

EXHIBIT 1
(Continued – Pages 80-119)

EXHIBIT G

COUNTY OF HORRY)
STATE OF SOUTH CAROLINA)

ORDINANCE 93-16

AN ORDINANCE

AMENDING AND RESTATING ORDINANCE NO. 105-96, AS AMENDED, AND ORDINANCE NO. 111-01, AS AMENDED; AND OTHER MATTERS RELATING THERETO, THIS AMENDED AND RESTATED ORDINANCE TO BE KNOWN AS THE HOSPITALITY FEE AND LOCAL ACCOMMODATIONS FEE ORDINANCE.

FINDINGS OF FACT

The County Council of Horry County (the "County Council"), the governing body of Horry County, South Carolina (the "County"), hereby finds and determines:

WHEREAS, County Council, in meeting duly assembled, enacted Ordinance No. 105-96, on October 15, 1996, imposing a Hospitality Fee (as defined therein) in the County pursuant to the terms thereof.

WHEREAS, Ordinance No. 105-96 has been amended previously on four occasions, by Ordinance No. 7-97, Ordinance No. 76-97, Ordinance No. 80-01, and Ordinance No. 11-04 (as amended, the "Hospitality Fee Ordinance").

WHEREAS, County Council, in meeting duly assembled, enacted Ordinance No. 111-01 on February 19, 2002, imposing an accommodations fee at a rate of one-half of one percent (0.5%) throughout the unincorporated areas of the County (the "Local Accommodations Fee").

WHEREAS, the said Ordinance No. 111-01 has been amended previously on one occasion by Ordinance No. 50-04 (as amended, the "Local Accommodations Fee Ordinance").

WHEREAS, the Hospitality Fee is currently imposed at a rate of 1.5% within the bounds of the County and imposed at an additional rate of 1% within the unincorporated area of the County, on the following:

- (1) the gross proceeds derived from the rental or charges for any rooms, camp ground spaces, lodgings, or sleeping accommodations furnished to transients by any motel, inn, tourist court, tourist camp, motel, campground, residence, or any place in which rooms, lodging, or sleeping accommodations are furnished to transients for a consideration within the County to which the sales tax imposed by the State of South Carolina pursuant to Section 12-36-920 of the South Carolina Code applies;
- (2) those paid admissions to places of amusement within the County to which the admissions tax imposed by the State of South Carolina pursuant to Section 12-21-2420, et seq. of the South Carolina Code, applies (golf fees not to begin until 7/1//97); and

- (3) the gross proceeds derived from the sale of food and beverages sold in establishments which primarily have as their business purpose the sale of prepared food for immediate consumption either on or off premises; or maintain licenses for the in-premise consumption of alcohol, beer or wine.
- (4) The gross proceeds derived from rental companies engaged in the business of renting private passenger motor vehicles to a renter for a consideration within the County. The proceeds derived from the lease or rental of a private passenger motor vehicle supplied to the same person for a period of ninety (90) continuous days are not considered proceeds.

WHEREAS, a "positive majority" of the County Council has determined that in order to best ensure the health, safety and welfare of the its citizens and in order generate additional revenue to better serve the tourists visiting the County, the scope of the Hospitality Fee and the rate of the Hospitality Fee with respect to numbered paragraph (4) immediately above shall be clarified as to scope as set forth herein and increased as to rate to 2.5% within the bounds of the County and that no additional rate shall be imposed solely in the unincorporated area of the County. Such action is taken pursuant to the authority granted the County in the South Carolina Code, specifically Section 6-1-330, without limitation.

WHEREAS, the Local Accommodations Fee is currently imposed in the unincorporated area of the County at a rate of one-half of one percent (0.5%) on:

the gross proceeds derived from the rental or charges for any rooms, campground spaces, lodgings, or sleeping accommodations furnished to transients by any hotel, inn, tourist camp, motel, campground, residence, or any place in which rooms, lodgings, or sleeping accommodations are furnished to transients for a consideration within the County to which the sales tax imposed by the State of South Carolina pursuant to Section 12-36-920 of the South Carolina Code applies.

WHEREAS, the receipts of the Hospitality Fee and Local Accommodations Fee (such receipts, the "Fee Revenues") currently provide sources of funding for the purposes set forth in their respective authorizing ordinances.

WHEREAS, County Council finds that receipts from Fee Revenues are currently and shall from this day forward be used exclusively for purposes set forth at Section 6-1-530 and 6-1-730 of the Code of Laws of South Carolina 1976, as amended (the "South Carolina Code").

WHEREAS, County Council has further determined that the condition, availability, location, and capacity of existing transportation infrastructure within and without the County serving tourists, or persons who do not reside in but rather enter temporarily, for reasons of recreation or leisure, the jurisdictional boundaries of the County, present impediments to economic growth and improvement thereof would benefit the health, safety and welfare of the citizens of the County and tourists.

WHEREAS, of the purposes outlined above, County Council finds that the current and future dedication of all or a portion of the Fee Revenues to defray the costs of designing, constructing, maintaining and operating transportation infrastructure and facilities and infrastructure serving tourists, and providing access to tourist destinations is in the best interest of the County, its citizens, and particularly its tourists.

WHEREAS, County Council finds that the Hospitality Fee and Local Accommodations Fee (each a "Fee" and together the "Fees") are uniform service charges or user fees, viz:

- (1) Fee Revenues are used to benefit the payers. County Council finds that in order to purchase the goods and services on which the Hospitality Fee and Local Accommodations Fee are imposed, individuals nearly without exception must travel upon the transportation infrastructure of the County. Improved transportation infrastructure and other facilities and infrastructure benefiting tourists thus directly benefits those obtaining the subject goods and services by facilitating access to points of sale and service, attracting individuals to such points of sale, and enhancing safety. Furthermore, the County has a population of approximately 300,000 and receives approximately 18 million tourists each year, tourists who purchase the goods and services subject to the Hospitality Fee and Local Accommodations Fee and who benefit greatly from transportation infrastructure serving tourist destinations and tourism-related facilities.
- (2) Fee Revenues are only used for specific purposes. Fee Revenues do not support the general operations of the County and may only be used for the purposes outlined herein.
- (3) Fee Revenues do not exceed the cost of providing the improvements and services funded from Fee Revenues. Estimated annual costs for designing, constructing, maintaining, and operating transportation infrastructure providing access to tourist destinations and tourism-related facilities and infrastructure exceeds annual receipts of the Hospitality Fee currently and is reasonably anticipated to exceed annual receipts on a going forward basis.
- (4) The Hospitality Fee and Local Accommodations Fee are uniformly imposed. All persons obtaining goods or services subject to the Hospitality Fee and Local Accommodations Fee pay a uniform rate in the incorporated areas of the County and pay a uniform rate in the unincorporated area of the County.

WHEREAS, the County Council finds that the Hospitality Fee and the rate thereof was authorized and adopted prior to December 31, 1996, remains in force and effect pursuant to the Hospitality Fee Ordinance and Section 6-1-330 of the South Carolina Code, and has not been repealed.

WHEREAS, the County Council finds the portions of the Hospitality Fee described at numbered paragraphs (1) and (3) describing the scope of the Hospitality Fee above and the entirety of the Local Accommodations Fee are currently imposed and authorized in a manner wholly consistent with the fees authorized at Title 6, Chapter 1, Articles 5 and 7.

WHEREAS, to the extent the rate limitations set forth at Section 6-1-540 and Section 6-1-740 are applicable to the rate of the Hospitality Fee or Local Accommodations Fee, such rates either (i) do not exceed the rates allowed by such sections or (ii) are exempt from such rate limitation by virtue of the date of adoption of the rate level.

WHEREAS, in order to meet the needs of the County as set forth above, the County Council is now minded to amend and restate the Hospitality Fee Ordinance and the Local Accommodations Fee Ordinance to incorporate the findings and determinations above, and provide concurrent authorization, to the extent applicable, for the Hospitality Fee imposed pursuant to the Hospitality Fee Ordinance in accordance with Title 6, Chapter 1, Articles 5 and 7 of the South Carolina Code. In providing such concurrent authorization, the County is in no manner waiving, repealing, or supplanting any existing authorization for the Hospitality Fee.

WHEREAS, the County, through experience in collecting the Fees, and in response to certain legislative developments, seeks to make certain changes in the administration of the collection of the Fees in order to more efficiently and effectively serve the people of the County.

WHEREAS, the County Council has determined to hold a public hearing in connection with the enactment of this Hospitality Fee and Local Accommodations Fee Ordinance.

BE IT ORDAINED BY THE COUNTY COUNCIL OF HORRY COUNTY, SOUTH CAROLINA, AS FOLLOWS:

SECTION I. HOSPITALITY FEE

(A) Establishment and Imposition of Hospitality Fee. There is established a uniform service charge, hereinafter referred to as the "Hospitality Fee," equal to one and one-half percent (1.5%) within the geographic confines of the County, and an additional imposition equal to one percent (1.0%) within the unincorporated areas of the County only; such rates shall apply to and be imposed on:

- (1) the gross proceeds derived from the rental or charges for any rooms, camp ground spaces, lodgings, or sleeping accommodations furnished to transients by any motel, inn, tourist court, tourist camp, motel, campground, residence, or any place in which rooms, lodging, or sleeping accommodations are furnished to transients for a consideration within the County to which the sales tax imposed by the State of South Carolina pursuant to Section 12-36-920 of the South Carolina Code applies;
- (2) those paid admissions to places of amusement within the County to which the admissions tax imposed by the State of South Carolina pursuant to Section 12-21-2420, et seq. of the South Carolina Code, applies; and
- (3) the gross proceeds derived from the sale of prepared food and beverages sold for immediate consumption either on or off premises; or maintain licenses for the on-premise consumption of alcohol, beer or wine.

(B) The Hospitality Fee shall be imposed at a rate equal to two and one-half percent (2.5%) within the geographic confines of the County solely with regard to:

- (4) The gross proceeds derived from Rental Companies engaged in the business of renting Private Passenger Motor Vehicles to a renter for a consideration within The County. The proceeds derived from the lease or rental of a private passenger motor vehicle supplied to the same person for a period of ninety (90) continuous days are not considered proceeds. "Rental Company" means any individual, firm, partnership or corporation in the business of providing private passenger automobiles to the public under the terms of a rental agreement. "Private Passenger Motor Vehicle" means any private passenger motor vehicle, including passenger vans and mini-vans, that is intended primarily for the transport of persons on public roads and highways.

(C) Payment of the Hospitality Fee. Payment of the Hospitality Fee shall be the liability of the consumer of the services. The Hospitality Fee shall be paid at that time of the delivery of the services to which the Hospitality Fee applies, shall be collected by the provider of the services, and shall be held in trust by the provider until remitted as provided for herein.

(D) Disposition of Hospitality Fee. All revenues collected from the Hospitality Fee shall be deposited or allocated as follows:

- (1) The funds derived from the one and one-half percent (1.5%) Hospitality Fee shall be deposited into a Road Special Revenue Fund which will be used to implement a comprehensive road plan adopted by the County in concert with the municipalities of the County. Interest generated by this Road Special Revenue Fund shall accrue to the fund.

