



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Chris Burton

SUBJECT: Abandoned Shopping Cart
Retrieval Pilot Program Status
Report

DATE: November 24, 2025

Approved

Date:

11/26/25

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Accept the status report on the abandoned shopping cart retrieval pilot program.

SUMMARY AND OUTCOME

This memorandum provides an evaluation of the shopping cart retrieval pilot program conducted from August to November 2025, provides an overview of recent changes to state law that make it viable for the City to run a cost recovery cart retrieval program, and lays out a work plan for the development of such a program.

BACKGROUND

In response to City Council direction from the February 4, 2025 City Council meeting,¹ staff returned to the May 6, 2025 City Council meeting² with the following updates on efforts to establish an abandoned shopping cart retrieval program.

1. A proposal to establish a pilot program to retrieve abandoned carts.
2. An update on efforts to advocate for changes to state law that would allow the City to recover its costs for an abandoned shopping cart retrieval program.
3. Proposed ordinance amendments to enhance the City's regulations of retailers with shopping carts, which the City Council approved.

¹ <https://sanjose.legistar.com/LegislationDetail.aspx?ID=7101222&GUID=FFF31E60-E840-40B7-92C8-7EA45342BB46&Options=&Search=>

² <https://sanjose.legistar.com/LegislationDetail.aspx?ID=7350464&GUID=98181BE6-2D17-4D00-82EC-5CD0D52D5C7A&Options=ID|Text|&Search=shopping+cart>

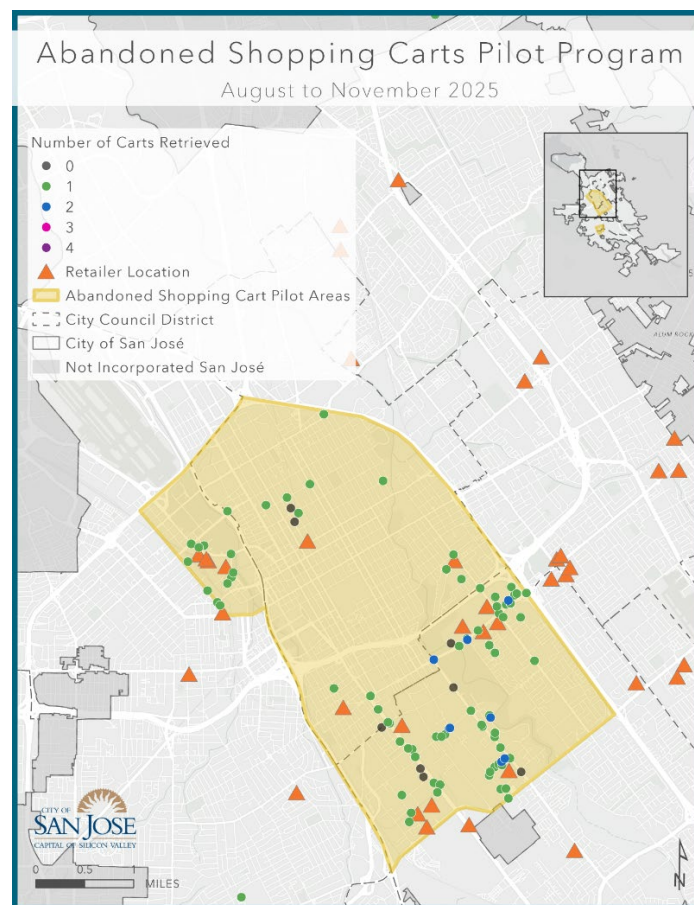
Staff committed to return to City Council in late 2025 to, first, provide an evaluation of the pilot program and, second, to provide a work plan for an ongoing model for cart retrieval based on the success of efforts to amend state law. This memorandum fulfills those two purposes.

