

REQUEST FOR CITY COUNCIL CONSIDERATION

Meeting Date: October 20, 2025

Agenda Item: 5B		Prepared by: Chris Noury, City Attorney	
Agenda Section: Consent: Ordinance. Second Reading		Date: October 10, 2025	
Subject: An ordinance to approve the Ground Lease Agreement between the City and Dargan Construction Company regarding the City's land located at 3601 Lake Drive		Division: Legal	
<u>Background:</u> An ordinance of the City of North Myrtle Beach, South Carolina to lease the property owned by the City located at 3601 Lake Drive (TMS #1450603001, PIN #35114040044) to Dargan Construction Company for a term beginning on October 25, 2025, through April 30, 2027, for \$3,000 per month for use by Dargan as a location for construction staff parking during the construction of a motel in the vicinity of the above referenced lot.			
<u>Recommended Action:</u> Approve or deny the proposed ordinance on second reading			
Reviewed by Department Head		Reviewed by City Manager	Reviewed by City Attorney
Council Action: Motion By _____ 2 nd By _____ To _____			

ORDINANCE

**An ordinance of the City of North Myrtle Beach, South Carolina,
to lease the property owned by the City, located at 3601 Lake Drive
(TMS #1450603001, PIN #35114040044) to Dargan Construction Company
for a term beginning on October 25, 2025, through April 30, 2027, for \$3,000 per month
for use by Dargan as a location for construction staff parking during the construction
of a motel in the vicinity of the above-referenced lot.**

WHEREAS, Dargan Construction has requested that it be allowed to lease the City's property located at 3601 Lake Drive for construction staff parking from October 25, 2025, through April 30, 2027; and

WHEREAS, the parcel owned by the City located at 3601 Lake Drive is currently undeveloped and is located in the vicinity of the construction project for a new motel in Cherry Grove; and

WHEREAS, a Ground Lease Agreement regarding the above-mentioned parcel has been prepared and is attached to this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL FOR THE CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA:

Section I: The document identified as the Ground Lease Agreement between the City of North Myrtle Beach and Dargan Construction Company, LLC, is hereby approved.

Section II: The City Manager is authorized to sign the Ground Lease Agreement on behalf of the City of North Myrtle Beach.

Section III: This Ordinance shall become effective upon the date of passage.

DONE, RATIFIED, AND PASSED THIS 20TH DAY OF OCTOBER 2025.

ATTEST:

Mayor Marilyn Hatley

City Clerk

APPROVED AS TO FORM:

City Attorney

FIRST READING: 10.6.2025

SECOND READING: 10.20.2025

REVIEWED:

City Manager

ORDINANCE: 25-47

**GROUND LEASE AGREEMENT BETWEEN
THE CITY OF NORTH MYRTLE BEACH AND
DARGAN CONSTRUCTION COMPANY, LLC.**

THIS LEASE AGREEMENT (Lease) is made and entered into this ____ day of October 2025 by and between the City of North Myrtle Beach hereinafter referred to as “Landlord” and Dargan Construction Company, LLC, hereinafter referred to as “Tenant”.

1. Premises

Landlord hereby leases to Tenant that certain parcel of real property owned by the Landlord at 3601 Lake Drive, North Myrtle Beach, South Carolina, Tax Map No.:1450603001, PIN: 35114040044

2. Term

The term of the Lease shall commence on October 25, 2025, and shall expire on April 30, 2027, unless earlier terminated in accordance with this Lease.

3. Rent

Tenant shall pay to Landlord rent in the amount of Three Thousand and No/100 Dollars (\$3,000.00) per month, in advance on the first day of each month during the Lease term. Payments shall be made to the Landlord at 1018 Second Avenue South, to the Attention of Sarah Wood.

4. Permitted Use

The Premises shall be used solely for:

Parking for Tenant’s construction staff.

No other use shall be permitted without the Landlord’s prior written consent.

5. Compliance with Laws

Tenant shall, at its sole expense, comply with all applicable laws, ordinances, regulations, and permitting requirements in connection with its use of the premises.

6. Maintenance and Utilities

Tenant shall, at its sole expense, be responsible for all utilities, upkeep, and maintenance of the Premises during the Lease term, and shall keep the premises in clean, orderly condition. Landlord shall have no duty to provide utilities or maintenance.

7. Insurance and Indemnity

Tenant shall maintain commercial general liability insurance with minimum limits of \$1,000,000.00 per occurrence / \$2,000,000.00 aggregate, naming the Landlord as an additional insured. Tenant shall indemnify, defend, and hold harmless Landlord from and against all claims, liabilities, damages, and expenses arising out of Tenant's use or occupancy of the Premises.

8. Improvements and Restoration

Tenant shall make no permanent improvements or alterations without Landlord's prior written consent. Upon expiration of this Lease, Tenant shall remove the mobile home and any temporary structures and restore the premises to its condition at commencement.

9. Default

If Tenant fails to pay rent or otherwise breaches this Lease and does not cure the breach within ten (10) days after written notice from the Landlord, Landlord may terminate this Lease and re-enter the Premises. Tenant shall remain liable for all rent and damages.

10. Assignment

Tenant shall not assign the Lease or sublease the Premises without the Landlord's prior written consent.

11. Miscellaneous

- (a) Notices under this Lease shall be given in writing and delivered personally or by certified mail to the addresses set forth below.
- (b) This Lease constitutes the entire agreement between the parties.
- (c) This Lease shall be governed and construed in accordance with the laws of the State of South Carolina, with venue in Horry County, South Carolina, being the county where the Premises are located.

Signatures

Landlord:

(City of North Myrtle Beach)

By: Ryan Fabbri

Signature: _____

Its: _____ City Manager _____

Date: _____

Tenant:

(Dargan Construction Company, LLC

By: _____

Signature: _____

Its: _____

Date: _____