

**Options for the Indian Cultural Center Will Allow
the Site to Meet its Cultural, Recreational, and
Economic Development Intent**



**Final Report to the Joint Legislative
Program Evaluation Oversight Committee**

Report Number 2012-13

December 12, 2012



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December 12, 2012

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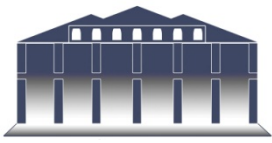
The Program Evaluation Division work plan was amended on June 25, 2012, to direct the division to evaluate the current and long-term disposition of the state property leased to North Carolina Indian Cultural Center Incorporated, a 501(c) (3) nonprofit.

I am pleased to report that the Department of Administration cooperated with us fully and was at all times courteous to our evaluators during the evaluation.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Turcotte".

John W. Turcotte
Director



PROGRAM EVALUATION DIVISION

NORTH CAROLINA GENERAL ASSEMBLY

December 2012

Report No. 2012-13

Options for the Indian Cultural Center Will Allow the Site to Meet its Cultural, Recreational, and Economic Development Intent

Summary

In June 2012, the Joint Legislative Program Evaluation Oversight Committee directed the Program Evaluation Division to evaluate options for the future disposition of the North Carolina Indian Cultural Center site located in Maxton, NC. The original concept for the Cultural Center was a theme park-like attraction dedicated to the history, culture, and heritage of North Carolina American Indians. The North Carolina Indian Cultural Center Inc. (NCICC Inc.) holds the lease on the property and is the nonprofit charged with implementing the concept.

The geography, condition, and size of the Cultural Center site hinder the development of the site as originally envisioned. The Cultural Center site is composed of four individual parcels of land totaling 528 acres. The capacity to develop the site is constrained by geography and accessibility. The existing facilities on the site are dilapidated. Because the site is thickly wooded and mostly unfenced, the Cultural Center is vulnerable to theft and vandalism.

The lease structure hinders accountability and state oversight. Over time, performance measures were removed from the property lease with NCICC Inc. Furthermore, the property lease is not an effective mechanism for overseeing the goal of creating a Cultural Center because the lease does not specify the variety, number, frequency, and quality of programs consistent with the mission.

Options for the future disposition of the Cultural Center site are limited to property allocation and sale. Weighing options for each of the parcels, rather than the site as a whole, is the most effective way to ensure the future disposition promotes North Carolina Indian culture and provides opportunities for public recreation and economic development.

The need to preserve and promote North Carolina Indian culture remains. The Cultural Center site is not the ideal place to preserve and promote North Carolina Indian culture. North Carolina's American Indians still desire a central location for the promotion of culture and statewide coordination of such efforts.

The General Assembly should terminate the property leases, direct the Department of Administration (DOA) on the disposition of the four parcels of land, and direct the Commission of Indian Affairs to develop a new strategic vision for the preservation and promotion of North Carolina American Indian culture. The leases should be terminated and DOA should be directed to allocate two parcels to the state parks and sell the remaining parcels. The commission should report to the General Assembly on the new strategic vision by April 1, 2014.

Scope

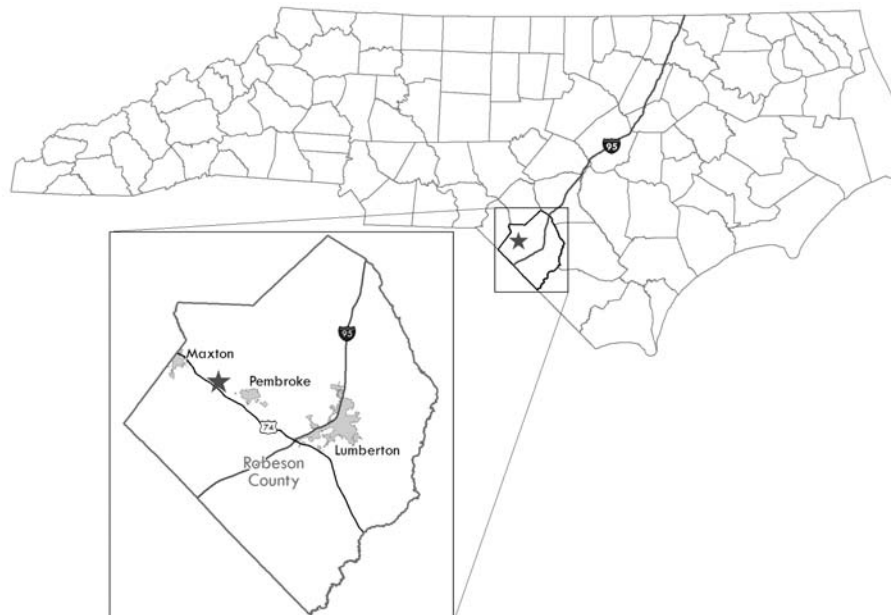
In June 2012, the Joint Legislative Program Evaluation Division Oversight Committee directed the Program Evaluation Division to evaluate the current and long-term disposition of the North Carolina Indian Culture Center and the Riverside Golf Course properties in Maxton, North Carolina (See Exhibit 1). This evaluation addressed the following research questions:

- What are the purposes of the state-owned property used for the North Carolina Indian Cultural Center and Riverside Golf Course?
- Has the use of these state-owned properties met the intended purposes?
- What options exist for future disposition of these properties giving consideration to uses that would preserve and promote North Carolina American Indian culture, serve recreation purposes, or promote economic development?

To conduct this review, Program Evaluation Division analyzed information from numerous sources and stakeholders:

- interviews with leadership from statutorily named American Indian Tribes, American Indian Organizations, the North Carolina Commission of Indian Affairs, the North Carolina Indian Cultural Center Inc. Board, Robeson County, the Departments of Administration and Environment and Natural Resources, the University of North Carolina at Pembroke, and other relevant stakeholders;
- review of North Carolina Indian Cultural Center Inc. documents and operations;
- review of statutes, session laws, and proposed legislation;
- inspections of the Cultural Center site; and
- review of property records and geographic data.

Exhibit 1: The North Carolina Indian Cultural Center is Located in Robeson County



Source: Program Evaluation and Information Services Division.

Background

In 1977, at the request of the Governor of North Carolina, state representatives conducted a visit to Robeson County to explore the potential for developing a tourist attraction built around the heritage and culture of North Carolina's American Indians. The region near the intersection of U.S. Highway 74 and Interstate 95 just north of the South Carolina state line was deemed ideal because of interstate traffic flow, development of overnight accommodations in nearby Lumberton, and the availability of local labor supply to manage the proposed attraction. Based on this assessment, the Travel and Tourism Division of the North Carolina Department of Commerce recommended the development of the North Carolina Indian Cultural Center, herein referred to as the Cultural Center.

A project feasibility study was conducted for the Commission of Indian Affairs¹ in 1981 and described the Cultural Center as serving the cultural and economic development needs of the four easternmost North Carolina American Indian communities, including the Haliwa-Saponi, Coharie, Waccamaw, and Lumbee Tribes. Though the original feasibility study named only four tribes, the intent of the concept was to preserve and promote the cultural heritage of all statutorily named tribes in North Carolina. The feasibility study also identified four sites in Robeson County as options for this tourist attraction, giving consideration to several factors including, but not limited to:

- accessibility;
- proximity to natural amenities and existing community;
- expansion capability;
- presence of existing infrastructure;
- parking availability;
- ease of acquisition; and
- economic impact.

The feasibility study recommended the Riverside Country Club as the future site for the Cultural Center because of its accessibility to major highways and the factors listed above.

The original proposal for the Cultural Center was ambitious in its concept and vision, and stakeholders had high expectations. The original concept for the Cultural Center was a theme-park-like attraction dedicated to depicting the history, culture, and heritage of North Carolina American Indians. At the time, the concept was compared to existing American Indian cultural centers such as the Indian Pueblo Cultural Center in Albuquerque, New Mexico; the Native American Center for Living Arts in Niagara Falls, New York; and the Museum of the Cherokee Indian in Cherokee, North Carolina.

The original vision for the Cultural Center incorporated the use of several facilities to provide space for exhibition and sale of North Carolina American Indian Art, performing arts, restaurants, meeting space, and educational programming. A centerpiece of this vision included an Indian village that depicted North Carolina American Indians conducting daily life

¹ The feasibility study was prepared for the Commission of Indian Affairs by Wilber Smith and Associates. A copy of the feasibility study can be obtained through the North Carolina State Archives.

activities and a trading post where contributions from surrounding tribes could be marketed to visitors. Lastly, the Cultural Center was to be a space for public recreation such as golfing, boating, and camping.

The feasibility study also made several projections regarding the operating costs, revenue, and visitation for the Cultural Center.

- **Operating costs.** The projected construction costs for the site were between \$2.7 and \$3.4 million and annual operating costs were estimated between \$420,000 and \$530,000.
- **Revenue.** The feasibility study projected visitor fees as the primary source of revenue for the Cultural Center. In the first three years, annual revenue from entrance fees would be \$397,000, increasing to more than \$535,000 annually after the fourth year.
- **Visitation.** The feasibility study estimated that annual visitation would reach 146,000 in the first three years of operation, and 200,000 by the fourth year. The majority of visitors would be local, traveling to the Cultural Center from within a 200-mile radius.

