



## Alaska Chalet Bed & Breakfast: What Happened to Anchorage Hospitality?



**It has often been said that the best thing about being in Anchorage is that it isn't too far from Alaska. Anchorage has the largest airport, the most used dock, the most medical providers, the tallest buildings, the most traffic, and *unfortunately* attracts more social problems than anyplace in the state. As Alaska's transportation hub everybody in Alaska has to deal with Anchorage sooner or later, unless you live in Southeast where Seattle is your urban hub.**

But it hasn't always been that way. I spent many unsupervised summers along Ship Creek doing boy things like building crappy cabins with my pals that soon fell down. Anchorage was a bedroom community to Ft. Richardson and Elmendorf military installations and had a wholesome feel because of the people. I ran back and forth between cars on 4<sup>th</sup>

Avenue selling newspapers and the drivers watched out for me. I hitch-hiked to ***Orah Dee Clark Junior High School*** because I lived 9/10<sup>th</sup> of a mile away and therefore didn't qualify to walk 1/10<sup>th</sup> of a mile west to the bus

stop. It was against the rules to hitch-hike, but I did it anyway from Unga Street to the school, often being offered cigarettes by drivers.

**Those days are gone. Anchorage has become a pit. Anchorage has an international reputation as such, and when smart travelers decide to have an Alaskan Adventure they seek accommodations away from the city by the mudflats. If they come here to stay in Anchorage they didn't really want to see Alaska.**

And one of those places smart travelers seek to stay is **Alaska Chalet Bed & Breakfast** in Eagle River. Let me tell you why.

### **The Owner is a 'True' Alaskan**

"In 1989 we added onto our house because my husband has an extensive family and we wanted them to have a good place to stay whenever they came to visit," explained Hostess **Brigitte Humphery** in rich German accent. "Instead of putting our three children out of their beds we decided to make a good place for guests to stay and enjoy their visit with in a comfortable setting. That was the original reason for adding on."



New Alaskans Mack and Brigitte Humphery

Ah, but after a couple of visits happened, Mack and Brigitte realized that the addition remained empty most of the time. The response to a little ad in the ‘Local announcements’ section of the old Anchorage Daily News launched their new business venture. They attended the *Anchorage Bed and Breakfast Associations’* informational meeting in 1990 and the idea for the use of their addition received a new focus: “That’s it, that’s what we’ll do – we’ll open a Bed and Breakfast,” which they did in 1991!

“I am a care-giver by nature,” Brigitte continued. “I had three children attending school, one in high school, one finishing elementary school, and one starting school; the last one being homeschooled by me. I saw this new venture as an extension of my caring role.

At that time we provided full breakfasts and maid service every day for *Alaska Chalet Suite* guests,” explained Brigitte as we sat in the kitchenette for the interview.

“My motto for hosting is: *This is not a business, this is a visit,*” continued Brigitte. “We always maintain the *Visiting Alaska* atmosphere when interacting with guests; they are not only visitors to Alaska, but also visitors to our home, and we help them in that spirit. Some travelers have their itinerary well planned out in advance, but there are always gaps we can fill in to let them know what the locals know; where one can see most of the Alaska Range, Mt. Denali and Mt. Redoubt; or to visit the *Eagle River Valley Nature Center* with its many trails into the Eagle River Valley, which is much overlooked by many tourist publications. [eaglerivernaturecenter.org](http://eaglerivernaturecenter.org)



The Eagle River Nature Center is 10 miles beyond Walmart on Eagle River Road.

“The Eagle River Valley is what I call my “Little Switzerland,” she laughs.

**Alaska Chalet B&B now has two apartment style suites and the Chalet Suite was a nice setting.**



Mack, then in the military, met Brigitte in Germany. They came to Alaska from California over the Alcan Highway in the fall of 1986, driving a Nissan pickup with pop-up camper and a Nissan hatchback sedan using walkie-talkies to stay in touch with each other along the way. Mack came to work as an electronics technician for the Federal Aviation Administration (FAA) to work on radar sites around Alaska. He ended up certifying airports all over Alaska and moved on to the **Western Pacific Region** to help establish the same certification protocols there.

**They had been advised to take a look at the community of Eagle River before plunging into Anchorage. They found a house in a quiet cul-de-sac that had been repossessed in the economic downturn of the 80s. A few years later, the equity from the sale of their home in California provided the down payment to build this extension.**

“When we started the B&B the Internet didn’t exist,” Humphery continued. “My husband was just starting to learn about computers and what they could do. He insisted that instead of writing letters, and making phone calls, and having a reservation service put our name out to the traveling public, we would do something on-line. After a few years of doing advertisement the traditional way, guests could also find **Alaska Chalet B&B** by going to our website online.”

That was the beginning of [AlaskaChaletbb.com](http://AlaskaChaletbb.com)

Around '95, I was ‘discovered’ by a small group of Innkeepers in the Eagle River, Chugiak, Peters Creek area who had started to network with each other. All had their licenses and permits, even though most ladies offered only spare rooms. Some had suites or even whole portions of their homes set up to accommodate travelers. **Lucy Moody**, who owned **Peters Creek B&B** organized the group as the **Chugiak-Eagle River B&B Association** to help each other fill rooms; it was very helpful.

**Alaskans teaming up to provide a quality service to visitors.**

Humphery added: *Before we joined the local group, we had already been a member of the **Anchorage B&B association**. Even today, their members still do not show any interest to network with us ‘out there’; they live in their own world in Anchorage.*

### **The Business of Bed & Breakfast Hosting**

*As soon as we opened our B&B, we joined the **Chugiak Eagle River Chamber of Commerce**. At an open house I met the director and learned that folks at the Chamber regarded Eagle River as a bedroom community, said Brigitte. From the very beginning I rejected that notion that Eagle River is a bedroom community to Anchorage. Coming from California, and before that Germany, I saw Eagle River as a stand-alone community. Eagle River has no visible connection to Anchorage and this is the community in which we **live**. I insisted the director think of Eagle River as a community with its own identity, **OUR** community’s identity. That is what we should focus on and promote to residents and visitors.*

Eagle River has two seats on the 11-member Municipality of Anchorage (MOA) Assembly, which includes a sprawling government from Girdwood to Eklutna.

**Rules have been established by the MOA governing *Lodging and Hospitality* businesses. Those rules require a permit from MOA and a business license from the State of Alaska. In addition the rules require inspection of the accommodations to assure fire code and safety requirements are met.**

Here is the application:

<https://www.muni.org/departments/ocpd/planning/forms%20and%20applications/bed%20and%20breakfast%20room>

**And, there are room taxes:**

From the MOA web page: (  
<http://www.muni.org/Departments/finance/treasury/programtaxes/roomtax/Pages/default.aspx>)

#### Room Tax

Anchorage Municipal Code (AMC) Chapter 12.20 authorizes the collection of a 12% tax on short-term room rental transactions, which are rentals of less than 30 days of continuous occupancy. Room tax applies to a broad spectrum of lodging businesses (called operators), such as hotels, motels, inns, corporate suites, ***bed and breakfasts***, rooming houses, townhomes, cabins, duplexes, condominiums, vacation rentals, seasonal rentals and apartments. Room tax may also be referred to by a variety of names, including bed tax, occupancy tax, transient occupancy tax and hotel tax.  
(Emphasis added)

Operators are required to register each individual rental business with Treasury prior to renting or offering to rent a room(s) (AMC12.20.030). Operators have an obligation under AMC 12.20, otherwise referred to as a fiduciary duty, to timely collect, safeguard, and remit all room taxes due to the Municipality (AMC 12.20.035 & .040; see also AMC 8.15.060 & .010).

**Those rules are currently not applied equally.**



**Brigitte Humphery at her *Alaska Chalet B&B***

*Online reservation platforms have changed the legal landscape for those who now operate a lodging businesses, explained Humphery. Lodging providers signed up with **AIRbnb** pay their Room Tax through their web platform, but do not have to prove they have a current MOA permit or state business license; they just check a box to state that they do.” Nor do the rest of the online reservation platforms. They simply give subscribers the ‘green light’ to be included on their platform just by application for wanting to be included on their platform. That’s it, no proof of a legitimate B&B permit or business license required.*

**Further, Room Tax paid to the MOA by those who use reservation platforms exclusively is done based on the honor system, according to Humphery.**

*This oversight by the MOA has been a point of great contention ever since B&Bs have been included into the group of lodging providers who have to collect Room Tax for the MOA from their guests, she explained. The MOA should require of everyone who owns or runs a lodging facility online, or privately, to show legal proof of compliance in addition to collecting Room Tax. The MOA has shown no interested to follow up on the legal aspect of the business, though. They **might** start developing agreements with more online reservation platforms for assuring that Room Tax is being paid similar to the agreement they have with **AIRbnb**. But, at this point in time, still nobody verifies who is a licensed and permitted lodging owner because operating a lodging facility is done on a **trust-that-compliance-is-met** basis.*

*They don’t **require** compliance with their regulations anymore, explained Humphery. Hosts signed up with **AIRbnb** are covered under their agreement with the website. **AIRbnb** asks if the applicant complies with all the rules and regulations of the MOA, all they do is check a box. **That is it; no proof.***

***Everyone who is providing a lodging facility should be required to have a state business license, a local permit, and have to pay an MOA Bed Tax which is by law required from all who are legitimate lodging providers. The Muni has not been doing that, but they say they might start to develop agreements with other on-line platforms like **AIRbnb** who have agreed to collect bed taxes from the guests and send it directly to the MOA. Nobody can verify anything! **AIRbnb** doesn’t verify what is a legitimate business and the MOA cannot verify whose business has paid.***

*I believe that the MOA's interest is now satisfied in that they can collect at least SOME money brought in through the Room Tax as they forego Room Tax income from the unknowns, Humphery continued. **But worse, the interest to assure safety and quality of lodging facilities—by insisting that the permitting process includes also the group of lodging providers who advertise their lodging exclusively through online-reservation-platforms—does not seem to be important to the MOA any longer.***

The **Anchorage Bed and Breakfast Association** still requires a peer review of member facilities to assure MOA permitting standards, including safety and hosting services. This group has been upholding those qualities and standards since it was started in the late 1980s.

*Everyone who has gone through the pains of obtaining a permit and a business license to establish a legal Bed and Breakfast is required to cross their 'Ts' and dot their 'Is' under the threat of legal consequences should they fail to do so, emphasized Brigitte. The requirement to collect the Room tax on behalf of the Muni demands a whole separate legal agreement, levying high taxes on any amount not paid by the required quarterly due date. It is unfair to those who comply with the rules to be treated as criminals if they do not strictly comply with the rules, and let those who have never obtained the legally required permit and business license off the hook because **they are not known** to the Muni's tax officials.*

From the MOA Web page:

On August 20, 2019, the Anchorage Assembly unanimously approved AO 2019-99(S) As Amended, which describes the requirements for a “hosting platform.” Hosting platforms, such as AIRbnb, VRBO and others, that facilitate short-term room rental transactions by connecting potential hosts and guests while also collecting money from guests.

AO 2019-99(S) only applies to hosting platforms that receive payment including the tax on behalf of the operator.

The ordinance requires hosting platforms that receive payment including tax to register with the Municipality, collect, and remit tax on behalf of the operator to the Municipality.

An operator who exclusively uses one or more registered hosting platforms to rent rooms will no longer have to separately register with Treasury to collect, safeguard, and remit room tax associated with registered hosting platform bookings.

For rental transactions initiated on or after November 1, 2019, operators offering and renting rooms through the VRBO.com or HomeAway.com hosting platform will no longer have the responsibility of separately registering with the Treasury Division, or for collecting and remitting room taxes on the transactions processed through VRBO.com or HomeAway.com. Operators who also offer and rent rooms via other methods will be able to deduct gross rents for any registered hosting platform transactions from total gross rents on the tax return. This same rule applies to all future registered hosting platforms.

Humphery asks: “AO 2019-99(S) only regulates the voluntary relationship between the Muni and hosting-platforms which collect the Room Tax. What about those hosting-platforms that do not collect Room Tax, like BOOKING.COM and all others where the host has to collect the Room Tax for the MOA tax office? Who assures that the lodging owner placing their facility on those on-line reservation platforms will pay the Room Tax generated through such bookings? And, who monitors compliance?

**But it gets worse for licensed and permitted traditional Anchorage B&B Hosts.**

MOA regulations require the host or operator to **live** on the premises of a lodging facility designated as a Bed & Breakfast. These rules are not enforced for those who list their rentals through online platforms and assume the identity or designation of a Bed & Breakfast through platforms like 'AIRbnb.

*I also have signed up with 'AIRbnb.COM' and 'BOOKING.COM, but my B&B is established by more than an online platform presence; we have our own business website, continues Humphery. Online reservation platforms make it almost impossible for us to have direct contact with clients searching for lodging accommodations any more; they have almost totally eliminated direct access to our individual business website.*

**In a way, the Muni enables this bully treatment against traditional B&B online listings.**

*So, if you GOOGLE "Lodging" or "Accommodations" for a particular area—for example Eagle River—these search engine will not allow my website to come up independent of their control to regulate the reservation process. If the name **Alaska Chalet B&B** comes up, it is only accessible through them, explained Humphery. Anyone making a reservation with us who came through an online platform must either pay the platform owner a commission or we are required to pay the platform owner a commission; commission to Booking.com is 15%, even though our website is independently available. Travelers who **google** for reservations do not know that they can book with us directly to avoid any type of fees while helping us avoid having to pay commission to the platform owner.*

**Online reservations are not a fair marketplace any longer. The big reservation platforms control the online reservation process.**

*I ask everyone who calls to inquire about our lodging facility if they have found us on an online platform. This gives me the opportunity to alert them of the limitations those platforms place on the direct booking between the guest and the host. If they have not booked already with the platform, I let them know to remove themselves from being trapped in their online reservation process by simply typing into the search bar our full web address: [www.alaskachaletbb.com](http://www.alaskachaletbb.com) . “*





**Many local residents and some first-time visitors already know how to secure their reservation directly.**

*As an Innkeeper I am somewhat detached from the rest of the local business community, Humphery continued. We have only a few, if any, innkeepers left here in Eagle River who operate traditional Bed & Breakfast businesses. Martha from 'Peters Creek Inn is the only one left from the old guard who operated her B&B during the early days; most of them moved on or passed away. The Lodging industry has become very competitive, now even including competition between traditional hotels and the array of all types of unusual lodging facilities. Because owners of so many AIRbnbs offer their rooms to generate some income on the side, reasonable rates have become an issue.*

*From the onset we envisioned our 'guest-hosting' to be a part of our family's home as well as providing travelers with a safe and comfortable lodging experience, said Brigitte. We did not go into debt, we paid out of pocket for the addition which ended up providing a place to stay for our valued guests. We do not worry too much when the travel related economy experiences a downturn as it has done this past year because of Covid-19 restrictions.*

*Hosting a B&B has been and still is a blessing, as it always focused on providing comfort and enjoyment for guests, concludes Brigitte. Sure, there are recurring costs of operating a business, but we don't have the pressure of having to generate income to keep the doors open. We want visitors to have a safe and comfortable experience when they stay with us. Some start their visit with us here in Eagle River, some end it here, and some pass through on their way from the South to the North or the other way around. For a long time now, we have had a policy that requires (normally) a minimum stay of three nights to let the guest know that there is plenty to see and do right around the local area; yes, that also includes Anchorage.*

*Alaska Chalet B&B has been in business for 40 years now. And to all who decide to be our guests, we extend a warm welcome and offer to help them have a great experience – My husband and I planned it that way!*

To contact Alaska Chalet Bed & Breakfast:

stay@alaskachaletbb.com or

brigitte.humphery@gmail.com

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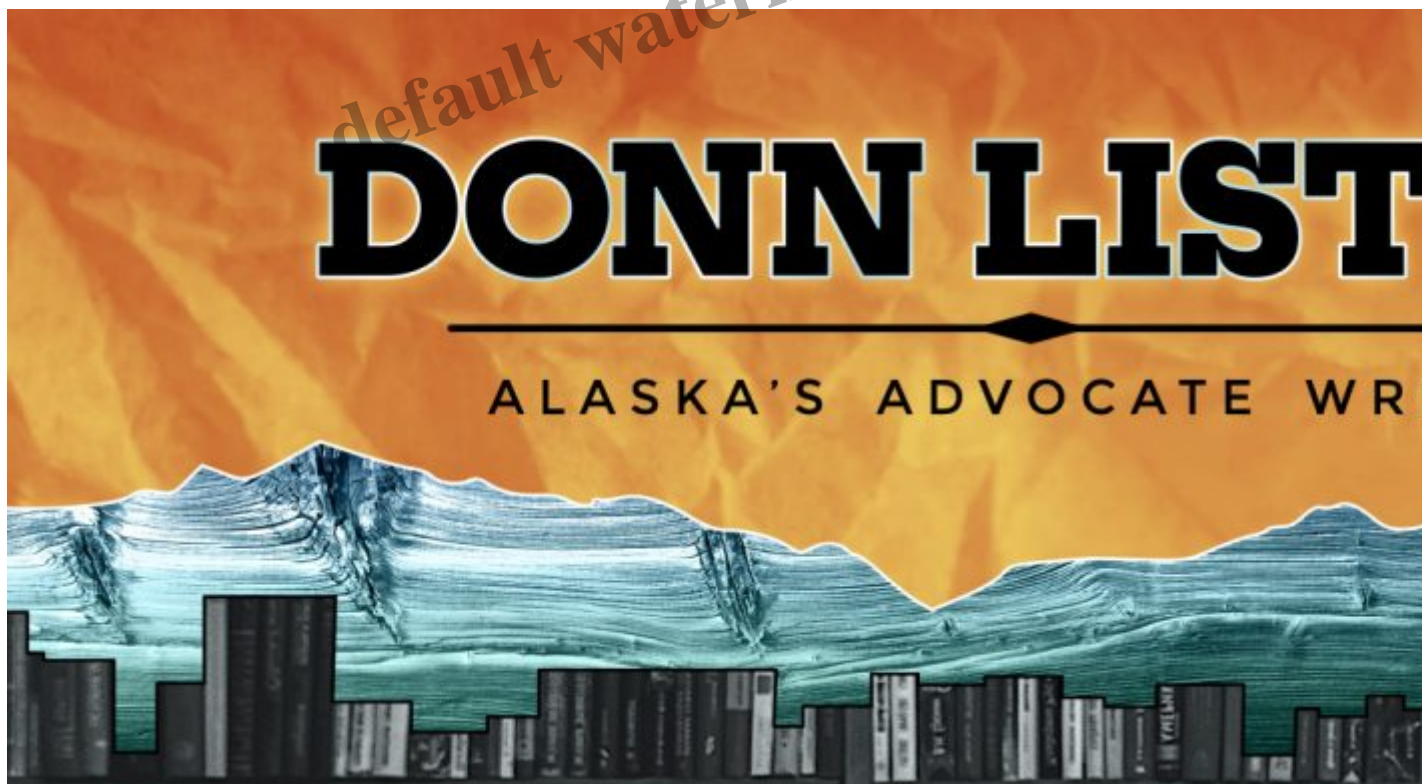
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