



THIRD QUARTER TRANSIENT OCCUPANCY TAX REPORT

INDUSTRY REPORT

2023



ECONOMIC DEVELOPMENT BOARD

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EXECUTIVE SUMMARY

February 2023

THIRD QUARTER 2023

The Sonoma County Economic Development Board (EDB), in partnership with Sonoma County Tourism (SCT), is pleased to bring you the 2023 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 analyzes Sonoma County's historical Q3 TOT revenue numbers and contains the accommodation development report for July, August, and September of 2023.

TOT ASSESSMENT BY CITY

	Tax Rate (%)	TOT Revenue
Cloverdale	10%	\$64,765.62
Healdsburg	14%	\$1,988,691.00
Petaluma	10%	\$1,193,501.87
Rohnert Park	12%	\$975,896.54
Santa Rosa	9%	\$2,113,529.00
Sebastopol	12%	\$149,850.28
Sonoma	10%	\$1,854,952.00
Windsor	12%	\$802,235.65
Unincorporated County	12%	\$9,423,533.91
TOTAL	-	\$18,576,955.87

Source: Sonoma County and Cities Finance Departments

HIGHLIGHTS

- TOT revenues are leveling off after significant growth coming out of the pandemic. Sonoma County's revenues for Third Quarter 2023 decreased 7.3% over Third Quarter 2022. Total county revenues for Q3 2023 equaled \$18.6 million. Total seasonally adjusted county revenues for Third Quarter 2023 equaled \$15.4 million.
- Petaluma, Santa Rosa, and Windsor had year-over-year increases in TOT revenue between 4% and 38%.
- Santa Rosa recorded the highest TOT revenues amongst cities with \$2.1 million. Unincorporated Sonoma County's TOT revenue was \$9.4 million, making up 50.7% of Sonoma County's total TOT revenue from Q3 2023.

