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SONOMA COUNTY BOARD OF SUPERVISORS
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EXECUTIVE SUMMARY

SECOND QUARTER (CY) 2019
The Sonoma County Economic Development Board (EDB), in partnership with Sonoma County Tourism (SCT), is pleased to bring you the 2019 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 covers the county’s TOT revenues, compared with Sonoma County’s historical Q2 numbers, and the accommodation development report for April, May, and June of 2019.

TOT ASSESSMENT BY CITY

<table>
<thead>
<tr>
<th></th>
<th>Tax Rate (%)</th>
<th>TOT Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cloverdale</td>
<td>10%</td>
<td>$69,772.39</td>
</tr>
<tr>
<td>Healdsburg</td>
<td>12%</td>
<td>$1,440,669.79</td>
</tr>
<tr>
<td>Petaluma</td>
<td>10%</td>
<td>$971,230.00</td>
</tr>
<tr>
<td>Rohnert Park</td>
<td>12%</td>
<td>$1,269,617.75</td>
</tr>
<tr>
<td>Santa Rosa</td>
<td>9%</td>
<td>$1,623,555.00</td>
</tr>
<tr>
<td>Sebastopol</td>
<td>10%</td>
<td>$170,486.71</td>
</tr>
<tr>
<td>Sonoma</td>
<td>10%</td>
<td>$1,229,871.00</td>
</tr>
<tr>
<td>Windsor</td>
<td>12%</td>
<td>$648,670.00</td>
</tr>
<tr>
<td>Unincorporated County</td>
<td>12%</td>
<td>$6,260,106.39</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$13,683,979.03</strong></td>
</tr>
</tbody>
</table>

Source: Sonoma County and Cities Finance Departments

HIGHLIGHTS
- Sonoma County’s revenues for second quarter 2019 increased 3.25% over second quarter 2018. Total county revenues for Q2 2019 equaled $13.7 million.
- Healdsburg, Petaluma, and Sebastopol had revenue increases of 21.5%, 16.6%, and 11.7%, respectively, from second quarter 2018 revenues.
- Healdsburg, Petaluma, Santa Rosa, Sebastopol, and the Unincorporated Area of the County recorded their best second quarter TOT revenues to date.

For questions, please call (707) 565-7170.
SEASONALLY ADJUSTED TOT REVENUES

SECOND QUARTER (CY) 2019
This section analyzes the quarterly TOT trends for the aggregated city and unincorporated areas of Sonoma County from each second quarter from 2016 to 2019.

Summary of Findings
- The significant increase in TOT revenue collected in Q2 of 2018 is largely due to the number of residents who were still displaced from the wildfires that occurred in October 2017.
- The unincorporated area of Sonoma County has contributed an increasing percentage of the total TOT tax collected over the last four years.

![Seasonally Adjusted Q2 TOT Revenues](chart.png)

Source: Sonoma County and Cities Finance Departments
TOT QUARTERLY TRENDS

TOT RECEIPTS
Q2 2016 - Q2 2019
This section analyzes the quarter-over-quarter TOT revenue trends for each city and the unincorporated areas from Q2 2016 - Q2 2019.

Summary of Findings:
- The county’s TOT revenues overall increased 3.25% quarter-over-quarter from $13.3 million in Q2 2018 to $13.7 million in Q2 2019.

Q2 TOT Revenues Percent Change
By City and Unincorporated Area, 2016-2019
(Quarter over Quarter)

Summary of Findings:
- The county’s TOT revenues overall increased 3.25% quarter-over-quarter from $13.3 million in Q2 2018 to $13.7 million in Q2 2019.
TOT QUARTERLY TRENDS

TOT REVENUE PERCENT CHANGE
Q2 2016 - Q2 2019
This sections 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
• Although every city in Sonoma County experienced positive growth in their second-quarter 2018 TOT revenues (due in large part to the number of residents who were displaced from the wildfires in Q4 2017), Rohnert Park’s and Sonoma’s TOT Revenue increased drastically (by 42.0% and 79.72% respectively). This was largely due to expansions and renovations made in the preceding months to hotels in both locations (e.g. the Fairmont Sonoma Mission Inn & Spa in Sonoma and the Oxford Suites Hotel in Rohnert Park).
HISTORICAL TOT FIGURES

