

**SONOMA COUNTY TOURISM
FISCAL YEAR 2025-2026 ANNUAL REPORT**

TO BE FILED WITH THE OFFICE OF THE CLERK OF SONOMA COUNTY
PURSUANT TO STREETS AND HIGHWAYS CODE SECTION 36533
SUBMITTED: MARCH 27, 2025

I.

BACKGROUND

A. Sonoma County Tourism Business Improvement Area

On November 2, 2004, the Sonoma County Board of Supervisors ("Board") adopted Ordinance No. 5525 ("Ordinance") creating the Sonoma County Tourism Business Improvement Area ("SCTB BIA"). Under the Ordinance, lodging establishments generating annual room revenue of \$350,000 or more during the preceding fiscal year must pay an assessment equal to 2% of such revenue. Proceeds from assessments are used to pay for activities designed to increase the number of overnight visitors to the area.

In January 2005, the Board appointed five members to the Sonoma County Tourism Business Improvement Area Advisory Board ("Advisory Board"), a body established pursuant to the Parking and Business Improvement Area Law of 1989 (Streets & Highways Code section 36500 et seq., the "Act") which is charged with advising the Board on the amount of the SCTBBIA assessments and on the services, programs and activities to be funded by the assessments. In 2011, the Board amended the Ordinance, appointing the board of directors of Sonoma County Tourism Bureau, Inc. ("SCTBB") to serve as the Advisory Board for the SCTBBIA. This decision was based on recommendations of a 2010 County audit of the organization.

B. Sonoma County Tourism Bureau, Inc.

The Ordinance authorized the County to enter into an agreement with a contractor to carry out the services, activities, and programs to be funded from the assessments, and designated SCTB to serve as the initial contractor. In June of 2005, the Board executed an agreement with SCTB to carry out services, activities and programs promoting tourism to Sonoma County, with funding from both SCTB BIA assessments and from transient occupant tax (TOT) revenue allocated to SCTB by the Board. As noted above, in 2011, the SCTB Board of Directors also was appointed to serve as the Advisory Board. The Ordinance requires a 22-member Board of Directors for SCTB, the composition of which must comply with a matrix that provides representation from each supervisorial district, and from each size category of lodging establishment. Appointments to the SCTB board are made on a pro rata basis in accordance with the respective contributions made to the SCTBB budget by SCTB BIA assessments and by County TOT allocations. The Sonoma lodging industry appoints the number of directors resulting from SCTB BIA assessments, and the Board appoints the number of directors resulting from TOT allocations.

C. Boundaries

The SCTB BIA was the first county-wide tourism Business Improvement Area formed in California. For assessments to be collected from lodging establishments within the incorporated cities in the County, the councils of each City had to consent to formation of the SCTB BIA. Consent was given by the Cities of Santa Rosa, Petaluma, Rohnert Park, Sebastopol, Cloverdale and Cotati, and the Town of Windsor. Accordingly, the boundaries of the SCTB BIA include the territory within the boundaries of those seven cities plus all of the unincorporated territory within the County. These boundaries have remained unchanged since the SCTB BIA was formed, and SCTB does not recommend any changes to the boundaries in the upcoming year.

D. Assessment

Lodging establishments within the boundaries of the SCTB BIA generating annual room revenue of \$350,000 or more during the preceding fiscal year must pay an assessment equal to 2% of such revenue. Lodging establishments in the unincorporated territory of the County forward the assessment to the County tax collector. Lodging establishments in the municipalities that consented to formation of the SCTB BIA allocate the assessments to the collecting entities within their respective municipalities. Those collecting entities, in turn, remit the collected assessments to the County in accordance with written agreements between the County and each municipality.

E. Purpose and Specific Benefit

The Ordinance requires that revenues from assessments must be used to conduct marketing activities designed to increase overnight visits to the area. The term “area” is defined as the territory within the boundaries of the SCTB BIA, and the term “marketing activities” is defined as activities designed to market the area as a tourist destination, including the expenditure of funds to place advertising across any media channels, conduct public relations campaigns, perform marketing research, promote business and leisure group visitation, encourage international visitation, and foster improved contacts within the travel industry, for the purpose of promoting tourism within the area. Revenues from assessments may be used for programs, services, and activities outside the area, if such programs, services, and activities are designed to promote and encourage overnight visits to the area. Revenues from assessments may also be used to pay the ongoing administrative costs associated with the marketing activities.

The focus on increasing overnight visits to the area constitutes a specific benefit to the lodging establishments that pay the assessments. This specific benefit is what distinguishes the assessments from taxes that are subject to voter approval requirements. The fact that others may receive incidental benefits from the expenditure of assessments, such as restaurants, attractions, wineries, retailers and parks, does not change the characterization of assessments as a specific benefit to lodging establishments because no additional cost is imposed on the lodging establishments to provide those incidental benefits.

F. Annual Report

Pursuant to Ordinance, and in accordance with section 36533 of the Act, the SCTB must present an Annual Report to the Board for its approval that includes a program of activities intended to be implemented within the SCTB BIA during the upcoming fiscal year, together with an estimate of related expenditures. The SCTB must also include in the Annual Report an outline of the previous year’s revenues and how those revenues were spent. The SCTB obtains annual audits from independent auditors each year. The most recent annual audit is submitted as part of this Annual Report, providing a detailed analysis of the sources and uses of funds. Looking forward, the annual budget for the upcoming year submitted herewith describes the anticipated revenues and expenditures. The balance of this Annual Report will provide additional information concerning programs and activities completed in the prior year, as well as those planned for the upcoming year. The Board’s consideration and requested approval of this Annual Report is the act which constitutes the levy of the assessment for the upcoming year.

