



Tourism Report 2002

Spring 2002

A Report Prepared by the
Sonoma County Economic Development Board

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SECTION II
SURVEY FINDINGS

Tourism Survey Report:
Findings & Action Opportunities

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This report highlights several opportunities that could increase mutually beneficial collaboration among industry members and other organizations. The Economic Development Board stands ready to offer assistance toward fostering this collaboration whenever possible.

EXECUTIVE SUMMARY

Sonoma County Tourism Industry has long-term confidence, but needs assistance with labor availability, regulations, and marketing

The Sonoma County Economic Development Board recently conducted its first-ever survey of about 600 Sonoma County tourism-related businesses. Owners and executives of 185 tourism-related businesses (a response rate of almost 30%) rated their confidence in the industry and identified changes and needs they expect at their businesses in the near future.

Although a slow-down may be expected in the coming months due to a stabilization of disposable income on the part of potential visitors, a significant percentage of the respondents to the survey believed that the County's long-term potential for attracting visitors remains strong. However, with a tight labor market and higher wage requirements from potential employees, the tourism industry appears to be experiencing a labor supply and demand gap that could constrain industry growth.

KEY FINDINGS

1. Tourism-related respondents feel local government can make a positive difference in the tourism industry by focusing efforts and resources on county-wide strategic marketing outside Sonoma County, and by simplifying regulations.
2. All respondents believe the wine industry is either somewhat important or important to the overall tourism industry.
3. Tourism-related businesses find difficulty locating and hiring both skilled and unskilled labor. Seventy-seven percent of respondents indicated that they intend to hire additional employees over the next 12 months. Among those businesses, 12 percent expect to hire more than 15 additional employees.
4. The Internet is the most widely used marketing channel of the tourism industry, with 41 percent of respondents using the web for marketing.
5. A coordinated Visitor Center network was desired by eighty-nine percent (89%) of the respondents.
6. The demographic profile of responding tourism-related businesses appears well diversified, ranging from bed and breakfast operations to group tour services. The largest subgroup of responding tourism-related businesses is lodging.

KEY OPPORTUNITIES

Despite the strong optimism and favorable hiring projections reported by respondents, there are areas for improvement where action might be taken. In the three major areas of concerns – work force, regulatory problems, and marketing – there are opportunities for the industry to form partnerships with public programs that are either currently addressing some of the concerns, or which have the capacity and ability to address those challenges in the future.

Several programs, currently in operation, could provide opportunities to solutions to many of the concerns. Those programs are the Workforce Investment Board (WIB), School to Career, the Visitor Services Task Force and the Sonoma County Tourism Program. A summary of recommendations follows:

Work Force Development

1. The tourism industry should develop a partnership with the Workforce Investment Board (WIB), School to Career, and other workforce groups in addressing labor pool and workforce issues.
2. Welfare-to-work programs designed for tourism should focus on customer service training. Tourism-related businesses might be more apt to hire welfare-to-work participants if they have good customer service skills, the ability to learn, and knowledge of the region.
3. Appropriate agencies should explore ways to facilitate connecting tourism-related businesses with workers/laborers.
4. There should be stronger partnerships between community colleges, vocational schools, and government services with the tourism industry. It should be determined whether the challenge is one of marketing students to the potential employers, whether it is a problem of preparing students for potential tourism-related jobs, or both.

Sonoma State University can be invited to consider developing a hospitality industry education program, along the lines of its renowned wine industry education program.

Marketing

1. Visitor Centers. Respondents clearly indicate that coordinated visitor information centers are important, and warrant County and City support.

The Sonoma County Visitor Services Task Force is currently working to fashion an interactive, cooperative network of existing visitor centers throughout Sonoma County to enhance the quality and effectiveness of services provided to visitors to this area. Areas being worked on include customer service training for visitor center employees and volunteers, generic county maps and brochures, and other items in common. The industry should form a close working partnership with the Visitor Center Task Force, and identify areas where items such as training could be ultimately extended to tourism-related businesses.

2. Networking and Promotion. Tourism programs can be coordinated to promote greater networking and promotion among various tourism-related organizations in Sonoma County – wineries, festivals, the arts, and more.
3. Annual Tourism Report. An annual statistical report on the industry would allow the industry and local government to assess the year-to-year changes in the tourism industry.
4. Marketing Support. Local governments and the tourism sector should be encouraged to continue to support local community tourism marketing efforts and to increase financial support for coordinated countywide marketing outside Sonoma County as well.
5. Internet. Better Internet bandwidth, which is related to the speed of transferring online data, is considered the most important web-related need by tourism-related businesses. The tourism sector should continue to be represented on the Connectivity Council.

Regulatory

1. The EDB will work with the industry and agencies to explore ways to improve regulatory and licensing problems for business operations that directly contribute to tourism in the County. The EDB stands ready to offer assistance toward fostering this collaboration whenever possible.

OVERVIEW

In response to visitor industry requests and an extensive review process and recommendation from an outside consultant, the Board of Supervisors formed the Sonoma County Tourism Program (SCTP) in August 1998. The Economic Development Board set up the structure for the reorganization of countywide destination marketing and the foundation of both the SCTP and the Sonoma County Tourism Council in fall/winter of 1998/1999. The Tourism Council acts as a tourism marketing review body to the Tourism Program and currently consists of 21 members from virtually every sector in the county's visitor industry.

The overall objective of the SCTP is to increase visitor spending within Sonoma County. The Tourism Program's goal to achieve greater economic impact from visitors includes increasing the awareness of the Sonoma County visitor destination brand. In addition, the SCTP's promotional efforts are aimed at increasing overnight trips, while emphasizing mid-week and off-peak season (November-April) travel. Overnight visitors can provide a payback in terms of Transient Occupancy Tax (TOT) funds, and increased employment opportunities close to where people live.