ANALYSIS

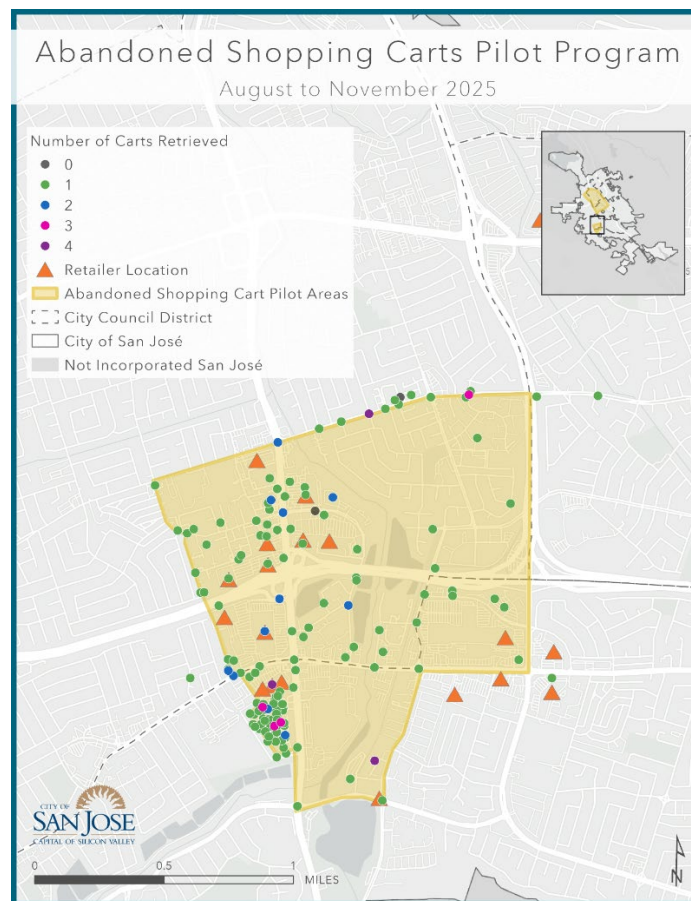
Pilot Program Evaluation

Staff contracted with a private abandoned cart retrieval firm, carTrac, to conduct a three-month cart retrieval pilot program in two pilot areas. Pilot Area 1 ran from Highway 880 to the north to Tully Road to the south and from The Alameda and Highway 87 to the west to Highway 101 to the east. Pilot Area 2 encompassed the area on either side of Almaden Expressway from Branham Lane to Coleman Road. Full maps of the pilot areas are provided below. The pilot program ran from August 14, 2025 to November 14, 2025.

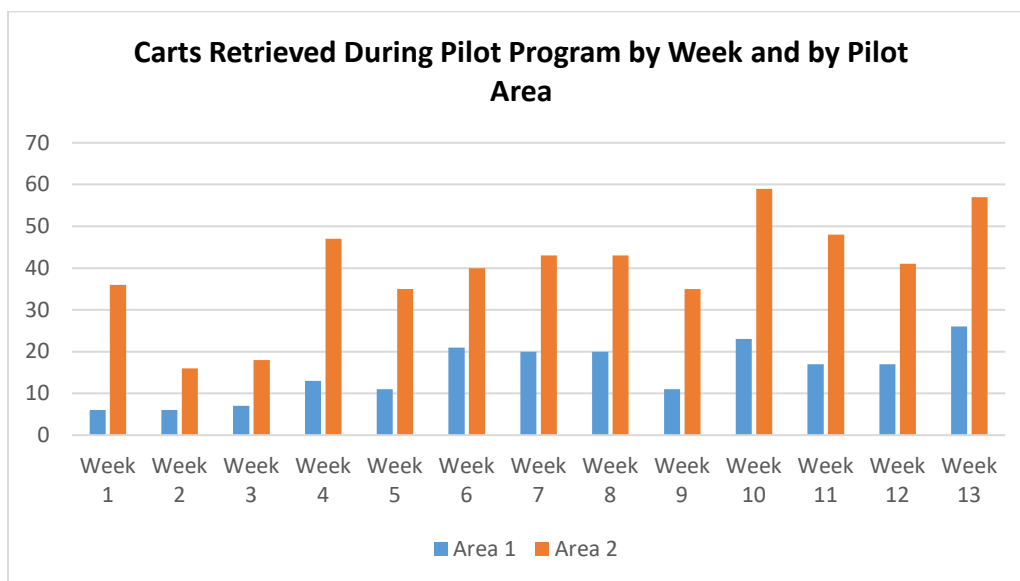
Pilot Area 1 Cart Retrieval Location Map



Pilot Area 2 Cart Retrieval Location Map



During the pilot program, the contractor collected a total of 734 carts, with 202 coming from Pilot Area 1 and 532 from Pilot Area 2. Staff from the Code Enforcement Division of Planning, Building, and Code Enforcement Department participated in ride-alongs to observe the contractor's efforts and work with the contractor to improve the effectiveness of the service over the course of the pilot. The chart below shows the carts collected by week and by pilot area.



The contractor provided location data for each cart collected, which staff used to develop cart retrieval location maps for each of the pilot areas.

