



AGENDA ACTION FORM

Consideration of a Resolution Authorizing the Mayor to Sign the Pepsi Addendum for the City of Kingsport, Kingsport Aquatic Center

To: Board of Mayor and Aldermen

From: Chris McCartt, City Manager *CM*

Action Form No.: AF-180-2023

Work Session: June 19, 2023

First Reading: N/A

Final Adoption: June 20, 2023

Staff Work By: Wendy Terrazas

Presentation By: Michael T. Borders

Recommendation:

Approve the Resolution

Executive Summary:

If approved the Kingsport Aquatic Center's (KAC) agreement with Pepsi will be extended until May 31, 2026 or until the KAC has sold \$630,000 worth of packaged product.

The City entered into the original agreement with Pepsi for exclusive pouring rights in June of 2023 for a period of 10 years. In return Pepsi provided \$20,000 of initial support funds, \$2,500 of marketing support annually, support funds of \$2,000 annually, a rebate of \$2 per case of beverage, and free loan of equipment.

As of the end of 2022 the KAC has sold \$396,000 worth of packaged products. Support funds will not be provided past the tenth year of the agreement. If an amended agreement is not approved the City will be required to reimburse Pepsi for some support funds.

KAC staff is actively working with Pepsi to increase sales by adding vending options, signage, and a quick service line.

Attachments:

1. Resolution
2. Addendum

	Y	N	O
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Montgomery	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—