



SEATTLE CITY COUNCIL  
**CENTRAL STAFF**

# **Food Delivery Service Agreement (Council Bill 120092)**

---

YOLANDA HO, ANALYST

COMMUNITY ECONOMIC DEVELOPMENT COMMITTEE

JUNE 3, 2021

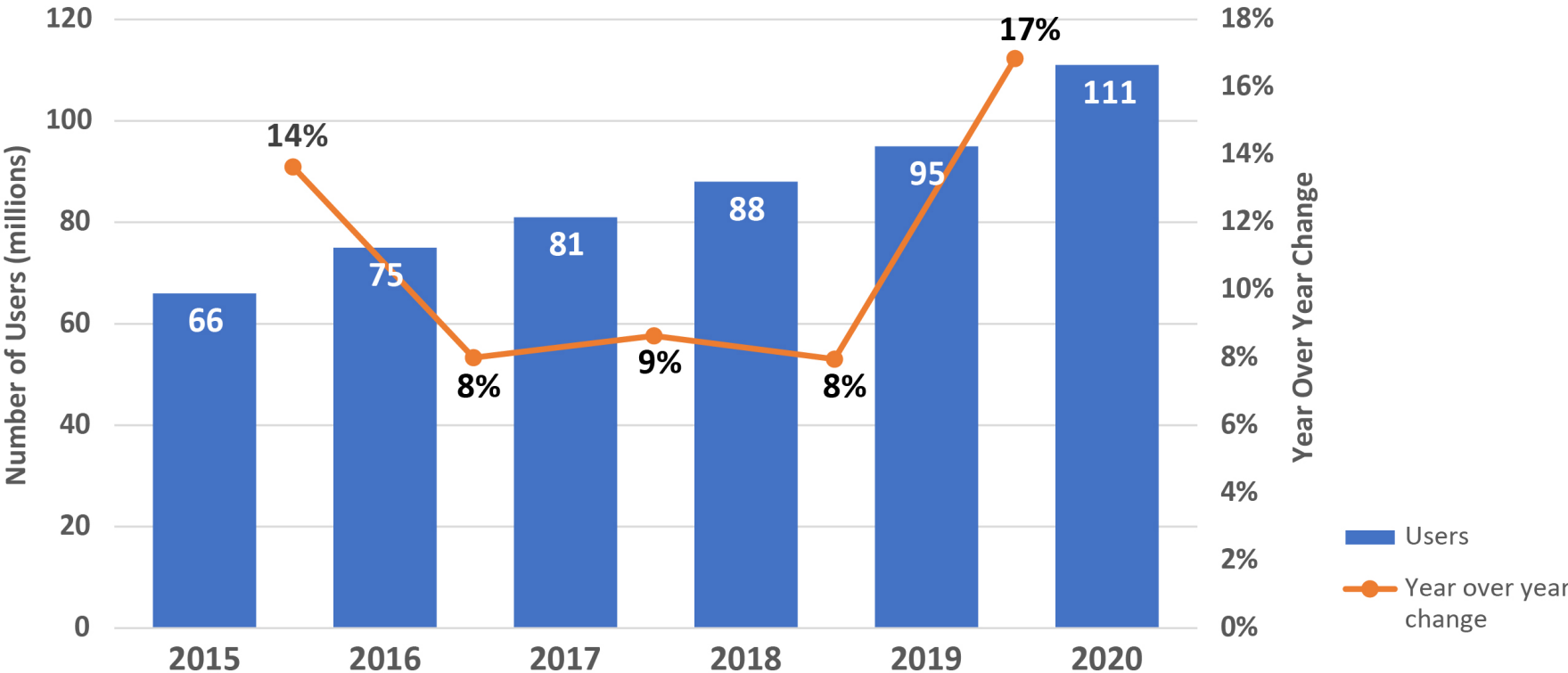
# Presentation Overview

---

- Background
- Summary of Council Bill (CB) 120092
- Potential Impacts of CB 120092

# Background

## Usage of food delivery platforms, U.S. 2015 - 2020



Source: David Curry. (2021, February 15). Food Delivery App Revenue and Usage Statistics (2021). Retrieved from <https://www.businessofapps.com/data/food-delivery-app-market/>

