

October 27, 2020 – Continued

November 10, 2020 – Presented for 1st Reading

2020-046 (1st READING): APPROVING THE AMENDMENT OF THE REDEVELOPMENT PLAN FOR THE OCEANFRONT REDEVELOPMENT PROJECT AREA PROVIDING FOR REDEVELOPMENT OF CERTAIN ADDITIONAL AREA WITHIN THE CITY OF MYRTLE BEACH, SOUTH CAROLINA; DESIGNATING SUCH ADDITIONAL AREA AS A REDEVELOPMENT PROJECT AREA; MAKING FINDINGS WITH RESPECT TO THE ADDITIONAL REDEVELOPMENT PROJECT AREA; DESIGNATING ADDITIONAL REDEVELOPMENT PROJECTS WITHIN AND BENEFITTING THE REDEVELOPMENT PROJECT AREA; AND OTHER MATTERS RELATING THERETO.

Staff/Purpose: To amend the Oceanfront Redevelopment & Tax Increment Financing (TIF) Plans.

Brief:

- The Oceanfront Redevelopment District was created in 2008 and covers parcels between the ocean and King's Hwy. from 16th Av. N. to 6th Av. S. This amendment extends the boundaries:
 - Northward along the oceanfront to 21st N, including all parcels facing 21st.
 - Then along King's to take in the Arts & Innovation District, including all properties along the northwest side of the Highway, Broadway & Oak Streets.
 - Along King's Highway southward to 14th S.
- The amendment further adds \$258 million for projects that may be funded from incremental taxes or other sources consistent w/ the Downtown Master Plan, including, among other things:
 - A performing arts theatre.
 - New library, & children's museum.
 - Renovations to the existing Chapin Library structure.
 - City Square.
 - Public utility & streetscape improvements.
 - Restoration of Transitional Properties.

Issues:

- Tax Increment Financing is a redevelopment tool whereby tax values in a given district are frozen as to their availability to pay for local government operations. Any increases in tax revenues (the "tax increment") arising from redevelopment are earmarked to pay for public infrastructure improvements supporting the redevelopment.
- The City has used TIF for development of Broadway at the Beach (1995-2009) and redevelopment of the former Myrtle Beach Air Base (2005-present).
- Most of the projects included in the original 2008 TIF have been completed.
- In this case the County & School District have opted out of participation in the TIF.
- Initially, the TIF will be used as the legal vehicle for re-establishment of the City's \$10 million loan pool with a consortium of local banks.

Public Notification: Notice of Public Hearing on Plan Amendment and Standard advertisement for 1st reading.

Alternatives:

- Do not amend plan or commence w/ these redevelopment projects.
- Amend the proposed boundaries of the District.
- Amend the proposed projects in the District.

Financial Impact: The amendment establishes that certain projects are eligible to be undertaken as funding becomes available. It does not commit the City to any new funding.

Manager's Recommendation: I recommend 1st reading (10/27/2020).

Attachment(s): Proposed ordinance and Redevelopment Plan Amendment.

CITY OF MYRTLE BEACH
COUNTY OF HORRY
STATE OF SOUTH CAROLINA

APPROVING THE AMENDMENT OF THE
REDEVELOPMENT PLAN FOR THE
OCEANFRONT REDEVELOPMENT PROJECT
AREA PROVIDING FOR REDEVELOPMENT
OF CERTAIN ADDITIONAL AREA WITHIN
THE CITY OF MYRTLE BEACH, SOUTH
CAROLINA; DESIGNATING SUCH
ADDITIONAL AREA AS A REDEVELOPMENT
PROJECT AREA; MAKING FINDINGS WITH
RESPECT TO THE ADDITIONAL
REDEVELOPMENT PROJECT AREA;
DESIGNATING ADDITIONAL
REDEVELOPMENT PROJECTS WITHIN AND
BENEFITING THE REDEVELOPMENT
PROJECT AREA; AND OTHER MATTERS
RELATING THERETO

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MYRTLE BEACH, SOUTH CAROLINA, AS
FOLLOWS:

Section 1. The City Council (the "Council") of the City of Myrtle Beach, South Carolina (the
"City"), hereby finds and determines:

(a) The City is an incorporated municipality located in Horry County, and as such possesses
all powers granted to municipalities by the Constitution and general law of the State of South Carolina
(the "State").

