



City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	File No.:	Item Type:		1 st Reading	2 nd Reading
8/5/2026	26-252	☒ Resolution ☐ Ordinance ☐ Other	Ordinance Reading	N/A	N/A
			Public Hearing	☐	☐
			Advertising Required	☐	☐
			Quasi-Judicial:	☐	☐
Fiscal Impact (\$):	Account Balance (\$):		Funding Source:	Project Number:	
N/A	N/A		Revenue Source 7210-347220	N/A	
Contract Required:	P.O. Required:	RFP/RFQ/Bid Number:	Sponsor Name:	Department:	
☒ Yes ☐ No	☐ Yes ☒ No	N/A	Cathie Schanz, CPRE, PROS Director	Parks, Recreation and Open Spaces	
Strategic Plan Focus Areas:					
☒ Fiscal Stability	☒ Resident Services	☐ Public Safety	☒ Infrastructure & Mobility	☐ Economic Development & Affordable Housing	
Implementation Timeline:					
Estimated Start Date: 9/1/2026			Estimated End Date: 12/6/2042		

SHORT TITLE:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA APPROVING AMENDMENT NO. 2 TO THE OPERATING AND MANAGEMENT AGREEMENT WITH OPERATOR PRH BEACHWALK BEACHCLUB, LLC, TO ENHANCE AND EXPAND THE 111 SURF RD. NORTH CITY BEACH PARK AMENITIES, EXPAND ACCESS TO PUBLIC BEACH PARKING, AND INCREASE THE CITY'S OPERATING FEE REVENUES; AND PROVIDING AN EFFECTIVE DATE.

STAFF SUMMARY:

Summary:

This item seeks City Commission approval to amend the Operating and Management Agreement ("Agreement") between PRH Beachwalk Beachclub, LLC ("Operator"), PRH-2600 Hallandale Beach, LLC ("Developer") and the City of Hallandale Beach for the construction, operation, management, and maintenance of the facilities at North City Beach Park, 111 Surf Rd.

Background:

On December 6, 2012, the City entered into the Operating and Management Agreement for the construction, operation, management, and maintenance of City property located at 111 Surf Road known as North City Beach Park. The Operating and Management Agreement has a term of 30 years.

In 2015, as the build out of the restaurant neared completion, the Operator presented SBERG Management LLC ("SBE") to the City Commission to be the restaurant sub-operator. On May 20, 2015, the City Commission approved the assignment of Restaurant Operator to SBE via Resolution #2015-39. SBE opened Hyde Beach Kitchen and Cocktails ("HBKC") in August of 2015.

The Operator has determined that the HBKC concept had not proven to be the ideal fit for the location and customer base, which negatively impacted its financial performance. Accordingly, the Operator proposed to replace SBE with a new restaurant sub-operator, Beach-Chu Hallandale LLC, an affiliate of Azumi Limited ("Azumi") and on March 1, 2017, the City Commission adopted Resolution #2017-029 approving Beach-Chu Hallandale, LLC, an affiliate of Azumi Limited, as operator of the restaurant at the City's North City Beach Park.

On March 10, 2017, the parties entered into Amendment No. 1 to the Operating and Management Agreement amending the term, resident discount, parking, operating hours, chairs and umbrellas, taxes and assessments, operating fee, gross revenue reporting requirement, sales revenue reporting requirement, bridge painting reimbursement, and periodic inspections sections.

Current Situation:

The Operator has completed a full evaluation of the long-term viability of the restaurant space and North City Beach Park and has requested to transition ETARU into a new Italian concept restaurant with a Beach Club Recreation Area. Please see exhibit 5 for the Italian concept presentation.

The operator feels Italian cuisine presents stronger growth potential, broader demographic appeal, and a more versatile culinary platform. The Italian concept allows an inclusive, family-friendly experience that aligns naturally with the beach and park setting and serves a wider audience of residents and visitors while increasing revenue opportunities and elevating the overall guest experience.

During the Restaurant renovations in phase one of the transitions, the beach bar will remain fully operational providing food and beverage service to the North City Beach Park visitors.

