

REQUEST FOR CITY COUNCIL CONSIDERATION

Meeting Date: April 4, 2022

Agenda Item: 6	Prepared by: Chris Noury, City Attorney
Agenda Section: Unfinished Business: Ordinance. Second Reading	Date: March 28, 2022
Subject: Regarding a proposed amendment to the Sandridge Development Agreement and authorize the City Manager to sign the document on behalf of the City	Division: Legal

Background:

Attorney Edwin Hinds, on behalf of Sandridge, has submitted a proposed amendment to the Master Development Agreement regarding a portion of the Sandridge site located across the entryway to the Park and Sports Complex on Champions Boulevard as depicted in the yellow hatched area in the attached aerial photo. The hatch-marked areas are zoned as R-2A.

The proposed amendment would allow duplex and multiplex buildings as “in common” development as per Sections 23-117 and 23-119.1 of the Code of Ordinances for the City regarding the two parcels that front on Champions Boulevard and in-front of the Park Pointe neighborhood (identified as Tracts 2 & 3) but does *not* apply to any remaining Sandridge property.

Although duplex and multiplex buildings as “in common” development are *now* authorized in all other R-2A districts within the City, these uses are NOT currently authorized in Sandridge, because these uses were not authorized in R-2A until AFTER the adoption of the original Sandridge Development Agreement which froze the regulations in place at the time of the adoption of the original Development Agreement.

Sandridge also has the obligation to build an all-weather road (AWR) along the northwestern boundary of the public ROW of the future extension of Champions Boulevard connecting to Water Lily Road before either of the two tracts reaches 29 or more units (each may construct 28 or fewer units without triggering the AWR obligation). After the installation of the AWR, Sandridge shall maintain the AWR until the first to occur of (i) one year from the completion of the AWR *OR*, (ii) when the City begins construction of the portion of Champions Boulevard located adjacent to the AWR. The City will be responsible for maintenance and repair of the AWR for any damage/wear-and-tear caused by the public’s use of the AWR during special events such as the Christmas Light Show.

The proposed amendment also reduces the density regarding Tracks 2 and 3 from 270 units in the aggregate to not more than 125 units in the aggregate.

Regarding the beach parking fee of \$1,100 per residential unit and the park enhancement fee of \$200 per residential unit, Sandridge proposes that payment of the fees be postponed until the first to occur of (i) 3 years after the anniversary of the Amendment to the Development Agreement or (ii) the date on which the first building permit for the remaining Sandridge property is issued. The fee would be paid as a lump-sum payment of \$158,600 under either triggering event. The other Remaining Sandridge Parcels may be assessed a beach and parking fee at whatever the rate may be at the time those parcels are developed which would be in addition to the payment of the fees for Tracts 2 and 3 referenced above.

Recommended Action:

Approve or deny the proposed ordinance on second reading

Reviewed by City Manager

Reviewed by City Attorney

Council Action:

Motion By _____ 2nd By _____ To _____

AN ORDINANCE

**AN ORDINANCE TO AMEND THE SANDRIDGE DEVELOPMENT AGREEMENT TO ALLOW
DUPLEX AND MULTIPLEX BUILDINGS AS "IN COMMON" DEVELOPMENT IN THE AREAS OF
SANDRIDGE ZONED AS R-2A.**

WHEREAS, The Developers for the Sandridge site have proposed an amendment to the Sandridge Development Agreement; and

WHEREAS, the proposed amendment would authorize duplex and multiplex building as "In Common" development regarding only Tracts 2 and 3 of the Sandridge site zoned as R-2A.

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

Section 1: The amendment to the Sandridge Development Agreement is hereby approved.

Section 2: The City Manager is authorized to sign the Amendment to the Development Agreement on behalf of the City.

Section 3: This ordinance shall be effective upon the date of passage.

DONE, RATIFIED AND PASSED, THIS _____ DAY OF _____, 2022.

