

CITY COUNCIL  
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONSUMER AND  
WORKER PROTECTION

----- X

Wednesday, March 29, 2023  
Start: 10:17 a.m.  
Recess: 4:26 p.m.

HELD AT: Council Chambers, City Hall

B E F O R E: Marjorie Velázquez, Chairperson

COUNCIL MEMBERS:

Shaun Abreu  
Erik D. Bottcher  
Gale A. Brewer  
Amanda Farias  
Shekar Krishnan  
Julie Menin  
Chi A. Ossé  
Robert F. Holden  
Rafael Salamanca, Jr.

## A P P E A R A N C E S (CONTINUED)

Carlos Ortiz  
Assistant Commissioner  
External Affairs  
Dept of Consumer & Worker Protection

Elizabeth Wagner  
Deputy Commissioner  
Office of Labor Policy and Standards  
Dept of Consumer & Worker Protection

Andrew Frank  
Associate General Counsel  
Dept of Consumer & Worker Protection

Steven Picker  
Executive Director  
Food and Beverage Industry Partnership  
Department of Small Business Services

Brian Smith  
Senior Vice President  
Corporate and Community Relations  
New York Yankees

Stanley Schlein  
Member  
New York Yankee Foundation

Dr. Meisha Porter  
President and CEO  
Bronx Community Foundation

Jane Sun  
Manager  
Amazin' Mets Foundation  
The New York Mets

Shalima McCants  
Chief Program Officer  
New York Urban League

Daniel Quintero  
Executive Director  
Kips Bay Boys and Girls Club

Jessica Orozco Guttlein  
Senior Vice President  
Policy and Communications  
Hispanic Federation

Bervin Harris  
President and CEO  
Renaissance Youth Center

Stacy Lentz  
Co-owner of the Stonewall Inn  
The Stonewall Gives Back Initiative

Diana Rodriguez  
Founder of Pride Live  
Stonewall National Monument Visitor  
Center

Syd Mandelbaum  
CEO and Founder  
Rock and Wrap It Up!

Paul Jeffries  
Executive Director  
City in the Community  
New York City Football Club

Reverend Shawn Wills  
Assistant Pastor  
Church Alive Community Church

Mikisha Alcindor  
President and Founder  
STEM Educational Institute

Christina Hanson  
Executive Director  
Part Of The Solution

Trey Jenkins  
Executive Director  
161st Street Business Improvement  
District

Beth Shapiro  
CEO  
City Meals on Wheels

Janis Robinson  
Vice President  
Institutions and Partnerships  
Food Bank for New York City

Justin Nelson  
Co-Founder and President  
National LGBT Chamber of Commerce

Rob Walsh

Interim President  
Bronx Overall Economic Development Corp

Lisa Sorin  
President  
Bronx Chamber of Commerce

Julian Klein  
Head of Policy  
Tech NYC

Joshua Bocian  
Senior Manager  
Government Affairs  
GrubHub

Kevin Wong  
Executive Director  
Coalition of Asian Americans Business Org

Dr. Mark Drapeau  
Data Catalyst Institute

Jeffrey Garcia  
President  
New York State Latino Restaurant Bar  
and Lounge Association

Andrew Rigie  
Executive Director  
New York City Hospitality Alliance

Rob Bookman  
Counsel  
New York City Hospitality Alliance

Alfredo Angueira  
Principal Partner  
Hospitality Group

Sascha Owen  
Senior Manager  
Government Relations  
DoorDash, New York

Ivan Garcia  
Senior Manager  
Public Engagement  
DoorDash

Lilly Rocha  
CEO  
National Latino Restaurant Association

Chiling Tong  
President and CEO  
National Asian Pacific Islander American  
Chamber of Commerce and Entrepreneurships

James Mallios  
New York City Hospitality Council  
East Midtown Partnership Board

George Constantinou  
Restaurant owner  
Bogata Latin Bistro and others

Bart Hubbuch  
Restaurant owner  
Memphis Soul and others

Pedro Goico  
Restaurant owner  
Mamajuana Cafe

Alban Infante  
Restaurant owner

Kathleen Riley  
New York State Restaurant Association

Dawn Kelly  
Restaurant owner  
The Nourish Spot

Soylo Ramirez  
Restaurant owner

Megan Rickerson  
Restaurant owner  
Someday Bar

Robert Lee  
Restaurant owner  
Tada Noodles

Evette Zayas  
Restaurant owner  
CakeBurgers

Alain Xiong-Calmes  
Director of State and Local Public Policy  
Chamber of Progress

Michael Fuquay  
Restaurant owner  
The Queensboro

Jeffrey Bank  
President  
New York City Hospitality Alliance

Christopher Leon Johnson  
Resident of New York City

Loycent Gordon  
Restaurant owner  
Neir's Tavern

Kevin Ryan  
Head of Public Policy  
Flex

Jenny Alcantara  
Restaurant owner

Maureen Tkacik  
Senior Fellow  
American Economic Liberties Project

Melat Seyoum  
Worker Coop Policy Advocate  
NYC Network of Worker Cooperatives

Meghan Racklin  
Senior Staff Attorney  
A Better Balance

Alice Maggio  
Project Officer  
The Working World



Anh-Thu Nguyen  
Director of Strategic Partnerships  
Democracy at Work Institute

Kelly Smith  
Mothers On The Move

Catherine Mercic  
Resident of New York City

2 SERGEANT AT ARMS: Good morning and welcome to  
3 today's New York City Council hearing for the  
4 Committee on Consumer and Worker Protection. At this  
5 time please silence all electronic devices. If you  
6 wish to submit testimony you may at  
7 testimony@council.nyc.gov. Chair we are ready to  
8 begin.

9  
10 CHAIRPERSON VELÁZQUEZ: Good morning. My name is  
11 Marjorie Velázquez, and I am the Chair of the  
12 Committee on Consumer and Worker Protection, and I'd  
13 like to welcome you to our hearing on Intros 813,  
14 891, and 818. I'd like to recognize my fellow  
15 Councilmembers Salamanca, Menin, and Ossé.

16 Also, I'd like to start off with Intro 813,  
17 sponsored by Councilmember Holden, which would  
18 establish exemptions for third party food delivery  
19 services from the limits on fees charged to  
20 restaurants. In 2021, this Council passed a local  
21 law to permanently cap the fees third party food  
22 delivery services can charge restaurants. This cap  
23 protects restaurants from fees imposed by delivery  
24 services, which was critical during the pandemic and  
25 continues to be vital to the state. Intro 813 would

2 amend this law by allowing third party delivery  
3 services to increase their fees for restaurants that  
4 choose to pay for more additional services such as  
5 marketing in the apps.

6 Intro 891 sponsored by councilmember Salamanca  
7 would amend an outdated law to allow sports venues to  
8 participate in games of chance for charitable  
9 purposes. This bill would permit our favorite  
10 stadiums, Yankee Stadium, and arenas like Citi Field,  
11 Yankee Stadium, and MSG to participate in 50-50  
12 raffles and other games of chance to raise money for  
13 our local organizations in our communities. It would  
14 create more opportunities for nonprofits to receive  
15 the funds they so desperately need to be able to  
16 continue their work on the causes that we care about.

17 Lastly, Intro 818, sponsored by Councilmember  
18 Brewer, would establish an outreach and education  
19 campaign to provide information to workers who may  
20 not know that Temporary Schedule Change Act. The  
21 Temporary Schedule Change Act, which was enacted by  
22 local law in 2018 protects workers who seek temporary  
23 changes to their work schedules for personal events.  
24 Under this local law, workers can request changes  
25 without fear of retaliation. The strength of the

2 Temporary Schedule Change Act depends on workers'  
3 awareness that such protections exist. An outreach  
4 and education program related to this local law would  
5 provide workers with critical information related to  
6 their rights in the workplace. I look forward to  
7 hearing from you all on each of these bills and I'm  
8 going to turn it over now to Councilmember Salamanca  
9 to make an opening statement.

10 COUNCILMEMBER SALAMANCA: Good morning. Thank  
11 you Madam Chair. If you visit virtually any college  
12 or professional sporting events across the country,  
13 you are bound to see the same thing play out in  
14 concessions, concourse, and other fan areas: Fans  
15 lining up for the opportunity to purchase a 50-50  
16 game raffles. For those of you that don't know, 50-  
17 50 raffles are a simple concept. Teams sell number  
18 raffle tickets at varying price points before and  
19 during the game, before announcing the winning ticket  
20 and the latter half of the game. While 50% of the  
21 proceeds go to a winning fan. The other 50 goes to a  
22 far more meaningful purpose: a local charity of the  
23 team's choice.

24 Across the country, teams are raising incredible  
25 amounts of money for local charities. In 2022,

2 besides winning the Super Bowl, the Los Angeles Rams  
3 of the National Football League set an NFL single-  
4 season 50-50 raffle record by raising \$1.7 million in  
5 raffle sales across eight games. Across eight home  
6 games, at that. Here in New York State the Buffalo  
7 Bills' 50-50 raffle raising money-- raising money for  
8 pediatric cancer research has become so popular,  
9 they've expanded their in-game raffle sales to  
10 include online sales. Just 30 minutes from City Hall  
11 and Elmont, New York, the New York Islanders will  
12 soon be selling 50-50 raffles for their own charity.  
13 But right here in New York City, the practice is not  
14 allowed under the city charter. Intro 891 would  
15 change that by allowing sports venues in the city to  
16 host 50-50 raffles raising thousands of dollars for  
17 local charities in the process.

18 Thank you Chair Velasquez for allowing me to  
19 speak on this bill and for being a co-sponsor as  
20 well.

21 CHAIRPERSON VELÁZQUEZ: Okay, I'd like to  
22 recognize councilmember Abreu, who has joined us.  
23 Unfortunately, because we still don't have quorum, we  
24 cannot hear from councilmember Holden. So we will  
25 begin with testimony from the Administration.

2 COUNSEL: Thank you Chair Velázquez. Good  
3 morning and welcome. My name is Sarah Swain counsel  
4 to the Committee on Consumer and Worker Protection  
5 and I will be moderating today's hearing. Before we  
6 begin, I'd like to remind everyone that is joining us  
7 via Zoom that you will be on mute until you are  
8 called on to testify, at which point you will be  
9 asked to accept to be unmuted by the host. I'll be  
10 calling on public witnesses to testify after the  
11 conclusion of the administration's testimony and  
12 councilmember questions, so please listen carefully  
13 for your name to be called.

14 We will first be inviting testimony from the  
15 Department of Consumer and Worker Protection and  
16 Small Business Services. At this time, I will  
17 administer the affirmation. Administration panelists  
18 please raise your right hand.

19 Do you affirm to tell the truth, the whole truth  
20 and nothing but the truth before this committee and  
21 to respond honestly to Councilmember questions.

22 ALL: I do.

23 COUNSEL: You may begin.

24 ASSISTANT COMMISSIONER ORTIZ: Good morning Chair  
25 Velázquez and members of the Committee. My name is

2 Carlos Ortiz, and I'm the Assistant Commissioner for  
3 External Affairs at the Department of Consumer and  
4 Worker Protection. I'm joined by Elizabeth Wagner,  
5 our Deputy Commissioner for the Office of Labor  
6 Policy and Standards; Andrew Frank, our Associate  
7 General Counsel; and Steven Picker, Executive  
8 Director of Food and Beverage Industry Partnership at  
9 the Department of Small Business Services.

10 Thank you for the opportunity to testify today on  
11 Introductions 813, 818, and 891 relating to delivery  
12 fee caps, the temporary schedule change law, and  
13 games of chance respectively. These three bills each  
14 highlight different aspects of the varied work we do  
15 to protect New Yorkers during their daily lives and  
16 uplift the small businesses that bring vibrancy and  
17 necessary services to our communities.

18 As part of our licensing of online third party  
19 food delivery services, also known as delivery apps,  
20 DCWP enforces caps on what delivery apps can charge  
21 restaurants for each delivery they facilitate.  
22 Currently, delivery apps can only charge a restaurant  
23 a total of 23% of an order in fees, broken down as  
24 follows: Up to 15% for delivery fees, up to 3% for  
25 transaction fees, and up to 5% for other fees. The

2 caps on fees at delivery apps can charge restaurants  
3 were first created by the City Council during the  
4 COVID-19 pandemic, and were later made permanent  
5 under Local Law 103 of 2021. Local Law 103 also  
6 required DCWP to submit a report every two years to  
7 the Council that provides feedback on the impact of  
8 the fee caps in New York City.

9 Introduction 813 seeks to amend the fee caps.  
10 Our understanding of the bill as drafted is that it  
11 will allow delivery apps to charge additional fees to  
12 restaurants in exchange for being listed and marketed  
13 on their platforms. My colleague at the Department  
14 of Small Business Services can speak more directly to  
15 the fee caps and their impact on New York City's  
16 restaurants small businesses. As the restaurant  
17 industry continues to recover, SBS is ready to  
18 provide continued support and help small businesses  
19 navigate a rapidly market landscape.

20 As an enforcement agency, DCWP will enforce the  
21 fee caps at the limits mandated by local law. We are  
22 also on track to submit the required report on the  
23 impact of the fee caps this September. If the fee  
24 caps are amended before that time, we believe that  
25 the report will need to be pushed back to account for



2 the change of circumstances in the industry. I would  
3 also note that the current fee caps are subject to  
4 ongoing litigation.

5 Under the temporary schedule change law,  
6 employees are entitled to temporary adjustments to  
7 their normal work hours or location for certain  
8 personal events. The temporary change could include  
9 shifting working hours, taking unpaid time off, or  
10 swapping working hours with a co-worker. Employees  
11 are protected from retaliation for making requests  
12 under this law. An employee is guaranteed up to two  
13 schedule changes per year for a maximum of two  
14 business days. The law covers only certain types of  
15 personal events, which include caregiving for an  
16 employee's family member with a disability, or for a  
17 child under 18, attending a public benefits hearing,  
18 or anything that we that would be permissible under  
19 the New York City Paid Safe and Sick Leave Law.

20 Introduction 818 will require DCWP to conduct an  
21 annual outreach campaign to inform New Yorkers about  
22 the Temporary Schedule Change Law. The agency will  
23 be required to develop and distribute materials  
24 relating to law to employers, who would then be  
25 required to distribute them to their employees.

2 Additionally, DCWP would have to implement a media  
3 campaign online and on television, radio and print.

4 The DCWP supports the intent of this bill. We are  
5 committed to educating New Yorkers about their rights  
6 in the workplace. DCWP currently does extensive  
7 outreach on all its worker rights. In 2022 alone,  
8 our Community Affairs Team conducted more than 250  
9 worker-focused events in partnership with community  
10 organizations, sister agencies, and elected officials  
11 reaching more than 20,000 New Yorkers.

12 We would recommend that the bill also include  
13 outreach on the Paid Safe and Sick Leave Law, which  
14 also provides vital opportunities for workers to  
15 address personal needs. A combined outreach campaign  
16 will provide workers with a complete understanding of  
17 their rights time off under city law. Additionally,  
18 we would like to explore ways to refine the  
19 protections under the Temporary Schedule Change Law  
20 to align them with those under the Paid Safe and Sick  
21 Leave Law, and reduce administrative burdens on our  
22 small businesses and workers. We look forward to  
23 working with the Council as this bill continues  
24 through the legislative process.

1           Currently, both New York City and the New York  
2 State Gaming Commission regulate charitable gaming.  
3 In New York City DCWP issues licenses to nonprofits  
4 operating games of chance, such as a raffle.  
5 Currently, operators a games of chance cannot offer  
6 prizes worth more than \$100, allow wagers more than  
7 \$10, admission fees more than \$2, or conduct more  
8 than 12 games a year. There are also restrictions on  
9 the amount of advertising an organization may do, and  
10 how much the organization may compensate the staff  
11 that operates the game. Finally, New York City law  
12 prohibits the sale of alcohol other than beer during  
13 games of chance. Instruction 891 would provide  
14 exemptions to these restrictions for games of chance  
15 that take place at professional sporting venues.  
16 DCWP supports this legislation and efforts like this  
17 to modernize games of chance and align it with New  
18 York State charitable gaming regulations. Currently,  
19 other New York State based sports venues hold  
20 charitable games of chance on site, including the  
21 Buffalo Bills and the New York Islanders. New York  
22 City sports teams should also have that right. DCWP  
23 looks forward to working with the Council as this  
24 bill moves forward.  
25

2 Thank you for the opportunity to testify on these  
3 three bills. We look forward to answering any  
4 questions you might have.

5 CHAIRPERSON VELÁZQUEZ: Okay. I'd like to begin  
6 with Intro 891. How many games of chance licenses  
7 did the Department issue last year?

8 ASSISTANT COMMISSIONER ORTIZ: I'm sorry. I  
9 don't have that number in this in this document right  
10 now, but I'll find it for you before this hearing  
11 ends.

12 CHAIRPERSON VELÁZQUEZ: Thank you. And how many  
13 games are chances licenses were forfeited last year?

14 ASSISTANT COMMISSIONER ORTIZ: Sorry. Could you  
15 repeat the question?

16 CHAIRPERSON VELÁZQUEZ: How many were forfeited  
17 last year? You don't have that either?

18 ASSISTANT COMMISSIONER ORTIZ: No, we do not.

19 CHAIRPERSON VELÁZQUEZ: Okay. Does 891 raise any  
20 concerns about processing new license applications?

21 ASSISTANT COMMISSIONER ORTIZ: No, it does not  
22 raise those concerns for us. Ultimately, we feel  
23 that this bill is helping align games of chance in  
24 New York City with the state. And in terms of that

2 type of modernization, we think it's important for--  
3 for games of chance licensees.

4 CHAIRPERSON VELÁZQUEZ: That's the department  
5 anticipate Intro 891 to cause any changes to the  
6 current application process?

7 ASSISTANT COMMISSIONER ORTIZ: No, we do not  
8 anticipate changes to our application process at this  
9 time.

10 CHAIRPERSON VELÁZQUEZ: Okay. Moving along to  
11 818. Local Law 69 of 2018 allows employees to take  
12 two Temporary Schedule Changes per calendar year, and  
13 it became effective August 28, 2020. Since then, how  
14 many complaints have been filed with the Department  
15 related to the Temporary Schedule Change Act?

16 ASSISTANT COMMISSIONER ORTIZ: Since then, we  
17 received a total of 16 complaints.

18 CHAIRPERSON VELÁZQUEZ: How many violations of  
19 Section 20-1262 have been issued by the Department?

20 ASSISTANT COMMISSIONER ORTIZ: We-- Since 2018,  
21 we've opened six investigations that are related to  
22 the Temporary Schedule Change Law.

23 CHAIRPERSON VELÁZQUEZ: Any violations or  
24 penalties?

2 DEPUTY COMMISSIONER WAGNER: Yes, Councilmember.  
3 We've assessed a total of \$11,500 in restitution in  
4 cases involving violations-- two cases involving  
5 violations of that temporary schedule change law.

6 CHAIRPERSON VELÁZQUEZ: What kinds of Route  
7 breach has the department conducted related to Local  
8 Law 69 of 2018?

9 ASSISTANT COMMISSIONER ORTIZ: I think, um, in  
10 terms of the Temporary Schedule Change Law, we-- we  
11 have information that's available on our website. We  
12 have discussed it at our worker-focused events. I  
13 think ultimately this bill is important to us because  
14 it offers an opportunity to elevate Temporary  
15 Schedule Change Law as it relates also to paid safe  
16 and sick leave, and make needed changes the law that  
17 perhaps will-- will promote its use more often and  
18 it's understanding when workers, particularly as it  
19 relates to reducing administrative burdens.  
20 Currently-- Well, let me-- let me pass it to my  
21 colleague as well, who can describe kind of what the  
22 process is now for a worker in a business, when  
23 they're requesting these types of changes.

24 DEPUTY COMMISSIONER WAGNER: So the Temporary  
25 Schedule Change Law, you know, as you noted, allows

2 for two schedule changes per year. That can be a  
3 situation where a worker asked for a change in hours,  
4 or for an accommodation like remote work. Or it  
5 could just be two-- up to two days of unpaid time off  
6 per year.

7 The reasons a worker can use time could be-- are  
8 a little bit more expensive than the Paid Safe and  
9 Sick Leave Law, including childcare reasons and  
10 public benefits hearings, or of course for any use  
11 that's allowed under the Paid Safe and Sick Leave  
12 Law. So there is sort of an alignment between the  
13 two laws and they relate to each other. You know,  
14 that's why we think, you know, with an outreach  
15 campaign, it would be really valuable to workers to  
16 understand how these rights intersect, and to be able  
17 to message it that way while also making sure people  
18 are aware of their rights under the Paid Safe and  
19 Sick Leave Law.

20 CHAIRPERSON VELÁZQUEZ: Can you describe to me  
21 what kind of support is currently available to  
22 employees and employers seeking more information  
23 related to the Temporary Schedule Change Act?

24 DEPUTY COMMISSIONER WAGNER: We have a detailed  
25 FAQ on our website that explains exactly how the law

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 24

2 works, how to access it, and then for employers, how  
3 to offer the benefit.

4 ASSISTANT COMMISSIONER ORTIZ: Councilmember, to  
5 follow up on your earlier question -- I'm sorry to  
6 interject -- but there are currently 19 licensees of  
7 games of chance in New York City.

8 CHAIRPERSON VELÁZQUEZ: 19?

9 ASSISTANT COMMISSIONER ORTIZ: Yes.

10 CHAIRPERSON VELÁZQUEZ: Any forfeited last year  
11 or no?

12 ASSISTANT COMMISSIONER ORTIZ: We don't have that  
13 data, how many were forfeited.

14 CHAIRPERSON VELÁZQUEZ: Okay. And where can an  
15 employee go with questions related to the Temporary  
16 Schedule Change Act?

17 DEPUTY COMMISSIONER WAGNER: We take questions  
18 from on our intake hotline, so anyone can call 311 to  
19 get to our intake and get more information, or they  
20 can go to our website to get more information.

21 CHAIRPERSON VELÁZQUEZ: Perfect. Thank you.  
22 Moving along to 813, which I think this is why we  
23 have a lot of folks here today. So local law 103 of  
24 2021 established a permanent cap on fees for third-  
25 party delivery services charged to food service



2 establishments. It was enacted on September 26,  
3 2021, and effective January 24, 2022. It is codified  
4 in 20-563.3 of the Administrative Code. It requires  
5 DCWP to submit a report recommending the maintenance  
6 or adjustment of the caps on third party delivery  
7 fees. Does the Administration anticipate any issues  
8 meeting the September 30 reporting deadlines?

9 ASSISTANT COMMISSIONER ORTIZ: Thank you,  
10 Councilmember. We do not anticipate any delays, and  
11 we're on track for the September report at this time.

12 CHAIRPERSON VELÁZQUEZ: How do you think 813  
13 would impact the Admin's ability to complete the  
14 report on time?

15 ASSISTANT COMMISSIONER ORTIZ: Well, I do think  
16 that if-- if there are changes or amendments to the  
17 fee caps, that it would be important to also adjust  
18 when the report is due, in case there are any impacts  
19 of the industry that should be taken into account.  
20 The report is meant to be a review of-- of the impact  
21 of the fee caps.

22 CHAIRPERSON VELÁZQUEZ: How do you anticipate the  
23 passage of Intro 813 impact these recommendations  
24 included in the report?

2 ASSISTANT COMMISSIONER ORTIZ: Well, I think we'd  
3 have to-- I mean, if-- if the Introduction was to  
4 pass, I think we have to consider how the changes--  
5 amendments in the fee caps are impacting our small  
6 businesses, or the industry overall. Ultimately--  
7 Ultimately, for us, it's important that-- that a  
8 report is comprehensive of-- of the of the lay of the  
9 land as it is in the-- for our businesses.

10 CHAIRPERSON VELÁZQUEZ: How many complaints have  
11 you received related to the delivery fee caps?

12 MR. FRANK: Thank you, Councilmember. We haven't  
13 received any complaints specifically about the  
14 delivery fee caps. We have received a handful of  
15 complaints against third party food delivery apps in  
16 recent years, but mostly having to do with general  
17 consumer protection issues such as overcharging or  
18 refund policy issues.

19 CHAIRPERSON VELÁZQUEZ: How many violations of  
20 delivery fee caps have been issued?

21 MR. FRANK: We haven't issued any violations.

22 CHAIRPERSON VELÁZQUEZ: How many-- How much  
23 restitution has the department recovered on behalf of  
24 food service establishments for violations of  
25 delivery fee caps?

2 MR. FRANK: No restitution in that space.

3 CHAIRPERSON VELÁZQUEZ: Sorry. I know it's  
4 repetitive, but you know we've got to get this on the  
5 record.

6 How has Local Law 103 of 2021 affected wages or  
7 working conditions for people who deliver food or  
8 beverages for third party food delivery services?

9 ASSISTANT COMMISSIONER ORTIZ: Thank you,  
10 Councilmember. That is that is something that's  
11 going to be captured in our report in September.  
12 There-- I think there are-- there are multiple moving  
13 pieces I think that would impact that report. You  
14 know, it could be this Introduction. It could be the  
15 ongoing litigation. It could be our efforts around--  
16 around supporting workers and other sectors of this  
17 industry. I think it'd be premature at this moment  
18 to discuss that-- that factor with the report.

19 CHAIRPERSON VELÁZQUEZ: So are you aware of any  
20 changes to wages or working conditions since the  
21 implementation of this law?

22 ASSISTANT COMMISSIONER ORTIZ: I would-- Sorry.  
23 I would say at this point in time that we are still  
24 collecting information about the impact of the fee  
25 caps. Ultimately, I do want to provide some larger

2 context. You know, the Council has been discussing  
3 fee caps as it relates to delivery apps and  
4 restaurants since 2019. We had the emergency  
5 legislation in 2020. And then we had the more  
6 permanent legislation in 2021. Ultimately, the DCWP  
7 is committed to enforcing the fee caps and if the  
8 council decides on further changes to it, we will  
9 enforce whatever limits those are as well.

10 CHAIRPERSON VELÁZQUEZ: Does the Admin support  
11 capping the fees third party delivery services can  
12 impose upon food service establishments?

13 ASSISTANT COMMISSIONER ORTIZ: Thank you,  
14 Councilmember. I think in terms of that question,  
15 given the ongoing litigation, on the advice that we  
16 have from the law department is not to provide a  
17 position on that.

18 CHAIRPERSON VELÁZQUEZ: Okay. Has the department  
19 had any problems enforcing Local Law 103 of 2021, the  
20 delivery fee cap?

21 ASSISTANT COMMISSIONER ORTIZ: Well, I think, um,  
22 you know, as, as I was mentioning earlier, in terms  
23 of the context, you know, the Office of Special  
24 Enforcement was initially the agency tasked with  
25 enforcing the fee caps, and they did a lot of work

2 of-- a lot of compliance work with delivery apps.  
3 When we were standing up our licensing protections or  
4 licensing requirements for delivery apps, we also did  
5 a lot of compliance work. As my colleague, Andrew  
6 Frank, mentioned, we haven't received any complaints  
7 about this or any complaints, or had to issue any  
8 violations at this time.

9 CHAIRPERSON VELÁZQUEZ: Does the Department have  
10 concerns about enforcing Intro 813?

11 ASSISTANT COMMISSIONER ORTIZ: Well, this-- this  
12 Introduction, as we as we understand it, as it's  
13 drafted, it would create another tier-- an 8%  
14 increase on fees, another tier for which if a  
15 restaurant wanted to access one cyber service versus  
16 another. So it would-- I think it would fall in line  
17 with our current enforcement work.

18 MR. FRANK: Councilmember, I would just add, we  
19 do have some confusion about the language as drafted.  
20 And so we look forward to hashing that out with your  
21 offices after that.

22 CHAIRPERSON VELÁZQUEZ: Okay, what's the  
23 confusion?

24 MR. FRANK: Whether it's an additional 8% added  
25 or some other additional cap on marketing services,

2 and we're, we're interested in clearing up that  
3 vagueness.

4 CHAIRPERSON VELÁZQUEZ: Okay. Looking forward to  
5 it. I'm going to turn it over to my colleague, Chi  
6 Ossé.

7 COUNCILMEMBER OSSÉ: Chair, I don't have any  
8 questions for this specific bill, but questions for  
9 the delivery caps bill, but thank you.

10 CHAIRPERSON VELÁZQUEZ: Councilwoman Menin?

11 COUNCILMEMBER MENIN: Oh, great. Well, thank you  
12 so much chair for holding this important hearing. I  
13 just have a couple of questions about staffing. For  
14 all of these bills that are being discussed today,  
15 how would the proposed PEGs affect the implementation  
16 of these various bills?

17 ASSISTANT COMMISSIONER ORTIZ: Thank you,  
18 Councilmember. I think-- I think just going one-by-  
19 one, perhaps: On the games a chance bill, I think  
20 this is just creating certain exemptions as it  
21 relates to sports venues. So nothing would change  
22 necessarily in our processes, or require additional  
23 staff. On-- Similarly, on instruction 813, this  
24 would just-- it would change particularly what limit  
25 of the cap we're enforcing right now. Which again,

2 as an enforcement agency, we will enforce whatever  
3 legislatively mandated limit there is. On temporary  
4 schedule change law, this is an outreach campaign,  
5 which does-- which I think we could contemplate there  
6 being resource needs there. But I think that's a  
7 conversation we'll-- we'll address with OMB and our  
8 colleagues there, who've always supported our needs  
9 with respect to these-- this type of legislation.

10 COUNCILMEMBER MENIN: Okay, thank you. And since  
11 you have not had complaints over local law 103, would  
12 you anticipate that if 813 is implemented, you would  
13 still utilize the Office of Special Enforcement at  
14 all, or no?

15 ASSISTANT COMMISSIONER ORTIZ: Well, I'm sorry,  
16 if I was-- if I was unclear earlier. Currently just  
17 DCWP is conducting the enforcement on the fee caps.  
18 The Office of Special Enforcement was the lead  
19 enforce agency in 2020. But in 2021, when the  
20 licensing scheme was set up for delivery apps, and  
21 the fee caps were put under that licensing scheme,  
22 that's when we stepped in.

23 COUNCILMEMBER MENIN: Okay. And how many staff  
24 members would you anticipate then would be involved  
25 in terms of implementing 813?

2 ASSISTANT COMMISSIONER ORTIZ: I think it would  
3 be the same folks that we have right now. Again, I  
4 think that we're just changing the particular limits.  
5 I'm trying to think about the size of the division  
6 right now. It's-- but it certainly involves, in  
7 terms of the type of work, you know, there could be  
8 intake personnel, attorneys, things like that, that  
9 we are currently-- we have the resources for.

10 COUNCILMEMBER MENIN: Okay. Thank you.

11 CHAIRPERSON VELÁZQUEZ: Councilmember Salamanca?

12 COUNCILMEMBER SALAMANCA: Yes, thank you, Madam  
13 Chair. I want to thank you for coming to today's  
14 hearing and testifying. I just have a few questions  
15 on Intro 891, on the 50-50 raffle bill. Why was--  
16 Why was it exempt in New York City opposed to other  
17 parts of the state of New York?

18 Well, I think within New York City we had-- it  
19 wasn't necessarily exempt. We had additional  
20 regulations on games a chance. Perhaps Andy could  
21 provide some examples of that.

22 MR. FRANK: Yeah. The background law here is in  
23 New York state law. And as Carlos mentioned, we have  
24 additional restrictions in New York City Law, that,  
25 to my understanding, are fairly old. And so what



2 this bill would do is kind of modernize some of those  
3 and allow sports venues to take advantage of-- of  
4 raffles.

5 COUNCILMEMBER SALAMANCA: Currently, you  
6 mentioned that there are 19 licenses. Can you give  
7 us an idea of who is-- who has these licenses? Is it  
8 churches?

9 ASSISTANT COMMISSIONER ORTIZ: I think that's  
10 correct, Councilmember. You know, historically-- I  
11 mean, it's for charitable organizations.  
12 Historically, churches is one of those-- those  
13 things. Um, I think, for myself, I was-- I  
14 definitely heard in terms of your opening remarks,  
15 how important would be for other venues to be able to  
16 access this type of license and activity to the  
17 benefit of local committee members.

18 MR. FRANK: Councilmember, I would just add that  
19 the license is restricted to authorized  
20 organizations, which-- which means nonprofits and  
21 religious charities. And so every licensee is a  
22 nonprofit or religious charity.

23 COUNCILMEMBER SALAMANCA: Should this bill pass  
24 in the council, how soon can we implement this bill  
25 for the sports venues in the city of New York?

2 ASSISTANT COMMISSIONER ORTIZ: Well, the-- the  
3 bill itself says it's effective immediately. I think  
4 we would-- sorry--

5 COUNCILMEMBER SALAMANCA: Can your agency be able  
6 to put out the regulations immediately once this bill  
7 is passed?

8 ASSISTANT COMMISSIONER ORTIZ: I think-- I think  
9 generally we're happy to work with the Council on an  
10 effective date that is expeditious. That said, I  
11 mean, for any piece of legislation, there is an  
12 implementation that is required. Um, so we would  
13 appreciate a partnership on that. But ultimately,  
14 it's important to us to modernize these games of  
15 chance, so we would be happy to work with you all.

16 COUNCILMEMBER SALAMANCA: All right. You-- You  
17 did mention currently, right now, the way the law is  
18 written, there are some restrictions in terms of  
19 their liquor license, what they can serve. My  
20 understanding, in your statement, you mentioned only  
21 beer is allowed. Should this bill pass, would this  
22 affect these sporting venues? Would this affect  
23 their liquor license?

24 MR. FRANK: No, it would-- it would allow the  
25 raffles to take place when other alcohol sales were

2 also occurring. And I believe that's part of the  
3 modernization effort in this bill.

4 COUNCILMEMBER SALAMANCA: What would your  
5 applications fee be?

6 ASSISTANT COMMISSIONER ORTIZ: Our application  
7 fee wouldn't be changing under this. We can get you  
8 the exact number, what the fee is. It is--  
9 Generally application fees are-- are tied to the--  
10 the work it takes and for the agency to process them.

11 COUNCILMEMBER SALAMANCA: All right. Can you get  
12 back to us on what the application fee would be?

13 ASSISTANT COMMISSIONER ORTIZ: Yes, we can.

14 COUNCILMEMBER SALAMANCA: All right. And then  
15 oversight: How will you ensure that the sporting  
16 venues are actually-- How will you ensure that the  
17 sporting venues are actually doing their part and  
18 giving 50% of their of the winnings to not-for-profit  
19 organizations?

20 MR. FRANK: Thank you, Councilmember. We-- we  
21 could look into those issues if we had concerns or  
22 complaints, and would also partner with the New York  
23 State Gaming Commission on enforcement, which is  
24 involved in this space.

2 COUNCILMEMBER SALAMANCA: All right. There has  
3 to be an administrative fee -- I understand that --  
4 for these sporting venues. Currently these 19  
5 licenses that-- that there are in the city of New  
6 York. Do they report back in terms of the earnings,  
7 the winnings, and any administrative fees they may  
8 incur?

9 MR. FRANK: I think there are reporting  
10 requirements in the law. I don't have that in front  
11 of me, but we'd be happy to get you that information.

12 COUNCILMEMBER SALAMANCA: Okay. All right.  
13 That's good for me. Thank you, Madam Chair.

14 CHAIRPERSON VELÁZQUEZ: Councilmember Abreu?

15 COUNCILMEMBER ABREU: Thank you, Chair. I just  
16 wanted, if you could reiterate on the record-- So  
17 there should be no issue with implementing 891, is  
18 that correct? And the administration is in favor?

19 ASSISTANT COMMISSIONER ORTIZ: We are-- We  
20 support that bill. Yes.

21 COUNCILMEMBER ABREU: Great. Thank you.

22 CHAIRPERSON VELÁZQUEZ: Okay, I've got a couple  
23 more for you on our favorite 813. So quickly, how  
24 many apps will be affected by 813?

2 MR. FRANK: Currently, we have 35 licensed third  
3 party food delivery apps. And there are a few  
4 pending applications, and there could always be more  
5 in the future. So I think that would be the-- the  
6 group that we'd be looking at.

7 CHAIRPERSON VELÁZQUEZ: And so how many you said  
8 are registered?

9 MR. FRANK: 35 currently.

10 CHAIRPERSON VELÁZQUEZ: 35. And how many are  
11 pending?

12 MR. FRANK: I don't-- Don't quote me on this. I  
13 believe there's two right now, but that number could  
14 change anytime, of course.

15 CHAIRPERSON VELÁZQUEZ: Okay. Just-- I guess  
16 what we're dealing with is the unintended  
17 consequences, right? So did DCWP study the issue, or  
18 issue a report before agreeing to enforce the law?

19 ASSISTANT COMMISSIONER ORTIZ: So I believe, um,  
20 you know, in terms of the-- the overall context, I  
21 think this was legislation that was developed by the  
22 Council over the course of many years. We were  
23 tasked with-- as a licensed licensing agency, we were  
24 tasked with enforcing the law. And the law itself  
25 had a reporting mechanism that's built out for every

2 two years. So that first report is going to be in  
3 September. That said, if we-- if the Council does  
4 decide to proceed with these amendments, we would  
5 like to push back that report to acknowledge the  
6 changes in the fee caps.

7 CHAIRPERSON VELÁZQUEZ: And to talking more about  
8 unintended consequences: Have you considered or are  
9 you monitoring any unintended consequences on our  
10 small businesses with not only the initial delivery  
11 service cap, but also what the marketing cap would  
12 be?

13 MR. PICKER: Thank you for the question Chair.  
14 We are seeing impact on both sides. We're clearly  
15 seeing impact, positive impact for the businesses  
16 that take advantage of this new playing field and  
17 marketing services that these companies offer. We're  
18 also seeing the unintended consequences of a lot of  
19 businesses believing that this service is going to  
20 help them, and ending up sort of moving down the road  
21 long term, and seeing negative financial results for  
22 their businesses. So we are anxious to hear from all  
23 the stakeholders here today, of which there are many,  
24 and we look forward to understanding-- It's a

2 complex issue, and we look forward to understanding  
3 both sides of the argument.

4 CHAIRPERSON VELÁZQUEZ: Have you been able to  
5 investigate wage theft claims against the apps versus  
6 the historic wage theft committed by the industry?

7 ASSISTANT COMMISSIONER ORTIZ: With respect to--  
8 to wage stuff as it relates to employees, that's--  
9 that's something that's under the purview of New York  
10 State. So that's not something that we would  
11 investigate.

12 CHAIRPERSON VELÁZQUEZ: How about any complaints  
13 with regards to wage theft on the apps versus on the  
14 restaurants itself? Have you investigated any  
15 complaints or...?

16 DEPUTY COMMISSIONER WAGNER: I don't have numbers  
17 here today. We have opened some investigations  
18 relating to that issue of non-pay.

19 CHAIRPERSON VELÁZQUEZ: How do you think the  
20 delivery apps will adapt to pay workers more under  
21 the upcoming earner standards if they can't charge  
22 restaurants more?

23 ASSISTANT COMMISSIONER ORTIZ: I think that's  
24 something that we would have to-- You know, I think  
25 today's is a good opportunity to hear from the app

2 industry, from restaurants, from delivery workers, in  
3 terms of what the impacts might be here, if there's  
4 amendments. You know, the report does contemplate  
5 reviewing this-- this part of the industry, working  
6 conditions. So-- But I think for us right now, it's  
7 a bit too early to comment on it.

8 CHAIRPERSON VELÁZQUEZ: Are all 35 registered  
9 apps subject to the caps?

10 MR. FRANK: Yes, they are, Councilmember.

11 CHAIRPERSON VELÁZQUEZ: Thank you. Any other  
12 questions? All right. We're good. Thank you so  
13 much.

14 ASSISTANT COMMISSIONER ORTIZ: Thank you chair,  
15 and we'll be sure to have folks listening in on the  
16 on the hearing as well. We are very interested to  
17 hear from the stakeholders involved.

18 CHAIRPERSON VELÁZQUEZ: Thank you. I appreciate  
19 it.

20 COUNSEL: Thank you chair. We're going to give  
21 the administration an opportunity to collect their  
22 things, and then we will turn to public testimony.  
23 You will have two minutes to testify. So please  
24 begin once your time starts. Councilmembers who have  
25 questions for a particular-- particular panelist



2 should let me know, and I will call on you after the  
3 panelist has completed their testimony.

4 For panelists on Zoom once your name is called, a  
5 member of our staff will unmute you and the Sergeant  
6 At Arms will give you the go ahead to begin. Please  
7 wait for that announcement before you begin  
8 delivering your testimony.

