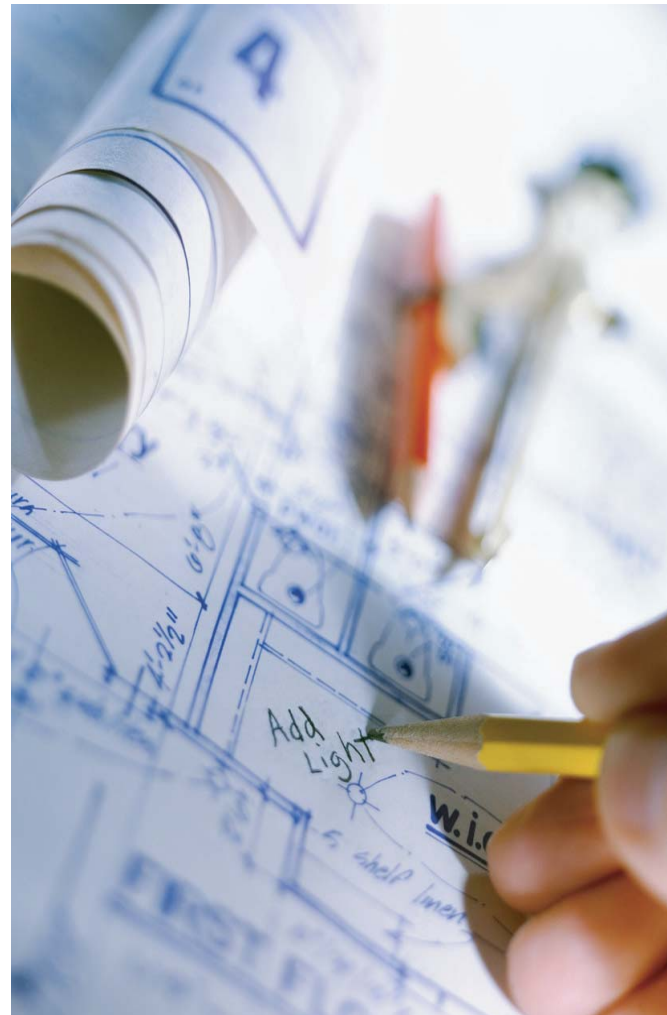
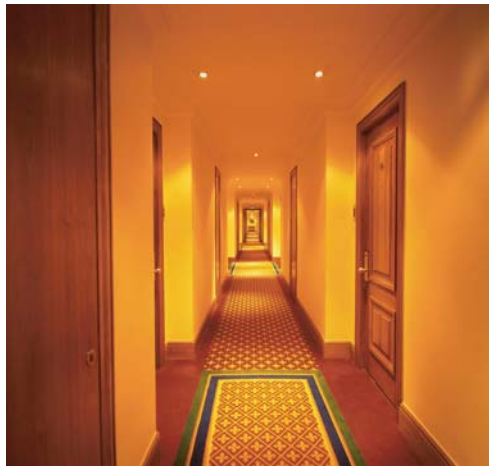




TRANSIENT OCCUPANCY TAX REPORT Q4 CY 2006



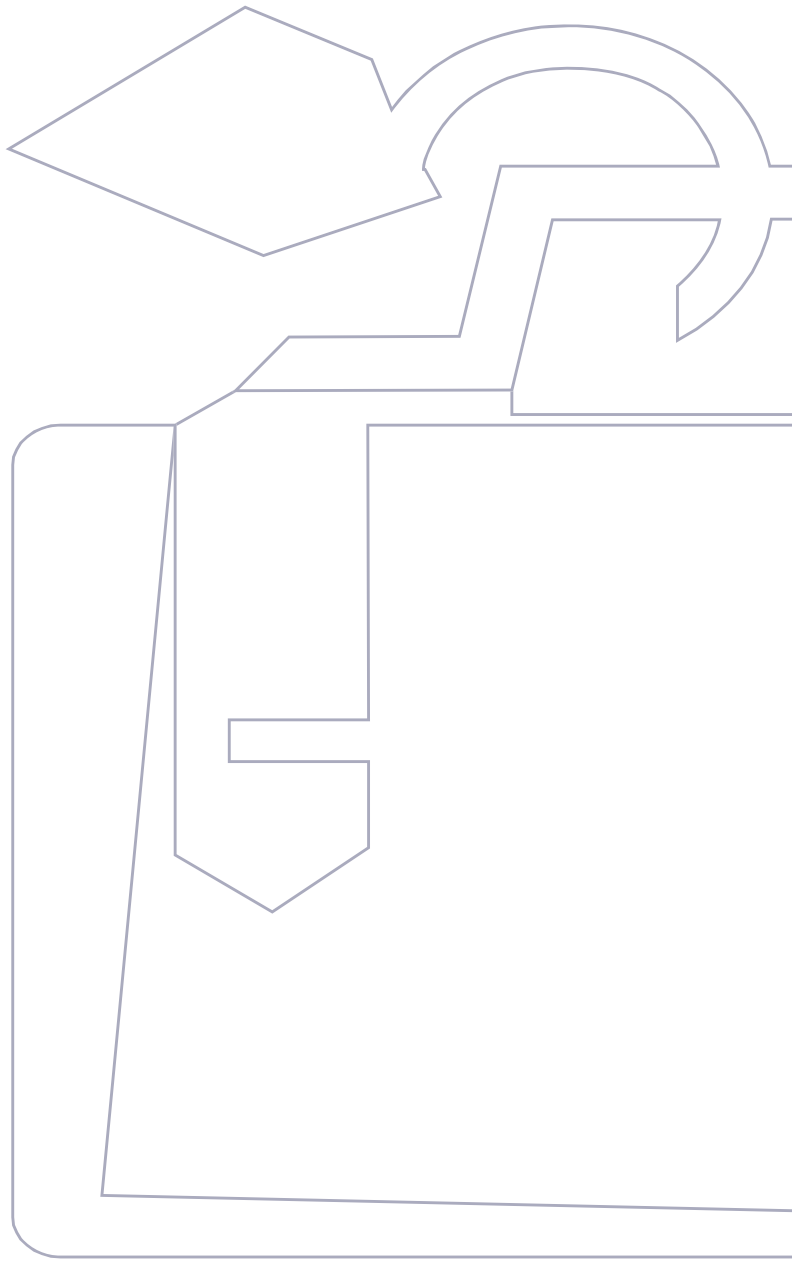


Sonoma County
Fourth Quarter Calendar Year 2006
Transient Occupancy Tax Report



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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 fourth quarter (October, November, December) of 2006.

TRANSIENT OCCUPANCY TAX REPORT

2007

June 2007

The Sonoma County Economic Development Board (EDB), in partnership with the Sonoma County Tourism Bureau (SCTB), is pleased to bring you the 2006 fourth 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 October, November, and December of 2006.

Highlights from the Fourth Quarter Transient Occupancy Tax Report include:

- TOT revenues for the fourth quarter 2006 are up by 31.42% 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 are projected to increase 10.7% 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.

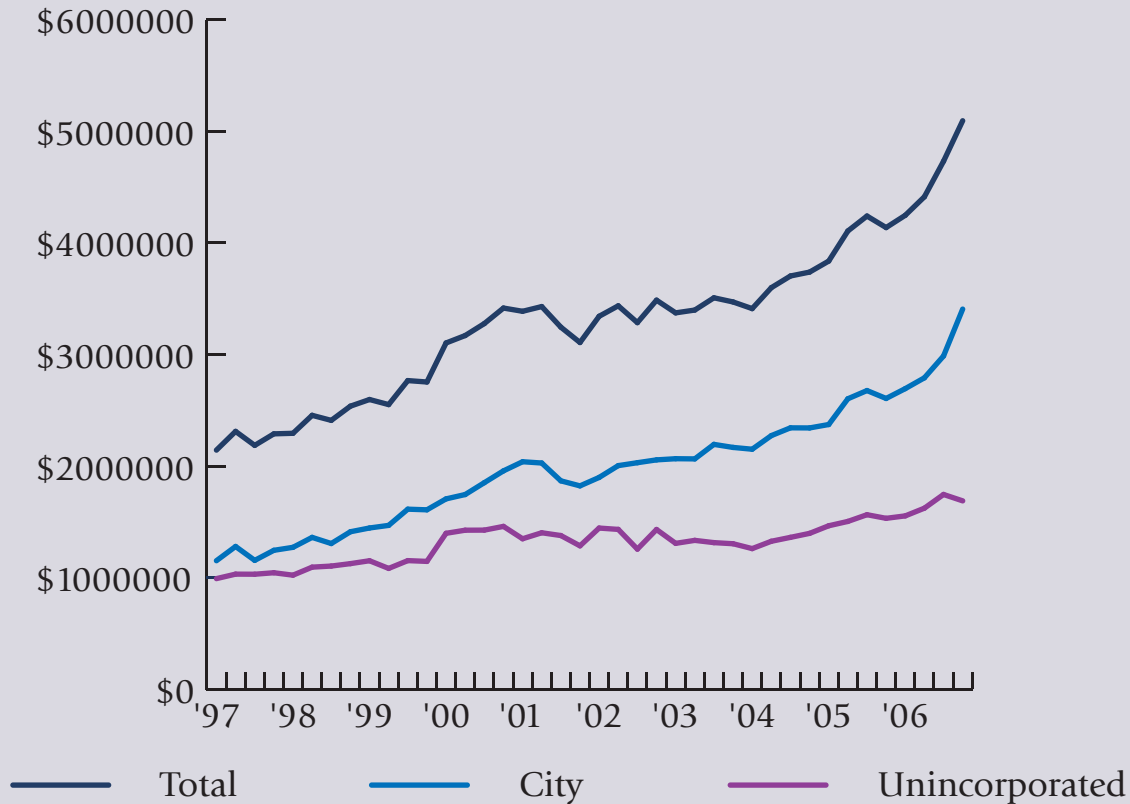
Sincerely,



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

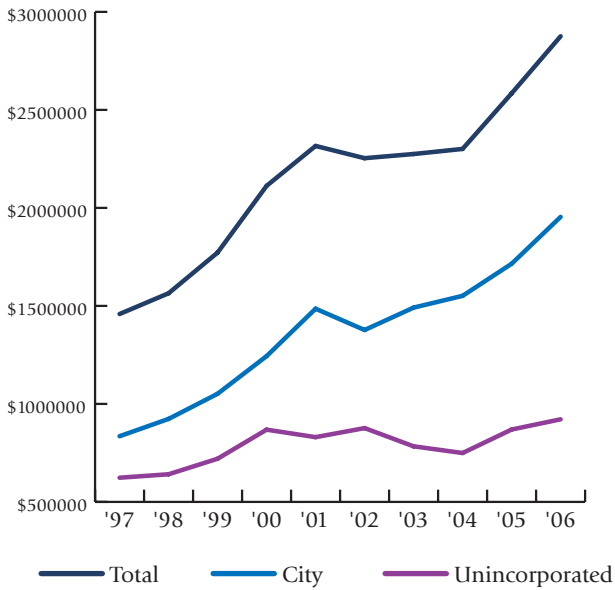


This section analyzes the quarterly TOT trends for the aggregated city and unincorporated areas and the county from first quarter CY 1997- fourth quarter CY 2006.

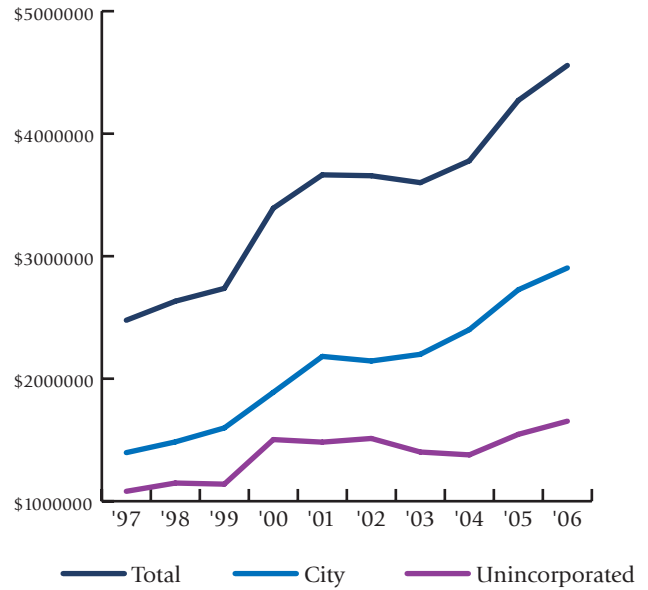
Summary of Findings:

- TOT revenues have grown steadily for the past eight years, with a slight dip in the unincorporated areas in 2006 after a record high.
- 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.

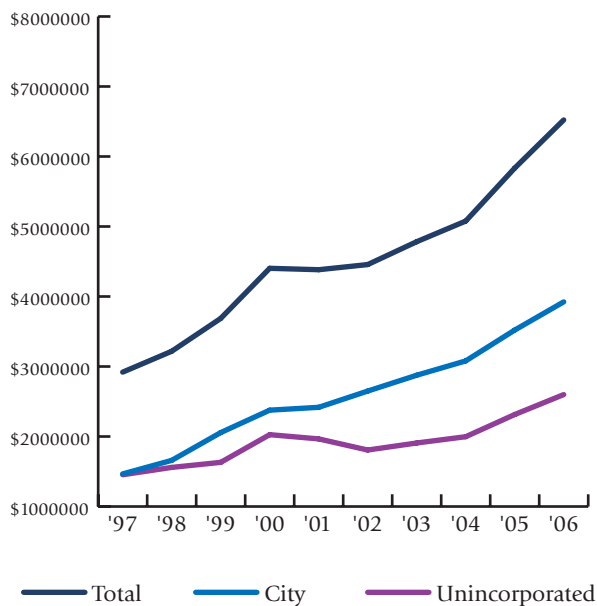
Q1 (CY) Transient Occupancy Tax 1997-2006
January, February, March



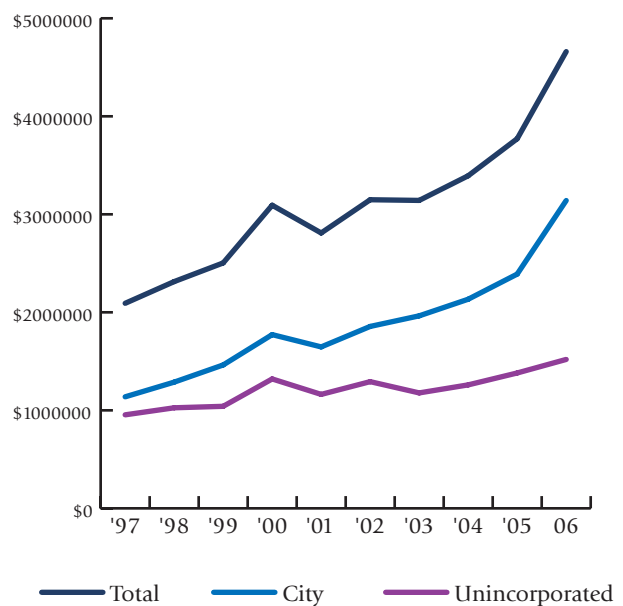
Q2 (CY) Transient Occupancy Tax 1997-2006
April, May, June



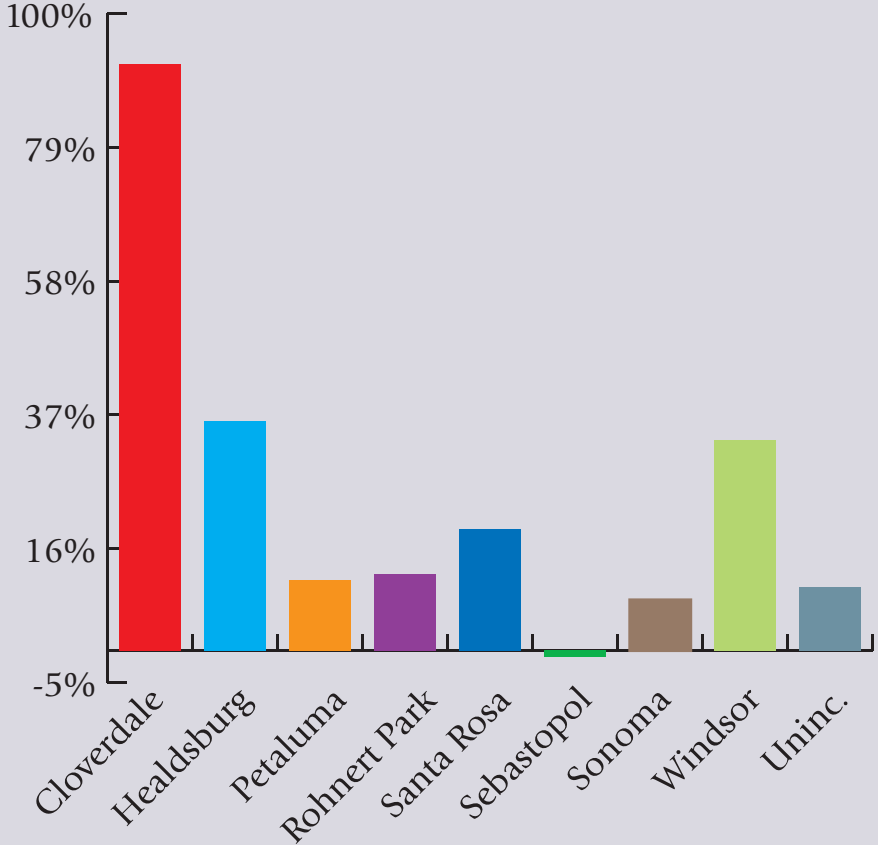
Q3 (CY) Transient Occupancy Tax 1997-2006
July, August, September



Q4 (CY) Transient Occupancy Tax 1997-2006
October, November, December



2005-2006 CY Percent Change in TOT Revenues



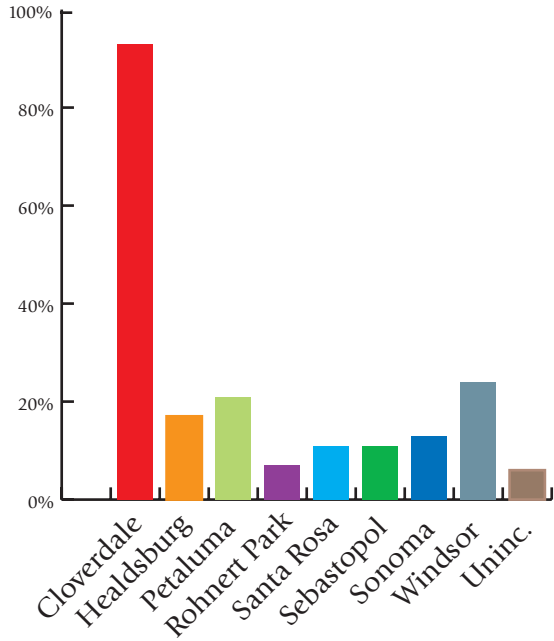
This section shows the annual percentage change in TOT revenues per quarter (CY) based on the most recent data.

Summary of Findings:

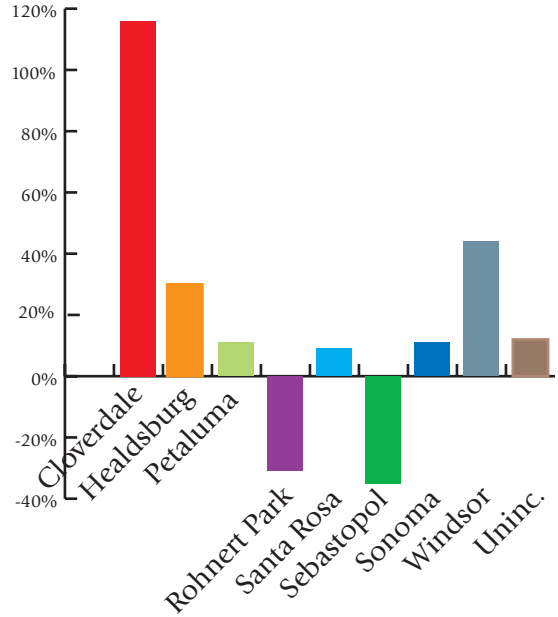
- From 2005 to 2006, with the exception of Sonoma and Sebastopol, all cities and the unincorporated areas posted a healthy double-digit percent increase in TOT receipts.
- Despite Cloverdale’s moderate percent change from 2004-2005, the most recent data shows a noteworthy 92% increase in annual TOT revenues from 2005 - 2006.
- 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

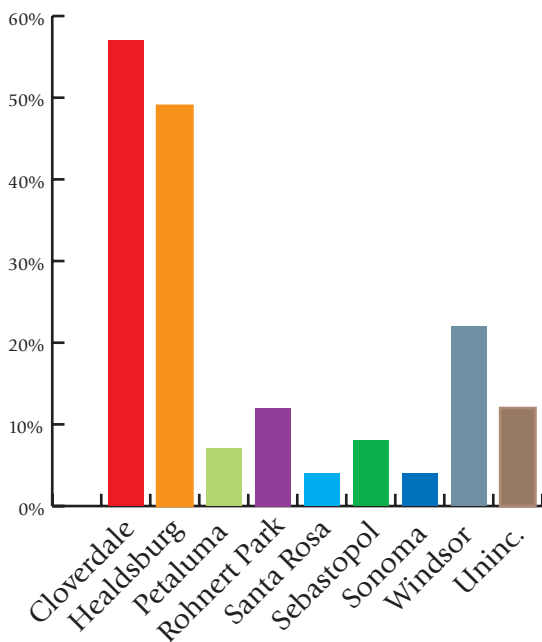
Q1 TOT % Annual Change CY 2005-2006
January, February, March



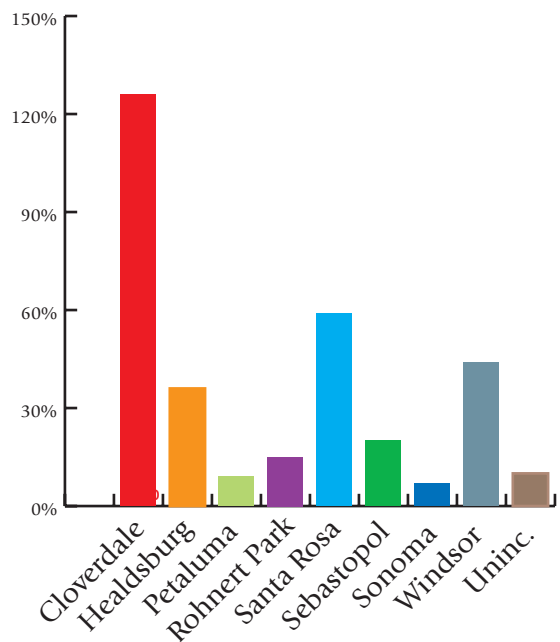
Q2 TOT % Annual Change CY 2005-2006
April, May, June



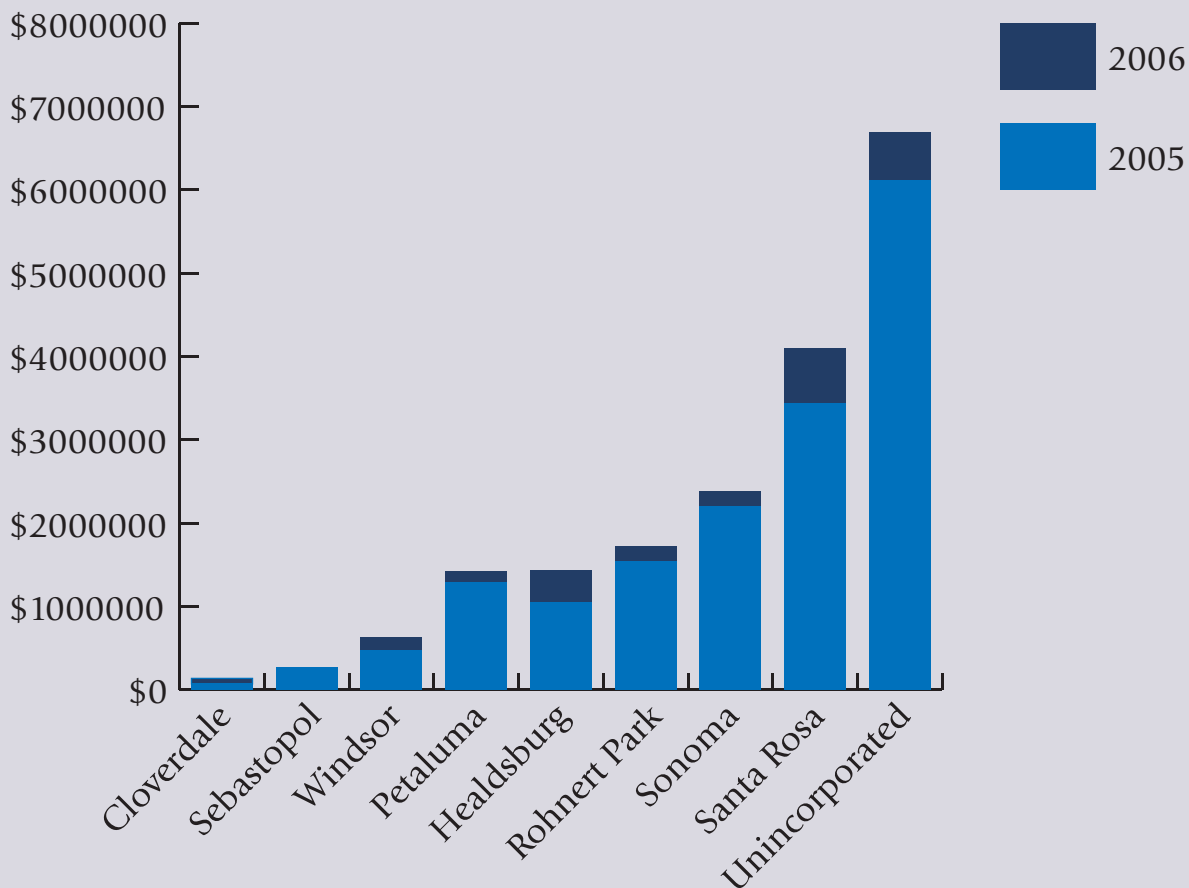
Q3 TOT % Annual Change CY 2005-2006
July, August, September



Q4 TOT % Annual Change CY 2005-2006
October, November, December



CY 2005-2006 Total City TOT Receipts

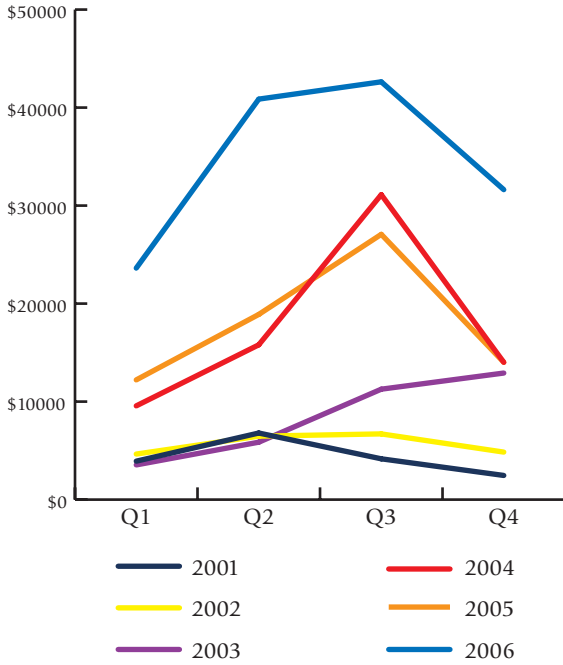


This section analyzes the year-over-year TOT revenue trends for each city and the unincorporated areas from first quarter CY 2001- fourth quarter CY 2006.

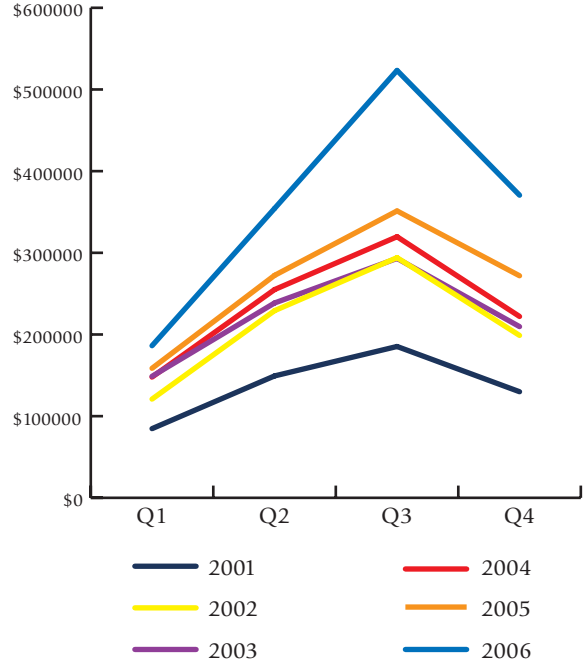
Summary of Findings:

- In 2006 Cloverdale, Healdsburg, Petaluma, Santa Rosa, Sonoma, Windsor, and the unincorporated areas all had year-on-year TOT revenue growth for all four quarters.
- Rohnert Park had a record year as well; however, first and second quarter numbers were comparable to 2001 figures. Sebastopol saw a negative .53% drop in 2006 revenue compared with 2005.
- The third quarter (July, August, September)—peak visitor season—provides a disproportionate share of Sonoma’s TOT revenues.

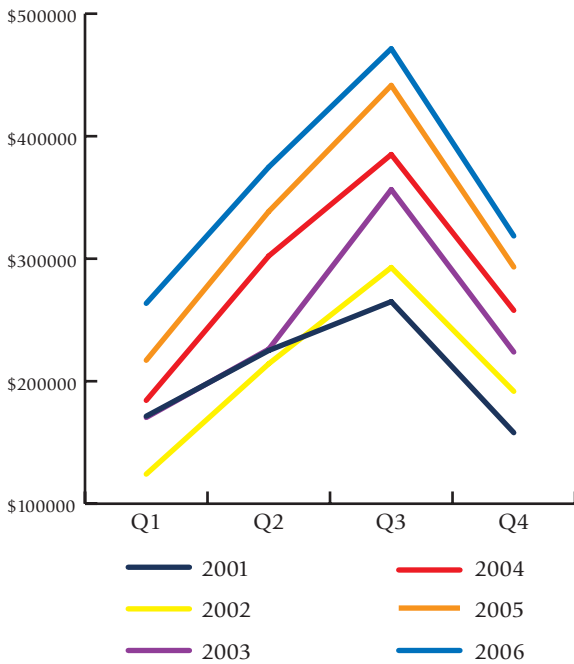
Cloverdale TOT CY 2001-2006



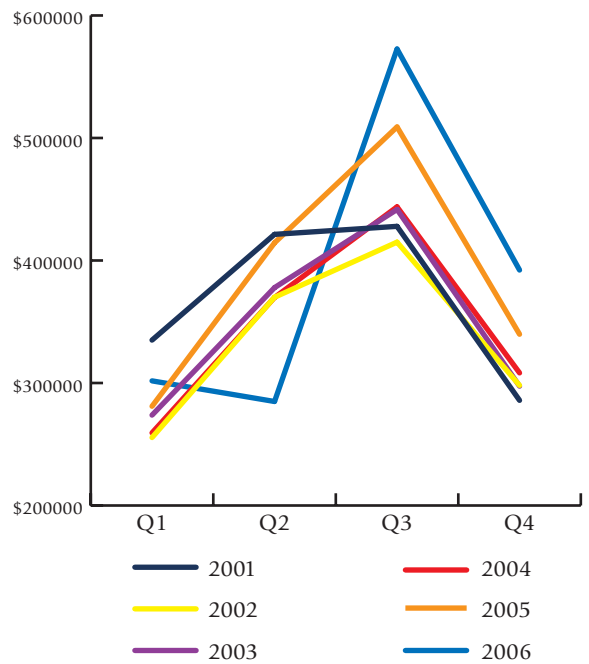
Healdsburg TOT CY 2001-2006



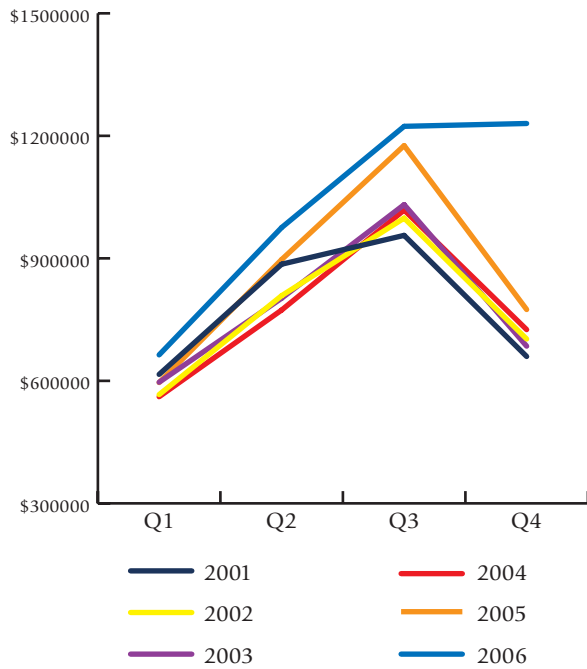
Petaluma TOT CY 2001-2006



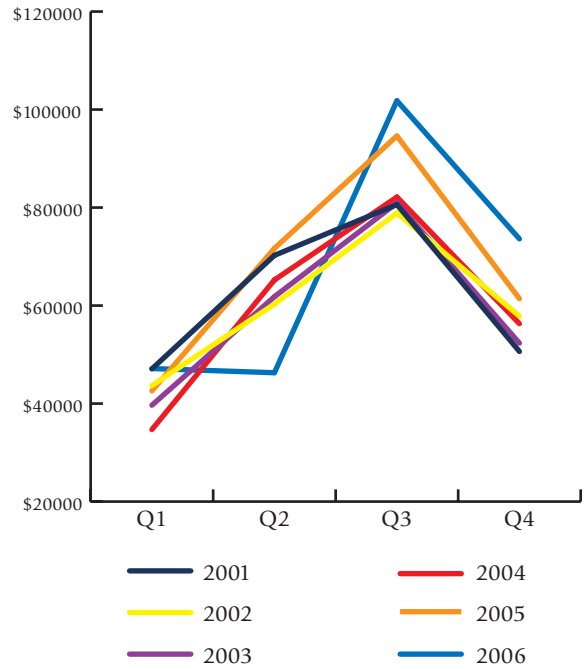
Rohnert Park TOT CY 2001-2006



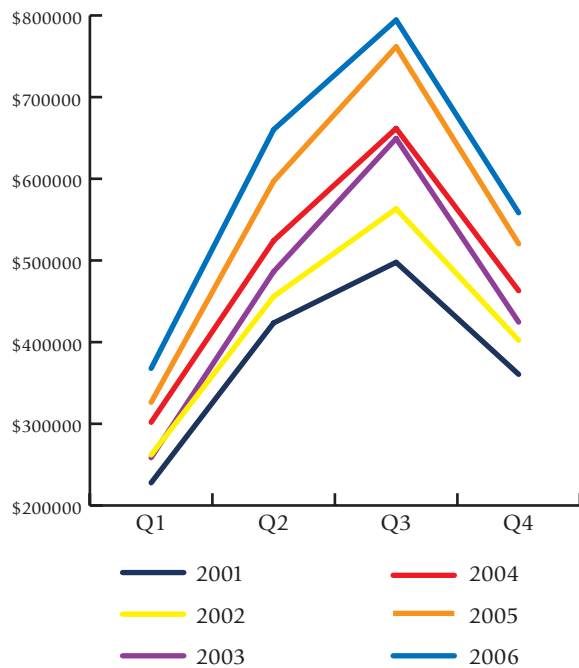
Santa Rosa TOT CY 2001-2006



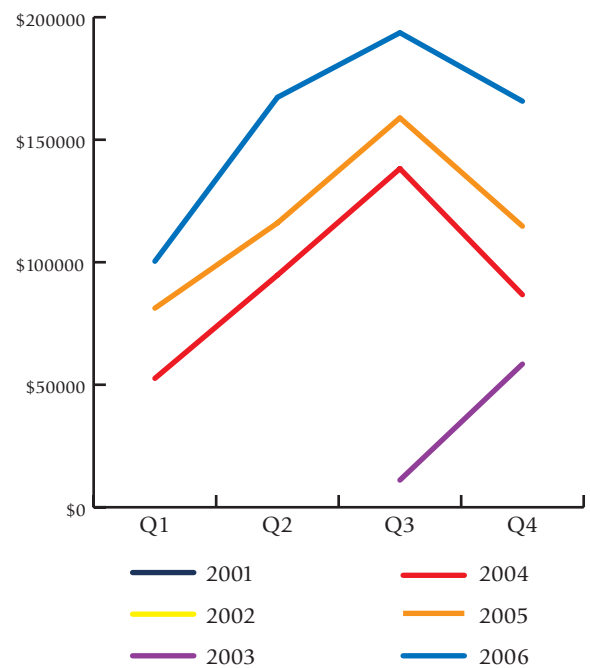
Sebastopol TOT CY 2001-2006



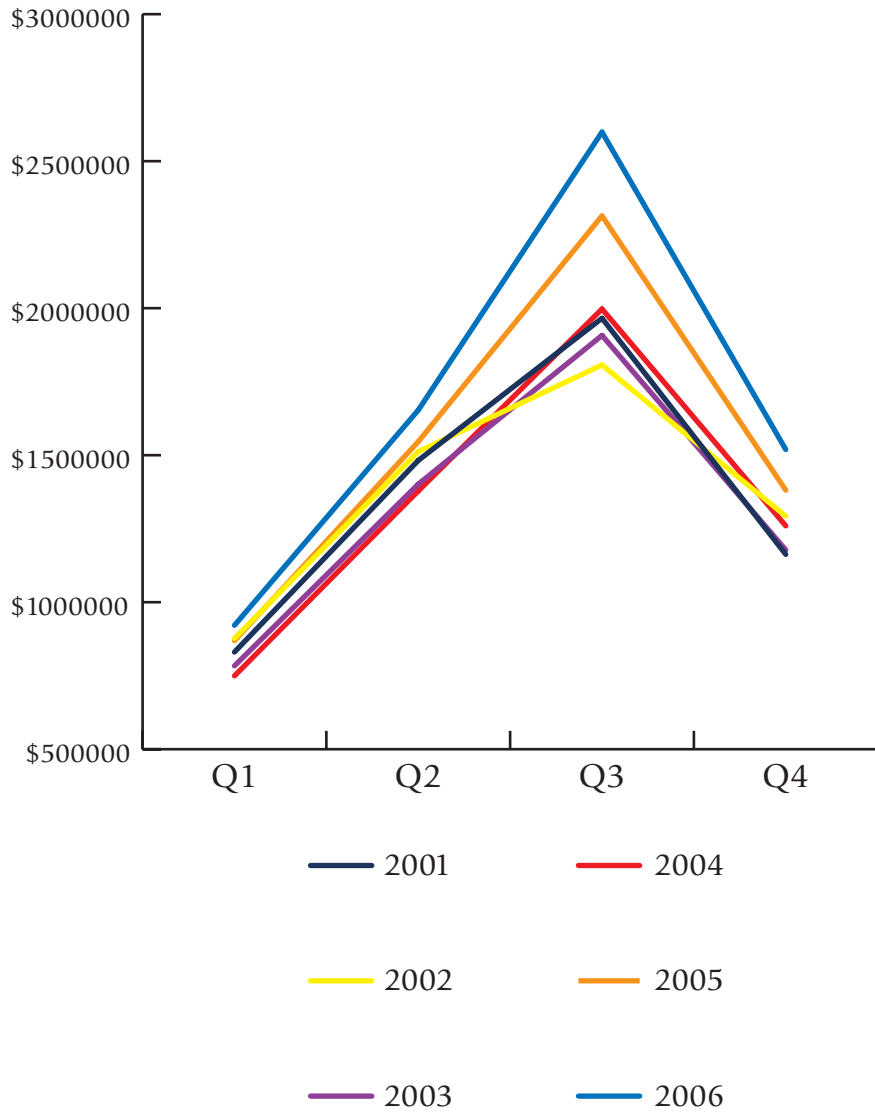
Sonoma TOT CY 2001-2006



Windsor TOT CY 2001-2006



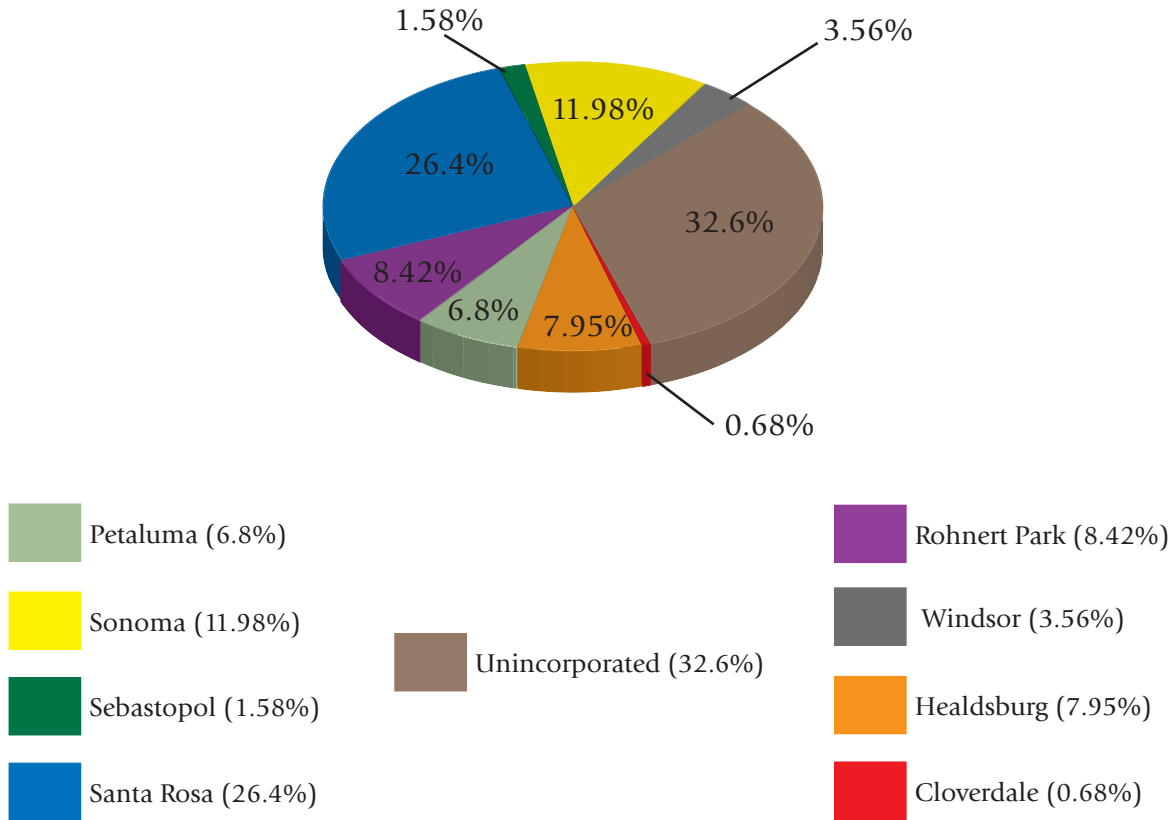
Unincorporated TOT CY 2001-2006



| 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. | \$1,519,346 | \$31,626 | \$370,540 | \$318,573 | \$392,193 | \$1,230,230 | \$73,607 | \$558,371 | \$165,725 | \$3,140,864 |
| TOTAL | \$6,692,881 | \$138,740 | \$1,434,370 | \$1,428,374 | \$1,551,454 | \$4,092,501 | \$268,848 | \$2,380,913 | \$627,089 | \$11,922,287 |

TOT PERCENTAGE BREAKDOWN

Q4 CY 2006 TOT Breakdown by Area
October, November, December



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 Sonoma County Permit and Resource Management Department.

Summary of Findings:

- Current development projects will increase the total number of rooms by 10.7% once completed.
- These projects will add 1,001 rooms to Sonoma County's current total of 9,387.
- Approximately half of the new rooms are projected to 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/Spa | 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 |
| New | Garden Court Inn | Limited Service | 146 Healdsburg Ave. | 23 | 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: | | | | 517 | |

The Cities of Cloverdale, Cotati, Petaluma, and Sebastopol did not report any new development or expansion for the fourth quarter (October, November, December) 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 LOCAL KEY BUSINESSES
SUPPORTING SONOMA COUNTY ECONOMIC DEVELOPMENT:

CHAIRMAN'S CIRCLE:



EXECUTIVE TIER:



ASSOCIATE TIER:



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