

The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. These shapes are primarily located on the left and right sides of the slide, framing the central white text area.

Downtown Master Plan Financial Planning Working Group

City Council Workshop

May 9, 2019

Myrtle Beach Sports Center

Working Group

- ▶ Michael Shelton, Myrtle Beach CFO
- ▶ Michelle Shumpert, Myrtle Beach Director of Financial Mgt. & Reporting
- ▶ Thad Wilson of MuniCap, TIF and MID structuring
 - ▶ Various members of the firm have developed Tax Increment Financing (“TIF”) and Municipal Improvement District (“MID”) plans for the City since the mid-2000s on projects including
 - ▶ the AFB Redevelopment Plan,
 - ▶ Ocean Front Redevelopment Plan and recently on
 - ▶ MIDs for the City’s long term protection re storm water ponds serving new developments on the north end.
- ▶ David Cheatwood of First Tryon Municipal Advisors, City’s Independent Registered Municipal Advisor (“IRMA”), structuring & issuance of debt,
 - ▶ David has served the City in this capacity since 2015.
- ▶ Bill Musser, of Pope Flynn, City’s Bond Counsel
 - ▶ Bill is a familiar face and has served the City as Bond Counsel since the early 2000s.
 - ▶ Prior to 2000, Bill served as underwriters’ Council on City bond issues going back to the mid-1990s.

Document Review

- ▶ The Pavilion Area Master Plan (“PAMP”)
- ▶ 2008 Ocean Front Redevelopment District Documents including
 - ▶ the Ocean Front Redevelopment Plan as adopted by ordinance number 2008-78 (the “2008 Plan”),
 - ▶ the Ocean Front Tax Increment Plan (the “2008 TIF Plan”), and a copy of the Ocean Front TIF Bond ordinance.
- ▶ Ocean Front MID—2008 documents studying the idea of imposing a municipal improvement district (“MID”) over the downtown redevelopment district and areas to the north and south of the district boundaries.
- ▶ Benchmark Downtown Plan, including
 - ▶ the downtown master plan final report, adopted in March 2019, and
 - ▶ a worksheet entitled “MB ROI” which includes Benchmark’s estimated return on investment under the plan.
- ▶ City Actions re Downtown Redevelopment including
 - ▶ the Kings Highway corridor study
 - ▶ a resolution adopting the downtown master plan and
 - ▶ various iterations of the implementation plan.
- ▶ City Incentive Program Examples
 - ▶ Article 4 of the city’s code of ordinances and
 - ▶ two sample documents that we drafted when the floating zone and voucher incentives were approved for a redevelopment project at 6th Ave. N. In 2016.
 - ▶ “Opportunity Zone Prospectus” presented at a seminar that DRC hosted in early April 2019.

Specific question and conclusions at this point

- ▶ Whether the existing Ocean Front Improvement District, which is a Tax Increment Finance (TIF) District created in 2008, will be of any utility to us vis-à-vis the current Downtown Redevelopment Plan.
- ▶ Status of 2008 Projects and 2008 Incremental Revenue. Review provided by April 30 memo from CFO to Working Group.
- ▶ Conclusions:
 - ▶ existing Ocean Front TIF District is unlikely to be a source of significant funding for the 2019 Downtown Master plan *unless significant new investment occurs without an accompanying demand* for public investment or public services.
 - ▶ It is possible that new investment may help to generate revenue that can be leveraged to build parking structures similar to those in the PAMP and the 2008 TIF Plan. I see no reason why the projects identified in that Plan cannot be melded with the objectives of the 2019 Downtown Master Plan.

Next Steps

- ▶ Focus on the Top 5 in 5 for determining likely project financing needs.
- ▶ Create a development strategy and financial model to maximize the return on investment for all city owned assets.
- ▶ Leverage public projects to attract people, private investment and added value to the downtown area with the intent to..
- ▶ Turn the area from a net drain on City resources to a net contributor both financially and in quality-of-life terms.
- ▶ Thursday, May 23, meeting with Benchmark Group.