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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

MEMORANDUM Agenda Item No. 8(K)(1)

TO: Honorable Chairman Joe A. Martinez and Members, Board of County Commissioners

DATE: April 3, 2012

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Resolution authorizing amendment No. 1 to the Cruise Terminal Agreement between Miami-Dade County and Norwegian Cruise Lines, Ltd.

Resolution No. R-295-12

The accompanying resolution was prepared by the Port of Miami Department and placed on the agenda at the request of Prime Sponsor Commissioner Rebeca Sosa.

R. A. Cuevas, Jr.
County Attorney

RAC/up

Memorandum

MIAMI-DADE COUNTY

Date: April 3, 2012

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

Subject: Resolution Authorizing Execution of Amendment No. 1 to the Cruise Terminal Agreement between Miami-Dade County and Norwegian Cruise Lines (Bahamas) Ltd.

RECOMMENDATION

It is recommended that the Board approve the accompanying resolution authorizing the execution of Amendment No. 1 ("First Amendment") to the Cruise Terminal Agreement between Miami-Dade County ("County") and Norwegian Cruise Lines (Bahamas) Ltd ("Norwegian").

SCOPE

PortMiami is located within District 5 – Commissioner Bruno A. Barreiro. The impact of this agenda item is countywide as PortMiami is a regional asset and generates employment for residents throughout Miami-Dade County.

FISCAL IMPACT/FUNDING SOURCE

The current Agreement between the County and Norwegian has a ten (10) year term with one five (5) year renewal period at Norwegian's sole option, exercisable in 2018. This First Amendment extends the term of the Agreement an additional three (3) years through September 30, 2021 and retains the existing five (5) year renewal option. This additional three (3) year period will increase Norwegian's passenger count by a minimum of 3 million passengers and generate approximately $50 million in guaranteed revenues from Fiscal Years 2019 through 2021.

This First Amendment provides Norwegian incentives to Home Port the new *Norwegian Getaway* in Miami beginning spring 2014 for a minimum of three (3) years with year-round service. Once this ship arrives to Miami in spring 2014, Norwegian's minimum Passenger Movements shall increase from 720,000 Passenger Movements (in the current Agreement) to 1,000,000 Passenger Movements annually through the term.

In recognition of the increased number of passengers that will travel through the Port, the County will pay a Onetime Marketing Incentive to Norwegian in the amount of $1.4 million no later than November 15, 2012. Additionally, in lieu of improvements to Port infrastructure that Norwegian has earned through the current Agreement's term (currently totaling $1.6 million), the Port shall pay Norwegian a Facility Improvement Payment of $1.6 million, thus eliminating the current $1.6 million accrual. These incentives, totaling $3 million, will be paid via the Port's revenue funds.

Throughout the new term, the County will provide an Annual Marketing Inventive to Norwegian based on certain passenger thresholds as set forth in Amendment Exhibit A1. This incentive is expected to be approximately $950,000 during FY 2014. These incentives will also be paid via the Port's revenue funds and are similar to incentives in agreements with other cruise lines.

The Amendment increases the minimum net guarantee to the Port from $81 million to $141 million (after incentives) to the County over the new Term. The average annual guarantee has also increased by approximately twenty-four percent (24%).

Norwegian is current on all their obligations to the Port and their account is in good standing with the County.

TRACK RECORD/MONITOR
The Seaport Department staff members responsible for monitoring the Agreement are Juan Kuryla, Deputy Port Director, Kevin Lynskey, Assistant Port Director, Business Initiatives, and Hydi Webb, Business Development Manager.

BACKGROUND
PortMiami and Norwegian have shared a long and prosperous business relationship over the last 45 years. Miami and Norwegian have a very unique relationship in the sense that Norwegian is one of the very few cruise lines that have committed PortMiami as its exclusive homeport in the South Florida region. This relationship guarantees all Norwegian passengers sail out of Miami-Dade County. Today, Norwegian is a leader in the cruise industry, operating a fleet of 11 vessels with another 2 vessels on schedule for delivery by spring 2014.

