
2019-51 (2ND READING): TO AUTHORIZE THE SALE OF PROPERTY LOCATED AT 819 NORTH KINGS HIGHWAY (IDENTIFIED AS TMS# 181-07-07-017 AND HORRY COUNTY PIN#44401010041) TO GSB PROPERTIES, LLC, FOR \$453,000, AN AMOUNT WHICH EQUALS THE CITY'S PURCHASE PRICE.

Applicant/Purpose: Staff/ to sell the City-owned property at this address in furtherance of Council's Downtown Master Plan.

Brief:

- The subject property is a 2 story structure located adjacent to Nance Plaza in the Arts & Innovation District.
- The property is qualified as a 'contributing' property to the historic district, making the renovations eligible for State & Federal Historic Tax Credits.
- The proposed purchaser plans to construct a brewery in this space.
- The purchaser also plans to lease the 2nd floor for use as an event & "maker space".
- No changes since 1st reading.

Issues:

- The proposed sales price equals the City's original purchase price from DRC, & DRC's original price from the previous owner.
- Under the proposed terms of the agreement:
 - The purchaser will pay \$3,000 in earnest money upon execution of the contract & \$13,000 at closing.
 - The balance is due 1 year later (at 5% interest) to allow the buyer to pay from the proceeds of the historic tax credits.
 - The City acknowledges its intent to:
 - Demolish the adjacent City-owned building to accommodate a passageway between Nance Plaza & the public parking area in the rear.
 - Further activate the Plaza.
 - Allow the purchaser non-exclusive use of that space.
- The agreement is anticipated to be closed w/in 75 days of execution of the agreement.

Public Notification: Normal meeting notification.

Alternatives: None considered.

Financial Impact:

- The purchase price = the price that DRC 1st obtained the property from the previous owner, & the price that the City paid when it was purchased from DRC.
- With accumulated interest, the City expects to receive \$475,150 for the property.

Manager Recommendation:

- I recommend 1st reading (10/8/19).
- I recommend approval (10/22/19).

Attachment(s): Proposed ordinance. Contract to Buy and Sell Real Estate.

CITY OF MYRTLE BEACH
COUNTY OF HORRY
STATE OF SOUTH CAROLINA

TO AUTHORIZE THE SALE OF PROPERTY
LOCATED AT 819 KINGS HIGHWAY
(IDENTIFIED AS TMS# 181-07-07-017 AND
HORRY COUNTY PIN#44401010041) TO
GSB PROPERTIES, LLC, FOR \$453,000, AN
AMOUNT WHICH EQUALS THE CITY'S
PURCHASE PRICE.

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 GSB Properties, LLC ("the Buyer"), to purchase the Property in an "as-is" condition" for the price of \$453,000 pursuant to the terms described in the proposed Contract to Buy and Sell Real Estate (see attachment 3); and

Whereas, the proposed purchase price is equal to the price paid by the Downtown Redevelopment Corporation (DRC) to the previous owner, and the price paid by the City to the DRC.

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.

