



November 1, 2020

Honorable Commerce City City Councilmembers
7887 E. 60th Ave.
Commerce City, CO 80022

RE: Please support the proposal to temporarily cap third party delivery fees

Dear Honorable Members of the Commerce City City Council,

I'm reaching out to express my strong support for the proposal to temporarily cap the fees that restaurants pay to third party delivery companies at 15% of the purchase price of the food items. Restaurants are going through the most challenging crisis in living memory. The industry has been decimated by COVID-19 public health orders limiting capacities in restaurants and restricting last call times. Without substantial relief, many locally owned, independent restaurants will be forced to close their doors permanently. This proposal offers the Commerce City Council the opportunity to throw restaurants a lifeline in a time when every little bit helps.

Under the current system, restaurants that wish to work with a third party delivery company are assessed a delivery fee rate. Across the board, these fees range from 15% of the purchase price of the meal up to 35% of the purchase price of the meal. **Restaurateurs report that at roughly 20-25% of the purchase price of the meal, the fees are so high that the takeout or delivery meal sold by the restaurant loses all profitability.** Locally owned, independent restaurants have the hardest time negotiating a favorable fee rate for themselves with these large delivery corporations.

Looking ahead to the fall and winter months, restaurants are faced with so many unknowns. Cases are spiking across the state, forcing restaurants to continually decrease their indoor capacities. The colder weather will mean that most restaurants will lose their patios and outdoor dining, or they will be required to make expensive modifications to winterize their patios to make outdoor dining viable. State and local public health agencies continue to promote takeout and delivery as safe options, and we anticipate that these services will become even more important in the coming weeks and months as capacities are continually squeezed. By capping the fees associated with third party delivery services at a reasonable rate, local governments can provide immediate financial relief to restaurants and allow them to use the tools available to them at a profitable rate.

I am grateful for your consideration of this proposal, and I ask for your support of your local restaurants and this proposal.

Sincerely,

Sonia Riggs, President & CEO