

**MARKET RENT ANALYSIS OF RETAIL AND RESTAURANT SPACE SITUATED  
WITHIN THE LAKE WORTH BEACH CASINO AND PIER COMPLEX LOCATED AT  
10 SOUTH OCEAN BOULEVARD LAKE WORTH BEACH, FLORIDA 33460**

**FOR**

**LAUREN BENNETT, CPRP CITY OF LAKE WORTH BEACH**

**BY**

**ROBERT B. BANTING, MAI, SRA CERT GEN RZ4**

**WITH**

**ANDERSON & CARR, INC.**

**521 SOUTH OLIVE AVENUE WEST PALM BEACH, FLORIDA 33401**

**DATE OF INSPECTION: AUGUST 30, 2022 DATE OF REPORT: SEPTEMBER 14, 2022  
DATE OF VALUE: AUGUST 30, 2022**

**FILE NO.: 2220385.000 CLIENT REFERENCE: 10 SOUTH OCEAN  
BOULEVARD**



September 14, 2022

Ms. Lauren Bennett, CPRP  
 City of Lake Worth Beach  
 17 South M Street  
 Lake Worth Beach, FL 33460

Dear Ms. Bennett, CPRP:

Pursuant to your request, we have personally performed a market rent analysis of the subject premises, consisting of retail and restaurant space situated within the Lake Worth Casino and Beach Complex. There is a total of (4) spaces in which the market rent is being surveyed; Benny's on the Beach, Mama Mia's Pizzeria, Kilwin's, and BF Enterprises dba Lake Worth Beach Tee Shirt Co.

The subject premises are located at the eastern terminus of Lake Avenue, on the west side of Lake Worth Public Beach and right side of South Ocean Boulevard in Lake Worth Beach. The property address is 10 South Ocean Boulevard, Lake Worth Beach, Florida. The subject premises are situated within the Lake Worth Casino and Beach Complex which features a new oceanfront park, restaurants, shops, ballroom, restrooms, picnic facilities, the William O. Lockhart Municipal Pier, and municipal pool (currently closed). The improvements contain a total of approximately 28,145 square feet of building area situated on approximately 21.41 acres of land. The complex offers ample metered parking spaces. Below is a table with a description of the subject premises:

<b>Lake Worth Casino and Beach Complex</b>					
<b>10 South Ocean Boulevard, Lake Worth Beach, Florida 33460</b>					
Tenant (Trade Name)	Suite #	Description	Rentable Area (SF)	Patio Area (SF)	Total SF
Benny's on the Beach	LW Pier	Restaurant	7,342	400	7,742
Mama Mia's	1 & 2	Restaurant	1,332	436	1,768
Kilwin's	3 & 4	Retail	1,332	367	1,699
LW Tee Shirt Co.	5 & 6	Retail	1,348	N/A	1,348

The purpose of this assignment is to estimate the market rent for the subject property as of August 30, 2022. The intended use of the report is to assist the client and intended user in establishing a market rental rate for negotiating lease renewals. This report has been prepared for no other purpose and for use by no other person or entity than for use by the client for the purpose stated herein. Any other use of this report is considered a misuse and thus the appraisers will not be held responsible for any outcome associated with use by another entity or for another purpose.



# ANDERSON CARR

City of Lake Worth Beach  
Lauren Bennett, CPRP  
Page 2  
September 14, 2022

As a result of our analysis, we have developed an opinion that the market rent (as defined in the report), subject to the definitions, certifications, and limiting conditions set forth in the attached report, as of August 30, 2022 was as follows in the below table:

Lake Worth Casino and Beach Complex 10 South Ocean Boulevard, Lake Worth Beach, Florida 33460				
Tenant (Trade Name)	Suite #	Description	Current Base Rent Excluding Patio (Annual)	Market Base Rent Excluding Patio (Annual)
Benny's on the Beach	LW Pier	Restaurant	\$240,000.00	\$242,000.00
Mama Mia's	1 & 2	Restaurant	\$63,531.07	\$66,500.00
Kilwin's	3 & 4	Retail	\$45,383.90	\$60,000.00
LW Tee Shirt Co.	5 & 6	Retail	\$64,301.50	\$61,000.00
Base Rents DO NOT include Patio Area(s), where applicable				
Does not include applicable sales tax or CAM charges				

The following presents our market rent survey analysis. This letter must remain attached to the report, which contains 45 pages plus related exhibits, in order for the market rent conclusions set forth to be considered valid.

Respectfully submitted,

ANDERSON & CARR, INC.

Robert B. Banting, MAI, SRA  
Cert Gen RZ4

RBB:

**ANDERSON CARR****TABLE OF CONTENTS**

	Page No.
Summary Of Important Facts And Conclusions .....	5
Certification .....	8
General Limiting Conditions .....	9
Area/Location Maps .....	12
Aerial Photographs .....	13
Subject Property Photos (Taken August 30, 2022) .....	14
Purpose And Date Of Report .....	28
Subject Premises .....	28
Intended Use And User .....	28
Client.....	28
Definition Of Market Rent .....	28
Typical Lessee Profile .....	29
Scope Of Assignment .....	29
Premises Sketch .....	30
Summary of Subject Leases .....	32
Market Rent Analysis .....	36
Rental Location Map .....	39
Market Rent Conclusion .....	42

Qualifications for Robert B. Banting, MAI, SRA, Cert Gen RZ4



DRAFT

**SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS**

<b>Client:</b>	City of Lake Worth Beach Lauren Bennett, CPRP
<b>Intended User:</b>	City of Lake Worth Beach
<b>Analysis Performed:</b>	Market Rent Analysis
<b>Special Assumptions Reference:</b>	None
<b>Unusual Market Externality:</b>	Covid-19 Pandemic
<b>Location:</b>	The subject premises are located within the Lake Worth Beach Casino and Beach Complex at the eastern terminus of Lake Worth Road, on the west side of Lake Worth Public Beach and right side of South Ocean Boulevard in Lake Worth Beach. The property address is 10 South Ocean Boulevard, Lake Worth Beach, Florida.
<b>Year Built:</b>	1920's, rebuilt in 1940's and 1970's, rebuilt new in 2012
<b>Total Building Area:</b>	28,145 square feet
<b>Total Rentable Area:</b>	Benny's: 7,342 square feet plus 400 square foot patio Mama Mia: 1,332 square feet plus 436 square foot patio Kilwins: 1,332 square feet plus 367 square foot patio LW Tee Shirt Co.: 1,348 square feet
<b>Site/Land Area:</b>	932,620 square feet or 21.41 acres of land area
<b>Zoning:</b>	BAC- Beach and Casino by City of Lake Worth Beach
<b>Number of Floors:</b>	2
<b>Basic Construction:</b>	CBS and wood frame
<b>Exterior Finish:</b>	Painted Stucco
<b>Roof Support/Covering:</b>	Flat roof (the covering was not inspected; however, it is



assumed to be typical built-up or membrane type covering in good working condition), barrel tile mansard

**Doors:**

Glass store front doors

**Windows:**

Fixed glass in metal frame storefronts

**Floors:**

Benny's: Ceramic Tile, wood decking

Mama Mia: Ceramic Tile

Kilwins: Ceramic Tile, vinyl

LW Tee Shirt Co.: Wood

**Ceiling:**

Benny's: Drywall

Mama Mia: Acoustical Ceiling Tiles

Kilwins: Exposed and acoustical ceiling tiles

LW Tee Shirt Co.: Exposed

**Interior Walls:**

Benny's: Drywall, wall paper, FRP in kitchen

Mama Mia: Drywall, decorative stone

Kilwins: Drywall

LW Tee Shirt Co.: Drywall

**Lighting:**

Fluorescent and incandescent fixtures, trac lighting

**Fire Detection:**

Benny's: Fire alarm, fire extinguisher

Fire sprinkler system, fire alarm, fire extinguisher (Mama Mia's, Kilwins and LW Tee Shirt Co.)

