

Dear Joint Interim Committee on the Third Special Session:

As a restaurant, caterer, and bakery We have noticed a huge difference in revenue since the beginning of the pandemic. We were down over 70% the first month of restrictions. Since June we have been down a very consistent 50%. This thing hit us from all angles, 50-75% reduction in seating, very little wholesale orders, and catering has all but evaporated. New take-out and delivery only restrictions will likely put us back in the 70% reduction in revenue realm. With the state more than doubling our unemployment tax rate for next year and all the increased operating costs it is unlikely we can last very long without significant help.

In an effort to try and boost sales we have "partnered" with many of the Leach Tech Companies: Door Dash, UberEATS, Grub hub, etc. Unfortunately, these companies tout themselves as helping restaurants, but at 30% commission we do not make any profit partnering with them. The only reason we continue to do so, is we consider them a form of advertising to hopefully reach some new customers. Our normal margin on sales is only about 10%, we actually take a loss on these third-party sales, so we eat the loss and consider it an advertising cost. The third-party systems also remove the connection between the business and the customer making it hard to make sure the customer is happy, so we don't currently encourage their use. By limiting the commission, they take, we could at least make something off of these orders and potentially encourage the expanded use of them.

I hope these concerns are something State leadership can help with. COVID-19 restrictions have put an unfair burden on thousands of small businesses that were completely blindsided by the pandemic and the mandates that turned normally profitable business into very expensive endeavors to try and keep alive until the pandemic is over. The state can help relieve some of this burden by not increasing unemployment tax rates on businesses and regulating commissions and fees that third-party companies charge.

Sincerely,

Tristan James
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