The General Assembly directed the Commission of Indian Affairs to create the North Carolina Indian Cultural Center Incorporated (hereafter referred to as NCICC Inc.) to implement the concept and vision for the Cultural Center. NCICC Inc. is a 501(c) (3) nonprofit, non-membership corporation organized exclusively for cultural, historical, archaeological, informational, educational, and charitable purposes. The organization's purpose, as stated in the by-laws, is:

to respectfully present to the public accurate information on Native North American history, art and culture by developing, establishing, managing, furnishing, equipping, maintaining, preserving, exhibiting and interpreting to the public the North Carolina Indian Cultural Center with its Indian villages, library, visitors center, recreational facilities, entertainment, restaurants, concessions, and other related operation of an artistic, economic development, educational, and cultural nature.

NCICC Inc. is governed by a board of directors that is intended to represent each of the state's statutorily named American Indian tribes and urban organizations. The nonprofit organization has no state reporting requirements and the operations and management of the Cultural Center are not overseen by any agency or commission.²

Initially, NCICC Inc. completed a number of studies such as a market study, phase one plan, and a master plan. Board meetings were held every one to two months. NCICC Inc. conducted planning, as well as property acquisition. However, NCICC Inc. did not collect the necessary capital to execute the plans. As fundraising stalled, the development of the Cultural Center concept and support for the initial vision began to wane.

The General Assembly provided start-up funding for the Cultural Center concept and vision, but expected NCICC Inc. to raise funds for

² In February 2011 Wake County Superior Court found the May 14, 2003 statute entitled "An Act to Revise the Membership of the North Carolina Indian Cultural Center Board" to be in violation of the Constitution of the United States and the North Carolina State Constitution. The ruling stated that board members should be elected in accordance with the Articles of Incorporation and By-laws of NCICC Inc. The opinion concluded that the Commission of Indian Affairs has no authority to appoint or control the members of the NCICC Inc. Board of Directors.

development and generate revenue to support Cultural Center operations. Between 1983 and 1993, the General Assembly appropriated over \$1.4 million to the Commission of Indian Affairs to purchase land, conduct environmental studies, and for administrative and operational expenses for the Cultural Center. These appropriations were made before the Department of Administration entered into a lease with NCICC Inc. in 1994. After the execution of the lease, NCICC Inc. received \$280,000 in additional appropriations to establish a reserve for land acquisition and construct and upgrade facilities (see Exhibit 2 for history of appropriations).

The General Assembly expected the nonprofit to raise the funds it needed to manage and operate the Cultural Center site. North Carolina Session Law 1989-1074 directed that the lease agreement contain a reversionary clause. The clause was to stipulate that NCICC Inc. had to raise the \$4.16 million within five years from the date of execution of the lease or the lease would automatically terminate. However, the legal requirements for NCICC Inc. to raise money changed over time. Exhibit 3 shows each instance when the General Assembly took action to relax and ultimately eliminate fundraising requirements for NCICC Inc.

Exhibit 2: History of Appropriations to the North Carolina Indian Cultural Center

Year	Legislative Authority	Purpose of Appropriation	Appropriation
1983	N.C. Sess. Laws, 1983-1116, Sec.14 (a) and (b)	<ul style="list-style-type: none"> Purchase the remaining 80% of interest in the 386.69 acres for an Indian Cultural Center in Robeson County (\$360,000) Purchase 99.62 acres adjoining Highway 74 (\$125,000) 	\$ 485,000
1985	N.C. Sess. Laws, 1985-757, Sec. 51 (a)	<ul style="list-style-type: none"> Appropriated funds to be held in reserve by the Department of Administration Commission of Indian Affairs until a nonprofit corporation is formed to manage the Indian Cultural Center 	100,000
1989	N.C. Sess. Laws, 1989-1074, Sec. 18 (b)	<ul style="list-style-type: none"> Appropriated funds to the Department of Administration for the Indian Cultural Center for an environmental impact assessment and construction of the Indian Cultural Center (\$100,000) and for operating costs of the Center (\$50,000) 	150,000
1993	N.C. Sess. Laws, 1993-561	<ul style="list-style-type: none"> Authorized the purchase of land as needed to conduct an environmental study and design the Indian Cultural Center Authorized use of up to \$50,000 from the \$750,000 for administrative and operating expenses for the Indian Cultural Center Authorized \$1,500 from the \$750,000 to maintain the golf course 	750,000
1999	N.C. Sess. Laws, 1999-237, Sec. 29.1	<ul style="list-style-type: none"> Established a reserve of \$250,000 for use of land acquisition for the Indian Cultural Center 	250,000
2005	Conference Report on the Continuation, Capital, and Expansion Budget	<ul style="list-style-type: none"> Appropriated non-recurring funds for picnic shelter and visitor restrooms and to upgrade ceremonial grounds 	30,000
Total State Appropriations			\$ 1,765,000

Note: N.C. Sess. Laws, 1983-1116 directed the purchase of 99.62 acres of land. After careful review of the deed, Program Evaluation Division analysis shows this parcel is 91.5 acres.

Source: Program Evaluation Division based on review of North Carolina General Statutes and Session Laws.

The Cultural Center site has a rich history and unique connection in the local community. History of the site dates back to 1794 when the site was believed to be part of the larger Red Banks land, aptly named after the red clay on the banks of the Lumber River. In 1937, portions of the Red Banks land were sold to the federal government's Farm Security Administration as part of the "New Deal." The land became part of a large farming cooperative known as Pembroke Farms. A portion of the cooperative was run by the American Indian families who worked 1,720 acres through a 99-year lease structure. The State did not begin acquiring parcels of this land until 1983. Exhibit 3 shows a timeline of Cultural Center property acquisition, leases, and developments since the 1960's.

The Department of Administration's State Property Office (SPO) administers and oversees two leases for the Cultural Center site; one lease for the Cultural Center, another for the Riverside Golf Course. In 1989 the General Assembly directed the Department of Administration to lease the property acquired for the Cultural Center to NCICC Inc. for a term of 99 years at a rate of \$1 a year. The SPO entered into a lease with NCICC Inc. in 1994.

The Lumbee Land Development, Inc. is the lessee for the 110 acre Riverside Golf Course. Lumbee Land Development, Inc. is a nonprofit organization with a mission "to develop a Constitution and Govern the Lumbee People." The SPO entered into a lease with the Lumbee Land Development, Inc. in May 2011 for a term of 60 days, with options for 30-day renewal. This lease is limited to maintaining and repairing the facilities on the property and is not intended for operation of the golf course.

More than 30 years after the initial feasibility study was completed, the original vision and concept for the Cultural Center has not been realized. The vision and concept outlined in the feasibility study does not currently exist and many of the facilities located at the site are in poor condition and are not safe for visitation. In 2011, the North Carolina Department of Justice issued a letter to NCICC Inc. highlighting issues that placed the tenant in default of the lease terms. However, the Department of Administration believes that taking action to cancel the lease is constrained by the fact that the lease to NCICC Inc. is set in N.C. Session Law 1989-1074. As a result, the Department of Administration sought direction from the Joint Legislative Program Evaluation Division Oversight Committee on how to proceed with the tenant and future use of the property. On June 25, 2012, the Joint Legislative Program Evaluation Oversight Committee directed the Program Evaluation Division to evaluate options for the future disposition of the properties that make up the Cultural Center site.

Exhibit 3: Property Acquisition, Leases, and Developments Since the 1960s

1960	<p>1964 – The federal government sells 392 acres of the Red Banks land to the Lumbee Recreation Center, Inc.</p>
1970	<p>1973 – The Lumbee Recreation Center, Inc. sells the property to the Riverside Country Club</p>
1980	<p>1983 – The Council of State uses \$100,000 in a reserve fund to purchase a 20% undivided interest in 387 acres of land in Robeson County; the following year, the General Assembly appropriates funds to purchase the remaining 80% of the interest in this parcel of land</p> <p>1985 – The State purchases a second parcel of land (10 acres) with direct access to Highway 74</p> <p>1988 – The State purchases a third parcel of land (91.5 acres)</p> <p>1989 – N.C. Sess. Laws, 1989-1074 directs the Department of Administration to enter into a 99-year lease with NCICC, Inc.; the legislation stated the lease must include a reversionary clause that NCICC Inc. has to raise \$4.2 million within five years of the lease being executed</p>
1990	<p>1993 – The Legislative Research Commission reports to the General Assembly that the NCICC Inc. had not been able to meet the fundraising requirements to enter into a lease with the state for the property. N.C. Sess. Laws, 1993-561 again directs DOA to enter into a 99-year lease with NCICC Inc.; the lease must include a reversionary clause that NCICC Inc. has to raise \$4.16 million within three years of the lease being executed</p> <p>1994 – The Department of Administration enters into a 99-year lease for \$1 a year with NCICC Inc.; a reversionary clause in the lease stipulates that NCICC Inc. has to raise \$4.16 million within three years of the lease being executed</p> <p>1997 – N.C. Sess. Laws, 1997-41 extends the reversionary deadline to June 1, 2001, and lowers the required fundraising amount to \$3 million and the State acquires the final 42-acre tract of land that comprises the property</p>
2000	<p>2001 – N.C. Sess. Laws, 2001-89 eliminates language from the lease that would have required the NCICC Inc. to have independently raised funds for development of the Cultural Center</p>
2010	<p>2011 – The Department of Administration enters into a maintenance lease for the Riverside Golf Course with Lumbee Land Development, Inc. for a term of 60 days with an option for four 30-day renewals</p>

Note: The Department of Administration presented information at the June 2012 Joint Legislative Program Evaluation Oversight Committee meeting indicating the 91.5 acre parcel of land is 99.62 acres. After careful review of the deed, Program Evaluation Division analysis shows this parcel is 91.5 acres. The Department of Administration has corrected their property inventory management system.

