

EXPLANATION OF CONSENT AGENDA ITEM E.2.c.(3) – June 7, 2017

ITEM:

Consideration of approving the First Amendment to Operating Agreement with Royal Caribbean Cruise Line dated June 20, 2014. The document has been reviewed and approved by RCCL Legal Department and CPA General Counsel. (B. Giangrisostomi)

EXPLANATION:

The current Operating Agreement with RCCL was approved at the June 18, 2014 meeting of the Board of Commissioners. The Agreement has a term of 10 years (with two (5) year renewals) and included provisions for recovery of certain capital cost expenditures associated with the construction of Cruise Terminal 1.

The First Amendment to the Operating Agreement increases the amount of the capital cost to be recovered by CPA to account for changes in project scope and to replace the estimated construction costs with actual construction costs. The capital cost recovery amount was also adjusted to credit RCCL with non-RCCL cruise lines' use of CT1. Additional revisions include the updating the Cruise Schedule for the next season and changing priority berthing to be only at CT 1 instead of Mondays and Fridays at CT10.

FUNDING REVIEW BY FINANCE (Pat Poston):**STAFF RECOMMENDS APPROVAL:**