While this report is primarily focused on the activities that fall within the BIA structure, additional notes regarding the use of transient Occupancy Tax (TOT) are included for the purpose of better understanding SCTB’s total budget allocation.

II.

ANTICIPATED USE OF REVENUE FOR FY25-26

A. Fiscal Year 2025-2026 BIA Revenue (forecast): \$6,067,496

B. Fiscal Year 2025-2026 TOT Revenue (forecast): \$3,384,696

C. Total Budget (forecast) (including additional revenue – see budget page): \$9,600,337

D. Recommendation

SCTB, in its capacity as the Advisory Board, recommends that the Board confirm this Annual Report and continue to levy the SCTB BIA annual assessment for Fiscal Year 2025-2026 pursuant to the Parking and Business Improvement Area Law of 1989 (California Streets and Highways Code section 36500 et seq.), subject to the following findings and recommendations:

- 1) That the boundaries of the SCTB BIA should remain the same, with the recognition that the properties within the cities of Santa Rosa, Petaluma, Rohnert Park, Sebastopol, Cloverdale and Cotati, and the Town of Windsor, continue to participate in the SCTB BIA with support from each of the cities;
- 2) that SCTB continue to serve as the Advisory Board for the SCTB BIA;
- 3) that the method and basis of levying the assessment remain unchanged, and in accordance with the terms of the Ordinance in fiscal year 2025 – 2026 (July 1, 2025 – June 30, 2026);
- 4) that the revenues generated by the assessment be used in accordance with the requirements of the Ordinance to conduct marketing activities designed to increase the number of overnight visits to the County; and
- 5) that SCTB retained the services of an independent certified public accounting firm, Pisenti & Brinker (now known as Kosmatka, Donnelly & CO, LLP) and has audited the SCTB financial statements for the 2023-24 fiscal year (July 1, 2023 to June 30, 2024). Their findings continue to show a “clean” report - no material weaknesses or significant audit findings were found in relation to SCTB’s books and records. This report is included with this document. SCT will continue to conduct annual audits with County-approved firms.

E. Activities and Program Expenditures

Sonoma County Tourism launched its Destination Stewardship and Resiliency Master Plan May 11, 2023. This plan, coupled with the biennial strategic plan charts the course of work for the organization.

Mission: Inspire travel to Sonoma County that strengthens our economy, reflects our diversity and encourages stewardship of our community’s resources.

Vision: Sonoma County will be the leading destination for responsible travelers who enjoy, protect and preserve our community’s bountiful natural and cultural resources.

Organization Values:

- **Trusted** – SCT maintains the confidence of local stakeholders and residents by implementing programs founded on research, driven by best-in-class execution and with results conveyed through partner communications.
- **Transparent** – All budgets and programs administered by SCT are created within an environment of openness and accuracy. SCT’s goal is for all stakeholders to trust its operational effectiveness and believe the organization is an efficient steward of the funding provided.

- **Community-Centric** – As a steward of the region, SCT is committed to ensuring local businesses and residents are engaged in the organization’s programming and support its direction. SCT understands its is predicated on the success of its partners.
- **Inclusive** – SCT is committed to ensuring persons of all backgrounds are included and welcomed throughout its internal operations and external audience outreach. A strong dedication to diversity, inclusion and equity guides the organization.
- **Entrepreneurial** – SCT operates as an ambitious and nimble business seeking new opportunities for revenue and growth. SCT works to find business development opportunities that drive revenue for partner businesses and generate new revenue for the region and the organization.
- **Creative** – Representing the Life Opens Up brand and a “progressive community of artisans”, SCT develops programming with a strategically creative approach. The organization actively seeks innovative ideas and strives to be a “first to market” organization.

Organizational Priorities

Drive the Economy – Programs developed and administered through Sonoma County Tourism will be focused on ensuring a vibrant economy for Sonoma County and a stellar quality of life for the businesses and employees within the tourism and hospitality industry. Through robust sales and marketing efforts, SCT will bolster the revenue generated through travel and tourism activities.

Create a Resilient Organization – With a history of managing natural, health and financial crises, Sonoma County Tourism is committed to having the foundation needed to ensure it is fortified against all potential impacts. Programs and services will center around building a financially secure organization, ensuring the capacity to prepare for and manage a crisis, building a high-performing and satisfied team, and maintaining full organizational transparency.

Engage the Community – Sonoma County Tourism and the partners it serves are integral members of the Sonoma County community. Through a thoughtful Community Engagement program and as a focus of all marketing and sales initiatives, SCT is dedicated to ensuring the community it represents is integrated into, and benefits from, the organization’s programming.

Solidify Commitment to Destination Stewardship – Becoming a Destination Stewardship Organization in 2018, SCT has since developed programming and partnerships that take a broad-based view of the destination. Focusing on responsible and sustainable travel, the organization works to mitigate damage resulting from visitor behavior and creates programming and associated messaging to protect and preserve the area’s fragile natural and cultural resources.

2025-26 Programming

The programs listed herein are fundamental to the success of a destination organization. As the environment in which tourism organizations evolves, so too does the types of programming and channels required to compel responsible travel and manage the organization. Below is an outline of the current categories of work for the FY245-26 year, the programs contained therein and the associated budget. These program overviews differ from those in previous reports, but represent a greater alignment with the current programming conducted by Sonoma County Tourism’s programming and operations areas:

1. Marketing/Communications
2. Destination Sales/Travel Trade
3. Business Development
4. Community Engagement
5. Research

6. Labor
7. Administrative Expenses
8. Capital Expenses
9. Reserves

Budget projections for this plan are based on a forecasted moderate 4.5% year-over-year increase in revenue for FY24-25. This forecast is based on five key factors:

1. A flat forecast for business and leisure groups, individual leisure travelers, and some international inbound visitors;
2. Additional room supply – the STR pipeline shows two limited-service hotels with about 250 rate-sensitive ADRs will come online for FY25-26;
3. Ongoing recovery of visitation to San Francisco - most especially for groups/meetings and international travelers;
4. Global political tensions impacting inbound international travel, especially from top international markets: Canada and Mexico;
5. General economic pressures facing travelers/consumers. The consumer confidence index shows continued declines in consumers' expectations about the future. High consumer debt, continued high interest rates and a volatile stock market has and may continue to impact consumer's desire to purchase travel. SCT will continue to watch this environment very closely; and
6. A lack of new development in Sonoma County that would serve to drive business.

