



**Sonoma County
Economic Development Board**



Fourth Quarter Transient Occupancy Tax Report

2024

Table of Contents

Executive Summary	5
Seasonal Adjustments	6
Quarterly Trends	7
Industry Development Updates	10
Methodology	15

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Executive Summary

Fourth quarter 2023

The Sonoma County Economic Development Board (EDB) is pleased to bring you the 2023 Fourth Quarter calendar year (CY) Transient Occupancy Tax (TOT) Report. The analysis drafted by the 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 Q4 TOT Revenue numbers and contains the accommodation development report for October, November, and December of 2023.

Highlights

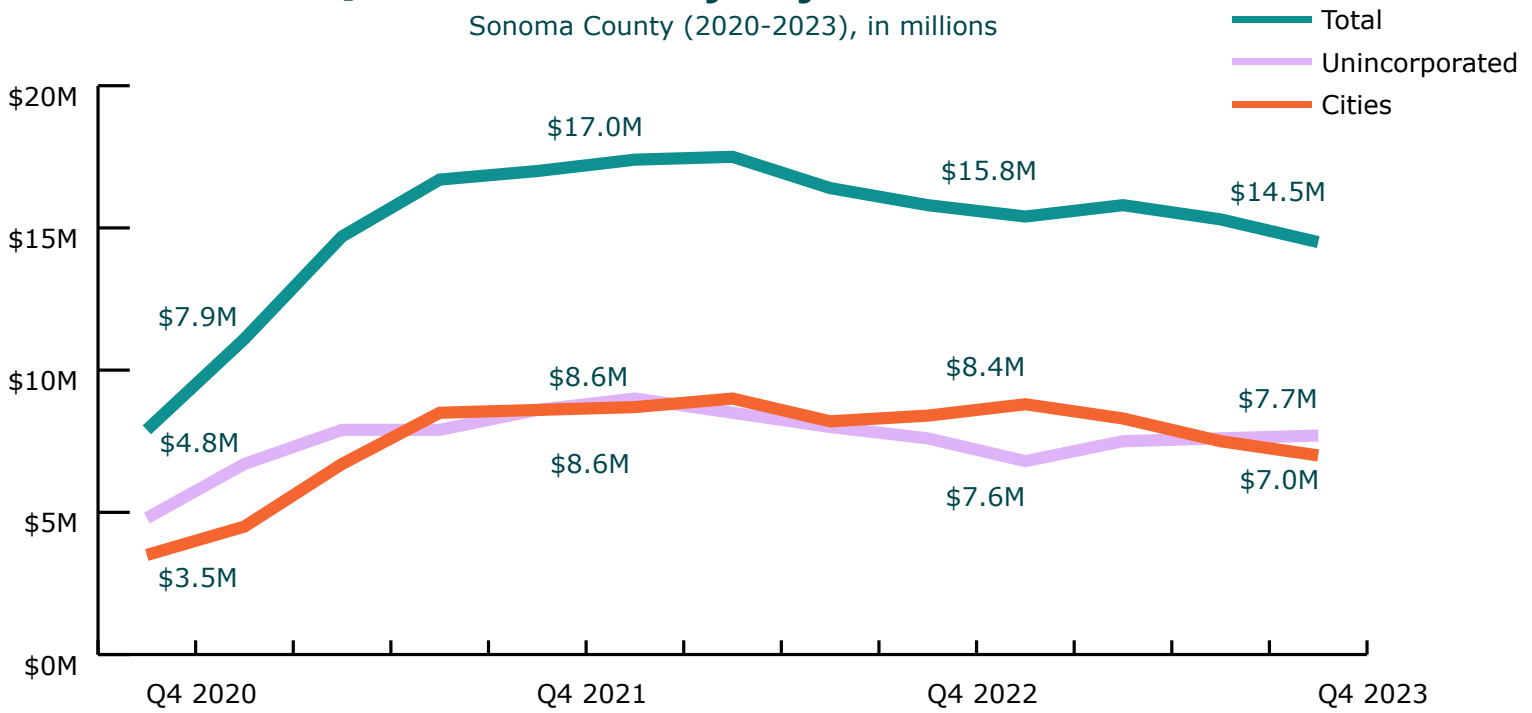
- Sonoma County’s total TOT revenue for Fourth Quarter 2023 decreased 9% over Fourth Quarter 2022.
- Cloverdale, Petaluma, Windsor, and Unincorporated Sonoma County saw year-over-year increases in TOT revenue from Q4 2022 to Q4 2023 between 1% and 12%.
- Healdsburg recorded the highest TOT revenues amongst the cities with \$1.6 million.
- Unincorporated Sonoma County’s TOT revenue was \$6.5 million, making up 50% of Sonoma County’s total TOT revenue from Q4 2023.

