
1 **2019-51 (1ST READING):** TO AUTHORIZE THE SALE OF PROPERTY LOCATED AT
2 819 NORTH KINGS HIGHWAY (IDENTIFIED AS TMS# 181-07-07-017 AND HORRY
3 COUNTY PIN#44401010041) TO GSB PROPERTIES, LLC, FOR \$453,000, AN
4 AMOUNT WHICH EQUALS THE CITY'S PURCHASE PRICE.

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

7
8 **Brief:**

- 9 • The subject property is a two story structure located adjacent to Nance Plaza in the
10 Arts & Innovation District.
- 11 • The property has been qualified as a 'contributing' property to the historic district,
12 making the renovations eligible for State and Federal Historic Tax Credits.
- 13 • The proposed purchaser plans to construct a brewery in this space.
- 14 • The purchaser also plans to lease the 2nd floor for use as a event & "maker space".

15
16 **Issues:**

- 17 • The proposed sales price equals the City's original purchase price from DRC, & DRC's
18 original price from the previous owner.
- 19 • Under the proposed terms of the agreement:
 - 20 ○ The purchaser will pay \$3,000 in earnest money upon execution of the contract
21 & \$13,000 at closing.
 - 22 ○ The balance is due one year later (at 5% interest) to allow the buyer to pay from
23 the proceeds of the historic tax credits.
 - 24 ○ The City acknowledges its intent to:
 - 25 ▪ Demolish the adjacent City-owned building to accommodate a
26 passageway between Nance Plaza & the public parking area in the rear.
 - 27 ▪ Further activate the Plaza.
 - 28 ▪ Allow the purchaser non-exclusive use of that space.
- 29 • The agreement is anticipated to be closed within 75 days of execution of the agreement.

30
31 **Public Notification:** Normal meeting notification.

32
33 **Alternatives:** None considered.

34
35 **Financial Impact:**

- 36 • The purchase price is equal to the price that DRC first obtained the property from the
37 previous owner, and the price that the City paid when it was purchased from DRC.
- 38 • With the accumulated interest, the City expects to receive \$475,150 for the property.

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40 **Manager Recommendation:** I recommend 1st reading.

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

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**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:

1
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Location of Subject Property

Owner, PIN, TMS, Address or Subdivision

Close ✕

HOTEL SECT; LTS 4A-6A BL 32
PIN 44401010041 / TMS 1810707017

Owner
THE CITY OF MYRTLE BEACH
PO BOX 2488
MYRTLE BEACH, SC 29576

Land

District	880 - MYRTLE BEACH
Deed Book	4163
Deed Page	2241
Estimated Acres	0.19 Acres

Primary Building

Estimated Year Built	1950
Finished Area	13640 sqft
Bedrooms	0
Baths	0
Garages/Carports	0
Auxiliary Improvements	YES

