FIRST QUARTER TRANSIENT OCCUPANCY TAX REPORT

INDUSTRY REPORT | 2022

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CONTENTS

EXECUTIVE SUMMARY

September 2022

FIRST QUARTER 2022

The Sonoma County Economic Development Board (EDB), in partnership with Sonoma County Tourism (SCT), is pleased to bring you the 2022 First 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 Q1 TOT revenue numbers and contains the accommodation development report for January, February, and March of 2022.

TOT ASSESSMENT BY CITY

	Tax Rate (%)	TOT Revenue
Cloverdale	10%	$77,228.68
Healdsburg	14%	$1,709,507.00
Petaluma	10%	$555,440.00
Rohnert Park	12%	$705,330.57
Santa Rosa	9%	$1,091,856.00
Sebastopol	12%	$101,561.28
Sonoma	10%	$1,094,528.00
Windsor	12%	$445,012.12
Unincorporated County	12%	$7,318,452.12
TOTAL	-	$13,098,916.46

Source: Sonoma County and Cities Finance Departments

HIGHLIGHTS

- Sonoma County's revenues for First Quarter 2022 increased 53.43% over First Quarter 2021. Total county revenues for Q1 2022 equaled $13.1 million.
- Each city and Unincorporated County had year-over-year increases in TOT revenues from Q1 2021 to Q1 2022.
- Healdsburg recorded the highest TOT revenues amongst the cities with $1.7 million. Unincorporated county's TOT revenue was $7.3 million, making up 56% of Sonoma County's total TOT revenue from Q1 2022.

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

SEASONALLY ADJUSTED TOT REVENUES

FIRST QUARTER (CY)

This section analyzes the quarterly TOT trends for the aggregated city and unincorporated areas of Sonoma County from each First Quarter from 2019 to 2022.

Summary of Findings

- Sonoma County TOT revenues appear to have recovered since the lows in 2020 and 2021. Total seasonally adjusted revenues were recorded at $16.1 million for Q1 of 2022.
- TOT revenues from the end of 2021 and beginning of 2022 have exceeded pre-pandemic levels. Total TOT renenue for Q1 2019 was $10.1M versus $16.1M in 2022.
- The incorporated cities' revenues represented 44%, while Unincorporated County brought in 56% of the total revenues.