SCTP's cornerstone marketing programs include a targeted creative advertising campaign (magazine, newspaper, radio and Internet media) and aggressive public relations campaigns (media outreach, press tours, publicity programs) that ensure ongoing positive coverage of Sonoma County as a visitor destination. The strategic plan also reaches the travel/trade industry (convention/meeting planners, tour/travel operators, and concierge professionals). The Tourism Program produces and distributes collateral such as the Sonoma County Visitor's Guide, Rack Brochure, and Web Site www.sonomacounty.com, which provide detailed resource information on attractions and services for the potential and actual visitor. Continuing research programs are used to build upon knowledge regarding Sonoma County's target market audience. A sample of the current online visitor profile survey is found at Appendix I.

According to Smith Travel Research, reporting Sonoma County hotels show positive cumulative changes from 1998 through 2000. In fact, when compared to the average cumulative growth of neighboring counties (Napa, Marin and Mendocino), Sonoma County hotels exceeded the average growth in occupancy (9.8% compared to 5.6%), and surpassed the average room rate (18.5% versus 7.9%). In addition, Sonoma County accommodations reported increases in revenue per room (30.1% contrasted to 13.9%), room demand (15.8% compared to 13.5%), and room revenue (37.2% compared to 22.1%) from 1998 to 2000. This information is presented in Appendix II.

Further information on the Sonoma County Tourism Program and the Council can be found at www.sonomacounty.com.

Following are some regional, state, and national figures that highlight the significance of the tourism sector.

- ◆ Tourism is the nation's third largest retail sales industry and one of America's largest employers. It is in fact the first, second or third largest employer in 28 states and the District of Columbia. In 1999, direct travel spending in the United States by domestic and international travelers reached nearly \$519 billion dollars, 5.6 percent of the nation's gross domestic product.
- ◆ This travel spending, in turn, generated an estimated 7.8 million jobs for Americans and nearly \$158 billion in payroll income. Approximately one out of every 16 U.S. residents was employed due to direct tourism expenditures in the U.S. during 1999.
- ◆ As a state, California is the most visited state in America. Nearly 300 million trips are taken within California every year. In 1999, these trips generated over \$67 billion in sales, or 6% of the Gross State Product, and supported jobs for nearly 700,000 Californians. Tourism is California's third largest export earner and one of California's largest and fastest growing industries.
- ◆ As a tourism destination, Sonoma County is sometimes grouped with other coastal counties in the region as part of the North Coast region. This North Coast region received 9.2 million travelers in 1998

who spent a total of \$2.5 billion on their visit. The volume of visitors and their spending supports approximately 32,000 tourism-related jobs in the North Coast region.

- ◆ Regional, state, and national figures are expected to grow in the next few years, with trends showing no sign that the industry’s prominence in the economy will lessen.

In addition to projecting a very positive image, tourism growth in Sonoma County also reaps great economic benefits for the region. Since 1992, annual tourism-related spending has increased by 5.5% annually, reaching a total tourism expenditure estimate of \$801 in Sonoma County million in 1998.

However, this growth cannot continue without an adequate labor supply of skilled and unskilled workers. Additionally, the expansion of tourism-related businesses in Sonoma County is critically linked to factors such as government regulations, availability of technology, market trends, adequate supply of hotel rooms, and the like.

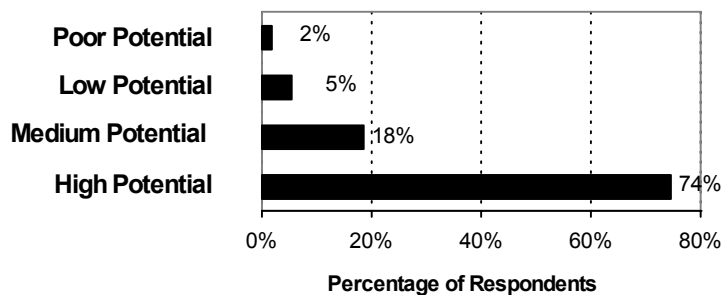
In order to understand how these factors impact the tourism industry, there must be a sustained research effort devoted to identifying the main issues currently affecting tourism-related businesses in Sonoma County. The 2001-02 Tourism Report was originally conceived as a response to this need.

KEY FINDINGS

Long-Term Potential

The high confidence in future business performance is supported by survey results showing almost three-fourths of responding tourism-related businesses believing that Sonoma County has high potential for attracting tourists and encouraging repeat visits. Only 7 percent of respondents feel Sonoma County has low or poor potential for promoting tourism.

Potential for Attracting Tourists



Labor Market, Skills, and Hiring

- ❖ Customer service, the ability to learn, and knowledge of the region were identified as the most critical skills necessary in the tourism industry by respondents.
- ❖ Laborers were identified as the most difficult types of workers to find in the tourism industry.
- ❖ Responding tourism-related businesses have difficulty locating and hiring both skilled and unskilled labor.
- ❖ Ninety-three percent of tourism-related employees have at least a high school education, and over one-third have at least some college-level education.

- ❖ Respondents from the survey indicated that they rely heavily on referrals from current employees or associates and newspapers to find new employees, but very few tourism-related businesses utilize vocational schools, community colleges, employment agencies, or government services for hiring needs.
- ❖ Wage requirements, lack of skills and expertise, and cost of living are clearly the most pressing obstacles to hiring employees in the tourism industry.

Marketing

- ❖ Responding tourism-related businesses believe that local governments can make the greatest difference in the tourism industry by focusing efforts and resources on strategic marketing outside Sonoma County.
- ❖ Eighty-nine percent of responding tourism-related businesses support a coordinated system of visitor information centers to assist the tourism industry.
- ❖ All respondents believe the wine industry is either somewhat important or important to the overall tourism industry.