SECOND QUARTER 2016 TO SECOND QUARTER 2019

<table>
<thead>
<tr>
<th></th>
<th>UNINCORP.</th>
<th>CLOVERDALE</th>
<th>HEALDSBURG</th>
<th>PETALUMA</th>
<th>ROHNERT PARK</th>
<th>SANTA ROSA</th>
<th>SEBASTOPOL</th>
<th>SONOMA</th>
<th>WINDSOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2016</td>
<td>$3,529,886</td>
<td>$62,065</td>
<td>$847,694</td>
<td>$700,889</td>
<td>$915,763</td>
<td>$1,590,840</td>
<td>$140,468</td>
<td>$646,809</td>
<td>$490,516</td>
</tr>
<tr>
<td>Q2 2017</td>
<td>$6,063,887</td>
<td>$70,470</td>
<td>$1,131,280</td>
<td>$745,272</td>
<td>$943,453</td>
<td>$1,398,479</td>
<td>$141,998</td>
<td>$693,971</td>
<td>$554,115</td>
</tr>
<tr>
<td>Q2 2018</td>
<td>$6,225,503</td>
<td>$74,038</td>
<td>$1,185,588</td>
<td>$832,909</td>
<td>$1,339,620</td>
<td>$1,530,148</td>
<td>$152,621</td>
<td>$1,247,239</td>
<td>$665,530</td>
</tr>
<tr>
<td>Q2 2019</td>
<td>$6,260,106</td>
<td>$69,772</td>
<td>$1,440,670</td>
<td>$971,230</td>
<td>$1,269,618</td>
<td>$1,623,555</td>
<td>$170,487</td>
<td>$1,229,871</td>
<td>$648,670</td>
</tr>
</tbody>
</table>

INDUSTRY DEVELOPMENT

SONOMA COUNTY LODGING DEVELOPMENTS

Q2 2019 Updates
Sonoma County currently has 12 lodging industry development projects in the works. When completed, 1,341 rooms will be added to Sonoma County.

<table>
<thead>
<tr>
<th>City</th>
<th>Development Type</th>
<th>Lodging Type</th>
<th>Address/Location</th>
<th>Rooms Proposed</th>
<th>Completion Year (Est.)</th>
<th>Comments</th>
<th>Use Permit Approved and Hearing Body</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montage</td>
<td>Healdsburg</td>
<td>New</td>
<td>Full Service 100 Montage Way</td>
<td>130</td>
<td>2020</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Hotel E</td>
<td>Santa Rosa</td>
<td>New</td>
<td>Limited Service 37 Old Courthouse Square</td>
<td>70</td>
<td>2021</td>
<td>Partially complete, 34 rooms in operation</td>
<td>7/6/2017 Design Review Board</td>
</tr>
<tr>
<td>Residence Inn by Marriott</td>
<td>Santa Rosa</td>
<td>New</td>
<td>Limited Service 3558 Round Barn Circle</td>
<td>114</td>
<td>2021</td>
<td>-</td>
<td>Approved July 2019</td>
</tr>
<tr>
<td>Hampton Inn and Suites</td>
<td>Santa Rosa</td>
<td>New</td>
<td>Limited Service 3745 Airway Dr</td>
<td>101</td>
<td>2020</td>
<td>Building permit under review</td>
<td>5/2018 Design Review Board</td>
</tr>
<tr>
<td>La Quinta Inn by Wyndham</td>
<td>Santa Rosa</td>
<td>New</td>
<td>Limited Service 111 Commercial Court</td>
<td>100</td>
<td>2020</td>
<td>Under construction</td>
<td>11/17/2016 Zoning Administrator</td>
</tr>
<tr>
<td>AC Hotel by Marriott</td>
<td>Santa Rosa</td>
<td>New</td>
<td>Limited Service 210 5th Street</td>
<td>142</td>
<td>2020</td>
<td>Under construction</td>
<td>Design Review Board 3/15/2018</td>
</tr>
<tr>
<td>Hotel Sebastopol</td>
<td>Sebastopol</td>
<td>New</td>
<td>Full service 6828 Depot Street</td>
<td>66</td>
<td>2020</td>
<td>Building permit under review</td>
<td>-</td>
</tr>
<tr>
<td>The McClelland</td>
<td>Windsor</td>
<td>New</td>
<td>Full Service Market Street/ McClelland Drive</td>
<td>159</td>
<td>TBD</td>
<td>No formal application has been submitted</td>
<td>Presented to the Town Council 9/18/19</td>
</tr>
</tbody>
</table>
## INDUSTRY DEVELOPMENT

<table>
<thead>
<tr>
<th>City</th>
<th>Development Type</th>
<th>Lodging Type</th>
<th>Address/Location</th>
<th>Rooms Proposed</th>
<th>Completion Year (Est.)</th>
<th>Comments</th>
<th>Use Permit Approved and Hearing Body</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hampton Inn and Suites</td>
<td>Windsor</td>
<td>Expansion</td>
<td>Limited Service</td>
<td>21</td>
<td>2020</td>
<td>The expansion will add 21 new rooms, fitness room, board room, a solarium, and outdoor patio</td>
<td>-</td>
</tr>
<tr>
<td>Hyatt Place by Landmark Hotels</td>
<td>Unincorporated Area</td>
<td>New</td>
<td>Hotel w/ spa, pool, and rooftop restaurant</td>
<td>165</td>
<td>2020</td>
<td>Incomplete, application under review Requires BZA action (not scheduled yet)</td>
<td></td>
</tr>
<tr>
<td>Verano Hotel and Verano Family Housing</td>
<td>Unincorporated Area</td>
<td>New</td>
<td>Hotel with multifamily housing on a separate parcel</td>
<td>120</td>
<td>TBD</td>
<td>Conceptual Design Review on 7/17 Requires use permit, rezoning, GPA</td>
<td></td>
</tr>
</tbody>
</table>

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 2019, 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, Peyton Sales.

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.