- (2) The funds derived from the one percent (1%) fee shall be specifically allocated within the County's budget to offset the cost of public safety and public works services and infrastructure directly impacted by tourism.

In the case of disposition of funds, the costs of collecting the monies may be reimbursed by the fund monies, up to a maximum of one percent (1%).

(E) Sunset. The imposition of the one and one-half (1.5%) Hospitality Fee for infrastructure will terminate on January 1, 2022.

(F) Use of Hospitality Fee Revenues. Receipts of the Hospitality Fee shall be expended only for a purpose or purposes identified below:

- (1) tourism-related buildings including, but not limited to, civic centers, coliseums, and aquariums;

- (2) tourism-related cultural, recreational, or historic facilities;

- (3) beach access and renourishment;
- (4) highways, roads, streets, and bridges providing access to tourist destinations;
- (5) advertisements and promotions related to tourism development;
- (6) water and sewer infrastructure to serve tourism-related demand; or
- (7) operation and maintenance of police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to the forgoing (1) through (6).

SECTION III. LOCAL ACCOMMODATIONS FEE

(A) Establishment and Imposition of a Local Accommodations Fee. There is established a uniform service charge, hereinafter referred to as the "Local Accommodations Fee," equal to one-half of one percent (0.5%) within the geographic confines of the unincorporated areas of the County.

The Local Accommodations Fee shall be imposed on the gross proceeds derived from the rental or charges for any rooms, camp ground spaces, lodgings, or sleeping accommodations furnished to transients by any hotel, inn, tourist court, tourist camp, motel, campground, residence, or any place in which rooms, lodging, or sleeping accommodations are furnished to transients for a consideration within the County to which the sales tax imposed by the State of South Carolina pursuant to Section 12-36-920 of the South Carolina Code, applies.

(B) Payment of the Local Accommodations Fee. Payment of the Local Accommodations Fee shall be the liability of the transient(s) described in the aforesaid paragraph. The Local Accommodations Fee shall be paid at the time of the delivery of service to which the Local Accommodations Fee applies, shall be collected by the provider of the services, and shall be held in trust by the provider until remitted as provided for herein.

(C) Use of Local Accommodations Fee Revenues. Receipts of the Hospitality Fee shall be expended only for a purpose or purposes identified below:

- (1) tourism-related buildings including, but not limited to, civic centers, coliseums, and aquariums;
- (2) tourism-related cultural, recreational, or historic facilities;
- (3) beach access and renourishment, or other tourism-related lands and water access;
- (4) highways, roads, streets, and bridges providing access to tourist destinations;

- (5) advertisements and promotions related to tourism development;
- (6) water and sewer infrastructure to serve tourism-related demand; or
- (7) operation and maintenance of police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to the forgoing (1) through (6).

SECTION IV. FEE COLLECTION AND ADMINISTRATION

(A) Collection of Fees.

- (1) Requirement to Make Filing and Payment. Each person liable for any Fee shall (a) make a true and correct return to the County in such form as it may prescribe and (b) remit such Fee therewith.
- (2) When Due. Any Fee imposed by this Hospitality Fee and Local Accommodations Fee Ordinance is due and payable:
 - i. in monthly installments on or before the twentieth (20th) day of each month, or
 - ii. in thirteen installments payable on or before the twentieth (20th) day following the period covered by the return on sales for the previous reporting period. This payment option requires thirteen payments in each calendar year. For those persons electing to pay in thirteen installments (every four weeks), payments for each period are due on or before the twentieth (20th) day after the conclusion of the four calendar week period for which payment is due.

The return shall be due at the same time the Fee is due and payable.

- (3) Manner and Location of Payment. Fee payments shall be made by mail, in-person at facilities designated by the County Administrator, or electronically. County Council, by resolution, may establish mandatory electronic filing for certain classes of payers.
- (4) Timely Filing and Payment. A return and the payment due therewith are considered to be timely if (i) the return and payment are mailed and such mailing has a postmark dated on or before the date the return is required to be filed, or (ii) the County actually receives the return and payment (a) at a physical location designated by the County Administrator, or (b) electronically in a manner selected by the County Administrator. The burden of demonstrating the timeliness of the filing and payment and presentation of a

corroborating proof of mailing or receipt demonstrating the same is the responsibility of the person making payment.

- (5) Failure to File Return. In the case of a failure to file the return, the County shall make a return upon such information as it may be able to obtain, assess the Fee due thereon, and assess a late filing penalty (the "Failure to File Penalty") upon the entire Fee then due, whereupon the County shall mail such notice to the person liable for the Fee. Such payment shall be due within ten days of the postmark of such return.

The Failure to File Penalty shall be calculated as

$$(A \times B) \times C = \text{the Failure to File Penalty}$$

where "A" represents the amount of the entire then due Fee, "B" represents the daily penalty in percentage terms calculated on the basis of a 10% per month penalty assuming a 30-day month (0.333%), and "C" represents the number of calendar days from the date the filing was due to the date of the filing and payment of the Failure to File Penalty. The amount of the Failure to File Penalty for any period shall not exceed 20% of the Fee due for that period.

- (6) Failure to Timely File Return. In the case of late filing of the return, the County shall assess a late filing penalty (the "Late Filing Penalty") upon the entire Fee then due.

The Late Filing Penalty shall be calculated as

$$(D \times E) \times F = \text{the Late Filing Penalty}$$

where "D" represents the amount of the entire then due Fee, "E" represents the daily penalty in percentage terms calculated on the basis of a 10% per month penalty assuming a 30-day month (0.333%), and "F" represents the number of calendar days from the date the filing was due to the date of the payment of the Fee, the Late Filing Penalty, and any Late Payment Penalty. The amount of the Late Filing Penalty for any period shall not exceed 20% of the Fee due for that period.

- (7) Failure to Pay. In the case of failure to pay the entirety of any Fee when due, the County shall add a late payment penalty (the "Late Payment Penalty").

The Late Payment Penalty shall be calculated as:

$$(X \times Y) \times Z = \text{the Late Payment Penalty}$$

where "X" represents the amount of the entire Fee due for the period in question without regard to any partial payment, "Y" represents the daily penalty in percentage terms calculated on the basis of a 10% per month penalty assuming a 30-day month (0.333%), and "Z" represents the number of calendar days from the date the payment was due to the date of the payment of such Fee, and the Late Payment Penalty. There shall be no limit on the amount of the Late Payment Penalty.

For a given period, a person may be assessed a Failure to File Penalty, or a Late Filing Penalty, but shall not be assessed both.

(B) Inspections and Audit. For the purpose of enforcing the provisions of this Hospitality Fee and Local Accommodations Fee Ordinance, the County Administrator or other authorized agent of the County, is empowered to enter upon the premises of any person subject to this section and to make inspections, examinations and audits of books and records, and it shall be unlawful for any person to fail or refuse to make available the necessary books and records during normal business hours upon twenty-four (24) hours written notice. In the event that an audit reveals that false information has been filed by the remitter, the costs of the audit shall be added to the correct amount of any Fees determined to be due, in addition to the penalties provided in subsection (A) above. The County Administrator or other authorized agent of the County may make systematic inspection of all businesses within the County, to ensure compliance with this section. Records of inspection shall not be deemed public records.

(C) Violations.

(1) It is a violation of this section to:

- (a) fail to collect any Fee;
- (b) fail to remit to the County any Fee collected;
- (c) fail to file any Fee return;
- (d) knowingly provide false information on any Fee return;
- (e) fail to provide books and records to the County Administrator or other authorized agent of the County for the purpose of inspection, examination, or audit after twenty-four (24) hours written notice.

(2) Each day this section is violated constitutes a separate offence.

(3) Upon conviction of this section, the violator is guilty of a misdemeanor and subject to a fine or forfeiture not exceeding five hundred dollars or imprisonment for not exceeding thirty days, or both.

(D) Administration of Fees. The County Administrator is responsible for the implementation, collection, and enforcement of the Fees through any legally available means as may be available to the County, including, without limitation, the Setoff Debt Collection Act,

codified at Title 12, Chapter 56 of the South Carolina Code and Governmental Enterprise Accounts Receivable (GEAR), codified at Section 12-4-580 of the South Carolina Code.

(E) Administrative Fee. The costs of collecting the monies may be reimbursed by the fund monies, up to a maximum of one (1%) percent.

SECTION V. FAIRNESS IN LODGING ACT

(A) Findings and Authorization. In order to ensure fair competition in providing accommodations to transients and Tourists, the County finds that additional enforcement authority would be helpful in enforcing the Hospitality Fee and Local Accommodations Fee to support the health, safety and welfare of its residents and Tourists. The County is authorized to implement such authority in light of the concurrent authority of Title 6, Chapter 1, Article 5 provided to portions of the Hospitality Fee by this ordinance, and the plenary authority granted by Title 6, Chapter 1, Article 5 in the Local Hospitality Fee Ordinance, and confirmed hereby.

(B) Implementation. The County hereby implements the provisions of the Fairness in Lodging Act, codified at Title 6, Chapter 1, Article 8 of the South Carolina Code. The County Administrator is hereby directed to provide a certified copy of this Hospitality Fee and Local Accommodations Fee Ordinance to the Director of the South Carolina Department of Revenue (the "Department of Revenue") pursuant to Section 6-1-815(A) of the South Carolina Code.

(C) Data Sharing. The County Administrator is hereby directed to take such action as he finds necessary and desirable to collaborate with the Department of Revenue to use returns and copies of returns and other documents filed with or otherwise available to either the Department of Revenue or the County so that each may share data helpful to both the Department of Revenue and the County in determining possible instances of noncompliance

(D) Notices in Annual Property Tax Notices. There shall be included or caused to be included notices in annual property tax notices for parcels of residential real property assessed for property tax purposes pursuant to Section 12-43-220(e) of the South Carolina Code in such form as the County Administrator finds necessary and desirable. Such notices must provide (1) details of fees imposed pursuant to Title 6, Chapter 1, Article 5 of the South Carolina Code and state sales tax on accommodations required to be paid by persons renting residential real property to tourists in the County and (2) the intention of the County to vigorously to enforce these requirements. Details must include specific information on obtaining additional information with respect to these requirements and the names, addresses, and telephone numbers of the County officials designated by the County Administrator able to answer questions, provide forms, and assist in compliance.

(E) Civil Penalties. In addition to, and separate and apart from, other penalties and interest imposed by this ordinance for failure to comply with the portion of the Hospitality Fee concurrently authorized by Title 6, Chapter 1, Article 5 and the Local Accommodations Fee the County hereby imposes, with respect to a single rental property, a one-time civil penalty for noncompliance for failure to collect and remit the portion of the Hospitality Fee concurrently authorized by Title 6, Chapter 1, Article 5 and the Local Accommodations Fee of not less than five hundred dollars nor more than two thousand dollars for each seven days the property was rented. This additional penalty may not be imposed unless the owner has received the notice provided pursuant to Section V(D) above. For purposes of enforcement and collection, this

penalty is deemed property tax on the rental property pursuant to Section 6-1-820(C), and enforceable in the same manner and to the same extent as County property taxes.

