

**Airport Subs Inc.
Dba Subway B-6b & Urban BBQ C-215**

Bill: SB 107- Labor and Employment- Secure Maryland Wage Act

Position: OPPOSE

Committee: Senate Finance

Dear Chair, Vice-Chair, and Members of the Committee:

My name is Ali Goraya and I am an ACDBE small business operator. I operate a Subway restaurant on pier B and an Urban Bar-B-Que restaurant on pier C of the BWI airport. In addition to these airport restaurants I have a few street side restaurants as well. The cost of operating a restaurant at the airport is much higher as compared to a traditional street side restaurant. The reason being higher rent and significantly higher labor cost. It is extremely difficult to attract and retain good employees at the airport because of issues like parking, TSA security check points and background checks in order to obtain an airport employee badge. Employers have to pay on average about 20% more to employees for an airport job as compared to a same job on a street side location. So the labor cost for an airport concessionaire is significantly higher to begin with.

SB 107 would mandate an even higher minimum wage for any employee who spends at least 50% of their workweek at "heightened security interest locations," including Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall). This would include employees working at BWI Marshall who perform no security-related functions, such as employees working at retail stores and restaurants.

During normal times (pre-pandemic) at the airport, rent is about 20% to 22%, cost of goods sold is about 30% to 35% and labor cost is about 30% to 40% of a restaurant's total revenues. After subtracting insurance, utilities, repairs/maintenance, royalties (if applicable) and miscellaneous charges from the total revenue, an operator's bottom line is somewhere around 5% to 10% of total revenues and that is when sales are normal. During these times of distressed sales many operators are operating at significant losses. Any increase in the labor cost or any other cost associated with doing business at the airport will be absolutely detrimental to all of the businesses operating at the airport.

This bill would also make the cost of doing business at BWI Airport significantly higher than neighboring jurisdictions, placing us at a significant disadvantage and would undoubtedly put many of the small ACDBE operators like myself out of business.

For these reasons I, Ali Goraya (Airport Subs Inc. Dba, Subway & Urban BBQ) respectfully requests an unfavorable vote on SB 107.

Should you have any questions, please feel free to contact me at bwiairportsubs@gmail.com or at my cell 240-938-1514.



Ali Goraya
President
Airport Subs Inc.