R2025-8: DECLARING THE INTENTION OF THE CITY OF MYRTLE BEACH TO REIMBURSE ITSELF FOR CERTAIN FIRE STATION #1 RELOCATION AND CONSTRUCTION EXPENSES WITH THE PROCEEDS OF HOSPITALTIY FUNDED LONG-TERM REVENUE DEBT TO BE ISSUED BY THE CITY IN FY2025-26.

Applicant/Purpose: Staff / to declare the City's intention to reimburse itself for certain preliminary expenditures for the construction of a new Fire Station #1 with Hospitality Tax bond proceeds intended to finance the project.

Brief:

- A proposed Hospitality Tax debt issue (upon adoption of a bond ordinance), will finance the construction of a new facility to house Fire Station#1. The project is included in the proposed FY 26-30 5-year Capital Improvement Plan.
    - Project includes:
        - New 6 bay Fire Station and storage buildings,
        - Site preparation and roadway construction,
        - Relocation and upgrade of the Emergency Operations Center,
        - Possible relocation and upgrades to 911 Command Operations,
        - Staging of 311 Operations,
        - Furniture, Fixtures and Equipment for the operation of all collocated functions.
- The Resolution preserves the proposed bonds' tax exemption in the event the City expends its own funds in order to begin work before the bonds are closed.
- The Resolution does not authorize the issuance of debt. Further Council action will be required for any borrowing is undertaken for the project.

Issues:

- This resolution allows design work, engineering, permitting, environmental testing, and other project costs to be incurred, thus allowing for better development of project cost estimates prior to sizing and actual issuance of debt.

Public Notification: Normal meeting notification.

Alternatives: Do not pass resolution. Delay infrastructure project commencement.

Financial Impact:

- When the bonds are eventually issued, the anticipated principal amount of debt expected to be issued is $26,500,000
- Main benefit is improved project cost estimates before debt issuance.

Manager's Recommendation: I recommend approval.

Attachment(s): Proposed resolution.

RESOLUTION R2025-8

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 FIRE STATION #1 RELOCATION AND CONSTRUCTION EXPENSES WITH THE PROCEEDS OF HOSPITALITY FUNDED LONG-TERM REVENUE DEBT TO BE ISSUED BY THE CITY IN FY2025-26.

WHEREAS, the City of Myrtle Beach (the "Issuer"), intends to undertake the construction of a new fire station to replace the existing Fire Station #1,to include possible relocation of the Emergency Operations Center, 911 Communications Operations, and 311 Operations (the "Project"). The Project will include, in addition to actual construction, acquisition, site preparation, FF&E and any other costs incurred to put the station into service;

WHEREAS, the existing Fire Station #1, as the busiest of all of the City's fire stations, has outgrown its existing facility and;

WHEREAS, the existing site of Fire Station #1 offers no opportunity for expansion and;

WHEREAS, relocation and construction of a new Fire Station #1 will allow for the opportunity to enhance the Emergency Operations Center and 911 Command Center, as well as provide space for 311 Operations and;

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

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

WHEREAS, the cost of the Project is expected to be approximately $26,500,000;

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

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

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

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

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

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

Section 3. The anticipated principal amount of debt expected to be issued for the acquisition, construction and equipping of the Project and the issuance of the Bonds is $26,500,000, including costs of the Project, establishment of necessary reserves, and costs of issuance.

SIGNED, SEALED, AND DATED this 8th day of April 2025.

ATTEST: SIGNED:

City Clerk
Jennifer Adkins, City Clerk

Mayor
Brenda Bethune, Mayor