9 For those testifying in person, you can come up  
10 to the chairs right here and make sure that when  
11 you've started you push the button and the red light  
12 turns on. Our first--

13 Our first panel will be an in person panel that  
14 will be Stanley Schlein, Brian Smith, Misha Porter,  
15 and Jane Sun.

16 CHAIRPERSON VELÁZQUEZ: Welcome, so we have a  
17 couple of questions. And go Yankees. We understand  
18 tomorrow's opening day. And we are Yankee fans here.  
19 So there is a bias. We'd love for you to start,  
20 Brian.

21 MR. SMITH: Good morning. My name is Brian  
22 Smith. I'm the Senior Vice President of Corporate  
23 and Community Relations for the New York Yankees.  
24 And on behalf of the New York Yankees organization, I  
25 would like to thank you for the opportunity to gather

2 for today's hearing focused on amending the  
3 administrative code of the City of New York in  
4 relation to conducting charitable gaming in  
5 professional sporting venues.

6 The potential associated with today's hearing is  
7 directly in line with the New York Yankees'  
8 commitment to consistently engage our neighbors and  
9 community/corporate partners to develop and nurture  
10 networks to best position outreach efforts to  
11 generate access required to address concerns and  
12 challenges experienced throughout our surrounding  
13 communities.

14 Through the steadfast focus of the Yankees  
15 organization and our partner networks, on an annual  
16 basis, several millions of dollars and resources are  
17 dedicated to drive points of access that promote  
18 education, health and wellness, diversity, equity and  
19 inclusion, economic development, and combat quality  
20 of life concerns. Related initiatives have proven to  
21 be instrumental in chipping away at disparities and  
22 fueling change, but it's imperative to evolve and  
23 adapt when needed to sustain the impact of ongoing  
24 efforts and enhance the existing pipeline of

2 resources required to meet city wide spikes and  
3 insecurities.

4 The charitable gaming model, in the form of the  
5 50-50 raffle in professional sporting venues has  
6 proven to be a resourceful tool to move the needle in  
7 markets in New York state and throughout the nation.  
8 Such a platform represents the potential for the  
9 Yankees, and professional sports organizations  
10 citywide, to drastically increase their investment  
11 dedicated to meeting the needs of their neighbors.  
12 This opportunity generates a great deal of excitement  
13 and represents an influx of resources primed to fuel  
14 sustainable change throughout New York City.

15 Once again, thank you for the opportunity. And  
16 we're excited to see where we go with this and  
17 explore next steps. Thank you.

18 CHAIRPERSON VELÁZQUEZ: Thank you. Quickly, how  
19 do you intend to operate games of chance at your  
20 facility?

21 MR. SMITH: Well, we would-- I would also like to  
22 turn that over to Stanley Slein, who has been working  
23 hand-in-hand with us on this effort.

24 CHAIRPERSON VELÁZQUEZ: Let's turn it over to  
25 Stanley then.

2 MR. SMITH: Certainly.

3 MR. SCHLEIN: All right. Maybe by way of  
4 background, I will get to the answer to your  
5 question, Madam Chair, momentarily. These amendments  
6 that are being considered, are being considered to  
7 what was originally adopted as Local Law 56 of 1976.  
8 47 years ago, the speaker-- then Speaker of the City  
9 Council, Thomas Cuite, who introduced the original  
10 piece of legislation drafted in a currently-inartful  
11 way by a fool. I am that fool.

12 So we are now I'm glad to be back here at 47  
13 years later and seeking appropriate amendments, and  
14 hopefully, the Committee will favorably consider  
15 them.

16 With that said, the-- there are a number of  
17 questions that were asked earlier on the bill. And I  
18 can answer them sequentially.

19 Number one, the state of New York under its  
20 Gaming Commission requires annual reports of the  
21 monies raised and the money is distributed. It is  
22 very rigorously evaluated and monitored. And the  
23 City of New York has historically deferred to the  
24 Gaming Commission for that purpose. And I believe  
25 they do the same thing then. We, as the New York

2 Yankee Foundation, led by Brian Smith, are eagerly  
3 awaiting the adoption of the bill to make application  
4 for licensure, both at the state level and on the  
5 city level. And we will be conducting those games of  
6 chance in-house and online at each and every Yankee  
7 home game. And so hopefully, that answers some of  
8 the questions that were put forward.

9 I would like to-- I would be remiss if I didn't  
10 also thank very, very much from the bottom of the  
11 Yankee heart, all the collaboration that has gone  
12 into the adoption-- the consideration, I should say,  
13 I don't want to get ahead of myself, of this piece of  
14 legislation. Certainly we thank the Chair very much  
15 for considering, co-sponsoring, and calling for this  
16 hearing. Sponsor Salamanca, and his staff member  
17 Brian Hattie, who is sitting over there. We thank  
18 him, and certainly the Council's Counsel, Austin  
19 Malone, who helped craft this bill, and then Carlos  
20 Ortiz from Assistant Commissioner of the Department  
21 of Consumer Affairs worker protection, who is very  
22 active in in supporting the drafting and adoption of  
23 this legislation. Thank you very much.

24

25

2 CHAIRPERSON VELÁZQUEZ: Thank you. I have a  
3 couple of more questions. Which games of chance do  
4 you plan to operate?

5 MR. SMITH: It will be 50 50-50 raffles in the  
6 stadium and online.

7 CHAIRPERSON VELÁZQUEZ: That's it?

8 MR. SMITH: 50-50 raffles, yes.

9 CHAIRPERSON VELÁZQUEZ: And how much money do you  
10 anticipate raising through this operation?

11 We are-- In projections, we're projecting several  
12 million dollars, in addition to the resources we  
13 currently dedicate to outreach, to be in a position  
14 to dedicate those back to the community outreach and  
15 to address-- and to address concerns in our  
16 neighboring communities.

17 COUNCILMEMBER SALAMANCA: Thank you, Madam Chair.  
18 My question was-- was the option of online  
19 participation on the table? And you said, yes. How  
20 would this go? Would there be a special app that you  
21 would have to create? How do you envision this?

22 MR. SMITH: We could talk through a number of  
23 concepts. It could be directing you to our site. It  
24 could be apps. It could be a number of things, and  
25 we can hash that out within the guidelines. But we--

2 will-- we think it's imperative to have that option,  
3 to be able to do it in stadium and online.

4 COUNCILMEMBER SALAMANCA: Yeah. I know  
5 currently, the New York Yankees has a not-for-profit  
6 arm--

7 MR. SMITH: That's correct.

8 COUNCILMEMBER SALAMANCA: --where you give back  
9 to not-for-profits, who would have to apply, and you  
10 have a board. How will the distribution of these--  
11 these funds? How would that operate? Will that not-  
12 for-profit be in charge? Or will you create a new--  
13 an extension?

14 MR. SMITH: The registered not-for-profit will be  
15 the New York Yankees Foundation. The resources will  
16 be allocated directly through the New York Yankees  
17 Foundation directly to our neighboring communities.

18 COUNCILMEMBER SALAMANCA: And currently, through  
19 your foundation, how much does the New York Yankees  
20 actually donate?

21 MR. SMITH: When you look at the Yankees, it's--  
22 it's an umbrella of a number of areas that dedicate  
23 resources to outreach. And we are-- and we are  
24 flexible, and we are creative when we do that,  
25 because we want to make the greatest impact possible.

2 There is a New York Yankees Organization, there's a  
3 New York Yankees Foundation, there's our community  
4 benefit agreement with our new stadium, there's our  
5 business partners, our sponsors, where in all those  
6 deals, there's usually a carve out for some kind of  
7 outreach focus related to it. So we tap into all  
8 those buckets. And we engage our neighbors and  
9 community partners to identify these concerns, and we  
10 address them, and we allocate those resources  
11 appropriately.

12 COUNCILMEMBER SALAMANCA: How many nonprofits do-  
13 - does the foundation fund?

14 MR. SMITH: Whoa. I would-- Offhand-- I mean, it  
15 would be hundreds, I would say. And offhand, it  
16 would be tough to just say the exact number but I  
17 would say hundreds. I'm comfortable with saying  
18 that, and I've been worth the Yankee organization--  
19 this would be my 31st season with the organization.

20 COUNCILMEMBER SALAMANCA: And then finally, just  
21 interested, the administrative fees. What-- What do  
22 you anticipate the administrators fees being?

23 MR. SMITH: We-- I don't know the exact amount of  
24 administrative fees, but I view that would be an



2 investment to move the needles in our communities.  
3 So I think it will be well worth it.

4 COUNCILMEMBER SALAMANCA: Yeah. I just want to  
5 say that, you know, when this bill was presented to  
6 me, I was extremely, you know, immediately in favor  
7 of it. We speak about the needs in the Borough of  
8 the Bronx. And this is just another revenue stream  
9 for not-for-profits as well, to service Bronx sites.  
10 So I just want to say I'm excited to get this to the  
11 council and hopefully we can get this passed. Thank  
12 you, Madam Chair.

13 MR. SCHLEIN: Thank you very much to the members  
14 of the Committee and the Chair.

15 CHAIRPERSON VELÁZQUEZ: No more questions?  
16 Misha, would you like to...?

17 DR. PORTER: Good morning. Thank you all for  
18 having me today. It's always a privilege to be  
19 before the Council and my members in particular,  
20 especially on this special day. My name is Dr.  
21 Meisha Porter. I'm the President and CEO of the  
22 Bronx Community Foundation. And I'm grateful for the  
23 opportunity to testify with the New York City Council  
24 regarding the need to allow charitable organizations  
25 to conduct your games of chance at sporting venues.

2 Thank you Chairperson Velázquez and all members  
3 of the committee for Calling this hearing today.

4 Founded in 2017, the Bronx Community Foundation  
5 is the first and only community foundation in the  
6 Bronx solely dedicated to delivering resources across  
7 the borough. The foundation works to eradicate  
8 inequity and build lasting sustainable futures for  
9 all Bronxites. Central to this mission is our  
10 commitment to advancing racial equity, and ensuring  
11 all Bronxites regardless of their background have  
12 access to the same opportunities. In order to  
13 achieve this mission, we need all hands on deck, and  
14 that's why I'm here today.

15 The foundation would not be able to complete its  
16 work without critical partnerships with countless  
17 other organizations in the borough. Not only do  
18 these partnerships increase our giving pool, but they  
19 also expand our reach and help amplify our mission to  
20 several different audiences. This is crucial to the  
21 success of our organization and to hundreds of  
22 nonprofits around the city and in our great borough.

23 Thus, I'm strongly in favor of the passage of  
24 891-2023, a bill that would have widespread impact on  
25 for the philanthropic giving throughout our state,

2 and bolster nonprofit community partnerships. This  
3 bill has the potential to transform how nonprofits  
4 based in New York City can raise funds, giving a  
5 significant boost to our revenues and to our base of  
6 potential donors.

7       Traditional 50-50 raffles are increasingly  
8 gaining popularity across the country, and are ideal  
9 fundraising methods for nonprofits of all sizes, but  
10 especially smaller organizations. Organizations are  
11 able to raise money quickly and connect with new  
12 donors without having to put in a lot of additional  
13 legwork to organize fundraising events, which is  
14 often necessary when nonprofits are too often short-  
15 staffed and stretched thin, and being a part of a 50-  
16 50 raffle paves the way for opportunities down the  
17 line, when organizations can look towards sports  
18 teams when they need additional support outside of a  
19 raffle.

20       Establishing strong relationships with local  
21 sports teams through 50-50 raffles, especially  
22 organizations like the Yankees, which have a strong  
23 presence in the community, and an exemplary track  
24 record of giving back, is a no-brainer for  
25 nonprofits. The New York Yankees Foundation has been

2 a strong supporter of the Bronx Community  
3 Foundation's work to build generational wealth and  
4 create a more equitable economy in the Bronx.

5 Now, you all know I've spent over 20 years in  
6 education, the majority of that time in the Bronx.  
7 As a result, I have had a personal longstanding  
8 relationship with the New York Yankees.

9 When I was a principal, the Yankees contributed  
10 greatly to my school supporting our students through  
11 internships, job opportunities. In fact, every time  
12 I'm at the stadium, I run into a student who's still  
13 working there, and also providing scholarships to  
14 students.

15 Additionally, when I was executive superintendent  
16 each year, we partnered with the Yankees to host  
17 Bronx Education All-Star Day, where we bring over  
18 10,000 students to the stadium to celebrate their  
19 achievements in school throughout the year. On this  
20 day, students take over the stadium, with the gates  
21 opening just for them and to celebrate them.

22 And finally, in partnership with the Yankees in  
23 my current role, we hosted National Nonprofit Day  
24 last year, with the Yankees within 48 hours honoring  
25 nonprofits by providing tickets to a game for them

2 and their clients. I've seen the benefits of strong  
3 partnerships with the Yankee organization. And I  
4 look forward to the passing of this bill, increasing  
5 the philanthropic ways the Yankees and other sports  
6 teams across New York City can support the work of  
7 nonprofits.

8       Allowing the Yankees and other sports teams  
9 across the city to host raffles would only boost the  
10 good work that those teams are already doing, and  
11 that our nonprofits do every day. To be clear, the  
12 team would not benefit from the raffle, all proceeds  
13 would go to the teams' charitable foundations or to  
14 the nonprofits they support. Not to mention, these  
15 raffles are a source of entertainment for all who  
16 participate.

17       For too long New York has been missing out on  
18 these fundraising opportunities due to this outdated  
19 restriction. I urge the Council to pass this bill  
20 and allow nonprofits to tap into a promising new  
21 funding stream to support our growth and healing in  
22 our deeply beloved communities.

23       Thank you for allowing me to testify this  
24 morning. And I look forward to working with the City

2 Councilmembers, the New York Yankee organization to  
3 continue to tackle this important issue.

4 CHAIRPERSON VELÁZQUEZ: Thank you so much. And  
5 now, Jane, if you don't mind. And sorry for all the  
6 love to the Yanks. We love the Mets. It's just  
7 that, you know--

8 MS. SUN: I understand. I understand.

9 CHAIRPERSON VELÁZQUEZ: You know what I'm saying?

10 MS. SUN: Thank you so much. Good morning,  
11 honorable members of the Committee and staff. Thank  
12 you Madam Chair for the opportunity to share a few  
13 words in support of this bill. My name is Jane Sun.  
14 I'm the Co-Head of the Foundation and Community  
15 Engagement Team with the New York Mets and I manage  
16 the day-to-day activities of the Amazin' Mets  
17 Foundation. The Amazin' Mets foundation serves the  
18 largest New York City borough by area, the second  
19 largest borough by population, and is in what is  
20 known as The World's Borough, because it is home to  
21 people from more than 100 different countries. We  
22 have seen firsthand how nonprofit organizations in  
23 Queens is a lifeline to the community, particularly  
24 the diverse communities represented in Queens.

2 Since its inception in 2021, the Amazin' Mets  
3 foundation has raised just over \$8 million through a  
4 few key fundraising initiatives and campaigns. With  
5 this, the Foundation has funded over \$5 million in  
6 grants to over 100 organizations. These  
7 organizations work tirelessly to provide programs  
8 geared towards hunger relief, youth development, and  
9 community services. We've all seen the impact of the  
10 COVID-19 pandemic on food insecurity, access to  
11 education, learning, mental health and well being,  
12 and generally on people's livelihoods. There's a  
13 sense of urgency and consistent feedback that we are  
14 receiving from our fans and members of the community  
15 that more is needed, and we're doing what we can to  
16 support this increased need.

17 This past spring training season, we actually  
18 piloted our first 50-50 raffle program in Florida.  
19 There were 16 games at Clover Park in Port St.  
20 Lucie, and with a general admission capacity of 7100,  
21 the foundation will benefit from gross proceeds of  
22 over \$100,000 from this raffle program, which will be  
23 distributed into programs in the Port St. Lucie  
24 County community. Citi fields capacities over five  
25 times the capacity of Clover Park, and with 81 home

2 games to be hosted by the New York Mets during the  
3 regular season, a 50-50 raffle program in New York  
4 could be a tremendous fundraising resource to the  
5 foundation and have an equally tremendous impact on  
6 the surrounding community.

7 The approval of the proposed changes to amend the  
8 administrative code of the City of New York in  
9 relation to allowing charitable organizations to  
10 conduct games of chance at professional sporting  
11 venues will give our foundation not just a key  
12 fundraising opportunity to enhance our ability to  
13 further support the organizations who continue to  
14 work relentlessly to address the increased demands on  
15 access to numerous resources so vital to children,  
16 family, and underserved groups in our community, but  
17 also these changes will provide a mechanism for those  
18 fans who want to give back to their community a way  
19 to do so and create a sense of belonging and  
20 connection to the city of New York. Thank you for  
21 your time and consideration.

22 CHAIRPERSON VELÁZQUEZ: Councilmember Abreu?

23 COUNCILMEMBER ABREU: For the record, I also  
24 bleed blue. I have to ask: How do you intend to  
25 operate games of chance at your facility?



2 MS. SUN: It will be through the 50-50 raffle as  
3 well.

4 COUNCILMEMBER ABREU: And which games of chance  
5 do you plan to operate? 50-50?

6 MS. SUN: Yeah. 50-50 raffle, yeah.

7 COUNCILMEMBER ABREU: And how much do you  
8 anticipate raising to this operation?

9 MS. SUN: I mean, as I mentioned, we-- you've  
10 seen-- We just saw the numbers. We just finished the  
11 16 home games in Clover Park and it was over  
12 \$100,000. Where Citi Field is five times that and we  
13 have 80-- 82 home-- 82 home games, so we're hoping  
14 it'll be exponential.

15 COUNCILMEMBER SALAMANCA: And is-- is the goal is  
16 for these resources to be dedicated to the  
17 surrounding community?

18 MS. SUN: Yes, exactly.

19 COUNCILMEMBER SALAMANCA: Thank you.

20 MS. SUN: Thank you.

21 CHAIRPERSON VELÁZQUEZ: Well, thank you all for  
22 your time. Thank you.

23 COUNSEL: Thank you. The next panel will be an  
24 in-person panel. It will be Jessica Orozco Guttlein,

2 followed by Daniel Quintero, followed by Shalima  
3 McCants, followed by Bervin Harris.

4 You may begin.

5 MS. MCCANTS: Good morning Chair Marjorie  
6 Velázquez and members of the Consumer and Workers  
7 Protection Committee. I am Shalima McCants, Chief  
8 Program Officer at the New York Urban League. I am  
9 presenting testimony on behalf of Babara Rice,  
10 President and CEO of The New York Urban League, who  
11 was not able to present this morning.

12 The New York Urban League strongly supports the  
13 implementation of Local Law Intro 891, a local law to  
14 amend the administrative code of the City of New York  
15 to allow charitable organizations is to conduct games  
16 of chance at professional sporting venues.

17 We are in support-- We are in support of the  
18 passage of this bill for three primary reasons: The  
19 revenue of these gaming activities will directly  
20 benefit New York's nonprofit community, which daily  
21 meets New Yorkers needs. Second, gaming activities  
22 at large-scale sporting venues have the ability to  
23 raise the visibility of the mission and impact of  
24 these organizations with potential supporters and  
25 volunteers. Lastly, the New York Urban League has a

2 longstanding relationship with New York City sports  
3 franchises, most specifically the New York Yankees.  
4 These New York Institute's have had a positive impact  
5 on our communities in ways seen and unseen. And the  
6 passage of this bill will allowed them to increase  
7 their giving at a time when New York City needs it  
8 most.

9       The New York Urban League's work is guided by our  
10 vision that every American child is ready for  
11 college, work, and life; every American has access to  
12 a living wage and good benefits; and every American  
13 has an equal right and responsibility to fully  
14 participate in our democracy and civic processes, and  
15 all people have a right to justice and fairness. A  
16 program that the New York Urban League implements in  
17 collaboration with Coalition for Asian American  
18 Children and Families, Hispanic Federation, and Asian  
19 American Federation provides grants and technical  
20 assistance to nonprofits through the support of City  
21 Council. The Initiative Communities of Color  
22 Nonprofit Stabilization Fund offers grantees an array  
23 of services to New Yorkers, and are being funded to  
24 address a variety of infrastructural needs, including  
25 leadership development, financial management, and

1 outcome systems development among others. These  
2 organizations serving local communities and led by  
3 people of color are prime examples of organizations  
4 that would benefit from passage of law 891.  
5

6 The stresses that COVID put on our neighborhoods,  
7 and on the families that reside in them place new  
8 demands upon the nonprofit community. When COVID  
9 revealed a weakened social net, nonprofits had to  
10 step in to fill in the gap. It became crucial for  
11 nonprofits to create vaccine education campaigns,  
12 food distribution, emergency grants to families, and  
13 small support small business support efforts.

14 The impacts of COVID are still being felt in  
15 families and communities, and passage of this bill  
16 will provide a new revenue source that will not be  
17 time limited, like federal funding streams. They  
18 will also allow-- I'm sorry, they will also be more  
19 easily accessible to smaller nonprofit organizations.

20 This bill could bring into nonprofit  
21 organizations millions of dollars in unrestricted  
22 revenue that will allow them to increase services,  
23 improve systems, and further invest in New Yorkers.

24 The New York Urban League has a positive  
25 relationship with the New York Yankees that spans

2 over decades. George Steinbrenner and Grambling  
3 State University legendary coach Eddie Robinson  
4 worked together to bring the football classic to  
5 Yankee Stadium in the early 1970s. When others did  
6 not believe blacks could gather peacefully. The  
7 Yankees agreed to host the game at Yankee Stadium,  
8 and black New Yorkers were able to see athletics from  
9 historical black colleges and universities play.

10 The New York Urban League served as hosts for  
11 what became the Whitney M. Young Jr. Classic. The  
12 schools' bands would stay over and march and what  
13 became the African American Day parade that still  
14 occurs every September.

15 The Yankees have invested in our scholarship and  
16 educational programs, hosted special events and  
17 fundraisers for the New York Urban League, and have  
18 accelerated their diversity, equity and inclusion  
19 efforts including joining the New York Urban League's  
20 Diversity, Equity, and Inclusion Lab.

21 The story of partnership and giving without  
22 fanfare or acknowledgement can be repeated by  
23 hundreds of schools and community-based organizations  
24 that the Yankees have supported. The passage of  
25 Local 891 is a winner not only for New York City

2 nonprofits, but most importantly, for the children,  
3 families and communities that we collectively serve.  
4 We hope you will be supportive. Thank you.

5 COUNSEL: Thank you, Daniel.

6 MR. QUINTERO: Thank you. Good morning. I'd  
7 like to commend Councilman Rafael Salamanca, and co-  
8 sponsor of this bill, Councilwoman Velázquez. My  
9 name is Daniel Quintero. I am the Executive Director  
10 of the Kips Bay Boys and Girls Club. Thank you for  
11 the opportunity to share this morning. I'm here  
12 emphatically in favor of the legislation to allow  
13 games of chance to take place at our sporting arenas.  
14 I recently attended a World Baseball Classic Game in  
15 Miami. Without promotion or fanfare, the game of  
16 chance raised \$24,000 that evening, of which \$12,000  
17 went to charity. I'd venture to say that the New  
18 York Yankees and other sports teams here in the city  
19 over an 81-game schedule would raise millions of  
20 dollars for our communities and much-needed programs  
21 for our youth. Why is this important? As the  
22 executive director of the Youth Development  
23 Organization in the Bronx, I have observed our  
24 children suffer from learning loss over the last  
25 three years. This is knowledge and education that

2 will be very difficult to reacquire for our children.  
3 We have encountered many emotional issues among our  
4 children, and the need for emotional wellness  
5 programs to support our youngsters in post pandemic.  
6 They deal with socialization issues, issues of self-  
7 esteem, self worth, and isolation.

8 In addition, the Kips Bay Boys and Girls Club  
9 during the pandemic and post pandemic have observed  
10 and identified different communities that are  
11 suffering from food insecurities. This is taking  
12 place all over the Bronx and in our city. The New  
13 York Yankees have been very supportive in addressing  
14 these issues. Our sports teams, and the New York  
15 Yankees would benefit greatly from allowing this  
16 legislation going forward. But more importantly, the  
17 children we serve and the-- the nonprofits of the  
18 city who work very hard to impact the lives of  
19 children.

20 As a result, I would implore the City Council  
21 seriously-- to seriously consider approving this  
22 legislation so that we can make a bigger impact on  
23 the lives of our children. Thank you so much.

24 COUNSEL: Thank you. Next, Jessica?

2 MS. OROZCO GUTTLEIN: Thank you, Chairwoman, and  
3 other distinguished members of the Committee. My  
4 name is Jessica Orozco Guttlein. I am the Senior  
5 Vice President for Policy and Communications for the  
6 Hispanic Federation, a nonprofit organization seeking  
7 to empower to advance the Latino community through  
8 programs and legislative advocacy. I'm also  
9 representing the best interests of Hispanic  
10 Federation's over 400 member and partner nonprofit  
11 organizations across the city.

12 We'd like to acknowledge and publicly thank  
13 Councilmember Salamanca, for your sponsorship and  
14 Councilmember Velázquez for your co sponsorship of  
15 this bill, of which we are in favor, as it presents a  
16 great opportunity for nonprofit organizations to  
17 receive funds to conduct their impactful work of  
18 supporting and elevating vulnerable communities. And  
19 in the interest of time, I'm going to just present a  
20 abbreviated version of my testimony that I have  
21 provided copies to you all. But I'm just going to  
22 dive in really quick and talk about our nonprofits  
23 for a minute.

24 And as my colleagues have shared, we have felt  
25 the brunt of it. For the past three years, our



2 nonprofits are overcapacity overworked, we've seen  
3 organizations that were meant as food pantries  
4 opening up computer labs for unemployment insurance  
5 during the COVID pandemic. Immigration Service  
6 Providers became food pantries as well during the  
7 COVID pandemic, et cetera, et cetera. We have not  
8 recovered from the impact of COVID and on our  
9 communities that it has had.

10 We've obviously had a surge of asylum seekers and  
11 our community-based organizations as the frontline  
12 service providers have been the first to step up and  
13 provide resources that they do not have. Our food  
14 pantries have seen unprecedented lines outside of  
15 their nonprofit organizations. And so funding,  
16 especially unrestricted funding, is critical for our  
17 community based organizations to provide the-- the  
18 work that they are providing every single day.

19 You know, despite-- despite the work that our  
20 Latino led organizations are conducting in comparison  
21 to white LED organizations and organizations that do  
22 not serve communities of color, we are under-- we are  
23 underfunded. We are underfunded by corporations, by  
24 businesses, by foundations by government. And so  
25 this unrestricted funding is-- is critical to the

1 work that we serve. For example, and I just in the  
2 interest of time, I'll give a really quick example.  
3 If we receive a hunger relief grant, no matter how  
4 big or small and we are grateful for it, that money  
5 has to be for hunger relief services, we have  
6 outcomes and deliverables that we must meet. But  
7 when we get access to unrestricted funding, we're  
8 able to turn the corner and pivot and meet critical  
9 needs that are emergent in our communities. We're  
10 also able to hire staff, provide professional  
11 development and capacity building for our  
12 organizations as well.

14 So for these reasons, and the reasons that my  
15 colleagues have, have stated, We are in support of  
16 this bill. Thank you very much. Thank you.

17 COUNSEL: Thank you.

18 MR. HARRIS: Good morning, Chairwoman. City  
19 Council. Big shout out to Salamanca, my man, and all  
20 the stakeholders in the house. My name is Bervin  
21 Harris, President and CEO of Renaissance Youth  
22 Center. I believe my purpose here today is to give  
23 testimony to the community service and giving of the  
24 Bronx New York Yankees.

2 A lot of my colleagues have discussed, and well  
3 so, the need. I think we all understand the need.  
4 But I want to give testimony to the community service  
5 and giving the Bronx the way the Yankees have been  
6 giving. Giving at least to-- to us as Renaissance  
7 Youth Center. So yes, I am in favor of 891.

8 The Yankees are important to the Bronx, to New  
9 York City, to baseball. The Yankees organization has  
10 also been very important and vital to nonprofit  
11 programming, funding, and activities, and new  
12 experiences.

13 I met Brian Smith, Senior Vice President of New  
14 York Yankees, about maybe 17 years ago. I don't know  
15 if you remember we met in the Dunkin Donut parking  
16 lot. You had on his really flashy Yankee ring. And  
17 I-- And I was like really in awe of it. And I said,  
18 "Hey, man, I got the program right there on the  
19 corner, Renaissance Youth Center. I would love for  
20 you to stop by one day and see what we're doing."  
21 And you said, "Hey, I got some time now. Why don't I  
22 just pop in now?" And you did just that, and you  
23 complimented me on the program and immediately  
24 emailed me a grant application. Weeks later, a check  
25 was in my hand.

2 What a setup though, because you know, it is not  
3 that easy for us to raise funds. With the Yankees,  
4 it is easy. You go to Brian. You meet with him, and  
5 you tell him what you're trying to do. And he tries  
6 his very best to support you.

7 So from that point on, the Yankees organization,  
8 supported and partner with us and became good friends  
9 of mine.

10 My very first Gala was held at the old Yankee  
11 Stadium at no charge for the space or the food. My  
12 young performers that many of you have heard, the  
13 MWAM band, has sung the national anthem at Yankee  
14 Stadium close to a dozen times. We have done live  
15 band performances, performed for the-- on the big  
16 stage with Roger Waters of Pink Floyd.

17 Each year Yankee Stadium decorates the atrium and  
18 does a winter wonderland to rival holiday  
19 celebrations I have-- I have never seen anywhere  
20 else. All programs and children count on the Yankees  
21 each year to have that event, where they also give  
22 away 20,000 toys. Any toys leftover? All  
23 nonprofits, y'all know the deal. We backup the cars.  
24 We fill our cars with the toys, and we distribute  
25 them at our center.

2 I must also admit prior to meeting Brian, I had  
3 never attended a Yankee game. Most of my young  
4 people had never attended a game. Let's be clear  
5 that all the arenas are overpriced for families under  
6 the poverty line.

7 I rarely receive a Knick ticket. Nets, Jets,  
8 Giants (love you Mets) tickets-- I don't receive  
9 those as well. You know we don't receive any hockey  
10 tickets. But I have received-- an I'm sure over 1000  
11 Yankee tickets over the years. And for that I am  
12 grateful. Pinstripe Bowl tickets. Thank you.  
13 Soccer tickets. Thank you. Concert tickets. Thank  
14 you. Baseball games. Thank you. Thank you for the  
15 experiences. Thank you for the memories. Thank you  
16 for the jackets, the hats, the gifts, and of course  
17 thank you for the checks.

18 So when he was asked a question earlier about how  
19 many organizations do you serve? And he said  
20 hundreds, I'm pretty sure you were under estimating  
21 yourself. That's probably about 1000 organizations.  
22 Everywhere I run to, everyone is supported by the New  
23 York Yankees.

24 In closing RIC is-- has now been around for 17  
25 years. We service about 4000 young people a week in

2 about 33 different schools. Not where we want to be,  
3 because there's so much work to be done. But thank  
4 God we're not where we used to be. And I know I owe  
5 a lot of that to Yankees organization. So yes, we  
6 are very much in favor and in need of 891. Thank you  
7 for your time.

8 COUNSEL: Thank you. Thank you all for your  
9 testimony.

10 Our next panel will be an in person panel. It  
11 will be Kurt Kelly, followed by Stacy Lentz, followed  
12 by Diana Rodriguez, followed by Syd Mandelbaum.

13 CHAIRPERSON VELÁZQUEZ: So while we're setting up  
14 I want to acknowledge the Councilmembers in  
15 attendance. Just to reiterate, Chi Ossé, Bob Holden  
16 online, Councilman Menin was here earlier, as was  
17 Councilmember Bottcher, Sean Abreu, Gale Brewer,  
18 Councilwoman Fariás, and Councilmember Krishnan.

19 MS. LENTZ: I'm speaking on behalf of Kirk Kelly  
20 today, my business partner. My name is Stacy Lentz,  
21 and we are the co-owners of the Stonewall Inn and the  
22 co-founders of the official nonprofit of the  
23 Stonewall In, The Stonewall Gives Back Initiative.  
24 And we're here to testify before you today to not  
25 only talk about the Yankees organization and what

2 they've done for the LGBTQ community, but also talk  
3 about what this bill, and the resources could do for  
4 marginalized communities throughout New York City.

5 We first started our partnership with the New  
6 York Yankees during 2019 and Stonewall 50. We met  
7 with Brian Smith at the historic Stonewall Inn and  
8 discuss ways to get the New York Yankees involved in  
9 supporting the LGBTQ community. There was not one  
10 question in any of our minds at that meeting that we  
11 held, that we wanted to give access to education.  
12 That was important to the Yankees, and it's important  
13 to our community. Without even hesitation, the  
14 Yankees signed up to give us \$50,000, \$10,000 to an  
15 LGBTQ student from a public school from each one of  
16 the five boroughs.

17 The Yankees have been super supportive of us ever  
18 since. This was not a one off to get attention,  
19 which it could have been, a media stunt during  
20 Stonewall 50. This has been an ongoing partnership  
21 that will continue not only if they've supported us  
22 as a community, but they've also supported the  
23 scholarships by making-- these scholars by making  
24 sure they have access and resources to education. It  
25 is without a doubt that by having the 50-50 raffles

2 and lotteries at other sports venues, other sports  
3 teams would also be able to help the LGBTQ community  
4 through funding and giving unrestricted grants which  
5 all LGBTQ nonprofits in the city of New York  
6 desperately need.

7 So we're here to state and testify that we  
8 recommend that the City Council pass this bill to  
9 help give and support LGBTQ nonprofits across New  
10 York City. Thank you.

11 MS. RODRIGUEZ: Good morning. My name is Diana  
12 Rodriguez, and I'm the founder of Pride Live and the  
13 Stonewall National Monument Visitor Center scheduled  
14 to open on June 28 of 2024. I'm very happy to be  
15 here this morning to testify in hopes there will be  
16 an amendment to the administrative code of the City  
17 of New York in relation to allowing games of chance  
18 at professional sporting venues.

19 As someone who has had the honor of working in  
20 the for profit world for over 30 years, I can share  
21 that I have lived by extremely tight budgets, relying  
22 on the kind and committed hearts of volunteers and  
23 having all my events produced by the lowest bidder.  
24 One of the toughest challenges is always identifying  
25 new and innovative ways to raise money. I had heard



2 about the 50-50 raffles conducted at sports arenas,  
3 and thought right off it was a brilliant idea,  
4 especially post COVID. First the opportunity for a  
5 fan to attend the game for their favorite team and  
6 possibly go home with their portion of the raffle,  
7 all while supporting and possibly learning about an  
8 organization or cause they might not have been  
9 familiar with.

10 Secondly, for organizations to be the beneficiary  
11 of the other half of that raffle would be game  
12 changing for the programs and services they provide.  
13 Our NFL neighbors to the north in Buffalo have  
14 already made this an anticipated activation at their  
15 home games, where they recently raised over \$197,000  
16 against the Jets, over \$254,000 against the Patriots,  
17 and the stunning \$338,000 against the Tennessee  
18 Titans, benefiting organizations that support our  
19 military veterans, and area not-for-profits that  
20 address food insecurities in Western New York.

21 I first had the opportunity to work with the  
22 Yankees over 20 years. ago while I was working at  
23 the Jackie Robinson Foundation. As a lifelong fan,  
24 this has been one of the privileges of a lifetime.  
25 That partnership has expanded over the last few years

1 as Pride Lives work and impact grew. They were  
2 famously, with respect to Brian, the last team in  
3 Major League Baseball to host the pride night.  
4 Articles were written about this. Social media  
5 trolled them, and I believe a song or two was written  
6 as well. Stacy spoke about the scholarship program  
7 and the impact that that has had over the last five  
8 years.

10 As someone who attended Georgetown on  
11 scholarship, I can say the scholarship changed  
12 everything about my life, and I'm not sure I would be  
13 standing here had I not had the college experience.

14 I share that because scholarships as with all  
15 things in the not-for-profit world take funding. To  
16 be able to have a new and fun and exciting way to  
17 raise money, especially in the sports world with  
18 alter the trajectory of many organizations and  
19 individuals for generations to come. My hope is that  
20 you will pass this amendment, knowing that New York  
21 City will become an innovative leader in this area,  
22 while advancing and impacting the important work  
23 being done by so many worthy organizations. Thank  
24 you.

25 COUNSEL: Thank you. Next.

2 Good morning. My name is Syd Mandelbaum. I am  
3 the CEO and Founder of Rock and Wrap It Up!. We are  
4 an anti-poverty think tank in our 34th year and we  
5 have fed over 1 billion people worldwide. The New  
6 York Yankees were the first team in the United States  
7 to have their concession food through Rock and Wrap  
8 It Up! feed the hungry of New York. And it's going  
9 to be 19 seasons ago that we started meeting with the  
10 wonderful Brian Smith and his staff.

11 The real reason why I believe this is so  
12 important is that so many charities -- and I'll speak  
13 for those who can't be here today -- really need  
14 funding that is unrestricted. We are a think tank.  
15 We develop tactics and strategies that allow for  
16 sustainability to be reported, to work with women  
17 that are at risk having feminine product issues. And  
18 all this is done through funding that we get from  
19 teams like the New York Yankees.

20 These are difficult times right now. We know  
21 that the banking industry is at risk. We know that  
22 founders that have been philanthropists are cutting  
23 back on their funding to charities. So by having  
24 this opportunity, it's going to help all of us and  
25 especially here in New York, which for the last

2 three, four years have a huge at-risk population.

3 Who supports these people? Charities.

4 So the more funds that could come through a 50-50  
5 raffle with the Yankees and all the other sport teams  
6 are going to help the indigent of New York City more  
7 than anything else.

8 My wife and I -- I wanted to introduce my  
9 beautiful wife, Diane, who was here with me, she's  
10 our COO -- We were honored at the Super Bowl this  
11 year. The NFL flew us out there to be recognized for  
12 what we do, feeding the hungry. They had a 50-50,  
13 and Chairwoman, they raised \$1.6 million at the  
14 Superbowl. One game. So \$800,000 was a windfall for  
15 charity in the Phoenix area. And I can't begin to  
16 tell you the pride that I felt for that charity, that  
17 they were going to do and able to do so much more for  
18 people. So thank you again, please pass this. God  
19 bless you.

20 COUNSEL: Thank you. And I think we have a  
21 question from Councilmember Bottcher.

22 COUNCILMEMBER BOTTHCER: As the Councilmember who  
23 is honored and privileged to represent the Stonewall  
24 Inn, the birthplace of the modern LGBTQ civil rights  
25 movement, I want to thank you for your stewardship of

2 The Stonewall. The Stonewall could have been lost to  
3 history. That easily could have happened. But Stacy  
4 and Kurt, you have been incredible stewards of it in  
5 preserving the physical space but also the-- the  
6 spirit and everything that it represents.

7 And Diana, I'm so excited and thankful about your  
8 efforts. The visitors center next to the Stonewall  
9 is-- has been a dream of the community for a long  
10 time. It was a nail salon, I believe for a long  
11 time, and we were all waiting for that lease to come  
12 up. And that also could have been a TD Bank or  
13 something like that. But it's going to be a  
14 visitor's center that will host thousands and  
15 thousands of people every year to really further our  
16 mission of teaching folks about what happened at  
17 Stonewall and what that means.

18 So thank you all for your efforts that'll help  
19 preserve our history for future generations.

20 And thanks for your testimony on this bill. Very  
21 meaningful to me.

22 CHAIRPERSON VELÁZQUEZ: And thank you for your  
23 work. Thank you. We really appreciate it. Thanks.

24 COUNSEL: Thank you. Our next panel will be an  
25 in person panel. It will be Reverend Shawn Wills,

2 followed by Paul Jeffries, followed by Mikisha  
3 Alcindor.

4 You may begin

5 MR. JEFFRIES: Good morning Chair Velázquez and  
6 members of the Committee on Consumer and Worker  
7 Protection. My name is Paul Jeffries, and I'm here  
8 to testify in favor of proposed Bill 891 that will  
9 allow charitable organizations to conduct games of  
10 chance at professional sporting venues. For  
11 background I work for New York City Football Club,  
12 NYCFC, the Professional Major League Soccer team that  
13 plays its home games at Yankee Stadium, and Citi  
14 Field. Specifically, I am the Executive Director of  
15 City in the Community, the Club's 501C3 nonprofit  
16 foundation, and had been leading Community Soccer  
17 programs in New York City for over 20 years.