1. Marketing Communications

SCT has launched an RFP to determine an agency(ies) to partner on the paid marketing and public relations efforts. This process will be completed in time to allow the agency(ies) to start work at the beginning of the fiscal year.

1a. Paid Advertising (all paid consumer marketing including digital, print, television, social media; website development; content development; photo/video; professional services fees). Sonoma County Tourism works with its agency of record (TBD), to craft both a seasonal intent marketing campaign (November – April) and an “always on” strategy. The paid media campaign is run incorporating the following elements:

- Paid advertising in key California markets, including San Francisco, Sacramento, Los Angeles, Orange County and San Diego this may include a television commercial, paid inserts into streaming services, segments on lifestyle programming, etc. Additional buys in direct flight and key markets including Phoenix, Dallas, Seattle, Chicago and New York.
- Digital and search buy with aggregators such as Adara, inPowered, content platforms such as Travel Spike, and partnerships with Online Travel Agencies (OTAs) including Expedia and TravelZoo. This is viewed in markets throughout the country.
- Social media advertising on Facebook/Meta, Instagram, LinkedIn and on social components of traditional media groups such as DotDash (Meredith – Travel & Leisure, Food and Wine, etc.)

1b. Partner Marketing Programs (all platforms for partner co-op marketing including the annual printed visitor guide, printed map, SonomaCounty.com website, consumer e-newsletter) will be offered to partners as the timing requires. Additional marketing programs occur with various cooperative marketing partners as identified.

1c. Media Relations/Earned Media (all programming for outreach to the consumer, travel trade and meetings market segments including in-market press trips, deskside visits, media missions to large media-centric markets, trade shows, professional services fees – PR agency efforts) For FY25-26, the PR team will engage in the following initiatives:

- In-market press trips – hosting media in Sonoma County
- Media missions – trips to major media markets such as New York, Los Angeles to introduce Sonoma County through deskside visits, media events and other activities
- Ongoing media outreach – the SCT and AOR (TBD) team work collectively to pitch stories to local, national and international media
- Influencer visits – these generally come at a cost, so this effort is often shared with paid marketing. Influencers can be powerful contributors to the editorial content for Sonoma County.

1d. Consumer Event Sponsorships (sponsoring events that occur in Sonoma County designed to drive out-of-market visitation). SCT now has a semi-annual application process for events to gain approval for funding. For FY25-26, we anticipate the allocation will be \$100,000 allocated once per year.

2. Destination Sales/Travel Trade

2a. Destination Sales (programs for this sector include participating in meeting planner trade shows, association sponsorships, promotions, FAM trips, client events, partner incentives, professional services fees including marketing/design vendors). The goal is to inspire meeting planners to book meetings, incentive trips and business groups into Sonoma County's lodging properties.

2b. Travel Trade (domestic) SCT works to promote the destination to leisure groups and free independent travelers (FIT) through the travel trade, including travel agents, advisors, tour operators, and online travel agencies (OTA's). The focus for FY25-26 is to enhance Sonoma County product knowledge among our client base, strengthen relationships, and identify opportunities to incorporate Sonoma County into their offerings.

2c. Travel Trade (international) SCT holds contracts with marketing and public relations representation firms in three key international markets:

- United Kingdom – Rocket Travel Marketing & NeoLux PR
- Germany – MSi
- Australia – Gate 7 (project basis only)

The goals of this initiative are to include Sonoma County in the offerings of tour operators, travel agents and wholesalers in international markets and to raise awareness of Sonoma County as a destination through robust media outreach and promotions.

Additionally, during FY25-26, SCT's Tourism Development team will launch a training program for local businesses and hotels, focusing on best practices for navigating the modern travel trade industry. The ultimate goal is to drive more business to area hotels and local businesses.

With SCT's "sister state" relationship with the Oita Prefecture in Japan, we will schedule a delegation visit to that region in the fall of 2025.

3. Business Development This initiative encompasses many attributes. Developing the industry is important to help ensure Sonoma County is adapting to evolving visitor preferences and has the lodging and meeting properties that help to expand Sonoma County's offerings. During FY25-26, this area will focus on several critical components:

3a. Integration with Lodging and Attraction Developers: As developers consider building new properties in the county, SCT will work to be at the table with developers and permitting agencies to help ensure the types of properties built align with the brand and offer both leisure and business travelers with options that run the entire spectrum of lodging types.

3b. Convention Center Development – SCT will continue to work with partner organizations to develop a convention center. The program of work is dependent on a yet-to-be determined timeline and scope of work.

4. Community Engagement (programs that reach local residents and stakeholders, Accredited Hospitality Professional (AHP) program, community event sponsorships)

4a. Stakeholder Outreach. The Community Engagement team works to forge positive relationships with stakeholders including elected officials, city and county staff, chamber of commerce/visitor center teams and influential organizations throughout the county. For FY25-26, SCT will continue to host mixers and meetings that allow the industry to convey the issues and opportunities inherent in tourism.

- **Visitor Center Connectivity** – With SCT providing and administering the granting process to distribute \$500,000 annually toward the operating costs for the visitor centers, the staff position will continue to work with each Center to help elevate the experience of visitors and the staff.

