



**DOWNTOWN
LONG BEACH
ALLIANCE**

January 19, 2021

Honorable Mayor Garcia and Members of the Long Beach City Council
Civic Center Plaza
411 W. Ocean Blvd.
Long Beach, CA 90802

RE: ORD-34 Third-Party Food Delivery Service Fees

Dear Mayor and Members of the Long Beach City Council,

Please accept this correspondence on behalf of the Downtown Long Beach Alliance (DLBA) Board of Directors and enter into the public record for the City Council meeting scheduled for January 19, 2021, supporting the limitation of third-party food delivery fees to 15% of the total purchase price of each order.

DLBA is a non-profit organization that represents more than 1,600 businesses and 4,000 commercial and residential property owners within the two Business Improvement Districts (BIDs) in Downtown Long Beach. As outlined in DLBA's Vision 2020: Strategic Plan, DLBA advocates for and supports our Downtown small business community.

In Long Beach, the restaurant and food service industry has had to operate in a limited capacity since mid-March 2020. Currently, most Downtown Long Beach establishments are open for take-out and delivery orders exclusively, which in turn has increased dependence on third-party delivery services to fulfill orders for customers. Typically, these third-party companies charge a fee equivalent to roughly 30% of the total purchase order. A delivery fee of this magnitude adds a tangible burden to businesses already operating on razor-thin margins and skeleton crews. Food establishments are losing money on each order, further deepening an already dire financial situation for most.

DLBA supports the ordinance to cap third-party fees for delivery – businesses should not have to choose between closing entirely or submitting to the hefty fees instituted by large third-party companies. By instituting a 15% cap on third-party delivery fees, food service operators can maintain and expand their customer base without the associated negative financial impact. In addition, DLBA believes that capped delivery fees should not reduce any compensation to third-party delivery workers, many of whom previously lost employment due to COVID-19. Finally, while the DLBA supports a review period 90-days on the continued necessity of the cap, we urge City Council to consider long-term solutions for third-party fees beyond the COVID-19 pandemic.

We appreciate the opportunity to share our support, and we encourage the City Council to take action and continue to search for ways to provide relief to our Downtown small business community.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Kraig Kojian". The signature is fluid and cursive, with a large initial "K" and a long horizontal stroke extending to the right.

Kraig Kojian
President & CEO

cc: Tom Modica, City Manager, City of Long Beach
DLBA Board of Directors