JURISDICTION	TAX RATE	TOT REVENUE
Cloverdale	10%	\$50,292
Healdsburg	14%	\$1,607,270
Petaluma	10%	\$807,159
Rohnert Park	12%	\$683,946
Santa Rosa	9%	\$1,276,866
Sebastopol	12%	\$122,696
Sonoma	13%	\$1,261,170
Windsor	12%	\$706,053
Unincorporated County	12%	\$6,510,864
SONOMA COUNTY	-	\$13,016,317



Q4 TOT Seasonally Adjusted Revenue

Sonoma County (2020-2023), in millions



Sources: Sonoma County and Cities Finance Departments

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.

Seasonally Adjusted TOT Revenues

Summary of Findings

- Total seasonally adjusted revenues were recorded at \$14.5 million for Q4 of 2023.
- Q4 TOT revenues are stabilizing after the pent-up demand for travel in Q4 of 2021. TOT Revenue was \$17.0 million in Q4 2021, compared to \$15.8 million in Q4 2022 and \$14.5 million in 2023.
- The incorporated cities’ revenues represented 50% of total TOT revenue for Q4 2023, meaning unincorporated Sonoma County also represented 50% of total TOT revenue this quarter.





Quarterly Trends

Summary of Findings

TOT Revenue

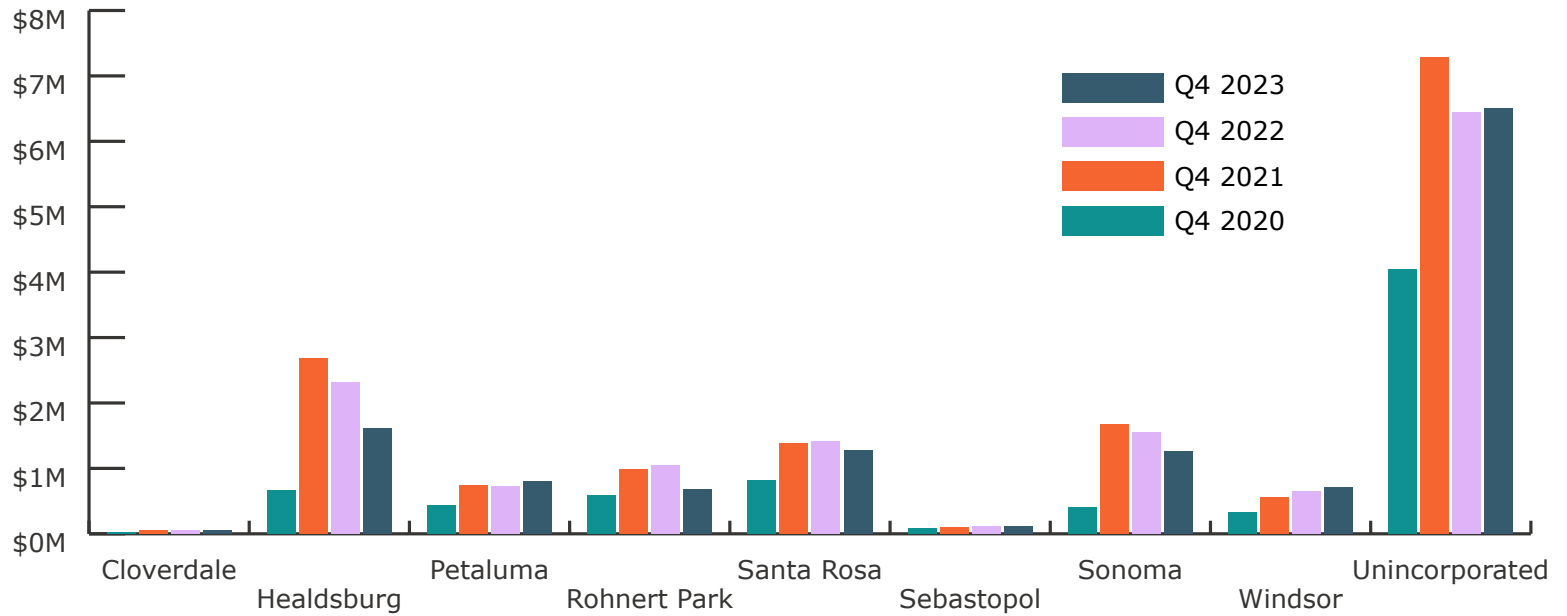
- The county's TOT revenues overall decreased 9% year-over-year from \$14.3 million in Q4 2022 to \$13.0 million in Q4 2023.
- Healdsburg recorded the highest TOT revenues of the incorporated cities, reporting \$1.6 million.
- Cloverdale, Petaluma, Windsor, and Unincorporated areas had year-over-year increases in TOT revenue.

