



Legislation Details (With Text)

**File #:** 21-0866      **Version:** 1      **Name:** 5/3/21 Third Party Delivery Fee Ordinance  
**Type:** Ordinance      **Status:** Passed  
**File created:** 5/3/2021      **In control:** City Council  
**On agenda:** 5/17/2021      **Final action:** 5/17/2021  
**Enactment date:** 5/17/2021      **Enactment #:** ORD-21-17

**Title:** An Ordinance to Add a Temporary Emergency Ordinance Section 1.327b (Third-Party Delivery Services) to Title I of Chapter 15 (Emergency and Disaster Management) of the Code of the City of Ann Arbor (ORD-21-17)

**Sponsors:** Julie Grand, Lisa Disch, Travis Radina, Christopher Taylor

**Indexes:**

**Code sections:**

**Attachments:** 1. ORD-21-17 Briefed and Approved.pdf, 2. ORD-21-17 Briefed.pdf, 3. Third Party Delivery Services Ordinance.pdf, 4. ORD-21-17 Approval Notice.pdf, 5. WLN clipping Third Party Delivery Services - Public Hearing Notice.pdf

Date	Ver.	Action By	Action	Result
5/17/2021	1	City Council	Held and Closed	
5/17/2021	1	City Council	Adopted on Second Reading	Pass
5/3/2021	1	City Council	Approved on First Reading	Pass

An Ordinance to Add a Temporary Emergency Ordinance Section 1.327b (Third-Party Delivery Services) to Title I of Chapter 15 (Emergency and Disaster Management) of the Code of the City of Ann Arbor (ORD-21-17)

The proposed ordinance temporarily caps delivery fees during the Covid-19 pandemic and prohibits third-party delivery services from publishing inaccurate or misleading restaurant menus. It is enacted pursuant to Chapter 15, Section 1.327(5) of the Municipal Code, including the City’s declaration of a Local State of Emergency (Resolution 20-1314) and the State of Michigan Department of Health and Human Services Epidemic Orders (

[https://www.michigan.gov/coronavirus/0,9753,7-406-98178\\_98455-533660--,00.html](https://www.michigan.gov/coronavirus/0,9753,7-406-98178_98455-533660--,00.html)), which:

- Limit indoor seating capacity to 50%,
- Limit the maximum number of diners at each table to 6 people,
- Prohibit dining while standing or seated at counters, bars, and bistro tables,
- Establish a minimum six feet of spacing between tables, thus further limiting inside dining to below 50% seating capacity in certain cases, and
- Set a curfew on the hours of operations, in many cases much earlier than a restaurant would otherwise be open;

Due to the pandemic and the MDHHS Orders, restaurants and patrons have become highly reliant on third-party food delivery services. Currently, delivery fees in excess of 30% have been charged by third-party delivery service providers to Ann Arbor restaurants that are already struggling due to the operational restrictions imposed by the MDHSS orders. Such fees threaten the financial viability of many Ann Arbor restaurants, along with the jobs those restaurants provide during the Covid-19 related public health emergency.

Third-party delivery services have posted inaccurate or misleading Ann Arbor restaurants' menus on their online platforms. Such menus may be outdated, containing incorrect items and/or prices, which can lead to customer dissatisfaction with those restaurants.

Several municipalities have adopted temporary caps on third-party delivery fees due to the Covid-19 pandemic, including Baltimore, Chicago, Columbus, Jersey City, Los Angeles, Minneapolis, New York City, Portland, San Francisco, San Mateo County, Seattle, and Washington DC.

Some Ann Arbor restaurants have already shut down because of a diminution in sales due to the pandemic. The proposed emergency ordinance helps support the viability of Ann Arbor restaurants during the pandemic and has a direct and positive impact on the general welfare of City customers, City restaurants, and their employees.

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John W. Reiser, Senior Assistant City Attorney

[\(See Attached Ordinance\)](#)

Sponsored by: Councilmembers Grand, Disch, Radina and Mayor Taylor