4b. Accredited Hospitality Professional (AHP) program. SCT sunset the Certified Tourism Ambassador program in 2021 and introduced its fully customized Accredited Hospitality Professional (AHP) program in 2021. The program offers a variety of training and information for employees in the tourism/hospitality industry as well as overall industry training for students considering a career in tourism.

4c. Sustainability Initiatives: SCT works in partnership with the Sonoma County Regional Parks on the Leave No Trace initiatives, has adopted five roads for clean-up activities, continues to hold Tourism Cares programs and will continue its partnership with Kind Traveler to communicate the region's commitment to destination stewardship. SCT will also continue to work collaboratively with neighborhood groups and Municipal Advisory Councils (MACs) to identify opportunities to amplify responsible travel messaging for visitors in market.

4d. Accessibility Initiatives: SCT is working in partnership Wheel the World to broaden information on business accessibility for guests with disabilities through their destination verification program.

4e. Sonoma County Hospitality Association (SCHA) Partnership: SCT works with the SCHA on issues and policy management initiatives as well as industry education programs. For FY25-26, SCT will re-sign its MOU with the SCHA for a \$37,500 partnership.

5. Research (all research ongoing and ad hoc programming): As an evidence-led sales and marketing organization, ensuring a solid foundation of research, program analytics and metrics-based performance programming is critical. This initiative was elevated during the past several years, so moving forward to ensure a highly focused and relevant program will continue to inform SCT's efforts. Current research providers include:

- Longwoods International - annual visitation, marketing return-on-investment
- NEAR – real time geotracking of visitors when they travel through the county.
- TravelClick – provides “pacing” information that shows booked business into the future. This allows both SCT and its partners to see where need periods exist.
- Smith Travel Research (STR) – weekly and monthly performance of lodging properties part of the STR program (doesn't include many independent properties).
- Key Data – this is a new partner that shows performance of the vacation rental properties.
- Tourism Economics – monthly dashboard showing performance of the entirety of the tourism ecosystem.
- Dean Runyan Associates – annual economic impact model that shows overall revenue including visitor spending and tax generation as well as industry sector employment numbers.

6. Labor

Total FTEs for FY25-26 stands at 24. Staffing costs have risen as SCT works to remain competitive in the Sonoma County labor market. For FY25-26 SCT will provide its employees with a 3% COLA. Compensation is evaluated on an annual

basis. For this fiscal year, SCT will provide half salary for the Sonoma County Economic Development Collaboration's Research Fellow.

7. Administrative Expenses

7a. Database: CRM database: SCT operates its database that houses all information for use across SCT marketing, sales and operational programming through Simpleview, a renowned tourism industry database provider.

7b. Technology: This includes the contract with SCT's external IT vendor, licenses for the various platforms needed to conduct business, internet access fees and telephone bills,

7c. Office Supplies and Equipment: This includes repairs and maintenance of office equipment, equipment and small tools – smaller office equipment not included under capital expense, office supplies and the mailing and delivery services.

7d. Fees & Licenses: This area covers the majority of the services used by SCT to manage its business. Under this category are bank fees, insurance, professional fees including legal and HR contractor services, and other taxes and licenses.

7e. Rent: SCT will continue to reside in the American AgCredit Building at 400 Aviation Boulevard for the next five years. SCT has a lease partnership with the Sonoma County Vintners through which the Vintners pay for their portion of the space and a share of the Common Area Maintenance (CAM) and janitorial costs.

7f. Professional Services: SCT contracts with outside vendors in its Human Resources, Legal and Accounting/Audit roles.

8. Capital Expenditures

The SCTB will continue to replace outdated and end-of-life computers based on its 4-year replacement schedule. All other expenditures will be determined based on the office space situation and personnel needs.

9. Reserves

The SCTB has a 3-month (90-day) reserve level to provide funds for significant future cash demands arising from both planned and unplanned events or circumstances. This number has fluctuated during the past two years as revenues have been uncertain. The FY24-25 end of year reserves amount is \$2.0 million, providing SCT with a 90-day reserve at current staffing and programming levels. To note, during 2018, the SCTB reduced its reserve target from a 6-month level to a 90-day level.

FY25-26 BUDGET

**Fiscal Year
2025-2026**

Revenues

BIA Assessment	\$ 6,067,496
Transient Occupancy Tax	3,384,696
Interest and Other Income	148,145
Total Revenue	9,600,337

Expenditures

Advertising (domestic and int'l)	1,812,149
Cient Events, Fams and	
Entertainment	237,715
Tradeshows and Sales Missions	326,158
Digital Engagement	650,182
Research, Tools & Memberships	377,463
Contract Services	568,675
Professional Development	210,175
Destination & Industry Programming	1,189,806
Labor	3,526,762
Administrative Expenses	701,233
Total Uses:	\$ 9,600,337

TOTAL REVENUE LESS USES **18**

Reserve Usage Capital Items	
Depreciation	90,000

TOTAL SOURCES LESS USES **89,982**

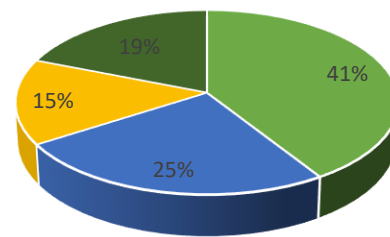
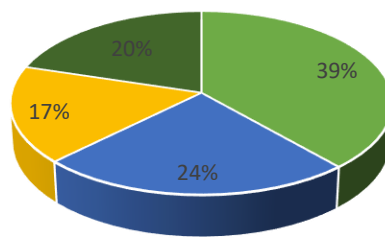
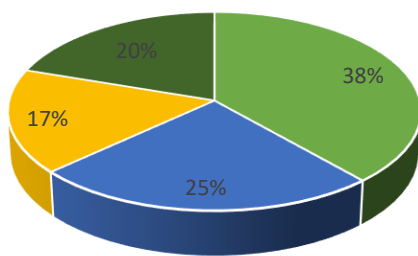
III. Annual Report (FY23-24)

Due to the timing of the delivery of this report, the most recent full annual report is for FY23-24. The annual report in its full version is available at SonomaCounty.com/partners.

The budget for fiscal year 2023-2024 was finalized in March 2024 and approved in April 2024. Revenues were initially forecasted to be about 9% higher than the actual result. When we completed the budget in March 2024 we only had actual revenues for July to September period and the remainder of the fiscal year came in much lower than anticipated which resulted in lowering the forecasted revenue for the rest of the year. This resulted in the organization continuously reforecasting revenues and expenses to adjust to updated numbers based on tourism performance in the county. Fiscal year 2023-24 ended up increasing revenue 4% over the prior fiscal year although this is still much lower than we had hoped for. The following report showcases the programming and results of yet another volatile year.

Fiscal year 2023-2024 started off slowly with revenues below 2022 for July to September and then slowly increasing as the year progressed. Total revenue finished about 4% higher than the prior fiscal year. According to our non-visitor study done in the winter of 2024, increase in international travel, San Francisco's reputation/news coverage and desire to visit other domestic destinations impacted our visitation over the slower periods.

This was the first fiscal year that we funded the Visitor Centers in the county. We committed to \$500,000 in operational grants plus an additional one time \$100,000 infrastructure grant to help improve equipment, signage, building needs and other similar costs. The organization began 2 projects identified in the Master Plan released the year before. Work began in earnest to determine the feasibility of a convention center in the county and do a mock up of the potential building on the space identified as being the best fit. We also started developing the Experiences program with tourism partners towards the end of the year that helps them create unique experiences to market and increase visitation. With a fully staffed business development team, they were able to increase their presence at trade shows across the country, adding in smaller more specialized industries. The new website was launched in February 2024.



FY23-24 Original Budget		FY23-24 Reforecast		FY23-24 Actual Results	
38.5% Marketing Business	3,941,836	38.5% Marketing Business	3,711,292	40.9% Marketing Business	3,813,311
24.7% Development Community	2,530,189	24.2% Development Community	2,329,167	25.0% Development Community	2,333,775
17.0% Engagement	1,737,960	17.1% Engagement	1,648,625	15.0% Engagement	1,399,206
19.8% Administration	2,031,204	20.3% Administration	1,954,405	19.0% Administration	1,773,306
	10,241,189		9,643,490		9,319,596

Expense by Category	Actual		Budget	
Advertising	\$1,610,232	17.3%	\$1,656,592	16.2%
Client Events, FAM and Entertainment	\$284,747	3.1%	\$555,975	5.4%
Travel and Tradeshow	\$373,633	4.0%	\$473,260	4.6%
Digital Engagement	\$524,544	5.6%	\$616,575	6.0%
Organization Tools	\$91,952	1.0%	\$83,584	0.8%
Research	\$222,772	2.4%	\$212,270	2.1%
Event and Organization Sponsorships	\$446,248	4.8%	\$410,451	4.0%
Memberships	\$66,729	0.7%	\$84,752	0.8%
Contract Services	\$809,157	8.7%	\$746,595	7.3%
Professional Development & Training	\$211,234	2.3%	\$405,750	4.0%
Destination Programming	\$888,345	9.5%	\$725,182	7.1%
Payroll and Human Resources	\$3,174,534	34.1%	\$3,521,552	34.4%
Technology	\$158,359	1.7%	\$156,148	1.5%
Office Supplies and Equipment	\$49,281	0.5%	\$87,716	0.9%
Fees and Licenses	\$118,087	1.3%	\$226,764	2.2%
Facilities Expense	\$289,653	3.1%	\$278,023	2.7%
	\$9,319,597		\$10,241,189	

Expense by Source Funding	TOT		BIA	
Advertising	\$42,886	1.3%	\$1,567,346	25.7%
Client Events, FAM and Entertainment	\$20,467	0.6%	\$264,280	4.3%
Travel and Tradeshow	\$0	0.0%	\$373,633	6.1%
Digital Engagement	\$14,485	0.4%	\$510,059	8.4%
Organization Tools	\$35,900	1.1%	\$56,052	0.9%
Research	\$30,000	0.9%	\$192,772	3.2%
Event and Organization Sponsorships	\$173,147	5.4%	\$273,101	4.5%
Memberships	\$47,694	1.5%	\$19,035	0.3%
Contract Services	\$41,848	1.3%	\$767,309	12.6%
Professional Development & Training	\$172,290	5.3%	\$39,034	0.6%
Destination Programming	\$624,604	19.3%	\$263,741	4.3%
Payroll and Human Resources	\$1,436,562	44.5%	\$1,737,972	28.5%
Technology	\$158,359	4.9%	\$0	0.0%
Office Supplies and Equipment	\$22,480	0.7%	\$26,081	0.4%
Fees and Licenses	\$118,087	3.7%	\$0	0.0%
Facilities Expense	\$289,653	9.0%	\$0	0.0%
	\$3,228,461	34.6%	\$6,091,136	65.4%