On December 16, 2008, the Board approved Resolution R-1442-08, which authorized the execution of a Cruise Terminal Agreement with Norwegian. This Agreement has a ten (10) year term with a five (5) year renewal period at Norwegian's option, exercisable in 2018. The Agreement has been profitable for both parties as it has provided the Port with significant guaranteed passenger volumes and revenues in return for financial incentives based on guaranteed volume increases.

Norwegian has an exciting new build program with the introduction of two (2) 4,000-passenger vessels, the *Norwegian Breakaway* ("*Breakaway*") and *Norwegian Getaway* ("*Getaway*"), on order for delivery in spring 2013 and spring 2014 respectively. In late 2011 Norwegian announced the *Breakaway* will homeport from the Port of New York. However, Norwegian and PortMiami have been working throughout the last several months to secure Miami as the Caribbean Home Port to the 144,000-ton *Getaway*. Norwegian intends to announce this deployment schedule, upon Board approval of this Amendment.

Responding to the opportunity to Home Port the new *Getaway* in Miami, the proposed Amendment No. 1 to the Agreement is recommended for approval. Under the proposed terms, Norwegian commits the following to the County:

- Passenger Movement Guarantees will remain at six hundred fifty thousand (650,000) passengers during Fiscal Year 2012 and six hundred thousand (600,000) passengers for Fiscal Year 2013, as committed in the 2008 Agreement.
- Beginning Fiscal Year 2014 through Fiscal Year 2021, Norwegian will guarantee no less than one million (1,000,000) Passenger Movements annually.
- Norwegian will homeport the *Getaway* in Miami beginning spring 2014 for a minimum of three (3) years with year-round service.
- Norwegian agrees to host the ship's official naming ceremony at PortMiami.

In order to receive this new ship and pledge, Norwegian will receive the following incentives:

- Passenger Surplus Movements: means the number of Passenger Movements generated by Norwegian in any given Fiscal Year, ending September 30th, which exceeds the minimum number of Passenger Movements required to satisfy the guaranteed requirements of Norwegian, which may be used to offset shortfalls in subsequent years. Commencing Fiscal Year 2012 and through the term, Norwegian

shall have the right to accrue Passenger Surplus Movements. Such surplus may be applied beginning in Fiscal Year 2014 and continue through the Term. The maximum amount of Passenger Surplus Movements which may be applied in any Fiscal Year shall not exceed fifty thousand (50,000) passenger moves during each of Fiscal Years 2014 through 2016 and one hundred fifty thousand (150,000) passenger moves during each of Fiscal Years 2017 through the end of the Term. This incentive is similar to incentives in other agreements with cruise lines.

- Onetime Marketing Incentive: in recognition of the increased number of passengers that will arrive at the Port, the County will pay a Onetime Marketing Incentive to Norwegian in the amount of One Million Four Hundred Thousand dollars ($1.4 Million) no later than November 15, 2012.
- Annual Marketing Incentive: the County will provide an Annual Marketing Inventive to Norwegian based on certain passenger thresholds as set forth in Amendment Exhibit A1. The incentive is expected to be approximately $950,000 during FY 2014 and expected to increase by 3% annually through the Term. The applicable marketing incentive will be paid to Norwegian by the County within sixty (60) days of the close of each Fiscal Year and is consistent with incentives in agreements with other cruise lines.
- Facility Improvement Payment: in lieu of improvements to Port infrastructure that Norwegian has earned through the current Agreement's term (currently totaling $1.6 million), the Port shall pay Norwegian a Facility Improvement Payment of $1.6 million, thus eliminating the current $1.6 accrual. This payment shall be computed by multiplying every one hundred thousand (100,000) Passenger Movements that Norwegian exceeded its Total Minimum Guarantee during Fiscal Years 2009 through 2011, which computes to One Million Six Hundred Thousand Dollars ($1.6 Million). The Port shall make this payment to Norwegian no later than November 1, 2012. It is important to note that Norwegian does not require, nor is asking for, improvements to Terminals B or C. The cruise terminal improvements as provided for in Exhibit C of the Agreement have all been completed.
- The above-referenced incentives will be paid by the County to Norwegian from Port revenues.