ATTEST:

Mayor Marilyn Hatley

City Clerk

APPROVED AS TO FORM:

City Attorney

FIRST READING: 3.21.2022

SECOND READING: 4.4.2022

REVIEWED:

City Manager

ORDINANCE: 22-15

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

**AMENDMENT TO MASTER
DEVELOPMENT AGREEMENT
(Sandridge Tract)**

THIS AMENDMENT TO MASTER DEVELOPMENT AGREEMENT (this “**Amendment**”) is entered into and effective as of this ____ day of _____, 2022 by and between the **CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA** (the “**City**”) and **SLF IV/SBI SANDRIDGE, LLC**, a Texas limited liability company (“**Sandridge**”)

RECITALS:

WHEREAS, the City, Sandridge, SLF IV / SBI Bay Landing, LLC, a Texas Limited Liability Company (“**Bay Landing**”); SLF IV / SBI Spice Hill, LLC, a Texas Limited Liability Company (“**Spice Hill**”); and Main Street Commercial Partners, LLC, a South Carolina Limited Liability Company (“**Main Street**”) (collectively referred to as “**Landowners**”) entered into a Master Development Agreement (“**Development Agreement**”) dated June 23, 2011, and recorded in the Office of the Registrar of Deeds for Horry County that same day in Deed Book 3526 at Page 1764;

WHEREAS, Bay Landing and Spice Hill have merged into Sandridge;

WHEREAS, the Development Agreement was previously amended by Amendment (the “**First Amendment to Development Agreement**”) dated August 20, 2019, recorded August 22, 2019 in Deed Book 4236 at page 372, records of Horry County, South Carolina;

WHEREAS, Sandridge is the current owner of the real property described on Exhibit C and Exhibit D attached to and made a part of the First Amendment to Development Agreement (the “**Remaining Sandridge Property**”);

WHEREAS, the Development Agreement provides that the City of North Myrtle Beach Zoning Ordinance in effect as of the Effective Date of the Development Agreement governs;

WHEREAS, the City has recently amended Sections 23-117 and 23-119.1 of its Zoning Ordinance by text amendment to allow for “In Common” development within the R-2A Zoning District;

WHEREAS, the City and Sandridge desire to further amend the Development Agreement as it pertains to a portion of the Remaining Sandridge Property, more particularly described on **Exhibit “H”** attached hereto (collectively “**Tracts 2 & 3**”), to allow for “In Common” two-family (duplex) and multiplex (triplex and quadplex) developments as provided in Sections 23-117 and 23-119.1 of the Code of Ordinances of the City of North Myrtle Beach, South Carolina within any portions of the Remaining Sandridge Property that are within the R2-A Zoning District;

WHEREAS, the City and its various departments have reviewed the proposed plans for Tracts 2 & 3, with each department having approved the proposed plans other than the Zoning Department of the City, and the City has also preliminarily reviewed the permits issued by other

governmental agencies which are required for issuance of a land disturbance, grading and site work permit, with the final review of such permits, applications, approval of this amendment and recording of the same in the public records of Horry County being the remaining outstanding requirements for final approval of the proposed multiplex plans for Tracts 2 & 3 presented to the City, and thereafter the issuance of a land disturbance permit, grading and a site work permit within Fifteen (15) business days of recording of this Amendment in the public records of Horry County, provided that any permits required from agencies other than the City prior to the City's issuance of permits have also been issued prior to such date;

WHEREAS, as a condition of final approval by the City of this Amendment and the approval of the proposed plans submitted to the City for the "In Common" two-family (duplex) and multiplex (triplex and quadplex) developments within Tracts 2 & 3 such that the land disturbance permit, grading and site development permit will be issued by the City, Sandridge has agreed to reduce the allowable density on Tracts 2 & 3, as set forth below;

WHEREAS, the Development Agreement as previously amended, provides that Sandridge, prior to the issuance of the Twenty Ninth (29th) building permit for each of the Two (2) respective parcels comprising Tracts 2 & 3, shall install an all-weather surface roadway running along the Northwestern boundary of the right-of-way of Champions Boulevard (the "**All-Weather Surface Road**"), the route of which is intended to form a portion of the East Coast Greenway following the City's development of Champions Boulevard, the route and linear length of such All-Weather Surface Road being depicted on **Exhibit "I"** attached hereto, and the roadway section of such All-Weather Surface Road being depicted on **Exhibit "J"** attached hereto (collectively the "**All-Weather Surface Roadway Specifications**");

WHEREAS, it is not the intent of the Parties to otherwise amend the provisions of the Development Agreement;

WHEREAS, Section 6.7 of the Development Agreement provides that the same may be amended by mutual consent of the parties;

WHEREAS, the City and Landowners agree to this Amendment to the Development Agreement as further described below.