SECTION V. SEVERABILITY

If any Section, Subsection, or Clause of this ordinance shall be deemed to be unconstitutional or otherwise invalid, the validity of the remaining Sections, Subsections and Clauses shall not be affected thereby.

SECTION VI. CONFLICTING ORDINANCES REPEALED

If any Section, Subsection, or Clause of this ordinance shall conflict with any Section, Subsection or Clause of a preceding ordinance of the County, then the preceding Section, Subsection or Clause is hereby repealed and no longer in effect.

SECTION VII. CONCURRENT AUTHORIZATION

The Hospitality Fee Ordinance is hereby amended to add the supplemental and concurrent authorization of Title 6, Chapter 1, Articles 5 and 7, to the Hospitality Fee to the extent applicable. Under no circumstances shall the addition of such concurrent authorization be construed as the imposition of a new fee or tax; such authorization is entirely supplementary and concurrent in nature.

SECTION VIII. EFFECTIVE DATE

This Hospitality Fee and Local Accommodations Fee Ordinance shall become effective immediately upon approval at Third Reading.

AND IT IS SO ORDAINED, ENACTED AND ORDERED.

Dated this _____ day of _____, 2016.

HORRY COUNTY COUNCIL

Mark Lazarus, Chairman

Harold G. Worley, District 1
Bill Howard, District 2
Jimmy Washington, District 3
Gary Loftus, District 4
Tyler Servant, District 5
Cam Crawford, District 6

Harold Phillips, District 7
Johnny Vaught, District 8
W. Paul Prince, District 9
Jody Prince, District 10
Al Allen, District 11

Attest:

Patricia S. Hartley, Clerk to Council

First Reading: November 1, 2016
Second Reading:
Public Hearing:
Third Reading:

EXHIBIT H

COUNTY OF HORRY)
STATE OF SOUTH CAROLINA)

ORDINANCE 32-17

AN ORDINANCE

AMENDING ORDINANCE NO. 93-16 TO REPEAL THE SUNSET PROVISION APPLICABLE TO THE 1.5% HOSPITALITY FEE, AND OTHER MATTERS RELATED THERETO.

FINDINGS OF FACT

The County Council of Horry County (the "County Council"), the governing body of Horry County, South Carolina (the "County"), hereby finds and determines:

WHEREAS, County Council, in meeting duly assembled, enacted Ordinance No. 93-16, on December 6, 2016, and amended and restated its Hospitality Fee Ordinance and its Local Accommodations Fee Ordinance as a single Hospitality and Local Accommodations Fee Ordinance in order to provide for certain modernizations and to avail the County of certain statutory authorizations related to the administration, collection and enforcement of such fees.

WHEREAS, Section I(E) of such Hospitality and Local Accommodations Fee Ordinance provides that the imposition of the one and one-half percent (1.5%) Hospitality Fee (the "1.5% Hospitality Fee") for infrastructure will terminate on January 1, 2022.

WHEREAS, County Council, upon advice received and after due consideration has determined that the sunset of the 1.5% Hospitality Fee does not serve the interests of the County, its residents, or visiting tourists and that the County faces substantial infrastructure challenges in the coming years that are eligible for funding pursuant to the terms of the Hospitality and Local Accommodations Fee Ordinance and that it is in the bests interests of the County, its citizens, and its visiting tourists, to provide for the continued imposition of the 1.5% Hospitality Fee beyond January 1, 2022, in order to meet such challenges.

BE IT ORDAINED BY THE COUNTY COUNCIL OF HORRY COUNTY, SOUTH CAROLINA, AS FOLLOWS:

SECTION I. CONTINUATION OF 1.5% HOSPITALITY FEE; REMOVAL OF SUNSET

The sunset provision contained at Section I(E) of the Hospitality and Local Accommodations Fee Ordinance providing for the termination of the 1.5% Hospitality Fee on January 1, 2022, and shown below:

(E) Sunset. The imposition of the one and one-half (1.5%) Hospitality Fee for infrastructure will terminate on January 1, 2022.

is hereby repealed and of no further effect. Such 1.5% Hospitality Fee shall continue indefinitely in the absence of further action by County Council pursuant to ordinance.

SECTION II. SEVERABILITY

If any Section, Subsection, or Clause of this ordinance shall be deemed to be unconstitutional or otherwise invalid, the validity of the remaining Sections, Subsections and Clauses shall not be affected thereby.

SECTION III. CONFLICTING ORDINANCES REPEALED

If any Section, Subsection, or Clause of this ordinance shall conflict with any Section, Subsection or Clause of a preceding ordinance of the County, then the preceding Section, Subsection or Clause is hereby repealed and no longer in effect.

SECTION VIII.EFFECTIVE DATE

This Hospitality Fee and Local Accommodations Fee Ordinance shall become effective immediately upon approval at Third Reading.

AND IT IS SO ORDAINED, ENACTED AND ORDERED this _____ day of _____, 2017.

HORRY COUNTY COUNCIL

Mark Lazarus, Chairman

Harold G. Worley, District 1
Bill Howard, District 2
Dennis DiSabato, District 3
Gary Loftus, District 4
Tyler Servant, District 5
Cam Crawford, District 6

Harold Phillips, District 7
Johnny Vaught, District 8
W. Paul Prince, District 9
Danny Hardee, District 10
Al Allen, District 11

Attest:

Patricia S. Hartley, Clerk to Council

First Reading: April 4, 2017
Second Reading:
Third Reading:

EXHIBIT I

1 STATE OF SOUTH CAROLINA **TRANSCRIPT OF RECORD**

2 COUNTY OF HORRY CASE NO: 2019-CP-26-01732

3 -----
4 **B E F O R E:** The Honorable William Seals
5 July 11, 2019
6 -----

6 CITY OF MYRTLE BEACH,

7 For Itself and a Class of Similarly Situated
8 Plaintiffs,

9 Plaintiff,

10 vs.

11 HORRY COUNTY,

12 Defendant.

13 -----
14 APPEARANCES:

15 John M.S. Hoefler, Esq.
16 R. Walker Humphrey, II, Esq.
17 Chad N. Johnston, Esq.
 Attorneys for the Plaintiff.

18
19
20 Henrietta Golding, Esq.
21 Grayson Lambert, Esq.
 Jim Gilliam, Esq.
 Attorneys for the Defendant.

22
23
24 Natalie Dahl, RPR

25 Court Reporter:

1 dramatic change -- and that is what has happened,
2 there has been a dramatic change to Horry County
3 government --

4 THE COURT: How many years did Horry County think
5 that they could just continue to run this tax?
6 Forever?

7 MS. GOLDING: Yes, sir, because in 2004 --

8 THE COURT: Why do we have a 20-year ordinance?

9 MS. GOLDING: We don't have a 20-year ordinance.

10 THE COURT: Why did everyone consent to --

11 MS. GOLDING: No. Nobody consented to 20 years.
12 County council passed an ordinance, and in the
13 ordinance, we had a sunset provision of 20 years. In
14 2004, Your Honor, that ordinance was amended extending
15 it five more years to 2022.

16 In the Plaintiff's complaint, the City's
17 complaint, Your Honor, they point to the 2004
18 ordinance. They say this order was enacted. They say
19 it was codified. The City had full knowledge, and it
20 was codified. Then, when we brought it up as a basis,
21 wait a minute, City, we amended this in 2004, extended
22 it five years to 2022. The City says, Well, it wasn't
23 codified properly.

24 Your Honor, that is not what their complaint
25 says. When I brought that up in the arguments,

1 Mr. Hoefer stood up and said -- he admitted what their
2 complaint says, it says we're going to amend. They
3 have made no effort to make any amendment. And since
4 2004, that ordinance was to expire in 2022, and then
5 in the 2017 amendment -- I think it was 2016, it was
6 extended indefinitely.

7 But, Your Honor, you -- you asked the central
8 question: What is the consent needed? There is no
9 consent set forth that is required in 105-96. None.
10 The City and your order point to the words "urge" or
11 "in concert." Your order -- the issue is "in concert"
12 does not mean with respect to its consent to the
13 sunset provision.

14 Due to your question, Your Honor, I'm going to
15 jump to another part of my argument, if you don't
16 mind.

17 THE COURT: Sure.

18 MS. GOLDING: Your order stated that there were
19 constitutional issues, Your Honor, but yet failed to
20 address the simple fact that for an ordinance to be
21 declared unconstitutional, it must be by beyond a
22 reasonable doubt. Nowhere is there a legal
23 requirement that the City must consent to any
24 amendment. It certainly is not in any of the
25 constitutional provisions mentioned in your order.

EXHIBIT J

**MINUTES
HORRY COUNTY COUNCIL
REGULAR MEETING
County Council Chambers
April 18, 2017
6:00 p.m.**

MEMBERS PRESENT: Mark Lazarus, Chairman; Tyler Servant; Bill Howard; Harold Worley; Gary Loftus; Paul Prince; Johnny Vaught; Harold Phillips; Al Allen; Danny Hardee; and Cam Crawford.

MEMBERS ABSENT: Dennis DiSabato.

OTHERS PRESENT: Chris Eldridge; Justin Powell; Pat Hartley; Steve Gosnell; Arrigo Carotti; Barry Spivey; Lisa Bourcier; Janet Carter; and David Schwerd.

In accordance with the FOIA, notices of the meeting were provided to the press stating the time, date, and place of the meeting.

CALL TO ORDER: Chairman Lazarus called the meeting to order at approximately 6:00 p.m.

INVOCATION: Mr. Phillips gave the invocation.

PLEDGE: Mr. Servant led in the pledge.

PUBLIC INPUT:

1. **Thomas Simnitch** spoke regarding the rezoning of Ord. 20-17. He was not in favor or against the rezoning. He requested that council consider installing a traffic light at the intersection of Lake Park and Hidden Woods. Sea Winds Estate was going in to the east of them and would add another 130 lots. That road accessed Lake Park Plantations Road and would put another 130 people using the roads. There were a lot of senior citizens in the neighborhood. He understood that at one time they were going to put a traffic light there but didn't because the lights would be too close together with a light already at Dick Pond Road. The lights down at the bypass were a lot closer than theirs would be. He requested council to consider the installation of a traffic light at the intersection of Lake Park and Hidden Woods. It would help them out greatly. Chairman Lazarus said that county council was not into traffic light business but the SCDOT was, and they needed to petition SCDOT for that. They would have to do a traffic study and give the county their feedback whether or not it would be warranted. He requested Mr. Gosnell look into it and at least request a traffic study be done.
2. **James Millward** spoke regarding the Socastee Recycling Center. He thanked them for the signage that was put up to direct people to the center. It had worked. They hadn't had any cars going down Pine Hollow Road and getting aggravated. The problem now was that someone was breaking into the recycling center after hours. They were cutting the fence to get in. He didn't know what anyone would want to steal from a recycling center. Employees had said that they had actually opened the center at 6:30 in the morning and there would be people inside that came out when they opened up the fence. He had a neighbor go to the center and he said that they hadn't cut the fence but had removed the brackets so that all you had to do was pull it back and crawl in. It didn't make sense. It was a problem that the county needed to solve because they were responsible for that recycling center. He had reported it to the police and also talked with Mr. Crawford about it. He proposed a motion activated spot light that would come on and video tape what was going on. It would send a signal back to a telephone so the supervisor could see what was going on. He would be able to talk to the people breaking in through the telephone. He wanted to bring it to their attention because if they were going to steal from the recycling center, they would be stealing from the sheds in their back yards and he didn't want anyone to get shot. Chairman Lazarus requested Mr. Eldridge solve the problem.