Source: Program Evaluation Division based on review of General Statutes, legislative reports, Division of Archives reports, lease documents.

Findings

Finding 1. The size, condition, and geography of the Cultural Center site hinder the development of the North Carolina Indian Cultural Center as originally envisioned.

The original intent and vision for the Cultural Center was to create a theme-park-like attraction dedicated to depicting the history, culture, and heritage of the eight statutorily named American Indian tribes.³ However, the development of the Cultural Center has been hindered by the physical characteristics and condition of the site, its relevance to the Lumbee Tribe, and its distance from the other seven statutorily named tribes.

The Cultural Center site is composed of four individual parcels of land that together total 528 acres. The four properties are situated between the towns of Maxton and Pembroke. Exhibit 4 shows each of the four parcels. These parcels vary in physical and natural characteristics, existing infrastructure, and accessibility.

- **Parcel 1:** This 384 acre parcel is the largest and includes the lake, Riverside Golf Course, Adolph L. Dial Amphitheater,⁴ outdoor pool, covered picnic pavilions, and a replica of the Lowery house.⁵ This property is accessible via a road from the east.
- **Parcel 2:** This 91.5 acre parcel is located on the southwestern side of the Cultural Center site.⁶ This parcel includes both uplands and wetlands on the south side of the Lumber River. This parcel is wooded but also has large sections of cleared farm land. There are no physical structures on the parcel and there is no paved road access through the parcel, though Highway 74 runs adjacent to it.
- **Parcel 3:** This 42 acre parcel is located on the southeastern side of the Cultural Center site and contains two building, the Long House and a second abandoned house. The Long House provides displays of cultural artifacts owned or on loan to North Carolina Indian Cultural Center Incorporated (NCICC Inc.). This parcel is accessible via a small drive off Recreation Center Road and is the only parcel that provides a concrete pad for boat access to the Lumber River.
- **Parcel 4:** This 10 acre parcel is composed entirely of wetlands. There are no facilities located on this parcel, and it is only accessible on foot from parcel 3.

Appendix A provides further detail on each of the state's parcels of land.

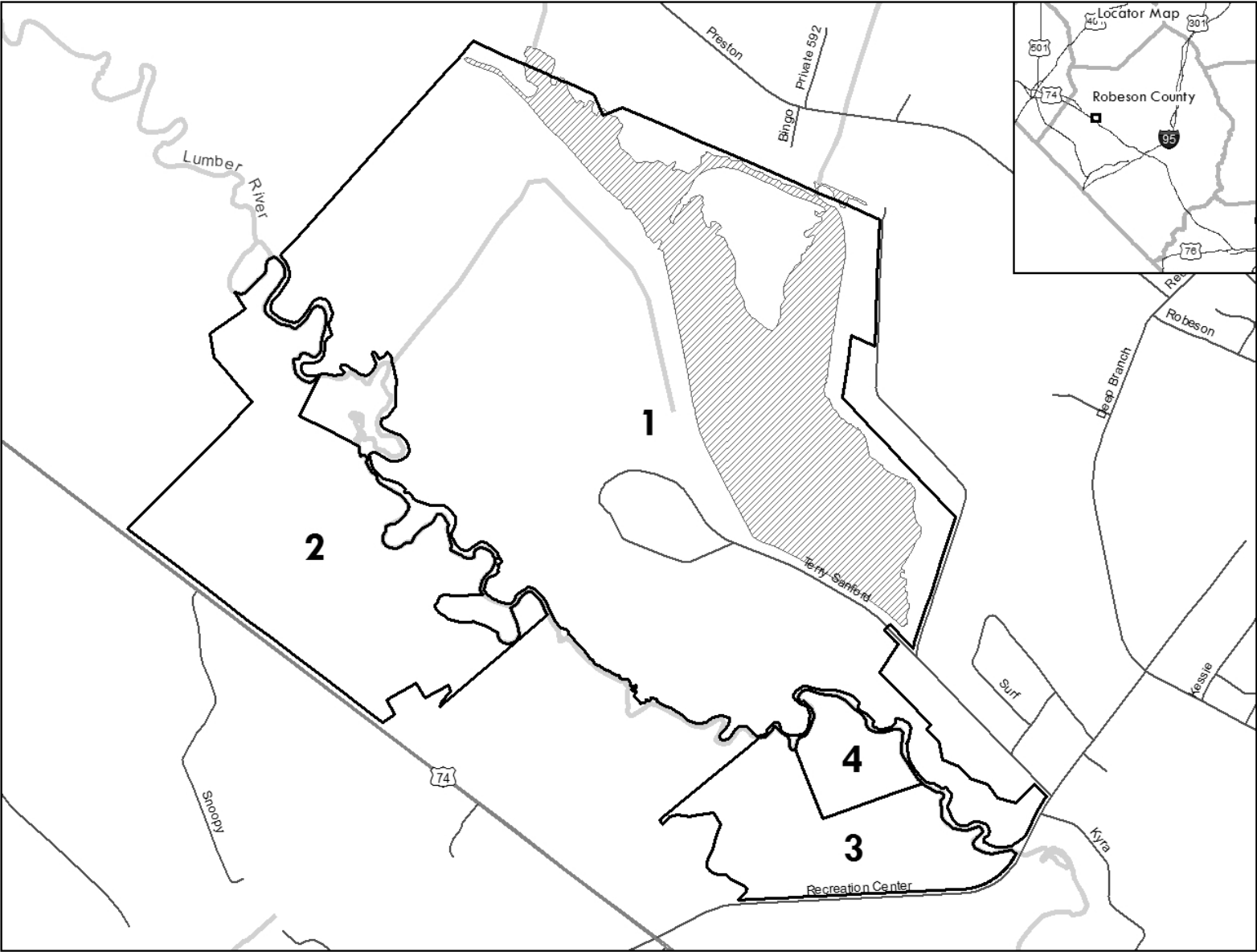
³ The Coharie Tribe, Eastern Band of Cherokee, Haliwa-Saponi Indian Tribe, Lumbee Tribe of North Carolina, Meherrin Indian Tribe, Occaneechi Band of the Saponi Nation, Sappony, and Waccamaw Siouan Tribe constitute the eight statutorily named tribes.

⁴The Adolph L. Dial Amphitheatre hosted the production of Strike at the Wind. The production shares the history of Henry Berry Lowry.

⁵ The Lowery House is a replica of the boyhood home of Henry Berry Lowery, an infamous Lumbee Indian who earned his lore by mounting an insurrection of the Home Guard during the Civil War. The Lowery House is personal property of NCICC Inc. and is not a state asset.

⁶ The Department of Administration presented information at the June 2012 Joint Legislative Program Evaluation Oversight Committee meeting indicating this parcel of land is 99.62 acres. After careful review of the deed, Program Evaluation Division analysis shows this parcel is 91.5 acres. The Department of Administration has corrected their property inventory management system.

Exhibit 4: The North Carolina Indian Cultural Center Site is Composed of Four Individual Parcels



Source: Program Evaluation Division based on Robeson County Tax Office data.

The capacity to develop the North Carolina Indian Cultural Center is constrained by the geography and accessibility of the four parcels.

Because the parcels are not contiguous, the Indian Cultural Center has not functioned in practice as one site. Instead, the site is bisected by the Lumber River, with no river crossings within the property. Parcel 1, the largest, is not accessible from any of the other parcels, as parcels 2, 3, and 4 are all south of the Lumber River.

Development of the site is further constrained by the fact that it lies within the 100-year floodplain. Appendix B provides a map showing the four parcels of land and their relation to the floodplain. Development of the site is challenged by regulations and requirements that would result in increased costs. Early development efforts at the Cultural Center site realized the challenges of development within the 100-year floodplain. The footprint of the Riverside Golf Course was identified by the NCICC Inc. board as the portion of the site with the greatest potential for development. However, the Lumbee community has not supported development of the cultural center concept on the golf course because of historical significance to the community as the only place where American Indians were allowed to golf.

