



MAYOR AND CITY COUNCIL

WORK SESSION Tuesday, February 10, 2026 - 1:00 PM

AGENDA

1. CALL TO ORDER

City Hall Council Chambers, 301 N. Baltimore Avenue

2. NOTICE AND REPORT ON CLOSED SESSION

- A. Closed Session Notice and Report - February 10, 2026, 12:00 PM - 1:00 PM to discuss Legal and Personnel Matters

3. ACKNOWLEDGEMENTS AND RECOGNITIONS

4. COMMENTS FROM THE PUBLIC

- A. Any person who may wish to speak on a matter scheduled for discussion on the Work Session Agenda may be heard during Comments from the Public for a period of three (3) minutes or such time as may be deemed appropriate by the Council President. Anyone wishing to be heard shall state their name, address and the Agenda item on which he or she wishes to speak.

5. NEW BUSINESS

- A. Request to Approve Minutes
 - 1. Regular Session dated #2 February 10, 2026
- B. Request to Approve the 2026 Ocean City Elks Lodge #2645 Hometown Heroes Banner Program presented by Program Coordinator Michael Livingston
- C. Bid Award Recommendation for Ocean City Boardwalk Wayfinding and Signage presented by Procurement Manager Matt Perry and Planning and Community Development Director George Bendler
- D. Request to Issue an RFP for Boardwalk Pedicab Franchise presented by Deputy City Manager JR Harmon
- E. Discussion of Proposed Ordinance to Manage the Number of Short Term Rentals in R-1 and MH Neighborhoods presented by City Manager Terry McGean
- F. Discussion of Yard Sign Requirement to Identify Short Term Rental Properties in R-1 and MH Neighborhoods presented by City Manager Terry McGean
- G. Discussion of Provisions Relating to Limitations of Beach Franchise Ownership Interest and Sealed Bid Process Currently Underway presented by City Clerk

6. ADJOURN



TOWN OF **OCEAN CITY**

The White Marlin Capital of the World

Agenda Item #

2.A

Council Meeting

February 10, 2026

TO: The Honorable Mayor, Council President and Members of Council
THRU: Terence J. McGean, PE, City Manager
FROM: Diana Chavis, City Clerk, MMC
RE: Closed Session Notice and Report
DATE: February 2, 2026

ISSUE(S): Closed Session Notice and Report

SUMMARY: A Mayor and Council closed session is scheduled for Tuesday, February 10, 2026, at 12:00 PM to discuss legal and personnel matters.

FISCAL IMPACT: Not Applicable

RECOMMENDATION: Not Applicable



Excellent Service through a High Performing Town Organization

ALTERNATIVES: Not Applicable

RESPONSIBLE STAFF: Not Applicable

COORDINATED WITH: Not Applicable

ATTACHMENT(S): 2. Closed Session Notice 2.10.26.doc
3. Closed Session Report 2.10.26.doc

NOTICE OF CLOSED SESSION OF MAYOR & CITY COUNCIL OF OCEAN CITY

AUTHORITY: State Government General Provisions Article: § 3-305(b)

DATE AND TIME: Tuesday, February 10, 2026 12:00 PM - 1:00 PM

PLACE: City Hall

SUBJECT: Legal and Personnel Matters

VOTE: UNANIMOUS OTHER: FOR: _____
AGAINST: _____
ABSTAIN: _____
ABSENT: _____

PURPOSES:

<input checked="" type="checkbox"/>	1. To discuss: (i) the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation or performance evaluation of appointees, employees or officials over whom it has jurisdiction; or (ii) any other personnel matter that affects one or more specific individuals;
	2. To protect the privacy or reputation of individuals with respect to a matter that is not related to public business
	3. To consider the acquisition of real property for the public purpose and matters directly related thereto;
	4. Consider a matter that concerns the proposal for a business or industrial organization to locate, expand or locate in the state;
	5. Consider the investment of public funds;
	6. Consider the marketing of public securities;
<input checked="" type="checkbox"/>	7. Consult with counsel to obtain legal advice;
	8. Consult with staff, consultants or other individuals about pending or potential litigations;
	9. Conduct collective bargaining negotiations or consider matters that relate to the negotiations;
	10. Discuss public security if the public body determines that public discussion would constitute a risk to the public or public security, including; a) the deployment of fire and police services and staff; and b) the development and implementation of emergency plans
	11. Prepare, administer or grade a scholastic, licensing or qualifying examination;
	12. Conduct or discuss an investigative proceeding on actual or possible criminal conduct;
	13. Comply with a specific constitutional, statutory or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter; or
	14. Before a contract is awarded or bids are opened, discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process
	15. To discuss cybersecurity, if the public body determines that public discussion would constitute a risk to: (i) security assessments or deployments relating to information resources technology; (ii) network security information or (iii) deployments or implementation of security personnel, critical infrastructure or security devices.

For each provision checked above, disclosure of the topic to be discussed and the public body's reason for discussing that topic in closed session.

Citation	Topic	Reason for closed session discussion of topic
§3-305(b)1	Personnel matter	Individual specific
§3-305(b)7	Pending and potential litigation	Attorney-client privilege

REPORT OF CLOSED SESSION
OF THE MAYOR AND CITY COUNCIL OF OCEAN CITY

Prior to the Mayor and City Council Open Session held at 1:00 PM on February 10, 2026, a Closed Session was held February 10, 2026, at 12:00 PM at City Hall, 301 N. Baltimore Avenue, Ocean City, Maryland. The following is a report of the closed session.

1. A statement of the time, place, and purpose of the closed session is attached.
2. A record of the vote of each member as to closing the session is attached.
3. A citation of the authority under the law for closing the session is attached.
4. (a) Topics of Discussion: Legal and Personnel Matters

(b) Persons present:

Mayor Rick Meehan
City Manager Terry McGean
Deputy City Manager JR Harmon
Council President Matt James
Council Secretary Tony DeLuca
Council Members: Will Savage III, Larry Yates, John Gehrig, Jake Mitrecic,
Carol Proctor
City Clerk Diana Chavis
City Solicitor Heather Stansbury

Action(s) taken:

Motion to close meeting:

End Time:



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Agenda Item #

4.A

Council Meeting

February 10, 2026

TO: The Honorable Mayor, Council President and Members of Council
THRU: Terence J. McGean, PE, City Manager
FROM: Diana Chavis, City Clerk, MMC
RE: Public Comments
DATE: February 2, 2026

ISSUE(S): Comments from the Public

SUMMARY: Any person who may wish to speak on a matter scheduled for discussion on the Work Session Agenda may be heard during Comments from the Public for a period of three (3) minutes or such time as may be deemed appropriate by the Council President. Anyone wishing to be heard shall state their name, address and the Agenda item on which he or she wishes to speak.

FISCAL IMPACT: Not Applicable

RECOMMENDATION: Not Applicable



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ALTERNATIVES: Not Applicable

RESPONSIBLE STAFF: Not Applicable

COORDINATED WITH: Not Applicable

ATTACHMENT(S): None



TOWN OF **OCEAN CITY**

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Agenda Item #

5.A

Council Meeting

February 10, 2026

TO: The Honorable Mayor, Council President and Members of Council
THRU: Terence J. McGean, PE, City Manager
FROM: Diana Chavis, City Clerk, MMC
RE: Mayor and City Council Minutes
DATE: February 2, 2026

ISSUE(S): Request to Approve Minutes

SUMMARY: 1. Regular Session #2 dated February 2, 2026

FISCAL IMPACT: Not Applicable

RECOMMENDATION: Approve minutes.



Excellent Service through a High performing Town Organization

ALTERNATIVES: Advise of necessary modifications.

RESPONSIBLE STAFF: City Clerk Diana L. Chavis, MMC

COORDINATED WITH: Deputy City Clerk Jessica D. Cropper, CMC

ATTACHMENT(S): None



TOWN OF OCEAN CITY

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Agenda Item # 5.B
Council Meeting February 10, 2026

TO: The Honorable Mayor, Council President and Members of Council
THRU: Terence J. McGean, PE, City Manager
FROM: Diana Chavis, City Clerk, MMC
RE: 2026 Military Banner Program
DATE: February 2, 2026

ISSUE(S): 2026 Military Banner Program

SUMMARY: Program Coordinator Michael Livingston of the OC Elks Lodge Veteran's Committee is requesting permission to continue the Ocean City Elks Hometown Heroes Military Banner Program for the tenth year. The program honors veterans who served from WWII to the Vietnam Era as well as residents of Worcester County who are currently serving on active duty around the world. Honoree applications are accepted and reviewed by OC Elks Lodge #2645. Banners are placed at 40 light pole locations on the concrete boardwalk section from the Amusement Pier at the Inlet to 4th Street from Springfest to Sunfest each year.

FISCAL IMPACT: Banner design and printing costs are paid by sponsoring citizens, fraternal organizations and area businesses. Public Works personnel install and remove banners and brackets.

RECOMMENDATION: Approve 2026 program.



1st Class Resort and Tourist Destination

ALTERNATIVES: Not applicable

RESPONSIBLE STAFF: Hal Adkins, Public Works Director
Elwood Vickers, Public Works Deputy Director

COORDINATED WITH: Michael Livingston, OC Elks Lodge

ATTACHMENT(S): 1 . 2026 Hometown Heroes Banner Program Approval Request.docx

OCEAN CITY ELKS LODGE #2645

13708 Sinepuxent Avenue

Ocean City, MD 21842



January 16,2026

TO: Mayor Rick Meehan and The Ocean City Council

CC: City Clerk Diana L. Chavis, MMC

SUBJECT: Request for approval of the 2026 Hometown Heroes Banner Program

FROM: Mike Livingston, Ocean City Elks Lodge #2645, Banner Program Manager

The OCEAN CITY Elks Lodge #2645 respectfully requests approval to host the 2026 Hometown Heroes Military Banner Program. This will be our **13th year** of honoring our **local** Active-Duty service members and **living veterans** who served from **WWII through the War on Terror** and **now** make **Worcester County, MD** **their primary residence**. To date, we have honored at approximately **439 Veterans and Active-Duty personnel**. These banners are flown from light poles along the famous Ocean City Boardwalk from the Amusement Pier at the Inlet north to 4th Street. The banners will fly from mid to late May until September (TBD by OC Public Works schedule & weather permitting). At the end of the summer, they will be taken down, cleaned, and presented to the Honorees and family members at our Banner Presentation Ceremony on October 17, 2026, upstairs in our Flraig/Wagner Banquet Hall.

The Ocean City Elks Lodge #2645 cordially invites the Honorable Mayor and esteemed members of the City Council to attend the Banner Presentation Ceremony and participate in this moving recognition of service and sacrifice. Your presence would greatly honor our honorees and further demonstrate the City's commitment to its veterans and service members.

The banners are supported by local businesses, veteran groups, fraternal organizations and auxiliaries, property owner associations and everyday caring, patriotic citizens who wish to show their appreciation for our Hometown Heroes.

