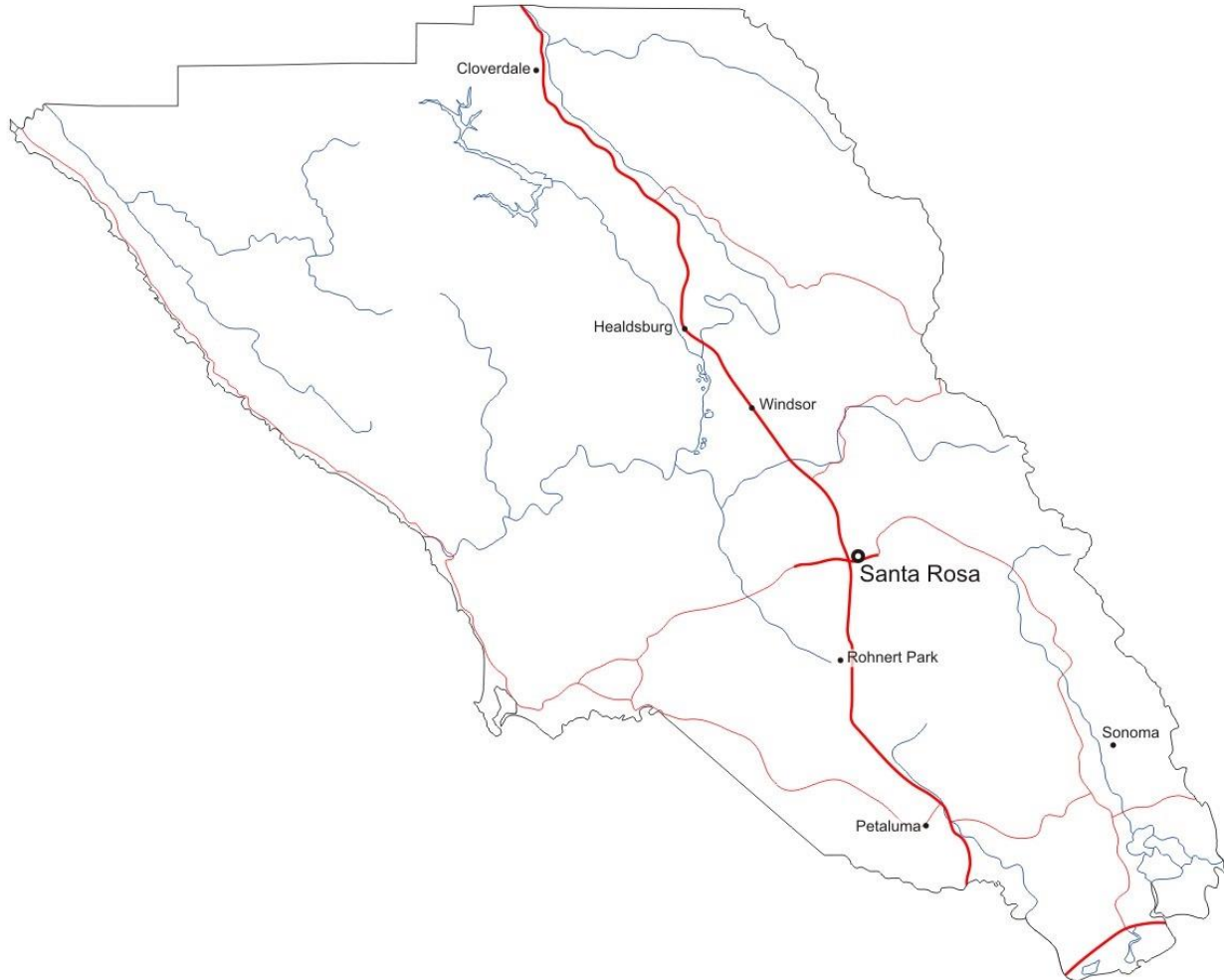




USA

Sonoma County, California
Annual Report 2020



SONOMA SUSTAINABLE TOURISM OBSERVATORY

31-Jan-20

Contents

- Year 3 Annual Report 2020 2
 - 2019 Objectives achieved:..... 2
 - 2020 Plans and Goals 2
 - Our Objectives moving forward are: 2
 - Geography & Topography 2
 - Data Collection 2
- Issue Areas 3
 - 1 Employment 3
 - 2 Governance 3
 - 3 Destination economic benefits..... 4
 - 4 Carbon Emissions (New Mandatory Issue Area)..... 5
 - 5 Accessibility (New Mandatory Issue Area) 5
 - 6 Local satisfaction with tourism 6
 - 7 Tourism seasonality..... 8
 - 8 Water management 8
 - 9 Energy management 8
 - 10 Waste water (sewage) management..... 8
 - 11 Solid waste management 9
 - 12 Cost of Living 9
- Special Focus 2020 Report: Fires, blackouts, and tourism's recovery 10
 - Lessons Learned and Comparisons Made: 12

Year 3 Annual Report 2020

2019 Objectives achieved:

- ✓ 2nd Stakeholders' Workshop or a series of workshops focused on information sharing
- ✓ Monitor tourism's continued rebound after 2017's fires with more in process for 2020, especially through transient occupancy tax (tot) figures
- ✓ Examine disaster preparedness in the tourism industry
- ✓ Begin a spotlight on Healdsburg and on the intersection of art & culture with tourism

2020 Plans and Goals

This year the Sonoma Observatory aims to dive deeper into 2019's two areas of interest in the County – the impacts of rapid loss of ruralism in northern Sonoma County as it becomes a premier wine destination and how art spurs sustainable tourism.

