



Transient Occupancy Tax Report

Third Quarter 2013

2013
SONOMA
COUNTY



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Transient Occupancy Tax Report

Third Quarter 2013

February 2014

The Sonoma County Economic Development Board (EDB), in partnership with Sonoma County Tourism (SCT), is pleased to bring you the 2013 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 covers the county's TOT revenues, compared with Sonoma County's historical CY numbers, as well as the accommodation development for July, August and September of 2013.

Highlights from the Third Quarter transient Occupancy Tax Report include:

- Sonoma County's revenues for third quarter 2013 increased 15% over third quarter 2012. Third quarter 2013 TOT revenues are the highest third quarter revenues on record for the county as a whole, and in many cases for the cities individually.
- All Sonoma County cities except Cloverdale experienced increased year-over-year TOT revenue for third quarter 2013. Sonoma had the largest third quarter over third quarter increase at 17%. Rohnert Park, Petaluma, Santa Rosa and Sebastopol each had very strong quarter over quarter increases, continuing the trend in increasing TOT revenues in 2013.
- Healdsburg, Rohnert Park, Sonoma and Windsor continue their best year on record through Q3 2013. This reflects improving economic conditions and highlights Sonoma County's growing popularity as a tourist destination.
- TOT Assessment by City:

County-9%	Petaluma-10%	Sebastopol-10%
Cloverdale-10%	Rohnert Park-12%	Sonoma-10%
Healdsburg-12%	Santa Rosa-9%	Windsor-12%

As always, if you have any questions, please feel free to contact us at (707) 565-7170.

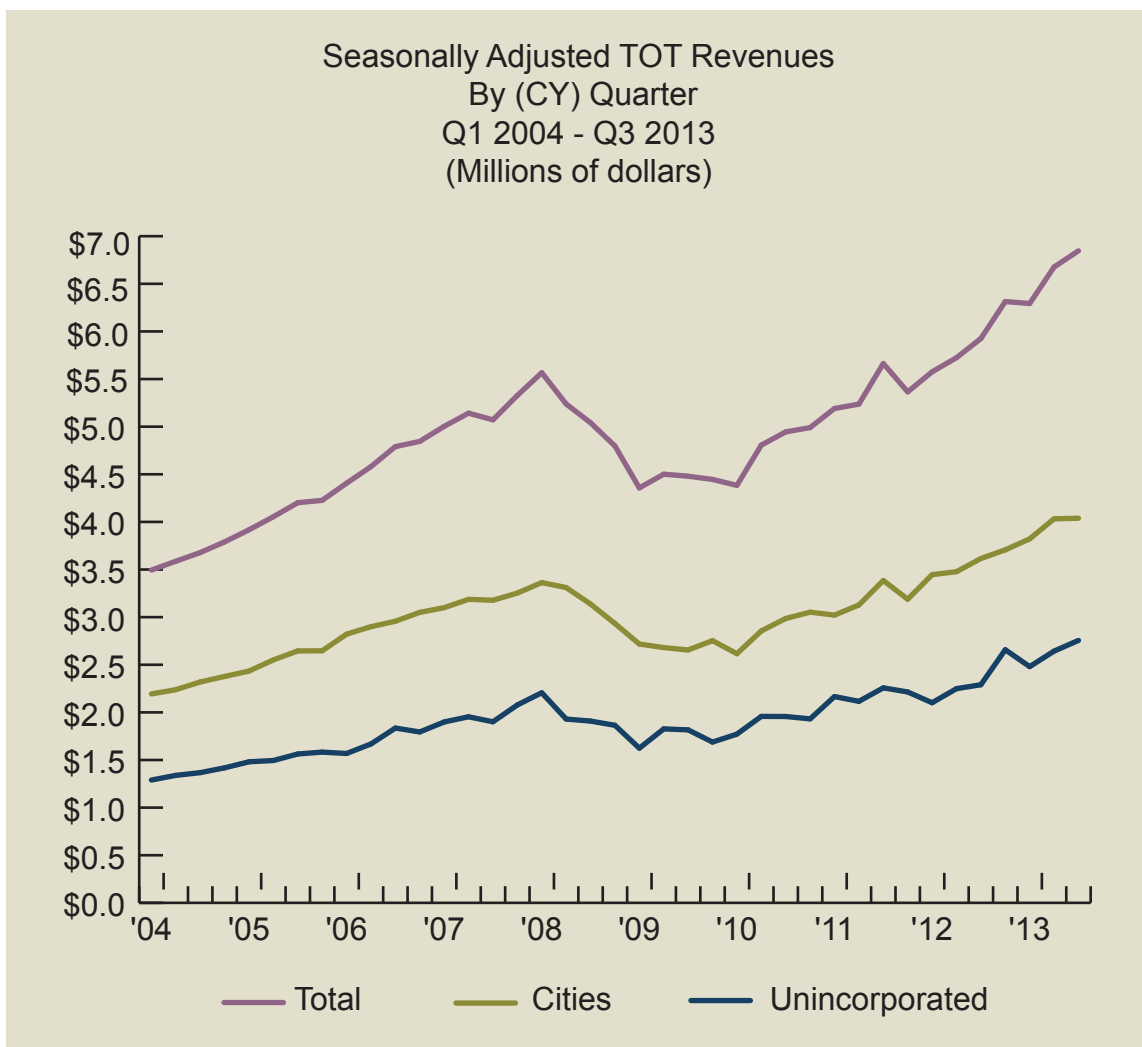
Sincerely,



Ben Stone
Executive Director

Seasonally Adjusted TOT Revenues

By Calendar Year Quarter 2004 - 2013



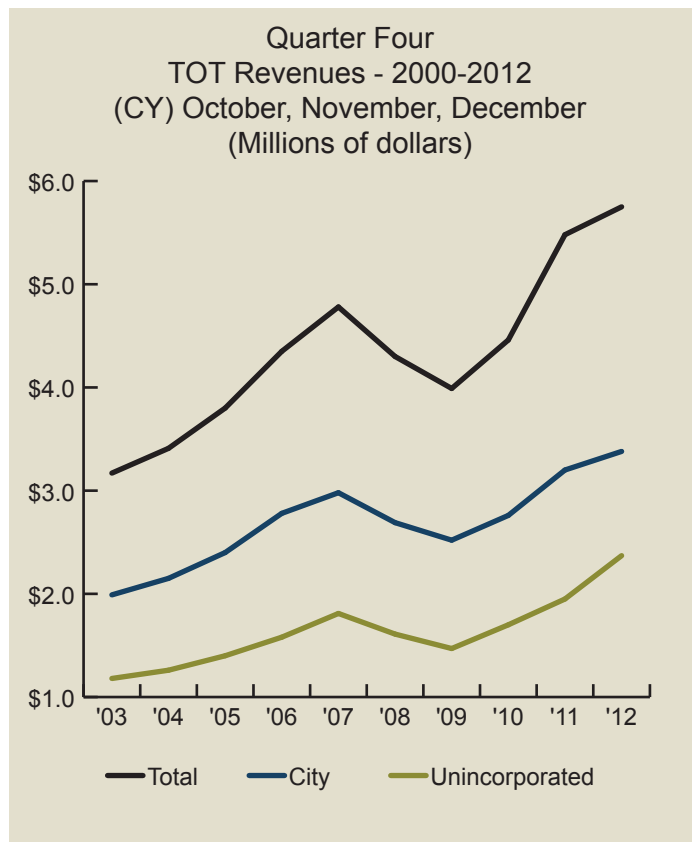
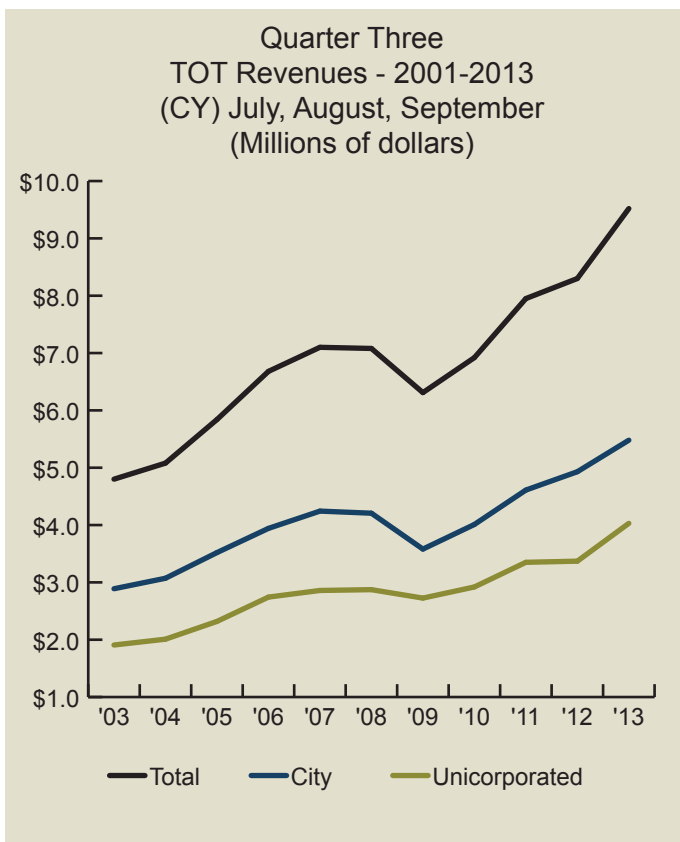
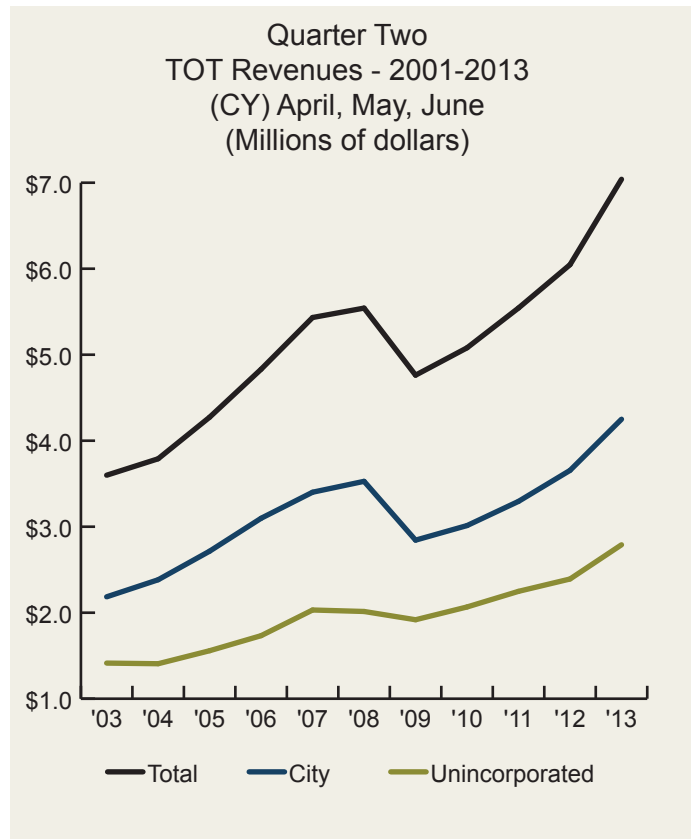
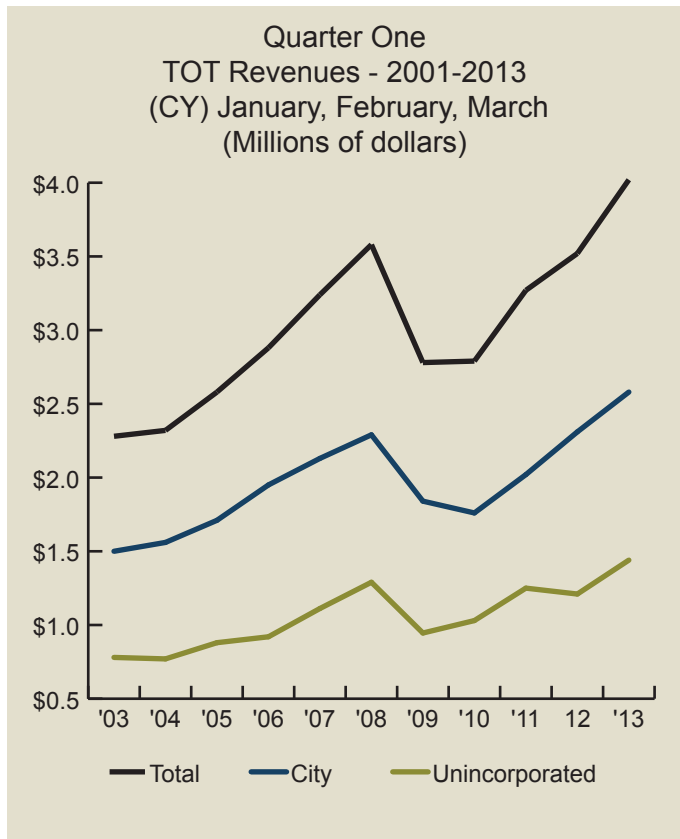
This section analyzes the quarterly TOT trends for the aggregated city and unincorporated areas from first quarter calendar year (CY) 2004 through third quarter (CY) 2013.