Percent Change in TOT Revenue

- Petaluma had the largest increase in year-over-year TOT revenues with an increase of 11.7% from Q4 2022 to Q4 2023.

Q4 TOT Historical Revenue

Sonoma County (2020-2023), in millions



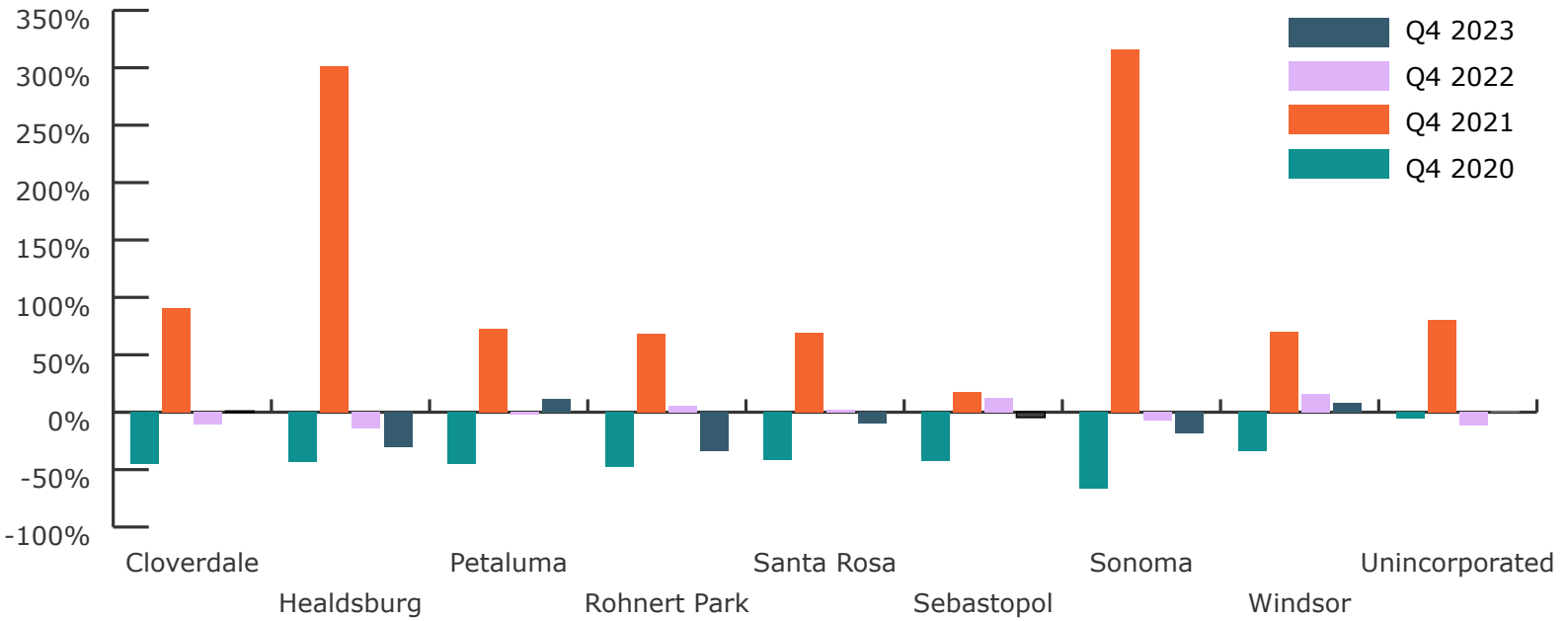
Sources: Sonoma County and City Finance Departments

