



February 24, 2014

Mrs. Deena Hayes-Greene
Chairman of the Board
International Civil Rights Center & Museum
134 South Elm Street
Greensboro, NC 27401

Subject: Greensboro City Council Follow-up Requests and Agreement Status

Dear Mrs. Hayes-Greene:

During its February 21, 2014 meeting, Greensboro City Council directed me to compile a list of outstanding questions and informational needs regarding the International Civil Rights Center and Museum (ICRCM). Below are the questions that I would like to ask you and ICRCM's representatives to respond to within 10 working days of the receipt of this transmittal. To that end, the requested due date for the ICRCM response is Tuesday, March 11, 2014.

1. Rationale, function, relationship of the five LLCs. The for profit LLC seems to own the building, does another LLC own the exhibits, etc.? Please provide a summary overview of the LLCs, how monies are transferred between the LLCs, and a graphic which shows how these are connected (i.e., how this flows and which entities own what?).
2. Implications of the tax credits, historic and new market. Time remaining for both to burn off and requirements for that to occur? We believe the original time frame was five and seven years?
3. Financial/ownership status of the Museum once the tax credits have burned off. Is the building fully owned at that point with no debt and if not, what is the indebtedness and time frame?
4. What are implications of defaulting on the debt?
5. What are the minimum operating requirements to meet the terms of the tax credits? We are told the Museum must remain open at least one day each week?
6. Has the ICRCM Attorney and City Attorney determined how to collateralize the City's loan using the building as an asset? If not, what are the options to do this and how quickly can this be accomplished?
7. Is the Museum restrained in its use of volunteers? We are told that may be the case since a for profit LLC owns the building.
8. Were the development fees paid out to the Museum landlord in 2009, 2011?
9. How is the asset management fee determined (i.e., it seems very high compared to revenues)? Where does that money go? Please provide documentation showing how this works.

10. Provide an updated letter from the financial institutions stating the current status of the tax credits.
11. Are the exhibits tied, at all, to the building?
12. Are the tax credit payments up-to-date?
13. What are the balance and the payment schedule for remaining debt and tax credits?
14. Please provide breakdown of staff salaries from 2010 through current. Please list these by position and advise how staff salaries are established (i.e., market rate, etc.)?
15. Please provide an account summary (showing any disbursements) of the restricted deposit account for the first \$750,000 loan installment.

In addition to the items above, the City Council has also directed me not to execute or finalize the forgivable loan agreement between the City of Greensboro and the ICRCM until the requested information is received and found to be acceptable by Council.

However, I would request that the ICRCM execute/finalize the loan agreement on its end. Please provide me with three (3) original copies as soon as you can for our future approval. I also ask that our attorneys work together to expedite the needed amendment supplemental to the agreement, which assigns a security interest in the real property located at 134 South Elm Street. We need this to properly secure the City's forgivable loan.

Thank you again for your support and leadership of the ICRCM. As I mentioned to you last week, I am honored to be a new member of the ICRCM Board of Directors and will do my best to provide support as needed to help ensure the Museum, an important part of our community's history, is maintained and successful. To this end, I would like to volunteer to participate on the ICRCM's Audit and Strategic Planning Committees. I would also offer that it would be helpful if the ICRCM could provide the City/City Council with on-going monthly updates on its progress to improve the operations of the Museum and efforts to advance the goals outlined in the ICRCM sustainability plan.

Please let me know if you have any questions.

Sincerely,



Jim Westmoreland, P.E.
City Manager

JRW/mm

cc: Greensboro City Council
International Civil Rights Center and Museum Board of Directors and Staff