

REQUEST FOR CITY COUNCIL CONSIDERATION

Meeting Date: March 16, 2026

Agenda Item: 5B	Prepared by: Chris Noury, City Attorney
Agenda Section: Consent: Resolution	Date: March 12, 2026
Subject: To exercise the City’s option to extend the Parasail and Banana Boat Franchise Agreement between the City and Randall Duke for an additional five-year term	Division: Legal

Background:

The City granted authorization to Randall Duke, via a Franchise Agreement (Agreement), to operate a parasail and banana boat business on the beach seaward of the dune line in the vicinity of Sea Mountain Highway in the Cherry Grove Section for an initial term of five (5) years, which term expired on December 31, 2025.

Randall Duke has requested that the City exercise its option to extend the Agreement, as authorized in Article II, Section I of the Agreement, for an additional five (5) year term which will begin on January 1, 2026, and terminate on December 31, 2030.

The franchise fee for the initial five (5) year term was \$72,930.38 dollars per year.

Article II, Section IV of the Agreement provides that the fee for the optional period shall increase by five percent (5%) successively for each year of the option term.

Staff has prepared an Acknowledgement Form for the Franchisee’s signature in which the Franchise acknowledges that Council has exercised its option to extend the Agreement and that the Franchise shall abide by the terms of the Agreement and any addenda thereto and further acknowledges that the franchise fee for the option term will increase as set forth in Article II, Section IV of the Agreement.

Recommended Action:

Adopt the Resolution

Reviewed by Department Head	Reviewed by City Manager	Reviewed by City Attorney
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Council Action:
Motion By _____ 2nd By _____ To _____

RESOLUTION

A RESOLUTION TO EXERCISE THE CITY'S OPTION TO EXTEND THE PARASAIL AND BANANA BOAT FRANCHISE AGREEMENT BETWEEN THE CITY AND RANDALL DUKE FOR AN ADDITIONAL FIVE-YEAR TERM FROM JANUARY 1, 2026, THROUGH DECEMBER 31, 2030.

WHEREAS, the City granted authorization to Randall Duke, via a Franchise Agreement (Agreement), to operate a parasail and banana boat business on the beach seaward of the dune line in the vicinity of Sea Mountain Highway in the Cherry Grove Section for an initial term of five (5) years, which term expired on December 31, 2025; and

WHEREAS, Randall Duke has requested that the City exercise its option to extend the Agreement, as authorized in Article II, Section I of the Agreement, for an additional five (5) year term which will begin on January 1, 2026, and terminate on December 31, 2030; and

WHEREAS, the franchise fee for the initial five (5) year term was \$72,930.38 dollars per year; and

WHEREAS, Article II, Section IV of the Agreement provides that the fee for the optional period shall increase by five percent (5%) successively for each year of the option term; and

WHEREAS, Staff has prepared an Acknowledgement Form for the Franchisee's signature in which the Franchise acknowledges that Council has exercised its option to extend the Agreement and that the Franchise shall abide by the terms of the Agreement and any addenda thereto and further acknowledges that the franchise fee for the option term will increase as set forth in Article II, Section IV of the Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL FOR THE CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA:

Section I: Council hereby exercises its option to extend the Parasail and Banana Boat Franchise Agreement between the City and Randall Duke for a five-year term commencing on January 1, 2026, and terminating on December 31, 2030 (unless earlier terminated as authorized per the Agreement).

Section II: The Resolution shall become effective upon the date of passage.

DONE RATIFIED AND PASSED THIS _____ DAY OF _____ 2026.

J.O. Baldwin III, Mayor

ATTEST:

Allison K. Galbreath, City Clerk

Resolution: RES 26-06

ACKNOWLEDGEMENT

The undersigned, Randall Duke, hereby acknowledges that the North Myrtle Beach City Council, at its meeting on March 16, 2026, exercised its option to extend the Parasail and Banana Boat Franchise Agreement (Agreement) that was entered into between the undersigned and the City of North Myrtle Beach in March of 2021, for an additional five (5) year term as authorized in Article II, Section I of the Agreement. The extension term of the Agreement shall begin on January 1, 2026, and shall terminate on December 31, 2030, unless earlier terminated as authorized under the Agreement. The undersigned further acknowledges that, pursuant to Article II, Section IV of the Agreement, the franchise fee for the first year of the extension term, 2026, shall be \$76,576.90 and that the fee will increase by five percent (5%) successively for each year the extension term as follows:

Year:	Fee:
2027	\$80,405.74
2028	\$84,426.03
2029	\$88,647.33
2030	\$93,079.70

In addition, the undersigned acknowledges that all other terms of the Agreement and any addenda thereto shall be in full force and effect during the extension term.

Acknowledged By:

Randall Duke, Franchisee

Date: _____