



**Notice of Live Auction**  
**Beach Equipment Franchise**  
**\$ 500 Minimum Bid Requirement for each Parcel**

A public auction will be held on Wednesday, **December 7, 2022**, at 10:00 a.m., in the Council Chambers of City Hall located at 301 Baltimore Avenue in Ocean City, Maryland. **Registration begins at 9:00 a.m.** A **pre-auction discussion begins at 9:30 a.m.** **Auction begins at 10:00 a.m.** The following north-section beach parcels will be auctioned:

<i>South-End Beach Parcels</i>	<i>South End Beach Parcels</i>
<b>Inlet</b>	<b>13<sup>th</sup> Street</b>
<b>Worcester Street</b>	<b>19<sup>th</sup> Street</b>
<b>Caroline Street</b>	<b>20<sup>th</sup> Street</b>
<b>1<sup>st</sup> Street</b>	<b>22<sup>nd</sup> Street</b>
<b>3<sup>rd</sup> Street</b>	<b>23<sup>rd</sup> Street</b>
<b>9<sup>th</sup> Street</b>	<b>24<sup>th</sup> Street</b>
<b>11<sup>th</sup> Street</b>	<b>Mid-Beach Section</b>
<b>12<sup>th</sup> Street</b>	<b>57<sup>th</sup>-59<sup>th</sup> Street</b>

**ON AUCTION DAY, the successful bidder shall:**

- (1) Provide satisfactory proof of identity and legal age (i.e. Driver's License or Government-issued Photo ID)
- (2) Pay a One Thousand Dollar (\$1,000.00) **non-refundable** deposit for each successful bid. Please bring cash, cashier's checks or certified checks payable to the Mayor and City Council. **PERSONAL CHECKS NOT ACCEPTED.**

**On the dates specified below, the successful bidder shall:**

- (1) Submit a personal Credit Report on or before **Monday, December 12, 2022.**
- (2) Sign a statement authorizing the Mayor and Council to make inquiry of personal background, financial and credit worthiness on or before **Monday, December 12, 2022.**
- (3) Pay 20% of the annual fee for each parcel less the \$1,000.00 deposit to the Billing Office in City Hall on or before **Monday, December 12, 2022.**
- (4) Provide a brief plan of management on or before **Monday, December 12, 2022**, clarifying if you will directly oversee the operation or, if not, how day-to-day operations will be handled; providing details of your experience with the beach equipment rental industry; and advising if you have obtained necessary equipment and boxes or of your arrangements to acquire necessary equipment.
- (5) Obtain, at the operator's own expense, comprehensive general liability insurance coverage and products liability insurance coverage in at least the amount of \$1,000,000.00 combined single limit, which insurance coverage shall name the Mayor and City Council as an additional insured, and a certificate of insurance evidencing such coverage shall be furnished to the Mayor and City Council by the operator and be approved by Ocean City's City Clerk before contract endorsement.
- (6) The second-highest bidder will have first right of refusal should the initial successful bidder neglect to meet credit, experience or management requirements. A sealed bid will be conducted if the second-highest bidder declines the award. The Mayor and Council may reject any and all bids for any reason it deems appropriate and may rebid upon such terms, conditions and manner it deems appropriate.
- (7) Sign a three-year contract (2023-2025) for each south-end parcel. Sign a one-year contract for the mid-beach parcel.

An auction bid packet can be found at <http://oceancitymd.gov/oc/departments/city-clerk/> or email [dchavis@oceancitymd.gov](mailto:dchavis@oceancitymd.gov) to request the information. Please direct questions to 410-289-8842.

# BEACH EQUIPMENT RENTAL FRANCHISE FINANCIAL HISTORY

## OPERATOR INFORMATION

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email Address: \_\_\_\_\_

The source of my funds for the initial franchise payment tendered herewith is as follows:

- A. CREDIT REFERENCES (List at least two (2) with full name, address, telephone number and contact person)

1) \_\_\_\_\_  
Name                      Address                      Telephone #                      Contact Person

2) \_\_\_\_\_  
Name                      Address                      Telephone #                      Contact Person

- B. BANK REFERENCE (List at least one (1) with full name, address, telephone number and contact person)

\_\_\_\_\_  
Name                      Address                      Telephone #                      Contact Person

I do hereby agree to and authorize Mayor and City Council of Ocean City to make inquiry of my personal background, financial and credit worthiness and for the Mayor and Council to obtain a copy of my credit report; and by my signature hereto, I do hereby authorize and empower those listed above as credit references and bank reference to release onto Mayor and City Council of Ocean City any information pertaining to my personal background, financial and credit worthiness.

