Sonoma County
Economic Development Board

Industry Report Series

2006
Tourism Report

Presented by the Sonoma County Economic Development Board, in partnership with the Sonoma County Worforce Investment Board and in cooperation with the Sonoma County Tourism Bureau

Sonoma County EDB Economic Development Board

Sonoma County Workforce Investment Board

Sonoma Country — America's Premier Wine, Spa and Coastal Destination

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2006 Tourism Report

May 2006

The Sonoma County Economic Development Board (EDB), in partnership with the Sonoma County Workforce Investment Board (WIB) and in cooperation with the Sonoma County Tourism Bureau (SCTB), is pleased to bring you the 2006 Tourism Report. Our research partner, Moody's Economy.com, produced a portion of this report for the EDB.

Highlights from the 2006 Tourism Report include:

- **The Sonoma County tourism industry has performed very well over the past year,** due to the favorable economic climate that has prevailed regionally and nationally.

- **Profitability may wane in the near term** as increased costs due to higher energy prices and the possibility of rising interest rates threaten to make doing business more expensive.

- **In the long run, however, profitability in the county should remain strong**, as demand for wine continues to grow, creating a firm base for winery-related visits. In addition, Sonoma County has successfully diversified the attractions that it offers, which will help to ensure a steady flow of profits from a variety of visitors with a wide array of interests.

- The expected further depreciation of the dollar against many major currencies will benefit the area. Since travel to the U.S. will be less expensive for foreigners, **Sonoma County is likely to see increased travel by international visitors.**

Thank you for your continued interest in the Economic Development Board's research. As always, if you have any questions, please feel free to contact us at (707) 565 - 7170.

Sincerely,

Ben Stone
Executive Director

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Tourism - Sonoma County

Recent Performance. The Sonoma County tourism industry has performed very well over the past year, due to the favorable economic climate that has prevailed regionally and nationally. Hotels in the county saw improved conditions over the past year, posting a five percentage point increase in occupancy rates according to PKF Consulting. This compares to more tame increases in occupancy rates of under two percentage points for much of the state.

The growing popularity of wine throughout the nation has had a positive impact on the wine-growing region. Travelers to Sonoma County spend over $1 billion annually, and support nearly 16,000 jobs, according to the California Travel and Tourism Commission. Tourism in Sonoma County also generates over $60 million in state and local tax revenue. In addition to wineries and vineyards, Sonoma County is increasingly offering a wider assortment of tourist attractions, including spas, restaurants and outdoor activities.

Vineyards and wineries account for the majority of tourism-related travel to the area. California wine sales reached another record high in 2005 reinforcing the results of a recent Gallop poll that named wine as America's most preferred alcoholic beverage. Visits to wineries and wine tastings in the county have also been bolstered by accelerating income growth nationwide and renewed popularity of wine country trips. There are now over seven million visitors each year to the area, with two-thirds of those consisting of leisure travelers. Over 8,500 rooms are now available in a variety of lodging facilities throughout Sonoma County, up almost 9% in the past five years, according to the Sonoma County Economic Development Board.

New investments are under way that will continue to broaden Sonoma County's tourism appeal beyond wine. The town of Petaluma has recently been at the forefront of development for tourism-related business in the county. The latest completed project is the Riverfront Theater District centered around a multiplex theater in Petaluma, which includes several blocks of retail, entertainment and living space. In addition, ten new restaurants have been built in the town. Further, Infineon Raceway, one of the world's top racing facilities, will offer visitors the chance to get behind the wheel of a Formula One racecar, through the ESPN Russell Racing School.

Macro drivers. The current macroeconomic climate with high energy prices, emerging inflationary pressures and rising interest rates indicates that Sonoma County's tourism industry is edging past its peak growth rate with more moderate growth expected during the coming year. Economic growth in the U.S. currently is very strong, with first quarter GDP growth exceeding 5%. However, we do expect a moderation in national growth as the year progresses. Inflationary pressures are developing, in part due to high energy prices and the depreciation of the dollar. Slower growth in the economy and rising costs could induce consumers to delay or shorten vacations, which would in turn decrease tourism spending in Sonoma County.

Apart from U.S. macroeconomic trends, Sonoma County's tourism industry is also affected by the health of the broader regional economy. Since Sonoma County is only an hour north of San Francisco, it is to a large extent a day trip or weekend getaway spot for people who live and travel to the Bay Area. Fortunately, the Bay Area economy has improved markedly in the past year. Job growth is accelerating steadily in the broader San Francisco Bay Area. Personal income growth in the Bay Area will lead to increased spending on tourism in Sonoma County. Per capita income growth in California and the nation slowed somewhat in late 2005, and is expected to continue to moderate in the region and state through the near term.

Moody's Economy.com expects job and income growth in the U.S. to slow through the remainder of this year and to moderate further next year, as the economy decelerates toward a more sustainable long-term rate of growth.

One of the major concerns for the health of the economy is high and rising energy prices. With gasoline prices nationwide near record highs of around $3 a gallon, high energy costs are eating into consumers' disposable incomes and could affect travel plans for the summer. According to the Travel Industry Association survey, summer travel will grow marginally by 1% from last year.

The state of the national and regional housing market can also have an effect on the performance of the tourism industry. Consumer spending in the past few years has been buoyed by access to home equity fueled by steady house-price appreciation and low interest rates. In this regard, the recent moderation in house-price growth nationally and especially in the Bay Area will limit consumer spending growth going forward. Higher interest rates will exacerbate house price moderation and increase the debt-financing burden of homeowners, which will also limit consumer discretionary spending.

Industry drivers. Since wine-making is such a big draw for Sonoma County, its popularity is directly linked to the growth in tourism in this area. The mainstream success of the movie *Sideways* has brought more attention to vineyards and wine tasting throughout California. Visits to Sonoma County wineries rose a whopping 19% in 2005, while sales in wine tasting rooms in the county rose 11% according to a recent survey by VinQuest. This growing interest in wineries and wine tasting is likely to persist through the near term, and will help to offset the effects of higher energy costs on the industry.

Diversifying the selection of tourist activities will also increase demand for vacationing in the area. In addition to wineries and vineyards, there has been an increasing focus on other attractions such as spas, restaurants, outdoor activities, golf courses, equestrian facilities, theatres, farmers markets and even African safaris.

Proclaiming their confidence in the tourism outlook of Sonoma County, large hotel companies are planning to increase their presence there. Hilton announced plans to build three new hotels, bringing their number of hotels in the county to five. In a move that signals the growing diversity of travelers to the area, the properties will be midpriced hotels as opposed to the predominant upscale hotels that have been the norm for the last five years. The three hotels will add 300 new rooms to the towns of Windsor, Santa Rosa and Rohnert Park, over the next two years, growing the stock of rooms in the county by nearly 4%. According to the Sonoma County Economic Development Board, 13% of all available hotel rooms in the county have been added in the last five years.

The return of commercial air service to Santa Rosa early next year is also encouraging. Horizon Air has agreed to begin service to the area as early as March 2007. This will make the area more accessible to business

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and leisure visitors. In addition, the major highway artery in the area is under expansion. Highway 101 is being widened and improved, generating some near-term disruption but improving access longer term.

Pricing. The hotels in the area have experienced increased pricing power recently, thanks to high consumer demand for travel and leisure. The Average Daily Rate (ADR) in Sonoma County increased by more than 10% in 2005 to $109 on a year-ago basis, whereas ADR only grew by 2.5% to $98 in neighboring Napa Valley, according to Smith Travel Research. Revenue per available room in Sonoma County increased by 16% to nearly $68 in December 2005 year to date. Demand grew by over 10% early this year compared to one year ago. That is the largest increase in demand on a year-ago basis since 2001. At the same time, the supply of rooms has increased very little, providing hotels with increased pricing power. The increase in new hotel rooms in the coming year will weigh some on pricing power, but healthy demand should mitigate this effect.

The expected further depreciation of the dollar against many major currencies will benefit the area. Since travel to the U.S. will be less expensive for foreigners, Sonoma County is likely to see increased travel by international visitors.