18 Our club's work in New York City started before  
19 NYCFC played their opening match. In 2010, we helped  
20 build an enclosed rooftop soccer pitch at PS 72, East  
21 Harlem's Lexington Academy, to create a safe space  
22 for local youth to play soccer. Since then, and with  
23 the launch of New York City Football Club in 2013,  
24 our work across the five boroughs has expanded  
25 exponentially, with the mission of empowering and

2 positively impacting people's lives through soccer by  
3 creating healthier, safer, and more connected  
4 communities.

5 Since 2014, we have served over 30,000 of New  
6 York City Youth, established free soccer program  
7 engaging 78% communities across the five boroughs,  
8 created 60 free safe spaces to play, and have helped  
9 donate over 250,000 meals since the COVID 19 pandemic  
10 through our ongoing partnership with New York Common  
11 Pantry.

12 We offer a number of free programs serving New  
13 Yorkers including Saturday Night Lights, which is a  
14 safe space program partnership with the District  
15 Attorney's offices, NYPD and the Department of Youth  
16 and Community Development designed to provide young  
17 people aged 11 through 18 with high-quality sports  
18 training, academic enrichment during times when  
19 crimes are at their highest. Following the success  
20 of this program at East Harlem, we helped lead the  
21 development of a \$5 million plan to expand the  
22 programs to over 100 gyms, bringing together New York  
23 City agencies local community partners. We also  
24 engage directly with NYPD officers to serve and  
25

2 progress to help build stronger relationships with  
3 local community and law enforcement.

4 Our work has a measured impact on thousands of  
5 young people's lives. And an independent study  
6 showed a \$4.50 social return on investment for every  
7 dollar invested in our programs.

8 Fundraising plays an important role in our  
9 ability to continue and expand effective programming  
10 to even more children and young adults. If proposed  
11 Bill 891 were to become law, it would dramatically  
12 increase our ability to raise funds and expand free  
13 program small high-need communities.

14 For those who may not know New York City Football  
15 Club was founded on a deep commitment to give back to  
16 our community. Our fans time and time again voiced  
17 their pride and support of the work that we do  
18 throughout York City. By amending the administrative  
19 code to allow charitable organizations to conduct  
20 these events of professional sporting venues, such as  
21 having a 50-50 raffle, this will enable tens of  
22 thousands of our fans to more actively engage with  
23 our work on match days to help provide free resources  
24 throughout the city. These methods are proven to be  
25 an important source of fundraising for charitable



2 organizations, and this will be the same for NYCFC.  
3 Will help generate thousands of dollars a game for  
4 free soccer, and with 17 home matches a season, will  
5 make a significant difference in our programming  
6 capacity, enabling us to reach more of New York  
7 City's youth than ever before.

8 Thank you for listening, your consideration of  
9 this bill, and for allowing me to testify this  
10 morning on behalf of New York City Football Club.

11 REVEREND WILLS: Good morning, honorable  
12 Chairwoman Velázquez and honorable City Council  
13 members. My name is Reverend Shawn Wills. I am the  
14 assistant pastor at Church Alive Community Church,  
15 and I am making this presentation on behalf of Bishop  
16 Dr. Timothy Birkett, Senior Pastor of Church Alive  
17 Community Church, President of Church Alive  
18 Development Corporation, and President of the Church  
19 Alive Clergy Partnership of the Bronx.

20 The following statement by Bishop Birkett is in  
21 support of this bill, Intro 891 and the New York  
22 Yankees.

23 "The 30 years that the New York Yankees  
24 organization has made it possible for my  
25 organization to distribute over 200,000 bags of

2 food to needy families as well as 3,000 \$25 food  
3 vouchers to families every year. And in my  
4 experience, serving on the community board, many  
5 young people have been given scholarships by the  
6 Yankees organization.

7 Except for the benevolence of the New York  
8 Yankees. We would not have been able to meet  
9 the desperate needs of the families in the  
10 Bronx, the most undernourished county of the 62  
11 counties of New York State.

12 The donations of the New York Yankees  
13 organization are only the tip of the iceberg as  
14 to the amount of revenues that nonprofit  
15 organizations can receive if Intro 891 is  
16 passed, allowing charitable organizations to  
17 conduct games of chance far beyond bingo.

18 By using the sports organizations as a means  
19 of fundraising, many nonprofit organizations  
20 with benefits such as ministries that strive to  
21 meet the holistic needs of the people they serve  
22 through the provision of food pantries, soup  
23 kitchens, halfway houses and daycare. Funds  
24 could also be provided for mental illness,  
25

2 hospital medical research, programs for the  
3 handicapped, rehab programs and more.

4 In closing, I pray that you will realize the  
5 importance of making the right decision and I'm  
6 sure God will bless you.

7 Respectfully yours. Shawn wills assistant  
8 pastor, Church Life Community Church and Bishop  
9 Reverend Dr. Timothy Birkett, President of Church  
10 Alive Development Corporation, and Bronx Clergy  
11 Partnership. Thank you.

12 MS. ALCINDOR: Good morning committee Council.  
13 My name is Nikisha Alcindor. I am the President and  
14 Founder of the STEM Educational Institute. I'm here  
15 today to show my support for INT-891, a local law to  
16 amend the administrative code of the City of New York  
17 in relation to allowing charitable organizations to  
18 conduct games of chance at professional sporting  
19 venues.

20 Born and raised in New York City, I created the  
21 STEM Educational Institute also known as SEI, in  
22 response to gaps in STEM education, financial  
23 literacy, and mental health support for us throughout  
24 the city. The STEM Educational Institute provides  
25 three programs that are free: a summer program and

2 two after school programs, that are given throughout  
3 the year. We serve underserved high school students  
4 grades nine through 12 and teach them technological  
5 skills needed to enter today's workforce and the  
6 financial literacy needed to create generational  
7 wealth.

8 In partnership with the New York Yankees and  
9 other firms. The program aims to serve as a diverse  
10 talent pipeline for organizations. We work with  
11 local Boys and Girls Clubs and other community  
12 partners to find our students. We currently have  
13 programs in Brooklyn, Harlem, and the Bronx and are  
14 looking to expand to Queens and Staten Island.

15 In 2021, the median salary for STEM careers was  
16 2.4 times that of non STEM careers. Studies have  
17 shown us that STEM fields continue to grow with over  
18 10.2 million people working in STEM, representing  
19 6.6% of jobs. This number is expected to reach 11.3  
20 million in 2030. These numbers demonstrate the  
21 wealth gap amongst those not in STEM careers.

22 When you look at the racial demographics of those  
23 in STEM careers, historically underserved populations  
24 continue to fall behind. By bridging the gap in STEM  
25 education. SEI also helps increase wealth and

underserved communities. We do this by providing scholars with a stipend and college savings plan, while at the same time giving them mental health resources.

SEI programming continues to generate demand for programming across New York City with over 1000 applications for 35 scholarships in 2022. We recently had a scholar gain admission to Columbia University for the fall of 2023, where he will be studying civil engineering. In addition, our scholars are attending Vanderbilt, John Jay College, and Case Western University to name a few, all studying STEM.

During the scholar summer program, each student learns how to code in Python, the basics of budgeting and investing, and also are given a stipend, a college scholarship, and mental health resources. After completion of the summer program, students continue to learn and to earn income through monthly meetings. These meetings put students on a path to earn a certification as a data analyst or data scientist. The New York Yankees support our programs by providing scholarships and stipends for our students.

2 In addition, we work with their data analytics  
3 team to build our curriculum. For example, we  
4 created a case study analyzing how weather impacts a  
5 hit ball for the students to learn Python. Students  
6 analyzed the data and they gave a presentation to the  
7 Yankee executive members. Throughout the program,  
8 the Yankees' team served as speakers and mentors who  
9 are students. We also work with their human  
10 resources to provide diverse students with career  
11 opportunities. This partnership is changing the  
12 landscape of diversity in STEM, and developing a true  
13 pipeline of analytical leaders.

14 As we continue to expand we have also seen  
15 literacy and food insecurities. Many of our students  
16 found it challenging to read aloud, and in response  
17 we have incorporated a book club in our continuing  
18 education series.

19 Food security and insecurity became more apparent  
20 with our scholars as we had consistent requests for  
21 packed meals for the students to bring home. Working  
22 with the New York Yankees, we provided grocery cards  
23 for our students. This trend goes along with our  
24 increased rate of homeless scholars. In 2021, one in  
25 10 students in New York City public schools were

2 homeless, totaling over 100,000 students. Throughout  
3 the five boroughs in New York, the Bronx had had the  
4 highest rate of homelessness. With the increased  
5 demand and need for knowledge in the sciences, only  
6 44% of high school students are ready for college  
7 level math, and only 36% are ready for college level  
8 science. Despite these challenges, SEI hit many  
9 milestones. We went from one cohort to three, and  
10 this is directly because of our partnership with the  
11 New York Yankees and their sincere care and concern  
12 for our community.

13 In conclusion, INT-891 will help the New York  
14 Yankees continue to change lives and be a pillar in  
15 the community in which they serve. Thank you.

16 COUNSEL: Thank you for your testimony.

17 The next panel will be a Zoom panel. We'll be  
18 starting with Christina Hanson, followed by Trey  
19 Jenkins, followed by Beth Shapiro.

20 MS. HANSON: May I begin?

21 CHAIRPERSON VELÁZQUEZ: You may begin.

22 MS. HANSON: Hello to the Honorable Members of  
23 the Committee on Consumer and Worker Protection. As  
24 the Executive Director of Part Of The Solution, or  
25 POTS, I am here in support of Initiative 891, which

1 would allow charitable organizations to conduct JV  
2 games of chance at professional sporting venues.  
3 This initiative if passed would support the existing  
4 partnership we at POTS have with the New York  
5 Yankees, and sustain much-needed services for Bronx  
6 residents. POTS is a leader in providing emergency  
7 food, legal and social services in the Bronx, the  
8 poorest borough in New York City. POTS's  
9 interrelated programs work together to address the  
10 complex issue of poverty, in which clients receive  
11 comprehensive and personalized services to empower  
12 them to help them move from crisis to stability and  
13 ultimately self-sufficiency.  
14

15 In 2022, POTS provided services to more than  
16 37,000 individuals including providing more than 3  
17 million meals to 11,373 households through its food  
18 pantry, and an additional 136,000 meals through its  
19 community dining room. We helped 2,400 households  
20 obtain SNAP benefits valued at \$7.9 million. We  
21 prevented 253 evictions. We provided 3449 showers,  
22 1,134 haircuts, and 771 secure mailboxes and access  
23 to medical and dental care for clients, many of whom  
24 are homeless and live in shelter or on the street.  
25



2 And we provided job training to 166 individuals  
3 placing 63 in employment.

4 POTS's services have been a lifeline to Bronx for  
5 presidents since the start of the pandemic when  
6 unemployment rate hit approximately 25%. The Bronx  
7 continues to lag behind other boroughs in recovering  
8 from the pandemic, and our residents have acutely  
9 felt the inflationary effects of the past year,  
10 particularly the 10% increase in food costs. The New  
11 York Yankees, through its New York Yankees  
12 Foundation, has stepped up to the plate to help serve  
13 Bronx rapids residents. Since 2010 POTS has received  
14 over \$200,000 in grants from the New York Yankees  
15 Foundation, the New York Yankees staff, volunteer,  
16 and--

17 SERGEANT AT ARMS: Your time has expired.

18 MS. HANSON: Excuse me?

19 COUNSEL: Your time has expired. Please submit  
20 your testimony to [testimony@council.nyc.gov](mailto:testimony@council.nyc.gov). Thank  
21 you. Trey Jenkins, your time starts now.

22 MR. JENKINS: Morning, dear honorable members of  
23 the Consumer and Worker Protection Committee. My  
24 name is Trey Jenkins. I'm the Executive Director at  
25 161st Street Business Improvement District. Our BID

2 is proud to testify in support of Local Law 891 to  
3 amend the administrative code of the City of New York  
4 in relation to allowing charitable organizations to  
5 conduct games of chance at professional sporting  
6 venues.

7 Our BID has been part of the South Bronx since  
8 2009, and today we have a close relationship with the  
9 New York Yankees who reside just outside of our BID  
10 boundaries. We recently have worked together and  
11 beautification efforts for our business district, and  
12 for holiday lane activations benefiting the  
13 community. Our BID and other charitable  
14 organizations rely on a close relationship with the  
15 private sector and sports organizations to fulfill  
16 our strategic plans for the year to better help our  
17 community and small businesses. Allowing  
18 organizations such as ours to partner with not just  
19 in New York Yankees, but other professional sports  
20 teams and venues in the area will be beneficial for  
21 us to take the next step and be successful in our  
22 respective communities and causes.

23 Games of chance being used either at high school  
24 functions or professional sporting events are common  
25 outside of New York City. We are lucky to be in a

1 city that has some of the most iconic sports  
2 franchises and venues in the world. With the  
3 explosion of online sports gambling in our city and  
4 state. The time is now to move forward with this  
5 amendment that will benefit charitable organizations  
6 and BIDs across our great city. Thank you to  
7 Councilmembers Salamanca and Velázquez for bringing  
8 the amendment to the Committee. I'm excited to see  
9 the benefits of this amendment in the future for  
10 charitable organizations in New York City, and  
11 strengthening our relationship with the sporting  
12 venues and franchises in our city. Thank you.

14 COUNSEL: Thank you. Beth Shapiro, you may  
15 begin.

16 MS. SHAPIRO: Thank you. I'm Beth Shapiro, the  
17 CEO of City Meals on Wheels. I would like to thank  
18 the Council Committee on Consumer and Worker  
19 Protection for holding this important hearing. City  
20 Meals works in partnership with the city and the  
21 network of home-delivered meal providers to fill the  
22 gap in the city's program by funding the preparation  
23 and delivery of meals on weekends, holidays, and  
24 emergencies to homebound older adults.

1           In addition to funding 30 providers, preparing  
2 meals, City Meals' warehouse in the South Bronx packs  
3 and delivers 500,000 ready-to-eat meals annually in  
4 advance of harsh winter weather or storms, and  
5 localized emergencies like gas and power outages. By  
6 funding the same providers as New York City Aging,  
7 City Meals brings additional resources to the city  
8 while providing continuity of services for meal  
9 recipients.  
10

11           City Meals reaches older adults in all five  
12 boroughs providing for about 2 million meals  
13 annually. In the Bronx, we partner with RAIN and  
14 East Side House Settlement to serve 3,671 homebound  
15 older adults, a total of over 253,000 meals. Last  
16 year this included 8,800 meals in our seasonal  
17 emergency food packages and 5,124 meals in response  
18 to seven emergencies. Over the past decade the New  
19 York Yankees and the Yankees Foundation have  
20 regularly and significantly supported City Meals,  
21 helping fund meal deliveries to older New York,  
22 specifically those living in the Bronx. They have  
23 funded over 80,000 meals and have personally  
24 delivered meals to homebound older Bronx residents.  
25

2 Amending the local law code to allow charitable  
3 gaming at sports venues would have dramatic impact on  
4 city meals and other CBOs. The increasing need for  
5 meals due to a rapidly growing aging population, the  
6 impact of COVID-19, and staggering inflation is  
7 endangering our ability to respond.

8 SERGEANT AT ARMS: Thank you. Your time has  
9 expired.

10 MS SHAPIRO: Thank you.

11 CHAIRPERSON VELÁZQUEZ: Thank you. I'm going to  
12 take a five minute break and we will resume in-person  
13 testimony.

14 [10 MINUTES BREAK]

15 SERGEANT AT ARMS: Excuse me. Excuse me. Can  
16 everybody find their seats please? We're getting  
17 ready to begin. Can everybody find their seats  
18 please? Can everybody settle down? Settle down  
19 everybody. Find your seats please.

20 [4 MINUTES SILENCE]

21 Can everybody find their seats please? We're  
22 getting ready to begin. Everybody find their seats.  
23 Everybody settle down and find their seats please.  
24 Can I have your attention? Can I have your

25

2 attention? Everybody find their seats. Everyone  
3 settle down. Settle down.

4 COUNSEL: Thank you. The next panel will be an  
5 in-person panel. It will be Janis Robinson, followed  
6 by Justin Nelson, followed by Rob Walsh, followed by  
7 Lisa Sorin. You may take your seats.

8 You may begin.

9 MS. ROBINSON: Good afternoon. Today is an  
10 important day in the history of the organization I  
11 represent. That's Food Bank for New York City. It  
12 is our 40th birthday, and in honor of our birthday,  
13 we were invited by the Empire State Building to  
14 participate in a special ceremony today, which ends  
15 with a special lighting of the Empire State Building  
16 in our organization's colors, orange and blue,  
17 tonight. By all accounts, it is a very special  
18 honor. However, when I learned that I had an  
19 opportunity to testify in public in support of the  
20 New York Yankees' organization, there was no other  
21 place I'd rather be.

22 You see, for the past three years Food Bank for  
23 New York City and I have had the honor of serving the  
24 Bronx Community once per month. Yes, every month,

2 the Yankees make it possible to provide fresh produce  
3 and shelf-stable food to 500 families.

4 As you can imagine, this support began in the  
5 height of COVID, and people were laid off, they were  
6 unemployed, they were frightened, they were confused,  
7 they were concerned and hungry.

8 The Yankees leadership contacted us Food Bank of  
9 New York City and asked if we could partner in an  
10 effort to serve the community. The answer?  
11 "Absolutely." The community response? "Thank you."  
12 "I can see the Yankees care about me." "I feel rich,  
13 thanks to the Yankees."

14 It is nice to see the Yankees provide support to  
15 the community. They are fully present and support  
16 it. Since 2009, the Yankees have been a true partner  
17 with Food Bank for New York City in the community.  
18 Their total investment in Food Bank for New York City  
19 equates to 5 million meals for New Yorkers in need.  
20 The Yankees don't do this for photo op. They do it  
21 for the good of the community. The partnership makes  
22 the entire food bank for New York City team proud.  
23 Even those that are Mets fans, please approve this  
24 legislation so we can continue our partnership with  
25 the New York Yankees Respectfully submitted Janice

2 Robinson, Vice President of Institutions and  
3 Partnerships at Food Bank in New York City. Thank  
4 you.

5 MR. NELSON: Good morning and thank you for  
6 holding this hearing today, Madam Chair. I'm Justin  
7 Nelson, the Co-Founder and President the National  
8 LGBT Chamber of Commerce, better known as NGLCC, and  
9 NGLCCNY. I use he/him pronouns and I'm pleased to be  
10 here this morning along with our new Executive  
11 Director for NGLCCNY, Kelly Parkin. We represent the  
12 business interests of the nearly 1.4 million LGBT-  
13 owned businesses in the United States, over 1500 of  
14 which are LGBTQ owned restaurants right here in the  
15 great city of New York City.

16 First, I want to say thank you to you and the  
17 Committee for your continued support of small  
18 businesses, especially throughout the pandemic, and  
19 for the opportunity to share our point of view this  
20 morning. It's well known that New York City's LGBTQ  
21 restaurants and small businesses suffered  
22 tremendously during the pandemic due to the shutdown  
23 and social distancing regulations. Our businesses  
24 relied heavily on takeout and delivery in partnership  
25 with apps like GrubHub, DoorDash, UberEATS, and



1 others, and we appreciate the Council's efforts in  
2 2020 would have moved to protect the industry from  
3 unfair charges.  
4

5 But today I'm here in support of an amendment  
6 that would modify the caps on third party delivery  
7 services that was put in place during the pandemic  
8 and give restaurant owners, not the government, the  
9 opportunity to decide how to grow their businesses.

10 Many of NGLCCS restaurants rely on third-party  
11 apps to access services like marketing, loyalty, and  
12 rewards programs and so much more. Restaurants like  
13 4West Lounge in Harlem, Pierogi Boys in Brooklyn, The  
14 Crabby Shack, and so many others could choose to buy  
15 these services from the apps in order to reach new  
16 customers, while spending less than they might on  
17 traditional advertising models, by opting into  
18 packages through these providers. They can get  
19 tailored services and pay-as-you go rates, and they  
20 can be adjusted at any time giving these businesses  
21 the flexibility to decide and not the government on  
22 what makes sense for these businesses at any time.

23 If the City Council wants to level the playing  
24 field for smaller-and-mid-sized businesses, an  
25 amendment to the current cap is needed, and I implore

2 the Council to do that, as you have in so many cases,  
3 and that's decide on what is best for businesses in  
4 New York City, their customers and their employees.

5 Thank you very much and we'd love to see this  
6 amendment pass.

7 Thank you. I'm speaking on both. Is that okay?

8 Good morning. My name is Rob Walsh. I'm the Interim  
9 President of the Bronx Overall Economic Development  
10 Corporation and I spent 12 years as the Commissioner  
11 of Small Business Services during the Bloomberg  
12 years.

13 I'm here today in support of Intro 891 and 813.  
14 On the first one, allowing charitable organizations  
15 to conduct games of chance at professional sporting  
16 venues, I see this legislation as being a big boost  
17 for community organizations in need of extra  
18 resources to fulfill their mission or take on new  
19 initiatives.

20 At the same time, our sports venues will be able  
21 to create creative ways to engage their fans during  
22 games. I recently saw a 50-50 raffle take place at a  
23 ballpark. It was out in Arizona. It's time to bring  
24 it to the Bronx and to Queens. I see this local law  
25 as a win-win for everyone.

2 I've been up in the Bronx in this role just for a  
3 couple of months now. And I could tell you that the  
4 Yankees are fully engaged in the community, doing  
5 great work, and I only can imagine with this new  
6 tool, what it can be and what it will mean for  
7 communities.

8 With regard to 831, I've had the opportunity to  
9 meet firsthand with many small businesses throughout  
10 the borough, throughout the city, especially  
11 restaurants. They are the community fabric of our  
12 neighborhoods throughout the five boroughs. As many  
13 agree, the original intention and local law, of the  
14 recent law was to put in place during the pandemic a  
15 backstop, when the only options restaurants had were  
16 takeout and delivery to protect against price  
17 gouging.

18 But now it's three years later, and many of these  
19 restaurants need the flexibility for more marketing  
20 options that will allow them to choose what's right  
21 for them. That's what makes sense about this  
22 amendment. It preserves the cap of delivery fees and  
23 broadens the way restaurants can voluntarily choose  
24 to market themselves and grow their customers.

2 In a moment, you'll hear from Dawn Kelly, who's  
3 here with us today and owns a terrific smoothie bar  
4 and a health food restaurant in Queens. She wrote in  
5 The Daily News last week: "By limiting what delivery  
6 apps can charge for marketing, it restricts what  
7 small restaurants can choose to get in front of new  
8 customers and into their bellies. Lord knows, it  
9 isn't as simple as placing an ad and community papers  
10 anymore."

11 In closing, this is an opinion shared by many  
12 other restaurants across the city, and one I'm proud  
13 to support as well. I thank the Committee for this  
14 opportunity to share my perspective and encourage you  
15 to support this amendment that will strengthen New  
16 York City's Small Business Community.

17 Thank you very much.

18 MS. SORIN: Good afternoon now. Good afternoon  
19 Chair and our illustrious City Council. I'm going to  
20 start with Intro 891, on amending the administrative  
21 code to allow charitable organizations to conduct  
22 games of chance at professional sporting venues, also  
23 known as a 50-50 legislation.

24 We are strongly in support of this legislation,  
25 but understand that the devil is in the details. And

2 agency assignment and rulemaking are key to the  
3 implementing this legislation correctly. Excuse me  
4 while I switch over. During a post-COVID world, our  
5 nonprofits that are usually supported by businesses  
6 that fund these organizations, that has become very  
7 limited after COVID where businesses are restricted  
8 of their funding or have lost funding in its  
9 entirety.

10 Our borough and this city need an avenue of  
11 financial support that is consistent. The Yankees  
12 have never let up their support of our nonprofits and  
13 businesses in the borough. We are one of the proud,  
14 one of the many proud members or partners to the  
15 Yankee institution. They focus on youth programs,  
16 food insecurity, business support, holidays, and I  
17 can continue on. But also in-kind services that  
18 provide organizations like ours, the Bronx Chamber of  
19 Commerce services that in turn, were used to support  
20 our businesses and nonprofits.

21 The bill will be life-altering to organizations  
22 that have minimal opportunities to access financial  
23 support. I look forward to seeing this bill make an  
24 impactful difference for our beloved Bronx  
25 institutions. And I want to do a special thank you

2 to the Yankees for all they have done and continue to  
3 do for our borough.

4 Thank you for the opportunity to deliver this  
5 important testimony. I am Lisa Sorin, President of  
6 the Bronx Chamber of Commerce. Our organization,  
7 founded in 1894, serves as the voice of over 30,000  
8 businesses ranging from micro businesses to large  
9 scale employers.

10 Restaurants and hospitality sectors compose  
11 approximately 24% of our membership. Our  
12 organization is helping drive the systematic change  
13 needed to support equitable economic opportunities  
14 and workforce development in the Bronx. We organize  
15 and build coalitions provide strategic business  
16 services, provide research and data analysis and  
17 support targeted advocacy efforts at strengthening  
18 community voices, build community power, and help to  
19 WIN economic development policies that invest in  
20 people as much as investment in places.

21 On behalf of the Bronx Chamber and the businesses  
22 that we represent, I am encouraging the council to  
23 move forward with 813. Amending the administrative  
24 code of the City of New York to modify the marketing  
25 fee on the cap for third party delivery companies.

2 At the heart of our organization's response is that  
3 government should not tell businesses how they can or  
4 cannot manage the marketing needs of their  
5 businesses. This has been a consistent message from  
6 our organization since the founding, and is a key  
7 principle when we apply evaluating legislation, the  
8 Bronx Chamber of Commerce as a leader on fee cap  
9 legislation during the height of COVID and worked in  
10 tandem when many advocates in this room. However,  
11 the landscape has changed, and we recognize that  
12 businesses need more flexibility when it comes to  
13 marketing as we move forward into our city's  
14 recovery.

15 Additionally, we understand that there are many  
16 informal studies that have been circulated to sway  
17 this legislation. These studies are one-sided and  
18 skewed and do not represent authentic data. The  
19 influence of multi unit restaurant owners or full  
20 scope and diversity of our New York City's  
21 hospitality sector. To compound matters, we as an  
22 organization do not adhere to the value of bullying  
23 tactics from either side of the dialog, and we feel  
24 that this does a disservice to New Yorkers and our  
25 business community.

2 COUNSEL: Thank you.

3 MS. SORIN: I'm sorry. I'm ending with: I must  
4 underscore that our genuine desire is for all parties  
5 to come to the table in good faith and utilize  
6 authentic and accurate data to present a better  
7 policy than what we created at the height of COVID  
8 crisis. Thank you.

9 COUNSEL: Thank you for your testimony. Thank  
10 you. Our next panel will be an in-person panel. It  
11 will be Kevin Wong, followed by Joshua Bostian,  
12 followed by Julian Klein followed by Mark Drapeau.

13 zzz

14 You may begin

15 MR. KLEIN: Good afternoon Chair Velázquez and  
16 Council members. I'm Julian Klein, Head of Policy at  
17 Tech NYC, a nonprofit member-based organization  
18 representing over 800 technology companies in New  
19 York. We are committed to supporting New York's  
20 tech-based economy ensuring that all New Yorkers can  
21 benefit from innovation.

22 Since they were established delivery platforms  
23 have helped to spur you economic development across  
24 the city, offering customers the ability to discover  
25 local businesses, offering restaurants new ways to



2 grow their businesses, and delivery workers new ways  
3 to access earning opportunities.

4 It is estimated that today there are over 65,000  
5 delivery workers, 23,000 restaurants, and 317,000  
6 Restaurant based jobs in New York City. On-demand  
7 delivery services have also expanded rapidly since  
8 the beginning of COVID-19, and platforms are  
9 providing consumers with more options than ever.  
10 Delivery platforms help to provide key insights on  
11 consumers to restaurants, including which dishes sell  
12 best or which neighborhoods have the highest amounts  
13 of customers.

14 Today, delivery apps and services are very  
15 popular among New Yorkers. According to the New York  
16 City Department of Consumer and Worker Protection,  
17 there were 17% More app based deliveries made in the  
18 first six months of 2022 compared to the same period  
19 in 2021. Additionally, between March 2021 and May  
20 2022, app-based deliveries made up 15% of all New  
21 York City restaurant sales.

22 In August 2021, the city permanently limited the  
23 fees that delivery platforms can collect from  
24 restaurants to 15% of an order for delivery and  
25 pickup and 5% for marketing and other services.

2 These fees were originally established during the  
3 hardest days of COVID-19 when dining rooms were  
4 closed, and social distancing was in place, and  
5 vaccines were months away.

6 Today as restrictions have been lifted and our  
7 great city has recovered Remarkably, the dynamics of  
8 restaurant delivery have changed. If left as is the  
9 permanent fee cap will prevent restaurants from  
10 accessing tools to help them expand their customer  
11 base, and will discourage delivery platforms from  
12 creating innovative products.

13 Restaurants increasingly value the marketing  
14 tools that delivery platforms offer, including data  
15 analysis of local markets and demand, as well as  
16 advertising, feature listings, and even custom  
17 websites. These tools help restaurants to boost  
18 their revenue, while expanding options for consumers.

19 Keeping the current fee cap in place puts the  
20 continued availability of these services at risk, and  
21 could diminish their benefits for restaurants and  
22 consumers in the long run. Tech NYC supports Intro  
23 813 which would ensure the restaurants continue to  
24 have access to low costs delivery and marketing

2 options, and recommends that the City Council passes  
3 and the Mayor signs this bill into law. Thank you.

4 MR. BOCIAN: Councilmember, I'd ask your  
5 indulgence for a little more time than the two  
6 minutes considering we are one of the apps that this  
7 would affect directly so I appreciate that. Good-- I  
8 was going to say good morning, but good afternoon.  
9 My name is Joshua Bocian. And I am the Senior  
10 Manager of Government Affairs for GrubHub. I'd like  
11 to thank Chair Velázquez and Councilmember Holden and  
12 the members of the committee on Consumer and Worker  
13 Protection for this opportunity to discuss the merits  
14 of Intro 813.

15 GrubHub and Seamless have been part of the fabric  
16 of New York for over two decades, and Seamless was  
17 first founded here in 1999. Today we have more than  
18 300 employees based at our New York City  
19 headquarters, located at Five Bryant Park, and a team  
20 of over 15,000 delivery partners.

21 I'd like to start by clarifying the relationship  
22 between restaurants and marketing companies like  
23 GrubHub as many misleading statements have been made,  
24 some disingenuous, and you will likely hear more  
25 untrue arguments that have nothing to do with the

2 issue before us today. First GrubHub's rates are  
3 clear and transparent. I actually have a chart over  
4 here which has all of our services. Everything that  
5 GrubHub offers is on our website for anyone to view.  
6 These are the exact tiers of services that are  
7 offered to restaurants in all markets, and that will  
8 be offered to our restaurants in New York when the  
9 amendment passes. Any suggestion that the rates are  
10 unclear or will be skyrocketing or untrue.

11 GrubHub's contracts are also clear, transparent,  
12 and can be ended by the restaurant at any time. That  
13 means any restaurant can change their rate today or  
14 tomorrow or the next day, whenever they wish.

15 GrubHub is at its core a marketing company. We  
16 pride ourselves on providing digital marketing and  
17 advertising tools that many small restaurants cannot  
18 otherwise afford. These includes support like search  
19 engine marketing and optimization, loyalty and  
20 rewards programs, point of sale integration, and  
21 other services.

22 Restaurants choose services from GrubHub because  
23 they are more cost effective for reaching new  
24 customers.

2 So why are we here today? GrubHub supports three  
3 core groups that are critical to the food delivery  
4 ecosystem: Small and independent restaurants,  
5 delivery couriers, and the communities we serve.

6 We are here today to focus on small and  
7 independent restaurants and how the proposed  
8 amendment will help them grow, compete with bigger  
9 brands, and support the character of neighborhoods  
10 throughout the five boroughs.

11 One of the inaccurate claims being made is that  
12 the amendment will result in higher rates for all  
13 restaurants. This is completely false. The language  
14 of the legislation is very clear on this point. And  
15 it is one we fully agree with: All restaurants on  
16 our part of our platform will have the option to  
17 continue at their current rates.

18 It's worth taking a step back and remembering the  
19 reasons for the original bill. The original  
20 regulation passed during the early days of the  
21 pandemic in 2020, when the restaurant industry was  
22 thrown into chaos. Its goal to protect the  
23 restaurant industry is one that we share and remains  
24 laudable today. But after three years, this  
25 emergency policy has outlived its purpose. New York

2 City's permanent limit on restaurant choice is the  
3 only -- I want to emphasize that -- it is the only  
4 permanent fee cap of its kind in the United States.  
5 No other city has a similar cap on its books. That's  
6 why we support this amendment that maintains core  
7 protections on delivery and marketing fees for the  
8 restaurant industry.

9 Small and independent restaurants want more  
10 choices, so they can choose which services are best  
11 for them. Tools like search engine marketing,  
12 promotions to target new customers, analytics using  
13 customer data, or free websites that allow for  
14 direct-to-restaurant orders with no commissions, like  
15 GrubHub direct. Let me repeat that we will build for  
16 every single restaurant in the city of New York, for  
17 free, a website so that they can have direct access  
18 to their customers. And we will take no commission  
19 for doing that.

20 All other major cities that implemented fee caps  
21 have since revised or removed them. At the height of  
22 the pandemic New York was one of several major  
23 markets was one of several major markets--

24 [BACKGROUND VOICES]

2 --that regulated delivery fees. But today New  
3 York is alone. Emergency measures were called that  
4 for a reason. They were never meant to be permanent.  
5 Nearly every city that enacted fee caps has seen them  
6 expire altogether or made adjustments like those in  
7 this amendment.

8 San Francisco, the bill that New York City  
9 basically cut and pasted their legislation from, the  
10 first city in the US to adopt fee caps, struck a  
11 compromise last year providing restaurants with more  
12 options for marketing fees.

13 Other major cities that have codified delivery  
14 fees, while allowing restaurants to utilize  
15 additional marketing services like the ones we were  
16 talking about today are Philadelphia, Minneapolis,  
17 Seattle, Portland, Oregon, and many more.

18 So many of those who support the status quo  
19 represent larger higher-end restaurants in midtown  
20 Manhattan, who don't want to lose the competitive  
21 advantage they currently have under the existing fee  
22 cap.

23 Under the current structure, some restaurants are  
24 essentially getting the equivalent of a primetime  
25 television ad, while paying for the rate of the

2 community access station at 3 a.m. on a random  
3 Tuesday. Everyone likes getting something for free.  
4 This is New York.

5 But in reality, this model is not sustainable.  
6 They claim that hundreds of restaurants and bars have  
7 signed a petition opposing this amendment. But right  
8 here I have more than 500 restaurants that have  
9 signed individual letters, many of them smaller  
10 establishments who rely on delivery as a significant  
11 portion of their sales, signed letters supporting it.

12 The reality is that small and independent  
13 restaurants strongly support having more choices.  
14 GrubHub has an ongoing dialogue with restaurants. We  
15 speak with them every day. We have heard from small,  
16 family, and immigrant owned restaurants many  
17 operating in neighborhoods beyond the central  
18 business districts of Manhattan. They want the  
19 chance to compete with big chains and Restaurant  
20 Brands and they want more options for doing so.

21 Data also bears this out as reported by Crains, a  
22 majority of restaurants that participated in a blind  
23 survey about the law supported changing the marketing  
24 cap while leaving the delivery maximum in place.  
25 Among owners and managers of independent restaurants,



2 according to Crains, 86% are in favor of the  
3 amendment. This makes sense. Small independent  
4 restaurants lack the big budgets and large marketing  
5 teams that power major restaurant brands.

6 We are encouraged that a number of independent  
7 restaurants are here today. Of course many operators  
8 of small businesses can't be here because they are  
9 the ones running their businesses. Some have  
10 submitted written testimony, and others are  
11 represented by various organizations such as ones  
12 you've already heard from, chambers of commerce, et  
13 cetera. And we hope all of their words will be given  
14 the same attention as those present. I'd like to  
15 thank you for the opportunity to share our thoughts  
16 on proposed amendment. Thank you for the extra time  
17 Chair. I appreciate it. And we look forward to  
18 continuing to work with the Council to make all the  
19 communities we serve stronger.

20 CHAIRPERSON VELÁZQUEZ: I just would like to  
21 mention when I give extra time, I stated it because  
22 I'm the chair. Random outbursts from the crowd will  
23 not be tolerated, and you will be removed.

24 MR. WONG: Good afternoon. Madam Chair,  
25 Councilmembers. My name is Kevin Wong. I'm the

2 Executive Director from the Coalition of Asian  
3 Americans Business Organizations. As an immigrant I  
4 have lived in the States for over 40 years, 20 years  
5 in New York City. I have own a few restaurants,  
6 four, and part of a fifth.

7 As you know, the past several years, we have-- it  
8 certainly has been difficult for small business in  
9 New York City, especially for Asian American owned  
10 restaurants, from Chinatown upper East, upper West,  
11 every corner of the streets, a loss of significant  
12 foot traffic, and part of the fast food supply in  
13 major New York City eating habit.

14 I have witnessed that firsthand many Asian-owned  
15 restaurants going out of business. Facing that  
16 discrimination and scrambling to stay open, a  
17 restaurant in New York City, and a small Asian-owned  
18 restaurants are still in recovery. CAABO is  
19 advocating for small business, all their best  
20 interests. The industry has changed. The  
21 restaurants increasingly rely on the delivery  
22 platform to generate new profit and customers,  
23 especially in Greater New York.

24 That's why I'm testified today to support this  
25 amendment. Every small business is different. But

2 they all compete against big restaurants and big  
3 marketing budget firms, and big national chain  
4 restaurants with dedicated marketing teams to help  
5 them. Small businesses need easy and inexpensive  
6 marketing options. And for many of the best options  
7 is the service such as GrubHub, UberEATS, and  
8 DoorDash. They're easy, simple, and have a pay-as-  
9 they-go. The rates are good. That's can be  
10 justified for anytime. And amendments would give a  
11 restaurant the power to make their own choices and  
12 deliver fees and caps and stay the same. But  
13 marketing power and choice are returned to the  
14 restaurants that can decide how to best to complete  
15 with the big chance. Thank you so much.

16 MR. DRAPEAU: Good afternoon Council, Chair. I'm  
17 Dr. Mark Drapeau of the Data Catalyst Institute.  
18 Aware that restaurant delivery fee caps were enacted  
19 in many states and cities during COVID. A while back  
20 we convened an expert working group of experts from--  
21 with ties to New York City to explore the fee caps  
22 efficacy. We reviewed the economic literature and  
23 discussed all sorts of unintended effects, and as a  
24 result, I've no doubt that delivery service fee caps

2 hurt small independent restaurants and benefit large  
3 expensive and chain restaurants here in New York.

4 And because the New York fee cap goes beyond  
5 deliveries, and prohibits restaurants from spending  
6 their own money to market and promote as they see  
7 fit, it hurts small restaurants even more.

8 Low cost, pay-per-order restaurant marketing  
9 services are uniquely offered by delivery apps, and  
10 they predominantly benefit small restaurants. Big  
11 and chain restaurants have many additional ways to  
12 market themselves that are not impacted by the fee  
13 cap.

14 This explains why economic research documents  
15 that fee caps reduce orders to small restaurants,  
16 meaning more orders for large and chain restaurants.

17 We're also confident from our work in the working  
18 group that fee caps reduce delivery workers' income  
19 in two ways.

20 First, when an app company's revenue per-delivery  
21 goes down, cost per delivery will also go down by  
22 paying delivery workers less. Second if fees are  
23 shifted to consumers, this inevitably negatively  
24 impact delivery workers tips.

2 During COVID, the council is concerned about  
3 delivery apps pricing power was reasonable. But as  
4 the pandemic ended, every large city in the country  
5 either eliminated fee caps, or modified them just  
6 like this amendment would do. Keeping the delivery  
7 cap, eliminating the marketing services cap.

8 Amendment 813 will help New York smallest  
9 restaurants by letting them decide how to spend their  
10 marketing money. I urge your support. Thank you.

11 CHAIRPERSON VELÁZQUEZ: So I have a couple of  
12 questions here. Under the current law pursuant to  
13 20-563, and this is for you Josh, the third party  
14 delivery apps can charge a maximum of 23% of the  
15 purchase price of each online order to food service  
16 establishments. How often does your company charge  
17 less than 23% to food service establishments?

18 MR. BOCIAN: So thank you, Councilmember. I had  
19 a feeling most of the questions were going to be for  
20 me at this point, which I expected.

