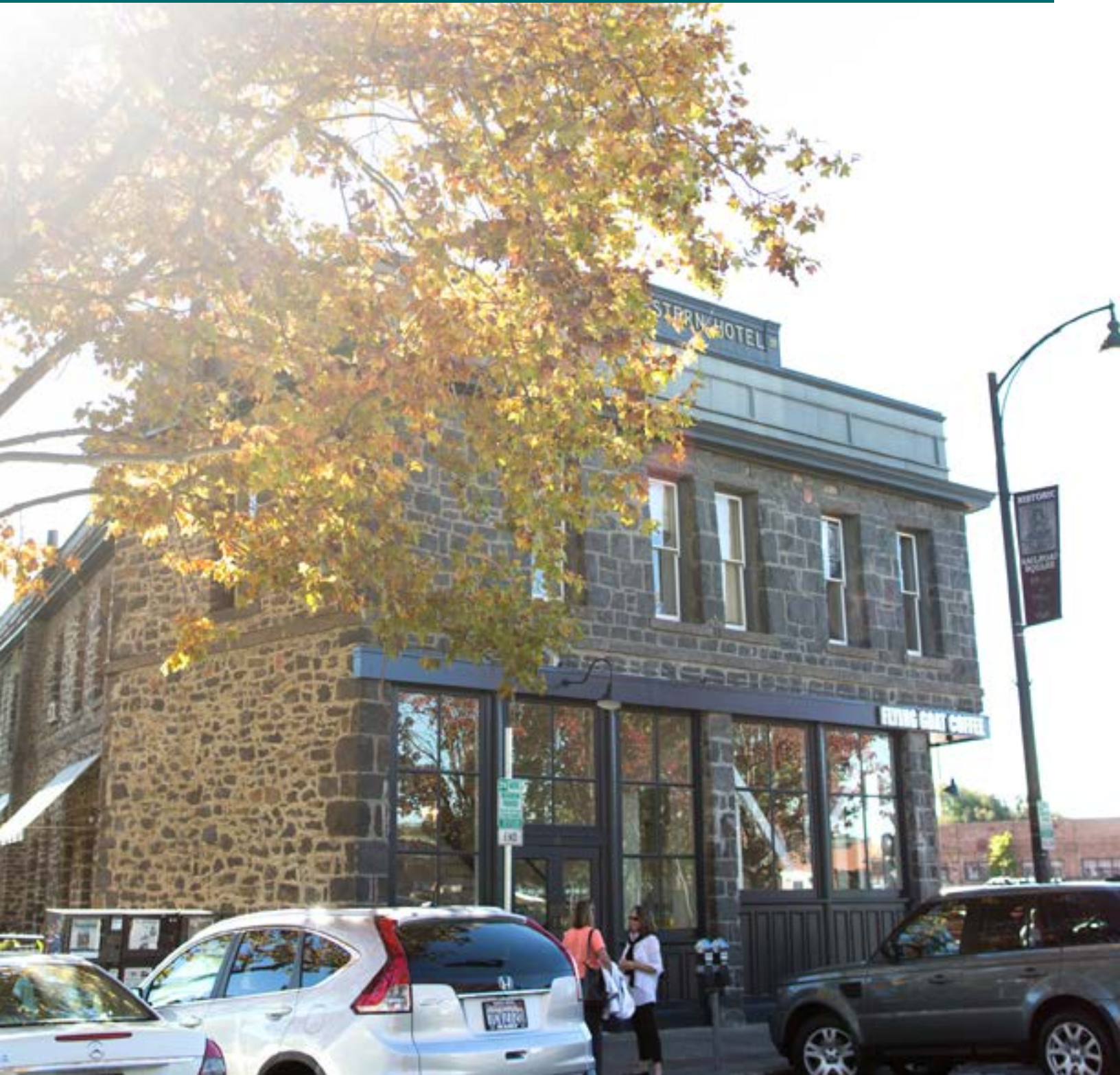




SECOND QUARTER TRANSIENT OCCUPANCY TAX REPORT

INDUSTRY REPORT

2021



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EXECUTIVE SUMMARY

November 2021

SECOND QUARTER 2021

The Sonoma County Economic Development Board (EDB), in partnership with Sonoma County Tourism (SCT), is pleased to bring you the 2021 Second Quarter calendar year (CY) Transient Occupancy Tax (TOT) Report. The analysis drafted by the Sonoma County EDB is based on reports from each jurisdiction within the county. This report contains the most recent data available based on county reporting.