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

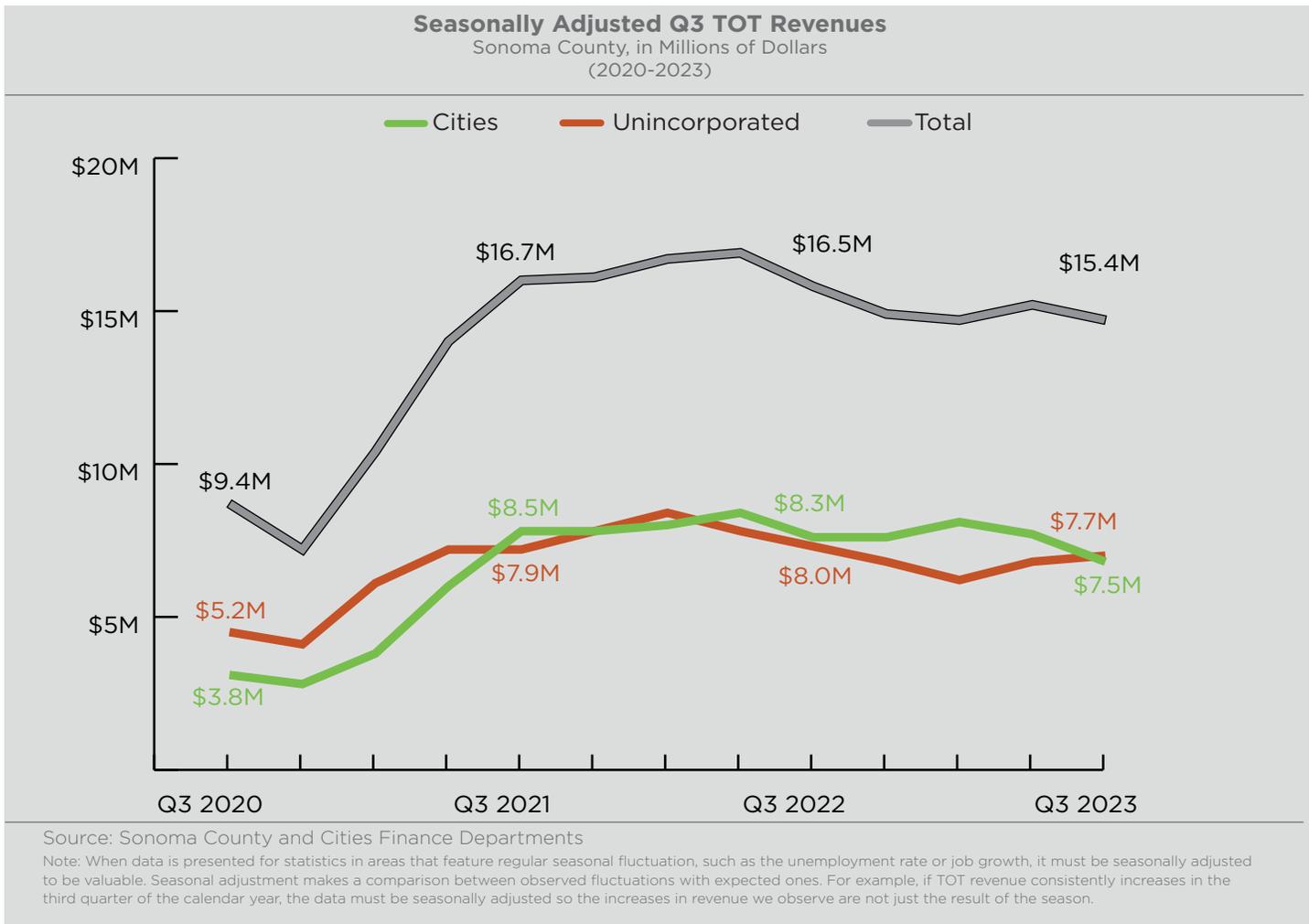
SEASONALLY ADJUSTED TOT REVENUES

THIRD QUARTER (CY)

This section analyzes the quarterly TOT trends for the aggregated city and unincorporated areas of Sonoma County from each Third Quarter from 2020 to 2023.

Summary of Findings

- Total seasonally adjusted revenues were recorded at \$15.4 million for Q3 of 2023.
- Q3 TOT revenues from 2021 and 2022 exceeded the levels in Q3 of 2023. Total TOT revenue for Q3 2021 was \$16.7M and \$16.5M in 2022.
- The incorporated cities' revenues and Unincorporated Sonoma County revenue each represented 50.7% of total TOT revenue for Q3 2023.
- Adjusted for inflation, seasonally adjusted TOT revenues for Q3 2019 were \$16.0 million, 4% higher than Q3 2023 revenues.



