

December 1, 2020 - 1st Reading
December 8, 2020 - Presented for approval

2020-052 (2nd READING): AMENDING ORDINANCE 2009-052 RELATING TO OBLIGATIONS ISSUABLE FOR REDEVELOPMENT PROJECTS BENEFITTING THE OCEANFRONT REDEVELOPMENT PROJECT AREA; PROVIDING FOR THE ADDITION OF NEW AREAS TO THE REDEVELOPMENT PROJECT AREA DESCRIBED THEREIN AND PROVIDING FOR THE DEPOSIT OF INCREMENTAL REVENUES FROM THE ADDED REDEVELOPMENT PROJECT AREA TO THE SPECIAL TAX ALLOCATION FUND CREATED THEREUNDER.

Applicant/Purpose: Finance / to amend the 2009 Master Bond Ordinance for the Oceanfront Redevelopment District in order to provide for the deposit of incremental revenues from areas of the District added by Ordinance 2020-046.

Brief:

- The Oceanfront Redevelopment District was created in 2008 & covers parcels between the ocean & King's Highway from 16th N. to 6th S.
- Proposed Ordinance 2020-046 amends that original area by extending 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.
- This ordinance directs the deposit into the Oceanfront Tax Increment Fund of incremental revenues arising from the expansion area after December 2020.

Issues:

- Proposed Ordinance 2020-046 adds \$258 million for projects that may be funded from incremental taxes or other sources consistent w/ the Downtown Master Plan, including:
 - 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.
- This ordinance provides for the designation of incremental revenues from the expanded Oceanfront Redevelopment District to be used to secure such future obligations issued to finance these projects provided for in the District Redevelopment Plan.

Public Notification: Normal advertising of ordinances for 1st reading.

Alternatives: None that accomplish the Oceanfront Redevelopment & Downtown Master Plan goals.

Financial Impact: None. This ordinance itself does not commit the City to issue obligations & does not have any financial impact.

Manager's Recommendation:

- I recommend 1st reading (12/1/2020).
- I recommend approval (12/8/2020).

Attachment(s): Proposed ordinance.

CITY OF MYRTLE BEACH
COUNTY OF HORRY
STATE OF SOUTH CAROLINA

AMENDING ORDINANCE NO. 2009-52
RELATING TO OBLIGATIONS ISSUABLE FOR
REDEVELOPMENT PROJECTS BENEFITTING
THE OCEANFRONT REDEVELOPMENT
PROJECT AREA; PROVIDING FOR THE
ADDITION OF NEW AREAS TO THE
REDEVELOPMENT PROJECT AREA
DESCRIBED THEREIN AND PROVIDING FOR
THE DEPOSIT OF INCREMENTAL REVENUES
FROM THE ADDED REDEVELOPMENT
PROJECT AREA TO THE SPECIAL TAX
ALLOCATION FUND CREATED
THEREUNDER.

NOW THEREFORE, be it ordained by the City Council of the City of Myrtle Beach, South Carolina (the "City Council"), the governing body of the City of Myrtle Beach, South Carolina (the "City"), as follows:

Section 1. Findings of Fact.

1. The City is a municipal corporation of the State of South Carolina (the "State") located in Horry County, South Carolina, and as such possesses all general powers granted by the Constitution and statutes of the State to such public entities.

2. The "Tax Increment Financing Law" for municipalities, Section 31-6-10, et seq. Code of Laws of South Carolina 1976, as amended (the "Act"), authorizes the City to establish a redevelopment project area (as defined in the Act) and to adopt a redevelopment plan (as defined in the Act) for the purpose of providing for the financing of municipally-owned buildings, improvements, including street improvements, water, sewer and storm drainage facilities, parking facilities and recreational facilities through the issuance of obligations payable from the amount of taxes attributable to the increase in the assessed valuation of real property in the redevelopment project area following the establishment of such redevelopment project area.

3. By Ordinance No. 2008-78, enacted October 21, 2008 ("Ordinance 2008-78"), the City Council approved a redevelopment plan (the "Original Redevelopment Plan") for the Oceanfront Redevelopment Project Area (the "Original Redevelopment Project Area"). By Ordinance 2020-46 enacted December __, 2020, the Original Redevelopment Plan was amended to add additional area to the redevelopment project area described therein (the "Additional Redevelopment Project Area") and to add additional redevelopment projects thereto. The Original Redevelopment Plan, as so amended being referred to herein as the "Redevelopment Plan." The Redevelopment Plan constitutes a "redevelopment plan" as defined in the Act.

4. The City Council has made general provision for the issuance of obligations of the City under the Act through the means of Ordinance No. 2009-52 enacted August 11, 2009, entitled, "AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$12,000,000 LIMITED OBLIGATION BONDS,

SERIES 2009, OF THE CITY OF MYRTLE BEACH, SOUTH CAROLINA, FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF CERTAIN REDEVELOPMENT PROJECTS TO BE UNDERTAKEN PURSUANT TO THE OCEANFRONT REDEVELOPMENT PROJECT AREA TAX INCREMENT FINANCING PLAN; FIXING THE FORM AND DETAILS OF THE BONDS; LIMITING THE PAYMENT OF THE BONDS FROM THE SOURCES PROVIDED HEREIN; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS THEREOF; PROVIDING FOR THE TERMS AND CONDITIONS UNDER WHICH ADDITIONAL BONDS MAY BE ISSUED; AND OTHER MATTERS RELATING THERETO" (the "Bond Ordinance").

