

# 2020 Amendment to the Oceanfront Redevelopment Plan

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and Tax Increment Financing Plan

October 27, 2020

# Current Oceanfront Redevelopment Plan

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- Adopted October 21, 2008
- Objectives:
  - Assist in the development of the property in the Redevelopment Project Area
  - Enhance the tax bases of areas located in the Redevelopment Project Area
  - Assist in the mitigation or elimination of the conditions that qualify the Redevelopment Project Area as a conservation area or a blighted area under the SC Tax Increment Financing Law (SC Code §31-6-10, *et. seq.* (the “Act”))

# Boundaries of the Redevelopment Area

The Redevelopment Project Area is approximately 531.28 acres, including publicly owned rights of way.

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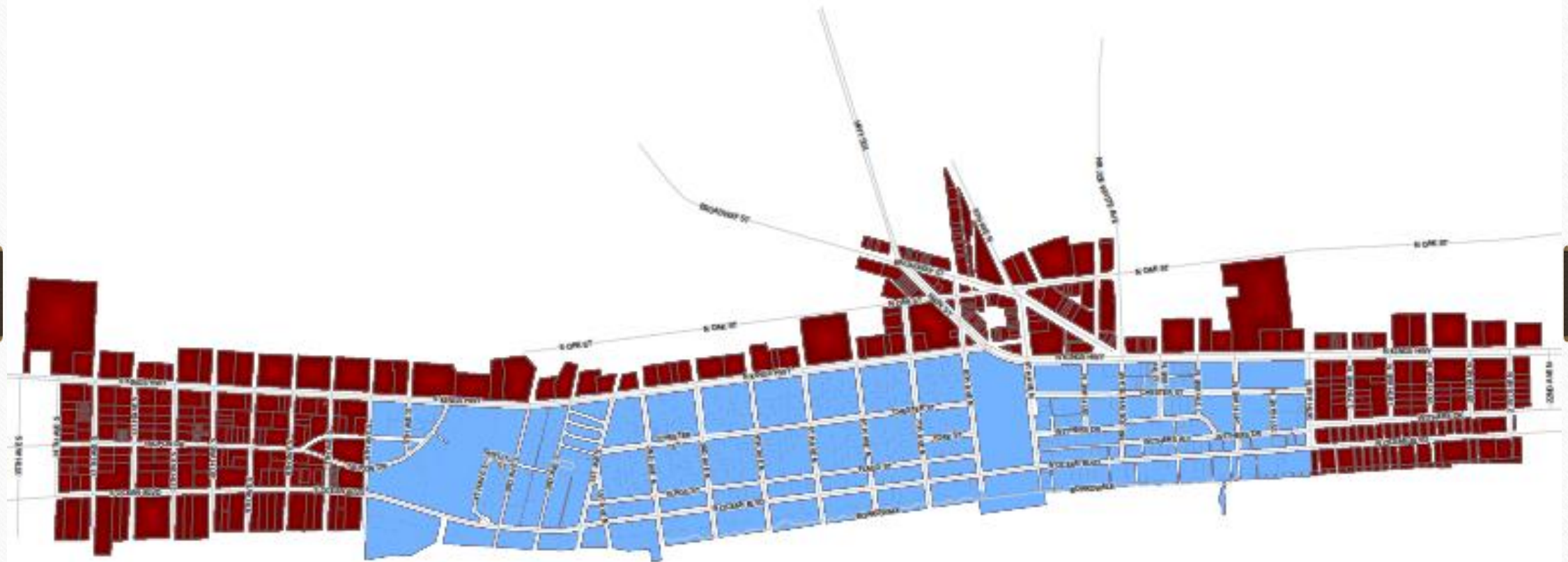
**The Original Redevelopment Project Area is generally located within the following boundaries:**

- SOUTHEAST: The Atlantic Ocean;
- NORTHEAST: 16<sup>th</sup> Avenue North
- NORTHWEST: Highway 17 Business (Kings Hwy.)
- SOUTHWEST: 6<sup>th</sup> Avenue South

**After the Amendment, the Redevelopment Project Area will be generally located within the following boundaries:**

- SOUTHEAST: The Atlantic Ocean;
- NORTHEAST: Parcels along the northeast side of 21st Avenue North
- NORTHWEST: Parcels along the northwest side of Kings Highway, Broadway Street and Oak Street
- SOUTHWEST: 14th Avenue South