Internet

- ❖ Already the Internet is the most widely used marketing channel of the local tourism industry, with 41 percent of respondents using the web for marketing. The Internet is considered a critical component of many tourism-related businesses. In addition, 89 percent of responding tourism-related businesses rate the quality of their Internet service as high.

KEY OPPORTUNITIES

There are clear areas for improvement that various groups might take action on. The recommendations are:

- **Tourism Industry Education and Job Placements.** Welfare-to-work programs might offer more customer service training to place SonomaWORKS participants in tourism-related jobs. With the labor-hiring difficulty experienced by the tourism industry, tourism-related businesses might be more apt to hire welfare-to-work participants who have good customer service skills, the ability to learn, and knowledge of the region. Sonoma County should explore ways to facilitate connecting tourism-related businesses with laborers. Additionally, the County should identify ways in which the tourism sector could develop a partnership with the Workforce Investment Board (WIB) and School to Career in addressing labor pool and workforce issues.

Sonoma State University Opportunity. SSU might consider developing a Hospitality Industry Education Program, along the lines of its renowned Wine Industry Education Program.
- **Visitor Information Centers.** Local governments should continue to support visitor information centers. Respondents clearly indicate that a coordinated network of visitor information centers is an important component of the County's tourism promotion strategy.
- **Networking and Promotion.** Tourism programs can be coordinated to promote greater networking and promotion among various tourism-related organizations in Sonoma County. For example, the Restaurant Association of the Redwood Empire (RARE), Sonoma County Lodging Association, the Cultural Arts Council of Sonoma County, and the Sonoma County Wineries Association can work

together to promote common tourism-related goals, in cooperation with the Sonoma County Tourism Council.

Opportunities exist for developing extensive partnerships that are business-to-government, business-to-business, and business sector to business sector. To date there have been many unrealized opportunities for one business or sector to share promotional opportunities with other sectors. For example, the wine industry could help promote more overnight stays in its own promotional efforts, joining with lodging groups such as bed and breakfasts, or hotel/motels. These potential partnerships should all be aware of goals of the broader Sonoma County Tourism Program and made aware of opportunities.

- **Annual Tourism Indicators Report:** In order to maintain a solid understanding of how well the tourism industry is doing in Sonoma County, there needs to be a sustained effort to track and analyze the growth of local tourism-related businesses. An annual Tourism Indicators report would allow the industry and local government to assess the year-to-year changes in the tourism industry.
- **Countywide Marketing Support.** Ways should be explored to increase the contributions of the Cities and the private sector to the countywide strategic marketing program to reach potential visitors outside Sonoma County
- **Internet.** Better Internet bandwidth, which is related to the speed of transferring online data, is considered the most important web-related need by tourism-related businesses. Sonoma County should encourage private sector telecommunications and information technology companies to strategically market their high bandwidth options to the tourism industry. The deployment of high-speed Internet access is critical to the success of many tourism-related businesses.
- **Regulatory.** The EDB will work with the industry and agencies to explore ways to improve regulatory and licensing problems for business operations that directly contribute to tourism in the County. The EDB stands ready to offer assistance toward fostering this collaboration whenever possible.

SURVEY FINDINGS

I. TOURISM MARKET & MARKETING

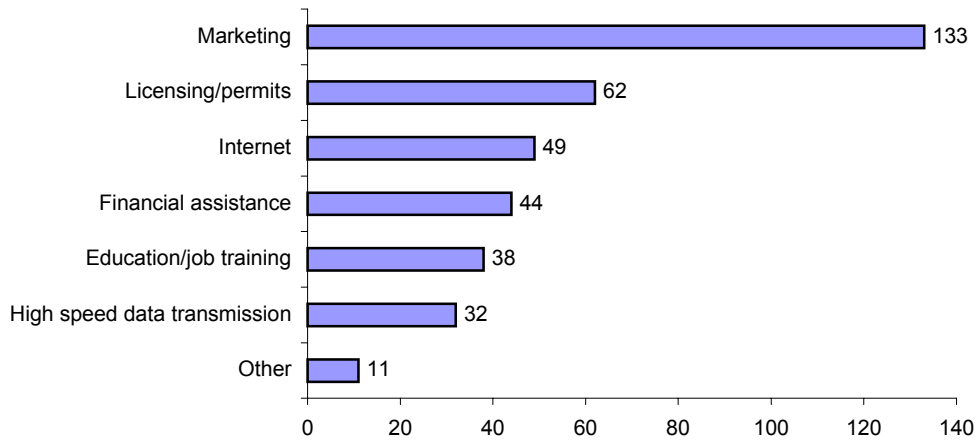
Sonoma County’s tourism industry is a diversified market of service-oriented businesses and segmented customer markets. These diversification results in a wide range of marketing channels employed by businesses to reach out to customers.

It is clear, however, that responding tourism-related business believe that local government’s proper role is to support the tourism industry through strong, focused marketing activities such as targeted campaigns outside Sonoma County, and through a coordinated network of visitor information centers.

Local Government Assistance

Tourism-related businesses indicated that local governments would be most helpful in assisting the tourism industry through stronger strategic marketing activities. Local governments should also concentrate on streamlining permitting and licensing processes.