I do hereby certify that this BID has been arrived at independently, without consultation, communication, or agreement as to any matter relating to this BID with any other Bidder or with any competitor.

I do hereby certify that I have no financial interest, direct or indirect, in any other Ocean City beach equipment rental franchise; and that there are no other persons financially interested, direct or indirect, in this BID, except:

\_\_\_\_\_  
Name    Name    Name

\_\_\_\_\_  
Signature    Signature    Signature

I do hereby solemnly declare (or I hereby affirm) under penalties of perjury that the information and statement above are true and correct to my knowledge and belief.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

TOWN OF OCEAN CITY

FIRST TERM: BEACH EQUIPMENT FRANCHISE AGREEMENT

PARCEL: «PARCELS»

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THIS FRANCHISE AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by and between the Mayor and City Council of Ocean City, Maryland, a Maryland municipal corporation, hereinafter called and referred to as the "City" and «First\_Name» «Last\_Name», hereinafter called and referred to as "Operator," and also doing business as «Business\_Name».

WITNESSED: that for and in consideration of the premises, and of the rights herein this agreement granted, and of the sums of money herein this agreement stated, the "City" and the "Operator" do hereby covenant and agree as follows:

THAT the "City" agrees:

1. Beach Equipment shall be defined as beach chairs, beach lounge chairs, umbrellas, boogie boards, surf mats and beach-based back rests. Other items designed and intended for use and rent by the general public as an end-user on a beach, or within the ocean, may be considered as additions by the Mayor and City Council following recommendation by the Mediation Board. Any such equipment addition shall be intended for the day to day use by general beach patrons with demonstrated supporting data firmly identifying said equipment as trending upward in end-user rental and successful use at similar beach destinations.
2. That the operator shall have the right to rent to the PUBLIC, subject to the terms and conditions hereinafter stated, beach equipment on the Public Beach areas of «Parcels» for a term commencing with the date hereof and terminating on the 29<sup>th</sup> day of October «TERM\_ENDS».
3. That as long as the "Operator" performs as herein stated and pays the sums hereinafter in this agreement specified when said sums are due and conducts his business in accordance with the terms of this Franchise Agreement and in accordance with the provisions of Chapter 39 of the Code of the Town of Ocean City (said Chapter 39 hereby being incorporated by reference), and in accordance with the lawfully adopted regulations of the MEDIATION BOARD, the "City" will not grant the right to rent beach equipment to the public on said Parcel to any other person or operator.
4. That provided the "Operator" is not in default or otherwise in violation of any terms of the franchise, said "Operator" shall have an option to renew any franchise(s) for one additional three-year term upon the same terms and conditions of the franchise except that the annual franchise fee shall be 10 percent greater than the annual franchise fee for the initial term. If said "Operator" elects to exercise this renewal option, it must be done in writing to the City Clerk before August 31 of the third year of said initial term.
5. That the "City" acknowledges receipt from the "Operator" which said sum represents 20% of the first annual Franchise fee.

THAT the "Operator" agrees:

1. To pay the annual bid price as follows: 20% of the first annual fee being heretofore paid; an additional 40% of said first annual fee payable on or before July 15<sup>th</sup>, and the remaining 40% to be paid on or before August 15<sup>th</sup>. Thereafter, for the remaining years of the term of the annual fee will be paid by paying to the "City" 20% of said annual fee by January 1st of the year prior to the summer season, and 40% on or before July 15th and the remaining 40% on or before August 15th.
2. The "Operator" further covenants and agrees to pay to the "City" the total Franchise fee which is the sum of the annual Franchise fee multiplied by the number of years in the term. The operator agrees to pay the annual franchise fee of \$«M\_2016\_Annual\_including\_those\_Pending\_MC».00 at the times aforesaid and to pay the total sum, in installments as aforesaid, for the remainder of the 3-Year term of this agreement. No request for any extension of time for any payment shall be considered unless made in writing and delivered to the City Manager's office a minimum of 15 days prior to the due date.
3. To comply with all the provisions and conditions of Chapter 39 of the Code of the Town of Ocean City (as from time to time amended by Ordinance) and the regulations heretofore adopted by the MEDIATION BOARD or which may be hereafter lawfully adopted by the MEDIATION BOARD. (A copy of said regulations is attached hereto and is made a part hereof by reference.)
4. The "Operator" by entering into this agreement hereby acknowledges that he has knowledge of the aforesaid Chapter 39 and regulations and hereby expressly waives any and all rights or defenses he might now have or hereafter acquire by reason of the "Operator" not having read or understood the aforesaid Chapter 39 or Regulations.