**AC/Heating:**

Central HVAC

**Parking:**

Metered public parking



**Building Comments/Condition:**

Property appeared to be in good overall condition. There were no signs of deferred maintenance noted during the inspection of the subject premises.

**Description of Premises:**

Benny's: The premises is a fully built out restaurant space containing a total of approximately 3,400 square feet of enclosed rentable area with an additional outdoor dining, bar and patio areas totaling approximately 4,342 square feet. The premises is situated on the Lake Worth Beach Pier with the southern portion of the pier being utilized as outdoor dining area. The premises also consists of an enclosed upper dining area, small air conditioned dining area, an outside covered bar, tent and patio areas, and (2) restrooms. Additionally, there is a small "bait shop" where admittance to the pier is paid and where patrons can purchase bait and concession. The restaurant is responsible for maintaining the pier and collecting fees for guest parking and guest utilization of the pier.

Mama Mia's: The premises is situated in Units 1 & 2 on the ground floor of the Lake Worth Casino building and contains 1,332 square feet of enclosed building area as well as a 436 square foot patio/outdoor dining area. The premises is a fully built out restaurant with kitchen, pizza ovens, walk in freezer and dining area.

Kilwins: The premises is situated in Units 3 & 4 on the ground floor of the Lake Worth Casino building and contains 1,332 square feet of enclosed building area as well as a 367 square foot patio/outdoor area. The premises contains a walk in freezer, ice cream serving counter, retail displays and indoor/outdoor seating areas.

LW Tee Shirt Co.: The premises contains 1,348 square feet and is fully built out as a retail store with a small office. The premises is situated in Units 5 & 6 on the ground floor of the Lake Worth Casino building.

Mama Mia's, Kilwins, and LW Tee Shit Co. utilize common area public restrooms which are located nearby within the building.

**Current Use:**

Commercial/Restaurant/Retail





**Market Rent Conclusions:**

Benny's on the Beach:  
Net Annual Market Rent: \$248,000  
Net Monthly Market Rent: \$20,666.67

Mama Mia's Pizzeria:  
Net Annual Market Rent: \$73,000  
Net Monthly Market Rent: \$6,083.33

Kilwins:  
Net Annual Market Rent: \$65,500  
Net Monthly Market Rent: \$5,458.33

BF Enterprises (Lake Worth Tee Shirt Co.):  
Net Annual Market Rent: \$61,000  
Net Monthly Market Rent: \$5,083.33

**Date of Inspection:** August 30, 2022  
**Date of Report:** September 14, 2022  
**Date of Value:** August 30, 2022

**CERTIFICATION**

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported general limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.

I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.

I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.



My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Robert B. Banting, MAI, SRA has made a personal inspection of the property that is the subject of this report.

As of the date of this report, Robert B. Banting, MAI, SRA has completed the continuing education program of the Appraisal Institute.

No one provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.



-  
Robert B. Banting, MAI, SRA  
Cert Gen RZ4

**GENERAL LIMITING CONDITIONS**

1. Unless otherwise stated, the value appearing in this appraisal represents our opinion of the market value or the value defined as of the date specified. Values of real estate are affected by national and local economic conditions and consequently will vary with future changes in such conditions.
2. Possession of this report or any copy thereof does not carry with it the right of publication nor may it be used for other than its intended use. The physical report(s) remains the property of the appraiser for the use of the client. The fee being for the analytical services only. The report may not be copied or used for any purpose by any person or corporation other than the client or the party to whom it is addressed, without the written consent of an officer of the appraisal firm of Anderson & Carr, Inc. and then only in its entirety.
3. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations efforts, news, sales or other media without written consent and approval of an officer of Anderson & Carr, Inc. nor may any reference be made in such public communication to the Appraisal Institute or the MAI, SRA or SRPA designations.



4. The appraiser may not divulge the material contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee, as specified in writing except as may be required by the Appraisal Institute, as they may request in confidence for ethics enforcement or by a court of law or body with the power of subpoena.
5. Liability of Anderson & Carr, Inc. and its employees is limited to the fee collected for the appraisal. There is no accountability or liability to any third party.
6. It is assumed that there are no hidden or unapparent conditions of the property, sub-soil, or structures which make it more or less valuable. The appraiser assumes no responsibility for such conditions or the engineering which might be required to discover these facts.
7. This appraisal is to be used only in its entirety. All conclusions and opinions concerning the analysis which are set forth in the report were prepared by the appraisers whose signatures appear on the appraisal report. No change of any item in the report shall be made by anyone other than the appraiser and the appraiser and firm shall have no responsibility if any such unauthorized change is made.
8. No responsibility is assumed for the legal description provided or other matters legal in character or nature, or matters of survey, nor of any architectural, structural, mechanical, or engineering in nature. No opinion is rendered as to the title which is presumed to be good and merchantable. The property is valued as if free and clear of any and all liens and encumbrances and under responsible ownership and competent property management unless otherwise stated in particular parts of the report.
9. No responsibility is assumed for accuracy of information furnished by or from others, the clients, their designee, or public records. We are not liable for such information or the work of subcontractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit when possible. All are considered appropriate for inclusion to the best of our knowledge and belief.
10. The contract for appraisal, consultation or analytical service is fulfilled and the total fee payable upon completion of the report. The appraiser or those assisting the preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal in full or in part; nor engaged in postappraisal consultation with client or third parties, except under separate and special arrangement and at an additional fee.
11. The sketches and maps in this report are included to assist the reader and are not necessarily to scale. Various photos, if any, are included for the same purpose and are not intended to represent the property in other than actual status as of the date of the photos.
12. Unless otherwise stated in this report, the appraisers have no reason to believe that there may be hazardous materials stored and used at the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials



may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

13. No environmental or impact studies, special market studies or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report. Anderson & Carr, Inc. reserves the unlimited right to alter, amend, revise or rescind any of the statements, findings, opinions, values, estimates or conclusions upon any previous or subsequent study or analysis becoming known to the appraiser.

14. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in this appraisal report.

15. The rent estimated in this appraisal report is gross without consideration given to any encumbrance, lien, restriction, or question of title, unless specifically defined. The estimate of rent in the appraisal report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

16. It is assumed that the property conforms to all applicable zoning, use regulations, and restrictions unless a nonconformity has been identified, described, and considered in this appraisal report.

17. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of rent contained in this report is based.

18. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

19. This appraisal report has been prepared for the exclusive benefit of the client and intended users, City of Lake Worth Beach. This report has been prepared for no other purpose and for use by no other person or entity than for use by the client for the purpose stated herein. Any other use of this appraisal is considered a misuse and thus the appraisers will not be held responsible for any outcome associated with use by another entity or for another purpose.

20. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraisers have no direct



evidence relating to this issue, possible non-compliance with the requirements of the ADA in estimating the value of the property has not been considered.

21. ACCEPTANCE OF, AND/OR USE OF THIS APPRAISAL REPORT CONSTITUTES ACCEPTANCE OF THE PRECEDING CONDITIONS.



AREA/LOCATION MAPS

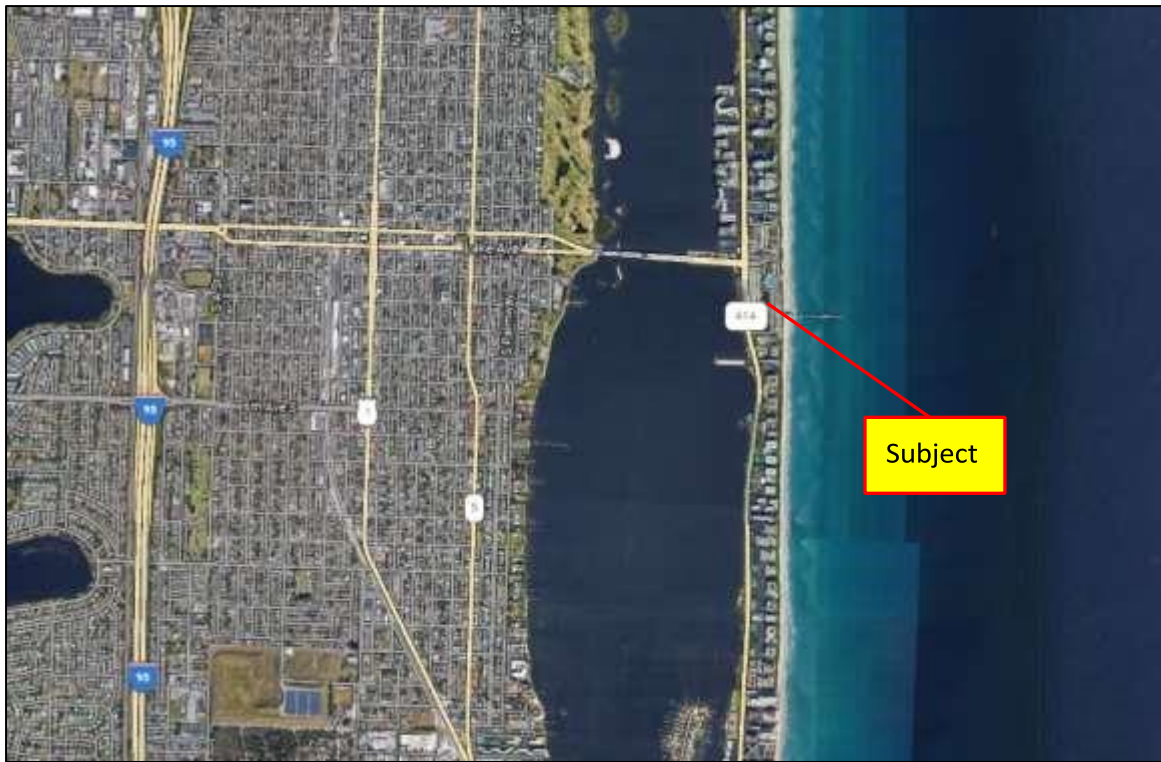






AERIAL PHOTOGRAPHS







SUBJECT PROPERTY PHOTOS (TAKEN AUGUST 30, 2022)



West side of Benny's On The Beach





East side of Benny's On The Beach





South side of Benny's On The Beach/Outdoor dining area



North side of Benny's On The Beach





Indoor Dining Area





Upper Level Dining Area- Benny's On The Beach



Kitchen- Benny's On The Beach



Outdoor Dining Area- Benny's On The Beach







Tent Area- Benny's On The Beach



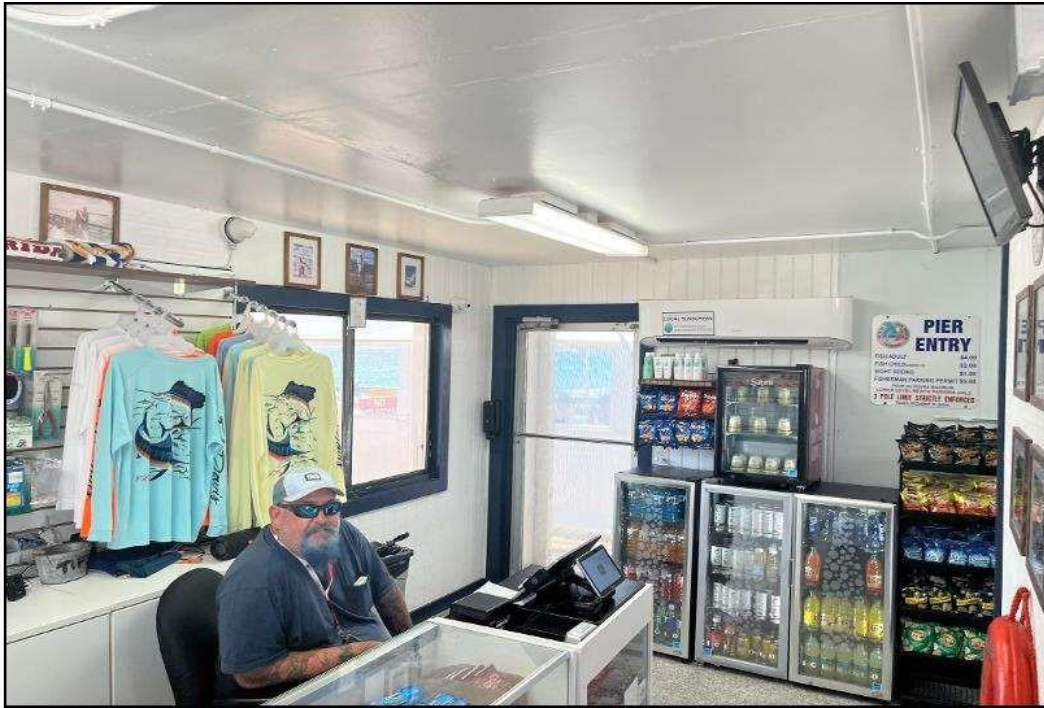
Outdoor Bar Area- Benny's On The Beach



Pier Entrance







Bait Shop



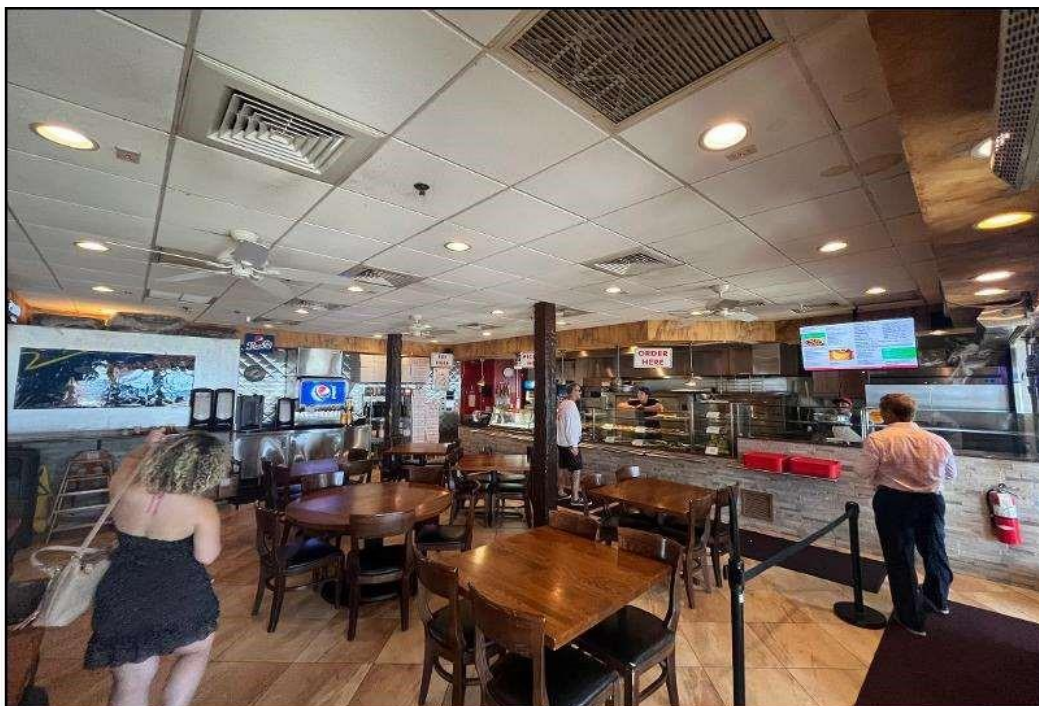
Lake Worth Beach Pier







Mama Mia's Pizzeria



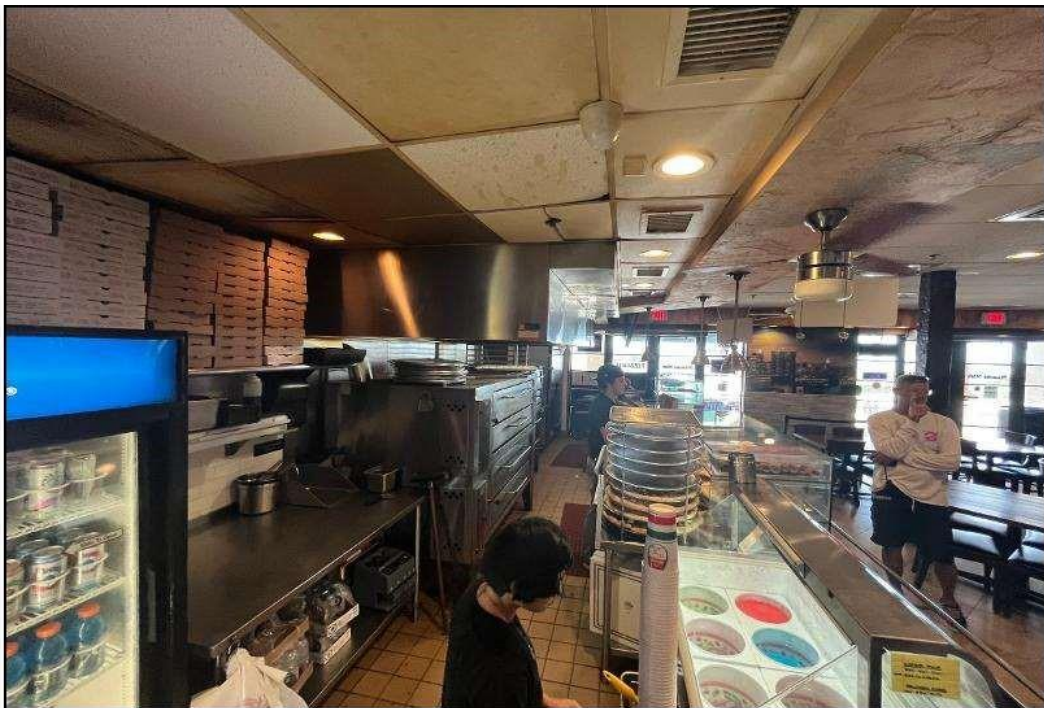
Dining Area- Mama Mia's Pizzeria







Kitchen- Mama Mia's Pizzeria



Counter/Pizza Ovens- Mama Mia's Pizzeria







Outdoor Dining Area- Mama Mia's Pizzeria



Kilwins







Kilwins- Interior



Storage/Prep Area- Kilwins







Freezer- Kilwins



Outdoor Dining Area- Kilwins







Lake Worth Tee Shirt Co.



Lake Worth Tee Shirt Co.





Lake Worth Tee Shirt Co.



Access Road facing south







Access Road facing north

**PURPOSE AND DATE OF REPORT**

The purpose of this assignment is to estimate the market rent for negotiating a lease renewal of the subject property as of August 30, 2022.

**SUBJECT PREMISES**

We have completed a market rent analysis of the subject premises which consists of (4) spaces: Benny’s on the Beach situated on the Lake Worth Beach Pier; a restaurant containing approximately 3,400 square feet of enclosed building area and 4,342 square feet of outdoor dining/bar/patio area, Mama Mia’s Pizzeria situated in the Lake Worth Beach Casino Building; a restaurant space containing approximately 1,332 square feet of enclosed building area and a 436 square foot patio/outdoor dining area, Kilwins; a retail space containing 1,332 square feet of enclosed building area and a 367 square foot outdoor seating/patio area situated in the Lake Worth Beach Casino Building, and Lake Worth Beach Tee Shirt Co.; a retail space containing 1,348 square feet of enclosed building area situated in the Lake Worth Beach Casino Building. The improvements are situated within the Lake Worth Beach Casino and Beach Complex on a site containing a total of approximately 21.41 acres of land area.

The subject premises are located within the Lake Worth Casino and Beach Complex at the eastern terminus of Lake Avenue, on the west side of Lake Worth Public Beach and right side of South Ocean Boulevard in Lake Worth Beach. The property address is 10 South Ocean Boulevard, Lake Worth Beach, Florida.



**INTENDED USE AND USER**

The intended use of this report is to assist the client and intended user in negotiating a lease renewal(s). The intended user of the report is City of Lake Worth Beach and/or otherwise specified in writing

This report has been prepared utilizing generally accepted appraisal guidelines, techniques, and methodologies as contained within the Uniform Standard of Professional Practice (USPAP), as promulgated by the Appraisal Foundation.

**CLIENT**

City of Lake Worth Beach c/o Ms.  
Lauren Bennett, CPRP  
17 South M Street  
Lake Worth Beach, FL 33460

**DEFINITION OF MARKET RENT**

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). (The Dictionary of Real Estate Appraisal, 5th ed., Chicago: Appraisal Institute, 2010)

**TYPICAL LESSEE PROFILE**

The typical lessee of the subject premises would be a retail, restaurant or other commercial type user.

**SCOPE OF ASSIGNMENT**

The scope of this assignment encompasses an examination of the subject property and a comparison with other competing space for analysis of market rent.

Rental data was gathered through the use of online services such as MLS, CoStar.com, and Loopnet.com as well as a search of the local market around the subject, discussions with area real estate brokers, Palm Beach County and other local municipalities, property owners and a review of this office’s past appraisal files for similar assignments.

Physical data pertaining to the subject property was obtained from personal inspection and public information sources such as the Palm Beach County Property Appraisers records.

