
2018-50 (2ND READING): TO DECLARE A REDEVELOPMENT DISTRICT ZONE KNOWN AS THE GATEWAY GALLERIA REDEVELOPMENT DISTRICT AS ELIGIBLE FOR REDEVELOPMENT INCENTIVES, PURSUANT TO CHAPTER 15, ARTICLE IV.

Applicant/Purpose: Laniado Development, LLC/ to approve the use of the financial incentive policy.

Brief:

- Proposed ordinance is the 2nd application of Council's new financial incentive policy.
- The financial incentive policy allows the City to rebate an amount not to exceed 2% of project construction costs for redevelopment projects in designated areas.
- To approve the application of these incentives, Council must make specific findings.
- The goal of the policy is to remove blight & dilapidation, encourage conversion to green space, retail uses, & tourism related business.
- Proposed ordinance relates to the Gateway Galleria project at 7th N & Ocean Blvd.
- No changes since 1st reading.

Issues:

- City Council findings include:
 - Redevelopment factors include structure or land use obsolescence; land uses incompatible w/existing plans; deleterious uses/layout; depreciation of physical maintenance.
 - Incentives are an appropriate tool to stimulate economic growth w/in the area.
 - Redevelopment of this area is in the interest of the public health, safety, morals, or welfare of the residents of the City.
- Ordinance requires that:
 - A building permit must be issued w/in 6 months of Council's approval of the development agreement.
 - The project must be completed w/in 24 months after the permit is issued.
 - The incentive voucher for a specific fee, tax, or assessment can only be paid after the payment is received.
- All vouchers expire 5 years from the date of issuance (Council may extend for a year).

Public Notification: Normal meeting notification

Alternatives: Do not approve & hope that the developer builds the project w/out the incentive.

Financial Impact: Significant financial benefit resulting from the property taxes (not subject to rebate) & utility revenues & business licenses after the rebates are used.

Manager's Recommendation:

- I recommend 1st reading (7/24/18)
- I recommend 2nd reading & adoption (8/14/18).

Attachment(s): Proposed ordinance.

CITY OF MYRTLE BEACH
COUNTY OF HORRY
STATE OF SOUTH CAROLINA

AN ORDINANCE TO DECLARE A REDEVELOPMENT
DISTRICT ZONE KNOWN AS THE GATEWAY
GALLERIA REDEVELOPMENT DISTRICT AS ELIGIBLE
FOR REDEVELOPMENT INCENTIVES, PURSUANT
TO CHAPTER 15, ARTICLE IV.

WHEREAS, the City Council has studied the submittal of the development known as Gateway Galleria located in the Gateway Galleria Redevelopment District Zone in Myrtle Beach, South Carolina and as shown by map or plat in Exhibit 1; and

WHEREAS, based upon the presentations of the applicant and the Manager, it appears that the applicant has submitted a proper and qualifying Redevelopment Plan, as defined in the Code of Laws stated above, and

WHEREAS, the Redevelopment Plan is located in the Redevelopment District in need of revitalization.

NOW THEREFORE, the City Council finds and ordains that:

1. Redevelopment factors exist *that* include: Aging of accommodations, but without historical designation, Structure dilapidation; Structure or land use obsolescence; Structure deterioration; Land uses incompatible with existing redevelopment or Comprehensive Plan; Structure uses that have been declared a public nuisance, or have been subject to review as an unfit dwelling; Concentrated density without adequate parking, or public transportation; Illegal use of individual structures; Derelict, vacant or boarded up structures; Foreclosures; Structures and land uses below minimum code standards; Concentration of short or long term rental residential property in single family residential neighborhoods; Overcrowding of structures and community facilities; Excessive land coverage incompatible with open space needs; Deleterious land use or layout in light of the City's Comprehensive Plan; Depreciation of physical maintenance; or Assessment and tax delinquencies.
2. Based on evidence presented to it that no fewer than four (4) redevelopment factors persist and exist within the area identified above; and that the area that may be sufficiently delineated within a boundary.
3. There are redevelopment areas that would benefit from redevelopment activities based on redevelopment plans and projects, and that the redevelopment incentives are an appropriate tool to stimulate economic growth.
4. The redevelopment of an identified area is necessary, and in the interest of the public health, safety, morals, or welfare of the residents of such municipality.
5. A temporary system of redevelopment incentives is appropriate in this case, and that qualifying redevelopment activities shall be subject to the redevelopment incentive as provided herein, and subject to Council's legislative discretion.
6. The Plan is consistent with an adopted City of Myrtle Beach Master Plan and/or submitted and approved Redevelopment Plan;
7. The redevelopment is to be located within a specifically identified and designated area as determined by the City Council;

