
2019-5 (1ST READING): TO ENACT IN CHAPT 15, PLANNING & DEVELOPMENT, A NEW ARTICLE V, SPECIAL PROPERTY TAX ASSESSMENTS FOR REHABILITATED HISTORIC PROPERTIES.

Applicant/Purpose:

Brief:

- Proposed ordinance creates 5 protection classifications including:
 - Landmark - applied to 20+ year old structures, improvements or physical features which have historic, architectural, aesthetic, social or cultural significance.
 - Landmark district - applied to an area surrounding a landmark in order to protect the landmark, or to an area which is considered of substantial importance (no age criteria).
 - Architectural conservation district - applied to distinctive sections of the city defined by architectural features, distinctive character of the district or distinctive function.
 - Historic commercial district - areas which constitute distinctive commercial sections.
 - Protection areas - applied to areas which are less distinctively defined but which should be subject to urban design regulations.
- Proposal also establishes a process to establish historic districts:
 - Prior to designation of any area, the Review Committee will submit a report & recommendation to Council on the district boundaries & location.
 - To receive preliminary certification a property must meet the following conditions:
 - The property has received historic designation from Council.
 - The proposed rehab work is approved by the Review Committee.
 - To receive final certification, a property must meet the following conditions:
 - The property has received preliminary certification.
 - The minimum expenditures for rehabilitation were paid.
 - The completed rehab is approved by the designated administrative officer as being consistent w/ the preliminary certification.

Issues:

- In order to be eligible for historic tax credits, a structure must be at least 50 years old & have been included on the national historic register.
- Each eligible structure must be approved individually, but the process is expedited if the district where that structure is located in a designated historic district.
- Inclusion does not restrict owners of other structures in the district from modifying or demolishing the structure as needed.

Public Notification: Normal meeting notification.

Alternatives:

- Do not pursue historic designation.
- Modify the proposed process.

Financial Impact:

- An application for a recommendation shall be accompanied by a fee of \$100, which may be waived upon application of a governmental entity.
- A fee of \$150 is required for final certification for each application for review of rehabilitation work of single-family and/or duplex structures & \$300 for all other structures.

Manager's Recommendation: I recommend 1st reading.

Attachment(s): Proposed ordinance.

CITY OF MYRTLE BEACH
COUNTY OF HORRY
STATE OF SOUTH CAROLINA

AN ORDINANCE TO ENACT IN CHAPTER 15,
PLANNING AND DEVELOPMENT, A NEW
ARTICLE V, SPECIAL PROPERTY TAX
ASSESSMENTS FOR REHABILITATED HISTORIC
PROPERTIES

Executive Summary.

The City Manager shall administer this program, and may designate one or more administrative officers, directors or departments to effectuate this program.

The applicant shall seek action from the Review Committee, the Community Appearance Board, for classification and recommendation to City Council.

City Council may consider recommendation for classification, and designate same in the form of an ordinance.

After receiving Council designation, the applicant shall seek preliminary certification from the Review Committee.

The Applicant shall seek final certification from the Review Committee.

City of Myrtle Beach reports to the Horry County Auditor.

NOW THEREFORE, IT IS HEREBY ORDAINED THAT CHAPTER 15, IS AMENDED BY ENACTMENT OF A NEW ARTICLE V, AS SET FORTH BELOW.

CHAPTER 15, PLANNING AND DEVELOPMENT
ARTICLE V - SPECIAL PROPERTY TAX ASSESSMENTS FOR REHABILITATED HISTORIC PROPERTIES

Sec. 15-60. - Special tax assessment created.

A special tax assessment is created for eligible rehabilitated historic properties for 20 years equal to the appraised value of the property at the time of preliminary certification.

Sec. 15-61. - Administration.

The City Manager shall administer this program, and may designate one or more administrative officers, directors or departments to effectuate the program.

Sec. 15-62. - Purpose.

It is the purpose of this division to:

- (1) Encourage the restoration of historic properties;
- (2) Promote community development and redevelopment;
- (3) Encourage sound community planning; and
- (4) Promote the general health, safety, and welfare of the community.