Summary of Findings:

- TOT revenues grew steadily with significant increase between 2005 and 2007. Revenues decreased in 2008 and continued to do so into fourth quarter 2009. TOT revenues started to show growth in first quarter 2010 and show consistent increasing trends through third quarter 2013.
- The general trend in TOT revenues since 2004 reflects Sonoma County's popularity as a tourist destination and the strength of local lodging properties' average daily and occupancy rates. Recent growth rates are exceeding those from 2005-2008, before the economic downturn.
- The significant dips in TOT revenues between 2008 and 2009 and between 2011 and 2012 can be attributed to decreased tourism worldwide in response to a weakening economy and/or reactions to specific events such as the global recession in 2011.

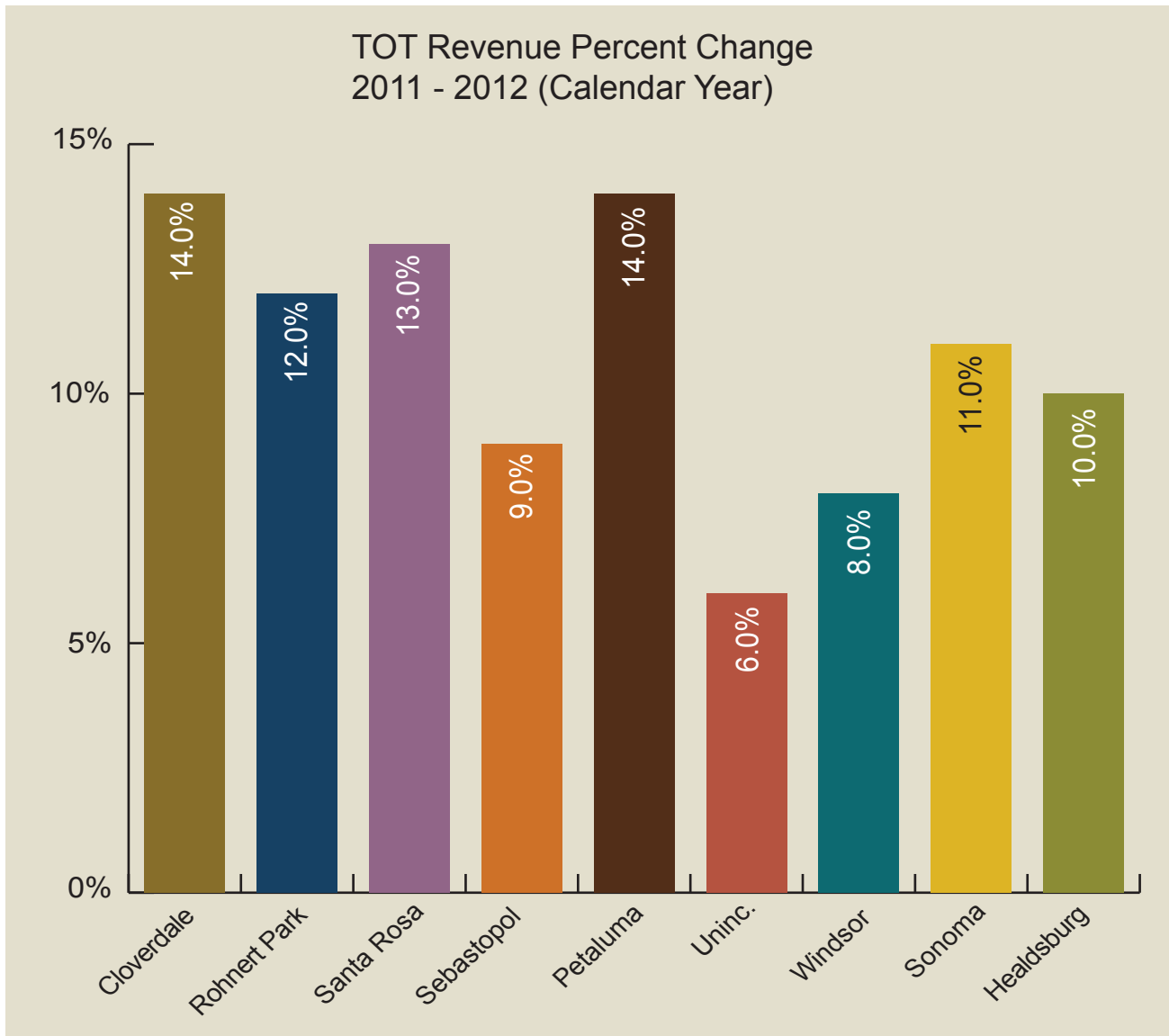
TOT Revenues by Quarter

Cities, Unincorporated, & Total County



Annual TOT Trends

Annual percent change 2011 - 2012 (Calendar Year)