The Port and Norwegian have agreed to establish a pool of qualified passenger screening service providers in the near future. To accomplish this, the Parties agree to amend the Stevedoring and Security Service Access and Unitary Invoice Agreement between Miami-Dade County and Norwegian Cruise Lines (Bahamas), Ltd ("Access Agreement"), approved by the Board via Resolution No. R-1431-09 to include passenger screening within the scope of the Access Agreement. It is intended for this Amendment to allow for the County to enter into a contract with a vendor selected by Norwegian for passenger screening services ("Screening Contract") from a pool of competitively selected providers. Subject to approval by the Board of County Commissioners, the County will amend the current Access Agreement and enter into the Screening Contract prior to May 1, 2012.

This method for obtaining a pool of passenger screening service providers is modeled after and is similar to the Security Service Agreement between the County and Royal Caribbean Cruises approved by the Board in June 2009. Other cruise line tenants have expressed interest in the County performing a competitive process for a pool of passenger screening services. Such service will be offered to all cruise lines sailing from the Port.

The following incentives shall be deleted from the 2008 Agreement:

- Water Consumption: currently if Norwegian operates a vessel with a capacity of 2,000 passengers or more with sailings twice per week on weekdays for at least eight (8) months per fiscal year, Norwegian receives up to $250,000 in credits of free water. This provision shall be deleted from the Agreement and shall not be applicable in the Amendment.
- Shortfall Payments: a Shortfall Payment is a payment made by Norwegian in any Fiscal Year in which Norwegian generates fewer Passenger Movements than committed to through its Minimum Annual Guarantee or Total Minimum Annual Guarantee. The Agreement currently commits Norwegian to Minimum Annual Guarantees as well as to five (5) year total commitments. Thus, in the event Norwegian makes a shortfall payment to the County in either of the five-year periods while equaling or totaling its Passenger Movement commitment in aggregate for the five-year period, the County is currently obligated to reimburse Norwegian any Shortfall Payments. This Amendment shall delete the County's responsibility to reimburse Norwegian any Shortfall Payments.

The effective date of this Amendment shall be after approval of this Amendment No. 1 by the Miami-Dade County Board of County Commissioners and the expiration of any applicable Mayoral Veto period. Nevertheless, the above-referenced incentives shall be applicable as of October 1, 2011, to coincide with the start of the County's 2011/12 Fiscal Year.

DELEGATED AUTHORITY

In accordance with Section 28.3 of the Miami-Dade County Code related to identifying delegation of the Board authority, there are no authorities beyond that specified in the resolution which include the authority for the Mayor or his designee to execute the Agreement.

Deputy Mayor

MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez and Members, Board of County Commissioners

DATE: April 3, 2012

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 8(K)(1)

Please note any items checked.

_____ **"3-Day Rule" for committees applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **No committee review**

_____ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous_____) to approve**

✓ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(K)(1)
4-3-12

RESOLUTION NO. R-295-12

RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO THE CRUISE TERMINAL AGREEMENT BETWEEN MIAMI-DADE COUNTY AND NORWEGIAN CRUISE LINES (BAHAMAS) LTD.; AND AUTHORIZING THE MAYOR OR THE MAYOR'S DESIGNEE TO EXECUTE THE AMENDMENT NO. 1 FOR AND ON BEHALF OF MIAMI-DADE COUNTY AND TO EXERCISE ANY CANCELLATION AND RENEWAL PROVISIONS THEREIN

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board:

Section 1. Approves the execution of Amendment No. 1 to the Cruise Terminal Agreement between Miami-Dade County and Norwegian Cruise Lines (Bahamas) Ltd., in substantially the form attached hereto and made a part hereof; and

Section 2. Authorizes the Mayor or the Mayor's Designee to execute this Amendment No. 1 after review and approval by the County Attorney's Office, and to exercise any cancellation and renewal provisions therein.

