

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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**HOUSE BILL 1179
Committee Substitute Favorable 6/6/12
Third Edition Engrossed 6/13/12**

Short Title: Indian Cultural Center/Terminate Lease.

(Public)

Sponsors:

Referred to:

May 30, 2012

A BILL TO BE ENTITLED

1
2 AN ACT TO REQUIRE THE STATE TO TERMINATE ITS LEASE OF THE INDIAN
3 CULTURAL CENTER PROPERTY AND TO DIRECT THE DISPOSITION OF THE
4 PROPERTY.

5 Whereas, the State of North Carolina acquired the following tracts or parcels of
6 land located in Maxton Township, Robeson County, for the development, use, and maintenance
7 of an Indian Cultural Center: (i) 386.69 acres, more or less, by deed from the Riverside Country
8 Club of Pembroke, Inc., dated April 14, 1983, recorded in Book 533, Page 164, Robeson
9 County Registry and by deed dated August 24, 1984, recorded in Book 563, Page 254, Robeson
10 County Registry, less and except approximately 110 acres for the use and operation of the
11 Riverside Golf Course; (ii) 99.62 acres, more or less, by deed from Evelyn S. Morgan Abbott,
12 dated March 25, 1988, recorded in Book 575, Page 523, Robeson County Registry; (iii) 10
13 acres, more or less, by deed from H.C. Locklear, et ux, dated December 12, 1985, recorded in
14 Book 586, Page 142, Robeson County Registry; and (iv) 42.50 acres, more or less, by deed
15 from Ronald Revels and wife, Dorisetta Revels, dated December 17, 1996, recorded in Book
16 931, Page 415, Robeson County Registry; and

17 Whereas, pursuant to Chapter 1074 of the 1989 Session Laws, as amended by
18 Chapter 900 of the 1991 Session Laws and Chapter 88 of the 1993 Session Laws, the General
19 Assembly directed that the State of North Carolina enter into a 99-year lease of the Indian
20 Cultural Center property with a North Carolina nonprofit entity known as the North Carolina
21 Indian Cultural Center, Inc. (NCICC); and

22 Whereas, the State of North Carolina entered into a 99-year lease agreement, dated
23 May 12, 1994, with NCICC, which lease was subsequently amended on December 9, 1997, and
24 June 6, 2001, in accordance with S.L. 1997-41 and S.L. 2001-89 (collectively, the "lease"); and

25 Whereas, the lease provides in paragraph 8 that the Indian Cultural Center property
26 is to "be maintained and improved, at no cost or expense to the [State of North Carolina], for
27 those activities covered by the original charter of [T]he North Carolina Indian Cultural Center,
28 Inc., on file with the North Carolina Secretary of State"; and

29 Whereas, as provided in its charter, the organizational purposes of NCICC are, in
30 part: "a. [t]o respectfully present to the public accurate information on Native North American
31 history, art, and culture"; and "b. [t]o develop, establish, manage, furnish, equip, maintain,
32 preserve, exhibit and interpret to the public the North Carolina Indian Cultural Center with its
33 Indian villages, arts and crafts, archaeological digs, museums, art exhibits, library, visitors'
34 center, recreational facilities, entertainment, restaurants, concessions, and other related
35 operations of an artistic, economic development, educational, and cultural nature"; and



1 Whereas, in addition to the maintenance requirements of paragraph 8, paragraphs 16
2 and 20 of the lease require NCICC to maintain during its term of possession, at its expense, the
3 Indian Cultural Center property and all permanent structures located on the property in
4 accordance with all applicable laws, rules, ordinances, orders, and regulations of State and
5 county governmental agencies; and

6 Whereas, in March 2010, the Office of State Construction assessed the condition of
7 the improvements at the Indian Cultural Center property, from which assessment it appears that
8 the improvements on the property have not been maintained as required in paragraphs 8, 16,
9 and 20 of the lease; and

10 Whereas, subsequently, the North Carolina Department of Insurance conducted a
11 fire and safety inspection at the Indian Cultural Center property, from which inspection it
12 appears that the improvements on the property have not been maintained as required in
13 paragraphs 8, 16, and 20 of the lease; and