APPROVAL OF AGENDA CONTENTS: Mr. Howard moved to approve, seconded by Mr. Vaught. The motion was unanimously passed.

APPROVAL OF MINUTES: Regular Meeting of April 4, 2017: Mr. Howard moved to approve the Regular Meeting of April 4, 2017 meeting minutes, seconded by Mr. Vaught. The motion was unanimously passed.

APPROVAL OF CONSENT AGENDA: Mr. Vaught moved to approve, seconded by Mr. Loftus. Mr. Allen requested to be shown as a no vote on Ord. 30-17. The motion was passed with Mr. Allen voting Nay on Ord. 30-17. The consent agenda consisted of the following:

Third Reading on the following Ordinances to approve the request to amend the official zoning maps:

Ord. 20-17 Earthworks Group, agent for Tallulah Williams Trustee; and Ord. 21-17 Johnny Staples, agent for Dianne & Deborah Lewis.

Third Reading – Ord. 22-17 approving & authorizing the county administrator to execute a lease agreement with the United States of America of certain office space located within the Johnny Shelley Agricultural Building.

Third Reading – Ord. 23-17 approving & authorizing the county administrator to convey to the SCDOT a portion of county property located along West Broadway Street in Myrtle Beach.

Third Reading – Ord. 24-17 approving & authorizing the county administrator to execute a lease agreement with SCDMV of certain office space located within the Ralph Ellis Complex.

Third Reading – Ord. 25-17 approving & authorizing the county administrator to execute the requisite legal documents to convey property on Waites Island to the Coastal Educational Foundation.

Third Reading – Ord. 26-17 to amend the Index Map of the official map ordinance adding the extension of Augusta Plantation Dr., Revolutionary War Way, and associated interchange with Carolina Bays Parkway to the Official Index Map.

Third Reading – Ord. 27-17 to add certain properties to the Historic Property Register as individual historic properties.

Third Reading – Ord. 28-17 to amend the zoning ordinance pertaining to minor amendments to a MRD zoning district.

Third Reading – Ord. 30-17 to amend the zoning ordinance pertaining to swimming pools.

First Reading on the following Ordinances to approve the request to amend the official zoning maps:

Ord. 43-17 Nan Trout, agent for Central Storage LLC; Ord. 44-17 Palm Lakes Plantation PDD; Ord. 45-17 Eric Hardee, agent for Everette & Evelyn Hardee; and Ord. 46-17 Keith Richardson.

PRESENTATIONS / RESOLUTIONS: None.

READING OF ORDINANCES:

Second Reading and Public Hearing – Ord. 32-17 amending Ordinance 93-16 to repeal the sunset provision applicable to the 1.5% hospitality fee, and other matters related thereto. **Mr. Loftus moved to approve, seconded by Mr. Crawford.** Mr. Eldridge gave a brief history of the fee. The intent at the time was for the revenues from the 1.5% hospitality fee to pay back a state infrastructure bank loan and principal. It paid for a lot. The original idea was it would be paid off in 2022. New projections have it being paid off in 2019. This was passed before state law changed, and it was unique to Horry County. It was a 1.5% sales fee on all prepared food, drink, accommodations, and admissions. All those were rolled in together at 1.5% hospitality fee. It generated over \$38 million a year. 50% of that revenue came from prepared food and drinks, 40% from lodging, and 10% from admissions. It would be safe to say that at least 75% of this revenue was derived from people visiting Myrtle Beach. This would be the continuation of the tax. By passing this ordinance, any expenditures were restricted by state law. The possible projects going forward would be I-73, the \$1.4 billion of road projects left from RIDE III, beach parking, recreation facilities with tournament capabilities, equestrian centers, completing the I-22 loop, and public safety. This would be a continuation of the tax. He didn't think there would ever be a shortage of money that this money could be spent on in the future. Just the road project alone could go out the next 40 – 50 years. The way the ordinance was written gives flexibility to council to choose those projects and to make changes over time as priorities change and as things come up to the top of the list because there may be something 10 years down the road that council would like to do. Chairman Lazarus clarified that state law dictated what you could use it for. Any expenditures of those funds would have to be voted on in a three reading ordinance by county council. Mr. Eldridge said yes. It would be part of the budget process like anything else, and it was a stable enough source to where you could borrow against it. You could bond a project and commit a portion or all the proceeds towards a project or a group of projects. You wouldn't have to pay as you go on anything either. It would

give them the ability to do larger projects. Just like when they did the Ride III ordinance they would put in the option of doing finances if they needed to bundle projects together to get things done quicker. **There was no public input.**

Mr. Prince asked if this would keep them from having to raise property taxes. Could they use this for the funds for things in which they might would have had to raise property taxes for? Mr. Eldridge said correct. This was a benefit that would definitely have a local benefit and you had the luxury of having visitors pay the lion's share of the cost. There was a local benefit to it as in road work that needed to be done.

Mr. Worley asked if they had the cart before the horse. They were going to raise taxes on the people before they knew what they were going to spend it on. Was that what he was hearing? Chairman Lazarus said no. Mr. Worley asked if they were going to spend it for roads. Chairman Lazarus said it would be used for infrastructure needs. Those listed that were applicable to hospitality. The law stated what you could and could not use it for. As Mr. Eldridge said, there was never a shortage of roads. The biggest project that we had facing us once the permitting came about was about \$400 million allocated to the Horry County portion of I-73. That alone would give us the matching funds to get federal dollars for it to go outside of Horry County. You could not spend these dollars outside of Horry County. So in essence with most of it being paid by the tourists it could be allocated to a future I-73 portion in Horry County to take us to the line. Then the federal dollars would take us to I-95 which was the biggest thing that we needed for two reasons. One, tourism development and two, for economic development. The first thing anyone asked new businesses was what was their access to an interstate. We don't have one. This would give us that. It had been on the drawing board for 20+ years. This was not a new tax. It was an extension of a current tax that was already paid on admissions, accommodations, and prepared foods. It was already being collected and had been being collected for the last 20 years. That tax would just continue. If we didn't do it and at sunset in 2019 when the bonds were paid off, we could come back as a council but we would only be able to do it at 1% instead of the 1.5% by the new state law. So what they were doing in essence was ahead of that to where they could keep that .5% also to our favor for all these projects that they saw listed that a council and a three reading ordinance had to approve.

Mr. Worley said we had Ride II and Ride III currently on top of this so they were looking at roughly \$60 to \$70 million. Chairman Lazarus said Ride II expired, and they had quit collecting that tax until May when they would start collecting the new Ride III. Mr. Worley said this was about \$38 - \$39 million dollars. Wouldn't it make more sense if you were going to collect this tax and use it, to give the people of Horry County a credit on their millage? Chairman Lazarus said you couldn't do that. Mr. Worley said you could. To collect a tax that they didn't know what they would spend it for didn't seem right. There was something wrong with that. They needed more cops in Horry County, probably 150 cops. Why didn't they take some of that money and hire more cops and bring public safety up in pay scale where they needed to be in a living wage. Give the people of Horry County the protection they deserve. He couldn't vote for something that he really didn't know what he was voting for. They were asking him to tax the people, whether tourist or locals, when he didn't know what the money would be used for.

Chairman Lazarus said part of the money could be used for the jail, for EMS personnel, and for police that were allocated to tourism. He knew the scrutiny that was put over the hospitality fees. The police salaries that they would allocate that to could be offset for the beach patrol and other officers that they, as Mr. Spivey gave a reading recently of some tourism related, around \$8 million worth of expenditures, that the county had that we potentially could take to the TERC Committee and get approval so that we could use hospitality fees to pay for some of those. That was something they could look at.

Mr. Worley said he thought they could get the whole \$39 million allocated to tourism related expenditures because that was where it was coming from. It just made common sense. Having said that, if you could use a portion of this for public safety he thought it would make a lot of difference. He asked Mr. Powell what a mil was worth in Horry County. Mr. Eldridge said about \$2 million. Mr. Worley said if we spent \$15 million on public safety that would leave another \$25 million so why didn't they give the people of Horry County a 12 mil tax savings. Chairman Lazarus said you couldn't do it today. The money that was being collected would go through 2019 so they were preparing for that time when it did sunset so we don't have the sunset enacted. So a council at that time could absolutely do that.

Mr. Eldridge said that was why the recommendation was to keep it as flexible as you could to where council would have that opportunity. If the council seated at the time wanted to look at those tourism related expenditures and look at covering those costs, that would be council's option at the time or to look at other capital related projects that may come up. There were plenty of road projects sitting out there. They had just went through Ride III. That would be a consideration for council. If I-73 got permitted, which appeared to be fairly close, Horry County would be expected to be a partner in that. That was an opportunity. The SELL project was a \$600 million to a billion project. Just look at the magnitude of the projects sitting out there. His recommendation would be to keep this intact as best as they could as a funding source for it. Mr. Worley said that government was not in the business to make a profit. Mr. Eldridge said they were in the business of breaking even. Mr.

Worley said this was a profit. We were going to have excess monies. If they were going to keep this money, then they needed to give back to the people in the form of millage to do the right thing.

Mr. Prince asked about a recreational project that has been mentioned several times. Mr. Eldridge said they had talked about a conference center or something like that. If you made the nexus towards attracting tourists to our community from outside Horry County, then you could justify it. That was the justification. You needed people driving or flying here to use the facility. Chairman Lazarus said if a tourism equestrian center was part of that, then yes you could use it for that. Mr. Prince asked for a list of everything they could use it for so that they could be prepared to start putting something together. Chairman Lazarus referred him to the screen. Mr. Prince said he understood that they may be able to use it for some things that they would usually use property taxes for. Chairman Lazarus said that was correct. Mr. Prince said that would help to keep from raising taxes and maybe help with public safety. If a lot of it could go to that, they may be able to reduce taxes. Mr. Eldridge said those would be choices that council would be able to make in the future. They still had two years of payments on the debt and then they would be debt free. Then council could make those choices at that time. Mr. Vaught said they wanted the ability to make those choices. Mr. Eldridge said exactly and without doing this you were cutting back on your ability to do that in the future. Mr. Prince said he was like Mr. Worley and said he wanted to be able to reduce property taxes instead of raise them.