The property was inspected on August 30, 2022. It is assumed that the subject does not suffer from any unapparent conditions that would have a significant impact on its ability to be effectively marketed and leased. Such conditions include



but are not limited to faulty electrical or mechanical systems, roof or plumbing leaks, and the presence of mold or contamination.

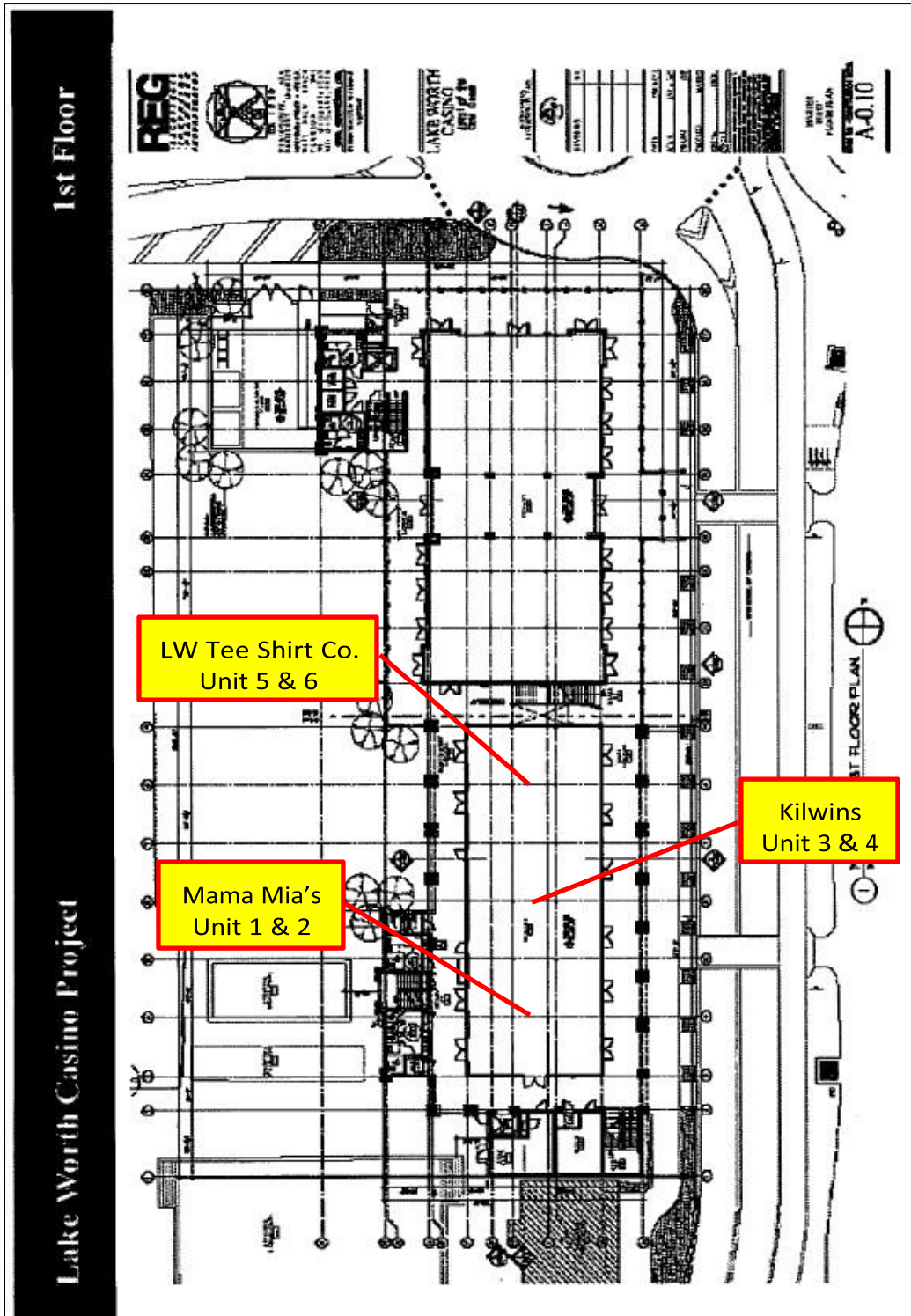
An exterior inspection of the comparables was also made.

We make no warranty as to the authenticity and reliability of representations made by those with whom we verified information. We have relied upon the square footage for the subject unit as provided to us by the client/landlord. We have taken due care in attempting to verify the data utilized in this analysis. We based our analysis and conclusions on overall patterns rather than on specific representations.

The product of our research and analysis is formulated within this report for analysis of and direct comparison with the subject property being analyzed. Additionally, we may have used original research performed in preparation of other appraisals by this office, which is considered appropriate for the subject property.

**PREMISES SKETCH (TAKEN FROM ORIGINAL LEASE)**





BENNY'S ON THE BEACH (NO SKETCH AVAILABLE)









**SUMMARY OF SUBJECT LEASE**

**(BENNY'S ON THE BEACH)**

The following summary was taken from the signed lease and the amendment(s) to said lease provided to the appraisers by the client. This is only a summary of certain provisions of the lease. We suggest that any person with an interest in the lease read the entire lease, which is found in the addendum of this report.

Lessor: City of Lake Worth

Lessee: RTT-Benny's on the Beach, Inc. DBA Benny's on the Beach

Address: 10 South Ocean Boulevard, Lake Worth Beach (on the Pier)

Use of Premises: Restaurant, retail, bait shop

Date of Lease: February 11, 2013 (amended from time to time)

Rent Commencement Date: March 1, 2013

Lease Expiration Date: February 28, 2023

Total SF Leased: Rentable Area: 7,342 square feet  
Patio Area: 400 square feet

Current Base Rent: Restaurant: \$240,000 per annum or \$32.69 per square foot

Rental Increase: None

Renewal Options: Renewal Option (1) for 8 years; Renewal Option (2) for 23 months

Comments: Tenant pays real estate tax. Tenant is responsible for garbage collection, repairs and maintenance of the premises and Lake Worth Pier (except replacing wood boards and railings) including pressure washing the Pier once a quarter, collecting entrance fees and maintaining the bait shop to the Pier. Tenant keeps the Pier entrance fees which operates as a management fee to the tenant.

400 SF Patio: \$6,000 per annum or \$15.00 per square foot



**SUMMARY OF SUBJECT LEASE**

The following summary was taken from the signed lease and the amendment(s) to said lease provided to the

Additional Rent (CAM): Real Estate Taxes (undisclosed amount)

**(MAMA MIA'S PIZZERIA)**

appraisers by the client. This is only a summary of certain provisions of the lease. We suggest that any person with an interest in the lease read the entire lease, which is found in the addendum of this report.