Seasonally Adjusted Q1 TOT Revenues
Sonoma County, 2019 - 2022
(Millions of Dollars)
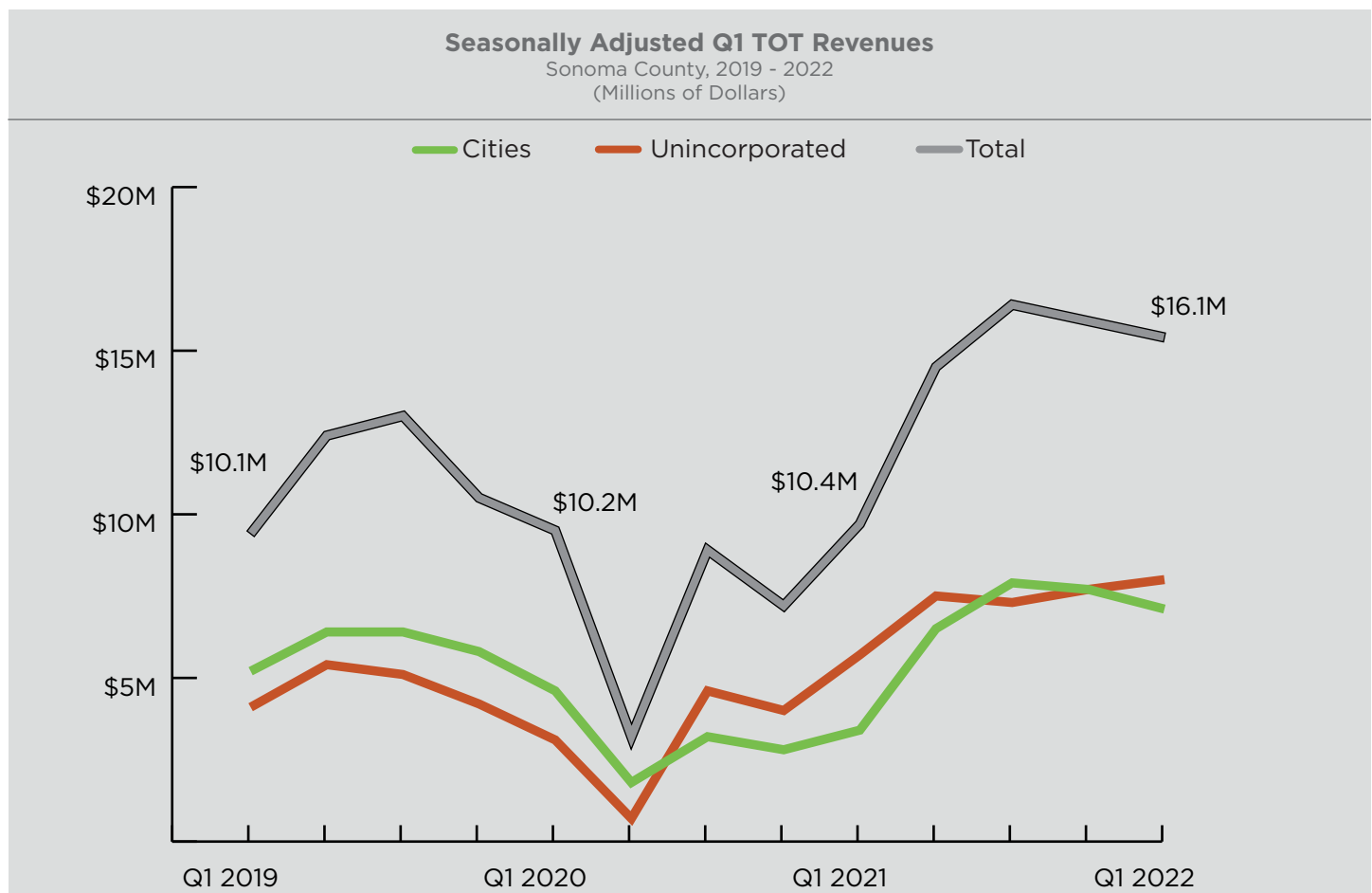
Source: Sonoma County and Cities Finance Departments
Note: When data is presented for statistics in areas that feature regular seasonal fluctuation, such