Our Objectives moving forward are:

- Finish the Sustainable Wine case studies
- Develop metrics to analyze tourism's role in carbon emissions
- Healdsburg & Windsor focus
- Examine how the rural areas of Sonoma County have changed because of tourism (and how residents feel about that change)

Geography & Topography

Sonoma County extends over 1,500 square miles and is home to 493,285 people, with approximately 33 percent of the population residing in Santa Rosa. Geographically, Sonoma County features 55 miles of coastline followed by rolling coastal mountains. A deep, flat valley following Highway 101 north-to-south hosts the bulk of the population and metropolitan centers. Continuing east, there are a series of tall, steep, linear mountain ranges, including the Sonoma Mountains, Mayacamas Mountains, and the Girdle, then Napa Valley.

Climate-wise, Sonoma County enjoys a Warm-Summer Mediterranean climate, meaning we tend to get hot, dry summers and wet but mild winters.

Data Collection

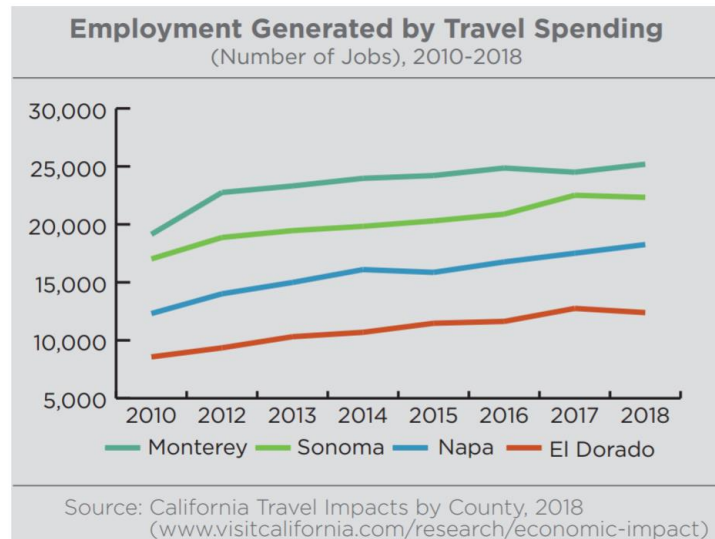
Our stats are sourced from various public collection agencies at the county, state, and country levels, as well as from colleges and universities, journalists and news outlets, and tourism organizations.

Issue Areas

1 Employment

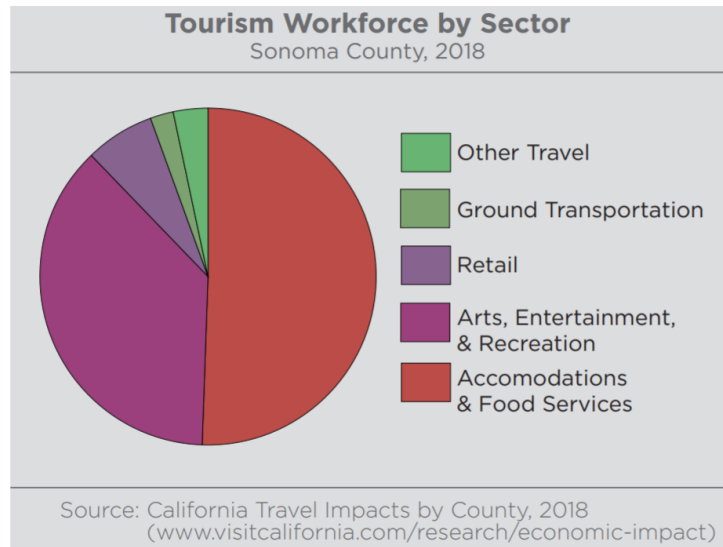
Employment Generated by Travel Spending

With 22,330 jobs maintained by traveler destination spending in 2018, Sonoma County ranks second against comparable counties – Monterey, Napa, and El Dorado, just after Monterey. The tourism industry remains the largest employer in Sonoma County.



Sonoma County Tourism Employment by Sector

Distribution of employment within Sonoma County's tourism industry is similar to previous years, with 50 percent of employment in accommodations & food services, 37 percent in arts, entertainment & recreation, and 7 percent in retail. Ground transportation and air travel (Other Travel) have also increased their share of employment at 2.3 percent and 3 percent, respectively.



2 Governance

The United States governance system is multi-tiered, consisting of Federal, State, County, and City level agencies. As it relates to tourism, government agencies collect taxes, manage parks, and upkeep infrastructure.

The Sonoma County Tourism Bureau is not government-run; rather it is a private, non-profit marketing and sales organization dedicated to promoting overnight stays and creating a sustainable hospitality economy in the county.

In California, Climate Change is considered to be a threat to our economy and our way of life. The states has a climate plan, and goals to meet regarding carbon pollution, forestry management, and how our energy needs are being met. In addition to the state plan, counties and cities are also adopting and enacting their own climate initiatives.

3 Destination economic benefits

Quarter 1, 2019; Comparison

See Table right, TOT ASSESSMENT BY CITY

Sonoma County’s revenues for first quarter 2019 decreased 2.9 percent over first quarter 2018. Total county revenues for Q1 2019 equaled \$8.81 million. However, Sebastopol, Petaluma, and Healdsburg had revenue increases of 18.1 percent, 8.4 percent, and 8.0 percent, respectively, from first quarter 2018 revenues.

Healdsburg, Petaluma, and Sebastopol recorded their best first quarter TOT revenues to date.