21 So we offer pricing packages that start at 5%, so  
22 that restaurants can choose the level of marketing  
23 services that is right for their business. While the  
24 fee cap has been a fact, 100% of our New York City  
25 restaurants have been charged 23% or less. It's

2 worth noting that 60% of our orders in New York's  
3 Today are delivered by the restaurants themselves,  
4 not by GrubHub partners, which means they are  
5 currently only paying 8%. So that's 5% to be on the  
6 platform, and then 3% for, you know, transaction  
7 fees, things like that credit cards, etc.

8 So when you look at our pre pandemic contracts  
9 with restaurants, roughly 40% of New York City  
10 restaurants have chosen rates and services that are  
11 less than 23%. So 40% of our folks are 23% or less.

12 CHAIRPERSON VELÁZQUEZ: And so how many clients,  
13 customers do you have, restaurants under you?

14 MR. BOCIAN: So we have 20-- over 25,000  
15 restaurants are on our platform in New York City.  
16 I'd also like to note that 17,000 of that 25,000 are  
17 considered small business, mom and pop, so not  
18 national chains, not franchises, things like that.  
19 So 17 of 25.

20 CHAIRPERSON VELÁZQUEZ: Do you ever break out on  
21 how many are women owned? And how many are black and  
22 brown owned?

23 MR. BOCIAN: Yeah. So I can get that information  
24 for you. I'd be happy to provide that to you after  
25 the hearing. But yes, we can get that to you.

2 CHAIRPERSON VELÁZQUEZ: Thank you. And how much  
3 of your revenue comes from commissions charged to  
4 restaurants?

5 MR. BOCIAN: Well, I'd like to be in a position  
6 to say that any of our revenue is coming from  
7 commission being charged to restaurants. But the  
8 truth be told, Councilmember is that-- hold on, I  
9 want to get this number correct for you. That for  
10 the last three years, GrubHub has reported losses.  
11 And in total, we have lost over \$700 million since  
12 2022, when the pandemic began, and that number is  
13 through the end of December 31, 2022. So we have  
14 regardless of that invested significant resources in  
15 our restaurants and our marketplace, including  
16 hundreds of million dollars in direct support to  
17 restaurants. But I'd like to say that we're  
18 profitable, but at the moment, we're losing money.

19 CHAIRPERSON VELÁZQUEZ: And so Local Law 103 of  
20 2021 requires DCWP to submit a report recommending  
21 the maintenance or adjustment of the caps on third-  
22 party delivery fees no later than September 30 of  
23 this year. Why should the council amend the caps  
24 now?

2 MR. BOCIAN: So, you know, we speak to  
3 restaurants all day, every day in and out. It's what  
4 we do. Many, you know, as you've indicated, are, you  
5 know, small, independent restaurants. Many are  
6 minority and immigrant owned. And they were hit  
7 disproportionately hard during the pandemic, as I'm  
8 sure you know, you know, from your district and from  
9 others around the city. Many have closed  
10 permanently, and of those that survived, many did so  
11 by relying on delivery.

12 It remains how they can grow their business. And  
13 they need more options now and can't afford to wait  
14 until September, especially with the peak summer  
15 season around the corner. We'd like to help them  
16 leverage that. And that's why we think, you know,  
17 having this conversation and lifting the cap on  
18 marketing is important now and not waiting until  
19 September when the study is released.

20 CHAIRPERSON VELÁZQUEZ: Now if the amendment  
21 passes, what will restaurants currently on the  
22 platform receive in terms of communications regarding  
23 their rate structure and any changes to it?

24 MR. BOCIAN: So a provision in Intro 813 actually  
25 calls for 121 days before it becomes effective. This



2 will allow ample time for a comprehensive outreach  
3 and education effort to ensure that all restaurants  
4 on our platform have all the facts and can make  
5 informed decisions about what's best for them.

6 So in some of our other markets, San Francisco  
7 and Portland, for example, which have adopted a  
8 similar model proposed in the amendment, have also  
9 required delivery platforms to proactively  
10 communicate the tiers of services available well  
11 before implementation, ensuring that restaurant  
12 owners have ample amount of time to consider services  
13 that work best for their business.

14 San Francisco required communication with  
15 restaurants 60 days before the effective date of the  
16 amendment. And at GrubHub, we worked with the city  
17 on the language of that implementation and that  
18 communication to ensure that all parties were  
19 comfortable, and took the extra step of actually  
20 sending a second communication which we weren't  
21 required to do, but we thought it was the right thing  
22 to do to all restaurants leading up to the effective  
23 date of the amendment.

24 The communication to restaurants will be in the  
25 form of an e-mail, and will include the pricing tiers

2 and levels of marketing and advertising services  
3 related to each tier.

4 I do want to note Councilmember that in all the  
5 markets, all the large markets -- Philly, Chicago,  
6 San Francisco, the list goes on -- where we've had  
7 this exact same conversation, 95% of our restaurants  
8 stayed with the pre-COVID package that they had. For  
9 the 5% that wanted to change, they called us and we  
10 were able to make that change for them within three--  
11 three business days. So 95% stayed.

12 CHAIRPERSON VELÁZQUEZ: And how did negotiations  
13 with those 95% happen?

14 MR. BOCIAN: So what we automatically do based on  
15 these communications that we will be sending out,  
16 based on the 120 days that are necessary, we  
17 basically say, "On such and such a date, you know,  
18 you're going to be reverted to your pre-COVID  
19 package. If you would like to remain there, then you  
20 know, you don't have to do anything. However, if you  
21 would like to change..." and we provide the  
22 information that you can see on the chart for them,  
23 so they know exactly what the different packages are,  
24 give a call to your account advisor. And we're happy  
25 to make that change for them.

2 So we-- It's pretty transparent.

3 CHAIRPERSON VELÁZQUEZ: Going back to the  
4 jurisdictions you mentioned earlier, like San  
5 Francisco and Portland. They had enacted fee caps  
6 similar to those advanced by 813. How many  
7 establishments opted for the minimum fare level?

8 I would have to go back and get that information  
9 for you.

10 CHAIRPERSON VELÁZQUEZ: Can you please? Yeah,

11 MR. BOCIAN: I'm sorry?

12 CHAIRPERSON VELÁZQUEZ: Yes, please.

13 MR. BOCIAN: Yeah. No, absolutely. Like-- Like  
14 I said, you know, 40%, I believe is the number of our  
15 restaurants that are currently at that 5% level. So  
16 I would suspect that when we look at those markets as  
17 well, it's similar. But let me get you the  
18 information because I don't want to misspeak. And if  
19 I did misspeak, I want to be right.

20 CHAIRPERSON VELÁZQUEZ: Thank you. And recent  
21 media coverage in DC suggests some apps raised rates  
22 for restaurants as soon as the legislation went into  
23 effect and without adequate communication. How do we  
24 you know it's not going to happen here with you guys?

2 MR. BOCIAN: So great question. And to be honest  
3 with you, we had not yet sent out our communication  
4 in Washington, DC, simply because we're not required  
5 to do so until I believe, April 15. So we are still  
6 in the process of doing that.

7 But you know, what happened in DC is actually a  
8 really good example of why the City Council must pass  
9 Intro 813. And that is to ensure that what happened  
10 in DC does not happen here in New York City.

11 You know, the New York City Amendment guarantees  
12 that all restaurants will have the option to keep the  
13 rates that they have today as a result of the current  
14 law, or opt into the additional services with higher  
15 fees, or drop down if they want to, which we already  
16 discussed. So restaurants can decide for themselves  
17 what's best for their business.

18 No restaurant will have to pay more than 5% for  
19 the ability to receive orders from the GrubHub  
20 marketplace. However, no such law in DC safeguards  
21 access to lower rates. And that's kind of what you  
22 saw in DC, because their bill was a little different  
23 and did not guarantee those lower rates.

24 Also, to be clear, when this amendment passes,  
25 GrubHub does not intend to raise rates. And once

2 again, here's our rate card, it's on our website,  
3 it's open for the entire world to see, which is  
4 clearly like I said, posted on our website.

5 And restaurants, as I've said, that no longer  
6 wish to pay their previously contracted rate, can  
7 call us at any time and opt into another package  
8 immediately. Like I said, we can get that done  
9 usually within three business days.

10 CHAIRPERSON VELÁZQUEZ: What was the increase or  
11 decrease for those who chose not to pay, in those  
12 other markets?

13 MR. BOCIAN: I don't have that information for  
14 you. But I again will get it to you. I've got lots  
15 of people here taking notes. So I assure you, we'll  
16 get it to you.

17 CHAIRPERSON VELÁZQUEZ: And can you guarantee  
18 that their orders, even if they choose not to opt in?  
19 Will there be any retaliation if you will? Can  
20 restaurants expect that if you choose not to opt in?

21 MR. BOCIAN: No. And again, hold on let me just  
22 make sure I got my notes here, because I just want to  
23 make sure that I get you the right information.

24 I went the wrong way in my notes. I feel like  
25 I'm a little bit before Congress here. You know,

2 Councilmember there are other people on this panel  
3 whom I'm sure would like to answer--

4 CHAIRPERSON VELÁZQUEZ: Julian's just looking and  
5 not saying anything.

6 MR. BOCIAN: I know. I know. I know.

7 CHAIRPERSON VELÁZQUEZ: Don't worry. DoorDash is  
8 here too.

9 MR. BOCIAN: I know. And Uber Eats is--

10 CHAIRPERSON VELÁZQUEZ: And Uber Eats as well.

11 MR. BOCIAN: is going to, you know, fly in.

12 Could you repeat the question, please?

13 CHAIRPERSON VELÁZQUEZ: Basically, what  
14 assurances are you giving restaurants that do not opt  
15 in that they will not be held-- or they will not  
16 receive any form of retaliation if they don't opt in?

17 MR. BOCIAN: Right. So I think what you're  
18 getting to, Councilmember, is basically the way in  
19 which our algorithm works and how people are listed  
20 on the restaurant-- on the algorithm.

21 And the marketing fees that individual  
22 restaurants pay is simply one of the many factors  
23 that goes into how a restaurant gets listed in our  
24 app. It is not the defining factor. It is one of  
25 many. So you may-- You know, you're not going to--

2 If you live in Coney Island, we're not going to show  
3 you restaurants on the Upper West Side, regardless of  
4 how much they're paying in marketing.

5 If we, you know-- If you order pizza every  
6 Tuesday on Staten Island and 90% of your orders are  
7 pizza, well, then we're going to show you pizza  
8 orders, and we're not necessarily going to show you  
9 Chinese food because we have a history of knowing  
10 what your orders are.

11 So it's a complicated algorithm, I will freely  
12 admit that I-- you know, the tech guys know a lot  
13 more about it than I do. You never want to ask the  
14 GR guy about the tech. But it's complicated, and  
15 it's just one of many factors. So people will not  
16 suffer because they choose a lower plan. Like I  
17 said, 40% of our folks are at the lower plan and  
18 they're on-- you know, they're showing up, they're  
19 getting business.

20 CHAIRPERSON VELÁZQUEZ: I'll turn it to  
21 questions. Councilmember Krishnan, then Menin, and  
22 then Brewer.

23 COUNCILMEMBER KRISHNAN: Thank you so much Chair  
24 Velázquez for today's hearing. Thank you for your  
25 testimony. I have a few questions for-- for GrubHub.

2 You know, I represent-- I'm the Councilmember for  
3 Jackson Heights and Elmhurst, Queens, two of the most  
4 diverse immigrant communities, immigrant-owned small  
5 businesses. We were also the epicenter of the  
6 epicenter of the pandemic in the entire country. So  
7 I've seen firsthand the number of businesses whose  
8 doors have shuttered because the pandemic, who  
9 couldn't qualify for pandemic protections or  
10 resources, even if they were eligible, as immigrant  
11 owned small businesses, because so many of the  
12 resources and services weren't available to them.

13 We may be out of the throes and the height of the  
14 pandemic. But I think it's not disputable that the  
15 impacts of the pandemic still continue for so many  
16 small businesses across the city and across the  
17 country.

18 So before asking my question, I just wanted to  
19 put in perspective, or frame the larger context. You  
20 know, we saw during the pandemic, I think opposite  
21 impacts on food delivery platforms and small  
22 businesses.

23 As I see it, food delivery platforms doubled the  
24 revenue and profit during the pandemic with \$50.6  
25 billion dollars-- billion dollars in sales in 2020,



2 more than double the \$22.7 billion in sales generated  
3 in 2019, and profits of \$5.5 billion from April to  
4 September 2020, compared to \$2.5 billion during that  
5 same month period in 2019.

6 I don't think you'd dispute those numbers. But  
7 clearly, billion dollar profits, significant growth  
8 during that time, whereas so many small businesses,  
9 even if they participated in the delivery services,  
10 it meant the majority of them in different surveys  
11 have said that they're-- even if they had increased  
12 off-premises sales or deliveries, it in no way made  
13 up, or in fact made up less than 30% of their lost  
14 revenue from on premises sales during the pandemic.

15 So given that framing, with-- were this cap to be  
16 amended or lifted, how do you expect a business, an  
17 immigrant-owned small business in my community, for  
18 example, to be able to afford the higher fees and not  
19 see their profits even further affected?

20 MR. BOCIAN: So Councilmember, thank you for the  
21 question. My dad grew up in Jackson Heights. I'm  
22 familiar with your neighborhood. I love going there.  
23 You've got some of the best food--

24 COUNCILMEMBER KRISHNAN: I agree. That we do  
25 agree on.

2 MR. BOCIAN: And some of the most diverse food.  
3 We definitely do agree on that. And I'd like to come  
4 out there some time with you, and we'll-- we'll hang  
5 out and we'll have some really good Indian food.

6 Councilmember, you know, the answer to the  
7 question really is that any restaurant on our  
8 platform can continue to remain at the 5% marketing  
9 fee cap. There is no requirement that they bounce up  
10 to a 10% or 15% on marketing. They will continue to  
11 be on the platform. They will continue to show up in  
12 the algorithm. We are not proposing, and this bill  
13 does not propose raising the fee cap on delivery. In  
14 fact, we're codifying the fee cap on delivery, we're  
15 codifying the 3% on services such as you know,  
16 processing of credit card fees and things like that.

17 All this piece of legislation does is it amends  
18 the marketing piece to allow restaurants that want  
19 more services, the ability to do so. And for your  
20 small mom-and-pop businesses who want to remain at  
21 the 5%, that will still be available and the services  
22 are right here. And it's on our website, there will  
23 be no change, and we think that that's a good value  
24 to get access to our 25,000 plus customers in the  
25 city of New York.

2 COUNCILMEMBER KRISHNAN: And I do want to get  
3 back to that point, in talking about those who remain  
4 on that plan. But one more question I had too is,  
5 given the context that I just laid out-- You know,  
6 and I have to say, in your earlier testimony, the  
7 metaphor of, I think some sort of you know, high-end  
8 plan, I forget the words, prime-time plan versus  
9 public community access network, whatever it may be.  
10 I deeply, deeply disagree with that framing and I  
11 would suggest that as you engage small businesses, as  
12 you engage in this work that you entirely reframe  
13 that narrative. Because for so many my community in  
14 so many small businesses in my immigrant  
15 neighborhood, I find that and they would find that  
16 very offensive given how much we've been through.

17 But what I would say is, if that's the  
18 perspective. If you're looking at billion dollars or  
19 double in revenue, during the height of the pandemic,  
20 where small businesses were shuttering their doors  
21 and still trying to recover, how do you expect there  
22 to be-- what kind of leverage will the small  
23 businesses have in any negotiation with the food  
24 delivery platforms in coming to the reasonable rates?

2 You know, how, how would it not be a take-it-or-  
3 leave-it policy for small businesses, given those  
4 dynamics, those unequal bargaining dynamics that I've  
5 just laid out?

6 MR. BOCIAN: So Councilmember, let me let me  
7 clarify the-- the analogy that I made about, you  
8 know, prime time versus, you know, cable access,  
9 right? What I was referring to was the fact that we  
10 at GrubHub have held our rates for our customers at  
11 what they were prior to the COVID emergency. So for  
12 example, if you had a deal with us at 15%, for  
13 marketing, we have still been providing you with 15%  
14 of marketing services, but we've only been charging  
15 you 5%. So essentially, you get to lease a Toyota,  
16 but you're driving around in a BMW. That's just not  
17 a sustainable plan.

18 To your point about, you know, continuously  
19 getting high, you know, income or that we're a high-  
20 earning company, as I indicated in my testimony, as I  
21 indicated to the answer, asked by Council-- the  
22 question asked by Councilmember Velázquez: Since  
23 2020, and through the end of 2022, GrubHub, has lost  
24 \$700 million. So I'm not sure where these billions  
25

2 of dollars are coming from, because they're certainly  
3 not coming to us.

4 The last answer to your question in terms of  
5 being guaranteed as a place: Again, you know, we are  
6 we are codifying our rates, here they are, and any  
7 restaurant that wants to customize a plan and pay a  
8 specific percentage that is not one of these 5/10/15,  
9 we're happy to work on them with a plan that works,  
10 right? They can come in and say I want to pay 7%,  
11 and I want one from column A, one from column B, one  
12 from column C. Or I want to pay 13%. We will  
13 customize a package for all of our customers, because  
14 that's the freedom of choice that we want to offer.

15 COUNCILMEMBER KRISHNAN: Thank you. And if--  
16 Chair if I may, one last question. You know, again,  
17 I would say doubling down on that framing, I reject  
18 it entirely, and I reject it because if you're only  
19 going to be negotiating with small businesses--

20 [APPLAUSE]

21 --businesses that have suffered.

22 CHAIRPERSON VELÁZQUEZ: All right, y'all. I  
23 think you missed out when I said no outbursts, right?  
24 If you want to clap, yeah, do this. [RAISES ARMS AND  
25 WAVES HANDS] Can we practice it guys? Yeah.

2 Because we're really, really tight on time. So the  
3 longer it takes to settling down, the longer it takes  
4 to have this hearing, and we really, really need to  
5 leave the chambers at a specific time. So I ask you  
6 all to really, really just work with me today. Okay?  
7 I appreciate it.

8 COUNCILMEMBER KRISHNAN: Thank you, Chair. My--  
9 Before getting to my last question--

10 [BACKGROUND VOICES]

11 Before getting to my last question, I want to  
12 make the point again, this this analogy-- what's so  
13 disturbing about it is that these aren't-- I'm going  
14 to take mine, for example, best example. As the  
15 epicenter of the pandemic, I know, I have walked the  
16 streets, I've spoken to so many small businesses that  
17 are still suffering to the present day, and are very  
18 concerned about this legislation.

19 The analogy about what they're paying for what  
20 they're getting is divorced from the reality, which  
21 is the context of so many of them having to close  
22 their doors overnight and suffering tremendously  
23 because of a public health global pandemic. And so  
24 my concern is, if that's the perspective, and you  
25 engage with small businesses in negotiations, now, I

2 don't see what leverage they would have to be able to  
3 negotiate a fair deal to protect themselves.

4 If the perspective is, "You're getting something  
5 that you shouldn't be getting. You're getting things  
6 that are far out of the price that you're paying,"  
7 and in a very condescending way, addressing  
8 businesses that have suffered tremendously, and the  
9 reason why they're opposed to this right now is  
10 because of how much they've suffered.

11 Now, my final question on that point, is just  
12 seeing what's happened in Washington, DC, which you  
13 were testifying to before as well. As I understand  
14 it, businesses that didn't opt in to this plan were  
15 switched over to the basic plan, where they saw their  
16 sales and their revenue decrease, their customer base  
17 shrink, too.

18 So my question to you is, if a restaurant doesn't  
19 opt to pay more in fees, can you guarantee, guarantee  
20 that their average deliveries will not come down, and  
21 that their average deliveries will remain the same,  
22 that they will not see an adverse impact on their  
23 businesses by staying with the plan? If they if they  
24 don't opt into the higher plan?

2 MR. BOCIAN: I don't understand the question,  
3 Councilmember.

4 COUNCILMEMBER KRISHNAN: Can you guarantee--  
5 because my concern is that small businesses, if they  
6 don't opt in to the plan by paying a lot higher in  
7 fees. Can you guarantee that their income, that  
8 their deliveries, that their revenue will remain the  
9 same?

10 MR. BOCIAN: I mean, Councilmember, I cannot--

11 COUNCILMEMBER KRISHNAN: No you can't, right?

12 MR. BOCIAN: I can't make any guarantee of  
13 anything, because you're asking me to opine on more  
14 factors that affect how a restaurant earns its income  
15 and makes its sales than simply a third party  
16 delivery app. There are a million factors that go  
17 into it: How well someone runs at their restaurant,  
18 where they're located, what their customer base is,  
19 there's a whole bunch of factors. So you're asking  
20 me to opine whether or not, you know, our app is the  
21 defining factor. And I can't do that. There's way  
22 too many factors that go into a successful restaurant  
23 business, as all of these restaurants are going to  
24 tell you. We're not the defining factor.



2 COUNCILMEMBER KRISHNAN: Well, I think what--  
3 Without those protections and guarantees a big  
4 concern is businesses that have suffered and will  
5 continue to suffer, if they're in a lower plan, as  
6 happened in Washington, DC, and it affects their  
7 revenue, and affects their bottom line, and what  
8 their ability to pay their own workers, that's a  
9 huge, huge concern.

10 So I do want to thank you for your testimony.  
11 But there are a lot of concerns that I'm hearing from  
12 my own businesses in my own neighborhood too.

13 MR. BOCIAN: Well, Councilmember, we look forward  
14 to continuing the dialogue with you.

15 COUNCILMEMBER KRISHNAN: Absolutely.

16 MR. BOCIAN: We'd be happy to come in and meet  
17 with you, take a tour of the Jackson Heights where I  
18 like to be and let's get some food and see if we can,  
19 you know, work on this together.

20 COUNCILMEMBER KRISHNAN: I'm happy to talk  
21 further.

22 MR. BOCIAN: Excellent. Thank you Councilmember.

23 COUNCILMEMBER KRISHNAN: Thank you Chair.  
24  
25

2 CHAIRPERSON VELÁZQUEZ: For the folks that don't  
3 know, Councilmember Krishnan is also a part of the  
4 Foodie Caucus. So yeah.

5 MR. BOCIAN: Well, it helps--

6 COUNCILMEMBER KRISHNAN: I'm their number one  
7 champion. Come on, Jackson Heights and Elmhurst.

8 MR. BOCIAN: So Councilmember on every on every  
9 job description of GrubHub one of the things it says  
10 is, "It helps to be a foodie." So if you'd like to  
11 come to our offices at Five Bryant Park and meet all  
12 the foodies, we're happy to have you.

13 CHAIRPERSON VELÁZQUEZ: There you go. All right,  
14 a win for all restaurants. There we go. Here we go.  
15 Councilmember Menin?

16 COUNCILMEMBER MENIN: Okay, thank you so much  
17 chair. So I have a question about how the platform  
18 actually works. So I know, you know, if you could be  
19 specific about that, that would be very helpful. So  
20 on the platform, would the customer see the  
21 restaurants who paid for the advertisement first,  
22 even if they're further away, or the restaurants that  
23 are closer to them? So if you could be specific in  
24 answering that, that would be very helpful.

2 MR. BOCIAN: Sure. Thank you, Councilmember.

3 Good to see you. So our algorithm takes into effect  
4 a variety of factors, as I've already said. And some  
5 of those include, you know, location, the restaurant  
6 categories, such as what you know what type of food  
7 it is, the customers past ordering behavior. And  
8 that all goes into the algorithm in determining how  
9 options appear on the app. So someone who orders  
10 from the same restaurant once a week, is going to see  
11 that one prominently than one that they've never  
12 ordered from. So again, just a lot of factors go  
13 into them. And that's kind of the specifics on how  
14 the algorithm works.

15 COUNCILMEMBER MENIN: And one thing that came up  
16 in the past couple months from a lot of restaurants  
17 that I heard from is some who support the bill, some  
18 who do not, how do GrubHub solicit restaurant support  
19 for this?

20 MR. BOCIAN: Sure. So--

21 COUNCILMEMBER MENIN: Who did you speak with and  
22 sort of what was said to describe the bill? That  
23 would be very helpful.

24 MR. BOCIAN: Absolutely. Thank you,  
25 Councilmember. So we-- We took a different approach,

2 I think, than others. We thought it's-- it's  
3 certainly easy, having worked for the Council to kind  
4 of send, you know, mass email blasts to people and  
5 telling them to send an email to their Councilmember  
6 as a as a form letter. We took a different approach.  
7 And our approach was that we actually went door to  
8 door. We spoke to 500 restaurants. We spoke to  
9 restaurants who call us on a daily basis. We speak  
10 to their account advisors. We had people who went  
11 and specifically explained what the bill did. And we  
12 have right here over 500 letters from individual  
13 restaurants across the five boroughs. We went and  
14 tried to do it in their native language. So you  
15 know, in Spanish-speaking neighborhoods, or Mandarin-  
16 speaking neighborhoods, we definitely made an effort  
17 to have people who spoke those languages to explain  
18 what the what the bill was about. And we're very  
19 proud of that work because it was labor intensive,  
20 but we thought it was important for our restaurant  
21 partners to completely understand what the bill was  
22 about.

23 COUNCILMEMBER MENIN: Thank you.

24 MR. BOCIAN: Thank you, Councilmember.

25 CHAIRPERSON VELÁZQUEZ: Councilmember Brewer?

2 COUNCILMEMBER BREWER: Thank you. My question  
3 is: The restaurants that pick the lower 5%. They  
4 can do that, but then they won't get the same  
5 services. So would they not be impacted adversely by  
6 their future with that lower percentage

7 MR. BOCIAN: So, so the basic plan, the basic  
8 package starts at 5%.

9 COUNCILMEMBER BREWER: Right. That's what you  
10 said.

11 MR. BOCIAN: Right. And it solidifies a  
12 restaurant's place on the GrubHub marketplace, to  
13 drive and manage orders using our GrubHub For  
14 Restaurants technology. So restaurants in this  
15 package also receive free custom branded direct  
16 ordering website, a dedicated account advisor, a  
17 welcome kit to start their listing, and a free  
18 professional menu photoshoot. So those services  
19 remain exactly the same. I can go through the 10%  
20 and 15% plans if you want me to?

21 COUNCILMEMBER BREWER: No. But what I guess what  
22 I'm trying to say is, how is that different than what  
23 they would get today for the same amount? Or is it  
24 exactly the same? Is that what you're saying?

2 MR. BOCIAN: It is exactly the same. If you have  
3 a basic plan now at 5%, and you retain the basic plan  
4 at 5%, if-- when 813 passes, you will get the exact  
5 same service.

6 COUNCILMEMBER BREWER: Okay. Now, if this law  
7 should pass -- my name is not on the bill is you  
8 know, but if it should pass, there are other  
9 companies working in this field. How would we not  
10 know that they'll be-- if you, you know, you have a  
11 certain perspective, but they may not. So they could  
12 go and charge people completely differently than what  
13 you're suggesting. Because it doesn't just apply to  
14 GrubHub. So why would not the restaurants be  
15 impacted adversely? Maybe because they're from  
16 another company.

17 MR. BOCIAN: So Councilmember both DoorDash, and  
18 Uber Eats are going to testify today as well. So I  
19 think that you should ask them that question. What I  
20 can say from the GrubHub perspective is that the 5%  
21 plan will be the 5% plan. Yet, you know, restaurants  
22 get to choose which platforms they work with.

23 COUNCILMEMBER BREWER: I know, but they don't  
24 often, because I mean, I'm one of these people-- I

2 have never called any of y'all. I just call the  
3 restaurant directly.

4 MR. BOCIAN: I know. I remember well.

5 [BACKGROUND NOISE]

6 COUNCILMEMBER BREWER: I'm just saying that's me.  
7 I'm old fashioned. I'm old fashioned.

8 CHAIRPERSON VELÁZQUEZ: All right guys. Wait.  
9 Sorry. Councilmember. Give me two more seconds.  
10 All right, guys. This is we had the Yankees here and  
11 the Mets today, right? So we're all about baseball.  
12 Okay. There's strike-- anybody, outbursts, you're  
13 out. All right. That's my last warning. Great.  
14 We're going to keep decorum in here. Thank you.

15 COUNCILMEMBER BREWER: So my, my final question  
16 is: Why would we think that the restaurants will do  
17 better -- because that is our goal, obviously  
18 companies want to do well, but we care about the  
19 restaurants -- why would we think they would do  
20 better with your plans, whether it's your company or  
21 any other? Why would we think that this would be a  
22 better plan for the restaurants?

23 MR. BOCIAN: So more marketing services leads to  
24 more customers, which leads to more business, and  
25 restaurants therefore make more money.

2 COUNCILMEMBER BREWER: Okay. I mean, we could--  
3 that might be a disagreement. I'll leave it at that,  
4 Madam Chair. Thank you very much.

5 MR. BOCIAN: Thank you, Councilmember.

6 CHAIRPERSON VELÁZQUEZ: Shekar? No? All right.  
7 Thank you so much.

8 MR. BOCIAN: And no bullet holes, so I'm good.  
9 Thank you, Councilmember.

10 COUNSEL: Thank you for your testimony. Our next  
11 panel will be an in-person panel. It will be Robert  
12 Bookman, followed by Andrew Ritchie, followed by  
13 Jeffrey Garcia, followed by Alfredo Angueira.

14 CHAIRPERSON VELÁZQUEZ: Once again, everyone,  
15 we're all peaceful here, right? We're not going to  
16 have any more out first, right? I'm just-- I'm going  
17 to remind everyone before each panel. Thank you.

18 Jeff, you may begin.

19 MR. GARCIA: Good afternoon, Chairwoman, Council.  
20 Thank you for the opportunity to testify here today.  
21 My name is Jeffrey Garcia. I serve as President of  
22 the New York State Latino Restaurant Bar and Lounge  
23 Association, which represents the interests of  
24 hundreds of minority and immigrant-owned restaurants  
25 and nightlife establishments throughout New York



2 City. I would like to focus my testimony on interim  
3 813 Which would exempt a third party food delivery  
4 service cap on fees and charges to food service  
5 establishments.

6 We are concerned with the intent and the  
7 potential economic impact of this bill on minority  
8 and immigrant-owned businesses throughout New York  
9 City. This bill will create additional economic  
10 burdens on owners and employees of these food and  
11 drink establishments by allowing third party delivery  
12 companies to charge higher unattainable fees on these  
13 businesses with no limit. Smaller immigrant-owned  
14 businesses would be disproportionately harmed by such  
15 expenses as they fight to stay afloat.

16 Moreover, it is worrisome to us that the third-  
17 party delivery industry would gain unfair leverage  
18 from this bill. We understand the supporters of this  
19 bill claim that removing the cap will somehow help  
20 restaurants and bars thrive in the city. However, I  
21 have yet to see how charging restaurants more fees  
22 will be better for their livelihood, as numerous  
23 Councilfolks have said, and lighten their financial  
24 burdens in any way.

2 Furthermore, in speaking with my members, it is  
3 clear that to fully understand this issue and in  
4 support of removing or are in support of removing  
5 this cap.

6 To that effect, we are also very concerned about  
7 some of the tactics used by those pushing the bill  
8 from using restaurants names without their  
9 authorization, misleading outreach, particularly in  
10 communities for whom English is not their first  
11 language. And you will hear from numerous folks from  
12 our association that their names were put on a  
13 letterhead sent to councilmembers, without their  
14 authorization, or with fake names on them.

15 The restaurant and nightlife industry in New York  
16 City has just begun to enter recovery phase after  
17 devastating economic impacts due to COVID. And the  
18 rising cost of inflation. Restaurants employ 35,000  
19 fewer than pre pandemic. We continue to see New York  
20 City's labor lag behind the rest of the country with  
21 employment in face-to-face industries like ours  
22 roughly at 9%, lower than November of 2022 than in  
23 February of 2020.

24 It is essential that we continue to support the  
25 industry and we must not put any more economic

2 strains on the already overburdened owners of these  
3 establishments.

4 We thank the city council for this opportunity to  
5 testify and we look forward to partnering with you  
6 and developing comprehensive independent restaurant  
7 industry reforms that can protect restaurants like  
8 the ones you and I represent.

9 In final, the New York State Latino Restaurant  
10 Bar Association does not support this bill. You're  
11 going to hear from many of our restaurant owners,  
12 Grito Cafe, Cafe Colonial, Mama Juana, Mama Sushi, In  
13 Sole, Marico Centro, Calidar, Sweet Brooklyn, Salut  
14 Bar. These are all the real minority business owners  
15 that are here. Not the rent-a-crowd folks that are  
16 sitting in our audience. Thank you.

17 COUNSEL: Andrew?

18 MR. RIGIE: Thank you. My name is Andrew Rigie.  
19 I am the Executive Director of the New York City  
20 Hospitality Alliance, a not-for-profit association  
21 representing thousands of restaurants throughout the  
22 five boroughs. Today, I'm here to deliver the truth  
23 behind the lobbying campaign seeking to gut the third  
24 party delivery fee cap with troubling legislation,

2 Intro 813, what we've dubbed the bigger fees for big  
3 delivery bill.

4 Even though the big delivery companies are suing  
5 the city of New York to overturn this law, which sets  
6 the maximum rate these corporate giants can charge  
7 restaurants to be listed on their apps and deliver  
8 food, they're simultaneously engaged in an aggressive  
9 and expensive lobbying campaign to gut the fee cap  
10 under the guise of supporting small businesses, and  
11 what they are doing is turning restaurants and  
12 deliveristas against each other. It's quite  
13 unfortunate.

14 They imply their campaign is all about helping  
15 immigrant, and minority, and women small-owned  
16 businesses throughout the five boroughs by letting  
17 them pay higher marketing fees to compete against  
18 large chain restaurants. But seriously, who's going  
19 to better absorb all these bigger fees and better  
20 afford to pay all this higher marketing and  
21 advertising rates? It's not the taqueria that Jeff  
22 is talking about. It is the International taco chain  
23 restaurant.

24 Now if these delivery companies didn't have so  
25 much dominance over the marketplace, the fee cap

2 would not have been necessary in the first place.

3 But when customers here are suing GrubHub for  
4 antitrust violations because they're price-fixing  
5 menus at restaurants. And when we when we know the  
6 history of big delivery in the Big Apple, you'll  
7 understand why this sector must be regulated. Think  
8 about it. They are suing and lobbying to eliminate  
9 price controls on themselves, while they're being  
10 sued for price controlling at restaurants. Do as I  
11 say not as I do, I guess.

12 Before the pandemic shut down our city's  
13 restaurants the onslaught of investigative reports in  
14 the media exposed unethical if not illegal business  
15 practices of certain third party delivery companies,  
16 which led to US Senator Chuck Schumer calling on a  
17 federal investigation to investigate, and this City  
18 Council held oversight hearings to highlight the  
19 exploitation of restaurants by big delivery.

20 The public and elected leaders finally learned  
21 that restaurants were exploited for years by GrubHub,  
22 charging them bogus fees for orders they didn't  
23 receive. Delivery companies listed restaurants on  
24 their apps without permission, causing confusion and  
25 chaos for small businesses, workers, and customers.

2 They created secondary websites and phone numbers for  
3 restaurants so they could take more fees and steal  
4 their customers.

5 A quick Google search will return articles from  
6 around the country, describing these exploits  
7 including all the government attorney generals,  
8 restaurants, workers, customers, and their own  
9 investors, who are taking the legal action against  
10 third party delivery companies over their business  
11 practices, many of which I've attached to my  
12 testimony that I've submitted.

13 We can't trust these delivery companies when they  
14 say the bigger fees for big delivery bill is simply  
15 about small restaurants marketing themselves to get  
16 more deliveries, which everyone supports of course.  
17 If it was about marketing, the big delivery companies  
18 wouldn't charge small restaurant the same high fees  
19 on repeat customer orders, which aren't the result of  
20 any enhanced marketing they paid for.

21 Now big companies purchase advertisements on  
22 Google above restaurants own websites and within  
23 their own organic search listings, so they can steal  
24 their direct customers and take bigger fees.

2 Seriously, why should restaurants pay higher fees  
3 to third party delivery companies that then use that  
4 money to steal the restaurants own customers and  
5 charge them even more fees? The delivery companies  
6 say they make it easier for small restaurants to  
7 access services like menu photography and website  
8 design, by paying a higher per-order fee to them  
9 instead of a upfront lump sum payment they can't  
10 afford.

11 Well, that sounds great until you realize that  
12 the delivery companies want to continue taking that  
13 higher per order fee from the restaurants even after  
14 they've paid off the cost of that service.

15 You know, history has shown us that restaurants  
16 that don't pay the ever increasing third party  
17 delivery fees are buried in the search results,  
18 making it difficult for customers to find them.  
19 Suppose a restaurant doesn't continue to pay  
20 increasing fees? In that case, their delivery sales  
21 decrease as their visibility diminishes, and the  
22 small businesses can't afford to stay on the  
23 platform. Still, they can't afford to leave the  
24 platform because they'll lose access to their  
25

2 customers who are controlled and manipulated by the  
3 big delivery companies.

4 That's why the same delivery companies are also  
5 suing to overturn a law passed by the City Council  
6 requiring them to share restaurants own customer  
7 information with them.

8 We must tear down this digital divide. Don't let  
9 these big corporations continue to steal customers  
10 from local restaurants. Let restaurants nurture  
11 their relationships with their own customers, so they  
12 can order them direct deals and offers. The fee cap  
13 law passed with overwhelming support from the City  
14 Council carrying with it a requirement requested by  
15 the delivery companies themselves that the city  
16 publish a report on its impact to allow lawmakers to  
17 determine if it should remain in effect, should be  
18 modified or eliminated. We must wait until the  
19 report is released in September of 2023, before  
20 considering changes to the law. Employing the  
21 details and data from the report, lawmakers  
22 restaurants and delivery companies should use it to  
23 inform and cook up a new recipe for a fair  
24 marketplace and fair fee structure.



2 The City Council has a critical choice before it  
3 for a beloved New York industry. If it passes the  
4 bigger fees for big delivery bill now it will be the  
5 small restaurants who will be left holding the bag,  
6 all while big delivery gets their hands back in the  
7 pockets of small businesses.

8 Even considering all of this, the NYC hospitality  
9 lines does remain committed to working constructively  
10 with the Council and delivery companies to develop a  
11 fair marketplace that works for restaurants,  
12 deliveristas, and delivery companies, and our  
13 customers. But the bigger fees for big delivery Bill  
14 Intro 813 is not the answer. We urge the city  
15 council to reject this misguided legislation. And we  
16 thank you for your consideration.

17 COUNSEL: Mr. Bookman, you're up.

18 MR. BOOKMAN: Thank you so much. My name is Rob  
19 Bookman. I'm Counsel to the New York City  
20 Hospitality Alliance. I'm also partner in the law  
21 firm Pesetsky & Bookman, who has been representing  
22 small business and restaurants for 35-plus years.

23 I have to say, in my 35 years of testifying  
24 before the City Council, which goes back to when I  
25 was Counsel to the Department of Consumer Affairs,

2 this is the first time I can recall discussing a  
3 proposal to roll back a consumer and small business  
4 protection adopted by the Council. And despite what  
5 they tried to sell you today, the true beneficiaries  
6 of this rollback is a few huge third party delivery  
7 corporations.

8 So let's take a moment to see who these huge  
9 companies really are. I've attached a series of  
10 articles to my testimony:

11 Chicago: \$10 million settlement for a variety of  
12 consumer abuse by GrubHub DoorDash and Uber Eats  
13 after filing two sweeping lawsuits by the government  
14 for deceiving customers and unfair business  
15 practices. Massachusetts: The state attorney  
16 general who successfully sued GrubHub got his  
17 decision a mere two weeks ago for violating the fee  
18 cap in existence statewide. Washington DC: A \$3.5  
19 million fine for GrubHub after a lawsuit by the  
20 District Attorney General for deceptive practices.  
21 Pennsylvania sued GrubHub over lack of price  
22 transparency \$125,000 fine. A national lawsuit  
23 against GrubHub sued for adding 150,000 restaurants  
24 to their platform without permission. Talk about  
25 chutzpah. Anti-trust the lawsuit brought by diners

2 against GrubHub, UberEATS, and Postmates driving up  
3 prices, and a shareholder lawsuit with a \$42 million  
4 settlement for deceiving their own shareholders. And  
5 this is only in the last two or three years. The  
6 only one I know hiring more lawyers and PR companies  
7 to defend themselves than these companies is Donald  
8 Trump.

9 Do these sound like companies that are proposing  
10 which are opposing this legislation because they want  
11 to do more for neighborhood restaurants? They  
12 actually had to hire salespeople to go door-to-door  
13 to convince a few restaurants that paying them more  
14 fees is good for their business. And even then some  
15 of those restaurants later said they never agreed.