Mr. Servant said his only reservation about this ordinance was that the money would not be spent on what it was originally passed for which was improving existing roads and building new ones. He could promise the residents of Horry County that he would be a tax payer watchdog over these monies to make sure these monies were spent correctly and efficiently on roads, new and improving the existing ones.

Mr. Crawford said Councilmen Worley and Prince made a good point about at some point in the future using the money to help upgrade our public safety (inaudible).

Mr. Vaught said one way to look at this too was if we got \$1 raised from this, \$.75 of that dollar didn't come from Horry County residents. It came from outside from tourism and stuff like that that would be applied to Horry County projects. Projects that we need to continue to promote tourism and to make things happen in Horry County. That was a pretty good deal.

Mr. Servant wanted to remind council that it wasn't that long ago, a couple of years ago, that we had the largest tax increase ever in Horry County which was sponsored by the majority of council, all except him and Mr. Worley, on the back of public safety. He would like for the administrator to bring to county council how much of that money was being currently spent for public safety. Chairman Lazarus said all that was allocated to the Class One officers getting a 5% raise and then all of Horry County personnel getting an average of a 3% raise was where it all went to. Mr. Servant asked Mr. Eldridge how much of the \$7 million was being spent on public safety. Mr. Eldridge said the bulk of it went to public safety. It was positions that were added. The Class One officers got 5% as opposed to the rest of the employees getting 3%. Mr. Servant again asked how much of the \$7 million went to public safety. Mr. Eldridge said it was 7 mils so it was \$14 million per year. He could go back and look. They added another EMS crew as well. The bulk of it went there but they could go back and look. It went where council approved for it to go. Chairman Lazarus said they added another crime task force in that which was seven more personnel, a gang task force. He said Mr. Powell could bring that to the next meeting. Mr. Servant said he wanted to make sure that council realized that when this ordinance was originally passed by county council it was meant to go for roads and infrastructure. He didn't want to see Horry County make the same mistake the state had which was comingling funds that were supposed to go for roads and go for other parts of county government.

Mr. Crawford said he wanted to reiterate that we did need more police officers. This particular (inaudible) would allow them greater flexibility in doing that in the future.

Mr. Allen said they could never pay the police and fire what they really should be paid because it was a thankless job at times. If they didn't pass this it was going to take away a lot of their options and a lot of their flexibility in the future where they could do something for them without having to raise property taxes within this county. To him, this was about the best thing short of them setting up a toll booth at 501 at Gallivants Ferry.

Chairman Lazarus called for a vote.

<u>Yea</u>		<u>Nay</u>
Vaught	Servant	Worley
Hardee	Howard	
Crawford	Phillips	
Prince	Allen	
Lazarus	Loftus	

The motion passed ten to one.

Second Reading and Public Hearing – **Ord. 33-17** to amend the County Code to update the county's ordinance summons process. **Mr. Loftus moved to approve, seconded by Mr. Crawford. There was no public input.** Mr. Vaught asked Mr. Carotti to explain the ordinance. He wanted the public to know what they were trying to do. Mr. Carotti said the charging document as provided by state law for violation of ordinances was the ordinance summons. State law allowed the counties by enactment of the local governing body to establish the ordinance summons locally to be used for violation of local ordinances that were passed by that governing body. For instance, if there was a violation of one of our zoning laws, the proper charging documents would not be the uniform traffic ticket, it would be the ordinance summons. So the local governing body established what departments and what agents of that local government had the authority to issue these tickets. The last time it was done was in 2009. He had updated the ordinance summons ordinance to comport with how we practiced in Horry County and to comport with current state laws. What they had was a reflection of the requirements under state law. It designated the officials or officers, the departments that were authorized under state and county law to issue these ordinance summons for violation of our local laws. The one major amendment since 2009 was the transfer of business license and hospitality fee ordinance. It transferred those responsibilities from the treasurer's office to the administrator in finance. It was transferred down to treasurer years ago for various reasons. It was not in finance. They issued tickets on occasion for violation of our local hospitality fee and business license laws so that responsibility would come upstairs so that change had to be made. He also looked at the ordinance and some clean up needed to be done as well.

Mr. Vaught asked that since we moved the hospitality accommodations tax and all that back under finance, did that mean the treasurer would no longer have any need to issue an ordinance summons. Mr. Carotti said that was correct. That was the only need they had for that in the past. Mr. Vaught said he thought there was something about boat licenses and that kind of things. Mr. Carotti said that to his knowledge they had never issued an ordinance summons other than for business license hospitality fee. Mr. Vaught said he just wanted to make sure they hadn't overlooked something that they still might need to issue an ordinance summons on. Mr. Carotti said he had checked and been assured that was not the case. Mr. Allen asked if this would add any more expense or positions to the county side by doing this. Mr. Carotti said absolutely not. **The motion was unanimously passed.**

Second Reading and Public Hearing of the following Ordinances to approve the request to amend the official zoning maps:

Ord. 34-17 Stillwater PDD

Ord. 36-17 DDC Engineers, agent for Cap Care Group, Inc.

Ord. 37-17 Terry & Pamela Jamison

Ord. 38-17 Melody Page, agent for Karen Murray

Ord. 39-17 Venture Engineering, agent for Drexel 101, LLC

Ord. 40-17 Venture Engineering, agent for Queens Park Inc.

Ord. 41-17 Karen Townley-Rabon & Rosemary Chestnut

Mr. Vaught moved to approve, seconded by Mr. Hardee. Mr. Prince moved to amend Ord. 36-17. (There was no second to the motion.) They had a copy of the amendment before them. Mr. Schwerd said the first reading version had the ordinance and a copy of the proposed development agreement. The development agreement assured that the developer, if they developed the property, would have to make the improvements to Long Bay Road which was currently a dirt road. They would have to build the road from the site all the way out to the nearest paved public road. It had the two public hearings at the planning commission. They both recommended approval. It basically made sure the developer paid their share of those improvements and built that road. Mr. Prince asked what was the name of the road. Mr. Schwerd answered that it was Long Bay Road. This particular property was all the way at the Intracoastal Waterway. Mr. Prince asked if it came up to Watertower Road. Mr. Schwerd said correct. Eventually it did reach Watertower Road. Mr. Prince asked if it would be a black top. Mr. Schwerd said they would have to pave it the entire way out unless the extensions to Champions Boulevard was paved at that time. **The amendment was unanimously passed.**

There was no public input on the above-referenced ordinances.

Mr. Prince requested the Mr. Garigen explain how they would take care of the storm water and the runoffs for Ord. 38-17. Mr. Garigen asked if he was referring to the one on Hwy. 90 or the one of Monica Drive. Mr. Prince said both of them. Mr. Garigen asked not the one from Melody Page. Mr. Prince said the one on Monica Drive and the one on Hwy. 90. Mr. Garigen said they had had issues out there in the past for the one on Hwy. 90. Ms. Snipes lived out there and she had expressed concerns about the drainage there but this project was downstream. Ms. Snipes' property was upstream of where this project was located near Old Hwy. 90. This project drained under Old Hwy. 90 and then into Big Jones Swamp and then under Hwy. 90. As long as the drainage flow continued from the upstream area of Ms. Snipes' property, it should not cause any problems for her whatsoever. It was flowing through a natural wetland area and then out to Old Hwy. 90. Most of this property was wetland. There was some high ground up there that had good soils on it. They didn't see a particular issue there. Regarding the drainage concerns that Ms. Snipes had, they really needed to work with the DOT to improve that because that was water coming off of Hwy. 90 crossing her property. It washed out her driveway in the big storms. That was something they could talk to the DOT about improving and carrying that water down Hwy. 90 like it should. Mr. Prince said if they could get some relief on the tile part. Mr. Garigen said the tile under her driveway was a couple of hundred feet back from the road and that was what was carrying that water from Hwy. 90 and Hwy. 22, the interchange there. They needed to work with the DOT on that. That didn't really have anything to do with this project. Mr. Prince said everything that we were doing and the developer was doing should help. Mr. Garigen said he wasn't going to say it should help but it wouldn't hurt her because it was downstream. Mr. Prince said he was talking about the downstream part of it. Mr. Garigen said yes. They didn't see any particular issues with the drainage on the project on Monica Drive. He knew there were some concerns about the houses adding more traffic along Monica Drive and having to come out to the light there, but that was what happened with new developments. If you have more houses, you have more traffic. Monica Drive could certainly handle the traffic. They didn't see any big issues with the drainage there either. Mr. Worley requested to be shown as a no vote on Ord. 38-17. **The motion was passed with the Mr. Worley voting nay.**

OLD/NEW BUSINESS: None.

ANNOUNCEMENTS: None.

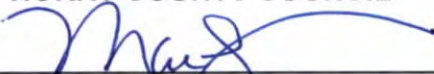
Memorial Dedications: John Usick; Richard Smith; Laura Best; and John Dawsey.

Upcoming meetings: Regular Council Meeting – April 18, 6:00 p.m.; Public Safety Committee – May 9, 10:00 a.m.; I & R Committee – April 25, 9:00 a.m.; Administration Committee – April 25, 2:00 p.m.; Transportation Committee – May 15, 9:00 a.m.; and Public Hearing/Workshop on Discharge of Firearms – May 3, 5:00 p.m.

EXECUTIVE SESSION: None.

ADJOURNMENT: With no further business, Mr. Vaught moved to adjourn at approximately 6:46 p.m. and it was seconded. The motion was unanimously passed. The meeting was adjourned in memoriam of: John Usick; Richard Smith; Laura Best; and John Dawsey.

HORRY COUNTY COUNCIL

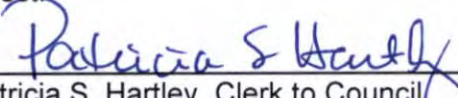


Mark Lazarus, Chairman

Harold G. Worley, District 1
Dennis DiSabato, District 3
Tyler Servant, District 5
Harold Phillips, District 7
W. Paul Prince, District 9
Al Allen, District 11

Bill Howard, District 2
Gary Loftus, District 4
Cam Crawford, District 6
Johnny Vaught, District 8
Danny Hardee, District 10

Attest:



Patricia S. Hartley, Clerk to Council

EXHIBIT K

**MINUTES
HORRY COUNTY COUNCIL
REGULAR MEETING
County Council Chambers
May 2, 2017
6:00 p.m.**

MEMBERS PRESENT: Mark Lazarus, Chairman; Tyler Servant; Bill Howard; Harold Worley; Gary Loftus; Paul Prince; Johnny Vaught; Dennis DiSabato; Harold Phillips; Al Allen; Danny Hardee; and Cam Crawford.

MEMBERS ABSENT:

OTHERS PRESENT: Chris Eldridge; Justin Powell; Pat Hartley; Steve Gosnell; Arrigo Carotti; Barry Spivey; Lisa Bourcier; Janet Carter; and David Schwerd.