Transient Occupancy Tax by Years

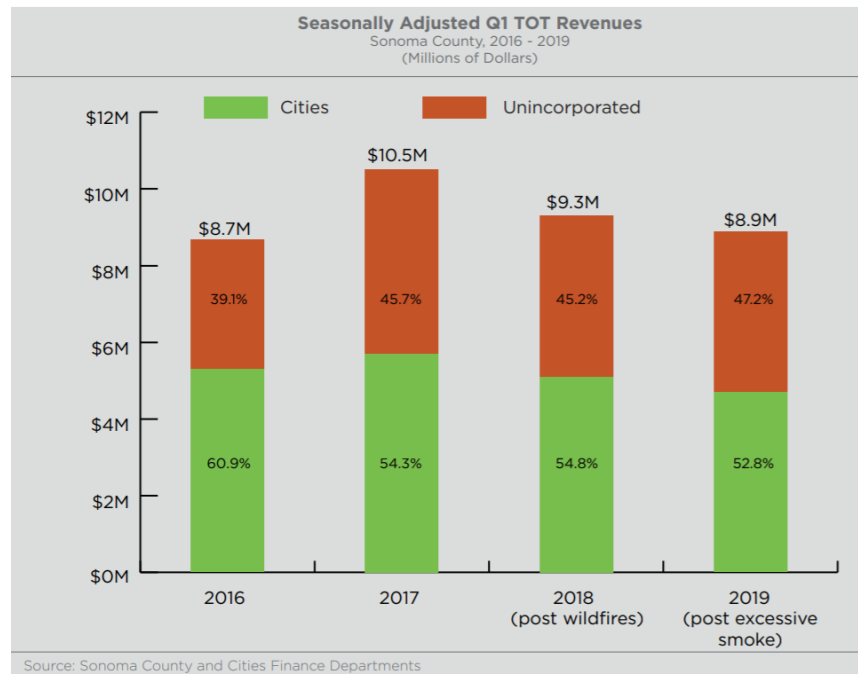
See chart below, Seasonally Adjusted Q1 TOT Revenues

The significant decrease in TOT revenue collected in Q1 of 2018 is largely attributed to the wildfires of late 2017 and their negative impact on visitor perceptions of Sonoma County, while the decrease seen in Q1 of 2019 is partly due to the County experiencing excessive smoke from wildfires in surrounding counties in late 2018.

How will fire impacts on 2020 tourism be felt? We will be looking more deeply at these statistics for next year’s report.

	Tax Rate (%)	TOT Revenue
Cloverdale	10%	\$28,890.05
Healdsburg	14%	\$832,579.64
Petaluma	10%	\$600,900.00
Rohnert Park	12%	\$886,119.23
Santa Rosa	9%	\$1,020,324.00
Sebastopol	10%	\$125,917.84
Sonoma	10%	\$673,703.08
Windsor	12%	\$446,324.51
Unincorporated County	12%	\$4,197,942.83
TOTAL	-	\$8,812,701.18

Source: Sonoma County and Cities Finance Departments



The Transient Occupancy Tax reports are produced by the Economic Development Board in conjunction with Sonoma County Tourism. This quarter’s report was prepared by Tourism Research Project Coordinator, Peyton Sales¹.

Note that bookings made through sites such as Airbnb and VRBO do not pay the Transient Occupancy Tax, which has skewed some data in recent years.

¹ <http://sonomaedb.org/WorkArea/DownloadAsset.aspx?id=2147579894>; <http://sonomaedb.org/Data-Center/Industry/>

4 Carbon Emissions (New Mandatory Issue Area)

The Press Democrat, a Bay Area newspaper, shared carbon stats for the nine counties around the Bay in 2016. We expect new stats to be published in 2020 by the Regional Climate Protection Authority;

“Sonoma County had the second smallest household greenhouse gas footprint of the nine Bay Area counties, and 11 local cities and towns accounted for carbon-related emissions below the statewide average, according to a new UC Berkeley report.

The average Sonoma County household had a footprint of 40.4 metric tons of greenhouse gas emissions per year, well below the average U.S. household at about 50 metric tons of emissions. Sonoma County also clocks in below the statewide average of 45.7 tons per household and the Bay Area average of 44.3 tons, the report said.

Only San Francisco, the region’s most compact city with multiple mass transit systems, had a smaller footprint at 38.7 tons of greenhouse gas emissions. Vehicle ownership and home size contributed heavily to the regional differences.”²

5 Accessibility (New Mandatory Issue Area)

In 2020 we will be working with Sonoma County accessibility organizations to better understand how an area with so many rural destinations has been made accessible to so many disabled persons. In the US, the Americans with Disabilities Act (ADA) covers all disability access and accommodations that must be made, by law. For hospitality providers, this includes disabled parking designation, ramps, restroom access, and for overnight stays, rooms with accessible beds and showers. The ADA is regularly updated with new regulations coming into law every few years.

For a clear understanding of 2010 ADA Standards for Accessible Design see [this document](#), which was issued by the Department of Justice in 2012 and describes in detail all building & code expectations related to the Americans with Disabilities Act.

The following is quoted from Gibson, Dunn & Crutcher LLP regarding additions to the ADA, specifically related to the tourism and hospitality industry.