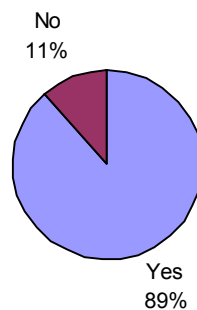
Areas for Local Government Assistance



Visitor Information Centers

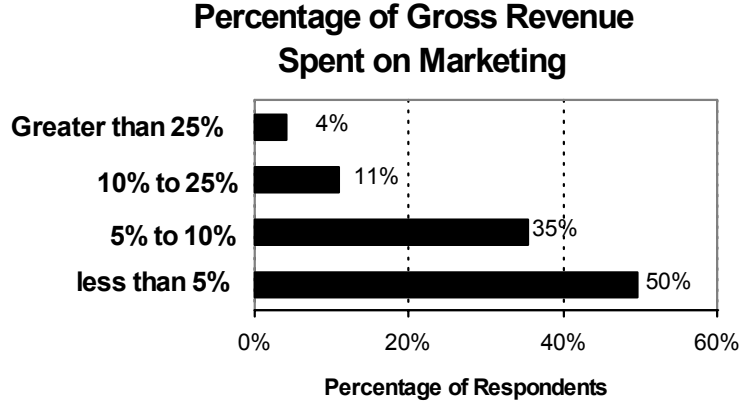
The development of an official and coordinated Sonoma County visitor information center system can be a cost-effective way of increasing visitors’ length of stay, return visits and visitor satisfaction to regions of the County. Eighty-nine percent of respondents indicated that it would be useful to have a system of visitor centers where local information could be distributed to tourists.

Visitor Center Usefulness



Marketing Expenditures

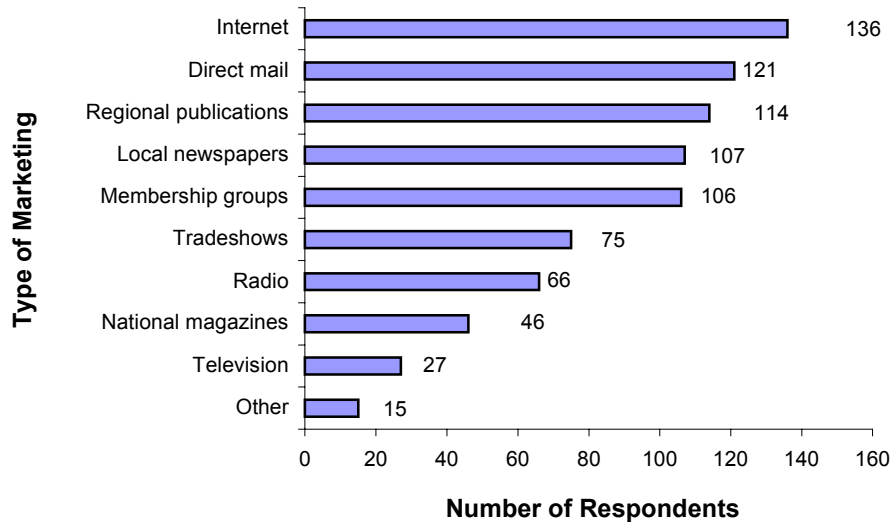
Half of the respondents indicated that they spend less than 5 percent of their gross revenues on marketing. Marketing can be quite expensive, especially for small businesses. This low figure could also indicate that tourism-related businesses perceive many marketing channels as having a low return on investment.



Marketing Channels Utilized

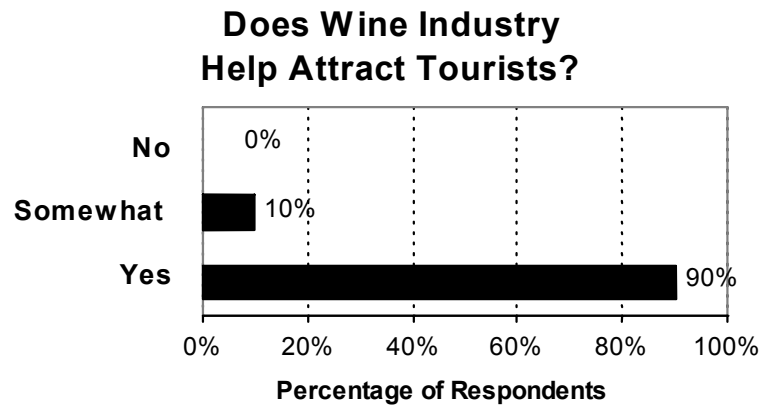
Reflecting the increase in the provision of travel-related information and services on the Internet, respondents identified the Internet as the most widely used marketing channel. Regional publications, direct mail, local newspapers, and membership groups also scored high.

Marketing Channels Utilized by Tourism-Related Businesses



Wine Industry as A Tourism Pull

An overwhelming percentage of respondents – 90 percent – agree that the wine industry is a valuable tourism attraction.

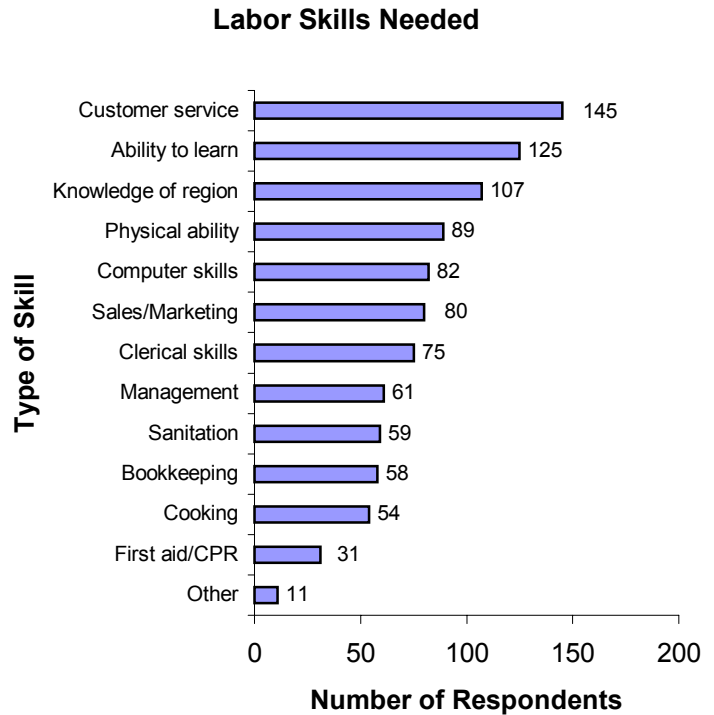


II. LABOR FORCE: DIFFICULTY FINDING SKILLED & UNSKILLED LABOR COULD CONSTRAIN GROWTH

Types Of Labor Force Skills Needed

Respondents were asked to identify the types of skills required for employment in their businesses. Customer service and the ability to learn on the job were identified as fundamental to employment in the tourism industry.