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3 Sec.15-63. - Designation required.
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5 In order to receive certification, historic properties must receive designation from City
6 Council in the form of an ordinance. To receive designation, an applicant must apply for a
7 recommendation based on one or more of the following classification from Review Committee.
8 An application for a recommendation shall be accompanied by a fee of \$100, which may be
9 waived upon application of a governmental entity.
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11 Sec.15-64. - Description of classifications.
12

13 It is the general intent of this article to ensure a proper relationship between
14 appropriate urban design and historic preservation considerations on the one hand
15 and flexibility of design creativity on the other hand. To that end, five protection
16 classifications are hereby created, with the intent that each shall impose a different
17 degree of regulation upon activities related to the intent of this article. Protection
18 classifications are as enumerated in this subsection, in descending order of
19 regulatory control.

20 (1) Landmark. This classification shall be applied to buildings, structures,
21 improvements or physical features which have historic, architectural,
22 aesthetic, social or cultural significance to the city, the state, the region, or
23 the nation. This classification shall not be applied unless the feature has been
24 in existence for at least 20 years. This classification should be applied in
25 order to protect such features from demolition, encroachment, removal to
26 inappropriate sites, or other adverse actions which would endanger those
27 qualities of the feature which impart its value as a landmark. It is anticipated
28 that stringent control criteria would be applied for features given this
29 classification.

30 (2) Landmark district. This classification is intended to be applied to either of
31 two types of areas:

- 32 A. To an area surrounding a landmark in order to protect the landmark; or
33 B. To an area not containing a landmark but which, because of a grouping of
34 structures or other features, may be considered of substantial importance
35 such that the district itself constitutes an outstanding and distinctive area
36 worthy of protection. It is not required that any criteria of age of
37 structures be established. It is anticipated that stringent control criteria
38 would be applied within landmark districts

39 (3) Architectural conservation district. This classification is intended to be
40 applied to areas which constitute distinctive sections of the city by virtue of
41 groupings of architectural features, distinctive character of the district or
42 distinctive function of the district. This classification should be applied when
43 the regulatory intent is to preserve, conserve or enhance the character,
44 function or environment of the district as contrasted to preservation of
45 specific structures. It is anticipated that less stringent control criteria would
46 be applied than for the landmark district.

47 (4) Historic commercial district. This classification is intended to be applied to
48 areas which constitute distinctive sections of the city by virtue of groupings
49 of buildings and structures which were constructed originally for commercial
50 uses. Typically, these buildings originally housed retail, institutional, office or

1 manufacturing uses. This classification should be applied when the regulatory
2 intent is to preserve, conserve or enhance the character, function or
3 environment of the district as contrasted to specific structures. It is
4 anticipated that control criteria equal in magnitude to that of the
5 architectural conservation district would be applied. It is anticipated that less
6 stringent control criteria would be applied than for the landmark district.

- 7 (5) Protection areas. This classification is intended to be applied to areas which
8 are less distinctively defined geographically, visually or physically than
9 landmark districts, architectural conservation districts or historic
10 commercial districts, but which nevertheless constitute essential portions of
11 areas which should be subject to urban design regulations. This classification
12 should be applied in areas where selective control of specified design
13 characteristics and features is desired as a means of protecting the environs
14 of districts which are distinctive in character or function. It is anticipated
15 that minimal control of selected characteristics would be applied in
16 protection areas.

17
18 Sec. 15-65 - Procedure for designation by City Council.

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20 Prior to designation of any landmark, landmark district, architectural conservation
21 district, historic commercial district or protection area, the Review Committee
22 submit a report and recommendation to the city council on the location and
23 boundaries of such designation. The report shall, in addition, recommend general
24 standards for urban design and historic preservation control and other regulatory
25 criteria consistent with the purpose of this article. Such standards and criteria shall
26 take account of the differences in significance and purpose between landmarks,
27 landmark districts, architectural conservation districts, historic commercial districts
28 and protection areas as enumerated in subsection (a) of this section. These
29 standards, or design guidelines, shall be made a material part of the designation and
30 may be amended at the discretion of city council after a duly held public hearing.

- 31 (a) Certification. In order to be eligible for the special tax assessment, historic
32 properties must receive preliminary and final certification.

- 33 (1) To receive preliminary certification a property must meet the following
34 conditions:

- 35 A. The property has received historic designation from City Council.
36 B. The proposed rehabilitation work receives approval from the Review
37 Committee.
38 C. Be a project that commenced by or after August 15, 2012 to the date of the
39 adoption of this ordinance and work was permitted to have begun prior to
40 receiving preliminary certification; or
41 D. Be a project that commences on or after the date of the adoption of this
42 ordinance. Preliminary certification must be received prior to beginning
43 work.

- 44 (2) To receive final certification, a property must have met the following
45 conditions:

- 46 A. The property has received preliminary certification.
47 B. The minimum expenditures for rehabilitation were incurred and paid.
48 C. The completed rehabilitation receives approval from the designated
49 administrative officer appointed by the Manager as Secretary, only for

- 1 purposes as set forth herein, as being consistent with the plans approved by
2 Review Committee as part of preliminary certification.
- 3 (b) Historic designation. As used in this section, "Historic Designation" means the
4 property maintains one or more of the following:
- 5 (1) The property is listed on the National Register of Historic Places either
6 individually or as a contributing property in a district.
 - 7 (2) The property is at least 50 years old and is an individual landmark or a
8 contributing property in a local district as designated and ordained city council.

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10 Sec. 15-66. - Eligible rehabilitation.

- 11
- 12 (a) Standards for rehabilitation work. To be eligible for the special tax assessment,
13 historic rehabilitations must be appropriate for the historic building and the
14 historic district in which it is located. This is achieved through adherence to the
15 following standards:
- 16 (1) The historic character of a property shall be retained and preserved; the
17 removal of historic materials or alterations of features and spaces that
18 characterize each property shall be avoided.
 - 19 (2) Each property shall be recognized as a physical record of its time, place and
20 use; changes that create a false sense of historical development shall not be
21 undertaken.
 - 22 (3) Most properties change over time; those changes that have acquired historic
23 significance in their own right shall be retained and preserved.
 - 24 (4) Distinctive features, finishes, and construction techniques or examples of
25 craftsmanship that characterize a property should be preserved.
 - 26 (5) Deteriorated historic features shall be repaired rather than replaced; where
27 the severity of deterioration requires replacement of a distinctive feature, the
28 new should match the old in design, color, texture, and other visual qualities
29 and, where possible, materials; replacement of missing features shall be
30 substantiated by documentary, physical, or pictorial evidence.
 - 31 (6) Chemical or physical treatments, such as sandblasting, that cause damage to
32 historic materials shall not be used; the surface cleaning of structures, if
33 appropriate, shall be undertaken using the gentlest means possible.
 - 34 (7) New additions, exterior alterations, or related new construction shall not
35 destroy historic materials that characterize the property; the new work shall
36 be differentiated from the old and shall be compatible with the massing, size,
37 scale, and architectural features to protect the historic integrity of the historic
38 property and its environment.
 - 39 (8) New additions and adjacent or related new construction shall be undertaken in
40 such a manner that if removed in the future, the essential form and integrity of
41 the historic property and its environment would be unimpaired.
- 42 (b) Work to be reviewed by one or more designated administrative officers. The
43 following work will be reviewed according to the standards set forth above:
- 44 (1) Repairs to the exterior of the designated building.
 - 45 (2) Alterations to the exterior of the designated building.
 - 46 (3) New construction on the property on which the building is located.
 - 47 (4) Alterations to interior primary public spaces.
 - 48 (5) Any remaining work where the expenditures for such work are being used to
49 satisfy the minimum expenditures for rehabilitation.

- 1 (c) Minimum expenditures for rehabilitation means the owner or the owner's estate
2 rehabilitates the building, with expenditures for rehabilitation exceeding 20
3 percent of the fair market value of the building. Fair market value means the
4 appraised value as certified to the Review Committee by a real estate appraiser
5 licensed by the State of South Carolina, the sales price as delineated in a bona fide
6 contract of sale within 12 months of the time it is submitted, or the most recent
7 appraised value published by the Horry County Tax Assessor.
- 8 (d) Expenditures for rehabilitation means the actual cost of rehabilitation relating to
9 one or more of the following:
10 (1) Improvements located on or within the historic building as designated.
11 (2) Improvements outside of but directly attached to the historic building which
12 are necessary to make the building fully useable (such as vertical circulation)
13 but shall not include rentable/habitable floor-space attributable to new
14 construction.
15 (3) Architectural and engineering services attributable to the design of the
16 improvements.
17 (4) Costs necessary to maintain the historic character or integrity of the building.
- 18 (e) Scope. The special tax assessment may apply to the following:
19 (1) Structure(s) rehabilitated.
20 (2) Real property on which the building is located.
- 21 (f) Time limits. To be eligible for the special tax assessment, rehabilitation must be
22 completed within two years of the preliminary certification date. If the project is
23 not complete after two years, but the minimum expenditures for rehabilitation
24 have been incurred, the property continues to receive the special assessment until
25 the project is completed or until the end of the special assessment period,
26 whichever shall first occur.