“On March 15, 2012, new regulations implementing Title III of the ADA took effect, imposing significant new obligations on public accommodations, including inns, motels, hotels, and other "places of lodging" such as rental units in vacation communities and timeshares. The new regulations include requirements for policies, practices, and procedures for accommodating disabled persons, as well as significant revisions to the ADA design and construction standards. The regulations do not apply in most cases to existing facilities until such facilities are altered, provided they are currently in compliance with the prior construction standards. Certain new requirements relating to pools, spas and recreational facilities are required to comply with these new regulations, except where it would not be ‘readily achievable’ to do so.”³

² <https://www.pressdemocrat.com/news/5061163-181/study-shows-sonoma-county-has>

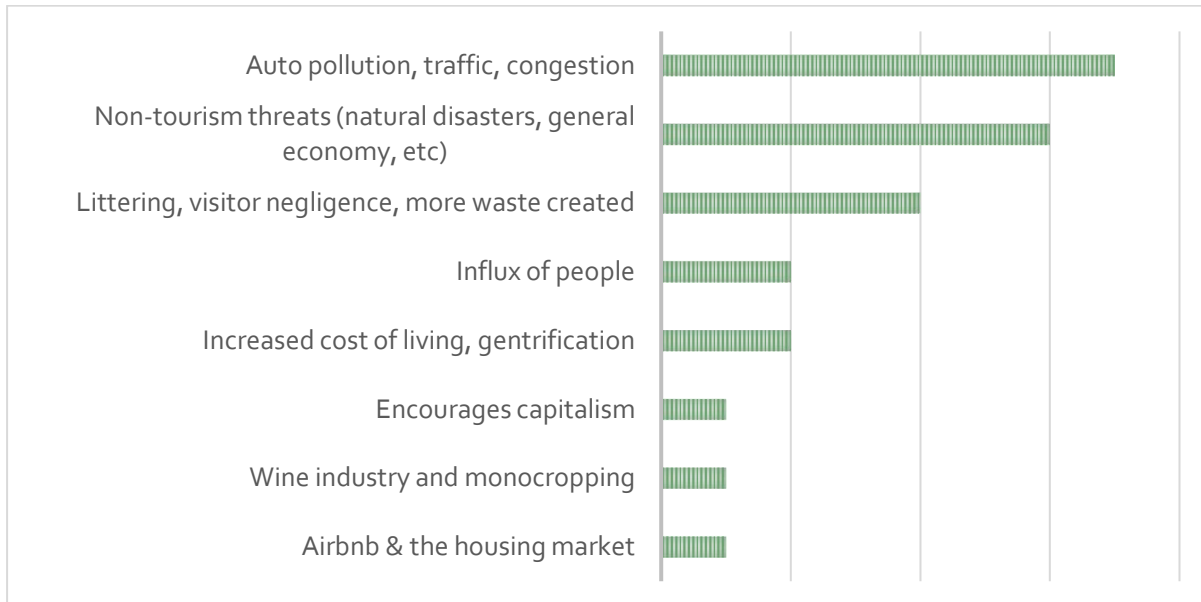
³ <https://www.gibsondunn.com/hospitality-industry-faces-significant-new-ada-regulations/>

6 Local satisfaction with tourism

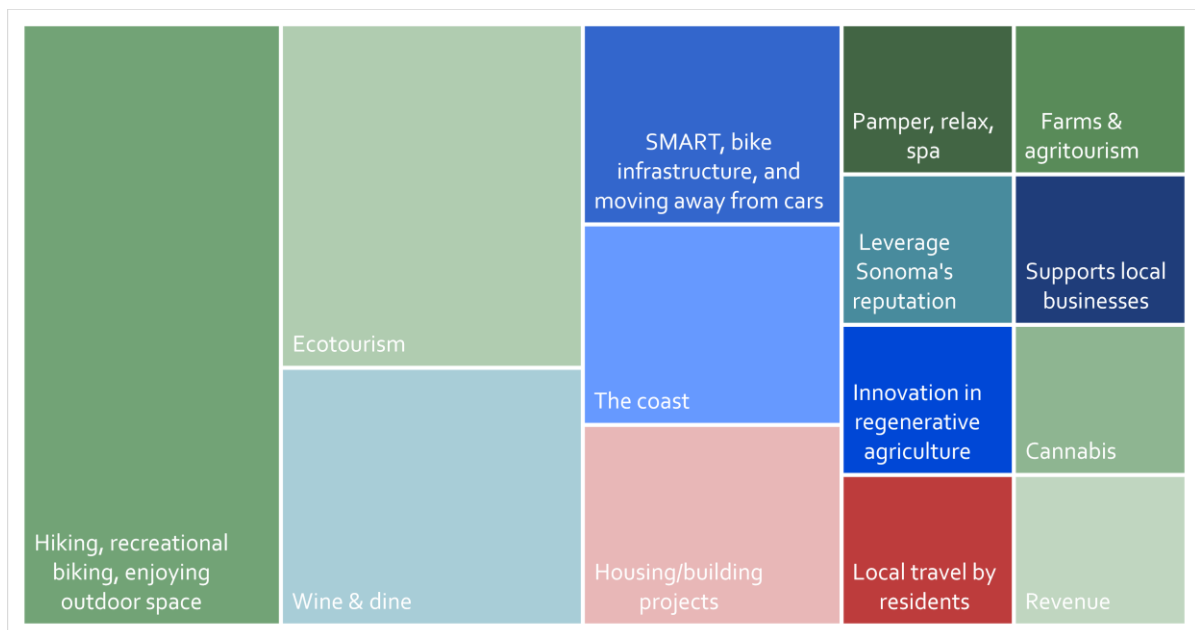
At the Sustainable Enterprise Conference in Summer of 2019, we again ran a survey among attendees – primarily professionals in the field of sustainable business and students at Sonoma State University, which served as the conference venue. We plan to take a closer look at satisfaction, city-by-city, starting north with Healdsburg & rural tourism in next year’s report.

We asked five different questions related to tourism and development, with answers categorized and presented here in graphic form.

