



City of Milpitas

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Milpitas Approves Urgency Ordinance to Assist Local Restaurants

Milpitas, CA – October 22, 2020 – FOR IMMEDIATE RELEASE

On October 20, 2020, the Milpitas City Council unanimously approved an Urgency Ordinance to cap third-party food delivery service fees which will help restaurants maximize profits and their chances of staying viable through the current health and economic crisis. Effective upon Council approval yesterday, the Urgency Ordinance places a 15% fee cap on third-party food delivery orders and a 10% fee cap on non-delivery (pickup) orders, and guarantees that all tips and gratuities are paid in full to the third-party delivery drivers.

“I’m proud to have initiated this action to provide relief to our local restaurants especially during this challenging economic time,” says Councilmember and former Small Business Assistance Subcommittee Chair Carmen Montano.

In addition to the provisions above, the City Council also recommended to add the following provisions:

- Allow the third-party food delivery service provider to pass through credit card payment processing fees to restaurants consisting of 3% of the purchase order;
- Restaurants can affirmatively elect to pay a greater fee to obtain additional services on the third-party platform, such as increased marketing services or data analytics. The 15% delivery and 10% non-delivery fee caps would only apply to restaurants that do not opt into these additional third-party services;
- The Urgency Ordinance shall terminate at such time as the Milpitas City Council terminates the declared local emergency

Milpitas is home to over 225 restaurants, many of whom have been struggling due to the pandemic. Third-party food delivery service providers have helped restaurants stay afloat, however restaurants report that these fees range from 20%-30%, sometimes more, per order, which can heavily reduce or eliminate a restaurant’s profit margins.

Councilmember Phan commented, “COVID-19 has changed the dynamics for everyone involved. The Urgency Ordinance will make the business landscape more equitable and will give our restaurants a fighting chance to survive this pandemic.” The City of Milpitas joins a dozen other Bay Area cities that have adopted similar ordinances to protect their local restaurant communities.

For more COVID-19 information and updates from the City of Milpitas, visit the City's [COVID-19 webpage](#). Milpitas-based businesses seeking government and financing resources, information on the Office of Economic Development's Virtual Business Assistance Center, and/or to sign up to receive Milpitas economic recovery updates, visit the City's [Office of Economic Development's COVID-19 Business Resource webpage](#). For any questions regarding the Spotlight program, please send an email to BusinessAssistance@ci.milpitas.ca.gov.

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City of Milpitas Coronavirus Webpage: [City of Milpitas Coronavirus Updates](#)

Public Health Website: <http://sccphd.org/coronavirus>

Public Health Facebook: <https://www.facebook.com/sccpublichealth/>

Public Health Instagram: @scc_publichealth

Public Health Twitter: @HealthySCC

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