- 1 8. The threshold investments identified in sections Chapter 15, Article IV, Section 15-
2 53 consist of a single real property investment, property assemblage or a cumulative
3 investment.
- 4 9. The Plan has as its goal:
 - 5 (a) Removal of blight and dilapidation, conversion to green space
 - 6 (b) Retail uses
 - 7 (c) Tourism related business or activity
 - 8 (d) City Council may appropriate funds, from which the
9 redevelopment incentive vouchers may draw.
- 10 10. The person, firm, or corporation has satisfied the requirement of provide sufficient
11 documentation on the development to the Manager, and agree to furnish good faith
12 estimates on projected sales tax, assessed valuation, and other information as may
13 be needed to determine the incentives that may be provided and the amount of the
14 incentive.
- 15 11. The City Manager has adopted rules for the approval, issuance and administration of
16 vouchers pursuant to this section. An incentive voucher issued by the City shall be
17 dated and numbered for identification and issued to a specific person or legal
18 business entity, as the entity capable of drawing against the voucher amount which
19 is retained by the City.
- 20 12. The incentive voucher may be gifted, sold, exchanged or otherwise transferred by
21 the developer to the subsequent owner or operator of the Redevelopment Project,
22 but only in whole to another person or legal entity, and only after service of notice
23 of the transfer to the City, at least thirty (30) days prior to transfer. The notice
24 shall be hand delivered to the Finance Director, and shall state ordination number
25 of the approval and the development agreement, the legal name, address, and
26 contact information of the transferor and transferee, and the date of transfer.
27 Failure to provide notice in writing as required herein prior to transfer renders the
28 voucher void for use. The voucher is not otherwise transferable.
- 29 13. Fees, assessments and taxes collected by the City means payments actually paid to
30 the City directly as impact fees, construction services, fire and inspection fees,
31 business license fees and water and sewer bills, and may include taxes collected
32 by the City of Myrtle Beach, the County of Horry or the State of South Carolina.
- 33 14. The incentive payment may result in federal income tax consequences and the
34 applicant is advised to consult their own tax advisors regarding tax consequences.
- 35 15. A building permit must be issued within six (6) months of Council's approval of
36 development agreement, and the project must be completed with twenty four (24)
37 months of the date of the first building permit.
- 38 16. After the Director of Construction Services accepts the completion of the
39 redevelopment project by issuance of the Certificate of Occupancy, he shall provide
40 notice of the approval to the Finance Director, and shall state the ordination
41 numbers of Council's approval and the development agreement on a form
42 developed for that purpose.
- 43 17. The Finance Department shall issue the incentive voucher on a form approved by
44 the Manager.
- 45 18. The incentive voucher for a specific fee, tax, or assessment collected by the City
46 can only be paid after the payment for the specific fee, tax or assessment is
47 received by the City.
- 48 19. All incentive vouchers expire five (5) years from the date of issuance, provided
49 however, acting in legislative discretion, the City Council may extend voucher

1 utility for one (1) year upon good cause shown. The vouchers are also limited by
2 the budgeted fund amount, although Council can appropriate more at any time for
3 a worthy project. When the funds are expended for the fiscal year, no more
4 vouchers will be issued unless the City Council amends the budget accordingly.

- 5 20. The redevelopment agreement approved in Ordinance 2017-__ entered into
6 pursuant to this ordinance during that period shall continue in effect for their
7 duration.
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10 This ordinance shall become effective upon its adoption.
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15 _____
16 BRENDA BETHUNE, MAYOR

17 ATTEST:
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23 _____
24 JENNIFER STANFORD, ACTING CITY CLERK

25 1st Reading:

26 2nd Reading:
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