Lessor: City of Lake Worth

Lessee: Mama Mia's on the Beach, Inc. (Assigned to RVRA, LLC on May 7, 2019)

Address: 10 South Ocean Boulevard, Unit 1 & 2, Lake Worth Beach

Use of Premises: Restaurant

Date of Lease: February 23, 2012 (amended from time to time)

Rent Commencement Date: October 1, 2012

Lease Expiration Date: September 30, 2022

Total SF Leased: Enclosed Area: 1,332 square feet  
Patio/Outdoor Dining Area: 436 square feet

Current Base Rent: \$63,531.07 per annum or \$47.696 per square foot  
Patio: \$8,039.28 per annum or \$18.44 per square foot

Additional Rent (CAM): \$8.23 per square foot, Real Estate Taxes (undisclosed amount)





**SUMMARY OF SUBJECT LEASE**

The following summary was taken from the signed lease and the amendment(s) to said lease provided to the

Rental Increase: 3.5% Annually

Renewal Options: (2) for 5 years each

Comments: Tenant pays real estate tax and operating expenses including common area maintenance (CAM). Tenant is responsible for garbage collection, all repairs and maintenance inside the premises including interior walls, storefronts, ceilings, floors, electrical, plumbing, grease traps, fire and life safety protection, and HVAC systems servicing the premises exclusively. The Landlord is responsible for roof, structure and outside walls (excluding store fronts), and portions of electrical and plumbing located outside the exterior boundaries of the premises.

**(KILWINS)**

appraisers by the client. This is only a summary of certain provisions of the lease. We suggest that any person with an interest in the lease read the entire lease, which is found in the addendum of this report.

Lessor: City of Lake Worth

Lessee: Maxplan Enterprises (Assigned to Pura Vida Treats, Inc. on March 2, 2021) DBA Kilwins

Address: 10 South Ocean Boulevard, Unit 3 & 4, Lake Worth Beach

Use of Premises: Retail

Date of Lease: February 2, 2012 (amended from time to time)



**SUMMARY OF SUBJECT LEASE**

The following summary was taken from the signed lease and the amendment(s) to said lease provided to the

Rent Commencement Date: October 1, 2012

Lease Expiration Date: September 30, 2022

Total SF Leased: Enclosed Area: 1,332 square feet  
Patio/Outdoor Dining Area: 367 square feet

Current Base Rent: \$45,383.90 per annum or \$34.07 per square foot  
Patio: \$5,898.96 per annum or \$16.07 per square foot

Additional Rent (CAM): \$13.39 per square foot, Real Estate Taxes (undisclosed amount)

Rental Increase: 3.5% Annually

Renewal Options: (2) for 5 years each

Comments: Tenant pays real estate tax and operating expenses including common area maintenance (CAM). Tenant is responsible for garbage collection, all repairs and maintenance inside the premises including interior walls, storefronts, ceilings, floors, electrical, plumbing, grease traps, fire and life safety protection, and HVAC systems servicing the premises exclusively. The Landlord is responsible for roof, structure and outside walls (excluding store fronts), and portions of electrical and plumbing located outside the exterior boundaries of the premises.

**(LAKE WORTH TEE SHIRT CO.)**

appraisers by the client. This is only a summary of certain provisions of the lease. We suggest that any person with an interest in the lease read the entire lease, which is found in the addendum of this report.



**SUMMARY OF SUBJECT LEASE**

The following summary was taken from the signed lease and the amendment(s) to said lease provided to the

Lessor: City of Lake Worth

Lessee: B.F. Enterprises DBA Lake Worth Tee Shirt Company

Address: 10 South Ocean Boulevard, Unit 3 & 4, Lake Worth Beach

Use of Premises: Retail

Date of Lease: June 6, 2012 (amended from time to time)

Rent Commencement Date: November 1, 2012

Lease Expiration Date: October 31, 2017 (First 5 year renewal option exercised)

First Option Expiration Date: October 31, 2022

Total SF Leased: Enclosed Area: 1,348 square feet

Current Base Rent: \$64,301.50 per annum or \$47.70 per square foot

Additional Rent (CAM): \$13.64 per square foot, Real Estate Taxes (undisclosed amount)

Rental Increase: 3.5% Annually

Renewal Options: (3) remaining for 5 years each

Comments: Tenant pays real estate tax and operating expenses including common area maintenance (CAM). Tenant is responsible for garbage collection, all repairs and maintenance inside the premises including interior walls, storefronts, ceilings, floors, electrical, plumbing, grease traps, fire and life safety protection, and HVAC systems servicing the premises exclusively. The Landlord is responsible for roof, structure and outside walls (excluding store fronts), and portions of electrical and plumbing located outside the exterior boundaries of the premises.



## MARKET RENT ANALYSIS

### Rent Discussion

We have surveyed rents for similar building space in the subject's market area. Rents can be quoted either on a gross basis or a net basis. A net rental basis is where most of the expenses including real estate taxes are passed along to the tenant in the form of a "pass through" charge that is paid in addition to a base rental rate. This charge is commonly referred to as the CAM, or common area maintenance charge. It may include additional expense items such as real estate taxes, insurance costs and management fees, depending on the lease structure.

A gross rental method is where the landlord is responsible for most of the expenses including real estate taxes and the tenant pays one single rental rate. The rents in this market were generally quoted on a net basis. The subject premises are currently renting on a net basis. We have analyzed rents on a net basis in this analysis and projected market rent on a net basis. The appraisers felt this most appropriate as it accounts for the differences in CAM charges among different buildings.

### Subject Lease Summary

Benny's On The Beach: The subject premises contains 3,400 square feet of enclosed building area and 4,342 square feet of patio/outdoor dining/bar area. The subject is currently built-out and occupied by a restaurant. There is also a +/-400 square foot "bait shop" where the tenant operates and manages the Lake Worth Pier. The tenant leased the premises beginning on February 11, 2021. The original lease term was for 10 years with two renewal options. The first renewal option is for (1) 8 year term and the second renewal option is for (1) 23 month term. The expiration date of the current base term is February 28, 2023. The current net annual rent is \$240,000 plus \$6,000 for the 400 SF Patio. This equates to \$32.69 per square foot per year and \$15.00 per square foot of patio per year. There are no increases for the current base lease term and the renewal options are subject to the Landlord and Tenant negotiating a fair market rate for the Demised Premises. The Tenant is responsible for operating and maintain the Lake Worth Pier. The tenant is responsible for paying real estate taxes and for repairs and maintenance of the premises and pier, indirect and direct utilities (water, gas, garbage collection, sewer and electricity).

Mama Mia's Pizzeria: The subject premises contains 1,332 square feet of enclosed building area and 436 square feet of patio/outdoor dining area. The current rent rate is \$47.70/SF for the enclosed area and \$18.44/SF for the patio area. The subject is currently built-out and occupied by a pizza restaurant. The tenant leased the premises beginning on February 23, 2012. The original lease term was for 10 years with two 5-year renewal options. The lease was amended a number of times and was Assigned to the current Tenant as of May 7, 2019. There are no increases remaining on the base term and the rent for the renewal options shall increase by 3.5% or fair market rent, whichever is lower. The tenant is also responsible for paying additional rent (CAM). The current CAM charges are \$8.23 per square foot of rentable building area. The tenant is responsible for paying real estate taxes, all repairs and maintenance inside the premises including interior walls, storefronts, ceilings, floors, electrical, plumbing, grease traps, fire and life safety protection, and HVAC systems servicing the premises exclusively. In addition, the Tenant is responsible for indirect and direct utilities (water, gas, garbage collection, sewer and electricity).



