

Woodlake Bill Approved, but Embattled Community No Closer to Resolution

- By JAYMIE BAXLEY | Staff Reporter
- Aug 6, 2019



Gov. Roy Cooper signed a law on Thursday allowing Moore County to establish a special taxing district for the embattled Woodlake subdivision, but a vote among residents who would populate that district seems remote at this point.

Introduced by state Sen. Tom McInnis, the legislation clears the way for county commissioners to hold a referendum to fund construction of a new dam at the subdivision's centerpiece lake, which has been empty for nearly three years. Citing safety concerns in the aftermath of Hurricane Matthew, the state Department of Environmental Quality breached the previous dam in 2016.

The loss of the 1,200-acre impoundment, once touted as the largest man-made lake in North Carolina, caused home values to plummet in the gated community. Under the signed legislation, the county could hold a referendum to assess Woodlake residents in order to borrow the money needed to rebuild the dam.

McInnis pointed to the bond-funded repair of the Lake Ledbetter dam in Richmond County, where he lives, as a "template" for Woodlake. That project was financed through a special taxing district created by the Richmond County Board of Commissioners.

But Frank Quis, chairman of the Moore County Board of Commissioners, noted that the situation at Woodlake is more complex. Woodlake's barren lakebed and the remnants of its breached dam are owned by a corporation based in Germany.

"As we continue to evaluate the situation at Woodlake, we are hopeful progress is being made with the foreign owners," Quis said. "The board of commissioners will continue to work with interested parties as matters are sorted out."

The board expressed misgivings after McInnis first filed the bill in March. In a joint statement issued at the time, 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."

McInnis contends that the project would be a smart investment. Refilling the lake, he said, would increase tax revenue and could broaden the county's tax base by attracting homebuilders to undeveloped parcels in the subdivision.

"A lot of troops that are stationed at Fort Bragg want to move to Moore County, so there could be additional revenue coming into the county from new home construction," he said. "You've got about 500 undeveloped parcels in Woodlake, and a lot of lots are selling in the \$40,000 range right now. If you sell 500 lots at \$40,000 a piece, you're looking at a pile of money."

McInnis' bill won unanimous approval from the Senate in June. A companion bill filed by state Reps. Jamie Boles and Allen McNeill, fellow Republicans whose districts also include Moore County, passed 111-3 in July.

Still, McInnis said the county must be a "willing participant" in order for the effort to move forward. John Misiaszek, who has lived at Woodlake since 2006, has repeatedly tried to persuade county commissioners to create a special taxing district to pay for the dam's repair, a project that could cost upwards of \$8 million.

"We need the county on board because no private entity is going to put up \$8 million to repair that dam," Misiaszek said. "But so far, it has kind of fallen on deaf ears."

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.

"The county would benefit because values would return," Misiaszek said, adding that total assessment values in Woodlake have fallen by \$73 million since 2014. "That's a huge number."

Despite the board's past unwillingness to consider the idea, Misiaszek is hopeful that commissioners will reevaluate their position in light of the newly signed legislation.

"If they want to make it happen, it can happen," he said.

Charlie Jones, a resident whose lakefront property lost value after the lake was drained, isn't as optimistic. He noted that the legislation includes a so-called sunset clause that will cause the act to expire on July 1, 2022.

“(The commissioners) will slow-roll this until time runs out,” Jones said. “They just don't want to do it. Period.”

Jones is co-chairman of the Restore Woodlake Committee, which describes itself as a group dedicated to "charting a path forward to save our lake and dam." The committee has so far been unable to enlist county commissioners in its plight.

Woodlake has gone through multiple owners and two bankruptcies since it was developed as a lakefront leisure community in the 1970s. The subdivision was built around Lake Surf, an impoundment created by an earthen dam that was plagued by structural deficiencies, according to multiple safety notices issued through the years by the state.

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

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 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 corporation.

The state's decision to breach the dam has been blamed for the extensive flooding experienced in communities downstream of Woodlake when Hurricane Florence pummeled the area in October. About 40 families in Vass were forced to abandon their waterlogged homes.

Rebuilding the dam, McInnis said, would restore the “buffer” that once protected the downstream neighborhoods that are vulnerable to flooding. In a previous interview with The Pilot, he said the dam is “important (...) for potential flood control for the next hurricane or rain event that occurs.”

Quis declined to comment on the commissioners' willingness to pursue a referendum to create a special taxing district for Woodlake. The board did not address the legislation during a meeting on Tuesday.