It is notable that Pilot Area 1 is significantly larger than Pilot Area 2. In Pilot Area 1, cart hotspots clustered between Coleman Avenue and The Alameda in the northwestern portion of the pilot area and between Highway 280 and Tully Road in the southern portion of the pilot area. The northeastern portion of the pilot area saw relatively fewer retrievals. Pilot Area 2 is significantly smaller and saw hotspots along the entire west side of the pilot area, focusing in particular on the apartment complexes west of Almaden Expressway. The smaller size of Pilot Area 2, the density of hotspots within it, and close proximity of many retailers, allowing for rapid return of carts, may have contributed to the higher collection rate in this pilot area.

The contractor also provided data on the ownership of retrieved carts. The chart below shows the ten retailers with the most carts retrieved during the pilot, with cart retrievals broken down by pilot area. Of the 734 total carts collected, 622 were owned by these 10 retailers, with the remaining carts spread across an additional 40 retailers. If the City were to implement an ongoing program, the collection of retailer ownership data for retrieved carts could be a valuable tool to better target and evaluate Code Enforcement's regulation of retailers through cart management plans, with the goal of improving efforts to retain carts on site.

Top 10 Retailers Among Carts Retrieved in the First 10 Weeks of the Pilot

Retailer	Pilot Area 1	Pilot Area 2	Total
Costco	72	132	204
Whole Foods	2	135	137
Walmart	29	79	108
Safeway	5	78	83

Target	18	7	25
Real Produce	1	17	18
Trader Joe's	1	16	17
Sprouts	3	8	11
La Plaza	10	0	10
TJ Maxx	0	9	9

Finally, staff set up a process whereby carts that could not be picked up by the contractor, either because they contained personal belongings or because they were full of trash, were referred by the contractor to BeautifySJ for removal of the belongings or trash from the cart. After the items had been removed, the contractor would then return to the cart location and attempt to retrieve the cart. A total of 43 carts were referred in this way, 32 in Pilot Area 1 and 11 in Pilot Area 2. Of the 32 referred carts in Pilot Area 1, 26 were filled with trash, and 6 had personal belongings. Of the 11 in Pilot Area 2, all were trash, and none had personal belongings. Because the process of locating the cart, removing debris and items, and returning for retrieval took multiple visits spanned over several days, the cart was sometimes gone when the contractor arrived to retrieve it.

Overall, staff regards the pilot program as a success. Lessons learned from the pilot include:

- The contractor collected a significant number of carts during the pilot period. Code Enforcement's staff used ride-alongs to help the contractor improve effectiveness.
- Pilot Area 2 saw more carts retrieved than Pilot Area 1, potentially because of the focus on a smaller geographic area with a high density of carts.
- Collection of data on which retailers have the most abandoned carts could be useful in targeting and evaluating Code Enforcement's regulation of retailers through Cart Management Plans.
- A relatively small number of carts could not initially be collected due to personal belongings or trash, highlighting the importance of coordination between departments to address these instances.
- The data suggests there are multiple reasons why carts are abandoned. Carts found with personal belongings were likely in use by unhoused individuals, while carts collected from apartment complexes along Almaden Expressway may have been used to transport purchases back to an individual's residence on foot.

The experience gained in this pilot is useful in developing a citywide cart retrieval service should the City choose to pursue that option, as discussed below.

State Legislation

At the February 4, 2025 City Council meeting, the City Council directed staff to pursue changes to state law that would allow the City to recover costs from retailers for retrieving abandoned carts. At the time, state law imposed significant barriers to cost recovery.

In coordination with the Mayor's Office, City staff worked with State Senator Cortese to introduce Senate Bill 753, which proposed amendments to state law that would allow cities and counties in California to return abandoned carts directly to the retail locations of their owners instead of operating an impound lot, as previously required, and also provided that after the carts are returned, cities and counties would be able to assess a cost recovery fee on retailers.

This legislation passed the state Senate without modification but was amended in the Assembly to address concerns expressed by the California Grocers Association and by members of the Assembly Committee on Local Government when the bill came before that body. Major amendments were as follows:

- **Notice Required:** the amendments provided that cities and counties would be required to provide retailers with 48 hours notice before retrieving a cart as a prerequisite for recovering their costs, but, crucially, allowed the notice to encompass "a predesignated area or route, as determined by the city, county, or city and county." In other words, the City will not need to provide 48 hours notice before retrieving every individual cart, but will instead be able to provide retailers notice that it will be collecting carts in an entire geographic area on a particular day. Providing notice for each individual cart would make the service unwieldy, but providing notice for a geographic area would allow the City to, for example, rotate the service through different areas of the city on different days of the week and provide adequate notice for each area. This compromise met the Grocers Association's desire to receive notice while still allowing the City to run a viable cost recovery program.
- **Inaccessible Carts:** the amendments provided that the City would not be able to recover its costs for "inaccessible" carts. The bill does not define what "inaccessible" means, however, and instead gives cities and counties the ability to define an inaccessible cart through their own local ordinance. Staff's approach to developing this definition is described in the "Work Plan" section below.
- **Cost Recovery Fee Cap:** the amendments capped cost recovery per cart at \$100. Staff believes that it is possible to develop a service with per-cart fees below that limit.

With these amendments, Senate Bill 753 passed the Assembly and was signed into law by the Governor in October 2025. Staff believes that this legislation will allow the City to develop a cost recovery cart retrieval program.

Work Plan

To establish a permanent cart retrieval service, staff will need to conduct a request for proposal (RFP) process to select a contractor to provide the service on an ongoing basis. Given the recent revision to state law and consequent absence of any existing service models implementing the new law, staff will use the RFP process to develop a new service model that meets the City's objectives. Staff would seek to address the following topics, among others, through an RFP:

- **Provision of notice:** Staff would seek proposals that comply with the notice requirement in state law by providing the service in set geographic areas on set days. The successful arrangement of this rotation between areas would be key to satisfying the noticing requirement without impairing the effectiveness of the service.
- **311 Integration:** Staff would ask respondents to propose a method for integrating 311 service requests into the notice procedure described above and integrate retrieval updates with SJ311. While the notice requirement prevents contractors from responding on demand, proposals should explain how 311 requests could be incorporated into a model that cycles service through designated geographic areas to facilitate proper notice.
- **Cost efficiency:** State law allows a cost recovery fee per cart of up to \$100, but staff would seek proposals that are cost competitive to minimize the cost to retailers.
- **Definition of "inaccessible":** As noted above, the law prohibits cost recovery for inaccessible carts, but gives cities and counties the ability to define inaccessible by ordinance. Staff would use the RFP process to understand where and in what circumstances contractors are able to retrieve carts and use this information to develop a definition of "inaccessible" that allows the City to recover costs in all reasonable circumstances. Staff would then bring forward ordinance amendments to address this and any other necessary components before implementation of a new program.

In addition to an RFP, funding for start-up costs would need to be allocated. Staff would seek to achieve cost recovery for the program, but initial funding would be necessary to start the program, potentially including staffing to administer the program, for example, to administer billing of retailers. Staff will develop a proposal for start-up funding through the 2026-2027 Budget process for consideration in context of the City's General Fund budget outlook and other City priorities. If, in spring 2026, it appears that start-up funding will be provided through the 2026-2027 Proposed Budget, staff would seek to complete the RFP process by June 2026 so that the new service could be implemented soon after the start of the 2026-2027 fiscal year. This timeline will allow for consideration of funding through the budget process and will also provide adequate time for staff to conduct an RFP process and design a new service model in the context of existing workload priorities.

EVALUATION AND FOLLOW-UP

Staff will develop a proposal for start-up costs for an ongoing cart retrieval program for consideration through the 2026-2027 Budget process in context of the City's General Fund budget outlook and other City priorities. If funding is included in the 2026-2027 Proposed Budget, staff will seek to complete an RFP process for a cart retrieval contractor by June 2026, bring forward necessary ordinance amendments for City Council consideration, and implement the new service early in Fiscal Year 2026-2027.

COST SUMMARY/IMPLICATIONS

Staff would seek to achieve cost recovery for a new cart retrieval service in the 2026-2027 fiscal year, but would require start-up costs and potentially staffing to administer the program. Staff will develop a proposal for start-up costs for an ongoing cart retrieval program for consideration through the 2026-2027 Budget Process, in context of the City's General Fund budget outlook and other City priorities.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and City Manager's Budget Office.

PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website for the December 16, 2025 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Statutorily Exempt, File No. PP17-001, CEQA Guidelines Section 15262, Feasibility and Planning Studies with no commitment to future actions.

HONORABLE MAYOR AND CITY COUNCIL

November 24, 2025

Subject: Abandoned Shopping Cart Retrieval Pilot Program Status Report

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PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

Chris Burton

Director, Planning, Building and Code
Enforcement Department

For questions, please contact Rachel Roberts, Deputy Director, Planning, Building and Code Enforcement Department, at rachel.roberts@sanjoseca.gov .