5. To protect and hold harmless the "City" indemnifying and holding it harmless from any liability from claims arising from the operator's activities at the parcel including attorney fees and related costs of defense.
6. That the "Operator" shall conduct the business of renting beach equipment and shall conduct no other business under the rights granted by this franchise agreement.
7. That any representative of the "City" shall have access to the Parcel at any and all times.
8. That he, the "Operator," shall not conduct or attempt to conduct any beach equipment rental business on any parcel other than the one hereinbefore described.
9. That no alcoholic beverages will be consumed or kept, by the Operator, its agents or employees, within the Parcel hereinbefore described.
10. To post prices as required by the City Code.
11. To operate the business of Beach Equipment rentals at no other location than those specified in Chapter 39 and by the Regulations of the MEDIATION BOARD and to be open for business during the time and times specified in the aforesaid Ordinance.
12. To comply with all Town, County, State, or Federal laws and regulations.
13. That the "City" has not designated the limits of Private Beach property and that the "Operator" hereby assumes the responsibility for trespass, if any, on private property. "No operator shall place any of his rental or other equipment on private property after having been directed not to do so by the private property owner or his agent."
14. That the "Operator" shall be familiar with the provisions of easements, if any, granted in reference to this parcel and agrees to be bound by any limitations or conditions, if any, of any such easements, including but not limited to provisions restricting or limiting the operation of "Operator's" business.
15. That the "Operator" shall be solely responsible for any losses incurred as a result of any Acts of God. That the "City" shall not abate any payments due under this agreement because of any Acts of God. Acts of God shall include but not be limited to: beach erosion; wind, rain, or other adverse weather; fire; earthquake; oil spills or oil on the beaches, etc.
16. That the "Operator" acknowledges any default of a franchise fee for this parcel will result in the revocation of all other beach equipment rental franchise agreements held in Operator's name.
17. That the terms and provisions of any other franchise agreement and negotiations on the price or payments or negotiations in reference to the default of provisions of any other agreement shall have no effect on this Franchise Agreement.
18. The "Operator", by entering into this agreement, understands and agrees that the Town of Ocean City maintains sole authority over use of said parcel(s) and, from time to time, may approve use of parcel(s) for special events or private events and that the approval of events using beach parcel(s) is not an even distribution across parcels with some parcels hosting occurring events more frequently than others. "Operator" further agrees that the potential and real impact of said Town-permitted events is a condition of doing business with the Town of Ocean City, said potential events shall be anticipated and the "Operator" shall hold the Town, Mayor and City Council harmless with no cause for action toward reduction of Town fees and charges or lost revenue.

AS WITNESS the hand and seal of the "Operator" and witness the hands of the Mayor and President of the City Council, with the corporate seal of the municipality affixed hereto as of the day and year first above written.

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Diana L. Chavis, City Clerk

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Terry McGean, City Manager

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Witness

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«First\_Name» «Last\_Name», Operator

## **REGULATIONS OF THE MEDIATION BOARD**

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The following regulations are adopted pursuant to the provisions of Chapter 39, Article II of the Code of the Town of Ocean City, Maryland.

### **REGULATION NO. 1 - QUORUM**

Three members of the Mediation Board shall constitute a quorum.

### **REGULATION NO. 2 - INVESTIGATION**

The Board shall have the power to conduct investigations and inspections and may designate the Board's Administrative Assistant.

### **REGULATION NO. 3 - ADMINISTRATIVE ASSISTANT**

The City Clerk of the Town of Ocean City is hereby designated as the Board's Administrative Assistant.

### **REGULATION NO. 4 - ATTORNEY**

The Board may at any time request the presence of an attorney from the office of the City Solicitor at their meetings and may utilize said office for legal services and advice.