NCICC Inc. has been unable to secure the large property and protect it from vandalism and other illegal activity. Securing the property and facilities is necessary for safeguarding buildings and other state-owned assets. Currently parcels 1 and 3 have gated road access. However, during site visits, Program Evaluation Division staff observed a well-worn path onto the property around the fence that is intended to restrict access to parcel 1. The Program Evaluation Division estimates that fencing the entire 528 acres of property would require a \$1.1 million dollar investment. Currently, NCICC Inc. does not have security staff, but volunteers provide security on an intermittent basis. Ease of access to the site has contributed to the recurrent illegal activity. Since 2005, local law enforcement officers have responded to 210 reported incidents at the site. The reported activity includes larceny, vandalism, trespassing, and arson.

The existing facilities on the Cultural Center site are in a dilapidated state. The Program Evaluation Division inspected the Cultural Center site on four separate instances. Many of the existing buildings are deteriorating and in a state of disrepair and have been stripped of copper wiring and anything of resale value. Buildings have exposed wiring, fire damage, and evidence of rodent and bird infestation. In addition, the amphitheater is in an unsafe condition with exposed splinters and nails, the pool is not functional, and the specialized pool equipment has been burglarized.

The Department of Administration's State Construction Office conducted an assessment of the Cultural Center site in 2010 as part of the Facilities Condition Assessment Program⁷ (FCAP), which consists of teams of engineers that assess the condition of certain state-owned buildings every three years. The State Property Office makes repair and renovation requests based on the reports. Exhibit 5 provides a table of selected

⁷ This assessment is authorized by N.C. Gen. Stat. §143C-8-2.

facilities identified in the 2010 FCAP assessment. Overall, the report identified more than \$2.1 million in total repairs.⁸

Exhibit 5:

Facilities at the Cultural Center Site Require More than \$2 Million in Renovations and Repairs

Facility	Requires renovation	Requires demolition	Estimated cost
Museum and Warehouse	✓	✓	\$ 350,000
Dwelling/Storage Building and Garage (three buildings)		✓	24,000
Amphitheater Complex		✓	1,600,000
Pool House	✓		90,000
Bath House at Boat Ramp	✓		5,000
Bath House at Athletic Field	✓		5,000
Stage at Athletic Field		✓	500
Visitor's Center at Athletic Field	✓		75,000
Total			\$ 2,149,500

Notes: The museum needs a complete renovation and the attached warehouse requires demolition. The amphitheater complex estimate includes the cost to demolish and rebuild the entire theater complex. The interior of the visitor's center at the athletic field requires completion and a review for permitting and code compliance.

Source: Program Evaluation Division based on the Department of Administration State Construction Office 2010 facilities condition assessment.

The Cultural Center site's importance to a single tribe and proximity to other tribes has presented challenges to its development. The location and history of the site holds significance to the Lumbee Tribal community. The Lumbee Regional Development Association purchased the property and created the Lumbee Recreation Center to provide opportunities for swimming, boating, fishing, and drama for the local community. This recreation center was important to the Lumbee Tribal community because the center provided opportunities during a time when no other facilities in the area were available for American Indians. As plans for the development of the Cultural Center site emerged, some members of the local community opposed plans that would lead to the loss of recreational and cultural resources.

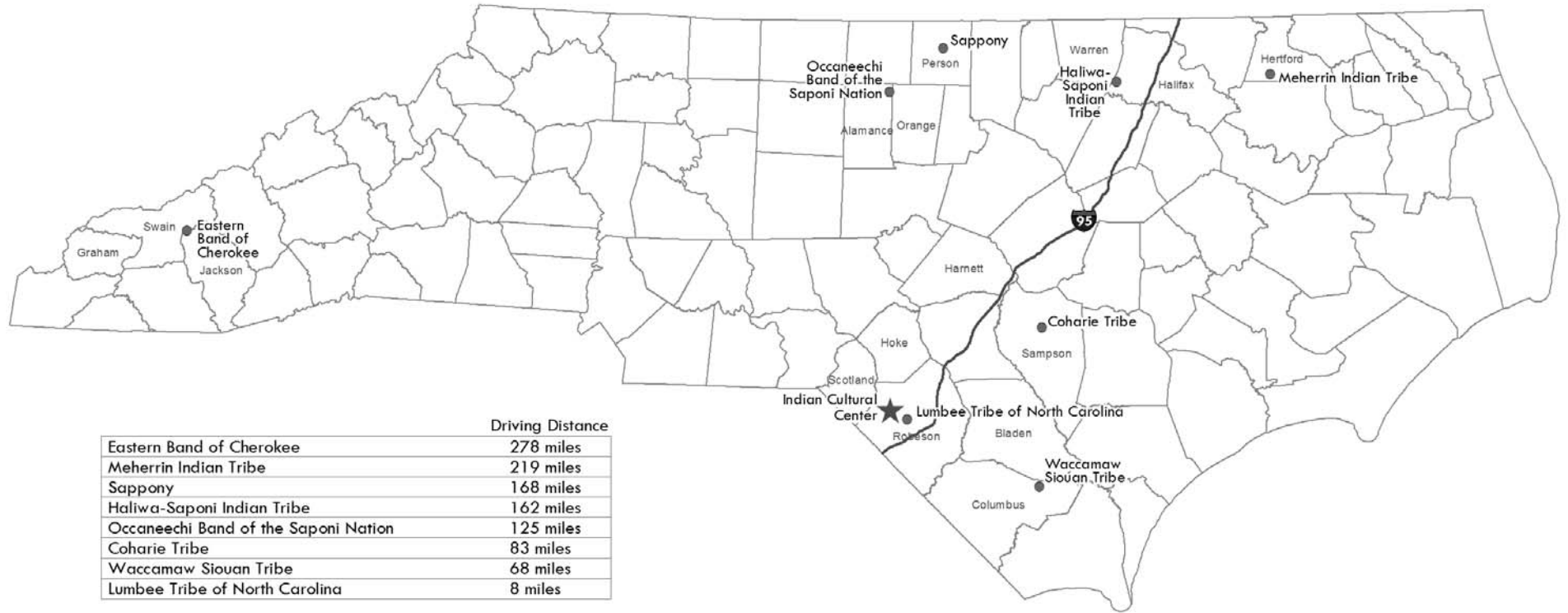
Beyond the site's cultural importance to the Lumbee community, the proximity to the seven other statutorily named tribes limits participation. The Program Evaluation Division requested interviews with all of the statutorily named tribes and met with seven of the eight. Excluding the Lumbee tribe, all other tribes interviewed stated that the location of the site

⁸ The 2010 facilities condition assessment identified a total of \$2,825,500 in repairs. However, the estimate is no longer current and includes repairs to golf course clubhouse structures that burned in 2011.

was an issue. For example, one tribal leader said “For tribes to get behind it would take an awful lot. We’re 3 hours away and we’re not willing to travel [to the Cultural Center] for an [tribal] event.” Exhibit 6 shows the estimated driving distances for each of the surrounding statutorily named tribes. Excluding the Lumbee Tribe, the Waccamaw Siouan is the closest tribe, at a distance of 68 highway miles from the Cultural Center. The furthest tribe is the Eastern Band of Cherokee, at an estimated distance of 278 highway miles from the Cultural Center site.

In summary, the Cultural Center site does not operate as originally envisioned. The site does not function in practice as one site, but instead, several parcels. Also, the site’s location in a floodplain comes with regulatory requirements that make development more costly and challenging. Moreover, the existing facilities are in poor condition and require more than \$2 million in repairs and renovations. Lastly, the site’s size and terrain make it difficult to secure. The inability of NCICC Inc. to properly secure the site has contributed to frequent illegal activity and has led to the degradation of state assets. The site’s proximity and importance in the Lumbee community has challenged past efforts to develop the Cultural Center site and will continue to pose challenges to any future development.

Exhibit 6: Estimated Driving Distance to the Cultural Center Site for Statutorily Named Tribes



Source: Program Evaluation Division based on Commission of Indian Affairs statutorily named tribe information and Mapquest.com driving distance estimates.

Finding 2. The State has no mechanism to monitor the performance of North Carolina Indian Cultural Center Incorporated and the existing property lease structure hinders accountability.

The North Carolina Indian Cultural Center Incorporated (NCICC Inc.) is not required to report to the State related to the development, management, or performance of the Indian Cultural Center concept. NCICC Inc. is a tax-exempt organization organized under section 501(c) (3) of the Internal Revenue Code. The organization is governed by a board of directors that does not include representatives of state government. The State has no ability to review or audit the finances of NCICC Inc. because it no longer receives any state funds.

In the past, the North Carolina Commission of Indian Affairs had some limited oversight of NCICC Inc. through its authority to appoint board members. North Carolina Session Law 1997-41 specified that the NCICC Inc. board be made up of 15 members, with membership from statutorily named tribes, Indian organizations, the education community, the business community, and representatives from state and federal government. The commission appointed these board members based on nominations by designated entities. However, a Wake County Superior Court determined in 2011 that the commission had no legal authority to appoint or control the members of the board of NCICC Inc. The court decision has ended any relationship between NCICC Inc. and the commission. In the past, NCICC Inc. worked closely with the commission and provided regular updates on its operations and legislative efforts.