Although Sonoma County has prided itself as being the more affordable relaxed place for wine tasting compared to neighboring Napa Valley, it recently has witnessed an increase in charges for wine tastings in order to compensate for the high costs associated with the practice. This is a good indicator of the robustness of the tourism industry in the area. It shows that pricing power is not only limited to hotels but is extending to wineries and wine tastings. Due to the dramatic increase in visitors in recent years and to the added costs entailed in providing consumers with a more enjoyable experience, charging for wine tastings is gaining in popularity throughout Sonoma County. Higher end vintners can charge as much as $45 for elaborate pairings of wines with gourmet food in scenic settings.

Operating expenses. The main operating expenses associated with the tourism industry are labor and supply-side costs. Employment in the leisure and hospitality industry has been growing at a faster rate than employment in other industries throughout the nation and in Sonoma County. Wages and salaries in the leisure and hospitality industry are improving. Continued strong growth in the industry would create further upward pressure on wages due to demand for labor and the area's very low unemployment rate that has fallen to below 4%.

The primary supply-side cost that is anticipated to have an impact on the tourism industry is the price of fuel. Higher fuel prices will increase expenses at practically all wineries, hotels and restaurants by making all of the goods and services that they provide more expensive. Costs associated with delivering goods to and from establishments will rise, and in turn force a rise in the prices that are charged to consumers.

Other key operating expenses in the industry include the cost of marketing materials. This is expected to grow as competition in the wine and tourism markets intensifies, which will put pressure on companies to produce more differentiated, and impressive marketing tools. In addition, the internet has made travelers increasingly price-sensitive as consumers are able to shop around. In this regard, marketing materials have to address the needs of consumers through multiple marketing channels, which could raise the cost of marketing.

Profitability. Profitability may wane in the near term as increased costs due to higher energy prices and the possibility of rising interest rates threaten to make doing business more expensive for everyone. In the long run, however, profitability in the county should remain strong, as demand for wine continues to grow, creating a firm base for winery-related visits. In addition, Sonoma County has successfully diversified the attractions that it offers, which will help to ensure a steady flow of profits from a variety of visitors with a wide array of interests. The weakening dollar may offset some of the anticipated slackening in domestic demand in the near term by attracting foreign visitors who tend to spend more per day than do domestic visitors.

Long-term outlook. The long-term outlook for Sonoma County's tourism industry remains favorable. The region is growing in recognition and its proximity to Bay Area attractions will continue to support tourist traffic. Moreover, the continued strong popularity of wine and the wine-related culture underpin the positive fundamental outlook for the industry.

Demographic trends suggest healthy longer-term prospects as well. Baby boomers are nearing retirement age with well-developed tastes for travel and recreation, in addition to the discretionary income to fund these tastes. Wine consumption is growing among all generational segments, according to MKF Wine Business Advisors. Baby boomers are leading the way, but interest in wine is growing among not only women but men and nearly all ethnic groups. Thus, as baby boomers retire in the years to come, they are expected to generate a great deal of travel to the area.

Upside risks. A large portion of the visitors who come to Sonoma County have traditionally been from higher-income households, and would therefore be less sensitive to potential increases in energy prices and interest rates. Demand for the high-end tourism that Sonoma County is able to provide through food, wine and golf could remain stronger than we expect, if the structure of the tourism market there remains heavily weighted towards the upper income bracket.

Another potentially beneficial risk to Sonoma County would be the wine industry's success in broadening its demographic market, and attracting a more diverse group of tourists. This would increase the number of visitors that are interested in visiting wineries and vineyards in Sonoma County, and would bring residual revenues to all other tourism related businesses in the area.

Downside risks. If energy prices do not moderate in the near term as expected, hotels' plans for expansion in Sonoma County could be at risk. Hotels have been planning to build more moderately priced properties, hoping to accommodate more visitors with moderate-income levels. However, these visitors are generally more sensitive to rising energy costs and interest rates. Therefore, these new lower priced properties may not see the strong demand that they had hoped. Another rise in oil prices would pinch consumer spending, particularly for nonessential items like travel, and put pressure on local operating costs.

A sharp rise in interest rates could alter the exchange rate somewhat, causing the dollar to appreciate in relation to foreign currencies, and putting a damper on international travel.

Arnold Slesers
May 2006

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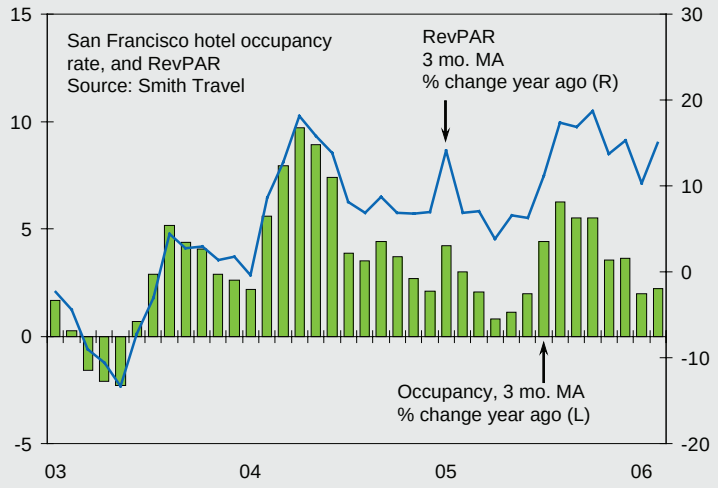
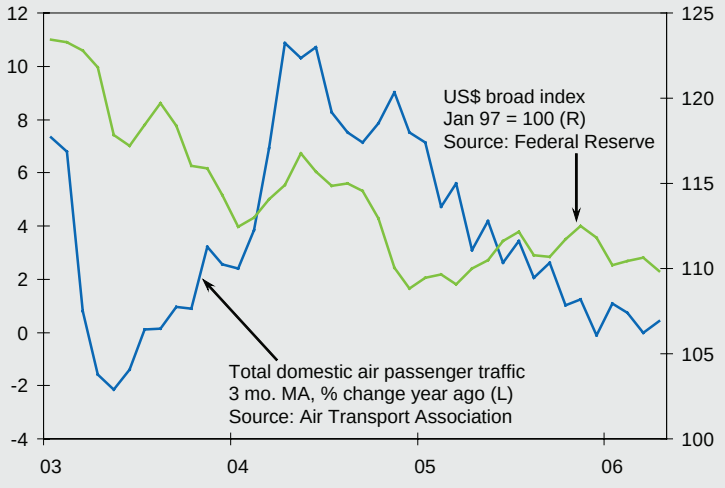
Improved Travel to the Region Bodes Well for Sonoma County



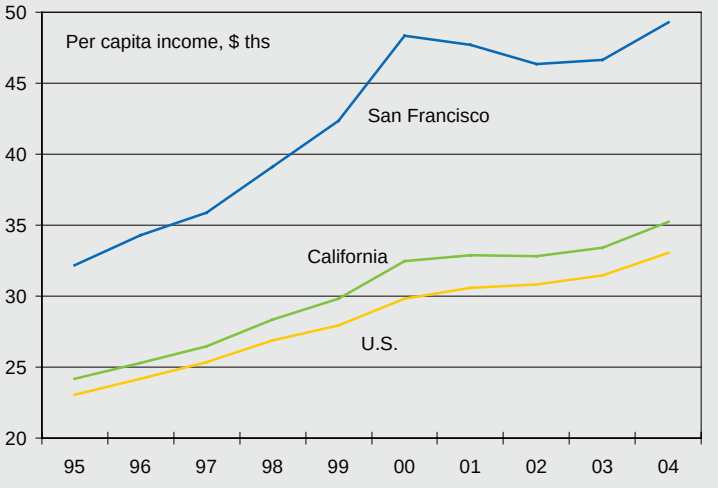
The solid national economy has helped income growth, which in turn has helped support consumers' appetite for leisure travel. As the national economy reaches a sustainable cruising speed and appetite for travel improves, hotel occupancy rates and hotel revenues in the San Francisco area are also staging a turnaround. This bodes well for the Sonoma County region that depends in part on spillover traffic originating from the Bay Area. Meanwhile, improved corporate profitability, especially in the tech industry, is boosting business travel, which also bodes well for Sonoma County.