16 We sent you a letter in strong opposition with  
17 over 500 restaurants signing on from a single e-mail  
18 blasts that we secured in about 10 days.

19 There's a reason why every single restaurant  
20 association in the city is opposed to this  
21 legislation.

22 We don't do what our membership doesn't want us  
23 to do. We're here to do what our membership wants us  
24 to do. And the New York State Restaurant Association  
25 who's going to testify, our organization, his

2 organization, every single one of us are uniformly  
3 opposed, because our members are opposed. The truth  
4 of the matter is that the playing field is level now  
5 as a result of the fee cap. That's why the Council  
6 established the fee cap. This is not the emergency  
7 one. We came back and discussed and had a wonderful  
8 hearing, in which the permanent one-- and that was to  
9 level the playing field.

10 That field is level now. Everybody gets the same  
11 services for the same amount of money. They want to  
12 go back to the bad old days were only those that can  
13 afford more fees will make out well. And whatever  
14 they said today, it can be translated into two words:  
15 revenue and profit, not for small neighborhood  
16 restaurants, but for them. Keep hearing that as they  
17 further testify: revenue and profits. Will this  
18 bring more revenue and profits for restaurants? No,  
19 we'll just bring more revenue and profits to them?  
20 Yes. I'm not against revenue and profits. They're  
21 big international corporations. They're publicly  
22 traded. They need to answer to their shareholders  
23 who keep suing them. I get it. But this is a sheep-  
24 - This is a wolf-- a sheep in wolf's clothing? No.  
25 This is a wolf in sheep's clothing, where there's a

2 fine veneer on a bill to help their bottom line by  
3 claiming this will help small restaurants.

4 Finally to two last points. They're suing you  
5 concerning this very matter. And that lawsuit is  
6 pending. And-- and our City Cooperation Council is  
7 defending it. Yet we are giving them this gift of  
8 this hearing, thereby undermining the city's own  
9 lawyers arguments in the pending litigation defending  
10 the law you passed. I've never seen anything like  
11 that in my in my decades before the City Council.

12 Finally wait for the report that they asked for.  
13 There is nothing that can't be discussed in  
14 September, a few months from now, when Consumer  
15 Affairs issues the report that they said they are on  
16 target to, you know, to produce. Then we could all  
17 sit down and see what's working, what's not working,  
18 whether there needs to be a rise in a fee cap without  
19 a blank check, like they are asking for, whether  
20 there needs to be other consumer protections added to  
21 the law. And I think that would be the fair way to  
22 go.

23 We're happy to keep talking with them. I love my  
24 friend Josh. He's easy to talk to. He's fun. But  
25 this bill is not the answer at this point in time.

2 COUNSEL: Thank you. Alfredo?

3 MR. ANGUEIRA: First and foremost. Thank you  
4 Madam Chairwoman Velázquez and to all the  
5 Councilmembers on the committee. My name is Alfredo  
6 Angueira. I am the Principal Partner of the  
7 Hospitality Group, which operates five restaurants in  
8 the Bronx. I am also a member of the Board of  
9 Directors of the Bronx Chamber of Commerce, who you  
10 heard testimony from earlier today, and the New York  
11 City Hospitality Alliance together representing  
12 hundreds of restaurants across the city of New York.

13 I also am the former General Counsel of the Bronx  
14 Overall Economic Development Corporation, as well as  
15 the former Executive Director of its Empowerment  
16 Zone, responsible for issuing loans to small  
17 businesses, who you also heard testimony earlier  
18 today from.

19 Unfortunately, we are on opposite sides of this  
20 bill, but that's okay. Like minds can differ and in  
21 the middle, we can find resolution.

22 During the pandemic, this illustrious legislative  
23 body founded in the best interests of the good people  
24 of the city of New York to cap delivery fees. Now,  
25 several years later, several multinational

2 corporations are spearheading an effort across the  
3 country, not just in New York, to remove that cap  
4 while a roomful of New York City small business  
5 owners stand in opposition.

6 The question becomes: What has changed since the  
7 pandemic to warrant the removal of the cap? Have the  
8 300,000 residents who moved out of New York City  
9 returned? Have the small businesses who shuttered  
10 their doors reopened? Has the culture of the city  
11 itself returned to a work-from-the-office model?  
12 These questions are rhetorical, because we need to  
13 step no further than these hallowed doors to see that  
14 these streets are empty, that the storefronts are  
15 still shuttered. This is in lower Manhattan. This  
16 is in Queens. This is in Bronx. This is in Staten  
17 Island. We are still in an economic and in a  
18 cultural distress.

19 Despite the cultural health and economic stresses  
20 caused by the pandemic, still very tangible and a  
21 very real problem, we still find ourselves here  
22 advocating for our livelihood. I could be at my  
23 business, but I am here testifying. Since eight  
24 o'clock this morning, I was standing outside, not  
25 because I want to put increased revenue in my pocket,

2 but because I want to ensure that the people I employ  
3 have a place to work.

4 This bill has been touted as an equitable, fair-  
5 market opportunity for small businesses to market  
6 their business via delivery apps. That sounds  
7 fantastic. But it is illusory at best. It would  
8 essentially be allowing corporations to fleece the  
9 middle market. The gentleman from GrubHub testified  
10 to their losses, despite the Councilman from Queens  
11 highlighting their increases in profit from the  
12 pandemic. How do they balance the discrepancy then?  
13 How do they make record profits but are still in a  
14 loss the past year? Where is that money coming from?  
15 They need new revenue streams. And where is that new  
16 revenue stream going to come from? From providing  
17 middle-market businesses, things that they don't  
18 necessarily need or necessarily want, and now we're  
19 trapped into.

20 Economically speaking, restaurants operate on  
21 approximately 10% to 15% profit margins. Often our  
22 checks from third party vendors at my establishments  
23 will be about \$600 for the month. Now this is for  
24 dozens of meals. Now when we break down that number,  
25 I have to pay (and I found it ironic, Josh said "our



2 customers" when he spoke of GrubHub, but I-- they're  
3 my customers. I have to pay for the overhead. I  
4 have to pay for the goods. I have to pay for the  
5 rent. I have to pay for the bags, the stickers, the  
6 labels. I have to have my-- my workforce, stop what  
7 they're doing for people on the dining floor to bag  
8 these, and then bring it up front to make sure. Then  
9 I have to give you 15%, and now you want me to  
10 market-- to get potentially-- nothing guaranteed,  
11 potentially an additional, maybe, out of the dollar  
12 that we're making.

13 So to put this in very simple terms, and ones  
14 that we can all understand for simple math out of  
15 every dollar, 10 to 15 is what the owner takes home.  
16 This is why many small businesses and immigrant  
17 community restaurants, they work in their  
18 restaurants, because they cannot afford to open up  
19 multiple places. This is their livelihood. It is  
20 the only way that they can continue to put food on  
21 their table at home.

22 Now we want to continue to add to that overhead  
23 costs. New York City is very expensive. So we were  
24 looking at two separate points. One: The issues  
25 that the pandemic has presented have not passed, and

2 two, to economically speaking, this is not something  
3 that the middle market can afford.

4 [BELL RINGS] One-- if the if the Chairwoman will  
5 allow. At a minimum this bill should be tabled until  
6 the analytical report is provided, to which the  
7 council can highlight the efforts to small  
8 businesses. And I wanted to address Miss Brewer, the  
9 Councilwoman, but she-- she left. She brought up an  
10 interesting issue. And that was she no longer-- She  
11 still calls restaurants to-- directly to do that.  
12 That is a dying breed. That no longer exists. We  
13 are being force-fed something that we-- we have no  
14 choice over. The market has moved. The market has  
15 moved to the point where no one picks up their phone.  
16 People don't even have a house phone. People don't  
17 pick up their phone to call the restaurant. We don't  
18 pay delivery people anymore. Because that's not how  
19 they come in. They come in through these third party  
20 apps. So this isn't a monopoly. It's a  
21 conglomerate. It's four or five companies that  
22 understand that they have you buy the boot heel, and  
23 who understand that they can squeeze another dollar  
24 out of you if they choose because there is no place  
25 else for you to go.

2 New York City has been the bastion for labor. It  
3 has been the city that has protected the worker and  
4 the business. And we ask that you continue to do  
5 that and not take heed to what has been done in San  
6 Francisco, and in what has been done in other cities.  
7 And at a minimum continue to protect the business and  
8 the workers. Thank you.

9 CHAIRPERSON VELÁZQUEZ: Thank you. All right.  
10 Several series of questions and I guess no other  
11 councilmembers, so I'm going to take the lead I guess  
12 huh?

13 MR. BOOKMAN: You can go first, second, and  
14 third.

15 CHAIRPERSON VELÁZQUEZ: I mean, I guess right?  
16 It is-- it's one of--- it is my bill. So here we go.  
17 Local Law 103 of 2021 capped the fees third party  
18 delivery services can charge restaurants. This has  
19 been in effect since January 24 of 2022. How has  
20 this local law impacted your business. Alfredo?

21 MR. ANGUEIRA: Thank you. So we were able to--  
22 through third party, initially, during the pandemic,  
23 we-- that was the only way that businesses were able  
24 to survive. We were able to modify our business  
25 model, and essentially, we were able to not look

2 towards the third party because the funds that were  
3 coming in there weren't substantial enough to fund a  
4 business. But not having to pay the additional fees  
5 allowed us to move that money into other operational  
6 pieces of our business. I hope that answered your  
7 question.

8 MR. BOOKMAN: I can also tell you in speaking to  
9 our members and to clients, they said before the fee  
10 cap, it was a constant issue for management to be  
11 dealing with their third-party delivery bills.

12 All the issues that this committee uncovered in  
13 prior hearings, going over the bills for charges that  
14 weren't made for, you know, orders that weren't done.  
15 You know, all the issues and the problems. It was--  
16 it took a huge amount of time. Since the fee cap,  
17 where it's 5% plus the reasonable 50% for delivery,  
18 it's a non-issue.

19 So it's-- it's gone from a major problem for  
20 small restaurant owners, where they had to devote a  
21 lot of time and energy to "it works," which is why  
22 Consumer Affairs said they've had no complaints since  
23 the new law went into effect. Because it works for  
24 small businesses.

2 You go-- You get rid-- you make the fee cap a fee  
3 floor, and allow-- allow these companies to charge  
4 whatever they want, we're going to go back to being a  
5 problem with a lot of complaints.

6 CHAIRPERSON VELÁZQUEZ: Alfredo, DCWP mentioned  
7 that there are 35 app licenses. How many does your  
8 businesses currently use?

9 MR. ANGUEIRA: That is a great question. Because  
10 out of those 35, I can probably name a handful. So  
11 and I'm not-- I don't say these names to point  
12 fingers at anyone, so please don't take it  
13 personally. But there's the GrubHub, there's the  
14 Uber Eats, there's the DoorDash, there's the  
15 seamless.

16 MR. BOOKMAN: [TO MR. ANGUEIRA] Seamless is  
17 GrubHub.

18 MR. ANGUEIRA: Yeah, it's-- so we have Uber Eats  
19 and we have GrubHub, we have-- which are the two  
20 largest players in the game. Out of those 35, I  
21 would be hard pressed -- and I own five restaurants,  
22 and I sit on the board of two other organizations  
23 that represent thousands of restaurants, and I'd be  
24 hard pressed to name more than a handful.

2 CHAIRPERSON VELÁZQUEZ: Do you have concerns  
3 about your visibility on the third party apps?

4 MR. ANGUEIRA: So in relation to-- if-- that's--  
5 can you refine the question a little bit, because I  
6 don't want to speak out of turn? Do you--?

7 CHAIRPERSON VELÁZQUEZ: This on the delivery  
8 services cap that has been since January 24 of last  
9 year.

10 MR. ANGUEIRA: I am not a-- I'm not a software  
11 engineer. I do not know how GrubHub, Uber Eats,  
12 Seamless, DoorDash, any of them do the algorithm by  
13 which we pop up on a screen.

14 But I do know business. And I would venture to  
15 guess if I'm paying marketing dollars, and I'm paying  
16 a 30% fee, that just my algorithm is going to tell me  
17 that you're-- you're paying, you're going to get to  
18 the top of the list. And that's just the simple math  
19 of it. That's the way it's going to work. The data  
20 scientists, the engineers who actually designed the  
21 algorithm in terms of my geolocation, my geotagging,  
22 geofencing, and determine: What it is that I order?  
23 What do I order on a constant basis? And so what is  
24 that feeding me? I can't speak to that. But what I  
25 can speak to is the concerns that we have just as a

2 business, as to how the algorithm as a business model  
3 will be dictated by the corporation, not just how  
4 that algorithm as a business model is going to be  
5 dictated to by the corporation, because again,  
6 they're in business to make money, not-- not only how  
7 that is going to work, but how it currently works.

8 CHAIRPERSON VELÁZQUEZ: Jeff, do you want to  
9 chime in on your restaurant?

10 MR. GARCIA: And just to add on that. I have a  
11 major concern with that. I mean, right now, I could  
12 sit in my restaurant, and look at my restaurant, and  
13 I don't come up. So I guess I would have to pay the  
14 money so I can see my own restaurant in my own place  
15 sitting in it.

16 So yes, a lot of our members have concerns with  
17 that, with the fact that if they stay with that  
18 bottom tier, that then the 500 audits that they do  
19 have now they lose. And that's where I believe, to  
20 the core, that this is unfair: That why should they  
21 have to pay more to keep what they even have now?

22 CHAIRPERSON VELÁZQUEZ: Got it. So I just wanted  
23 to ask you the same questions I asked Alfredo, just  
24 out of consistency because you both saw the  
25 restaurants impacted, directly impacted first with

2 the delivery cap fees from last year, and now  
3 certainly what this proposed bill will, in effect,  
4 affect your business.

5 So starting back up with, you know: How has this  
6 local law, the delivery services cap impacted your  
7 business?

8 MR. GARCIA: Well, to be quite honest, I only  
9 began third party-- using third party delivery during  
10 the pandemic. I didn't believe in it personally at  
11 all prior to the pandemic. I did not have it. I  
12 didn't want to pay them, because I saw what my  
13 members are going through, some paying upwards of  
14 almost 40% for orders. And I just didn't believe I  
15 wanted to give anybody 40% of my money. So I didn't  
16 use them.

17 Obviously, I had to start using them. And it was  
18 only actually because of my wife, because I didn't  
19 want to use it during the pandemic, I actually wanted  
20 to close. And she was like, no, let's open and, you  
21 know, let's use them. And she's been using them now.  
22 And I guess, you know, it works. It brings a little  
23 extra revenue in. But not if I have to pay more,  
24 not-- If I have to pay more to keep the same orders I



2 have now, then-- then you're not helping me.

3 Nobody's helping me.

4 CHAIRPERSON VELÁZQUEZ: And so to the question I  
5 asked earlier: Out of the 35 apps that are licensed  
6 in New York City, how many do you use? Or how many  
7 does your business use currently?

8 MR. GARCIA: Uh, GrubHub, Uber, I believe, and  
9 DoorDash.

10 CHAIRPERSON VELÁZQUEZ: Okay. And do you have  
11 concerns about your visibility on the third party  
12 apps?

13 MR. GARCIA: Absolutely. Like I said, I mean, I  
14 look up my name now sitting in my place, and I don't  
15 come up. I wonder why? I don't know.

16 CHAIRPERSON VELÁZQUEZ: And so following up for  
17 both of you, have you received customer complaints  
18 related to the increased customer delivery fees?  
19 Because of the cap that just came out last year?

20 MR. GARCIA: Because of the cap? The delivery  
21 fees? No, I haven't gotten complaints about the  
22 delivery fee.

23 CHAIRPERSON VELÁZQUEZ: Alfredo?

24 MR. ANGUEIRA: That would be a better question  
25 for Jasmine, my GM. She handles the complaints. I

2 don't deal with complaints. Well, they drive me  
3 crazy. But we-- we used to get a high number of  
4 complaints from our third party vendor apps, just  
5 because a lot of times they weren't aware of  
6 additional fees that would show up on the listing.  
7 It would-- We have customers who would order from us  
8 and it would show up. They know what the cost of  
9 whatever we charge them for. If it was our chicken  
10 and waffles (our chicken and waffles are amazing), or  
11 if it was our burger, they know the price. And then  
12 they get a bill at home and it's-- this doesn't  
13 equate. So we were dealing with that initially.  
14 Yes.

15 MR. GARCIA: And just real quick, just to go back  
16 to Councilwoman Brewer and Councilman from Queens  
17 about the question: Whether if you stay at that  
18 level, you know, can you guarantee it? Well, I  
19 wouldn't ask him to guarantee anything. And you  
20 know, I agree with that. However, if a restaurant  
21 has an average 500 orders a month, and all of a  
22 sudden, now you take away this fee cap and the orders  
23 go to 300. I think one can assume it's because  
24 you're not paying more money for the same orders that

2 you had. And we understand that that's exactly what  
3 will happen.

4 MR. ANGUEIRA: If I'm if I may-- I'm sorry, I  
5 spoke out of turn, but my apologies.

6 CHAIRPERSON VELÁZQUEZ: No it's fine. You guys  
7 are restaurant owners, so this is what we're here  
8 for.

9 MR. ANGUEIRA: There is no alternative. As the  
10 Councilwoman, former borough president stated, she--  
11 she still calls restaurants. That doesn't happen.  
12 That no longer happens in this day and age.

13 CHAIRPERSON VELÁZQUEZ: But is that a  
14 responsibility of the consumer? Or the restaurant?  
15 Or the third party app?

16 MR. ANGUEIRA: That is a very-- That is very good  
17 point. But what we should not be forced to do. We  
18 already market. Whether it's a small business or a  
19 large business, they all do their internal marketing,  
20 whether it's their flyers, whether it's a banner,  
21 whether it's quarter flyers, whether it's doing their  
22 Instagram, or paying somebody. We pay somebody in  
23 house to do our social media. We already pay for our  
24 marketing, okay? And so the customers that we're  
25 reaching through there, they say, "Oh, you know what?"

2 I want to order." They may reach out through Grubhub  
3 or through Uber Eats, or through DoorDash because  
4 that's just the way that the market currently exists.

5 CHAIRPERSON VELÁZQUEZ: And if you do marketing  
6 in house, do you feel like restaurants who don't have  
7 the ability to do that should not be able to pay  
8 extra for someone who has the capability and the  
9 ability to do that?

10 MR. ANGUEIRA: What with what margins?

11 CHAIRPERSON VELÁZQUEZ: Well, with whatever  
12 margins-- it's your own business--

13 MR. ANGUEIRA: That's what it boils down to.

14 CHAIRPERSON VELÁZQUEZ: I mean like, what--

15 MR. ANGUEIRA: That's what it boils down to:

16 With with what margins? A small--

17 CHAIRPERSON VELÁZQUEZ: Should we remove that  
18 option, though, and that choice from folks? Is the  
19 question.

20 MR. RIGIE: It's a false choice.

21 MR. ANGUEIRA: It's a false choice.

22 MR. RIGIE? May I?

23 CHAIRPERSON VELÁZQUEZ: Yeah. Go for it. This  
24 is an open conversation.

2 MR. RIGIE: So, you know, it's funny, we're-- So  
3 year after year we're in these chambers, and we're  
4 always advocating to reduce regulatory burdens on  
5 businesses, streamline the permitting and licensing  
6 process, but it's interesting to be on the opposite  
7 side right now.

8 Because what we have realized-- You mentioned 20  
9 something companies. The reality is, is there are  
10 three companies. It is GrubHub/Seamless, it is  
11 DoorDash, and it is Uber Eats, and these are multi-  
12 billion dollar corporations that are able to use  
13 their power to essentially dominate and manipulate  
14 the marketplace. So it is not fair, and it is not  
15 accurate to make it sound like people have, in  
16 essence, free will to make all these decisions.  
17 Because they use these sophisticated techniques where  
18 you can't afford to be on the platform, but you  
19 really can't afford not to be on the platform.

20 And there's nothing inherently bad. I mean,  
21 these companies are also great. They offer really  
22 good services. But the problem is, when they're in  
23 an unregulated marketplace, and they have so much  
24 power, it comes at the expense of the restaurants.

2 You know, you had asked a question about passing a  
3 fee on to the customer.

4 You know, there is a great expense to delivery,  
5 and we need people to recognize that. But because  
6 they are so large, the only ones that actually saw  
7 the expense and the true costs of delivery, where the  
8 local restaurants and the deliveristas, because the  
9 big companies were able to dominate the market in a  
10 way that all the money comes out of their pockets.

11 So what we're doing is just putting sensible  
12 guidelines in place to ensure a more fair and  
13 equitable regulatory environment and a better  
14 marketplace.

15 The algorithms: Josh was right. These things  
16 are very complicated, but no one knows how these  
17 algorithms really work. But what we can tell just  
18 from experience -- and we should always use history  
19 to guide us moving forward -- is when we had these  
20 hearings, at the past City Council, when restaurants  
21 did not pay more money, they started to lose their  
22 delivery sales. Then they would get a call from a  
23 representative from the delivery company saying, "Oh,  
24 if you just increase your rates, you're going to get  
25 more business." So they'd be forced to. And if the

2 restaurants margin are 5% 6% 7%, whatever it is, but  
3 they're forced to pay 30-plus-percent, they can't  
4 make any money at all. But it just is that normal  
5 routine.

6 The last thing that I would just say on that is  
7 that we should wait for the report. Everyone wants  
8 restaurants to be able to market. We want people to  
9 be able to get more customers. But the reality of  
10 what we're talking about, as I said in my testimony  
11 is so much of this fees is going for business that is  
12 not giving you incremental sales, as a third party  
13 deliveries like to say. It's not delivering new  
14 customers. It's basically siphoning off the existing  
15 customers that order directly from restaurant and  
16 extracting a bigger fee, and then withholding that  
17 customer information from the restaurant, so if they  
18 leave the platform, they can't reach those  
19 restaurants or their customers directly. And then  
20 third party delivery companies will then market the  
21 competing restaurants.

22 And you know, you really need like a whole  
23 PowerPoint to show how it all works. But this is how  
24 complex manipulation of marketplaces work. And we  
25 just need to acknowledge that, put guard rails on it,

2 because there is a place for these third party  
3 delivery companies absolutely to operate in the New  
4 York City marketplace. But if we leave them  
5 unregulated, it comes at the expense of restaurants,  
6 and workers, and consumers. And that is what history  
7 has showed us. So I don't know why we should believe  
8 that it will be any different if we remove this  
9 regulation on them.

10 MR. BOOKMAN: Just one quick thing from a legal  
11 perspective on that--

12 CHAIRPERSON VELÁZQUEZ: Can I chime in? Let me  
13 chime in. There is a regulation. Let's not dismiss  
14 that. There is a regulation. There is a cap right  
15 now existing. So let's just really like start off--

16 MR. RIGIE: Well, there is.

17 CHAIRPERSON VELÁZQUEZ: --with a truth. That's  
18 one. Two, there is nothing preventing a consumer  
19 from calling the restaurant directly. And I think  
20 that-- I understand it may be a dying market. But at  
21 the end of the day, that is a consumer right, and I  
22 am the Chair of Consumer and Worker Protection. And  
23 I want to protect the fact that you can dial in. I  
24 still dial in-- I-- along with Brewer. Maybe it's  
25 because I'm a baby of the 80s, and I love just



2 dialing in and making sure that my businesses know  
3 who I am and that I'm supporting them. You know, and  
4 that's kind of on us. But in the ability, and in the  
5 amount of time that small businesses don't have all  
6 the know-how, experience, or ability to market  
7 themselves, can we effectively provide restaurants  
8 this choice? Because that's what the basis of this  
9 bill is. It's not forceable. Everybody has an  
10 ability to choose to be in or out. And so that is  
11 what is at the heart of this matter. So in giving  
12 that context, you know, when we're thinking about  
13 forward-looking, the impacts of the charges that  
14 someone else is paying, how does it impact your  
15 business, Jeff, or your business, Alfredo, if someone  
16 else is paying a little bit more extra for something  
17 that they can't do in-house, but you could do in-  
18 house?

19 MR. RIGIE: Okay, can I please say something on  
20 just-- right, I'll be really quick.

21 CHAIRPERSON VELÁZQUEZ: Sure.

22 MR. RIGIE: Because we're a baby of that same  
23 year even, I think, but I'm happy you said calling  
24 the restaurant direct. People have the free ability  
25 to just call the restaurant direct. But what I

2 mentioned before about this sophisticated techniques  
3 that these companies have used, and not forgetting  
4 history: Yes, a customer could pick up the phone and  
5 call direct to a restaurant. But history showed us  
6 that GrubHub used to create secondary phone numbers  
7 for restaurants, and then spend money to advertise  
8 those phone numbers. So when a customer would think  
9 they were calling the restaurant direct, they  
10 weren't, they were actually calling a secondary phone  
11 number set up by GrubHub, which then resulted what I  
12 mentioned in my testimony of them charging  
13 restaurants tens of thousands of dollars in bogus  
14 fees for orders that never went through, based on  
15 these phone numbers.

16 So even the perception of "there's a free market,  
17 there's free will", that is not totally accurate,  
18 because history has showed us that they use these  
19 market manipulation practices to basically outsmart  
20 people who are trying to outsmart the system.

21 MR. BOOKMAN: Also-- I want to just jump in. I  
22 wish you had been at this Committee's hearings when  
23 Chairman Gjonaj addressed that very question. When  
24 he looked up Velázquez Restaurant-- We did it live at  
25 the hearing, and he said, "Okay, I eat at Velázquez

2 restaurant all the time. You know what? I'd like to  
3 do delivery. I'd like to do delivery tonight. So  
4 let me Google Velázquez Restaurant." And instead of  
5 your-- your listing coming up, it was GrubHubs  
6 listening for Velázquez Restaurant, it was Door  
7 Dashes listing. You had to go down about two pages  
8 before you actually got to the restaurants real  
9 listing.

10 So, you know, lawyers for the city right now are  
11 arguing in court, stating that restaurants are an  
12 essential business, that these companies have become  
13 part of that restaurant world, if you will. And  
14 therefore it is appropriate for government to  
15 regulate these rates, just as we do with, you know,  
16 with commercial carting, just as we do with-- with  
17 taxi cabs. The 5% cap, by the way, is a maximum,  
18 they could offer lower, and have people choose up to  
19 5%. No one's stopping that. They could do a basic  
20 at 3%. They do another one is 4%. Or they could  
21 have come back to you and say, "5% is a little low,  
22 let's raise the maximum to 8%, and we'll do different  
23 options within that." But that's not what they've  
24 said. They've come back and said, "Let's get rid of  
25 maximum fees altogether. Sky's the limit. Whatever

2 we feel like charging." Given that this is an  
3 essential service, it needs to be regulated.  
4 Commercial carters could charge you less than the  
5 maximum that the city sets, if they choose to. But  
6 you-- Our responsibility is to keep a maximum.  
7 That's our responsibility for an essential service,  
8 if you want to keep neighborhood businesses open.

9 CHAIRPERSON VELÁZQUEZ: Respectfully, I would not  
10 like to be compared to former Small Business Chair.  
11 Thank you.

12 MR. BOOKMAN: No, but it was a good hearing,  
13 though. It as a very good hearing, with many members  
14 of the Council all who voted unanimously for this  
15 legislation. Unanimously from-- from the Business  
16 Committee.

17 CHAIRPERSON VELÁZQUEZ: Um, so with that being  
18 said, I still-- especially for both Jeff and Alfredo:  
19 Are there services that you would like to receive  
20 from third party delivery apps that are not currently  
21 available to you? I don't know, please.

22 MR. GARCIA: To be quite honest, I would have to  
23 ask my wife what she would want to use on that. I'm  
24 spending my time really trying to advocate and help  
25 many of the restaurants that are here today. But I'm

2 not sure what else they can do for me right now. I  
3 mean, you know, I think that we are the economic  
4 generators of our businesses, right? The hard work  
5 she does every day with our employees, preparing the  
6 menus, preparing the good service that we provide at  
7 our place.

8 So I think that we are the ones that help folks  
9 use Uber and all those platforms. They don't help  
10 us. We help them. Because at the end of the day,  
11 we're the ones providing the meals, we're the ones  
12 providing the service. And I believe that you know  
13 that-- that's what our job is.

14 MR. ANGUEIRA: There was a comment that was made  
15 earlier by-- and I don't know-- I don't know that  
16 gentleman, so I don't want to speak out of turn (and  
17 if you're still here, don't think I'm talking about  
18 you), but there was a comment that he said that, you  
19 know, GrubHub customers are "our customers" and  
20 they're-- with all due respect, they're ours. They  
21 called looking for my restaurant. They're not yours.  
22 You're the intermediary. You didn't cook the food.  
23 You didn't prepare the food. You didn't wrap it.  
24 You didn't have the hostess staple it. You didn't  
25 have her bring it to the front. You're-- The driver

2 that's coming in to pick it up, he doesn't work for  
3 you directly, last time I checked, right? You're  
4 probably 1099'ing him.

5 So they're our customers, with all due respect.  
6 And if that's the case, we want the ability-- If  
7 this is about marketing, right?, and free market, and  
8 we want to give these individuals the opportunity,  
9 then give us all the data so that this way we can  
10 market directly. We don't-- We don't need you, then.  
11 Let me market myself. If they're going to call and  
12 they're going to they're going to reach out to, and  
13 then that's how they're going to come to us, all  
14 right fine. But then they're coming to us. They're  
15 knocking on our door. And if that's the case, then  
16 give us the ability, not through you, but give us the  
17 ability to do it. Is that not the true epitome of a  
18 free market then?

19 MR. BOOKMAN: Which is the law that you passed,  
20 which they're suing to stop.

21 CHAIRPERSON VELÁZQUEZ: So here's another  
22 question: As restaurant owners, instead of using  
23 third party apps, why not employ your own delivery  
24 staff? What is stopping you from doing that?

2 MR. GARCIA: Well, me personally, I just don't  
3 have the resources to do that. And from my  
4 understanding, is-- you know, and again, this doesn't  
5 impact delivery workers. This impacts the  
6 restaurant. So right now, again, I didn't use this  
7 service before COVID. I was doing just fine. People  
8 coming in, enjoying our place, enjoying the service.  
9 Again, those are my-- Like Alfredo said: Those are  
10 my customers. The ones that order are the customers  
11 that also come in to our restaurants. So, you know,  
12 I didn't use them beforehand. So I don't know, you  
13 know-- I didn't have a need to have my own delivery  
14 workers.

15 CHAIRPERSON VELÁZQUEZ: Okay.

16 MR. ANGUEIRA: There are-- Let me let me speak  
17 very plainly. There are a lot of restaurants that  
18 still do this on their own. I am advocating-- Can we  
19 afford to do that on our own? Yes. I am advocating  
20 for those that cannot. For those that don't have the  
21 ability or the God blessing to be within these  
22 hallowed halls and testify before you. So I'm  
23 advocating for those who don't have the voice to  
24 advocate for themselves or don't have the ability to.  
25 And there are several reasons why. Despite those

2 individuals who do do it themselves, with all due  
3 respect, Councilwoman, that's like saying, you know,  
4 well, why don't you use a payphone? That's because  
5 New York City took them all the way that's gone the  
6 way of the dodo bird. You know, everyone uses their  
7 cell phone. This is a change. We're at a cusp,  
8 where things have changed in relation to restaurants  
9 and delivery service.

10 So if I was-- We'll have a conversation. If I  
11 was to employ someone, thanks to New York City's  
12 labor laws, and thanks to the state's labor laws, now  
13 this is going to increase the amount of individuals  
14 employ. This is going to change my math, my back  
15 office math. Now, how many employees do I have? How  
16 many hours is he working, or she? How long am I  
17 going to have to have them on payroll? Does it  
18 change the employee status? Does it change-- So all  
19 of these issues that I now have to handle internally,  
20 which we could do if necessary, that is why. That  
21 whole dynamic has changed. The-- The average  
22 individual, if we were to go outside these halls, and  
23 we would grab the first 10 people and ask them did  
24 they order, and where did they order from, 9 out of  
25 10 are going to order from their phone and from an



2 app. We're talking about the one that is ordering  
3 via the phone.

4 So you asked the question earlier as well: What  
5 is stopping-- why we're trying to stop an individual  
6 from having that choice, that door? And as Andrew  
7 stated, it's illusory. It's a-- it's three doors.  
8 And when you open it, it's the same person standing  
9 behind that three-- those three doors. It's like  
10 that-- that let's make a deal. I don't know if you  
11 remember that. Door number one, door number two,  
12 door number three. Guess what? It's the same thing.

13 MR. RIGIE: Just to say, a lot of restaurants  
14 utilize the third party delivery workers, or they use  
15 their own delivery workers, or sometimes it's a  
16 hybrid of both. But this proposal, 813, does not  
17 modify the cap on the physical delivery. We went  
18 back, and initially we were heard told by the  
19 delivery companies that 10% would have been an okay  
20 cap for the actual physical delivery. But we  
21 actually said, "You know what, go up to 15%, just to  
22 ensure that the deliveristas can be compensated  
23 properly for doing the really, really hard work." So  
24 this bill is not modifying that. Of course, you  
25 should be able to supplement getting the physical

2 delivery by one of their 1099 workers. And this bill  
3 does nothing to change that at all.

4 CHAIRPERSON VELÁZQUEZ: Correct. It just adds  
5 the ability to add additional marketing if requested,  
6 which is the whole point.

7 MR. RIGIE: Marketing that should result in an  
8 incremental sale, not marketing that's going to be  
9 taken to steal restaurants own direct customers, and  
10 continue to charge them the same high fees for repeat  
11 direct customer orders, which Alfredo was saying.

12 CHAIRPERSON VELÁZQUEZ: Got it.

13 MR. GARCIA: Look Councilwoman, why would we  
14 need-- Like if I already have 500 orders -- and I  
15 like using that round number of 500 orders -- and I  
16 don't pay for additional marketing. What guarantees  
17 do I have that I'm going to have my 500 orders? And  
18 if it goes down to 300 orders? Should I have to pay  
19 more in marketing to have what I already have? To  
20 pay for why I already had. I just find that unfair,  
21 and a burden to put on restaurants to have to pay  
22 more to get what they already have now. Then where  
23 was the true marketing there? It wasn't marketing.  
24 You just gave my orders to somebody else.

2 CHAIRPERSON VELÁZQUEZ: So what is the current--  
3 Well, because you had mentioned your wife basically  
4 knows most of this. Sorry. So like, I stopped  
5 myself from asking this, but if you do know, what is  
6 the current contract with one of these operators?  
7 Can you guide me through what it-- how it impacts  
8 you? I have \$100 order. Tell me then how does my  
9 \$100 order roll up to you through an app? So they  
10 charge you X, Y, Z for the 5%? So you-- Can you  
11 guide me through that process?

12 MR. GARCIA: Well I'll be-- I do not know. And  
13 not because-- No, I know what the process is. I  
14 know what-- What I'm saying is--

15 CHAIRPERSON VELÁZQUEZ: But numbers. Like what  
16 do you end up with?

17 MR. GARCIA: But I haven't seen our particular  
18 order.

19 CHAIRPERSON VELÁZQUEZ: Okay. Alfredo, do you  
20 have that information?

21 MR. ANGUEIRA: Yeah, I know there's-- there's a  
22 cap on it. But I do. That's in our office. I  
23 should have brought it here. I would have been more  
24 prepared. But could you repeat your question?

2 CHAIRPERSON VELÁZQUEZ: So guide me through it.  
3 I have a-- I just placed \$100 order through GrubHub.  
4 Now how does--

5 MR. ANGUEIRA: They're getting they're getting  
6 their-- their cut off the top? Yeah.

7 CHAIRPERSON VELÁZQUEZ: No. But how does that  
8 work through you, right? So I just paid GrubHub 100  
9 bucks. How much of that currently makes it into your  
10 pocket, when I place an order?

11 MR. ANGUEIRA: So after-- after their fees and  
12 everything else-- and again, and the delivery fees,  
13 and their service fee? I would have to look at ours,  
14 but I would do the rough math, taking away the 5%,  
15 and then delivery-- 5% of 15. Yeah, so take away 15  
16 on top 23. So, so now if you-- I like round math.  
17 So if we're talking about 100 bucks, and they're  
18 taking 23% off the top, we'll leave that we'll leave  
19 that 20% of 100. We'll take off three, we'll call it  
20 \$20 even. Everybody happy with that? Let's call it  
21 \$20, for easy math, instead of \$23. \$20. Well,  
22 we'll call it \$20 just for--

23 CHAIRPERSON VELÁZQUEZ: For quick math. Yes.

24 MR. ANGUEIRA: But-- But let's just--

2 CHAIRPERSON VELÁZQUEZ: So that's \$100 order,  
3 20%--

4 MR. ANGUEIRA: They're taking \$20--

5 CHAIRPERSON VELÁZQUEZ: They take \$20 off the  
6 back.

7 MR. ANGUEIRA: \$20. They'll take \$20 off the--

8 CHAIRPERSON VELÁZQUEZ: And this covers-- and  
9 you're paying them specifically for just delivery on--  
10 - on this piece, right? Because your contract with  
11 them is just delivery, or what-- what is your  
12 contract with them like?

13 MR. ANGUEIRA: Yeah. No, no, no.

14 MR. BOOKMAN: So there's no such thing as "Your  
15 contract is just delivery with GrubHub."

16 MR. ANGUEIRA: Yeah. You can--

17 MR. BOOKMAN: As a matter of fact, it's the other  
18 way around. For a long time, GrubHub didn't do  
19 delivery in New York City. They were not a delivery  
20 company. There were a third-- they were fourth-party  
21 delivery companies, and we did it ourselves. They  
22 were just in the marketing-transmitting-order  
23 business.

24 CHAIRPERSON VELÁZQUEZ: Like the yellow book,  
25 right?

2 MR. BOOKMAN: Correct. A modern version of it.

3 CHAIRPERSON VELÁZQUEZ: So, like, I remember when  
4 I was like a kid. I would pay, you know, I'd be a  
5 small business, I'd pay for the front cover of the  
6 yellow book, right? Pay a little bit more. And then  
7 if I wanted to be in the middle, I pay a little less,  
8 right as a small business, right? Should we not give  
9 our small restaurants that same opportunity?

10 MR. BOOKMAN: When I mentioned the yellow pages  
11 in a meeting with GrubHub the other-- you know, a few  
12 months ago they laughed at me like I was a dinosaur.

13 CHAIRPERSON VELÁZQUEZ: If you are one, I am too.

14 MR. BOOKMAN: No. Before the cap-- Just to be  
15 clear, before the cap they-- you might be paying 30%,  
16 35% just-- not even for delivery and then you had to  
17 deliver on top of it, depending on which company was  
18 transmitting that order. One of the things that  
19 Andrew-- Let me try to put it more in plain English.  
20 One of the things that Andrew and the others were  
21 trying to say which is problematical about the whole  
22 system here, which is why it needs heavy regulation,  
23 is surely that first customer they bring you from  
24 that marketing, whether it-- Whatever tier it is,  
25 bronze, gold, platinum, you know, whatever they want

2 to charge, is worth a lot, because it's a new  
3 customer, no question about it.

4 But what-- And they're taking a percentage-- The  
5 way they're getting paid is they're taking a  
6 percentage of that \$100. Whether it's 5% now, or  
7 whether you get rid of the cap, and it's 20% later  
8 on.

9 But what we're complaining about is, once that  
10 customer becomes a customer of ours, they're our  
11 customer, there's no more marketing for that  
12 customer. They've already become our customer. They  
13 love his food. They just want to order again. You  
14 would think that-- Talk about choice, you would think  
15 that would then be a choice for saying, "Okay, for  
16 each new customer, maybe you're entitled to a large  
17 fee. But for each time that you order on the 10th,  
18 20th time, you're not entitled to that same 20% of  
19 that order anymore. For what? There's no marketing  
20 anymore. The only service you're providing at that  
21 point is a computer transmission, you know, of the  
22 order, which has probably cost about a buck.

23 You know, yet that's not their model. So we're  
24 forced to come to you to talk about-- and we did come  
25 to talk about regulation based on their model. Their

2 model, really, in the legal term sucks. You know,  
3 it's brilliant from their perspective, because  
4 they're getting a percentage of every order that they  
5 transmit, whether it's a hamburger or a steak, it's  
6 the same percent, you know, they're getting a  
7 percentage, you know, even though it's the same bag,  
8 it's the same transmission, and it doesn't matter if  
9 it's the 100th time you ordered, or if the first  
10 time. That's a horrible system for small businesses,  
11 which is why we needed this cap in the first place.

