

Memorandum



CITY OF DALLAS

DATE August 22, 2025

TO Honorable Mayor and Members of the City Council

SUBJECT **August 27, 2025 - PepsiCo Agenda Item #59**

Background

In response to several questions at the August 13th City Council meeting related to the PepsiCo agreement, we wanted to provide this info to be used as more thorough responses. To be clear, this agreement with PepsiCo is a pouring rights deal, meaning that PepsiCo is paying us (over \$1.1M over 10 years) for the privilege to sell their product to our patrons in our facilities, which includes recreation centers, golf, and aquatic facilities. This contract is applicable to 54 of our facilities. It does not involve the remainder of our other 410+ parks nor does it involve sponsorship or advertising. Those opportunities are preserved for other deals with other companies. And it does not include our partner sites such as the Dallas Zoo, Arboretum, Klyde Warren, etc.

For all our pouring activities that occur at the golf courses and aquatic centers, we are able to purchase the soft drink syrup at advantageous pricing and retain the profit from those sales. In short, they pay us to sell their product, and we keep 100% of the profit (for all pouring). The City does not have an equivalent deal in place. The only somewhat related contracts are vending concession agreements (soda and snack machines) that provide the City a percentage of sales only.

Additionally, the Pepsi contract has the following elements that are applicable:

- Pouring rights revenue increases over the term of the contract (\$82K to \$107K) and is not static
- Additional \$20K per year to be used at the Department's discretion or converts to cash
- Additional sites can be added to the agreement
- Payment is based upon approximately 10K cases per year – doubling case sales would equate to a \$2.2M deal over 10 years
- Pepsi deal was by far the best offer of 3 – 44% higher and over 200% higher respectively

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Should you have any questions, please contact Ryan O'Connor, Deputy Director, at 214-670-4124.

John D. Jenkins, Director



Park and Recreation Department

c: Kimberly Bizzor Tolbert, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Dominique Artis, Chief of Public Safety
Dev Rastogi, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira

Alina Ciocan, Assistant City Manager
Donzell Gipson, Assistant City Manager
Robin Bentley, Assistant City Manager
Jack Ireland, Chief Financial Officer
Ahmad Goree, Chief of Staff
Directors and Assistant Directors