The foregoing was offered by Commissioner **Rebeca Sosa**, who moved its adoption. The motion was seconded by Commissioner **Jose "Pepe" Diaz** and upon being put to a vote, the vote was as follows:

Joe A. Martinez, Chairman			**absent**
Audrey M. Edmonson, Vice Chairwoman			**aye**
Bruno A. Barreiro	**aye**	Lynda Bell	**aye**
Esteban L. Bovo, Jr.	**absent**	Jose "Pepe" Diaz	**aye**
Sally A. Heyman	**aye**	Barbara J. Jordan	**aye**
Jean Monestime	**aye**	Dennis C. Moss	**absent**
Rebeca Sosa	**aye**	Sen. Javier D. Souto	**aye**
Xavier L. Suarez	**aye**		

The Chairperson thereupon declared the resolution duly passed and adopted this 3rd day of April, 2012. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: Christopher Agrippa
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Richard Seavey

AMENDMENT NO. 1 TO THE CRUISE TERMINAL AGREEMENT BETWEEN MIAMI-DADE COUNTY AND NCL (BAHAMAS) LTD.

THIS AMENDMENT No. 1 (this "First Amendment") is made and entered into this _____ day of _____, 2012, by and between Miami-Dade County, Florida, a political subdivision of the State of Florida, hereinafter referred to as the "County," which owns and operates the Dante B. Fascell Port of Miami-Dade, hereinafter referred to as the "Port," and NCL (Bahamas) Ltd., d/b/a Norwegian Cruise Line, a Bermuda corporation, hereinafter referred to as "Norwegian."

WHEREAS, Norwegian is a large cruise customer of the Port and has handled an average of 875,000 passengers annually over the last three (3) years;

WHEREAS, Norwegian operates a fleet of eleven (11) vessels with another two (2) vessels scheduled for delivery by spring 2014; and

WHEREAS, the County and Norwegian entered into a Cruise Terminal Agreement (the "Agreement") which was approved by the Miami-Dade Board of County Commissioners by Resolution No. R-1442-08 on December 16, 2008; and

WHEREAS, the County and Norwegian now desire to enter into this First Amendment to the Agreement in order to extend the term of the Agreement to 2021 and make other revisions to the Agreement as set forth below;

WHEREAS, any reference to Norwegian in the Agreement is hereby replaced with Norwegian; and

NOW, THEREFORE, and in consideration of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Section 4 of the Agreement shall be amended as follows:

   The term of the Agreement is hereby extended through September 30, 2021 ("Term"). Notwithstanding the extension of the Term of the Agreement, Norwegian shall be entitled, at its sole option, to extend the Term of the Agreement for up to one (1) additional term of five (5) years, as provided for in and pursuant to the conditions of Section 4 of the Agreement ("Renewal Term").

2. The effective date of this First Amendment shall be the date on which this First Amendment is executed after this First Amendment is approved by the Miami-Dade County Board of Commissioners and any applicable Mayoral Veto period has expired. Notwithstanding the foregoing effective date of this First Amendment, the parties agree that all incentives contained herein shall be based on the County's fiscal year at the time of execution of this Agreement (October 1, 2011).

3. The definition of "Effective Date" in Section 2 of the Agreement shall be deleted in its entirety and replaced with the following:

(j) **"Effective Date"** shall have the meaning set forth in Section 2 of this First Amendment, except that the Parties' rights and obligations which have accrued under the Agreement prior to the Effective Date as amended shall continue except as specifically modified by this First Amendment.

4. The following definitions shall be added at the end of Section 2 of the Agreement:

(jj) **"Facility Improvement Payment"** means a one-time payment by the County to Norwegian in lieu of terminal improvement credits as set forth in Section 3(i) of the Agreement.

(kk) **"Norwegian Getaway Commitment"** shall have the meaning set forth in Section 8 of this First Amendment.

(ll) **"Onetime Marketing Incentive"** means a one-time marketing incentive payable to Norwegian for its increased passenger movement guarantees to the Port.

(mm) **"Passenger Surplus"** means the number of Passenger Movements generated by Norwegian in any given Fiscal Year ending September 30 which exceeds the minimum number of Passenger Movements required to satisfy the guarantee requirements of Norwegian, which may be used by Norwegian to offset Shortfalls in subsequent years.

(nn) **"Annual Marketing Incentive"** means an annual payment associated with an increased passenger throughput as set forth in Amendment Exhibit "A1".