12 MR. RIGIE: Yeah. I think everyone-- You know,  
13 the market-- Everyone wants restaurants to have the  
14 freedom to be able to market themselves if they so  
15 choose in a free market environment. And I think the  
16 most important thing to leave you with, and leave  
17 everyone with is that it is a very sophisticated way  
18 in which a handful of these companies are able to  
19 manipulate the marketplace. So when restaurants are  
20 paying more, they're not necessarily getting more  
21 marketing. I would just look at it in two ways. You  
22 have marketing, you have the physical delivery of the  
23 food, and then you have the utility of transmitting  
24 the order. And what I would say is a lot of these



2 orders, particularly with repeat customers, comes  
3 down--

4 [SILENT DISTURBANCE]

5 [TO MR. BOOKMAN: No. She's asking me to stop.]

6 CHAIRPERSON VELÁZQUEZ: Okay, sorry. Sorry,  
7 everyone, give us a few. Sorry, you've got to get  
8 out.

9 [BACKGROUND VOICES]

10 CHAIRPERSON VELÁZQUEZ: Great, thank you. Thank  
11 you. Thank you. Thank you.

12 SERGEANT AT ARMS: Please leave the room.

13 MR. RIGIE: Sorry, Councilmember. Sorry.

14 CHAIRPERSON VELÁZQUEZ: No. I know. I was  
15 trying not to be disrespectful, and it was just  
16 happening right behind you guys.

17 MR. RIGIE: I'll just say less excite--

18 CHAIRPERSON VELÁZQUEZ: Can you repeat  
19 everything, just so that everyone is together--

20 MR. RIGIE: I'll-- Let me-- I'll just just say  
21 one last thing, because I know I'm also getting  
22 texts. There's a lot of restaurateurs here as well  
23 that are saying-- they want to say. But I just want  
24 to say something. And I really truly mean this, and  
25 I've expressed it before: We can sit and fight with

2 GrubHub, with DoorDash, with Uber. We are not saying  
3 they don't have an important place in the city's  
4 marketplace. What we are simply saying is that they  
5 have so much control of the marketplace, that it  
6 creates conditions that are not fair. And we are  
7 happy to make other modifications to help ensure that  
8 when restaurants -- and some of them you may hear  
9 today -- say I want to pay more marketing, so I can  
10 get more business, then that's fine. But when they  
11 are paying more money for more marketing, they're  
12 actually receiving the marketing that they're paying  
13 for.

14 And if you just pass the bill as it's currently  
15 drafted, it's not going to create the guardrails to  
16 ensure that it basically will just create a free-for-  
17 all. And I'm telling you, we're going to be back  
18 here having conversations all over again that we  
19 would love to avoid. So I think there is common  
20 ground. I think there's a place where we can all  
21 work together. But this bill is not it. And there's  
22 no reason that we would spend this much time dealing  
23 with all of this if we didn't regularly hear from  
24 restaurants about their concerns, and we didn't go  
25 through years and years experiencing what the market

2 was like when it wasn't regulated. So we're open to  
3 conversations. We're just saying: As drafted, it's  
4 going to hurt businesses that it's intending to help.  
5 Thank you.

6 CHAIRPERSON VELÁZQUEZ: What modifications you  
7 had mentioned-- What are those modifications?

8 MR. RIGIE: So I-- There are there are a bunch of  
9 them. And I'm not-- I'm not going to answer them  
10 right now, because I think we need to have this  
11 report to have-- to be data driven. And we should  
12 not necessarily be negotiating in this public realm.  
13 But what I will say as I said before, there are  
14 certain things that are very important, like ensuring  
15 that repeat customer orders don't charge the same  
16 high percent, as you know, a new order. That there's  
17 more guardrails on the types of advertising, so  
18 companies aren't siphoning off restaurants' own  
19 customers. There's a handful of others.

20 But I think we should just wait until the report  
21 comes out. So we can do it in a thoughtful,  
22 constructive, and data-driven way.

23 MR. BOOKMAN: And like dropping lawsuits while  
24 they're attempting to negotiate with you at the same  
25 time.

2 CHAIRPERSON VELÁZQUEZ: Thank you. Mr Bookman,  
3 Do you have any recommendations or modifications to  
4 this bill at this point?

5 MR. BOOKMAN: No. But there are-- there are  
6 quite a few additional consumer protections. You  
7 know my background is consumer protection. And I  
8 think there are more transparencies that are  
9 necessary. Especially if we're going to modify the  
10 cap. I think consumers, who are the consumer-- the  
11 real consumers of these-- of these services need to  
12 understand that there is no free lunch, that somebody  
13 has to pay for this. And I think there-- there needs  
14 to be requirements that contracts with these  
15 companies cannot prohibit restaurants from being  
16 transparent with consumers and passing along, you  
17 know, fees that are being charged us, you know, so  
18 that everybody's on the same page. And then maybe  
19 people will-- will deal with the restaurant more  
20 directly when they know that it's cheaper dealing  
21 with the restaurant more directly than it is with one  
22 of these third parties, which is another reason why  
23 people aren't bothering with restaurants: they think  
24 it's free.

2 CHAIRPERSON VELÁZQUEZ: Thank you. Jeff?  
3 Alfredo? Any modifications to this bill that you  
4 see.

5 MR. GARCIA: I just would like to see something  
6 that says that if restaurants have an average amount  
7 of transactions, that any type of increase in any  
8 advertising or promotion, if they don't choose to do  
9 that, that they would lose transactions because of  
10 it.

11 MR. ANGUEIRA: I want my data. I want to be  
12 able-- if Customer A came to me and heard about my  
13 restaurant and looked me up and now has made an  
14 order, I want to be able to market to them directly.  
15 If we're talking about free market, give me my data  
16 so that this way I can contact them directly as  
17 opposed to going through an intermediary and having  
18 to pay an additional fee.

19 And on a side note, while it was not me who made  
20 an outburst I would like to apologize for the  
21 outburst that was made to the kind gentlewoman who  
22 has been so kind to host this hearing, and has been  
23 here for a number of hours. So my apologies.

24 MR. RIGIE: Indeed.

25 MR. GARCIA: Agree.

2 MR. BOOKMAN: Thank you Chairwoman.

3 CHAIRPERSON VELÁZQUEZ: Thank you and with that,  
4 we're going to take a five minute break, and we're  
5 just going to, you know, walk it off, all. Thank  
6 you.

7 [10 MINUTES SILENCE]

8 SERGEANT AT ARMS: Everyone settle down. Find  
9 your seat please. Please find seats. We're going to  
10 reconvene. Thank you.

11 COUNSEL: The next panel will be an in-person  
12 panel, will be Sascha Owen, Ivan Garcia, Chiling  
13 Tong, and Lily Rocha.

14 CHAIRPERSON VELÁZQUEZ: Hi, and thank you all.  
15 You know the only one time I'm going to give a round  
16 of applause for everyone to be still patient and  
17 thank you for the support earlier. So thank you,  
18 everybody. I appreciate it. And then let's rock and  
19 roll. Okay. Thank you.

20 MS. OWEN: Okay, thank you, Chair. Good  
21 afternoon. My name is Sascha Owen and I am the  
22 Senior Manager of Government Relations for DoorDash  
23 in New York, and with me is:

24 MR. GARCIA: Ivan Garcia, Senior Manager of  
25 Public Engagement with DoorDash.

2 MS. OWEN: DoorDash is a technology company whose  
3 mission is to grow and empower local economies,  
4 including in New York City. We do that by partnering  
5 with thousands of local businesses for online  
6 ordering, pickup, delivery, and marketing services.  
7 We also empower New Yorkers from all walks of life to  
8 earn money when, where, and how they choose by  
9 delivering meals and other essentials to their  
10 communities.

11 Thank you Chair Velázquez, Councilmember Holden,  
12 and all members of the committee for the opportunity  
13 to testify on Intro 813, a critical bill that would  
14 give restaurants the ability to choose the services  
15 that best suit their needs, and ensure delivery  
16 workers can continue to earn on the platform.

17 I want to start by addressing what the proposed  
18 amendments would and would not do if adopted. The  
19 amendments would not eliminate fee protections or  
20 require restaurants to pay exorbitant fees to access  
21 delivery pickup, and other services. Rather, the  
22 amendments would ensure that all restaurants continue  
23 to have access to valuable options for those services  
24 at or below the limits currently in place, while  
25 being able to take full advantage of all the tools

2 that DoorDash offers restaurants to attract customers  
3 and grow their revenue.

4 In April 2021 DoorDash introduced our new  
5 partnership plans across the country, offering all  
6 small and medium-sized restaurants the option to  
7 obtain delivery and pay only a 15% commission without  
8 being required to pay for any other services if they  
9 don't want to.

10 The proposed amendments would require DoorDash to  
11 continue to offer restaurants low-cost options  
12 permanently. At the same time, restaurants will not  
13 be faced with expensive one size fits all solutions,  
14 they'll instead have a variety of options that they  
15 can choose from to meet their specific needs.

16 Opponents of this have claimed that the status quo is  
17 better for restaurants. But this is not a choice of  
18 adopting the proposed amendments or simply  
19 maintaining the status quo. The current status quo  
20 is unsustainable. And like all price controls, the  
21 current limit on fees could create unintended  
22 consequences that will ultimately hurt customers,  
23 delivery workers, and restaurants. If the law stays  
24 in place unchanged, DoorDash may need to reduce  
25 service levels, raise customer fees or take other



2 actions that will inevitably lead to fewer orders  
3 being placed to the platform. Based on our  
4 experience in other markets, we estimate that volume  
5 could drop by as much as 12% or 3.5 million orders  
6 annually. Fewer orders to the platform means fewer  
7 earning opportunities for Dashers. Based on data  
8 from FY 2022 we estimate that Dashers could lose  
9 nearly \$30 million annually. This loss of volume  
10 will also hurt New York City restaurants who stand to  
11 lose more than \$96 million in annual revenue.

12 These impacts will be felt throughout the city,  
13 including in the city's communities of color where  
14 69% of independent merchants on the platform are  
15 based and 68% of orders are delivered.

16 It's also important to remember that the city's  
17 current price control does not exist in a vacuum. A  
18 citywide earning standard for delivery workers will  
19 take effect later this year, and with this fee cap in  
20 place, unintended consequences like reduced service,  
21 increased consumer costs and decreased order volume  
22 will be further exacerbated.

23 Empowering and helping restaurants grow is core  
24 to what we do at DoorDash. Today we are achieving  
25 those goals in New York City. There are nearly

2 17,000 stores on the DoorDash platform. In 2022.  
3 More than 41 million orders were placed with  
4 merchants in the city accounting for more than \$936  
5 million in merchant sales.

6 The city first imposed fee limits during the very  
7 worst part of the pandemic when restaurants were shut  
8 down and vaccines were months away. Thankfully, the  
9 city has come a long way since that time, and  
10 DoorDash has similarly evolved to better serve all of  
11 our stakeholders including our restaurant partners.  
12 Dining rooms have been fully reopened for nearly two  
13 years and social distancing and mass requirements  
14 have been lifted.

15 We know that every restaurant is different and  
16 each deserves the ability to select the products and  
17 services that best support them, especially those  
18 competing with bigger brands and known businesses.  
19 This proposal would empower restaurants to choose  
20 from a range of partnership plans to fit their unique  
21 needs and access services to connect with new  
22 customers, grow their business, and reach their  
23 goals. The proposed amendments reflect the new  
24 reality we find ourselves in without risking  
25 unintended consequences for customers, Dashers, and

2 restaurants along the way. We ask for your support  
3 in adopting them. Thank you so much.

4 COUNSEL: You're next.

5 MS. ROCHA: Good afternoon, Chairwoman Velázquez  
6 and New York City Council. My name is Lilly Rocha.  
7 I'm the CEO of the National Latino Restaurant  
8 Association. We're a 501C-3 and a C-6. We know that  
9 many Latino restaurant owners, including hundreds of  
10 our members here in New York are often one unexpected  
11 cost away from losing their business. That's why we  
12 are voicing our strong support for the legislative  
13 amendment known as Intro 0813, that would provide  
14 more flexibility to how restaurants are listed on  
15 delivery platforms and can choose more marketing.

16 I'm honestly a little appalled at what I've seen  
17 here today. The fact that some of the opposition  
18 cannot give you a proper To answer on a simple  
19 question such as, you know, the math, and then giving  
20 you sort of answers on easy math. And that narrative  
21 that's being shared today, it's, you know, it's  
22 simply not true. Using pre-COVID information to  
23 paint a narrative is completely incorrect as third  
24 party apps have evolved. Using outdated information,  
25 no facts, and pure emotion to mislead the City

2 Council is quite embarrassing. And that is what's  
3 happening here today. Using words like stealing,  
4 corporate greed, et cetera, et cetera. Nothing to do  
5 with what we're here to do today with regard to the  
6 marketing, the way the fee caps are working.

7 So it's a little-- like I said, it's very  
8 misleading. I don't like the fact that, you know,  
9 real data is not being used. The only real data that  
10 you are getting is from the third party apps that  
11 have the information. Also, that's how the Latino  
12 Restaurant Association, you know, makes our  
13 decisions. Because we do see that.

14 For example, we're talking about wages, fee-- fee  
15 caps, you know, we need-- we need--

16 Actually, I'm going to go back to readings. I  
17 don't want get off my--

18 CHAIRPERSON VELÁZQUEZ: Take your time. Don't  
19 worry. Go ahead.

20 MS. ROCHA: So we all know that the impact of the  
21 COVID-19 pandemic took a far more severe toll on some  
22 of our communities, like the Latino community. One  
23 of the communities is the restaurant industry,  
24 obviously.

2 While it may seem counterintuitive, that-- that  
3 we, the association is supporting this modification,  
4 known as a fee cap for restaurants, logic and  
5 experience informs our perspective. Again, what I  
6 just said: In New York and other cities, these caps  
7 came during the very early days of the pandemic as an  
8 emergency measure, with the goal of preventing price  
9 gouging and things that happen in the past that are  
10 no longer happening at all. But we're not looking at  
11 the unintended consequences, such as consumer costs  
12 rising to keep delivery services viable. This in  
13 turn results in fewer customers and lost business for  
14 restaurants, when-- when you're when we're not  
15 looking at the unintended consequences.

16 Delivery Services in Latino communities have been  
17 a tremendous tool in keeping our restaurants open and  
18 our workers and neighborhoods safe. Our surveys  
19 suggest that restaurants on delivery platforms were  
20 as high as eight times more likely to stay in  
21 business than those that were not. Restaurants  
22 voluntarily signed up for delivery service, because  
23 they grant flexibility in selecting services and fees  
24 best suited for their business needs.

2 Again, this is all voluntary, nobody is-- As it's  
3 as it's being communicated here, nobody's putting any  
4 you know, like, nobody's twisting your arm to use  
5 these services. You can also take your restaurant  
6 data of your customers' names and services and use  
7 your own platform to keep that data. No one is  
8 keeping that data from you.

9 So when folks say, you know, "I want my data,"  
10 you have your data, you have every freedom to use  
11 your data. So no one is keeping that data away from  
12 you.

13 I'm here today on a national platform, because  
14 New York stands alone and maintaining this pandemic  
15 era restriction. Today nearly 60 price control  
16 measures put in place across the country have been  
17 removed. Another seven cities have adopted smart  
18 compromise policies that preserve caps for delivery  
19 services, but allow restaurants the flexibility to  
20 opt into additional marketing services from delivery  
21 platforms. If they choose to. Again: If they  
22 choose to. We are in a free market. So this there  
23 is choice. The cities include San Francisco,  
24 Minneapolis, Spokane, Portland, Philadelphia,  
25 Washington, DC. Local restaurants looking to grow

2 their businesses ship should be able to choose  
3 whether or not they want to pay for the marketing  
4 services that third party delivery services are  
5 offering. Fortunately, this amendment will allow New  
6 York City's law to be modified to both preserve the  
7 delivery fee cap and give restaurants those choices.  
8 That would restore some equity and benefit for all of  
9 us. Because remember, this ecosystem includes  
10 delivery workers. How are we supposed to pay  
11 delivery workers? You know, there's so many  
12 questions that aren't being answered with regard to  
13 the anecdotal information and data. That is not-- I  
14 mean, I don't think it's data because it's not--  
15 Those aren't real numbers. And lastly, we are  
16 voicing our strong support for this legislative  
17 amendment now before you thank you very much.

18 COUNSEL: Thank you. Next.

19 Good afternoon, Madam Chairperson. My name is  
20 Chiling Tong, the President and CEO of the National  
21 Asian Pacific Islander American Chamber of Commerce  
22 and Entrepreneurships. We represent the interests of  
23 2.65 million AAPI small business owners and  
24 entrepreneurs, including restaurants.

2 National ACE has collaborated with over 120  
3 affiliate AAPI chambers and partner organizations  
4 across the country to assist AAPI small businesses  
5 and restaurants. Many of them have submitted their  
6 written test testimony to support this amendment,  
7 Intro 0813. For the past year, National ACE has  
8 worked with New York AAPI chamber and partners to  
9 provide more than 100 webinars and workshops to small  
10 business owner and restaurants, including technical  
11 assistance training, access to capital, participating  
12 in E-commerce, and incorporating into the digital  
13 economy. It is so critical to them.

14 In New York City, we all agree that New York  
15 City's AAPI restaurants and small businesses suffered  
16 tremendously during the pandemic, due to shutdowns  
17 and people choosing to stay home. So this amendment  
18 is so critical to them. Our businesses or rely on  
19 takeout and delivery in partnership with online and  
20 mobile food ordering and third party delivery  
21 platform such as GrubHub, DoorDash, and Uber Eats.  
22 And we appreciate the Council's efforts in 2020 when  
23 it moved to protect the industry from unfair charges.

24 Today, again, I'm here in support of amendment  
25 Intro 0813 that would modify the cap on third party



2 delivery service put in place during the pandemic, an  
3 amendment that gives a restaurant owners, especially  
4 minority Asian-owned businesses, the opportunity to  
5 decide how to manage and grow their business.

6 Under the law, as it stands today, restaurants  
7 lose their ability to opt into tailored marketing  
8 services from third party apps that may be priced at  
9 higher, but also may create a match of value for  
10 independent businesses. AAPI restaurants like a  
11 Jumbo Garden, and like a Kings Kitch, and like any  
12 others choose to buy this service from the apps in  
13 order to reach new customers who are spending less  
14 than they might on traditional advertising models.

15 By opting into packages through GrubHub, Uber  
16 Eats, and DoorDash they can get a tailored service at  
17 pay-as-you-go rates, that can be adjusted at any  
18 time. That means they get the tools they need to  
19 compete with the bigger brands and chains who might  
20 have a bigger budgets for marketing and advertising,  
21 and even in-house staff. If the City Council wants  
22 to level the playing field for smaller and midsize  
23 businesses, an amendment to the current cap is  
24 urgently needed. It is so critical for our small  
25 business owners and restaurants.

2 Therefore we support the amendment we are  
3 discussing today, because the restaurant will not  
4 have to pay any more than they currently do. They  
5 will only be charged more if they choose to pay for  
6 additional services that they think are worth the  
7 cost, the fundamental principle of the free market.  
8 On behalf of all AAPI small businesses and  
9 restaurants we represent, thank you again for  
10 considering this amendment to the fee cap law, which  
11 would empower restaurants across the city to make a  
12 marketing and spending decision that works best for  
13 them. Thank you so much.

14 CHAIRPERSON VELÁZQUEZ: Thank you. So I have  
15 questions for you, DoorDash. Hope you're ready.

16 MC. OWEN: Yes. It's expected. Ready as we can  
17 be.

18 CHAIRPERSON VELÁZQUEZ: It's going to be similar  
19 in vein to what was asked of GrubHub. GrubHub  
20 actually had a presentation of their different fees.  
21 What do your fee structures look like currently, and  
22 how would they change if this law would be enacted?

23 MR. OWEN: Thank you for that question. The-- So  
24 as I noted in my testimony, in April of 2021,  
25 DoorDash introduced new partnership plans, and

2 there's three options, three pricing options for  
3 restaurants on our platform. One is the 15% option,  
4 one is the 25% option, and one is a 30% option. We  
5 offer those around the country in every state and all  
6 the cities we're in, not just in places where there  
7 been caps. That's something that again, we've had in  
8 place now for two years around the country, because  
9 we had worked with restaurants around the country  
10 speaking to restaurants. We have a restaurant  
11 advisory group, and we came to understand that this  
12 was really the best thing for restaurants, and for  
13 DoorDash, and for delivery workers, and for customers  
14 was to create these-- these pricing tiers.

15 So if this cap-- if this bill passes, what would  
16 happen to our pricing tiers is they would stay the  
17 same. So it would-- All the bill does again is ensure  
18 that that 15% option, and that 5%, 3%, that the  
19 current options in the permanent cap are maintained.  
20 And then it gives us the opportunity to provide those  
21 additional 25% and 30% options if a restaurant wants  
22 to reach more customers, has different marketing  
23 needs, et cetera. So, if you are-- and just to be  
24 clear if you are getting to this as well, Chair  
25 Velázquez, if you were in a particular tier prior to

2 the cap being in place, you would receive multiple  
3 communications from DoorDash. In other cities, we've  
4 done e-mails, but also phone calls directly to  
5 restaurants and merchants. You would receive  
6 multiple communications explaining-- explaining that  
7 you are going to be put in the tier that you were in  
8 prior to the cap being in place, and then explaining  
9 the different options if you do want to make a change  
10 to one of the other tiers. Hopefully that...

11 CHAIRPERSON VELÁZQUEZ: And then we have another  
12 concern or question. Sorry, I'm losing my train of  
13 thought, just because it's on gazillion--

14 MS. OWEN: It has been a long day. Yes.

15 CHAIRPERSON VELÁZQUEZ: Here we are, sorry. The  
16 DC lawsuit. Can you elaborate on that? That was  
17 where we're at.

18 MS. OWEN: Not a lawsuit, but the issue from a  
19 couple of weeks ago. Yeah.

20 CHAIRPERSON VELÁZQUEZ: Yes.

21 MS. OWEN: And I appreciate the question. So,  
22 um, thank you for asking. So in DC, just like we do  
23 everywhere, for local delivery, the options for a  
24 restaurant to be on our platform were the 15%, 25%,  
25 and 30% option. The-- What happened in DC was just

2 an error. It was a mistake. This particular  
3 restaurant also was working with DoorDash for  
4 nationwide shipping. And for nationwide shipping  
5 services there was a 55% commission. And what we  
6 sent to the restaurant in DC was just a mistake.  
7 There-- There was no 55% commission cap for-- excuse  
8 me, commission for local delivery.

9 CHAIRPERSON VELÁZQUEZ: Okay. Thank you.

10 MS. OWEN: I'm glad I got to clarify that. Thank  
11 you.

12 CHAIRPERSON VELÁZQUEZ: So now under current law  
13 pursuant to 20-563.3 of the administrative Code,  
14 third party delivery apps can charge a maximum of  
15 23%, the purchase price of each online order to food  
16 service establishments, how often does your company  
17 charge less than 23%?

18 MS. OWEN: Very often. Actually, many  
19 restaurants in the city have agreements with  
20 commissions under 23% with us. And actually up to  
21 this point, we haven't charged anyone in New York  
22 City above 20% commission.

23 CHAIRPERSON VELÁZQUEZ: How many clients or  
24 restaurants--

2 MS. OWEN: We have 17,000 merchants on the  
3 platform.

4 CHAIRPERSON VELÁZQUEZ: And so none of them--  
5 none of them have reached 23?

6 MS. OWEN: Restaurants have not reached 23. No.  
7 20% has been the top that we've been charging  
8 restaurants since the cap has been in place in New  
9 York City. We haven't been taking the transaction  
10 fee. We've just been putting that into that 20%  
11 commission.

12 CHAIRPERSON VELÁZQUEZ: How much of your revenue  
13 comes from commissions charged to restaurants?

14 MS. OWEN: Yeah. I have to get back to you on  
15 that. Yeah. If I could get back to you, that would  
16 be great.

17 CHAIRPERSON VELÁZQUEZ: Totally. Thank you. And  
18 then Local Law 103 of 2021 requires DCWP to submit a  
19 report recommending the maintenance or adjustment of  
20 the caps on third party delivery fees no later than  
21 September 30 of this year. Why should the Council  
22 amend the caps now?

23 MS. OWEN: I mean, nothing in this bill Intro 813  
24 would prevent the study from still being issued in  
25 September. But I can say that we have been working

2 on this issue for years now. And as others have  
3 noted, many cities have now taken the path of what  
4 the bill is proposing to do. So we think that all  
5 the information that would be needed to make this  
6 decision exists now. And of course also the minimum  
7 wage for delivery workers is going to be in effect  
8 soon. And we think that restaurants need these  
9 options as soon as possible.

10 CHAIRPERSON VELÁZQUEZ: In jurisdictions like San  
11 Francisco and Portland that have enacted fee caps  
12 similar to those advanced by Intro 813, how many  
13 establishments opt in for the minimum fee level?

14 MS. OWEN: I don't have that number, but I can  
15 get that to you. I mean, I can just tell you that  
16 our-- our basic option at 15% is designed to provide  
17 great value to restaurants and-- and many restaurants  
18 around the country use that 15% option. I can come  
19 back to you with specific numbers.

20 CHAIRPERSON VELÁZQUEZ: Perfect. And Grubhub had  
21 testified that they set up the websites for--

22 MS. OWEN: We do that as well.

23 CHAIRPERSON VELÁZQUEZ: You do that as well?  
24 What-- what are the services you provide? Can you  
25 clarify?

2 MS. OWEN: Yeah. We have something called  
3 storefront, where for a 0% commission you can-- we  
4 can help you create your own website where customers  
5 can go directly to do delivery. So we have an  
6 option. I don't know if it's exactly the same, but  
7 similar.

8 CHAIRPERSON VELÁZQUEZ: And now if this amendment  
9 passed, what will restaurants currently on the  
10 platform receive even terms of communications  
11 regarding the rate structure and any changes to it?

12 MS. OWEN: Yeah. They will receive multiple,  
13 multiple communications. And again, as I said, in  
14 other cities, we've also done direct phone calls to  
15 restaurants to make sure they understand the change  
16 and what's happening. They will be informed of the  
17 current commission tier that they are-- were in prior  
18 to the cap being set. And then they will be  
19 explained the other options, so that they can choose  
20 which one they want to be in. But they will receive  
21 multiple communications, and we've done phone calls  
22 before as well.

23 CHAIRPERSON VELÁZQUEZ: How will--

24 MS. OWEN: We're also just-- just, I mean, we're  
25 happy also to work with the restaurant associations



2 that are here, the chamber's, community groups,  
3 whatever we can do to partner to make sure that  
4 everyone is communicated with, we're-- with the  
5 Council, we're happy to do that as well.

6 CHAIRPERSON VELÁZQUEZ: And so how do we-- you  
7 know, there are concerns after the DC situation? How  
8 do we assure folks here that it doesn't happen here  
9 in New York City?

10 MS. OWEN: I mean, again, the DC situation, it  
11 was really, truly a mistake. The 55% that you're  
12 referring to was for nationwide shipping. It was not  
13 for delivery. That merchant does have the 15% 25%  
14 and 30% option for local delivery. And in terms of  
15 just generally, you know, I think the point of your  
16 question-- I mean, I can say, you know, we have been  
17 offering these pricing options for two years, almost,  
18 now, because we know, it's what's best for  
19 restaurants. We have not changed those for the last  
20 two years. There are lots of restaurants who choose  
21 each of these options, depending on what their needs  
22 are. And again, it's a model that we think has been  
23 really successful for the pillars of our business,  
24 the restaurants, the delivery workers, and customers.

2 CHAIRPERSON VELÁZQUEZ: And in light of that, the  
3 lessons learned, what safeguards are in place right  
4 now, so that it won't happen again?

5 MS. OWEN: Yeah. Well, and--

6 CHAIRPERSON VELÁZQUEZ: And certainly here in New  
7 York City.

8 MS. OWEN: I mean, the-- the bill, you know,  
9 ensures that that low-cost option is always  
10 available. So it ensures that that 15% option is  
11 provided by a company like DoorDash. Then, only then  
12 can we provide alternative pricing options. So we  
13 think that it provides great protection, because that  
14 low cost 15% will always have to be offered by  
15 DoorDash for us to, again, provide other options as  
16 well.

17 CHAIRPERSON VELÁZQUEZ: GrubHub had mentioned in  
18 their testimony, where if these new changes happen,  
19 they would retain their folks at the current  
20 standard, if they want to. Is that something that  
21 DoorDash also is looking to...? Or better said if  
22 813 were to pass, how many restaurants would  
23 automatically be placed into a tier above what  
24 they're currently paying? Meaning more than that 23  
25 percent?

2 MS OWEN: No one would get paid-- would get  
3 placed into something above what they contracted with  
4 DoorDash prior to that permanent cap being set. They  
5 will be provided with information about the different  
6 tiers, and they can make that decision. But no one--  
7 And in that communication, they'll be reminded and  
8 told of that contract that they had prior to the cap  
9 being set. So they'll be provided all that  
10 information. And then they can make that choice.  
11 They will not-- There's no there's not an automatic  
12 for them to go into a tier, other than the one that  
13 they were contracted with-- into with us prior to the  
14 permanent cap being put in place.

15 CHAIRPERSON VELÁZQUEZ: And what percent is that  
16 above the 23% currently on the other states that do  
17 have it?

18 MS. OWEN: That I don't know. That I have to get  
19 back to you. You're saying-- I'm sorry, how many  
20 have gone to 25% and 30% versus the 15% option, who  
21 was in-- nationally? I have to get that information  
22 to you. Yeah.

23 CHAIRPERSON VELÁZQUEZ: Perfect. Thank you. And  
24 then, the same thing I asked GrubHub. What  
25 assurances do we give our restaurants that there

2 won't be any retaliation or they won't be paying--  
3 they won't be hurt because they choose not to get the  
4 other options.

5 MS. OWEN: I mean, there just absolutely will not  
6 be-- I mean, again, we've-- we've had this commission  
7 structure in place for multiple years now all over  
8 the country. It was designed, because we talked to  
9 restaurants about what-- how to best serve them, and  
10 serve, you know, the needs of our business  
11 altogether. And we want-- when small businesses and  
12 restaurants succeed and reach our customers and grow,  
13 that's good for us. It's good for delivery workers.  
14 it's good for the community that's good for the local  
15 economy. That's what we do at DoorDash. And that's  
16 what we are always striving to do. So there would be  
17 absolutely zero retaliation. It's not-- It's not  
18 what's been happening around the country with this  
19 with the pricing system we have.

20 CHAIRPERSON VELÁZQUEZ: And so-- And when we're  
21 talking about the algorithm, and whatnot, how would  
22 you define your algorithm? What pieces go into it?

23 MS. OWEN: There's so many-- there's a bunch of  
24 factors. So I-- I would have to get back to you or,  
25 as I maybe somebody else on the panel said earlier,

2 there's tech folks who can be answering that more  
3 specifically than me. I can get back to you on those  
4 factors, but there's a lot of them. I can tell you  
5 though, that you know, something's an example,  
6 Chairwoman is, if you're on the 15% option, you will  
7 be part of the carousel, let's say that's like,  
8 fastest restaurant to deliver to you, or most popular  
9 restaurant. You're still getting valuable placement  
10 based off of that algorithm, even at the 15% option,  
11 and those are some examples of how.

12 CHAIRPERSON VELÁZQUEZ: So are marketing fees  
13 part of that, even if you are at the 15% level of the  
14 algorithm right now that you explained?

15 MS. OWEN: Yes, our-- Well, we could go-- Yes.  
16 Or they can go up under the cap up to 23, but we  
17 haven't gone up above 20. But the way that Door--  
18 you know, companies might do it differently. At  
19 DoorDash, our delivery, our marketing, all of that is  
20 is all part of that fee.

21 CHAIRPERSON VELÁZQUEZ: And can marketing fees be  
22 used to boost the restaurant in search results?

23 MS. OWEN: Yeah. I mean, there's a-- Yes. I  
24 mean, you might pay for marketing. Yeah, as part of

2 your package, you might pay for a way to be displayed  
3 in a certain way on the app. Yes.

4 CHAIRPERSON VELÁZQUEZ: And then when it relates  
5 to data, what kind of data does the restaurant get to  
6 keep?

7 MS. OWEN: On the data question, you know, we  
8 have-- I just want to pull something up on that. We  
9 really do have an ever-expanding suite of analytical  
10 tools to help restaurants better understand and  
11 expand their businesses. We also, of course, have to  
12 protect the privacy of customers that use the  
13 platform. But, you know, some examples of  
14 information we do give are menu performance, customer  
15 analysis, a heat map showing where orders are coming  
16 from, customer reviews and feedback, which  
17 restaurants have the ability to respond to.

18 CHAIRPERSON VELÁZQUEZ: Thank you. Following up  
19 with you, Lilly. Thank you for coming. You're  
20 coming all the way from California, so we know this  
21 is very important to you. So now you are a part of  
22 the National Latino Restaurant Group. Now, can you  
23 explain to me how many members you have nationally,  
24 and then how many of those are in New York?

2 MS. ROCHA: Nationally, we have about 1800. We  
3 have three offices, one here in New York, one in  
4 Houston, and one in-- and our headquarters is in Los  
5 Angeles. About 250 are the numbers in the State of  
6 New York.

7 CHAIRPERSON VELÁZQUEZ: Do you know, out of head,  
8 just out of those 250, how many are in New York City?

9 MS. ROCHA: I would say the majority? No,  
10 because I saw different cities that I didn't know  
11 where they were. But I don't know exactly how many  
12 are in New York City.

13 CHAIRPERSON VELÁZQUEZ: Okay. Thank you. And  
14 hold on. We have more. And then have you received  
15 any funding from any of these 3rd party apps?

16 MS. ROCHA: We have received funding from the  
17 third party apps in the past. I have no-- I have--

18 [BACKGROUND VOICES]

19 CHAIRPERSON VELÁZQUEZ: Wait. Can we-- Guys, I  
20 don't need to stay here longer. And I also don't  
21 want to remove anybody else today. So can we just  
22 like keep it together? We're going to do this guys.  
23 We're going to get through this. But let's give  
24 everybody the respect that they deserve.

25 MS. ROCHA: Yeah, let me--

2 CHAIRPERSON VELÁZQUEZ: Decorum. Go ahead,  
3 Lilly.

4 MS. ROCHA: Yeah, let me be clear. We-- We have  
5 worked with the third party apps in a variety of  
6 ways. And so when-- For example, we have had  
7 numerous webinars in Spanish with DoorDash, for  
8 example. And these are the things that-- Have I  
9 received compensation from GrubHub to be here?  
10 Absolutely not. I have-- To this moment, I have not  
11 received any money from GrubHub to be here. Okay, to  
12 be clear. So and I think about two years ago, we did  
13 receive a \$10,000 grant from GrubHub about two years  
14 ago when the pandemic started. That's what I can  
15 show you from my financial records. Okay? So just  
16 to be very clear to the audience members that are  
17 incredulous, or think that I am-- I'm sorry.

18 So we-- we as an association, like many  
19 restaurant associations, maybe as you as well, we  
20 partner with many different corporations, Walmart  
21 Foundation, Bank of America, Wells Fargo, on a  
22 variety of programs. This includes DoorDash, and  
23 this includes companies like GrubHub. Actually, my  
24 relationship with GrubHub-- I mean with DoorDash is--  
25 it's pretty solid.



2 We've done many programs, because we do ask them.  
3 We say Latinos need information in Spanish, so I'm  
4 here working with-- not Ivan in particular, but folks  
5 like Ivan around the country, to give this  
6 information to our Latino-- I don't know if you  
7 know, but Latinos, we actually over-index on using  
8 our mobile phones, but we're not necessarily using  
9 them for business or things like that. So what we do  
10 is we again, going back to the data, I use data in my  
11 presentations. And I use real numbers in what I say.  
12 And so Latinos, we over-index in using our mobile  
13 phones, even higher than the average American, non-  
14 Latino.

15 So what we're trying to do is we're trying to  
16 make sure that our Latinos who are on the phones all  
17 the time, are using apps to-- to be more efficient in  
18 their business.

19 So yeah, we do partner with a variety of  
20 corporations, including these corporations. But that  
21 includes many, to make Latino restaurant owners more  
22 successful. And we have programs, a variety of  
23 programs that-- that are funded from our corporate  
24 sponsors to help Latino restaurant owners.

2 CHAIRPERSON VELÁZQUEZ: And the folks that have  
3 benefited from a law like 813, what does that look  
4 like for these small restaurants? And how has it  
5 improved their margins, if it has?

6 MS. ROCHA: Well-- And that's, you know, going  
7 back to what, you know, some of the folks here said,  
8 we're actually looking at-- is, you know, they're  
9 giving you a narrative of like, "Oh, my gosh, these  
10 people..." You know, we have a lot-- we have Latino  
11 owners who own, you know, chains of restaurants. So  
12 when I represent Latinos, I'm representing, you know,  
13 Mom and Pop restaurants and folks who own bigger  
14 chain restaurants. So, you know, that question, it  
15 just depends on who they are, depends on who they  
16 are. But we are, you know, we represent Latinos, you  
17 know, from different states. So we're looking at  
18 folks-- depends, that depends on you know, if they  
19 own one restaurant, or if they own a chain of  
20 restaurants.

21 But, you know, Latinos, we want the choice, we  
22 want the choice of being able to-- just like every  
23 other restaurant, non-Latino restaurant, we want that  
24 choice to be able to, "Hey, if I want to purchase a  
25 different marketing plan, I should be able to do

2 that." And, and again, we're-- we're sticking with  
3 the facts here, things are not changing, you're going  
4 to have that option as well. And so that's one of  
5 the things that I've been trying to make sure, you  
6 know, people are educated about it. You're still  
7 going to have that option.

8 So, you know, we're looking at a variety of  
9 factors that play into a success of restaurants. If  
10 you're saying things like, "Hey, my restaurant is  
11 going to, you know, fold because of this cap," then  
12 I'm sorry, you're not a good business person. You  
13 know, your-- your, your restaurant shouldn't fold  
14 because of the end of, you know, because the cap is  
15 going to stay, or it's not going to stay. That is  
16 just one thing that should be considered when you're  
17 running your restaurant and being successful at it.  
18 But...

19 CHAIRPERSON VELÁZQUEZ: Do you find that Latino  
20 businesses that you represent benefit from additional  
21 marketing? And what does that look like?

22 MS. ROCHA: Yeah. You know, we-- we have a very-  
23 - we have a very specific need in the Latino  
24 community. And that's one of the reasons that I do--  
25 I have started in the last couple of years going

2 around the country educating folks. Because we do.  
3 We have a different way of doing things. We have a  
4 different-- we have different needs. But I feel  
5 that-- Like for-- This is a perfect example here in  
6 New York. Scaring people, scare tactics, and without  
7 actually giving people data is not a good idea. And  
8 yes, you know, I do feel that Latino businesses are  
9 going to benefit in different ways from having  
10 different choices. Absolutely.

11 CHAIRPERSON VELÁZQUEZ: Thank you. So now for  
12 you similar veins or questions as we asked Lilly:  
13 How many members do you represent and how many of  
14 them are in New York City?

15 MS. TONG: We have 120 affiliate AAPI chambers  
16 and partners throughout the country. And in New  
17 York, we have a probably 10 major organizations. One  
18 of them is here, the Coalition of Asian Business  
19 Organization, another one like the New York Young  
20 Entrepreneur Roundtable. They all submitted  
21 testimony.

22 CHAIRPERSON VELÁZQUEZ: And just going to ask the  
23 same questions. Have you received any funding from  
24 any of these third party apps? DoorDash, Uber Eats,  
25 or GrubHub?

2 MS. TONG: Okay, let me just add an answer for  
3 question one. For those members, they are the  
4 organization. So they have their own members. Some  
5 of them they have 5000, some of them there have, you  
6 know, more than 7000 members.

7 But talking of funding, I think this is an  
8 absolutely great question. Many, many corporations,  
9 they don't care about our organization. We have been  
10 working with some major organiz-- corporations, about  
11 50. They are willing. They care about our  
12 community. So we received-- last year we receive \$6  
13 million grant, primarily just go to Asian business  
14 organiza-- community, and also go to small business,  
15 go to restaurants, AAPI restaurants. So among all  
16 the 50 companies we have been working with, some of  
17 them are from the companies you mentioned.

18 CHAIRPERSON VELÁZQUEZ: Thank you. And then what  
19 have you seen nationally with the states that-- or  
20 your members that have been affected by a legislation  
21 like 813? What has it allowed them to do?