Thank You for your consideration! If you have any questions, feel free to call **443-845-5428** or email me at king177572@comcast.net

Sincerely,

Mike Livingston

"ELKS CARE... ELKS SHARE"



TOWN OF **OCEAN CITY**

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Agenda Item # 5.C
Council Meeting February 10, 2026

TO: The Honorable Mayor, Council President and Members of Council
THRU: Terence J. McGean, PE, City Manager
FROM: Matt Perry, Procurement Manager
RE: B07-26 - Ocean City Boardwalk Wayfinding & Signage
DATE: February 2, 2026

ISSUE(S): BID Opening - (B07-26) - Ocean City Boardwalk Wayfinding & Signage

SUMMARY: The Procurement Department and Planning and Community Development Department solicited BID's for the B07-26 - Ocean City Boardwalk Wayfinding & Signage and received six submissions at Monday, January 5th, 2026 Mayor and City Council Regular Meeting. Five BID's were accepted, opened, and read aloud into the public record. One BID was summarily rejected as a result of late submission disqualification. The Mayor and City Council approved a motion to remand the BID submissions back to Town staff for internal review.

Plak That is the Apparent Low BID. Subsequent to internal review of the scope of work, stakeholders determined a formal Vendor evaluation and interview was in the Town's best interest and corresponded electronically via e-mail and telephone with Plak That's Principal to discuss qualifications, BID specifications, and references on Friday, January 16th, 2026 and Friday, January 30th, 2026. Town of Ocean City personnel also corresponded with SKY Design, the Town's consultant for this project effort electronically via e-mail and telephone on Friday, January 9th, 2026 and Thursday, January 22nd, 2026. These are the results of Town of Ocean City staff review of the five accepted BID submissions for the B07-26 - Ocean City Boardwalk Wayfinding & Signage.

FISCAL IMPACT: Up to BID submission valuation for B07-26 - Ocean City Boardwalk Wayfinding & Signage (Base BID - Item A-1) for a total valuation not to exceed \$425,369.47. This project effort possesses an approved budget/bond funding allocation of \$765,000.00 per Mayor and City Council Resolution 2025-23 and Ordinance 2025-25.

RECOMMENDATION: Award BID to Plak That with expenditure approval up to \$425,369.47.



ALTERNATIVES: Do not accept and/or approved BID Award Recommendation and defer to Mayor and City Council.

RESPONSIBLE STAFF: Matt Perry, Procurement Manager

COORDINATED WITH: Terence McGean, City Manager
Hal Adkins, Public Works Director
George Bendler, Planning and Community Development Director

ATTACHMENT(S): 1. B07-26 - Ocean City Boardwalk Wayfinding & Signage - BID Tabulation (Final).pdf
2. B07-26 - Ocean City Boardwalk Wayfinding & Signage - Bid Award Recommendation Letter (Executed).pdf

B07-26 - OCEAN CITY BOARDWALK WAYFINDING & SIGNAGE

Bid Tabulation - Base Bid

Vendor	TOTAL BASE BID - A-1 [OPTION #1]	TOTAL BASE BID - A-2 [OPTION #2]
	DEMOLITION OF EXISTING SIGNAGE BY OCDPW	DEMOLITION OF EXISTING BY SUCCESSFUL VENDOR
MOREVANG	\$750,000.00	\$755,000.00
KM PRINTING, LLC DBA STRATEGIC FACTORY	\$469,031.32	\$481,281.32
MS SIGNS, INC.	\$559,765.00	\$588,190.00
PLAK THAT	\$425,369.47	\$436,532.52
SSC SIGNS & LIGHTING	\$673,806.00	\$744,738.00



TOWN OF OCEAN CITY

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RECOMMENDATION FOR AWARD

Monday, February 2ND, 2026

Mayor and City Council, Town of Ocean City, Maryland
301 North Baltimore Avenue
Ocean City, Maryland 21842
United States of America

RE: BID Award Recommendation Pursuant to **B07-27 – OCEAN CITY BOARDWALK WAYFINDING & SIGNAGE**

Dear Mayor and City Council, Town of Ocean City, Maryland,

The Procurement Department and Planning and Community Development Department solicited BID's for the B07-26 – Ocean City Boardwalk Wayfinding & Signage at the Monday, January 5th, 2026 Mayor and City Council Regular Meeting. Five of the BID submissions were accepted, opened, and read aloud into the public record. One BID was summarily rejected as a result of late submission disqualification. Attached to the Agenda Item for BID Award Recommendation scheduled for the Mayor and City Council Work Session on Tuesday, February 10th, 2026 is a final BID tabulation highlighting the submission valuations of the five BID submissions that were accepted, opened, and read aloud into the public record.

Plak That is the Apparent Low BID for the B07-26 – Ocean City Boardwalk Wayfinding & Signage at a BID submission valuation of \$425,369.47 (Base BID – Item A-1). Per discussion with City Manager Terence McGean, Public Works Director Hal Adkins, and Planning and Community Development Director George Bendler, this is a fully funded project which possesses an approved budget/bond funding allocation of \$765,000.00 per Mayor and City Council Resolution 2025-23 and Ordinance 2025-25. Funding at this level fully addresses the Base BID – Item A-1 valuation submitted by Plak That. The Procurement Department's formal recommendation to the Mayor and City Council, Town of Ocean City, Maryland is to fully Award BID to Plak That with expenditure approval up to \$425,369.47.

With Mayor and City Council, Town of Ocean City, Maryland approval, Town personnel's position and responsibility will be to ensure that cost(s) do not exceed the requested amount. Please reach out to me with any questions at your earliest convenience. Thank you for your attention to this recommendation.

MAYOR

Richard W. Meehan

CITY COUNCIL

Matthew M. James
President

Anthony J. DeLuca
Secretary

John F. Gehrig, Jr.
Jacob H. Mitrecic
Carol Proctor
Will Savage
Larry R. Yates

CITY MANAGER

Terence J. McGean, PE

CITY CLERK

Diana L. Chavis, MMC

Town of Ocean City, Maryland

Page 2



Matt Perry, CMPA

Procurement Manager, Town of Ocean City Procurement Department
(410) 723-6647

mperry@oceancitymd.gov



TOWN OF **OCEAN CITY**

The White Marlin Capital of the World

Agenda Item #

5.D

Council Meeting

February 10, 2026

TO: The Honorable Mayor, Council President and Members of Council
THRU: Terence J. McGean, PE, City Manager
FROM: Elton JR Harmon, Deputy City Manager
RE: Pedicab Franchise
DATE: February 5, 2026

ISSUE(S): Request to issue RFP for Boardwalk Pedicab Franchise

SUMMARY:

This request is to solicit proposals from operators interested in entering into a franchise agreement to provide pedicab services on the Boardwalk (Atlantic Avenue) outside normal bike hours.

Key Parameters:

- The Town of Ocean City will select one (1) qualified
- The Program will start with at least (20) vehicles of which (10%) of the fleet shall have the ability to carry, strap, or hold the following, but not limited to (Strollers, Wheelchairs, and Walkers)
- The Program will operate as a demand-response system, offering point-to-point transit within the service area boundary of the Boardwalk (Atlantic Avenue).
- The proposer must provide all necessary vehicles, personnel, and resources to support the agreed-upon service schedule. Operations are expected to begin on or about Memorial Day and end on or about Labor Day of each year.
- The Town of Ocean City reserves the right to call the proposed vendor in for certain special events outside the proposed timeframe.
- Proposers must recommend vehicle sizes and frequencies that efficiently accommodate future ridership demand.

The vehicles must be in compliance with all applicable Federal, State, and Local regulations pertaining to the services as specified or required.

FISCAL IMPACT: Subject to Bid Award

RECOMMENDATION: Direct staff to move forward with the RFP.



ALTERNATIVES: No Action

RESPONSIBLE STAFF: Elton C. Harmon, Jr., Deputy City Manager

COORDINATED WITH: Scott Wagner, Public Works Deputy Director

ATTACHMENT(S): 1. Pedicab - SCOPE OF SERVICES - Final.docx

SCOPE OF SERVICES

Scope of Services:

The Town of Ocean City is soliciting proposals from operators interested in entering into a franchise agreement to provide pedicab services on the Boardwalk (Atlantic Avenue) outside normal bike hours. The Town of Ocean City does not plan to extend service beyond the boardwalk (Atlantic Avenue). All Pedicabs must remain within the boardwalk (Atlantic Avenue) while providing service. All Pedicabs will follow the paved secure area next to the inlet lot, up to around the pier, follow the concrete lane up to 4th Street then onto the wooden boardwalk north toward 27th street, the Pedicabs may operate coming south from 27th street to 4th street on the wooden boardwalk then follow the concrete lane up towards the Pier and back onto the paved area in the secured lane marked by the inlet bollards in (Attachment A). Pedicabs are not to ride along the boardwalk portion between South 1st Street and Wicomico Street, that are outlined in red on (Attachment A).

With this, the Town of Ocean City would like the Pedicab company to provide an on-demand service for residents and visitors, whereby services can be requested directly from a residence, hotel, or other local attraction for transport to and from locations strictly located along the boardwalk.

2.1. Key Program Parameters:

- 2.1.1. The Town of Ocean City will select one (1) qualified proposer.
- 2.1.2. The Program will start with at least (20) vehicles of which (10%) of the fleet shall have the ability to carry, strap, or hold the following, but not limited to (Strollers, Wheelchairs, and Walkers)
- 2.1.3. The Program will operate as a demand-response system, offering point-to-point transit within the service area boundary of the Boardwalk (Atlantic Avenue).
- 2.1.4. The proposer must provide all necessary vehicles, personnel, and resources to support the agreed-upon service schedule. Operations are expected to begin on or about Memorial Day and end on or about Labor Day of each year.
- 2.1.5. The Town of Ocean City reserves the right to call the proposed vendor in for certain special events outside the proposed timeframe.
- 2.1.6. Proposers must recommend vehicle sizes and frequencies that efficiently accommodate future ridership demand.

2.2. Program Objectives:

Proposers are expected to meet the following program objectives:

- 2.2.1. Operate an on-demand response system within the designated service area (Attachment A); final stops/routes to be determined.
- 2.2.2. Transport riders, which may include area residents, visitors, and employees, to and from their destination.
- 2.2.3. **Provide the flexibility and availability of resources to scale up and down the supply of vehicles and deploy them to various locations based on monthly, weekly, daily, and hourly fluctuations in demand in order to achieve the maximum level of service.**
- 2.2.4. Provide a safe and pleasant rider experience with qualified, courteous drivers who represent the Pedicab company.
- 2.2.5. Offer a mobile app allowing users to locate their position and hail nearby vehicles.
- 2.2.6. Enable users to travel within the service area without having to walk within the Boardwalk.

2.3. Customer Service:

Providing excellent customer service is one of the Town of Ocean City's key factors for the Program. The selected Proposer will be responsible for addressing all complaints courteously and in a timely manner and for providing reports to City staff as needed.

2.4. Program Service Package:

The Town of Ocean City is seeking a creative, flexible program service package to meet its mobility needs and provide a comprehensive transportation solution. Riders need to be transported within the service area. The Program will be awarded to one (1) Proposer to address the City's needs.

