



STAFF REPORT
City of Dripping Springs
PO Box 384
511 Mercer Street
Dripping Springs, TX 78620

Submitted By: Michelle Fischer, City Administrator

Council Meeting Date: February 21, 2023

Agenda Item Wording: **Discuss and consider sponsorship and vendor agreements for Founders Day Festival related to sale of food and beverage, including alcohol beverages. Sponsor: Mayor Foulds, Jr.**

Agenda Item Requestor: Michelle Fischer, City Administrator

Summary/Background: The Founders Day Festival Sponsorship Committee has received inquiries from potential sponsors asking if they can get a location in the festival to sell food or alcoholic beverages as part of their sponsorship benefits. The \$10,000 sponsorship level is a level that is customized and is being considered for these potential sponsorships.

Historically, the city has not allowed alcoholic beverage sales within the festival area except for sales by the Knights of Columbus, which is a nonprofit organization. This has been in an effort to support alcoholic beverage sales at the nearby brick and mortar businesses.

The Founders Day Sponsorship Committee would like to know if the City Council will allow a festival sponsorship level to include allowing the sponsor to sell food or alcoholic beverages during the event. Staff recommends that if allowed, no more than five of such \$10,000 sponsorships be designated. Staff also recommends that the Sponsorship Committee pursue the payment of a percentage of food/alcoholic sales as part of the sponsorship, or pursue a higher sponsorship amount as an alternative. Other Founders Day Festival participants (for example, DS Cook-Off Club, DS Lions Club, St. Martin de Porres) pay 25% of their revenues to the city.

Space for food and beverage vendors is very limited. Local food establishments have tried to obtain vendor spots and have not been able to acquire them. The Founders Day Festival Commission is looking at potential areas for sponsors that may be allowed to sell food or alcoholic beverages.

Expenses for the festival have grown significantly in recent years. Being able to offer some sponsorships that allow the sell of food and alcoholic

beverages is expected to increase sponsorship revenues and allow local food and alcoholic beverage vendors to participate.

**Commission
Recommendations:**

There is not a recommendation from the Founders Day Festival Commission. This issue came up recently and was not able to be placed on the Commission's last meeting agenda for consideration.

**Recommended
Council Actions:**

Approve up to five \$10,000 sponsorships that allow the sponsor to sell food or alcoholic beverages. Staff also recommends that the Sponsorship Committee pursue the payment of a percentage of food/alcoholic sales as part of the sponsorship, or pursue a higher sponsorship amount as an alternative.

These sponsorships will require a Sponsorship & Participation Agreement that includes the obligations of the city and the sponsor/participant. This agreement could be administratively approved.

Attachments:

Founders Day Festival Sponsorship Opportunities Document

Next Steps/Schedule:

Notify Founders Day Festival Sponsorship Committee of City Council's action.