Memorandum

CITY OF DALLAS

DATE September 5, 2025

TO Honorable Mayor and Members of the Dallas City Council

SUBJECT **September 10, 2025 - PepsiCo Agenda Item #30**

On September 10, 2025, City Council will consider an item to authorize a ten-year beverage services contract with PepsiCo Sales Inc. provide full-service vending, case sales, and fountain pouring rights at Park and Recreation Facilities.

In response to several questions at the August 13th City Council meeting related to the agreement with PepsiCo. The most significant change is that we have renegotiated the revenue split with our consultant (from 25% to 15%) that will provide an additional $100K to the City over ten years from this opportunity. As a reminder, this agreement with PepsiCo is a pouring rights deal, meaning that PepsiCo is paying the City (over $1.1M over 10 years) to sell their product to our patrons in our facilities, which include recreation centers, golf, and aquatic facilities. This contract is applicable to 66 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, and Klyde Warren.

For all of 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). By way of example, we gross about $70K per year in revenue from soft drink sales at the aquatic centers annually. With this agreement, we still keep that revenue but will now have an additional $100K (approx.) revenue coming to us yearly from the pouring rights. The City does not have an equivalent deal in place. Vending concession agreements (soda and snack machines) provide the City a percentage of sales only.

Additionally, the PepsiCo 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 Park and Recreation discretion as a sponsorship or converts to cash
- Additional sites can be added to the agreement

- Payment is based upon approximately 10,000 cases per year – increasing the cases sold equates to more revenue for the City
- Pepsi deal was by far the best offer of 3 – 44% higher and over 200% higher than the competing offers

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

John D. Jenkins, Director
Park and Recreation Department

Kimberly Bizor Tolbert, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Bilierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Dominique Artis, Chief of Public Safety
Dev Rastogi, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
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 to the City Manager
Directors and Assistant Directors

Attachment

Exhibit A
Contract Premises

Aquatic Center	**Address**
Bahama Beach Water Park	1895 Campfire Cir. Dallas, Texas 75232
Bachman Aquatic Center	10031 E. Northwest Hwy. Dallas, Texas, 75238
Exline Aquatic Center	2530 Eugene Dallas, TX 75215
Harry Stone Aquatic Center	2403 Millmar Dallas, TX 75228
Kidd Springs Aquatic Center	807 W. Canty Dallas, TX 75203
Lake Highlands Aquatic Center	9400 Church Rd. Dallas, TX 75238
Tietze Aquatic Center	6115 Llano Ave. Dallas, TX 75206
The Cove at Crawford	375 S. Prairie Creek Rd. Dallas, TX 75217
The Cove at Fretz	14778 Hillcrest Dallas, TX 75254
The Cove at Samuell Grand	3201 Samuell Blvd. Dallas, TX 75223

Tennis Center	**Address**
Kiest Tennis Center *(management contract expiration - 1/29/2026)*	2324 W. Kiest Blvd. Dallas, TX 75224
LB Houston *(management contract expiration - 2/24/2026)*	11225 Luna Road Dallas, TX 75229
Fretz Tennis Center *(management contract expiration - 2/24/2026*)	6998 Belt Line Road Dallas, TX 75254
Samuell Grand *(management contract expiration - 2/24/2026)*	6220 E Grand Ave. Dallas, TX 75223

Golf Center *(all golf pro contracts have ended and currently on extension. No new contracts have been awarded)*	**Address**
Cedar Crest	1800 Southerland Avenue, Dallas, TX 75203
Keeton Park	2323 N JIM MILLER RD. DALLAS, TX. 75227
Luna Vista	11223 Luna Road Dallas, Texas 75229
Stevens Park	1005 N. Montclair, Dallas, TX 75208
Tenison Park	3501 Samuell Blvd., Dallas, TX 75223

