

STAFF REPORT REGULAR MEETING

AGENDA DATE: April 21, 2026

DEPARTMENT: Leisure Services

TITLE:

Direction to staff regarding the Beach Club Lease

SUMMARY:

The City of Lake Worth Beach ("City") is under agreement with E.R. Bradley's Triple Crown Club L.W., LLC d/b/a E.R. Bradley's Lagoon Saloon until August 3, 2026.

BACKGROUND AND JUSTIFICATION:

On October 2, 2013, the City of Lake Worth Beach ("City") entered into a lease agreement with E.R. Bradley's Triple Crown Club L.W., LLC, for operation of the restaurant at the Lake Worth Beach Municipal Golf Course known as the Beach Club. On August 23, 2016, the parties entered into an amendment that extended the lease to a total term of thirteen (13) years, establishing an expiration date of August 3, 2026. Under the Charter, the City is limited to a lease of less than 20 years without a referendum with any specific tenant at the golf course. The maximum extension that may be negotiated with the current tenant is approximately seven (7) years. The current base rent under the amended agreement is \$4,500 per month, with annual increases of two percent (2%) each year for the first five (5) years of the lease term. The tenant pays for cooking gas and certain interior services, while the City covers the majority of utilities and maintenance obligations. The current rent is \$4,968.37 per month.

In anticipation of the upcoming lease expiration, the City procured a Market Rent Analysis from Anderson & Carr, Inc., delivered June 24, 2025. The appraisal evaluated the 6,077-square-foot Beach Club restaurant facility located at One 7th Avenue North and concluded that the current market rent is approximately \$20.00 per square foot on a gross basis, equating to \$121,540 annually or \$10,128 per month (the Anderson & Carr report does include the restrooms and locker rooms and does not include the outside deck square footage-2,515). This determination was based on comparable municipal waterfront and golf-course restaurant leases throughout Palm Beach County, with market rents ranging from \$19.74 to \$20.90 per square foot.

Regardless of the direction to seek a new tenant or extend the lease with the existing tenant, staff recommends amending the description of the leased space to clearly state that the men's and ladies rest rooms and locker rooms are not included in the lease and that the corridor (entry-way), the deck, and the patio are included. This would result in a total leased space of 7,094 square feet. With this clarification on the leased space, the Beach Club has revenue potential for \$11,823 per month and \$141,880 annually, based on the Anderson & Carr report of \$20.00 per square foot.

The analysis highlights a significant gap between the existing contract rent (\$4,968.37 /month) and the estimated market rent (\$11,823 /month). This discrepancy, combined with the upcoming lease expiration, necessitates policy direction from the City Commission regarding the preferred path forward - whether to pursue renegotiation with the current tenant, issue a competitive solicitation for restaurant operations, or explore alternative operational models for the facility.

Given the strategic location of the Beach Club, the value of the waterfront and golf-course setting, and the importance of ensuring equitable return on public assets, staff is requesting Commission direction establishing the framework and expectations for future lease negotiations or procurement.

MOTION:

Request for the Commission to discuss and provide directions to staff on the way forward with the Beach Club lease.

ATTACHMENT(S):

Anderson Carr Market Analysis
Beach Club Agreement

Beach Club Agreement 1st Amendment

FISCAL IMPACT ANALYSIS

Five Year Summary of Fiscal Impact:

Fiscal Years	2026	2027	2028	2029	2030
Inflows/Revenues					
Appropriated (Budgeted)	\$49,683.37	0	0	0	0
Program Income	0	0	0	0	0
Grants	0	0	0	0	0
In Kind	0	0	0	0	0
Outflows/Expenditures					
Appropriated (Budgeted)	0	0	0	0	0
Operating	0	0	0	0	0
Capital	0	0	0	0	0
Net Fiscal Impact <i>(If not budgeted)</i>	0	0	0	0	0
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0

Revenue (Budgeted)	
	Revenue
Department	Leisure Services
Division	Golf
GL Description	Golf Course Restaurant
GL Account Number	404-0000-347.35-90
Project Number	N/A
Requested Funds	\$49,683.37 (\$4,968.37 X 10 months, 10/1/25-7/31/26)
Remaining Balance	TBD
Source of Revenue (i.e. Paygo. Current Revenue, Bond Money, Grants, etc.)	Rent