as the unemployment rate or job growth, it must be seasonally adjusted to be valuable. Seasonal adjustment makes a comparison between observed fluctuations 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.
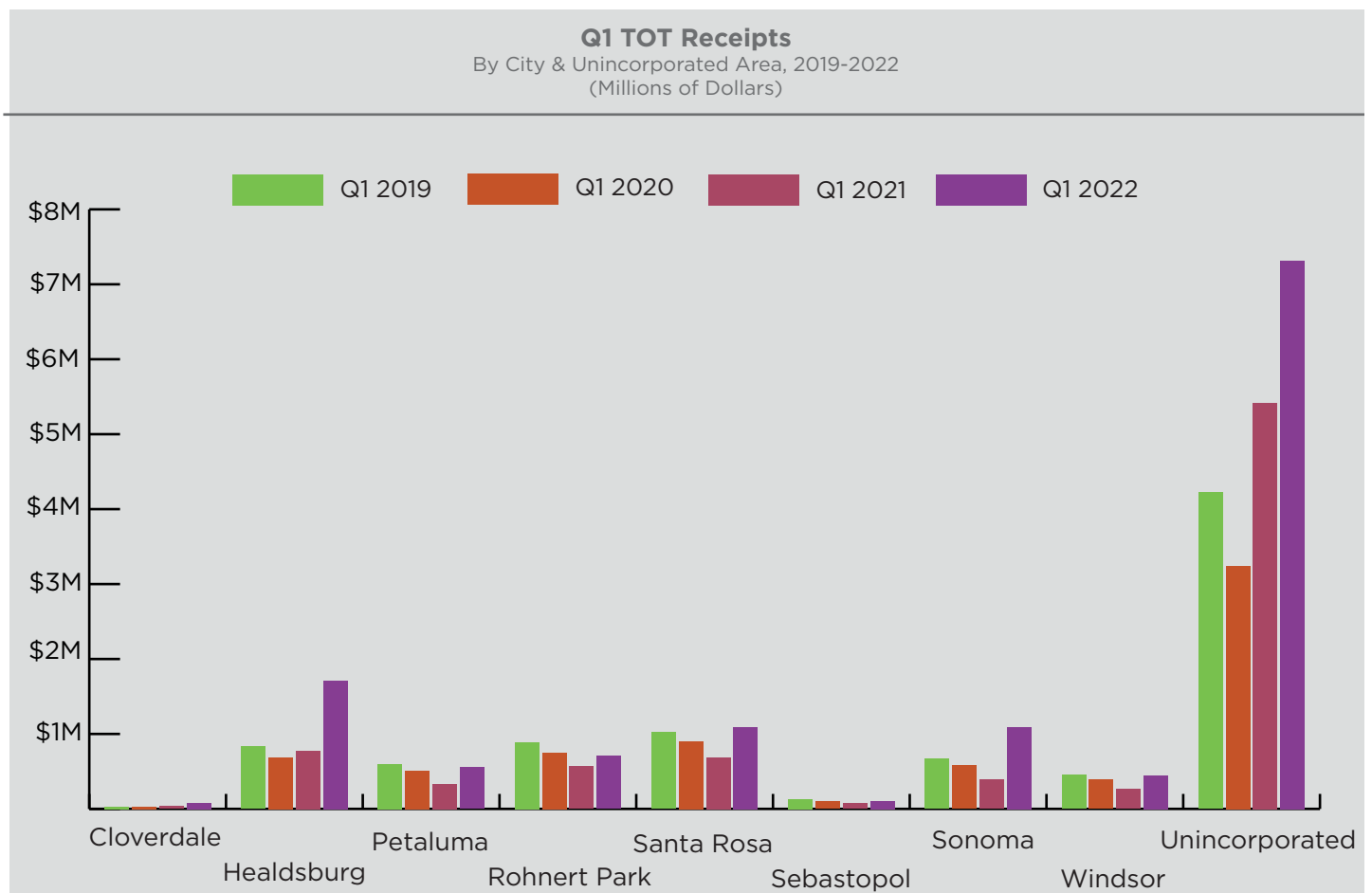
TOT QUARTERLY TRENDS

