

CITY OF MYRTLE BEACH
COUNTY OF HORRY
STATE OF SOUTH CAROLINA

**ORDINANCE 2020-04 TO AMEND 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.**

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 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.

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1 The following words, terms and phrases, when used in this article, shall have the
2 meanings ascribed to them in this section, except where the context clearly indicates
3 a different meaning:
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5 *Incentive* is a measure designed to improve the likelihood of attracting investment in a
6 Redevelopment Project or projects to be undertaken inside a legislatively designated
7 Redevelopment Target Area.
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9 *Public improvements* include, but are not limited to, streets, streetscapes, sidewalks,
10 utilities, parks, parking facilities, open and green spaces and public art, and facilities
11 or structures designed for the public presentation of performing arts events.
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13 *Redevelopment Agreement* is a written agreement between the City and a developer
14 defining the Redevelopment Project(s) establishing the specific eligibility of the
15 project under this section and setting out the terms of project implementation,
16 including the rights and responsibilities of each party with respect to the
17 Redevelopment Project(s)
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19 *Redevelopment Plan* is a plan, duly adopted by City Council, setting out the
20 boundaries of a Redevelopment Target Area, the basis of the need for redevelopment
21 of the area, the objectives of redevelopment in the area and various means by which
22 the redevelopment may be accomplished and agreement as to the employment of
23 incentives enabled by this section. Where a Master Plan for an area has been adopted
24 by previous council action, that area Master Plan may serve as the Redevelopment
25 Plan for purposes of this section.
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27 *Redevelopment Project or Projects* means any approved and permitted work or
28 undertaking by any individual or legal entity under the auspices of a Redevelopment
29 Plan:
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31 (1) To clear any lots within a Redevelopment Target Area by demolition or
32 removal of existing buildings or structures and conversion of property to a
33 temporary open or green space or an approved parking area until such time as
34 redevelopment can occur;

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

42 (3) To perform substantial repair, rehabilitation, or reconditioning of residential
43 structures in such area, as shown completed by the issuance of a certificate of
44 occupancy.
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46 *Redevelopment Target Area* means a distinct contiguous area in which any
47 combination of four or more of redevelopment factors act, in the judgment of city
48 council, to suppress or stagnate economic and social development of commercial,
49 residential or mixed uses, and which area has been designated a Redevelopment
50 Target Area by legislative action—including the adoption of an area Master Plan with
redevelopment components or the adoption of a Redevelopment Plan specifically

1 covering the Redevelopment Project or Projects subject to a proposed Redevelopment
2 Agreement.

3 *Redevelopment factors* include:

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

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

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

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

- 31 1) Set forth the boundaries of the Redevelopment Area by means of a description
32 of metes and bounds and exhibits including maps and drawings of the proposed
33 project(s).
- 34 2) Set forth findings as follows with respect to the four or more redevelopment
35 factors necessary to qualify the Redevelopment Project(s) for the
36 redevelopment Incentive program, including:
 - 37 (a) Findings that, based upon evidence presented to it and identified in the
38 proposed ordinance, no fewer than four redevelopment factors persist and
39 exist within an area that may be sufficiently delineated within a boundary, the
40 city council finds that the Redevelopment Target Area would benefit from
41 redevelopment activities based on Redevelopment Plans and Projects, and that
42 the redevelopment Incentives are an appropriate tool to stimulate economic
43 growth.
 - 44 (b) Findings that the redevelopment of an identified area is necessary, and in
45 the interest of the public health, safety, morals, or welfare of the residents of
46 such municipality.
 - 47 (c) Findings that a temporary system of redevelopment Incentives is
48 appropriate to spur redevelopment in the Redevelopment Target Area, and
49 that qualifying redevelopment activities shall be subject to the redevelopment
50 Incentive as provided herein, and subject to council's legislative discretion.

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

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18 B. Certain Areas Designated as Redevelopment Target Areas.

19 City Council has declared as a Redevelopment Target Area the area bounded by
20 Kings Highway seaward to the Atlantic Ocean, bounded on the layman's north by
21 29th Avenue North, and on the layman's South to the southernmost intersection of
22 Ocean Boulevard and Kings Highway and on the layman's west by Kings Highway,
23 including the intersection of King's Highway and including Main Street to the
24 intersection of Broadway and then to 29th Avenue North; and the contiguous
25 parcels of Broadway Street from its northern terminus at Mr. Joe White to the New
26 Town Park on Withers Swash.

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

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

33
34 Sec. 15-52. - General rules.

35 A. General eligibility criteria.

- 36 1) Must be consistent with an adopted City of Myrtle Beach Redevelopment Plan,
37 as herein defined;
- 38 2) Must be located within a specifically identified and designated Redevelopment
39 Target Area as determined by the city council;
- 40 3) The threshold investments identified in sections 15-53 hereof may consist of a
41 single real property investment, property assemblage or a cumulative
42 investment.
- 43 4) Must be for one or more of the following:
 - 44 a) Removal of blight and dilapidation, conversion to green space.
 - 45 b) Retail uses.
 - 46 c) Tourism related business or activity.
 - 47 d) Cultural arts activities and associated businesses.
 - 48 e) Corporate headquarters.
 - 49 f) Research and development.
 - 50 g) High technology growth business.

1 h) Other uses as may be determined the city council which meet the intent of
2 the ordinance and as are identified more specifically according to the
3 adopted master plans and/or redevelopment plans.
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5 B. General rules and procedures.

- 6 1) The person, firm, or corporation acting as developer must apply for the
7 incentive program, provide sufficient documentation on the development to
8 the manager, and agree to furnish good faith estimates on projected sales tax,
9 assessed valuation, and other information as may be needed to determine the
10 incentives that may be provided and the amount of the incentive.
11 2) The city manager shall adopt rules for the approval, issuance and
12 administration of vouchers pursuant to this section. An incentive voucher issued
13 by the city shall be dated and numbered for identification and issued to a
14 specific person or legal business entity, as the entity capable of drawing
15 against the voucher amount which is retained by the city.
16 3) The incentive voucher may be gifted, sold, exchanged or otherwise transferred
17 by the developer to the subsequent owner or operator of the redevelopment
18 project, but only in whole to another person or legal entity, and only after
19 service of notice of the transfer to the city, at least 30 days prior to transfer.
20 The notice shall be hand delivered to the finance director, and shall state
21 ordination number of the approval and the development agreement, the legal
22 name, address, and contact information of the transferor and transferee, and
23 the date of transfer. Failure to provide notice in writing as required herein
24 prior to transfer renders the voucher void for use. The voucher is not otherwise
25 transferable.
26 4) An incentive voucher may be redeemed for reimbursement of fees,
27 assessments, and taxes collected by the City.
28 "Fees, assessments and taxes collected by the City" means payments actually
29 paid to the city directly as impact fees, construction permit fees and charges
30 for services, fire and inspection fees, business license fees, hospitality fees,
31 accommodations taxes and hospitality taxes, and water and sewer charges.
32 Taxes collected on behalf of the City of Myrtle Beach and remitted to it by
33 another government agency may not be paid or redeemed by voucher.
34 5) The incentive payment may result in federal income tax consequences.
35 Applicants should consult their own tax advisors regarding tax consequences.
36

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

38 A. Minimum investment requirements.

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

42	Transient accommodations (new construction)	\$5,000,000.00
43	Transient accommodations (renovation of structures not	
44	located on the ocean front)	\$500,000.00
45	Multi-family residential	\$1,000,000.00
46	Other redevelopment project	\$100,000.00

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48 The voucher amount shall be a percentage of redevelopment costs not to exceed
49 two percent of the total cost, up to a maximum of \$2,000,000.00 for any project.
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2 B. Other matters.

- 3 1) The property owner shall submit a redevelopment plan to the planning
4 commission, in like manner and process as for a planned unit development or
5 for application as a floating zone.
6 2) Only city council may approve a final plan after two readings of an ordinance
7 either approving the plan or enacting a floating zone, in which the plan is
8 situate.
9 3) Each plan shall be the subject of a development agreement.
10 4) A building permit must be issued within six months of council's approval of
11 development agreement, and the project must be completed within 24 months
12 of the date of the first building permit.
13 5) After the director of construction services accepts the completion of the
14 redevelopment project by issuance of the certificate of occupancy, he shall
15 provide notice of the approval to the finance director, and shall state the
16 ordination numbers of council's approval and the development agreement on a
17 form developed for that purpose.
18 6) The finance department shall issue the incentive voucher on a form approved
19 by the manager.
20 7) The incentive voucher for a specific fee, tax, or assessment collected by the
21 city can only be paid after the payment for the specific fee, tax or assessment
22 is received by the city.
23 8) All incentive vouchers expire five years from the date of issuance, provided
24 however, acting in legislative discretion, the city council may extend voucher
25 utility for one year upon good cause shown.

26 Sec. 15-54. - Reserved.”
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29 **Sec. 2. CONFLICTS.**

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

32 **Sec. 3. EFFECTIVE DATE**

33 This ordinance shall become effective immediately upon its adoption.
34
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36 _____
37 Brenda Bethune

38 MAYOR
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Jennifer Stanford

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CITY CLERK

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1ST Reading: January 14, 2020

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2nd Reading: _____