

Summary of Public Input Received on Whether to Continue the City's Limitation on Third-Party Food Delivery Fees

In March 2023, City Staff reached-out to over 5,485 businesses via GovDelivery email blast and direct contact to the Downtown Business Association, the Culver City Arts District and the Culver City Chamber of Commerce. Staff asked for feedback on whether the City should continue the limitations on third-party food delivery fees that were in place at the time. The City received 13 responses, the content of which is as follows:

1. I order take out from time to time from Tender Greens. I noticed that they were really struggling and I know that the cap of the take out fees helped. They even offered savings if you picked up yourself. Over the Pandemic I started to understand how much the restaurants were being taken advantage of. So I started to be careful to order at a time that I could pick up.

So hats off for making this move, as a consumer I think we should be aware of pressures on our favorite vendors.

Luann Barry
1st Wave Productions
Culver City Office

2. Hi there, My name is Sandra Leon. I own and operate a limited-service restaurant in Culver City called Vegan Drip Burger. Like most other restaurants, we are signed up for all major food delivery apps (DoorDash, UberEats, Grubhub). As well as catering platforms like Forkable and Sharebite. This is required to make enough sales to pay our expenses. All of these services charge us a minimum of 25% commission from the order subtotal. Where and how does the public order that was initiated in 2020 apply? Because we haven't experienced those lowered fees since we opened our doors in May 2022. Small restaurants like ours suffer a lot from extremely high fees from these food delivery platforms. We're forced to charge our customers more for their food so that we can break even. But as a consequence, increasing our prices causes us to lose out on sales because our food is too expensive for some. So either way we end up losing. I would love to see these fees actually lowered and kept that way indefinitely. I'm curious how this is being enforced? Please provide advise on how to get these lowered fees because I had no idea this was in place.

Sincerely,
Sandra
LIIT Partners, LLC. Kitchens

3. Elizabeth, I would like to request that the limitation of third party fees be made permanent. It is difficult enough for our restaurants to survive financially and the additional fees for delivery make ordering too expensive and put too much of a burden on business owners as well.

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Thank you - Gina Polesetsky

4. We are beyond grateful that you guys are analyzing these fees as they are killing business daily. Food cost are up, theft Re drivers and fraud claims through these third party marketing portals are making it difficult to run profitable business. The online portals are not taking responsibility for their lack of vetting and putting solid fraud protection measures for vendors in place but steadily make high percentages of our profit and so no work other than push buttons.

At best we could we light at the end of the tunnel when the fees were lifted hiving is fair room to do business where everyone wins.

Thank for listening.

Stalworth Legacy Group LLC/dba Ds Original
Stalworth Legacy Group LLC

5. The limit on food delivery should remain permanent.

Ramin Sarshad MD
Ramin Sarshad

6. Hello Elizabeth, Regarding the TEMPORARY LIMIT ON THIRD-PARTY FOOD DELIVERY SERVICE FEES EFFECTIVE NOVEMBER 6, 2020 THROUGH JANUARY 31, 2021, my feeling is that we need to put back the laws prior to Covid.

Let the people decide with a vote.
arlan kahn

7. I would like to voice my opinion re the cap on 3rd party delivery fees. Please, please, please make this permanent. Profit margins are already razor thin and when these companies go back to charging 33%+, it is going to kill the mom and pop restaurants like mine which STILL have not fully recovered on dine-in business and depend on SOME profit coming from delivery orders. Without this very reasonable 15% maximum, we will be working to make DoorDash/GrubHub/UberEats rich while we struggle to meet payroll.

Allegra Perez, Esq.
Allegra California Cafe

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8. Please avoid the temptation to interfere in the normal conduct of business. Competition always works to keep prices down.

Robert Anderberg

9. PLEASE MAKE FEES PERMANENT...they are fair.
Thank you...

10. Third party food delivery services should not be charging more than the current limitations, in my opinion. Thank you

Rachelle Elias

11. Hi Elizabeth, I read the regulation imposed during the "Pandemic" and in my humble opinion you should let the regulation expire and die peacefully. Well-meaning regulations originated at one time frequently get out of hand and get in the way of free commerce after the time of need has passed. I congratulate you for having an expiration to the ordinance foreseeing this.

Freedom of commerce is the way to go.
Best Regards!, Manuel Ruiz

12. Hi Elizabeth, I think the order should become permanent. Even with the restriction, it's hard to make money on our deliveries.

We are closing what was our best restaurant prior to the pandemic and switching to a takeout/delivery kitchen only at a new location. We hope we can survive with this model and any help we can get limiting third party costs would make a difference.

Thank you, **Mollie Engelhart**
Executive Chef / Founder
Sage Plant Based Bistro & Brewery

13. Hi Elizabeth, I got your email from the city regarding the "Third-Party Food Delivery Fees." I would love to share my story with you and any others from the city about the struggles of running a restaurant business online.

I lease a kitchen inside [Culver City Cuisine](#) and operate an exclusively digital restaurant, [XENiA](#). XENiA has been a labor of love for the past three years, growing from pop-ups in my apartment into this kitchen in Culver. Guests rave about XENiA on [Yelp](#) and we've been a "Top Eats" on Uber since we opened. Our 1st anniversary

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will be on April 11th, and we are set to have done a little over **\$900K** in sales. Our COGS are at 28%, including packaging; labor is 27%, with our employees receiving livable wages. These are desirable metrics for any restaurant and an even bigger one if you consider that our kitchen is only 198 sq. feet.

Despite these accomplishments, my partners and I have yet to pay ourselves a single dollar and likely won't survive through the summer. I have to attribute XENiA's potential failure to the fees from the third-party delivery apps (DoorDash, Uber Eats/Postmates, Grubhub, etc.). Including in-app marketing, promos, error charges, and commission, **our average fee is between 35%**. I've attached a payout document from last weekend's Uber sales for your review. We need these fees getting capped to make it.

Let me know how I can help the city make a case for these changes.

Thanks, Louis Maskin