NOW, THEREFORE, in return for the mutual promises herein and other valuable consideration, the City and Landowners agree to, and do hereby amend, the Development Agreement as follows:

1. All capitalized terms in this Amendment that are defined terms in the Development Agreement have the same meaning as set forth in the Development Agreement. Other capitalized terms that are defined terms shall have the meaning described herein.
2. The recitals herein are incorporated into this Amendment.
3. All of the Remaining Sandridge Property is currently zoned R2-A, Mid-Rise Multifamily Residential District, subject to the standards of the R2-A zoning district as more

particularly provided in the Development Agreement and the First Amendment to Development Agreement.

4. Although Section 2.8 of the Development Agreement provides, in part, that the Zoning Ordinances in effect at the time of the original Effective Date of the Development Agreement govern the Project, the parties hereby agree that the provisions of Section 23-117(14) and Section 23-119.1 of the Code of Ordinances of the City of North Myrtle Beach (with the amendments thereto passed by Ordinance #21-15 ratified and passed on May 3, 2021) as the same exists as of the date of this Amendment, a copy of which is attached hereto as **Exhibit "G"** shall govern as to any development of Tracts 2 & 3, the Remaining Sandridge Property continuing to be subject to the Code of Ordinances of the City of North Myrtle Beach prior to the date of this Amendment. The intended effect of this provision is to provide that for purposes of the Development Agreement, as amended, the R2-A Zoning District applicable to Tracts 2 & 3 shall be the R2-A Zoning District which is in effect and applicable within the City of North Myrtle Beach as a result of the above referenced amendments, as of the date of this Amendment

5. As a condition to the above referenced change in the respective version of the City's prior and current R2-A Zoning Districts, and the issuance of the approvals by the City of the land disturbance permit and site development permits for Tracts 2 & 3, Sandridge agrees that the allowable density for the Tracts 2 & 3 shall be reduced from in excess of 270 units in the aggregate to not more than 125 units in the aggregate.

6. In accordance with the terms and conditions of the Development Agreement as amended prior to the date of this Amendment, Sandridge, prior to the issuance of the Twenty Ninth (29th) building permit for each of the respective parcels comprising Tracts 2 & 3, shall install along the Northwestern boundary of the public right-of-way of Champions Boulevard (a public roadway to be constructed in the future), the All-Weather Surface Road in accordance with the All-Weather Surface Roadway Specifications. Following the installation of such All-Weather Surface Road, Sandridge shall maintain the same for a period ending on the earlier to occur of (i) the City's commencing construction of that portion of Champions Boulevard to be located adjacent to the All-Weather Surface Road; or (ii) a period ending on the first anniversary of the completion by Sandridge of such All-Weather Surface Road. During the period of Sandridge's maintenance of such All-Weather Surface Road, the City may elect to open the All-Weather Surface Road for additional vehicular access during City sponsored special events at the City's adjacent park, provided the City shall assume responsibility for any damage caused to, or repair required to the All-Weather Surface Road as a result of such vehicular access during the period the City elects to open the All-Weather Surface Road, and in no event shall the obligations of Sandridge for maintenance exceed grading the All-Weather Surface Road more than once in any given calendar month during the period of Sandridge's maintenance of the All-Weather Surface Road. Following the expiration of the above referenced maintenance period, Sandridge shall have no further responsibility with regards to the All-Weather Surface Road. The City and Sandridge further acknowledge and agree that once the All-Weather Surface Road is improved within the road right-of-way of the City, in accordance with the All-Weather Surface Roadway Specifications, and without regard to the maintenance obligations of Sandridge for a period of time thereafter, there shall be no further limitations to the issuance of building permits (and certificates of occupancy

upon completion) in excess of the Twenty Ninth (29th) building permit for each of the respective parcels comprising Tracts 2 & 3.

7. In addition, the City has notified Sandridge that it intends to impose a park enhancement fee and a beach parking fee on the Remaining Sandridge Property, at the time of any future amendment to the Development Agreement regarding the Remaining Sandridge Property, excluding Tracts 2 & 3, in the respective amounts of which will be assessed for each residential dwelling unit constructed within the Remaining Sandridge Property, which amounts are subject to future increases, from time to time. However the City and Sandridge agree that, given the full design and permitting of Tracts 2 & 3, it would be inequitable to assess park enhancements fees and beach parking fees without prior notice. Sandridge and the City agree, however, that, Sandridge, in lieu of such park enhancement fees and beach parking fees for Tracts 2 & 3 shall instead pay to the City, on the earlier to occur of (i) the date which is Three (3) years following the date of this Amendment; or (ii) the date on which the first building permit for the Remaining Sandridge Property, exclusive of Tracts 2 & 3 is issued, and amount equal to One Hundred Fifty Eight Thousand Six Hundred and No/100 (\$158,600.00) Dollars.

