Transient Occupancy Tax Report 2015
Second Quarter 2015
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. Please note this report contains data updated through the second quarter (April, May, June) of 2015.
The Sonoma County Economic Development Board (EDB), in partnership with Sonoma County Tourism (SCT), is pleased to bring you the 2015 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.

The report covers the county’s TOT revenues, compared with Sonoma County’s historical CY numbers, as well as the accommodation development for April, May, and June of 2015.

Highlights from Second Quarter Transient Occupancy Tax Report Include

- Sonoma County’s revenues for second quarter 2015 increased 11% over second quarter 2014. Second quarter 2015 TOT revenues are the highest first quarter revenues since 2008, and in many cases the best that have ever been recorded.

- All Sonoma County Cities experienced increased year-over-year TOT revenue for second quarter 2015. Cloverdale had the largest second quarter increase at 25%. Santa Rosa had the second largest quarter-over-quarter increase at 14%.

- All cities recorded their best second quarter TOT revenues to date. 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
This section analyzes the quarterly TOT trends for the aggregated city and unincorporated areas from first quarter calendar year (CY) 2004 through second quarter (CY) 2015.

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 second quarter 2015.

- 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 occupancy rates. Recent growth rates continue to exceed those from 2005-2008, prior to 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.
This section shows the annual percentage change in TOT revenues based on the most recent annual data (calendar year).

Summary of findings:

- From 2013-2014, all cities (except Cloverdale) and unincorporated areas of Sonoma County experienced positive growth in annual TOT revenue. The overall growth rate for the entire county for 2014 over 2013 was 11%. This would indicate that overnight travel continues to grow in Sonoma County.
TOT Trends by Quarter

TOT Revenue percent change - quarter over quarter

Quarter One 2014 - 2015
TOT Revenue % Annual Change
(CY) - January, February, March

-15% 15% 25% 35%
Cloverdale Healdsburg Petaluma Rohnert Park Santa Rosa Sebastopol Sonoma Windsor Uninc.
6% 17% 5% 12% 14% 14% 14% -5% 33%

Quarter Two 2014 - 2015
TOT Revenue % Annual Change
(CY) - April, May, June

0% 5% 10% 15% 20% 25%
Cloverdale Healdsburg Petaluma Rohnert Park Santa Rosa Sebastopol Sonoma Windsor Uninc.
25% 10% 7% 13% 14% 8% 1% 2% 14%

Quarter Three 2013 - 2014
TOT Revenue % Annual Change
(CY) - July, August, September

-30% -20% -10% 0% 10% 20% 30%
Cloverdale Healdsburg Petaluma Rohnert Park Santa Rosa Sebastopol Sonoma Windsor Uninc.
-30% 7% 11% 1% 6% 6% 9% 30% 9%

Quarter Four 2013 - 2014
TOT Revenue % Annual Change
(CY) - October, November, December

-30% -20% -10% 0% 10% 20% 30% 40% 50%
Cloverdale Healdsburg Petaluma Rohnert Park Santa Rosa Sebastopol Sonoma Windsor Uninc.
-24% 8% 45% 9% 12% 45% 44% 9% 12%
This section analyzes the year-over-year TOT revenue trends for each city and the unincorporated areas from calendar year (CY) 2011 - 2014.

Summary of Findings:

- The county as a whole experienced significant growth in year over year TOT revenues in 2014. County TOT revenues experienced a 11% growth from $27.05 million in 2013 to $30.1 million in 2014.

- Sebastopol experienced the greatest growth with a 19% increase from $352 thousand in 2013 to $421 thousand in 2014. However, the unincorporated areas and Santa Rosa had the highest revenues at $11.8 million and $4.8 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
Santa Rosa, Sebastopol, Sonoma, Windsor

Santa Rosa
TOT Revenues
(CY) 2004-2015
(Thousands of dollars)

Sebastopol
TOT Revenues
(CY) 2004-2015
(Thousands of dollars)

Sonoma
TOT Revenues
(CY) 2004-2015
(Thousands of dollars)

Windsor
TOT Revenues
(CY) 2004-2015
(Thousands of dollars)
## Historical TOT Figures

