

*August 6, 2013*



# Bed & Breakfast Inns

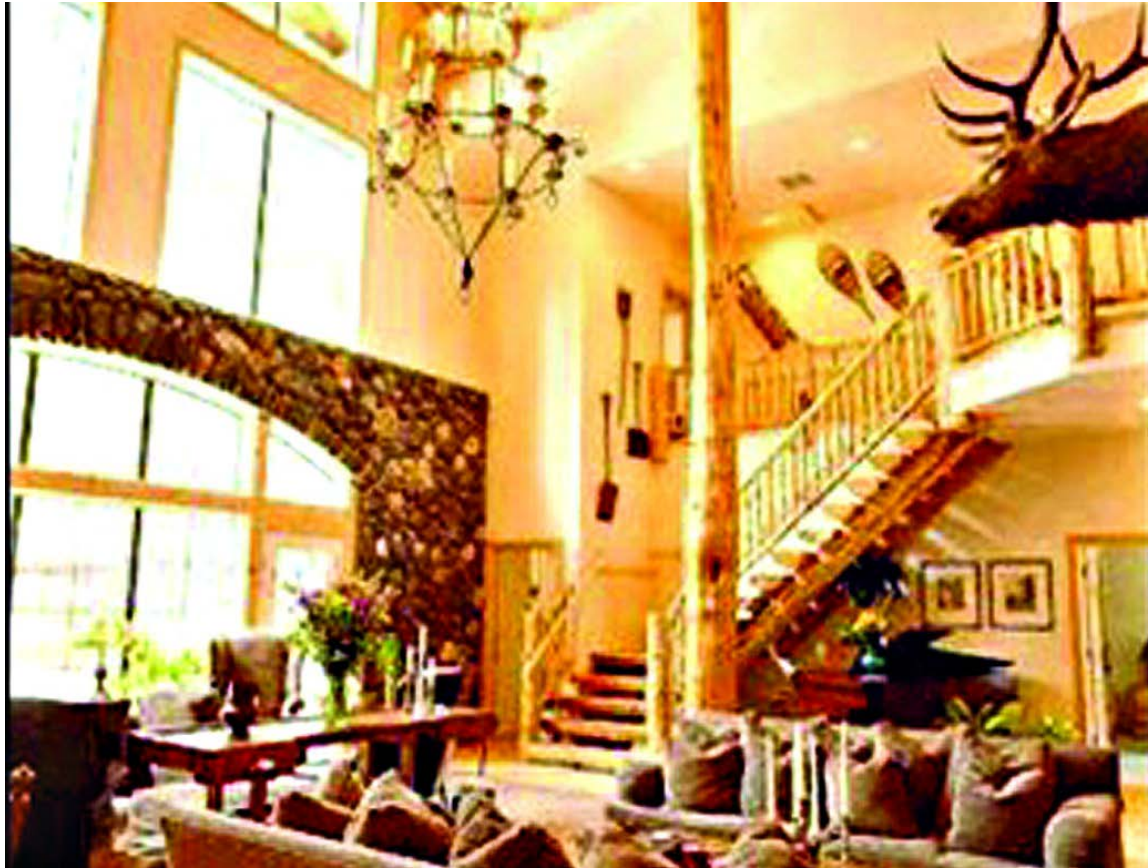
OF EL DORADO  
COUNTY

**HMT: How much is left on the  
kitchen table?**



## **American River Inn**

6600 Orleans St. - Georgetown



## **Black Bear Inn**

1202 Ski Run Dr. - South Lake Tahoe



## **Eden Vale Inn**

1780 Springvale Rd. - Placerville



## Saluti Cellars B&B

7505 Grizzly Flat Rd. - Somerset



## **Bella Vista B&B**

581 Cold Springs Rd. - Placerville



## **GlenMorey Country House**

801 Morey Dr. - Placerville



## **Fitzpatrick Winery & Lodge**

7740 Fair Play Rd. - Fair Play





## **Enchanted April Inn**

5950 Salmon Falls Rd. - Pilot Hill



## **The Davies Family Inn**

3700 Fort Jim Rd. - Placerville



## 7-UP Bar Ranch

8060 Fair Play Rd. - Fair Play



## **Fleming Jones Homestead**

3170 Newtown rd. - Placerville



## **Lucinda's Country Inn**

6701 Perry Creek Rd - Fair Play

# Bed & Breakfast Inns of El Dorado County

- Small in-home businesses
- Pays Hotel Motel Tax (NOT TOT)
- Inspected for Health & Safety Issues
- Meets Fire Safety
- Owners live on their property
- Concierge for County:
  - Traveling public is guided to places of interest
  - Events are promoted through B&Bs
  - B&Bs invite people into the county for unique experiences
  - One of a kind place to stay. Each B&B is an individual experience

# AirBnBs

- Do **NOT** pay HMT unless licensed
- Not inspected for health & safety
- Not inspected for fire safety, before doing business
- Can have people sleep on cots, couches, beds, in recliners or even on air mattresses
- Most do **NOT** promote their areas
- Most offer a single room to use, no common areas
- Most do **NOT** have owners onsite 24/7
- Many do **NOT** have private baths
- Most do **NOT** have websites, they use social media

## Vacation Rentals

- Do **NOT** pay HMT unless licensed
- Not inspected for health & safety
- Not inspected for fire safety, before doing business
- Most have families & groups as guests
- Many have pools & spas (hot tubs)
- Do NOT have owners onsite 24/7
- Many do NOT have private baths
- Most have websites, they use to promote the area
- All have kitchens



# Health & Safety Regulations

- Kitchen Inspections
- Safe Food Management Certification
- Food Facilities Water System Operating Permit (Wells)
- Quarterly Water Testing
- Spas/Hot Tubs & Swimming Pools

# Ordinances that need to be Followed

- Noise
- Lighting
- Parking
- Ingress/Egress
- Driveway Compatibility
- Traffic Mitigation
- Signage

# What is Left on the Kitchen Table?

- Permit, Inspection and Certification Fees
- License Fees (Catering, Event Use Permits, Etc.)
- Business Personal Property Tax
- Business License & Collecting HMT

# AirBnBs & Vacation Rentals Identified

- 74 On the West Slope of the County
  - AirBnB.com
  - VRBO.com
  - B&B Owner found these
  - Exact Number We Don't Know
  - Craig's List – Lots of Other Sites

# How much County Fees are Left on the Kitchen Table?

- Planning Services:

- Special Use Permit - \$4,000

- 74 locations X 4,000 = \$296,000

Department of Transportation

Tim Fees: One Rented Room

Average TIM Fees \$1,449 X 74 = \$107,226

# How much County Fees are Left on the Kitchen Table?

- Environmental Health
- Food Facility Water System Operating Permit - \$141
- Bed & Breakfast (Food Facility) - \$354
- Quarterly Water testing - \$76 Annually
- 74 Locations X \$571 = \$42,254

# How much Business License Fees and Personal Property Tax is Left on the Kitchen Table?

- Business License Fees  $\$32 \times 37 =$   
 $\$1,184$ 
  - Using an Average of  $\$1,500$  of  
Personal Property Tax  $\times$  the 74  
Locations =  $\$112,500$

# How much HMT is Left on the Kitchen Table?

- $74 \text{ Locations} \times 365 \text{ Nights} = 27,010 \text{ R/N}$
- $25\% \text{ Occupancy} \times 27,010 \text{ R/N} = 6,753 \text{ R/N}$
- $6,753 \text{ R/N} \times \$150 \text{ ADR} = \$1,012,950 \text{ R/I}$
- $\$1,012,950 \text{ R/I} \times 10\% \text{ HMT} = 101,295.00$



# How Much is Left on the Kitchen Table?

- Planning Services - \$296,000
- Dot TIM Fees - \$107,226
- Environmental Health - \$42,254
- Personal Property Tax - \$112,500
- HMT - \$101,295

# Total Left on the Kitchen table

- \$659,275
- Actually there is much more

# Good Communication Helps

- Website for the County Treasurer/Tax Collector
  - States I need a business license if doing business – Looking at the categories of businesses required to have a business license (No B&B, Vacation Rental or Short Term Stays):
    - Hospitality (incl food, bev, hotel)
      - § BAKERIES
      - § BARS & BAR SUPPLIES
      - § PROPERTY MANAGEMENT
      - § DISTRIBUTORS - BEVERAGE
      - § DISTRIBUTORS - FOOD & HOUSEHOLD PRODUCTS

# Good Communication (Con't)

- Website (Con't):
- Hospitality
  - § MOTELS, HOTELS & CABINS
    - CABINS
    - HOTELS
  - § RESORTS
  - § RESTAURANTS; COFFEE SHOPS; CAFES; FOUNTAINS; CATERERS; DRIVE-INS, FOOD PREP, ETC.
    - FOOD RELATED
  - § RESTAURANT & STORE EQUIPMENT; SALES & SERVICE
  - § WINERIES/BREWERIES
    - BREWERIES
  - § HOME CARE FACILITIES (GUEST HOMES & CARE)
    - BOARD & CARE; GUEST HOMES
  - Tax Collector HMT Submittal Form

# What to do Next

- Assign Staff the task to Find a lot of the Others
- Assign Staff to develop an Adequate, Balanced Ordinance:
  - Palm Springs – First in the Desert
  - Indio
  - Rancho Mirage
  - Palm Desert