

1 **FRANCHISE AGREEMENT FOR OPERATION OF RENTAL BUSINESS OF CONVEYANCES**
2 **REGULATED BY CHAPTER 12, ARTICLE V OF THE CODE OF ORDINANCES OF MYRTLE**
3 **BEACH.**

4
5 **WHEREAS**, pursuant to the exercise of its police power the City shall require a franchise for
6 the rental and operation of rental conveyances on the highways, streets, alleys and public ways
7 within its police power jurisdiction; and

8
9 **WHEREAS**, the city determined that the delivery of rental conveyance services can be provided
10 most effectively and efficiently through the grant of a non-exclusive franchise; and

11
12 **NOW, THEREFORE, PURSUANT TO THE FRANCHISE POWER OF THE CITY OF MYRTLE BEACH**
13 in consideration of the mutual promises contained herein, the parties agree as follows:

14
15 Subject to the terms and conditions set forth herein, the City of Myrtle Beach grants to
16 _____ at _____
17 a non-exclusive franchise to provide moped and golf cart rental over the streets, public rights-
18 of-way and other public and private property, where not otherwise restricted by law, for a
19 period of one (1) year, commencing not later than April 1, and ending on that same month and
20 day of issuance in the following year, subject to the following terms and conditions:
21

22 **Permitted rental mopeds or golf carts.**

23 No rental conveyance shall be offered for rent by a rental company except for the golf carts
24 and mopeds approved for the specific locations the applicant identifies in its franchise
25 application. Low-speed vehicles (LSV) may not be offered for rent. All golf carts and mopeds
26 offered for rent under this Agreement must meet the specifications under state law, be
27 equipped as required by state law, and must be properly labeled under state law. Should a
28 conflict arise between application of state law and requirements contained herein, state law
29 shall prevail.
30

31 **Franchise and license required; franchise fee; transfer of franchise.**

- 32 a) It shall be unlawful to rent or offer to rent a conveyance as identified herein within
33 the city right-of-way without first obtaining a franchise and business license
34 therefor.
35 b) A nonexclusive franchise for not more than one year, commencing not later than
36 April 1 of every year, may be granted for the operation of each rental location
37 specified by the city council; provided, however such franchise will not be effective
38 until Franchisee's execution of the Franchise Agreement. Notice of availability and
39 nature of the franchises shall be given by conspicuously posting at least one notice
40 at the proposed location. At least one such notice shall be visible from each public
41 thoroughfare that is within 100 feet of the proposed location. Such notice shall be
42 posted 10 days prior to the public hearing.
43 c) An annual franchise fee of \$10 per golf cart or moped per location, to be capped at
44 \$2,000 per business license holder, shall be paid before the golf carts or mopeds are
45 placed in service. Each franchisee shall be required to maintain a business license
46 at the applicable rate pursuant to Article II of Chapter 11 of the Myrtle Beach Code
47 of Ordinances.
48 d) Evidence of the award of each franchise would be a numbered "plate" identifier
49 similar in size to a license plate which would be fixed to the back of each vehicle in
50 an easily visible location. Such identifiers shall be furnished by the City.

- 1 e) "Plates" are transferable from one approved franchise holder to another, upon
2 approval of the City Manager or designee. If a business possessing a rental conveyance
3 franchise is sold, the franchise and plates may be transferred to the successor entity
4 provided the successor entity satisfies the application requirements below, provides
5 evidence of the sale requested by the City Manager or designee, receives an
6 affirmative vote of City Council following public hearing and executes a document
7 containing indemnity/hold harmless provisions similar to those below and agreeing to
8 be bound by the terms of the prior owner's franchise agreement. If a transfer is
9 approved by the City Council, the franchise and plates shall be effective for the
10 remainder of the prior owner's franchise term.
- 11 f) After the initial award of moped/golf cart franchises are made, any increase beyond
12 the total number of conveyances approved initially will require approval by the City
13 Council. Applicants must demonstrate that the additional conveyances will not
14 significantly impact traffic congestion or public safety and are justified under public
15 convenience and necessity considerations as with other vehicles for hire.
- 16 g) After the initial awards are made, new applicants - other than those seeking a transfer
17 - must demonstrate that the additional conveyances will not significantly impact
18 traffic congestion or public safety. New franchise requests will require a specific
19 finding and approval of the City Council.
- 20 h) After the initial awards are made, applications for new locations for existing
21 businesses will require City Council approval. Applicants must demonstrate that the
22 proposed new locations are consistent with all zoning restrictions; will not
23 significantly impact traffic congestion or public safety; and will not negatively affect
24 other businesses located on the same block.
25