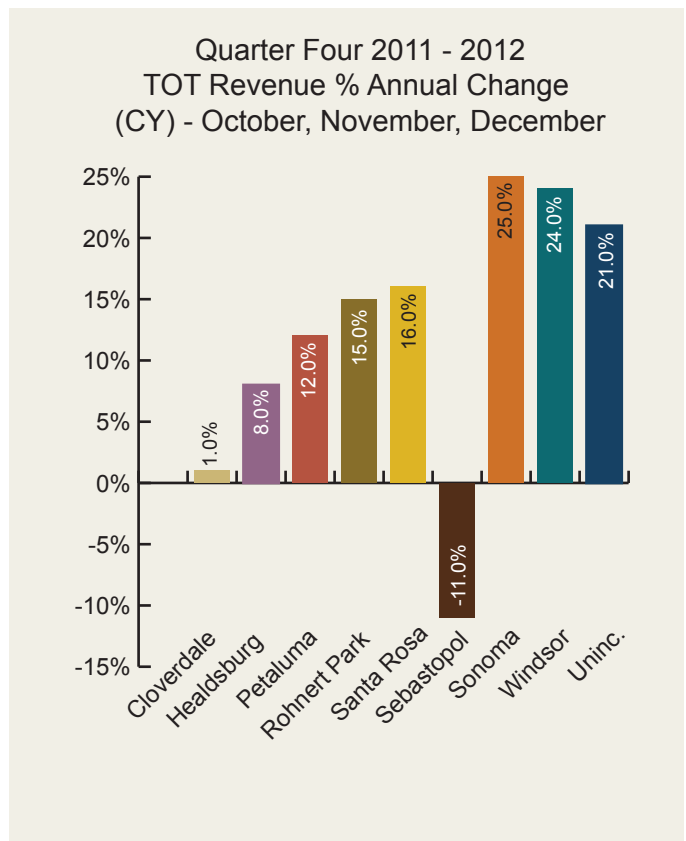
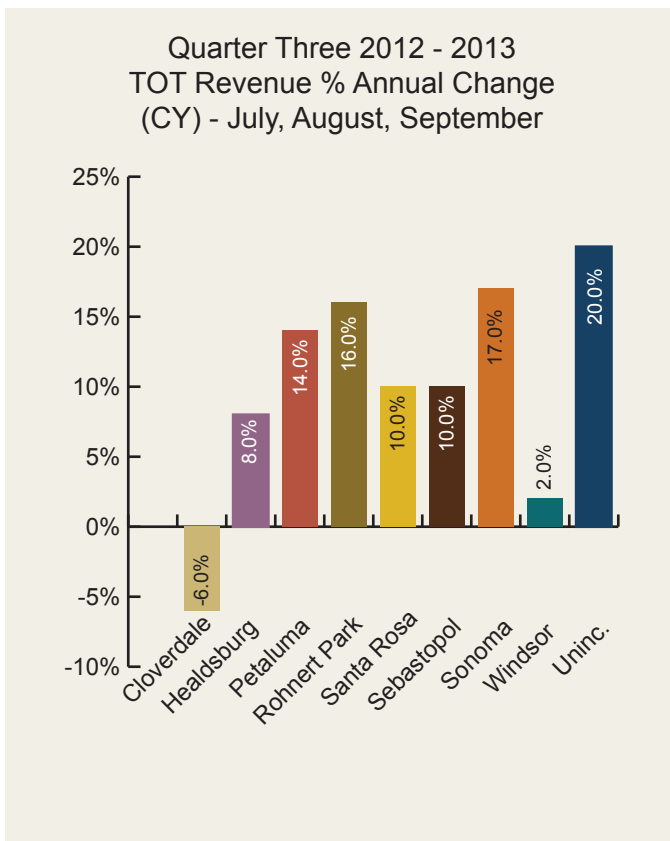
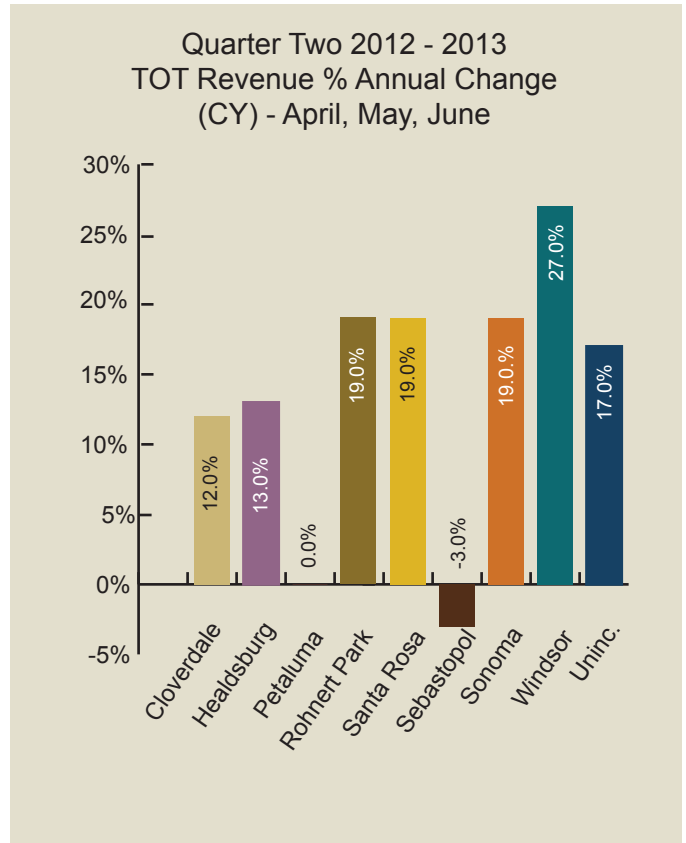
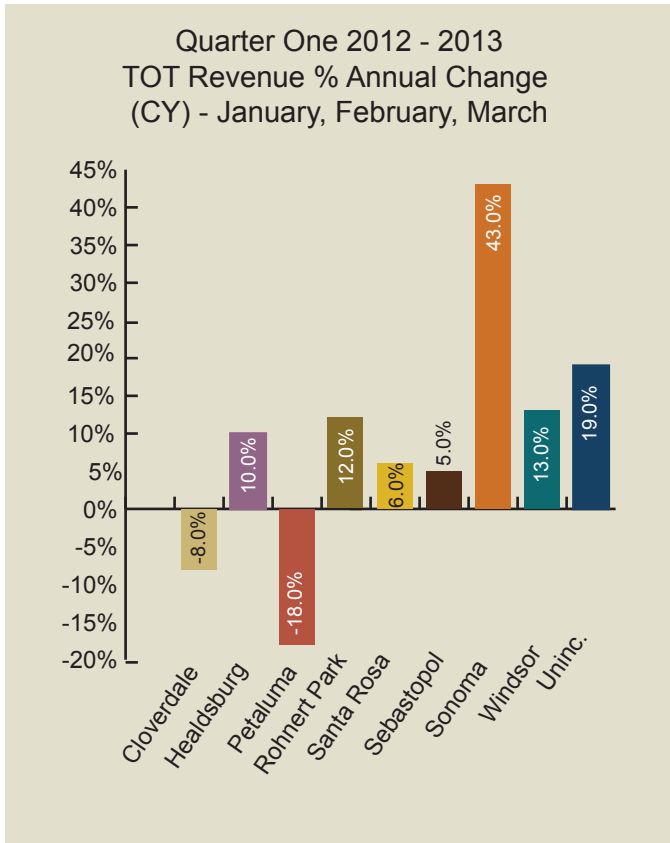
This section shows the annual percentage change in TOT revenues based on the most recent annual data (calendar year).

Summary of findings:

- From 2011 - 2012, all cities and unincorporated areas of Sonoma County experienced positive growth in annual TOT revenue. Each city, and the county overall experienced higher growth rates in 2012 than in 2011. The overall growth rate for the entire county for 2012 over 2011 was 9%. This would indicate that overnight travel is returning to Sonoma County.