# Background

---

## Partnered Restaurant

- Has an agreement in place
- Aware that it is listed
- Restaurant pays the delivery commission fee
- Restaurant vets online menu and other information
- Customer submits order via an integrated online ordering and payment system

## Non-Partnered Restaurant

- Does not have an agreement in place
- May not be aware that it is listed
- Customer pays the delivery commission fee
- Food delivery platform pulls menu and other information from the internet
- Customer pays for and submits orders via the delivery platform; delivery drivers place orders and pay on customer's behalf

# Summary of CB 120092

---

The legislation would:

- Require food delivery platforms to establish a written agreement prior to offering takeout or delivery from any restaurant in Seattle
- Allow restaurants to end the agreement with a written request; platforms would be required to remove the restaurant's listing within 72 hours
- Authorize the City to impose a maximum penalty of \$250 per violation
- Allocate revenues from penalties to support small restaurants
- Allow restaurants (as individuals or as a class) a private right of action
- Go into effect on September 15, 2021

# Potential Impacts of CB 120092

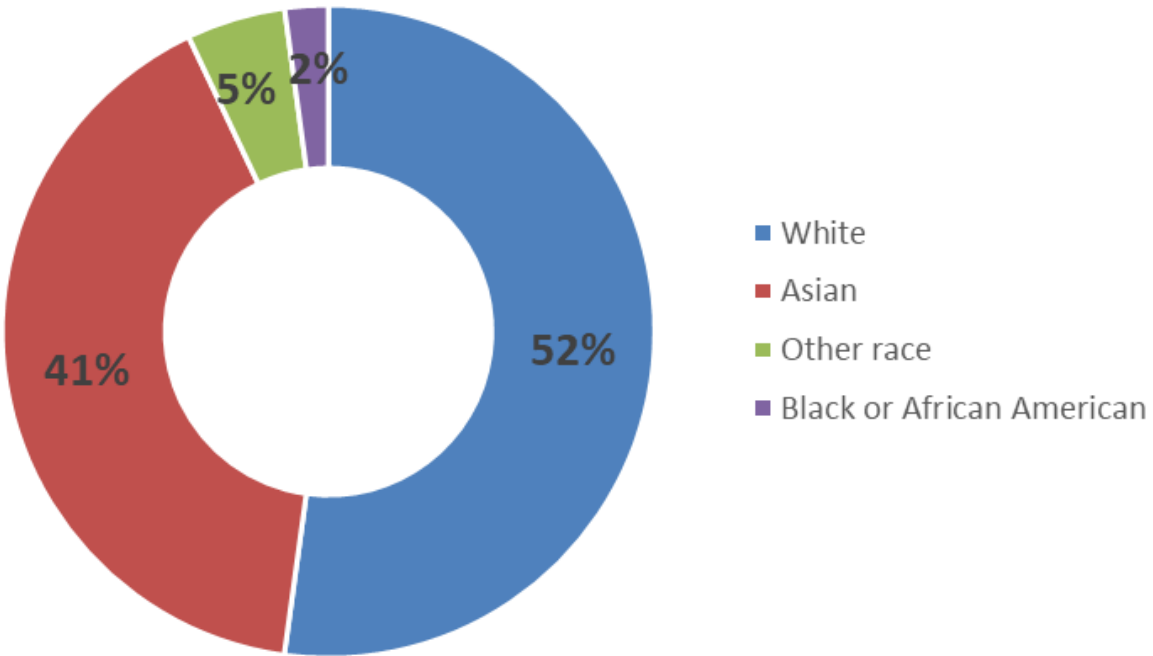
---

- Removal of non-partnered restaurant listings
  - Approx. 4,000 active business licenses in Seattle for restaurants, caterers, and other food industry businesses
  - Grubhub offers delivery from over 4,100 restaurants in the Seattle area
- Financial impacts to previously non-partnered restaurants that want to continue offering takeout or delivery using food delivery platforms
- Fewer options for customers, but improved restaurant and customer experience

