



C H A M B E R
of
C O M M E R C E

Via Email Only

August 20, 2020

Honorable Mayor Lester Friedman & Beverly Hills City Council
Beverly Hills City Hall
455 N. Rexford Drive
Beverly Hills, CA 90210

Re: Support for Extension of Online Food Delivery Service Fee Cap

Dear Mayor Friedman and Members of the Beverly Hills City Council:

Earlier this year, this Council passed a cap on online third party food delivery service fees of no more than 15 percent of the purchase price and limiting any other combination of charges to no more than 5 percent of the purchase price of goods. This provision of the City's urgency ordinance is due to expire August 31.

The Chamber supports the cap and requests the City Council to extend the delivery fee cap indefinitely. We ask you to take this matter up at your next meeting on September 1. The amounts previously charged by food delivery service companies (typically in the range of 30 percent per order) were excessive and unnecessary and caused hardship to restaurants. The cap allows our restaurants to continue to serve businesses during this difficult time and still allow a reasonable rate of return for the delivery services. We believe these caps should remain in place even after the pandemic has subsided and until the State of California establishes its own uniform guidelines and fee regulations for businesses throughout the State.

The City of Los Angeles, which has a similar cap due to expire August 31, is also looking at an extension as well as a stronger enforcement mechanism.

Should the City proceed to extend the cap, we recommend a robust outreach campaign to notify local businesses that the cap has been extended and about its provisions.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd Johnson", with a long horizontal flourish extending to the right.

Todd Johnson
President and CEO
Beverly Hills Chamber of Commerce