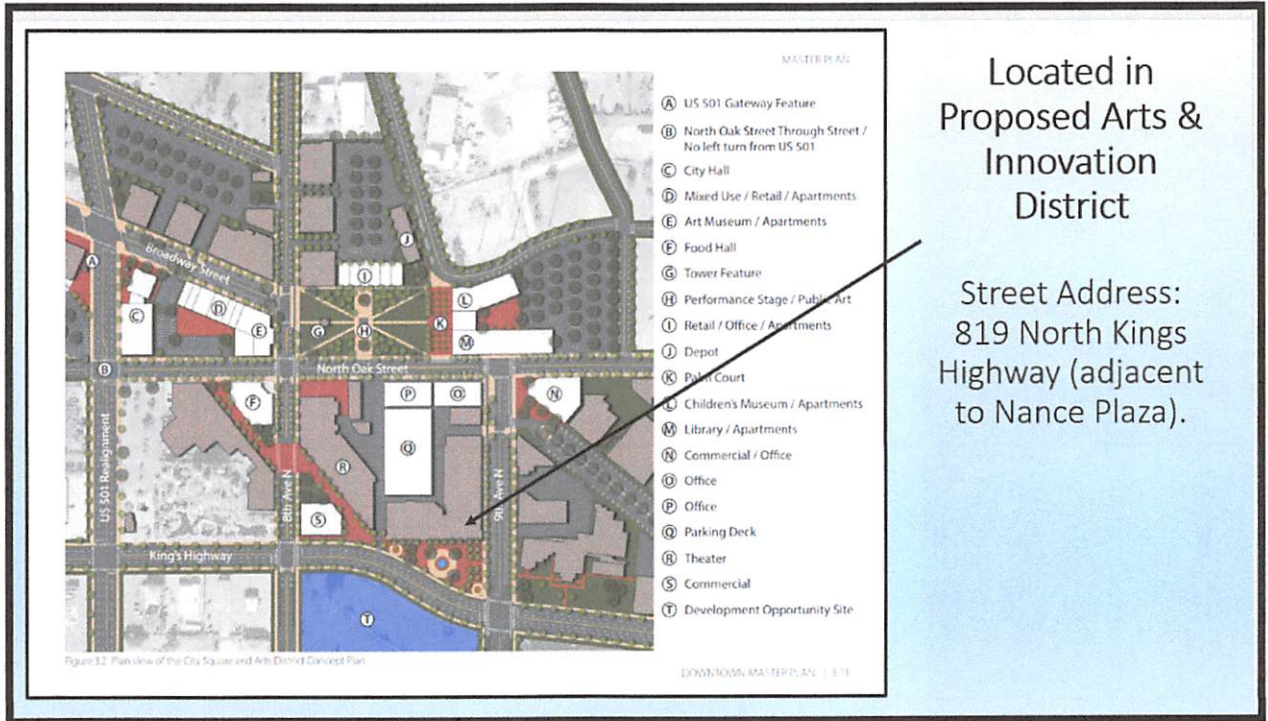
Taxable Values

Residential Land	0
Residential Impr.	0
Farm Land	0
Farm Improved	0

Map labels: Broadway St, 9th Ave N, George Cox St, N. King Hwy, Main St, 5th Ave, 4th Ave, N Oak St.

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Located in
Proposed Arts &
Innovation
District

Street Address:
819 North Kings
Highway (adjacent
to Nance Plaza).

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3 **STATE OF SOUTH CAROLINA**
4 **COUNTY OF HORRY**
5 **CITY OF MYRTLE BEACH**
6

7 **CONTRACT TO BUY AND SELL REAL ESTATE**
8

9 This Contract of Sale (the "Contract") is made and entered into by and between the **City**
10 **of Myrtle Beach** (the "Seller"), and **GSBC Properties LLC or assigns**, a South
11 Carolina limited liability company (the "Buyer").
12

13 WITNESSETH, that the Seller agrees to sell, and the Buyer agrees to purchase the
14 property described below, upon the terms and conditions set forth hereinafter; and the
15 property is described as follows:
16

17 **1. Property.** Subject to the terms and conditions herein the Seller agrees to sell
18 and the Buyer agrees to buy the parcel, with improvements thereon located
19 at 819 North Kings Highway known as Hotel Section; Lots 4A-6A, Block 32 of
20 Myrtle Beach, being in the City of Myrtle Beach, and such lots being identified
21 as Horry County TMS #181-07-07-017 and Horry County PIN # 44401010041
22 more particularly shown on **Exhibit A**.
23

24 **2 Purchase Price.** The purchase price of the Property is **Four Hundred Fifty-**
25 **Three Thousand and 00/100 Dollars (\$453,000.00)**, to be paid as follows:
26

27 a. **Earnest Money.** Buyer shall pay earnest money ("Earnest Money")
28 in the amount of Three Thousand and 00/100 Dollars (\$3,000.00) in
29 the form of cash, cashier's check, or personal check to be deposited
30 with the Seller's designated Attorney or Escrow Agent upon
31 execution of this Contract. This earnest money shall be applied to
32 the Purchase Price at closing.
33