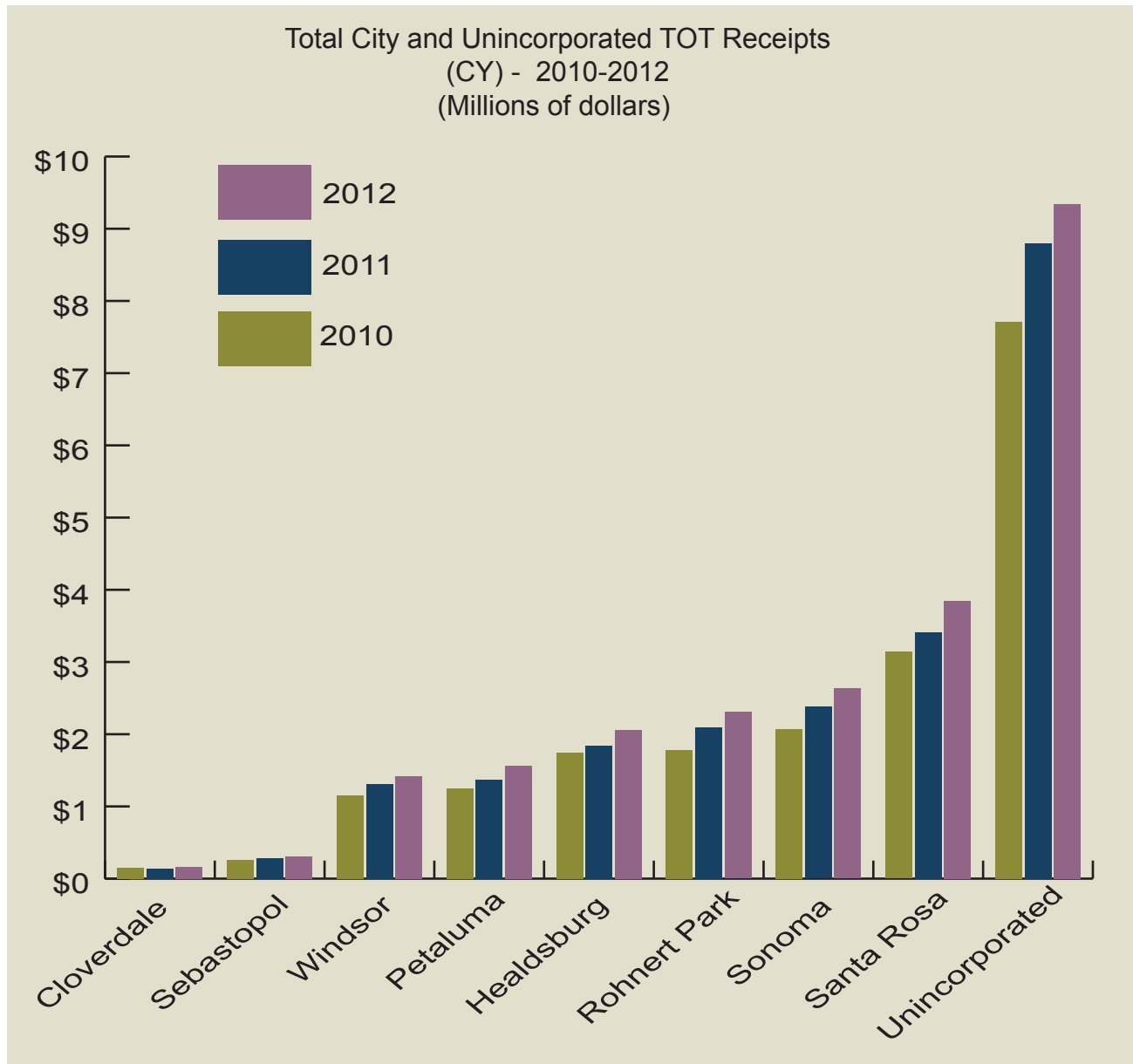
TOT Trends by Quarter

TOT Revenue percent change - quarter over quarter



Annual City & Unincorporated TOT Receipts

Total City & Unincorporated TOT Receipts 2010 - 2012



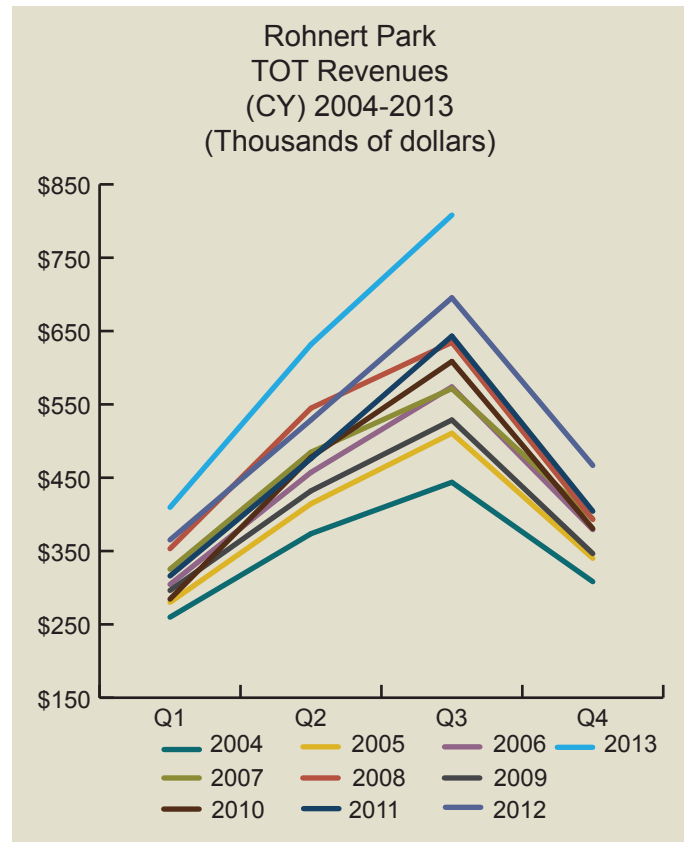
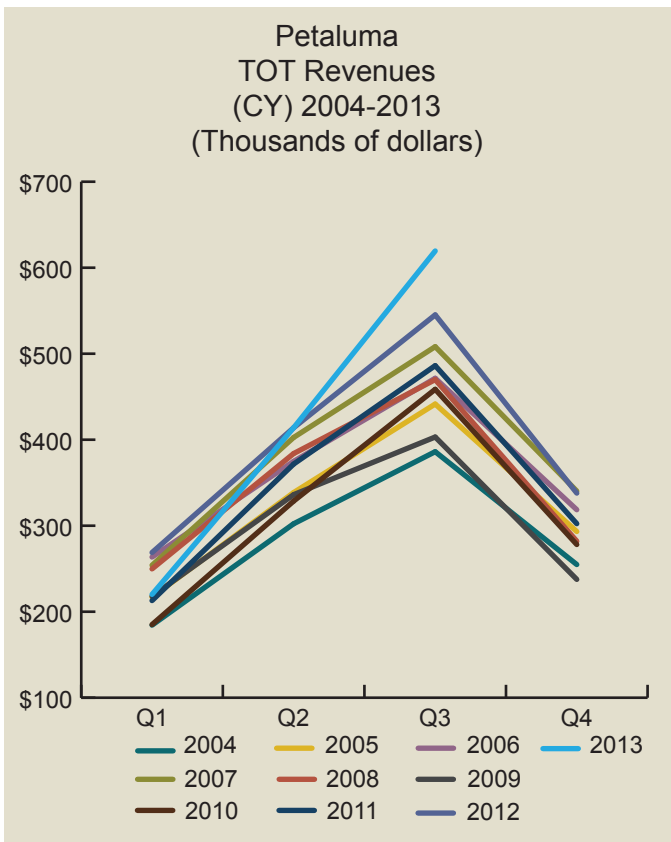
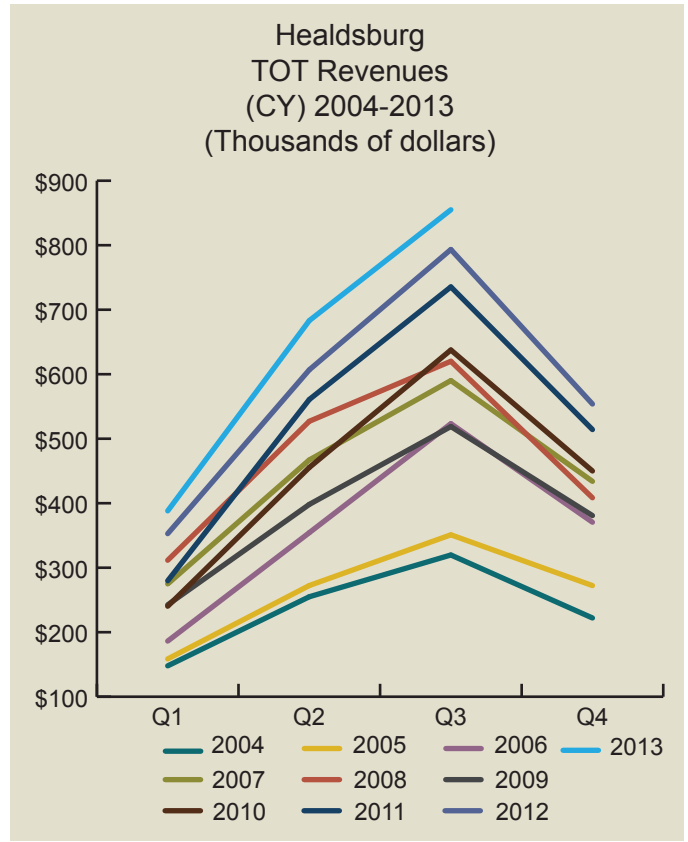
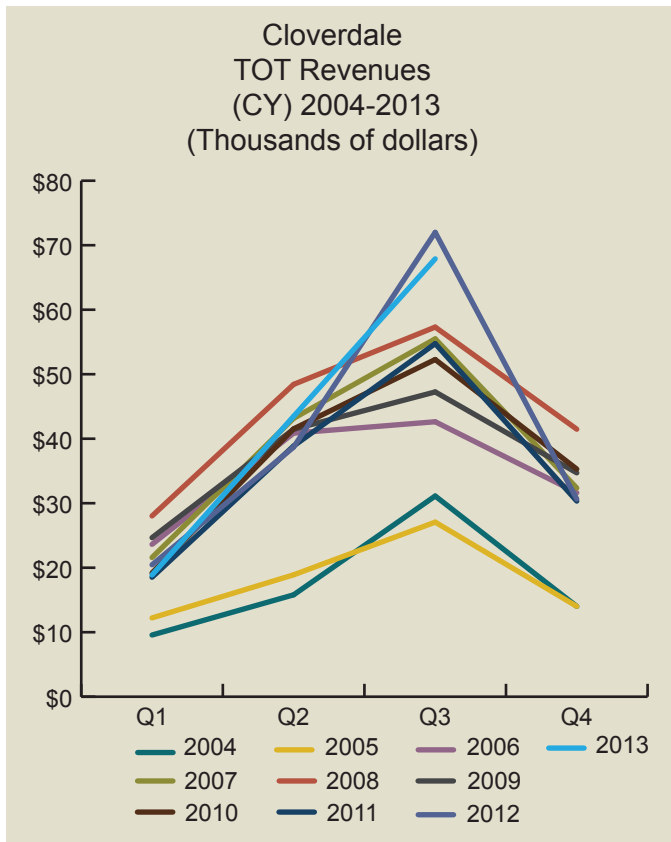
This section analyzes the year-over-year TOT revenue trends for each city and the unincorporated areas from calendar year (CY) 2010 - 2012.

Summary of Findings:

- The county as a whole experienced significant growth in year over year TOT revenues in 2012. County TOT revenues experienced a 9% growth from \$21.64 millions in 2011 to \$23.63 million in 2012.
- Petaluma experienced the greatest growth with a 14% increase from \$1.37 million in 2011 to \$1.57 million in 2012. However, the unincorporated areas and Santa Rosa had the highest revenues at \$9.34 million and \$3.84 million, respectively.
- It is important to note that travel to Sonoma County is cyclical and third quarter (July, August, September) provides a disproportionate share of Sonoma County's TOT revenues.

