

August 13, 2019 – Presented for 1<sup>st</sup> Reading.

2019-39 (1<sup>st</sup> READING): AN ORDINANCE TO AUTHORIZE THE SALE OF PROPERTY LOCATED AT 807 KINGS HIGHWAY (IDENTIFIED AS HORRY COUNTY PIN 444-01-01-0043, TMS # 181-07-07-019) TO L1PMYRTLEBEACH, LLC, FOR \$159,000, AN AMOUNT WHICH EQUALS THE CITY'S PURCHASE PRICE AND EXCEEDS THE MARKET VALUE OF THE PROPERTY AS REFLECTED IN THE CURRENT HORRY COUNTY TAX RECORDS.

**Applicant/Purpose:** Staff /to authorize the sale of City-owned property for redevelopment in the proposed Arts & Innovation District.

**Brief:**

- The City owns property at 807 Kings Highway in the area designated as a Historic District w/in the proposed Arts & Innovation District.
- Renovations to historic structures are eligible for State & Federal Historic Tax Credits, which together can off-set ~30% of the cost of renovations.
- City has received an offer from L1PMyrtleBeach, LLC (dba Mashburn Construction), to purchase the property "as-is" for \$159,000.
- Proposed transaction includes use of the following incentives:
  - State & Federal Historic Tax Credits - reduces Qualified Rehabilitation Expenses by ~30%.
  - City accepts a note for 90% of the sales price (subject to a mortgage interest) for 1 year to allow buyer to receive these credits.

**Issues:**

- Per the proposed ordinance Council finds that the proposed sale:
  - Is consistent w/ Council's intent when the property was acquired.
  - Contributes to the Downtown Master Plan implementation.
  - Is contemplated at a reasonable price.
- The proposed ordinance also authorizes the City Manager to execute the sale of the property pursuant to the Contract to Buy and Sell Real Estate.
- City benefits from this transaction:
  - Property is back on the tax rolls.
  - Proposed use consistent w/ Downtown Plan & proposed A&I District.
  - Increases activity in the A&I District.
  - Restoration of a historically significant building.
  - No financial loss to City.

**Public Notification:** Normal meeting notification.

**Alternative:** Continue to hold the property.

**Financial Impact:**

- Proposed sales price = \$159,000. 10% to be paid by the owner at closing. City will hold a note for the rest for 1 year at 5%/year, to allow buyer to receive historic tax benefits. Total developer payment (w/ interest) = \$166,1550.
- City acquired the property for \$159,000.
- Current Horry County Tax Records show the fair market value as \$155,300.

**Manager's Recommendation:** I recommend 1st reading (8/1/2019).

**Attachment(s):** Proposed ordinance, & sales agreement.

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**CITY OF MYRTLE BEACH  
COUNTY OF HORRY  
STATE OF SOUTH CAROLINA**

**ORDINANCE TO AUTHORIZE THE SALE OF  
PROPERTY LOCATED AT 807 KINGS HIGHWAY  
(IDENTIFIED AS HORRY COUNTY PIN 444-01-  
01-0043, TMS # 181-07-07-019) TO  
L1PMYRTLEBEACH, LLC, FOR \$159,000, AN  
AMOUNT WHICH EQUALS THE CITY'S  
PURCHASE PRICE AND EXCEEDS THE MARKET  
VALUE OF THE PROPERTY AS REFLECTED IN  
THE CURRENT HORRY COUNTY TAX RECORDS.**

WHEREAS, the City of Myrtle Beach ("the City") is the owner of the property located at 807 Kings Highway and identified as Horry County PIN 444-01-01-0043 and TMS # 181-07-07-019 (see Attachment 1 the "Property"); and

WHEREAS, per the City's Downtown Master Plan adopted on March 12, 2019, the Property exists within the area proposed to be redeveloped as the City's Arts and Innovation District; (see attachment 2); and

Whereas, the City has received an offer from L1PMyrtleBeach, LLC (dba Mashburn Construction, "the Buyer"), to purchase the Property in an "as-is" condition" for the price of \$159,000 pursuant to the terms described in the proposed Contract to Buy and Sell Real Estate (see attachment 3); and

Whereas, the proposed purchase price exceeds the value of that property as currently reflected in the Horry County tax records of \$155,300.

Now therefore be it ordained that the City Council finds that:

- 1. The proposed sale of the Property is consistent with the intent of City Council at the time it was acquired.
- 2. The proposed sale of the Property serves the public interest by contributing to the adoption of an approved City Plan.
- 3. That the proposed sales price is reasonable in relationship to the value of the Property.
- 4. The City Manager is hereby authorized to execute the sale of the property pursuant to the terms in the attached Contract to Buy and Sell Real Estate.

This ordinance is effective upon second reading.

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BRENDA BETHUNE, MAYOR

ATTEST:  
\_\_\_\_\_  
JENNIFER STANFORD, CITY CLERK

1<sup>ST</sup> READING:  
2<sup>ND</sup> READING: