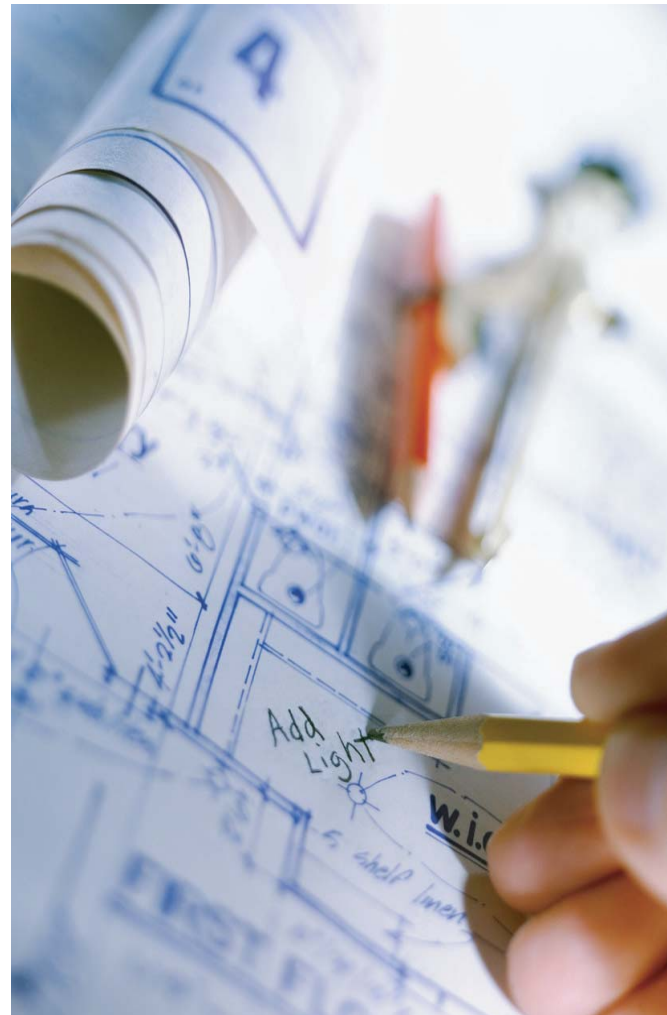
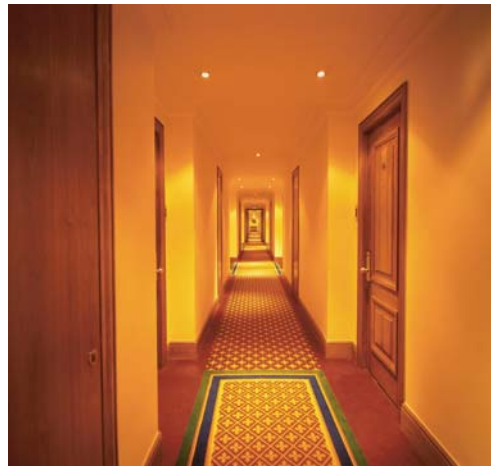




TRANSIENT OCCUPANCY TAX REPORT Q3 CY 2006



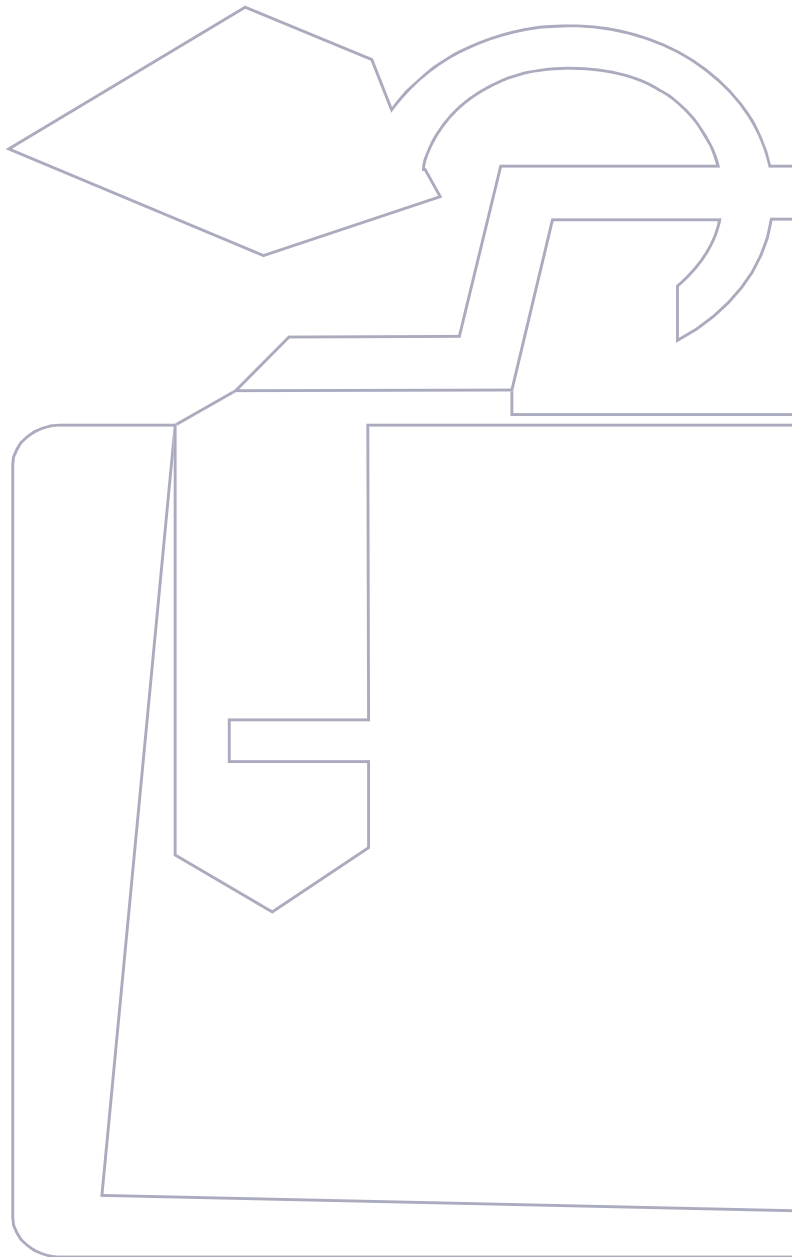


Sonoma County
Third Quarter Calendar Year 2006
Transient Occupancy Tax Report



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A Calendar Year runs from January through December. Each quarter contains three months of the year, beginning with January, February, and March for the first quarter. Please note that this report contains data updated through the third quarter (July, August, September) of 2006.

TRANSIENT OCCUPANCY TAX REPORT

2007

March 15, 2007

The Sonoma County Economic Development Board (EDB), in partnership with the Sonoma County Tourism Bureau (SCTB), is pleased to bring you the 2006 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 covers the county's TOT revenues, compared with Sonoma County's historical CY numbers, as well as the accommodation development for July, August, and September of 2006.

Highlights from the Third Quarter Transient Occupancy Tax Report include:

- TOT revenues for the third quarter 2006 are up by 11.45% from last year's third quarter.
- As a whole, TOT revenues have steadily grown over the past eight years reflecting the County's increasing popularity as a tourist destination and the rise of local hotels' average daily rate.
- The number of rooms in Sonoma County will increase 10.5% once current lodging property development projects have been completed.
- TOT Percentage Rate Per City
 - Cloverdale - 10%
 - Healdsburg - 12%
 - Petaluma - 10%
 - Rohnert Park - 12%
 - Santa Rosa - 9%
 - Sebastopol - 10%
 - Sonoma - 10%
 - Windsor - 8%
 - Unincorporated 9%

As always, if you have any questions, please feel free to contact us at (707) 565-7170.

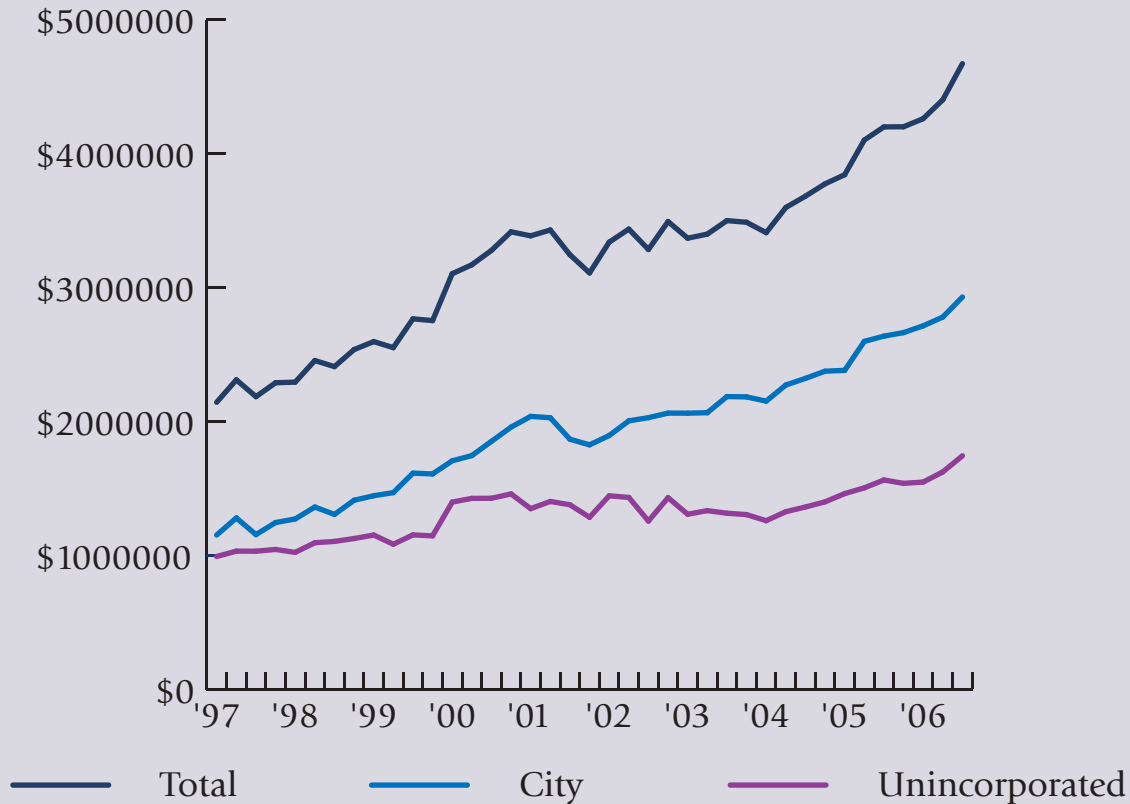
Sincerely,



Ben Stone
Executive Director

All information contained within this report was obtained from sources believed to be accurate, but the Sonoma County Tourism Bureau (SCTB) 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 SCTB or EDB or any of their employees, affiliates, or members.

Seasonally-Adjusted TOT Quarterly (CY) Revenues

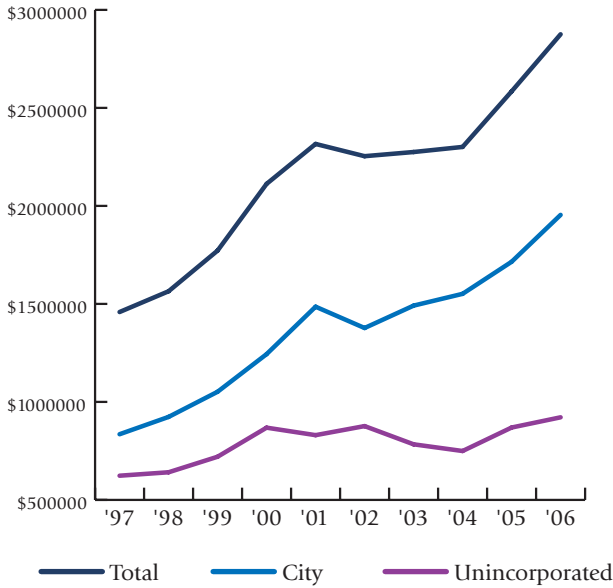


This section analyzes the quarterly TOT trends for the aggregated city and unincorporated areas and the county from first quarter CY 1997- third quarter CY 2006.

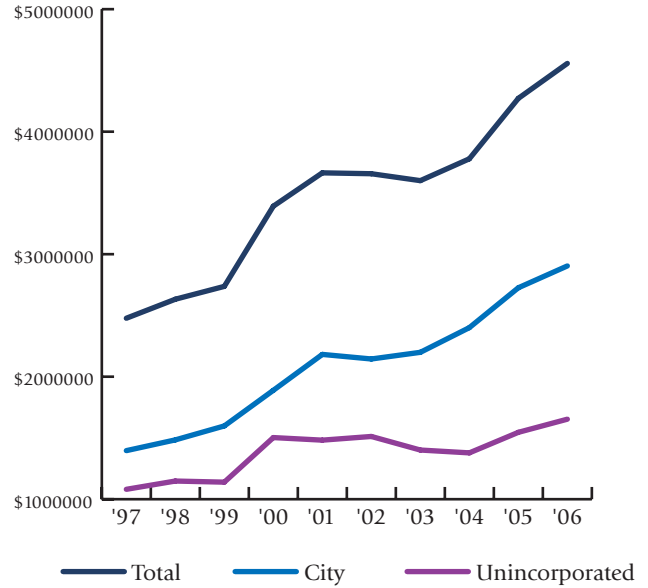
Summary of Findings:

- TOT revenues have grown steadily for the past eight years.
- This trend reflects Sonoma County's increasing popularity as a tourist destination and the steady increase in local lodging properties' average daily rate.
- The 2001-2002 dip in TOT revenues can be attributed to decreased tourism in response to a weakening economy and travel concerns following September 11th.

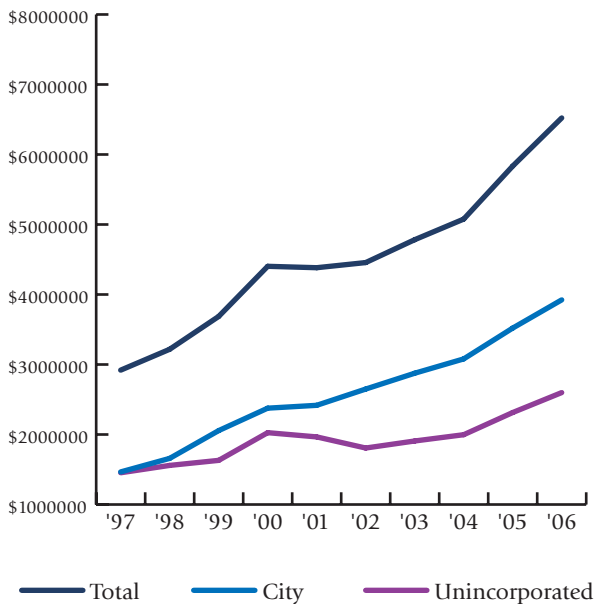
Q1 (CY) Transient Occupancy Tax 1997-2006
January, February, March



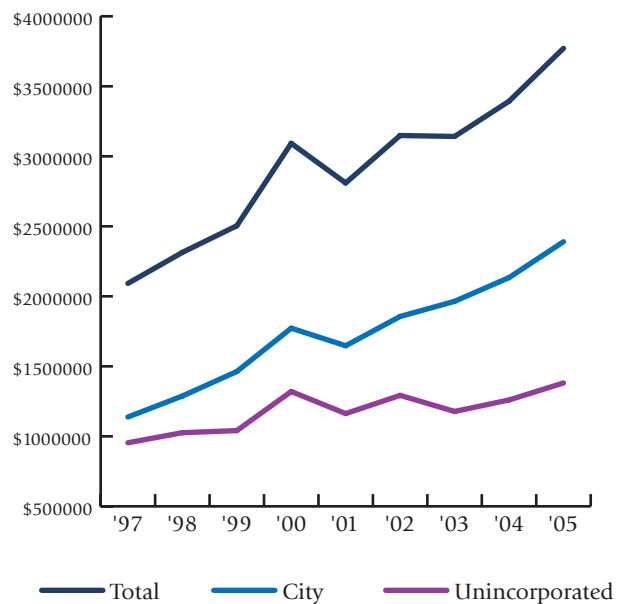
Q2 (CY) Transient Occupancy Tax 1997-2006
April, May, June



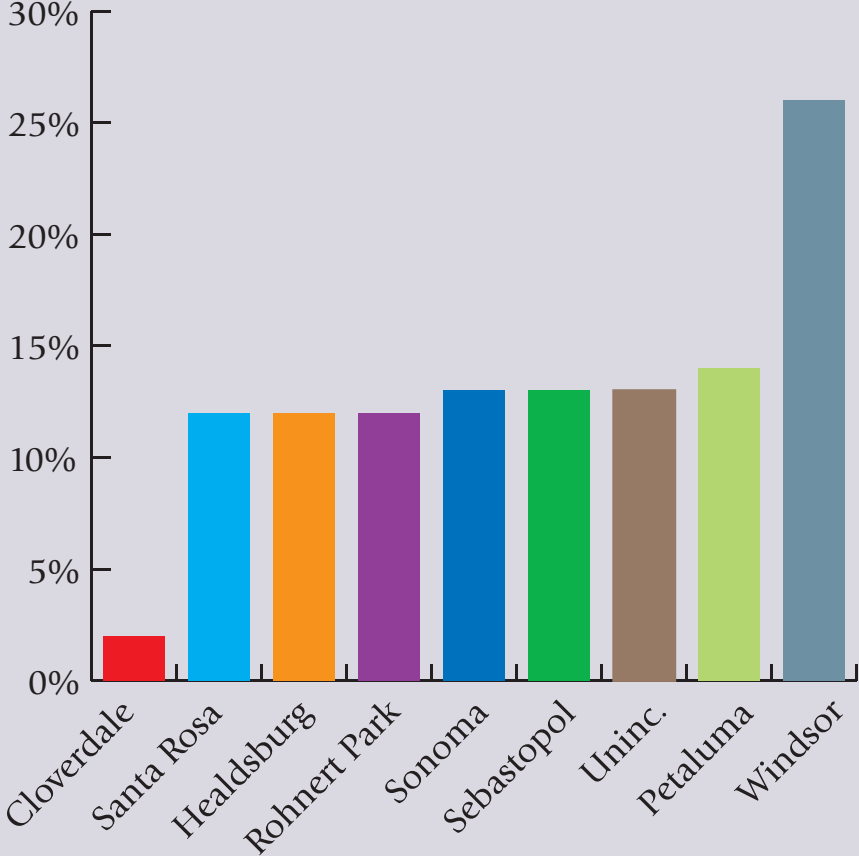
Q3 (CY) Transient Occupancy Tax 1997-2005
July, August, September



Q4 (CY) Transient Occupancy Tax 1997-2005
October, November, December



2004-2005 CY Percent Change in TOT Revenues



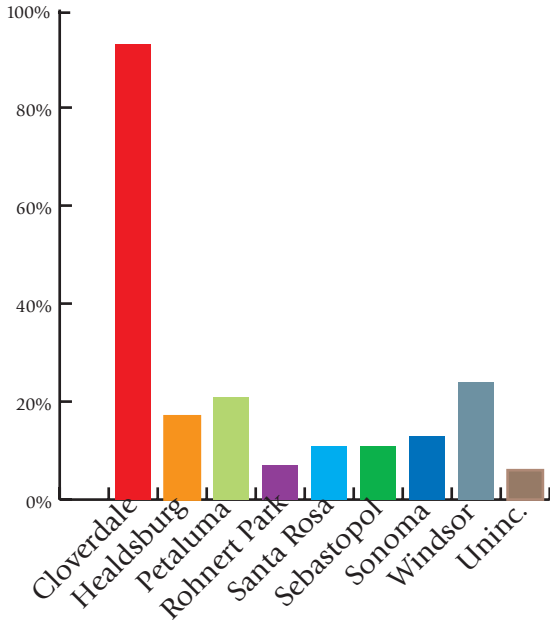
This section shows the annual percentage change in TOT revenues per quarter (CY) based on the most recent data.

Summary of Findings:

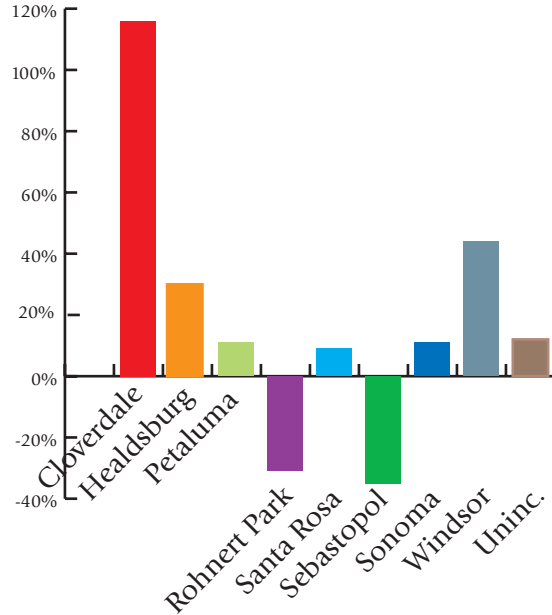
- From 2004 to 2005, with the exception of Cloverdale, all cities and the unincorporated areas posted a healthy double-digit percent increase in TOT receipts.
- Despite Cloverdale’s moderate percent change from 2004-2005, the most recent data shows a noteworthy 116% increase in TOT revenues over last year’s second quarter numbers (see page 6).
- Windsor experienced remarkable TOT growth on the heels of recent industry development such as the openings of a Trend West and a Holiday Inn. The rest of the cities clustered around the average.

TOTAL TOT TRENDS

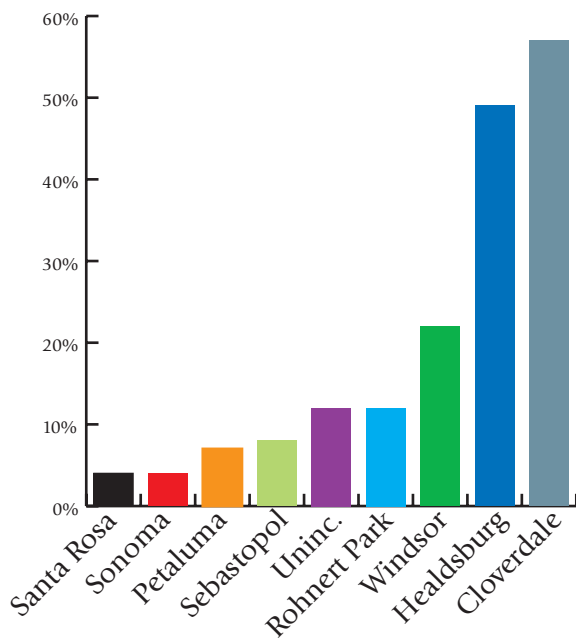
Q1 TOT % Annual Change CY 2005-2006
January, February, March



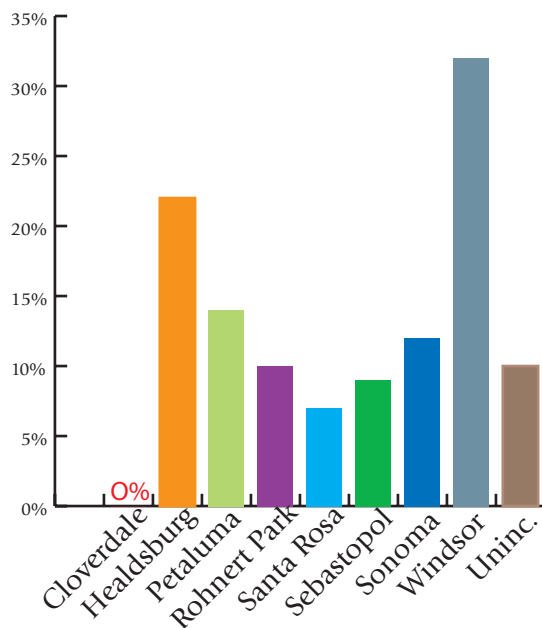
Q2 TOT % Annual Change CY 2005-2006
April, May, June



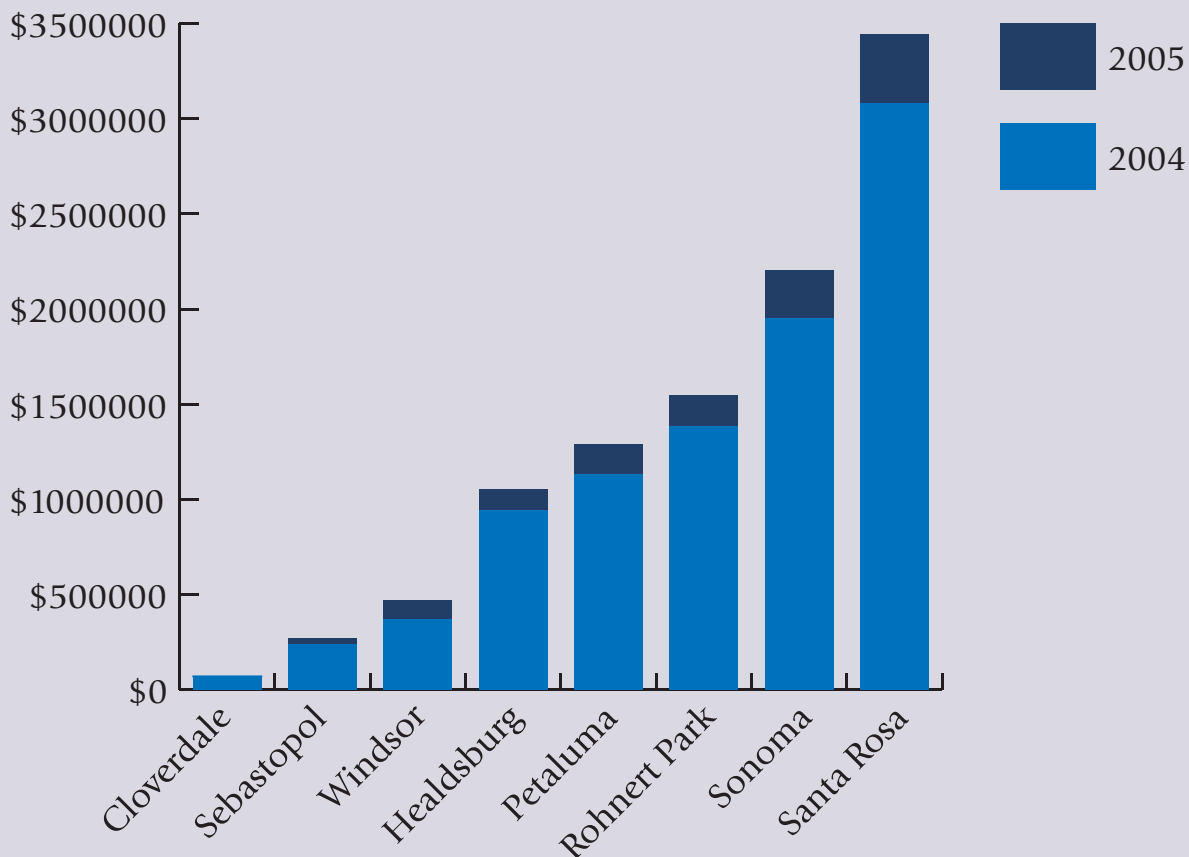
Q3 TOT % Annual Change CY 2004-2005
July, August, September



Q4 TOT % Annual Change CY 2004-2005
October, November, December



CY 2004-2005 Total City TOT Receipts

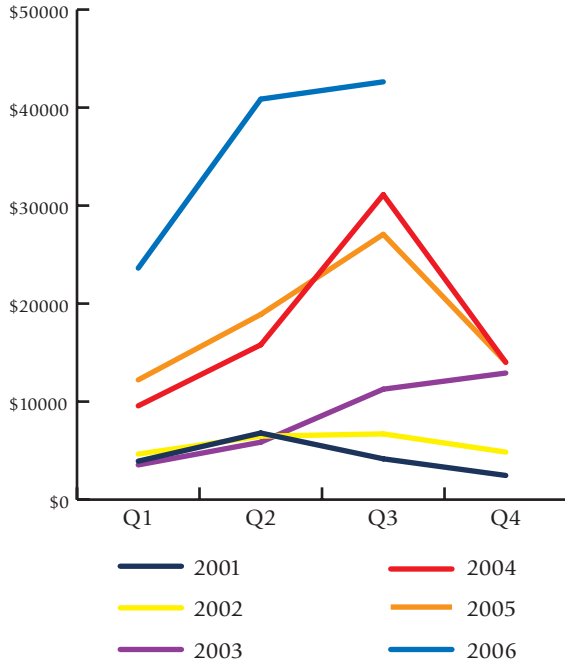


This section analyzes the year-over-year TOT revenue trends for each city and the unincorporated areas from first quarter CY 2001- third quarter CY 2006.

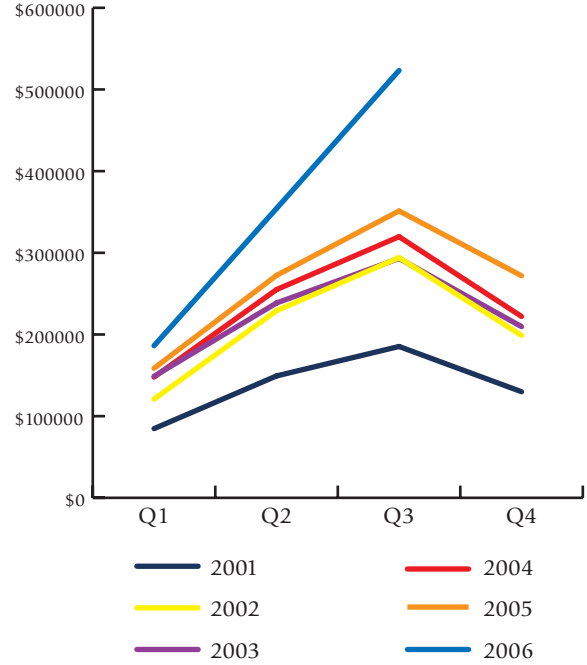
Summary of Findings:

- In 2005 Healdsburg, Petaluma, Sonoma, Windsor, and the unincorporated areas all had year-on-year TOT revenue growth for all four quarters.
- Rohnert Park, Santa Rosa, and Sebastopol all had record years as well; however, first and second quarter numbers were comparable to 2001 figures.
- The third quarter (July, August, September)—peak visitor season—provides a disproportionate share of Sonoma’s TOT revenues.

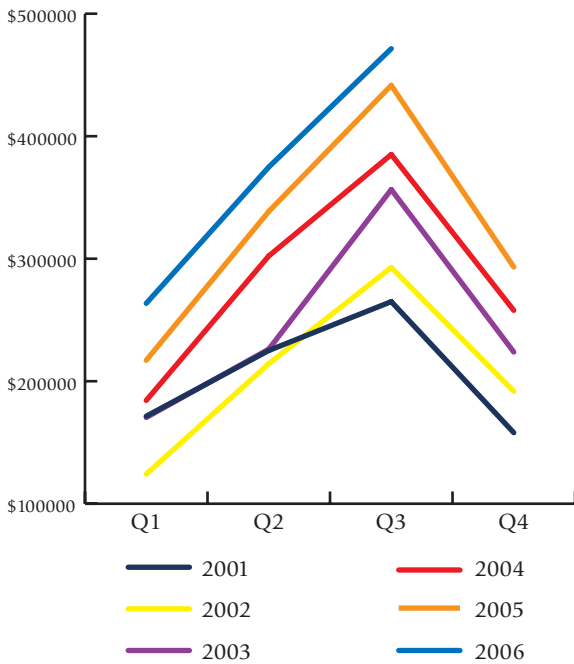
Cloverdale TOT CY 2001-2006



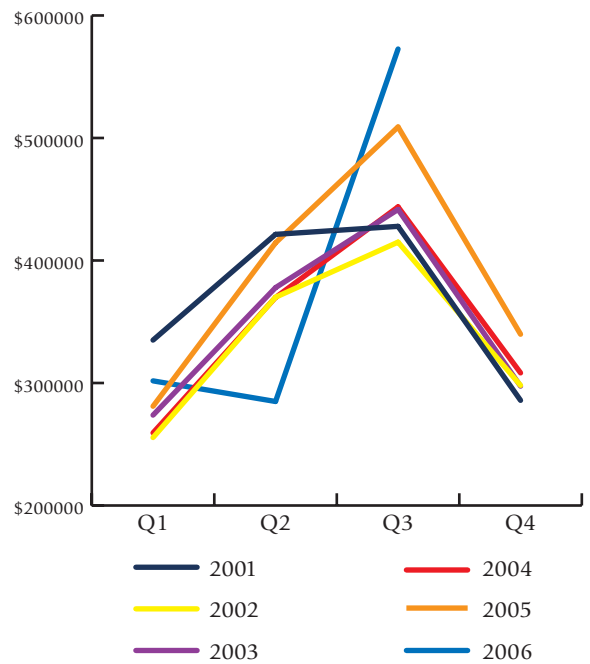
Healdsburg TOT CY 2001-2006



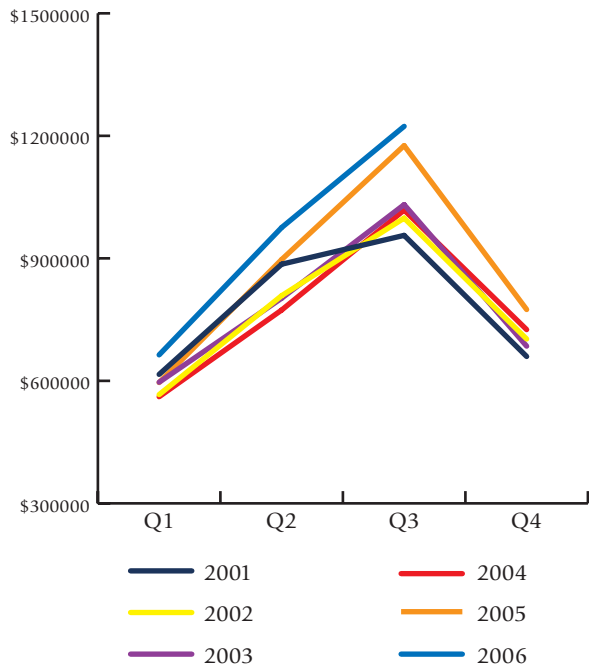
Petaluma TOT CY 2001-2006



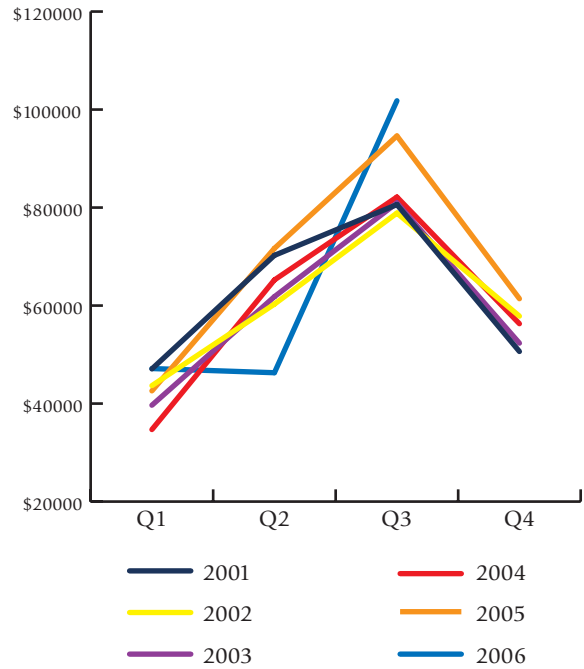
Rohnert Park TOT CY 2001-2006



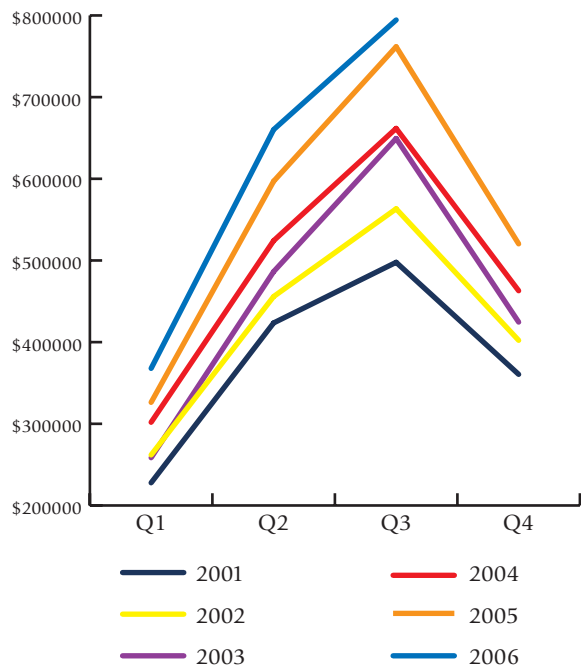
Santa Rosa TOT CY 2001-2006



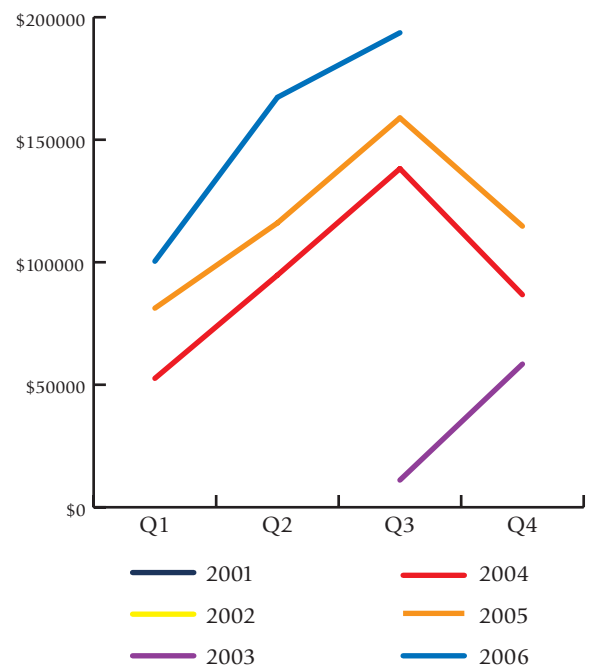
Sebastopol TOT CY 2001-2006



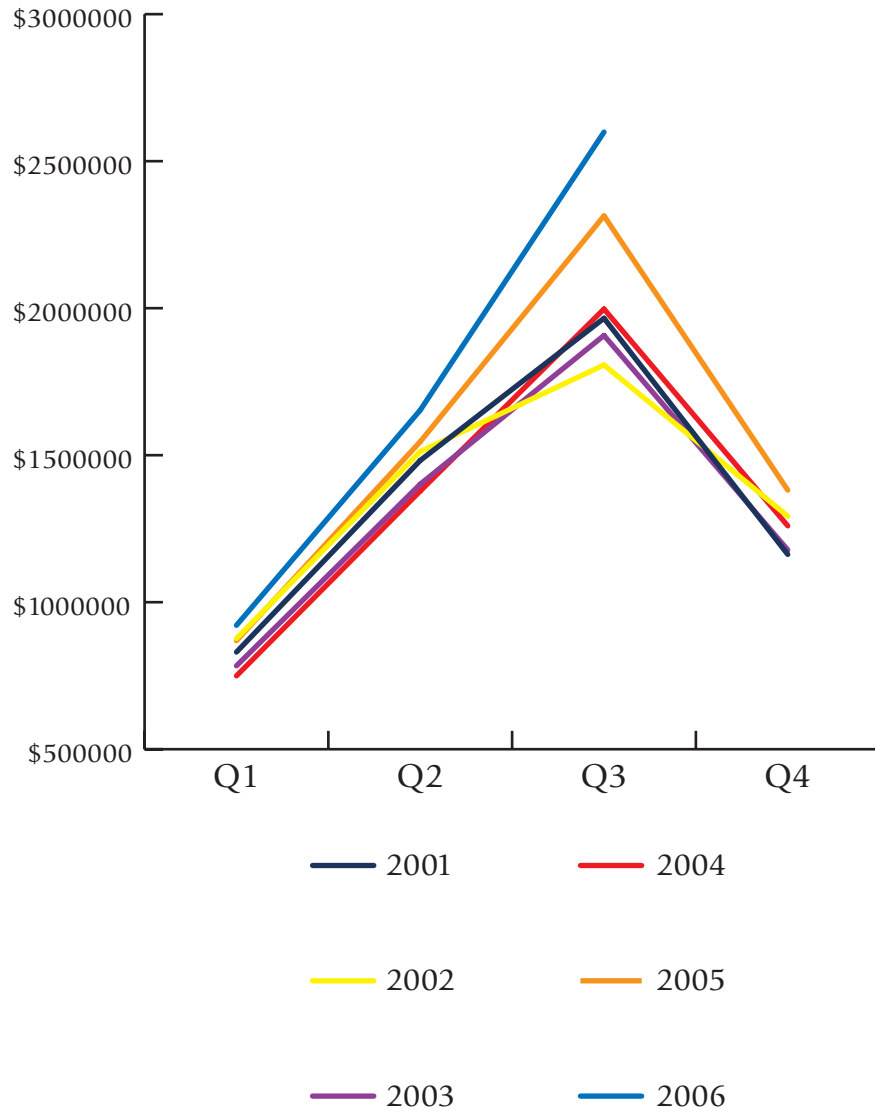
Sonoma TOT CY 2001-2006



Windsor TOT CY 2001-2006



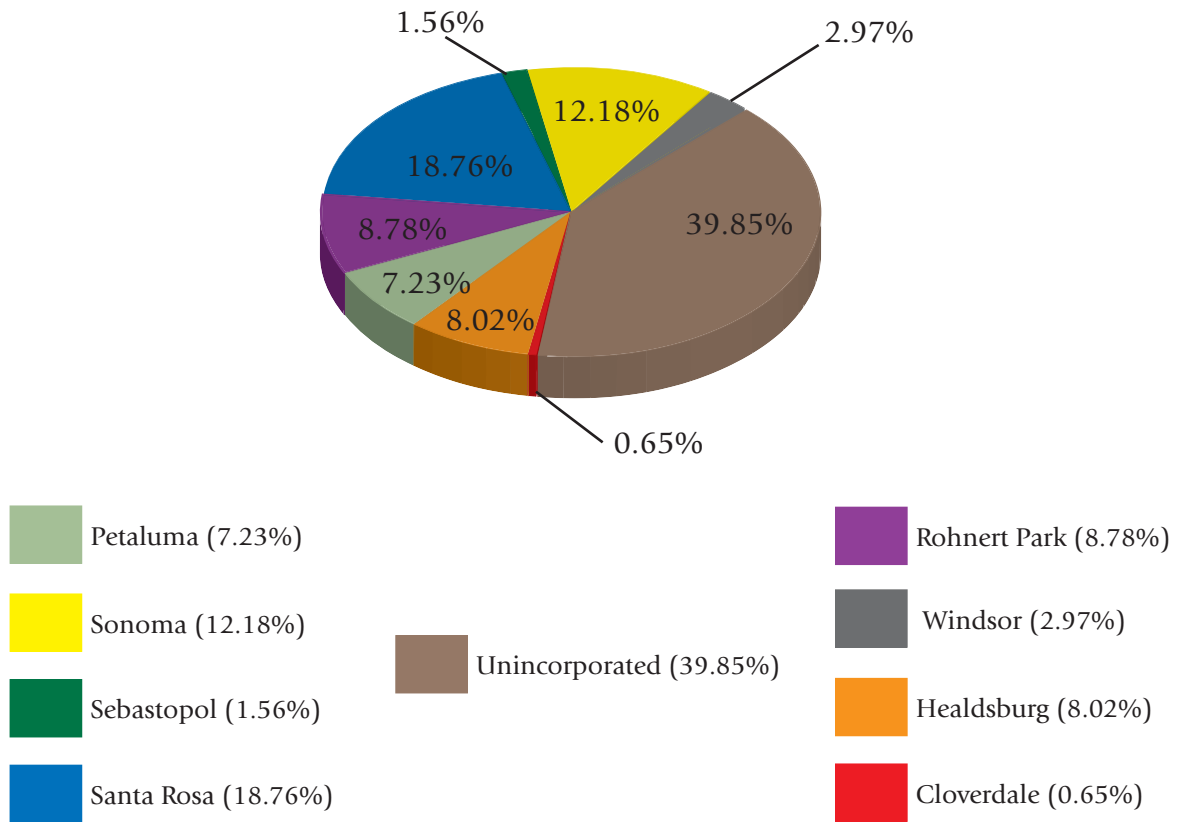
Unincorporated TOT CY 2001-2006



2000	Unincorp.	Cloverdale	Healdsburg	Petaluma	Rohnert Park	Santa Rosa	Sebastopol	Sonoma	Windsor	CITIES*
1st QTR.	\$868,615	\$5,766	\$78,173	\$145,158	\$282,636	\$567,412	\$21,091	\$143,491		\$1,243,727
2nd QTR.	\$1,503,030	\$9,496	\$134,996	\$217,182	\$412,929	\$847,800	\$20,528	\$245,851		\$1,888,782
3rd QTR.	\$2,026,305	\$11,964	\$180,313	\$279,723	\$478,494	\$1,069,218	\$50,636	\$305,993		\$2,376,341
4th QTR.	\$1,320,232	\$6,367	\$127,815	\$192,097	\$347,674	\$804,511	\$36,315	\$257,658		\$1,772,437
TOTAL	\$5,718,182	\$33,593	\$521,297	\$834,160	\$1,521,733	\$3,288,941	\$128,570	\$952,993		\$7,281,287
2001										
1st QTR.	\$830,387	\$3,923	\$84,690	\$171,443	\$335,002	\$615,790	\$47,072	\$227,783		\$1,485,703
2nd QTR.	\$1,482,052	\$6,794	\$149,261	\$225,079	\$421,336	\$885,658	\$70,245	\$423,518		\$2,181,891
3rd QTR.	\$1,965,773	\$4,163	\$185,320	\$264,974	\$427,873	\$956,274	\$80,608	\$497,730		\$2,416,943
4th QTR.	\$1,162,543	\$2,465	\$129,919	\$157,994	\$285,831	\$659,686	\$50,627	\$360,555		\$1,647,077
TOTAL	\$5,440,755	\$17,345	\$549,190	\$819,490	\$1,470,043	\$3,117,408	\$248,552	\$1,509,586		\$7,731,614
2002										
1st QTR.	\$876,604	\$4,647	\$120,854	\$124,139	\$255,471	\$566,310	\$43,662	\$261,901		\$1,376,984
2nd QTR.	\$1,512,144	\$6,473	\$229,150	\$214,252	\$369,999	\$808,609	\$60,289	\$455,826		\$2,144,598
3rd QTR.	\$1,806,872	\$6,705	\$294,075	\$292,841	\$414,977	\$998,490	\$78,875	\$563,244		\$2,649,207
4th QTR.	\$1,292,620	\$4,848	\$198,838	\$191,746	\$298,061	\$702,509	\$57,844	\$402,211		\$1,856,057
TOTAL	\$5,488,240	\$22,673	\$842,917	\$822,978	\$1,338,508	\$3,075,918	\$240,670	\$1,683,182		\$8,026,846
2003										
1st QTR.	\$783,641	\$3,540	\$148,779	\$170,386	\$273,768	\$596,595	\$39,661	\$258,486	\$0	\$1,491,215
2nd QTR.	\$1,401,336	\$5,859	\$238,570	\$226,153	\$377,849	\$802,335	\$61,812	\$486,359	\$0	\$2,198,937
3rd QTR.	\$1,907,369	\$11,267	\$293,125	\$356,461	\$441,626	\$1,031,549	\$80,949	\$649,345	\$11,080	\$2,875,402
4th QTR.	\$1,177,718	\$12,914	\$209,635	\$223,835	\$297,424	\$684,985	\$52,333	\$424,556	\$58,443	\$1,964,125
TOTAL	\$5,270,064	\$33,580	\$890,109	\$976,835	\$1,390,667	\$3,115,464	\$234,755	\$1,818,746	\$69,523	\$8,529,679
2004										
1st QTR.	\$749,484	\$9,565	\$147,825	\$184,349	\$259,316	\$561,113	\$34,695	\$301,862	\$52,601	\$1,551,326
2nd QTR.	\$1,378,183	\$15,794	\$254,971	\$302,240	\$369,808	\$773,369	\$65,229	\$524,221	\$94,717	\$2,400,349
3rd QTR.	\$1,997,243	\$31,115	\$319,719	\$385,054	\$443,765	\$1,018,159	\$82,145	\$661,698	\$138,193	\$3,079,848
4th QTR.	\$1,259,689	\$14,008	\$222,061	\$257,841	\$308,238	\$725,482	\$56,297	\$462,922	\$86,749	\$2,133,598
TOTAL	\$5,384,599	\$70,482	\$944,576	\$1,129,484	\$1,381,127	\$3,078,123	\$238,366	\$1,950,703	\$372,260	\$9,165,121
2005										
1st QTR.	\$869,241	\$12,215	\$158,586	\$217,084	\$281,005	\$595,852	\$42,590	\$326,257	\$81,247	\$1,714,836
2nd QTR.	\$1,545,919	\$18,895	\$272,366	\$338,560	\$414,424	\$896,985	\$71,670	\$597,005	\$116,027	\$2,725,932
3rd QTR.	\$2,314,004	\$27,067	\$351,296	\$441,484	\$509,020	\$1,176,149	\$94,621	\$761,739	\$158,914	\$3,520,290
4th QTR.	\$1,381,122	\$14,011	\$271,894	\$293,231	\$339,786	\$774,645	\$61,397	\$520,338	\$114,714	\$2,390,016
TOTAL	\$6,110,286	\$72,188	\$1,054,142	\$1,290,359	\$1,544,235	\$3,443,631	\$270,278	\$2,205,339	\$470,902	\$10,351,074
2006										
1st QTR.	\$921,423	\$23,621	\$186,231	\$263,544	\$301,735	\$663,594	\$47,149	\$367,837	\$100,399	\$1,954,110
2nd QTR.	\$1,653,174	\$40,864	\$354,289	\$374,805	\$284,901	\$975,400	\$46,294	\$660,234	\$167,288	\$2,904,075
3rd QTR.	\$2,598,938	\$42,629	\$523,310	\$471,452	\$572,625	\$1,223,277	\$101,798	\$794,471	\$193,676	\$3,923,239
4th QTR.										
YTD TOTAL	\$5,173,535	\$107,114	\$1,063,830	\$1,109,801	\$1,159,261	\$2,862,271	\$195,241	\$1,822,542	\$461,363	\$8,781,423

TOT PERCENTAGE BREAKDOWN

Q3 CY 2006 TOT Breakdown by Area
July, August, September



This section provides information on current expansions and new lodging developments occurring in Sonoma County. All data contained within this section is sourced from city planners from each jurisdiction, and from the Permit and Resource Management Department.

Summary of Findings:

- Current development projects will increase the total number of rooms by 10.5% once completed.
- These projects will add 978 rooms to Sonoma County's current total of 9,387.
- Approximately half of the new rooms will be completed by the end of 2007.



Sonoma County Accommodations Development Report

Development Type	Project Name	Lodging Classifications	Address/Location	Rooms Proposed	Completion Year (Est.)
City of Healdsburg					
New	Saggio Hills	Luxury/Resort	258.6 Acres in N. Healdsburg	130	2009
Expansion	Dry Creek Inn	Full Service	198 Dry Creek Rd.	50	2007
Expansion	Fairview Motel	Limited Service	74 Healdsburg Ave.	38	2007
New	Hotel Healdsburg 2	Limited Service	219 Healdsburg Ave.	38	2008
City of Rohnert Park					
New	Hampton Inn & Suites	Limited Service	6258 Redwood Drive	102	2007
City of Santa Rosa					
Expansion	Extended Stay	Limited Service	3586 Mendocino Ave.	22	2006
City of Sonoma					
New	Weiler B&B	B&B	168 E. Napa St	6	2007
Town of Windsor					
New	Hampton Inn & Suites	Limited Service	9150 Brooks Road South	108	N/A
				New Room Totals:	494

The Cities of Cotati, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, and Windsor did not report any new development or expansion for the third quarter (July, August, September) calendar year 2006.

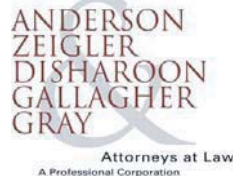
The above lodging properties are in various stages of their completion. This report is meant to merely provide a 'snapshot' of their current status during the time this report was produced. The EDB and SCTB will continue to update this information, quarterly, based on information from each jurisdiction.

Unincorporated Sonoma County Accommodations Development Report

Development Type/ Project Name	Lodging Classifications	Address/Location	Proposed	Year (Est.)
New				
Sonoma Country Inn (Graywood Ranch)	Luxury/Resort	7945 Highway 12, Kenwood	50	2007-08
Jack London Village (Wolf House Inn)	Full Service/B&B	14211 Arnold Drive, Glen Ellen	46	N/A
Airport Hilton Garden Hotel	Full Service	417 Aviation Blvd.	92	2006-07
B&B on Lakeville Highway	B&B	5701 Lakeville Hwy, Petaluma	5	N/A
Vigne B&B	B&B	20775 Geyserville Ave GEY	20	2006-2007
Schomp B&B	B&B	501 Sandretto Drive	3	N/A
Laguna Rd B&B	B&B	2000 Laguna Rd	4	N/A
Mazza Motel	N/A	14701 Canyon 7 Rd, Rio Nido	6	N/A
Castelli B&B	B&B	20645 Hyde Rd, Sonoma	5	N/A
Powell B&B	B&B	17061 Highway 116, Guerneville	3	2006-2007
Pearl B&B	B&B	4097 Hessel Rd HES	3	2006-2007
Expansion				
Sea Ranch Lodge	Luxury/Resort	60 Sea Walk Drive, Sea Ranch	92	N/A
Vintner's Inn	Luxury/Resort	4300 Barnes Rd., Santa Rosa	36	2005-2006
Bodega Harbor Inn	Limited Service	1345 Bodega Ave., Bodega Bay	6	2006-07
Bodega Coast Inn	Limited Service	521 Highway 1, Bodega Bay	12	2006-07
Creekside Inn	Limited Service/ B&B	16180 Neeley Rd., Guerneville	16	2005-06
Chanslor Ranch	Limited Service	2660 Highway 1, Bodega Bay	24	N/A
Highland Inn	B&B	14000 Woodland Drive, Guerneville	6	2005-06
Wildease LLC (RV spaces)	Campground	16140 Neely Rd., Guerneville	11	N/A
Applewood Inn	B&B	13555 Hwy 116	3	2006-07
Ocean Song (Campsites)	Campground	19999 Coleman Valley Rd, Bbay	30	2006
Farmhouse Inn	Limited Service/ B&B	7871 River Road, FOR	9	2006-07
Geyserville Inn	Limited Service	21712 Geyserville Ave., GEY	2	2005-06
New Room Totals:			484	

The above lodging properties are in various stages of their completion. This report is meant to merely provide a 'snapshot' of their current status during the time this report was produced. The EDB and SCTB will continue to update this information, quarterly, based on information from the Permit & Resource Management Department.

WITH ACKNOWLEDGMENT AND APPRECIATION TO THE LOCAL KEY BUSINESSES SUPPORTING ECONOMIC RESEARCH AND DEVELOPMENT:



- Sonoma County Permit & Resources Management
- Community Development Commission
- Sonoma County Health Services
- Sonoma County Transportation & Public Works