This report analyzes Sonoma County's historical Q2 TOT revenue numbers and contains the accommodation development report for April, May, and June of 2021.

TOT ASSESSMENT BY CITY

	Tax Rate (%)	TOT Revenue
Cloverdale	10%	\$59,804
Healdsburg	14%	\$2,407,106
Petaluma	10%	\$703,192
Rohnert Park	12%	\$992,149
Santa Rosa	9%	\$1,312,255
Sebastopol	10%	\$120,278
Sonoma	10%	\$1,403,199
Windsor	12%	\$542,541
Unincorporated County	12%	\$8,608,991
TOTAL	-	\$16,149,515

Source: Sonoma County and Cities Finance Departments

HIGHLIGHTS

- Sonoma County's revenues for second quarter 2021 increased 298% over second quarter 2020. Total county revenues for Q2 2021 equaled \$16.1 million.
- Each of the incorporated cities and Unincorporated County experienced increased year-over-year TOT revenues from second quarter 2020.
- Healdsburg had the greatest percent change in revenues (781%) for second quarter 2021 over second quarter 2020.
- Healdsburg, Sonoma, and Unincorporated County recorded their best second quarter TOT revenues to date.
- Unincorporated County revenues comprised of 53.3% of the total TOT revenues, while the incorporated cities comprised of 46.7%.

For questions, please call (707) 565-7170.

