

AN ORDINANCE 2014-10-30-0832

AUTHORIZING THE FOURTH AMENDMENT TO THE ALAMODOME ADVERTISING LICENSE AGREEMENT WITH BOTTLING GROUP, LLC D/B/A PEPSI BEVERAGES COMPANY TO EXTEND THE TERM FOR 90 DAYS THROUGH FEBRUARY 22, 2015, WITH UP TO THREE ADDITIONAL 90-DAY EXTENSIONS, AND ESTIMATED REVENUE TO THE CITY FOR THE ENTIRE EXTENSION PERIOD OF \$79,968.00.

* * * * *

WHEREAS, Ordinance Number 98468, dated November 13, 2003, authorized an Alamodome Advertising License Agreement (“Agreement”) with Pepsi Beverages Company (“Pepsi”), including pouring rights, for an initial term of five years through November 22, 2008, and the Agreement was amended and extended by City Council action to be effective through November 22, 2014; and

WHEREAS, the Agreement has no additional extensions available and with the Convention Center expansion project and the solicitations of the Food and Beverage service contracts at both the Convention Center and the Alamodome, it is important to maintain continuity of service with the current contractor; and

WHEREAS, this Fourth Amendment to the Alamodome Advertising License Agreement (“Fourth Amendment”) extends the Agreement for 90 days, with up to three additional 90-day extension options and provides that if a new contract for pouring rights is executed prior to the end of any of the extension options, the Agreement automatically terminates; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The terms and conditions of the Fourth Amendment are authorized and approved. The City Manager, or her designee, is authorized to execute the Fourth Amendment, a copy of which, previously executed by Pepsi, is attached to this Ordinance as **Exhibit I**.

SECTION 2. Funds generated by this Ordinance will be deposited as per the table below:

Amount	General Ledger	Internal Order	Fund
\$40,000.00	4407734	245000000004	29016000
\$3,564.00	4401880	245000000372	29016000
\$36,404.00	4809210	242000002880	29006000
Total Amt \$79,968.00			

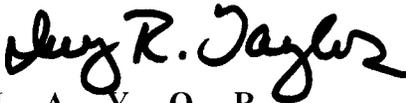
SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers,

LB
10/30/14
Item No. 22

SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 4. This Ordinance shall take effect immediately upon the receipt of eight affirmative votes; otherwise it shall be effective ten days after its passage.

PASSED AND APPROVED this 30th day of October, 2014.

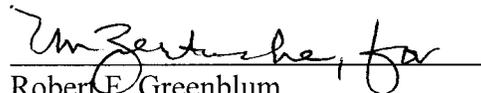

M A Y O R
Ivy R. Taylor

ATTEST:



Leticia M. Vacek
City Clerk

APPROVED AS TO FORM:



Robert E. Greenblum
City Attorney

Agenda Item:	22 (in consent vote: 6, 7, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19, 20, 21, 22, 23, 25, 27, 28, 29, 31A, 31B)						
Date:	10/30/2014						
Time:	02:38:40 PM						
Vote Type:	Motion to Approve						
Description:	An Ordinance authorizing an Extension and Fourth Amendment of the Alamodome Advertising License Agreement with Bottling Group, LLC d/b/a Pepsi Beverages Company to extend the term for 90 days through February 22, 2015, with up to three additional 90-day extensions and estimated revenue to the City for the entire extension period of \$79,968.00. [Ed Belmares, Assistant City Manager; Michael Sawaya, Director, Convention and Sports Facilities]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Diego Bernal	District 1		x			x	
Keith Toney	District 2		x				x
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				

Exhibit “I”

FOURTH AMENDMENT TO ALAMODOME ADVERTISING LICENSE AGREEMENT

FOR VALUE RECEIVED, the receipt and sufficiency of which is hereby acknowledged, this Fourth Amendment to the Alamodome Advertising License Agreement ("Fourth Amendment") is entered into by the CITY OF SAN ANTONIO, a Texas Municipal corporation ("City"), acting by and through its City Manager pursuant to and duly authorized by Ordinance No. 2014-11-__-____, passed and approved on November __, 2014, and Bottling Group, LLC on behalf of its affiliates and/or their respective subsidiaries collectively comprising Pepsi Beverages Company, successor-in-interest to The Pepsi Bottling Group ("Licensee") acting by and through its duly authorized designated officer.

