

News from the Office of Adam J. Bello Monroe County Executive



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MONROE COUNTY EXECUTIVE, LEGISLATOR BARNHART & LOCAL RESTAURANT OWNERS CALL ON LEGISLATURE TO ADOPT CAP ON THIRD-PARTY DELIVERY SERVICE FEES AS LOCAL LAW

Cap expires on Sunday, July 11 with the last remaining Monroe County COVID-19

Emergency Order

ROCHESTER, NY – Monroe County Executive Adam Bello today was joined by County Legislator Rachel Barnhart and local restaurant owners to call upon the Monroe County Legislature to adopt the third party delivery service fee cap as a local law. The third-party delivery service fee cap is the last remaining COVID-19 Emergency Order, expiring on Sunday, July 11.

"Simply put, the third-party delivery fee cap saved our local restaurants thousands of dollars. Coming out of the COVID-19 pandemic, we must continue to support our restaurants and keep money in their pockets to ensure that they can get back on their feet," said Monroe County Executive Bello. "I am thankful for the partnership of Legislator Barnhart on this critical matter for our amazing restaurants, and hope the legislature acts in their interest rather than that of big business."

"Small restaurants simply can't negotiate better deals with powerful, multi-billion dollar companies. These delivery apps created an ecosystem where the cost of reaching customers is the restaurant's profit. I will work on legislation to make the cap permanent on the county and state level," said County Legislator Rachel Barnhart.

Signed as an emergency order in December under State of Emergency authority granted to him by state Law, County Executive Bello issued the third-party delivery service fee cap in response to COVID-19 restrictions and limits placed on restaurants throughout Monroe County.

A proposed local law to cap delivery fees was submitted to the Monroe County Legislature for consideration in November by Legislator Barnhart, but was tabled in the Agenda/Charter committee by the Republican majority. The order does not apply to restaurants with 10 or more locations within the state.

Under the emergency order, third-party delivery services such as GrubHub, DoorDash and UberEats are prohibited from charging any restaurant in Monroe County a delivery fee of more than 15% of the purchase price of any order, regardless of whether that order is placed through a mobile app, an online portal or other means. It is not uncommon for these services to charge restaurants as much as 30% of the purchase price of an order.

"Dropping commissions saved us thousands of dollars a month. It was the difference between staying open and closing," said Marc Taranto, the Owner of Old Stone Tavern, which saved \$8,000 during the time the order was in effect. "It's a monopolistic system where the restaurant partners are the ones that get the shortest end of the stick."

Reducing the service fee charged to restaurants would help owners compensate for lost revenue from limited indoor and outdoor dining. It is not uncommon for these services to charge restaurants as much as 30% of the purchase price of an order.

"We used to have a 30 percent commission rate with GrubHub. In just 5 months we saved over \$10,000 in fees just from that 10 percent reduction. We feel 30 percent is outrageous and unwarranted," Andrea Parros, owner of The Red Fern.

"This emergency cap should be made permanent! Small businesses are trying to recover from the pandemic and the lower fees will enable us to get back on our feet much more quickly," said Corinna Kasandrinos, owner of The Golden Fox Restaurant.

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