Over time, the General Assembly removed the only performance-based requirement in the property lease with the NCICC Inc. In 1989, the General Assembly required the State to enter into a 99-year lease with NCICC Inc. North Carolina Session Law 1989-1047 also required that the lease include a reversionary clause stipulating that NCICC Inc. had to raise funds totaling \$4.16 million or the lease agreement would automatically terminate. However, the General Assembly decreased the required fundraising amount over time and eventually removed the fundraising requirement that would have triggered a termination of the lease. As required by N.C. Session Law 2001-89, the Department of Administration amended the lease with NCICC Inc. in 2001 to remove the lease condition that included the fundraising requirement. Exhibit 7 describes each action taken by the General Assembly which altered the lease's reversionary clause.

Exhibit 7

The General Assembly Altered the Lease's Reversionary Clause on Three Occasions

Session Law	Change in Reversionary Clause
N.C. Sess. Laws, 1993-561	Amended the reversionary clause by extending the fundraising date by three years to 1997
N.C. Sess. Laws, 1997-41	Extended the fundraising deadline again to June 1, 2001 and lowered the required amount to \$3 million
N.C. Sess. Laws, 2001-89	Eliminated the reversionary language in the lease entirely

Source: Program Evaluation Division based on review of N.C. Session Laws.

The property lease with NCICC Inc. is not an effective mechanism for overseeing the goal of creating the Cultural Center once envisioned.

State oversight through the lease pertains primarily to maintaining state property. For example, the lease contains a condition that NCICC Inc., at its expense, maintains all permanent structures on the premises. However, because it is a property lease, there are no programmatic requirements related to operation of an Indian Cultural Center. For example, the NCICC Inc. lease does not address what types of programs or activities are conducted on site or how the site is made available to tribes or the public for use. In addition, there are no annual reporting requirements included in the lease.

The lease does not include several best practices for nonprofit oversight to ensure accountability in its relationship with NCICC Inc. These practices include a performance-based contract, detailed monitoring plan, structured report template with program work plan, and financial audits.⁹ Such oversight best practices more typically occur within a contract or Memorandum of Understanding (MOU) document than a lease and should be included in the granting of state funds to a nonprofit. In the case of NCICC Inc., the State's current contribution to the organization is the use of State property through the lease.

The State has the option to terminate the lease with NCICC Inc. if there is any breach or default of the lease terms and conditions. In January 2011, the North Carolina Department of Justice sent a letter notifying NCICC Inc. of defaults and potential defaults of the lease. Defaults and potential defaults cited by the Department of Justice included the failure to maintain several buildings, failure to pay for city water services, assignment or sublease without approval of the Secretary of Department of Administration (DOA), and failure to provide proof of required insurance coverage. Under the lease, NCICC Inc. had 120 days to address each default. To date, DOA has not terminated the lease under defaults or potential defaults cited in the Department of Justice letter.

Because the directive that DOA enter into a 99-year lease was established in Session Law, DOA does not believe that terminating the

⁹ Program Evaluation Division (2009, November). *Accountability Gaps Limit State Oversight of \$694 Million in Grants to Non-Profit Organizations*. Raleigh: North Carolina General Assembly.

lease with NCICC Inc. would be constructive. DOA would have to enter into a lease with NCICC Inc. again because the nonprofit is specifically named in Session Law as the lessee. One senior official at DOA referred to the situation as “a statutory conundrum.”

DOA has also determined it does not have the resources to secure and maintain the property in the event it was to repossess it. Due to the rampant vandalism that has plagued the property, DOA believes securing the property could require a 24-hour security presence during the time of repossession. The Program Evaluation Division requested DOA provide cost estimates to secure the property, however accurate cost estimates are dependent on the level and duration of security needs and the duration of repossession is unknown.

In summary, the only mechanism of oversight of NCICC Inc. is a property lease, which the North Carolina Department of Justice declared to be in default in 2011. DOA has not cancelled the lease and lacks the resources necessary to secure the property if it is repossessed.

Finding 3. Weighing options for each of the four parcels is the most effective way to ensure that the site meets the criteria of preserving and promoting North Carolina Indian culture and providing opportunities for public recreation and economic development.

The Program Evaluation Division identified several options for the future disposition of the Cultural Center site. Each option was given consideration based on its ability to

- preserve and promote North Carolina American Indian culture;
- serve as a site for public recreation purposes; and
- provide opportunities for economic development.

The Program Evaluation Division also considered

- stakeholder support from the statutorily named tribes and American Indian urban organizations;
- statutory and legal considerations;
- implementation obstacles; and
- costs.

Appendix C provides a description for each of the options considered by the Program Evaluation Division along with whether the option meets the original intent, statutory requirements for exercising the option, and lastly, advantages and disadvantages for each option.

After carefully considering each option, the Program Evaluation Division determined that few options exist for the entire site that would allow it to meet its original intent. As mentioned in Finding 1, the Program Evaluation Division concluded that the geography and accessibility of the four parcels makes identifying a single option that satisfies the original intent for the entire site challenging. Therefore, developing a separate approach for the disposition of each parcel is the most effective way to promote and preserve North Carolina Indian Culture and provide opportunity for public recreation and economic development.

Parcel 1: The 384 acre parcel could satisfy the cultural and recreational intent of the Cultural Center concept. This parcel is the largest of the four parcels and includes the lake, Riverside Golf Course, the Adolph L. Dial Amphitheater, an outdoor pool and other recreation facilities, covered picnic pavilions, and a replica of the Lowery House.

The Program Evaluation Division spoke to various state and local entities to understand better their potential interests in managing or operating the Cultural Center site, including

- Department of Environment and Natural Resources, Division of Parks and Recreation;
- Lumbee Regional Development Association;
- Lumbee Tribal Administration;
- Robeson County; and
- University of North Carolina at Pembroke (UNC Pembroke);

The Lumbee Tribal Administration is the only entity that expressed interest in managing and operating the site for purposes of promoting and preserving American Indian culture and public recreation. The tribal administration discussed aspirations of reopening the golf course to the public, renovating the outdoor amphitheater to provide a venue for American Indian performance art, and promoting North Carolina American Indian communities and culture through pow-wows and other social events. The tribal administration expressed a commitment to making the property open to the public and available to other tribes and urban organizations at cost or free of charge.

The tribal administration contends it can leverage external funding streams to manage and operate the site. The Lumbee Tribe stated that it can leverage federal funding to make property improvements and operate various tribal programs through the Native American Housing and Self-Determination Act of 1996. In addition UNC Pembroke has expressed interest in partnering with the Lumbee Tribe to make use of the site for academic and recreational purposes. Officials from UNC Pembroke expressed a willingness to consider providing the Lumbee Tribe with a portion of student activity fees if the tribe were to make recreational facilities open and available to UNC Pembroke students.

Parcel 2: The 91.5 acre parcel does not possess any characteristics that would allow this site to easily satisfy any recreational or cultural purposes; however, this parcel may serve economic development purposes. This parcel includes both uplands and wetlands along the corridor of the Lumber River and a portion of the parcel forms a high, sandy bank with access to the river. This parcel does not have any improved access and does not possess any of the characteristics that would allow it to serve as a cultural or recreational purpose. Disposing of this land would allow private development of the parcel, thereby creating opportunity for economic development.

Parcels 3 and 4: The 42 and 10 acre parcels could be used exclusively for public outdoor recreation. As mentioned in Finding 1, the 42 acre parcel is the only parcel with improved access to the Lumber River and is

the only one that provides access to parcel 4. For this reason, these parcels should be considered together.

In 1989, the General Assembly designated the Lumber River as one of four state natural and scenic rivers and authorized the creation of the Lumber River State Park to preserve its outstanding character in perpetuity. The designation protects the river and several rare species of plants and animals, while also providing opportunities for recreational access and use of the river. The Cultural Center site is located within the 115 miles of the Lumber River corridor and Parcels 3 and 4 border the river.

The Department of Environment and Natural Resources, Division of Parks and Recreation evaluated this property for possible inclusion within the state park and identified portions of the Cultural Center site that would be suitable for expanding recreational opportunities within the Lumber River State Park. The division has concluded that individual parcels would be suitable for day-use paddle access, fishing, picnicking, and hiking and estimates that expanding the park would cost approximately \$250,000 to construct and approximately \$150,000 per year to operate. If more extensive facilities were desired in the future, costs would be higher.

Weighing options for each of the four parcels, rather than the Cultural Center site as a whole, ensures that the future disposition of the parcels promotes and preserves North Carolina Indian Culture and provides opportunities for public recreation and economic development. Allowing the Lumbee Tribe to manage and operate parcel 1 would ensure that the parcel could be utilized for the promotion and preservation of North Carolina American Indian culture and recreation. Disposing of parcel 2 through public sale bolsters economic development opportunities. Lastly, the use of parcels 3 and 4 to expand the Lumber River State Park would enhance public outdoor recreational opportunities and protect natural resources on those parcels. However, the Program Evaluation Division acknowledges a parcel by parcel approach eliminates the original vision to create a single location to preserve and promote the culture and heritage of North Carolina's eight statutorily named tribes.