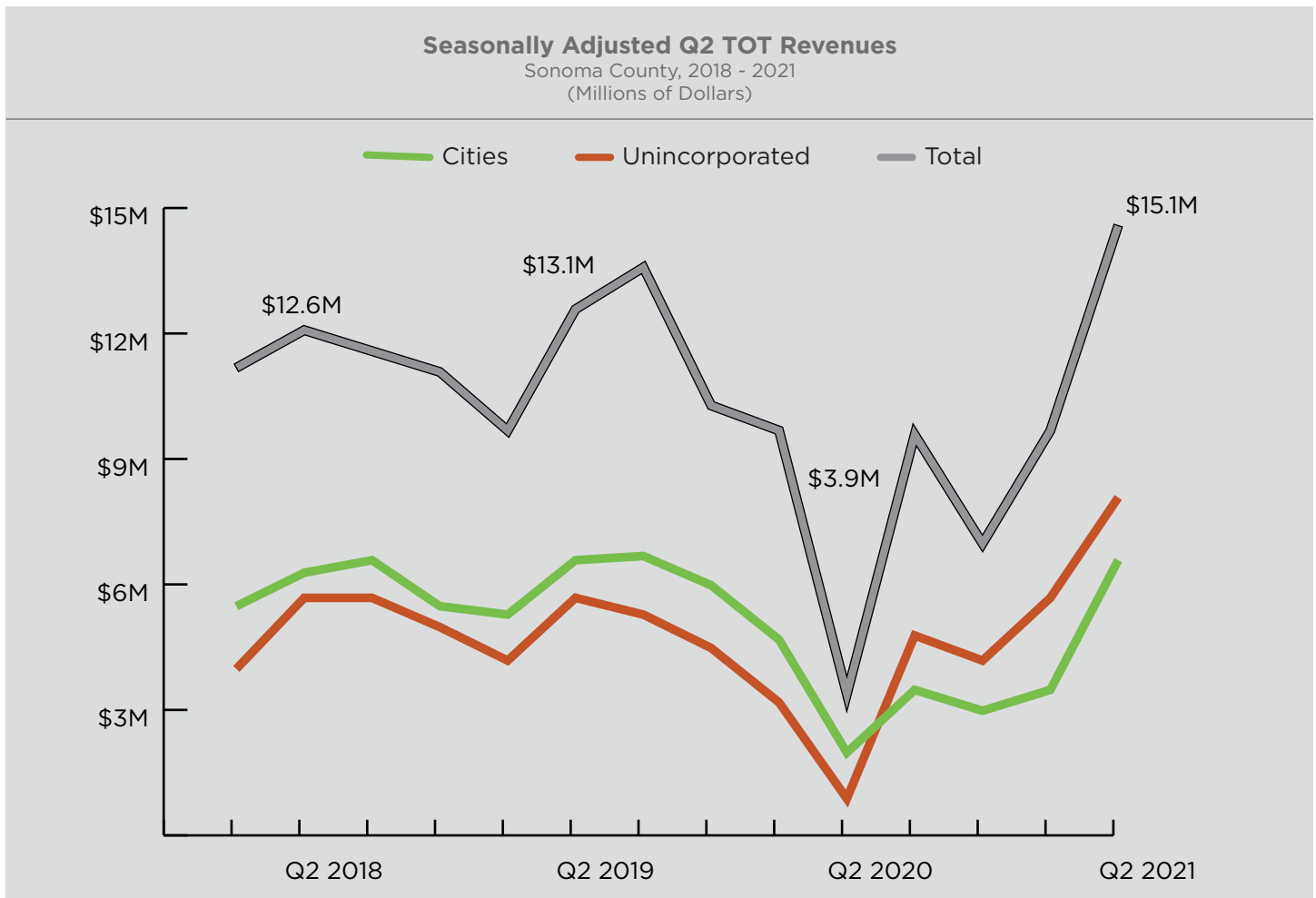
SEASONALLY ADJUSTED TOT REVENUES

SECOND QUARTER (CY)

This section analyzes the quarterly TOT trends for the aggregated city and unincorporated areas of Sonoma County from each second quarter from 2018 to 2021.

Summary of Findings

- Second quarter 2020 recorded unusually low TOT revenues, largely due to the shelter-in-place order following the onset of COVID-19. In the quarters that follow, decreased TOT revenues correlate with periods of higher COVID-19 case counts, while increased TOT revenues occur during periods of lower COVID-19 case counts.
- Year-over-year revenues for Unincorporated County grew 507% in second quarter 2021. This unusually high increase is likely related to the COVID-19 pandemic. Visitors may have perceived that staying in rural areas or vacation rentals as opposed to hotels would minimize their exposure to COVID-19.



Source: Sonoma County and Cities Finance Departments

Note: When data is presented for statistics in areas that feature regular seasonal fluctuation, such as the unemployment rate or job growth, it must be seasonally adjusted to be valuable. Seasonal adjustment makes a comparison between observed fluctuations with expected ones. For example, if TOT revenue consistently increases in the third quarter of the calendar year, the data must be seasonally adjusted so the increases in revenue we observe are not just the result of the season.



TOT QUARTERLY TRENDS

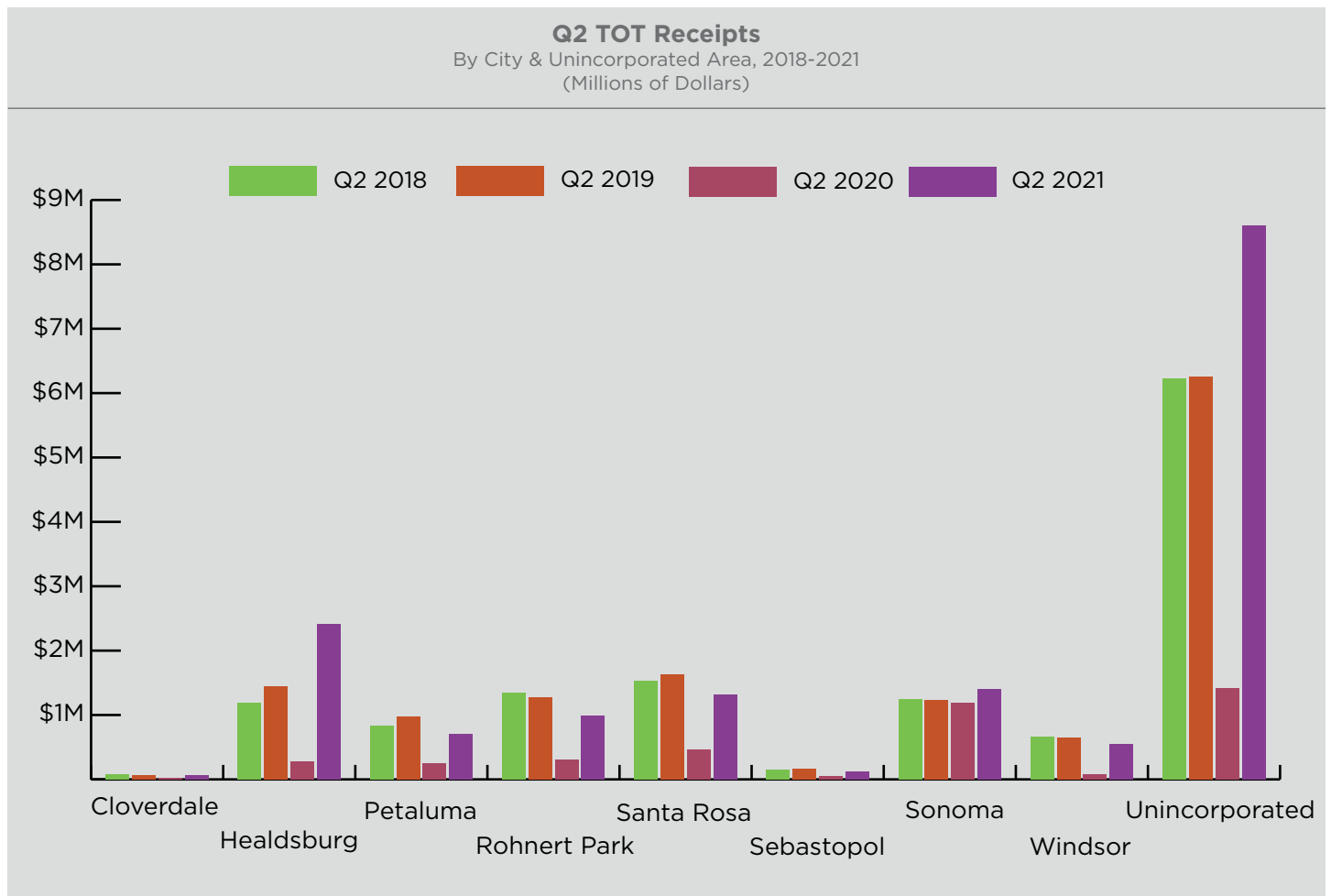
TOT RECEIPTS

Q2 2018 - Q2 2021

This section analyzes the quarter-over-quarter TOT revenue trends for each city and the unincorporated areas from Q2 2018 - Q2 2021.

Summary of Findings:

- Sonoma County’s total TOT revenues increased from \$4.1 million in Q2 2020 to \$16.1 million in Q2 2021.
- Unincorporated County and each incorporated city recorded increased year-over-year TOT revenues.
- Healdsburg, Sonoma, and Unincorporated County recorded their best second quarter TOT revenues to date with \$2.4 million, \$1.4 million, and \$8.6 million, respectively.



Source: Sonoma County and Cities Finance Departments

TOT QUARTERLY TRENDS

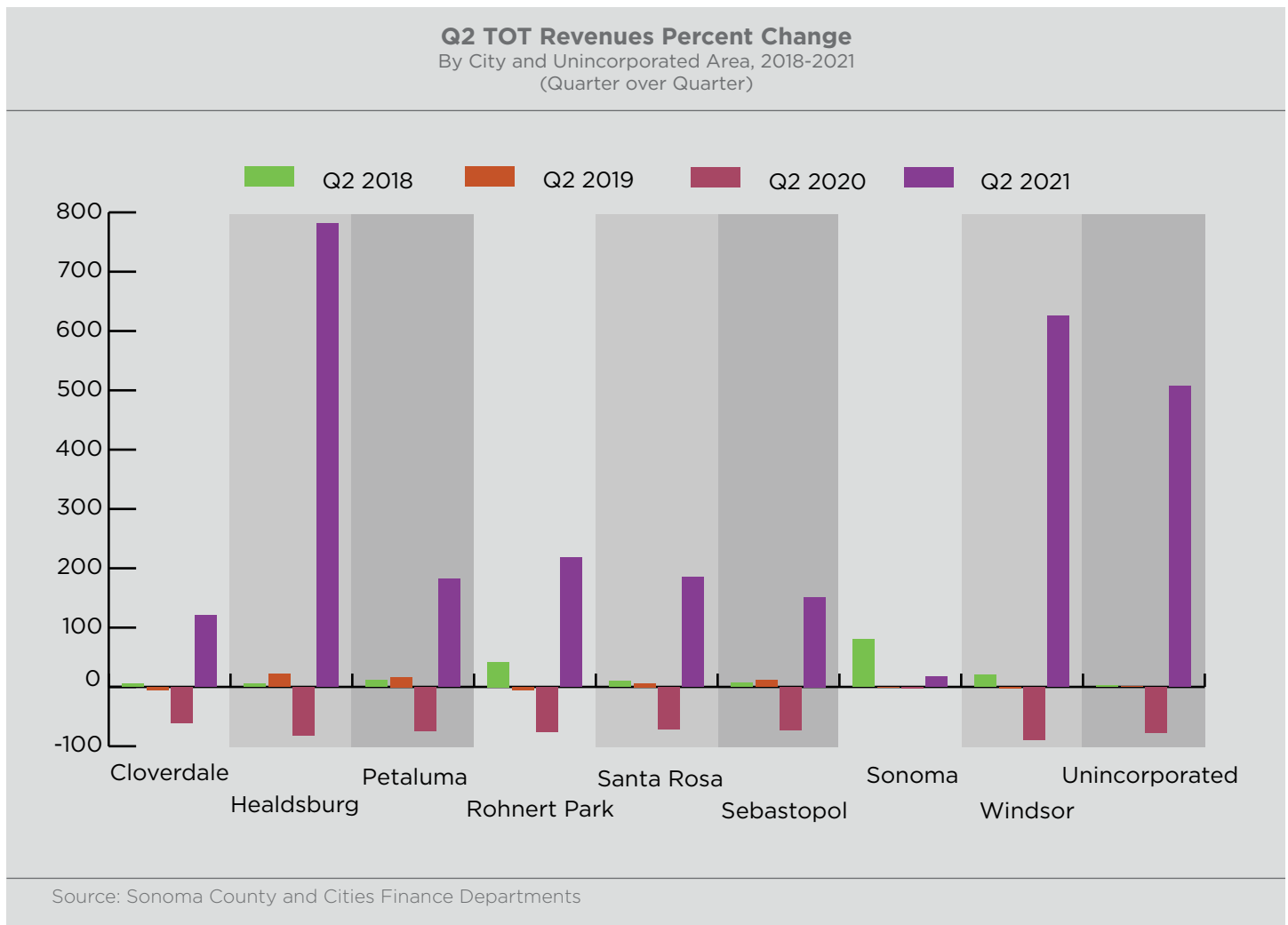
TOT REVENUE PERCENT CHANGE

Q2 2018 - Q2 2021

This section shows the percentage change in TOT revenues based on the past four years of second quarter data from each city in Sonoma County.

Summary of Findings

- Healdsburg had the greatest year-over-year percent change in TOT revenues for Q2 2021 (781%), followed by Windsor (626%), and Unincorporated County (507%). Healdsburg's TOT revenue increase can likely be attributed to the construction of a new lodging facility and growth in room sales.
- Total TOT revenues increased 298% from second quarter 2020 to second quarter 2021.



HISTORICAL TOT FIGURES

SECOND QUARTER 2018 TO SECOND QUARTER 2021

	UNINCORP.	CLOVERDALE	HEALDSBURG	PETALUMA	ROHNERT PARK	SANTA ROSA	SEBASTOPOL	SONOMA	WINDSOR
Q2 2018	\$6,225,503	\$74,038	\$1,185,588	\$832,909	\$1,339,620	\$1,530,148	\$152,621	\$1,247,239	\$665,530
Q2 2019	\$6,260,106	\$69,772	\$1,440,670	\$971,230	\$1,269,618	\$1,623,555	\$170,487	\$1,229,871	\$648,670
Q2 2020	\$1,418,557	\$27,052	\$273,198	\$249,034	\$312,476	\$461,257	\$47,830	\$1,194,258	\$74,782
Q2 2021	\$8,608,991	\$59,804	\$2,407,106	\$703,192	\$992,149	\$1,312,255	\$120,278	\$1,403,199	\$542,541

INDUSTRY DEVELOPMENT

SONOMA COUNTY LODGING & INDUSTRY PROJECT DEVELOPMENTS

Q1 2021 Updates

Sonoma County currently has 26 lodging and industry development projects in the works. When completed **over 2,034 rooms will be added to Sonoma County.**

Project Name	City	Development Type	Lodging Type	Address/ Location	Rooms Proposed	Opening (Est.)	Phase	Comments
Reverb by Hard Rock Hotel	Cotati	New	Boutique	147 Joseph Way	153	2022	Final Planning	-
The Petaluman	Petaluma	New	Full Service	2 Petaluma Blvd S	54	-	Final Planning	-
Home 2 Suites	Petaluma	New	Limited Service	1205 Redwood Way	140	-	Planning	-
Fairfield Inn & Suites Santa Rosa Rohnert Park	Rohnert Park	New	Limited Service	5990 Labath Ave	135	2021 Oct	In Construction	Temporary occupancy pending
Holiday Inn Express Rohnert Park	Rohnert Park	New	Limited Service	Business Park Drive	86	2022 June	Final Planning	Received planning approval in Aug 2021
Home 2 Suites by Hilton Rohnert Park Sonoma County	Rohnert Park	New	Limited Service	6490 Redwood Drive	96	2022 April	In Construction	-
Ishaq Project	Rohnert Park	New	Rentable units for extended stay	NW corner of Golf Course & Dowdell	200-240	-	Unconfirmed	Built in two phases with two hotels
Hotel E	Santa Rosa	Expansion	Limited Service	19 Old Courthouse Square	30	2021	Plans approved, permit not issued	-
Residence Inn by Marriott	Santa Rosa	New	Limited Service	3558 Round Barn Circle	112	2021 Dec	Building Permit Review	Planning entitlements completed 2019

INDUSTRY DEVELOPMENT

Project Name	City	Development Type	Lodging Type	Address/ Location	Rooms Proposed	Opening (Est.)	Phase	Comments
Fountaingrove Golf Club Clubhouse	Santa Rosa	Fire Rebuild	-	1525 Fountaingrove Parkway	-	-	In Construction	Rebuild clubhouse destroyed in Tubbs fire
Fountaingrove Golf Club Gate House and Athletic Center Expansion	Santa Rosa	Fire Rebuild	-	1525 Fountaingrove Parkway	-	-	Final Planning	Rebuild 3200-sf Gate House with food and beverage area and two exercise studios
Hampton Inn & Suites	Santa Rosa	New Construction	Limited Service	3815 Airway Drive	100	-	Final Planning	4 story 100 unit hotel
Hotel Sebastopol	Sebastopol	New	Limited Service	6828 Depot Street	66	-	Planning	Building permit ready to issue. Approval valid until Oct 2022
Mac Arthur Place	Sonoma	Guest Room Expansion	Full Service	29 E Mac Arthur	11	-	Planning	-
Mac Arthur Place	Sonoma	Spa Expansion	Full Service	29 E Mac Arthur	-	-	Final Planning	-
Mac Arthur Place	Sonoma	Guest Room Addition	Full Service	29 E Mac Arthur	-	-	Planning	-
Sonoma Hotel Project	Sonoma	New	Full Service	153 W Napa St/541 First St W	62	-	Planning	New hotel, spa, and restaurant
Hyatt Place by Landmark Hotels	Unincorp. Area	New	Limited Service	3750 N Laughlin Road	165	-	Planning	Requires BZA action (not scheduled yet)
Kenwood Ranch	Unincorp. Area	New	Full Service	900, 1200, 1202, and 1203 Campagna Lane, Kenwood	50	-	Planning	In condition compliance; submitting applications for various building permits
Guernewood Park	Unincorp. Area	New	Full Service	1755 Highway 116, Guerneville	120	-	Planning	Requires use permit and design review approval; currently incomplete
Glen Ellen Inn AKA Secret Cottages	Unincorp. Area	Expansion	Limited Service	13670 Arnold Dr, Glen Ellen	3	-	Planning	Adding 3 units for a total of 10.

INDUSTRY DEVELOPMENT

Project Name	City	Development Type	Lodging Type	Address/ Location	Rooms Proposed	Opening (Est.)	Phase	Comments
River's End Lodge	Unincorp. Area	Remodel	Full Service	15999 River Road, Guerneville	6	-	Planning	Conversion of existing cottages. Requires use permit
Kezemini Ranch	Unincorp. Area	New	Full Service	1820 Los Alamos Road, Santa Rosa	50	-	Planning	25 2-unit cabin resort; Requires use permit approval; currently incomplete
Civic Center Project	Windsor	New	Limited Service with multifamily residences	-	84	-	-	-
Civic Center Project	Windsor	New	Limited Service	3745 Airway Dr	151	2021 Sep	Planning	-
The McClelland	Windsor	New	Limited Service	McClelland Dr & Market St	160	Spring 2023	Building Permit	-

Lodging properties in this section are in various stages of completion. This report is meant to merely provide a 'snapshot' of their current status during the time this report was produced. The EDB and SCT will continue to update this information, quarterly, based on information from each jurisdiction. Projects still under construction from previous reports are also represented above. Lodging properties that have been announced but are not in the approval process are not included.

SOURCES

City data is provided by the finance and planning departments of Cloverdale, Healdsburg, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, and Windsor. County TOT revenue figures are provided by the Sonoma County Auditor-Controller / Treasurer-Tax Collector. County industry developments are provided by the Permit Resource and Management Departments.

METHODOLOGY

Total, city, and unincorporated area TOT revenues are seasonally adjusted using X-13ARIMA-SAM, which is a seasonal adjustment software produced, distributed, and maintained by the U.S. Census Bureau. Seasonal adjustments are only made for page 5 of this report. All other data figures are unadjusted.

A calendar year runs from January to December. Each quarter contains three months of the year, beginning with January, February and March for the first quarter. A fiscal year runs from July to June. Please note that this report contains data updated through the Second Quarter (April, May, and June) of calendar year 2021, and contains the most recent data available based on county reporting.

All information contained within this report was obtained from sources believed to be accurate, but Sonoma County Tourism (SCT) and the Economic Development Board (EDB) do not guarantee that it is accurate or complete. This report is intended for informational purposes only and does not represent an endorsement of any proposed project by the SCT or EDB or any of their employees, affiliates, or members.

ACKNOWLEDGMENTS

The Transient Occupancy Tax reports are produced by the Economic Development Board in conjunction with Sonoma County Tourism. This quarter's report was prepared by Tourism Research Project Coordinator, **Quinne Woolley**.

Thank you to the finance and planning departments of Cloverdale, Healdsburg, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, and Windsor for providing TOT revenue figures and industry updates for Sonoma County cities. Thank you to the Permit Sonoma and the Sonoma County Auditor-Controller / Treasurer-Tax Collector office for providing information for the unincorporated areas of Sonoma County.



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