26 **Application to Police Department for franchise.**

27 The application to the Police Department for a franchise shall include the following
28 information:

- 29 a) The name, home and business address of the applicant, and the name and address
30 of the owner, if other than the applicant, of the vehicle to be used in the operation
31 of the rental business.
- 32 b) The names of the persons managing, supervising or conducting the applicant's
33 business in any places proposed to carry on business; the addresses of such persons;
34 the driver's license number of such persons; the capacity in which such persons
35 will act, that is, whether as proprietor, agent or otherwise; the name and address
36 of the person, firm or corporation for whose account the business will be carried
37 on, if any; and if a corporation, the state of incorporation.
- 38 c) Upon receipt of such application for a franchise, the local law enforcement agency
39 shall cause an investigation of such a person's business and personal background
40 to be made. If, as a result of the investigation, the background is found to be
41 unsatisfactory, the franchise/application shall be denied. The franchise shall be
42 valid for a period of one year from the date issued.
- 43 d) The proposed location of the rental station for which a franchise is sought.
- 44 e) A description, including all specifications and equipment provided to the renter of
45 the vehicle proposed to be used.
- 46 f) The names, addresses and percentage of stock owned by shareholders in a
47 corporate applicant, and the percentage interest of each partner in a partnership
48 applicant.
- 49 g) A certificate of public liability insurance with a limit of not less than \$1,000,000
50 per occurrence and \$2,000,000 aggregate.

- 1 h) The city shall be named as an additional insured under the public liability insurance
2 policy.
- 3 i) The insurance policies shall be endorsed to state that coverage shall not be
4 changed or cancelled except after 30 days prior written notice to the City Manager.
- 5 j) Prior to the issuance of a franchise, and at all times while the franchise is in effect,
6 the applicant shall maintain on file with the Police Department a certificate of
7 insurance showing evidence of the required coverage limits and naming the City as
8 additional insured.
- 9 k) If the insurance policies issued to the rental company are cancelled for any reason,
10 the franchise is automatically suspended. To reinstate the permit, the rental
11 company shall provide new certificates of insurance to the City.
- 12 l) Proof of insurance for each vehicle may be required by state law.
- 13 m) Such other information as the applicant may choose or as may be requested by the
14 City Council to demonstrate that the applicant has the financial ability to perform
15 the conditions of a franchise.
16

17 **Issuance of franchise.**

- 18 a) A franchise to rent conveyances may be granted by ordinance in accordance with a
19 showing approved by City Council, after notice and a public hearing on the issuance
20 of the franchise. The grant or denial shall be by public vote within 45 days of said
21 hearing, to include the date of hearing. Any franchise granted shall be subject to
22 modification by ordinance at any time deemed necessary by the City Council for
23 protection of public health, safety and welfare. Any franchise shall be granted as a
24 privilege and not as a matter of right. Franchises shall not be issued after April 1 of
25 every year, except upon a finding by the City Council of public convenience and
26 necessity.
- 27 b) In determining the acceptability of an application, the City Council may consider
28 any factors presented in the application, at a public hearing, or in any staff report
29 or investigation of matters related to the past record and ability of the applicant to
30 satisfy the provisions of the Franchise Agreement in a manner that serves the public
31 interests.
- 32 c) Not later than 30 days after the filing of a completed application for a rental
33 company's franchise, the applicant shall be notified by the City Manager of the date
34 of the public hearing on the issuance or denial of the franchise.
- 35 d) Applicant shall execute the Franchise Agreement within fifteen (15) days of any
36 award of a franchise by the City Council. The franchise shall not be effective, and
37 applicant is not permitted to operate until such execution.
38

39 **Operating requirements.**

- 40 a) The rental company shall only accept vehicles at and return vehicles to the
41 approved rental station locations for which it has a franchise. Dimensions of drop-
42 off and return locations and appropriate marking and signage of rental stations
43 may be determined by the City Manager or designee, should public travel be
44 negatively impacted. The rental company shall reimburse the City for any and all
45 costs of marking the pavement designating the franchise area.
- 46 b) The rental company shall post in a conspicuous location at the rental station the
47 location number assigned to it by the City. The location number and franchise shall
48 be on file and available for inspection in the office of the business license division.
- 49 c) The rental company renting mopeds shall make available to each renter and
50 passengers a safety helmet appropriate for the use.