Pura Vida Treats, Inc. (Kilwins): The subject premises contains 1,332 square feet of enclosed building area and 367 square feet of patio/outdoor dining area. The current rent rate is \$34.07/SF for the enclosed area and \$16.07/SF for the patio area. The subject is currently built-out and occupied by a retail tenant. The tenant leased the premises beginning on February 2, 2012. The original lease term was for 10 years with two 5-year renewal options. The lease was amended a number of times and was Assigned to the current Tenant as of March 2, 2021. There are no increases remaining on the base term and the rent for the renewal options shall increase by 3.5% or fair market rent, whichever is lower. The tenant is also responsible for paying additional rent (CAM). The current CAM charges are \$13.39 per square foot of rentable building area. The tenant is responsible for paying real estate taxes, all repairs and maintenance inside the premises including interior walls, storefronts, ceilings, floors, electrical, plumbing, fire and life safety protection, and HVAC systems servicing the premises exclusively. In addition, the Tenant is responsible for indirect and direct utilities (water, gas, garbage collection, sewer and electricity).

B.F. Enterprises (Lake Worth Tee Shirt Company): The subject premises contains 1,348 square feet of rentable building area. The current rent rate is \$47.70/SF area. The subject is currently built-out and occupied by a retail tenant. The tenant leased the premises beginning on June 6, 2012. The original lease term was for 5 years with four 5-year renewal options. The Tenant is currently in the fifth year of their first 5-year renewal option. There are no increases remaining on the first renewal term and the rent for the remaining renewal options shall increase by 3.5% or fair market rent, whichever is lower. The tenant is also responsible for paying additional rent (CAM). The current CAM charges are \$13.64 per square foot of rentable building area. The tenant is responsible for paying real estate taxes, all repairs and maintenance inside the premises including interior walls, storefronts, ceilings, floors, electrical, plumbing, fire and life safety protection, and HVAC systems servicing the premises exclusively. In addition, the Tenant is responsible for indirect and direct utilities (water, gas, garbage collection, sewer and electricity).

Rent Roll

Lake Worth Casino and Beach Complex 10 South Ocean Boulevard, Lake Worth Beach, Florida 33460 Rent Roll as of August 2022								
Tenant (Trade Name)	Suite #	Rentable Building Area (SF)	Patio Area (SF)	Total Building Area (SF)	Annual Rent (Building Area)	Rent/SF (Building Area)	Annual Rent (Patio)	Rent/SF (Patio)
Benny's on the Beach	LW Pier	7,342	400	7,742	\$240,000.00	\$32.69	\$6,000.00	\$15.00
Mama Mia's	1 & 2	1,332	436	1,768	\$63,531.07	\$47.70	\$8,039.28	\$18.44
Kilwin's	3 & 4	1,332	367	1,699	\$45,383.90	\$34.07	\$5,898.96	\$16.07
LW Tee Shirt Co.	5 & 6	1,348	N/A	1,348	\$64,301.50	\$47.70	N/A	N/A

Rental Survey

We have surveyed rents for similar building space in the subject’s market area. These market rental rates were then reconciled with the current subject rents to give an indication as to whether the current rental rates achieved by the



subject are within the market norms. The rents in this market were generally quoted on a net basis. As noted previously, the subject is currently renting on a net basis. Accordingly, we have analyzed rents on a net basis.

Our rental survey is composed of a mix of actual rents and asking rents as comparables. The following chart summarizes the data collected in our rent survey along with a map showing their location in relation to the subject property.

ANNUAL RENT COMPARABLES SUMMARY TABLE						
Comp. No.	Address Date of Survey	Rentable Area and Use	Location	Net Annual Rent Per SF a	Lease Date	Comments
1	10 South Ocean Blvd Lake Worth Beach Aug-22	1,768 SF Restaurant	Mama Mia's Pizzeria Lake Worth Casino & Beach Complex	\$47.70	10/1/2012	Tenant pays a net rent of \$47.70/SF for 1,332 SF of enclosed area plus an additional \$18.44/SF for a 436 SF patio. Tenant is responsible for Real Estate Taxes, CAM, utilities, garbage collection, repairs/maintenance, etc. Rent increases 3.5% each year. Currently in year 10 of a 10 year term.
2	10 South Ocean Blvd Lake Worth Beach Aug-22	1,699 SF Retail	Kilwins Lake Worth Casino & Beach Complex	\$34.07	2/12/2012	Tenant pays a net rent of \$34.07/SF for 1,332 SF of enclosed area plus an additional \$16.07/SF for a 367 SF patio. Tenant is responsible for Real Estate Taxes, CAM, utilities, garbage collection, repairs/maintenance, etc. Rent increases 3.5% each year. Currently in year 10 of a 10 year term.
3	10 South Ocean Blvd Lake Worth Beach Aug-22	1,348 SF Retail	Lake Worth Tee Shirt Co. Lake Worth Casino & Beach Complex	\$47.70	11/1/2012 Option 1: 11/1/2017	Tenant pays a net rent of \$47.70/SF for 1,348 SF of enclosed area. Tenant is responsible for Real Estate Taxes, CAM, utilities, garbage collection, repairs/maintenance, etc. Rent increases 3.5% each year. Currently in year 5 of the first 5 year renewal option.
4	10 South Ocean Blvd Lake Worth Beach Aug-22	6,857 SF Restaurant	Viva La Playa Lake Worth Casino & Beach Complex	\$40.89	5/26/2020	Tenant pays a net rent of \$40.89/SF for 5,002 SF of enclosed area plus an additional \$19.08/SF for a 1,855 SF patio. Tenant is responsible for Real Estate Taxes, CAM, utilities, garbage collection, repairs/maintenance, etc. Rent increases 3.5% each year. Currently in year 3 of a 10 year term.
5	601 South SR A1A Jupiter Aug-22	1,300 SF Restaurant	Carlin Park	\$60.00	N/A	RFP for a County owned restaurant space on the ground floor of a 2 story building containing 1,300 SF plus an additional +/-700 SF covered patio area. This rate is the minimum guaranteed annual rent required by the County. The County also requires a monthly Percentage Rent equal to 8% of gross revenues. There will be a 2% annual increase in rent.
6	2345 South Ocean Blvd Palm Beach Aug-22	1,852 SF Restaurant	Al Fresco Town of Palm Beach Par 3 Golf Course	\$80.99	7/1/2013	Tenant pays a guarantee rent of \$150,000/year with a Percentage Rent Clause equal to 10.5% of gross yearly revenue in excess of \$1,500,000. Tenant is responsible for real estate taxes, janitorial, fire prevention and repair/maintenance on FF&E only. Town of Palm Beach is responsible for all utilities and repairs/maintenance to any capital improvements.





RENTAL LOCATION MAP





## RENTAL DISCUSSION

All of the comparables are municipal/county owned properties located on or adjacent to the beach/Atlantic Ocean similar in utility when compared to the subject property.

### Benny's on the Beach Discussion:

The subject premises is a built-out restaurant situated on the Lake Worth Pier. The current annual rent is \$240,000 or \$32.69/SF plus an additional \$6,000/year for a 400 SF patio (\$15.00/SF). The tenant is responsible for paying the real estate taxes, utilities, garbage collection and repairs/maintenance to the building. In addition, the tenant is responsible for the management and upkeep of the Lake Worth Pier, excluding replacing wood boards and railings. Additionally, the tenant is responsible for collecting entrance fees to the pier at a rate determined by the City and operating the "bait shop." The tenant keeps the entrance fees which operate as a management fee.

