



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

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**Submitted By:** Johnna Krantz, Community Events Coordinator

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**Commission Meeting Date:** February 27, 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.**

**Agenda Item Requestor:** City Council

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**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:**

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.

**Recommended  
Council Actions:**

At the February 21<sup>st</sup> City Council meeting, the Council requested this item be discussed by the Commission to determine appropriate sponsorship levels considering either percentage of sales or higher sponsorship amount.

**Attachments:**

Founders Day Festival Sponsorship Opportunities Document

**Next Steps/Schedule:**

Work with City Attorney to develop appropriate contracts for sponsorship levels.