BRENDA BETHUNE, MAYOR

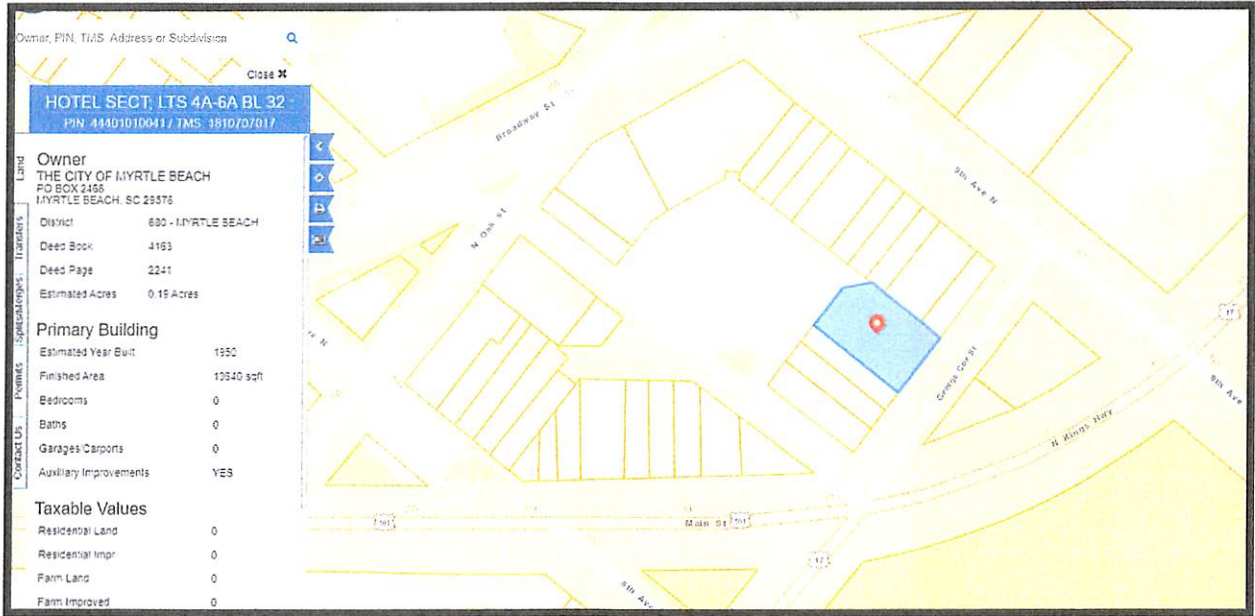
ATTEST:

JENNIFER STANFORD, CITY CLERK

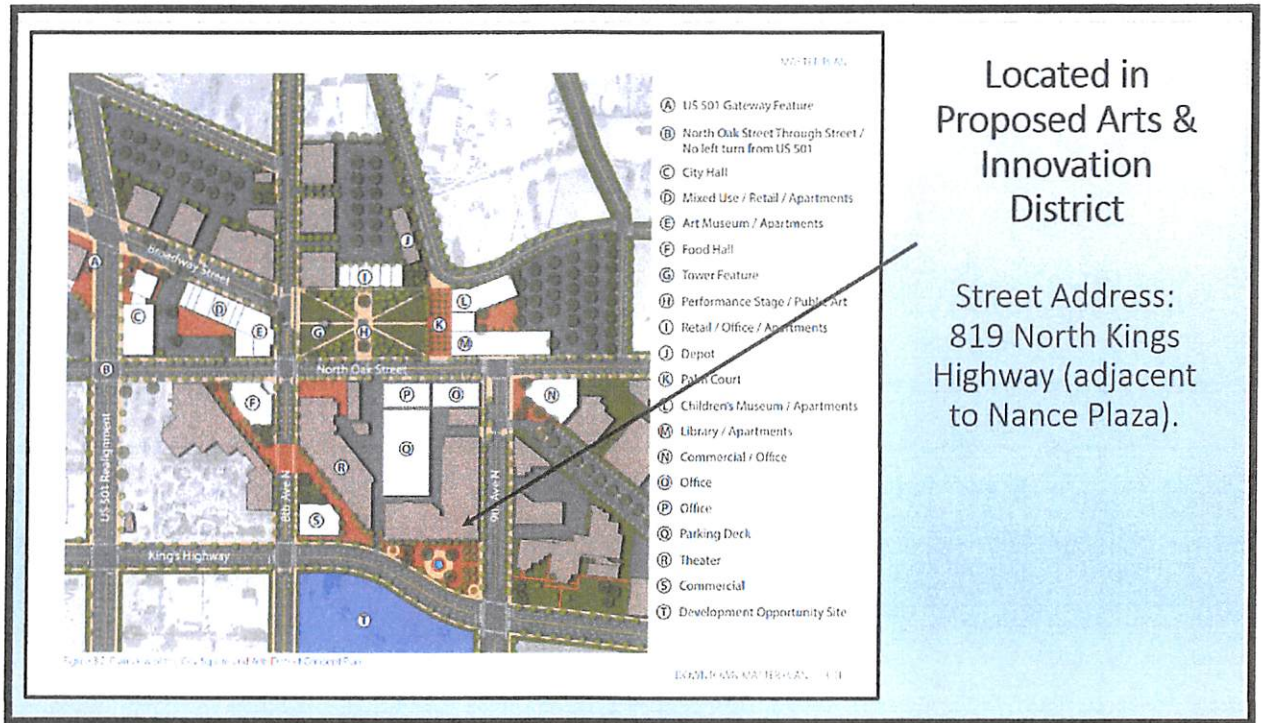
1ST READING: 10-8-19

2ND READING: 10-22-19

Location of Subject Property



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2



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4
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STATE OF SOUTH CAROLINA
COUNTY OF HORRY
CITY OF MYRTLE BEACH

CONTRACT TO BUY AND SELL REAL ESTATE

This Contract of Sale (the "Contract") is made and entered into by and between the **City of Myrtle Beach** (the "Seller"), and **GSBC Properties LLC or assigns**, a South Carolina limited liability company (the "Buyer").

WITNESSETH, that the Seller agrees to sell, and the Buyer agrees to purchase the property described below, upon the terms and conditions set forth hereinafter; and the property is described as follows:

- 1. Property.** Subject to the terms and conditions herein the Seller agrees to sell and the Buyer agrees to buy the parcel, with improvements thereon located at 819 North Kings Highway known as Hotel Section; Lots 4A-6A, Block 32 of Myrtle Beach, being in the City of Myrtle Beach, and such lots being identified as Horry County TMS #181-07-07-017 and Horry County PIN # 44401010041 more particularly shown on **Exhibit A**.
- 2 Purchase Price.** The purchase price of the Property is **Four Hundred Fifty-Three Thousand and 00/100 Dollars (\$453,000.00)**, to be paid as follows:
 - a. Earnest Money.** Buyer shall pay earnest money ("Earnest Money") in the amount of Three Thousand and 00/100 Dollars (\$3,000.00) in the form of cash, cashier's check, or personal check to be deposited with the Seller's designated Attorney or Escrow Agent upon execution of this Contract. This earnest money shall be applied to the Purchase Price at closing.
 - b. Owner Financing.** At closing, Buyer shall pay the sum of Ten Thousand and 00/100 Dollars (\$10,000.00), which shall include the Buyers \$3000.00 earnest money deposit plus an additional \$7,000.00, in cash, wire transfer of funds or a certified or cashier's check drawn on an in-state bank at closing, plus or minus the pro-rations and adjustments hereinafter provided for in Section 6 below. The balance of funds in the amount of Four Hundred and Forty-Three (\$443,000.00) Dollars shall be paid by Buyer to Seller one year from the date of closing. In addition, Buyer shall pay to Seller an amount equal to Five Percent (5%) per Annum on the \$443,000.00 financed calculated from the date of closing until such amount is paid in full. It is understood and agreed that, upon Buyer receiving its construction loan, this Owner Financing shall be subordinate to and shall be in a second lien position behind the construction financing provided by Buyer's lender.
 - c. Due Diligence Period:** Forty-Five (45) days from the Effective Date of this Agreement (such period being herein referred to as the

1 "Initial Due Diligence Period"), the Buyer, it's authorized agents and
2 employees, shall have complete access to the property for the
3 purpose of performing such inspections, evaluations, studies, test
4 and measurements as the Buyer deems reasonably necessary
5 including, but not limited to, surveying, architectural, engineering,
6 environmental and HVAC inspections. Buyer shall keep Seller
7 informed of any loan applications made by Buyer and the status of
8 such loan applications. Buyer also agrees to provide to the Seller
9 copies of any Tax Credit Term Sheets received by Buyer.

10
11 a) At any time prior to the expiration of the Due Diligence
12 Period the Buyer shall have the right to terminate this
13 Contract. If Buyer elects to terminate pursuant to this
14 paragraph, it shall give written notice of such termination to
15 the Seller and to the Escrow Agent prior to the expiration of
16 the Inspection Period and shall provide Seller with copies of
17 all reports and studies obtained by Buyer or its agents during
18 the inspection. Upon such termination, the Escrow Agent
19 shall return the Earnest Money to Buyer, and neither party
20 shall have any further rights or obligations hereunder. If the
21 Buyer terminates the contract after the due diligence period
22 has expired but prior to closing and such termination is
23 through no fault of Seller, the escrow agent shall pay the
24 Earnest Money to Seller.