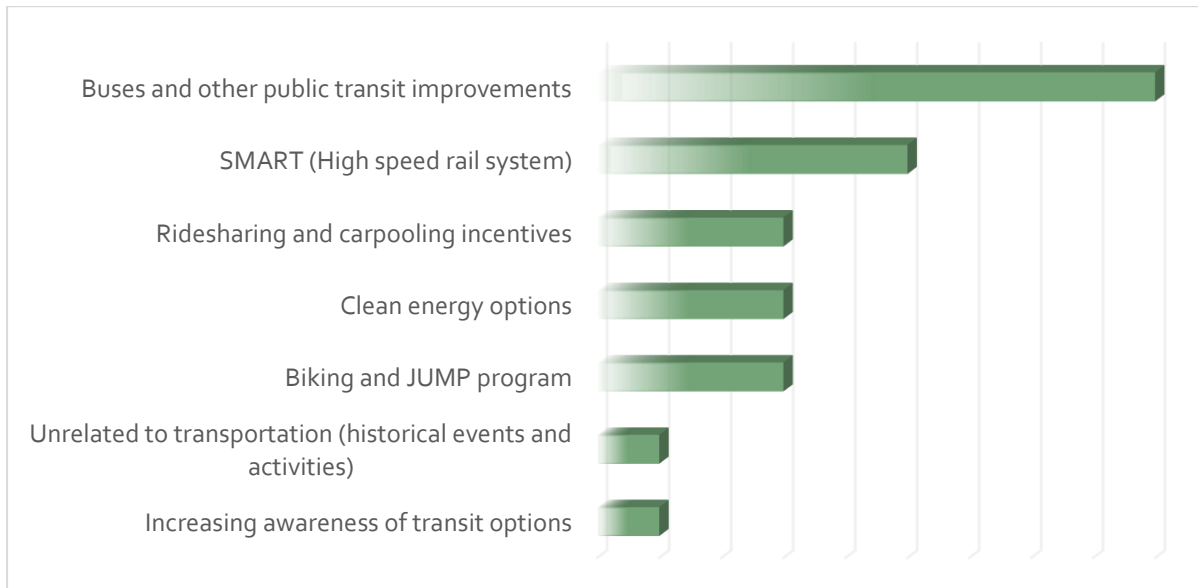
Question 1 - What is/are the biggest threats posed by tourism in Sonoma County?



Question 2 - What do you consider to be the biggest area of opportunity for tourism in Sonoma?



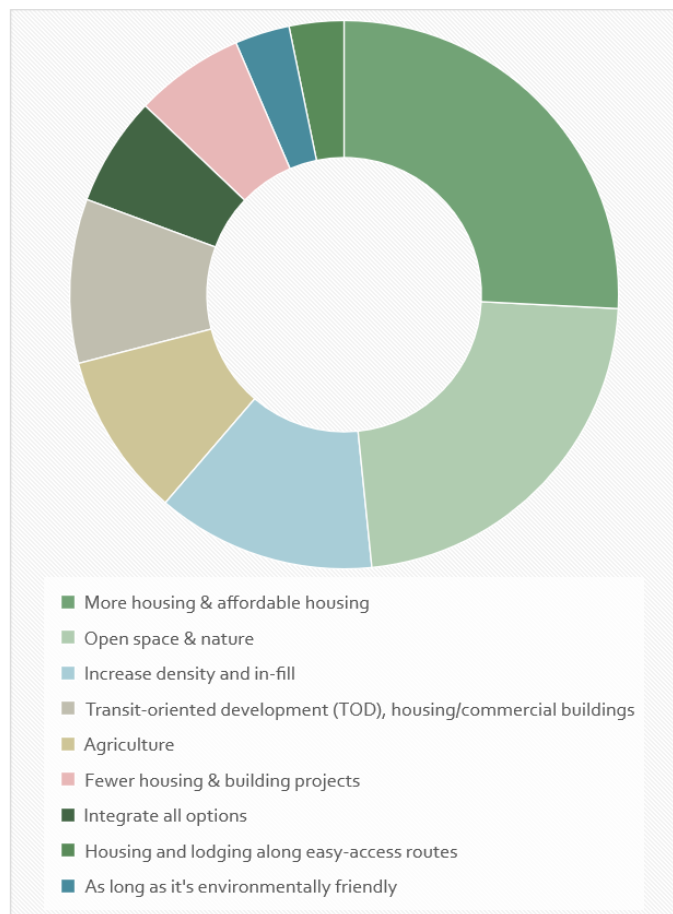
Question 3 - Tourism can cause an increase in traffic and pollution. What could be changed to improve transportation to better support both residents and the tourism industry?



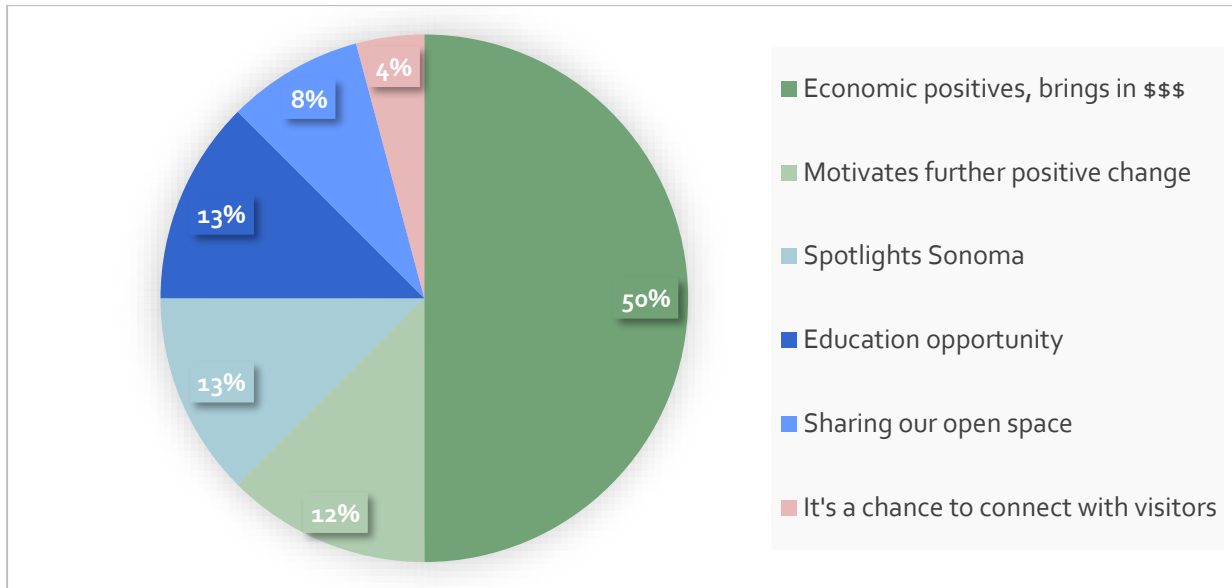
Question 4 – Should new development projects focus more on housing, commercial, open-space, or agriculture use? Why?

