
1 **R2018-39: A RESOLUTION AMENDING AND SUPPLEMENTING RESOLUTION R2018-**
2 **017, DECLARING THE INTENTION OF THE CITY OF MYRTLE BEACH TO REIMBURSE**
3 **ITSELF FOR EXPENDITURES OF 2018 MYRTLE BEACH AIR BASE REDEVELOPMENT**
4 **PROJECTS WITH THE PROCEEDS OF TAX INCREMENT BONDS TO BE ISSUED IN 2018.**

5 **Applicant/Purpose:** Staff/ to declare the City’s intention to reimburse itself for
6 certain Air Base Redevelopment project expenditures upon issuance of Series 2018 Tax
7 Increment Revenue Bonds intended to finance said projects.

8
9 **Brief:**

- 10 • This resolution preserves the tax-exempt status of the proposed bond issue in the
11 event the City needs to pay some or all project expenses from its own funds before
12 the bonds close.
- 13 • On 4/10/18, Council adopted R2018-017 to declare its intention to finance certain
14 redevelopment projects in the Base Redevelopment District w/ bond proceeds. The
15 projects included \$7 million in Public Infrastructure Projects in support of
16 continuing private development:
 - 17 ○ Addition of a 3rd level to the parking structure on DeVilleville Street.
 - 18 ○ P1 & P2 parking structure modifications/improvements.
 - 19 ○ Construction of public restroom facilities at Valor Park.
 - 20 ○ Replacement of equipment & expansion of the Howard Street playground.
 - 21 ○ Public infrastructure improvements to roads, sidewalks, drainage, water,
22 sanitary sewer, landscaping & irrigation on the XYZ parcel.
- 23 • This resolution adds \$6.3 million in Public Safety Projects to the financing list:
 - 24 ○ Expansion of Police Annex on Mustang Avenue, replacement of firing range.
 - 25 ○ Cameras & IT infrastructure for CCTV installation on public streets &
26 parking facilities.

27
28 **Issues:**

- 29 • A total of \$13.3 million of bond proceeds is included for the Projects.
- 30 • The total size of the expected bond issue could be as much as \$14.0 million,
31 including costs of issuance and reserves/credit enhancements.
- 32 • Absent the resolution, construction cannot begin until bonds are issued.

33
34 **Public Notification:** Normal meeting notification.

35
36 **Alternatives:** Do not pass resolution. Delay construction and/or fund on pay-as-you-
37 go basis, reducing amounts available for distribution to taxing districts.

38
39 **Financial Impact:**

- 40 • Negligible amounts of foregone interest on funds advanced from Base
41 Redevelopment Fund prior to bond closing.
- 42 • Increase in debt service payments has been anticipated in the 2018 redevelopment
43 plan amendment.

44
45 **Manager’s Recommendation:**

- 46 • I recommend approval.

47
48 **Attachment(s):** Resolution.

CITY OF MYRTLE BEACH
COUNTY OF HORRY
STATE OF SOUTH CAROLINA

A RESOLUTION AMENDING AND SUPPLEMENTING RESOLUTION R2018-017, DECLARING THE INTENTION OF THE CITY OF MYRTLE BEACH TO REIMBURSE ITSELF FOR EXPENDITURES OF 2018 MYRTLE BEACH AIR BASE REDEVELOPMENT PROJECTS WITH THE PROCEEDS OF TAX INCREMENT BONDS TO BE ISSUED IN 2018

1 **WHEREAS**, on April 10, 2018, the City of Myrtle Beach (the “Issuer”), adopted its
2 Resolution R2018-017, declaring its intention to incur debt through the issuance of Bonds
3 to pay the costs of certain projects, and costs incurred in connection with the
4 authorization, issuance, and sale of Bonds for those projects, in the Air Base
5 Redevelopment Tax Increment Finance District (the “Base Redevelopment District”);

6 **WHEREAS**, the projects that were the subject of Resolution 2018-017 consisted
7 of (a) the addition of a third level to the parking structure on DeVille Street, (b) P1 and
8 P2 parking structure modifications and improvements, (c) construction of public
9 restroom facilities at Valor Park, (d) replacement of equipment and expansion of the
10 Howard Street playground, (e) public infrastructure improvements to include roads,
11 sidewalks, drainage, water, sanitary sewer, landscaping and irrigation on the XYZ parcel
12 (for purposes of this amendment, the “Public Infrastructure Projects”);

13 **WHEREAS**, the Issuer now intends to add to that list of projects certain public
14 safety projects in the Base Redevelopment District, namely (a) renovation of the Police
15 Annex, including expansion of current investigative and training activities, replacement
16 of indoor shooting range facilities, and office space for additional forces needed in the
17 former base area, and (b) installation of surveillance cameras and related information
18 technology infrastructure for public streets and parking areas (the “Public Safety
19 Projects”);

20 **WHEREAS**, the Issuer intends to incur debt through the issuance of Tax Increment
21 Financing Bonds (the “Bonds”), for the purpose of providing funds to pay the costs of
22 both the Public Infrastructure Projects and the Public Safety Projects (collectively, the
23 “Projects”) together with costs incurred in connection with the authorization, issuance,
24 and sale of the Bonds;

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

29 **WHEREAS**, the cost of the Projects is expected to be approximately \$13,285,000,
30 including \$7,000,000 contemplated in Resolution R2018-017 for Public Infrastructure
31 Projects and \$6,285,000 for the Public Safety Projects;

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

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

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

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

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

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

19 **Section 3.** The Projects consist of the Public Infrastructure Projects and the
20 Public Safety Projects, as defined in the preambles to this Resolution.

21 **Section 4.** The maximum principal amount of debt expected to be issued for the
22 acquisition, construction and equipping of the Projects and the issuance of the Bonds is
23 \$14,000,000.

24
25

26 SIGNED, SEALED, AND DATED this _____ day of _____, 2018.

27

28 **ATTEST:**

SIGNED:

29

30 _____

31

32 **City Clerk**

Mayor

33