In accordance with the FOIA, notices of the meeting were provided to the press stating the time, date, and place of the meeting.

CALL TO ORDER: Chairman Lazarus called the meeting to order at approximately 6:00 p.m.

INVOCATION: Mr. Vaught gave the invocation.

PLEDGE: Mr. Loftus led in the pledge.

PUBLIC INPUT:

1. **Sharon Pollard** spoke regarding the 1.5% Hospitality Fee. The temporary hospitality tax enacted in 1993 for Routes 31 and 22 was proposed to be paid off in 2019 and would then end. They were voting that night on the second reading to pass that tax. She asked council to honor those people that voted in 1993 for the temporary tax. It was not an indefinite tax. After 2019, it became a hidden tax increase. We were in a booming county. Sometimes when they went to restaurants the taxes were higher than the tips, and that was appalling. They were retirees and got nothing in raises but were bombarded every year with tax increases. They had a chance to honor those that voted in 1993 and instead put the \$40 million a year back into their hands and they would feed the economy. Put it in a fund so that it may fund Ride IV. They were taxed to the limit, and it had to end. They would make it too expensive for people to eat out or move down here and ruin what they had made a golden area. The tax and spend needed to stop.

APPROVAL OF AGENDA CONTENTS: Mr. Howard moved to approve, seconded by Mr. Vaught. Mr. Prince moved to remove Ord. 32-17 to be voted on separately, seconded by Mr. Worley. A vote was held. The motion failed with Messres. Vaught, Hardee, Crawford, Lazarus, and Allen voting Nay. Mr. Servant moved to remove Resolution R-03-17 from consent agenda. Motion failed due to lack of a second. The motion as presented was passed with Mr. Prince voting Nay.

APPROVAL OF MINUTES: Regular Meeting of April 18, 2017: Mr. Howard moved to approve the Regular Meeting of April 18, 2017 meeting minutes, seconded by Mr. Vaught. The motion was unanimously passed.

APPROVAL OF CONSENT AGENDA: Mr. Howard moved to approve, seconded by Mr. Vaught. Mr. Prince said the reason that he was opposed to vote Yea on Ord. 32-17 was that he thought people needed to know which projects the money would be spent on before it was approved. He understood it would not be enacted at the present time but was being put into place. There was no need to rush because there were 2 ½ years before 2019, and they would have time if it was delayed to get a list of projects so the people would know what projects the money would be spent on. It would put them more at ease. If it wasn't delayed, he would vote Nay that night. Mr. Servant requested to be shown as a Nay vote on Resolution R-03-17 and additionally on Ordinance 32-17 because he felt the funds should be dedicated solely to roads and infrastructure as was set forth in the previous Ride I ordinance passed by council.

Mr. Vaught wanted to remind council that before any dollars were spent from this money it required a three reading approval of full council as well as public notice and public input. It was not like council was trying to pull the wool over somebody's eyes as to what they would be doing with the proceeds of the tax.

Mr. Worley asked to be shown (inaudible). As he said before, he thought they were way ahead on the issue. Any time there was excess money.. He did agree that the tourists needed to pay their fair share. They could pass this and use that money for additional police officers and to give rebate back in the form of tax millage to the people of this county. They hadn't been able to get an impact fee on. With all the new growth, the property taxes would continue to go up. It was a tax everywhere that you looked. The school board was fixing to raise taxes. They were fixing to get a gasoline tax. It was just tax, tax, tax and the people needed some relief. He thought this would be an ideal way to do it and put the burden right where it was with the tourists, and he had no issue with that. He did have an issue with spending the money for a road that he didn't know of anybody in his district that wanted I-73. If it was built, President Trump told the Republican Club he would help us with the road. His point was, why should we step up and offer to pay for I-73 when we may be getting federal monies to do that. He couldn't support the ordinance the way it read. It was, in his opinion, wrong.

Mr. DiSabato said he echoed Councilman Servant's point of view with regards to **Ordinance 32-17** in that he supported it because he believed I-73 was a critical infrastructure program and he did not think we would receive any legitimate funding unless we put our best foot forward and this was one way to do that. However, hearing some of the descent up there it might be fruitful to have some debates. **He moved to reconsider Mr. Prince's initial motion to remove it from the consent agenda and place it on the regular agenda.** Chairman Lazarus said they were currently having debate on it so they were accomplishing that point, but they had a motion to reconsider. **Mr. Allen seconded the motion to reconsider. The motion to reconsider failed seven to five with Messrs. Vaught, Hardee, Crawford, Loftus, Lazarus, Howard, and Phillips voting Nay.**

Mr. Allen said that his concern was the same as some of the others. He first agreed that it was going to be a useful tool for a future council but there probably needed to be a little more input to it as far as establishing how it would be spent.

Chairman Lazarus said they took a great deal of time and purposely did it by presentation by Mr. Eldridge and then by legal briefing by Mr. Carotti at the prior meeting. They debated it a good bit on the dais between them and the reality of it was as Mr. Vaught said, before any project would be approved it had to have three readings of council. It had to adhere to the hospitality law. This was a hospitality fee. Not a sales tax. It was a hospitality fee. A hospitality fee was collected on prepared foods, lodging, and entertainment admissions. Those were the three sources of that income. It was not property taxes. It was not on their groceries at the store or the medicine that they bought. It was not on the clothes that they bought. It was just those three things and they validated that at least 65% of that was paid for by the tourists that came in and ate out and paid lodging and everything else. The lion's share of that was paid for by them. I-73 was just one of the many projects that this hospitality fee could be used for. There were many other things under the hospitality law that it could be used for but it would be debated and on a three reading ordinance by council whether by this same council or a future council. This hospitality fee would not be collected for three years from now but as he said earlier, this was a chance for them to be able to get it in line to be able to hopefully have I-73. He couldn't think of a better project for the western part of Horry County than I-73 because it gave them interstate access. They were all very heavily involved in the Economic Development Corporation and the first thing that a person that would like to bring their company here to Horry County asked was if they had interstate connectivity. They had lost many projects because they didn't have it and this would give it to them. Any time that you dealt with these types of projects, they ask you to have skin in the game. It gets you ahead of the game. Out of all the other states and all the other areas that were looking for dollars, if you had shovel ready and you had dollars available, it helped them get ahead of the game to get projects done. They had just passed through the DHEC permitting process for I-73. It was not protested by any of the conservation groups or anybody else. That was moving forward and he had good indication that they would be seeing permits coming in short order. Hopefully it would be on the president's agenda to help support it. Our portion of it could only be spent in Horry County to upgrade 22 to interstate standards and to take 22 to the state line which then would take federal money to get us to I-95 which would give us the connectivity. For those purposes he thought it was a good process and that the people would be very involved in it because there would be public readings along that process so everyone would be involved.

Mr. Prince asked if a person voted to rescind this action at a later point, could it be voted up or down. Mr. Carotti said to repeal an ordinance it would take the same formality as was used to enact the ordinance so it would be a three reading ordinance to repeal this ordinance. It could be done.

Mr. DiSabato wanted to make it clear that he was in support of this ordinance. While he appreciated all of the efforts that the local citizens made in support of the economy, the number one thing that they could do to help the economy was increase the amount of jobs that they were able to produce here in Horry County. Higher paying jobs. Higher wage jobs. Higher skilled labor. Unfortunately if you were not within a very tight radius of a major interstate highway, you were not in the game when it came to economic development. If this gave them a firm foothold in the ability to get I-73 completed, it could be potentially the most important thing that they did for Horry County. So he was in support of I-73 and in support of this ordinance. He

would like to see if there was a way for them to tie this funding strictly to infrastructure projects but the answer from the legal department would be no. Mr. Carotti said it could be tied to infrastructure projects as was the 1% hospitality fee. However, staff would advise against that because that would limit council's ability to use the funds for any number of available projects.

Chairman Lazarus said to Mr. Worley's point earlier, hospitality fees were already being used to support the police and as everybody had said up on the dais, they needed more funding. They had issues where they needed more police on the ground. He didn't know if this was the appropriate fund. Everybody wanted it for infrastructure needs but there were some other funds out there that they would be discussing through the budget process on the 16th that they would work hard with the staff to do everything they could. They had already got nine new police officers put into the budget and as the Chief had said, he needed fifteen more. He committed to him and everybody up there to work within the budget and the dollars that they had coming to them to find those dollars because we had issues on the streets and they would give the chief and personnel all the tools that they could to work on that. They were serious about the crime.

Mr. Worley referred to the chairman's earlier comment. It was a perfect example of the fairness. We were paying for all of our major roads here in Horry County and secondary roads. We now paid over \$.16 in gasoline tax to the state. It was obvious there would be at least a \$.12 increase coming down the pipeline, but yet in his statement he said they would pay for it to the county line and they take our share of the tax dollars and they build everybody else's roads. As long as we continue to get ahead and not allow our delegation to bring those dollars back to Horry County we were going to continue to put the burden. The tourists aren't the only ones to pay the hospitality fee. Every time he went to McDonalds and got a hamburger, he paid it. So, it was not just tourists. He thought it was every time you turned around, there was a 1% road fee. This one and that one. What was the percentage of this that was on roads currently including this? Mr. Carotti said the hospitality fee would be 2 ½%. Mr. Worley asked Mr. Powell what was being paid currently on all the Ride programs. Mr. Powell said the locally imposed rate was 2.5 cents if you were in the unincorporated area. It was 1 ½ county and then if you were in the municipalities 1%. The sales tax rate was 8% for the county. Again, those applied to different things. Mr. Worley said he was talking about total for roads. Chairman Lazarus said 2 ½%. 1 ½ % for the original and then 1% for the Ride that came on in May 1st. Mr. Worley asked how much money we were looking at of that 2.5 cents. Mr. Powell said the Ride III that just went into effect the previous Monday, was a \$.01 sales tax on all items taxed by the state of South Carolina aside from unprepared food. That was estimated around \$70 million per year in collections. The hospitality fee that was proposed drew in about \$38 million per year. Mr. Worley said we were talking about over \$100 million per year going towards roads plus the state and federal monies. When was enough enough? Like the chairman had just said, and this really bothered him a whole lot, when his mother heard something, she called the police. She wanted someone to respond and he wanted someone to respond when they called. This time out, 20 – 30 minutes for a call just wouldn't work. It was not right and they needed to fix it. He told Mr. Allen he wasn't brow beating anybody. He was trying to help him get money to hire more cops. His point in this was to take this \$40 million and take \$20 million of it and hire cops and get them out there on the beat so that they could respond when called. In the City of North Myrtle Beach they were blessed that anytime you called the police they were there in 2 – 3 minutes. He wasn't saying they had to be 2 – 3 minutes, but it didn't need to be 30 minutes. They had an opportunity to use this money for that. He knew it was down the road. Then, take the balance of it and refund it back in the form of millage to the tax payers, not only residential but to the business community. They were just getting beat up. It was getting to a point that it was just about too much for some businesses that couldn't make it. **He moved to remand the ordinance back to the administration committee since it was a tax issue and give them an opportunity to look at it and see if they could come up with the correct way to spend the money before they passed it.** He thought the tax payers were saying that if they didn't know what they would spend it on, and the federal government may pay for I-73 depending on what the president did, he didn't think they needed to jump ahead of everybody and use this money or dedicate this money for something when we could use it to protect the people of Horry County and give them tax relief in the form of millage.