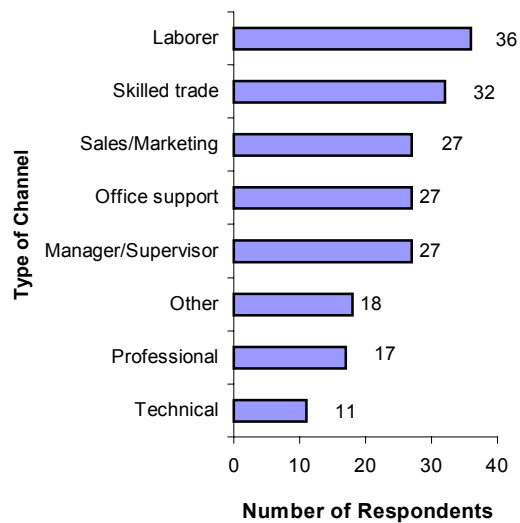
Knowledge of the region also scored high, followed by physical ability (such as lifting), computer skills, sales and marketing skills, and clerical skills. Skills grouped in the “Other” category included industry-specific knowledge and production experience in the wine and beer industries.



Types Of Employees That Are Hard To Find

Laborers led the list of types of employees that responding tourism-related businesses have difficulty finding. Skilled trade workers, sales and marketing workers, office support, and managers followed. Types of employees grouped in the “Other” category include housekeepers, cooks, customer service workers, and volunteers.

Types of Hard-to-Find Employees



Finding Skilled & Unskilled Employees

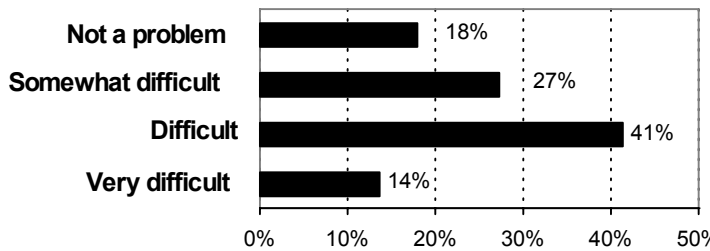
A high percentage of respondents indicated that they have difficulty finding skilled employees. Eighty-two percent of tourism-related businesses stated that finding skilled employees is somewhat difficult, difficult, or very difficult.

Respondents gave a variety of reasons to explain the difficulty of finding skilled employees, including: competition, low unemployment rate, tight housing market, seasonal work, low pay, high turnover, and remote location.

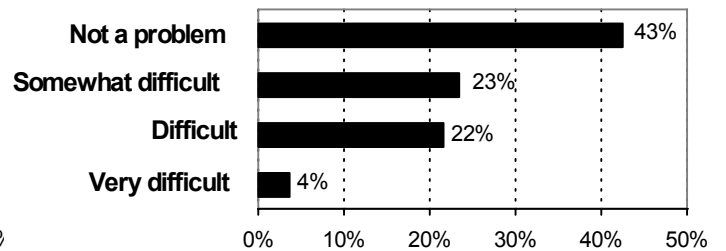
Although not as dramatic as the difficulty of finding skilled employees in Sonoma County, fifty-seven percent of responding tourism-related businesses still indicated that they have a somewhat difficult, difficult, or very difficult time finding unskilled employees.

Reasons given for the difficulty of finding unskilled employees were similar to reasons given for having a hard time finding skilled employees.

Degree of Difficulty in Finding Skilled Employees



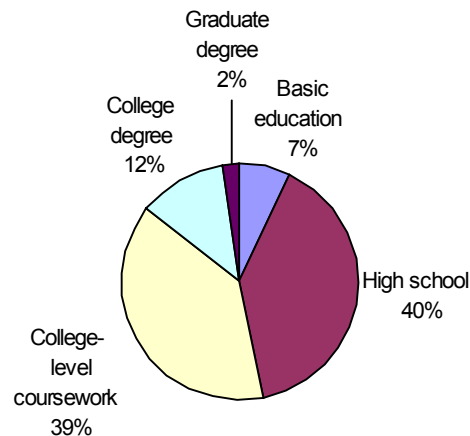
Degree of Difficulty in Finding Unskilled Employees



Average Educational Level of Employees

Respondents indicated that ninety-three percent of employees in tourism-related businesses have at least a high school education. Only 14 percent of tourism-related employees have a college degree or higher.

Average Level of Education of Employees



III. TOURISM INDUSTRY HIRING & EXPANSION PLANS

On a national level, employment directly generated by travel has grown 27.7 percent in the last ten years, almost one-and-a-half times as fast as the more modest 19.6 percent increase in total non-agricultural U.S. employment. Employment in major travel industry sectors is forecast to grow more than 21 percent between 1996 and 2006.

This expectation for strong job creation reflects national and state trends in the tourism industry. Travel and tourism directly generated nearly 7.6 million jobs in 1998. An additional 9.4 million jobs were supported by indirect and induced sales, resulting in 16.9 million jobs.

