

# State Lawmakers Approve Woodlake Referendum Bill

## Now Awaits Governor's Signature

- [By JAYMIE BAXLEY | jaymie@thepilot.com](#) Jul 26, 2019

The N.C. General Assembly has enacted legislation authorizing Moore County to create a “special assessment area” to rebuild the razed dam at Lake Surf, which has been empty for nearly three years.

The ratified bill, which passed the House 111-3 last Tuesday after winning unanimous approval in the Senate a month ago, was submitted to Gov. Roy Cooper on Thursday and is awaiting his signature.

Sen. Tom McInnis, a Richmond County Republican who represents Moore County, introduced the bill in March. State Reps. Jamie Boles and Allen McNeill, Republicans whose districts also include Moore County, introduced a companion bill in the House.

The measure will allow county commissioners to hold a referendum to create a new taxing district for residents of the embattled Woodlake Resort and Country Club, where property values have fallen sharply since the 1,200-acre lake was drained in the aftermath of Hurricane Matthew.

“It will be a big economic boon for Moore County to get that thing back up and get water back in that lake,” McInnis said in a brief interview on Thursday. “Not only for the recreation of the homeowners there, but also for potential flood control of the next hurricane or rain event that occurs.”

A referendum could set the stage for an arrangement similar to the one used to repair the Lake Ledbetter dam in Rockingham. Under that arrangement, the Richmond County Board of Commissioners issued bonds that were later repaid by property owners in a special tax assessment district.

But it remains to be seen if the Moore County Board of Commissioners will be amenable to the idea. In a joint statement released after McInnis first introduced the legislation, the commissioners said the measure would “require the county to acquire substantial debt, which would likely negatively impact the county’s recently improved bond rating.”

“Furthermore, not all homeowners on Woodlake want to incur an assessment,” the board said in the statement. “Various groups within Woodlake have approached the county with a number of possible solutions ranging from no county involvement to full county involvement, and all of them need to be explored before a final decision is made.”

A referendum would require half of the subdivision, which is home to about 2,000 people, to vote in favor of creating a new taxing district. Those voters would need to represent at least 60 percent of the assessed property value in the proposed district.

McInnis has said the bill is merely the first step of “a long and complex transaction.” In a previous interview with The Pilot, he said the success of the measure will ultimately depend on “the cooperation of the Woodlake community and the county commissioners.”

Woodlake has gone through multiple owners and two bankruptcies since it was founded as a lakefront leisure community in the 1970s. Several safety notices have been issued by the state through the years in connection with the dam, but repairs were never made.

Last year, residents of the subdivision won a class action lawsuit against Woodlake CC Corp., the company that now owns the development. The lawsuit blamed the corporation, whose president lives in Germany, for causing property values to plummet in Woodlake by repeatedly failing to comply with the state’s orders to repair the deteriorated dam.

Superior Court Judge James Webb awarded the plaintiffs more than \$40 million in compensatory damages and more than \$121 million in punitive damages, but the residents have so far been unable to collect any money from the debt-plagued corporation.

Lake Surf was drained by the state Department of Environmental Quality after the dam nearly buckled under the deluge of rain from Hurricane Matthew in September 2016. The state later tore down the dam to prevent water from pooling in the empty impoundment.

Despite being ordered by the state to protect the safety of residents, the breach is widely blamed for the extensive flooding experienced in communities downstream of Woodlake during Hurricane Florence in October 2018. About 40 families in the Lobelia area were forced to abandon their waterlogged homes after the storm pummeled the Sandhills in September.<sup>[L]</sup><sub>[SEP]</sub>

Some Woodlake residents have proposed incorporating the subdivision, which would make it the 12th municipality in Moore County. As a municipal entity, Woodlake would have taxing authority to pay for the dam.<sup>[L]</sup><sub>[SEP]</sub>

The Moore County Board of Commissioners is likely to weigh in on the latest legislative development during the board’s next regularly scheduled meeting on Aug. 6.