The fabric of Sonoma County is not homogenous, and in we noted that this question received two answers very much at odds with each other. More housing & affordable housing was the number one response, but we received the opposite response, fewer housing and building projects too.

We had many students in Sonoma State’s Urban Planning & Development Department participate, many of whom are in favor of in-fill planning and transit-oriented development opportunities. In-fill planning refers to development within a city’s already established borders, while transit-oriented development refers to planning that maximizes the amount of residential, business and leisure space within walking distance of public transport, minimizing the need for personal use vehicles.



How do you see tourism as a force for good in Sonoma County?



7 Tourism seasonality

A year-round industry, the peak season begins in May/June and ends in October/November.

With 10.8 million visitors: 4.8 million overnight and 6.0 million day visitors in 2018, there were approximately 4,500 overnight visitors a day and approx. 16,400 day trip visitors per day. Sonoma County has a population of 504,217 people, meaning approximately four percent of Sonoma County's population at any given time is comprised of travelers.

8 Water management

Sonoma County's water is managed by a municipal water agency and a part of the Russian River Watershed. All information on current usage, water storage, groundwater, stormwater, etc. can be found on the Sonoma Water website: <https://www.sonomawater.org/water-supply>

9 Energy management

We discuss issues with energy management the county faced this past year in the section starting on page 9, called *Fires, Blackouts, and Tourism's Recovery*. Pacific Gas & Electric is facing decreasing public support in the wake of blackouts and fires started by their aging infrastructure.

10 Waste water (sewage) management

Sonoma County treats its wastewater with four steps to turn sewage into tertiary recycled water: primary treatment, biological treatment (secondary), filtration and disinfection (tertiary). Tertiary treated water is not drinking water, but it contains nutrients for the irrigation of crops, vineyards, playgrounds, golf courses, parks, cemeteries, freeway embankments, and street medians⁴.

⁴ <https://srcity.org/1061/Recycled-Water>

11 Solid waste management

The Sonoma County Waste Management Agency is a joint powers authority whose mission is to implement waste diversion programs as required by State law AB939. They aim to inform local residents and businesses of ways they can help reduce, reuse and recycle their solid waste and properly dispose of hazardous materials.

12 Cost of Living

We chose to include this metric which we believe best illuminates the economic ecosystem in Sonoma County, and it relates directly to the Sustainable Development Goals. Specifically, the following SDGs: 1 No Poverty, 3 Good Health and Well-being, 7 Affordable and Clean Energy, 8 Decent Work and Economic Growth.

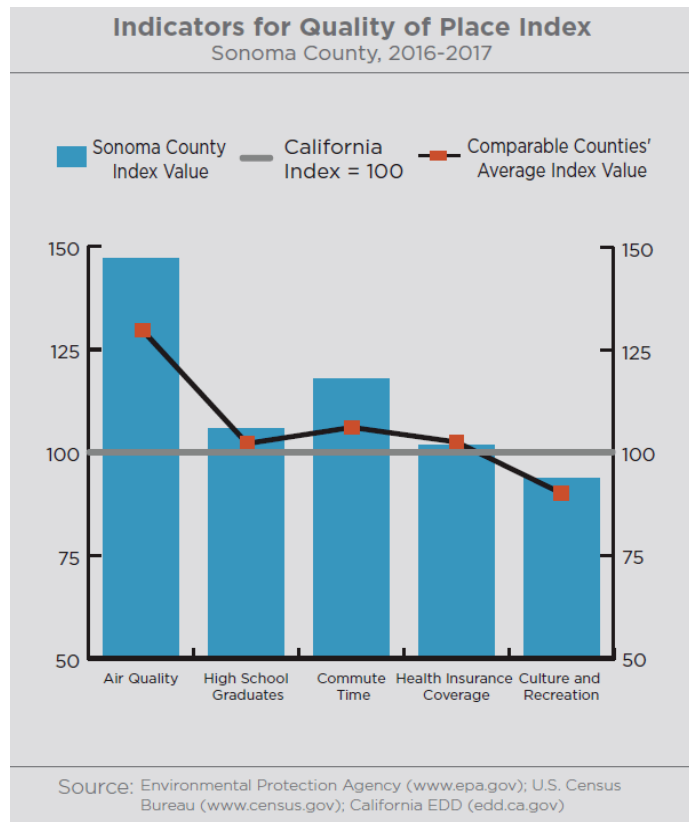
Housing Stats: 4,441 total homes sold; only 1 percent fewer than the 4,453 sold in 2018

The county's median single-family home sale price of \$635,000 in December was 2 percent less than the median of \$650,000 at the beginning of 2019. The county's average median sale price for the entire year was \$650,000 compared with \$665,000 in 2018⁵.