8. The provisions of this Agreement are intended to amend the Development Agreement with respect to only those parcels of real property identified by Parcel Identification Numbers: 34909010001 and 34908030001. All other terms, conditions, and provisions of the Development Agreement shall remain in full force and effect.

9. This Agreement shall be binding upon and inure to the benefit of Sandridge and the City and their respective heirs, successors and assigns. References herein to Sandridge shall mean and include Sandridge and its successors and assigns.

10. The City and Sandridge shall cooperate with one another in good faith to fulfill the covenants and obligations of the Parties hereunder, as well as with regard to any development pursuant to this Agreement. Furthermore, The City and Sandridge agree to execute and/or deliver to each other or to Escrow Agent, as appropriate, such other instruments and documents as may be reasonably necessary to fulfill the covenants and obligations to be performed by such party pursuant to this Agreement.

IN WITNESS WHEREOF, this Amendment to the Agreement has been entered and enacted this ____ day of _____, 2022.

Signature pages to follow.

SIGNED, SEALED, AND DELIVERED
IN THE PRESENCE OF:

CITY OF NORTH MYRTLE BEACH
(SEAL)

By: _____
Its City Manager

Attest: _____
Its Clerk of Council

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

ACKNOWLEDGMENT
(CITY)

THE FOREGOING INSTRUMENT was acknowledged before me by the CITY OF NORTH MYRTLE BEACH, by _____, its City Manager, and _____, its Clerk of Council, this _____ day of _____, 2022.

_____(SEAL)
Notary Public for South Carolina
My Commission Expires: _____

SANDRIDGE:

SLF IV / SBI SANDRIDGE, LLC

A Texas limited liability company

By: SLF IV/ SBI Properties MM, LLC, its Managing Member

By: SB Investments, LLC, its Managing Member

By: _____
Jeffery B. Turner, Co-Manager

STATE OF NORTH CAROLINA)

)

COUNTY OF DUPLIN)

ACKNOWLEDGMENT
(SLF IV / SBI SANDRIDGE, LLC)

THE FOREGOING INSTRUMENT was acknowledged before me by SLF IV/ SBI Properties Sandridge, LLC, by SLF IV/ SBI Properties MM, LLC, its Managing Member, by SB Investments, LLC, its Managing Member, by Jeffery B. Turner, its Co-Manager, this _____ day of _____, 2022.

_____(SEAL)

Notary Public for North Carolina

Printed Name of Notary: _____

My Commission Expires: _____

SANDRIDGE:

SLF IV / SBI SANDRIDGE, LLC

A Texas limited liability company

By: SLF IV/ SBI Properties MM, LLC, its Managing Member

By: SB Investments, LLC, its Managing Member

By: _____
Ralph R. Teal, Jr., Co-Manager

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

ACKNOWLEDGMENT
(SLF IV / SBI SANDRIDGE, LLC)

THE FOREGOING INSTRUMENT was acknowledged before me by SLF IV/ SBI Properties Sandridge, LLC, by SLF IV/ SBI Properties MM, LLC, its Managing Member, by SB Investments, LLC, its Managing Member, by Ralph R. Teal, Jr. its Co-Manager, this _____ day of _____, 2022.

_____(SEAL)
Notary Public for South Carolina
My Commission Expires: _____

EXHIBIT G

Section 23-117(14) and Section 23-119.1 of the Code of Ordinances of the City of North Myrtle Beach (with the amendments thereto passed by Ordinance #21-15 ratified and passed on May 3, 2021)

(See attached)

ORDINANCE

**AN ORDINANCE OF THE CITY OF NORTH MYRTLE BEACH
PROVIDING THAT THE CODE OF ORDINANCES, CITY OF
NORTH MYRTLE BEACH, SOUTH CAROLINA, BE AMENDED
BY REVISING CHAPTER 23, ZONING, ARTICLE VII, GENERAL
AND SUPPLEMENTAL REGULATIONS, § 23-117 AND § 23-119.1
OF SAID CODE.**

**BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE
CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA, IN
COUNCIL DULY ASSEMBLED, THAT:**

Section 1:

That *Section 23-117. – Number of principal buildings on a lot.*, be amended to read as follows (*new matter underlined, deleted matter struck-through*):

Sec. 23-117. - Number of principal buildings on a lot.