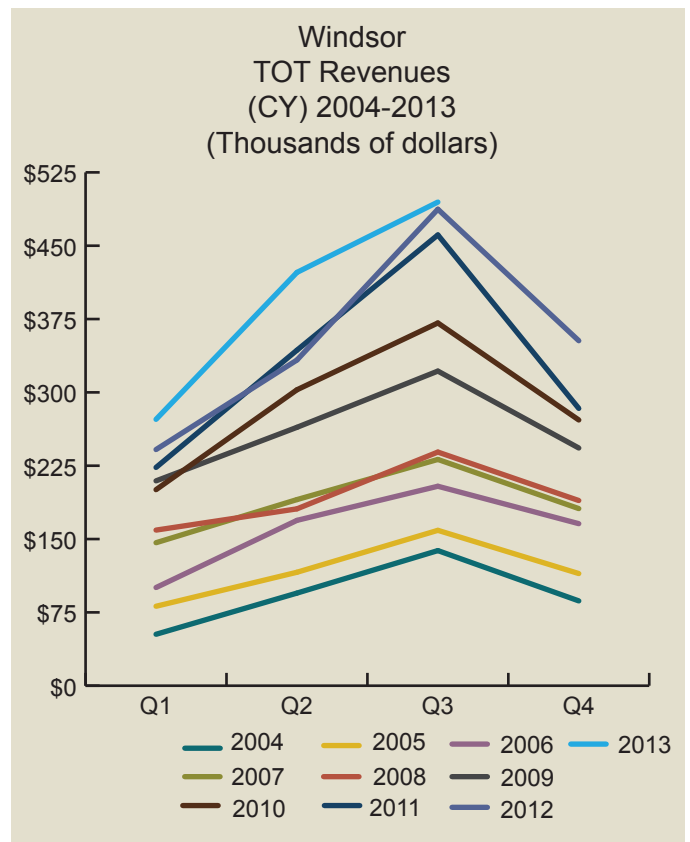
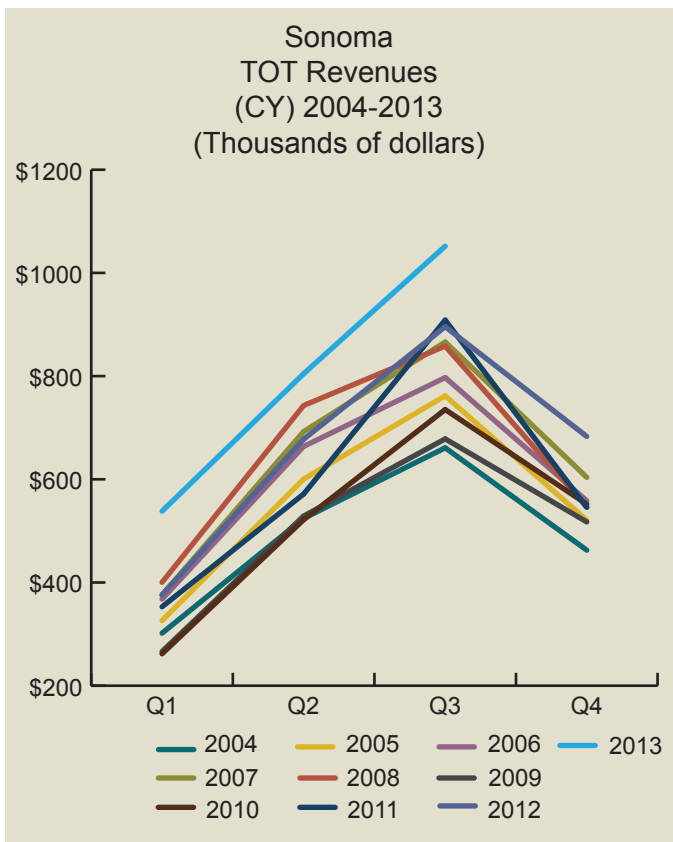
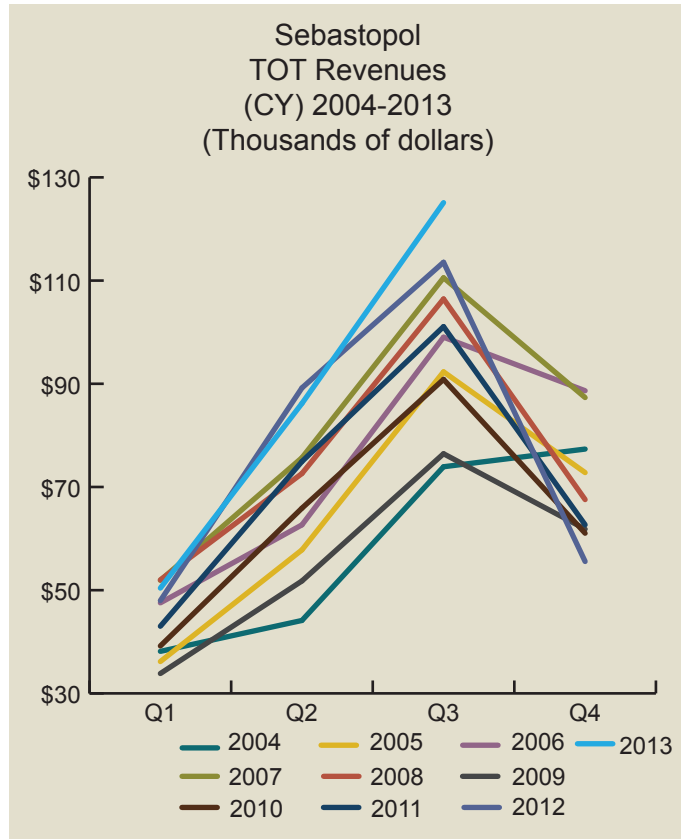
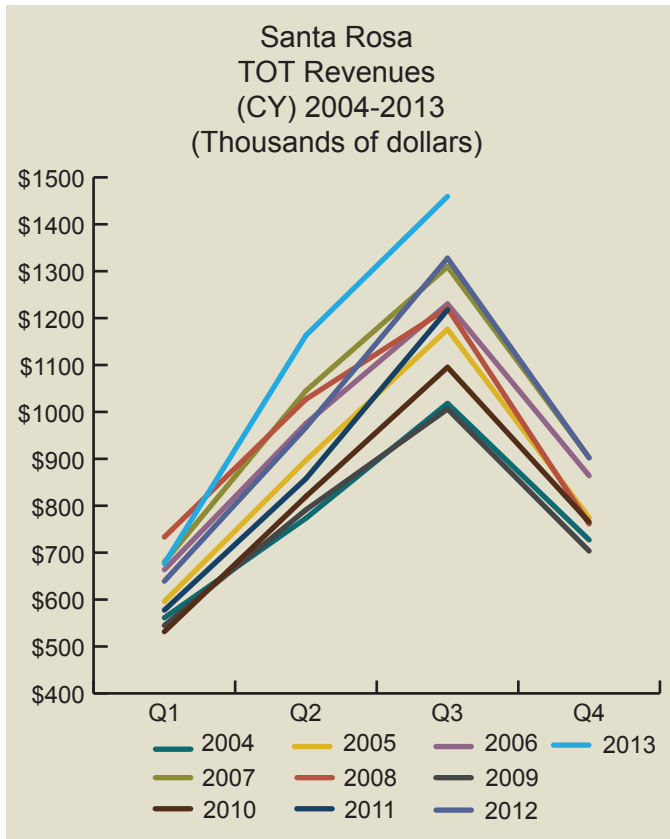
TOT Historical Comparison by City