25
26 b) ***Buyer acknowledges that this is an "as is/where is" sale.***

27
28 **3 Closing; Conveyance.** The transaction shall be closed within Thirty (30)
29 days following the end of the Due Diligence Period. (the "Closing Date"). Title
30 shall be conveyed subject to all restrictions, easements and covenants of
31 record (provided they do not make the title unmarketable) and to all
32 governmental statutes, or ordinances, rules and regulations. The Seller
33 agrees to convey by marketable title and deliver a general warranty deed, free
34 of encumbrances and free of any tenancies, except as herein stated. The
35 deed shall be delivered at the offices of the Buyer's attorney or other place of
36 closing stipulated by the Buyer. The Seller shall give possession to the Buyer
37 at closing.

38
39 **4 Extension.** In the event all required contingencies have not been met, but as
40 a result of conditions outside the control of all parties the transaction cannot
41 be closed by the Closing Date, the Contract may be extended for an additional
42 ten (10) calendar days.

43
44 **5 Acceptance.** If this Contract shall not have been signed by both parties on or
45 before October 22, 2019, the party having signed may declare it void, and any
46 Earnest Money paid shall be returned to the Buyer. The date of the last
47 signature shall be the Effective Date of the Contract.

48
49 **6 Adjustments.** Real property taxes, if any, shall be adjusted as of the date of
50 closing; real property tax pro-rations are to be based on the tax information
51 available on the date of closing, and are to be prorated on that basis. Real

property taxes shall be apportioned to the date of closing. Annual expenses or income shall be apportioned using 365 days. The Buyer shall be responsible for applying for any applicable tax exemptions or special assessment rates.

7 Incentives. The City of Myrtle Beach agrees to support and assist in all incentives for the building site to include the City of Myrtle Beach Bailey Bill property tax incentive, the Abandoned Building State Income Tax Credits, State and Federal Historic Tax Credits and Opportunity Zone benefits. Seller agrees that these incentives may be available and that it is the full intent of the Buyer to obtain such incentives but that it is Buyers sole responsibility to take advantage of the above incentives.

8 Costs. Costs of the preparation of deed and fees imposed pursuant to South Carolina Code Sec. 12-24-10 et seq (f/k/a deed stamps), if any, shall be paid for by the Seller. All other closing costs shall be paid by the Buyer, except as may otherwise be specified herein. Each party is to pay its own attorney fees.

9 Damage to Premises. The Contract is further conditioned upon delivery of the premises in their present condition, and in the event of material damage by fire or otherwise before closing, the Buyer shall have the option to either declare the Contract void and be entitled to return of the Earnest Money, or accept a deed to the premises and accept an assignment of the Seller's right to insurance, if any. Upon such termination of the Contract and the refund of the Earnest Money, neither party shall thereafter have any further obligation to the other.

10 Inspection. Seller to provide any due diligence documents to include all documents, reports, inspections and drawings associated with the properties and specifically the Seller Documents noted in the Letter of Intent executed between Buyer and Seller and dated July 23, 2019.

11 Default. If Buyer shall default under the Contract, the Earnest Money shall be paid to the Seller as liquidated damages as the Seller's sole remedy. Upon default by the Seller, if the Buyer elects to rescind the Contract, the Buyer will be refunded the Earnest Money as the Buyer's sole remedy. If the Buyer does not elect to rescind the Contract, the Buyer shall be entitled to specific performance. If the Buyer elects to seek specific performance, but the Seller is unable to convey marketable title in accordance with the terms of the Contract, the Seller will not be required to bring any action or proceeding, or otherwise to incur any expense, to render the title marketable, but the Buyer shall have the option of taking such title as the Seller can convey, or the Buyer may rescind the Contract, in which event, the sole obligation of the Seller shall be to refund the Earnest Money.