22 MS. TONG: I think this is life and death for  
23 them. Because especially after COVID, they really  
24 want to grow. And this marketing, you know, we're  
25 able to help them, and they are able to afford it.

2 Before I came hear I talked with one franchisee  
3 of McDonald's. His marketing fee is the highest  
4 budget among his company. It is, you know, bigger  
5 than his net. He just-- It's a huge cost for a  
6 company to grow. For our small restaurants, they  
7 really need this opportunity to grow. And this is  
8 their chance. Please to give them chance to grow  
9 their business.

10 CHAIRPERSON VELÁZQUEZ: How many have expressed  
11 interest in this change?

12 MS. TONG: How many? We have talked to them.  
13 And they-- You know, Asian Americans, they are very  
14 shy. They would like to testimony. They like this  
15 kind of thing. But they dare not to do that. So I'm  
16 to represent them to show their support to this  
17 amendment.

18 CHAIRPERSON VELÁZQUEZ: And where would you see--  
19 What other benefits would you see that they would  
20 have with lifting this cap?

21 MR. TONG: Well, they can't afford it. That's  
22 most importantly. If people cannot afford it, they  
23 don't have to pay it. This is the free market. This  
24 is a fundamental of the free market. If they don't  
25 want, they cannot afford it, they don't have to pay

2 for it. If they want to grow their business, give  
3 them a chance to grow their business. And they love  
4 the opportunity, especially after COVID. They are  
5 they are expressing their-- their desire to grow  
6 their business. And a lot of them, they have the  
7 language problem. But we're helping them you know,  
8 to communicate with cooperation to make sure the  
9 platform is a fit for the minority business  
10 community, and also for the Asian business community,  
11 especially for the restaurants. You know, during the  
12 COVID, there's so many restaurants have closed, give  
13 them the opportunity after the COVID, they can grow  
14 their business.

15 CHAIRPERSON VELÁZQUEZ: And I think something for  
16 both of you: Do you find that your members have  
17 enough support in the languages that they speak? And  
18 are they able to provide support to their customers?

19 MS. TONG: That's what we have been talking to  
20 the federal agencies, to the congressional leaders.  
21 This is so important. And cooperations, they  
22 understand now. They understand language  
23 accessibility is so important. So I'm just so  
24 appreciate, they are willing to listen to us willing  
25

2 to provide resources and progress to help our  
3 business community to grow.

4 MS. ROCHA: Right. For example, you know, as the  
5 Latino population grows, we are seeing you know, that  
6 we don't have adequate programming in our language.  
7 So, you know, that's one of the-- y hablo español  
8 también perfectamente. That's what we're trying to  
9 do. We're trying to make sure that, you know, we  
10 have programming and education available in our  
11 language. And that's, you know-- We can go to a  
12 Grub Hub, we can go to Uber, and I can talk to the  
13 Latinos that work there and say, "Hey, you know,  
14 we're really-- we really have this, you know, lack of  
15 education in our own language." And we have worked  
16 together. I have worked together to put programs in  
17 our own language, which, to us, it's Spanish, and,  
18 and to have presentations, because yes, it is a free  
19 enterprise. And-- And, you know, Latinos were  
20 interested in making money as well.

21 And so, you know, we're seeing, especially in,  
22 you know, areas of the country that have high Latino  
23 numbers, like Houston and Los Angeles, we see the,  
24 you know, companies are finally waking up, you know,  
25 finally, in the last 30 to 40 years that, you know,



2 the Latino buying power is immense. And so we are  
3 having corporations, in every industry that are  
4 giving a lot of importance to that to that market, to  
5 our market, and giving us what we need in our  
6 language.

7 So yeah. But do we have adequate? No. Not yet.  
8 Not yet. But we're-- you know, that's one of the  
9 reasons that we're out there fighting the good fight.

10 CHAIRPERSON VELÁZQUEZ: Thank you. Thank you,  
11 panel. Thank you.

12 MS. OWEN: Thank you so much.

13 COUNSEL: Thank you for your testimony. Next  
14 panel will be an in-person panel. It will be James  
15 Mallios, followed by George Constantinou, followed by  
16 Bart Hubbuch, followed by Cleo Pang.

17 MR. MALLIOS: My name is James Mallios. Thank  
18 you, City Councilwoman, Chairwoman, for hearing me  
19 out. And the rest of the people speaking today. I  
20 am sorry about clapping earlier. I want to  
21 apologize.

22 You know, I didn't fly here. I took the six  
23 train, okay? And I'll tell you briefly about my  
24 background, our background, the people I work with,  
25 my colleagues, and then make three points only. I

2 sit on the New York City Hospitality Council, also  
3 the East Midtown Partnership Board. I'm one of the  
4 few people that's on the Alliance and \_\_\_\_\_, which  
5 makes me alternately popular or unpopular, depending  
6 on what the issue is.

7 But you asked about equity before. And our  
8 company in 2016 was named Best For NYC Corp, which is  
9 like a B Corp certification. And we received  
10 commendations for our commitments to equity in the  
11 workforce from the Robert Kennedy Center Human Rights  
12 Center, Ford Foundation, and a Presidential  
13 Commendation from Barack Obama, and two from the city  
14 of New York. I don't say that to be-- to brag, I say  
15 that to put in the context of what I'm going to speak  
16 to you now about.

17 The first thing I wanted to say is about the  
18 marketing discussion, I guess. And I've got to--  
19 I've got to be honest, I'm a little-- Like, I've got  
20 a lousy internet connection, because there's a  
21 security thing I don't understand on my laptop, but I  
22 could pull up my numbers on my computer. So when I  
23 hear like a billion dollar company can't pull up  
24 numbers. Like, I find that just a little incredulous  
25 that they can't.

2       So I'll tell you my numbers. And something else  
3 I found a little bit upsetting, actually, in the last  
4 week. Two restaurants in New York City I directly  
5 manage -- I grew up in New York, I grew up in Queens,  
6 and there are four affiliate restaurants my partner's  
7 run that I work for-- that I work for as well. I've  
8 been here for 30 years. One of those restaurants,  
9 Bar Marseille, in Arverne, has a really-- a really  
10 hard time, because we opened during COVID. That's  
11 what we had to do in our lease. And I can tell you  
12 that we do about-- out of \$800,000 a year, about  
13 \$65,000 in delivery, is what we do as a percentage.  
14 We lose money. We have been losing money there since  
15 we've opened.

16       Let me tell you how I know and have experienced  
17 the marketing dollar comment from delivery apps.  
18 Throughout my career, when I've been approached by  
19 salespeople the pitch has been: "You give a bigger  
20 percentage, you go up on the search." That is the  
21 pitch. Now maybe now they'll mask it and like, you  
22 get a better res image on a picture that I already  
23 paid someone-- an FIT kid to like-- who's really  
24 talented to take. And they mask it in some other  
25 marketing thing.

2 But let me run through the numbers of how that  
3 actually works. So it's \$1,000 a week, right?, in  
4 delivery. And then they take-- now they'll say, well  
5 now it's another 10%, or 15%, or another 20%, which  
6 basically has me competing with all the other little  
7 restaurants in the Rockaways. So all we're doing is  
8 paying more money and more commission to be higher on  
9 the search and not get lost. So then what happens is  
10 the other small business pays more money to get  
11 higher than we are to not get lost. And that's  
12 wrapped up in some sort of "Like, I'll be getting a  
13 1080 res picture. I'll say, [SARCASTIC] "Wow, that's  
14 awesome. Thank you so much for that." That's how  
15 it's been pitched to me and always sold to me as-- as  
16 the business owner.

17 The second thing I wanted to address quickly,  
18 because there's a lot of the state of the industry,  
19 and this is maybe a personal thing. You know, I have  
20 \$2 million in personal debt that I signed on the IDL,  
21 like to stay alive and not fire anyone after June  
22 2020. So I don't-- I'm no offense, I don't want to  
23 hear it, about when people talk about coming back,  
24 because that's-- that's like my house. That's  
25 everything that I have. I mean, more than

2 everything. I don't even have a house. The last  
3 thing I want to say is-- I want you to be cog-- I  
4 want the City Council to be cognizant of the message  
5 this sends to small business. And I'm going to give  
6 you an example.

7 We have-- this guy's been coming into the  
8 restaurants. We-- the one in Midtown. And he's--  
9 he's a man who needs help. But he's come in, and  
10 he's, you know, basically, you know, assaulted  
11 customers, and, you know, the four of us on the  
12 street, like have talked about getting like a  
13 security person. The NYPD has been great, to their  
14 credit, right?, but they can't be there all the time.

15 And, you know, look, I try to expand our  
16 business. I tried to, you know, grow where we can.  
17 But the truth of the matter is, the last two-- I grew  
18 up in New York, I like to see my kids. The last two  
19 times we opened was outside New York, and I get four-  
20 to-one offers to be out of New York rather than in  
21 New York. So when this bill came up, and the concept  
22 that this protection would-- would go away for  
23 something that is basically I think, a wolf in  
24 sheeps-- I really got to say that 5000 thing really  
25 upset me, because that's like all the difference that

2 \_\_\_\_\_ say to me. I've been hovering at \$20,000 in  
3 that account. So please don't tell-- and then  
4 respectfully, like, I also run perhaps one of the  
5 best owned restaurants in the end. So please don't  
6 say that, like 5-- if it's \$5,000, and you can't make  
7 it, or you know, that-- that's like an extremely-- I  
8 was really bothered by that-- that comment. It means  
9 all-- That means everything to the eight people of  
10 color who work at that restaurant, who are only  
11 people of color who work at that restaurant. So  
12 let's not let's not-- to \$800,000 per year  
13 restaurant, that \$5,000 is-- can be everything in  
14 some months.

15 So what I would ask you to just consider is when  
16 you're sending those messages to us, the small  
17 business people about New York City, that taking out  
18 this type of protection. It's a real gut punch.  
19 When we're looking at where we're expanding and where  
20 we're choosing to do business. I'm just talking  
21 about Long Island, man. I'm not even talking about  
22 Florida or whatever.

23 So I know I spoke for a little while, but I  
24 appreciate you're hearing me out. And if you have  
25 numbers questions, I'd be thrilled to answer them,

2 assuming my internet connection keeps going through.

3 [TO OTHERS ON PANEL: So sorry about that, if I took  
4 too much time.] Oh sorry.

5 MR. CONSTANTINOU: I'll start I'll start. Good  
6 afternoon Madam Chair Velázquez and Councilmembers.  
7 Thank you for the opportunity for me to testify. My  
8 name is George Constantinou, and LGBTQ and Latino  
9 restaurant owner. I'm here to offer my support to  
10 urge you to vote no on Intro 813. I own five  
11 restaurants, three-soon-to-be-four in Park Slope  
12 Brooklyn, and one in South Orange, New Jersey. My  
13 first restaurant, Bogota Latin Bistro, serving  
14 Colombian food, opened up 18 years ago. Miti Miti  
15 serves Mexican food. We opened up eight years ago.  
16 Medusa the Greek opened three years ago, right before  
17 the pandemic. And right now I'm working on Dirty  
18 Birdie to open up in a few months.

19 Together, I currently-- Together with the  
20 restaurants that you know, I currently employ more  
21 than 150 employees, most from the local Brooklyn  
22 community. COVID was rough. And thanks to the  
23 delivery caps that were passed here from 2020 and  
24 2021, I was able to survive, and I'm still able to  
25 survive, you know, in addition to being thrown

2 increases in with inflation on food and rent and  
3 other expenses.

4 Currently, the delivery apps are able to charge  
5 up to 23% in fees under the cap, including-- it's  
6 20%. But then the 3% credit card fee. Now if this  
7 cap is removed, fees will go up as restaurants will  
8 compete against one another, since they want to  
9 appear higher on the search pages, as opposed to pay  
10 the same current rate and show up at the very bottom  
11 of the pages.

12 Let's face it, they are for-profit businesses.  
13 Why would they not throw more business towards the  
14 restaurants that pay more marketing fees than those  
15 that are paying the fees at the cap? Running  
16 restaurants is a tough business with a very small  
17 profit margin. I know someone earlier said 10% to  
18 15%. I think it's more like 3% to 8%.

19 At the end of the day, we need our profit margin  
20 to pay for salary increases, and for improvements in  
21 the restaurants. In business, it always boils down  
22 to the numbers. At the end of the day, the only  
23 winners are going to be these third party apps. 23%  
24 is already a high fee to pay, where I as the owner of  
25 the business already and paying 100% for my cooks,



2 the food packers, the actual food, the packaging, the  
3 marketing to make the packaging look good. And the  
4 front of the house staff to hand off packages to the  
5 third party deliveries that come in.

6 The third party delivery apps have made it a  
7 necessary evil to do business with them. Because if  
8 you don't offer delivery via these apps, you can't be  
9 competitive. Let's face it, if I offer delivery  
10 through my website alone, I can't compete against  
11 these apps. The delivery apps also like to market to  
12 the world and suggest that I'm a business partner  
13 with them. Well, when is enough enough? Higher  
14 fees, making more and more money for these delivery  
15 apps at the cost of my profit margins is not good,  
16 good business sentence.

17 In 2022, my business paid collectively almost \$1  
18 million to these delivery apps. And that is GrubHub,  
19 Uber Eats, and DoorDash. And these delivery apps  
20 have never stepped foot once in my business to check  
21 up on me or my business to see how we're doing. They  
22 just collect their money from afar and don't care  
23 about their restaurant partners. They made their--  
24 more money than my businesses did. They make more  
25 money off of me and my restaurant as I make less and

2 less money that I can use to invest in my employees,  
3 local community, and business improvements.

4 This is not a fair, equal, and good business  
5 partnership. Does this seem right to you? I am done  
6 making more money for them. I want to do business  
7 with them if they're my business partner, but I want  
8 to only do business with people that treat me and my  
9 fellow restaurant owners in a fair way that is a win-  
10 win for all parties involved.

11 I urge you all to vote no, on Intro 813, because  
12 if these fees go any higher, more and more  
13 restaurants may stop offering delivery as an option,  
14 or worse, may close up shop. Because many restaurant  
15 owners are so focused on running their businesses,  
16 they don't have a CFO, they're not looking at the  
17 numbers daily, and they may not realize how much  
18 money is actually leaving their bank accounts on-- on  
19 a daily basis. And if these restaurants stop  
20 offering delivery and close up shop, this is not good  
21 for the residents of New York City. Thank you.

22 MR. HUBBUCH: Hello, my name is Bart Hubbuch, and  
23 I own Memphis Soul, a restaurant in Crown Heights,  
24 Brooklyn, with another location opening soon in the  
25 East Village. As you can probably tell by my accent

2 I'm not from here. I moved to New York in 2007,  
3 opened my restaurant in 2018, and I can honestly tell  
4 you that the only time in my 16 years in New York  
5 that I truly felt the city had the back of its-- the  
6 little guy and its small businesses when the city  
7 council passed the permanent fee cap on third party  
8 delivery services in 2021.

9 So for me to be sitting here barely two years  
10 later with this council seriously considering  
11 amending those restrictions is disheartening,  
12 dismaying and an insult to both myself and to all the  
13 other hard-working restaurant owners in this  
14 industry, where even a 10% profit margin is something  
15 most of us can only dream about.

16 Make no mistake these third party services with  
17 their 30% and 40% commissions and sneaky fees are a  
18 menace and not a friend to restaurants. We at  
19 Memphis Soul would not use them if we had a choice.  
20 But unfortunately, they are so ingrained with today's  
21 consumer that they have become a necessary evil to  
22 everyone in the industry, but fine dining.

23 But these services aren't just leeches. They are  
24 the vampire squid of this industry. They might claim  
25 otherwise, but they do not care one iota about

2 restaurants. They are essentially payday lenders by  
3 another name, giving restaurant owners, many of them  
4 immigrants and people of color not savvy to financial  
5 engineering and slight accounting tricks, the cruel  
6 illusion of cash flow and profits. And they have  
7 shown repeatedly with their actions, including in  
8 this very city, that they are willing to flaunt  
9 regulations, laws and ethics to get their way.

10 In closing, I would like to ask the sponsors of  
11 this bill and its supporters on the Council one  
12 simple question: Whose side are you on? Greedy,  
13 amoral middlemen from Chicago and Silicon Valley? Or  
14 the hard-working restaurant owners who are just  
15 following their dream, who keep hundreds of thousands  
16 of people employed, and who make the city's  
17 restaurants scene the envy of the world. So I would  
18 ask that you not lift this restrictions-- or not lift  
19 the cap or amend the bill.

20 CHAIRPERSON VELÁZQUEZ: Thank you. So a series  
21 of questions similar to what I had asked both prior  
22 restauranters. So which-- Out of the 35 apps that  
23 are licensed in New York City, how many are-- do you  
24 have a contract with? And if you can guide me, so  
25 this is all three of you, guide me through \$100

2 transaction. My order cost me \$100? How does it  
3 roll into you? And how did the-- the fees impact  
4 you? And then lastly, how do you anticipate this  
5 change affecting your margins and your growth?

6 And I'll repeat those questions, because I know  
7 there was a lot.

8 MR. MALLIOS: Sure I'm going to use the Bar  
9 Marseille one, just because I think the math is  
10 really easy, and it folds into your question. So we  
11 contract with GrubHub, Seamless, and with Uber Eats.  
12 We do not do DoorDash, because we had problems with  
13 DoorDash at restaurants before, with the way they  
14 were positioning the pricing in the past in the  
15 years, so we don't do business with them there at  
16 that restaurant. So taking the \$1,000 a week in Bar  
17 Marseille that it does in delivery, which represents  
18 about 7% of overall sales of that restaurant.

19 So if you take that \$1,000 week of delivery, and  
20 then you take 20% out, right? 20% out, you're left  
21 with \$800, right? Then if you add on, let's say 10%  
22 to 15% in increased fees that would be undoubtedly  
23 there to happen. I want to put that in the marketing  
24 terms of your-- that was why I raised my hand, the  
25 freedom of marketing. I know that I can take that

2 \$150 and buy-- depending on whether it's Instagram or  
3 Facebook, between 5 cents, and let's say 98 cents, or  
4 \$1.12. And run-- take that \$150 and actually use it  
5 to acquire actual new customers, right? But what  
6 this is doing is essentially saying, now, from that  
7 \$800, right?, I dropped down to \$650. And all I'm  
8 getting-- I'm getting, all the restaurants requiring  
9 for that \$650 is that fight with fellow restaurants,  
10 and then fighting to stay there, rather than taking  
11 that \$150 and generating 200 ads on Facebook and  
12 Instagram to get new customers. So it actually  
13 erodes our ability to market. Because what it's  
14 doing is basically costing us-- then we're up to 35%  
15 on that delivery cost, which is essentially at a  
16 loss, for sure. You know, I think the 23%, I would  
17 say we probably break even on, and then you hope that  
18 people come in more, right? Or you may make it up on  
19 a good volume order. But actually that increase,  
20 that marketing dollar increase they talk about  
21 actually-- I'll be blunt, like it actually screws you  
22 on, like real marketing, that someone can actually  
23 say, "Here's an ad. Here's what you got."

24 And I listened to all the testimony before, and I  
25 didn't hear anyone say anything about that. They

2 never said like, "This is what we're going to do.  
3 And then you're going to get this," right? I got  
4 that with Facebook, right? Facebook? Instagram?  
5 This. Boom, I get it. Yelp, I see it. I've never  
6 seen that. All I've ever heard was pay more money,  
7 get better placement.

8 MR. HUBBUCH: And I've been kind of confused,  
9 listening to a lot of testimony today, because  
10 they're talking about expanding, you know, marketing  
11 opportunities. You can already do that, on all these  
12 apps. They-- You can take out ads on DoorDash and  
13 Uber Eats. I know for sure, you know that-- that's a  
14 significant cost, but that's a marketing cost. And  
15 then also they're constantly asking you to do these,  
16 you know, buy-one-get-one-free, or \$6 off an order of  
17 \$30. So I mean, it's not like they are constrained  
18 by this fee cap right now. So I've been confused by  
19 this whole, even the need for this-- this amendment,  
20 because it just seems like it's they're trying to  
21 find profits a different way, by masking it as  
22 marketing, when you could already have the freedom to  
23 buy ads on their apps, or offer these ridiculous  
24 discounts. You know, they want to give like \$11 off  
25 an order of \$40. I mean, there's it goes all your

2 profit right there. And so I just been like,  
3 confused by a lot of that. It seems very  
4 disingenuous.

5 MR. CONSTANTINOU: Yeah. We-- We use GrubHub and  
6 DoorDash delivery. And I'd say we're probably doing  
7 collectively \$80K a week just in delivery business.  
8 I'd say two of my restaurants, maybe rethink, and I  
9 don't need these delivery companies. But the other  
10 two, I would say 40% of our business is delivery.  
11 And you know, when these delivery apps first-- I'm  
12 one of the original Seamless customers. I had the  
13 fax machine. I used to pay 2.5%, and an automated  
14 person-- it actually used to be a person would call  
15 the restaurant, and you'd have to go to the fax  
16 machine and put a code in. Then it got automated.  
17 And then it became an app. You know, so I've been  
18 on--

19 CHAIRPERSON VELÁZQUEZ: You had to use that F  
20 word: Fax machine. Whoa. Throwback.

21 MR. CONSTANTINOU: I know. And they would supply  
22 you with a fax machine. And I remember the  
23 agreement. It was like I think 2.5% marketing fee  
24 back then. And you know, I know there was a comment  
25 made earlier of, "If you're a business owner, and you



2 can't afford these fees, and you go out of business,  
3 you're not a good business owner." So what can be  
4 said about GrubHub that doubled their sales, tripled  
5 their sales, X-Y-Z. You know, we're all in this  
6 together. And I feel like there needs to be a bigger  
7 sit down. How can we make this work? I love the  
8 technology. I just don't love the fees. And for me  
9 to continue and survive and be profitable, something  
10 has to be done, because right now I don't want to pay  
11 more. But if my sales drop, I may have to increase  
12 my percent-- marketing percentages.

13 MR. MALLIOS: Yeah. I was going to--

14 MR. CONSTANTINOU: So the \$100, so we're like 20-  
15 - we're 23%. So 5% is marketing. So the \$5 of \$100  
16 is marketing, \$15 of that \$100 is the delivery guys.  
17 And 3% would be the credit card transaction. So it's  
18 23% so I'm getting I guess \$77 on that. You know,  
19 and then on top of that, you know, you throw in, you  
20 know, food costs are about \$35. Labor costs are  
21 about \$35. So what are you left with? You know,  
22 you're ready, negative, you know,

23 MR. MALLIOS: The reason-- Yeah, I was going to  
24 jump in. Because you reminded me-- Because I was  
25 actually doing-- You know, I sit here with different

2 hats, right? O'Malley's in Midtown, those Midtown  
3 restaurants people were talking about. And when we  
4 first did Caviar, which is now under, you know,  
5 DoorDash, you know, I remember the pitch. The pitch  
6 was, it will only be these sort of mid-towny, high-  
7 end restaurants, and we're never going to go above--  
8 it was 12% at that time. You're never going to see  
9 above 12%, because I remember my-- my partner was an  
10 old-school immigrant Greek guy who was like, how--  
11 how can we give him this money? I'm like, "No, don't  
12 worry it. It's never going to be more than 12.5%."  
13 And then like, then it was 15, then it was 18, then  
14 it was 20-something, then it was 28. And like, so I  
15 don't-- I have a hard time when they say like, oh,  
16 "it's, we're not really sure where these are going to  
17 go?"

18 MR. CONSTANTINOUS: Yeah.

19 MR. MALLIOS: It's not been my life experience in  
20 dealing with them.

21 MR. CONSTANTINOUS: Also, you know, one thing I'd  
22 like to see is transparency. How much are they  
23 paying the delivery drivers? I can't tell you how  
24 many delivery drivers complain to us, as the  
25 restaurant owners say they're not getting paid, or

2 they think they're not getting the tips. I think  
3 because we're facilitating these orders, we should  
4 know what they're paying, you know?

5 MR. HUBBUCH: And they don't give us any data.  
6 You know what I had to do? We use a service called  
7 OrderMark that prints out a ticket for-- for these  
8 delivery apps orders. And so because we do a lot of  
9 our own delivery, they actually will give us the  
10 person's first name, last initial, and like a phone  
11 number. But for a long time Uber Eats gave like a  
12 number out of Chicago for every single order. So you  
13 couldn't even tell who these people were. But we got  
14 their actual address.

15 I sent these tickets to India, and had them  
16 entered into data to send me a spreadsheet back so I  
17 could find out who these customers were and market  
18 towards them. I mean, they don't-- they don't want  
19 to give you anything. Anything about that. So for  
20 them to describe them as our customers. That's not  
21 even close to it.

22 MR. CONSTANTINOUS: Yeah. Also, I wanted to  
23 address, it was brought up earlier, you know, that  
24 people can call the restaurant, but I think because  
25 everything's been automated nowadays, we don't have

2 that position where someone's at a phone on a busy  
3 restaurant willing to take an order, you know? And  
4 it's been so automated, that it's convenient. So  
5 again, it goes back to they've created this-- this  
6 addiction that you need, you know and-- but at what  
7 cost?

8 CHAIRPERSON VELÁZQUEZ: All right. Thank you.

9 MR. CONSTANTINOUS: All right, thank you.

10 COUNSEL: Thank you for your testimony. Our next  
11 panel will be an in-person panel. It will be Carol  
12 Hodge, followed by Alban Infante, followed by June  
13 Ramirez, followed by Dawn Kelly.

14 Are we missing somebody? No, no. We called four  
15 names. Okay, let me go over them one more time.  
16 Carol Hodge? Alban Infante? Pedro Goico? And Dawn  
17 Kelly?

18 MS. KELLY: I'm Dawn Kelly.

19 MR. GOICO: Carol had to leave .

20 COUNSEL: Carol left as well? Okay. So next  
21 person, Kathleen Riley? Kathleen Riley. Okay,  
22 gotcha.

23 You may begin.

24 MR. GOICO: Good afternoon. Thank you,  
25 Councilwoman, for allowing us to speak today. My

2 name is Pedro Goico. I'm a partner of Mamajuana Cafe  
3 Queens in Woodside, New York for the past nine years.  
4 I just would like to just give you a little  
5 introduction on, just saying that in 2020, Uber  
6 approached GrubHub with an acquisition offer after  
7 failing to acquire DoorDash. At the same time, Just  
8 E-takeaway launched a \$7.1 billion bid which GrubHub,  
9 accepted in June 2020. GrubHub didn't generate--  
10 GrubHub and their partner generated \$2.1 billion  
11 revenue in 2021, which is a 16% increase year to  
12 year. A gross transaction volume reached \$9.7  
13 billion in that time.

14 GrubHub had about 33.8 million active users who  
15 used their app once a month in over 300,000  
16 restaurants in 4000 cities. That's the real data.

17 So what I would like to say is that right now I  
18 know that I've been a little confused also about the  
19 numbers. Pretty much a restaurant is at a 30% gross  
20 margin. So if you sell \$100, you get \$30. And with  
21 that \$30, you pay your rent, you employ your  
22 employees, you pay your light, you pay your bill. So  
23 17% about, out of the 30%, goes to payroll, right?  
24 About 8%, goes to your rent, 3% goes to credit card  
25 fees. That's about 28%. So we really, really left

2 over with about 4% to 5% net profit, at the end of  
3 the day. If you borrow money to open a restaurant  
4 create those jobs, pretty much with the interest rate  
5 is going high right now, you're at a negative and you  
6 find yourself borrowing money from friends and family  
7 to see if next year will be a better year. And then  
8 sometimes when they close down is when-- a lot of the  
9 restaurants are closing down, not only are they going  
10 in debt with banks, but they're also going in debt  
11 with family members, which creates a whole different  
12 dynamic.

13 I would like to say that increasing the fee is  
14 not the right thing to do, because at 23% we are  
15 already up there.

16 That 5% should-- we will use it. I know you  
17 asked that question many times. We will use that 5%  
18 to create better food, to hire more people, to create  
19 better services. When you-- The way the cap is  
20 right now, we are all competing, right? But we are  
21 competing for better service. They are-- I do better  
22 food. I do the best hamburger. I do-- all those  
23 things that we do on social media, to have our  
24 customers come to us. But they shouldn't be putting  
25 us in a position-- a position to compete online, and

2 bringing me all the way down. When I'm-- I just  
3 shouldn't be competing with our restaurant partners  
4 in the best food that we can provide. If I'm the  
5 best taco guy, then you're going to order from me.  
6 If I'm the best hamburger guy, you're going to order  
7 from me. But I feel that having us compete in-- with  
8 a 5% up and down is not fair.

9 Also, that's the reason why all these lawsuits  
10 they have. You know, they will say there was a  
11 transparency. Why all these settlements of millions  
12 of dollars that they have with all these other  
13 states? I commend the State of New York, and I  
14 congratulate this chamber for being the only state to  
15 have put their foot down and put these caps in place.  
16 And I know other states will follow as a lot of more  
17 restaurants continue to close in the daily basis.  
18 And we will see that more, and more, and more. I  
19 hope you vote no for this amendment. And last-- And  
20 I'm sorry that I passed my time, just one minute.

21 I'm very concerned with the Department of  
22 Consumers and Worker Protection. I think there  
23 should be oversight on them when it comes to the  
24 delivery apps. This company has got lawsuits in  
25 every single state you can think of. And in New

2 York-- the New York City Department of Worker  
3 protection, they didn't find one time any violation  
4 that was being done by this company that is being  
5 sued all over the place. So I'm very concerned on  
6 this-- not within the agency, but with the staffing.  
7 They should be following this, the 35 apps, they are  
8 really controlled by three or four companies. So I  
9 will like if at some point, we can have some  
10 conversations of how they-- what are they doing to  
11 really make sure the law is being followed by these  
12 companies. Because I find it very, very weird that  
13 the Department of Consumer and Worker Protection have  
14 not been able to find anybody of any of these apps on  
15 violations of this cap. Thank you.

16 CHAIRPERSON VELÁZQUEZ: Thank you. I remind  
17 everyone, we are really, really short on time. It is  
18 almost four o'clock. Sorry, guys. So let's try to  
19 stick to the time limit as best as possible. Thank  
20 you.

21 MR. INFANTE[ph]: Okay, thank you. My name is  
22 Alban Infante. I own two restaurants in the Bronx.  
23 And I do use Uber Eats, DoorDash, and Grubhub as, you  
24 know, delivery options to my customers. I won't take  
25 up much time. So to answer a couple of the questions



2 I heard today: You mentioned earlier, why don't you  
3 just hire your delivery people? Why don't you, you  
4 know, have customers calling your restaurant?

5 And the reality is that, you know, to cover that  
6 expense, when let's say we have 10 or 5 delivery  
7 orders, to us it will be a huge burden on the  
8 business, right? But for another company that could  
9 provide multi-servers where you know, that same  
10 person, that same employee could now work for 5, 10,  
11 20 different restaurants, and you know, that breaks  
12 down that that service fee, that you know necessarily  
13 would be a burden of only one restaurant, right?

14 So 20%, I think it's-- it's even currently, even  
15 where we barely as the owners are making any profit,  
16 right? To have that increase, it would be  
17 devastating to us. And not to mention that you know,  
18 to add additional what they call marketing, right?  
19 Market what? What-- What are we going to do?  
20 Compete against us, right?, to be on top? I know  
21 you've heard this over and over today, but you know,  
22 you are going to charge me an additional 10% or 8% to  
23 market me to the customers who are ordering me now.  
24 Jeff mentioned earlier: What guarantees do I have  
25 that if I don't jump into the marketing pool, that my

2 transactions now are not going to decline 30% or 20%,  
3 because I'm not paying you more. So I fairly oppose.  
4 You know, I'm a fan of the service they provide,  
5 because it does helps to drive our business and keep  
6 people employed. But we cannot afford to pay more  
7 right now. It is impossible.

8 CHAIRPERSON VELÁZQUEZ: Thank you. [BELL RINGS]

9 And under. I saw that cool.

10 MS. RILEY: Good afternoon, everyone. My name is  
11 Kathleen Riley. I'm with the New York State  
12 Restaurant Association. And I'm here today to  
13 express our serious concerns with Intro 813. We've  
14 already heard today that third parties have not been  
15 responsible actors in New York City in the past, and  
16 that clouds this entire conversation, but I'm not  
17 going to reiterate for time reasons. If Intro 813 is  
18 passed and implemented, it will not be possible for  
19 restaurants to continue receiving the same quality of  
20 service at the same price point. They'll either be  
21 bullied and strong-armed into paying more for each  
22 order, or they will be buried on the platforms and  
23 downgraded to substandard basic services at the  
24 current price point. You can promise the price  
25 point, but you can't promise the quality of service.

2 We've already seen this play happen in DC. Our  
3 counterpart Restaurant Association there, and  
4 reporting by DCS found exactly the circumstances that  
5 we're predicting, which is restaurants suddenly  
6 shocked that they'll have to pay significantly more  
7 to get the same service on their orders, and  
8 returning to pre-cap rates of 30% and more for every  
9 order.

10 Third parties claim they just want a chance to  
11 offer their marketing services. That's their earnest  
12 and only goal. If that were true, there's nothing in  
13 the current fee cap landscape preventing them from  
14 offering traditional marketing campaigns, i.e. "for X  
15 weeks and Y dollars we provide Z service," like  
16 optimizing your website or running targeted ads. And  
17 it sounds like that's something people are sometimes  
18 already taking advantage of.

19 But perplexingly they're not satisfied with this  
20 option. They insist they've been kept from marketing  
21 by the law, which is not true. And they insist on  
22 creating an unlimited per-order marketing fee,  
23 because what they're really trying to do is create a  
24 competitive bidding war like dynamic where every  
25

2 restaurant is muscled into returning to the bad old  
3 days of fee extortion.

4 What that can look like is: First, the third  
5 parties approach all local restaurants to let them  
6 know that their delivery radius and delivery response  
7 time will be significantly limited if they opt to  
8 continue with the basic plan, but they can keep their  
9 current service for another 10% marketing fee.

10 Then one or two restaurants in the neighborhood  
11 get talked into paying an additional 10% for more  
12 marketing. And they get prioritized on the algorithm  
13 and they begin to receive more orders. Then the  
14 platform approaches other restaurants in the  
15 neighborhood to say, "Hmm, we've noticed you're not  
16 getting the orders you were earlier this year. Some  
17 of the other places in your neighborhood have opted  
18 into an additional 10% marketing fee, and their sales  
19 have gone up. Would you like to do the same?" So  
20 they're frustrated, they're hesitant, but they agree.

21 Now everyone is similarly promoted as they were  
22 in the first place. But everyone is paying more  
23 money. The only person making more money is the  
24 platforms. Of course that's the model that they  
25 prefer.

2 We know you're looking to be fair. We know  
3 you're looking to protect restaurants. We know that  
4 some restaurants are interested in purchasing  
5 marketing services. And luckily for everyone, third  
6 parties are already allowed to provide marketing  
7 services structured literally any other way than per-  
8 order fees. We strongly urge you to oppose Intro 813  
9 Thank you.

10 COUNSEL: Thank you, Kathleen. Dawn?

11 MS. KELLY: Good afternoon, Chairman Velázquez,  
12 Councilmember Holden, and other esteemed colleagues.  
13 My name is Dawn Kelly, and I own The Nourish Spot in  
14 Jamaica, Queens. I'm also a member of the New York  
15 City Hospitality Alliance. And I have to say this  
16 before we get started, I'm not a prognosticator, I  
17 can only talk about what's going on now.

18 Thank you for supporting New York restaurants and  
19 the opportunity for me to share my voice, especially  
20 those of us like me that are small, independent, and  
21 may only have one location.

22 The pandemic was very hard for us and so was  
23 inflation. We need to hustle for every dollar we  
24 earn. I am testifying today to ask you to support  
25 this legislation to amend the current cap that will

2 allow for more choices for restaurants like mine, but  
3 also preserve important protections. The restaurant  
4 delivery fee cap was-- was a very good idea to help  
5 us during the pandemic. But the fee cap in the law  
6 is not only on delivery, the cap also stops me from  
7 exploring and choosing options that may work better  
8 for me when it comes to getting in front of more  
9 customers. Let me be blunt. I don't have millions,  
10 if not tens of hundreds of dollars for my marketing  
11 budget, unlike some of my competitors, and I don't  
12 have a marketing department or an advertising firm.  
13 My marketing team is me.

14 What is helpful about them delivery platforms is  
15 that they allow me, one, to target customers with  
16 precision; two, spend marketing dollars over time,  
17 rather than committing a big investment upfront;  
18 three, explore what works best for my business and  
19 make changes to that at any time. This might mean  
20 offering a promotion to users who haven't tried us  
21 before, are giving discounts to frequent customers,  
22 or targeting those that love to order salads and live  
23 in our delivery area.

24 The point is flexibility, and allowing  
25 restaurants to make decisions for themselves rather

2 than being constrained, while big chains have many  
3 other unlimited options.

4 As I like to say in this we need more  
5 flexibility. Okay. As I like to say in this digital  
6 era, it's not as simple as taking out an ad in the  
7 community paper anymore. But the good part about  
8 this is with technology, we can figure out what works  
9 for us. We just need the ability and flexibility to  
10 do so. The proposed amendment keeps a delivery fee  
11 cap just the way it is, but it will also change the  
12 marketing fee cap so I can pay more promotion money  
13 if I choose to. That's a good balance and that's  
14 what I support. I should be able to spend my money  
15 to grow my business.

16 CHAIRPERSON VELÁZQUEZ: Thank you.

17 COUNSEL: Thank you for your testimony. Our next  
18 panel will be an in-person panel it will be William  
19 Pettea, followed by Soylo[ph] Ramirez, followed by  
20 Julio Pang, followed by Robert Lee.

21 [INAUDIBLE CONVERSATIONS IN CHAMBER FOR ONE  
22 MINUTE]

23 You may begin.

24 MR. RAMIREZ: My name is Soylo[ph] Ramirez. I  
25 have been in this industry for about 40 years. Back

2 in the 80s, my passion was to open up a restaurant,  
3 and open up jobs for people. That has been my-- my  
4 passion. I employ thousands of people in, you know,  
5 the community. They are very happy to see me open up  
6 a restaurant every time, and back then, that's, you  
7 know, that's what I enjoyed to do. Now lately it has  
8 been very difficult, because to be able to open up a  
9 restaurant and keep it open with the rent, the  
10 payroll, and all the all the costs involved in  
11 running a restaurant is very difficult. And then now  
12 to put this high fees on top of everything, is just  
13 going to be a disaster at the end.

14 You know, I think that the economy, the way it is  
15 now, is really going to be very difficult for anybody  
16 to keep a restaurant open. So the reason why I say  
17 it could be a disaster is because at the end, we're  
18 not going to have enough restaurants open to, you  
19 know, for-- for these big company to charge these  
20 fees.

21 So I think this has to be fixed somehow. You  
22 know, it's not going to be easy, but there has to be  
23 a point where everybody wins. You know, definitely  
24 we cannot afford any more-- any more fees. There's  
25 companies that I think that they are more interested



2 in selling marketing, and you know, we still have to  
3 provide a service to the customer. At the end,  
4 you're going to be paying so much money for a dish  
5 that, you know, you just going to go to Costco and  
6 buy yourself and heat it up at home. So it's really  
7 going to be a disaster for us, the restaurant people,  
8 people that, that love to employ people and work with  
9 the community. That's all I need to say.

10 Also, I forgot to mention, I was one of the  
11 restaurants that was put on the list as "I approve  
12 this", and I was never contacted for this.

13 CHAIRPERSON VELÁZQUEZ: Thank you, Megan.

14 Hi, my name is Megan Rickerson, I own Someday  
15 Bar. I'm on the Hospitality Alliance Board. I'm  
16 also on the mayor's Small Business Council. And I  
17 co-founded save NYC Bars during COVID, which was an  
18 advocacy group focused on supporting bars and  
19 restaurants that were trying to survive.

20 I think it's important to note that someone  
21 brought up the word "emotion" and how it should be  
22 taken out of this. But when we're speaking about  
23 someone's livelihood, it's full of emotion, and  
24 emotion doesn't necessarily mean that it's an  
25 irrational thing or it's untrue.

2 You know, and the word "scare tactics" when we're  
3 talking about actual fact-based things that are  
4 currently happening, active court cases. Those  
5 aren't scare tactics, those are truths.

6 So, you know, I have a lot of emotion about my  
7 business, I opened six months before COVID. I  
8 crawled my way through it. I got into advocacy. And  
9 I didn't do that just to hand off things to predatory  
10 companies. And I-- those are my experiences.