Recreation Center	Address
Anita N. Martinez Recreation Center	3212 N. Winnetka Ave. Dallas, TX 75212
Arcadia Recreation Center	5420 N Arcadia Dr. Dallas, TX 75211
Arlington Park Recreation Center	1505 Record Crossing Dallas, TX 75235
Bachman Recreation Center	2750 Bachman Dr Dallas, TX 75220
Beckley Saner Recreation Center	114 W. Hobson Dallas, TX 75224
Campbell Green Recreation Center	16600 Park Hill Dr. Dallas, TX 75248
Churchill Recreation Center	6906 Churchilll Way Dallas, TX 75230
Eloise Lundy Recreation Center	1228 Reverend CBT Smith St. Dallas, TX 75203
Exall Recreation Center	1355 Adair Dallas, TX 75204
Exline Recreation Center	2525 Pine Dallas, TX 75215
Fireside Recreation Center	8601 Fireside Dallas, TX 75217
Fretz Recreation Center	6950 Beltline Dallas, TX 75254
Grauwyler Recreation Center	7780 Harry Hines Blvd. Dallas, TX 75235
Harry Stone Recreation Center	2403 Millmar Dallas, TX 75228
Hiawatha Williams Recreation Center (formerly Cummings Recreation Center)	2976 Cummings St. Dallas, TX 75216
Janie C Turner Recreation Center	6424 Elam Dallas, TX 75217
Jaycee Zaragoza Recreation Center	3114 Clymer St. Dallas, TX 75212
John C. Phelps Recreation Center	3030 Tips Blvd. Dallas, TX 75216
Juanita J. Craft Recreation Center	4500 Spring Ave. Dallas, TX 75210
K.B. Polk Recreation Center	6801 Roper Dallas, TX 75209
Kidd Springs Recreation Center	711 W. Canty Dallas, TX 75208
Kiest Recreation Center	3081 S. Hampton Dallas, TX 75224
Kleberg Rylie Recreation Center	1515 Edd Rd. Dallas, TX 75253

Lake Highlands North Recreation Center	9940 White Rock Trl Dallas, TX 75238
Larry Johnson Recreation Center	3700 Dixon Ave. Dallas, TX 75210
M. L. King Jr Recreation Center	2901 Pennsylvania Ave Dallas, TX 75215
Marcus Annex Senior Center	2910 Modella Ave. Dallas, TX 75229
Marcus Recreation Center	3003 Northaven Rd. Dallas, TX 75229
Martin Weiss Recreation Center	1111 Martindell Ave Dallas, TX 75211
Nash-Davis Recreation Center	3710 N. Hampton Dallas, TX 75212
Park In The Woods Recreation Center	6801 Mt Creek Pkwy Dallas, TX 75249
Pleasant Oaks Recreation Center	8701 Greenmound Ave. Dallas, TX 75227
Reverchon Recreation Center	3505 Maple Ave Dallas, TX 75219
Ridgewood/Belcher Recreation Center	6818 Fisher Rd. Dallas, TX 75214
Samuell Grand Recreation Center	6200 E. Grand Ave. Dallas, TX 75223
Singing Hills Recreation Center	6805 Patrol Way Dallas, TX 75241
Thurgood Marshall Recreation Center	5150 Mark Trail Dallas, TX 75232
Timberglen Recreation Center	3810 Timberglen Rd Dallas, TX 75287
Tommie M. Allen Recreation Center	7071 Bonnie View Road Dallas, TX 75241
Umphress Recreation Center	7616 Umphress Dallas, TX 75217
Walnut Hill Recreation Center	10011 Midway Rd. Dallas, TX 75229
Willie B. Johnson Recreation Center	12225 Willowdell Dr. Dallas, TX 75243

Others	**Address**
Southern Skates	2939 E. Ledbetter Dallas, TX 75216
Forest Audelia Boxing Gym	9759 Forest Lane Suite 400 & 420 Dallas, TX 75243
Kiest Softball Complex	2200 W. Kiest Dallas TX 75238
Teen Tech Center	4500 Spring Avenue Dallas, TX 75210

Samuell Farm	100 US-80 Mesquite, TX 75149