

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
NORTH MYRTLE BEACH CITY HALL
CITY COUNCIL WORKSHOP
Wednesday, July 6, 2022

Minutes

1. ROLL CALL: 2:30 PM

Marilyn Hatley called the workshop to order and asked the Clerk to call the roll.

Marilyn Hatley

JO Baldwin

Bubba Collins, Absent

Fred Coyne

Nicole Fontana

Trey Skidmore

Hank Thomas

2. DISCUSSION:

A. Regarding proposed enhancement fees. Manager Mahaney presented the proposed enhancement fees for developments west of the intracoastal. He suggested they set the fee at \$5,000 and could be adjusted later. The fee would be placed in the various Development Agreements. The Council and staff discussed the fee and agreed it was a good number to begin with and could reevaluate it later. Councilman Coyne stated he had a concern over smaller tracks being annexed into the city, getting the benefits, and not paying into the enhancement fees. He would like to see a broader approach to encompass those situations, like a tax district. Mayor Hatley stated the staff was going to do some research on a special tax district.

Mayor Hatley opened the floor for public comment.

Robert Guyton, agent for several of the developers, stated his clients didn't have a concern for paying the fees. The term enhancement fees were correct, and it would be raising services to the level where they needed to be. He did have a conflict because he represented both commercial/industrial and residential clients. Residential developers were saying commercial created the same demand for safety and roads. They would like to see a guide that applied to all users, not just residential. He inquired if they could scale it to not impact projects that were already in progress. He suggested in a 6-month window it would be \$3,500, 6 months later, \$4,500, and then 6 months later, \$5,000. It would be something that allowed them to grow into the fee. On the residential side, they were seeing a slow down because of the interest rate increase and a slowdown in sales. Mr. Guyton gave Parkway as an example. It sat for a long time doing nothing but they were finally seeing progress. They didn't want a development to sit for several years at a time. The great part about the Development Agreement was it put everyone in the room to negotiate terms. The developer may bring benefits that would not be quantified by a fee. He would like to have the flexibility to negotiate a benefit instead of paying the fee. Mayor Hatley stated she thought it would leave room for negotiation. Mr. Guyton stated this would create a standard and everyone would know what the expectation would be that would bring value to the city.

Madison Cooper, Coastal Carolina Association of Realtors, stated whenever they saw a fee, whether impact or enhancement, was a cause for concern that would be ultimately passed on to the consumer. Settling at \$5,000, she asked them to reevaluate the number, because they didn't know what the projects looked like at this point. She asked if there was a scale. She thought it was premature to decide on a fee before knowing what type of business or residential development that would be in the area. They were very concerned to see these fees being suggested.

Chad Hatley, North Myrtle Beach, stated he was involved in local real estate development. They were currently building 360 apartment units on Highway 90 and the Main Street connector. These impact fees were passed along to the buyer, but it wasn't that simple. He asked them to consider this. All developers realized if they had an impact on the area, they needed to contribute. In the past, once the fees start getting set, it was like a rubber stamp, and it wasn't negotiated very often like it should. The prime example was the \$1,100 Beach Access Fee and the \$300 Parking Fee. These were accepted and should be set, but the items above it should be negotiated on an individual basis through the Development Agreement. They were talking about the 400 acres, but there were more smaller developments that may have 144 units, which would become an extremely expensive scenario. Their apartments would generate a lot of tax revenue, jobs, and needed housing for the North Myrtle Beach market. When he originally looked at it, they thought they would have to pay the North Myrtle Beach water tap fee and would not have been able to do the project. The only way it worked, was to go through Grand Strand. The fees were important and mattered. They mattered to the balance sheet. He didn't want to create a scenario where the impact fees were so much that it would discourage the developers from building and enhancing the community. The area needed multi-family housing. All the studies showed it and it was quickly being addressed. There were about 1,000 units under construction. The need continued. They did not want to stop growth and development but have a controlled growth and development, where the developers contributed their fair share of the impact. It was important to be negotiated on an individual project basis, based on the impact.

