

R2020-32: CERTIFYING A BUILDING SITE AS AN ABANDONED BUILDING SITE CONTAINING TWO ABANDONED BUILDING UNITS PURSUANT TO THE SOUTH CAROLINA ABANDONED BUILDINGS REVITALIZATION ACT, TITLE 12, CHAPTER 67, SECTION 12-67-100 ET SEQ., OF THE SOUTH CAROLINA CODE OF LAWS (1976), AS AMENDED, REGARDING PROPERTY LOCATED AT 819 NORTH KINGS HIGHWAY TMS#186-07-07-017 AND HORRY COUNTY PIN# 44401010041.

Applicant/Purpose: Property owner, GSBC Properties LLC/ to certify the property at 819 North Kings Highway as an Abandoned Building.

Brief:

- The owner purchased this property to rehabilitate the existing structure into a Brewery/Restaurant on the 1st floor & 10 rental apartments on the 2nd.
- Staff has determined the building to be abandoned as that term is defined by the Abandoned Buildings Revitalization Act of 2013.
- The Act benefits owners by reducing the costs of repurposing vacant buildings.

Issues:

- The Act incentivizes redevelopment of structures at least 66% vacant for the past 5 years & do not produce income (single-family residences are ineligible).
- The minimum investment is \$250,000 for cities or counties of at least 25,000.
- Available tax credits:
 - Income tax credit:
 - Credit equals 25% of actual expenses (not to exceed \$500,000).
 - Credit must be taken over 3 years (beginning when the building is placed back in service).
 - Property tax credit:
 - Credit equals 25% of actual expenses, but may not exceed 75% of real property taxes due on the building.
 - Credit may be taken up to 8 years (beginning when the building is placed back in service).

Public Notification: Normal meeting notifications.

Alternatives: None considered.

Financial Impact:

- In theory, this action reduces property taxes to the City, County & School District. In actuality, however, many of the target properties would not redevelop in the absence of these incentives.
- The City will receive Accommodations Taxes, Hospitality Fees, Business license Fees, and TDF fees from the business activity in the renovated structure.
- The State, County, & School District will participate in the sales tax revenues.

Manager's Recommendation: I recommend approval.

Attachment(s): Proposed resolution & supporting documents.

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RESOLUTION R2020-32

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

CERTIFYING A BUILDING SITE AS AN
ABANDONED BUILDING SITE
CONTAINING TWO (2) ABANDONED
BUILDING UNITS PURSUANT TO THE
SOUTH CAROLINA ABANDONED
BUILDINGS REVITALIZATION ACT, TITLE
12, CHAPTER 67, SECTION 12-67-100 ET
SEQ., OF THE SOUTH CAROLINA CODE
OF LAWS (1976), AS AMENDED,
REGARDING PROPERTY LOCATED AT
819 NORTH KINGS HIGHWAY IN THE
CITY OF MYRTLE BEACH, HORRY
COUNTY TMS # 181-07-07-017 AND
HORRY COUNTY PIN # 44401010041.

WHEREAS, the South Carolina Abandoned Buildings Revitalization Act of 2013
(the "Act") was enacted in Title 12, Chapter 67 of the South Carolina Code of Laws
to create an incentive for the rehabilitation, renovation and redevelopment of
abandoned buildings and abandoned building sites located in South Carolina; and

WHEREAS, the Act provides that restoration of abandoned buildings into productive
assets for the communities in which they are located serves a public and corporate
purpose and results in job opportunities; and

WHEREAS, Section 12-67-120 of the Act provides the following definitions (in
pertinent part):

(1) "Abandoned Building" means a building or structure, which clearly may be delineated
from other buildings or structures, at least sixty-six percent of the space in which has been
closed continuously to business or otherwise nonoperational for income producing purposes
for a period of at least five years immediately preceding the date on which the taxpayer files
a "Notice of Intent to Rehabilitate". For purposes of this item, a building or structure that
otherwise qualifies as an "abandoned building" may be subdivided into separate units or
parcels, which units or parcels may be owned by the same taxpayer or different taxpayers,
and each unit or parcel is deemed to be an abandoned building site for purposes of
determining whether each subdivided parcel is considered to be abandoned.

(2) "Building Site" means the abandoned building together with the parcel of land upon
which it is located and other improvements located on the parcel. However, the area of the
building site is limited to the land upon which the abandoned building is located and the
land immediately surrounding such building used for parking and other similar purposes
directly related to the building's income producing use; and,

WHEREAS, Section 12-67-120(1) of the Act provides, in pertinent part:

1 ...[A] building or structure that otherwise qualifies as an “abandoned
2 building” may be subdivided into separate units or parcels, which units or parcels
3 may be owned by the same taxpayer or different taxpayers, and each unit or
4 parcel is deemed to be an abandoned building site..., and,
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7 **WHEREAS**, Section 12-67-140 of the Act provides that a taxpayer who rehabilitates an
8 abandoned building or an abandoned building site is eligible either for a credit against
9 certain income taxes, license fees or premium taxes, or a credit against local real
10 property taxes; and,
11

12 **WHEREAS**, GSBC Properties LLC (the “Taxpayer”) is or shall be the owner and
13 developer of certain real property located at 819 North Kings Highway, Myrtle Beach S.C.
14 (the “Property”) which property is further identified on the Horry County Tax Maps as TMS
15 No. 181-07-07-017; and
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17 **WHEREAS**, no portion of the Property was placed in service before November 1, 2019;
18 and
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20 **WHEREAS**, this abandoned building site is being redeveloped into two separate usages,
21 one site or unit, the first floor of the building, is redeveloped for a brewery and restaurant
22 and a second site or unit, the second floor of the building, is being redeveloped as ten (10)
23 rental apartments, (the “Building Sites”); and
24

25 **WHEREAS**, the Property is located within the city limits of Myrtle Beach, South
26 Carolina; and
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28 **WHEREAS**, the Taxpayer has requested that the City certify that this Building Site as two
29 (2) eligible abandoned building sites as defined by Section 12-67-120;
30

31 **NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL**
32 **OF**

33 **THE CITY OF MYRTLE BEACH, SOUTH CAROLINA**, this day of _____, 2020,
34 as follows:
35

36 Section 1. The Taxpayer has submitted to the City a request to certify this Building Site
37 pursuant to Section 12-67-160 of the Act (the "Request to Certify").
38

39 Section 2. The City has reviewed the Request to Certify, supporting documentation,
40 conferred with the Taxpayer and conducted its own review of the Property.
41

42 Section 3. The City hereby certifies that (i) each of the two Building Sites constitute a
43 separate abandoned building site as defined in Section 12-67-120(1) of the Act, and (ii) the
44 geographic area of the Building Site is consistent with Section 12-67-120(2) of the Act.

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ATTEST:

BRENDA BETHUNE, MAYOR

JENNIFER ADKINS, CITY CLERK