

R2020-51: CERTIFYING A BUILDING SITE AS AN ABANDONED BUILDING SITE PURSUANT TO THE SOUTH CAROLINA ABANDONED BUILDINGS REVITALIZATION ACT, SECTION 12-67-100 ET SEQ., OF THE SOUTH CAROLINA CODE OF LAWS (1976), AS AMENDED, REGARDING PROPERTY LOCATED AT 1229 SHINE AVENUE IN THE CITY OF MYRTLE BEACH, HORRY COUNTY TMS # 186-00-01-121 AND HORRY COUNTY PIN # 44215030004.

Applicant/Purpose: 1229 Restaurant, LLC (owner) & 1229 Shine LLC (affiliate)/ to seek City certification of property located at 1229 Shine Avenue as an “abandoned building site” per the Abandoned Buildings Revitalization Act of 2013, as amended.

Brief:

- The owner has acquired 1229 Shine Avenue to lease to a tenant to rehabilitate the structure into a restaurant & bar.
- City Staff has done its due diligence to determine the building to be abandoned as that term is defined by the Abandoned Buildings Revitalization Act of 2013.

Issues:

- The Act is a State effort to incentivize the redevelopment of buildings that are at least 66% vacant for the past 5 years & are not income-producing. Single-family residences are not eligible.
- The minimum threshold for investment is \$250,000 for cities or counties w/ a population >25,000.
- Available tax credits:
 - Income tax credit:
 - Credit equals 25% of actual expenses (not exceed \$500,000 for any taxpayer in a tax year).
 - Credit must be taken over 3 years (beginning when the building is placed back in service).
 - Property tax credit:
 - Credit equals 25% of actual expenses but the credit may not exceed 75% of the real property taxes due on the building.
 - Credit may be taken up to 8 years (beginning when the building is placed back in service).

Public Notification: Normal meeting notifications.

Alternatives: None considered.

Financial Impact:

- There is no cost to the City. Instead, the City benefits from increased property taxes & business license fees attributable to the renovated structure.
- The abandoned building tax credit benefits property owners by reducing the costs of repurposing vacant buildings.

Manager’s Recommendation: I recommend approval.

Attachment(s): Proposed resolution & supporting documents.

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**CERTIFYING A BUILDING SITE AS AN
ABANDONED BUILDING SITE PURSUANT TO
THE SOUTH CAROLINA ABANDONED
BUILDINGS REVITALIZATION ACT, SECTION
12-67-100 ET SEQ., OF THE SOUTH CAROLINA
CODE OF LAWS (1976), AS AMENDED,
REGARDING PROPERTY LOCATED AT 1229
SHINE AVENUE IN THE CITY OF MYRTLE
BEACH, HORRY COUNTY TMS # 186-00-01-121
AND HORRY COUNTY PIN # 44215030004.**

WHEREAS, the Act provides that restoration of abandoned buildings into productive assets for the communities in which they are located serves a public and corporate purpose and results in job opportunities; and

(1) "Abandoned Building" means a building or structure, which clearly may be delineated from other buildings or structures, at least sixty-six percent of the space in which has been closed continuously to business or otherwise nonoperational for income producing purposes for a period of at least five years immediately preceding the date on which the taxpayer files a "Notice of Intent to Rehabilitate". For purposes of this item, a building or structure that otherwise qualifies as an "abandoned building" may be subdivided into separate units or parcels, which units or parcels may be owned by the same taxpayer or different taxpayers, and each unit or parcel is deemed to be an abandoned building site for purposes of determining whether each subdivided parcel is considered to be abandoned.

(2) "Building Site" means the abandoned building together with the parcel of land upon which it is located and other improvements located on the parcel. However, the area of the building site is limited to the land upon which the abandoned building is located and the land immediately surrounding such building used for parking and other similar purposes directly related to the building's income producing use; and,

WHEREAS, Section 12-67-120(1) of the Act provides, in pertinent part:

...[A] building or structure that otherwise qualifies as an "abandoned building" may be subdivided into separate units or parcels, which units or parcels may be owned by the same taxpayer or different taxpayers, and each unit or parcel is deemed to be an abandoned building site..., and,

WHEREAS, Section 12-67-140 of the Act provides that a taxpayer who rehabilitates an abandoned building or an abandoned building site is eligible either for a credit against certain income taxes, license fees or premium taxes, or a credit against local real property taxes; and,

WHEREAS, 1229 RESTAURANT LLC (the "Taxpayer") is or shall be the tenant leasing certain real property and improvements thereon owned by its affiliate 1229 SHINE, LLC (the "Affiliate") located at 1229 Shine Avenue, Myrtle Beach S.C. (the "Property") which property is further identified on the Horry County Tax Maps as TMS No. 186-00-01-121, and which Property includes an "abandoned building" within the meaning of the Act; and

WHEREAS, no portion of the Property has at any time been placed in service by the Taxpayer or the Affiliate; and

WHEREAS, the Property is located within the city limits of Myrtle Beach, South Carolina; and

WHEREAS, the Taxpayer has requested that the City certify that the Property is an eligible abandoned building site as defined by Section 12-67-120 of the Act in accordance with Section 12-67-160 of the Act;

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF MYRTLE BEACH, SOUTH CAROLINA, this 8th day of December, 2020, as follows:

Section 1. The Taxpayer and the Affiliate have submitted to the City a request to certify the Property as an abandoned building site pursuant to Section 12-67-160 of the Act (the "Request to Certify").

Section 2. The City has reviewed the Request to Certify, supporting documentation, conferred with the Taxpayer and the Affiliate and conducted its own review of the Property.

Section 3. The City hereby finds and certifies that the Property constitutes an abandoned building site as defined in Section 12-67-120(1) of the Act, and (ii) the geographic area of the Property is consistent with Section 12-67-120(2) of the Act. The City further finds and certifies that, to the extent the Property is properly divided into separate units by the Affiliate pursuant to and in accordance with the provisions of the Act, (a) each such unit will constitute an abandoned building site as defined in Section 12-67-120(1) of the Act, and (b) the geographic area of each such abandoned building site will be consistent with Section 12-67-120(2) of the Act.

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ATTEST:

BRENDA BETHUNE, MAYOR

JENNIFER ADKINS, CITY CLERK



City of Myrtle Beach
SOUTH CAROLINA

12/1/2020

Business License Verification

RE: 1229 Shine Avenue

To Whom It May Concern:

I am the Business License Official for the City of Myrtle Beach. The business license records for the City of Myrtle Beach reflect that Rast & Associates Inc. operated a business at the above referenced location from April 1999 until March 2006. Since March 2006 there has not been an active business license at the above reference location.

Sincerely,

Mary C. McDowell
Business License Official