

April 10, 2018 - Presented for approval

R2018-17: A RESOLUTION DECLARING THE INTENTION OF THE CITY OF MYRTLE BEACH TO REIMBURSE ITSELF FOR CERTAIN EXPENSES IN CONNECTION W/ THE 2018 MYRTLE BEACH AIR BASE REDEVELOPMENT PROJECTS W/ THE PROCEEDS OF TAX INCREMENT BONDS TO BE ISSUED IN 2018.

Applicant/Purpose: Staff/To declare the City's intention to reimburse itself for certain Air Base Redevelopment project expenditures upon issuance of Series 2018 Tax Increment Revenue Bonds intended to finance the project.

Brief:

- A proposed debt issue anticipated once Council has concurred in the Air Base Redevelopment Authority's Redevelopment Plan Amendments, will finance projects in the Air Base Redevelopment Tax Increment Finance District, namely:
 - Addition of a 3rd level to the parking structure on DeVille Street.
 - P1 & P2 parking structure modifications/improvements.
 - Construction of public restroom facilities at Valor Park.
 - Replacement of equipment & expansion of the Howard Street playground.
 - Public infrastructure improvements to roads, sidewalks, drainage, water, sanitary sewer, landscaping & irrigation on the XYZ parcel.
- This resolution preserves the tax-exempt status of the proposed bond issue if the City needs to expend its own funds in on the project before the bonds close.

Issues:

- A total of \$7,000,000 of bond proceeds is included for the projects.
- The total size of the expected bond issue could be as much as the \$7.5 million.
- Absent the resolution, construction would not be able to begin until bonds were issued.

Public Notification: Normal meeting notification.

Alternatives: Do not pass resolution. Delay construction.

Financial Impact: Negligible amounts of foregone interest on funds advanced from Base Redevelopment Fund prior to closing. Increase in debt service payments has been anticipated in the redevelopment plan amendment pending the City's concurrence in the plan and issuance of the debt.

Manager's Recommendation: I recommend approval.

Attachment(s): Proposed resolution.

CITY OF MYRTLE BEACH
COUNTY OF HORRY
STATE OF SOUTH CAROLINA

RESOLUTION R2018-17, A RESOLUTION
DECLARING THE INTENTION OF THE
CITY OF MYRTLE BEACH TO REIMBURSE
ITSELF FOR CERTAIN EXPENSES IN
CONNECTION WITH THE 2018 MYRTLE
BEACH AIR BASE REDEVELOPMENT
PROJECTS WITH THE PROCEEDS OF
TAX INCREMENT BONDS TO BE ISSUED
IN 2018

1 **WHEREAS**, the City of Myrtle Beach (the “Issuer”), intends to acquire certain
2 capital assets, consisting of certain redevelopment projects in the Air Base
3 Redevelopment Tax Increment Finance District, namely (a) the addition of a third level
4 to the parking structure on DeVille Street, (b) P1 and P2 parking structure modifications
5 and improvements, (c) construction of public restroom facilities at Valor Park, (d)
6 replacement of equipment and expansion of the Howard Street playground, (e) public
7 infrastructure improvements to include roads, sidewalks, drainage, water, sanitary
8 sewer, landscaping and irrigation on the XYZ parcel (the “Projects”);

9 **WHEREAS**, the Issuer intends to incur debt through the issuance of Tax Increment
10 Financing Bonds (the “Bonds”), for the purpose of providing funds to pay the costs of
11 the Projects and costs incurred in connection with the authorization, issuance, and sale
12 of the Bonds;

13 **WHEREAS**, no funds of the Issuer from any source other than the Bonds are, or
14 are reasonably expected to be reserved, allocated on a long-term basis or otherwise set
15 aside by the Issuer pursuant to the budget or financial policies of the Issuer for the
16 financing of the costs of the Projects or any part thereof;

17 **WHEREAS**, the cost of the Projects is expected to be approximately \$7,000,000;

18 **WHEREAS**, the Issuer reasonably expects that all or a portion of the expenditures
19 incurred by the Issuer for the acquisition, construction and equipping of the Projects
20 and for the issuance of the Bonds will be paid from its Air Base Redevelopment Fund
21 prior to the issuance of the Bonds;

22 **WHEREAS**, the Issuer intends and reasonably expects to reimburse itself for all
23 such expenditures paid by the Issuer with respect to the Projects prior to the issuance
24 of the Bonds from the proceeds of the Bonds, and such intention is consistent with the
25 budgetary and financial circumstances of the issuer;

26 **WHEREAS**, all of the costs to be reimbursed or paid from the proceeds of the
27 Bonds will be incurred in connection with the issuance of the Bonds or will, at the time
28 of payment thereof, be properly chargeable to the capital account of the Projects (or
29 would be so chargeable with a proper election) under general federal income tax
30 principles;

31 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MYRTLE**
32 **BEACH, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED:**

33 **Section 1.** It is hereby declared that the facts set forth in the preambles to this
34 Resolution are in all respects true and correct.

1 **Section 2.** It is hereby declared that the Issuer intends and reasonably expects
2 to reimburse itself with the proceeds of debt to be incurred by the Issuer through the
3 issuance of the Bonds for all expenditures by the Issuer for the acquisition, installation,
4 and equipping of the Projects and for the issuance of the Bonds paid prior to the issuance
5 of the Bonds.

6 **Section 3.** The Projects consist of (a) the addition of a third level to the parking
7 structure on DeVille Street, (b) P1 and P2 parking structure modifications and
8 improvements, (c) construction of public restroom facilities at Valor Park,
9 (d) replacement of equipment and expansion of the Howard Street playground,
10 (e) public infrastructure improvements to include roads, sidewalks, drainage, water,
11 sanitary sewer, landscaping and irrigation on the XYZ parcel.

12 **Section 4.** The maximum principal amount of debt expected to be issued for the
13 acquisition, construction and equipping of the Projects and the issuance of the Bonds is
14 \$7,500,000.

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16
17 SIGNED, SEALED, AND DATED this _____ day of _____, 2018.

18
19 ATTEST:

SIGNED:

20
21 _____
22
23 City Clerk

Mayor