Except for the following types of buildings and developments, no more than one (1) principal building may be located upon a tract or lot:

- (1) Institutional buildings.
- (2) Public and semipublic buildings.
- (3) Multifamily dwellings.
- (4) Buildings in a commercial center.
- (5) Industrial buildings.
- (6) Homes for the aged.
- (7) Planned Development District (PDD).
- (8) Mobile home and RV parks.
- (9) Hotels, motels and resort accommodations.
- (10) Townhouse buildings on land owned "in common."
- (11) Single-family in common projects.
- (12) Mixed-use buildings.
- (13) Duplexes.
- (14) Multiplex buildings on land owned "in common."

Section 2:

That *Section 23-119.1. - Detached single-family and duplex in common developments.*, be amended to read as follows (*new matter underlined, deleted matter struck-through*):

Sec. 23-119.1. - Detached single-family and duplex in common developments.

It is the intent of this section to provide an alternative development type where multiple dwellings are located on commonly owned property and ownership of the land is held in common by all owners of the dwellings. Such developments shall be permitted in the R-2, R-2A and R-3 districts subject to their respective development standards pertaining to single-family and duplex construction and the following pertaining specifically to in common development:

1. Minimum site size—Five (5) acres.
2. Minimum building setback from exterior project property lines—Twenty (20) feet.

3. Minimum building setback from the right-of-way—Fourteen (14) feet from public right-of-way, six and one-half (6.5) feet from edge of private street easement.
4. Minimum distance between homes back to back—Twenty (20) feet.
5. Density—One (1) single-family unit for each five thousand (5,000) square feet of buildable land and one (1) duplex building for each seven thousand (7,000) square feet of buildable land, excluding streets and jurisdictional wetlands, but not excluding amenity areas, manmade ponds and open space.
6. Street right-of-way shall meet all standards of the city's Complete Street Designs Guidelines of Appendix A of the city's land development regulations.
7. Driveways shall meet all engineering standards as per the city engineer, fire apparatus access road requirements as defined in the latest edition of the South Carolina Fire Code shall be met.
8. Minimum separation between single-family buildings—Ten (10) feet. Minimum separation between duplex buildings—Fifteen (15) feet.
9. Direct access to all structures from the street or driveway.
10. All structures must front the approved street or driveway.
11. Ownership and maintenance of common areas shall be regulated by section 23-119(4).
12. A minimum of twenty-five (25) percent of the total project site shall be devoted to common open space as defined in section 23-109.

Section 3:

That the North Myrtle Beach Planning Commission has provided the required public notice of this request and has held the necessary public hearings in accordance with applicable State Statutes and City Ordinances.

DONE, RATIFIED AND PASSED, THIS 3 DAY OF May, 2021.

ATTEST:

Allison K. Spelmeester
City Clerk

Marilyn Hatley
Mayor Marilyn Hatley

APPROVED AS TO FORM:

City Attorney

FIRST READING: 4-19-2021
SECOND READING: 5-3-2021

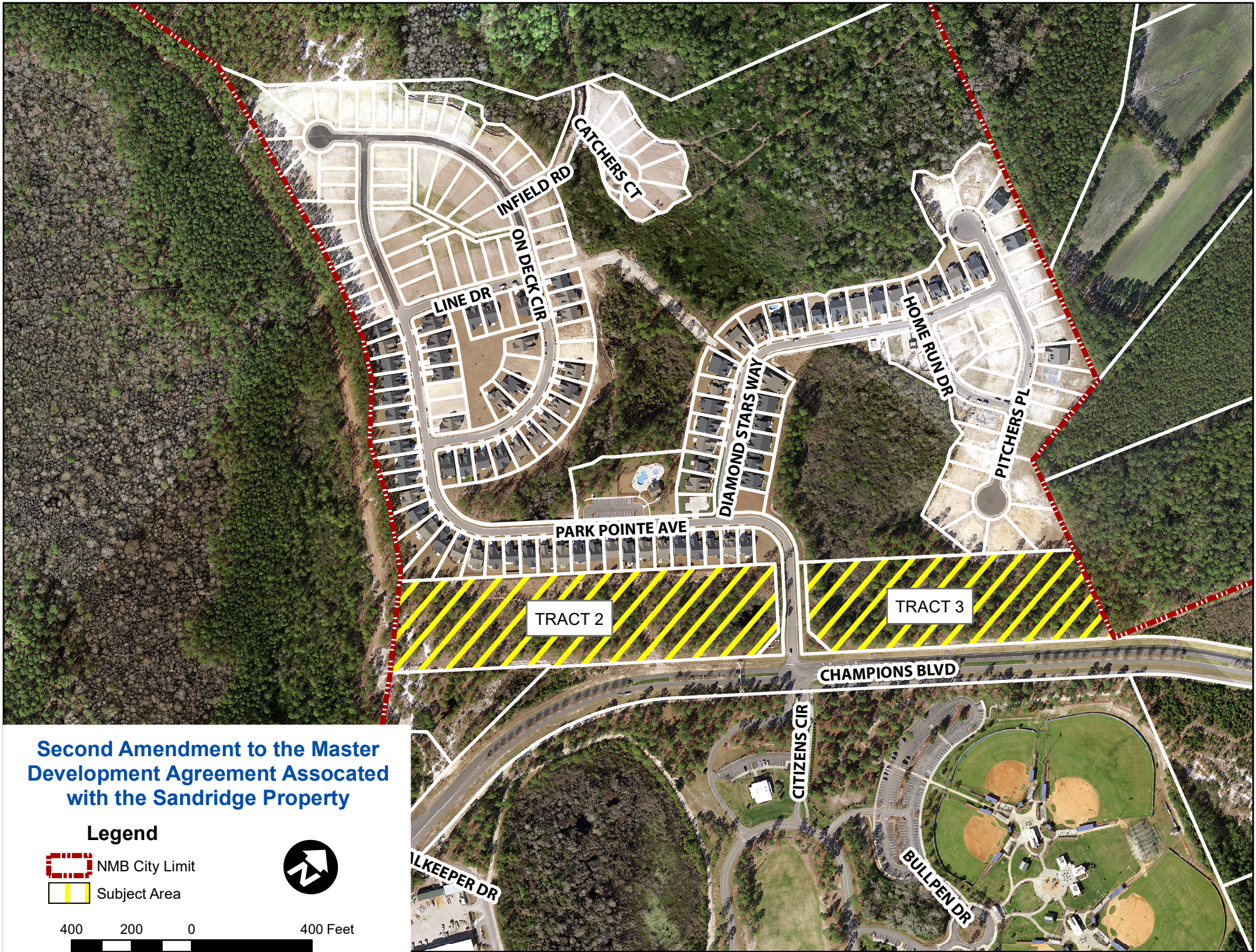
REVIEWED: [Signature]
City Manager A. Horney
City Manager

ORDINANCE: 21-15

EXHIBIT H

Description of Tracts 2 & 3

(PIN No.: 349-09-01-0001 and 349-08-03-0001)



**Second Amendment to the Master
Development Agreement Associated
with the Sandridge Property**

Legend

-  NMB City Limit
-  Subject Area

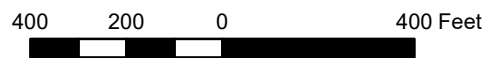


EXHIBIT “I”