Cloverdale, Healdsburg, Petaluma, Rohnert Park



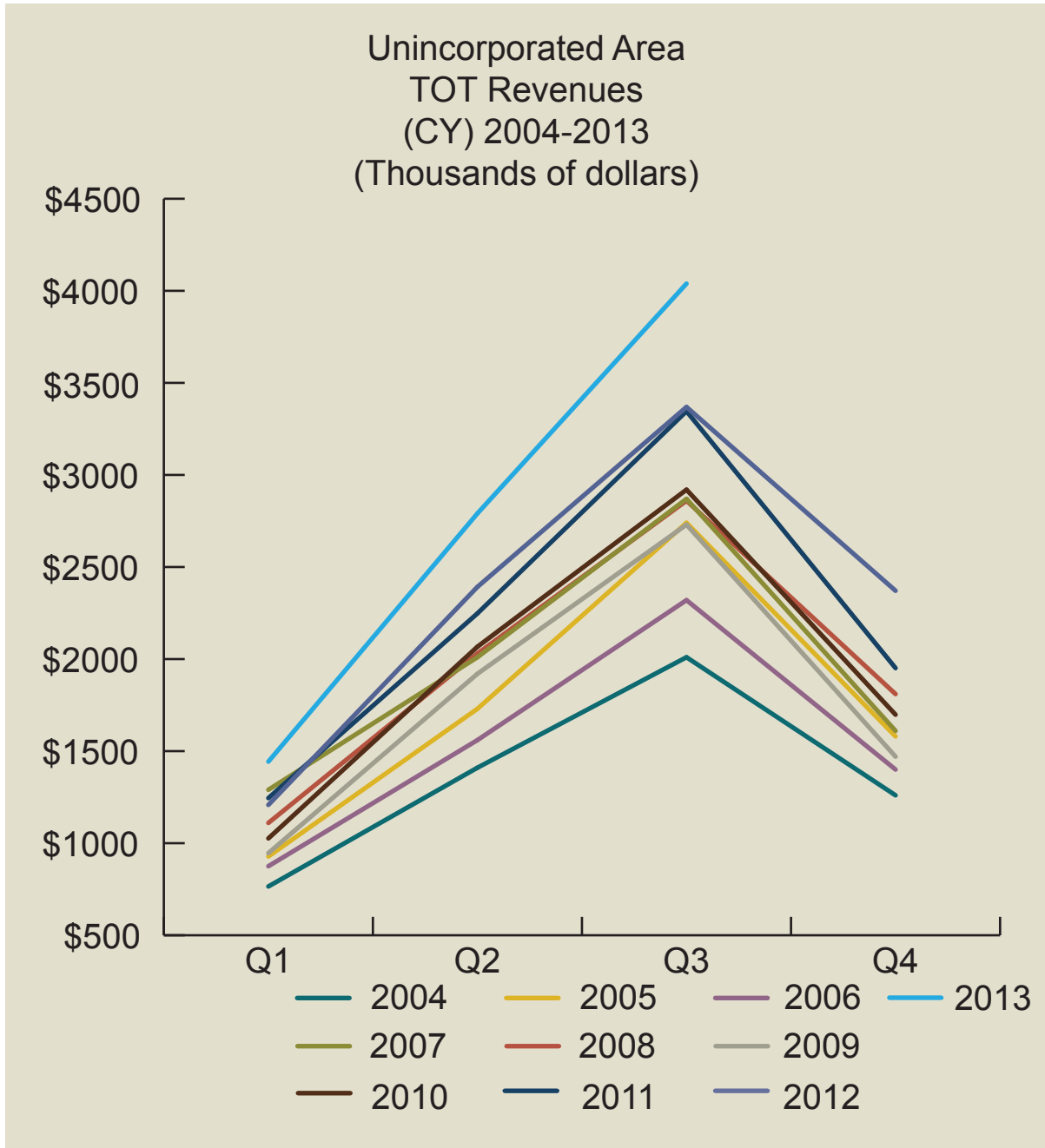
TOT Historical Comparison by City

Santa Rosa, Sebastopol, Sonoma, Windsor



TOT Historical Comparison

Unincorporated Area



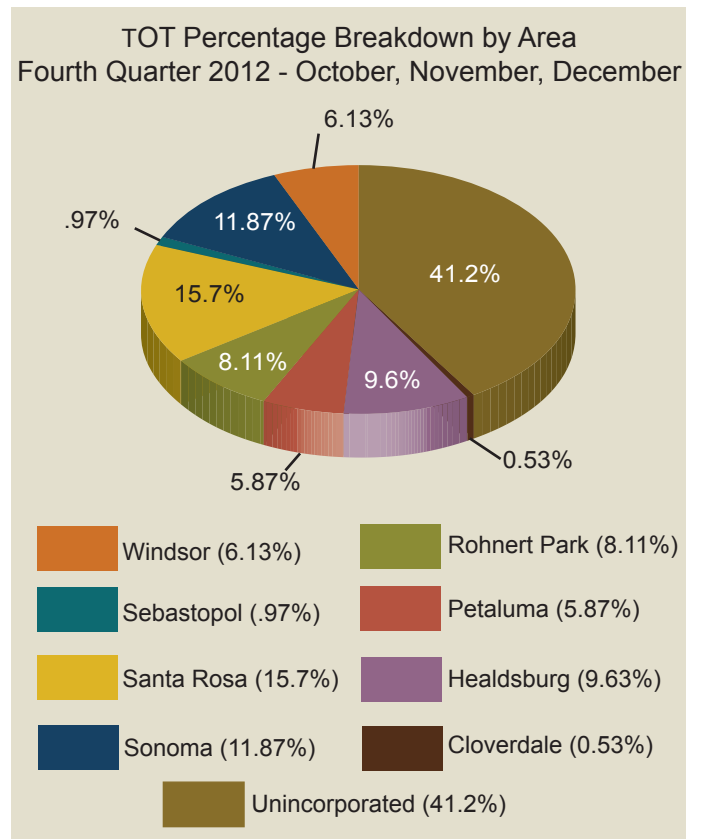
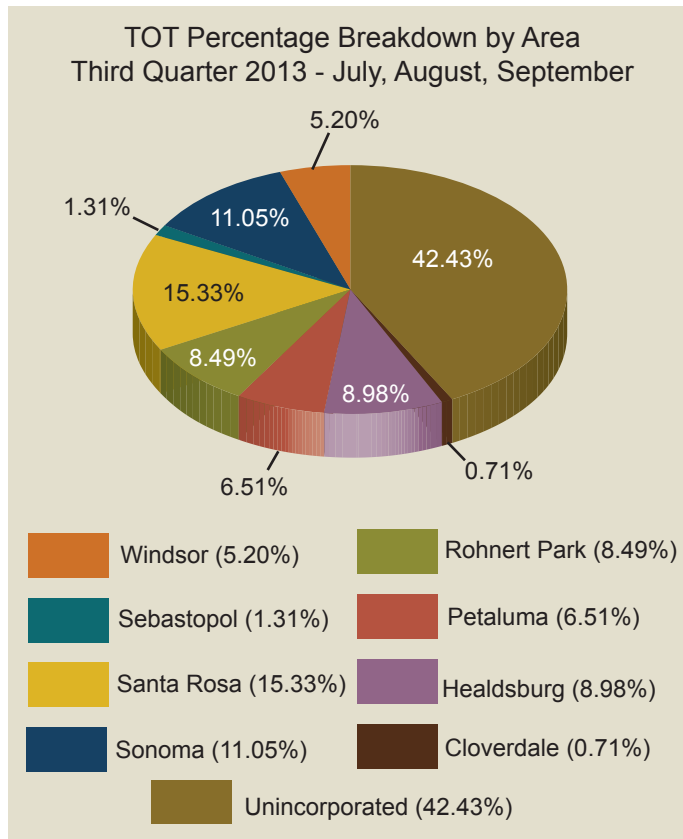
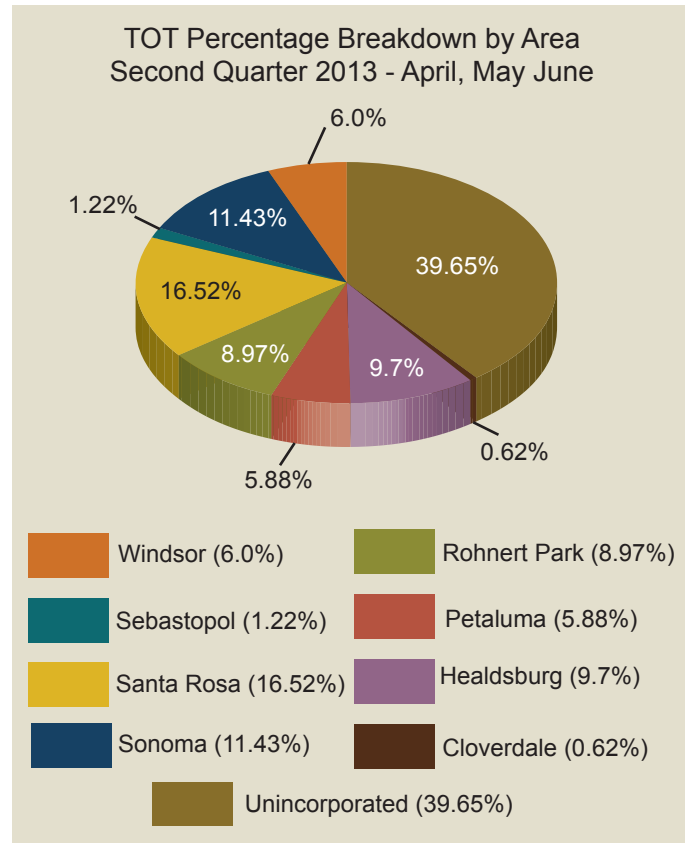
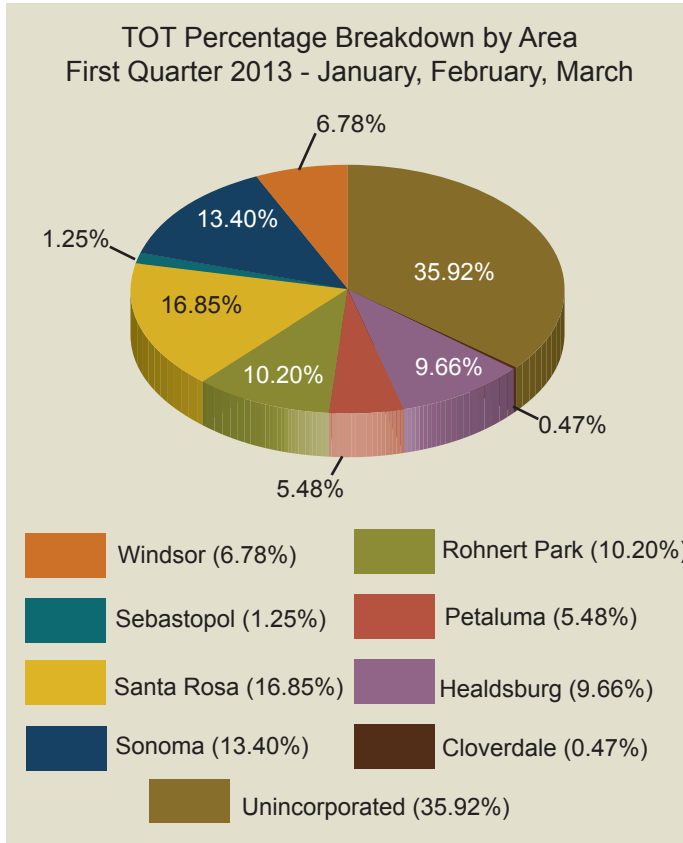
Data Table

