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Sonoma County Clean Power
Sutter Health

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• MIDSTATE CONSTRUCTION

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• SONOMA COUNTY ALLIANCE SUMMIT STATE BANK
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SONOMA COUNTY BOARD OF SUPERVISORS
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EXECUTIVE SUMMARY

THIRD QUARTER (CY) 2019
The Sonoma County Economic Development Board (EDB), in partnership with Sonoma County Tourism (SCT), is pleased to bring you the 2019 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 covers the county’s TOT revenues, compared with Sonoma County’s historical Q3 numbers, and the accommodation development report for July, August, and September of 2019.

TOT ASSESSMENT BY CITY

<table>
<thead>
<tr>
<th>City</th>
<th>Tax Rate (%)</th>
<th>TOT Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cloverdale</td>
<td>10%</td>
<td>$88,308.00</td>
</tr>
<tr>
<td>Healdsburg</td>
<td>14%</td>
<td>$1,680,161.00</td>
</tr>
<tr>
<td>Petaluma</td>
<td>10%</td>
<td>$1,096,680.00</td>
</tr>
<tr>
<td>Rohnert Park</td>
<td>12%</td>
<td>$1,374,569.45</td>
</tr>
<tr>
<td>Santa Rosa</td>
<td>9%</td>
<td>$1,791,847.00</td>
</tr>
<tr>
<td>Sebastopol</td>
<td>10%</td>
<td>$208,577.90</td>
</tr>
<tr>
<td>Sonoma</td>
<td>10%</td>
<td>$1,546,759.93</td>
</tr>
<tr>
<td>Windsor</td>
<td>12%</td>
<td>$706,872.85</td>
</tr>
<tr>
<td>Unincorporated County</td>
<td>12%</td>
<td>$7,171,210.75</td>
</tr>
<tr>
<td>TOTAL</td>
<td>-</td>
<td>$15,664,987.56</td>
</tr>
</tbody>
</table>

Source: Sonoma County and Cities Finance Departments

HIGHLIGHTS
- Sonoma County’s revenues for third quarter 2019 increased 1.1% over third quarter 2018. Total county revenues for Q3 2019 equaled $15.7 million.
- Sebastopol, Santa Rosa, and Petaluma had revenue increases of 20.4%, 11.2%, and 10.5%, respectively, from third quarter 2018 revenues.
- Healdsburg, Petaluma, Sebastopol, and Sonoma recorded their best third quarter TOT revenues to date.

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

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

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.

Summary of Findings
• The unincorporated area of Sonoma County has contributed an increasing percentage of the Total TOT collected over the last four years.

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Source: Sonoma County and Cities Finance Departments
TOT QUARTERLY TRENDS

TOT RECEIPTS
Q3 2016 - Q3 2019
This section analyzes the quarter-over-quarter TOT revenue trends for each city and the unincorporated areas from Q3 2016 - Q3 2019.

Summary of Findings:
• The county’s TOT revenues overall increased 1.10% quarter-over-quarter from $15.50 million in Q3 2018 to $15.66 million in Q3 2019.
• Healdsburg, Petaluma, Sebastopol, and Sonoma recorded their best third quarter TOT revenues to date.
TOT QUARTERLY TRENDS

TOT REVENUE PERCENT CHANGE
Q3 2016 - Q3 2019
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
• The destination as a whole has shown steady growth in third quarter TOT revenue over the last four years. Healdsburg, Petaluma, and Sonoma in particular have only experienced growth in the third quarter for the past four years. Rohnert Park, Sebastopol, Windsor, and the Unincorporated are close behind with relatively small decreases in third quarter revenue in only one or two of the last four years.