FY23-24 Balance Sheet**Sonoma County Tourism****Balance Sheet at June 30, 2024**

	2024	2023
Assets		
Current Assets		
Cash		
Cash	997,998	1,183,349
Investments	613,668	1,875,641
Total Cash	<u>1,611,666</u>	<u>3,058,989</u>
Accounts Receivable	3,132,305	2,674,578
Other Current Assets		
Inventory	25,392	25,936
Prepays	327,738	357,101
Total Other Current Assets	<u>353,130</u>	<u>383,037</u>
Total Current Assets	<u>5,097,100</u>	<u>6,116,604</u>
Fixed Assets	257,957	268,106
Other Non-Current Assets	1,720,878	1,267,867
Total Assets	<u>7,075,935</u>	<u>7,652,576</u>
Liabilities		
Current Liabilities		
Accounts Payable	405,407	673,214
Accrued Liabilities	441,594	423,770
Operating Lease Liability		251,685
Total Current Liabilities	<u>847,001</u>	<u>1,348,669</u>
Notes Payable	980,733	1,010,470
Total Liabilities	<u>1,827,734</u>	<u>2,359,139</u>
Net Assets	5,301,292	7,079,398
Current Period Income	-53,092	-1,785,961
Total Liabilities and Net Assets	<u>7,075,935</u>	<u>7,652,576</u>

PRIORITY 1: Drive the Economy

Increase Revenue to Partner Businesses and the County. While SCT cannot directly impact the lodging industry performance factors shown in the Smith Travel Research (STR) or KeyData (vacation rentals) reports, the organization is responsible for elevating brand awareness (cutting through the competitive clutter), increasing the consumer inquiries and business leads into the destination and driving the overall revenue into partner businesses and the County. Following are the goals and accomplishments of the organization toward achieving its mission and vision.

Accomplishments:

- Elevate brand awareness primarily as it encompasses the key brand pillars of wine and food, sustainability, wellness and responsible travel

The “Discover Your &” campaign invited travelers to explore the many unique experiences Sonoma County offers – whether they were looking for wine and culinary experiences, adventure, relaxation, or a combination of offerings. With fresh, compelling imagery and copy, this campaign highlighted all there is to eat, drink, see, and do in Sonoma County.

- Paid media efforts resulted in over 115 million impressions throughout the year.

Earned media efforts kept Sonoma County in the spotlight, securing 82 unique pieces of coverage with over 1.2 billion impressions across prestigious print, digital and broadcast outlets.

- 138 articles featuring 286 partners mentioned
- 1397 pitches made featuring 644 partners
- 8.71 Average Barcelona Principles Qualitative Score (goal to maintain a score of 7)

SCT ran a linear television and streaming ad on NBC Bay Area and Peacock. Ads ran May 7 – June 30, 2024. Campaign included:

- Spot Placement in Premium Programming on NBC Bay Area
- Ad Placement through NBC Spot On Featuring Peacock
- Custom Feature Integration on California LIVE lifestyle program – featuring Crista Luedtke
- Custom San Francisco Giants in-game linescore

Impressive Results!

Element	Delivered Spots	Delivered Impressions
:30 Spot	319	2,649,000
CA Live Segments (4:05)	4 (2 Bay Area, 1 LA, 1 San Diego)	10,000
Digital		566,012
Overall	321	3,495,012

Sonoma County was featured on Good Morning America Friday, May. 24, 2024: *Bucket List on a budget: How to explore California Wine country without going broke*. Segment reached a national audience of 2.2 million. National Publicity Value: \$219,761.

This coverage amplified our messaging, increased visibility of local businesses, and positioned Sonoma County as a top travel destination in a competitive media landscape.

Sonoma County was named a [Travel + Leisure](#) Best Place to Visit for 2024 and we had destination and partner representation in [TIME's list of World's Greatest Places in 2024](#).

- Increase inquiries to SCT's key marketing channels – SonomaCounty.com and the Sonoma County app
The app continues to see great consumer engagement!

9,768 downloads in FY23/24

26,361 Total App Downloads since launch (Spring 2022)

Time on App Increased +7% YOY to 3:51 per session

- Elevate engagement across Sonoma County's social channels;

Facebook:

7.1 M Impressions in FY 23-24 (+31% YOY)

84,379 Reactions (+38% YOY)

434,217 Clicks (+35% YOY)

Instagram:

4.8 M Impressions (+18% YOY)

8,812 New Followers (+173% YOY)

TikTok:

1,575 Followers (+25% YoY)

- Incentivize meeting planners to choose Sonoma County
Hotels are highly engaged with the incentive program. For FY24-25, incentives provided to lodging properties totaled \$99,377 vs a budget of \$76,200. This is one budget line that is good to exceed!

Group Sales

Activity	Goal	Actual	Percentage to Goal
Group Leads	820	944	115%
Group Room Nights	12,000	16,337	136%
1:1 Planner Meetings	841	1,555	185%

Total economic impact for the group room nights influenced by Sonoma County Tourism includes:

\$4,456,212 in hotel revenues

\$517,399 in

TOT

\$89,124 in BIA

Total "rooms only" economic impact of \$5,062,735.

Travel Trade

Activity	Goal	Actual	Percentage to Goal
Room Nights	5,000	6,915	138%

1:1 Client Meetings	812	1,010	124%
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SCT launched the Bay Area Transportation Incentive Program designed to provide roundtrip transportation to qualifying groups within 125 miles of Sonoma County. This incentive program furthers SCT's commitment to sustainability by taking more vehicles off the road, while allowing groups to enjoy their ride into the area.

- Create business-building opportunities for partner properties
SCT ran a More than A Stay promotion from November 2023 through April 2024 to help bolster business. This year's program includes not only traditional lodging partners, but vacation rentals (those owned/managed by members of the Vacation Rentals Committee) and experiences. The promotion had a dedicated web page to help elevate awareness and was promoted via owned, earned and paid channels.

The business development team offered partners to attend tradeshow and client events to increase visibility through these platforms. Partners attended United States Travel Association's IPW, ILTM, Visit California's Luxury Forum, UK Sales Mission, IMEX, Northstar Meetings & Events, SCT's Holiday Client Event in San Francisco, CalSAE, and other activations.