11 I was cycling through my cell phone. We were  
12 talking about numbers. And I have my Grub Hub. I  
13 have everything. The initial key cap was signed into  
14 law June 2, and I have emails with postmates of them  
15 continuing to charge me over the 20% cap that they  
16 were allowed back and forth, and then promising that  
17 I would be refunded and saying that they would refund  
18 me once the bill was signed. The bill was signed  
19 June 2, and I have emails on June 6.

20 So if these companies have consistently  
21 demonstrated that we can't trust them, why are we  
22 going to start trusting now we need transparency, we  
23 need to know how the marketing is going to change,  
24 people that are existing in these basic plans. And  
25 also saying that the algorithm is too complicated to

2 explain is just a really ambiguous way of saying that  
3 we're going to do what we want regardless, and we're  
4 going to pretend that we don't understand that you  
5 don't understand and you're too stupid to get it.  
6 That's not an answer. That's not clarity. That's  
7 not partnership. So thank you.

8 Hello, my name is Robert Lee. In 2019. I  
9 started Tada Noodles right before the pandemic, and  
10 also kind of struggled. And mostly I started it  
11 because outside of the Korean market, there weren't  
12 really any places of selling jajangmyeon. And it's  
13 located in Long Island City. We have only 10  
14 members, very small. And that's why delivery apps  
15 are really important for us, because they help us  
16 market, and they help us reach new customers.

17 Our food and flavor profile is very unique, and  
18 we need the marketing help because it's, you know, a  
19 very small team. And people have never tried  
20 jajangmyeon, or jjampong, or kompongyi[ph], or  
21 anything like that, but once they do they love it.

22 I'm in support of this amendment so that we can  
23 have the flexibility to, you know, increase our  
24 marketing spend with the delivery apps. And you  
25 know, it's our choice, right? We can decrease it,

2 increase it whenever we need to, and I see it as an  
3 investment, I see it as, you know, sales. You know,  
4 you don't have you know, sales commissions, caps and  
5 things like that in terms of, you know, your best  
6 salespeople, you know, and things like that. So, in  
7 my opinion, it doesn't make sense that, you know,  
8 that we would-- we would have this.

9 I remember actually in the middle of the  
10 pandemic, trying to call them for-- calling customer  
11 service and asking them if I can actually pay more so  
12 that can get more customers, so I could get more  
13 visibility, so I could keep my business alive. And  
14 it's my-- it's really my choice, at the end of the  
15 day, I really feel.

16 But anyways, going back to reading here, you  
17 know, really it is pay-as-you-go and, you know, if  
18 you don't have any orders, you don't you don't pay  
19 the fees, right? So, you know, in my opinion, I  
20 really feel like it's-- it's a really great deal.  
21 And like I'd really get to spend marketing budget,  
22 regardless.

23 You know, in terms of the, you know, the delivery  
24 apps, because I would already spend that marketing  
25 budget anyway, like in other places, like people

2 said, in Facebook and Instagram, things like that,  
3 but this is way more direct.

4 And I'm very happy. I want to just mention that  
5 the amendment actually keeps the delivery fees  
6 intact, and it's just, you know, obviously the  
7 marketing service fee. So I feel-- I feel like  
8 there's like some, you know, misunderstandings in  
9 that kind of sense. But I just wanted to say that,  
10 you know, I am supportive of this of this amendment.

11 CHAIRPERSON VELÁZQUEZ: Thank you so much.

12 COUNSEL: Thank you for your testimony. Our next  
13 panel will be an in-person panel. It'll be Yvette  
14 Tsays, Elaine's Tsong-Kong, Ricardo Velez, and Celine  
15 Rizato.

16 CHAIRPERSON VELÁZQUEZ: We're going to call up  
17 the names one more time. Go ahead Sara.

18 COUNSEL: Evette Zayas, Alain Xiong-Calmes,  
19 Ricardo Velez, and Celine Rizato.

20 CHAIRPERSON VELÁZQUEZ: Ricardo? Celine? Going  
21 once. Going twice. Okay, let's pick two additional  
22 people.

23 COUNSEL: Michael Fuque and Ronan Daly

24 CHAIRPERSON VELÁZQUEZ: Okay. Roland is not  
25 here. Next.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 270

2 COUNSEL: Franz Mitellus.

3 CHAIRPERSON VELÁZQUEZ: Okay, no Franz.

4 COUNSEL: Harris Mayer.

5 CHAIRPERSON VELÁZQUEZ: Harris? Going once.

6 Going twice. Next.

7 COUNSEL: Amy Babier.

8 CHAIRPERSON VELÁZQUEZ: Amy? Do we have an Amy  
9 in the house? All right. Let's just call Jeff.  
10 He's like literally ready. Jeff, get in. Get in.  
11 Come on Jeff.

12 COUNSEL: Evette, you may begin.

13 MS. ZAYAS: Hello. Hi. My name is Evette Zayas,  
14 owner of CakeBurgers in East Harlem. We're a 1950s  
15 Retro Bakery Cafe specializing in gourmet burgers and  
16 cake sculptures. We opened four months before the  
17 pandemic. I'm the poster child of programs within  
18 SBS and Union Settlements Business Development  
19 Center. I feel we have to look at these companies as  
20 a whole. Their credit card processing companies  
21 should be included too. We work hard. And they say  
22 we're . Partners we're not. Don't look at the fees  
23 for the restaurants only. My customers also pay a  
24 fee. Uber drivers get \$5.50 a delivery. They  
25 complain that they-- the customers don't pay tips.

2 Sometimes customers put high tips, and then lower it  
3 to no tip or a low tip, because of the fees they're  
4 paying. Uber should lock in the tip so that  
5 restaurants don't suffer, because drivers won't pick  
6 up an order if there is no tips. The food stands for  
7 30 minutes or more until a driver accepts what Uber  
8 gives when a customer doesn't tip \$2.50.

9 When I opened, I started using the third party  
10 apps. From the beginning it was a nightmare, and  
11 still is. I use them because I have to. I have no  
12 choice. During the pandemic, it took legislation to  
13 stop them from money gouging. They were taking more  
14 than 30% of each ticket, and this was for them to  
15 promote me on their page. There were many times my  
16 friends who live in East Harlem, who are GrubHub and  
17 Uber users call me to say they could not order from  
18 me because I did not show up on the third party apps.  
19 The third party apps' response was "because of their  
20 algorithms." Their algorithms were sending my food  
21 to Washington Heights and in the Bronx. They say  
22 that there were no hamburger joints in that area. My  
23 response: What about Burger King? Wendy's? Shake  
24 Shack? I had no say to where my food was being  
25 delivered to. At this time, I have been studying the

2 dynamics of the situation, and how it affects me,  
3 including my customers and drivers. How much are  
4 they going to add to the meal? You have to  
5 understand whether the fees go up and down. What is  
6 going to suffer is the restaurants visibility on  
7 their app. Ask yourself: What would the final  
8 outcome be and who will really suffer? That's why  
9 now I'm promoting, my marketing my business, through  
10 Atmosphere TV, and this company truly helps me cross  
11 promote, and they're free. I don't have to worry  
12 about GrubHub or anybody else. We can cross promote  
13 with any other person that joins Atmosphere TV I  
14 already do this with YouTube, and I don't get nothing  
15 from them when I go and I put them on my TV in the--  
16 in my store. I'm proactive, not reactive.

17 COUNSEL: Thank you.

18 MS. ZAYAS: Whatever the outcome of this hearing,  
19 I know that I'm going to have to work harder because  
20 there's going to be a lot of people that's not going  
21 to be happy.

22 CHAIRPERSON VELÁZQUEZ: Thank you. Thank you any  
23 additional information can be submitted. Written  
24 testimony is it being accepted after-- 72 hours after  
25 this? Thank you. Next.



2 MR. XIONG-CALMES: Thank you very much,  
3 Chairwoman. My name is Alain, and I'm Director of  
4 State and Local Public Policy for Chamber of  
5 Progress, which is a progressive tech industry  
6 coalition promoting technology's progressive future,  
7 and we urge your committee to support the proposed  
8 amendment regarding delivery service fee caps.

9 Our corporate partners do include companies like  
10 DoorDash, GrubHub, and Uber, but our partners do not  
11 get a vote or veto over our positions. We believe  
12 that the proposed amendment will ultimately have  
13 beneficial effects for smaller independent  
14 restaurants.

15 In spring 2020, when COVID-19 force rapid changes  
16 to restaurant and delivery app business models in a  
17 number of cities implement temporary commission fee  
18 caps, and attempt to ease some of the pressure on  
19 restaurants losing out on revenue. While it may have  
20 once been a common practice, we believe that imposing  
21 a permanent fee cap misses the mark. Cities like San  
22 Francisco, Chicago and Philadelphia that have  
23 previously implemented permanent fee caps have  
24 recently pivoted to adopt a compromise approach  
25 similar to the amendment proposed today.

2 We believe adopting this amendment would allow  
3 smaller Mom and Pop independent restaurants to  
4 compete against larger chain restaurants. After  
5 analyzing 14 US cities that have implemented  
6 temporary or permanent fee caps, a Boston College  
7 economics professor and University of Delaware  
8 economics professor found that national chains fare  
9 better when these caps are in place, while  
10 independent restaurants ultimately fare worse. The  
11 demand for chain favorites in regulated cities was  
12 3.6% higher than in non-regulated cities, while  
13 independent restaurants were 6.8% Lower.

14 By enacting this amendment delivery service  
15 companies will be able to offer smaller independent  
16 restaurants tools to market and promote themselves in  
17 app and directly compete with larger corporate  
18 entities like McDonald's, the Chick Fil A's, and the  
19 Paneras of the world. Thank you very much. And we  
20 encourage you to support this amendment.

21 CHAIRPERSON VELÁZQUEZ: Next.

22 MR. FUQUAY: I'm Michael Fuquay. I'm co-owner of  
23 The Queensboro in Jackson Heights, and Advisory Board  
24 member for Queens Together, which is a restaurant

2 mutual aid group in Queens. And we are also a Raise  
3 High Road Kitchens Member.

4 I'm a little unique amongst the owners here and  
5 that I don't work with any delivery apps. I fired  
6 them all. We worked with them before the pandemic  
7 and I'm not going to rehash the all the things that  
8 they've done that are corrupt, or unethical, or maybe  
9 legal, maybe illegal. I got tired of that. And I  
10 decided that I couldn't work with somebody who had  
11 displayed a persistent insistence on trying to cheat  
12 me and my business. And so we-- we let them go. We  
13 now run our own deliveries. We take orders through  
14 our website. We market directly to our customers,  
15 and we do really well with it.

16 I want to speak to an issue that I think is at  
17 the heart of a lot of the conflict over this bill.  
18 And that's-- it's an issue of trust, all right? I  
19 had a really terrible experience with Grub Hub, they  
20 are probably the most dishonest company I've ever  
21 done business with. And there's a lot of mystery  
22 around how the algorithm works, right? This is "the  
23 wizard is behind the curtain". And so if I don't  
24 trust you already, and I can assure you tens of  
25 thousands restaurant owners in this in this city

2 don't trust the delivery apps for-- for reasons that  
3 you've heard today.

4       And so when you hide behind the mystery of this  
5 algorithm, and you say, "Oh, well, it's not going to  
6 affect you, if you keep the same level." Nobody  
7 believes you, right? Because there's-- there's no  
8 trust there. And so if you want to make this  
9 legislation work, you've got to work on how you fix  
10 that transparency, so that restaurants don't feel  
11 like they're going to get screwed over again, because  
12 we have taken a beating, right? We have all carried  
13 a heavy burden. And some of us didn't get through,  
14 right? And you know, every one that stood up here at  
15 the restaurant, and everyone that has talked about  
16 it, but we all took out huge personal loans to keep  
17 our restaurants afloat, right? So the pandemic may  
18 be over for some of you, but it's certainly not over  
19 for me and the half a million dollar loan that I had  
20 to secure, okay?

21       And so you got to address the issue of trust, and  
22 they'd been bad actors in the past. And so I assume  
23 they'll be bad actors in the future. But that's your  
24 job as a legislator to make sure that that's not a  
25 problem. Thanks.

2 COUNSEL: Thank you. Thank you. Jeff?

3 MR. BANK: Hi, I'm Jeffrey Bank. I'm the  
4 president of the New York City Hospitality Alliance.  
5 Founding president. I also own Carmine's restaurant  
6 here in the city and around the country.

7 I look at this as an antitrust issue. First,  
8 Seamless was bought by GrubHub. Then the New York  
9 State Attorney General released a consent decree that  
10 said this might be an antitrust issue. So a couple  
11 years later, and then a new AG, all of a sudden  
12 GrubHub buys Yelp Eats. Then some foreigners buy  
13 GrubHub. Then Amazon invests in Seamless, or is it  
14 GrubHub at this time? I'm not sure. Then DoorDash  
15 and Uber Eats basically by everybody else. Why do  
16 they need more marketing fees? They are marketing  
17 pretty well right now. You've heard this example.  
18 If you want to order chicken parm from Carmine's,  
19 google Carmine's delivery. Google will show you 17  
20 ads and websites from these apps trying to steal my  
21 customers. They really are evil geniuses, literally  
22 making me pay for my own customers through these  
23 marketing fees.

24 I gotta jump into some prior testimony today  
25 because I did sit here all day. GrubHub earlier said

2 I can control my own advertising. So why won't they  
3 stop advertising Carmine's on Google? I've literally  
4 told this to the CEO of DoorDash and Grubhub. Yet  
5 nothing's changed.

6 The DoorDash panel said being on their platform  
7 is voluntary. That's obviously a joke. All  
8 monopolies say that. Happy to answer your \$100  
9 question after this testimony. No problem. In the  
10 DoorDash DC fee-gate issue, that was a mistake. It's  
11 exhausting to track the mistakes. We made fake  
12 websites with your name. We made fake numbers with  
13 your name. Lots of lawsuits over these mistakes.

14 Earlier in the testimony, we were told by  
15 everyone that we don't know how this algorithm works.  
16 That's really odd considering these new fees will be  
17 based on that. How will we know these fees will even  
18 go to promote this new algorithm? You should talk to  
19 some ex-salespeople of these apps under oath. I  
20 really wonder why sales go up or down after we talk  
21 to them.

22 Thankfully, for me, DoorDash did say today,  
23 there'll be no retaliation against restaurants. So  
24 it will be interesting to see how the algorithm  
25 handles myself after this testimony.

2 We heard about the last time they want to help  
3 us-- Excuse me. We heard last time they want to  
4 help us, Uber tried to help the taxi industry. Early  
5 on, they offered help by putting taxis hailing on  
6 their app. Now, today, GrubHub DoorDash, and Uber  
7 want to help us and build free websites for us. This  
8 obviously would allow them to steal our customers and  
9 our data. Has anyone seen the price of a taxi  
10 medallion these days? Don't help me Uber.

11 Now back to my testimony. Here's the answer.  
12 Since the fee cap started, the app started putting  
13 service fees onto the customers bills, this create a  
14 transparency. You don't need to raise the fee cap  
15 under the guise of marketing. If the apps need more  
16 money to become profitable. It's a simple solution.  
17 Right now today, all they need to do is raise the  
18 service fee they currently charge their customers.  
19 Why should restaurants subsidize their flawed  
20 business model?

21 Normally, with time technology fees go down.  
22 Look at credit card processing fees, they've just  
23 gone down. I'm in these larger markets of DC in  
24 Vegas, and I see firsthand how smaller restaurants  
25 are not happy. Larger restaurants are simply paying

2 the higher fees. And now actually smaller  
3 restaurants are worse off. DC Council knows they  
4 made a mistake and they're already making  
5 conversations to amend it. Anyone who thinks  
6 restaurants want to pay more fees under the guise of  
7 a marketing fee do not really understand what they  
8 signed on to. Independent restaurants are getting  
9 crushed by these apps. That's it.

10 CHAIRPERSON VELÁZQUEZ: Oh. Heh.

11 MR. BANK: I mean, I have enough for 40 minutes,  
12 but you'll kill me.

13 CHAIRPERSON VELÁZQUEZ: Yeah, thanks. All right.  
14 Thank you. Thank you so much.

15 COUNSEL: Thank you for your testimony. And you  
16 can submit full written testimony to  
17 testimony@council.nyc.gov up to 72 hours after this  
18 hearing has finished.

19 This will be our last in-person panel before we  
20 turn to virtual panels. So I'm going to call the  
21 names but if I missed anyone, please let a sergeant  
22 know that you're here to testify in person. That's  
23 Carl Cuttino, Andreas Cutsedekas, and Christopher  
24 Leon Johnson. If I did not call your name and you're  
25 here to testify in person please let a sergeant know.



2 MR. JOHNSON: Hey. Good afternoon. Governor.  
3 Hey. Thank you for having this panel, Chair  
4 Velázquez. My name is Christopher Leon Johnson. I'm  
5 here to speak in favor of Intro 891 that is to allow  
6 charitable organizations to do 50-50 raffles,  
7 basically like gamble. I'm a donor. I'm not a big  
8 donor, but I donate to a lot of nonprofits.  
9 Basically, I don't do a lot of like political  
10 campaigns with \$10,000. So I know how it feels to  
11 give. I'm a I'm a giving person, and much I might  
12 give little, but I give a lot. So I was surprised  
13 that you can't even you can't like nonprofits can be  
14 like, technically gamble inside these facilities.  
15 I'm a NYCFC fan. And I have my hat ready to prove  
16 it. You NYCFC shout out NYCFC. Their games are  
17 great. They always keep winning. So I'm surprised  
18 that they never had-- they can't even gamble inside  
19 these facilities with nonprofits.

20 Nonprofits are real essential in New York City.  
21 They are real essential. Remember, the city-- the  
22 government can't do all the work. So you need to  
23 outsource these services to nonprofits. And it's a  
24 travesty that they can't even make money through  
25 donations, like even through like fun, even through

2 like fun things like paying \$5 to spin a wheel. It's  
3 only surprising that only like the teams can do it.  
4 So you know, basically, you have to let these  
5 organizations make-- make some money some way  
6 somehow. I don't think it's illegal at all. I don't  
7 see it is illegal. So might as well do it. You  
8 know.

9 So, you know me. I hope that the City Council, I  
10 don't know how many people will be sponsoring the  
11 bill. I got to do my research about that. But I  
12 hope that it passes supermajority, I hope the Mayor  
13 passed-- the Mayor signs it, have a nice little press  
14 conference with you Marjorie, and Raphael Salamanca  
15 inside the Blue Room, and it gets signed, and you  
16 know, get made into law because these nonprofits need  
17 to make some money somewhere somehow, and you just  
18 can't depend on government money all the time to do  
19 it. So I have 8 seconds left. Thank you. And I  
20 thank you. Take care. I appreciate it.

21 CHAIRPERSON VELÁZQUEZ: Thanks, Chris. And we'll  
22 all wear our-- I'll wear my Yankee fitted, you wear  
23 your NYCFC hat on the day of the bill signing. How  
24 about that?

25 MR. JOHNSON: Yeah.

2 CHAIRPERSON VELÁZQUEZ: Thank you.

3 MR. GORDON: Good afternoon. My name is Loycent  
4 Gordon, I own historic Neir's Tavern. It's one of  
5 New York City's-- one of America's oldest taverns  
6 that I jumped in to help save because it's in dire  
7 need, and I wanted to help and do it service. So I  
8 have a soft heart, unfortunately.

9 But one thing I realized is that business owners  
10 work really hard, is they have something called sweat  
11 equity. And I've been burned once. And so I stopped  
12 accepting third party apps. And I went back to what  
13 I know, which is sweat equity. Working very hard to  
14 keep connection with my customers.

15 No one is going to replace the relationship that  
16 I have my customers. At this point in time, third  
17 party apps do get in the way with creating that  
18 relationships because the data is not shared. I look  
19 at my numbers. And it doesn't make sense for me.  
20 Maybe some other businesses probably do. But it  
21 doesn't for me, so I don't use them.

22 I didn't prepare testimony. I just wanted to say  
23 that I think we need more time to evaluate this. I  
24 think this is very serious. This is people's  
25 livelihood. This is not about buying a second house,

2 or a dream house, or the dream car. This is about  
3 putting food on the small business owner's table for  
4 their kids. And I hope you really take that  
5 seriously on this national mom and pop business day.  
6 And I hope we realize that.

7 CHAIRPERSON VELÁZQUEZ: Thank you so much.

8 COUNSEL: Thank you for your testimony. We will  
9 now turn to our virtual panel. The first panel will  
10 be Kevin Ryan, followed by Jenny Alcantara, followed  
11 by Maureen Tkacik, followed by Melat Seyoum.

12 MR. RYAN: Hello. This is Kevin Ryan, Head of  
13 Public Policy for Flex. Thank you for the  
14 opportunity to testify today flexes an association  
15 that represents America's rideshare and delivery  
16 platforms. Our members include DoorDash, GrubHub,  
17 Hop Skip Drive, Instacart, Lyft, Shyft, and Uber.

18 The app-based industry offers so much to  
19 consumers to communities and to workers. Consumers  
20 value the convenience and variety of goods and  
21 services available in these platforms. Communities  
22 have seen these platforms connect people with new  
23 food and transit opportunity. And importantly, for  
24 today's hearing, expand opportunities for local  
25 businesses like restaurants. And app-based workers

2 have unprecedented levels of control over when,  
3 where, how, and how much they choose to work. Britt  
4 Hammer, one app-based driver provides a great example  
5 of the entrepreneurial spirit that animates this  
6 industry. Britt said, "I chose this job in no small  
7 part because I wanted to have my own business in  
8 which I was able to make my own decisions." And if  
9 you run a local restaurant, you likely share a  
10 similar entrepreneurial drive toward being an  
11 entrepreneur involves being able to market your  
12 business, particularly in a deeply competitive  
13 environment like the restaurant business in New York  
14 City.

15 And that is where 813 comes into play. By  
16 allowing eateries to choose the level of marketing  
17 and technology services from third party partners  
18 that those local businesses want, this committee can  
19 help independent restaurants grow. What kind of  
20 restaurants? Family owned, immigrant owned, small  
21 and medium sized restaurants that may not have large  
22 marketing resources or teams. And at the same time,  
23 you'd also be helping create earnings and  
24 opportunities for delivery workers. Because if small  
25 and mid-sized restaurants can choose how best to

2 effectively promote and market their restaurant, that  
3 means more orders, and more orders equals more  
4 deliveries, which equals more income opportunities  
5 for the 60,000 app-based delivery workers in the  
6 city.

7 For all those reasons, Flex encourages this  
8 committee to adopt this amendment. Thank you again  
9 for the chance to provide this testimony.

10 COUNSEL: Thank you. Jenny Alcantara, you may  
11 begin.

12 MS. ALCANTARA: Hi, my name is Jenny Alcantara.  
13 Thank you for supporting our small mom-and-pop shops  
14 and capping interest. But I am in support of the  
15 Bill 813 an amendment for the delivery fee cap law.

16 As it was said before by a colleague, she should  
17 be able to decide how to market her money in the  
18 community. For example, I'm going to-- I had a whole  
19 reach speech written here, but most of the things is  
20 going to be redundant. So I'm going to take it to my  
21 personal experience.

22 My small business it is a mom and pop shop. It's  
23 not as the other colleagues that are restaurant  
24 owners that are there like Mamajuana, Caridad, Havana  
25 Heights, Havana cafe, Stone Out of Cuba. These are

2 all big restaurants. I am the one who is currently  
3 in contact with Grub Hub, with DoorDash, with Uber.  
4 And in regards to all three platforms, by far, I love  
5 doing business with GrubHub. Why is that one my app?  
6 I love doing business with GrubHub due to the fact  
7 that I can see my customers' information. I can call  
8 my customer directly and say, Hey, do you want extra  
9 cheese? Would you want extra cheese? How do you  
10 want your order, you know, prepared when they have  
11 these notes. They're also able to call the  
12 restaurant directly as it was mentioned before.

13 Although Uber and DoorDash, I cannot see my  
14 customers' information, I'm able to contact them  
15 through a code. But for my business and I can only  
16 speak to mine, I would love for this fee cap to be  
17 eliminated, because then I can put my money where I  
18 want.

19 SERGEANT AT ARMS: Time has expired.

20 MS. ALCANTARA: Thank you.

21 CHAIRPERSON VELÁZQUEZ: As a reminder, you could  
22 submit your written testimony to council. Thank you  
23 so much, Jenny.

24 COUNSEL: Maureen Tkacik, you may begin.

2 MS. TKACIK: Hello, hello. Good afternoon. My  
3 name is Mo Tkacik, and I'm a Senior Fellow at the  
4 American Economic Liberties Project a think tank that  
5 studies concentrated corporate power. We're here to  
6 testify in opposition to 813, a local law to amend  
7 the administrative code of the City of New York.

8 During the pandemic I founded Protect Our  
9 Restaurants, a campaign that organized restaurants to  
10 expose and fight delivery app predation. Where  
11 recently I've done research on everything from baby  
12 formula to banks, health maintenance organizations  
13 and Ticketmaster. This work has led me to ponder  
14 questions like: Why doesn't the restaurant industry  
15 operate more like the airline industry? What's going  
16 on that you never seem to wait five hours for dinner  
17 only to be sent home with a voucher because they  
18 couldn't find a chef to cook? How can waiting in  
19 line for a ruben at Katz's at two in the morning is  
20 nothing like waiting to see a doctor at the ER two in  
21 the morning? Why isn't the hunt for a decent slice  
22 of pizza in Manhattan more like the hunt for decent  
23 apartment in Manhattan? And how is it that snagging  
24 a table at a Michelin starred restaurant bears so



2 little resemblance to the adventure of trying to  
3 score Taylor Swift tickets?

4 Silicon Valley has been dreaming for years of  
5 making independent restaurants operate more like  
6 everything else in this country. And if you give  
7 them what they want, and as we have all been reminded  
8 this month, they are certainly freaking good at  
9 getting everything they want, I can assure you that  
10 vision will become a reality.

11 Before the pandemic I supplemented my research  
12 earnings waiting tables, and was working at a busy  
13 Steven's Star restaurant that I came to suspect. The  
14 independent restaurants were the most functional  
15 institutions in America. During the pandemic and its  
16 aftermath, those suspicions were confirmed.

17 Restaurant owners and chefs overhauled their business  
18 models overnight. They became grocers and food banks  
19 and mass manufacturers and mobile soup kitchens and  
20 CSAs preparing millions of meals for the needy. When  
21 vaccines started-- started showing up restaurants  
22 found themselves in the unprecedented situation of  
23 needing to hire back three and a half million  
24 workers, and they did it the old fashioned way by  
25 giving them a raise.

2 Restaurant wages have risen more since February  
3 2020 than any other sector of the American workforce,  
4 notably while they were rejiggering their businesses  
5 to accommodate permanently higher labor costs,  
6 restaurants did not do two things that nearly every  
7 other industry did in 2021 and 2022: They did not  
8 gouge customers nor did they take money from  
9 customers, they knew they had no capacity to serve.

10 In 2022 statisticians mulling the cause of our  
11 70's-style inflation started to scratch their heads  
12 over something that looked like a statistical  
13 anomaly. While the price of food and grocery stores  
14 was off the charts, the price of food away from home  
15 was only mildly elevated. In fact, inflation in  
16 restaurants during 2022 consistently lagged a whole  
17 five percentage points behind the cost of food you  
18 buy in grocery stores.

19 SERGEANT AT ARMS: Time has expired.

20 MS. TKACIK: There is one reason for this. It is  
21 competition. Competition is great for consumers,  
22 great for workers, great for cities, great for  
23 society, not so great for owners, and I will tell you  
24 what is not competitive.

2 CHAIRPERSON VELÁZQUEZ: Thank you Maureen.

3 Maureen? Thank you. Thank you. Please submit the  
4 rest of your testimony to the Council. I appreciate  
5 it.

6 COUNSEL: Melat Seyoum, you may begin.

7 MS. SEYOUM: Good afternoon honorable Chairperson  
8 and distinguished members of the New York City  
9 Committee on Consumer and Worker Protection. My name  
10 is Melat Seyoum. And I'm the Worker Coop Policy  
11 Advocate for the New York City Network of Worker  
12 Cooperatives also known as NYC NOWC, the local trade  
13 association representing worker cooperative  
14 businesses and democratic workplaces in New York City  
15 metropolitan area.

16 I'm here alongside my colleagues from the  
17 Democracy at Work Institute and our advocacy council  
18 members, representing 12 other organizations that  
19 make up the Worker Cooperative Business Development  
20 Initiative, WCBDI, asking New York City Council to  
21 continue supporting the expansion of worker ownership  
22 in next year's budget and firmly into the future.

23 Since the inception of the initiative, we have  
24 created over 175 new cooperative businesses and over  
25 1000 new jobs that are not only providing higher

2 hourly wages, but also building wealth and assets for  
3 individuals who are overwhelmingly BIPOC women and  
4 immigrants.

5 We have seen firsthand how the initiative has  
6 served to bolster our sector, strengthening existing  
7 cooperative businesses and creating new ones which  
8 are overwhelmingly immigrant and women owned. The  
9 initiative partners have collectively worked to  
10 create a comprehensive ecosystem of support for  
11 cooperative businesses that not only ensures the  
12 creation of new cooperatives in low income areas, but  
13 also the technical assistance needed to sustain  
14 businesses and create jobs as well as the education  
15 and outreach needed for communities, interested  
16 entrepreneurs, and allied organizations.

17 We ask the City Council to enhance our funding to  
18 \$4.9 million in order for our initiative to double  
19 down on the essential long-term economic recovery for  
20 cooperative businesses that will be needed to claw  
21 ourselves out of this crisis.

22 We thank the city council for the opportunity to  
23 testify and we hope that you will consider our budget  
24 priorities and recommendations during this year's  
25 budget negotiating process. Thank you.

2 COUNSEL: Thank you for your testimony. Our next  
3 panel will also be a zoom panel. We'll start with  
4 Meghan Racklin, then Alice Mazzeo, then on to Me Gan,  
5 and then last Tally Smith.

6 MS. RACKLIN: Thank you to the committee for the  
7 opportunity to testify today about Intro number 818.  
8 My name is Meghan Racklin, and I'm a Senior Staff  
9 Attorney at A Better Balance, a legal nonprofit  
10 headquartered in New York City. We were one of the  
11 leaders of the movement to enact the Earned Safe and  
12 Sick Time Act, or ESSTA in 2013, and of the coalition  
13 that enacted the Fair Work Week legislation,  
14 including the right to request and receive temporary  
15 schedule changes without retaliation.

16 Passing laws is only the first step and we  
17 applaud the sponsors of inter number 818 for  
18 recognizing the urgent need for outreach and  
19 education on New York City's workplace rights laws.

20 The success of our New York City labor laws is an  
21 example for the rest of the country depend on  
22 vigorous enforcement outreach and education. A  
23 recent report that A Better Balance published with  
24 the Community Service Society titled Women In The  
25 Workforce found that 55% of low-income women in New

2 York City's paid workforce had not heard about the  
3 right paid sick time. Moreover, our experience  
4 interacting with New York city workers on our free  
5 legal helpline suggests that awareness of the  
6 temporary schedule change law in particular is  
7 extremely low. This is alarming given the importance  
8 of ESSTA and the temporary schedule change law for  
9 working families.

10 We strongly recommend that Intro number 818 be  
11 amended so that the required outreach campaign  
12 specifically encompasses both the earned safe and  
13 sick time law as well as the temporary schedule  
14 change law, and then it can be passed with that  
15 change. Any campaign focused on increasing awareness  
16 of the temporary schedule of change law must also  
17 work to ensure that New Yorkers are aware of their  
18 rights under ESSTA. In many ways the two laws work  
19 together since temporary schedule changes can be for  
20 ESSTA-covered reasons. And the schedule changes are  
21 in addition to ESSTA-protected time.

22 In our view, it's not possible to meaningfully  
23 educate workers about their rights under the  
24 temporary schedule change law without also educating  
25 them about their rights under ESSTA. In light of our

2 findings about the lack of knowledge of paid sick  
3 time rights among so many low wage workers, outreach  
4 and education on ESSTA is especially critical.

5 At present, there's no specific statutory  
6 directive on outreach and education on ESSTA, and so  
7 we urge the council to amend Intro number 818. To  
8 reflect the fact that any outreach and education  
9 campaign initiated in response to this bill is  
10 helpful passage include information about both the  
11 Temporary Schedule Change Law and the Earned Safe and  
12 Sick Time Law. The City Council has worked  
13 tirelessly over the years to strengthen New York  
14 City's workplace rights laws. New Yorkers deserve  
15 these rights, not just a name, but time has expired,  
16 which means robust outreach and education. Thank  
17 you.

18 COUNSEL: Thank you for your testimony. Alice  
19 Maggio, you may begin.

20 Hello, and thank you to the committee for having  
21 me. Thanks for the opportunity to testify. My name  
22 is Alice Maggio, and I'm a Project Officer at The  
23 Working World. We are a community development  
24 financial institution offering financing and  
25 technical assistance to worker-owned cooperative

2 businesses, with a focus on BIPOC owned businesses.  
3 Since 2015, The Working World has been one of many  
4 organizations that receive funding through the worker  
5 cooperative business development initiative, and I'm  
6 here to encourage the City Council to enhance funding  
7 for the initiative to \$4.9 million. To help inform  
8 your decision I wanted to share two examples of what  
9 your support allows us to do. Over the past three  
10 years, I've had the opportunity to work with Bright  
11 Learning Stars, a worker cooperative childcare  
12 business in Brooklyn. The Working World's financing  
13 and technical support during the pandemic allowed  
14 Bright Learning Stars to navigate changing health  
15 guidelines, modify customer needs, and the rising  
16 cost of supplies. Coming out of COVID, and with our  
17 support, they've actually been able to double the  
18 size of their business. In doing so they've raised  
19 their own their own wages, and they've even paid  
20 themselves end-of-year bonuses.

21 Another cooperative I've worked with is Donna, a  
22 bar and restaurant that is being reborn as a worker  
23 cooperative in the West Village, after COVID and the  
24 sale of their business forced them to close in 2020.  
25 With our support, five of the former staff members



2 have been able to buy the business from the founding  
3 owner. We've worked with them to finance the  
4 equipment and renovations that they need to reopen,  
5 while also helping them build the skills of  
6 ownership.

7 In conclusion, I want to urge you to support the  
8 enhancement of the WCBDI budget to \$4.9 million.  
9 With your support we can continue to build our local  
10 cooperative economy and change the lives of thousands  
11 of New York City workers like those at Donna, and  
12 Bright Learning Stars, giving them a new voice in  
13 their workplace and a share of their company's  
14 profits. Thank you for your time.

15 COUNSEL: Thank you for your testimony. Anh-Thu  
16 Nguyen, you may begin.

17 Good afternoon, Chairwoman Velázquez, thank you  
18 so much for having us. It's an honor to address you  
19 well as I submit testimony in support of the hard  
20 working worker owners in our communities. My name is  
21 Anh-Thu Nguyen, and I'm Director of Strategic  
22 Partnerships at Democracy at Work Institute, also  
23 known as DAWI.

24 On behalf of DAWI and the 14 organizations that  
25 make up the Worker Cooperative Business Development

2 Initiative, we thank you for the opportunity to speak  
3 about economic development in our communities and  
4 worker cooperatives is a unique ability to establish  
5 grow and retain community wealth. Since fiscal year  
6 2015, your support has helped WCBDI transform this  
7 potential into real change for working families in  
8 our communities. The initiative has created more  
9 than 1000 jobs and pathways to business ownership  
10 with a median business size of five worker owners.  
11 We reached more than 9000 entrepreneurs with  
12 education and technical assistance services. We've  
13 created more than 175 new worker cooperative  
14 businesses, and we're creating high road work for  
15 improved protections and industry standards  
16 especially in traditionally low-wage, traditionally  
17 exploitative industries like homecare cleaning,  
18 janitorial services, and child care providing, with  
19 higher hourly wages, better working conditions and  
20 building wealth and equity for workers who are  
21 primarily immigrant women of color.

22 In addition, DAWI and other WCBDI members like  
23 Center for Family Life, the NYC Network of Worker  
24 Cooperatives and Workers Justice Project are  
25 developing worker owner leadership and civic

2 Engagement as advocates partnering with the DCWP Paid  
3 Care Advocate, National Domestic Workers Alliance,  
4 1199 SEIU, and policymakers at the local and state  
5 levels to improve worker conditions in the care  
6 industry.

7 We urge City Council to continue investing in  
8 worker cooperatives and the workforce development  
9 ecosystem in New York City through enhancing WCBDI  
10 funding to \$4.9 million in fiscal year 24. This will  
11 provide for the startup of 29 new worker cooperative  
12 small businesses with positions for 103 new jobs and  
13 cooperatives, assist existing cooperatives through  
14 2830 service requests, and outreach to 1769  
15 cooperative entrepreneurs.

16 SERGEANT AT ARMS: Time expired.

17 CHAIRPERSON VELÁZQUEZ: Thank you. Thank you.

18 CONSEL: Thank you. You may submit your  
19 testimony online. Kelly Smith, your time starts now.

20 MS. SMITH: Good afternoon members of the Council  
21 and all New Yorkers present this morning. I'm here  
22 to offer testimony on behalf of Mothers On The Move,  
23 Madres En Movimiento, a grassroots organization in  
24 the South Bronx building power with people of color

2 for housing, education, environmental, and economic  
3 justice since 1992.

4 I was happy to see Councilmember Salamanca's  
5 opening testimony this morning as we consider him an  
6 honorary member of MOM, coordinating with us to  
7 organize and educate hundreds of low-income tenants  
8 to defend our rights and prevent illegal harassment  
9 and evictions. Our work to improve the South Bronx  
10 goes beyond tenant rights and into economic justice.  
11 Our families need housing, environmental and economic  
12 stability. MOM is committed to creating cooperative  
13 businesses that pay living wages, build generational  
14 wealth, and contribute solutions to environmental and  
15 economic injustice that characterize the South Bronx.  
16 As is well-proven across the world, worker  
17 cooperatives contribute to individual and collective  
18 economic stability and survival, in direct contrast  
19 to the growing disparities and exploitation that has  
20 come to define our economy otherwise.

21 We are also here this morning to advocate for  
22 increased funding to the Worker Business Cooperative  
23 Development Initiative. We congratulate the City  
24 Council on its visionary support for grassroots  
25 organizations, introducing this concept to our

2 neighbors, and providing technical assistance to the  
3 creation of these shared businesses. We are  
4 committed to learning from our collective experience  
5 and continuing to create opportunities for economic  
6 stability and empowerment for low-income people of  
7 color in the city.

8 MOM was recruited as a subcontractor to this  
9 initiative four years ago, because of our visionary  
10 economic justice work. We support NYCHA tenants and  
11 others interested in greening their buildings,  
12 recycling, and saving energy. We listen to our young  
13 adults and advocate for social equity and curations  
14 from the drug war.

15 COUNSEL: Thank you. Thank you for your  
16 testimony. You can submit your testimony online.

17 Catherine Mercic, your time starts now.

18 CHAIRPERSON VELÁZQUEZ: Catherine, before you  
19 begin, I'd like to reiterate this portion is if  
20 you're on topic, we are reviewing three bills today  
21 it is 818, 891, and 813. So if it is anything but  
22 this can you please provide the written testimony?  
23 If it is on this, you have two minutes.

24 MS. MERCIC[ph]: Hi, my name is Catherine Mercic,  
25 and my testimony is in line with my colleagues who

2 will just find out about the WCBDI initiative and  
3 worker cooperatives. I will just say that--

4 CHAIRPERSON VELÁZQUEZ: Okay. If you-- Thank you  
5 so much. If you can just provide that as a written  
6 testimony then, we appreciate it.

7 MS. MERCIC[ph]: All right. Okay.

8 CHAIRPERSON VELÁZQUEZ: Thank you so much.

9 COUNSEL: Thank you. If we have inadvertently  
10 missed anyone who registered to testify today on  
11 Zoom, please use the raise hand function and notify  
12 us that you are online. I'm going to read some  
13 registrants. Louis Zachman, Shelly Miller, Amanda  
14 Scala, Justin Nelson, Sandra Jacquez, Juan Calcutta,  
15 Alex Stein, Sarah Burleson, Arun Sundararajan, John  
16 Katsanis, Randy Piers, Kavita Paria Sanchez, Josh  
17 Gold, Juan Caudill, Elena Calderon, Ruth Lopez  
18 Martinez. If any of you have joined the Zoom, please  
19 use the raise hand function and let us know that  
20 you're here to testify.

21 Not seeing anyone. That concludes our hearing  
22 for today. Thank you.

23 [GAVEL]

24

25

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date 04/12/2023