

STAFF REPORT REGULAR MEETING

AGENDA DATE: September 15, 2026

DEPARTMENT: City Attorney

TITLE:

Consideration of Fifth Amendment to Lease with RTT-Benny's on the Beach, Inc.

SUMMARY:

On June 16, 2026, the City Commission authorized staff to negotiate a lease extension with the City's current tenant, RTT-Benny's on the Beach, Inc. for the lease at the Lake Worth Beach Municipal Ocean Pier.

BACKGROUND AND JUSTIFICATION:

On February 11, 2013, the City entered into a Lease agreement with RTT - Benny's on the Beach, Inc., for the lease of certain space located at the Lake Worth Municipal Ocean Pier for use as a restaurant and a bait shop. The lease allowed for ten (10) years with the option of renewing initially for an additional eight (8) years. After the initial renewal the lease allows for one additional renewal for twenty-three (23) months.

On August 5, 2015, the City and Tenant entered into the First Amendment of the Lease to address the use of additional outdoor patio area.

On May 19, 2020, the City and Tenant entered into the Second Amendment to the Lease to revise certain terms and conditions as a result of the COVID-19 pandemic.

On February 21, 2023, the City Commission approved a 90-day extension to the Third Amendment at the new lease terms (2% increase in rent) to allow for further negotiations of the proposed lease.

On May 10, 2023, the City Commission approved the Fourth Amendment to the lease with Benny's on the Beach, with the goal of aligning the Benny's lease rent with the other beach complex restaurant rent structures as close as possible. The Fourth Amendment extended the lease for the full nine (9) years and eleven (11) months authorized under the lease (i.e., eight (8) year "Initial Extension" option and 23 months "Second Extension" option), through January 11, 2033, and provided for a phased increase in rent.

The City received a request from RTT-Benny's on the Beach, Inc., requesting a lease extension to February 10, 2043, for a total lease term of thirty (30) years (February 11, 2013 – February 10, 2043).

On June 16, 2026 the Commission directed staff to negotiate the lease extension with Benny's to include the following terms:

- Adding an option to extend the term from January 11, 2033 to January 11, 2043, with one (1) year written notice to the City no later than January 12, 2032;
- A rent increase of 5% every two (2) years during the final renewal period (2033-2043).

The Commission is requested to provide direction as to the start date of the rent increase of 5%, which is drafted to begin in the first year of the renewal (January 11, 2033).

MOTION:

Move to approve/disapprove the Fifth Amendment to Lease with RTT – Benny's on the Beach, Inc. for the City of Lake Worth Beach Municipal Ocean Pier.

ATTACHMENT(S):

Fifth Amendment to Lease