- Increase the number of Sonoma County trip offerings in international tour operator tariffs

Country	Additional Trip Offering Goal	Actual	Percentage to Goal
United Kingdom	4	4	100%
Germany	5	5	100%
Australia	3	3	100%

- Include the vacation rental product as a desirable lodging option.
For the first time ever, SCT is included vacation rentals in its More Than a Stay promotion. This helped amplify vacation rentals in marketing efforts and driving business during need periods.

SCT also included Vacation Rentals among the key lodging options on its new website. Working with the Vacation Rental Committee helped shape the format and elevated property use of this list.

Balance Travel Seasonality.

To further encourage year-round travel and most especially mid-week and off-season travel, the development of a convention center complex was begun this year.

During this time, SCT worked with HVS to develop a feasibility study to determine whether Sonoma County could support a convention center, the ideal location for that property and the configuration of a combined convention center and hotel.

SCT then worked with 10SB architects to craft the vision for the property.

Work will continue on this project in FY24-25.

Create a Compelling Invitation for Hospitality Workers to Choose Sonoma County. Along with industry and government agencies, including the Economic Development Board and the Sonoma County Hospitality Association, SCT will help spearhead programs that showcase the region to potential employees.

- During the first part of the year, the Career Technical Education (CTE) Foundation met with the Community Engagement Committee and co-hosted a webinar with SCT for our partners. We have one confirmed partner and two strong tentative partners committed for this year's program.
- SCT continues to work with local community partners including the Santa Rosa Junior College and Career Technical Education Foundation to ensure that the hospitality community is represented.

PRIORITY 2: Create a Resilient Organization

Resiliency is the capacity of an organization to prepare for and respond to any impact. This can be a crisis, an incident that diminishes organizational reputation or a shows a lack of forward planning especially planning that prepares the organization for potential impact. Sonoma County Tourism will work to become more resilient in the face of all potential impacts through creating a structure and approach that will help alleviate potential risks.

Increase Funding to SCT. To create a high level of organizational resiliency, Sonoma County Tourism will work to increase its funding by 30% through long-term reliable sources of revenue. This will give the organization the foundation needed to manage ongoing programming and respond to any impacts.

The Affiliate Program was completed in Q2 of FY23-24. SCT and partners began meeting with potential program participants, but the interest level waned due to the partner cost of the buy-in. SCT will continue to identify opportunities for elevating revenue.

Through partnership participation in trade shows and client events, SCT has generated \$16,500 in incremental revenue, most of which occurred September – December 2023.

Administer an Effective and Transparent Operation

As a contributor to, and recipient of, public funds through the Transient Occupancy Tax (TOT), Sonoma County Tourism ensures its operational practices align with accounting and operational best practices. Through oversight of the Finance & Legal Committee and the Board of Directors, the budget and allocation of dollars are given careful scrutiny.

Due to the lackluster 2023, SCT worked diligently to reforecast available funds based on an ongoing lower than expected performance. Once the reforecast was determined, SCT worked as a team to reduce program budgets to ensure funds were spent on high return programs. (See Financial Statements at the beginning of this report.)

SCT worked with Pisenti & Brinker to complete the FY2023-24 financial audit. This was completed and presented to the County in March 2025. No exceptions of significance were found.

PRIORITY 3: Engage the Community

Provide Greater Opportunities for Community Input. Ensure ongoing opportunities for residents to provide input into Sonoma County Tourism's initiatives, including those outlined in the master plan. This will help ensure a higher level of understanding and potentially support, from residents.

SCT held its annual Coffee & Collaborative in February 2024. This engages elected officials and others in a candid conversation about tourism, the industry performance and impact to communities. .

Increase Engagement with Tourism Industry Partners. SCT will continue to develop business building opportunities for its partners and provide both financial and intellectual resources designed to create success.

SCT's collaboration with visitor centers is raising the level of professionalism at these key visitor touchpoints. Sonoma County Tourism granted \$500,000 in operational grants to 12 visitor centers across Sonoma County. With these funds came a new opportunity for partnership and a renewed commitment to enhancing the visitor experience.

In addition to operational grants, SCT also provided \$100,000 in infrastructure grants in the areas of technology, signage and physical upgrades.

Throughout the year, SCT continued to strengthen this program by hosting formal meetings, educational and networking opportunities. SCT also supported a study of our visitor centers and the service they provide, where 94% of respondents reported being satisfied with the help that they received, and 82.8% of respondents likely to return to Sonoma County in the future.

The Accredited Hospitality Professional (AHP) program continued to grow with 484 enrolled professionals and 381 having completed full accreditation. Workforce training was conducted also conducted in partnership with local high schools and opportunities for educational experiences continued to grow.

Sonoma County Tourism continued its commitment to sharing the impact of our industry across the community with a successful National Travel and Tourism Week.

The highlight of the week was the Stars of the Industry awards, which highlighted the individuals and businesses that help our industry shine (see the Celebrations page).

Tourism Industry Collaboratives and Mixers

Collaboratives - Opportunities for partners to introduce their properties/offerings to the SCT team

Petaluma – Host: Once Upon A Slush

Occidental – Host: Altamont General Store

Timber Cove - Host: Timber Cove Lodge

Geyserville – Host: Geyserville Inn & Geyserville Grille

Cloverdale – Host: Cloverdale Museum of History

Sebastopol – Host: Region Wine Bar

Rohnert Park/Cotati – Host: Parliament Brewing Company

Guerneville – Host: AutoCamp Russian River

Industry Mixers – Networking opportunities for the tourism and hospitality industry

Windsor 8/31/23 – Holiday Inn

Timber Cove 1/29/24 – Timber Cove Lodge

Geyserville – 3/6/24 – Geyserville Grille

Cloverdale – 3/28/24 – Cloverdale Museum of History

Guerneville – 4/30/24 – AutoCamp Russian River

Sales Industry Mixers – Sales Teams from Hotels, Venues, Winery's, and other partners.