Historical TOT Figures

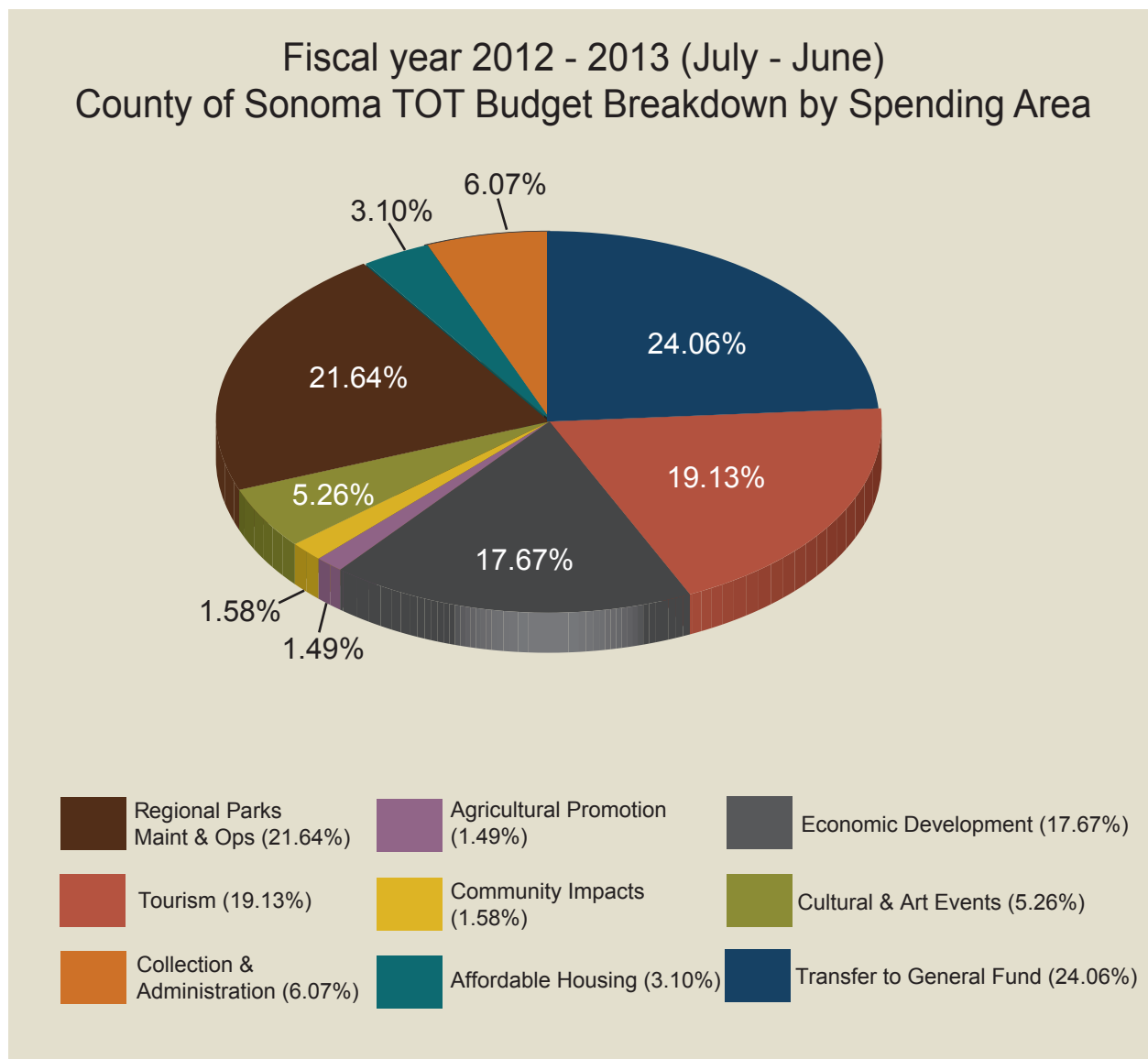
	Unincorp.	Cloverdale	Healdsburg	Petaluma	Rohnert Park	Santa Rosa	Sebastopol	Sonoma	Windsor
2006									
1st QTR.	\$928,273	\$23,621	\$186,236	\$263,544	\$304,489	\$663,594	\$47,543.70	\$367,837	\$100,399
2nd QTR.	\$1,732,996	\$40,864	\$354,289	\$374,805	\$457,210	\$975,400	\$62,658.38	\$663,755	\$169,106
3rd QTR.	\$2,743,308	\$42,629	\$523,310	\$471,452	\$573,850	\$1,230,230	\$99,028.61	\$797,138	\$203,995
4th QTR.	\$1,576,508	\$31,626	\$370,539	\$318,573	\$379,172	\$864,001	\$88,655.18	\$558,371	\$165,725
TOTAL	\$6,981,086	\$138,740	\$1,434,374	\$1,428,374	\$1,714,721	\$3,733,225	\$297,886	\$2,387,101	\$639,225
2007									
1st QTR.	\$1,111,857	\$21,580	\$274,878	\$254,041	\$325,240	\$680,012	\$51,901.10	\$375,866	\$146,237
2nd QTR.	\$2,031,470	\$43,157	\$467,096	\$402,609	\$484,765	\$1,045,132	\$75,673.04	\$692,375	\$190,346
3rd QTR.	\$2,858,897	\$55,483	\$590,147	\$508,194	\$571,520	\$1,309,685	\$110,549.28	\$866,074	\$231,410
4th QTR.	\$1,807,310	\$32,358	\$433,883	\$340,274	\$393,932	\$902,546	\$87,332.33	\$603,732	\$181,143
TOTAL	\$7,809,534	\$152,578	\$1,766,004	\$1,505,118	\$1,775,457	\$3,937,375	\$325,456	\$2,538,047	\$749,136
2008									
1st QTR.	\$1,289,874	\$28,022	\$311,526	\$249,762	\$353,189	\$733,276	\$51,992	\$400,313	\$159,143
2nd QTR.	\$2,014,375	\$48,422	\$526,998	\$383,884	\$544,846	\$1,027,031	\$72,611	\$742,978	\$180,873
3rd QTR.	\$2,872,890	\$57,306	\$620,068	\$469,838	\$634,567	\$1,221,170	\$106,440	\$858,075	\$238,950
4th QTR.	\$1,613,795	\$41,472	\$408,422	\$282,038	\$393,008	\$761,227	\$67,558	\$546,326	\$189,400
TOTAL	\$7,790,934	\$175,222	\$1,867,014	\$1,385,522	\$1,925,611	\$3,742,704	\$298,600	\$2,547,692	\$768,366
2009									
1st QTR.	\$945,598	\$24,658	\$242,455	\$217,974	\$296,290	\$544,743	\$33,847	\$266,213	\$209,493
2nd QTR.	\$1,918,165	\$41,472	\$398,126	\$336,119	\$432,015	\$791,316	\$51,783	\$528,719	\$264,255
3rd QTR.	\$2,725,730	\$47,252	\$518,841	\$403,133	\$528,712	\$1,006,062	\$76,443	\$678,372	\$321,779
4th QTR.	\$1,466,080	\$34,707	\$380,846	\$237,566	\$346,532	\$703,559	\$61,839	\$517,425	\$243,108
TOTAL	\$7,055,573	\$148,090	\$1,540,267	\$1,194,792	\$1,603,550	\$3,045,680	\$223,912	\$1,990,729	\$1,038,635
2010									
1st QTR.	\$1,025,729	\$19,191	\$240,268	\$185,020	\$284,473	\$531,501	\$39,194	\$261,783	\$200,478
2nd QTR.	\$2,066,768	\$41,532	\$455,403	\$328,607	\$477,902	\$819,705	\$65,892	\$521,603	\$302,648
3rd QTR.	\$2,914,897	\$52,281	\$637,550	\$458,606	\$608,551	\$1,095,239	\$90,850	\$735,175	\$370,985
4th QTR.	\$1,698,113	\$35,290	\$449,969	\$278,113	\$380,650	\$765,413	\$61,039	\$551,755	\$271,769
TOTAL	\$7,705,506	\$148,293	\$1,783,190	\$1,250,346	\$1,751,576	\$3,211,858	\$256,975	\$2,070,316	\$1,145,879
2011									
1st QTR.	\$1,245,786	\$18,518	\$279,708	\$212,922	\$316,041	\$577,394	\$43,010	\$352,882	\$223,231
2nd QTR.	\$2,248,535	\$38,872	\$560,767	\$371,683	\$476,037	\$857,815	\$74,938	\$571,481	\$343,143
3rd QTR.	\$3,346,902	\$54,742	\$735,373	\$486,115	\$643,120	\$1,217,602	\$101,079	\$908,591	\$461,011
4th QTR.	\$1,951,855	\$30,328	\$514,165	\$302,368	\$404,315	\$774,822	\$62,679	\$545,717	\$283,596
TOTAL	\$8,793,077	\$142,461	\$2,090,013	\$1,373,088	\$1,839,513	\$3,427,633	\$281,707	\$2,378,670	\$1,310,981
2012									
1st QTR.	\$1,208,612	\$20,451	\$352,782	\$268,811	\$365,172	\$639,225	\$47,978	\$376,266	\$241,512
2nd QTR.	\$2,391,897	\$38,695	\$606,790	\$413,880	\$528,735	\$974,865	\$89,201	\$677,555	\$333,094
3rd QTR.	\$3,369,032	\$71,993	\$793,361	\$545,145	\$695,365	\$1,327,717	\$113,550	\$895,755	\$487,306
4th QTR.	\$2,370,828	\$30,643	\$553,803	\$337,904	\$466,776	\$902,002	\$55,563	\$683,024	\$352,831
TOTAL	\$9,340,369	\$161,781	\$2,306,736	\$1,565,740	\$2,056,048	\$3,843,809	\$306,291	\$2,632,600	\$1,414,744
2013									
1st QTR.	\$1,442,848	\$18,876	\$388,100	\$220,116	\$409,604	\$676,866	\$50,403	\$538,172	\$272,403
2nd QTR.	\$2,791,138	\$43,474	\$683,079	\$413,881	\$631,677	\$1,163,198	\$86,192	\$804,583	\$422,690
3rd QTR.	\$4,039,256	\$67,891	\$854,985	\$619,475	\$808,108	\$1,459,427	\$125,105	\$1,051,846	\$494,633
4th QTR.									
TOTAL	\$8,273,242	\$130,242	\$1,926,165	\$1,253,472	\$1,849,389	\$3,299,491	\$261,700	\$2,394,602	\$1,189,725