A. City and Licensee entered into the Alamodome Advertising License Agreement ("Agreement") pursuant to City of San Antonio Ordinance No. 98468, dated November 13, 2003, as amended.

B. Prior to the effectiveness of this Fourth Amendment, the Agreement, in accordance with the Extension and Third Amendment, terminates on November 22, 2014.

C. City and Licensee desire to extend the Agreement in accordance with the terms and conditions of this Fourth Amendment as described in below.

Section 3.2 is amended to extend the Agreement through February 22, 2015. If necessary, the Parties shall have the option to extend this Agreement for up to three (3) additional ninety (90) day periods, not to extend beyond November 22, 2015, without further City Council approval. Any such extension shall automatically terminate upon the execution of a contract for the same or similar services.

1. **Section 4.1** is deleted in its entirety and replaced with the following:

- a. In consideration for the license to use the Alamodome as provided for in this Agreement, Licensee shall pay City an annual fee of \$40,000, or the quarterly amount thereof, as applicable.
- b. Contingent upon City concessionaires at the Convention Center and Lila Cockrell Theatre purchase of products from Licensee, Licensee agrees to and shall pay City an annual fee as set forth below:
 - i. July 1, 2011 – June 30, 2012 – \$30,000 – up to 10,000 total cases
 - ii. July 1, 2012 – June 30, 2013 – \$30,000 – up to 10,000 total cases
 - iii. July 1, 2013 – November 22, 2013 – \$11,918 – up to 3,973 total cases
 - iv. November 23, 2013 – February 22, 2014 (and each quarter thereafter through November 22, 2014) – \$7,500 – up to 2,500 total cases
 - v. November 23, 2014 – February 22, 2015 (and each quarter thereafter through November 22, 2015, if applicable) – \$7,500 – up to 2,500 total cases

If City concessionaires at the Convention Center or Lila Cockrell Theatre purchase a majority of Pepsi beverages from a source other than Licensee during any calendar month of the term of this Agreement, City shall not be entitled to receive the corresponding part of the annual fee for that calendar month and City shall reimburse to Licensee, within thirty (30) days of the end of such calendar month, the pro rata portion of the annual fee.

2. **Section 4.2 is deleted in its entirety and replaced with the following:**

Licensee shall pay to City the fee stipulated in Section 4.1(a) on or before January 5 of 2012 and 2013, December 23, 2014, March 23, 2014, June 23, 2014, September 23, 2014, December 23, 2014, March 23, 2015 (if applicable), June 23, 2015 (if applicable), and September 23, 2015 (if applicable) and the fee stipulated in Section 4.1(b) on or before August 1 of 2011, 2012 and 2013, December 23, 2013, March 23, 2014, June 23, 2014, September 23, 2014, December 23, 2014, March 23, 2015 (if applicable), June 23, 2015 (if applicable), and September 23, 2015 (if applicable).

3. **Section 4.3 is deleted in its entirety and replaced with the following:**

Licensee shall pay City rebates of \$2.00 per case of product regardless of the package ounce size and \$1.00 per gallon of BIB product that City concessionaires at the Convention Center and Lila Cockrell Theatre purchase directly from Licensee in excess of 10,000 cases for the periods July 1, 2011 – June 30, 2012 and July 1, 2012 – June 30, 2013, in excess of 3,973 cases for the period July 1, 2013 – November 22, 2013, and in excess of 2,500 cases for the period November 23, 2013 – February 22, 2014 (and each quarter thereafter through November 22, 2015, if applicable). Such rebate shall be paid by Licensee on or before August 1, 2012, August 1, 2013, December 23, 2013, and March 23, 2014, June 23, 2014, September 23, 2014, and December 23, 2014, March 23, 2015, June 23, 2015 (if applicable), September 23, 2015 (if applicable), and December 23, 2015 (if applicable) for each prior period. In the event the Agreement terminates prior to November 22, 2015, the rebate shall be pro-rated and paid by Licensee to City within thirty (30) days of the termination date.