To complete the transition, the Operator requested permission to develop a Beach Club Recreation Area to North City Beach Park as a phase two enhancement of the location as a lifestyle destination that better serves residents, families, and visitors. The Beach Club Recreation Area will include a community-accessible lounging pool, renovated public restrooms, cabanas, and enhanced beach bar experience.

The Beach Club Recreation Area will be situated on the north side of the existing restaurant facility, west of the existing dunes. The amenities will support the new, family-friendly Italian Restaurant concept. Once approved, the Operator will provide a concept plan for City approval and begin the permitting process.

City Staff also reviewed other areas of the operations with the operator including beachfront rentals and valet parking to enhance the overall experience at North City Beach Park.

Over the past several years, the Operator's beachfront rental service has grown significantly and generates on average more than twenty-three percent (23%) of the gross revenue from the North City Beach Park operations.

The current agreement restricts the Operator from business practices that encourage growth and success in this area. Specifically, the current language prohibits the Operator from storing chairs on the beach or pre-setting chairs for their pre-paid clients. An amendment to the Agreement revising these terms to be more consistent with the City's courtesy chair service program will ensure continuity along our beach and ensure an enhanced beach experience for our visitors. In consideration of the additional permissions, the Operator will pay a five percent (5%) supplemental percentage of all gross revenue from the beachfront rental operations. The supplemental percentage will generate approximately \$90,000 in additional revenue to the City annually.

Conversely, the Operator's valet service has consistently underperformed and has unduly restricted beach visitors from utilizing the North City Beach Park public parking. An amendment to the Agreement will return of all public parking to City use at all times with the Operator being allowed to request permission to offer valet services, on a pre-approved basis, for special events. Returning the public parking will generate approximately \$82,000 in additional parking revenue to the City annually.

The Operator and City Staff believe this is the opportune time to make certain amendments to the Agreement.

The following are the items that are included in Amendment #2 (Exhibit 2)

1. **Corrects the name to "North City Beach Park".** Please see page one, lines 35 & 36 of Exhibit 2.
2. **Attaches additional exhibits to the amendment.** Please see page one, lines 41-45 of Exhibit 2.
3. **Creates a new section.** The amendment requires the Operator and Developer to provide a Beach Club Recreation Area and provides that the recreation area site will be returned to the City for its purposes if the area is not developed. Please see pages one and two, lines 47-53 of Exhibit 2.
4. **Parking.** The existing language in the Agreement is being amended to establish that the City manages all parking spaces at all times providing the Operator the opportunity to request prior written permission to offer Valet Services for special occasions. Please see page two, lines 54-74 of Exhibit 2.

5. **Beachfront Rental Operation.** The existing language in the Agreement is being amended to allow the operator to store equipment on the beach and preset chairs and umbrellas. The amendment also adds the rules and regulations for the beach chair service consistent with the City's Courtesy Beach Chair Service rules and regulations. Finally, the amendment establishes a supplemental percentage fee of five percent (5%) of all Gross Revenue from the beachfront rental operations. Please see pages three to seven, lines 76-331 of Exhibit 2.

Pursuant to section 14 of the Operating and Management Agreement, Changes to the Improvements. After the Improvements have been completed, Operator will not make any further alterations or additions ("Changes") to the Improvements without the City's prior written consent.

Why Action is Necessary:

Pursuant to Code of Ordinances, in accordance with Procurement Code Section 23-16, Change Orders, (a) Any change in the contract price, scope of work or time for completion of any project purchase following the award of a contract shall be by a written change order, approved and executed with the same formalities as the contract.

Cost Benefit:

Approval of the Agreement amendment will enhance and expand the North City Beach Park amenities, expand access to public beach parking, and increase the City's Operating Fee revenues.

PROPOSED ACTION:

The City Commission considers the attached Resolution.

ATTACHMENT(S):

Exhibit 1 - Resolution
Exhibit 2 – NCBP Operating and Management Agreement
Exhibit 3 – NCBP Operating and Management Agreement Amendment 1
Exhibit 4 – NCBP Operating and Management Agreement Amendment 2
Exhibit 5 – Italian Concept Presentation

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