12 Time. TIME IS OF THE ESSENCE for the Contract.

13 Agreements. (a) The City of Myrtle Beach agrees that its plan for the City of Myrtle Beach Arts and Innovation District includes the demolition of the adjacent property located at 817 North Kings Highway bearing Horry County TMS # 181-07-07-018 and the addition of hardscaping and landscaping to that

1 parcel that is consistent with Nance Plaza. (b) The City of Myrtle Beach
2 anticipates entering into a separate agreement with Buyer to allow the Buyer,
3 or it's assigns, non-exclusive usage of Nance Plaza in a manner agreeable to
4 both Buyer and Seller which agreement will provide for the specifics of this
5 usage and other specifics of any changes to the landscaping, seating or Buyer
6 signage located on or near Nance Plaza. However, both Buyer and Seller
7 acknowledge that any such agreement as to usage will be strictly conditioned
8 upon Buyer's application to the City of Myrtle Beach Planning and Zoning
9 Department, or other appropriate Department, for approval and subsequent
10 approval of the requested usages by the City.

11
12 **14 Intended Use.** It is understood that the intended use for this property is an
13 event facility, commercial and retail brewery and/or other hospitality usage and
14 the City of Myrtle Beach agrees to be reasonably support Buyer in obtaining
15 any entitlements, zoning or planning changes to support this usage.

16
17 **15 Notices.** If notice is required or necessary under the provisions of the
18 Contract by either party to the other, it shall be given in writing and shall be
19 deemed given when posted in the United States mail, by certified mail, with
20 return receipt requested, with sufficient postage affixed to carry such notice to
21 its destination at:
22

For the Seller: City of Myrtle Beach
Attn: City Manager
P. O. Box 2468
Myrtle Beach, SC 29578-2468

23 For The Buyer: GSBC Properties LLC
24 Attn: Robert B. Lewis, Esq.
25 Rogers, Lewis, Jackson, Mann & Quinn,
26 Attorneys
27 1901 Main Street
28 Suite 1200
29 Columbia S.C. 29201
30
31

32 **16 Assignment.** The rights of the Buyer under the Contract cannot be assigned
33 in whole or in part without the prior written consent of the Seller except to an
34 entity in which the Buyer or its principals own majority interest. In the event of
35 assignment, all obligations of the Buyer will be performed by the assignee.

36
37 **17 Duplicate Originals.** The Contract may be executed in Two (2) counterparts,
38 each of which shall be deemed an original, and all of such counterparts
39 together shall constitute One (1) and the same instrument.
40

41 **18 Entire Binding Contract.** This instrument, including all terms and conditions,
42 expresses the entire Contract and all promises, covenants, and warranties

1 between the Buyer and the Seller. The Contract can be changed only by a
2 subsequent written instrument signed by both parties. The benefits and
3 obligations shall inure to and bind the parties hereto and their heirs, assigns,
4 successors, personal representatives or administrators. Whenever used,
5 singular shall include plural, and the use of any gender shall include all.
6

7 **19 Severability.** If any provisions of the Contract shall be held to be invalid or
8 unenforceable, such holding shall not affect the validity of the remainder of the
9 Contract.
10

11 **20 Governing Law.** The Contract has been drawn and executed and shall be
12 performed in the State of South Carolina. All questions concerning the
13 Contract and performance hereunder shall be adjudged and resolved in the
14 Courts of and in accordance in the laws of the State of South Carolina.
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20

21 **Buyer: GSBC Properties LLC, a South Carolina Limited Liability Company**

22
23 By: _____ Witness:
24 _____
25

26
27 Print Name: _____ Date Signed:
28 _____
29

30
31 Its: _____
32
33

34 **Seller: City of Myrtle Beach.**

35
36
37 By: _____ Witness:
38 _____
39

40
41 Print Name: _____ Date Signed:
42 _____
43

44 Its: _____
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49 **SpeakWrite**
50 www.speakwrite.com
51 Job Number: 19253-001

1 Custom Filename: 09082019110714
2 Date: 09/10/2019
3 Billed Words: 1490
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