5. Exhibit A of the Agreement shall be deleted in its entirety and replaced with the following:

Commencing October 1, 2011 and in each Fiscal Year of the Initial Term, Norwegian shall generate in Passenger Movements of no less than the following amounts set forth below that corresponds to the applicable Fiscal Year:

(i) FY 2012: (Oct 1, 2011 – Sept 30, 2012): 650,000 Passenger Movements

(ii) FY 2013 (Oct 1, 2012 – Sept 30, 2013): 650,000 Passenger Movements

(iii) FY 2014 and for each Fiscal Year thereafter, through and including the Fiscal Year ending September 30, 2021, the Minimum Annual Guarantee shall be One Million (1,000,000) Passenger Movements.

6. The following will be added to the Agreement as new section 3(b)(v):

(v) Water charges in the Unitary Fee shall be adjusted annually to capture anticipated water expenses and to reconcile any undercharge or overcharge from previous Fiscal Year. In the final year of the Agreement, any overpayment or underpayment will be made in full within 90 days.

7. The following shall be added to the Agreement as new section 3(c)(v):

(v) During the Fiscal Year commencing October 1, 2011 and continuing through the Term, Norwegian shall have the right to accrue Passenger Surplus Movements. Such Passenger Surplus Movements may be applied in Fiscal Year ending September 30, 2014 and continue through the Term. The maximum amount of Passenger Surplus Movements which may be applied in any Fiscal Year shall be limited as follows:

Fiscal Year	Maximum Annual Passenger Movements
FY 2013/14	50,000 passenger moves
FY 2014/15	50,000 passenger moves
FY 2015/16	50,000 passenger moves
FY 2016/17 – Term	150,000 passenger moves

8. Sections 3(c)(i) and 3(c)(iii) shall be deleted in their entirety.

9. The following shall be added to the Agreement as new Section 3(k):

(k) *Norwegian Getaway* Commitment:

(i) Norwegian agrees to home port its new *Norwegian Getaway* in Miami commencing spring 2014 for a minimum of three (3) years with year-round service.

(ii) Norwegian agrees to host the ship's official naming ceremony at the Port in spring 2014.

(iii) In recognition of the increased number of cruise passengers that will arrive to the Port as a result, in part, of the deployment of the *Norwegian Getaway*, the County will pay to Norwegian a Onetime Marketing Incentive in the amount of One Million Four Hundred Thousand Dollars ($1.4 million). The County shall pay Norwegian the incentive no later than November 15, 2012. This incentive shall

be in addition to any other payments or financial incentives payable by the County to Norwegian under the Agreement.

10. The following shall be added to the Agreement as new Section 3(e)(viii):

(viii) As an incentive to Norwegian to berth vessels at the Port, *the County hereby* grants Norwegian an Annual Marketing Incentive in the amount set forth in Amendment Exhibit "A1" hereto for each Fiscal year, subject to and based on the passenger thresholds set forth therein. County shall pay Norwegian the incentive due pursuant to Amendment Exhibit "A1" within sixty (60) days of the end of each Fiscal Year. This incentive shall be in addition to any other payments or financial incentives by the County to Norwegian under the Agreement.

11. Section 3(i) of the Agreement shall be amended to add the following at the end of Section 3(i):

In lieu of improvements to Port infrastructure that were earned prior to the date of this Agreement, the Port shall pay Norwegian a one-time Facility Improvement Payment ("Payment") during the Term of the Agreement. The Payment shall be computed by multiplying every 100,000 passenger movements that Norwegian exceeds its Total Minimum Annual Guarantee during Fiscal Years 2009, 2010, and 2011, which computes to One Million Six Hundred Thousand Dollars ($1.6 Million). Norwegian shall be entitled to the Payment and the Port shall make payment to Norwegian on the latter of October 1, 2012 or 180 days after the effective date of this First Amendment, but no later than November 1, 2012.