(b) Pursuant to Section 5-5-10, Code of Laws of South Carolina 1976, as amended (the
"Code"), the City has selected the Council-Manager form of government and is governed by a Council
composed of a Mayor and six council members.

(c) Pursuant to Act No. 452 (1984 Acts), codified as Sections 31-6-10 to Section 31-6-120
Code of Laws of South Carolina 1976, as amended (the "Act"), the governing bodies of the incorporated
municipalities are vested with all powers consistent with the Constitution necessary, useful, and
desirable to enable them to accomplish redevelopment in areas which are or threaten to become
blighted.

(d) By Ordinance No. 2008-78 enacted October 21, 2008, the Council approved a
redevelopment plan entitled: "Tax Increment Financing Plan for the Oceanfront Redevelopment
Project Area," dated September 2, 2008, as amended September 25, 2008 (the "Original Redevelopment
Plan"). The Original Redevelopment Plan is attached as Exhibit A to this Ordinance and incorporated
herein by reference.

(e) The Original Redevelopment Plan provides a comprehensive program of the City for the
redevelopment of the area of the City described therein and as described and designated in Section 2

1 and in the Original Redevelopment Plan (such area being hereinafter referred to as the "Original
2 Redevelopment Project Area").

3 (f) The City has caused there to be prepared an amendment to the Original Redevelopment
4 Plan entitled "City of Myrtle Beach, South Carolina 2020 Amendment to the Oceanfront Redevelopment
5 Plan" dated September 8, 2020 (the "2020 Amendments;" the Original Redevelopment Plan, as
6 amended by the 2020 Amendments, being referred to herein as the "Redevelopment Plan") which
7 identifies certain additional area within the City as qualifying as a "redevelopment project area" under
8 the Act (the "Additional Redevelopment Project Area;" the Original Redevelopment Project Area,
9 together with the Additional Redevelopment Project Area, being referred to as the "Redevelopment
10 Project Area" herein), and which contains a statement of the objectives of the City with respect to
11 the Additional Redevelopment Project Area and the Redevelopment Project Area as a whole. The 2020
12 Amendments are attached as Exhibit B to this Ordinance and are incorporated herein by reference.
13 The Additional Redevelopment Project Area is described and designated in Section 2 and in the 2020
14 Amendments.

15 (g) The 2020 Amendments and other matters and information presented to Council exhibit
16 that the Additional Redevelopment Project Area is a "blighted area" (as defined in the Act) or
17 "conservation area" (as defined in the Act) or a combination thereof and that private initiatives are
18 unlikely to alleviate these characteristics without substantial public assistance. Specific
19 characteristics of blight are evidenced by deterioration of structures or site improvements adjacent to
20 vacant land, lack of necessary transportation infrastructure, dilapidation, deterioration, illegal uses
21 of individual structures, presence of structures below minimum code standards, excessive vacancies,
22 lack of community planning, and static or declining land values. Such characteristics are detrimental
23 to the public safety, health and general welfare of the citizens of the City.

24 (h) Property values in the Additional Redevelopment Project Area would remain static or
25 decline without public intervention. The eradication of the blighted or conservation area described
26 herein and treatment and improvement of such area by the Redevelopment Projects described therein
27 is essential to the public interest.

28 (i) It is necessary and in the best interest of the City for the Council to designate the
29 Additional Redevelopment Project Areas as a "redevelopment project area" pursuant to the Act and
30 approve the redevelopment plan therefor. Such redevelopment is in the interest of the health, safety,
31 and general welfare of the citizens of the City.