4. **Attachment E is attached to this Extension and Fourth Amendment and incorporated herein.**

Except as otherwise expressly modified hereby, all terms and provisions of the Agreement are ratified and confirmed and shall remain in full force and effect, enforceable in accordance with their terms.

Signatures on following page

EXECUTED AND SIGNED this _____ day of _____, 2014.

CITY:
City of San Antonio
a Texas municipal corporation

LICENSEE:
Bottling Group, LLC

Sheryl L. Sculley
City Manager

Mike McGraw
Name: MIKE MCGRAW
Title: Director of Workplace -
South Region

APPROVED AS TO FORM:

City Attorney

ATTEST:

Leticia M. Vacek
City Clerk

Attachment E

MARKETING SUPPORT

1. *LICENSEE* shall provide two (2) retail marketing promotions in convenience store and gas station (C&G) and/or grocery store accounts annually in support of various events at the Alamodome. These programs to include retail presence in accounts in San Antonio, Austin and Rio Grande Valley markets. Promotions must include a discount offer or promotion for an Alamodome event. *CITY* shall be responsible for redeeming discount offer. In-store promotions to also include "point-of-purchase (point-of-sale)" signage. Minimum ten (10)-week lead time required prior to event start date, and promotion details must be mutually agreed to between *LICENSEE* and *CITY*. Estimated value (cost) is approximately \$3,500 per promotion, for a total annual value (cost) of approximately \$7,000 and for a total value (cost) of approximately \$35,000 over the initial extension term. Actual value is based on event promotion offered and promotion redemption rate and can be calculated after each promotion. For the additional extension period November 23, 2014 – February 22, 2015, *LICENSEE* shall provide one (1) retail marketing promotion as detailed herein. If this one (1) retail marketing promotion is not utilized during this extension period and the Agreement is extended for a second (2nd) ninety (90) day period from February 23, 2015 through May 22, 2015, this one (1) retail promotion shall carry over to this second (2nd) extension period only. If this Agreement is extended for a third (3rd) ninety (90) day period from May 23, 2015 through August 22, 2015, *LICENSEE* shall provide one (1) retail marketing promotion as detailed herein. If this one (1) retail marketing promotion is not utilized during this third (3rd) extension period and the Agreement is extended for a fourth (4th) ninety (90) day period from August 23, 2015 through November 22, 2015, this one (1) retail promotion shall carry over to this fourth (4th) extension period only.
2. *LICENSEE* shall provide three (3) can panel advertisements annually in support of various events at the Alamodome. Two (2) can panels to be placed on core flavors (i.e. Pepsi, Diet Pepsi) and one (1) can panel to be placed on Sierra Mist brand, or alternative flavors/brands mutually agreed between *LICENSEE* and *CITY*. Promotions must include a discount offer or promotion for an Alamodome event. *CITY* shall be responsible for redeeming discount offer or promotion. Minimum ten (10)-week lead time required prior to start date of featured event. Can panels to be distributed in San Antonio, Austin and Rio Grande Valley markets. *LICENSEE* agrees that it shall provide one (1) additional can panel advertisement to offset one (1) can panel advertisement that was not utilized in the 2004 agreement year, for a total of sixteen (16) during the course of the extension term. Estimated value is approximately \$705,600 per can panel, for a total annual value of \$2,116,800 and for a total value of approximately \$11,289,600 over the extension term (which includes the aforementioned three (3) can panels per year plus one additional can panel *CITY* and *LICENSEE* have agreed to carry over from a prior year under the Agreement.) For the additional extension period November 23, 2014 – February 22, 2015, *LICENSEE* shall provide one (1) can panel advertisement as detailed herein. If this Agreement is extended for a second (2nd) ninety (90) day period from February 23, 2015 through May 22, 2015, *LICENSEE* shall provide one (1) can panel advertisement as detailed herein. If this Agreement is extended for a third (3rd) ninety (90) day period from May 23, 2015 through August 22, 2015, *LICENSEE* shall provide one (1) can panel advertisement as detailed herein. If this Agreement is extended for a fourth (4th) ninety (90) day period from August 23, 2015 through November 22, 2015, and less than three (3) can panel advertisements have been utilized in the prior three (3) quarters, *LICENSEE* shall provide one (1) can panel advertisement as detailed herein.
3. *LICENSEE* shall provide a minimum of four (4) weeks and up to six (6) weeks of a single brand of general market or Latino market radio tagging annually in support of various events at the Alamodome in San Antonio, Austin and Rio Grande Valley markets. Estimated value is approximately \$6,500 per week, for a total annual value of approximately \$26,000 to \$39,000 and for a total value of approximately \$130,000 to \$195,000 over the extension term, depending on the actual number of weeks provided. For the additional extension period November 23, 2014 – February 22, 2015, *LICENSEE* shall provide four (4) to six (6) week of radio tagging as detailed herein. If this radio tagging is not entirely utilized or only partially utilized during this extension period, and the Agreement is extended for subsequent ninety (90) day periods, the balance of this radio tagging remaining shall carry over to any subsequent ninety (90) day periods.

