

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the status of an Ordinance to Limit Third-Party Food Delivery Service Fees.

Recommendation for Council action: REQUEST the City Attorney to:

- a. Prepare and present an amendment to the Limit on Third-Party Food Delivery Service Fees Ordinance No. 186665, that the current sunset date of Aug 31, 2020 be amended to 90 days after restaurants are able to resume indoor dining capacity at 100 percent and that the ordinance would be in effect at any point if the restaurants are required to reduce indoor capacity due to the COVID-19 virus.
- b. Prepare additional amendments that would provide a means to enforce the Ordinance including a monetary penalty structure and a reporting mechanism for restaurants that have been overcharged.

Fiscal Impact Statement: None submitted by the Chief Legislative Analyst. The City Administrative Officer has not completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

At the meeting held on September 25, 2020, your Economic Development Committee considered a Chief Legislative Analyst (CLA) report relative to the status of an Ordinance to Limit Third-Party Food Delivery Service Fees. The CLA reports that on June 10, 2020, the Council adopted the Limit on Third-Party Food Delivery Service Fees Ordinance No. 186665 (Ordinance). The Ordinance, among other actions, makes it unlawful for a third-party food delivery service to charge a restaurant a fee per online order for the use of its services that totals more than 15 percent of the purchase price of such online order during the local public health emergency related to COVID-19. The Ordinance will sunset 90 days after the prohibition of on-premises dining has been lifted. Concurrently, the Council adopted Amending Motion (O'Farrell, Price - Krekorian) requesting the CLA, with the assistance of the Economic and Workforce Development Department, to report on the effects of the Ordinance no later than 30 days after the prohibition of on-premises dining has been lifted.

The CLA further states that just prior to the adoption of the Ordinance, on May 29, 2020, Governor Gavin Newsom, and subsequently the Board of Supervisors of Los Angeles County (County), lifted the prohibition of on-premises dining, triggering the expiration of the Ordinance to occur on August 31, 2020. However, on July 1, 2020, these restrictions were re-implemented to combat the rapid spread of COVID-19. After an opportunity for public comment was held, the Committee moved to approve the CLA's recommendations as amended, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
BUSCAINO:	YES
RODRIGUEZ:	YES

ME 8/25/20

-NOT OFFICIAL UNTIL COUNCIL ACTS-