Domestic Travel Is Slowing, but a Weakening Dollar May Help



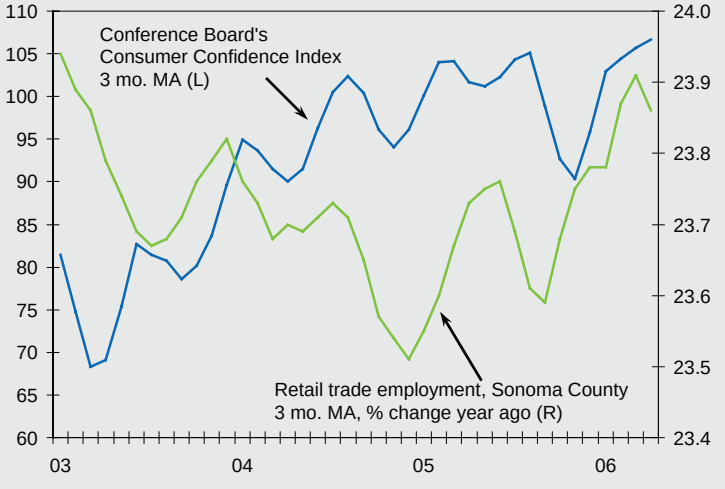
The effects of rising fuel costs are evident in the decreased volume of air travel. Cutbacks by airlines and increases in fares and fuel surcharges have contributed to a moderation in domestic air travel over the past year. However, the dollar's decline against most major currencies could help by boosting international travel to the U.S. and the Bay Area. Looking ahead, continued dollar weakness will put upward pressure on other currencies, especially the heavily managed Asian currencies. Thus, stronger Asian currencies will help boost traffic, particularly from Japan. This augurs especially well for Sonoma County.

High Regional Income Supports Tourism



Since Sonoma County is only thirty miles north of San Francisco, much of the area's tourism is dependent on the vitality of the metro area. Fortunately, San Francisco has a very high level of per capita income compared to the state and the nation. This level of wealth will continue to support the high-end tourist activities that Sonoma County is so well known for. Upscale and luxury hotels are also well supported by the strong purchasing power of Bay Area residents. In addition, exposure to these higher-wealth residents limits the effect of high fuel prices on Sonoma County tourism.

Confident Consumers Support Retail Spending in Sonoma



The rebound in consumer confidence nationally is a key component to supporting tourism flows and retail spending in Sonoma County as well. Retail employment in the county tracks fairly closely with national consumer confidence, indicative of the importance of macroeconomic conditions in supporting the local spending outlook. With job growth expected to remain sturdy and fuel prices expected to moderate nationally, we expect consumer confidence to remain fairly healthy through the remainder of the year. This will in turn support a healthy outlook for spending locally.

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Destination Spending

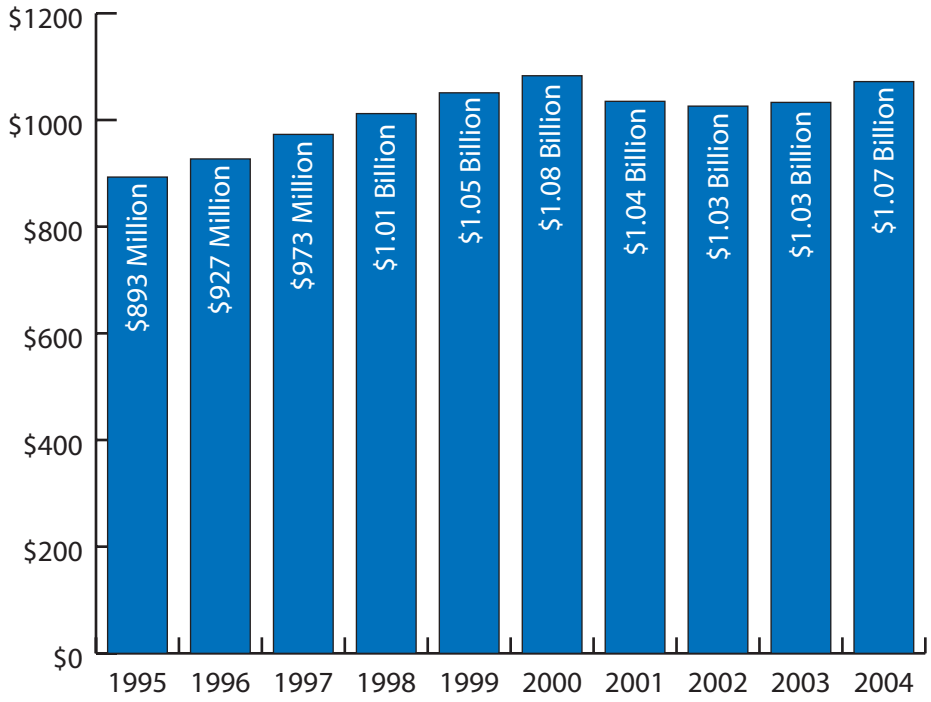
Destination spending is the total amount spent by visitors in Sonoma County, including accommodations, wine tasting, retail spending and more. Sonoma County destination spending rose for five consecutive years and peaked in 2000 at $1.08 billion. After falling in both 2001 and 2002, spending increased 3.8% in 2004 to $1.07 billion. While data is not yet available, it is expected that destination spending hit a record high in 2005.

As the bottom-left chart illustrates, the growth rates for Sonoma County tourism spending have steadily increased since 2001. In 2004, real visitor spending in Sonoma County increased by 3.8%, the highest rate of growth since 1999.

Sonoma County's growth has been roughly similar to spending growth statewide over the past decade. While statewide spending growth was somewhat stronger in the late 1990's, Sonoma County experienced a significantly milder decline post-2000. From 2000-2002, Sonoma County visitor spending declined by 5.3%, significantly less than the statewide decline of 8.7%.

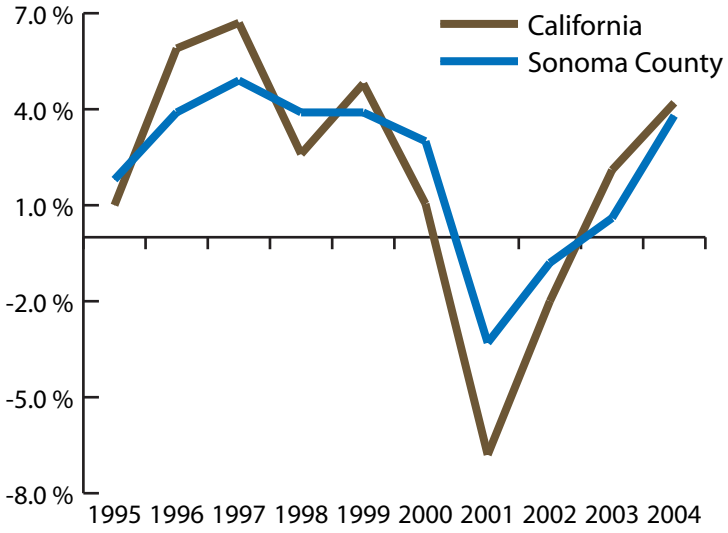
The bottom right chart illustrates this comparison - in 2004, Sonoma County's destination spending was 1.1% below its 2000 peak. In contrast, statewide destination spending was 2.8% below its 2000 peak.

Destination Spending in Sonoma County (Millions of 2004 $)



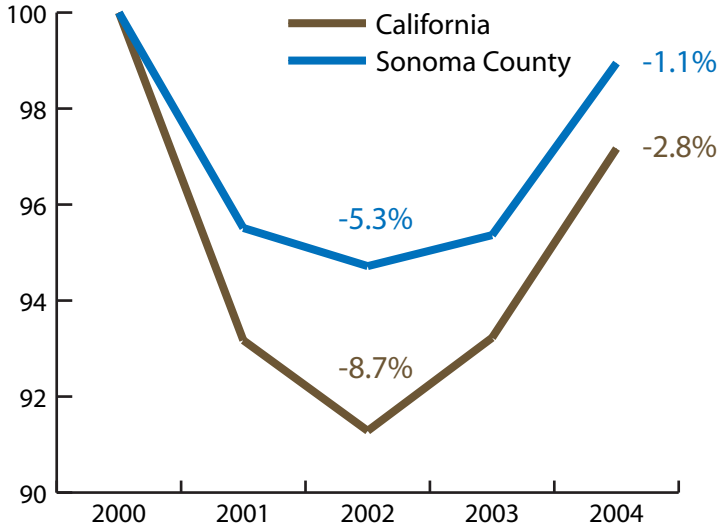
Source: California Travel Impacts by County, 1992-2004, 2005 Preliminary State Estimates, California Travel and Tourism Commission, March 2006; Adjusted for inflation using the US Bureau of Labor Statistics Consumer Price Index for each period

Destination Spending Annual Growth Rates



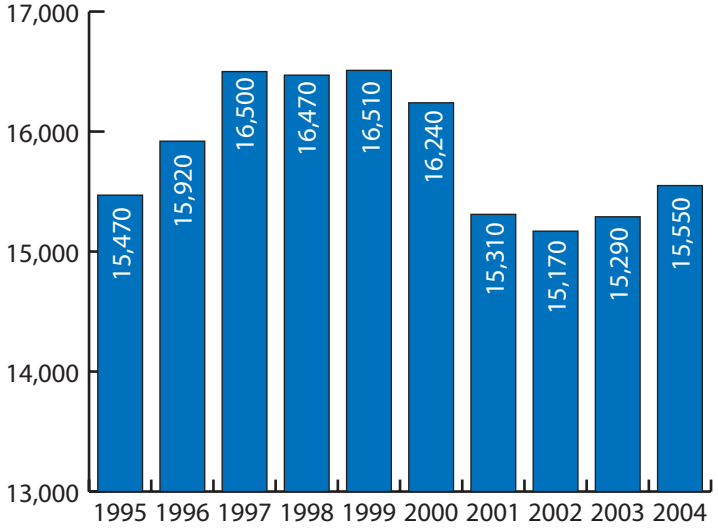
Source: California Travel Impacts by County, 1992-2004, 2005 Preliminary State Estimates, California Travel and Tourism Commission, March 2000; Adjusted for inflation using the US Bureau of Labor Statistics Consumer Price Index for each period

Destination Spending Since 2000 (2000 = 100)



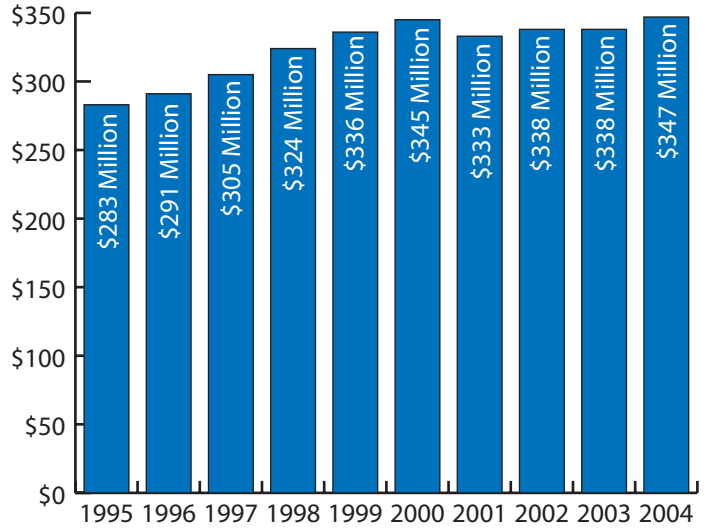
Source: California Travel Impacts by County, 1992-2004, 2005 Preliminary State Estimates, California Travel and Tourism Commission, March 2000; Adjusted for inflation using the US Bureau of Labor Statistics Consumer Price Index for each period

Employment Generated by Travel Spending in Sonoma County



Source: California Travel Impacts by County, 1992-2004, 2005 Preliminary State Estimates, California Travel and Tourism Commission, March 2006

Wages Generated by Travel Spending in Sonoma County (Millions of 2004 $)



Source: California Travel Impacts by County, 1992-2004, 2005 Preliminary State Estimates, California Travel and Tourism Commission, March 2006; Adjusted for Inflation using the US Bureau of Labor Statistics Consumer Price Index

Local Economic Impact

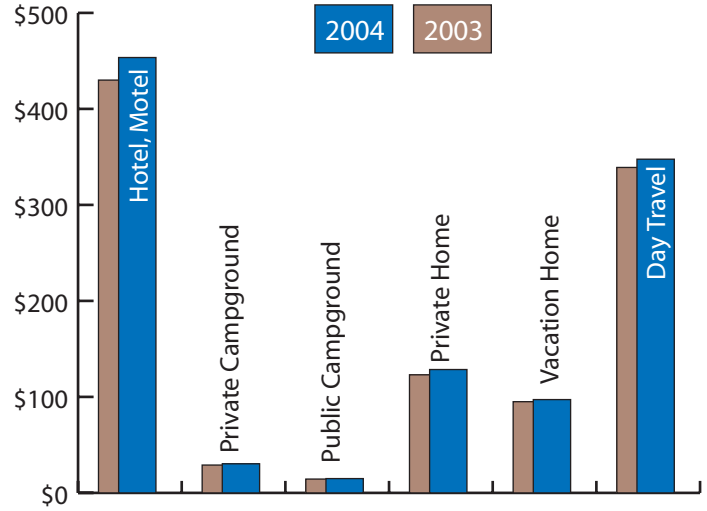
Travel spending in Sonoma County has a significant impact on the local economy, contributing more than seven percent of local employment and $347 million in annual wages.

Tourism-related employment increased 1.7% in 2004 to 15,550 jobs, the second straight year of growth. Of those, 49% were in accommodations or food service, and 40% were in arts, entertainment and recreation.

While employment is nearly 1,000 jobs below its 1999 peak, earnings from travel-spending is at a record high of $347 million, inflation adjusted growth of more than 2.5% since 2003, and more than $2,000,000 above earnings in 2000.

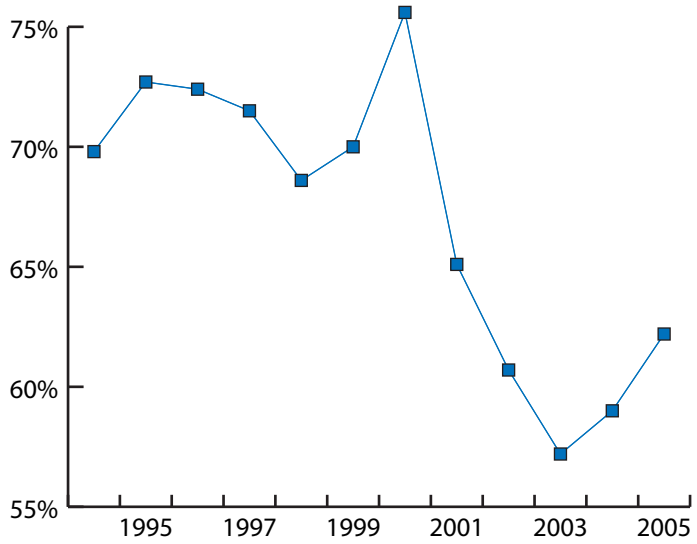
For comparison, travel spending in California generated $26.5 billion in earnings in 2004, a 2.8% increase from 2003, and directly supported 892,100 jobs, growth of 2.5% on the previous year.