<table>
<thead>
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<tbody>
<tr>
<td><strong>Unincorporated</strong></td>
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<tr>
<td><strong>Cloverdale</strong></td>
<td>$2,138,741</td>
<td>$28,022</td>
<td>$315,263</td>
<td>$268,811</td>
<td>$361,501</td>
<td>$39,194</td>
<td>$261,783</td>
<td>$200,478</td>
<td>$223,231</td>
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<tr>
<td><strong>Healdsburg</strong></td>
<td>$2,370,828</td>
<td>$47,032</td>
<td>$631,137</td>
<td>$408,175</td>
<td>$622,325</td>
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<td>$91,011</td>
<td>$726,329</td>
<td>$372,496</td>
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<tr>
<td><strong>Petaluma</strong></td>
<td>$1,098,097</td>
<td>$142,461</td>
<td>$2,090,013</td>
<td>$1,373,088</td>
<td>$1,839,513</td>
<td>$3,427,033</td>
<td>$281,707</td>
<td>$2,378,670</td>
<td>$1,330,981</td>
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<tr>
<td><strong>Rohnert Park</strong></td>
<td>$9,340,369</td>
<td>$1,012,339</td>
<td>$1,205,376</td>
<td>$1,165,740</td>
<td>$1,556,704</td>
<td>$2,056,048</td>
<td>$3,843,809</td>
<td>$3,061,291</td>
<td>$2,632,600</td>
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<tr>
<td><strong>Santa Rosa</strong></td>
<td>$7,705,506</td>
<td>$181,781</td>
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<td>$2,056,048</td>
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<td><strong>Windsor</strong></td>
<td>$10,725,628</td>
<td>$177,274</td>
<td>$2,557,302</td>
<td>$1,661,647</td>
<td>$2,471,747</td>
<td>$4,360,723</td>
<td>$352,711</td>
<td>$3,120,931</td>
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### Data Table

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<td>$352,711</td>
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</tr>
</tbody>
</table>
TOT Historical Percentage Breakdown by Area

Breakdown by Area for Past Four Quarters

First Quarter 2015 - January, February, March

- Unincorporated (38.97%)
- Windsor (5.40%)
- Sebastopol (1.45%)
- Santa Rosa (17.43%)
- Sonoma (10.15%)
- Windsor (5.40%)
- Sebastopol (1.45%)
- Santa Rosa (17.43%)
- Sonoma (10.15%)

Second Quarter 2015 - April, May June

- Unincorporated (40.39%)
- Windsor (5.29%)
- Sebastopol (1.38%)
- Santa Rosa (16.22%)
- Sonoma (10.51%)
- Rohnert Park (9.39%)
- Petaluma (6.86%)
- Healdsburg (9.28%)
- Cloverdale (0.68%)

Third Quarter 2014 - July, August, September

- Unincorporated (43.85%)
- Windsor (5.17%)
- Sebastopol (1.37%)
- Santa Rosa (16.02%)
- Sonoma (10.95%)
- Windsor (5.17%)
- Sebastopol (1.37%)
- Santa Rosa (16.02%)
- Sonoma (10.95%)

Fourth Quarter 2014 - October, November, December

- Unincorporated (36.72%)
- Windsor (5.51%)
- Sebastopol (1.39%)
- Santa Rosa (9.11%)
- Sonoma (13.97%)
- Windsor (5.51%)
- Sebastopol (1.39%)
- Santa Rosa (9.11%)
- Sonoma (13.97%)
- 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.
• The General Fund provides funding for a wide range of city needs, including: Fires, 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 25 lodging property applications in the approval process.
- When completed, current construction will add 1352 rooms to Sonoma County.