Finding 4. North Carolina's American Indians desire a centralized location and coordination of existing resources to preserve and promote their culture and heritage.

The Program Evaluation Division conducted interviews and focus groups with tribal leadership of seven of the eight statutorily named American Indian tribes in North Carolina and three of the four American Indian urban organizations to discuss their vision for the future disposition of the Cultural Center site.¹⁰ As discussed in Finding 1, tribal leaders and urban organizations admitted the location of the Cultural Center site on Lumbee tribal grounds created some "territorial difficulty" among the tribes. In addition, other tribes did not participate in activities at the Cultural Center site because of the driving distance from their own tribal lands. As a result,

¹⁰ Cumberland County Association of Indian People and the Eastern Band of Cherokee Indians declined to participate.

the Cultural Center site has not lived up to its original vision to be inclusive of all of North Carolina's American Indian tribes.

When discussing the future disposition of the Cultural Center site, tribes and urban organizations generally were not opposed to the idea of the land going to the Lumbee Tribal Administration, and most tribes felt the administration had the capacity to manage the site. However, stakeholders observed that even if the Cultural Center site went to the Lumbee Tribe, the original vision for the Cultural Center site would remain unrealized. Several stakeholders emphasized the need for a statewide Cultural Center to preserve and promote North Carolina Indian culture with these characteristics:

- **Centralized location.** Stakeholders suggested that a statewide Cultural Center located in Raleigh would be equidistant to most tribes and situated in a neutral location.
- **Involvement of tribal leadership.** Tribal leaders emphasized the need to work within tribal government due to the perception that the Lumbee Tribe is overrepresented in the urban organizations.

Stakeholders also recognized a need for statewide coordination of existing resources and other cultural efforts to promote American Indian heritage and culture, including but not limited to:

- heritage sites on tribal lands, such as the Occaneechi Tribe's replica Indian village in downtown Hillsborough and the Oconaluftee Indian Village operated by the Cherokee Historical Association;
- museums of Indian culture, such as the Indian Museum of the Carolinas in Laurinburg, the Frisco Native American Museum on Hatteras Island, and the Museum of the Native American Resource Center at the University of North Carolina at Pembroke; and
- statewide cultural events, such as the American Indian Heritage Celebration at the North Carolina Museum of History.¹¹

Stakeholders echoed the sentiment that the current Cultural Center site is not the ideal place to preserve and promote North Carolina's American Indian heritage. Tribal leaders and urban organizations expressed the desire for the state to identify a central location to promote American Indian culture and provide statewide coordination of such efforts. Currently no such plan for coordination of existing resources exists.

In sum, the Cultural Center site has not become what was once envisioned. Past and future development of this site for what was envisioned is constrained by geography, the current condition of the site, and the size of the property. Further, a lease is not the appropriate mechanism for managing the programmatic efforts to develop the Cultural Center. The site can still serve cultural, recreational, and economic development purposes. However, the State needs to develop a new strategic plan for the preservation and promotion of North Carolina American Indian culture.

¹¹ The North Carolina Department of Cultural Resources and the Commission of Indian Affairs jointly sponsors this annual event in November.

Recommendations

Recommendation 1. The General Assembly should enact legislation directing the Department of Administration to terminate the leases for the Cultural Center and Riverside Golf Course properties.

As stated in Finding 2, leases do not provide a mechanism to monitor the performance of North Carolina Indian Cultural Center Inc. (NCICC Inc.) and the existing property lease structure hinders accountability. In January, 2011, the North Carolina Department of Justice sent a letter notifying NCICC Inc. of defaults and potential defaults of the lease. House Bill 1179 introduced during the 2012 session, directed the State to terminate both leases. The legislation passed both the House of Representatives and the Senate; however, the legislation was not enacted. During consideration of this legislation, the Joint Legislative Program Evaluation Oversight Committee directed the Program Evaluation Division to evaluate options for the future disposition of the properties.

The General Assembly should direct the Department of Administration to

- terminate the lease of the Indian Cultural Center property pursuant to the terms of the lease and repossess the property; and
- terminate the lease of the Riverside Golf Course property upon giving 30 days' notice pursuant to the terms of the lease and repossess the property.

Termination of the leases should occur within 90 days of the legislation becoming law.

Recommendation 2. The General Assembly should direct the Department of Administration to dispose of and allocate the Cultural Center parcels if these properties are repossessed by the State.

As stated in Finding 3, despite appearing as one contiguous property, geography and accessibility of the four parcels makes it more challenging to find an option that satisfies the original vision for the entire 528-acre Cultural Center site. Weighing options presented in Finding 3 for each of the 4 parcels, rather than the Cultural Center site as a whole, is the most effective way to ensure that the future disposition of the parcels promotes and preserves North Carolina American Indian culture and provides opportunities for public recreation and economic development.

To this end, the General Assembly could direct the Department of Administration (DOA) to take the following actions on each of the four parcels in the event the State should repossess the parcels:

- **Parcel 1:** DOA could dispose of the 384 acre parcel through private sale, giving the Lumbee Tribal Administration right of first refusal to purchase the property. Sale of the property should reflect the fair market value of the parcel with consideration given to the conveyance stipulations and the parcel's use as a local community and recreation center. Conveyance of the site could include the following stipulations:
 - the parcel must be made open and available for public use;
 - the parcel must be available for use by North Carolina tribes and American Indian urban organizations free or at cost;

- the parcel cannot be sold or subdivided; and
- the natural resources located on the parcel cannot be sold or leased.

However, if the Lumbee Tribal Administration does not purchase Parcel 1, DOA should be directed to dispose of this property through public sale.

Failure of the owner to honor the conveyance stipulations will result in the property reverting back to the State for public use.

DOA estimates it would need \$7,300 for the appraisal of this parcel.

- **Parcel 2:** This 91.5 acre parcel offers the potential to bolster economic development. General Assembly could direct DOA to dispose of this property through public sale in a time and manner that optimizes the sale value. DOA estimates it would need \$1,700 for the appraisal of the parcel.
- **Parcels 3 and 4:** These two parcels should be considered together, as parcel 4 is only accessible through parcel 3. These combined parcels possess enough uplands and river access to make it suitable for day use paddle access, fishing, picnicking, and hiking. The General Assembly could direct DOA to allocate Parcels 3 and 4 to the Department of Environment and Natural Resource's Division of State Parks and Recreation to expand the Lumber River State Park. This action would allow for the development of recreational activities while providing protection of natural resources.

Based on information from the Department of Environment and Natural Resource's Division of State Parks and Recreation, the expansion of the Lumber River State Park would require additional funding:

- \$250,000 nonrecurring appropriation for initial construction; and
- \$150,000 recurring appropriations for operation of the expanded Lumber River State Park.

If the General Assembly chooses not to allocate the properties to the Division of State Parks and Recreation, the General Assembly could consider placing the property in a conservation easement or disposing of the properties through public sale.

The General Assembly could appropriate \$9,000 to DOA to administer the sale of Parcels 1 and 2. To recoup expenses associated with selling any of the parcels proceeds from the disposal of any of these parcels could be used to reimburse the General Fund. The remainder could be deposited into a fund administered by the Department of Cultural Resources to be used for the promotion and preservation of North Carolina American Indian culture.

The Department of Administration should be required to report to the General Assembly on the disposition of the parcels one year from the date of the termination of the lease.

Recommendation 3: The General Assembly should direct the Commission of Indian Affairs to develop and implement a new strategic plan for the promotion and preservation of North Carolina American Indian culture.

As stated in Finding 4, North Carolina American Indians want to preserve and promote their culture and heritage. To this end, the General Assembly should direct the Commission of Indian Affairs to establish a working group to develop and implement a new strategic plan for the promotion and preservation of North Carolina Indian culture. The working group should include representatives from the eight statutorily named tribes and representatives from the Department of Cultural Resources.

The strategic plan should assess the state of North Carolina American Indian cultural resources. This assessment should include, but not be limited to:

- developing an inventory of museums, cultural activities, and regional efforts conducted by tribes and urban organizations;
- identifying strengths, weaknesses, opportunities, and challenges for promoting and preserving American Indian heritage and culture in North Carolina;
- creating a vision, mission, goals, and objectives for promoting and preserving North Carolina American Indian culture; and
- identifying the resources, monetary and non-monetary, needed to accomplish the near and long-term goals of this new vision for preserving and promoting North Carolina American Indian heritage.

The Department of Administration believes the Commission on Indian Affairs does not have the capacity or expertise necessary to conduct the caliber of strategic plan needed to promote and preserve North Carolina American Indian culture. Therefore, the General Assembly could choose to appropriate \$13,000 to the Department of Administration to contract for professional consultation to conduct a strategic plan.¹²

The Commission on Indian Affairs should be directed to submit the strategic plan developed by the working group to the Joint Legislative Program Evaluation Oversight Committee and the Joint Legislative Commission on Governmental Operations on or before April 1, 2014. This reporting deadline would allow discussion of the strategic plan at commission meetings and the annual American Indian Unity Conference.