JURISDICTION	Q4 2020	Q4 2021	Q4 2022	Q4 2023
Cloverdale	\$29,115	\$55,577	\$49,793	\$50,292
Healdsburg	\$671,607	\$2,693,764	\$2,314,970	\$1,607,270
Petaluma	\$429,474	\$740,900	\$722,790	\$807,159
Rohnert Park	\$587,265	\$986,518	\$1,038,434	\$683,946
Santa Rosa	\$817,825	\$1,383,935	\$1,418,591	\$1,276,866
Sebastopol	\$88,779	\$104,778	\$118,068	\$112,696
Sonoma	\$402,657	\$1,673,508	\$1,545,266	\$1,261,170
Windsor	\$331,034	\$562,622	\$651,707	\$706,053
Unincorp.	\$4,045,066	\$7,286,659	\$6,447,921	\$6,510,864
SONOMA COUNTY	\$7,402,822	\$15,488,261	\$14,307,542	\$13,016,864



Q4 TOT Revenues Percent Change

Sonoma County (2020-2023), quarter-over-quarter



Sources: Sonoma County and City Finance Departments

JURISDICTION	Q4 2020	Q4 2021	Q4 2022	Q4 2023
Cloverdale	-45.2%	90.9%	-10.4%	1.0%
Healdsburg	-43.8%	301.1%	-14.1%	-30.6%
Petaluma	-45.2%	72.5%	-2.4%	11.7%
Rohnert Park	-48.1%	68.0%	5.3%	-34.1%
Santa Rosa	-41.4	69.2%	2.5%	-10.0%
Sebastopol	-42.7%	18.0%	12.7%	-4.6%
Sonoma	-66.3%	315.6%	-7.7%	-18.4%
Windsor	-34.3%	70.0%	15.8%	8.3%
Unincorp.	-5.2%	80.1%	-11.5%	1.0%
SONOMA COUNTY	-30.8%	109.5%	-7.7%	-9.1%



Industry Development Updates

Sonoma County Lodging & Industry Project Developments

Q4 2023 Updates

Sonoma County currently has 28 lodging industry development projects in the works. When completed, 1842 rooms will be added to Sonoma County.

PROJECT NAME	CITY	PROJECT TYPE	LODGING TYPE	ROOMS PROPOSED	OPENING (EST.)	PHASE
Cotati Hotel	Cotati	New	Boutique	153	December 2024	In Construction
Appellation Healdsburg	Healdsburg	New	-	108	2024	Final Planning
Graves Residence	Healdsburg	Existing	B&B	1	2024	Operating
The Lodge at Healdsburg Tapestry Collection by Hilton	Healdsburg	New	Upscale Chain	60	2022	In Construction
The Roost	Healdsburg	Existing	B&B	2	2024	Operating
Economic EKN Appellation Hotel (Hotel Weaver)	Petaluma	New	Boutique	93	-	Planning
Silk Mill Rear Addition at Hampton Inn	Petaluma	Expansion	-	18	-	All Planing Approvals

