

February 11th Hearing Panelist Information and Written Statement

Panel Two: The Business Perspective - What it's Like to Operate in the Airport

Kathy Taylor, President, Dilettante Chocolate

INFORMATION:

I was raised on an asparagus farm north of the Tri Cities in Eastern Washington. I attended Gonzaga University and graduated with a business degree. I then spent the next few years as a CPA in Seattle with Price Waterhouse. After I married my husband, now of 35 years, I moved back to Eastern Washington where we had a daughter, now 32. While in Eastern Washington I worked at seasonal accounting positions and taught a business class at a local community college. We have now lived in the Seattle area for 26 years. The past 20 years I have been actively involved in our food manufacturing business. In addition to my professional work, I have served as a volunteer with Childhaven and with Special Olympics Washington.

STATEMENT:

Thank you for the opportunity to speak today. My name is Kathleen Taylor and I am the proud owner of Dilettante Chocolates. I am a lifelong resident of the State of Washington. Dilettante has been in business in the Seattle market for 37 years. We pride ourselves on our unique offerings of desserts, handmade truffles and coffee mochas using only the best chocolate. We were just recognized in the USA today.com as one of 9 amazing American chocolate cafes and bars.

I currently operate 7 mocha cafes in the greater Seattle area. My original location on Capitol Hill is now a full service restaurant and chocolate martini bar. I have had the honor of being in the Central Terminal since the opening of the Pacific Market Place in 2005. This location is open 24 hours a day, 365 days a year. In 2013 we were awarded a temporary location in the North Satellite. I am here today as an individual business owner but I do believe that these comments are representative of many of the small business concessionaires.

I employ 22 individuals at SeaTac Airport. 18 work 30 or more hours per week. The other 4 employees were hired on a part time basis at their request. As is common in this industry, the vast majority of my employees are female. Starting wages for my employees are in excess of the state's minimum wage and in addition they receive substantial customer gratuities. I provide paid holidays and paid sick leave. We provide the opportunity to participate in medical

insurance coverage plans. Lastly, the entire employee group participates in an incentive bonus program. My approach to compensation is to be above and beyond the minimum required and I am proud that I can offer this kind of employment environment for my associates.

In 2011 pursuant to our lease agreement I completely refurbished our Central Terminal location with new flooring and cabinetry and paint schemes to further enhance our presence. This commitment was an investment of \$40,000. Our refurbishment was recognized by the Port due its scope of work and successful outcome. In addition, I became personally acquainted with the late night SeaTac personnel and processes. I learned the importance of having coffee available in the very early morning hours....

In 2013 I invested more than \$200,000 into the temporary kiosk location in the North Satellite and increased my airport employment by 8 individuals.

I believe that both the airport and my company derive substantial benefits from each other. To the Port, We are able to provide a truly unique local northwest flavor that has been recognized for nearly 40 years in Seattle. For my company, it is extremely rewarding to see the growth in our customer base develop both nationally and internationally. As a woman owned business, I have always appreciated the support I have received from the Port retail management. They have always been clear and direct in regards to details and expectations, and I strive to achieve their goals. A major attribute of a small locally owned company is our ability to be personally involved and interactive with our employees and customers.

Many of our employees have been part of the team for many years and have worked at our various locations. It is always rewarding to watch an employee develop personally and professionally and be able to promote from within our organization, as well as being flexible in meeting their scheduling and locations needs. As a company, the proper training of our employees is imperative. It is not by accident that is baristas can move between locations and provide the same quality product which our customers demand. It would be inefficient and costly for me to be required to hire from within a limited labor pool. Also, our equipment requires a large investment and requires proper handling that comes from familiarity of working at Dilettante.

At the same time we face many more hurdles and risks than the large national concessionaires. My average sale is about \$5. That coupled with the fact that I do not have the same degree of economies of scale and advertising that many of the national and public traded companies are afforded, I must forever be vigilant in monitoring our costs in order to achieve growth...even at a slow pace. Also, due to the necessary security requirements at the airport it is a well-known

fact the there are additional costs and inefficiencies both for me, my vendors and for my employees.

One of the purposes of your meeting today is to hear what I and others think about the living wage discussion that is going on in our community. I think it is safe to say that we are all in agreement that a living wage is important. I believe that the difficulties arise in providing a rational balance to the definition. All employees deserve a work place that is safe, free from discriminations and personally rewarding. Employers have the right to manage their own business with integrity and the hope of being able to achieve long term goals. In this day and age of free enterprise and competition from many angles and sources, if an employer is not operating in good faith, I do not believe they will survive. If the Port values diversity and small businesses, it is imperative the impact of any broad stroke change in policies be carefully considered to avoid damaging those goals. I believe that the Ports current approach of supporting small business and diversity is working to the benefit of the Port, the traveling public, my employees and my company, and I would hope that this approach would continue.