The criteria below constitute the Town of Ocean City's service guidelines for the point-to-point program:

- 2.4.1. The program will serve the Town of Ocean City's residents, guests, and commuters by providing on-demand rides to work, for shopping, restaurants, events, and nightlife access. Service will be provided as indicated above. Any changes in the service hours shall be in writing and mutually agreed upon with the Town of Ocean City.
- 2.4.2. All trips must begin and end within an area as shown on the service area map (Attachment A). Any changes in the service area shall be in writing and mutually agreed upon with the Town of Ocean City.
- 2.4.3. Currently, the Town of Ocean City does not offer this type of on-demand service.
- 2.4.4. The proposer shall provide a mobile application compatible with Android and iPhone for requesting on-demand rides. The app must also accept payments.
- 2.4.5. When requesting a ride via the mobile app, patrons must immediately be given an estimated time of arrival based on driver availability. Vehicles shall collect ridership data via app and manual counts, with phone calls or ride-hailing. Additionally, the proposer will maintain accurate and complete records of the service and submit monthly, quarterly, and yearly reports to the City. These reports may also include, but are not limited to, hourly, daily, weekly, and monthly ridership data, complaints, mileage, driver's names and suspensions, and accidents.
- 2.4.6. After requesting a ride, patrons must be promptly and safely picked up and delivered to their destination, with a reminder to use the app again for subsequent trips back to their point of origin or to another destination.
- 2.4.7. Proposer must include (10%) of the fleet having the ability to carry, strap, or hold the following, but not limited to (Strollers, wheelchairs, and Walkers).
- 2.4.8. Proposer should have an electronic GPS system installed on the pedicabs showing their pick-up times and drop-off times.
- 2.4.9. Proposer pedicabs should have the ability to carry (2) Adults and (2) children
- 2.4.10. Proposer shall provide professional, experienced, well-groomed hospitality-oriented personnel and resources to communicate engagingly with riders while answering their questions. Drivers of the selected Proposer will serve as ambassadors, and they must be employees of the Proposer. Qualified drivers must be screened, hired, and trained by the proposer, and must undergo satisfactory background checks. Additionally, drivers will undergo any further training deemed necessary by the Town of Ocean City. Proposer will communicate any problems or requests to the Town of Ocean City **through the Town of Ocean City's Deputy City Manager.**
- 2.4.11. The proposer has the right to suspend vehicle operations without penalty in the event of extreme weather.
- 2.4.12. The program's term shall be up to five (5) years from contract execution, with the option of two Three -year renewals.
- 2.4.13. The program will require a franchise cost paid out in the following manner:
 - Prior to the start of the season, prior to Memorial Day of the current year (25% of Franchise Fee Due)
 - Middle of the season, no later than July 17th of the current year (50% of Franchise Fee Due)
 - End of the season, prior to Labor Day of the current year (25% of Franchise Fee Due)
- 2.4.14. Vehicle maintenance and charging must be performed by the proposer.
- 2.4.15. The proposer is responsible for ensuring that drivers and all passengers on board vehicles comply with all federal, state, and local regulations governing the operation of vehicles on public or private streets.
- 2.4.16. The Proposer shall be responsible for the cleanliness of the interior and exterior of the vehicles.
- 2.4.17. Proposer must have management available for a phone call or in person during the listed operating hours.

2.5. Mechanical Operational Issues

The Proposer must maintain at least (20) vehicles and (10%) of the fleet capable of carrying, strapping, or holding the following, but not limited to (Strollers, Wheelchairs, and Walkers), in operation, in demand at all times.

All (20) Pedicabs do not need to be operating at the same time, but have the ability to dispatch as needed based on demand.

Proposers must demonstrate their ability to replace any vehicles with mechanical issues or employees who are unable to come in within 24 hours.

2.6. Advertising:

Subject to the Town of Ocean City's prior written consent, advertising within and/or outside of vehicles for area businesses may be permitted and is encouraged to offset operational costs, if in accordance with all Town of Ocean City's ordinances, policies, and procedures, as applicable.

2.7. Cost of the Program to the City:

The selected proposer shall ensure that any franchise fees paid to the Town of Ocean City for the Program are outlined in the agreement for all years of the contract. All franchise fees shall remain firm for the duration of the contract. Any additional pricing thereafter will be subject to the Town of Ocean City's sole discretion and approval.

2.8. Selected Proposer's Responsibility:

The selected Proposer shall be responsible for ensuring that all its employees comply with the Terms, Conditions, and Specifications outlined in this Request for Proposals at all times.

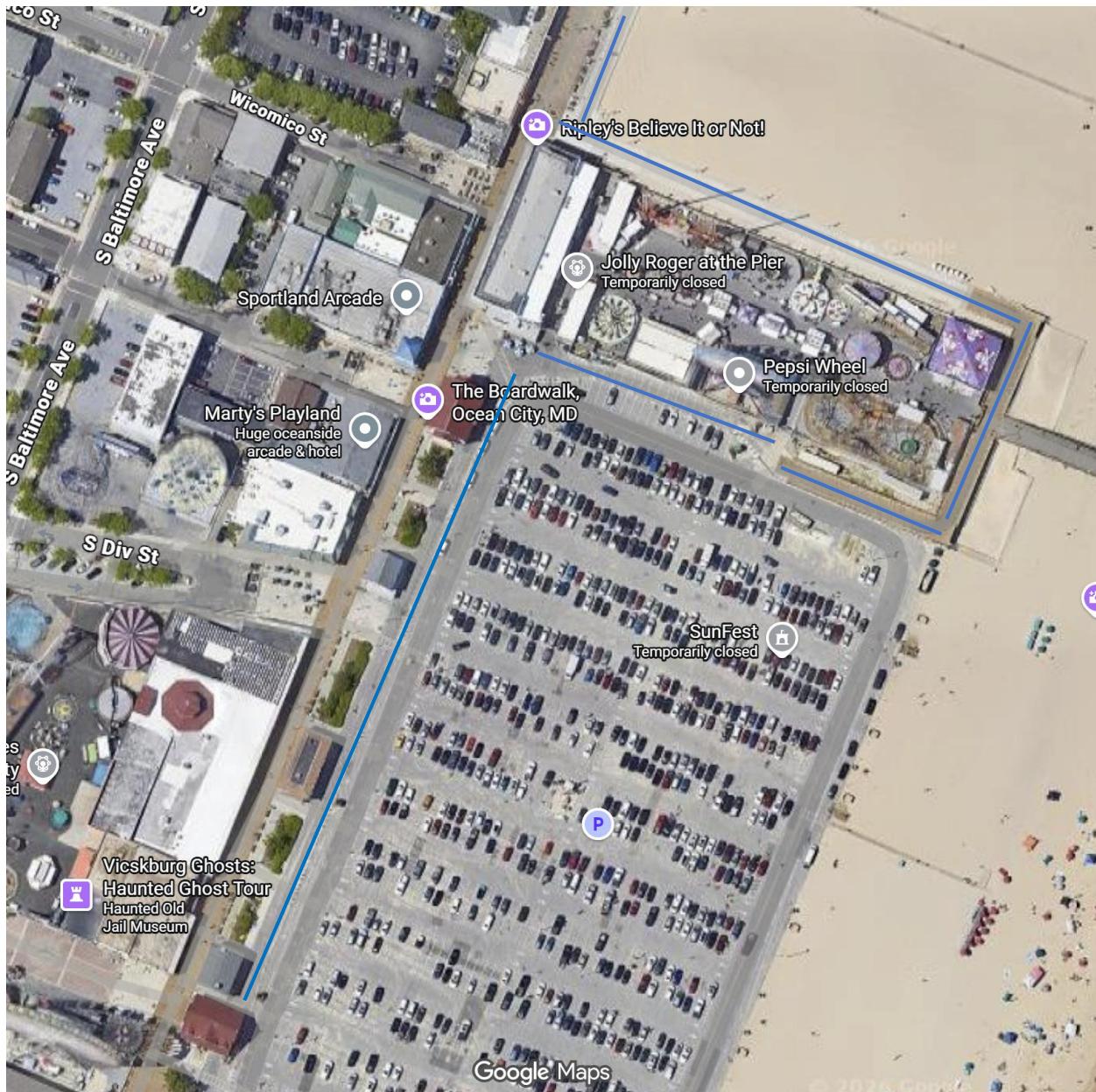
- 2.8.1. The vehicles must be in compliance with all applicable Federal, State, and Local regulations pertaining to the services as specified or required.
- 2.8.2. The selected Proposer will be responsible for all costs associated with operating and maintaining its own fleet of vehicles, including but not limited to charging, maintenance, registration, and insurance.
- 2.8.3. The Town of Ocean City is offering approximately 945 square feet of space at our DPW South building, measuring about 21 feet in depth and 45 feet in width, accessible through two remote-controlled overhead doors.
- 2.8.4. Any additional space required beyond the provided space will be the responsibility of the proposer.
- 2.8.5. Insurance guidelines are described in the BID document
 - Section II: General Information
 - Subsection 34 – Insurance Requirements
- 2.8.6. Town of Ocean City Business License
- 2.8.7. Current State of Maryland Business license and in good standing

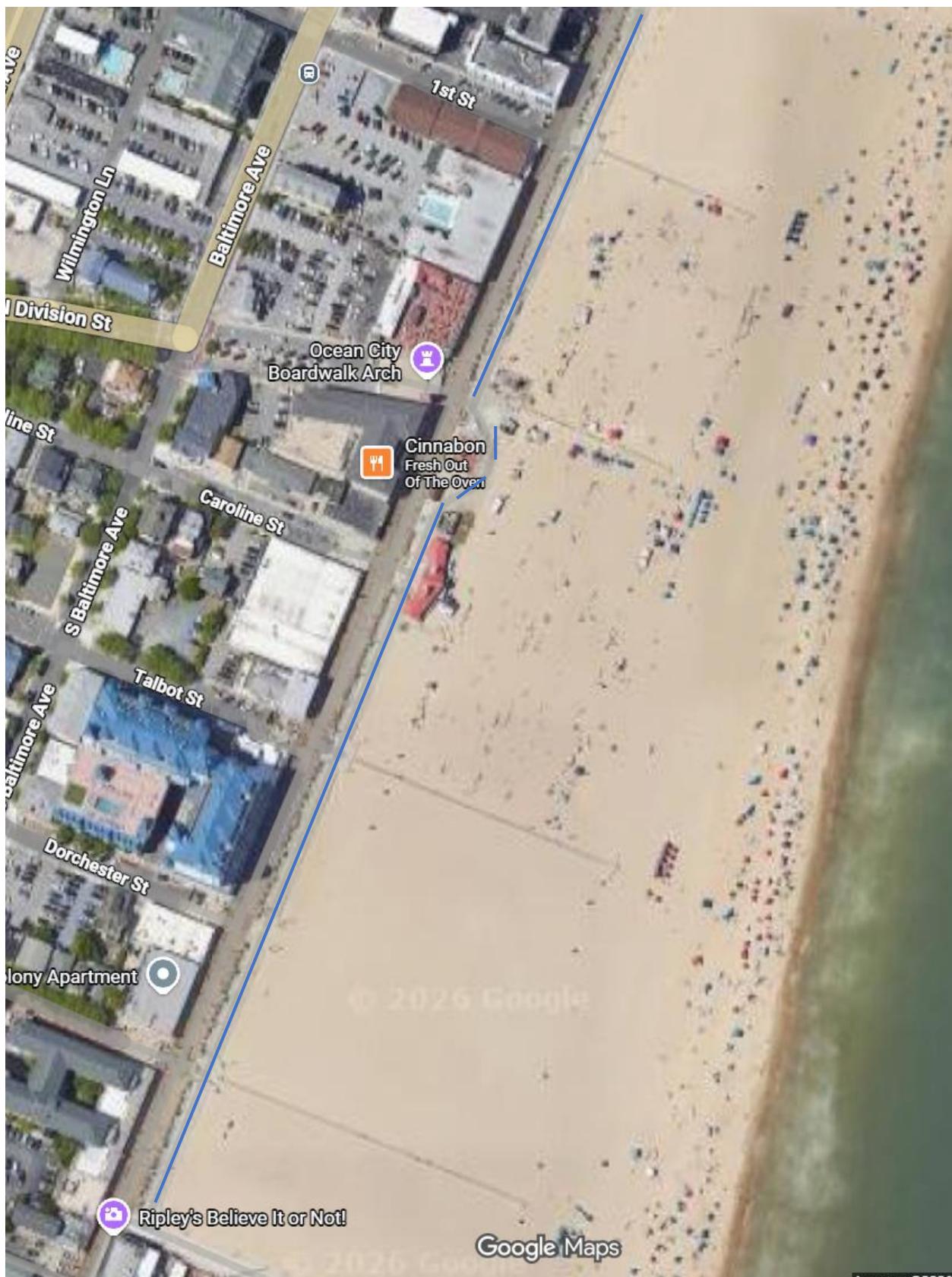
2.9. Hours of Operation (hours to be determined depending on hours of operation of area restaurants/bars and demand for services):