### **REGULATION NO. 5 - SOLICITATIONS**

No operator shall solicit on the Boardwalk, in any other operator's parcel, or beyond fifteen feet from stand locations.

### **REGULATION NO. 6 - STORAGE AND STANDS**

Each operator shall be allowed to construct containers and a beach stand. All stands shall be as uniform as possible. The design of said stands and containers shall be subject to the approval of the Mayor and City Council. The container boxes will be no larger than four feet wide, eight feet long, and four feet deep. The A frame rack (stand) shall be no wider at the base than six feet, no longer than eight feet and no higher than six feet. They shall be soundly constructed of wood, painted Ocean City Blue and in good repair. They shall not be located on the Boardwalk. Each operator shall be limited to one (1) stand and four (4) containers at each parcel. All stands and containers shall be located at the street end of each parcel or at the mid-point of the parcel, if there is no street end. Equipment may be stored in said containers and racks at operator's risk.

### **REGULATION NO. 7 - SIGNS AND ADVERTISEMENTS**

Each stand or container is required to have two (2) signs designating the franchisee's name, address and phone number and the rental price list of all items rented at the respective stand identifying the amount per item and the duration of rental. Optional information may include operator's trade name. The design and content of each sign shall be subject to the approval of the Board, but in no event shall a sign exceed dimensions of twenty-four by twenty-four (24 x 24) inches. The required information must be a minimum of one inch (1") block lettering, color black on a white sign surface. The required sign is to be displayed on both the north and south sides of the stand or container. An optional sign of identical designations is also permitted on the east or west side of the stand or container.

### **REGULATION NO. 8 - COMPLAINTS AND PENALTIES**

Complaints must be in writing, in respect to operators from any interested party requesting a hearing in reference to said complaint. Upon receipt of said request, the Board shall refer the alleged violation to the City Clerk who shall cause an investigation for verification of the alleged violation. Upon investigation and upon reasonable belief that the violation exists or did occur, written notification of said violation shall be hand-delivered to the operator or attendant and sent via regular mail to the beach parcel operator. The operator or attendant must sign a copy of the hand-delivered notice to acknowledge receipt. The notice shall advise the operator he has forty-eight (48) hours to correct the violation. If the violation continues, a hearing shall be scheduled within five (5) days. The beach parcel operator shall be notified of such hearing, in writing, both hand-delivered to him or the attendant and sent via regular mail. The hearing conducted by the Board shall be taped or otherwise recorded. Upon such hearing, if the Board concludes that such violation has occurred or

is occurring, the Board may impose a fine of not less than \$25.00 nor more than \$100.00 for each violation or suspend the franchise for up to seven (7) days.

Any party aggrieved by the decision of the Board may appeal the same to the Mayor and City Council. The appeal shall be on the record, and the decision of the Board may be affirmed, reversed or modified. If the beach parcel operator defies the action of the Board (or Mayor and Council, after appeal) or continues the violation, then, in that event, upon verification, the Board shall refer the same to the Mayor and City Council for possible revocation. The Mayor and City Council shall schedule a hearing at a regularly scheduled Council meeting. The beach parcel operator shall be notified, in writing, both hand-delivered to him or the attendant and via regular mail, of the hearing date and the alleged violation(s). Upon such hearing, the Mayor and City Council may further fine, suspend, or revoke the franchise if it determines that the violation(s) or is (are) occurring.

#### **REGULATION NO. 9 - CONDUCT OF HEARINGS**

The conduct and procedure of hearings before the Board shall be as follows:

- A. The meeting shall be opened by the Chairman who shall then give a short statement outlining the nature of the complaint being heard and identifying the parties. All parties being heard shall be sworn.
- B. The complaining party shall then be allowed no more than fifteen minutes to address the Board in reference to his complaint.
- C. The operator shall then be allowed no more than fifteen minutes to address the Board in rebuttal.
- D. All points of contention and all questions by either party shall be addressed to the Board. The Board may, if necessary, then request answers from the appropriate party.
- E. Closing statements, if necessary, shall be limited to five minutes each, with the complaining party closing first.
- F. The chairman shall then call the meeting to a close and the Board shall retire, if necessary, and make a finding or defer finding. The parties shall be promptly notified of the actions of the Board.

#### **REGULATION NO. 10 - HARDSHIP**

In case of hardship, variations from the exact terms of these regulations may be requested from the Board.