Visitor Spending by Type of Accommodation in Sonoma County in 2003-2004 (Millions of 2004 $)



Source: California Travel Impacts by County, 1992-2004, 2005 Preliminary State Estimates, California Travel and Tourism Commission, March 2006; Adjusted for Inflation using the US Bureau of Labor Statistics Consumer Price Index

Hotel Occupancy Rates in Sonoma County



Source: California Fast Facts 2006, California Travel and Tourism Commission

As the graph above illustrates, visitors staying in hotels and motels are the single largest source of visitor spending in Sonoma County, with more than $450 million in visitor spending in 2004. Day travellers, as well as those staying in private or vacation homes, contribute most of the rest of the county's visitor spending.

Sonoma County occupancy rates improved 5.4% to 62.2% in 2005. Occupancy rates in all of Northern California, for comparison, improved 0.7% to 61.8%.

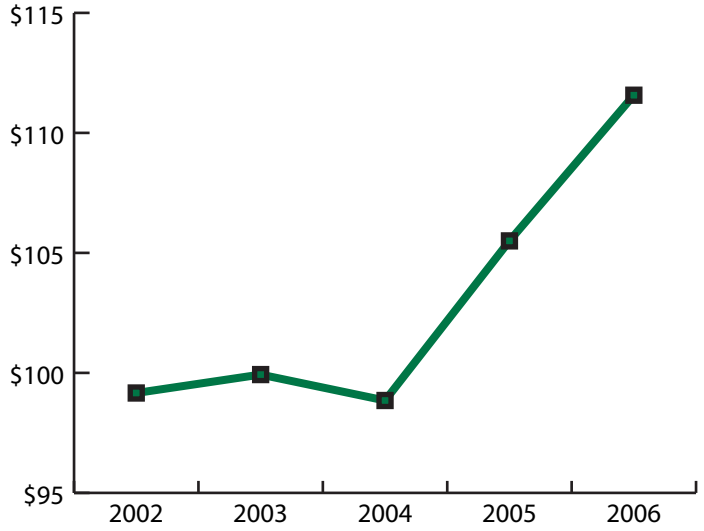
While Sonoma County's occupancy rates are still well below levels in the second half of the 1990's, they have improved for two consecutive years since reaching a low in 2003.

Hotel Room Revenue

Recent hotel room revenue data suggests that room revenue in Sonoma County is growing at a rapid pace. As the adjacent graph illustrates, total room revenue in Sonoma County grew by 13.6% in 2005, after adjusting for inflation. Preliminary data suggests that room revenue will grow nearly as quickly in 2006. These two years of rapid growth follow declines in 2001-2003, and moderate growth (1.8%, inflation-adjusted) in 2004.

Contributing to overall revenue growth are increases in average hotel room rates. While rates vary greatly over the course of a year, on an annual basis rates have grown from $98.85 per night in 2004 to $105.50 per night in 2005. Preliminary data suggest room rates above $111 in 2006. This growth follows several years of room rates struggling below $100 per night.

Average Hotel Room Rates (in 2004 $)

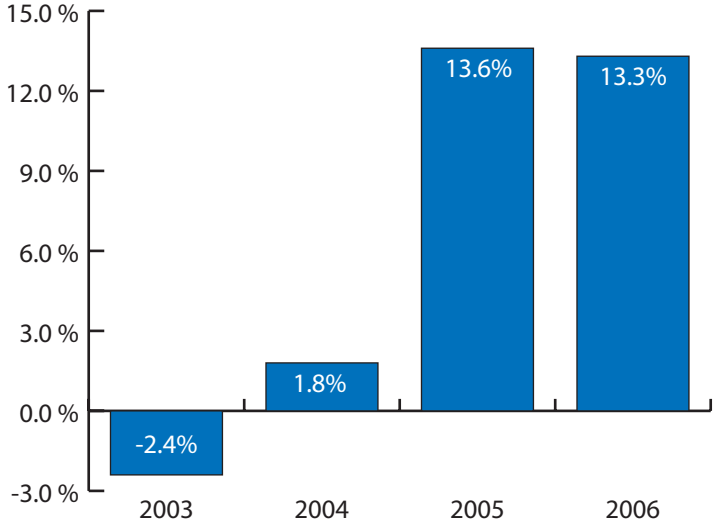


Source: Smith Travel Research, California Tourism

Underlying the increase in average daily room rates and overall hotel room revenue in Sonoma County is a shift in the balance between hotel room supply and hotel room demand.

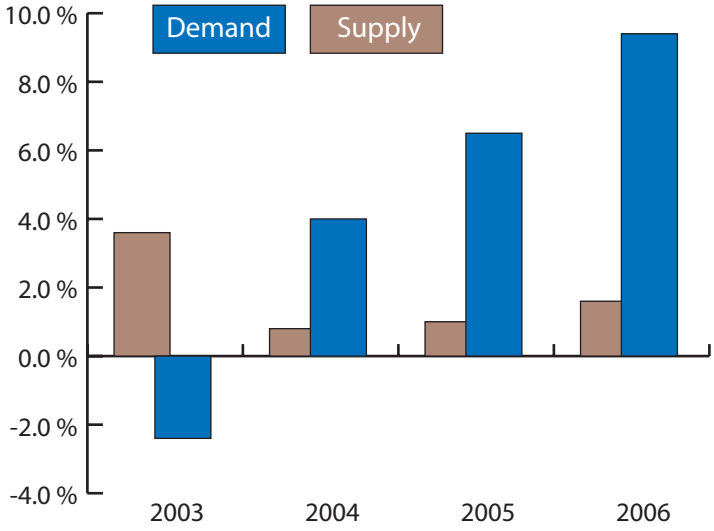
As measured by Smith Travel Research, the supply of hotel rooms has grown relatively slowly since 2004 (including preliminary data for 2006), yet the demand for hotel rooms grew 4.0% in 2004, 6.5% in 2005, and is currently growing at an annualized rate of 9.6% for 2006 (based on January-April).

Growth in Hotel Room Revenue, Sonoma County, Inflation Adjusted



Source: Smith Travel Research, California Tourism

Supply and Demand for Hotel Rooms in Sonoma County, Percent Change (2002-2006)



Source: Smith Travel Research, California Tourism

Transient Occupancy Taxes (TOT)

Transient Occupancy Tax (TOT) is a local tax on room rental revenue in lodging establishments located in Sonoma County.

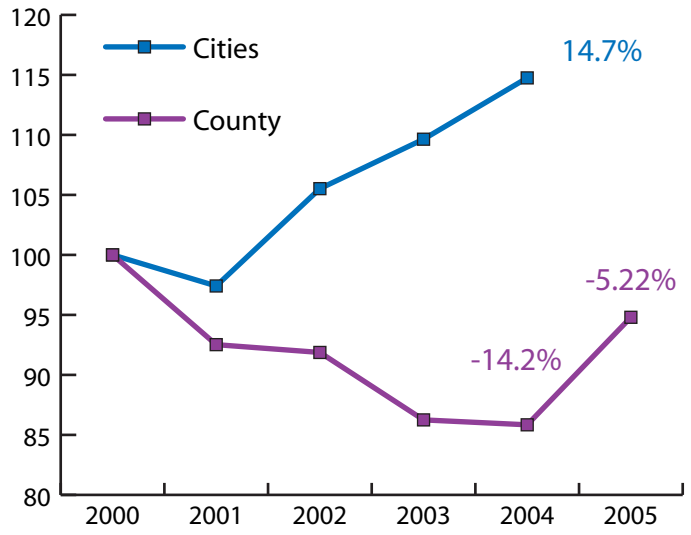
TOT revenues in Sonoma County increased 5.8% to $14.6 million in 2004, the highest rate of increase in the previous four years. Rising TOT revenues seem likely in 2005 - revenues in the 1st Quarter in 2005 were more than 12% higher than they were one year prior.

Revenues from TOT are divided between the County of Sonoma (which receives revenue from hotels in unincorporated regions) and the individual cities in the county. Collectively, the incorporated cities received 63% of all revenue in 2004, while the County received 37%. This distribution has shifted over time; in 1997, cities received 54% of all TOT revenue.