14 Whereas, the Riverside Golf Course, comprising approximately 110 acres, is
15 contiguous to Indian Cultural Center property and uses as a means of access the main road
16 extending through the Indian Cultural Center property; and

17 Whereas, pursuant to paragraph 13 of the lease, the State of North Carolina retained
18 the right of ingress and egress, both vehicular and pedestrian, over the main road extending
19 through the Indian Cultural Center property for the purpose of accessing the Riverside Golf
20 Course; and

21 Whereas, NCICC has hindered or prevented access to the Riverside Golf Course by
22 the State, its lessees, contractors, and invitees by changing the locks on the entrance gate to the
23 Indian Cultural Center property and by other means; and

24 Whereas, paragraph 25 of the lease requires NCICC to keep in force and maintain
25 throughout the term of the lease, fire and extended coverage insurance on the permanent
26 structures located on the Indian Cultural Center property; and

27 Whereas, pursuant to paragraph 26 of the lease, NCICC is required to keep in force,
28 for the mutual benefit of the State and NCICC, at no cost to the State, comprehensive broad
29 form general public liability insurance on the terms and conditions set forth in the lease; and

30 Whereas, NCICC has failed to provide evidence to the State that the insurance
31 required under paragraphs 25 and 26 of the lease is in force; and

32 Whereas, upon consultation with the Department of Administration, the Office of
33 the Attorney General provided NCICC with notice in a letter dated January 18, 2011, that
34 NCICC was in breach of its obligations under the lease for defaults that included some of those
35 set forth above; and

36 Whereas, the General Assembly also finds that NCICC is, and has been for some
37 time, in breach of its obligations under the lease for the defaults set forth above and other
38 defaults and that it would be in the best interest of the State if the lease were terminated and
39 existing law amended to allow the State of North Carolina to effect an alternate arrangement
40 for the disposition and management of the Indian Cultural Center property other than the lease
41 with NCICC; and

42 Whereas, pursuant to subsection (a) of Section 18 of Chapter 1074 of the 1989
43 Session Laws, as amended by Section 22 of Chapter 900 of the 1991 Session Laws, Section 1
44 of Chapter 88 of the 1993 Session Laws, Section 33 of Chapter 561 of the 1993 Session Laws,
45 Section 1 of S.L. 1997-41, and Section 1 of S.L. 2001-89, the Riverside Golf Course was
46 excluded from the real property subject to the lease and operated for a period of time under
47 separate lease agreements; and

48 Whereas, the Riverside Golf Course is not currently in operation and all lease
49 agreements for the Riverside Golf Course have either expired or allow for termination upon 30
50 days' notice by the State; Now, therefore,
51 The General Assembly of North Carolina enacts:

1 **SECTION 1.** Termination of lease and repossession of land. – Notwithstanding the
2 provisions of subsection (a) of Section 18 of Chapter 1074 of the 1989 Session Laws, as
3 amended by subsection (e) of Section 22 of Chapter 900 of the 1991 Session Laws, Section 1 of
4 Chapter 88 of the 1993 Session Laws, Section 33 of Chapter 561 of the 1993 Session Laws,
5 Section 1 of S.L. 1997-41, and Section 1 of S.L. 2001-89, the State of North Carolina shall
6 immediately terminate its lease of the Indian Cultural Center property pursuant to the terms of
7 the lease and repossess the property.

8 **SECTION 2.** Disposition of reacquired land. – After termination of the lease and
9 repossession of the Indian Cultural Center property, the Department of Administration shall
10 dispose of the Indian Cultural Center property, including the Riverside Golf Course, in
11 accordance with applicable provisions of law and shall attempt to dispose of it in such a way
12 that ensures that it will continue to serve the following purposes:

- 13 (1) The preservation, exhibition, and interpretation of Native North American
14 arts, crafts, and artifacts.
- 15 (2) The provision of information to the public on Native North American history
16 and culture.
- 17 (3) The installation of new and the renovation of existing public recreational and
18 entertainment facilities.
- 19 (4) The cultivation of economic development enterprises.

20 **SECTION 3.** This act is effective when it becomes law.