32 Section 2. The Council hereby approves and adopts the 2020 Amendments and the
33 Additional Redevelopment Project Area described therein.

34 The Original Redevelopment Project Area comprises approximately 245 acres of land within the
35 corporate limits of the City, bounded by 6th Avenue South to the south, the Atlantic Ocean to the east,
36 16th Avenue North to the north, and Highway 17 Business (Kings Highway) to the west.

1 The 2020 Amendments expand the Original Redevelopment Project Area to include the
2 Additional Redevelopment Project Area, comprising an additional 285.95 acres. After the addition of
3 the Additional Redevelopment Project Area, the Redevelopment Project Area will be generally located
4 within the following boundaries:

5 SOUTHEAST: The Atlantic Ocean

6 NORTHEAST: Parcels along the northeast side of 21st Avenue North

7 NORTHWEST: Parcels along the northwest side of Kings Highway, Broadway St. and Oak St.

8 SOUTHWEST: 14th Avenue South

9 The Redevelopment Project Area, as expanded pursuant to the 2020 Amendments, will
10 comprise approximately 531.28 acres, including publicly owned rights-of-way, upon the effectiveness
11 of the 2020 Amendments. A list of all real property in the Original Redevelopment Project Area is set
12 forth in Appendix C to the Original Redevelopment Plan. A list of all real property in the Additional
13 Redevelopment Project Area is set forth in Exhibit B to the 2020 Amendments.

14 Section 3. The 2020 Amendments contains a statement of the objectives of the City and a
15 statement indicating the need for and proposed use of the proceeds of the tax increment financing in
16 relation the 2020 Amendments and the Redevelopment Plan as a whole, contains the cost estimates of
17 the Redevelopment Projects and the projected sources of revenue to be used to meet the costs
18 including estimates of tax increments. The estimated total amount of indebtedness to be incurred
19 under the Act for the purpose of funding redevelopment project costs is not exceeding \$90 million,
20 and the maximum estimated term of each series of such indebtedness will not exceed 30 years.

21 Section 4. The Council hereby approves all of the real property in the Additional
22 Redevelopment Project Area included in the 2020 Amendments.

23 Section 5. It is anticipated that the Additional Redevelopment Projects will be constructed
24 over approximately 18 years, and that the term of the Redevelopment Plan will be not exceeding 45
25 years from the date of enactment of this Ordinance.

26 Section 6. The 2020 Amendments will have no adverse impact upon the revenues of the
27 City, Horry County, South Carolina, the Horry County School District, and the Horry County Higher
28 Education Commission, the taxing districts in which the Additional Redevelopment Project Area is
29 located, as all such taxing districts other than the City have declined to consent to the Redevelopment
30 Plan. The long-term impact of the Redevelopment Plan upon the City will be beneficial in that, upon
31 making the public improvements, it is expected that substantial private investment will occur.

32 Section 7. All orders, resolutions, ordinances and parts thereof, procedural or otherwise,
33 in conflict herewith are, to the extent of such conflict, hereby repealed and this Ordinance shall take
34 effect and be in full force from and after its passage and approval.

35 Section 8. Pursuant to Section 31-6-80 of the Code, a notice of the adoption of this
36 Ordinance shall be published in a newspaper having general circulation in the affected taxing districts.

37 Section 9. This Ordinance shall be forthwith codified in the Code of City Ordinances in the
38 manner required by law.

39
40 **THIS ORDINANCE SHALL BE EFFECTIVE IMMEDIATELY UPON FINAL READING.**
41

SIGNED, SEALED, AND DELIVERED as of this ____ day of _____ 2020.

CITY OF MYRTLE BEACH, SOUTH CAROLINA

By: _____
Mayor

ATTEST:

City Clerk

First Reading: October 27, 2020
Second Reading: _____, 2020