

COUNCIL MEETING DATE:

Monday, April 18, 2016

**ADDITIONAL CORRESPONDENCE
RECEIVED AFTER COUNCIL PACKET
PREPARATION**

**Item 5-2: Presentation by the Social and Economic Justice
Commission regarding Soda Tax Revenue Measure**

DO NOT REMOVE

Please return to Eileen Harrington, Administration

LAURIE CAPITELLI

Berkeley City Council
District 5

To: Albany City Council

April 18, 2016

From: Laurie Capitelli, City of Berkeley, District 5 and
Linda Maio, Vice Mayor, City of Berkeley

Dear City Council,

We are writing to express our support for putting a sugar sweetened beverage tax on Albany's November ballot. This is an issue near and dear to our hearts and one for which we will continue to advocate. This letter submits compelling evidence for embarking on this public health campaign.

The Bay Area is experiencing the same epidemics of type II diabetes, heart disease, and dental carries as the rest of the nation. The statistics are frightening in revealing that 1 out of 3 children will get diabetes in their lifetime and tooth decay as the most prevalent of chronic diseases. And the science really is clear as to the major contributing factor to these diseases: liquid sugar.

The beverage industry will not take kindly to this initiative. As we experienced in Berkeley, they will inundate you with negative advertising claiming the tax is regressive. But what really is regressive is diabetes and the other resulting diseases which disproportionately effect communities of color. They will tell you that this will be the demise of small businesses. And we in Berkeley can tell you that this has barely effected any of our businesses, if at all. Now that we have fully implemented the tax and collect it regularly all operations are running smoothly and no businesses have closed. We have a template and a service for the tax collection so your implementation process will be seamless. They will tell you that this is a money grab to pad the City Council's coffers and who knows what the money will be spent on. And we can show you how our Sugar Sweetened Beverage Panel of Experts has already recommended to fund programs such as the school district's nutrition and gardening program; Berkeley's Healthy Black Families and our Ecology Center for nutrition education related to SSBs and promoting the consumption of tap water; and the YMCA for diabetes prevention programs.

This tax is working! In our first year our revenues have reached \$1.5 million and that money is being directed towards programs promoting good public health practices. Consumption of sugar sweetened beverages is down by 8.5% and no businesses have been financially burdened. The word is out: excess liquid sugar is bad for our health. Join us and Mexico, and others who are trying to follow our lead: the cities of Oakland, San Francisco, Emeryville, Philadelphia; and countries such as England, India, and the Philippines. Imagine the impact on public health in this area if we implemented this tax regionally! Berkeley is here to help and will be with you every step of the way.

Sincerely,



Laurie Capitelli
Councilmember, District 5

Linda Maio
Vice Mayor, City of Berkeley

Albany Soda Tax Proposal

Berkeley's November 2014 Soda Tax ballot measure was very successful. It required only a majority to pass, but garnered 76% of the vote. For comparison, this is well over a 2/3rds (67%) percentage that other tax measures require to pass. Because Berkeley's measure was so successful, we suggest that Albany's Soda Tax ballot measure essentially copy language from Berkeley's November 2014 Soda Tax ballot measure to assure success.

Key Components of the Berkeley Measure

- A tax measure requiring 50%+1 voter approval of one cent per ounce on the distribution of sugar sweetened beverages
- The distributor is taxed, so no collection burden is placed on local business
- An expert panel produces a report and makes recommendations as to the allocation of the revenue

Panel

This is our initial suggestion for the composition of the panel. Preference will be for representatives with experience in nutrition and health.

Total 7

School Board Representative

Student Representative

City Council Representative

City Staff Representative

1 Representative, preferably a licensed practitioner, from the medical community.

2 "at large" representatives, appointed by the City Council.

Soda Tax Questions & Answers

Q. Why do we need a soda tax?

A. Because it's the right thing to do. We tax tobacco and alcohol because society has to pay for the issues that they create. Soda leads to health issues that we all end up paying for. In Albany, this revenue could go to nutrition and healthy lifestyle programs at the city and in the schools. *Sugar sweetened beverage consumption has been a huge contributor to the obesity epidemic. All lines of scientific evidence indicate a strong link between sugar-sweetened beverage consumption and obesity. Woodward-Lopez G, Kao J, Ritchie I. To what extent have sweetened beverages contributed to the obesity epidemic? Public Health Nutr. Mar 2011;14(3):499-509*

Q. Why does Albany have to do it?

A. We are poised for success in Albany due to the success in Berkeley and probable soda taxes from surrounding communities. It will raise revenue that Albany - a city with a small business tax base - needs.

