



February 25, 2020

SMALL BUSINESS COMMISSIONERS

Sharky Laguana, President

Miriam Zouzounis, Vice-President

Stephen Adams;

Kathleen Dooley;

Cynthia Huie;

William Ortiz-Cartagena;

Manny Yekutieli

CC: Regina Dick-Endrizzi, Executive Director of the Small Business Commission

***Re: DoorDash written testimony in support of Small Business Commission hearing: "Presentations On Third Party Delivery Platforms and Virtual and Ghost Kitchens."***

DoorDash was founded in 2013 with a mission to grow and empower local economies. Our CEO and Co-Founder Tony Xu immigrated from China at a young age and grew up working in his mom's restaurant. Tony came up with the DoorDash business model after speaking with dozens of local small businesses and discovering that they were foregoing revenues due to the inability to fulfill delivery orders. We chose to headquarter in San Francisco and San Francisco values are baked into our DNA as a mission-driven company. We power deliveries in over 4,000 cities in all 50 states plus Canada and Australia. Today, DoorDash is the leading on-demand local logistics platform in the United States, connecting consumers to local businesses and providing work opportunities to hundreds of thousands of couriers known as our community of "Dashers."

At DoorDash, we believe that you have to start with local businesses because they are the engine of local economies and make up the cultural fabric of our diverse communities. Our job is to help move these businesses online with greater access to the convenience economy. In San Francisco alone, there are thousands of restaurants listed on DoorDash's vibrant local marketplace.

DoorDash connects local businesses to new customers, which in turn generates billions of dollars in economic activity each year. Independent, third-party research shows that around 80% of sales generated for merchants through platforms like DoorDash are incremental - meaning they reflect new business that merchants would not have otherwise attracted. These incremental orders bring in additional revenue without increasing operating costs, allowing restaurants to compete in a time of rising real estate and labor costs.

We are constantly investing in innovations to help merchants find new ways to reach more customers and run their business more efficiently. Last fall, we launched *DoorDash Kitchens* (DDK), our first shared commissary kitchen with multiple restaurants under one roof, located in Redwood City. Popular, locally-founded and national restaurants including Rooster & Rice, Humphry Slocombe and The Halal Guys now have the ability to grow their off-premise sales while testing consumer demand in new Bay Area markets,

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all without incurring the substantial overhead costs involved in opening up a new store location. We worked closely with the City of Redwood City in the development of DDK, and we look forward to expanding this model to new geographies with a similarly collaborative and local business-focused approach.

While the majority of the merchants on our platform have a formal partnership with us, our platform also enables customers to order from other local restaurants just as they would order take-out, even if we do not have a written agreement. Through our platform, customers are able to place their order and connect to a courier to deliver it. This listing is at no cost to the restaurant, and orders are paid for in full in the same way that any other customer would pay.

We understand and respect that some restaurateurs choose not to be listed on our platform. For those not interested in being on DoorDash for any reason, our policy is to remove them from the platform upon their request.

We also know that for many restaurants, being listed on our website and mobile application is considered a helpful trial test towards a formal partnership that provides them with additional benefits and services. By a 4:1 margin, restaurants with which we do not have a formal partnership say that being on our platform helps their business.

We are committed to partnering with the community through our social impact initiatives. Through *Project DASH*, we provide logistics services for food recovery organizations like *Replate* to increase their capacity. We have recovered 429,000 pounds of food in San Francisco alone, which is the equivalent of 365,000 meals donated to hunger relief nonprofits in San Francisco serving people in need. Reducing waste and solving food insecurity are key goals of our company.

*Kitchens Without Borders* (KWB) provides increased consumer visibility, small business advising and marketing support to immigrant and refugee-owned businesses, including several graduates of La Cocina, which is one of our key community partners. There are 19 KWB restaurants in San Francisco currently, and we are investing in growing that number substantially given our initial positive findings - 75% of customers who ordered through KWB discovered a new restaurant they hadn't tried before, and 99% of Kitchens Without Borders merchants said they would recommend the program to other immigrant restaurant owners.

We have partnered with SFPUC's Community Benefit program and the Renaissance Entrepreneurship Center in a project supporting small businesses in Bayview-Hunters Point. In the area of transportation policy, we have engaged with the SFMTA and Bay Area Council to contribute to their policymaking process for a comprehensive curb management strategy that works for everyone in San Francisco, especially small businesses. We look forward to continued partnership with the City and nonprofit partners to support the small business community.



February 26, 2020

Dominica Donovan  
Office of Small Business  
City and County of San Francisco  
Room 140  
City Hall

Dear Ms. Donovan:

Vessel CA Operations LLC, doing business as Reef Kitchens (“Reef”), operates 24-foot trailers on private parking lots around the City of San Francisco. Housed within each trailer is a commercial-grade kitchen that prepares food solely for pick-up and delivery for consumption off-premises; all pick-up occurs on the parking lot and are fully off-street. Every one of these kitchens is fully permitted as a Mobile Food Facility and has been inspected by the San Francisco Department of Public Health. Reef works closely with the Department of Public Health, Fire Department and Office of City Planning to operate our kitchens in a manner that is fully compliant with local laws.

We envision Reef Kitchens as a vital tool for local restaurants to better manage the growing delivery segment and reach new customers beyond their current footprint. Our model provides lower-cost expansion opportunities for San Francisco restaurants and restaurateurs who may not have the time and resources to navigate the process of opening up a new brick and mortar location in the city. We are in active conversations with several local restaurant owners who have expressed great interest in the flexibility our services provide and excitement that this solution can help reduce the burdens that online delivery places on front-of-house operations.

Reef is excited to collaborate with partners in government and industry to grow San Francisco’s vibrant and innovative restaurant community. We look forward to working with the Small Business Commission on solutions and partnership opportunities for local restaurants who seek to expand in the City of San Francisco.

Sincerely,

Dan Murphy  
Director of Public Policy  
Reef Technology