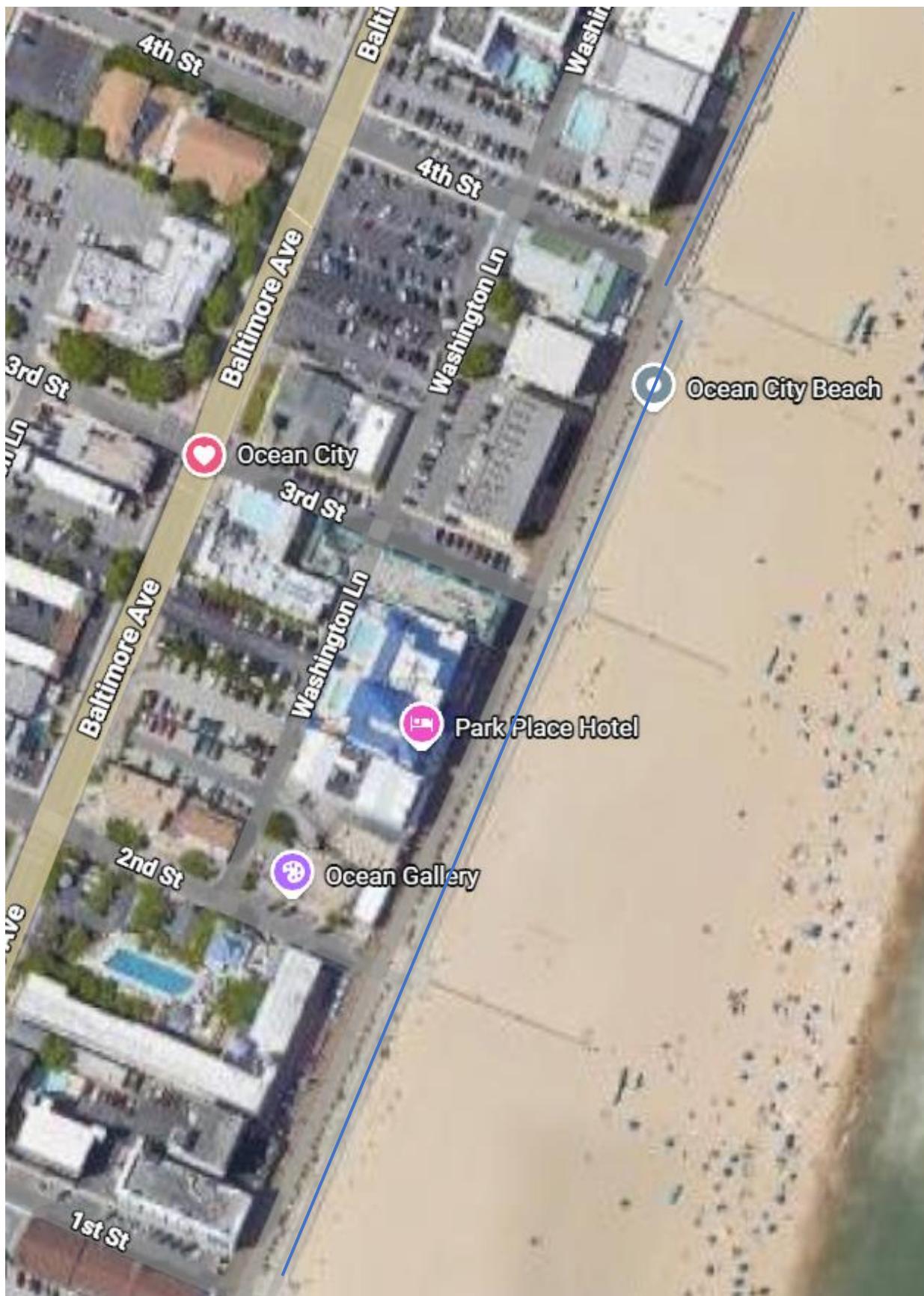
The Proposer shall state their proposed hours of operation and the employees to service the program for the City. The current schedule is:

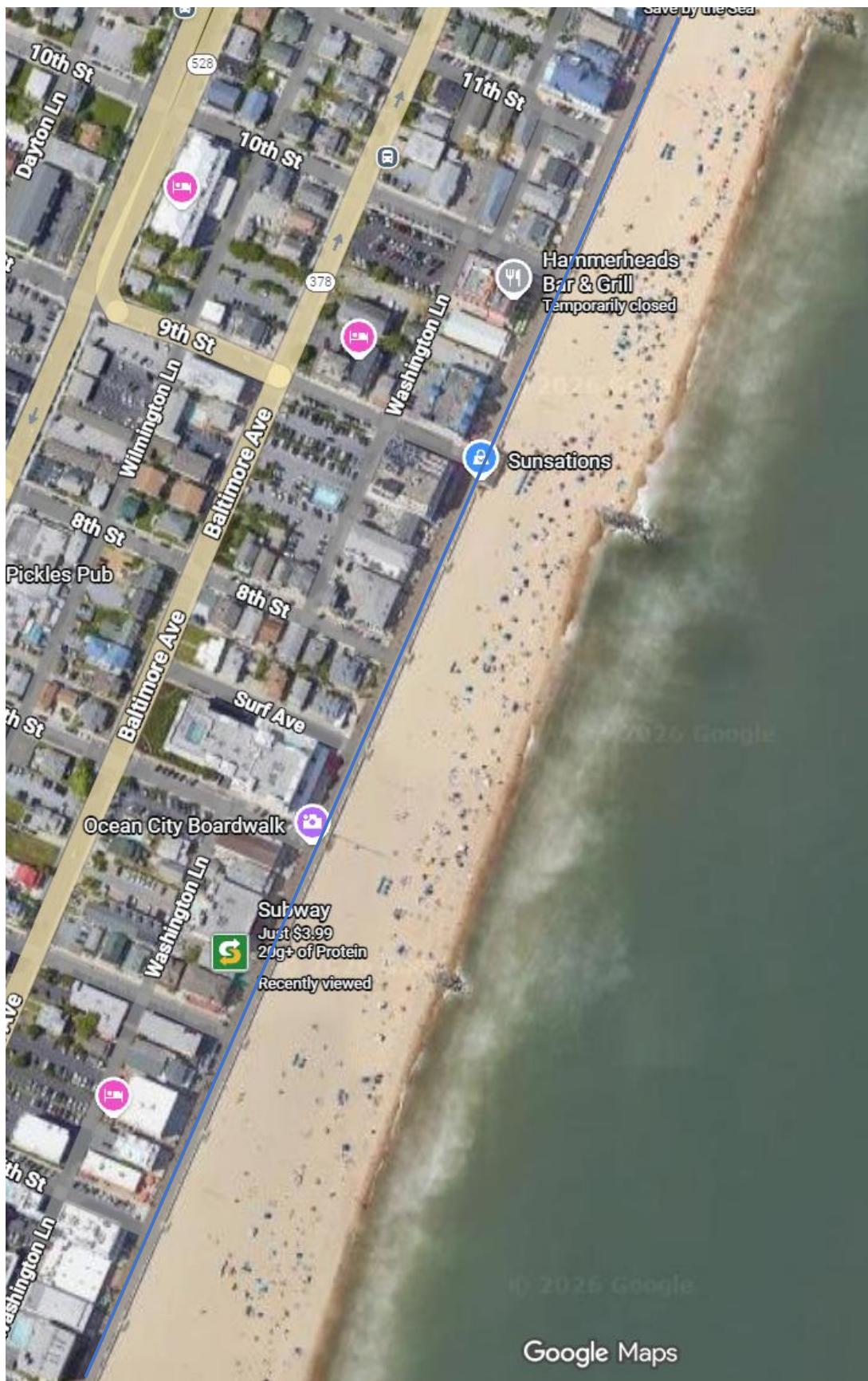
Days of the Week	Time Schedule
Sunday	12 pm - 12 am
Monday - Thursday	12 pm - 12 am
Friday - Saturday	12 pm - 12 am