Q. Why should Albany do this for the November 2016 ballot?

A. Because other cities in the area are going forward with that ballot. We can share resources such as information, written materials, and forums. Big Soda launched massive campaigns against the Soda Tax in Berkeley and in Richmond. Being part of an area wide campaign will help us to respond to the Big Soda campaign. Information on the effect of sugar in our diets is very powerful and the major point of the campaign. The more sources that are putting that information out, the greater chance of success.

Q. I've heard that it hasn't had any effect in Berkeley.

A. Not true. The price of soda has gone up in Berkeley and economic pressures like this help discourage the consumption of soda. *The Public Health Institute just published preliminary findings that sweetened beverage sales in Berkeley have declined while healthy drinks have increased.*

Q. How much sugar is in a 12 oz can of Coca Cola?

A. Ten teaspoons

Q. Soda is not that bad, is it?

A. It is widely accepted that soda consumption has a strong link to obesity, which is an epidemic in our country.

There are numerous studies that point to the dangers of sugar-sweetened beverages. Healthy Eating Research (HER), a program of the Robert Wood Johnson Foundation, convened a

national panel of experts to recommend nutrition standards for healthier beverages for children and adolescents. The Center in the Public Interest (CSPI) asked the U.S. Food and Drug Administration (FDA) to determine a “safe level of added sugars for beverages and hosted the National Soda Summit in 2014 to discuss strategies to reduce soda consumption and related diseases. They also called on the Surgeon General to issue a report on the health impacts of sugary drinks with a call to action to spur national efforts to reduce consumption.

Below is a link to an article from the Journal of the American Medical Association (JAMA) which explains why sugar sweetened beverages are the number one culprit in the metabolic syndrome epidemic.

<http://jama.jamanetwork.com/article.aspx?articleid=2506644>

Q. What do we get out of it?

A. We get money that can go towards healthy living programs such as health education in the schools, school gardens, park amenities and maintenance, etc.

Q. But which one of these programs?

A. We would likely have a model like Berkeley where the ballot measure defines a committee that would be in charge of allocating the money. This committee could have representatives from the city, the community, and the School District.

Q. Why is government trying to be Big Brother?

A. That’s not the case. This is about paying for the societal costs of soda. We tax tobacco and alcohol because society has to pay for the issues that they create. Soda leads to health issues that we all end up paying for.

Q. Isn’t this a regressive tax?

A. Not necessarily. Soda is in no way an essential need, although people of lower incomes may buy more of it. But one of the effects of such a tax is to reduce consumption, and they may end up buying less.

Q. This hurts small business

A. There is no evidence that a potential small loss of soda sales will significantly impact any business.

Q. This tax will not cure obesity.

A. True. It is not meant to. It is meant to help.

Q. We don’t know if the size of the tax is set at the right level.

A. Perhaps, but we do have Berkeley's example. And we can adjust in the future once we implement and gather more data.

Q. Why should only soda be taxed? What about mochas and chocolate and other sweets?

A. True that soda is not the only thing we consume that is laced with sugar. However, studies show it linked to obesity and it is the biggest delivery mechanism for sugar. *Sugar sweetened beverage consumption in childhood also increases the risk for becoming obese in adulthood.* Ludwig DS, Peterson KE, Gartmaker SL. *Relation between consumption of sugar sweetened drinks and childhood obesity; a prespective, observational analysis. Lancet.* February 17, 2001;357(9255);505-508.

Q. Which drinks get taxed?

A. We intend to follow the Berkeley model as to which sugar-sweetened beverages are taxed. Here is their language:

"Sugar-sweetened beverage" means any beverage intended for human consumption to which one or more Added caloric sweeteners has been added and that contains at least 2 calories per fluid ounce.

1. *"Sugar-sweetened beverage" includes, but is not limited to all drinks and beverages commonly referred to as "soda", "pop", "cola", "soft drinks", "sports drinks", "energy drinks", "sweetened ice teas", or any other common names that are derivations thereof.*

2. *"Sugar sweetened beverage" shall not include any of the following:*

a. *Any beverage in which milk is the primary ingredient, i.e., the ingredient constituting a greater volume of the product than any other;*

b. *Any beverage for medical use;*

c. *Any liquid sold for use for weight reduction as a meal replacement;*

d. *Any product commonly referred to as "infant formula" or "baby formula"; or*

e. *Any alcoholic beverage*

Q. Will my sweet drinks get more expensive?

A. Yes, that is the goal. Making them more expensive will help reduce consumption of these drinks.

Some suggestions for spending the revenue

Upkeep of parks

School gardening programs

Subsidize school lunches which are currently being subsidized for low income, but not enough

A "Paul O'Curry Drop In/Resource Center" to provide information and resources for homeless/low income/aging in place