TOT QUARTERLY TRENDS

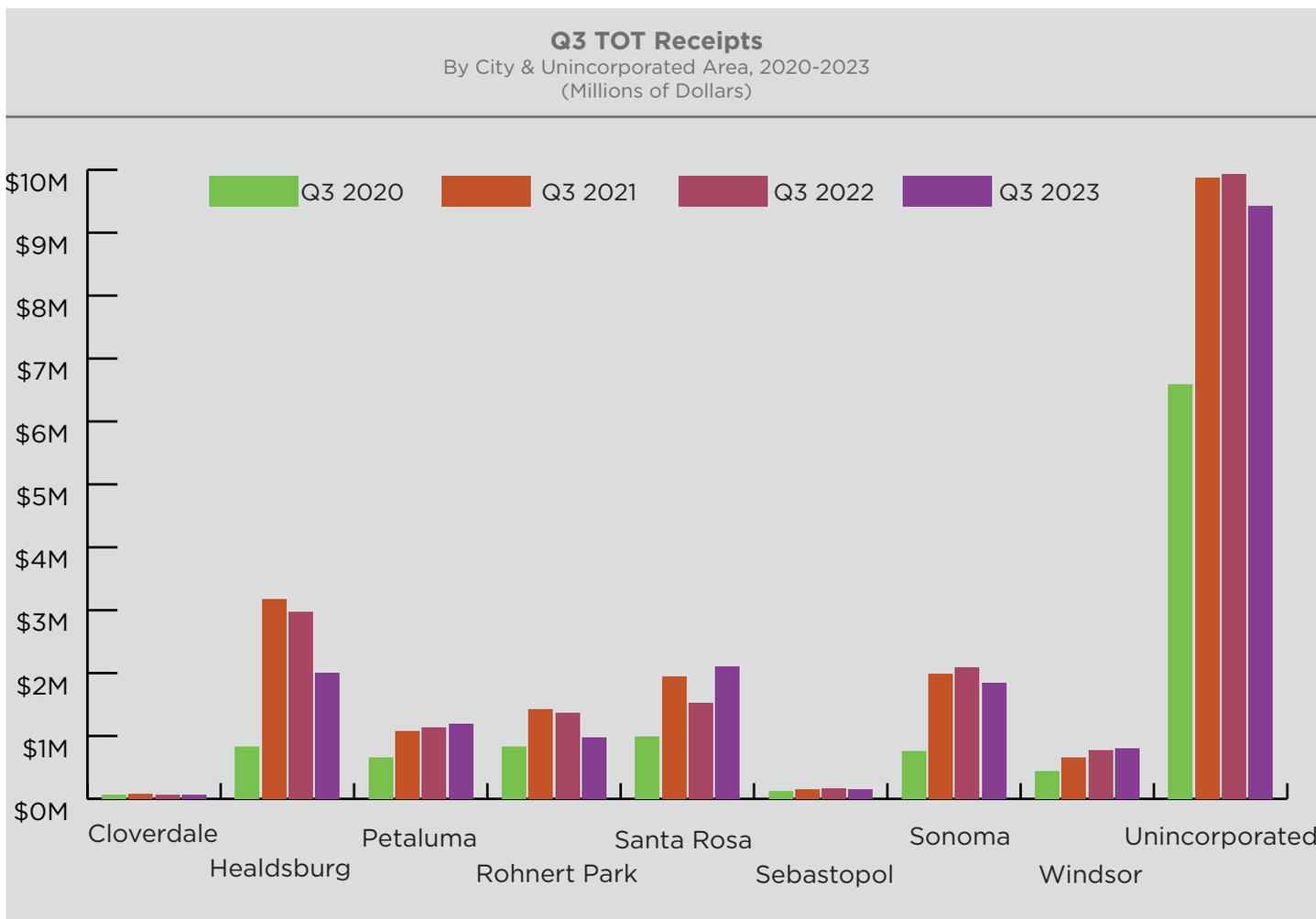
TOT RECEIPTS

Q3 2020- Q3 2023

This section analyzes the quarter-over-quarter TOT revenue trends for each city and the unincorporated areas from Q3 2020 - Q3 2023.

Summary of Findings:

- The county’s TOT revenues overall decreased 7.3% year-over-year from \$20.0 million in Q3 2022 to \$18.6 million in Q3 2023.
- Santa Rosa recorded the highest TOT revenues of the incorporated cities, with \$2.1 million, breaking Healdsburg’s nine quarter high.
- Petaluma, Santa Rosa, and Windsor had year-over-year increases in TOT revenue.
- Adjusted for inflation, total Q3 2019 revenue was \$18.8 million. Q3 2023 shows a decrease of 1% from pre-pandemic levels.