Chairman Lazarus said the law dictated what it could be used for so it was not that this money was coming up and they would willy-nilly decide what they would use it for. The law specifically said what a hospitality fee could be used for. As far as the police, there was an opportunity to use this under the hospitality fee and the TERC committee that would allow some of the money to be used for policing. If the amount of money that would be needed for I-73 was \$400 million, you could bond it. You might only need \$10 million a year instead of the \$40 million a year so that would leave \$20 million that you could use towards police. It was as simple as putting an ordinance together, and bringing it before council. Bringing it through committee and getting it voted on and approved as long as it met the headline test through the TERC committee. So the appropriate use under hospitality law would allow them to do that so his point was well taken. That was why it would come before them and if that was what he wanted to use some of it for then they needed to get Mr. Carotti to draw that ordinance when the dollars came in and when it was appropriate to use them and get council to pass it, up or down. They could go from there, but they had a motion that he had to consider as a remand back to the administration committee. **The motion was seconded by Mr. Prince.**

Mr. Vaught said he thought the vote to remand was out of order. Did they not vote to approve the consent agenda as presented? Chairman Lazarus said they did not vote. They took a motion and a second and they were under discussion. Mr. Vaught said he thought they voted to approve the consent agenda. Chairman Lazarus said they hadn't voted to approve the consent agenda. They voted to approve it as changed and now they were back to the main motion as changed. Mr. Carotti said the main motion was to approve the items on the consent agenda which was duly seconded. What was currently on the floor for consideration by council was Mr. Worley's motion to refer it to the administration committee. That one ordinance, the first ordinance.

Mr. Allen asked what the time line on this was, and were they under urgency? When did it need to be past third reading in order for them to fall in compliance? Mr. Carotti said they had been apprised of the problem that they would lose their grandfathered status once they paid off the SIB loan never to be recovered. They would lose a one half percentage and there was no telling what the legislature might do between now and the time they paid off the last penny of the SIB loan. They did not know when that date would come depending on the revenue generated by this hospitality fee. Mr. Allen asked if it would be a month from now, three months or a year. Mr. Eldridge said there was a separate issue too when it came to funding and it related to I-73. Hopefully, this would make the project viable to have this funding source there. It didn't pay for all of it but it showed local commitment, showed a large chunk of the funding needed to make the project work. Our understanding was the federal government was looking for projects where as the chairman said you have a local effort. They wanted to see matching dollars. They didn't want to come in and pay 100% for a project. So, it did make I-73 viable. They understand permitting there was a change that that gets done. To have that sitting there. To have a project with a permit, a sizable amount of revenue stream that was possible to pledge towards I-73 sitting there on the table could make a very big difference when it came to congress and their next budget cycle.. It was his understanding this was a project that the president mentioned when he was campaigning during the primary. So, that was the urgency. It was political. It didn't mean anything was promised. It didn't mean anything was going to happen but it did make a difference when you were looking around the country and you saw a project that has funding for it. That was the thought process behind it. Mr. Allen asked if our debt would be paid off in a year. Mr. Eldridge said one to two years. Mr. Allen said the tax would sunset in 2020. Mr. Eldridge said as soon as that last payment was made it was done. Mr. Allen asked roughly twelve months. Mr. Eldridge said probably 24 months. The issues were timing, projects, and getting it done. Yes, it would have to be passed before that last payment was made to pay off the county's debt from the Ride I.

Mr. Prince asked what the hurry was. He agreed with Mr. Worley. We needed to have a better plan of action. What were we going to spend the money on? They wanted to know that the people of Horry County that lived here day in and day out would get benefits from it. If they didn't do anything to make sure that all of it didn't go to I-73, the majority of the people living here were not interested in I-73. Of course it would help but they wanted relief for themselves and the people that lived here in this county for a change. It was no hurry. Why didn't they just get a plan of action on what they were going to do with it?

Mr. DiSabato asked what the collection of this fee did to our bonding capacity. Mr. Eldridge said there were two different issues. There was a bonding capacity. That was your general obligation debt that was capped by state law. This would be a revenue bond so this would be revenue pledged towards the issuance of any borrowing. It was like looking at your income and what you could borrow on the house. The same with this. You would be able to leverage toward borrowing long term for construction on a large project. Mr. DiSabato asked if they would be able to put together a \$.5 billion bond. Mr. Eldridge said it would not support that amount. Mr. Powell said that when they had looked at that matter, it really depended on what the credit market was doing. It was a revenue bond so it would be secured by the hospitality fee. It wouldn't be the GO pledge which was the full faith and credit of the county. Depending on what the market would have it, it would depend on that final amount. It would be where interested rates were if they decided to go forward with this and borrow against it as well. Mr. DiSabato asked if they bonded the project to get our portion of I-73 completed, did that mean they couldn't take any portion of the \$40 million that was being collected and use it towards other programs. Mr. Eldridge said those would be policy decisions council could make. That was why they tried to put the flexibility in the ordinance that you didn't know what the federal share would end up being. There could be other ways to help finance part of this project so you didn't know what that gap would be that you needed to fill. That was where you would have that opportunity if you got \$40 million. If you only ended up having to pledge \$30 million, then council would have \$10 million to look at other projects on a pay-as-you-go to borrow against that whatever options council would have. This was why they wanted flexibility in the ordinance because you didn't know what that gap would be and there would be growth and funding over the years as well. Mr. DiSabato asked how many police officers \$10 million would get us. Mr. Eldridge said they went through this exercise 2 - 3 years ago and Mr. Spivey went through and looked at maybe \$10 million worth of costs that were being picked up with general fund monies that you could tie to tourism. That wasn't all police officers. A good chunk was at the jail because you could look at the census of where people were that were spending the night in our jail. It was EMS because it was easy to track on who we were picking up and providing EMS services to so it wouldn't even be the full \$10 million out of that. Again, it had to

be tied to tourism related expenditures and those were expenditures that were clear and easy to see that we could defend. You had to be able to make that connection and that was part of the state law that the chairman was talking about. You had to tie it back to tourism because that was where a lot of the money came from.

Mr. Servant asked what exactly could this money be spent for other than roads and infrastructure as it was currently written. Mr. Eldridge said tourism related facilities. Mr. Powell said tourism related facilities like arenas, colosseums, and roads related to tourism which had been discussed at length. Tourism related cultural recreation and facilities, beach access and renourishment, advertisement and promotion, water and sewer, and public safety and operation of tourism related facilities. Mr. Servant said that for the record, that was his issue with this ordinance as it was written. He wanted this to go solely towards roads and infrastructure and now it could go to anything under the sun it sounded like. Chairman Lazarus said only if it was voted by three votes of council.

Mr. Loftus asked if the general assembly could change what they were about to do and prevent them from doing it if they didn't do it in the small window that they had. Mr. Carotti said it was unknown what the general assembly.. They had already amended the hospitality and accommodations tax law in 1996. Could have been in response to what Horry County did in 1996 as well and there was no telling what the legislature could and would do between the present and that date. Mr. Loftus said they did have an open window but didn't know if and when it would be slammed shut. Mr. Carotti said yes. Mr. Loftus said there was some sense of urgency. Mr. Carotti said to correct this restriction that they imposed upon themselves. A vote was held on the motion to remand back to administration committee. **The motion failed with Messrs. Vaught, Hardee, Loftus, Lazarus, Servant, Howard, Phillips, DiSabato, and Allen voting Nay. A vote was held on the main motion of approving the consent agenda as presented. The main motion passed with Messrs. Prince voting Nay on Ord. 32-17, Servant voting Nay on Resolution 03-17 & Ord. 32-17, and Worley voting nay.** The consent agenda consisted of the following:

Third Reading – **Ord. 32-17** amending Ordinance 93-16 to repeal the sunset provision applicable to the 1.5% hospitality fee, and other matters related thereto.

Third Reading – **Ord. 33-17** to amend the County Code to update the county's ordinance summons process.

Third Reading of the following Ordinances to approve the request to amend the official zoning maps:

Ord. 34-17 Stillwater PDD; **Ord. 36-17** DDC Engineers, agent for Cap Care Group, Inc.; **Ord. 37-17** Terry & Pamela Jamison; **Ord. 38-17** Melody Page, agent for Karen Murray; **Ord. 39-17** Venture Engineering, agent for Drexel 101, LLC; **Ord. 40-17** Venture Engineering, agent for Queens Park Inc.; and **Ord. 41-17** Karen Townley-Rabon & Rosemary Chestnut

First Reading – **Ord. 47-17** amending the zoning ordinance pertaining to the Hwy 501 Overlay Zone.

First Reading – **Ord. 48-17** establishing regulations regarding unfit dwellings and related structures within the unincorporated areas of Horry County.

First Reading – **Ord. 49-17** to amending the zoning ordinance pertaining to home occupations.

First Reading – **Ord. 50-17** amending the County Code so as to prohibit the damage or destruction of sand dunes.

Resolutions to accept dedication of the roads and drainage into the county system at the following locations:

R-39-17 Lafayette Park Phase 3A-1; and **R-40-17** Bristol Pines Phase 1

Resolution R-41-17 approving the transfer of fund balance from FY 2016 to fund repayment of the Socastee Community Recreation Special Tax District Commission loan.

Resolutions pertaining to the Victim of Crime Act (VOCA) grants:

R-43-17 approval to the Police Department to submit & accept a not-to-exceed grant of \$175,000 from the SC Dept. of Public Safety

R-44-17 approval to the Detention Center to accept a not-to-exceed grant of \$25,028 from the SC Dept. of Public Safety.

R-45-17 approval to the Detention Center to submit & accept a not-to-exceed grant of \$60,068 from the SC Dept. of Public Safety

Resolution R-46-17 authorizing execution of an agreement to participate in the Horry County HOME Consortium.

Resolution R-49-17 authorizing & directing the transfer of funds from roof rehabilitation project to the terminal capacity & enhancement project.

Recreation Resolution R-03-17 approving allocations of council recreation funds to Greater Burgess Community Assn, Horry County Parks & Recreation, Wildlife Action of Horry County, Palmetto Studios Arts Alliance, Aynor High School, Town of Aynor, Carolina Forest High School Showcase Showchoir, & Waccamaw Economic Opportunity Council.

