

STAFF REPORT REGULAR MEETING

AGENDA DATE: June 16, 2026

DEPARTMENT: City Attorney

TITLE:

Request for Lease Extension from RTT-Benny's on the Beach, Inc.

SUMMARY:

The City's current tenant, RTT-Benny's on the Beach, Inc. has requested an extension on 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 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 recently 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).

City staff is requesting Commission direction on whether the Commission is interested in extending the lease with Benny's to February 10, 2043.

If a lease extension is supported by the Commission, the City Attorney and City Manager will negotiate with Benny's regarding the terms of the extension. Alternatively, the City can simply grant the extension with the amount of rent from January 11, 2033 until February 10, 2043 to be negotiated by June 30, 2032.

MOTION:

Provide direction regarding a lease extension for RTT – Benny's on the Beach, Inc. for the City of Lake Worth Beach Municipal Ocean Pier.

ATTACHMENT(S):

Lease Extension Request
Lease and Amendments 1 - 4