



# THE FLY PAPER

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Cape Fear REALTORS®

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*Leadership at Legislative Briefing for NC Realtors®: Neal Johnson, Jerry Panz, Sherri Pridgen, and Fred Gainey get the inside scoop on legislative issues in the 2017 General Assembly session while in Winston-Salem at state meetings on January 25, 2017.*

## State Talks Sand, Insurance, Taxes, and School Calendar

### *CFR secures sand as a state priority . . .*

WINSTON-SALEM – Leaders met January 23-27 in Winston-Salem for the installation of the new NC Realtor® president, **Treasure Faircloth**, and leadership training. State staff also presented group with the [Legislative Priorities for 2017](#) for the General Assembly which began on February 1.

“With a new governor, and a long session, we’ll have a busy year,” said **Cady Thomas**, Director of Governmental Affairs for NC Realtors®.

Here is a quick glance of the 11 listed priorities, not in any particular order:

- Mortgage Interest Deduction and Property Tax Deduction – Eliminating the \$20K cap
- Beach Nourishment – Dedicated funding
- Private Road Maintenance Agreements – Mapping and addressing orphan roads
- Economic Development – Increased \$
- Insurance Reform – Consent-to-rate, etc.
- Private Process Servers – Summary ejectment
- School Calendar – Leave it as is, with the state
- Sales Tax on RE Services - No
- Development – No to inclusionary zoning, ETJ
- Workforce Housing Loan Program – Increased \$
- Historic Preservation Tax Credits – Continued and funded beyond 2020.

## Realtor® Deb Butler to House

### *Association supported Butler’s candidacy . . .*

LELAND – On Wednesday night, February 1, CFR member, attorney, and Realtor® **Deb Butler** was selected as the replacement for **Susi Hamilton’s** vacated seat, District 18. Democratic leaders from both New Hanover and Brunswick Counties met in Leland to fill the vacancy. Last month, Hamilton was appointed by Governor **Roy Cooper** to lead the North Carolina Department of Natural and Cultural Resources, which created the opening.

“Wednesday night’s meeting was very exciting,” said Butler. “This has all happened so quickly and with the General Assembly already in session, we’ll be off to the races! I am so appreciative that Cape Fear Realtors® supported me for this appointment and look forward to us working together for the region.”

“This is wonderful news,” said President **Neal Johnson**. “Beyond being a Realtor®, Deb’s a leader in the community and understands the importance of both property and homeownership rights.”



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**Legislative Luncheon**

**Friday, March 10**

**11:30 am - 1 pm**

**CFR 3rd Floor**

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★ Senator **MICHAEL LEE (D9)**

★ REP. **CHRIS MILLIS (D16)**

★ REP. **DEB BUTLER (D18)**

★ REP. **TED DAVIS, JR. (D19)**

★ REP. **HOLLY GRANGE (D20)**

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**Register Today!**

## SUP Revisions Approved by Planning Board

*End in sight, for a while . . .*

NEW HANOVER COUNTY – Following years of back-and-forth in the community, it looks like the Special Use Permit (SUP), may finally be improved. Based on input from many groups including CFR, Wilmington Chamber, HBA, NC Coastal Federation, some common ground has been identified, and a [proposed amendment](#) (beginning on page 3 of link) was approved on February 2 at the Planning Board meeting.

“Since it was put into place, the SUP has been a friction point in the community,” said Governmental Affairs Chair **Stephen Hobbs**. “Everyone agreed it was not specific enough and needed to be streamlined, but an agreed upon remedy was difficult to identify.”

In the past few months, county staff and the Planning Board have worked directly with several constituent groups to find common ground. The changes, as described in a summary from county staff notes:

“There are two components to this amendment: the changes to the Zoning Ordinance text in Article II, Article V, Article VII, and Article XI, and the changes to the Table of Permitted Uses.

Changes to Article II include striking the definitions for Limited Manufacturing and General Manufacturing, and amending the definition for Intensive Manufacturing. Additionally, a new definition is added for Sunshine List. Within Article V, Section 53.3-4.1 (Review of External Effects) is stricken. In Article VII, Section 70 is completely overhauled to provide more logical organization, clarity, and predictable processes for application, review, and decision making for Special Use Permits. Finally, Section 111-2.1 within Article XI is updated to reflect the newly required community information meeting for special use permit requests for intensive manufacturing use proposals.

The starting point for the revised Table of Permitted Uses was the version recommended in 2014 by the Planning Board. This version breaks down the manufacturing uses using the North American Industrial Classification System (NAICS) coding, providing clear discernment between use classifications. The table was then modified during the

Planning Board work sessions to amend how certain manufacturing and industrial uses are regulated within certain zoning districts.”

CFR participated throughout the process, supporting the 2014 Chamber proposal, engaging in the 2015 Coastal Federation discussions, and providing the county with Land Use Initiative Memos with recommendations in both 2014 and 2016.

Now that the amendment is approved by the Planning Board, it will go to the county commissioners for a vote at an upcoming meeting.

“The good news is that the SUP is hopefully in the rear view mirror, almost,” said Hobbs. “The bad news is it will need to be readdressed once the county redrafts the entire zoning ordinance to comply with the Comprehensive Plan. That will most likely occur in a year or two.”

## CFR First in the Nation to 100% for Broker Involvement

CAPE FEAR REGION – For the past three years, CFR has worked to increase member response to Calls for Action. The NAR [Broker Involvement Program](#) (BIP) is the most effective tool to ramp up Call for Action percentages.

“In 2014, we only had 17 brokers participating in BIP and seeing a member response rate of 15 – 25 percent,” said COO **Shane Johnson**. “With an eye on increasing this range, we began calling all brokers, and inviting them to join.” BIP participants receive a three-day notice of upcoming Calls for Action, which allows them to give a heads-up to their agents. Further, the Call for Action is sent through the broker’s email so open rates (and therefore response rates) are much higher.

Following the calling campaign, staff placed an option to join box on the broker application form. This makes it much easier for brokers to sign up.

“After two years of effort, in December we found out from NAR that we only had six brokers that were not enrolled,” said Johnson. “Within two days, we had those final six registered and are now at 100%. Based on what national is telling us, they know of no other local association that has reached this level of participation.”





## Realtor® Action Day Gearing Up for 750

*Mark your calendars for April 4 . . .*

WILMINGTON – Realtor® Action Day (RAD) this year is scheduled for Tuesday, April 4—so mark your calendars. RAD is the Association’s annual event when members are mobilized across the region to community service.

“We need everyone who has volunteered in the past to volunteer this year,” said Public Affairs Director **Adrienne Cox**. “and hope they bring another member who has not previously participated in RAD,”

The program began in 2015, with a goals of increasing the Association’s public profile, and building esprit de corps among members. The first



year about a dozen opportunities were offered with a goal of engaging 350 Realtors®. Instead, over 400 were mobilized. The

following year, the same thing happened, the mobilization goal of 500 was exceeded 600 members.

“Beyond being a great way of showing the public how Realtors® are dedicated to the community, it’s also built rapport with public officials who are shown the value of what we’re doing as an entire group,” said Cox. “Last year was the largest event the Association has ever done, this year’s goal, if achieved, will represent a historic high-water-mark level of participation by members since inception. That’s exciting, but we’ll need all hands on deck if we’re going to do it!”

## Members Engage to Support Biotechnology Efforts

UNCW – When you see deep sea rovers and scientists wearing lab coats, it’s like being on a movie set, which is quite plausible for Wilmington—but it’s not a movie set. It’s MARBIONC, aka UNCW’s Marine Biotechnology facility located off of Masonboro Loop Road. Last summer, the Governmental Affairs Committee toured the facility with head guru, Dr. **Daniel Baden**. MARBIONC is “an R&D-based economic development program based at UNCW that discovers, develops, and markets new products and

technologies derived from the sea,” according to its website.

As a result of the tour, at the request of Dr. Baden, GAC appointed two members, **Stephen Hobbs**, and **Keith Suttle**, to the Community Advisory Board.

“It gave me chills, as we went from room to room, learning about what was going on in our backyard—in a good way,” said Suttle. What began many years ago as a university marine sciences program, has turned into a juggernaut of scientific innovation identifying new products for the market, all sourced from the sea.

“Its creative, innovative, cutting-edge, renewable, and all driving economic development in the direction that takes advantage of our unique location and expertise,” said Baden, who is the organization’s Executive Principal, while serving as a Distinguished Professor at UNCW. “This is not something that Miami or Norfolk could pull off because they don’t have the profile needed that is available here. Wilmington is unique.”



*GAC and Association Leaders tour MARBIONC, learning about use of an undersea rover, May 4, 2016. Observing the presenter are: Neal Johnson, Keith Suttle, Adrienne Cox, Ea Ruth, Sharon Laney, Donna Grady, Frankie Seachrist, Julie Damron, Fred Gainey, and Dr. Daniel Baden.*

## Coastal Rule Set—After 3 Years

MOREHEAD CITY – Things rarely move quickly when it involves the government. For three years, CFR worked with numerous partners to address a flaw created by 2012 state legislation, the “legal non-conforming issue.” It was finally remedied February 1, when a [newly promulgated law](#) came into effect.

The issue arose when property damage occurred impacting over 50% of a structure’s value. Rebuilding became subject to new regulations which often prevented the repair from using the same footprint as the original structure. To address this inequity, legislation was passed in 2012 that grandfathered

single family homes and duplexes. It did not, however, include triplexes or commercial properties.

“This created both finance and insurance issues, which in turn made some properties almost unsalable, short of a cash transaction,” said **Julie Damron**, Governmental Affairs Committee member. “We surveyed coastal communities and identified thousands of impacted properties.”

Falling under the jurisdiction of the Coastal Resources Commission, chaired by **Frank Gorham**, CFR worked through the process of rulemaking to secure a fix which now accommodates both multi-family units and commercial properties. That rule came into effect on February 1.

“All the hard work by CFR, NC Realtors®, and several other groups, finally paid off,” said Damron.

## CFR Has High Numbers for NC

### *President’s Challenge in full swing . . .*

GREENSBORO – Last year, 42% of the Association’s membership contributed to RPAC. This represents the highest level of participation in the state in the large board category.

“With a membership of 2,350, that’s a lot of contributors,” said 2016 RPAC Chair **Susan Lacy**. “Thankfully, we had plenty of help.”

“Special recognition needs to go to Susan, and her co-chair **Sharon Laney** for building a strategy that involved so many people and raise 116% of goal,” said CEO **Jerry Panz**.



## EDITORIAL: Trump’s Tornado and Winds of Change

With the approval expected soon of President **Donald Trump’s** EPA pick on February 2, **Scott Pruitt**, it is hoped his first order of business is to quash efforts to broaden the definition of “waters of the United States.” While cheers may erupt in broker hallways throughout the Cape Fear Region if this happens, additional issues are rising with the same winds of change, that are cause for concern.

First let’s regress. Two years ago House Ways and Means Chair **Dave Camp** proffered a tax reform draft NAR opposed. It proposed limits to the mortgage interest deduction (MID) and capital gains, and the repeal of deductions for state and local property taxes. Remember, North Carolina already has the dubious honor of being the “first in the nation” for setting a cap on MID. Not our proudest moment, and hopefully not setting an example for others.

Whispers of Camp’s ideas are once again rustling through the streets in Washington. Deductions have become a four-letter word to some leaders, many of whom are ready to knock the wind out of the real estate industry through tax simplification that would impinge on, for instance, MID and 1031 In Kind Exchanges.

At this point, it is hard to guess what Trump, or Pruitt, or HUD Secretary Dr. **Ben Carson**, will do. We will be prepared, however, to set sail with action if these critical economic engines are mentioned in the same breath as tax relief. It appears this administration holds a mixed bag of curses and blessings. That’s politics.



# Home Mortgage

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