Comparables 1, 2, 3 and 4 are all situated within the Lake Worth Casino & Beach Complex and are similar in size, location and appeal when compared to the subject. The average rent of Comparables 1, 2, 3 and 4 is \$42.59/SF on net basis which is higher than what the subject would expect to achieve. Comparable 5 is similar in size and condition, but superior in location. The current minimum rate is \$60.00 per square foot on a net basis which is higher than what the subject would expect to achieve. Comparable 6 is similar in size, but superior in condition and location. The current rate is \$80.00 per square foot on a net basis which is higher than what the subject would expect to achieve. We feel the annual market rent should be in the lower portion of the indicated range set by the comparables.

### Mama Mia's Pizzeria Discussion:

The subject premises is a built-out restaurant situated within the Lake Worth Casino & Beach Complex. The current rent is \$47.70/SF plus an additional \$18.44/SF for a 400 SF patio on a net basis. The tenant is responsible for paying the real estate taxes, CAM, utilities, garbage collection and repairs/maintenance to the building.

Comparables 1, 2, 3 and 4 are all situated within the same building as the subject premises and are similar in size, condition and appeal when compared to the subject. The average rent of Comparables 1, 2, 3 and 4 is \$42.59/SF on net basis which is lower than what the subject would expect to achieve. Comparable 5 is similar in size and condition, but superior in location. The current minimum rate is \$60.00 per square foot on a net basis which is higher than what the subject would expect to achieve. Comparable 6 is similar in size, but superior in condition and location. The current rate is \$80.00 per square foot on a net basis which is higher than what the subject would expect to achieve. We feel the annual market rent should be in the middle portion of the indicated range set by the comparables.

### Kilwins Discussion:

The subject premises is a retail space situated within the Lake Worth Casino & Beach Complex. The current rent is \$34.07/SF plus an additional \$16.07/SF for a 367 SF patio on a net basis. The tenant is responsible for paying the real estate taxes, CAM, utilities, garbage collection and repairs/maintenance to the building.



Comparables 1, 2, 3 and 4 are all situated within the same building as the subject premises and are similar in size, condition and appeal when compared to the subject. The average rent of Comparables 1, 2, 3 and 4 is \$42.59/SF on net basis which is lower than what the subject would expect to achieve. Comparable 5 is similar in size and condition, but superior in location. The current minimum rate is \$60.00 per square foot on a net basis which is higher than what the subject would expect to achieve. Comparable 6 is similar in size, but superior in condition and location. The current rate is \$80.00 per square foot on a net basis which is higher than what the subject would expect to achieve. We feel the annual market rent should be in the middle portion of the indicated range set by the comparables.

#### Lake Worth Tee Shirt Co. Discussion:

The subject premises is a retail space situated within the Lake Worth Casino & Beach Complex. The current rent is \$47.70/SF on a net basis. The tenant is responsible for paying the real estate taxes, CAM, utilities, garbage collection and repairs/maintenance to the building.

Comparables 1, 2, 3 and 4 are all situated within the same building as the subject premises and are similar in size, condition and appeal when compared to the subject. The average rent of Comparables 1, 2, 3 and 4 is \$42.59/SF on net basis which is lower than what the subject would expect to achieve. Comparable 5 is similar in size and condition, but superior in location. The current minimum rate is \$60.00 per square foot on a net basis which is higher than what the subject would expect to achieve. Comparable 6 is similar in size, but superior in condition and location. The current rate is \$80.00 per square foot on a net basis which is higher than what the subject would expect to achieve. We feel the annual market rent should be in the middle portion of the indicated range set by the comparables.

#### Percentage Clause Discussion:

Comparables 5 and 6 are leased spaces in municipally owned buildings. Comparables 5 and 6 include a “Break Through” point at which if and when the gross annual sales exceed a predetermined figure, the rent will be increased at a predetermined percentage.

The development of the subject leases should include a clause minimum rent is set at a percentage of gross sales ranging from 5% to 6%. Based on the percentage of gross sales, we have found that the market typically rents restaurant space based on a minimum rental at around 6% of gross sales. This is prevalent on municipal leases.

### **Market Rent Conclusion**

We have been asked to value the subject properties on an “as-is” basis. We have considered the current condition of the space(s) and forecast rent at a rate we feel appropriate with the consideration that the tenant(s) will lease the space on an “as-is” basis.

#### Benny’s on the Beach Conclusion:



Based on the preceding, and considering the fact that the Tenant is responsible for the operation and management of the Lake Worth Pier, the appraisers conclude that the first year’s annual market rent of leasable building area is \$33.00 per square foot on a net basis for the enclosed space, bar area, outdoor dining area, tent area and “bait shop” and \$15.00 per square foot on a net basis for the patio area, as of August 30, 2022.

Enclosed space: 7,342 SF of rentable area @ \$33.00 per SF = **\$242,286 per year** Patio space:  
400 SF of rentable area @ \$15.00 per SF = **\$6,000 per year**

**Combined Gross Annual Income (rounded): \$248,000 per year**

**Net Monthly Market Rent Conclusion: \$20,666.67 per month**

Note that the preceding assumes there is a minimum rent percentage clause of 6% of gross annual sales, and does not include applicable sales tax or CAM charges.

Lake Worth Pier Conclusion:

The tenant provides a service to the City of Lake Worth Beach by operating and maintaining the Lake Worth Pier, therefore; we believe that the tenant should not be charged rent for the Lake Worth Pier.

Mama Mia’s Pizzeria Conclusion:

Based on the preceding, and factoring in the premises being a build out restaurant which typically rent for a higher rate, the appraisers conclude that the first year’s annual market rent of leasable building area is \$50.00 per square foot on a net basis for the enclosed space, and \$15.00 per square foot on a net basis for the patio area, as of August 30, 2022.

Enclosed space: 1,332 SF of rentable area @ \$50.00 per SF = **\$66,600 per year** Patio space:  
436 SF of rentable area @ \$15.00 per SF = **\$6,540 per year**

**Combined Gross Annual Income (rounded): \$73,000 per year**

**Net Monthly Market Rent Conclusion: \$6,083.33 per month**

Note that the preceding assumes there is a percentage clause of 6% of gross annual sales, and does not include applicable sales tax or CAM charges.



Kilwins Conclusion:

Based on the preceding, the appraisers conclude that the first year's annual market rent of leasable building area is \$45.00 per square foot on a net basis for the enclosed space, and \$15.00 per square foot on a net basis for the patio area, as of August 30, 2022.

Enclosed space: 1,332 SF of rentable area @ \$45.00 per SF = **\$59,940 per year**    Patio space:  
367 SF of rentable area @ \$15.00 per SF = **\$5,505 per year**

**Combined Gross Annual Income (rounded):** **\$65,500 per year**

**Net Monthly Market Rent Conclusion:** **\$5,458.33 per month**

Note that the preceding assumes there is a minimum rent percentage clause of 6% of gross annual sales, and does not include applicable sales tax or CAM charges.





Lake Worth Tee Shirt Co. Conclusion:

Based on the preceding, the appraisers conclude that the first year's annual market rent of leasable building area is \$45.00 per square foot on a net basis for the enclosed space, as of August 30, 2022.

Enclosed space:      1,348 SF of rentable area @ \$45.00 per SF =                      **\$60,660 per year**

**Combined Gross Annual Income (rounded):**    **\$61,000 per year**

**Net Monthly Market Rent Conclusion:**    **\$5,083.33 per month**

Note that the preceding assumes there is a minimum rent percentage clause of 6% of gross annual sales, and does not include applicable sales tax or CAM charges.

