



**State Environmental Policy Act (SEPA)
Economic Development Impact Concerns
(Updated 6.7.10)**

NCEDA is extremely concerned about a recent court decision by Judge Stephens holding that the State Environmental Policy Act (SEPA) applies to economic development projects. The decision will have a negative, long-term impact on economic development and job creation throughout North Carolina.

- This ruling would subject every economic development project that receives state or local incentives to SEPA and dramatically reduce North Carolina's competitiveness for economic development projects.
- SEPA is a law that says, before the state can build a new state building or highway, the State must first study the project, get public input and consider all possible options and viewpoints. This can add years to the process of construction.
- Judge Stephens' decision would require private economic development projects to first undergo a SEPA review (such as EIS) – before any activity on the project could begin.
- This would mean that each project could face a delay of at least 6 months – and as much as 1.5 to 2 years – before a company could begin construction.
- Judge Stephens' decision is contrary to more than 25 years of state practice.
- The SEPA process has been around for about 25 years. During that time, thousands of private economic development projects have received incentive grants without SEPA ever being applied to them.
- The State of North Carolina has never required projects to undergo a SEPA review just because they received state incentives for job creation. And this long history shows that the legislature did not intend to subject private economic development projects to SEPA.
- A SEPA review does not provide increased environmental protection. It is simply a review process for state construction. The state and federal permitting laws are the provisions that we use to protect the environment – and they are more than adequate for that task.
- North Carolina has a strong reputation as a premier location for business and industry. Judge Stephens' order would place an undue burden on future companies – and on companies we are currently recruiting – and would significantly diminish the appeal of state and local economic development incentives.