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28 Sec. 15-67. - Process for certification
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- 30 (a) Fee required for certification. There is a fee of \$150.00 required for final
31 certification for each application for review of rehabilitation work of single-family
32 and/or duplex structures and \$300.00 for all other structures. Fees are payable to
33 the City of Myrtle Beach, and final certification will not be given without payment
34 of this fee, which may be waived when application is made by a governmental
35 entity.
- 36 (b) Plan required. Owners of property seeking approval of rehabilitation work must
37 submit a rehabilitation historic property application with supporting
38 documentation and application fee prior to beginning work.
- 39 (c) Preliminary certification. Upon receipt of the completed application, the proposal
40 shall be placed on the next available agenda of the Review Committee to
41 determine if the project is consistent with the standards for rehabilitation in
42 subsection 15-698(a) above. After the Review Committee makes its determination,
43 the owner shall be notified in writing. Upon receipt of this determination the
44 owner may:
45 (1) If the application is approved, begin rehabilitation;
46 (2) If the application is not approved, he may revise such application in accordance
47 with comments provided by the Review Committee;
- 48 (d) Substantive changes. Once preliminary certification is granted to an application,
49 substantive changes must be approved by the Review Committee. Unapproved

1 substantive changes are conducted at the risk of the property owner and may
2 disqualify the project from eligibility. Additional expenditures will not qualify the
3 project for an extension on the special assessment.

4 (e) Final certification. Upon completion of the project, the project must receive final
5 certification in order to be eligible for the special assessment. The secretary to the
6 Review Committee will inspect completed projects to determine if the work is
7 consistent with the approval granted by the Review Committee pursuant to section
8 15-66. Final certification will be granted when the completed work meets the
9 Standards and verification is made that expenditures have been made in
10 accordance with subsection 15-66(c) and (d) above. Upon receiving final
11 certification, the property will be assessed for the remainder of the special
12 assessment period on the fair market value of the property at the time the
13 preliminary certification was made or the final certification was made, whichever
14 occurred earlier.

15 (f) Additional work. For the remainder of the special assessment period after final
16 certification, the property owner shall notify the Review Committee of any
17 additional work, other than ordinary maintenance. The Review Committee will
18 review the work at a regularly scheduled hearing and determine whether the
19 overall project is consistent with the standards for rehabilitation. If the additional
20 work is found to be inconsistent the property owner may withdraw his request and
21 cancel or revise the proposed additional work.

22 (g) Decertification. When the property has received final certification and has been
23 assessed as rehabilitated historic property, it remains so certified and must be
24 granted the special assessment until the property becomes disqualified by any one
25 of the following:

26 (1) Written notice from the owner to the Review Committee and the auditor
27 requesting removal of the preferential assessment;

28 (2) Removal of the historic designation by the City Council; or

29 (3) Rescission of the approval of rehabilitation by the Review Committee because
30 of alterations or renovation by the owner or the owner's estate which causes
31 the property to no longer possess the qualities and features which made it
32 eligible for final certification.

33 (h) Notification. The city shall, upon final certification of a property, notify the Horry
34 County Assessor, Auditor and Treasurer that such property has been duly certified
35 and is eligible for the special tax assessment. Notification of any change affecting
36 eligibility must be given immediately to the Horry County Assessor, Auditor, and
37 Treasurer.

38 (i) Date effective. If an application for preliminary or final certification is filed by May
39 1 or the preliminary or final certification is approved by August 1, the special
40 assessment authorized herein is effective for that year. Otherwise, it is effective
41 beginning with the following year. The special assessment only begins in the
42 current or future tax years as provided for in this section. In no instance may the
43 special assessment be applied retroactively.

44 (j) Application. Once the Review Committee has granted the special property tax
45 assessments authorized herein, the owner of the property shall make application
46 to the Horry County Auditor for the special assessment provided for herein.

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49 This ordinance shall become effective upon adoption.
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ATTEST:

BRENDA BETHUNE, MAYOR

JENNIFER STANFORD, CITY CLERK

1st Reading:

2nd Reading: