



THIRD QUARTER TRANSIENT OCCUPANCY TAX REPORT

INDUSTRY REPORT

2021



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EXECUTIVE SUMMARY

March 2022

THIRD QUARTER 2021

The Sonoma County Economic Development Board (EDB), in partnership with Sonoma County Tourism (SCT), is pleased to bring you the 2021 Third 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 Q3 TOT revenue numbers and contains the accommodation development report for July, August, and September of 2021.

TOT ASSESSMENT BY CITY

	Tax Rate (%)	TOT Revenue
Cloverdale	10%	\$79,493.48
Healdsburg	14%	\$3,181,445.00
Petaluma	10%	\$1,075,796.00
Rohnert Park	12%	\$1,421,045.32
Santa Rosa	9%	\$1,953,184.00
Sebastopol	10%	\$146,508.33
Sonoma	10%	\$1,988,597.00
Windsor	12%	\$658,419.98
Unincorporated County	12%	\$9,874,098.71
TOTAL	-	\$20,378,587.82

Source: Sonoma County and Cities Finance Departments

HIGHLIGHTS

- Sonoma County's revenues for Third Quarter 2021 increased 80.5% over Third Quarter 2020. Total county revenues for Q3 2021 equaled \$20.4 million.
- Each city and Unincorporated County had year-over-year increases in TOT revenues from Q3 2020 to Q3 2021.
- Healdsburg recorded the highest TOT revenues amongst the cities with \$3.2 million. Unincorporated County recorded \$9.9 million.

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

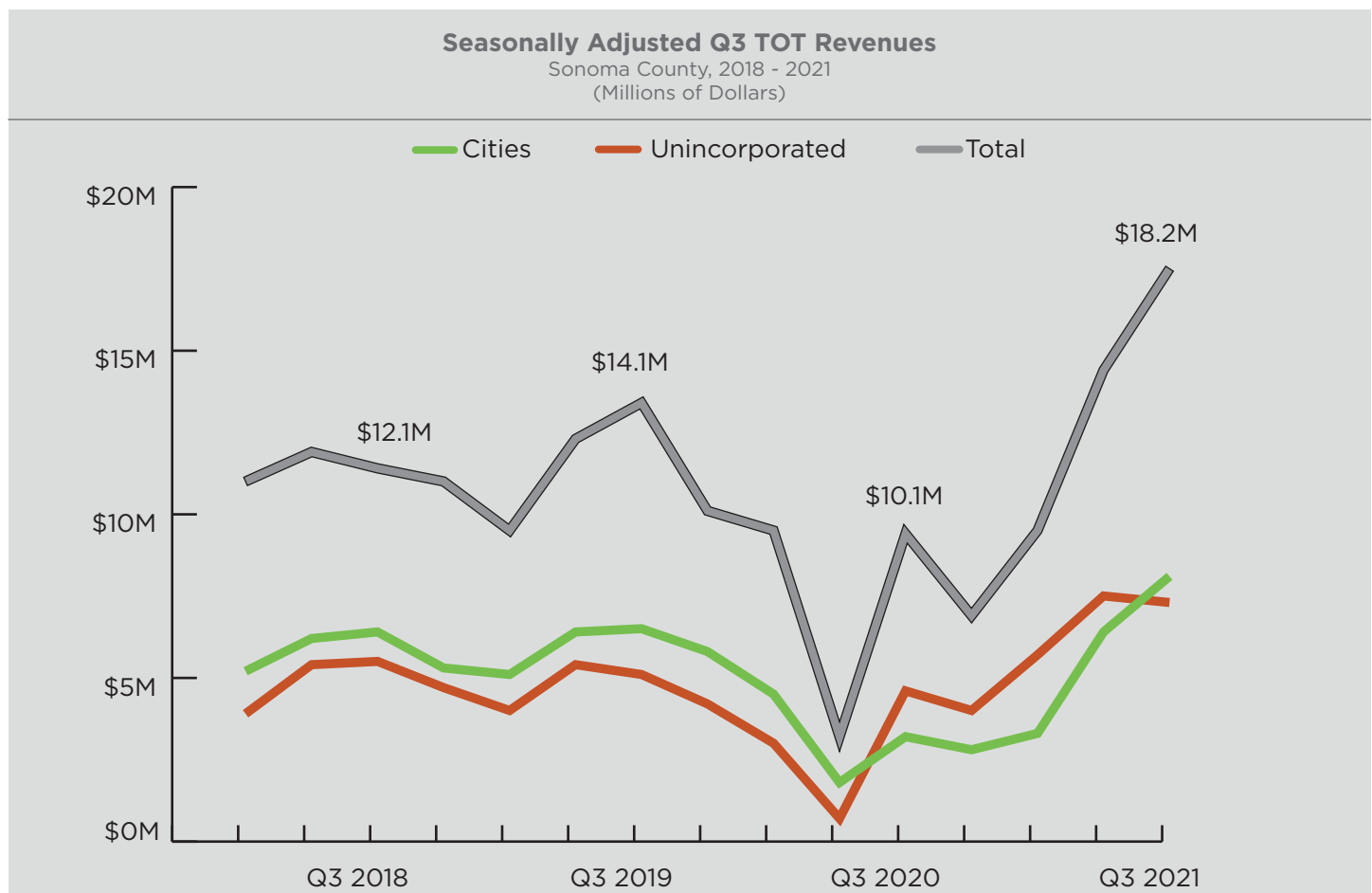
SEASONALLY ADJUSTED TOT REVENUES

THIRD QUARTER (CY)

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

Summary of Findings

- Sonoma County TOT revenues appear to have recovered since the lows in Q2 and Q3 2020. Total seasonally adjusted revenues were recorded at \$18.2 million.
- Q3 2021 revenues (\$18.2M) were higher than the pre-pandemic relative maximum in Q3 2019 (\$14.1M), seasonally adjusted.
- The incorporated cities' revenues represented 51.5%, while Unincorporated County brought in 48.5% of the total revenues.



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

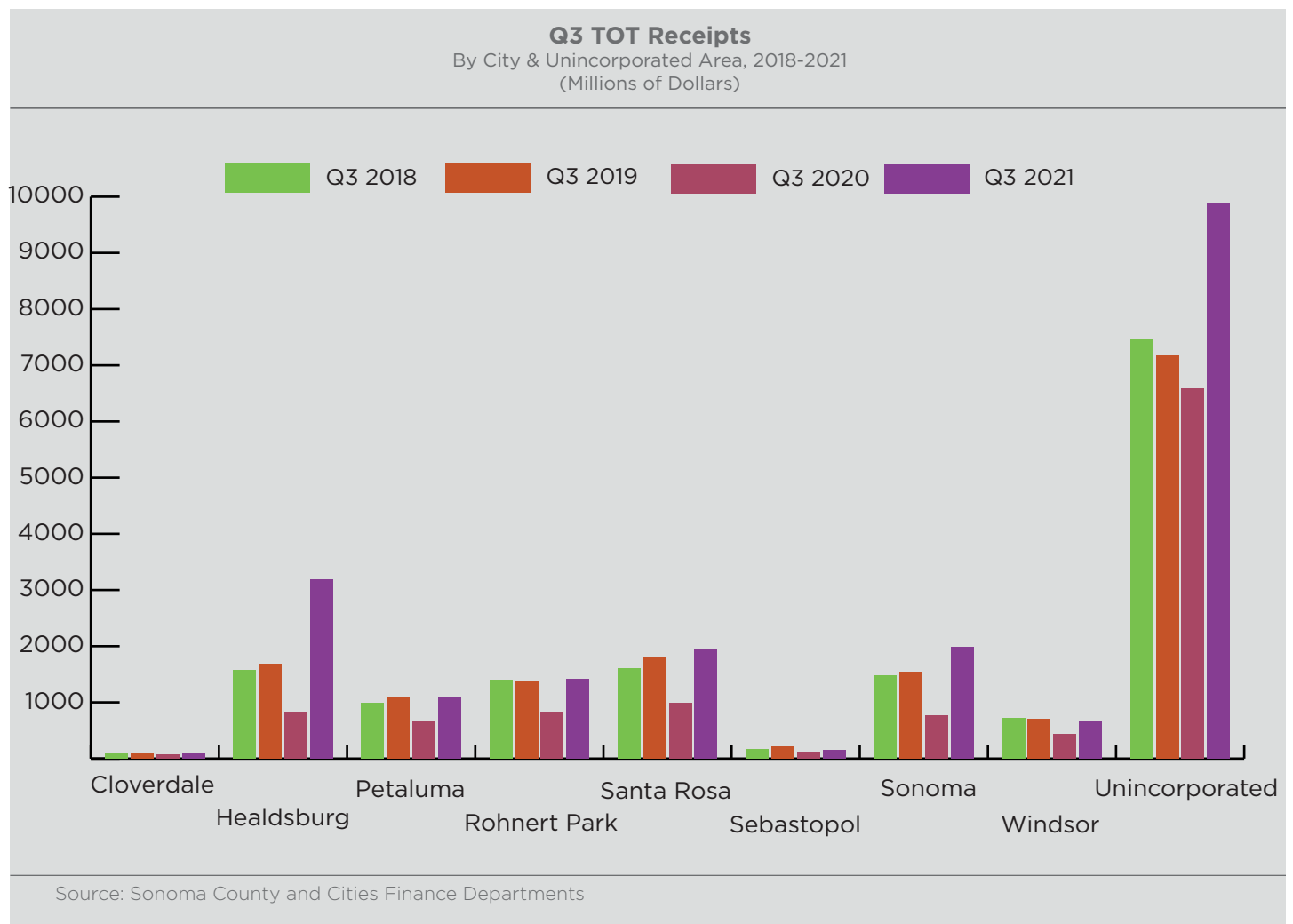
TOT RECEIPTS

Q3 2018 - Q3 2021

This section analyzes the quarter-over-quarter TOT revenue trends for each city and the unincorporated areas from Q3 2018 - Q3 2021.

Summary of Findings:

- The county's TOT revenues overall increased 80.5% year-over-year from \$11.29 million in Q3 2020 to \$20.4 million in Q3 2021.
- For the second consecutive quarter, Healdsburg recorded the highest TOT revenues of the incorporated cities, with \$3.2 million. Unincorporated County revenues totaled \$9.9 million, a record for quarterly revenues.
- Unincorporated County and each city had year-over-year increases in TOT revenue.



TOT QUARTERLY TRENDS

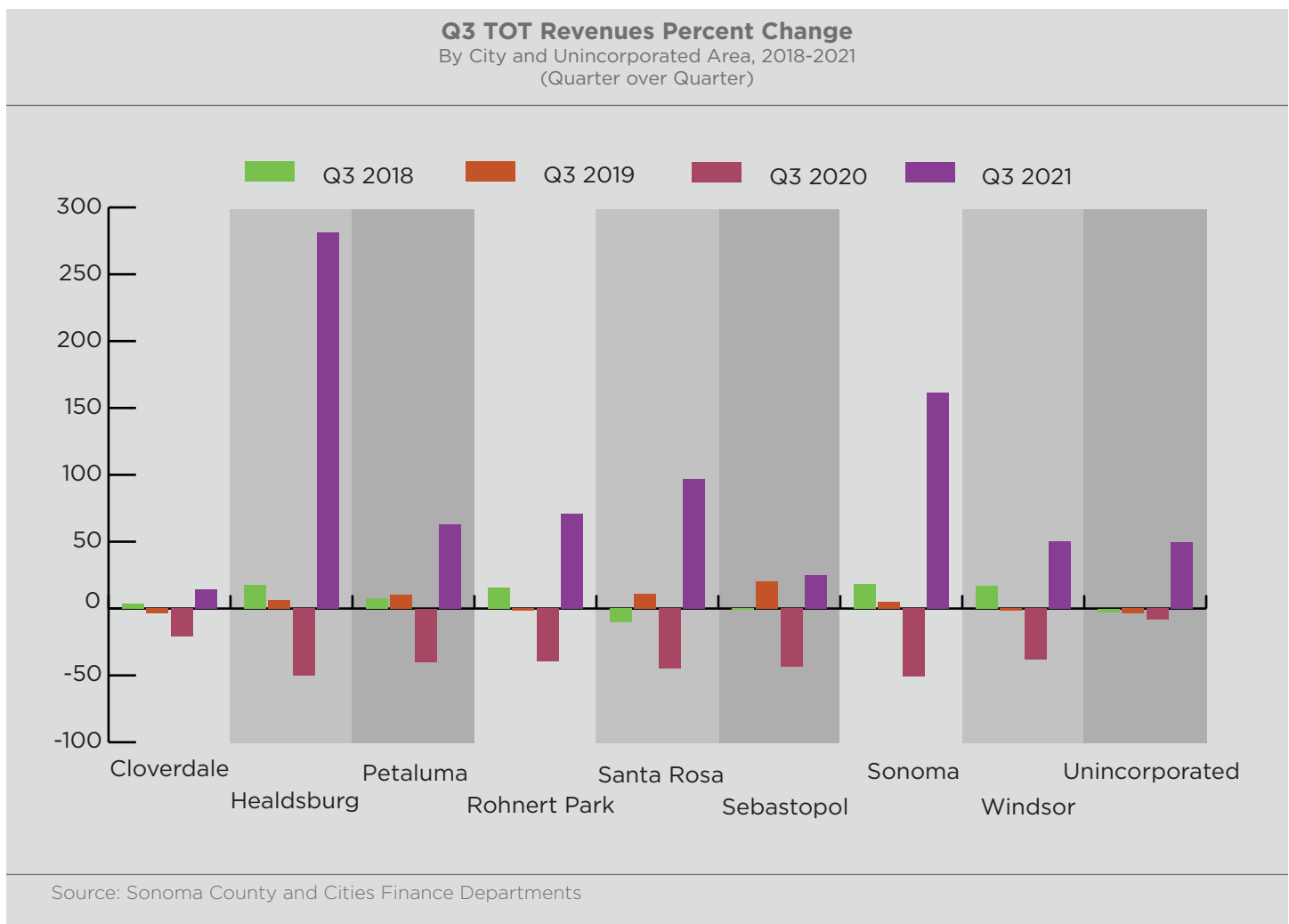
TOT REVENUE PERCENT CHANGE

Q3 2018 - Q3 2021

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

Summary of Findings

- Healdsburg and Sonoma saw the largest increases in year-over-year TOT revenues with 281% and 162%, respectively.
- Santa Rosa, Rohnert Park, and Petaluma also recorded significant increases in year-over-year TOT revenues with 97%, 71%, and 63%, respectively.
- Sonoma County recorded an overall increase in TOT revenues by 80.5% from Q3 2020 to Q3 2021.



HISTORICAL TOT FIGURES

THIRD QUARTER 2018 TO THIRD QUARTER 2021

	UNINCORP.	CLOVERDALE	HEALDSBURG	PETALUMA	ROHNERT PARK	SANTA ROSA	SEBASTOPOL	SONOMA	WINDSOR
Q3 2018	\$7,456,140	\$108,603	\$1,581,019	\$992,296	\$1,399,953	\$1,610,797	\$173,237	\$1,471,327	\$718,625
Q3 2019	\$7,171,211	\$88,308	\$1,680,161	\$1,096,680	\$1,374,569	\$1,791,847	\$208,578	\$1,546,760	\$706,873
Q3 2020	\$6,586,846	\$69,731	\$834,687	\$659,728	\$831,685	\$991,194	\$117,423	\$760,376	\$437,868
Q3 2021	\$9,874,098	\$79,493	\$3,181,445	\$1,075,796	\$1,421,045	\$1,953,184	\$146,508	\$1,988,597	\$658,420

INDUSTRY DEVELOPMENT

SONOMA COUNTY LODGING & INDUSTRY PROJECT DEVELOPMENTS

Q3 2021 Updates

Sonoma County currently has 23 lodging industry development projects in the works. When completed 2,067 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	-	Planning	-
Home 2 Suites	Petaluma	New	-	1205 Redwood Way	140	-	Planning approved	-
Holiday Inn Express Rohnert Park	Rohnert Park	New	Limited Service	Business Park Drive	86	2022 June	Final Planning	Recived planning approval in Aug. 2021; no building permits applied to date
Home 2 Suites by Hilton Rohnert Park Sonoma County	Rohnert Park	New	Limited Service	6490 Redwood Dr	96	2022 summer	In Construction	-
Ishaq Project	Rohnert Park	New	Rentable units for extended stay	NW Corner of Golf Course & Dowdell	220-240	-	Planning approvals	Built in two phases with two hotels
Hotel E	Santa Rosa	Expansion	Limited Service	19 Old Courthouse Square-associated with 37 Old Courthouse Square	30	-	Plans approved, permit not issued	B18-8207 - no change to status as of 1/28/22
Residence Inn by Marriott	Santa Rosa	New	Limited Service	3558 Round Barn Circle	112	-	Building Permit review	Most recent plan review submittal is 12/22/21

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	-	-	Building permit issued; construction in progress; most recent inspection was 1/2022	Rebuild clubhouse destroyed in Tubbs fire; Director Level Design Review Permit Approved 01/2020
Fountaingrove Golf Club Gate House and Athletic Center Expansion	Santa Rosa	Fire Rebuild	-	1525 Fountaingrove Parkway	-	-	Plans approved; Building permit not issued; no change to status as of 1/2022	Director Level Design Review Permit Approved 10/23/2019
Hampton Inn & Suites	Santa Rosa	New	-	3815 Airway Drive	100	-	Most recent inspection 1/2022	Design Review approved August 2019
Hotel Sebastopol	Sebastopol	New	Limited Service	6828 Depot Street	66	-	Final Planning	Building permit ready to issue. Approval valid until Oct 2022.
Hyatt Place by Landmark Hotels	Unincorp. Area	New	Limited Service	3750 N. Laughlin Road	165	-	Planning	Requires PC action, tentatively scheduled March 10. Environmental Doc (MND) to circulate in February.
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	17155 Highway 116, Guerneville	120	-	Planning	BZA hearing scheduled on February 24, 2022. IS/ MND was published for public review/ comment on Aug. 27, 2021.
Glen Ellen Inn (Secret Cottages)	Unincorp. Area	Expansion	Limited Service	13670 Arnold Dr., Glen Ellen	3	-	Planning	Requires GPA and Rezone
River's End Lodge	Unincorp. Area	Conversion of existing cottages into lodging	-	15999 River Road, Guerneville	6	-	Planning	Requires Use Permit approval.

INDUSTRY DEVELOPMENT

Project Name	City	Development Type	Lodging Type	Address/ Location	Rooms Proposed	Opening (Est.)	Phase	Comments
Kazemini Ranch	Unicorp. Area	New	Full Service	1820 Los Alamos Road, Santa Rosa	50	-	Planning	25 2-unit cabin resort; Requires Use Permit approval, currently incomplete
Optimal Hospitality	Unicorp. Area	New	-	251 Aviation	101	-	Final Planning	Use Permit Approved
Verano Hotel and Housing	Unicorp. Area	New	-	175 East Verano Avenue, 155 West Verano Avenue, 135 West Verano Avenue	120	-	Final Planning	Final Design Review approved in December 2021. Pending building permits.
Civic Center Project	Windsor	New	Limited Service with multifamily residences	-	84	-	Unconfirmed	-
Civic Center Project	Windsor	New	Limited Service	Downtown Windsor	151	-	Unconfirmed	The expansion includes adding a fitness room, board room, solarium, and outdoor patio to the front facade of the building.
The McClelland	Windsor	New	Limited Service	McClelland Dr & Market St	160	Spring 2023	In Construction	-

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 Third Quarter (July, August, and September) 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 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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