The chart below shows the change in real TOT revenues since 2000, that is, it compares the inflation-adjusted level of TOT revenues from 2000 to 2005. The real TOT revenues to the County fell for four consecutive years, but grew more than 13% in 2005, and were only 5.22% lower than in 2000.

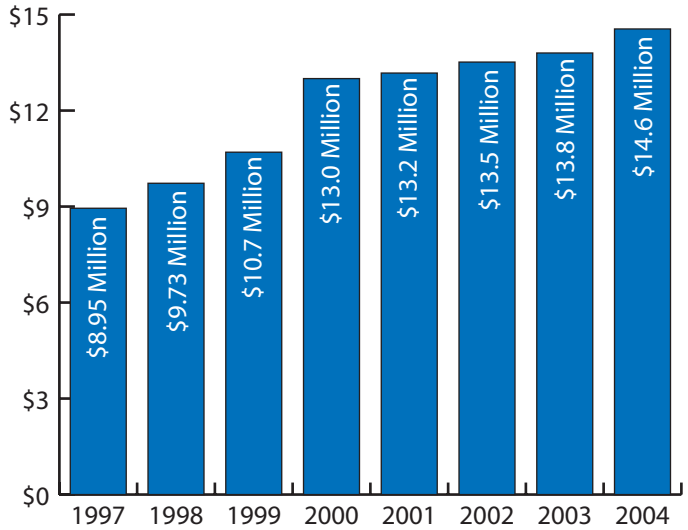
Inflation-adjusted TOT revenue for the cities, after declining slightly in 2001, has risen for three consecutive years, and, in 2004, was 14.7% higher than in 2000. (City data is not entirely available for 2005)

TOT Index (2000 = 100; Adjusted for Inflation)



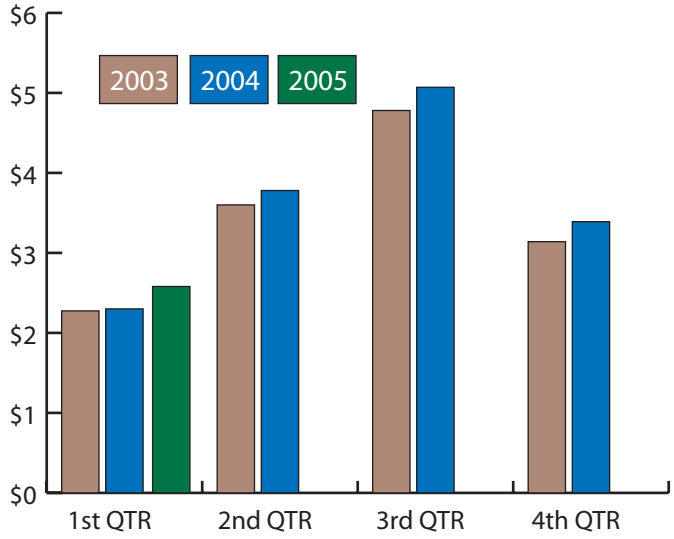
Source: Sonoma County Tourism Program; Economic Development Board; US Bureau of Labor Statistics

Sonoma County Transient Occupancy Taxes 1997-2004 (Combined County and Cities, $Million)



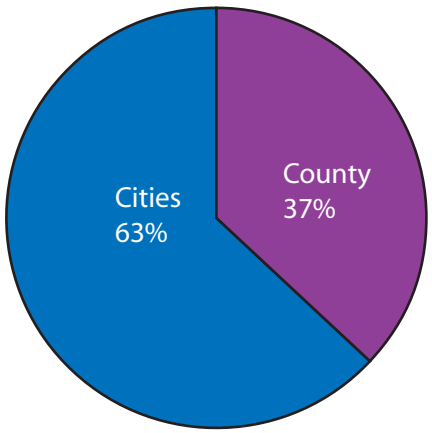
Source: Sonoma County Tourism Program and the Sonoma County Economic Development Board

Sonoma County TOT by Quarter, 2003-1st Qtr 2005 ($Millions, on a calendar year basis)



Source: California Travel Impacts by County, 1992-2004, 2005 Preliminary State Estimates, California Travel and Tourism Commission, March 2006

County and Cities Share of TOT Revenue, 2004



Source: Sonoma County Tourism Program; Economic Development Board

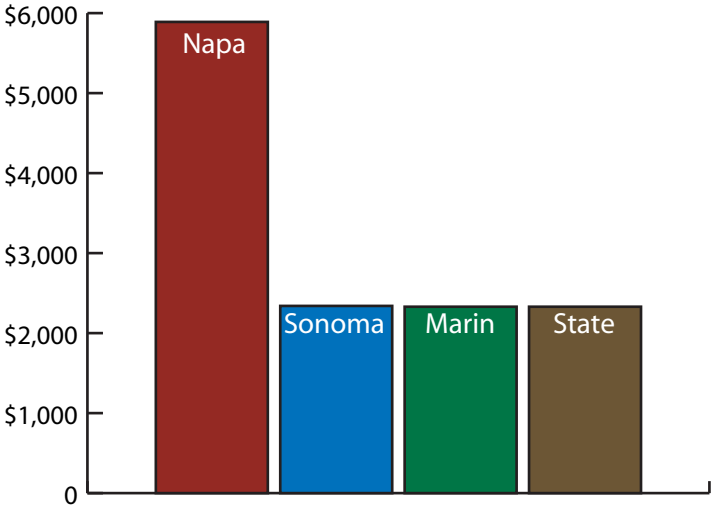
Destination Spending in the North Bay

Destination spending in Marin, Napa and Sonoma Counties totaled $2.38 billion in 2004, an inflation-adjusted increase of 6.5%.

Sonoma County continues to generate the highest amount of destination spending ($1.07 billion), nearly 45% of all of the three North Bay counties combined. Napa and Marin generate 31% and 24%, respectively.

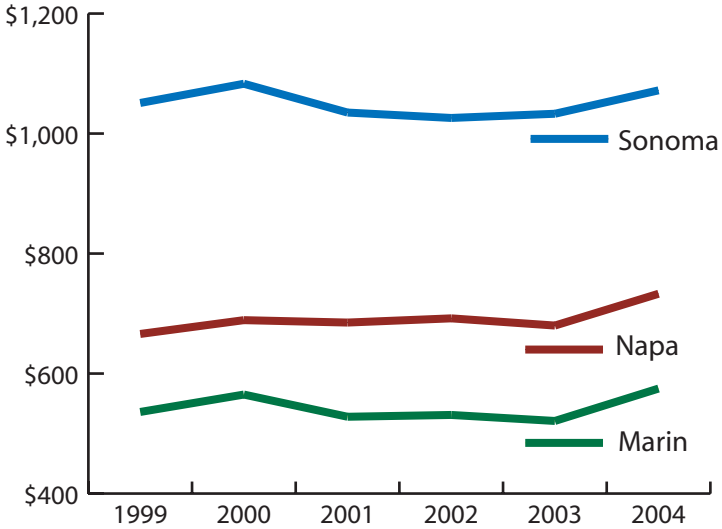
On a per-capita basis, however, Sonoma County generates a nearly identical amount of destination spending ($2340) as Marin, well below Napa's per-capita spending of ($5890), and on par with the average for the entire state ($2340).

