

S204 – Self regulation and certification of all lodging properties

Dear Committee Members,

I, Christopher Bullock, Innkeeper and POA, am writing on behalf of my mother Joan Bullock, owner of the Chipman Inn in Ripton, Vermont, a small country inn built in 1828 and consisting of nine guest rooms. We are writing to express our endorsement of S.204.

I was raised and attended schools here in Addison County, Vermont. As a 30-year Marriott International and Hilton Worldwide lodging finance and accounting professional of 15 full-service hotels ranging in size from 250 to 1,150 guest rooms in 12 different cities including Boston, Denver, Baltimore and New York City, I have seen firsthand the negative and potentially deadly impact failure to comply with state fire code and regulations may have in the hospitality industry and on a state and city's economy.

Since Joan bought the Chipman Inn in 2012, the business has not achieved profitability. Guest room night demand in the Ripton/Middlebury/Warren area has increased, while occupancy at the inn has declined primarily due to the proliferation of unlicensed and unregulated short-term residential lodging properties. The inn incurs its share of expense for annual Vermont state permit and license fees, and since 2012 has incurred greater than \$100 thousand in capital improvement expenditures that were mandated by state agencies for public safety.

Annual Chipman Inn permit, license, inspection and water testing fees

- \$250 – Annual fire system and control panel test
- \$200 – Annual fire extinguisher inspection
- \$180 – Annual Department of Health Food Establishment Service License – 25-seat dining room
- \$185 - Annual Department of Health Lodging fee – 9 guest rooms
- \$115 – Annual fees for quarterly well water supply tests

One-time Chipman Inn Public Safety expenses mandated by the State of Vermont

- \$270 – Guest room door self-closing hinges (plus labor), Vermont Department of Public Safety
- \$1,600 – New hallway smoke and exit and emergency lighting, Vermont Department of Public Safety
- \$750 – 3-bay sink, Vermont Department of Health (plus labor)
- \$2 thousand – 3 60- and 90-minute fire doors, Vermont Department of Public Safety (plus labor)
- \$2 thousand – Replacement stairway handrails, Vermont Department of Public Safety
- \$6 thousand – 8 replacement egress windows, Vermont Department of Public Safety
- \$18 thousand – Well cap extension, Vermont Department of Environmental Conservation
- \$70 thousand – Handicap accessible walkway and 3 ADA accessible guest room and public bathrooms, Vermont Department of Public Safety

There are more than one dozen such unlicensed and unregulated lodging properties in Ripton alone, a small village of fewer than 600 residents. Fair competition does not exist between lodging properties regulated by the state of Vermont such as the Chipman Inn, and short-term rentals. One such unregulated, unlicensed property, The River Stone Lodge, is one-half mile east of the Chipman Inn on VT-125, advertises on Airbnb, Homeaway, Vacation Rental by Owner (“VRBO”) and other on-line travel agents (“OTA’s) that it may host three families at one time, and accommodate up to 16 guests in 6 guest rooms. Note: River Stone Lodge's wastewater system is licensed for four bedrooms and eight occupants. Because the River Stone Lodge increased its capacity with two additional guest rooms, it is no longer grandfathered and must be reconfigured with a re-engineered wastewater system. This illegal Lodging operation is four stories tall and is in violation of state fire code on both accounts.

OTAs such as Airbnb, Homeaway, VRBO and others have become a significant market segment that is not properly regulated. These OTA’s do not visit or inspect residential or commercial properties who list their units for rent on their website.

Unlicensed and unregulated lodging properties such as the River Stone Lodge should be licensed and regulated going forward. The State of Vermont should support a level playing field and use an ordinance in support of this and regulate short-term rentals for safety and compliance with state wastewater, water source and fire department regulations.