Q3 TOT Revenues Percent Change
By City and Unincorporated Area, 2016-2019
(Quarter over Quarter)

Source: Sonoma County and Cities Finance Departments
## HISTORICAL TOT FIGURES

### THIRD QUARTER 2016 TO THIRD 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>Q3 2016</td>
<td>$5,734,479</td>
<td>$81,543</td>
<td>$1,059,090</td>
<td>$866,298</td>
<td>$1,070,260</td>
<td>$1,977,190</td>
<td>$164,058</td>
<td>$1,162,980</td>
<td>$571,285</td>
</tr>
<tr>
<td>Q3 2017</td>
<td>$7,659,642</td>
<td>$88,336</td>
<td>$1,343,540</td>
<td>$920,786</td>
<td>$1,207,810</td>
<td>$1,798,098</td>
<td>$174,895</td>
<td>$1,243,544</td>
<td>$615,466</td>
</tr>
<tr>
<td>Q3 2018</td>
<td>$7,456,140</td>
<td>$91,740</td>
<td>$1,581,019</td>
<td>$992,296</td>
<td>$1,399,953</td>
<td>$1,610,797</td>
<td>$173,237</td>
<td>$1,471,327</td>
<td>$718,625</td>
</tr>
<tr>
<td>Q3 2019</td>
<td>$7,171,211</td>
<td>$88,308</td>
<td>$1,680,161</td>
<td>$1,096,680</td>
<td>$1,374,569</td>
<td>$1,791,847</td>
<td>$208,578</td>
<td>$1,546,760</td>
<td>$706,873</td>
</tr>
</tbody>
</table>

## INDUSTRY DEVELOPMENT

### SONOMA COUNTY LODGING DEVELOPMENTS

#### Q3 2019 Updates
Sonoma County currently has 15 lodging industry development projects in the works. When completed, 1,544 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>Sawmill Inn</td>
<td>Cloverdale</td>
<td>New</td>
<td>Boutique 240 N. Cloverdale Blvd</td>
<td>2</td>
<td>2021</td>
<td>Building permit under review</td>
<td>12/16/16 Received CUP approval from Planning Commission</td>
</tr>
<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>Cambria Hotel Sonoma Wine Country</td>
<td>Rohnert Park</td>
<td>New</td>
<td>Full Service 5870 Labath Ave</td>
<td>135</td>
<td>2020</td>
<td>Under construction</td>
<td>-</td>
</tr>
<tr>
<td>Marriott Fairfield Inn</td>
<td>Rohnert Park</td>
<td>New</td>
<td>Limited Service 405 Martin Ave</td>
<td>100</td>
<td>2020</td>
<td>Under construction</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>
</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>AC Hotel by Marriot</td>
<td>Santa Rosa</td>
<td>New</td>
<td>Limited Service</td>
<td>210 5th Street</td>
<td>142</td>
<td>2020 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</td>
<td>6828 Depot Street</td>
<td>66</td>
<td>2020 Building permit under review</td>
<td></td>
</tr>
<tr>
<td>The McClelland</td>
<td>Windsor</td>
<td>New</td>
<td>Full Service</td>
<td>Market Street/McClelland Drive</td>
<td>159</td>
<td>TBD</td>
<td>No formal application has been submitted</td>
</tr>
<tr>
<td>Hampton Inn and Suites</td>
<td>Windsor</td>
<td>Expansion</td>
<td>Limited Service</td>
<td>8937 Brooks Rd S</td>
<td>21</td>
<td>2020 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</td>
<td>New</td>
<td>Hotel w/ spa, pool, and rooftop restaurant</td>
<td>3750 N. Laughlin Road, Santa Rosa 95403</td>
<td>165</td>
<td>2020</td>
<td>Incomplete, application under review</td>
</tr>
<tr>
<td>Verano Hotel and Verano Family Housing</td>
<td>Unincorporated</td>
<td>New</td>
<td>Hotel with multifamily housing on a separate parcel</td>
<td>135, 155, 175 West Verano Avenue, Sonoma</td>
<td>120</td>
<td>TBD</td>
<td>TBD. Entitlement applications not submitted as of 7/25.</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 third quarter (July, August, September) 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.