Per Capita Destination Spending, 2004



Source: California Travel Impacts by County, 1992-2004, 2005 Preliminary State Estimates, California Travel and Tourism Commission, March 2006; 2000 US Census

Destination Spending Comparisons (Millions of 2004 $)

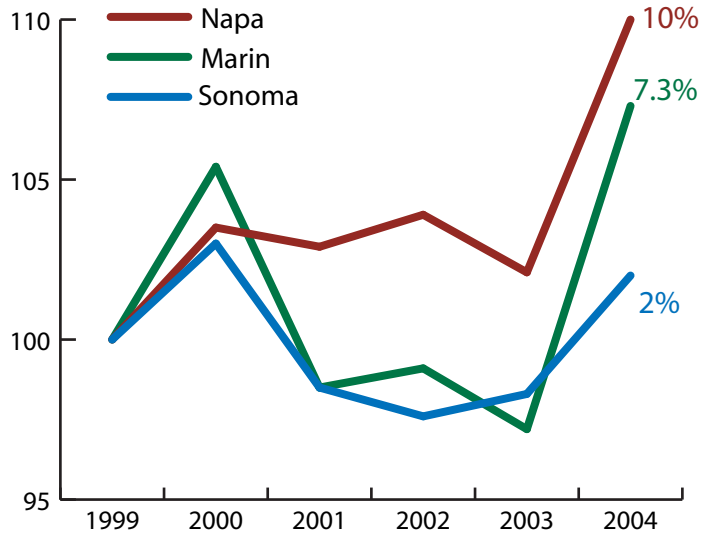


Source: California Travel Impacts by County, 1992-2004, 2005 Preliminary State Estimates, California Travel and Tourism Commission, March 2006; US Bureau of Labor Statistics

Sonoma County has also experienced much less growth in destination spending than its neighbors. In 2004, Napa and Marin had 10% and 7.3% more destination spending, respectively, than in 1999. Sonoma County experienced only a 2% increase in the same period.

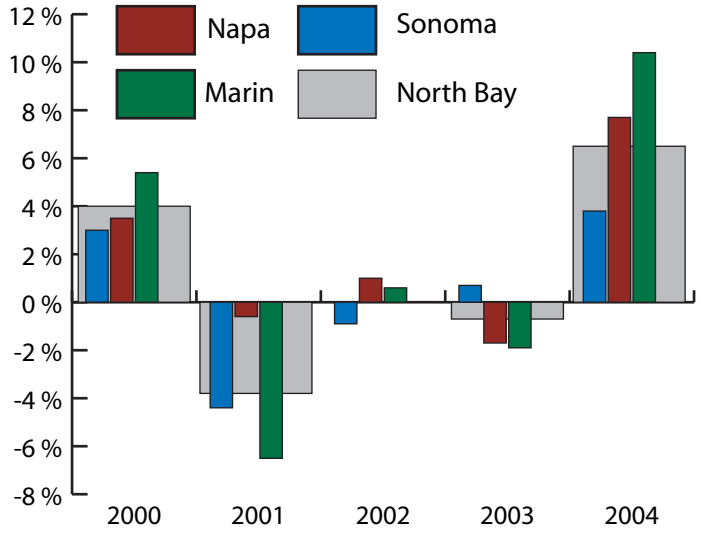
This difference is partly due to the strong growth in spending experienced in Napa and Marin in 2004. While Sonoma County spending increased by a healthy 3.8%, Napa and Marin experienced growth rates of 7.7% and 10.4%, respectively.

Change in Destination Spending (1999 = 100)



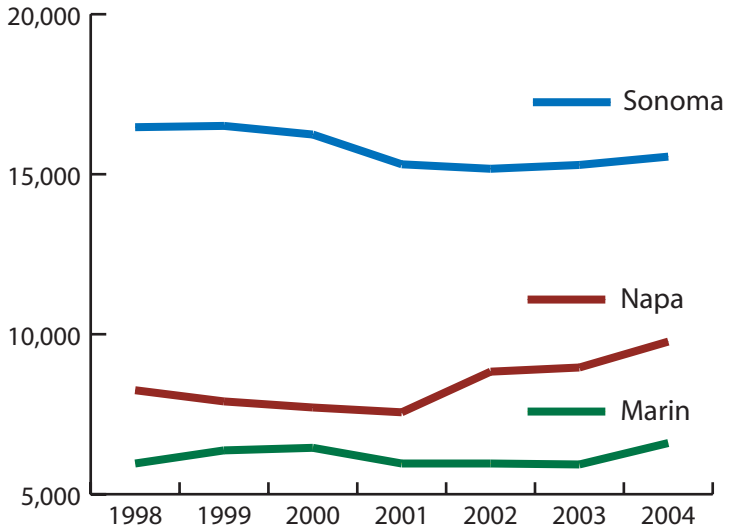
Source: California Travel Impacts by County, 1992-2004, 2005 Preliminary State Estimates, California Travel and Tourism Commission, March 2006; US Bureau of Labor Statistics

Annual Change in Destination Spending (Inflation Adjusted)



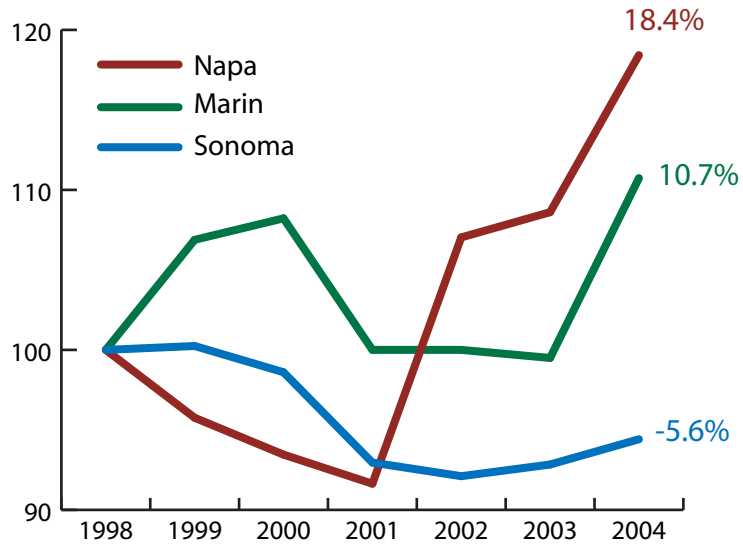
Source: California Travel Impacts by County, 1992-2004, 2005 Preliminary State Estimates, California Travel and Tourism Commission, March 2006; US Bureau of Labor Statistics

Comparative Employment in the North Bay



Source: California Travel Impacts by County, 1992-2004, 2005 Preliminary State Estimates, California Travel and Tourism Commission, March 2006; US Bureau of Labor Statistics

Change in Employment (1998 = 100)



Source: California Travel Impacts by County, 1992-2004, 2005 Preliminary State Estimates, California Travel and Tourism Commission, March 2006; US Bureau of Labor Statistics

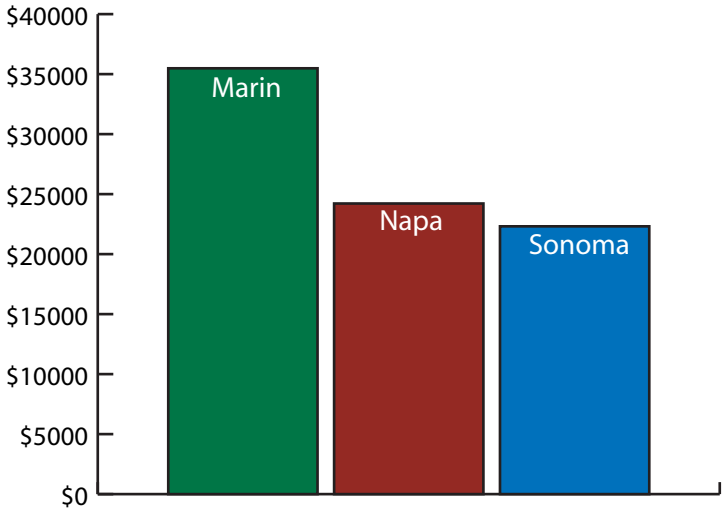
Employment and Earnings in the North Bay

As a result of its higher destination spending, employment levels in Sonoma County's tourism industry are greater than in Napa or Marin County. Recently, however, Napa and Marin have experienced large increases in tourism employment while Sonoma County's tourism workforce has declined.

As a result, Sonoma County's per-employee earnings from travel spending have increased substantially. In the period between 1998 and 2004, Sonoma County's per-employee earnings increased 13.3% (after adjusting for inflation). In the same period, Marin saw an increase of 5.5%, and Napa saw a decline of 2.1%.