Lodging & Industry Project Developments

PROJECT NAME	CITY	PROJECT TYPE	LODGING TYPE	ROOMS PROPOSED	OPENING (EST.)	PHASE
Holiday Inn Express Rohnert Park	Rohnert Park	New	Limited Service	93	Aug-24	Final Planning
Home2 Suites by Hilton Rohnert Park Sonoma County	Rohnert Park	New	Limited Service	95	Aug-24	In Construction
Economy Inn	Santa Rosa	-	Economy	42	2023	Plans under review
Residence Inn by Marriott	Santa Rosa	New	Limited Service	112	-	In building plan review
Round Barn BLVD	Santa Rosa	Rebuild	Hotel	50	-	Design Review Process
Sonoma Stonehouse Inn	Santa Rosa	Existing	Hotel/Motel	14	-	Approved by Zoning Administrator
Tru by Hilton Santa Rosa Sonoma County Airport	Santa Rosa	New	Midscale chain	101	2024	Planning
Hotel E	Santa Rosa	Expansion	Limited Service	30	-	Plans approved, permit not issued

Lodging & Industry Project Developments

PROJECT NAME	CITY	PROJECT TYPE	LODGING TYPE	ROOMS PROPOSED	OPENING (EST.)	PHASE
Hotel Sebastopol	Sebastopol	New	Limited Service	66	-	Building Permit pulled
Sonoma Hotel Project	Sonoma	New Hotel, Spa and Restaurant	Hotel	62	-	Final Planning
The McClelland	Windsor	New	Limited Service	160	Postponed	Unconfirmed
160 Arata	Windsor	New	Limited Service	115	-	Planning
Freestone Hotel	Unincorp. Area	Existing	Bed & Breakfast Inn	5	-	Planning
Glen Ellen Inn (Secret Cottages)	Unincorp. Area	Expansion	Hotel	3	2001	In Construction
Hyatt Place by Landmark Hotels	Unincorp. Area	New	Limited Service	165	-	Final Planning
Kenwood Ranch Sonoma County Inn	Unincorp. Area	New	Full Service	50	-	In Construction
Optimal Hospitality	Unincorp. Area	New	Hotel	101	-	Final Planning

Lodging & Industry Project Developments

PROJECT NAME	CITY	PROJECT TYPE	LODGING TYPE	ROOMS PROPOSED	OPENING (EST.)	PHASE
River's Edge Lodge	Unincorp. Area	Conversion of existing cottages into lodging	Hotel	6	-	Planning
Santa Rosa Ave.	Unincorp. Area	New	Hotel	128	-	Planning
The Lodge on Russian River	Unincorp. Area	New	Full Service	108	-	Final Planning
Verano Hotel and Housing	Unincorp. Area	New	Hotel	120	-	In Construction

Note: Lodging properties in this section are in various stages of completion. This report is meant to merely provide a snapshot of their current status at the time of the report's production. The EDB will continue to update this information quarterly based on information provided by each jurisdiction. Projects still under construction from previous reports are also represented above. Lodging properties that have been announced but have not started the approval process are not included.



Methodology

Sources

City revenue is provided by the finance and planning departments of Cloverdale, Healdsburg, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, and Windsor. County TOT revenue is provided by the Sonoma County Auditor-Controller/Treasurer-Tax Collector. County industry development information is provided by the Permit Resource and Management Departments.

Methodology

All TOT revenues are seasonally adjusted using X-13ARIMA-SAM, a seasonal adjustment software that is produced, distributed, and maintained by the US Census Bureau. Seasonal adjustments are only made for page 6 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 this report contains the most recent available data based on County reporting through the fourth quarter (October, November, and December) of calendar year 2023.

All information contained within this report was obtained from sources believed to be accurate, however the 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 EDB or any of their employees, affiliates, or members.

Acknowledgments

The Transient Occupancy Tax reports are produced by the Economic Development Board. This quarter's report was prepared by Research Fellow, Lindsey Collins.

Thank you to the city finance and planning departments for providing TOT revenue figures and industry updates. Thank you to Permit Sonoma and the Sonoma County Auditor-Controller/Treasurer-Tax Collector office for providing information for unincorporated areas of the County



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