



City of Long Beach
Working Together to Serve

Memorandum
Councilwoman Jackie Kell

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Date: September 14, 1999 99 SEP -2 PM 4: 31
To: Mayor Beverly O'Neill and Members of Long Beach City Council
From: Councilwoman Jackie Kell JK
Subject: **AGENDA ITEM - Cola Contracts**

Background

It has come to my attention that the city manager of the City of San Diego is recommending that its City Council name Pepsi as the city's official soft drink.

As the official soft drink, Pepsi will be given an exclusive contract to put its vending machines on municipal property such as city buildings, community centers, beach-front bathrooms, police stations, libraries and elsewhere.

For the City of San Diego, this contract will be a financial windfall. San Diego will receive \$1.5 million up front and between \$6.6 million and \$23.6 million over the 12-year pact. The exact amount will depend on how many machines are installed and how many containers of Pepsi and other Pepsi-owned drinks are sold from those machines. Pepsi has estimated that the number of machines will range between 500 and 2,000.

A number of other California cities including Fresno, Garden Grove, Sacramento and Huntington Beach already have contracts with either Coke or Pepsi and are reaping the financial benefits of this arrangement.

Request

I ask that a report to the entire City Council be prepared by the City Manager within 20 days regarding the feasibility of a similar venture with a cola company and other public/private partnerships which may financially benefit our city. I further request that this report with its recommendations be referred to the City Council's Economic Development and Finance Committee for its review and recommendations and that they report back to the entire City Council within 30 days from the time they receive this report.