In California, the travel industry has created jobs at more than twice the rate as the overall state economy over the past decade. The travel industry ranks as the third largest employer in the state of California.

With respect to the creation of new jobs, the travel industry has outperformed most other sectors of the economy. In 1998, employment grew 3.6 percent in the travel industry, while employment in other industries (such as aerospace and agriculture) continued to decline. As the state's economy continues its strong structural shift and becomes more service-oriented, the travel industry will play an increasingly vital role in economic growth.

For Sonoma County alone, employment generated by travel spending increased 43% from 1992 to 1998. Almost 20,00 people were employed by tourism-related businesses in 1998, according to Economy.com.

Expansion over the Last 12 Months

Forty-three percent of respondents indicated that they expanded operations within the past 12 months. The primary reason for expansion was greater demand for products and services.

Access To Capital

When expanding a business, access to capital is usually a challenge. However, 93 percent of respondents indicated that access to capital is not a problem in their business. With forty-three percent of respondents having expanded operations in the past 12 months, it appears that most tourism-related businesses financed expansions through their own capital or had no problem accessing capital outside their own resources.

Those respondents indicating problems accessing capital cited the following reasons:

- ❖ Difficult to persuade banks to loan to small businesses
- ❖ Bed and breakfast operations are considered high risk

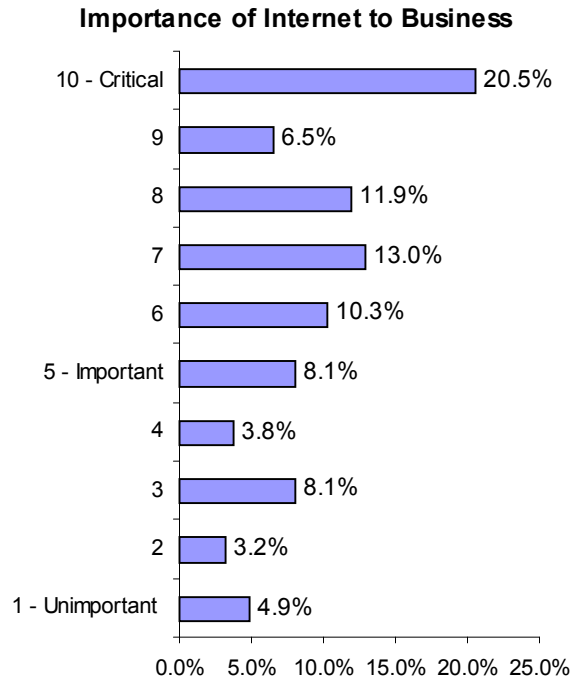
IV. INTERNET: A SIGNIFICANT COMPONENT OF TOURISM MARKETING

Not surprisingly, the Internet is becoming an increasingly effective medium for travelers to obtain information, and for tourism-related businesses to market and sell their services and products.

When broken out into segments, the overwhelming bulk of national online travel revenues in 1996 stemmed from airline ticket sales, approximately \$243 million or 90% of all online travel revenues. By the year 2002, the proportion of airline ticket sales is estimated to increase by 75%, generating \$6.5 billion in revenues. Non-air revenues, consisting mostly of hotel reservations and car rentals are projected to grow from \$31 million in 1996 to \$938 million in 2000 and \$2.4 billion by the end of 2002.

Importance of Internet to Local Business

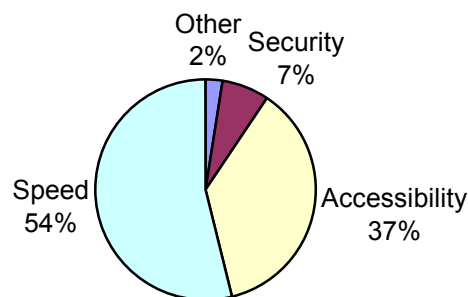
A high number of the respondents identified the Internet as an important to critical component of their business operations.



Quality of Internet Service

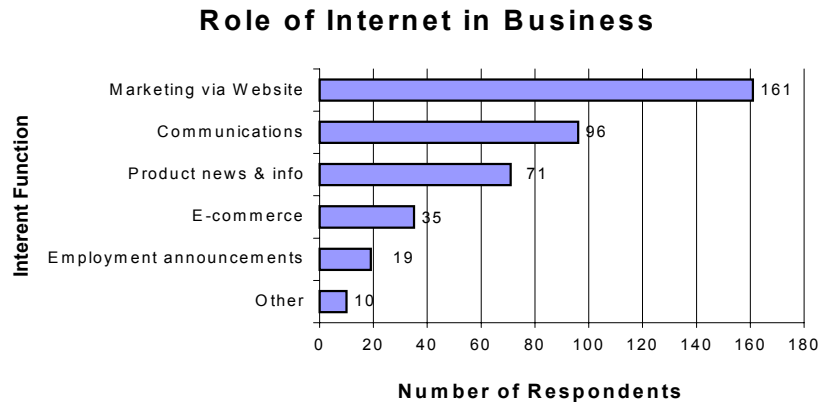
Eighty-nine percent of respondents indicated that their Internet service was moderate to high quality. The areas of Internet service in need of improvement are speed and accessibility.

Areas for Internet Service Improvement



Role of Internet in Business

Forty-one percent of tourism-related businesses indicated using a website as a marketing medium.



V. DEMOGRAPHIC PROFILE OF RESPONDING TOURISM-RELATED BUSINESSES IS DIVERSE

Primary Business Focus

The following table indicates the percentage breakdown of tourism-related businesses responding to the survey. Lodging represented 36 percent of responding tourism-related businesses, followed by Winery/Agriculture (16%), Dining/Restaurant (14%), Retail Sales (12%), Recreation (10%), and Transportation (4%) businesses. The “Other” category includes miscellaneous businesses such as event planners, golf clubs, spas, caterers, performing arts groups, and museums. The surveyed tourism-related businesses seem to reflect the diverse strength of the industry.