5. Article XVIII of the Bond Ordinance provided that the City may, from time to time and without the consent of any holder of the Bonds (as such term is defined in the Bond Ordinance), make any amendments or supplements to the Bond Ordinance to add to the security of the holder of the Bonds.

6. The City now desires to amend the Bond Ordinance to provide for the incremental tax revenues relating to the Additional Redevelopment Project Area to constitute Tax Revenues (as such term is defined in the Bond Ordinance) and for such additional Tax Revenues to be deposited in the Special Tax Allocation Fund (as such term is defined in the Bond Ordinance), thereby adding to the security of the Bonds.

Section 2. Amendments to Section 1.1 of the Bond Ordinance.

Section 1.1 of the Bond Ordinance is hereby amended as follows:

1. The following definitions are amended to read as follows:

"*Redevelopment Plan Ordinance*" shall mean Ordinance No. 2008-78 enacted by the Council on October 21, 2008, approving the Redevelopment Plan, as supplemented by Ordinance No. 2020-46 enacted by City Council on December __, 2020, as the same may be further amended or supplemented from time to time.

"*Redevelopment Plan*" shall mean the Oceanfront Redevelopment Project Area Tax Increment Financing Plan dated September 2, 2008, as amended September 25, 2008, and as further amended pursuant to Ordinance No. 2020-46 enacted December __, 2020, adopted pursuant to the Redevelopment Plan Ordinance, as it may be further amended or supplemented from time to time.

"*Redevelopment Project Area*" shall mean the Original Redevelopment Project Area and the Additional Redevelopment Project Area.

2. The following definitions are hereby added to Section 1.1 of the Bond Ordinance:

"*Additional Redevelopment Project Area*" shall mean the area defined as such in Ordinance No. 2020-46, the description of which is hereby incorporated herein by reference, which is generally located within the following boundaries:

SOUTHEAST: The Atlantic Ocean

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

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

SOUTHWEST: 14th Avenue South

"*First Amendment*" shall mean this Ordinance No. 2020-__.

1
2 "Original Redevelopment Project Area" shall mean the approximately 300 acres of land within
3 the corporate limits of the City, bounded by 6th Avenue South to the south, the Atlantic Ocean to the
4 east, 16th Avenue North to the north, and Highway 17 Business (Kings Highway) to the west.
5

6 Section 3. Amendments to Section 8.1 of the Bond Ordinance.
7

8 Section 8.1 of the Bond Ordinance is hereby amended to read as follows:
9

10 Section 8.1. Special Tax Allocation Fund. There is hereby created a special fund of the City
11 which is hereby designated as the "City of Myrtle Beach - Special Tax Allocation Fund." Such Fund
12 shall be held by the Trustee.
13

14 In addition to the Special Tax Allocation Fund, a Debt Service Reserve Fund for any Series of
15 Bonds to be held by the Trustee, may be established pursuant to this Ordinance and a Construction
16 Fund for the Series 2009 Bonds and for each Series of Additional Bonds issued to finance Redevelopment
17 Project Costs to be held by a Custodian designated by the City, may be established pursuant to this
18 Ordinance.
19

20 There shall be deposited by the City in the Special Tax Allocation Fund the amounts of *ad*
21 *valorem* taxes (heretofore defined as "Tax Revenues"), if any, determined by the City as provided
22 under the Act as follows: After the total equalized assessed valuation of the taxable real property in
23 the Redevelopment Project Area, calculated separately for the Original Redevelopment Project Area
24 and the Additional Redevelopment Project Area, exceeds the certified "total initial equalized assessed
25 value" established in accordance with the Act and set forth in Article IX hereof of all taxable real
26 property in the Redevelopment Project Area, calculated separately for the Original Redevelopment
27 Project Area and the Additional Redevelopment Project Area, the *ad valorem* taxes, if any, arising
28 from the levies upon taxable real property in the Redevelopment Project Area by or for the Taxing
29 Districts, calculated separately for the Original Redevelopment Project Area and the Additional
30 Redevelopment Project Area, and tax rates determined in the manner provided by the Act and Article
31 IX hereof each year after the Series 2009 Bonds have been issued until the Series 2009 Bonds and all
32 other bonds issued for Redevelopment Projects under the Redevelopment Act have been retired and
33 Redevelopment Project Costs have been paid must be divided as follows:
34

35 (a) That portion of taxes levied upon each taxable lot, block, tract, or parcel of real
36 property which is attributable to the total initial equalized assessed value of all taxable real property
37 in the Redevelopment Project Area, calculated separately for the Original Redevelopment Project Area
38 and the Additional Redevelopment Project Area, must be allocated to and, when collected, must be
39 paid by the Horry County Treasurer to the respective Taxing Districts in the manner required by law in
40 the absence of the adoption of the Redevelopment Plan.
41

