

November 12, 2019 - 1<sup>st</sup> reading

November 26, 2019 - Presented for 2<sup>nd</sup> Reading

**2019-56 (2<sup>nd</sup> Reading):** TO AMEND ORDINANCE NO. 2019-30, THE 2019-20 BUDGET ORDINANCE, BY APPROPRIATING FUNDS FOR PAYMENT OF NOT EXCEEDING \$910,445.70 UNDER THE CITY'S REDEVELOPMENT INCENTIVE VOUCHER PROGRAM.

**Applicant/Purpose:** Staff/to appropriate funds for the Voucher issued under the Redevelopment Voucher Incentive program for the South Bay Resort.

**Brief:**

- On March 22, 2016 City Council approved ordinance 2016-8, approving the 1<sup>st</sup> use of the City's new voucher incentive for construction of what is known today as the South Bay Resort on the Boulevard at 6<sup>th</sup> North.
- Per the voucher incentive program, structures may be eligible for a voucher of up to 2% of the construction cost of a project, not to exceed \$2,000,000.
- Upon issuance of a Certificate of Occupancy, the voucher can cover costs paid by the developer to the City for construction (e.g. permit & impact fees).
- The remainder of the voucher can be used over a 5 year period to reimburse for business license fees, utility costs, or any other fee paid directly to the City.
- No changes since 1<sup>st</sup> reading.

**Issues:**

- The South Bay Voucher was issued in the amount of \$910,445.70 on July 11, 2019.
- Developer/owner has complied with program requirements & has submitted requests for reimbursements of \$621,314.11 to date.
- Voucher will expire upon the earlier of the exhausting of the \$910,445.70 of benefits or July 11, 2024.

**Public Notification:** Normal meeting notification.

**Alternatives:** None considered. The City is financially committed.

**Financial Impact:**

- Developer's initial fees and payments were reserved in the Fund Balance of the General Fund to minimize financial impacts upon request for reimbursement.
- Remaining reimbursable expenditures will have to be paid 1<sup>st</sup> & then reimbursed, so the immediate impact will be foregone revenue.
- City property taxes on this development are estimated at \$219,475 annually.
- Other revenues from this project include local and State Accommodations taxes, Hospitality Fees, and Business License Fees.

**Manager's Recommendation:**

- I recommend 1<sup>st</sup> reading (11/12/19).
- I recommend approval (11/26/19).

**Attachment(s):** Voucher, various companion documents.

ORDINANCE 2019-56

CITY OF MYRTLE BEACH  
COUNTY OF HORRY  
STATE OF SOUTH CAROLINA

AN ORDINANCE TO AMEND ORDINANCE  
NO. 2019-30, THE 2019-20 BUDGET  
ORDINANCE, BY APPROPRIATING FUNDS  
FOR PAYMENT OF NOT EXCEEDING  
\$910,445.70 UNDER THE CITY'S  
REDEVELOPMENT INCENTIVE VOUCHER  
PROGRAM.

WHEREAS, Section 5-13-30(3) of the Code of Laws of South Carolina requires that a municipal council shall act by ordinance to adopt budgets and to levy taxes pursuant to public notice; and,

WHEREAS, Ordinance 2019-30, the City's Budget Ordinance for FY 2019-20 was adopted by City Council on June 11, 2019; and,

WHEREAS, the City Council has determined that Economic Development is a priority for this community; and,

WHEREAS, on September 22, 2015, the City Council adopted Ordinance No. 2015-70 authorizing the Redevelopment Agreement between the City and Bay Shore LLC (the "Developer") for the redevelopment of a tract of approximately 3.34 acres in the 6<sup>th</sup> Avenue North Redevelopment District Zone (the "Project"); and,

WHEREAS, according to the terms of the Redevelopment Incentive Program provided for in Ordinance 2015-70 (the "Incentive Program"), the Developer has invested a total of \$45,522,285.00 in the Project and has been issued an Incentive Voucher redeemable for allowable reimburseable expenses in the amount of 2% of the total amount invested, or \$910,445.70 (the "Reimbursable Expenses"); and,

WHEREAS, to date, the Developer has documented \$621,314.11 in Reimbursable Expenses;

NOW, THEREFORE, BE IT ORDAINED by the governing body of the City of Myrtle Beach, in Council duly assembled, and by the authority of the same,

Sec. 1. Estimate of Revenue. The sum of \$910,446 is hereby estimated to be available as follows:

Assigned Fund Balance of the General Fund	\$ 558,417
Other funds previously paid by the developer	62,897
Funds estimated to be paid by the Owner within 5 years	<u>289,132</u>
Total Estimate	\$910,446

Sec. 2. Appropriation. The sum of \$910,446 is hereby appropriated for the purpose of reimbursing the expenditures redeemable per the Incentive Voucher. This appropriation shall not lapse at the end of any fiscal year but shall remain in effect until the earlier of July 11, 2024, or the date when the Reimbursable Expenses hereunder have been exhausted.

1       Sec. 3. Validity of this ordinance. If, for any reason, any sentence, clause, or provision of  
2       this ordinance shall be declared invalid, such declaration shall not affect the  
3       remaining provisions thereof.

4       Sec. 4. Conflicts with preceding ordinances. Should conflicts arise between this and any  
5       preceding ordinances, this ordinance shall prevail with respect to the conflicting  
6       sections.

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BRENDA BETHUNE, MAYOR

ATTEST:

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JENNIFER STANFORD, CITY CLERK

1<sup>st</sup> Reading: 11-12-19

2<sup>nd</sup> Reading: 11-26-19