Joe Gosiewski, 5206 Windy Pines Drive, North Myrtle Beach, stated in the time he had been here, 14 years, the city has grown. It was not the small city that attracted him to move here. He wondered how far west was the city going to grow, double or triple in size from what it was a few years ago? How much of the charm and reason to live in North Myrtle Beach was given up? Living here, not just having a house here. North Myrtle Beach was a brand that people wanted to be a part of. He's noticed that as time has gone on, there was not as much identity as there was 4 or 5 years ago. It was basically serviceable rather than North Myrtle Beach. Mayor Hatley stated the west side of Barefoot was annexed in 13 years ago or so, when there was no building at all. They could stop annexing completely, they had plenty of land. But if they didn't, those properties would be using our beaches and services. Mr. Gosiewski stated the numbers didn't scratch the surface and they were looking at a tax increase. The city did a fantastic job, with being lean and mean, but there was a bottom to the well. In the Planning Commission they talk about the fees. They would be using our beaches, but there was no reason they couldn't pay \$6 an hour to park. He didn't know anywhere on the East Coast that had beach accesses that could park for \$2 an hour. That was unheard of. Mayor Hatley stated she agreed, and they needed to be careful on how they moved forward. They would not be able to keep the tax rate they had with the services offered, especially paying the higher salaries. There comes a cost to growth and that's why they must have an enhancement fee to provide the buildings and services. Mayor Pro

Tempore Baldwin stated a lot of it would potentially encourage or discourage those to come in. They only want to consider anything that would be a betterment for the city or not be considered. They also looked at the detriment to the city if they didn't annex a property. Each situation was unique. Mayor Hatley asked if the acres could be changed. Director Wood stated it was set by state law at 24 acres. Manager Mahaney stated it would be situational. Councilman Thomas stated he didn't want to just add more space and asked for the developers to have consistency with the fees.

- B. Regarding potential annexations of parcels in the Watertower Road and Highway 90 area. Robert Guyton, agent for the developer, stated the textures and colors were better, but they forgot to add the porch to the single-family. They were revising the elevations to include a porch. Mr. Guyton displayed the elevations for the different products. Mayor Hatley and Councilwoman Fontana stated the duplexes would need to be revised. The Council discussed the single-family needed more detail and dimensions and a more neutral color palette. Mr. Guyton stated they would have roughly four different elevations for each product. Mayor Hatley stated the developer needed to present more details, colors, landscaping, and open space to show exactly what they would be planning and building. Mr. Guyton stated they would not come back for second reading without a finished product. Mayor Pro Tempore Baldwin stated his concern was the reduction of the commercial aspect. Mr. Guyton stated they were still working on getting those numbers to them.
- C. Regarding the Development Agreement for Seachase Pointe on Little River Neck Road. Councilman Coyne recused himself from the discussion. Robert Guyton, agent for the developer, stated where the wetlands were, there was not an issue in creating a 25-foot buffer. Where there were uplands, they would prefer to have fencing and a hedge row. Some of the areas would not allow for the 7,000 square foot lots and asked if they could have pods within the plan where some of the plots would be larger and some smaller. Another option would be to reduce the density from 212 to 188. It would be larger than Charleston Landing. The average lot size would be 6,500 and minimum 6,200 square feet. Councilwoman Fontana stated they were always happier with reduced density. Mayor Hatley stated she wasn't in favor of a wall in the back yards but would rather have live foliage. The Council agreed they favored a hedge row and asked to have a detail, color drawing with specified vegetation they would use. Mr. Guyton stated Rob was in the process of completing the traffic study and the open question of the developer's contribution versus a cash contribution. Councilman Thomas stated the road through was a box shaped, he asked if they would be able to do a roundabout or make it an 'S' road. Mayor Hatley stated a roundabout would be nice. Mr. Guyton stated they would send staff an alternate chart on what that might look like. Staff didn't want to show internal roads that had not been approved yet, but the connection did need to be preserved and shown how it looked. Director Wood stated they would need detail on the landscape buffer and detailed sheets as exhibits.

Mayor Hatley thanked everyone for coming to the workshop and adjourned the meeting at 3:29 PM.

Respectfully submitted,

Allison K. Galbreath, Clerk to Council

MARILYN HATLEY, MAYOR

Minutes approved and adopted this 18th day of July 2022