# Oceanfront Redevelopment Area, Current (Blue) vs. Proposed (Maroon) Boundaries



## What is Tax Increment Financing?

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- **Tax Increment Financing is a tool that uses the real property tax increases resulting from redevelopment (the “increment”) to pay the costs of public infrastructure to support the redevelopment.**
- Property owners in a Tax Increment Finance (TIF) district pay taxes at the same rate as anyone else in the City.
  - A TIF does not relieve people of property owners of paying taxes.
  - A TIF does not increase the rate of taxation for property owners inside a TIF district.
- The local government participating in a TIF does not change its tax rate for the TIF. Only the possible uses of the money changes.
  - Taxes it was collecting prior to the adoption or amendment of a TIF may be spent for any lawful purpose.
  - Incremental revenues are earmarked to support redevelopment costs.
- Once the Redevelopment Plan expires, all taxes are available for any lawful purpose.

## Has the City used TIF before and with what results?

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- The City has used TIF as a redevelopment tool in two locally adopted redevelopment districts:
  - Center City Redevelopment District (1995-2009)
  - Oceanfront Redevelopment District (2008-present)
- The Myrtle Beach Air Force Base Redevelopment Area was designated a TIF by special state legislation in 1993. The City first used TIF on the former base in 2005-06. (2005-present)
- Center City Redevelopment Area
  - This area consisted primarily of Broadway at the Beach and some adjacent parcels. It funded streets, traffic signalization, storm drainage and other infrastructure for Broadway at the Beach
  - Annual taxes at inception: \$103,000
  - Annual taxes at completion: \$2.4 million
- MB Air Base Redevelopment Area
  - Consists of all property formerly located on MB AFB. It has funded streets, traffic signalization, storm drainage, water & sewer, public safety, parking facilities, park improvements, and public buildings.
  - Annual taxes at inception: \$1.0 million
  - Most recent collections: \$12.8 million

# Other Taxing Districts are not participating, so why do we need a TIF?

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- Even with the City as the sole participant, the TIF scenario offers advantages
  - The TIF structure gives the City a way to issue obligations to finance the infrastructure improvements in the area.
  - TIF debt does not carry a pledge of the City's full "faith and credit," so there is no risk the City would have to raise taxes to pay this debt.
- Disadvantages over other types of debt
  - TIF financing is speculative by its very definition and will require a pledge of other revenues to market it effectively, but once redevelopment begins to add value to the district, the TIF may be able to support itself and free up the additional pledged revenue, as was the case with the Air Base TIF.

# Redevelopment Projects

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- Total cost of projects: \$258,040,898.
- Projects are eligible for tax increment financing but will most likely be funded by a combination of public and private means.
- Plan estimates a maximum of \$90 million that could be financed with TIF debt over the life of the plan.
- Bonds issued with a pledge of incremental taxes do not obligate the City to use its tax-levying power to back them up.
- Such bonds are frequently secured by revenues from some other revenue stream while allowing time for redevelopment to occur and for the incremental taxes to grow.



# Redevelopment Projects

\$258,040,898

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## Ocean Front Projects

Boardwalk Renovations & Improvements	\$4,683,295
Ocean Front Boardwalk—Withers Swash Extension	\$4,511,000
<b>Total Ocean Front Projects</b>	<b>\$9,194,295</b>

**Transitional Properties** **\$20,000,000**

## Arts & Innovation Area Projects

Historic Downtown Neighborhood Projects	
Performing Arts Theatre	\$9,258,375
9th Av. N. Block Renovations	\$3,083,122
Public Utility Improvements	\$6,043,280
Streetscape and Park Improvements	\$1,551,525
<b>Total Historic Downtown Neighborhood Renovations</b>	<b>\$19,936,302</b>

## Town Common Neighborhood Improvements

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New Myrtle Beach Library	\$18,145,964
Chapin Library Renovations	\$6,882,500
City Square & Streetscape	\$8,588,200
<b>Total Town Common Neighborhood Improvements</b>	<b>\$33,616,664</b>

Historic Downtown & Town Common Project Contingencies \$12,139,995

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## Other Phases

Downtown Area Museums	\$23,211,955
Public Facilities	\$98,766,687
Municipal Parking Improvements	\$32,805,000
Jackson Street Realignment	\$875,000
Public Utility Improvements	\$7,495,000

**Total Other Phases** **\$163,153,642**

**Total Arts & Innovation Area Projects** **\$228,846,603**

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