District Appointment: Steven Neeves to the Planning Commission

PRESENTATIONS / RESOLUTIONS:

Presentation on the updated Community Rating System class rating for Horry County for the National Flood Insurance Program. Mr. Webster said there had been a concerted effort between several departments of the county over the last two years to come together as a team to do a better job with the rating for the CRS Flood Insurance Program. FEMA had upgraded our program from a Class 9 to a Class 7, and just like the fire ISO rating system the lower the number the better positive result we had for people who currently held flood insurance premiums if they lived in a flood plain. The new policy ratings went into effect the previous day and the people that lived in a flood plain would see a savings of \$875,000 annually because of the work that the county departments put together to achieve this new rating. This was only in the unincorporated areas. The cities in the CRS program had their own rating. Mr. Servant thanked Mr. Webster, Ms. Carroll, and the whole staff at the EMS department for putting this together. It would be a huge savings to the residents that had to buy flood insurance in Horry County, and it would be a savings of almost \$1 million annually.

Mr. Worley asked Mr. Webster if they had been told when the elevations would be done. Mr. Webster's response could not be heard.

Chairman Lazarus thanked them for their good work and asked they get the elevations completed because they were critical to what was needed.

Resolution R-47-17 and Public Hearing in support of the issuance by the SC Jobs-Economic Development Authority of its hospital revenue bonds to Georgetown Hospital System for a not-to-exceed amount of \$48 million. **Mr. Vaught moved to approve, seconded by Mr. Loftus.** Mr. Powell said this was what was known as a JEDA Bond which was the Jobs Economic Development Authority. That was the state agency responsible for issuing private activity bonds, tax exempt bonds for private business and non-profit corporations where there was a public purpose. What they were being asked to vote on this resolution as well as the following resolution was a statement that they supported the project in Horry County. It did not create a liability for Horry County. It did not go on our books. There was no recourse on the bond holder as it was paid by the revenues of the specific facility and had no recourse back to Horry County and the same for the following Resolution R-48-17. **There was no public input. The motion was unanimously passed.**

Resolution R-48-17 and Public Hearing in support of the issuance by the SC Jobs-Economic Development Authority of its economic revenue bonds to CR Senior Living LLC in the principal amount not exceeding \$25 million. **Mr. Vaught moved to approve, seconded by Mr. Loftus. There was no public input.** Mr. Prince asked where this was. Mr. Powell said it was a proposed senior living facility. A 66 bed assisted living memory care facility and 40 unit independent living. It would be in Little River at the intersection of Sea Mountain Highway and Hwy. 9. **The motion was unanimously passed.**

READING OF ORDINANCES:

Second Reading and Public Hearing on the following Ordinances to approve the request to amend the official zoning maps: **Ord. 43-17** Nan Trout, agent for Central Storage LLC; **Ord. 44-17** Palm Lakes Plantation PDD; **Ord. 45-17** Eric Hardee, agent for Everette & Evelyn Hardee; and **Ord. 46-17** Keith Richardson. **Mr. Howard moved to approve, seconded by Mr. Allen. There was no public input. The motion was unanimously passed.**

OLD/NEW BUSINESS:

Appointments to the Solid Waste Authority Board of Directors. Two seats to be filled. Vote by ballot.

Nominees are:

Pam Creech
Norfleet Jones
Sam Johnson

Mr. Allen gave a brief history of whose turn it would be to choose and present people for the Solid Waste Authority board. He reminded the council that they often heard about the struggle between council and the Solid Waste Authority Board. With them being an independent authority, a lot of the public did not understand that they could operate totally autonomous of council. Through the years, they seemed to continue to have issues with them. Such as the year that the Solid Waste Authority approved a larger Christmas bonus for their employees than council approved for the county employees, and that just a few years ago with the challenges that council had over flow control and C&D that there was a large division between Solid Waste Authority and council. There was actually money spent from the Solid Waste Authority in Columbia that went against what council's wishes were. At that time, there was a state ethics complaint filed against him that involved an employee and a Solid Waste Authority Board person during the vote for the flow control on the C&D. After the state investigator came down and interviewed everyone, he told him that he had been conducting these interviews for over 20 years and that to him all the 7 page complaint filed against him by an attorney out of North Myrtle Beach was a political hack job with the intentions of trying to influence his vote on the C&D. It went back to Columbia and the ethics board voted it unfounded. These things continued to happen. He would say that if they ever expected to have a change out there, they would have to change who served on that board. They had made some. He placed his person on the ballot that past week and also there was an email sent out from the Solid Waste Authority on a Solid Waste Authority account that was encouraging votes for current members of the Solid Waste Authority Board. He had a call in to the South Carolina Ethics Commission asking for a ruling on that but hadn't heard back from them. They were prohibited from that. It seemed there was a lot of interest in one of the reappointments and there had been a lot of political influence. There had been a lot of phone calls and a lot of back room talk made. If he was the only one up there that would speak out against it and until council stood up and did its job as to what it was supposed to be doing, they were going to continue to have these issues. A few days before he was served with that complaint, he had a Solid Waste Authority employee call him and tell him that there was an ethics complaint coming down about him. If they didn't do something about this, they would never get a hand hold on it. He encouraged them to vote for his nominee, Sam Johnson, that night.

Chairman Lazarus said he had a legal issue he needed to discuss with Mr. Carotti, and they had an executive session scheduled for discussion regarding criminal investigating proceedings. He would ask the legal question during that break, and they would go into executive session at that moment and come back and discuss the appointments.

EXECUTIVE SESSION: Mr. Servant moved to enter into Executive Session, seconded by Mr. Loftus. The motion was unanimously passed. Mr. Servant moved to exit Executive Session, seconded by Mr. Loftus. The motion was unanimously passed. Mr. Carotti said that while in executive session council received legal advice relating to matters covered by the attorney-client privilege and also engaged in discussions regarding criminal investigative proceedings. While in executive session, no decisions were made and no votes were taken.

Chairman Lazarus said they had a tie in the vote for the Solid Waste Authority Board of Directors. On the advice of legal counsel, they needed to re-vote. The new vote had the same result of a tie. He then told Ms. Pam Creech she had been reappointed to the Solid Waste Authority Board. They would take another vote for the two other individuals and he requested they vote by ballot. The vote resulted in another tie vote so they would defer the vote of the second for a future meeting. If anyone had anyone else to nominate, the nominations would still be open.

Chairman Lazarus said it had been brought to his attention that they had seven of the International Building Code books removed. He told Mr. Eldridge they needed to let the library know to see if they could track where those were going to. They were very important books.

Mr. Vaught responded to an earlier comment made by Mr. Allen about not having a good working relationship with the Solid Waste Authority. He was chairman of the I & R Committee last year during a tough time in which they dealt with the contentious Charleston contract. He couldn't have been more pleased with the Solid Waste Authority's transparency and willingness to come to I & R with all the information required of them. He felt they had the best working relationship with the Solid Waste Authority in his memory.

ANNOUNCEMENTS: Chairman Lazarus reminded everyone of the meeting the following night to discuss the proposed gun ordinance.

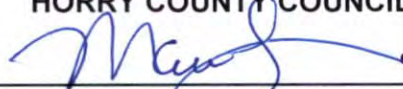
Mr. Prince said the responders for the Horry County Fire Department did not need a pager that you had to read. They needed something that they could hear. What they already had was good and what was needed it just wasn't communicating well enough. He hoped they would work towards that. Chairman Lazarus requested that the Chief get Mr. Prince a pager.

Memorial Dedications: Lisa Hupp Bell; Wilma Mae Allen; Olean Stalvey; Liston McDowell; and John Mishoe.

Upcoming meetings: Regular Council Meeting – May 16, 6:00 p.m.; Public Safety Committee – May 9, 10:00 a.m.; I & R Committee – May 23, 9:00 a.m.; Administration Committee – May 23, 2:00 p.m.; Transportation Committee – May 15, 9:00 a.m.; and Public Hearing/Workshop on Discharge of Firearms – May 3, 5:00 p.m.

ADJOURNMENT: With no further business, Mr. Vaught moved to adjourn at approximately 7:37 p.m. and it was seconded. The motion was unanimously passed. The meeting was adjourned in memoriam of: Lisa Hupp Bell; Wilma Mae Allen; Olean Stalvey; Liston McDowell; and John Mishoe.

HORRY COUNTY COUNCIL

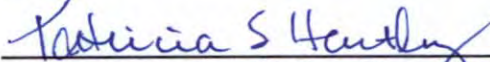


Mark Lazarus, Chairman

Harold G. Worley, District 1
Dennis DiSabato, District 3
Tyler Servant, District 5
Harold Phillips, District 7
W. Paul Prince, District 9
Al Allen, District 11

Bill Howard, District 2
Gary Loftus, District 4
Cam Crawford, District 6
Johnny Vaught, District 8
Danny Hardee, District 10

Attest:



Patricia S. Hartley, Clerk to Council

EXHIBIT L

COUNTY OF HORRY)
)
STATE OF SOUTH CAROLINA)

RESOLUTION R-82-18

A RESOLUTION DEDICATING \$30,000,000 OF THE HOSPITALITY FEE ANNUALLY TO CONSTRUCT THE HORRY COUNTY SECTION OF I-73.

WHEREAS, in 1996, Horry County Council established a 1.5% hospitality fee on prepared food, admissions, and rentals in the entirety of Horry County for the purpose of implementing a comprehensive road management plan as codified in Section 19-6 of the Horry County Code of Ordinances; and

WHEREAS, the 1.5% hospitality fee was scheduled to lapse upon the repayment of all outstanding loans due to the State Transportation Infrastructure Bank; and

WHEREAS, Horry County Council passed Ordinance 93-16 and Ordinance 32-17 to modernize the administration of the 1.5% hospitality fee and to extend its imposition following the repayment of loans due to the State Transportation Infrastructure Bank; and

WHEREAS, it is anticipated all funds necessary to repay the outstanding State Transportation Infrastructure Bank loans will be on deposit in the State Treasurer's Office by the end of Fiscal Year 2019; and

WHEREAS, upon repayment of the outstanding State Transportation Infrastructure Bank loans, Horry County Council seeks to dedicate the 1.5% hospitality fee for the continued development of major road projects within Horry County consistent with Section 19-6(h) of the Horry County Code of Ordinances; and

WHEREAS, Horry County Council seeks the development of interstate connections to the Grand Strand and the construction of I-73. I-73 is anticipated to provide significant economic benefit, as well as a faster evacuation route in the event of a catastrophic hurricane affecting the Myrtle Beach area; and

WHEREAS, Horry County Council seeks to dedicate a portion of the 1.5% hospitality fee to facilitate the construction of the Horry County portion of I-73.

NOW, THEREFORE, BE IT RESOLVED, that the Horry County Council dedicates \$30,000,000 annually of the 1.5% Hospitality Fee to construct the Horry County segments of I-73.

AND IT IS SO RESOLVED this ___ day of _____, 2018.

HORRY COUNTY COUNCIL

Mark Lazarus, Chairman

Harold G. Worley, District 1
Bill Howard, District 2
Dennis DiSabato, District 3
Gary Loftus, District 4
Tyler Servant., District 5
Cam Crawford, District 6

Harold Phillips, District 7
Johnny Vaught, District 8
W. Paul Prince, District 9
Danny Hardee, District 10
Al Allen, District 11

Attest:

Patricia S. Hartley, Clerk to Council