Source: Sonoma County and Cities Finance Departments



TOT QUARTERLY TRENDS

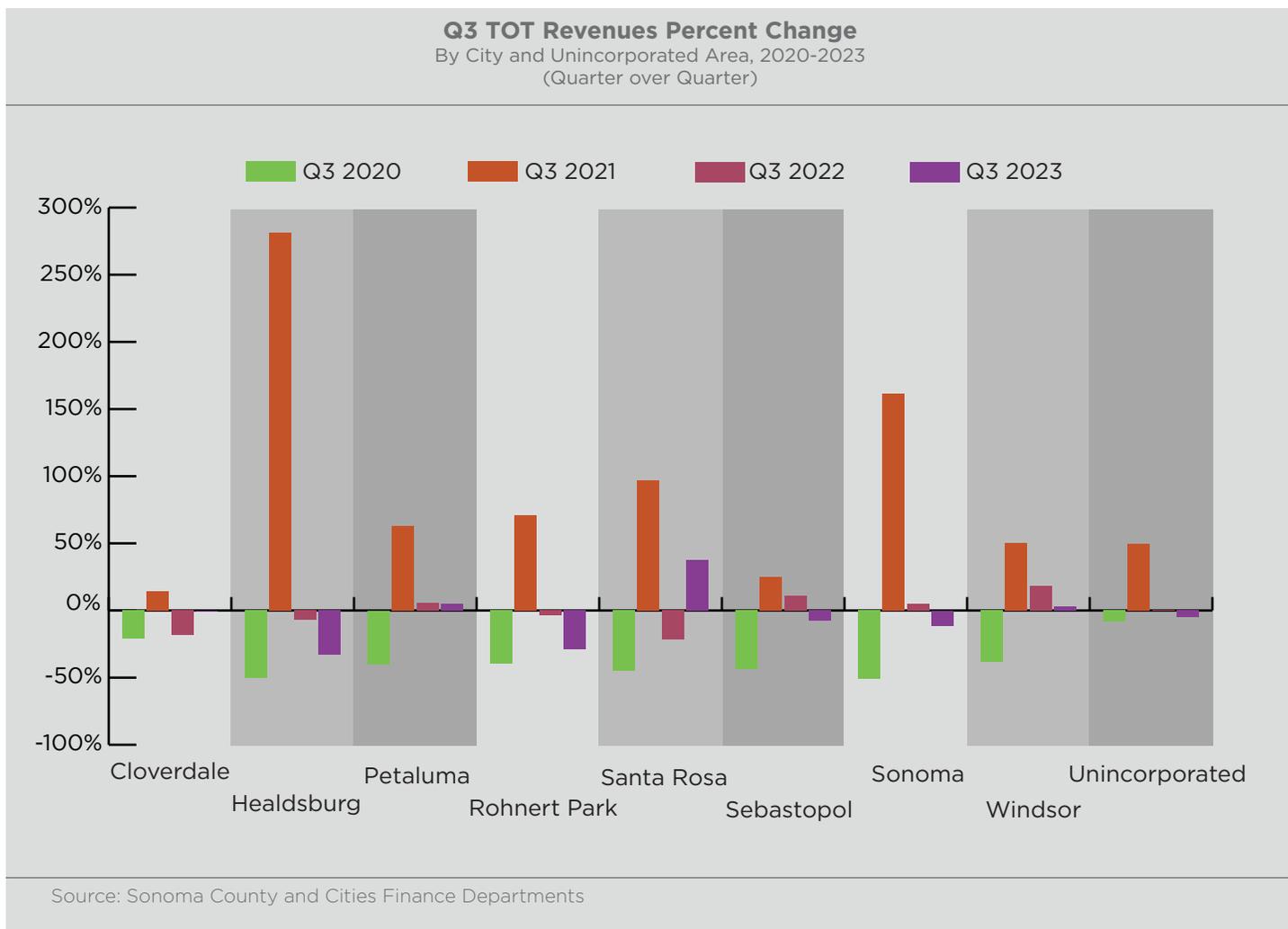
TOT REVENUE PERCENT CHANGE

Q3 2020 - Q3 2023

This sections shows the percentage change in TOT revenues based on the past four years of third quarter data from each city and Unincorporated Sonoma County.

Summary of Findings

- Santa Rosa saw the largest increase in year-over-year TOT revenues with an increase of 37.9% from Q3 2022 to Q3 2023.
- Unincorporated Sonoma County had a year-over-year decrease in TOT revenue of 5.1% from Q3 2022 to Q3 2023.
- Q3 2021 to Q3 2022 saw more moderate changes in TOT revenue year-over-year after the major uptick seen in 2020. Q3 2023 saw slight declines in county-wide TOT revenue, with some incorporated areas experiencing moderate growth.



HISTORICAL TOT FIGURES

THIRD QUARTER 2020 TO THIRD QUARTER 2023

	UNINCORP.	CLOVERDALE	HEALDSBURG	PETALUMA	ROHNERT PARK	SANTA ROSA	SEBASTOPOL	SONOMA	WINDSOR
Q3 2020	\$6,586,846	\$69,731	\$834,687	\$659,728	\$831,686	\$991,194	\$117,423	\$760,376	\$437,868
Q3 2021	\$9,874,098	\$79,493	\$3,181,445	\$1,075,796	\$1,421,045	\$1,953,184	\$146,508	\$1,988,597	\$658,420
Q3 2022	\$9,933,035	\$65,138	\$2,967,220	\$1,140,140	\$1,368,283	\$1,532,235	\$162,466	\$2,090,089	\$777,974
Q3 2023	\$9,423,533	\$64,766	\$1,998,691	\$1,193,502	\$975,897	\$2,113,529	\$149,850	\$1,854,952	\$802,236

INDUSTRY DEVELOPMENT

SONOMA COUNTY LODGING & INDUSTRY PROJECT DEVELOPMENTS

Q3 2023 Updates

Sonoma County currently has 26 lodging industry development projects in the works. When completed, 1,742 rooms will be added to Sonoma County.

Project Name	City	Development Type	Lodging Type	Address/ Location	Rooms Proposed	Opening (Est.)	Phase	Comments
Cloverdale House Inn	Cloverdale	New	Hotel	240 N. Cloverdale Blvd.	5	2023	Open	Open for business as of late 11/2023
Cotati Hotel	Cotati	New	Boutique	147 Joseph Way	153	Fall 2024	In construction	-
Appellation Healdsburg	Healdsburg	New	-	16977 Healdsburg Ave.	108	2023	Final Planning	-
The Lodge at Healdsburg Tapestry Collection by Hilton	Healdsburg	New	Upscale Chain	1261 Grove St.	60	2023	In construction	-
EKN Appellation Hotel (Hotel Weaver)	Petaluma	New	Boutique	2 Petaluma Blvd S.	93	-	Planning	-
Silk Mill Rear Addition at Hampton Inn	Petaluma	Expansion	-	450 Jefferson St. and 490 Wilson St.	18	-	All Planning Approvals	New 2-story building to expand the hotel services of the existing Hampton Inn Hotel
Home2 Suites by Hilton Rohnert Park Sonoma County	Rohnert Park	New	Limited Service	6490 Redwood Dr	96	-	Final Planning	Permits issued for foundation and underslab; full set of building plans still in plan check.