Route of All-Weather Surface Roadway

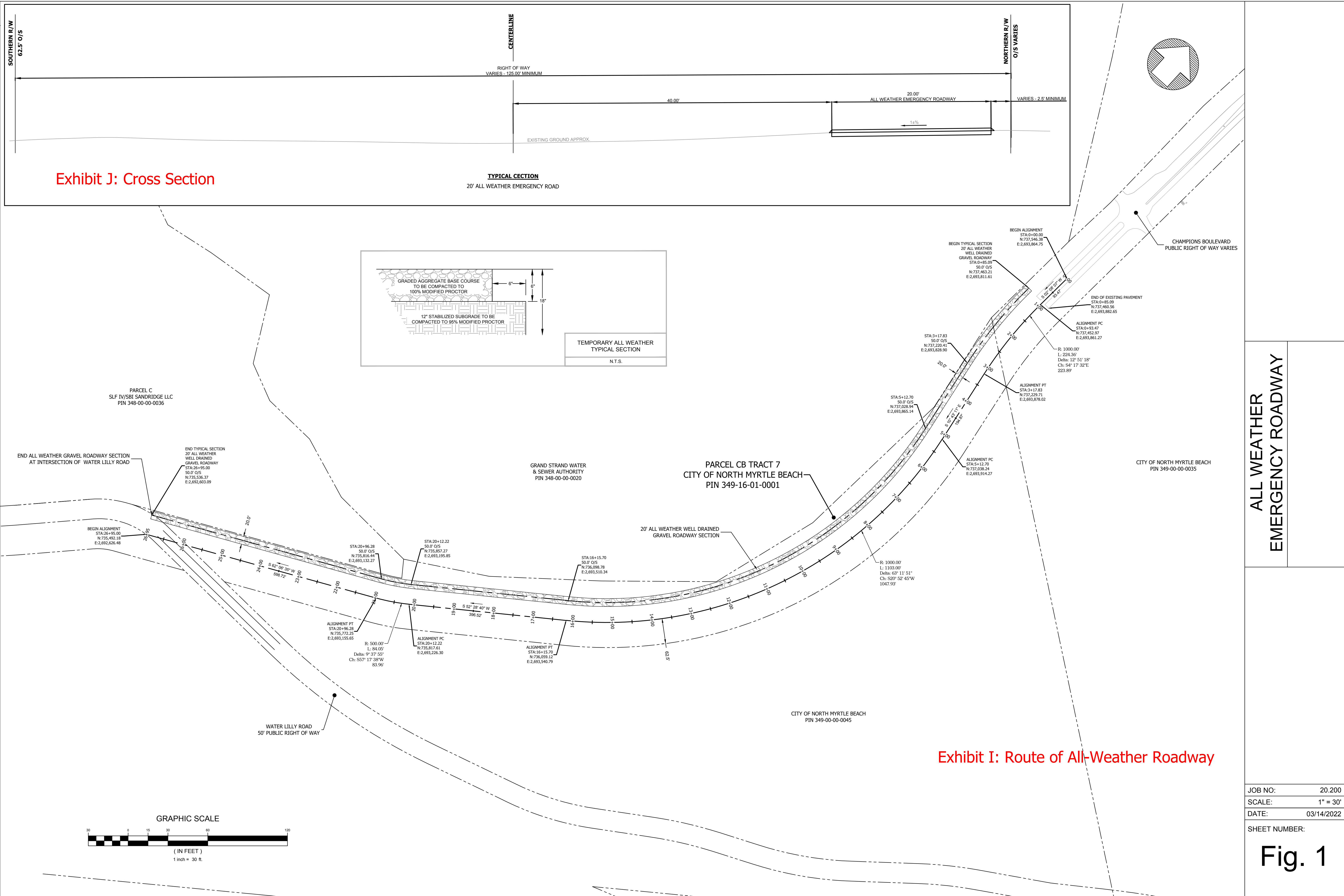


Exhibit J: Cross Section

Exhibit I: Route of All-Weather Roadway

ALL WEATHER
EMERGENCY ROADWAY

JOB NO:	20.200
SCALE:	1" = 30'
DATE:	03/14/2022
SHEET NUMBER:	

Fig. 1

EXHIBIT “J”