Lodging

Full-service lodging	8%
Limited-service lodging	7%
Vacation rental	7%
Campground	3%
Bed & breakfast	10%

Travel/Transportation

Guides/Group Tours	2%
Transportation	1%
Travel services	1%

Retail sales

	12%
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Recreation equipment & events

	10%
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Dining/Restaurant

	14%
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Winery/Agriculture

Winery	11%
Agriculture	5%

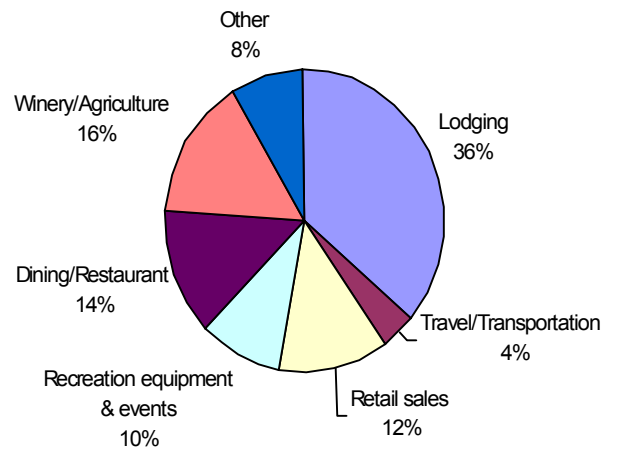
Other

	8%
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Total

	100%
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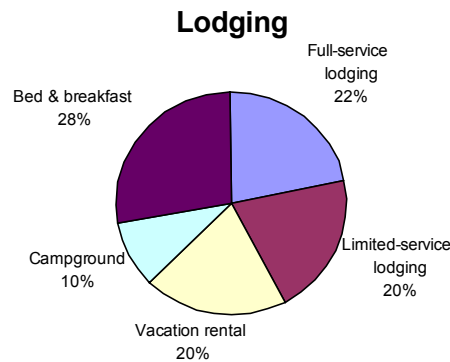
Primary Business Focus



Nationwide, the most popular types of lodging in the U.S. are hotels and motels. When U.S. residents travel, here is where they stay:

Type of Lodging	% of person-trips in 1998
Hotel or Motel	46%
Friends, Relatives Homes	35%
Camper, Trailer, RV	3%
Owned Cabin or Condo	3%
Rented Cabin or Condo	3%
Other	4%
No Overnight Stay	13%

The lodging industry, representing over one-third of responding tourism-related businesses, is a diverse industry. Bed and breakfasts accounted for 28 percent of responding lodging businesses, followed by full-service lodging (22%), limited-service lodging (20%), vacation rentals (20%), and campgrounds (10%).

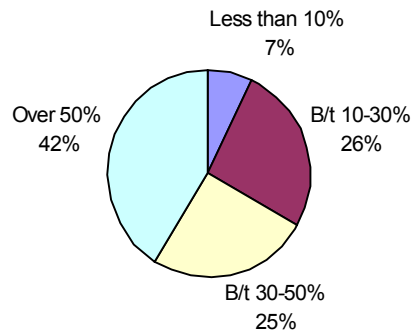


VI. LOCAL GOVERNMENT INVESTMENT

Transient Occupancy Tax

67% of tourism-related businesses believe that the government should reinvest more than 30 percent of Transient Occupancy Tax (TOT) to promote tourism. The Cities and the County collect approximately the same total amount of about \$5 million each. Approximately 37% (\$1,657,314) of revenue generated in the unincorporated areas was spent on tourism promotion by the County. The Cities as a group allocate approximately 4% of their TOT share to participation in the countywide external marketing program (about \$200,000). A chart showing actual participation amounts is included as Exhibit A on pgs. 20-22.

Percentage of TOT that should be Reinvested to Promote Tourism



METHODOLOGY

The Sonoma County Economic Development Board conducted its first-ever survey of Sonoma County tourism-related businesses in 2000-01. Owners and executives at 185 tourism-related businesses in Sonoma County rated their confidence in the tourism industry and identified changes and needs they expect to occur in their businesses. Of the nearly 600 firms, 185 responded to the survey (about 30%). The responses covered businesses in a broad range of tourism-related industries and sizes. Individual survey results are confidential.

The survey asked tourism-related businesses to respond to a broad array of questions about their market and marketing efforts, their labor force needs, their hiring and expansion plans, the role of the Internet in their business, the demographics of the industry, and their opinion on key County tourism policies. This report represents the findings from that survey as well as an analysis of those responses.

In addition to the survey responses, the Sonoma County 2001-02 Tourism Report also includes general background information for the tourism industry on a regional and national level. All national statistics came from the Travel Industry Association website (www.tia.org) and all state tourism statistics came from the California Trade and Commerce Agency (www.commerce.ca.gov). Sonoma County statistics were based on estimates from a report from the California Travel and Tourism Commission and the California Trade and Commerce Agency, Division of Tourism: *California Travel Impacts by County, 1992-1998*.

Please note that all data contained in this report is based on the information self-reported by survey respondents, which was not factually verified by the EDB. The responses were then gathered into a database for analysis. Due to the fact that survey respondents may provide no responses to some questions, the category percentages indicated in the graphs for those questions may not sum up to 100%. Where replies are mutually exclusive, percentages may be slightly off due to rounding. Where replies are not mutually exclusive, percentages may total more than 100%.

As mentioned above, it was our intention to obtain averages that provide a general “snapshot” of various issues for the tourism industry in Sonoma County. Accordingly, the averages have not been weighted by any factor or interest.

