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1 **R2022-32: DECLARING THE INTENTION OF THE CITY OF MYRTLE**  
2 **BEACH TO REIMBURSE ITSELF FOR THE CERTAIN EXPENSES WITH**  
3 **THE PROCEEDS OF LIMITED OBLIGATION BONDS TO BE ISSUED BY**  
4 **THE CITY IN 2022.**

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5 **Applicant/Purpose:** Staff / to declare the City's intention to reimburse itself for the  
6 purchase of transitional properties in the Oceanfront Redevelopment Area with Limited  
7 Obligation Bond proceeds intended to finance the project.

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9 **Brief:**

- 10 • A proposed Limited Obligation debt issue (upon adoption of a bond ordinance), will  
11 finance the purchase of various properties in the Oceanfront Redevelopment Area.
- 12 • Through the adoption of Ordinance 2008-78, enacted October 21, 2008, City  
13 Council approved a redevelopment plan entitled "Tax Increment Financing Plan  
14 for the Oceanfront Redevelopment Project Area".
- 15 • Over time, the oceanfront area experienced a loss of business relative to other  
16 parts of the community, as new residential and commercial areas developed  
17 elsewhere, and some of the structures in the central downtown area deteriorated  
18 through lack of use and maintenance.
- 19 • By Resolution 2020-37, City Council adopted the Advanced Master Plan to further  
20 the vision of creating a resilient, adaptive, sustainable and innovative district.
- 21 • Property acquisition within the Downtown Master Plan area is necessary to meet  
22 the overall redevelopment and revitalization goals
- 23 • The Resolution allows for the possibility of the proposed bonds' tax exemption in  
24 the event the City expends its own funds in order to begin purchases or work before  
25 the bonds are closed.

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27 **Issues:**

- 28 • This resolution allows the City to purchase transitional property within the  
29 Oceanfront Redevelopment area as indicated in the Advanced Master Plan of the  
30 Downtown Development Plan and other project costs to be incurred prior to sizing  
31 and actual issuance of debt.

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

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35 **Alternatives:** Do not pass resolution. Identify other funds or delay property acquisition.

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37 **Financial Impact:** Main benefit is improved prospects for development in the area.

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39 **Manager's Recommendation:** I recommend approval.

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

**RESOLUTION R2022-32**

**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  
LIMITED OBLIGATION BONDS TO BE  
ISSUED BY THE CITY IN 2022**

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

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

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

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

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

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

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

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

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2 WHEREAS, by Resolution 2020-37, City Council adopted the Advanced Master Plan of  
3 the Downtown Master Plan to further the plan and vision of creating a resilient, adaptive,  
4 sustainable and innovative district; and

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6 WHEREAS, property acquisition within the Downtown Master Plan area is necessary to  
7 meet the overall redevelopment and revitalization goals; and

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9 WHEREAS, South Carolina law authorizes municipalities to take actions not inconsistent  
10 with the Constitution and general laws of this State, regarding any subject the municipality  
11 finds necessary and proper for the security, general welfare and convenience of the  
12 municipality. Specifically, municipalities are authorized to own and possess property; and

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14 WHEREAS, the City of Myrtle Beach (the "Issuer") recognizes the need to acquire real  
15 property within the Downtown Master Plan area (the Project") and that the acquisition is  
16 necessary and proper for the general welfare and convenience of the municipality, and  
17 furthers the overarching commitment to restore this district as the prominent commercial  
18 district in Myrtle Beach.

19 WHEREAS, the Issuer intends to incur debt through the issuance of a series of  
20 Limited Obligation Bonds (the "Bonds"), for the purpose of providing funds to pay the costs  
21 of the Project, costs incidental to securing the project, and the costs incurred in connection  
22 with the authorization, issuance, and sale of the Bonds;

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

27 WHEREAS, the cost of the Project is expected to be approximately \$15,000,000;

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

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

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

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

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

44 Section 2. It is hereby declared that the Issuer intends and reasonably expects to  
45 reimburse itself with the proceeds of debt to be incurred by the Issuer through the issuance

1 of the Bonds for all expenditures by the Issuer for the acquisition, demolition, construction,  
2 and equipping of the Project and for the issuance of the Bonds paid prior to the issuance  
3 of the Lease.

4 Section 3. The maximum principal amount of debt expected to be issued for the  
5 acquisition, construction and equipping of the Project and the issuance of the Bonds is  
6 \$15,000,000, including costs of the Project, establishment of necessary reserves, and  
7 costs of issuance.

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9 SIGNED, SEALED, AND DATED this 13<sup>th</sup> day of September, 2022.

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11 ATTEST:

SIGNED:

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City Clerk  
17 Jennifer Adkins

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Mayor  
Brenda Bethune