TOT RECEIPTS
Q1 2019- Q1 2022
This section analyzes the quarter-over-quarter TOT revenue trends for each city and the unincorporated areas from Q1 2019 - Q1 2022.

Summary of Findings:
- The county's TOT revenues overall increased 53.4% year-over-year from $8.5 million in Q1 2021 to $13.1 million in Q1 2022.
- For the fourth consecutive quarter, Healdsburg recorded the highest TOT revenues of the incorporated cities, with $1.7 million.
- Unincorporated County and each city had year-over-year increases in TOT revenue.

Q1 TOT Receipts
By City & Unincorporated Area, 2019-2022
(Millions of Dollars)

Source: Sonoma County and Cities Finance Departments
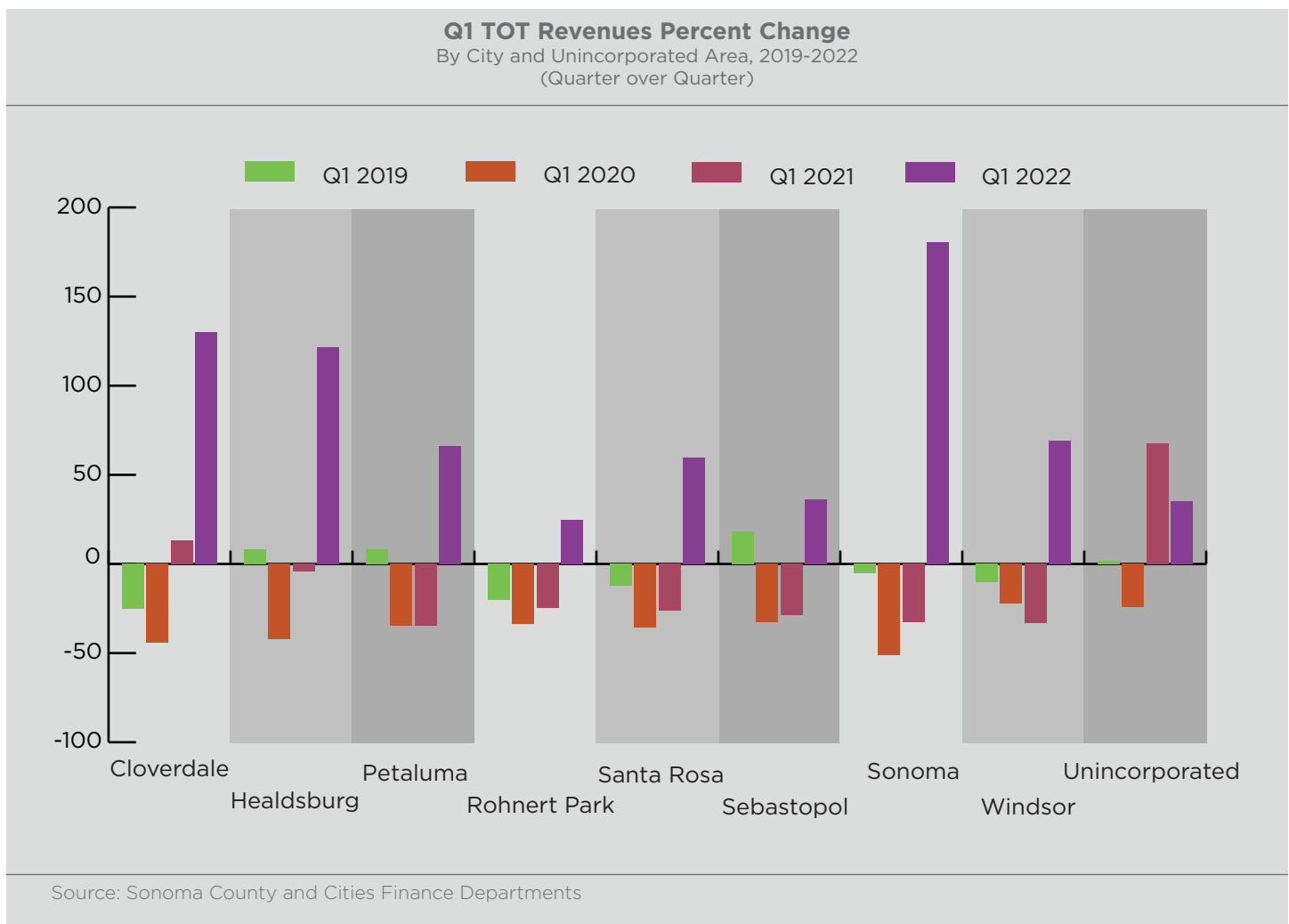
TOT QUARTERLY TRENDS

TOT REVENUE PERCENT CHANGE
Q1 2019 - Q1 2022
This sections shows the percentage chance in TOT revenues based on the past four years of first quarter data from each city in Sonoma County.

Summary of Findings
- Sonoma saw the largest increase in year-over-year TOT revenues with an increase of 180.44% from Q1 2021 to Q1 2022.
- Cloverdale and Healdsburg also saw large increases in year-over-year TOT revenue with increases of 130.16% and 121.45% respectively.
- Each city and Unincorporated County had year-over-year increases in TOT revenues from Q1 2021 to Q1 2022.
- Each incorporated city had a larger year-over-year increase in Q1 TOT revenues from 2021 to 2022 than from 2020 to 2021.