34 b. **Owner Financing.** At closing, Buyer shall pay the sum of Ten
35 Thousand and 00/100 Dollars (\$10,000.00), which shall include the
36 Buyers \$3000.00 earnest money deposit plus an additional
37 \$7,000.00, in cash, wire transfer of funds or a certified or cashier's
38 check drawn on an in-state bank at closing, plus or minus the
39 pro-rations and adjustments hereinafter provided for in Section 6
40 below. The balance of funds in the amount of Four Hundred and
41 Forty-Three (\$443,000.00) Dollars shall be paid by Buyer to Seller
42 one year from the date of closing. In addition, Buyer shall pay to
43 Seller an amount equal to Five Percent (5%) per Annum on the
44 \$443,000.00 financed calculated from the date of closing until such
45 amount is paid in full. It is understood and agreed that, upon Buyer
46 receiving its construction loan, this Owner Financing shall be
47 subordinate to and shall be in a second lien position behind the
48 construction financing provided by Buyer's lender.
49

50 c. **Due Diligence Period:** Forty-Five (45) days from the Effective
51 Date of this Agreement (such period being herein referred to as the

1 "Initial Due Diligence Period"), the Buyer, its 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

1 property taxes shall be apportioned to the date of closing. Annual expenses
2 or income shall be apportioned using 365 days. The Buyer shall be
3 responsible for applying for any applicable tax exemptions or special
4 assessment rates.
5

6 **7 Incentives.** The City of Myrtle Beach agrees to support and assist in all
7 incentives for the building site to include the City of Myrtle Beach Bailey Bill
8 property tax incentive, the Abandoned Building State Income Tax Credits,
9 State and Federal Historic Tax Credits and Opportunity Zone benefits. Seller
10 agrees that these incentives may be available and that it is the full intent of the
11 Buyer to obtain such incentives but that it is Buyers sole responsibility to take
12 advantage of the above incentives.
13

14 **8 Costs.** Costs of the preparation of deed and fees imposed pursuant to South
15 Carolina Code Sec. 12-24-10 et seq (f/k/a deed stamps), if any, shall be paid
16 for by the Seller. All other closing costs shall be paid by the Buyer, except as
17 may otherwise be specified herein. Each party is to pay its own attorney fees.
18

19 **9 Damage to Premises.** The Contract is further conditioned upon delivery of
20 the premises in their present condition, and in the event of material damage by
21 fire or otherwise before closing, the Buyer shall have the option to either
22 declare the Contract void and be entitled to return of the Earnest Money, or
23 accept a deed to the premises and accept an assignment of the Seller's right
24 to insurance, if any. Upon such termination of the Contract and the refund of
25 the Earnest Money, neither party shall thereafter have any further obligation to
26 the other.
27

28 **10 Inspection.** Seller to provide any due diligence documents to include all
29 documents, reports, inspections and drawings associated with the properties
30 and specifically the Seller Documents noted in the Letter of Intent executed
31 between Buyer and Seller and dated July 23, 2019.
32

33 **11 Default.** If Buyer shall default under the Contract, the Earnest Money shall be
34 paid to the Seller as liquidated damages as the Seller's sole remedy. Upon
35 default by the Seller, if the Buyer elects to rescind the Contract, the Buyer will
36 be refunded the Earnest Money as the Buyer's sole remedy. If the Buyer does
37 not elect to rescind the Contract, the Buyer shall be entitled to specific
38 performance. If the Buyer elects to seek specific performance, but the Seller
39 is unable to convey marketable title in accordance with the terms of the
40 Contract, the Seller will not be required to bring any action or proceeding, or
41 otherwise to incur any expense, to render the title marketable, but the Buyer
42 shall have the option of taking such title as the Seller can convey, or the Buyer
43 may rescind the Contract, in which event, the sole obligation of the Seller shall
44 be to refund the Earnest Money.
45

46 **12 Time.** TIME IS OF THE ESSENCE for the Contract.
47

48 **13 Agreements.** (a) The City of Myrtle Beach agrees that its plan for the City of
49 Myrtle Beach Arts and Innovation District includes the demolition of the
50 adjacent property located at 817 North Kings Highway bearing Horry County
51 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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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 _____

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