12. The following will be included in the Agreement.

The County agrees that it use commercially reasonable efforts to enter into a contract with a vendor selected by Norwegian for the provision of screening services for Norwegian passengers ("Screening Contract"), provided that (1) Norwegian shall agree to pay to the County the funds necessary to pay all invoices sent to the County by such vendor selected for the Screening Contract, and (2) Norwegian shall agree to amend the Stevedoring and Security Service Access and Unitary Invoice Agreement Between Miami-Dade County And Norwegian (Bahamas), Ltd. ("Access Agreement") to include the Screening Contract within the scope of the Access Agreement. Subject to approval by the Board of County Commissioners, the County will amend the Access Agreement and enter into the Screening Contract prior to May 1, 2012

As a condition precedent to, or concurrent with, the County's obligations set forth above, Norwegian hereby agrees that it will make payment to the County any funds necessary for any invoices received by the County from the vendor for passenger screening services, and Norwegian hereby agrees to amend the

13. Sections 3(e)(i) and 3(e)(v) of the Agreement shall be deleted in their entirety.

14. The Agreement, as amended by this First Amendment, and all of the terms, conditions, and warranties contained therein, are hereby reaffirmed and shall continue in full force and effect except as specifically modified by this First Amendment.

15. The recitals set forth above are incorporated into the body of this First Amendment as if fully set forth herein.

16. This First Amendment shall be governed by the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed in their respective corporate names by the appropriate officers, and have their respective corporate seals to be affixed hereto, all as of the day and year first written above.

Norwegian Cruise Line	MIAMI-DADE COUNTY, FLORIDA
By: _____ Kevin M. Sheehan President and Chief Executive Officer	_____
ATTEST: By: _____ Betty Yanckowitz	ATTEST:
	Clerk of the Board
	____ Approved as to form and legal sufficiency

STATE OF FLORIDA)
)ss:
COUNTY OF MIAMI-DADE)

BEFORE me, the undersigned authority duly authorized by law to administer oaths and to take acknowledgments, personally appeared Kevin M. Sheehan, holder of Florida Driver's License No. S500-513-53-254-0, whose name is subscribed to the within Amendment No. 1 to the Cruise Terminal Agreement between Miami-Dade County and NCL (Bahamas) Ltd. and who acknowledged that he executed the Amendment.

SWORN TO AND SUBSCRIBED before me this 9th day of March 2012.

NOTARY PUBLIC-STATE OF FLORIDA

My Commission expires:

JACQUELINE H. ROBERTS
MY COMMISSION # DD 776191
EXPIRES: July 25, 2012
Bonded Thru Notary Public Underwriters

Amendment No. 1 to the Cruise Terminal Agreement
Between Miami-Dade County and NCL (Bahamas) Ltd.

Amendment Exhibit A1

As an incentive to Norwegian to increase its passenger throughput at the Port, the County will provide an Annual Marketing Incentive payment based on the total number of passengers which Norwegian brings to the Port during each Fiscal Year (commencing with Fiscal Year 2014) in accordance with the following schedule:

Passenger Threshold (1)	Fiscal Year 2014 Incentive (2)
Up to 1,000,000	$ 950,000
1,000,001 to 1,050,000	$1,060,000
1,050,001 to 1,100,000	$1,195,000
1,100,001 to 1,150,000	$1,340,000
1,150,001 to 1,200,000	$1,495,000
1,200,001 to 1,250,000	$1,655,000
1,250,001 to 1,300,000	$1,825,000
1,300,001 to 1,350,000	$2,000,000
1,350,001 to 1,400,000	$2,185,000
1,400,001 to 1,450,000	$2,380,000
1,450,001 to 1,500,000	$2,580,000
1,500,001 to 1,550,000	$2,785,000
1,550,001 to 1,600,000	$3,005,000
1,600,001 to 1,650,000	$3,230,000
1,650,001 to 1,700,000	$3,460,000
1,700,001 to 1,750,000	$3,700,000
1,750,001 to 1,800,000	$3,950,000
1,800,001 to 1,850,000	$4,205,000
1,850,001 to 1,900,000	$4,470,000
1,900,001 to 1,950,000	$4,740,000
1,950,001 to 2,000,000	$5,020,000

(1) Passenger embarkation and debarkation (total passenger movements) based on ship manifest.
(2) The incentive amount is not cumulative and will correspond to the achievement of each passenger threshold. Incentive will increase by a maximum 3% corresponding to the annual percent increase to wharfage and dockage per Fiscal Year through term.

The Annual Marketing Incentive for FY 2013 will be $525,000.