



Legislation Text

File #: ID 16-0707, **Version:** 1

Resolution to Consider Extension of Offset Credit Period for International Civil Rights Museum

Department: Legal
Council District: All

Public Hearing: N/A
Advertising Date/By: N/A

Contact 1 and Phone: Tom Carruthers, City Attorney, 336-373-2320
Contact 2 and Phone: Jennifer Schneier, Assistant City Attorney, 336-373-2320

PURPOSE:

The City of Greensboro and Sit-In Movement, Inc, ICRCM, LLC, and Civil Rights Museum, LLC ("Borrowers") executed a Loan Agreement dated August 19, 2014 with an effective date of October 22, 2013 in the principal amount of \$1,500,000.00. This loan was subject to offset or credit by the amount of the net funds raised outside the normal course of business by the Borrowers from September 3, 2013 to July 1, 2015 as defined in the Loan Agreement. Sit-In Movement, Inc now requests that the City of Greensboro agree to extend the fundraising period under the Loan Agreement from July 1, 2015 to February 17, 2018 so that additional offset credits may qualify as loan payments under the Loan Agreement.

BACKGROUND:

Pursuant to the Promissory Note, \$750,000.00 is due and payable as of June 30, 2016, unless offset pursuant to Loan Agreement. The City has reviewed the fundraising claimed by Sit-In Movement, Inc, and determined the balance of the first installment of the Promissory Note is \$10,981.64, which includes interest of \$567.94, as of June 30, 2016 and which remains unpaid and owing. The Borrowers are now in default of the Loan Agreement and in addition to the balance due for the first installment, the entire balance of the Promissory Note is due and payable as of August 1, 2016 in the total amount of \$799,148.78

BUDGET IMPACT:

None

RECOMMENDATION / ACTION REQUESTED:

That City Council consider extending the fundraising period under the Loan Agreement from July 1, 2015 to February 17, 2018 so that additional offset credits may qualify as loan payments under the Loan Agreement provided that the City's loan is secured by a first deed of trust against the International Civil Rights Center and Museum as specifically described by the attached Resolution.