

STAFF REPORT REGULAR MEETING

AGENDA DATE: February 21, 2023

DEPARTMENT: Leisure Services

TITLE:

Third Amendment to Retail Lease with RTT - Benny's on the Beach, Inc., the current tenant/assignee

SUMMARY:

This amendment authorizes RTT - Benny's on the Beach, Inc., to extend its lease located at the Lake Worth 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 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.

The Third Amendment will extend RTT - Benny's on the Beach, Inc., lease at the Lake Worth Municipal Pier for an additional nine (9) years and eleven (11) months, that includes the last option to renew the lease for twenty-three months preceding the initial eight (8) years. The amendment includes a 2% percent annual escalator to the rent owed to the City.

MOTION:

Move to approve/disapprove the Third Amendment to the lease with RTT - Benny's on the Beach, Inc.

ATTACHMENT(S):

Fiscal Impact Analysis
Third Amendment Retail Lease
Exhibit A to Third Amendment
Second Amendment Retail Lease 2020
First Amendment Retail Lease 2015
Benny's Lease Agreement 2013
Market Rate Analysis
Supplemental Information

FISCAL IMPACT ANALYSIS

Five Year Summary of Fiscal Impact:

Fiscal Years	2023	2024	2025	2026	2027
Inflows					
Current Appropriation	\$250,920	\$255,938	\$261,057	\$266,278	\$271,603
Program Income	0	0	0	0	0
Grants	0	0	0	0	0
In Kind	0	0	0	0	0
Outflows					
Operating	0	0	0	0	0
Capital	0	0	0	0	0
Net Fiscal Impact	\$250,920	\$255,938	\$261,057	\$266,278	\$271,603
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0

Contract Award - Existing Appropriation	
	Revenues
Department	Leisure Services
Division	Beach Fund
GL Description	Leased Properties
GL Account Number	140-0000-362.10-00 / 140-0000-362.40-10
Project Number	N/A
Requested Funds	N/A