42 (b) That portion, if any, of taxes levied by the City which is attributable to the increase in
43 the current total equalized assessed valuation of all taxable real property in the Redevelopment
44 Project Area over and above the total initial equalized assessed value of taxable real property in the
45 Redevelopment Project Area, calculated separately for the Original Redevelopment Project Area and
46 the Additional Redevelopment Project Area, must be allocated to and, when collected, must be paid
47 by the Horry County Treasurer to the City which shall deposit the taxes into the Special Tax Allocation
48 Fund to be held by the Trustee for the purposes of (1) paying Redevelopment Project Costs directly,
49 and (2) paying principal of, premium, if any, and interest on the Bonds. The Trustee shall have no
50 responsibility for any determination of the amount of *ad valorem* taxes, if any, which shall be deposited

1 into the Special Tax Allocation Fund, but shall rely conclusively upon the City for such determination,
2 evidence of which determination shall be delivered in writing by the City to the Trustee on or before
3 April 1 of each year.
4

5 (c) All taxes levied by Taxing Districts other than the City which are attributable to the
6 increase in the current total equalized assessed valuation of all taxable real property in the
7 Redevelopment Project Area over and above the total initial equalized assessed value of taxable real
8 property in the Redevelopment Project Area, calculated separately for the Original Redevelopment
9 Project Area and the Additional Redevelopment Project Area, shall be applied as provided by law.
10

11 Section 4. Amendments to Article IX of the Bond Ordinance.
12

13 Article IX of the Bond Ordinance is hereby amended to read as follows:
14

15 The Redevelopment Project Area, as designated in the Redevelopment Plan Ordinance, as it
16 may be amended or supplemented from time to time, shall be the Redevelopment Project Area for
17 purposes of this Ordinance. The Redevelopment Project Area is more particularly described in the
18 Redevelopment Plan Ordinance and the Redevelopment Plan, and, by reference, incorporated herein.
19

20 The Horry County Auditor has determined and certified as of October 21, 2008, with respect to
21 the Original Redevelopment Project Area, (a) the most recently ascertained equalized assessed value
22 of all taxable real property within the Original Redevelopment Project Area as of the date of enactment
23 of the Redevelopment Plan Ordinance No. 2008-78 which value is the "initial equalized assessed value"
24 of each parcel of property; and (b) the total equalized assessed value of all taxable real property
25 within the Original Redevelopment Project Area by adding together the most recently ascertained
26 equalized assessed value of each taxable lot, block, tract, or parcel of real property within the project
27 area and certifying the "total initial equalized assessed value" of the taxable real property within the
28 Redevelopment Project Area.
29

30 The Horry County Auditor has determined and certified, or shall determine and certify, as of
31 December __, 2020, with respect to the Additional Redevelopment Project Area, (a) the most recently
32 ascertained equalized assessed value of all taxable real property within the Redevelopment Project
33 Area as of the date of enactment of Ordinance No. 2020-46, which value is the "initial equalized
34 assessed value" of each parcel of property, and (b) the total equalized assessed value of all taxable
35 real property within the Additional Redevelopment Project Area by adding together the most recently
36 ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within
37 the project area and certifying the "total initial equalized assessed value" of the taxable real property
38 within the Additional Redevelopment Project Area.
39

40 In respect to the City, the Horry County Auditor or any other official required by law to ascertain
41 the amount of the equalized assessed value shall, in every year the Bonds or other obligations under
42 the Act are Outstanding, ascertain the amount of value of taxable property in each of the Original
43 Redevelopment Project Area and the Additional Redevelopment Project Area by including in the
44 amount the certified total initial equalized assessed value of all taxable real property in such portion
45 of Redevelopment Project Area in lieu of the equalized assessed value of all taxable real property in
46 such portion of Redevelopment Project Area. Except as otherwise provided by law, the rate percent
47 of tax determined must be extended to the current equalized assessed value of all property in the
48 Redevelopment Project Area in the same manner as the rate percent of tax is extended to all other
49 taxable property in the City. The method of extending taxes established under this Section shall

1 terminate when the City adopts an ordinance dissolving the Special Tax Allocation Fund as provided in
2 Section 8.5 hereof.
3

4 Section 5. All orders, resolutions, ordinances and parts thereof, procedural or otherwise,
5 in conflict herewith are, to the extent of such conflict, hereby repealed and this Ordinance shall take
6 effect and be in full force from and after its passage and approval.
7

8 Section 6. This Ordinance shall be forthwith codified in the Code of City Ordinances in the
9 manner required by law.
10

11 [Signature page to follow]
12
13

THIS ORDINANCE SHALL BE EFFECTIVE IMMEDIATELY UPON FINAL READING.

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

CITY OF MYRTLE BEACH, SOUTH CAROLINA

By: _____
Mayor

ATTEST:

City Clerk

First Reading: December 1, 2020
Second Reading: _____, 2020