# Potential Impacts of CB 120092 (cont.)

- Racial equity impacts – restaurant owners

**Share of owners of businesses in the food and accommodation services industry by race, Seattle metro 2016**

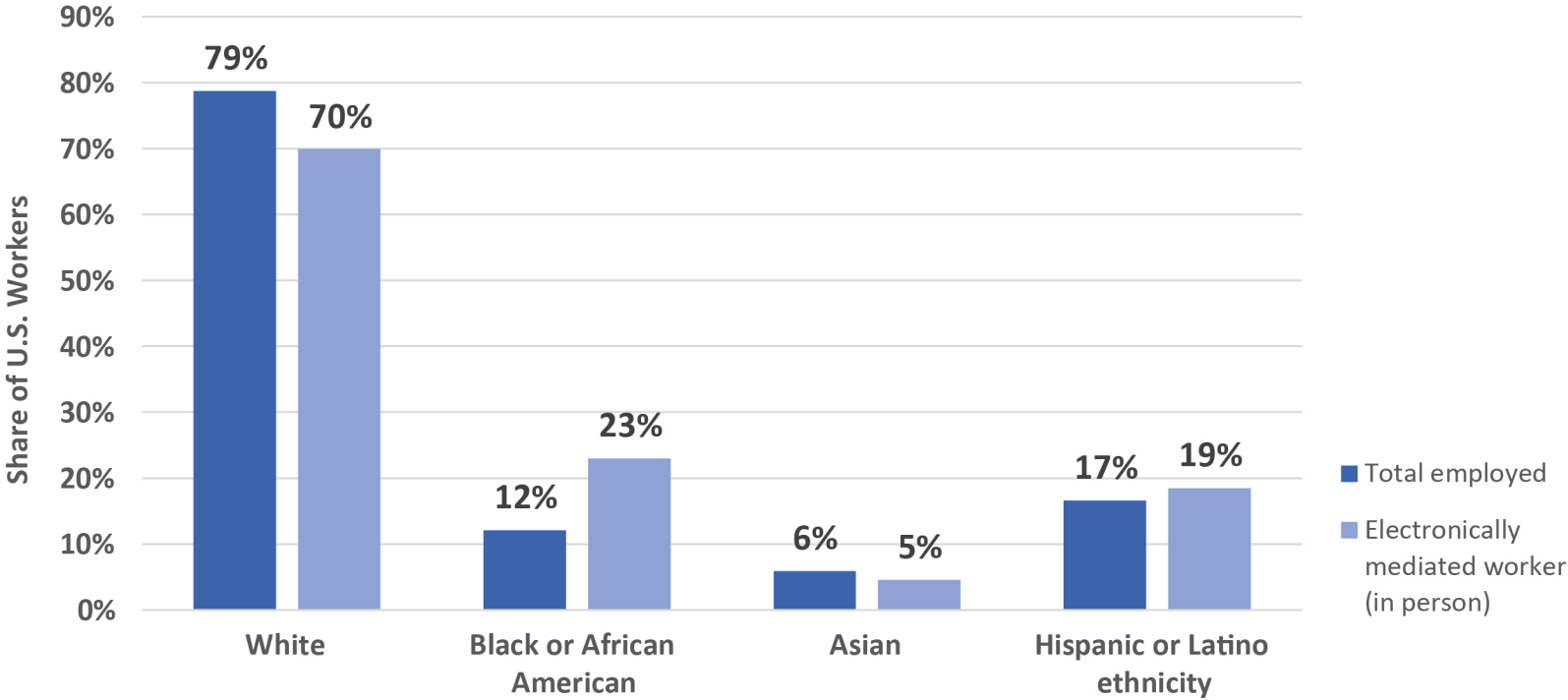


Source: U.S. Census Bureau, Annual Survey of Entrepreneurs

# Potential Impacts of CB 120092 (cont.)

- Racial equity impacts – delivery workers

Share of total workers and electronically mediated workers (in-person), U.S. 2017



Source: U.S. Bureau of Labor Statistics



# Potential Impacts of CB 120092 (cont.)

---

- Need for outreach and engagement, translation services, and technical assistance to restaurant owners
- Enforcement capacity, revenue from penalties
- Private right of action

# Questions?