



April 11, 2025

Council President Joe LaCava
San Diego City Council
City Administration Building, 12th Floor
202 C Street, San Diego, California 92101

Subject: City of San Diego's Grocery Transparency Ordinance

Dear Council President LaCava and Councilmembers,

On behalf of the San Diego Regional Chamber of Commerce (Chamber) and the undersigned organizations, I am writing to express our concerns with the City of San Diego's proposed Grocery Transparency Ordinance. As the largest local chamber and nonprofit business advocacy organization on the west coast representing over 2,000 small and large businesses and over 300,000 jobs regionally, the Chamber is greatly concerned with the overall legislative process in drafting and adopting the ordinance, the current ordinance language, and potential unintended consequences that would have negative effects on our regional economy.

We support the goal of ensuring all San Diegans have access to discounts at grocery and retail locations. While we understand the merits of the proposed ordinance, we continue to grow concerned regarding proposals brought forward for Council's consideration without proper outreach to the business community and affected parties. When businesses are not included in these important conversations, well-meaning policies have the potential to have unforeseen negative effects to our local economy, including our workforce and San Diegans.

The Chamber has heard from many of our members, from local small businesses to national chains, regarding growing concerns with this ordinance. The absence of stakeholder outreach has led to the creation of a policy that is unimplementable for affected businesses due to its ambiguous nature. Additionally, the potential cost of compliance is great, as businesses will have to create new internal policies, new operational infrastructure, and will need to train current personnel within 90 days of the ordinance's second reading. The cost of materials will also increase, as requirements to print physical coupons that are traditionally used online or via an app will incur more costs to business, while also creating the potential for more paper and material waste, which directly contends with the City's environmental and climate action goals and policies. It is also unclear as to how this ordinance would impact customer loyalty programs, which San Diegans rely on to strategically shop for groceries. Both local businesses and national chains are concerned with the confusing nature of this ordinance, making compliance nearly impossible. Proper stakeholder engagement could remedy some of these

concerns, bringing together the business community and the City Council to create a policy that works for all parties while addressing the cost of living for hard working San Diegans.

The current ordinance does not in fact address the high cost of living for San Diego's residents. By passing a policy where compliance is nearly impossible due to unworkable regulations and the high cost of compliance, the City will force businesses to no longer offer discounts at storefronts across the City. In turn, this will drive customers to shop at locations outside of City limits where discounts and coupons are easily offered to customers, contributing tax revenue to other cities in the region, supporting jobs outside of the City of San Diego, and hindering San Diego's competitiveness by driving consumers out of the city in search of the discounts it is looking to facilitate.

We urge the Council to delay the second reading of this ordinance and conduct proper stakeholder outreach and engagement with the business community, and grocers and retailers, to ensure the unintended consequences of this policy does not hurt our local economy and does not contribute to the growing cost of living for hard-working San Diegans. Affected businesses were alerted of proposed language less than a week before Council's first vote last month when the agenda for Council's meeting was posted. Three weeks later, the Council is now considering its second vote on the ordinance which has not given affected parties enough time to analyze the ordinance, how it would affect current operations, and how businesses could comply with the new law. The Chamber, our members, and the business community are eager to come to the table to discuss the goals of this ordinance, and how the public and private sectors could work together in creating a policy that would be implementable and avoid adverse effects on the prices of goods for San Diegans.

The Chamber, and undersigned stakeholders, urge the Council to delay the second reading and conduct stakeholder engagement to work together on a feasible policy that truly addresses the cost of living for San Diegans. The Chamber shares the Council's concerns regarding the cost of living in San Diego and continues to stand ready to work with the committee on policy solutions such as addressing the housing crisis and increasing the supply of housing for San Diego's workforce. Should you have any questions, please reach out to Justine Murray, Executive Director of Public Affairs for the San Diego Regional Chamber of Commerce, jmurray@sdchamber.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Justine Murray', with a stylized, cursive script.

Justine Murray

Executive Director of Public Affairs

San Diego Regional Chamber of Commerce