As of January 1, 2020, the minimum wage in California is \$12.00 for employers with 25 or fewer employees, or \$13.00 for employers with 26 or more employees⁶, but various cities within Sonoma have different minimum wages going into effect July 1, 2020.

- Santa Rosa: \$14 an hour for small employers and \$15 an hour for large employers
- Petaluma: \$14 an hour for small employers and \$15 an hour for larger employers
- Sonoma: \$12.50 an hour for small employers and \$13.50 an hour for large employers

The living wage in Sonoma County is \$15.39 for one adult, double that for one adult with one child⁷.



⁵ <https://www.pressdemocrat.com/business/10615862-181/sonoma-county-housing-market-softens>

⁶ See [California Department of Industrial Relations, Minimum Wage](https://www.dir.ca.gov/).

⁷ <https://livingwage.mit.edu/counties/06097>

Special Focus 2020 Report: Fires, blackouts, and tourism's recovery (SDGs 9, 11, 13)

With yet another round of fires in the North Bay this past Autumn, hot on the heels of 2017's disastrous conflagration though this time in northern Sonoma County, many in Sonoma County fear it may have a new moniker: Fire Country.



*1 Flames from the Kincadee Fire consume Soda Rock Winery on Sunday, Oct 27, 2019, in Healdsburg, Calif.
AP Photo/Noah Berger*

Forbes reports the following;

"Last October, portions of Sonoma County burned, the Kincadee fire, it is called, perhaps caused by a downed powerline near Geyserville. The images on the news were of Sonoma's skies aglow in bright red and orange, embers raining down like fireworks. As the smoke and flames swirled, reports circulated worldwide that California's wine country was pretty much annihilated.

But that is far, very far, from the entire story.

According to Sonoma County Tourism, the Kincadee fire damaged almost 78,000 acres, less than 8 percent of Sonoma County's million or so acres, and most of that was vegetation in the mountains and wild land in the northeastern quadrant of the county. The places where most tourists go – the wineries, the beaches, the redwood groves – remain untouched.

‘Not one structure caught fire in the city of Healdsburg,’ says Brian Sommer, manager of the Hotel Les Mars, noting that some guests cancelled their reservations in thinking the worst when the complete opposite was true. ‘Firefighters saved the structures. They saved our way of life.’

Sonoma’s natural beauty and wine industry have been luring wine travelers for decades, but the Kincadee fire, like the devastating Tubbs fire of 2017, made huge ripples in its tourism. Now, says Sommer, everyone needs to know that the wine country lifestyle is still very much intact.

‘We want people to come for the wine country experience,’ says Sommer. ‘To taste it, feel it, see it, take it to heart and to soul, this way of life. We want them to come and be a part of the life here. If you have reservations, don’t cancel or you’ll miss out on a great wine and cultural experience.’⁸”



2 Andrew Morgan aboard the International Space Station, Oct. 30 via twitter @AstroDrewMorgan.

Despite public perception, wine country is business as usual. Little burning occurred for tourism destinations in 2019. News footage played the worst of the disaster, the burning of Soda Rock Winery again and again on loop, and though the loss of Soda Rock was tragic, it was just one of two wineries that burned down. Sonoma County is home to 425 wineries, meaning the County saw a .4 percent loss of wineries. Many who live in the county haven't seen burn scars or evidence of fire on the landscape. The same is true of most of our visitors.

⁸ [Forbes; Savoring Sonoma’s Wondrous Wine Country](#)

Fires have a big impact on tourism here, not because hotels and wineries burn down, but from the bad press and widespread cancellations the fires bring.

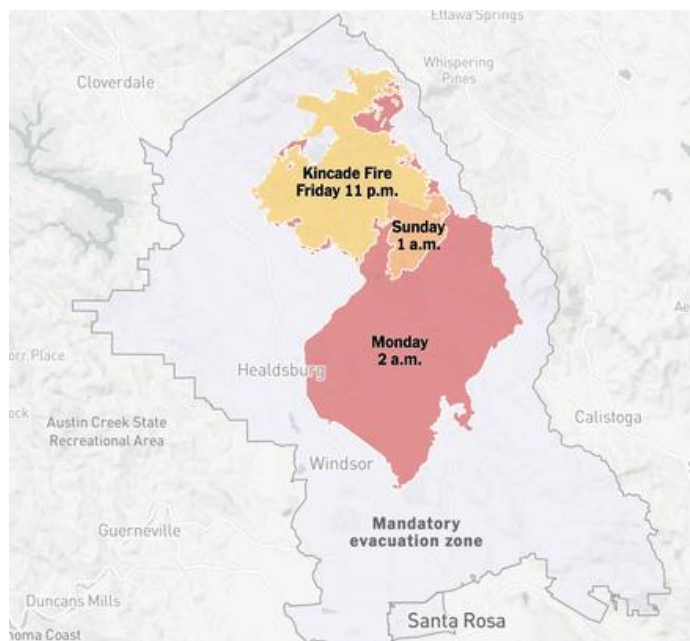


3 @Karna Roa with KMR Photography; A couple from Chicago poses for their wedding photo in a vineyard near Chateau St. Jean Vineyard in Kenwood on October 26, 2019

Lessons Learned and Comparisons Made:

The Kincade Fire was active for just 13 days, and in that time burned 77,758 acres and destroyed 374 structures, according to CalFire.

For comparison, the Tubbs/Nuns/Atlas conflagration of October 2017 was active for 123 days and burned 144,987 acres in full. Across those fires 5,636 structures were destroyed by the Tubbs Fire, mainly in the Santa Rosa area, 1,355 structures were destroyed by the Nuns Fire, and 120 structures in Napa burned by the Atlas Fire. There were 31 fatalities across the three fires, 22 of which were in the Tubbs Fire.