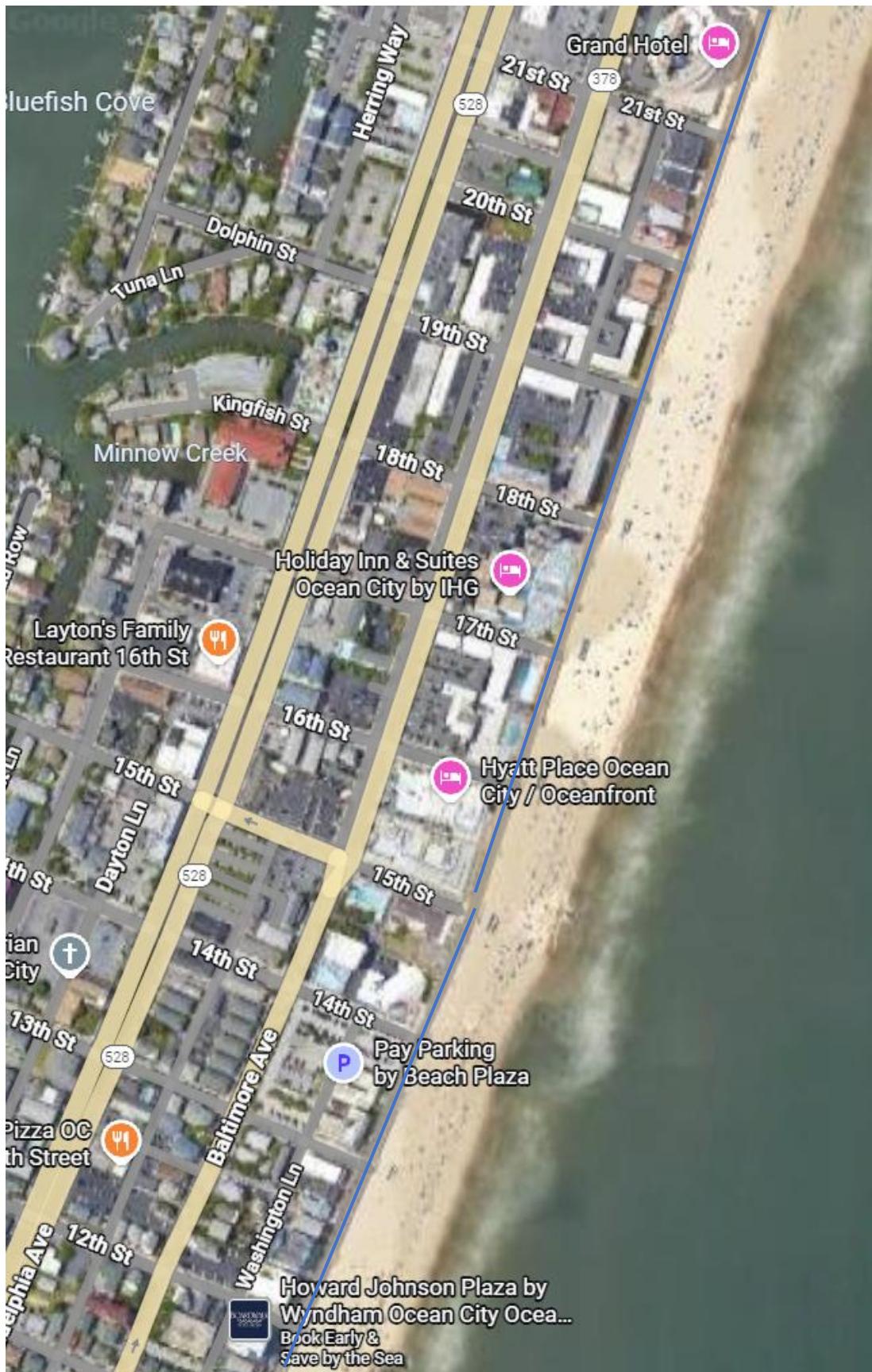
Attachment A

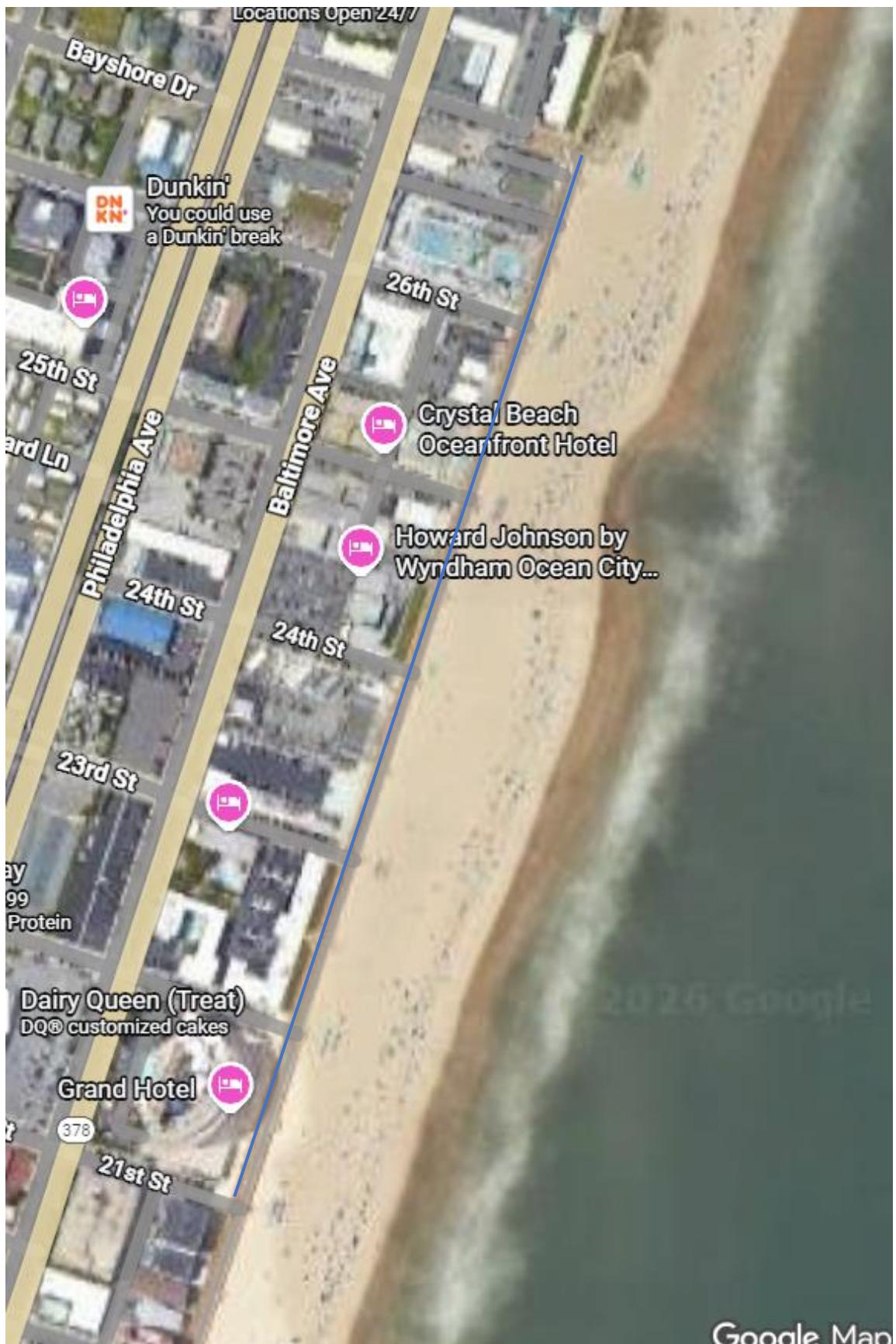




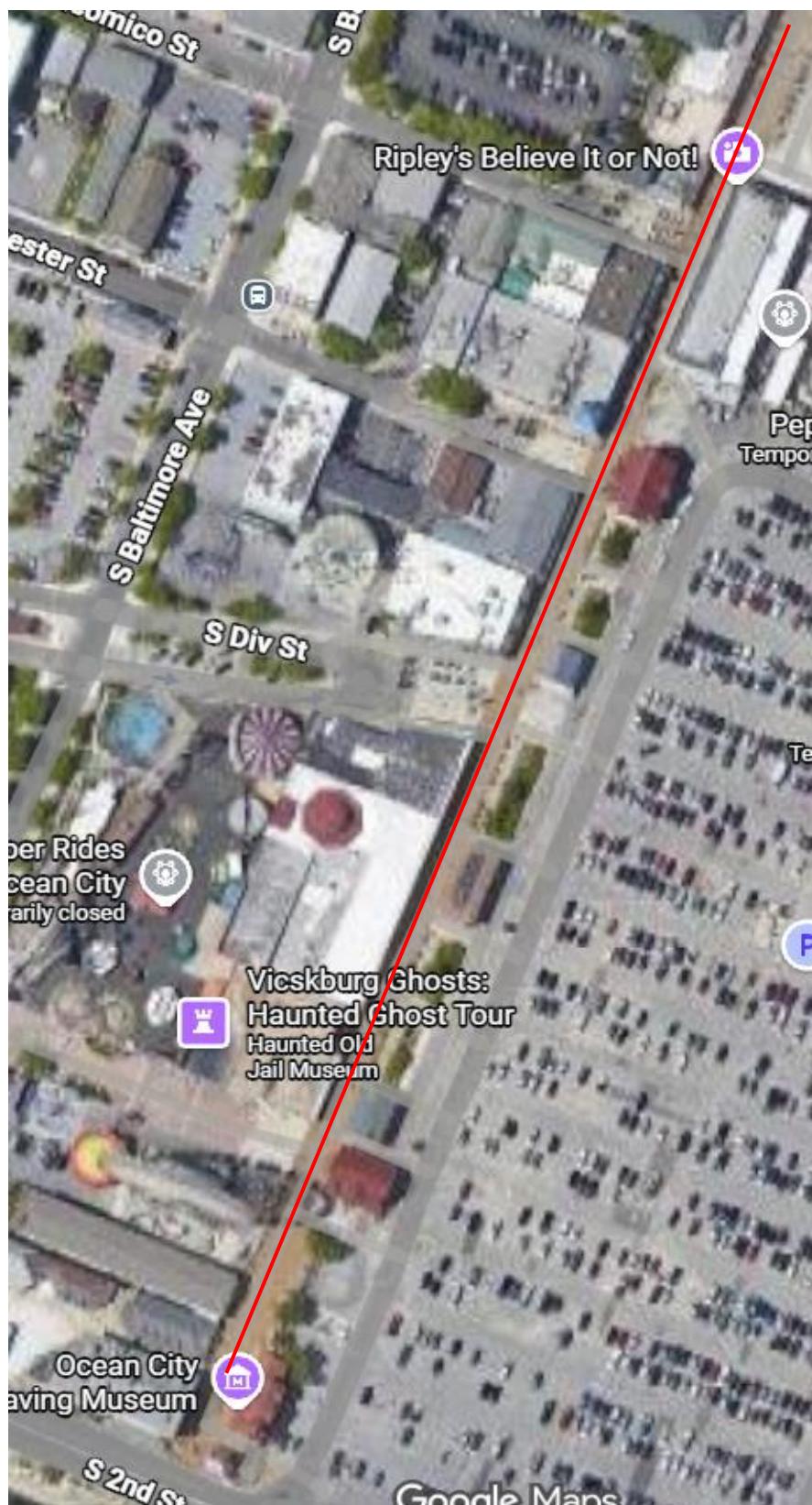








Part of the Boardwalk Pedicabs is not allowed



PROJECT SCOPE

The Town of Ocean City's primary objective in developing a Pedicab Program is to ultimately provide a service to our visitors on the Boardwalk (Atlantic Avenue) during times outside the normal bike hours. The Town of Ocean City does not plan to extend service beyond the boardwalk (Atlantic Avenue). All Pedicabs must remain within the boardwalk (Atlantic Avenue) while providing service. All Pedicabs will follow the paved secure area next to the inlet lot, up to around the pier, follow the concrete lane up to 4th Street then onto the wooden boardwalk north toward 27th street, the Pedicabs may operate coming south from 27th street to 4th street on the wooden boardwalk then follow the concrete lane up towards the Pier and back onto the paved area in the secured lane marked by the inlet bollards in (Attachment A). Pedicabs are not to ride along the boardwalk portion between South 1st Street and Wicomico Street, that are outlined in red on (Attachment A).

With this, the Town of Ocean City would like the Pedicab company to maintain the on-demand service for residents and visitors, whereby services can be requested directly from a residence, hotel, or other local attraction for transport to and from area restaurants and other amenities strictly located in the wooden Boardwalk area.