Appendices

Appendix A: Description and Tax Values of the Four Parcels

Appendix B: Most of the Indian Cultural Center Site Lies within the 100-Year Floodplain

Appendix C: Options Considered for the Disposition of the Cultural Center Site



¹² This figure includes the resources necessary to contract for strategic planning facilitation and the per diem for tribal stakeholders participating in the planning process.



Program Evaluation Division Contact and Acknowledgments

For more information on this report, please contact the lead evaluator, Sean Hamel, at sean.hamel@ncleg.net.

Staff members who made key contributions to this report include Jeff Grimes, Pamela L. Taylor, and Larry Yates. John W. Turcotte is the director of the Program Evaluation Division.

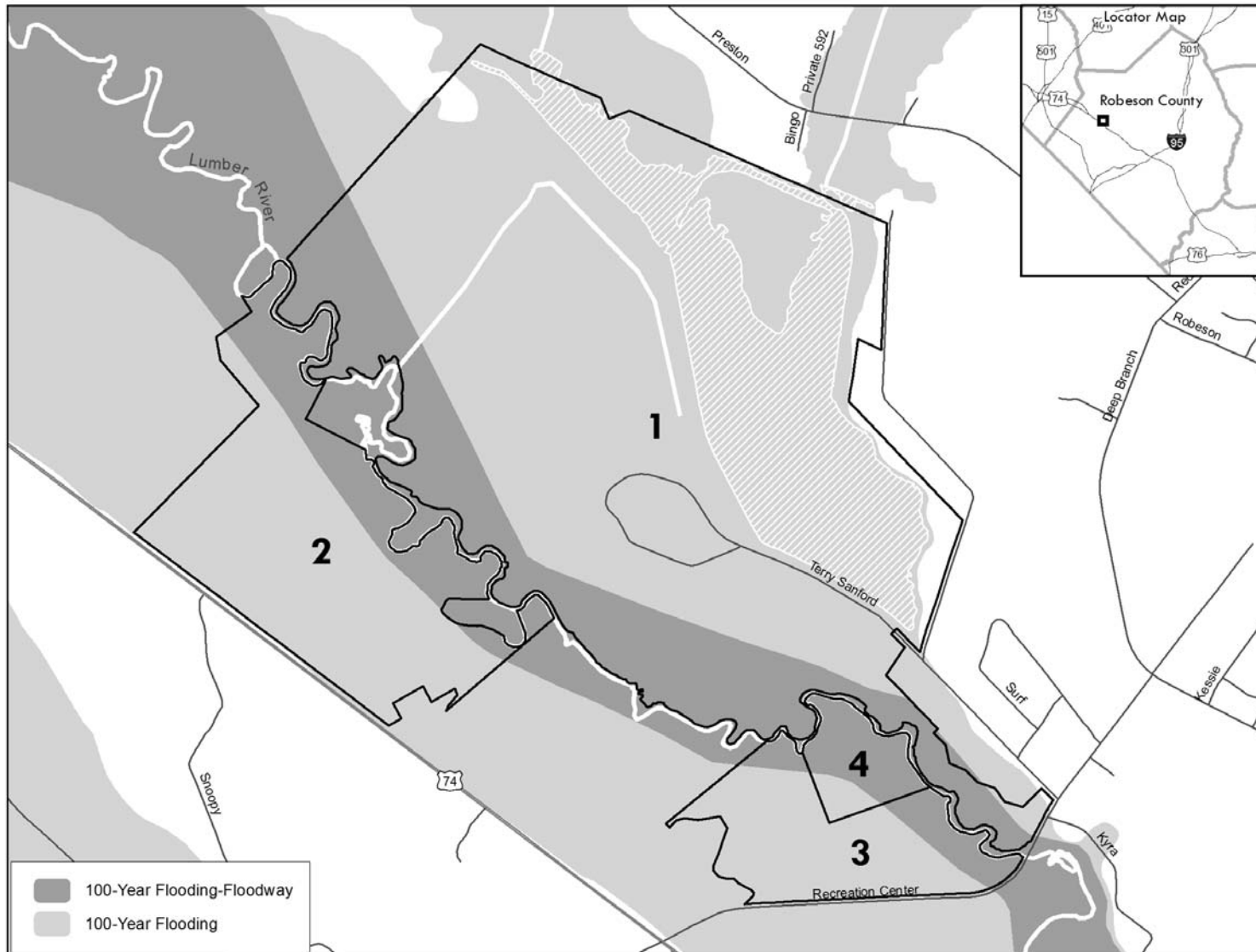
Appendix A: Description and Tax Values of the Four Parcels

Parcel 1 	Size	384.1 deeded acres	
	Property Description	This parcel is the largest of the four parcels and includes the lake, Riverside Side Golf Course, the Adolph L. Dial Amphitheater, an outdoor pool and other recreation facilities, covered picnic pavilions, and a replica of the Lowery House. This property has one single point of access from Terry Sanford Drive. The Seaboard rail line, owned by CSX, borders the northern portion of this parcel. The northern portion is also the location of the Riverside Golf Course.	
	Value	Land	\$899,600
		Improved	\$77,540
Assessed		\$1,675,000	
Parcel 2 	Size	91.5 deeded acres	
	Property Description	This 91.5 acre parcel is located on the southwestern side of the Cultural Center site. This parcel includes both uplands and wetlands along the corridor of the Lumber River and a portion of the parcel forms a high, sandy bank with access to the river. This parcel is mostly wooded but has large sections of cleared farm land. This parcel has no physical structures located on the property and does not have road access.	
	Value	Land	\$174,000
		Improved	N/A
Assessed		\$174,000	

<p>Parcel 3</p> 	<p>Size</p>	<p>42 deeded acres</p>	
	<p>Property Description</p>	<p>This 42 acre parcel is located on the southeastern side of the Cultural Center site and contains two buildings; one known as the “Long House” and an abandoned house. The Long House serves as a museum, gift shop, and meeting hall and is the only facility on the 500+ acre state property that provides displays of cultural artifacts. This parcel has a single point of access off of Recreation Center Road and is the only one of the four parcels that provides a concrete pad for boat access to the Lumbar River.</p>	
	<p>Value</p>	<p>Land</p>	<p>\$54,000</p>
		<p>Improved</p>	<p>\$319,900</p>
		<p>Assessed</p>	<p>\$374,500</p>
<p>Parcel 4</p> 	<p>Size</p>	<p>10 deeded acres</p>	
	<p>Property Description</p>	<p>This 10 acre parcel is composed entirely of wetlands. There are no facilities located on this parcel and it is geographically isolated because it is surrounded by private property and parcels 1 and 3</p>	
	<p>Value</p>	<p>Land</p>	<p>\$47,000</p>
		<p>Improved</p>	<p>N/A</p>
		<p>Assessed</p>	<p>\$47,000</p>

Source: Program Evaluation Division based on site inspections and Robeson County tax information.

Appendix B: Most of the Indian Cultural Center Site Lies within the 100-Year Floodplain



Source: Program Evaluation Division based on data provided by Robeson County and the North Carolina Floodplain Mapping Program.

Appendix C: Options Considered for the Disposition of the Cultural Center Site

Option	Description	Meets Original Intent	Legislative Action Needed	Advantages	Disadvantages
Maintain the current leases for the Cultural Center site	Department of Administration would continue to lease the property to the nonprofit, North Carolina Indian Cultural Center Inc. as specified in N.C. Sess. Laws, 1989-1074	<ul style="list-style-type: none"> • Preserve and promote North Carolina Native American culture • Use property for recreation purposes • Promote economic development 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Does not require action by the General Assembly 	<ul style="list-style-type: none"> • Cultural Center site is not meeting its original intent at this time • Current lease has been determined to be in default • Lease structure does not provide oversight of programmatic activities
Lease Cultural Center site to a different entity	The General Assembly would direct DOA to terminate the existing leases and undergo a competitive Request for Proposals (RFP) process for interested parties to operate the Cultural Center site and Riverside Golf Course under a new lease	<ul style="list-style-type: none"> • Preserve and promote North Carolina Native American culture • Use property for recreation purposes • Promote economic development 	<ul style="list-style-type: none"> • Clarify N.C. Sess. Laws, 1989-1074 to allow DOA to enter into a lease with a new entity and use best practices to ensure that the original intent can be carried out by the lessee 	<ul style="list-style-type: none"> • RFP process could stipulate the potential lessee's financial capacity to operate and manage the Cultural Center site • Lease terms could stipulate use of the site for all of North Carolina's Indian tribes • Lumbee Tribal Administration expressed interest 	<ul style="list-style-type: none"> • Lease structure does not provide oversight of programmatic activities • State may incur some costs for management of the Cultural Center site until new lease begins
Conveyance of the Cultural Center site to the Lumbee Tribal Administration	The State would convey the land to the Lumbee Tribal Administration via grant or sale	<ul style="list-style-type: none"> • Preserve and promote North Carolina American Indian culture • Use property for recreation purposes • Promote economic development 	<ul style="list-style-type: none"> • Modify state law to cancel lease and repossess property • Modify state law to convey property to the Lumbee Tribal Administration 	<ul style="list-style-type: none"> • Eliminates need for state oversight of operation and management of the cultural center site • Deed restrictions could require that site meet its original intent 	<ul style="list-style-type: none"> • State would make a large gift to a single tribe • May be stakeholder opposition to a gift to one tribe
Operate a state-funded cultural center	The State would direct DOA to cancel the existing lease, repossess the property, and allocate the land to the Department of Cultural Resources to develop into a state historic site for North Carolina American Indian culture	<ul style="list-style-type: none"> • Preserve and promote North Carolina American Indian culture • Use property for recreation purposes • Promote economic development 	<ul style="list-style-type: none"> • Modify state law to cancel lease and repossess property • Appropriate funds for the creation and operation of a state historic site for North Carolina American Indian culture 	<ul style="list-style-type: none"> • Strengthens state oversight of programmatic activities to ensure site meets original intent 	<ul style="list-style-type: none"> • State assumes cost for the operation and management of the site • Requires a minimum \$2.1 million investment and \$420,000 in recurring funds

