

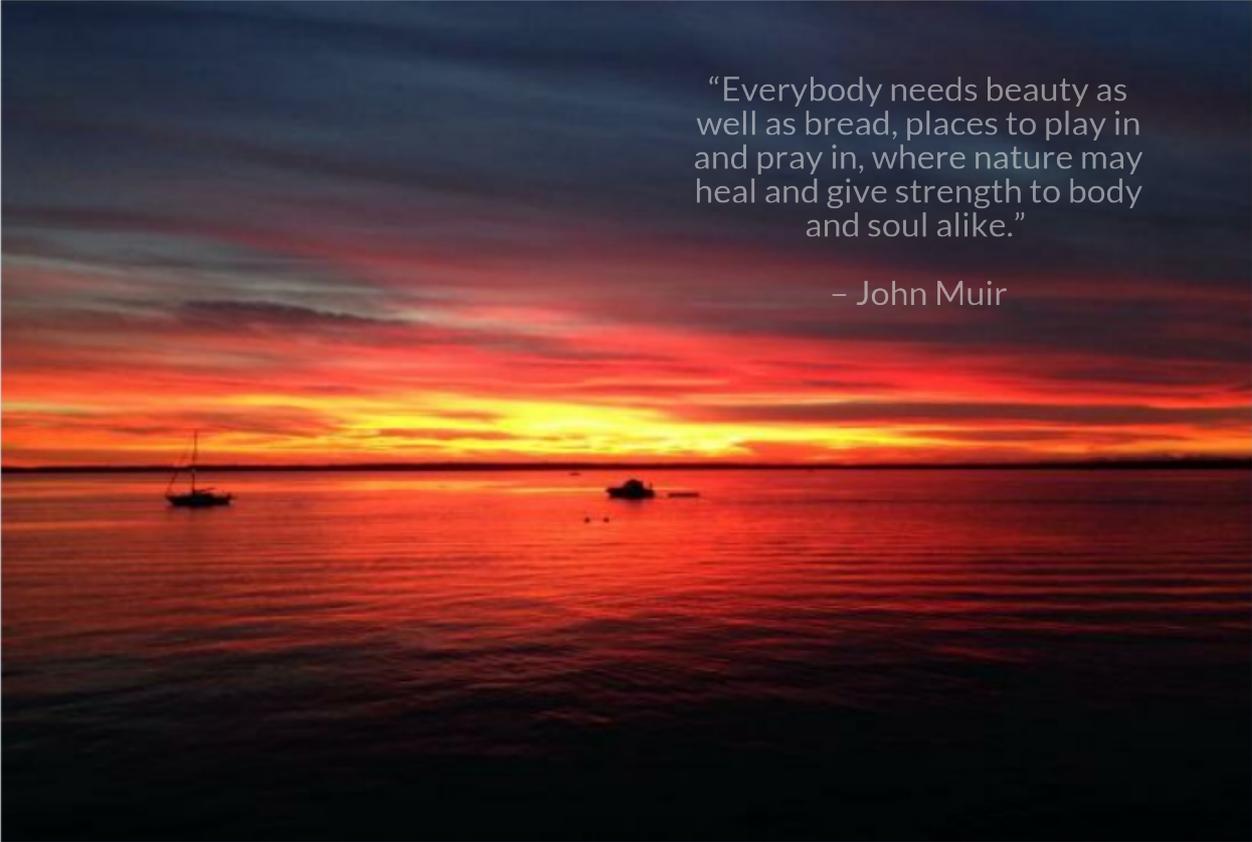


The Chrysalis Inn & Spa



2015 SUSTAINABILITY REPORT

www.thechrysalisinn.com



“Everybody needs beauty as well as bread, places to play in and pray in, where nature may heal and give strength to body and soul alike.”

– John Muir

Built in 2001, our contemporary boutique inn features a full service spa and restaurant on Bellingham Bay. The hotel contains 43 rooms that incorporate the Pacific Northwest’s aesthetics for our customers. Our casual yet elegant restaurant, Keenan’s at the Pier, offers modern cuisine with a Pacific Northwest twist. The spa provides both our guests and community access to a premier experience where one may indulge and heal the body, mind, and soul.

BACKGROUND



The Chrysalis Inn & Spa arose from a personal vision to capture the essence of the Northwest. This vision desires to balance our inspiration from nature with the sophisticated styling and technology that distinguishes our region. We wanted to provide a destination where individuals could come to heal and relax. It represents the transformational chrysalis the butterfly rests within to evolve. By finding its healing place, the butterfly emerges rested and enlightened. Our mission desires to bring this transformation to our guests and provide them with *a respite for the body, mind, and soul.*

Our Commitment

To provide a respite for the body, mind, and soul while limiting negative social and environmental impacts to our community and maintaining economic longevity



The Sustainability Matrix

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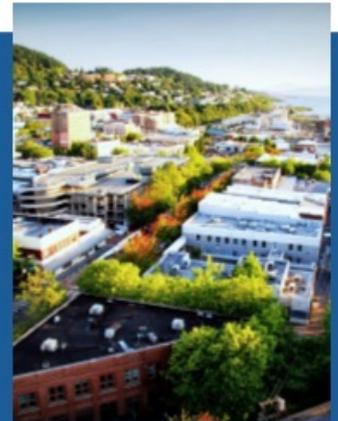


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ENVIRONMENTAL STEWARDSHIP



**Calculating Emissions
Towards Zero Waste
Energy Efficiency
Water Conservation
Green Chemical Usage**

Calculating Emissions



At The Chrysalis Inn, we recognize the importance of climate change and the threat that it poses. Calculating our carbon dioxide equivalent (CO₂e) emissions allows us to better understand our impacts on the environment by identifying which areas emit the most greenhouse gases (GHG). Below represents our total GHG emission for 2015 based upon the EPA's Simplified Emissions Calculator.

Direct Scope 1 Emissions

GHG Emissions from
Stationary Natural Gas
Combustion: 321 CO₂e

GHG Emissions from
Refrigeration: Unavailable

GHG Emissions from AC:
Unavailable

Indirect Scope 2 Emissions

GHG Emissions from
Electricity: 340 CO₂e

Indirect Scope 3 Emissions

Insufficient Data

Total GHG Emissions for 2015

661 CO₂e



Future Improvement

While The Chrysalis Inn has taken initial steps to calculate its CO₂e, further information could be captured to calculate the full scope of emissions. Calculating emissions represents the first step in our commitment to reduce GHG emissions. The following represents our area of focus for 2016.

- Collect data on refrigeration and AC use
- Calculate Direct Scope 1 Emissions from refrigeration and AC use
- Collect data on employee commuting and product transportation
- Calculate Indirect Scope 3 emissions from commuting and product transportation data

TOWARDS ZERO WASTE

In October 2015, The Chrysalis Inn made the decision to participate in Sustainable Connection's Towards Zero Waste program. This program helps businesses design and implement homogeneous waste systems to reduce their overall output. Since collaborating with Sustainable Connections, the Chrysalis has significantly reduced our waste output and employed various measures designed to further our sustainability initiative.



Waste Reduction



of our total waste is either composted or recycled

Hotel Amenities



of the packaging can be recycled

Completed Efforts

Signed up for food plus with Sanitary Services Company (SSC)

Implemented composting in our restaurant, Keenan's at the Pier

Set up Paper Towel Compost throughout the building

Rooms contain durable ware, such as glass mugs and cups

Amenities in rooms contain biodegradable liquids and packaging can be recycled post use

Composting available in most employee areas

Efforts In Progress

Switching to all compostable service ware and to-go containers in the restaurant

Switching to 100% recycled Keurig K-cups that can be recycled post use

Keurig K-Cups

Our new Keurig K-Cups provide a recyclable option to otherwise traditional non-recyclable options.



Produces 30% less GHG emissions and reduces water consumption by 21%

Future Improvement

To reach our goal of an 80% diversion rate, we must continuously improve both our waste system and our purchasing habits. The following represents our areas of focus for 2016.

- Set up plastic film recycling for the building
- Implement composting for the mail receiving area
- Input composting at our restaurant's waitstaff area
- Identify compost implementation options for hotel rooms
- Explore the use of dispensary systems in hotel rooms

Goal for 2016



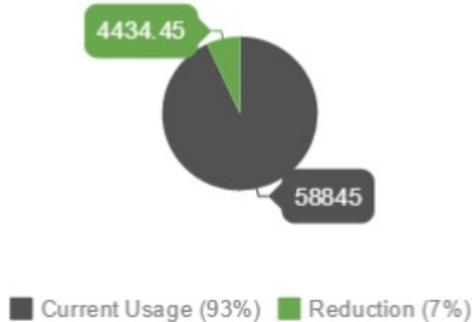
Reduction in waste by November 2016

ENERGY EFFICIENCY

The Chrysalis Inn diligently pursues different methods to reduce its energy consumption. This involves reducing both our consumption of natural gas and our electricity usage. The building has participated in Sustainable Connection's Community Energy Challenge (CEC) since 2011 and has employed various energy conservation efforts since joining this program.



Historical Natural Gas Consumption



Natural Gas Consumption

Replaced our old inefficient boilers with two HTP Mod-Con boilers that contain a thermal efficiency of 94%

Installed a HTP Phoenix Water Heater that contains a thermal efficiency of 96%

Combining the two Mod Con boilers with the Phoenix water heater reduces our consumption of natural gas by 7% annually.

Reduces 24 metrics tons of CO₂e annually

Electricity Usage

Switched our incandescent lighting to CFL in guest rooms and offices

Purchased Energy Star labeled computers, office equipment, and appliances for guest rooms



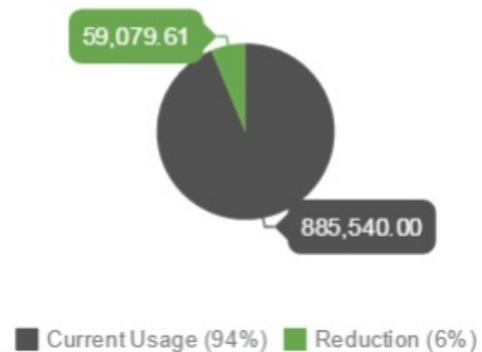
Replaced lamps with LEDs (exception of 3-way lamps in guest rooms)

Replaced 70W MH lights in parking garage to Motion Sensor 50W lights

Combined, these efforts reduce our electricity consumption by 6% annually

Reduces 23 metric tons of CO₂e annually

Historical Electricity Usage



Future Improvement

While The Chrysalis has gone a long way towards becoming energy efficient, it can take additional steps to reduce its usage. The following represents our areas of focus for 2016.

- Replace inefficient lights within both stairwells
- Schedule an updated audit with the CEC program
- Install energy efficient appliances in our restaurant
- Explore the feasibility of installing microturbines to generate kWh

Goal for 2016

2% reduction in electricity usage

WATER CONSERVATION

The Chrysalis Inn recognizes the importance of conserving water and actively pursues different ways to reduce our usage. Our conservation practices extend to include both indoor building consumption and landscape irrigation. To develop a better management plan, we recently participated in a water management study completed by Becca Arnold during her Sustainable Business Practicum Programs. The historical data and conservation percentages provided below come from this study.

Water Conservation

Landscaping Reduction:

Replaced sprinkler heads with rotating nozzles: reduces 25% of irrigation water

Outdoor ponds utilize a closed loop water system

Indoor Building Consumption:

Shower heads limits use to 2 gallons per minute (gpm)

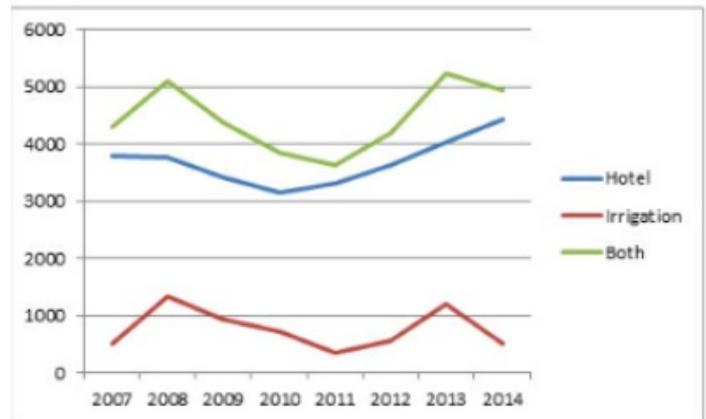
Hotel room sinks use 1.25 gpm faucets

Toilets use 1.5 gallons per flush (gpf)

Water Usage

385 points of water consumption

Historical Water Data



Future Improvement

While the Chrysalis has made initial efforts towards conserving water, there are further measures that can be taken to significantly reduce our consumption. The following represents our areas of focus for 2016 based upon recommendations from our water management study.

Explore and install water monitoring:

- This measure holds the potential to save 10-20% of total usage

Irrigation Measures:

- Replace irrigation controller
- Weekly review of sprinkler settings

Building Measures:

- Increased staff education on water conservation
- Switch public sink faucets from 1.25 gpm to 0.5 gpm aerators

Estimated Water Savings



■ Current Usage

■ Savings from Report

GREEN CHEMICAL USAGE

The Chrysalis Inn makes a continual commitment towards using environmentally safe friendly chemicals. This commitment requires an extensive look into the different chemicals and substances needed to promote the cleanliness and safety of our facility to both our customers and our staff alike. By using eco-friendly products, we hope to set a standard that can be replicated by other environmentally conscious hotels.

Non Toxic Chemicals

The Chrysalis Inn uses only non-toxic and environmental safe cleaning supplies.

We primarily use:

H2Orange by EnviroX



A hydrogen peroxide cleaner that can be used for 95% of general cleaning purposes

Dysol by Aerochemicals



A bio-based solvent that is both biodegradable and contains no ozone depleting substances (ODS) or hazardous air pollutants (HAP)

Amenities & Products

Our commitment to using environmentally safe chemicals extend past our cleaning supplies to include the amenities and personal hygiene products we provide.

We use Gilchrist & Soames for our hotel amenities. Their products are biodegradable and do NOT contain parabens, phthalates, mineral oil, urea, DEA, TEA, DMDM hydantoin or propylene glyco.



All of the Spa at The Chrysalis labeled products are made by Artisan Bay, a local Bellingham company that specializes in spa products. These products are completely paraben free and contain essential oils.



Future Improvement

While The Chrysalis has significantly reduced usage of harmful chemicals, there are areas it could improve upon. The following represents our areas of focus for 2016.

- Replace the chemicals used in our restaurant's dishwasher
- Identify green alternatives for maintenance liquid supplies
- Adopt environmentally friendly laundry service chemicals
- Explore the feasibility of using an oxidizer for the laundry services to reduce detergent usage



SOCIAL RESPONSIBILITY



**Think Local
Employee Engagement**

THINK LOCAL

The Chrysalis Inn makes a conscious effort to support local companies whenever possible. We believe that investing in local businesses helps pave the way towards a more sustainable economy and promotes our sustainability initiative. Our partnership with Sustainable Connection's Think Local program aligns with our ideology and provides a connection to like minded local companies.



Purchasing Preferences

The Chrysalis purchases local products whenever possible. The following represents a few of the local companies we partner with.

Artisan Bay Spa Products
 Asp-Nes Photography (Spa Designer)
 Aslan Brewing
 Avenue Bread
 Bay City Supply
 Bellingham Bay Roasters

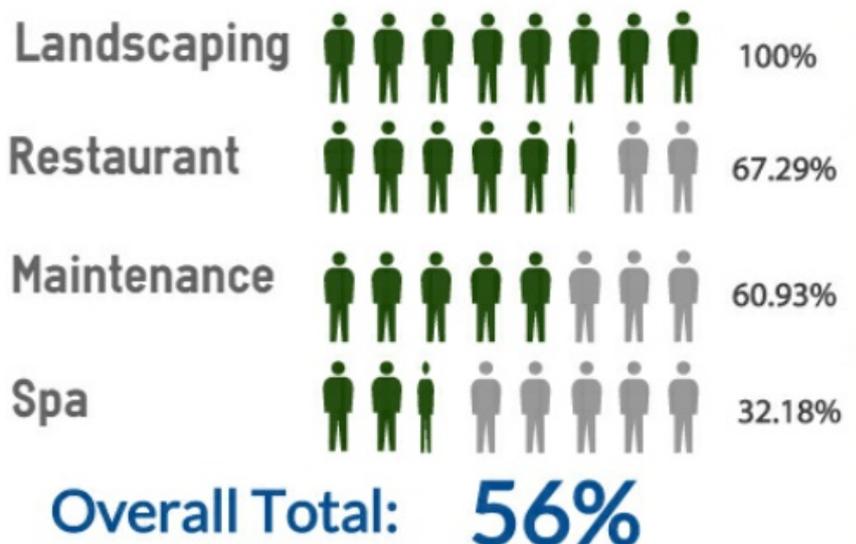
Deborah Gillis (Local Artist)
 Evolve Chocolates
 Ed Wyse Beauty Supply
 Hydro Peptide (Seattle)
 Kulshan Brewery
 Lorraine's Landscaping
 Louemoon Jewelry
 Lummi Island Wild
 Spice Hut
 Wander Brewing



Keenan's at the Pier

Our restaurant participates in Sustainable Connections Eat Local campaign. Committing to the program has allowed us to connect with local farmers and promote their product. By locally sourcing up to 67% of our restaurant's purchasing, we are proud to state our position with accreditation to **EAT LOCAL FIRST**

Percent Local Purchasing



Future Improvement

While The Chrysalis makes several efforts to support our local economy, further steps can be taken. The following represents our areas of focus for 2016.

- Switch romance basket and spa products to Artisan Bay
- Revamp the hotel gift shop to sell 80% local products

EMPLOYEE ENGAGEMENT

At The Chrysalis, we understand that our employees are essential to the continued success of the business. Our vision depends upon a team to provide our guests with a seamless experience and promote the tranquil environment that we desire to provide. To do so, we encourage our employees to employ effective communication and mutual appreciation for one another.

Employee Benefits

Full time employees receive Health Care Coverage

Full time employees receive annual paid time off and medical leave

Employees receive a 50% discount on spa services, with an extended 25% discount for immediate family

Employees receive a 25% discount on retail purchases

Employees and immediate family receive discounted hotel rooms year round

After their one year anniversary, employees receive either \$100 credit towards the spa or a \$50 credit to the restaurant

Promotions

71% of current management positions were internally promoted



Future Improvement

While The Chrysalis has developed several measures for engaging our employees, there are further steps it can take. The following represents our areas of focus for 2016.

- Create a feedback channel for employees to express concerns or issues
- Increase interactions between employees and their department managers
- Develop a network for communicating between different departments
- Collect quantifiable data on employee moral and satisfaction
- Publicly promote employees with outstanding performances in our monthly Newsletter

ECONOMIC LONGEVITY



Cost Saving
Data Tracking

COST SAVINGS

Traditionally, Sustainability Reports disclose pricing and growth percents to determine a business' economic vitality. At The Chrysalis, we decided to do things a little bit differently. Instead of looking at profits and revenues, we wanted to explore the costs associated with resource consumption and how better resource management leads to economic longevity.

Initial Resource Consumption

Resource costs are important because they get accounted for as a fixed overhead cost. Lowering the building's resource consumption leads to reduced overhead costs. This allows us to maintain a competitive price in the hospitality industry.

The following resource consumption amounts were estimated for 2015.

Electricity: 885,540 kWh

Natural Gas: 58,845 therms

Water: Unavailable

Garbage: 504 cubic yards

Better Resource Management

Often times sustainability is viewed to be too expensive and not cost effective. While some sustainable efforts have higher upfront costs, the associated increase in efficiency and decrease in resource consumption results in lower costs.

The following represents estimated percent of cost savings from our different initiatives:

Electricity savings: 6%

Natural Gas savings: 7%

Water Conservation savings: 1.57%

Garbage savings: 9.77%

Total Cost Savings for 2015
5% = 9,575.48



Future Improvement

Based upon our projected goals for each sustainability effort, the following represent estimated savings for 2016.

- Electricity Efficiency: 8% for a 2% reduction
- Natural Gas Efficiency: 7%
- Water Conservation: 18.43% if all measures are implemented
- Towards Zero Waste: 57.67 - 77.89% for an 80% diversion rate

Estimated Cost Savings for 2016
12% = 20,865



DATA TRACKING

Analyzing the economic longevity of a company requires extensive monitoring and computation of resource consumption. The Chrysalis Inn does not currently have any systems in place to track data from our resource consumption. However, we recognize the importance of such systems and have developed several measures to track resource data for 2016.

Tracking Resource Consumption

The following represents the different systems we will implement in 2016 to track our resource consumption.

Develop a database using resource consumption rates from 2015

Track monthly occupancy rates to use for cost savings comparisons

Record monthly electricity consumption per kWh

Record monthly natural gas usage per Therms

Explore options for installing a water monitoring system

Record monthly water usage per CCF

Track weekly garbage and compost outputs

Tracking Cost Savings

The following represent the different systems we will implement in 2016 to monitor cost savings from reducing our resource consumption.

Develop a database using the cost saving totals from 2015

Compute cost savings from electricity by comparing kWh with occupancy rates

Compute cost savings from natural gas by comparing therms with occupancy rates

Calculate cost savings from water conservation by total reduction in water usage (requires factoring in changes in water rates)

Measure costs savings from garbage reductions by comparing weekly garbage rates with baseline rates from 2015



CONCLUSION



Acknowledgements

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The Chrysalis acknowledges that this report would not have been possible without the assistance of several individuals. Each of these individuals provided support that was fundamental for our transition towards becoming a green building. We recognize the following individuals and companies for their positive influence and efforts.

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David Jackman - Energy Program Assistant

Becca Arnold - Water Management Plan

Sanitary Services Company

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