INDUSTRY DEVELOPMENT

Project Name	City	Development Type	Lodging Type	Address/ Location	Rooms Proposed	Opening (Est.)	Phase	Comments
Holiday Inn Express Rohnert Park	Rohnert Park	New	Limited Service	5354 Dowdell Avenue	93	August 2024	Final Planning	Received planning approval in Aug. 2021; Building permits plan in check; Waiting for environmental clearance from wildlife agencies prior to issuance of permits.
Economy Inn	Santa Rosa	-	Economy	502 Santa Rosa Ave	42	2023	Plans under review	Planning
Hotel E	Santa Rosa	Expansion	Limited Service	19 Old Courthouse Square	30	-	Plans approved, permit not issued	Delayed due to COVID. Construction anticipated soon.
Residence Inn by Marriott	Santa Rosa	New	Limited Service	3558 Round Barn Circle	112	-	In building plan review	Denied building review
Round Barn Blvd	Santa Rosa	Existing	Hotel	3555 Round Barn Blvd	50	-	Design Review Process	
Sonoma Stonehouse Inn	Santa Rosa	Existing	Hotel/ Motel	3555 Sonoma Highway	14	-	Approved by Zoning Administrator	-
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	-	Building permit pulled	Building permit issued. Construction to begin Spring 2024.
160 Arata	Windsor	New	Limited Service	160 Arata Lane	155	-	Planning	
The McClelland	Windsor	New	Limited Service	McClelland Dr. / Market St.	160	Post-poned	Unconfirmed	
Freestone Hotel	Unincorp. Area	Existing	Bed & Breakfast	306 Bohemian Hwy, Sebastopol	5	-	Planning	Project Scoped. Revised 11/2022 under review.
Glen Ellen Inn (Secret Cottages)	Unincorp. Area	Expansion	Hotel	13670 Arnold Dr., Glen Ellen	3	-	In construction	Approved Condition Compliance.
Hyatt Place by Landmark Hotels	Unincorp. Area	New	Limited Service	3750 N. Laughlin Road	165	-	Condition compliance	Approved Condition Compliance.
Kenwood Ranch Sonoma County Inn	Unincorp. Area	New	Full Service	900, 1200, 1202, and 1203 Campagna Lane, Kenwood	50	-	In construction	Grading and building permits have been issued due to meeting the conditions for issuance.

INDUSTRY DEVELOPMENT

Project Name	City	Development Type	Lodging Type	Address/ Location	Rooms Proposed	Opening (Est.)	Phase	Comments
Optimal Hospitality	Unincorp. Area	New	Hotel	251 Aviation	101	-	Final planning	Use Permit approved. Grading permit issued; Building permit under review.
River's Edge Lodge	Unincorp. Area	Conversion of existing cottages into lodging	-	15999 River Road, Guerneville	6	-	Planning	Requires Use Permit approval.
Santa Rosa Ave.	Unincorp. Area	New	Hotel	3785 Santa Rosa Ave	90	-	Planning	Use permit and Design Review in incomplete status; includes gas station and fast-food restaurant with hotel
The Lodge on Russian River	Unincorp. Area	New	Full Service	17155 Highway 116, Guerneville	108	-	Planning	Revised IS/ MND out for recirculation. Tentative date March 2023.
Verano Hotel and Housing	Unicorp. Area	New	Hotel	175 East Verano Avenue, 155 West Verano Avenue, 135 West Verano Avenue	120	-	In construction	Grading and Sewer Permits in plan check, not issued.
Verano Hotel and Housing	Unicorp. Area	New	Hotel	175 East Verano Avenue, 155 West Verano Avenue, 135 West Verano Avenue	120	-	Final planning	Grading and Sewer Permits in plan check, not issued.
Freestone Hotel	Unincorp. Area	Existing	Bed & Breakfast Inn	306 Bohemian Hwy, Sebastopol	5	-	Planning	Project Scoped Revised 11/2022 under review
Santa Rosa Ave	Unincorp. Area	New	Hotel	3785 Santa Rosa Ave	90	-	Planning	Use permit and Design Review in incomplete status; includes gas station and fast-food restaurant with hotel

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 2023, 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 Economic Research Fellow [Lindsey Collins](#).

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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