ACKNOWLEDGEMENTS

The 2001 Tourism Report would not have been possible without the contributions of the following individuals:

Most of the credit for this study belongs to the local businesses that participated in the survey. Their responses created the foundation upon which the tourism sector could be studied and analyzed.

The staff at the Economic Development Board contributed a significant amount of secretarial work. Much gratitude goes to Colette Thomas and Catherine Harper for their coordination of the survey work. Without their relentless work, survey response would not have been so high.

A very special thanks to Dan Tan-Nguyen for his excellent work on tabulating the survey results. Dan contributed significantly to the overall report through his compilation and organization of the survey findings. The bulk of this report is indeed a testament to his research and analytical skills.

Special thanks are also due to Sheila Romero and Nancy Fuller at the Sonoma County Tourism Program for their invaluable suggestions and generous provision of statistical data on the tourism sector in Sonoma County.

Finally, Jasmin Nguyen, an intern with the EDB, contributed to the final report. She brought together the research begun by Dan, combined it with additional research and analyzed the results and recommendations.

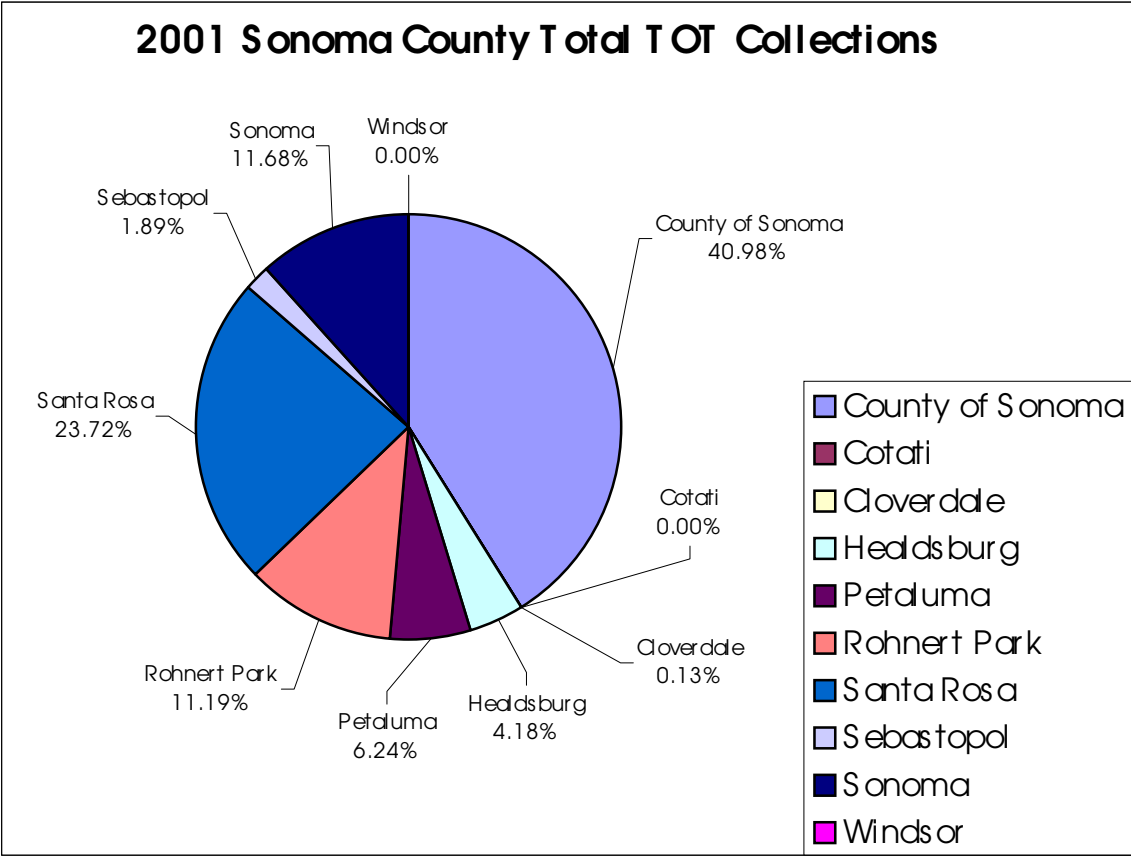
Ben Stone

EXHIBIT A

Investors' Participation

	2001		2001/2002		2001/2002 Budget Expenses	County/City Investment	
	TOT Collected	% of TOT Collected	\$ to SCTP	% of TOT		Dollars	Percentage
					1,910,348		
County of Sonoma	5,385,207	40.98%	1,253,867	23.28%		1,253,867	65.64%
Cotati	0	0.00%	0			0	0.00%
Cloverdale	17,345	0.13%	2,500	14.41%		2,500	0.13%
Healdsburg	549,190	4.18%	10,364	1.89%		10,364	0.54%
Petaluma	819,490	6.24%	25,272	3.08%		25,272	1.32%
Rohnert Park	1,470,043	11.19%	41,184	2.80%		41,184	2.16%
Santa Rosa	3,117,408	23.72%	96,720	3.10%		96,720	5.06%
Sebastopol	248,552	1.89%	0	0.00%		0	0.00%
Sonoma	1,534,406	11.68%	10,816	0.70%		10,816	0.57%
Windsor	0	0.00%	8,000			8,000	0.42%
TOTALS	\$13,141,641	100.00%	\$1,448,723	11.02%		\$1,448,723	75.84%
Private Sector Co-op						\$211,625	11.08%
Private Sector In-Kind						\$250,000	13.09%
Total Budget						\$1,910,348	100.00%

2001 Sonoma County Total TOT Collections



01/02 County/City/Private Investment

