
1 **R2022-31: DECLARING THE INTENTION OF THE CITY ON MYRTLE**
2 **BEACH TO REIMBURSE ITSELF FOR CERTAIN EXPENSES WITH THE**
3 **PROCEEDS OF THE HOSPITALITY TAX REVENUE TO BE ISSUED IN**
4 **2022-2023.**

5 **Applicant/Purpose:** Staff / to declare the City's intention to reimburse itself for certain
6 preliminary expenditures for infrastructure improvements in the Arts & Innovation District
7 with Hospitality Tax bond proceeds intended to finance the project.
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9 **Brief:**

- 10 • A proposed Hospitality Tax debt issue (upon adoption of a bond ordinance), will
11 finance various infrastructure improvements in the Arts & Innovation District. The
12 projects were included in the 5-year Capital Improvement Plan.
13 • Project includes:
14 ○ Underground Utility Relocation in Phase 1B and Hwy 501/7th Avenue
15 North.
16 ○ Phase 1B Streetscape (Oak St, 9th Avenue North, 8th Avenue North,
17 Broadway Street) and along 7th Avenue North in conjunction with the Hwy
18 501 realignment.
19 ○ Landscaping for Phase 1B and the Hwy 501 realignment project.
20 ○ Intersection improvements at Broadway/Oak Street and Kings Hwy.
21 • The Resolution preserves the proposed bonds' tax exemption in the event the City
22 expends its own funds in order to begin work before the bonds are closed.
23

24 **Issues:**

- 25 • This resolution allows design work, engineering, and other project costs to be
26 incurred, thus allowing for better development of project cost estimates prior to
27 sizing and actual issuance of debt.
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29 **Public Notification:** Normal meeting notification.
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31 **Alternatives:** Do not pass resolution. Delay infrastructure project commencement.
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33 **Financial Impact:** Main benefit is improved project cost estimates before debt issuance.
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35 **Manager's Recommendation:** I recommend approval.
36

37 **Attachment(s):** Proposed resolution.

RESOLUTION R2022-31

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

**DECLARING THE INTENTION OF THE
CITY OF MYRTLE BEACH TO
REIMBURSE ITSELF FOR CERTAIN
EXPENSES WITH THE PROCEEDS OF
HOSPITALITY TAX REVENUE TO BE
ISSUED IN 2022 - 2023.**

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11 WHEREAS, Myrtle Beach's Oceanfront Redevelopment Project Area, generally described
12 as the areas east and west of Kings Highway from 14th Avenue S. to 22nd Avenue N., once
13 was the thriving center of commerce in the City; and

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15 WHEREAS, this central business district, including the oceanfront, once served as the
16 City of Myrtle Beach's original commercial hub and the primary tourism amusement area
17 for the entire Grand Strand; and

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19 WHEREAS, through the adoption of Ordinance 2008-78, enacted October 21, 2008, City
20 Council approved a redevelopment plan entitled "Tax Increment Financing Plan for the
21 Oceanfront Redevelopment Project Area" (hereinafter "Oceanfront Redevelopment
22 Project"); and

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24 WHEREAS, over time, this downtown area experienced a loss of business relative to other
25 parts of the community, as new residential and commercial areas developed elsewhere,
26 and some of the structures in the central downtown area deteriorated through lack of use
27 and maintenance; and

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29 WHEREAS, this lack of new business activity, pedestrian traffic and residential
30 involvement in the downtown area created a stagnant appearance, with resulting concerns
31 about prospects for redevelopment and the overall image that such a primary gateway
32 into Myrtle Beach should project; and

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34 WHEREAS, while many elements of the Pavilion Area Master Plan have been
35 accomplished, the conditions described above in the immediate downtown area have
36 combined to result in an environment which deters interest in new private development;
37 and

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39 WHEREAS, City Council previously confirmed its commitment to restore the downtown
40 and the central oceanfront amusement area to a prominent commercial role, as well as to
41 enhance its character as a significant gateway into the city and a prime location for
42 tourism, entertainment, culture, arts and innovation; and

43
44 WHEREAS, through the adoption of Resolution 2019-20, enacted March 12, 2019, City
45 Council adopted the Downtown Master Plan and the Downtown Master Plan
46 Implementation Plan to facilitate redevelopment, increase business activity, and to serve
47 as the general blueprint for future revitalization and redevelopment of the area traditionally
48 known as "Downtown Myrtle Beach"; and

49
50 WHEREAS, by Resolution 2020-37, City Council adopted the Advanced Master Plan of

1 the Downtown Master Plan to further the plan and vision of creating a resilient, adaptive,
2 sustainable and innovative district; and
3

4 WHEREAS, the City of Myrtle Beach (the "Issuer"), intends to undertake construction and
5 replacement of transportation infrastructure in the Arts & Innovation District, including
6 Phase IB and improvements associated with the realignment of Highway 501.
7 Improvements will include underground utility relocation, streetscape and landscape
8 improvements along 9th Avenue North, 8th Avenue North, 7th Avenue North and the
9 intersection at Broadway Street and Oak Street;

10 WHEREAS, the Issuer intends to incur debt through the issuance of a series of Hospitality
11 Tax Bonds (the "Bonds"), for the purpose of providing funds to pay the costs of the Project,
12 costs incidental to securing the project, and the costs incurred in connection with the
13 authorization, issuance, and sale of the Bonds;

14 WHEREAS, no funds of the Issuer from any source other than the Bonds are, or are
15 reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside
16 by the Issuer pursuant to the budget or financial policies of the Issuer for the financing of
17 the costs of the Project or any part thereof;

18 WHEREAS, the cost of the Project is expected to be approximately \$27,000,000;

19 WHEREAS, the Issuer reasonably expects that all or a portion of the expenditures incurred
20 by the Issuer for the acquisition, demolition, construction and/or equipping of the Project
21 and for the issuance of the Bonds will be paid from its Capital Improvements Fund prior to
22 the issuance of the Bonds;

23 WHEREAS, the Issuer intends and reasonably expects to reimburse itself for all such
24 expenditures paid by the Issuer with respect to the Project prior to the issuance of the
25 Bonds from the proceeds of the Bonds, and such intention is consistent with the budgetary
26 and financial circumstances of the issuer;

27 WHEREAS, all of the costs to be reimbursed or paid from the proceeds of the Bonds will
28 be incurred in connection with the issuance of the Bonds or will, at the time of payment
29 thereof, be properly chargeable to the capital account of the Project (or would be so
30 chargeable with a proper election) under general federal income tax principles;

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

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

35 Section 2. It is hereby declared that the Issuer intends and reasonably expects to
36 reimburse itself with the proceeds of debt to be incurred by the Issuer through the issuance
37 of the Bonds for all expenditures by the Issuer for the acquisition, demolition, construction,
38 and equipping of the Project and for the issuance of the Bonds paid prior to the issuance
39 of the Lease.

40 Section 3. The maximum principal amount of debt expected to be issued for the
41 acquisition, construction and equipping of the Project and the issuance of the Bonds is
42 \$27,000,000, including costs of the Project, establishment of necessary reserves, and
43 costs of issuance.
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1 Section 4. If any section, paragraph, or provision of this Resolution shall be held
2 to be invalid or unenforceable for any reason, the invalidity or unenforceability of such
3 section, paragraph, or provision shall not affect any of the remaining provisions of this
4 Resolution.

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6 SIGNED, SEALED, AND DATED this 13th of September, 2022.

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8 ATTEST:

SIGNED:

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City Clerk
Jennifer Adkins, City Clerk

Mayor
Brenda Bethune, Mayor