2018's fire season featured one massive fire in the North Bay, the Mendocino Complex Fire which burned 459,123 acres and stands as the largest the state has ever seen by far, but was eclipsed by the tragic Camp Fire to the east in Butte County, which burned 153,336 acres, razed the cities of Paradise and Magalia California, and took 85 lives.

From our viewpoint, two things separate the Kincade Fire in October of 2019 from the past two years of fires in Northern California. One is luck. The area that was affected this time was primarily open space, and less inhabited. Weather wasn't as windy as past disaster-level events and humidity played a role, allowing firefighters to make progress on containment.

The Kincade Fire mainly burned wildland and hillsides, limiting the scope of the damage. The image below shows a backfire - a fire lit by firefighters to burn away material before the main fire reaches it, but much of the Kincade burn areas resembled this sort of landscape.



4 Above: A backfire set by firefighters burns a hillside behind PG&E power lines during firefighting operations to battle the Kincade Fire in Healdsburg, 10/26, 2019. (Philip Pacheco/AFP/Getty Images)

The second is experience & preparedness. Where the Tubbs Fire of 2017 and Camp Fire of 2018 caught Californians by surprise – resulting in tragic loss of life in both fires – the Kincade Fire saw no human casualties and areas were evacuated safely and efficiently. Before the fire started, North Bay residents were aware of the danger and aware evacuations may be called, with the dangerous weather event accurately forecasted and widely discussed on news outlets and social media. Locals knew a disaster-level event was a possibility.

Approximately 190,000 people were evacuated, many going to stay with family south or east and many going to evacuation shelters across the North Bay. As shelters filled up more were opened as volunteers worked around the clock. One volunteer, Morena Carvalho, noticed the difference compared to the last evacuations, "It's not as hectic as last time," she shared with the Bohemian, "It's much more calm."

That's not to say that we can't do better or that everything went smoothly. While evacuations went

well, the Pacific Gas & Electric planned power outages made communication more difficult because cell towers were down. Many had no way to cook, charge devices, or heat their homes. Medical equipment some rely on for lifesaving aid no longer functioned.

Additionally, despite the Public Safety Power Shutoffs, current evidence shows the Kincade Fire was likely started by PG&E's transmission lines. See <https://projects.sfchronicle.com/2019/kincade-fire-origin/> for more of the fire's ignition and spread.

Immigrant communities and people of color have to contend with additional impacts in these kinds of emergency situations, including immigrants who make up much of the home care, domestic, healthcare and hotel worker community. "When fires hit, they are the most vulnerable," says Mara Ventura, Executive Director for *North Bay Jobs with Justice*, which advocates for workers' rights, "And for a lot of undocumented workers, a big impact is lost wages."

According to restaurateurs, the electric and gas outages that were widespread and long-lasting throughout the county were more damaging than the fire. "Losing power and being evacuated is tough for small businesses. We are forced to face the reality that PG&E now can make or break us in the name of safety," said Shawn Hall of Sebastopol's Gypsy Cafe. She estimates a loss of \$36,000 in sales, food costs and wages during the five-day power outage in west Sonoma. Hall said she paid employees even though the restaurant was closed. On average, restaurants lose up to \$4,700 during each power outage, according to the Sonoma County Tourism Bureau.

Between Oct. 5 and Nov. 1 of 2019, 12 shutoff events occurred. For the Bay Area residents not dealing with fire, the two largest blackouts (early October starting the 9th and late October starting the 26th) were a costly interruption in the form of lost work and wages, spoiled food, and no cellular communication. 99 percent of neighboring Marin County went dark for the full three days starting the 26th, making it difficult to make food, charge devices, and get gas. For those who were evacuated, information was had to come by without internet or cell service.

The costs of each outage are calculated at ~\$2 billion, while individual costs varied person to person depending on how much food and work was lost and how much was spent to prepare.

Worst hit were the cities of Healdsburg and Windsor, which first experienced widespread planned blackouts and then were evacuated as the fire came in close.

Windsor is an up-and-coming tourism spot, and on Sunday the 27th, just three days after the fire started, hurricane force winds began to drive the blaze south and west, into its suburbs. ABC7 reports, "Determined to save as many homes as possible, hundreds of firefighters flooded the streets of the Foothill subdivision which borders the Foothill Regional Park. Their quick work saved many homes in the Foothill subdivision where it appeared that the only things that really burned were fences, outbuildings, trees, and brush."

By the end, the fire had destroyed 174 homes and damaged another 34, mainly in the hills and rural areas of western Healdsburg and Windsor. Like much of the North Bay's wine country, both towns rely upon tourism dollars to keep their economies healthy and their small businesses afloat, and both towns want the international community to know that they are just fine and open for business.

A spotlight on Healdsburg ran in the Bohemian in early October, just before the fires, promoting it as an alternative wine destination to Napa or Sonoma.

We were in the process of writing our spotlight on

Healdsburg when blackouts and fires occurred. We chose to pivot to the effects on tourism from this most recent conflagration and will return to our focus on Rural Tourism in Healdsburg and Northern Sonoma County in a future report.

We will be closely observing as Sonoma County rebuilds from the fires, improves and refines disaster preparedness, and how the crucial tourism industry rebounds. Many parts of the world are afflicted by natural disasters and the Observatory intends to carefully report fire mitigation and prevention techniques that are employed here in this ecologically conscious, affluent region.

If you have any comments or questions about the information in this document, contact us at our website: www.Sonomasustainabletourism.org