### Second Quarter 2015
Industry Development Table - By City

<table>
<thead>
<tr>
<th>Development Type</th>
<th>Project Name</th>
<th>Lodging Classifications</th>
<th>Address/Location</th>
<th>Rooms Proposed</th>
<th>Completion Year (Est.)</th>
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</thead>
<tbody>
<tr>
<td><strong>City of Healdsburg</strong></td>
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<tr>
<td>New</td>
<td>H3</td>
<td>Hotel</td>
<td>227 Healdsburg Ave</td>
<td>39</td>
<td>2016</td>
</tr>
<tr>
<td>New</td>
<td>Howling Wine Jaunts</td>
<td>Res Vis Lodging</td>
<td>602 College St.</td>
<td>1</td>
<td>2015</td>
</tr>
<tr>
<td>New</td>
<td>Saggio Hill</td>
<td>Luxury, Resort, Spa</td>
<td>91 Acres in N. Hbg.</td>
<td>130</td>
<td>2015</td>
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<tr>
<td>New</td>
<td>Garden Court Inn</td>
<td>Limited Service</td>
<td>146 Healdsburg Avenue</td>
<td>23</td>
<td>N/A</td>
</tr>
<tr>
<td>New</td>
<td>The Wheelman House</td>
<td>Limited Service</td>
<td>223 Center Street</td>
<td>3</td>
<td>Unknown</td>
</tr>
<tr>
<td>New</td>
<td>The Kessler Collection</td>
<td>Luxury Hotel</td>
<td>230 Healdsburg Ave</td>
<td>75</td>
<td>Unknown</td>
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<tr>
<td><strong>City of Petaluma</strong></td>
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<td></td>
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<tr>
<td>New</td>
<td>Silk Mill Hotel</td>
<td>Full Service</td>
<td>450 Jefferson St.</td>
<td>95</td>
<td>N/A</td>
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<tr>
<td>New</td>
<td>The Petaluman</td>
<td>Boutique Luxury</td>
<td>2 Petaluma Blvd S.</td>
<td>53</td>
<td>2015</td>
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<tr>
<td>New</td>
<td>Petaluma Riverfront Hotel</td>
<td>Focused Service</td>
<td></td>
<td>120</td>
<td>2016</td>
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<tr>
<td><strong>City of Santa Rosa</strong></td>
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<td>Expansion</td>
<td>Fountaing Grove Inn</td>
<td>Full Service</td>
<td>3586 Mendocino Ave</td>
<td>22</td>
<td>N/A</td>
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<tr>
<td>New</td>
<td>Fairfield Inn</td>
<td>Full Service</td>
<td>111 Commercial Court</td>
<td>108</td>
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<tr>
<td>New</td>
<td>Holiday Inn Express Hotel and Suites</td>
<td>Limited Service</td>
<td>3745 Airway Drive</td>
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<td><strong>City of Sebastopol</strong></td>
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<tr>
<td>New</td>
<td>French Garden Inn</td>
<td>Limited Service</td>
<td>8050 Bodega Avenue</td>
<td>18</td>
<td>Unknown</td>
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<tr>
<td>New</td>
<td>Barlow Hotel</td>
<td>Full Service</td>
<td>200 Morris Street</td>
<td>50</td>
<td>Unknown</td>
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<td><strong>City of Sonoma</strong></td>
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<tr>
<td>New</td>
<td>Anderson Hotel</td>
<td>Full Service</td>
<td>541 First St. West</td>
<td>59</td>
<td>2017</td>
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<tr>
<td><strong>Town of Windsor</strong></td>
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<tr>
<td>New</td>
<td>Holiday Inn</td>
<td>Full Service</td>
<td>8755 Old Redwood Highway</td>
<td>100</td>
<td>2016</td>
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</tbody>
</table>

New Room Totals: 1039

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. Projects still under construction from previous reports are also represented above.
## Unincorporated Area Industry Development Update

### Second Quarter 2015

#### Unincorporated Area Development Table

<table>
<thead>
<tr>
<th>Development Type</th>
<th>Project Name</th>
<th>Lodging Classifications</th>
<th>Address/Location</th>
<th>Rooms Proposed</th>
<th>Completion Year (Est.)</th>
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</thead>
<tbody>
<tr>
<td><strong>New</strong></td>
<td>Sonoma County Inn (Graywood Ranch)</td>
<td>Luxury/Resort</td>
<td>7945 Highway 12, Kenwood</td>
<td>50</td>
<td>Unknown</td>
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<tr>
<td></td>
<td>Guerneville Park Resort</td>
<td>Luxury/Resort</td>
<td>17155 Highway 116, Guerneville</td>
<td>120</td>
<td>Unknown</td>
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<td></td>
<td>Be Here</td>
<td>Nature Retreat</td>
<td>3770 Langtry Road Santa Rosa</td>
<td>9</td>
<td>2016</td>
</tr>
<tr>
<td><strong>Expansion</strong></td>
<td>Sea Ranch Lodge</td>
<td>Luxury/Resort</td>
<td>60 Sea Walk Dr, Sea Ranch</td>
<td>40</td>
<td>Unknown</td>
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<td></td>
<td>Vintner's Inn</td>
<td>Luxury/Resort</td>
<td>4300 Barnes Rd, Santa Rosa</td>
<td>36</td>
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<td></td>
<td>Bodega Coast Inn</td>
<td>Limited Service</td>
<td>521 Highway 1, Bodega Bay</td>
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<td></td>
<td>Ocean Song (Campsites)</td>
<td>Environmental Center</td>
<td>19999 Coleman Valley Rd, Bodega Bay</td>
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<td>Kenwood Inn</td>
<td>Limited Service</td>
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<td></td>
<td>Farmhouse Inn</td>
<td>Luxury/Resort</td>
<td>7871 River Road</td>
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<td>Olea Hotel</td>
<td>Boutique Hotel</td>
<td>5131 Warm Springs Road, Glen Ellen</td>
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<td>2016</td>
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</table>

**New Room Totals:** 308

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. Projects still under construction from previous reports are also represented above.