- 1 d) The rental company shall offer to rent only those vehicles that are in all respects
2 in good operating condition and fully equipped as required by state and federal
3 law.
4 e) The rental company shall not authorize the renter of a vehicle to permit another
5 person to operate the vehicle, unless the person is also listed as a renter and has
6 complied with the provisions of the Franchise Agreement.
7 f) The rental company shall be responsible for paying all towing costs and associated
8 storage fees, incurred by its rental vehicles. The City shall send to the rental
9 company every week a list of parking citations, fees and/or fines incurred by its
10 rental units. The rental company shall provide the City with the contact
11 information associated with such citations, fees and fines within seven days after
12 receipt of the list of citations, fees and fines incurred by its rental units.
13

14 **Advertising.**

15 No advertising shall be permitted on any rental conveyance or at any rental station except to
16 identify the name and contact information of the franchise holder.
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18 **Renewal of franchise.**

19 All franchises granted by the City Council are valid for the entire franchise period unless
20 revoked or suspended prior to expiration. An application to renew a franchise shall be made
21 not later than 60 days before the expiration of the current franchise.
22

23 **Denial, suspension or revocation of franchise.**

24 Any franchise application may be denied and any franchise granted by the City Council may
25 be revoked by City Council or suspended by City Council for any number of days, weeks, or
26 months, up to the remaining term of the franchise, in the sole discretion of City Council, for
27 any of the following reasons:

- 28 a) Fraud or misrepresentation contained in the application for a franchise.
29 b) Fraud or misrepresentation made in the course of carrying on the rental
30 business.
31 c) Conduct of the franchised business in such manner as to create a public nuisance
32 or constitute a danger to the public health, safety, welfare or morals.
33 d) Conduct which is contrary to the provisions of the franchise agreement and/or
34 the City of Myrtle Beach Code of Ordinances, including but not limited to the
35 following: 1) failure to obtain or timely renew a business license; 2) failure to
36 pay or late payment of business license fee; 3) failure to pay or late payment of
37 the annual franchise fee under the Franchise Agreement; 4) failure to obtain,
38 maintain, or provide proof of insurance required by the Franchise Agreement;
39 and 5) failure to execute the Franchise Agreement within fifteen (15) days of
40 approval by City Council.
41 e) Failure to use the franchise fully in accordance with its terms within 90 days
42 after notice of the grant of franchise, or within 15 days after notice of non-use,
43 during the term of the franchise.
44 f) Failure to qualify for a business license or determination that any condition
45 exists in denial, suspension or revocation.
46 g) A determination that the applicant is not able or qualified, by reason of
47 background, medical limitations, financial condition or conditions related to the
48 rental business, to render acceptable service to the public pursuant to the
49 Franchise Agreement.

- h) A determination that a more qualified applicant for the same location will accept a franchise.
- i) A determination that no franchise should be granted to any applicant and that a location should be removed from the approved franchise list.
- j) Any franchise granted by the City Council may be temporarily suspended by the Police Chief/designee for a two-hour period if, at the sole discretion of the Police Chief/designee the continued operation of rental businesses represents a traffic or public safety concern, under the standards of Chapter 19, Article VII. The duration of this temporary suspension may be extended or modified for an additional two hours, subject to immediate appeal to the City Manager or his designee.

Indemnification / Hold Harmless.

The franchisee agrees to indemnify, hold harmless, release and defend (even if the allegations are false, fraudulent, or groundless), the city, its officers and employees, from any and all liability, loss, suits, claims, damages, costs, judgments, and expenses (including attorney's fees and costs of litigation) which in whole or in part result from, or arise out of:

- a) Any act or omission of the franchisee or the franchisee's officers, employees; agents, and/or contractors;
- b) The operation of the franchise; or
- c) Any condition of property used in the operation of the franchise.

These obligations survive the expiration, suspension or revocation of the franchise and extend to franchisee receiving a franchise by transfer.

Conformance with applicable laws.

Nothing in the Franchise Agreement authorizes or is intended to authorize the parking and/or operation of a rental conveyance in a manner contrary to applicable laws of the State of South Carolina and parking and traffic regulations of the city.

Notices: Notices provided for in this Agreement shall be in writing, delivered by hand or by U.S. Mail to the parties at the following addresses, or such other address as the parties may, from time to time, designate in writing. Notice shall be effective immediately if made by hand delivery and effective three days after depositing in U.S. Mail.

City: Jonathan 'Fox' Simons, Jr.
City Manager
P.O. Box 2468
Myrtle Beach, South Carolina 29578

Company:

Amendment or Modification: This Agreement shall not be amended or modified except by written instrument executed in the same manner as this Agreement.

Governing Law and Venue: This Agreement shall be governed in all respects by the law of the State of South Carolina and shall be subject to the jurisdiction of the Fifteenth Judicial Circuit, Horry County, South Carolina.

1 IN WITNESS WHEREOF, the City of Myrtle Beach and Franchisee have duly executed this
2 Agreement.

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Signature of the City of Myrtle Beach:

In the presence of:

CITY OF MYRTLE BEACH

By: _____
Jonathan 'Fox' Simons, Jr.,
City Manager
Date: _____

Signature of Franchisee:

In the presence of:

FRANCHISEE

By: _____

Its: _____

State of South Carolina
County of Horry

Sworn to before me this ____
day of _____, 2025

Notary Public for South Carolina
My Commission Expires: _____