Mediation deal on Keowee land dispute

BY CARLOS GALARZA-VEVE
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WALHALLA — A court hearing over a Lake Keowee property dispute that's been litigated for seven years was not held as scheduled Monday.

Court officials said they were notified a half hour before the scheduled 2 p.m. hearing that the settlement reached during mediation last month would remain unchanged. The terms of the agreement have not been disclosed.

The case pitting the estate of R. Wallace McMahan and Crescent Resources LLC, the former real estate arm of Duke Energy South Carolina, is listed as having been "fully settled" during an alternate dispute resolution (ADR) hearing held May 16. Monday's hearing before Circuit Court Judge J. Cordell Maddox Jr. was supposed to have finalized the agreement reached in mediation.

McMahan Sr., who died in 2010, claimed in a lawsuit filed July 31, 2007, that he sold almost 78 acres in the early 1960s to Crescent Resource's predecessor — South Carolina Land and Timber — under threat of confiscation if he did not sell. The property was purchased, along with hundreds of acres from other landowners, so it could be flooded to create Lake Keowee, which is used as a source of hydroelectric power for Duke Energy. The lake also provides cooling water for Oconee Nuclear Station.

In the lawsuit, McMahan accuses Crescent of reneging on guarantees made to him, including the right to water stock. Additionally, McMahan said he was denied the opportunity to buy back some 34 acres out of the 77.5 acres he sold, which were not inundated to create Lake Keowee.

McMahan sold the property to Crescent for $22,000, which amounted to almost $284 per acre. Crescent later sold lots at the height of the real estate market at more than $300,000 per acre, the lawsuit claims.

McMahan's son, David, has been fighting his father's legal battle after his death. The younger McMahan has been embroiled in his own legal fight with Oconee County over zoning, claiming that a zoning designation imposed on him and others restricts income-making potential on his property.

A circuit judge in December declared the zoning designation — agricultural residential district — to be out of step with the state's Right to Farm Act. Attorneys for the county and the property owners have been working on a compromise to the judge's ruling that would preempt appeals and future legal cost on both sides.

David McMahan said his father's legal problems stem from taking a man on his word in a rural area at a time when agreements were often made with a handshake and little else.

stands

It took 11 hours of mediation to reach an agreement on the Lake Keowee land dispute, according to court records.

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