

**CITY OF PEORIA, ARIZONA
STAFF REPORT**

RPT #: SS3

Date Prepared: January 26, 2010 Council Meeting Date: February 2, 2010

TO: Honorable Mayor and Council
FROM: Steve Kemp, City Attorney
SUBJECT: Amendments to City Code pertaining to shopping carts

SUMMARY: In 2007, the City adopted amendments to its code governing shopping carts. These amendments were designed to modify the code in three respects:

1. All new retail establishments must include induction systems to prevent the removal of shopping carts from their premises.
2. All shopping carts must be labeled and have identification of the owner and all establishments must post notices on their premises regarding the city code provisions on shopping carts.
3. All existing establishments must include induction systems to prevent removal of shopping carts from their premises by January 1, 2013.

This third item posed considerable concern to a number of state wide organizations of retailers. First, the cost of such induction systems may exceed \$50,000.00 and in some cases, together with modifications of carts, the total cost could exceed \$100,000.00. In the current economy, this could be a difficult burden for the retail community to bear. Second, some retailers have been successful with cart retrieval services and it appears that they will be held to account for those retailers who have not.

We have worked with the Arizona Food Retailers to address the mandatory induction system for existing businesses. The proposed ordinance provides for an alternative which allows for use of cart retrieval services by these existing businesses, but with objective standards that the City can evaluate. In order for an existing business to use a cart retrieval service as an alternative to an induction system, the business must comply with the following:

1. Have a written contract with a cart retrieval service. The contract must be filed with the City and if terminated, the new contract must be filed with the city.
2. The cart retrieval service must have a business license or be authorized to do business in the City.

3. The cart retrieval contract must be continuously in place or the business will have to install the induction system.
4. The retailer must pay an annual fee of \$250.00 to cover the City's cost in filing and verifying the contract.
5. The retailer with the other provisions of the City's shopping cart codes.
6. If the City collects and impounds 150 or more shopping carts within one calendar year, within a two year period, the City can terminate this option and compel the business to install an induction system.

This option will allow our existing businesses to address their responsibility to manage their carts, by contracting with a retrieval service and provide us with a means to address problems, while retaining all of the tools granted by the 2007 amendments to address this problem. We have worked with the Arizona Food Retailers and they have agreed with these changes.