CITY OF MYRTLE BEACH)

COUNTY OF HORRY)

STATE OF SOUTH CAROLINA)

ORDINANCE 2020-04 TO AMEND AND RESTATE CHAPTER 15, PLANNING & DEVELOPMENT, REDEVELOPMENT TARGET AREAS AND INCENTIVES, TO EXPAND THE AREA IN WHICH THE CITY'S REDEVELOPMENT INCENTIVES MAY BE APPLIED, AND TO ADJUST THE MINIMUM INVESTMENT REQUIREMENTS TO ENCOURAGE USE OF THESE INCENTIVES BY SMALLER TRANSIENT ACCOMMODATIONS PROPERTIES IN STRATEGIC LOCATIONS.

WHEREAS, it is appropriate to emphasize the nature of this section and the incentives that may be offered hereunder as tools to be used to encourage redevelopment in specific target areas subject to the evaluation and authorization of City Council in each case and at any point in time, and not as entitlements to developers or property owners based upon the investment criteria under Section 15-53 hereof; and

WHEREAS, Council has determined to repeal the five-year sunset provision of this enabling ordinance while preserving the five-year term provisions for incentives offered hereunder; and

WHEREAS, City Council has determined to amend current development incentives so that they may be more easily applied to redevelopment of smaller transient accommodations properties, especially those smaller motel/hotel properties located between Ocean Boulevard and Kings Highway south of 29th Avenue North, and

WHEREAS, an adjustment to minimum investments thresholds is needed in order to encourage redevelopment of these properties,

NOW, THEREFORE, be it ordained by the City Council of the City of Myrtle Beach, in Council duly assembled and by the authority of the same, that:

Sec. 1. **Chapter 15—Planning and Development** of the Code of Ordinances of the City of Myrtle Beach is hereby amended and restated to read in its entirety as follows:

"ARTICLE IV. - REDEVELOPMENT TARGET AREAS AND INCENTIVES

Sec. 15-50. - Purpose; definitions of specific terms.

A. Purpose.

The purpose of this Article is to provide the means by which Council may employ temporary extraordinary measures to restore a given area's ability to attract normal development and redevelopment activity consistent with the public health and safety. In its pursuit of the public good, Council may, from time to time, determine that it is appropriate to take extraordinary measures to encourage investment for purposes of redevelopment in designated areas of special interest. Such measures may be warranted in order to alleviate conditions of blight or other impediments to the public health and safety. In such instances, Council may deem it appropriate to enter into development agreements that grant specific rights or incentives in order to spur redevelopment in those areas temporarily so as to restore the attractiveness of the areas and to enable them to develop and redevelop in ways that are consistent with the public health and safety under normal market conditions thereafter.

B. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Fees, assessments and taxes collected by the City means payments actually paid to the city directly as impact fees, construction permit fees and charges for services, fire and inspection fees, business license fees, hospitality fees, accommodations taxes and hospitality taxes, and water and sewer charges. Taxes collected on behalf of the City of Myrtle Beach and remitted to it by another government agency may not be paid or redeemed by voucher.

Incentive is a measure designed to improve the likelihood of attracting investment in a Redevelopment Project or projects to be undertaken inside a legislatively designated Redevelopment Target Area.

Public improvements include, but are not limited to, streets, streetscapes, sidewalks, utilities, parks, parking facilities, open and green spaces and public art, and facilities or structures designed for the public presentation of performing arts events.

Redevelopment Agreement is a written agreement between the City and a developer defining the Redevelopment Project(s) establishing the specific eligibility of the project under this section and setting out the terms of project implementation, including the rights and responsibilities of each party with respect to the Redevelopment Project(s)

Redevelopment Plan is a plan, duly adopted by City Council, setting out the boundaries of a Redevelopment Target Area, the basis of the need for redevelopment of the area, the objectives of redevelopment in the area, various means by which the redevelopment may be accomplished, and agreement as to the employment of incentives enabled by this section. Where a Master Plan for an area has been adopted by previous council action, that area Master Plan may serve as the Redevelopment Plan for purposes of this section.

Redevelopment Project or Projects means any approved and permitted work or undertaking by any individual or legal entity under the auspices of a Redevelopment Plan:

(1) To clear any lots within a Redevelopment Target Area by demolition or removal of existing buildings or structures and conversion of property to a temporary open or green space or an approved parking area until such time as redevelopment can occur;

(2) To prepare and execute to finality a Redevelopment Plan, including the planning, survey and other preparatory work incident to a redevelopment project, as well as the presentment and production costs of all plans to appropriate reviewing bodies, and the subsequent construction of new mixed use developments or construction of new commercial buildings or structures, and the concurrent enhancement of public improvements complementary or essential to the commercial redevelopment, in accordance with a Redevelopment Plan;

(3) To perform substantial repair, rehabilitation, or reconditioning of residential structures in such area, as shown completed by the issuance of a certificate of occupancy.

Redevelopment Target Area means a distinct contiguous area in which any combination of four or more of redevelopment factors act, in the judgment of city council, to suppress or stagnate economic and social development of commercial, residential or mixed uses, and which area has been designated a Redevelopment Target Area by legislative action, including the adoption of an area Master Plan with redevelopment components or the adoption of a Redevelopment Plan specifically covering the Redevelopment Project or Projects subject to a proposed Redevelopment Agreement.

Redevelopment factors include:

(1) Aging of accommodations, but without historical designation,
(2) structure dilapidation;
(3) structure or land use obsolescence;
(4) structure deterioration;
(5) land uses incompatible with existing redevelopment or comprehensive plan;
(6) structure that have been declared a public nuisance, or have been subject to review as an unfit dwelling;
(7) concentrated density without adequate parking, or public transportation;
(8) illegal use of individual structures;
(9) derelict, vacant or boarded up structures;
(10) foreclosures;
(11) structures and land uses below minimum code standards;
(12) concentration of short- or long-term rental residential property in single-family residential neighborhoods;
(13) overcrowding of structures and community facilities;
(14) excessive land coverage incompatible with open space needs;
(15) deleterious land use or layout in light of the city's comprehensive plan;
(16) depreciation of physical maintenance;
(17) assessment and tax delinquencies.

Sec. 15-51. - Programs to attract investment to Redevelopment Target Areas.

A. Council to act by ordinance to declare Redevelopment Target Areas; Redevelopment Agreements.

City Council shall act by ordinance to declare specific areas to be Redevelopment Target Areas, to adopt Redevelopment Plans, and to authorize Redevelopment Agreements between the City and a developer. Any ordinance approving a Redevelopment Agreement hereunder must include the following:

1) Set forth the boundaries of the Redevelopment Area by means of a description of metes and bounds and exhibits including maps and drawings of the proposed project(s).
2) Set forth findings as follows with respect to the four or more redevelopment factors necessary to qualify the Redevelopment Project(s) for the redevelopment Incentive program, including:

(a) Based upon evidence presented to it and identified in the proposed ordinance, no fewer than four redevelopment factors persist and exist within an area that may be sufficiently delineated within a boundary, the city council finds that the Redevelopment Target Area would benefit from redevelopment activities based on Redevelopment Plans and Projects, and that the redevelopment Incentives are an appropriate tool to stimulate economic growth.

(b) The redevelopment of an identified area is necessary, and in the interest of the public health, safety, morals, or welfare of the residents of such municipality.

(c) A temporary system of redevelopment Incentives is appropriate to spur redevelopment in the Redevelopment Target Area, and that qualifying redevelopment activities shall be subject to the redevelopment Incentive as provided herein, and subject to council's legislative discretion.

3) Set forth other evidence as to the Project's or Projects' eligibility under the guidelines established in Sec. 15-52 hereof.
4) Adopt the Redevelopment Plan or include a finding that a previously approved Redevelopment Plan exists and will serve as the Redevelopment Plan in the current instance.
5) Address all rights and responsibilities of the parties with respect to the Redevelopment Plan and the specific Redevelopment Projects and Incentives to be employed.
6) Provide for the appropriation of "Fees, Assessments and Taxes Paid to the City," as that term is defined in Sec. 15-52(B)(4) hereof, as and when paid to the City, for the redemption of any incentive voucher in cumulative amounts up to its limit and until its expiration date.
7) Address such other matters as may be deemed pertinent and prudent to address in the context of a particular Redevelopment Project.
8) Authorize the execution of the Redevelopment Agreement between the City and the developer.

B. Certain Areas Designated as Redevelopment Target Areas.

City Council has declared as a Redevelopment Target Area the area bounded by Kings Highway seaward to the Atlantic Ocean, bounded on the layman's north by 29th Avenue North, and on the layman's South by the southernmost intersection of Ocean Boulevard and Kings Highway, and on the layman's west by Kings Highway, including the intersection of King's Highway and including Main Street to the intersection of Broadway and then to 29th Avenue North; and the contiguous parcels of Broadway Street from its northern terminus at Mr. Joe White to the New Town Park on Withers Swash.

Other areas are hereby designated as Redevelopment Target Areas and the duly adopted Master Plans shall serve as Redevelopment Plans for those areas:

1) The Downtown Master Plan Area, including the Arts and Innovation District and formerly known, in part, as the Superblock.
2) The Market Common Master Plan area, including specifically the XYZ parcel and adjacent parcels that remain undeveloped or underdeveloped.

Sec. 15-52. - General rules.

A. Eligibility criteria.

1) Must be consistent with an adopted City of Myrtle Beach Redevelopment Plan, as herein defined;
2) Must be located within a specifically identified and designated Redevelopment Target Area as determined by the city council;
3) The threshold investments identified in sections 15-53 hereof may consist of a single real property investment, property assemblage or a cumulative investment.

4) Must be for one or more of the following:
   a) Removal of blight and dilapidation, conversion to green space.
   b) Retail uses.
   c) Tourism related business or activity.
   d) Cultural arts activities and associated businesses.
   e) Corporate headquarters.
   f) Research and development.
   g) High technology growth business.
   h) Other uses as may be determined the city council which meet the intent of the ordinance and as are identified more specifically according to the adopted master plans and/or redevelopment plans.

B. Rules and procedures.
   1) The person, firm, or corporation acting as developer must apply for the incentive program, provide sufficient documentation on the development to the manager, and agree to furnish good faith estimates on projected sales tax, assessed valuation, and other information as may be needed to determine the incentives that may be provided and the amount of the incentive.
   2) The city manager shall adopt rules for the approval, issuance and administration of vouchers pursuant to this section. An incentive voucher issued by the city shall be dated and numbered for identification and issued to a specific person or legal business entity, as the entity capable of drawing against the voucher amount which is retained by the city.
   3) The incentive voucher may be gifted, sold, exchanged or otherwise transferred by the developer to the subsequent owner or operator of the redevelopment project, but only in whole to another person or legal entity, and only after service of notice of the transfer to the city, at least 30 days prior to transfer. The notice shall be hand delivered to the chief financial officer, and shall state ordination number of the approval and the development agreement, the legal name, address, and contact information of the transferor and transferee, and the date of transfer. Failure to provide notice in writing as required herein prior to transfer renders the voucher void for use. The voucher is not otherwise transferable.
   4) An incentive voucher may be redeemed for reimbursement of fees, assessments, and taxes collected by the City.
   5) The incentive payment may result in federal income tax consequences. Applicants should consult their own tax advisors regarding tax consequences.

Sec. 15-53. - Incentive voucher for demolition and construction.

A. Minimum investment requirements.

Subject to the Redevelopment Agreement and other provisions of this Article, new construction projects of the following types and minimum investment amounts may be eligible for incentive vouchers hereunder:

<u>New Construction</u>

Transient accommodations $5,000,000.00
Multi-family residential $1,000,000.00
Other redevelopment project $100,000.00

<u>Renovation</u>

Transient accommodations (renovation)..... the greater of $500,000.00 or

25.0% of the value of all
improvements on the property
per Horry County tax records

For new construction, the voucher amount shall be a percentage of redevelopment costs not to exceed two percent of the total cost, up to a maximum of $2,000,000.00 for any project. For renovation, the voucher amount shall be a percentage of redevelopment costs not to exceed ten percent (10.0%) of the total cost, up to a maximum of $250,000 for any project.

B. Other matters.

1) The property owner shall submit a redevelopment plan to the planning commission, in like manner and process as for a planned unit development or for application as a floating zone.
2) Only city council may approve a final plan after two readings of an ordinance either approving the plan or enacting a floating zone, in which the plan is situate.
3) Each plan shall be the subject of a development agreement.
4) A building permit must be issued within six months of council's approval of development agreement, and the project must be completed within 24 months of the date of the first building permit.
5) After the director of construction services accepts the completion of the redevelopment project by issuance of the certificate of occupancy, he shall provide notice of the approval to the chief financial officer, and shall state the ordination numbers of council's approval and the development agreement on a form developed for that purpose.
6) The finance department shall issue the incentive voucher on a form approved by the manager.
7) The incentive voucher for a specific fee, tax, or assessment collected by the city can only be paid after the payment for the specific fee, tax or assessment is received by the city.
8) All incentive vouchers expire five years from the date of issuance, provided however, acting in legislative discretion, the city council may extend voucher utility for one (1) year upon good cause shown.
9) An incentive voucher issued by the City shall be dated and numbered for identification and issued to a specific person or legal business entity, as the entity capable of drawing against the voucher amount which is retained by the City.
10) The incentive voucher may be gifted, sold, exchanged or otherwise transferred by the business owner to the subsequent owner or operator of the Project, but only in whole to another person or legal entity, and only after service of notice of the transfer to the City, at least thirty (30) days prior to transfer. The notice shall be hand delivered to the chief financial officer, and shall state ordination number of the approval and the development agreement, the legal name, address, and contact information of the transferor and transferee, and the date of transfer. Failure to provide notice in writing as required herein prior to transfer renders the voucher void for use. The voucher is not otherwise transferable.
11) The incentive payment may result in federal income tax consequences. Applicants should consult their own tax advisors regarding tax consequences.

12) The City Manager shall adopt rules for the approval, issuance and administration of vouchers pursuant to this section.

Sec. 15-53.1 Specific Targeted Business Development Projects.

A. The following have been identified as such Specific Targeted Businesses:
   1. Technology. [NAICS].
   2. Medical providers. [NAICS]
   3. Experiential retail. [customer touch, try and interact with goods and shopping environment]
   4. Work force housing.

B. The following Incentive Voucher Program is hereby approved:
   1. Council may adopt an ordinance approving a Specific Targeted Business Development Project including a voucher in an amount not greater than 2% of the total investment, up to a maximum of two million ($2,000,000) for any qualified project.
   2. The voucher may be granted in an amount up to 3%, up to a maximum of two million ($2,000,000) of total costs when:
      i. The Specific Targeted Business Development Project is located in the Kings Highway Business Development Corridor in a structure that has been vacant for one year or more years prior to the Project approval. The King's Highway Business Development Corridor includes all parcels inside the corporate limits zoned for business uses and bordering on King's Highway, from the street front to the back lot line.
      ii. The Project is located in the Carver Street Renaissance Area, which comprises all properties bordering on Carver Street and running from the street front to the back lot line.
      iii. The project is located in the ~~South Mixed Use Area, which comprises all properties in the area to the east of King's Highway bounded by 3rd Avenue South, extending to 9th Avenue North, and including properties on the north side of 9th Avenue North to their back lot lines~~Downtown Master Plan Area.
      iv. For Technology and Medical Provider businesses only, the project is located in parcels number 1-17 of the non-aeronautical portion of the International Technology Aeronautics Park, which comprises all properties extending from its southern and western boundaries to Air Park Drive and Howard Parkway (lots 6-14), properties bordering Air Park Drive and Howard Parkway to the north and west (lots 1-5), and the lot immediately adjacent to Air Park Drive and Howard Parkway on the southeast corner of their intersection (lot 17), and extending to the back lot lines of each parcel.
   3. The business owner shall submit the Proposed Specific Targeted Business Development Project to the City Manager or his designee in such form as the Manager shall require.
   4. A building permit must be issued within six (6) months of Council's approval of Specific Targeted Business Development Project, and the Project must be completed, within ~~twenty-four~~ thirty-six (~~24~~36) months of the date of the first

building permit, unless a longer build-out is initially contemplated by the developer and initially approved by City Council.

5. Vouchers issued under this Incentive Voucher Program are further subject to the same rules and conditions defined in Sec. 15-53(B), items 9—12.

Sec. 15-54. - Reserved."

Sec. 2. CONFLICTS.

Should conflicts arise between this and other ordinances, this ordinance shall prevail with respect to the conflicting sections.

Sec. 3. EFFECTIVE DATE

This ordinance shall become effective immediately upon its adoption.

_____
Brenda Bethune
MAYOR

_____
Jennifer Stanford
CITY CLERK

1ST Reading: January 14, 2020
2nd Reading: _____