4. *LICENSEE* shall provide two (2) on-site remote radio broadcasts annually in general or Latino market in support of various events at the Alamodome in San Antonio, Austin and Rio Grande Valley markets. Minimum eight (8) week lead time required prior to event start date to coordinate with radio stations. Estimated value is approximately \$3,500 per remote, for a total annual value of approximately \$7,000 and for a total value of approximately \$35,000 over the extension term. For the additional extension period November 23, 2014 – February 22, 2015, *LICENSEE* shall provide one (1) on-site radio broadcast as detailed herein. If this one (1) on-site radio broadcast is not utilized during this extension period and the Agreement is extended for a second (2nd) ninety (90) day period from February 23, 2015 through May 22, 2015, this one (1) on-site radio broadcast shall carry over to this second (2nd) extension period only. If this Agreement is extended for a third (3rd) ninety (90) day period from May 23, 2015 through August 22, 2015, *LICENSEE* shall provide one (1) on-site radio broadcast as detailed herein. If this one (1) on-site radio broadcast is not utilized during this third (3rd) extension period and the Agreement is extended for a fourth (4th) ninety (90) day period from August 23, 2015 through November 22, 2015, this one (1) on-site radio broadcast shall carry over to this fourth (4th) extension period only.
5. *LICENSEE* shall provide additional consideration and marketing support annually, including from *LICENSEE'S* other properties in which *LICENSEE* has pouring, marketing and/or promotional support agreements or relationships. *LICENSEE* and *CITY* to agree annually on specific additional consideration and marketing opportunities. Such additional consideration shall be used in marketing and promotional efforts in support of various events at the Alamodome. Estimated value is approximately \$2,000 annually, for a total value of approximately \$10,000 over the extension term, depending on the details of the additional consideration/marketing support. For each additional ninety (90) day extension period beginning on November 23, 2014, *LICENSEE* and *CITY* to agree on specific additional consideration and marketing opportunities as detailed herein.

Total Estimated Annual Marketing Support Value – up to \$2,171,800

Other than as specifically provided for herein, Marketing Support which is not executed during any Agreement Year may be carried over to a subsequent Agreement Year, provided that (i) unutilized Marketing Support in any Agreement Year may only be carried over to the next Agreement Year; and (ii) any incremental Marketing Support carry-over will be applied by *LICENSEE* to marketing programs that are available in accordance with *LICENSEE'S* marketing calendar for such Agreement Year. In no event may Marketing Support be redeemed for cash.