TOT Historical Percentage Breakdown by Area

Breakdown by Area for Past Four Quarters



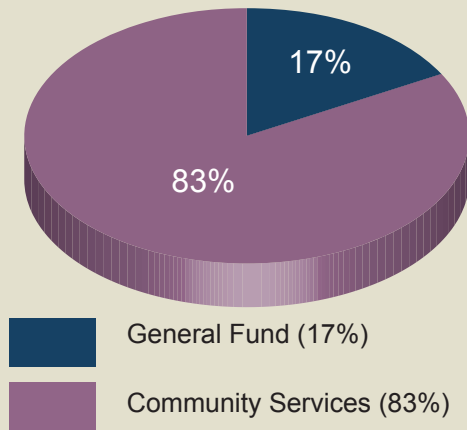
Sonoma County TOT Spending



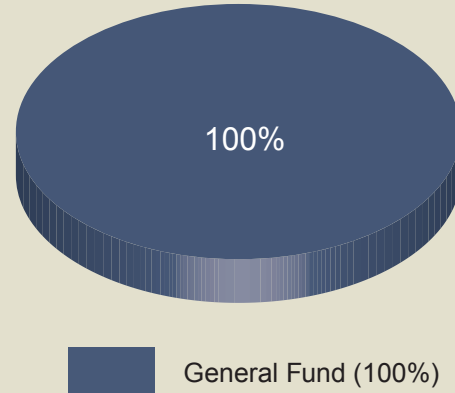
- TOT tax revenues are derived from a 9.0% tax on the rental of hotel and motel rooms, inn beds, and campgrounds in the unincorporated areas. (Revenues derived from this tax are subject to the Proposition 4 limit.)
- The proposed budget reflects the continuation of the Board of Supervisor’s policy that 75% of the tax proceeds be allocated to the advertising fund and 25% of the proceeds be allocated to the county general fund.

TOT Spending Breakdown by City

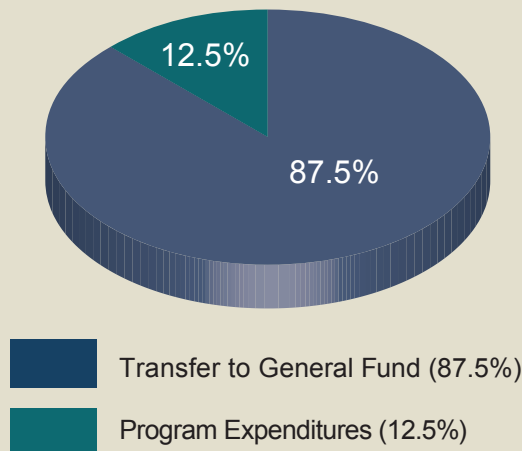
Healdsburg, 2012-2013
TOT Budget Breakdown



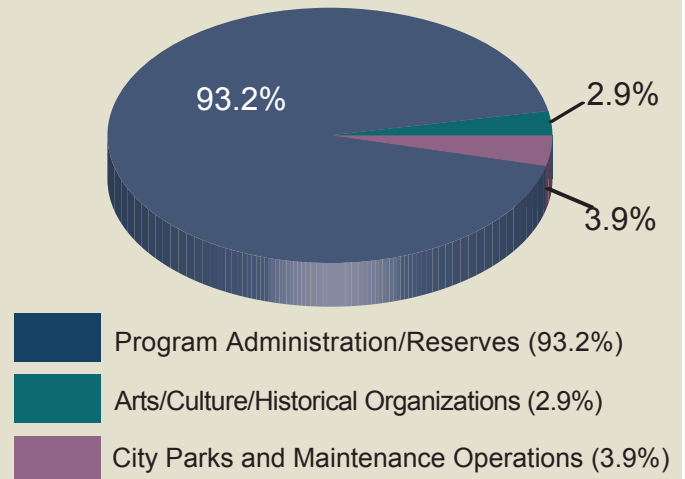
Cloverdale, Santa Rosa, Sebastopol, Sonoma
& Windsor, 2012-2013
TOT Budget Breakdown



Petaluma, 2012-2013
TOT Budget Breakdown



Rohnert Park, 2012-2013
TOT Budget Breakdown



- The General Fund provides funding for a wide range of city needs, including: Fire, Police, Planning & Building, Public Works, Administration, and Community Services.
- TOT Budget Breakdown by city is provided by each respective city's finance representative.

Industry Development

City Industry Development Update

This section provides information on current expansions and new lodging developments occurring in Sonoma County. All data contained within this section is sourced from the city planners of each jurisdiction.

Summary of Findings:

- Sonoma County currently has 22 lodging property applications in the approval process.
- When completed, current construction will add between 1414 and 1464 rooms to Sonoma County.

Third Quarter 2013 Industry Development Table - By City					
Development Type	Project Name	Lodging Classifications	Address/Location	Rooms Proposed	Completion Year (Est.)
City of Cloverdale					
New	Alexander Valley Resort	Full Service	Southeast Cloverdale	100-150	2012
City of Healdsburg					
New	Saggio Hill	Luxury/Resort/Spa	91 Acres in N. Hbg.	130	2015
New	Garden Court Inn	Limited Service	146 Healdsburg Ave	23	N/A
New	The Wheelman House	Limited Service	223 Center Street	3	2013
New	The Kessler Collection	Luxury Hotel	230 Healdsburg Ave	75	Unknown
City of Petaluma					
New	Silk Mill Hotel	Full Service	450 Jefferson St	95	N/A
New	The Petaluman	Boutique Luxury	2 Petaluma Blvd S.	53	2015
New	Petaluma Riverfront Hotel	Focused Service		120	2016
City of Santa Rosa					
Expansion	Fountaingrove Inn	Full Service	3586 Mendocino Ave	22	N/A
New	Fairfield Inn	Full Service	111 Commercial Court	108	N/A
New	Holiday Inn Express Hotel and suites	Limited Service	3745 Airway Drive	143	N/A
City of Sonoma					
New	Anderson Hotel	Full Service	117, 123, 135 & 153 West	59	2015
Expansion	Inn at Sonoma Annex	Full Service	640 Broadway	8	2013
Town of Windsor					
New	Holiday Inn	Full Service	8755 Old Redwood hwy	100	2015
City of Sebastopol					
New	French Garden Inn	Limited Service	8050 Bodega Avenue	18	N/A
New	Barlow Hotel	Full Service	200 Morris Street	50	N/A
New Room Totals: 1107-1157					

The city of Rohnert Park did not report any new development or expansion through the third quarter (July, August, September) calendar year 2013.

The above lodging properties 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.

Industry Development

Unincorporated Area Industry Development Update

Third Quarter 2013				
Unincorporated Area Development Table				
Development Type/ Project Name	Lodging Classifications	Address/Location	Rooms Proposed	Completion Year (Est.)
New				
Sonoma Country Inn (Graywood Ranch)	Luxury/Resort	7945 Highway 12, Kenwood	50	Completion date unknown
Guerneville Park Resort	Luxury/Resort	17155 Highway 116, Guerneville	120	Completion date unknown
Thiessen- Forestville Plaza	Limited Service	Front St. & Hwy 116, Forestville	18	Completion date unknown
Expansion				
Sea Ranch Lodge	Luxury/Resort	60 Sea Walk Dr, Sea Ranch	40	Completion date unknown
Vintner's Inn	Luxury/Resort	4300 Barnes Rd, Santa Rosa	36	Completion date unknown
Bodega Coast Inn	Limited Service	521 Highway 1, Bodega Bay	12	Completion date unknown
Ocean Song (Campsites)	Environmental Center	19999 Coleman Valley Rd, Bodega Bay	25	Completion date unknown
Kenwood Inn	Limited Service	10400 Hwy 12, Kenwood	6	Completion date unknown
New Room Totals:			307	

The above lodging properties 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 SCTB will continue to update this information, quarterly, based on information from the Permit & Resource Management Department.



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