Roadway Section of All-Weather Surface Roadway

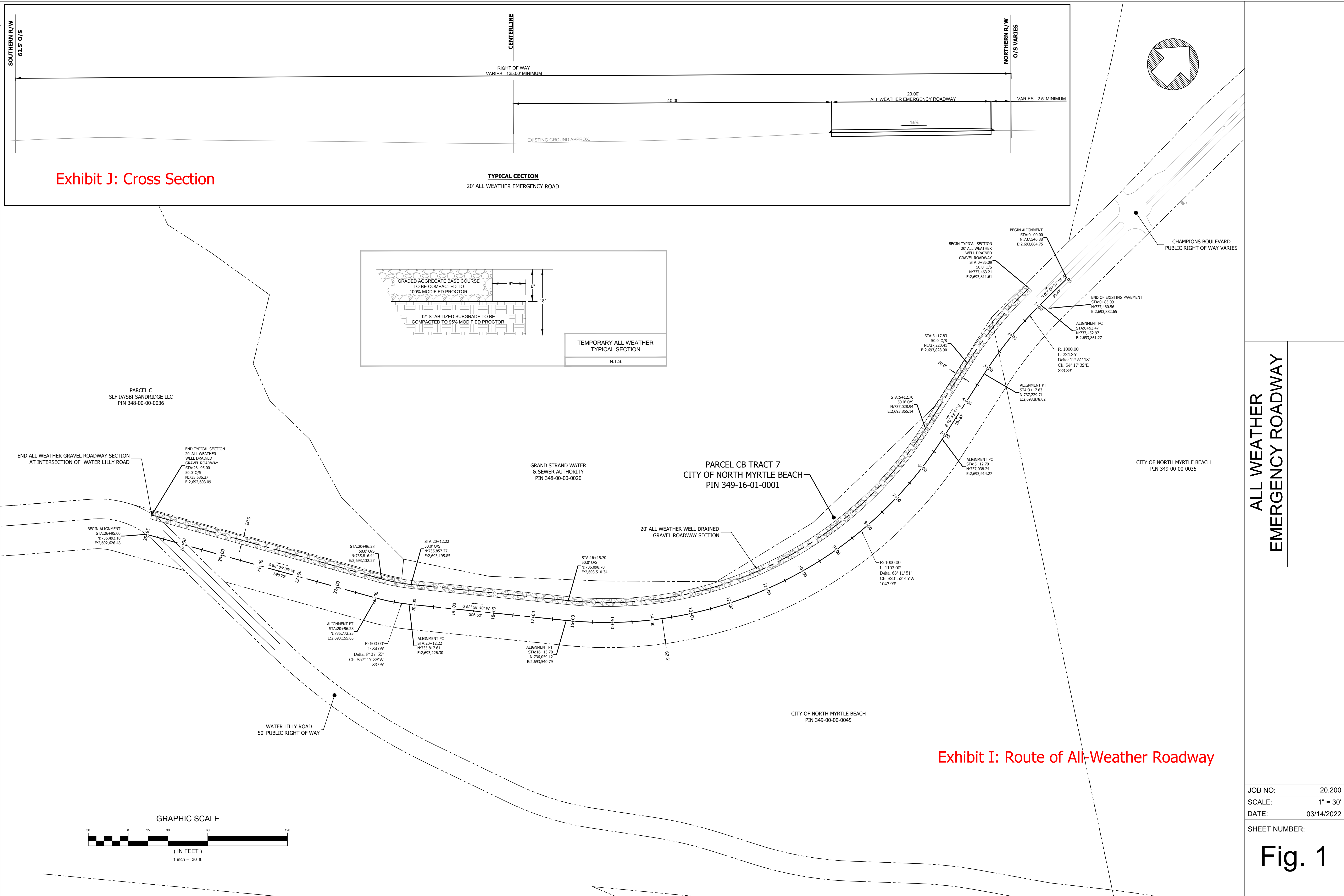


Exhibit J: Cross Section

Exhibit I: Route of All-Weather Roadway

ALL WEATHER
EMERGENCY ROADWAY

JOB NO:	20.200
SCALE:	1" = 30'
DATE:	03/14/2022
SHEET NUMBER:	

Fig. 1

7E. FIRST PUBLIC HEARING REGARDING SECOND AMENDMENT TO THE MASTER DEVELOPMENT AGREEMENT ASSOCIATED WITH THE SANDRIDGE TRACT: The North Myrtle Beach Planning Commission will host the first of two public hearings regarding the proposed Development Agreement amendment for the Sandridge Tract. The proposal would allow certain parcels in this tract to utilize recent zoning text amendments, as well as providing a contribution of \$180,000 towards extension of Champions Boulevard.

The City, Sandridge, SLF IV/SBI Bay Landing, LLC, SLF IV/SBI Spice Hill, LLC, and Main Street Commercial Partners, LLC, entered into a Master Development Agreement on June 23, 2011, covering approximately 1,647 acres of private property abutting Robert Edge Parkway, Champions Boulevard, Carolina Bays Parkway, Water Lily Road, and Water Tower Road.

The original Development Agreement was previously amended on August 20, 2019.

The proposed Development Agreement amendment provides for the following:

ITEMS of NOTE

1. Applies to PINs 348-00-00-0036, 580-20-20-004, 349-09-01-0001, 358-03-03-0001, 490-80-30-001. All other terms, conditions and provisions of the Development Agreement shall remain in full force and effect.
2. Would allow duplex and multiplex buildings as "in common" developments as per Sections 23-117 and 23-119.1 of the Code of Ordinances of the City of North Myrtle Beach within any portions of the remaining Sandridge property that are zoned R-2A (Mid-Rise Multifamily Residential District).

FEES and PUBLIC BENEFITS

1. Contribution of \$180,000 toward the construction of the further extension of Champions Boulevard.

The Planning Commission's role in Development Agreements is limited to HOSTING the first of two required public hearings. Planning Commission will take no action and will not vote on the Development Agreement, but may offer comments for City Council's consideration. After hosting the public hearing, a second public hearing, first reading of ordinance, will take place at the City Council meeting anticipated to occur on Monday, January 3, 2022.