



AGENDA ACTION FORM

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

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-112-2026
Work Session: April 20, 2026
First Reading: N/A
Final Adoption: April 21, 2026
Staff Work By: Wendy Terrazas
Presentation By: Michael Borders

Strategic Focus Area: 3. Exceptional Cultural & Recreational Opportunities

Recommendation:

Approve the Resolution

Executive Summary:

If approved, the Kingsport Aquatic Center's (KAC) agreement with Pepsi will be extended for an additional five-year term, now expiring on February 28, 2031.

The City originally entered into an agreement with Pepsi for exclusive pouring rights in 2013, with an amendment in June 2023, now expiring in May 2026, that included annual marketing support, annual support funds, rebates on product purchases, and the provision of equipment. This amendment continues key elements of that agreement while updating financial terms and extending the partnership.

Notably, the Marketing Support of \$2,500 per year will continue throughout the newly extended term. The agreement now includes Annual Support Funds of up to \$2,000 per year for the extended term. Determination of Annual Support Funds will be based on maintaining the annual volume threshold of 1,300 cases per year. There is no longer a cash amount tied to the existing term.

Additionally, the rebate structure has been updated to provide increased returns on qualifying packaged products, further supporting operational revenue.

This amendment reflects a continued partnership with Pepsi while maintaining support for programming, operations, and guest experience at the Kingsport Aquatic Center.

Attachments:

- 1. Resolution
- 2. Amendment

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—