

Exhibit E

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Summary of Concerns with Text Amendment Application No. TA-17-002
regarding California Redemption Value Recycling Centers

DARM - DEVELOPMENT SERVICES
CITY OF FRESNO

The items below represent a summary of grocery industry concerns with the proposed Text Amendment. California Grocers Association (CGA), on behalf of many Fresno grocers, is opposed to the proposed amendment since it will prevent grocers from meeting their state mandated requirements under the Beverage Container Recycling Program. Implementing this amendment would result in dramatic operational and financial impacts for grocers and all beverage retailers. It would also create significant barriers, if not virtually eliminate, the ability for consumers to receive their deposit, essentially making it a tax. CGA respectfully asks the city to not pursue the proposed amendments.

1. California state law requires a certified CRV Recycling Center be located within every Convenience Zone. A Convenience Zone is defined as a ½ mile radius around a grocery store. If a CRV Recycling Center is not located in the radius every beverage dealer, which is a retailer selling a CRV product, is required to either redeem beverage containers in-store, which could be a health and safety risk, or pay a \$100 per day in-lieu fee to the State of California, which is \$36,500 per year.
2. The proposed changes would limit CRV Recycling Centers to only certain areas in industrial zoned property. This requirement on its own would eliminate most, if not all, opportunities to locate a CRV recycling center within a Convenience Zone. This would force Fresno grocers out of compliance with their state mandates.
3. Along with the limitation to locate CRV Recycling Centers only in industrial zoned property it further restricts their distance from specific property types, including residential uses (1 mile), parks (2 miles), and schools (2 miles). These requirements further eliminate the opportunity to locate CRV Recycling Centers within a Convenience Zone. These distances appear extreme when compared to current restrictions on other uses such as Wrecking Yards (300 feet) and Adult-Oriented Businesses (1,000 feet).
4. Requiring a permanent structure, regardless of zoning restrictions, further reduces opportunities for CRV recycling center locations and consumers to retrieve their deposit. This mandate, even as a standalone mandate, would require the use of storefronts for recycling operations where usually another retailer or service business would exist. We believe it would not be in the best interest of the city or businesses to use empty storefronts for an activity which easily and safely can be handled with the use of a parking spot sized space. Coupled with the proposed zoning and distance regulations this is yet another restriction preventing the location of CRV Recycling Centers in Fresno.
5. Representatives of the city have stated their intention with these amendments is to remove CRV Recycling Centers from the city or, at least, severely limit their numbers. This creates several problems which include forcing grocery stores and other beverage retailers to be out of compliance with their state mandates and prevents consumers

from receiving their deposit, essentially turning it into a tax. We believe this creates legal issues on several fronts.

6. Representatives of the city have stated publicly Convenience Zones could simply be designated as “exempt” by CalRecycle to alleviate concerns. While an exemption process for a Convenience Zone does exist, it is only available in specific situations and usually when CRV redemption opportunities are located nearby. There is also a cap on the amount of exemptions that can be distributed statewide. CGA believes it would be unreasonable to believe that CalRecycle would provide exemptions for every Convenience Zone prevented from being served by these amendments, which could be all, or at least most, of the Convenience Zones in California’s 5th largest city.
7. In a letter dated March 21, 2017, CalRecycle shares similar concerns to the grocers regarding the amendments. Their comments highlight three important considerations. They point out the potential loss of an annual payment to the city of \$330,000 through the Beverage Container Recycling Program, loss of opportunities for residents to receive their deposit and financial and operational consequences for all beverage retailers. We strongly encourage the city to fully understand all three of these of these issues raised by CalRecycle before moving forward with the proposed amendments.
8. The State Legislature is actively considering major changes to the Beverage Container Recycling Program. Some of the policies being considered for overhaul include major changes to Convenience Zone designation, mandates on beverage retailers, as well as opportunities for alternative redemption processes. We encourage the city to weighing in on the legislative process. Other jurisdictions that have concerns with the program are already doing so. During the legislative process Fresno may not want to commit to these amendments as they may become unnecessary or limit flexibility with new program requirements.

Thank you for the opportunity to comment. We hope CGA and Fresno can work in partnership on CRV recycling concerns. Please contact Tim James at tjames@cagrocers or 916-448-3545 with any question or for additional information.