Q1 TOT Revenues Percent Change
By City and Unincorporated Area, 2019-2022
(Quarter over Quarter)

Source: Sonoma County and Cities Finance Departments

HISTORICAL TOT FIGURES

FIRST QUARTER 2019 TO FIRST QUARTER 2022

	UNINCORP.	CLOVERDALE	HEALDSBURG	PETALUMA	ROHNERT PARK	SANTA ROSA	SEBASTOPOL	SONOMA	WINDSOR
Q1 2019	$4,215,832	$28,890	$832,580	$600,900	$886,119	$1,020,324	$125,918	$673,703	$446,325
Q1 2020	$3,236,226	$29,586	$691,747	$512,443	$750,498	$899,208	$104,312	$581,147	$392,667
Q1 2021	$5,420,573	$33,554	$661,680	$ 334,069	$564,706	$633,763	$ 74,472	$390,285	$263,155
Q1 2022	$7,318,452	$77,229	$1,709,507	$555,440	$705,331	$1,091,856	$101,561	$1,094,528	$445,013

INDUSTRY DEVELOPMENT

SONOMA COUNTY LODGING & INDUSTRY PROJECT DEVELOPMENTS

Q1 2022 Updates

Sonoma County currently has 22 lodging industry development projects in the works. When completed 2,123 rooms will be added to Sonoma County.

Project Name	City	Development Type	Lodging Type	Address/ Location	Rooms Proposed	Opening (Est.)	Phase	Comments
Cotati Hotel	Cotati	New	Boutique	147 Joseph Way	153	2022	Final Planning	-
The Lodge at Healdsburg Tapestry Collection by Hilton	Healdsburg	New	Upscale Chain	1261 Grove St	60	2022	In Construction	-
Appellation Healdsburg	Healdsburg	New	-	16977 Healdsburg Ave	108	2023	Final Planning	-
Hotel Weaver	Petaluma	New	Boutique	2 Petaluma Blvd S	93	-	Planning	-
Home 2 Suites	Petaluma	New	-	1205 Redwood Way	140	-	In Plan Check	New construction of a 85,802 sf hotel on a vacant pad established by the Redwood Technology Center PUD.
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	-

INDUSTRY DEVELOPMENT

Project Name	City	Development Type	Lodging Type	Address/ Location	Rooms Proposed	Opening (Est.)	Phase	Comments
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	Delayed due to COVID. Construction anticipated to begin early-2023.
Economy Inn	Santa Rosa	-	Economy	502 Santa Rosa Ave	42	2023	Planning	-
Residence Inn by Marriott	Santa Rosa	New	Limited Service	3558 Round Barn Circle	112	-	In building plan review	Most recent is a denied building review
Foutaingrove Golf Club Clubhouse	Santa Rosa	Fire Rebuild	-	1525 Fountaingrove Parkway	-	-	Issued Temporary Occupancy November 17, 2021.	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; Bulding permit not issued; no change to status as of 8/2022	Director Level Design Re- view Permit Approved 10/23/2019
Hampton Inn & Suites	Santa Rosa	New	-	3815 Airway Drive	100	November 2022	Most recent inspection 6/2022	Design Review approved August 2019
Tru by Hilton Santa Rosa Sonoma County Airport	Santa Rosa	New	Midscale chain	195 Aviation Blvd	101	2024	Planning	-
Hotel Sebastopol	Sebastopol	New	Limited Service	6828 Depot Street	66	-	Final Planning	Building permit ready to issue. Approval valid until Oct 2022.
Hyatt Place Sonoma Wine County	Unincorp. Area	New	Limited Service	3750 N. Laughlin Road	165	-	Planning	Requires PC action, tentatively scheduled March 10. Enironmental Doc (MND) to circulate in February.

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
Tribute Portfolio Sonoma	Unicorp. Area	-	Upper Upscale Chain	175 W Verano Ave	120	2026	Planning	-
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.
The McClelland	Windsor	New	Limited Service	McClelland Dr & Market St	160	Spring 2024	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 First Quarter (January, February, and March) of calendar year 2022, 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, Katherine Fosburgh.

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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