Option	Description	Meets Original Intent	Legislative Action Needed	Advantages	Disadvantages
Dispose of the Cultural Center site via gift to Robeson County	The State would grant the land to Robeson County	<ul style="list-style-type: none"> • Use property for recreation purposes • Promote economic development 	<ul style="list-style-type: none"> • Modify state law to cancel lease and repossess property • Modify state law to grant property to Robeson County 	<ul style="list-style-type: none"> • Eliminates need for state oversight of operation and management of the Cultural Center site 	<ul style="list-style-type: none"> • Robeson County expressed no interest in owning or operating the Cultural Center site
Allocate land to the University of North Carolina at Pembroke	The State would direct DOA to cancel the existing lease, repossess the property, and allocate the land to the university	<ul style="list-style-type: none"> • Use property for recreation purposes 	<ul style="list-style-type: none"> • Modify state law to cancel lease and repossess property 	<ul style="list-style-type: none"> • Support student recreation and academic programs • Has a potential funding source to support site operations (student recreation fees) 	<ul style="list-style-type: none"> • Requires state appropriation and an exemption from the Umstead Act to operate the golf course • University interest is dependent on state funds
Allocate land for a state park	The State would direct DOA to cancel the existing lease, repossess the property, and allocate the land to the Department of Environmental and Natural Resources Division of Parks and Recreation	<ul style="list-style-type: none"> • Use property for recreation purposes 	<ul style="list-style-type: none"> • Modify state law to cancel lease and repossess property • Modify state law to operate site as a state park • Appropriate funds for construction of facilities and ongoing site operation 	<ul style="list-style-type: none"> • Fits into Lumber River State Park System Master Plan • Division of Parks and Recreation expressed interested in the three smaller parcels 	<ul style="list-style-type: none"> • Division expressed no interest in the largest parcel • Requires one-time appropriation of \$250,000 for construction and \$150,000 in recurring funds for operations
Use land for gaming	The State would direct DOA to cancel the existing lease, repossess the property, and modify state law to authorize gambling	<ul style="list-style-type: none"> • Promote economic development 	<ul style="list-style-type: none"> • Modify state law to cancel lease and repossess property • Modify state law to allow gaming on the property 	<ul style="list-style-type: none"> • Eliminates need for state oversight of operation and management of the cultural center site • Potential to generate revenue for the State 	<ul style="list-style-type: none"> • Lack of public support for gaming
Dispose of the Cultural Center site via public sale	The State would direct DOA to sell any or all parcels of the land "as is"	<ul style="list-style-type: none"> • No 	<ul style="list-style-type: none"> • Modify state law to cancel lease and repossess property • Appropriate \$8,000 for DOA to obtain an appraisal and prepare land to be sold 	<ul style="list-style-type: none"> • Eliminates need for state oversight of operation and management of the Cultural Center site • Generates local tax revenue • Generates one-time revenue for the state 	<ul style="list-style-type: none"> • Sale of land may bring limited revenue • Sale of land does not guarantee use for the site's original intent

Option	Description	Meets Original Intent	Legislative Action Needed	Advantages	Disadvantages
<p>Allocate land for an educational center</p>	<p>The State would direct DOA to cancel the existing lease, repossess the property, and allocate the land for K-16 education center to be operated from site</p>	<ul style="list-style-type: none"> • No 	<ul style="list-style-type: none"> • Modify state law to cancel lease and repossess property • Modify state law to grant property for an educational center 	<ul style="list-style-type: none"> • Eliminates need for state oversight of operation and management of the cultural center site • Brings educational resources to high poverty area 	<ul style="list-style-type: none"> • Limited interest in establishing a charter school in Robeson County • Land and facilities development requires substantial investment

Source: Program Evaluation Division.



North Carolina Department of Administration

Beverly Eaves Perdue, Governor

Moses Carey, Jr., Secretary

December 4, 2012

Director John Turcotte
Program Evaluation Division
North Carolina General Assembly
300 N. Salisbury Street, Suite 100
Raleigh, North Carolina 27603-5925

Dear Director Turcotte:

The Dept. of Administration appreciates the level of research and work on this study and overall, feels the findings capture the challenges of the current property leases as well as the importance of preserving and promoting North Carolina Indian culture. The Department provided significant hours for eight staff to work with the PED study staff and it is our hope the time spent will provide quality information to the General Assembly. We want to acknowledge our appreciation to the study team, lead by Sean Hamel, for its inclusion of the statewide American Indian communities in the discussion on the future of the Indian Cultural Center.

Regarding the recommendations, the Department stands ready to execute the required duties as authorized by the General Assembly.

Regarding Recommendations #1 and 2, we appreciate the inclusion of the need for a minimal appropriation to cover the appraisal costs for the land transactions for parcels 1 and 2.

Regarding the Recommendation #3 and the Commission of Indian Affairs, we appreciate that your study recognizes the statewide importance of the role the Commission of Indian Affairs members can play in this debate. The inclusion of needed financial resources to ensure the Commission can provide a collaborative and culturally appropriate strategic planning process is a true need and will bolster the opportunity for the plan to be meaningful and instructive for the General Assembly's future use.

Ultimately, the future disposition of the Indian Cultural Center is a matter of public policy for the General Assembly.

Sincerely,

A handwritten signature in black ink that reads "Moses Carey".

Moses Carey

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1301 Mail Service Center
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e-mail: moses.carey@doa.nc.gov

Location:

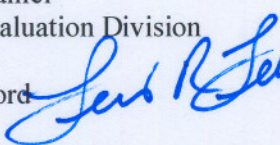
116 West Jones Street
Raleigh, North Carolina

DIVISION OF PARKS AND RECREATION

November 27, 2012

MEMORANDUM

TO: Mr. Sean Hamel
Program Evaluation Division

FROM: Lewis Ledford 

SUBJECT: NC Indian Cultural Center Property

Thank you for the opportunity to review the draft proposals for the future of the NC Indian Cultural Center property in Robeson County. We agree that Parcels 3 and 4 could make a suitable addition to Lumber River State Park and that the state park would be able to fulfill some of the conservation, recreation, and education purposes of the site. The state park could be a complementary partner to future activities on the north side of the river, and could be a valuable asset to the surrounding community.

In reference to Parcel 2, park staff evaluation indicates that it could complement the park use of Parcels 3 and 4. The bluff along the river in Parcel 2 is very scenic and is already being used as a recreational access to the river. We would not object if Parcel 2 were also transferred to the state park, provided that recurring funding for some minimal staffing and basic operations were available.

Our preliminary review of the property was limited by timing, but it appears that each of the sites on the south side of the river has advantages and disadvantages for incorporation into the state park. It could be that the three parcels would work best together, potentially providing a short family-friendly paddle trail from Parcel 2 to Parcels 3 and 4 that would be very popular. A recreational attraction of this nature could contribute to local economic development. It is important that we have the opportunity to conduct a more thorough investigation of the parcels, and to obtain public input and feedback on some alternative recreational plans for the area.

We agree with the recommendation that the Division of Parks and Recreation would require additional funding of \$250,000 for initial construction and \$150,000 for recurring operation of the property, although the \$350,000 estimate provided in the FCAP report (page 11) may be more accurate. Future facilities, if appropriate after a public planning process, would require additional funding.

We also recommend that in the sale of Parcel 1 (384 acres north of the Lumber River), the state should retain a conservation easement along the river corridor to protect the natural and scenic resources of the river. The Lumber River is a designated State Natural and Scenic River, and possesses natural, scenic and recreational attributes of statewide significance. The state has made significant investments to protect the river along its 115-mile corridor. A conservation easement on the undevelopable wetlands along the river would protect this valuable resource without infringing upon the development potential of the remainder of the property. Possibly the stipulations listed in Recommendation 2 would serve the same purpose.

Please let us know if you need additional information.

Cc: David Knight
Kari Barsness