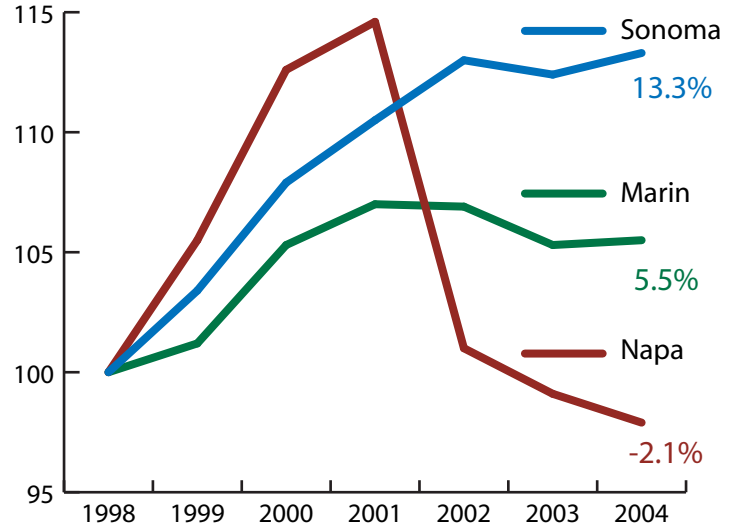
This growth has helped Sonoma County reduce its historical gap in per-employee earnings. In 1998, Sonoma County's earnings per employee were less than 80% of Napa County's, and less than 59% of Marin's. In 2005, Sonoma County's earnings per employee were more than 92% of Napa County's, and nearly 63% of Marin's.

Earnings per Employee, 2004



Source: California Travel Impacts by County, 1992-2004, 2005 Preliminary State Estimates, California Travel and Tourism Commission, March 2006; 2000 US Census

Change in Per-Employee Earnings (1998 = 100)

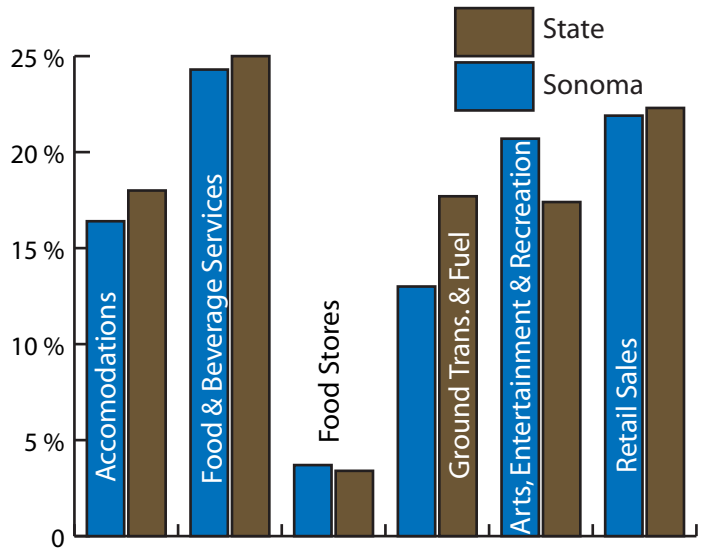


Source: California Travel Impacts by County, 1992-2004, 2005 Preliminary State Estimates, California Travel and Tourism Commission, March 2006; US Bureau of Labor Statistics

Types and Sources of Destination Spending

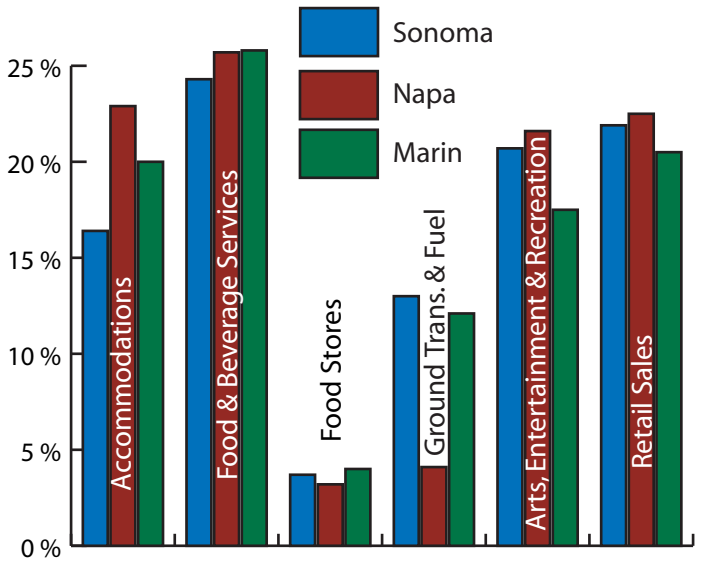
The distribution of products and services on which visitors choose to spend tends to be similar across different regions in California, but there are several areas in which Sonoma County appears to be somewhat unique when compared to the State, Napa County or Marin County. Visitors to Sonoma County devote a significantly smaller share of their spending to accommodations - 16.4% of all spending, compared to 22.9% in Napa, 20% in Marin, and 18% in California as a whole. This would imply that a disproportionate share of visitors to Sonoma County are day visitors - even when compared to Marin. There is no clear area of spending in which Sonoma County is "overrepresented" - compared to California, Sonoma County visitors spend a larger share on Arts, Entertainment and Recreation. But, compared to the other North Bay counties, visitors to Sonoma County spend a disproportionate share on Ground Transportation and Motor Vehicle Fuel.

Visitor Spending by Commodity, 2004



Source: California Travel Impacts by County, 1992-2004, 2005 Preliminary State Estimates, California Travel and Tourism Commission, March 2006

Visitor Spending by Commodity, 2004

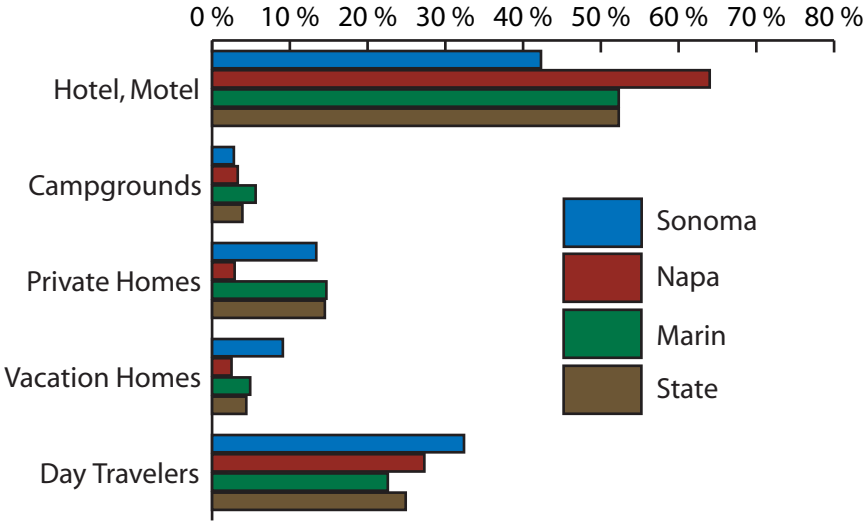


Source: California Travel Impacts by County, 1992-2004, 2005 Preliminary State Estimates, California Travel and Tourism Commission, March 2006

As noted above, Sonoma County appears to be a disproportionately "day visitor" location. Compared to both the entire State and the North Bay counties, a sharply smaller share of visitor spending in Sonoma County comes from visitors who are staying in a Hotel or Motel (42% compared to 52%, 52% and 64% for the State, Marin and Napa, respectively). Instead, a large share of Sonoma County visitor spending comes from day travelers - 32%, compared to 27% for Napa, 23% for Marin, and 25% for the entire State.

Although it represents a smaller share of spending, more than 9% of a Sonoma County visitor spending is from visitors staying in Vacation Homes, compared to 4.4%, 2.5%, and 4.9% for the State, Napa and Marin, respectively.

Visitor Spending by Type of Accommodation,



Source: California Travel Impacts by County, 1992-2004, 2005 Preliminary State Estimates, California Travel and Tourism Commission, March 2006