had to hire people down there to get the permits out. There’s been no economic slowdown down there because of the rules.”

The historic boom in Brunswick, Stone noted, took place while the county’s stormwater rules were in force. “2005 and 2006 were the biggest years for development in Brunswick County ever,” he said. “If our rules had a deterrent effect on development, I hate to think what development would have been like without the rules.”

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***About the North Carolina Coastal Federation:
“Citizens Working Together for a Healthy Coast”***

The North Carolina Coastal Federation (NCCF) is the state’s only non-profit organization focused exclusively on protecting and restoring the coast of North Carolina through education, advocacy and habitat restoration and preservation. NCCF headquarters are located at 3609 Highway 24 in Ocean between Morehead City and Swansboro and are open Monday through Friday from 8:30 am to 5 pm.

The headquarters include NCCF’s main offices, the Cape Lookout Coastkeeper office, a gift shop, Nature Library, Weber Seashell Exhibit, ShoreKeeper Learning Center, and adjoining nature trail. The NCCF also operates field offices in Wilmington and Manteo. For more information call 252-393-8185 or check out NCCF’s website at www.nccoast.org