Proposals must provide the following information:

A. Vendor Description and Qualifications

- a. Describe your core values and company mission. Describe why you are interested in providing a Pedicab service for the Town of Ocean City
- b. Describe your organization's history and origins.
- c. Describe your relevant experience and expertise, including experience in developing, implementing, and/or maintaining a program with a similar scope and impact. List the cities in which you operate, the number of bikes, the size of area covered in each city, and how long the services have been in operation.
- d. Describe the organizational structure of your company
- e. Describe the number of temporary, permanent, part-time, full-time, or seasonal employees you plan on having working
- f. Describe the qualifications and experience of key personnel who will be the lead contact

B. Implementation and Operations Plan

- a. Describe the proposed timeline for implementation
- b. Describe your plan to introduce Pedicabs to the Boardwalk
- c. Describe locations and expansion plans.
- d. Describe if storage is needed for the Pedicabs and the square footage
- e. Describe is Office space needed for the businesses
- f. Describe if any other areas are needed, such as electrical
- g. Describe how you will work with businesses and residents in The Town of Ocean City to establish and grow ridership.

C. Product Specifications and Maintenance

- a. Describe the types of Pedicabs proposed to be used in the program, including manufacturing specifications, safety, and condition.
- b. Describe the safety features of the Pedicabs, including plans to meet state statutes regarding lighting and reflectivity.
- c. Describe your plan to include devices that would:
 - i. Appeal to consumer preferences (e.g., general preference for lighter, faster device);
 - ii. Accommodate riders of different sizes or abilities (e.g., smaller riders, children);
 - iii. Make micro mobility possible for more people (e.g., adaptive devices, devices for disabled populations); and
 - iv. Respond to weather or surface conditions (e.g., winter devices, off-road devices)
- d. Describe your approach to device maintenance, including frequency, schedule, and the ability for users to report maintenance issues.
- e. Describe how you will prevent devices from causing damage to public or private property.

D. Parking and Right-of-Way Management

- a. Describe your plan detailing the typical size and configuration of installations in the public right-of-way (if applicable). Describe any equipment (e.g., docks, bicycle or scooter racks, signage, bollards, fencing, painting) to be installed in the right-of-way to establish optimal parking locations and density.
- b. Describe your approach to determining needed parking capacity, and how you will analyze existing public rights-of-way to determine if needed parking capacity exists.

E. Pricing Plan (All information will be treated as strictly confidential)

- a. Describe your pricing philosophy, fee structure, membership or incentives programs, and capacity to implement incentives or dynamic pricing (based on trip beginning/ending location and/or time).
- b. Describe your plan for branding and/or sponsorship recognition on bikes or scooters and/or stations as applicable.

Note: The Town of Ocean City is willing to modify service hours based on input from proposers, an area assessment of establishments, and other factors mutually agreed upon in the proposal.

BID Form

Does your company require storage? Yes No

Does your company require electricity? Yes No

Does your company require an office area? Yes No

Cost Item	Total Fee
Initial Franchise Fee – Year 1	
Franchise Fee – Year 2	
Franchise Fee – Year 3	
Franchise Fee – Year 4	
Franchise Fee – Year 5	

The Town of Ocean City is offering approximately 945 sq ft of space at our DPW South building (measuring roughly 21 feet in depth and 45 feet in width), accessible through two remote-controlled overhead doors.

Any additional space required beyond the provided space will be the responsibility of the proposer.

Description	Square Feet	Paid City	
Additional storage space for Pedicabs			
Office Space			

Description	How many plugs/voltage	Paid City	
Electricity needed			



TOWN OF **OCEAN CITY**

The White Marlin Capital of the World

Agenda Item #

5.E

Council Meeting

February 10, 2026

TO: The Honorable Mayor, Council President and Members of Council
FROM: Terence J. McGean, PE, City Manager
RE: Discussion of Proposed Ordinance to Manage the Number of Short Term Rentals in R-1 and MH Neighborhoods
DATE: February 4, 2026

ISSUE(S): On July 13, the Mayor and City Council directed staff to prepare an ordinance that would cap the maximum number of short term rental licenses in R-1 and MH Neighborhoods at 10% above the exiting licenses. Existing licenses would remain valid as long as they remain in good standing and Ocean City residents would receive first priority for available new licenses.

SUMMARY: See attached Summary of proposed ordinance terms.

FISCAL IMPACT: To be determined

RECOMMENDATION: Clarify applicability to existing non-conforming multi family structures. Move ordinance to first reading.



More Livable Community for Residents

ALTERNATIVES: Revise cap number. Modify implementation process.

RESPONSIBLE STAFF: City Manager Terence McGean
Deputy City Manager JR Harmon
Planning & Community Development Director George Bendler
License Inspector Lori Colloway
Legal Counsel Maureen Howarth

COORDINATED WITH: Not Applicable

ATTACHMENT(S): 1 . Summary: Proposed ordinance terms to manage the number of short term rentals in R-1 and MH neighborhoods.docx
2. 26-0205 ORD- STR number of licenses FINAL.docx

SUMMARY:

The proposed ordinance terms requested by the Council on January 13 are:

- Establish a cap of Short-Term Rental Licenses in the R-1 and MH Districts equal to 10% of the improved properties in these districts.
 - The cap is the combined total for both districts and applies to both districts
 - Based on current numbers there are 320 STRs and 3,753 improved properties. Therefore, the cap is 375 STR licenses and there are 55 additional licenses that would be available as of today.
- Existing licenses remain valid as long as they are in good standing
- Licenses are non-transferable except as noted
- Ocean City residents shall be given first priority for new licenses.
- One priority license per resident.

The proposed ordinance reflects this direction and defines the implementation process:

- Existing license renewal period open March 1 – April 30
- New license availability will be limited to the Cap amount less current existing STRs
- OC Resident new STR license application period
 - Opens March 9 in year one, March 1 for future years
 - First come first served
 - Must apply in person
 - Provide:
 - SDAT Approved homestead
 - Driver's License with OC Address
 - One license per homestead property (ie family ownership still only one license)
 - If all available licenses are taken, a rejection letter will be provided with a stamped wait list number.
 - We will not take payment until the license is issued (won't charge for waitlist)
 - Failure to meet license requirements including inspection results in license denial and go to end of line
 - New STR License all others application period
 - Open April 1 – April 30
 - First come first served
 - Must apply in person
 - One license per applicant
 - If all available licenses are taken, a rejection letter will be provided with a stamped wait list number.
 - We will not take payment until the license is issued (won't charge for waitlist)
 - Failure to meet license requirements including inspection results in license denial and go to end of line
 - If after May 1 STR Licenses are still (or become) available, they will be awarded based on the wait list number.
 - The wait list will be available online so applicants know where they are in the queue.

The in-person requirement was felt necessary to avoid a need for a lottery based on mailed applications arriving on the same day. It was also deemed reasonable as all license holders must have a local resident agent.

In order to be effective for 2026, the ordinance will need to be passed on 2nd reading no later than March 2 to meet the March 9 go live deadline.

First Reading _____

Second Reading _____

ORDINANCE 2026 - _____

**AN ORDINANCE TO AMEND CHAPTER 14 ENTITLED BUSINESSES, ARTICLE V,
ENTITLED RENTAL HOUSING, OF THE CODE OF THE TOWN OF OCEAN CITY,
MARYLAND**

WHEREAS, the Mayor and City Council of Ocean City desires to protect and preserve the Town's primary residential neighborhoods, to include year-round residents, from the impacts of short-term rental units; and

WHEREAS, Charter Sections 801-803 state the Mayor and City Council of Ocean City shall have the power to regulate and restrict the height, number of stories and size of buildings and other structures, the percentage of lot that may be occupied, the size of yards, courts, and other open spaces, the density of population and the location and use of buildings, structures, and land for trade, industry, residence, or other purposes; and within the individual zoning districts the Mayor and City Council may regulate and restrict the use of buildings, structures or land; and

WHEREAS, the Mayor and City Council has considered the character of the zoning districts and their suitability for particular uses, with a view to conserving the value of neighborhoods and encouraging the most appropriate use of land throughout the Town; and they desire to prevent overcrowding of land and avoid undue concentration of population in the wrong zoning districts caused by short-term rental properties, to protect against noise and other disturbances; and

WHEREAS, the Town of Ocean City's Comprehensive Plan ("Plan") states an objective of the land use goals of the Plan is to "Maintain the integrity of existing residential neighborhoods to promote long term property ownership and quality of life for year round resident populations.;" and an objective of the housing chapter is to "Protect and enhance the quality of residential neighborhoods.;" and

WHEREAS, the Plan further states an objective of the land use goals is to "mitigate impacts to residential neighborhoods from incompatible traffic and encroachment by commercial activities, short term property rentals", and "transient, short term, shared housing, and workforce rental use often exhibit characteristics that are non-compatible with established residential neighborhoods (noise, late night activity, adequate parking, care of premise)." Additional control over short-term residential rental and workforce housing use should be considered in established single family residential neighborhoods to reduce its non-compatible commercial use activities and impacts; and

WHEREAS, the Plan states that to address the impacts of short-term rentals, "Additional regulation of adverse impacts will require amendment to Ocean City Code Chapter 14 Businesses, Article V. Rental Housing."; and

WHEREAS, the Town, to include the Mayor and City Council and Planning Commission, has discussed rental regulations extensively since February 2024, to include numerous opportunities for the public to speak on this topic; and

WHEREAS, after lengthy consideration, to promote and protect the public's health, safety and welfare, and implement goals of the Plan, the Mayor and City Council has determined that it is necessary and reasonable to amend the Code to update the rental housing program to address how many homes may receive a supplementary short-term rental license in the R-1 single family residential district and MH mobile home residential district and the manner in which application for those licenses should be administered.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE MAYOR AND CITY COUNCIL OF OCEAN CITY THAT CHAPTER 14, ARTICLE V, ENTITLED RENTAL HOUSING, OF THE CODE OF THE TOWN OF OCEAN CITY, MARYLAND, BE AND IT IS HEREBY AMENDED, AS FOLLOWS:

...

Chapter 14 - BUSINESSES

...

ARTICLE V. - RENTAL HOUSING

...

Sec. 14-174. - License; inspection of premises; records.

- (a) *Licensing generally; certifications.* Any person renting a premises for habitation described in section 14-34(b)(51) of the Code or a rental housing unit shall obtain the applicable license from the town in accordance with chapter 14, article II. The holder of a license shall be the property owner of the premise for habitation or rental housing unit. Application for a rental license (non-business license uses) and/or business license (for hotels, motels, apartments, dormitories, lodging/rooming house and employee housing) (hereinafter collectively "license") shall be on forms prescribed by the town. All property owners shall provide to the town the name, address and telephone number of a person qualified and legally authorized by the owner: (1) to accept service of process; (2) to address any issue on the property to include authorizing repairs and other remedial action; (3) respond to any code violation and be able to respond in sixty (60) minutes to the property. The application shall contain a consent to inspection during reasonable hours for the entire term of the license and a declaration by the property owner stating the number of bedrooms on the property and the required and/or approved onsite parking available. The property owner shall not provide incorrect information on the application.
- (b) *Supplementary short-term rental license.* Effective January 1, 2025, in addition to the license in subsection (a), any person renting a premise for habitation or a rental housing unit in whole or part as a short-term rental housing unit shall obtain a supplementary short-term rental license on the forms required by the Town. A second noise permit under section 30-401 of the Code is not required for the supplementary short-term rental license as the noise control permit shall be obtained and maintained for the license in

subsection (a). To receive a supplementary short-term rental license in the R-1 single family residential district and MH mobile home residential district, the property must be eligible for said license pursuant to section 14-178.

(c) *Review of license application.* The division of rental housing (hereinafter "division") or its designee shall issue, ~~or deny or place on a waitlist (if applicable)~~ a license within 14 days of receiving an application. The division shall receive all applications and coordinate a review process involving the building official, zoning administrator, license inspector, fire marshal and other appropriate Ocean City, county or state agencies. A license may be denied by the division or its designee if all required information and documents are not provided in or with the application, if material false statements exist in the initial or renewal application; a license is obtained fraudulently or deceptively for oneself or for another; a license is used fraudulently or deceptively; a rental housing unit has been cited for a violation of chapter 30, article V and failed to remediate the noise issue; the property owner fails to comply with chapter 14, article V; the property owner or occupant thereof is in violation of an order issued pursuant to chapter 18; or a rental housing unit fails to comply with all other provisions of the Code; or there are no available supplementary short term rental licenses in the R-1 single family residential district and MH mobile home residential district. The issuance of a license is not to be construed as proof or acknowledgment by the ~~T~~ town that the subject property complies with all applicable laws. The division or its designee shall provide not less than ten days' notice of a denial, in writing, setting forth the code violation(s) and reason(s) for such denial, and allowing the property owner an opportunity to be heard as to why the license should not be denied and advising the property owner if any corrective measures can be taken. If the property owner fails to show cause or fails to take corrective action as directed by the division or its designee, the director or his designee may deny the application.

(d) *Taxes.*

- (1) *Sales tax.* The property owner of the rental housing unit or their agent shall be registered with the Maryland State Comptroller for the reporting, collecting and payment of the state's sales and use tax.
- (2) *All taxes.* The property owner of the rental housing unit shall certify that all federal, state, county and municipal taxes relating to the rental of property are paid current prior to the issuance of the applicable license and renewal thereof.

(e) *Inspection of rental housing.*

- (1) *Inspection prior to issuance of license.*
 - a. Generally. An inspection of the property for which application has been made may be conducted prior to the issuance of a license upon recommendation of any reviewing agency. If an inspection indicates that a rental housing unit is not in compliance with all applicable laws as required, the license application will not be processed ~~may be denied~~ until remedial action, as determined by the department who issued the violation, ~~remedies~~ corrects the violation.
 - b. Supplementary short-term rental licenses in R-1 single family residential district and MH mobile home residential district. For a supplementary short-term rental

license in the R-1 single family residential district and MH mobile home residential district, non-compliance found upon inspection results in the property being ineligible for the license and ineligible for the waitlist. The property owner can re-apply when the violation(s) is corrected.

(2) *Inspections during term of license.*

- a. Upon recommendation of any appropriate Ocean City, County or State agency, there shall be an inspection of a rental housing unit when there exists the belief that a property is not in compliance with all applicable laws. The inspection shall be coordinated between Town departments. Inspection scope and procedures as set forth in chapter 10 (the International Property Maintenance Code, as amended), chapter 34, chapter 110, and this article, shall be followed.
- b. Rental properties shall obtain and maintain all required and/or approved, on-site off-street parking, as parking spots available for use by the renter or tenant(s). Parking spots shall not be used for any other purposes.
- c. The owner may request any appropriate Ocean City, county or state agency to perform an inspection of a rental housing unit(s). A qualifying inspection will stand for one calendar year from date of inspection.
- d. If an inspection indicates that a rental housing unit(s) is not in compliance with all applicable laws, the license may be subject to suspension, revocation or other remedial action as determined by the city manager in consultation with the division, or its designee. The city manager shall follow the procedures in section 14-38. A license may be suspended or revoked immediately by the city manager in consultation with the division, or its designee, if, in the opinion of city manager and the division, the health, safety or welfare of the person(s) in the rental housing unit, or if the general public are in imminent danger. Revocation or suspension of a license shall be in addition to and not in substitution for such other penalties as may be provided for in other laws or ordinances.
- e. The property owner may appeal the suspension or revocation of the license as stated in section 14-38(d).
- f. If a license is suspended or revoked, the rental housing unit cannot lawfully be used for a rental.

(f) *Term of license.* Licenses shall be issued for a term of one year, pursuant to section 14-34 and a property owner(s) renewable may re-apply annually for additional one-year terms, subject to completing the application, payment of the license fee, certification of tax payment, and compliance with all applicable laws.

(g) *License fee.* An annual license fee for the license and effective January 1, 2025, an annual license fee for a supplementary short term rental license shall be set and paid in accordance with section 14-34. Said fees are non-refundable regardless of whether a license is issued. If the application is placed on a waitlist, the license fee will not be due until the application is eligible to be removed from the waitlist.

(h) *Display of license.* The license shall be displayed in the lobby, vestibule, rental office or other prominent public place on the premises during the entire period the license is in effect. In the case of condominium, single-family and cooperative rental housing units, the property owner shall display the license within said rental housing unit.

(i) *Records.*

- (1) The property owner of the rental housing unit shall:
 - a. Make a record of all their rentals;
 - b. Maintain said record of the rentals for at least five years;
 - c. On request, make the records available to the division for inspection;
 - d. Prominently display in the rental housing unit emergency contact information for the property owner or their authorized representative; and
 - e. Include in all advertisements or listings, whether by print, electronic, audible or in any other form or substance designed to inform as to the availability of any property for rent, the valid rental license control number or business license control number of the rental housing unit.
- (2) The property owner of the rental housing unit(s) shall not advertise the unit(s) or building as having more bedrooms than permitted on the unit's or the building's approved building permit plans.

(j) *Hosting platforms and property managers.*

- (1) *Verification.*
 - a. No hosting platform or property manager may facilitate booking transactions for rentals in the corporate limits of Ocean City without having verified that the license(s) of the property owner is valid. Verification methods shall be as approved by the division.
 - b. A hosting platform or property manager that has verified the validity of a license(s) for a rental housing unit is not required to re-verify the validity of the license(s), unless:
 1. The license inspector has notified the hosting platform or property manager that the rental housing unit cannot lawfully be used for a rental; or
 2. The property owner has ceased to offer the rental housing unit through that hosting platform or property manager for a period of 12 months or more since the license(s) was last verified.
 - c. If the license inspector notifies a hosting platform or property manager that a rental housing unit cannot lawfully be used for a rental, the hosting platform or

property manager may not advertise, list, or otherwise facilitate booking transactions for that rental housing unit until it receives subsequent confirmation from the license inspector that the rental housing unit can lawfully be provided.

- d. A hosting platform or property manager may not conduct business, to include but not limited to, collecting or receiving a fee in exchange for facilitating reservations, advertisements, or listings of a rental, for serving as a communication conduit between property owners and renters, or for otherwise facilitating booking transactions for rentals if the rental housing unit cannot lawfully be used for a residential rental.
- e. A hosting platform or property manager shall include in all advertisements or listings, whether by print, electronic, audible, or in any other form or substance designed to inform, as to the availability of any property for rent, the valid rental license control number or business license control number of the rental housing unit. A hosting platform or property manager that does not input the information to create the advertisement or listing, shall provide a mandatory field on their online site in which the rental license control number or the business license control number is required to be entered. This field shall be displayed on/in the advertisement or listing.

(2) *Records.*

- a. A hosting platform or property manager shall:
 1. Make a record of all rental housing units advertised, listed, or otherwise facilitated by the hosting platform or property manager in the corporate limits of Ocean City;
 2. Maintain the records for at least five years; and
 3. In response to a lawful request, make the records available for inspection by the division.
- b. These records must include:
 1. The name and rental license control number or business license control number of the property owner who provided the rental housing unit;
 2. The expiration date of the rental license or business license;
 3. The street address of the rental housing unit;
 4. The date of the booking transaction; and
 5. The start and end dates of each rental.

(k) *Transfer of license.*

- (1) Generally. Unless an exception in subsection (2) below applies, ~~L~~ Licenses issued hereunder shall not be transferable and subsequent title holders of a rental housing unit shall be required to obtain a separate license; provided, however, that the continued rental by the subsequent property owner without a new license shall be deemed to be a consent to the terms and conditions hereunder, including the consent to inspection.
- (2) Exceptions. Licenses issued hereunder may be transferred if the transfer meets at least one (1) of the exceptions below:
 - a. The transfer of title to real property from the existing property owner to a trust in which the existing property owner is the settlor.
 - b. The transfer of title to real property between the same parties, creating a joint tenancy, or by adding a spouse to create a tenants by the entireties ownership in the same property.
 - c. The transfer of title or change of interest in real property by reason of death.
 - d. The transfer of title pursuant to any court order.
 - e. The transfer of title between spouses or former spouses made pursuant to a valid Marital Separation Agreement or Judgment of Divorce.
 - f. The transfer of title without consideration for the purpose of confirming or correcting a transfer previously recorded.

Either prior to or within thirty (30) days after a property transfer purportedly meeting the requirements of this section, the new owner(s) shall contact the Finance Director or designee, providing all necessary materials to determine if the transfer meets the exemption criteria above; provided, however, that the continued rental by the subsequent property owner without a new license shall be deemed to be a consent to the terms and conditions hereunder, including the consent to inspection.

(l) *Rooms.* No room, attic, habitable attic or garage shall be converted into a bedroom without complying with all Ocean City requirements and permitting processes.

(Code 1972, § 61C-3; Code 1999, § 14-174; Ord. No. 2021-12, 5-17-2021; Ord. No. 2022-03, 3-21-2022; Ord. No. 2024-10, 6-17-2024; Ord. No. 2025-01, 2-3-2025)

...

Sec. 14-178. – Supplementary short-term rental licenses in R-1 single family residential district and MH mobile home residential district.

(a) *License maximums.* The maximum number of supplementary short-term rental licenses that can be issued in the R-1 single family residential district and MH mobile home

residential district is limited to ten percent (10%) of the improved properties in both zoning districts combined together. The maximum number of licenses will be determined on March 1st of any given year.

(b) Existing license holders. As of the date of the first reading of this ordinance, any property owner that holds a valid existing supplementary short-term rental license in the R-1 single family residential district and MH mobile home residential district, may retain said license for the remainder of the license year, subject to compliance with all other requirement of this article, and apply for a supplementary short-term rental license for 2026 during the renewal time period in subsection (c)(2)a. below.

(c) License issuance process.

(1) For calendar year 2026.

a. Any existing license holder eligible for a renewal license under subsection (b) above may apply for the supplementary short-term rental license starting March 1st and ending April 30th. Application may be in person, by mail or through the Town's online renewal system.

b. Any Town of Ocean City full-time resident may apply for one (1) supplementary short-term rental license starting March 9th and ending April 30th. To be a full-time resident of Ocean City under this article, the resident must be a natural person(s) and an existing property owner of a property that is their principal residence and receives the Maryland homestead tax credit. Additionally, the address on the owner's Maryland driver's license shall be the same property. The applicant must provide documentation from the State Department of Assessments and Taxation reflecting these two designations and a copy of the property owner's driver's license. All applications must be presented in person and no more than one application per person. Applications received electronically or in the mail will not be accepted.

c. Starting April 1st and ending April 30th, any other applicant may apply for one (1) supplementary short-term rental license as well as those who qualified under subsection C(2)(a) or (b). All applications must be presented in person and no more than one application per person. Applications received electronically or in the mail will not be accepted.

(3) For calendar year 2027 and beyond.

a. Any property owner eligible to renew the previous year's supplementary short-term rental license may apply for the supplementary short-term rental license starting March 1st and ending April 30th. Application may be in person, by mail or through the Town's online renewal system.

b. Any Town of Ocean City full-time resident may apply for one (1) supplementary short-term rental license starting March 1st and ending April 30th. To be a full-time resident of Ocean City under this article, the resident must be a natural person(s) and an existing property owner of a property that is their principal residence and receives the Maryland homestead tax credit. Additionally, the address on the owner's Maryland driver's license shall be the same property. The applicant must provide documentation from the State Department of Assessments and Taxation reflecting these two designations and a copy of the property owner's driver's license. All applications must be presented in person and no more than one application per person. Applications received electronically or in the mail will not be accepted.

c. Any other applicant, as well as those who qualified under subsection C(3)a., may apply for the supplementary short-term rental license starting April 1st and ending April 30th. All applications must be presented in person and no more than one application per person. Applications received electronically or in the mail will not be accepted.

(4) If at the time of any application, there are no available supplementary short-term rentals licenses available under subsection (a), the application will be placed on a waitlist and be assigned a numerical order from the order in which the application was received. The waitlist is continuous and shall carry over from year to year. If a license becomes available, the next property on the waitlist will be contacted in writing through the address provided on the application. The application shall be complete, the application fee must be paid in full, and the property must pass inspection. If the property does meet this criteria within fourteen (14) days from the date the notice was sent regarding the availability of a license, the property will be removed from the waitlist and receive written notice thereof. The Town will proceed to review the next property on the waitlist. If the property qualifies for the issuance of the license, the property will be removed from the waitlist and issued the supplementary short-term rental license.

...

INTRODUCED at a meeting of the City Council of Ocean City, Maryland held on _____, 2026.

ADOPTED AND PASSED by the required vote of the elected membership of the City Council and approved by the Mayor, at its meeting held on _____, 2026.

ATTEST:

DIANA L. CHAVIS, Clerk

RICHARD W. MEEHAN, Mayor

Approved as to form:

MATTHEW M. JAMES, President

HEATHER STANSBURY
Ayres, Jenkins, Gordy & Almand, P.A.
Office of City Solicitor

ANTHONY J. DELUCA, Secretary



TOWN OF OCEAN CITY

The White Marlin Capital of the World

Agenda Item # 5.F
Council Meeting February 10, 2026

TO: The Honorable Mayor, Council President and Members of Council
FROM: Terence J. McGean, PE, City Manager
RE: Discussion of yard sign requirement to identify short term rental properties in R-1 and MH Neighborhoods
DATE: February 4, 2026

ISSUE(S): The Mayor and Council have expressed a desire to require that short term rental properties in R-1 and MH neighborhoods post a yard sign indicating that the property is a short term rental and including a QR Code that will link to the City Rental page for information.

SUMMARY: The Mayor and Council have expressed a desire to require that short term rental properties in R-1 and MH neighborhoods post a yard sign indicating that the property is a short term rental and including a QR Code that will link to the City Rental page for information. In order to begin to draft and ordinance the following issues/recommendations will need to be resolved.

- Recommendation that the sign is provided by the City but installed by the property owner
- Recommendation that the sign must be installed in a visible location within the center third of front yard and no further than 10 feet behind the sidewalk
- Size of the sign (suggest 11x17)
- Use process similar to the tow sign (initial sign provided then stickers issued with annual renewal)
- Discuss penalty for not having the sign in place (warning, then fine, then license suspension etc)

Concerns

- Will the signs encourage nuisance calls/reports
- Will the signs encourage theft by advertising that a property is often vacant and not owner occupied.

FISCAL IMPACT: Minor cost of signs could be covered by license fee.

RECOMMENDATION: Discuss options and direct staff to prepare a draft ordinance for a future work session.



More Livable Community for Residents

ALTERNATIVES: As noted in summary.

RESPONSIBLE STAFF: City Manager Terence McGean
Deputy City Manager JR Harmon
License Inspector Lori Colloway
Legal Counsel Maureen Howarth

COORDINATED WITH: Not Applicable

ATTACHMENT(S): 1. Sec._90_273._tow sign ordinance.pdf

Sec. 90-273. Required signage; indemnification; duties of property owner.

Any property owner desiring to utilize the procedures provided by this division shall obtain from the town's city hall signs which shall be posted on said owner's property. The signs shall remain the property of the Mayor and City Council of Ocean City, but a charge, as is determined by the Mayor and City Council of Ocean City by resolution, for the use of such sign shall be imposed. Before obtaining said signs, a property owner shall execute an indemnification and hold harmless agreement which shall provide that the property owner shall indemnify and hold harmless the town against any claim of damage resulting from the towing and impoundment of vehicles removed from said private property. The continued usage and posting of such signs by the property owner shall be contingent upon said property owner abiding by such rules and regulations adopted by the Mayor and City Council of Ocean City relative to charges for towing, and other procedures necessary to properly implement and administer this division. Any sign obtained hereunder shall be annually renewed by the property owner on May 1 of each year and said renewal sticker shall be placed on the sign. The annual renewal charge is as established by resolution of the Mayor and City Council of Ocean City.

(Ord. No. 2020-09, § 90-273, 9-8-2020)

Sec. 90-274. Contents, condition and location of signs.

- (a) The content of the signs required by this division shall state that unauthorized parking is prohibited and that vehicles parked without authorization may be towed and impounded without notice at the vehicle owner's expense. Said signs shall be posted in such a manner and in such location as to be clearly visible from the area where parking is to be prohibited.
- (b) A property owner shall post a sign notifying the public of parking restrictions at least 24 hours before towing or ordering the towing of an unauthorized vehicle.
- (c) There shall be a sufficient number of signs permanently posted so that:
 - (1) At least one sign is clearly visible from each parking area and each vehicle entrance to the property at all times; or
 - (2) A sign shall be placed to provide at least one sign for every 7,500 square feet of parking space in the parking lot and each sign shall be able to be read from all affected spaces.
- (d) Each sign shall:
 - (1) Be at least 24 inches high and 30 inches wide;
 - (2) List the name and telephone number of each towing company hired to tow unauthorized vehicles from the property and the location of said lots;
 - (3) State that a vehicle owner may contact the police department and state the phone number;
 - (4) State that vehicles shall be available for reclamation 24 hours a day, seven days a week;
 - (5) State the maximum amount that the owner of the vehicle may be charged for the towing of the vehicle;
 - (6) Be located so that it is able to be read by motorists in daylight and at night; and
 - (7) Be maintained in a legible and unobstructed condition.

(Ord. No. 2020-09, § 90-274, 9-8-2020)



TOWN OF **OCEAN CITY**

The White Marlin Capital of the World

Agenda Item # 5.G
Council Meeting February 10, 2026

TO: The Honorable Mayor, Council President and Members of Council
THRU: Terence J. McGean, PE, City Manager
FROM: Diana Chavis, City Clerk, MMC
RE: Limitations of Beach Franchise Ownership Interest and Recent Advertisement for Sealed Bids
DATE: February 5, 2026

ISSUE(S): Beach Franchise Ownership Interest and Sealed Bid Currently Underway

SUMMARY: Auction of the south end parcels occurred on December 3. The successful bidder of the 6th Street parcel advised she is relocating out of town to assist family members. Notification of a sealed bid for the parcel was sent to current operators on January 26. The notification was also published January 30. One (1) sealed bid was received January 30. Bids are due by February 11 at 4:00 PM.

During the public comment period at the February 2 Regular Session, current franchise operators Pat McLaughlin and Adrian Nemet of 85' N Sunny asked Council to consider increasing the percentage of ownership interest. They have reached the 50 percent limitation by acquiring 35 parcels. Council directed the topic be scheduled for discussion.

Per Town Code Sec. 39-28, "No operator or any other individual, corporation, partnership or company shall be permitted to hold more than 50 percent of the franchises for parcels within Ocean City. Ownership of a partial interest in other franchises shall, for the purpose of this section, be deemed as ownership of all of that franchise. The term "interest" means interest in partnerships, companies, joint ventures, ownership of stock of corporations and any other type of ownership or interest not specifically mentioned in this section. *The 50 percent limitation on holding franchises may be waived by the Mayor and City Council of Ocean City if deemed necessary to serve the public.*"

FISCAL IMPACT: To be determined.

RECOMMENDATION: 1) Waive the ownership limitation percentage and readvertise with an extended sealed bid due date.
2) Do not waive at this time.



ALTERNATIVES: Not Applicable

RESPONSIBLE STAFF: City Clerk Diana Chavis

COORDINATED WITH: Not Applicable

ATTACHMENT(S):

- 1. 1 2026 Sealed Bid - Clean version.docx
- 2 . Sec. 39-28, Provisions relating to limitations of franchise ownership interest.pdf



**NOTICE OF SEALED BID
Beach Equipment Franchise
\$ 500 Minimum Bid Requirement**

You are hereby notified that the Town of Ocean City Mayor and Council is now accepting sealed bids for one (1) beach equipment franchise parcel. The successful bidder will contract with the Town to rent certain beach equipment in accordance with the terms and conditions set forth in the Town Code, Chapter 39. Sealed bids are due to the Office of the City Clerk, 301 N. Baltimore Avenue, Ocean City, Maryland, 21842, by Wednesday, February 11, 2026, at 4:00 PM.

Parcel
6th Street

PLEASE INCLUDE THE FOLLOWING WITH YOUR SEALED BID SUBMITTAL:

- (1) Provide satisfactory proof of identity and legal age (i.e. Driver's License or Government-issued Photo ID)
- (2) A **non-refundable** deposit of One Thousand Dollars (\$1,000.00) either via a cashier's check or certified check payable to the Mayor and City Council. **PERSONAL CHECKS NOT ACCEPTED.**

IF AWARDED:

- (1) Submit a personal Credit Report on or before Tuesday, February 17, 2026.
- (2) Sign a statement authorizing the Mayor and Council to make inquiry of personal background, financial and credit worthiness on or before Tuesday, February 17, 2026
- (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 Tuesday, February 17, 2026
- (4) Provide a brief plan of management on or before Tuesday, February 17, 2026 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 the 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 (2026-2028) for the 6th Street parcel.

Email dchavis@oceancitymd.gov or call 410-289-8842 if you have any questions.

Sec. 39-28. - Provisions relating to limitations of franchise ownership interest.

No operator or any other individual, corporation, partnership or company shall be permitted to hold more than 50 percent of the franchises for parcels within Ocean City. Ownership of a partial interest in other franchises shall, for the purpose of this section, be deemed as ownership of all of that franchise. The term "interest" means interest in partnerships, companies, joint ventures, ownership of stock of corporations and any other type of ownership or interest not specifically mentioned in this section. The 50 percent limitation on holding franchises may be waived by the Mayor and City Council of Ocean City if deemed necessary to serve the public.

(Code 1972, § 26-8; Code 1999, § 39-28; Ord. No. 2008-21, 12-1-2008; Ord. No. 2018-01, 2-20-2018)