Healdsburg – Host: Baccas Landing

Petaluma – Host: Hotel Petaluma

Santa Rosa – Host: Hyatt Regency

Unincorporated – SCT Offices – Sales team mixer with Business Development Committee Joint Mixer

Elevate Awareness of, and Discussions Around, Sonoma County's Culture and Heritage.

Sonoma County Tourism recognizes that while part of the region's history can be celebrated and held amongst its most cherished key appeals, components of history need to be addressed in a more meaningful and authentic way.

The Neighborhoods Project began in 2023. These videos showcase the people, businesses and cultural components that give each city its unique value. Cotati and Guerneville were completed in 2023. Sebastopol is in production.

PRIORITY 4: Solidify Commitment to Destination Stewardship

Enhance Partnerships with Sustainability Brands. SCT has worked with organizations such as Leave No Trace and Kind Traveler for several years and developed foundational programming, more can be done to engage local partners and convey the programming to visitors.

As a Destination Stewardship Organization, we're dedicated to responsible travel that protects and preserves Sonoma County's natural and cultural treasures.

SCT continued our strong partnership with Sonoma County Regional Parks and Leave No Trace, and have 66 businesses that are part of the Sonoma County Leave No Trace Coalition, amplifying stewardship messaging for their guests before and during their visit to the County.

SCT continues to work with the Cleaner California Coast, a three-county initiative that seeks to lessen coastal pollution by reducing litter through a coordinated messaging campaign focused on community and visitor outreach, education, and training. More than 10 million visitors each year come to the coastline of California and its neighboring counties of Marin, Sonoma, and Mendocino. Over 55,000 pounds of litter were picked up from the sensitive coastal environment across the three counties last year alone. The Cleaner California Coast campaign empowers individuals and communities to create a cleaner California coast through the practice of Leave No Trace principles.

SCT continued its six-year partnership with Kind Traveler to give travelers an opportunity to make a positive impact on our community when they book their stay in Sonoma County. Since partnering with Kind Traveler:

Over \$25,000 has been raised for local non-profit organizations. Resulting in:

- 42,528 servings of Sonoma County grown fruits and vegetables provided by Farm to Pantry to residents experiencing food injustice
- 69,500 pounds of trash removed out of the Russian River by Russian Riverkeeper
- 41 miles of hiking trails maintained by Sonoma Land Trust
- 200 meals provided to individuals in need from Redwood Empire Food Bank
- 1,110 science-based nature experiences provided to elementary students at Pepperwood Preserve
- 258 days of nutritional care provided to rescued farm animals at Charlie's Acres Animal Sanctuary

Sonoma County was the first destination to have lodging properties included in the Kind Traveler Every Stay Gives Back program. Highlighting the program was a visit by social influencer Gina Danza @wildgina. Her visit resulted in:

- 50 Total Posts
- 3 Instagram Carousels
- 47 Instagram Stories
- 61,476 Total Impressions
- 5,215 Total Engagements

Sonoma County Tourism also continues to give back to our local community through its Tourism Cares program, both maintaining 5 stretches of adopted road and participating in volunteer programs to meet the needs of our local

community. Sonoma County Tourism has adopted five roads. During FY23-24, nine miles of roads were cleaned. Since joining the adopt a road program, SCT has cleaned 54 miles of Sonoma County roads.

Celebrations and Awards

2024 Stars of the Industry (an SCT event to celebrate the best of the tourism and hospitality industries)

- 196 nominations received
- 25,536 votes cast
- 29 honorees
- 360+ attendees

Honorees

- Legacy Award – Jennifer Buffo, Pure Luxury Transportation
- Front of the House: Liam Richardson, Torches Restaurant
- Heart of the House: Jorge Garcia, DoubleTree by Hilton Hotel Sonoma Wine Country
- Rising Star: Chantal La Rochelle, The Stavrand
- Environmental Stewardship: Sonoma County Farm Trails
- Customer Experience: *Reed* Between the Lines Escape Room
- Lodging Property of the Year: Farmhouse Inn
- Community Enrichment: Out in the Vineyard
- Best Tourism Partnership: Charles M. Schulz Museum and Russian River Brewing Company
- Champion of the Industry: Aphrodite Caserta, Safari West
- Visitor Center Program of the Year: Petaluma Visitors Program
- Visitor Center Volunteer/Staff of the Year: Diane & Dennis Mitchell, Sonoma Valley Visitors Bureau
- Accredited Hospitality Professional Program Champion – Renee Donmon-Chaussee, Charles M. Schulz Museum

Sonoma County *Tourism* Programming Awards

Hospitality Sales and Marketing International (HSMIA)

- President's Award – Start TODAY Show Partnership
- Platinum Award – Start TODAY Wellness Event and Broadcast
- Platinum Award – Pause & Effect Campaign
- Bronze Award – Pause & Effect Influencer Campaign
- Bronze Award – Pause & Effect Advertising Campaign
- Bronze Award – Integrated Sales Campaign – Connect in the Open

US Travel Association

- Destiny Award – Best Overall public Relations Program

MarCom Awards

- Platinum Award – Start TODAY Wellness Event & Broadcast

CalTravel

2023 Sustainability & Stewardship Advocate Award (Picture of team accepting award)

AJ Ruiz – 30 & Under Emerging Leader Award

Public Relations Society of America Central Ohio Chapter – Prism Award – Intentional Itineraries

Best of NorthBay Biz – Best Visitors Bureau

IV. FY24-25 Update

Sonoma County Tourism began its FY23-25 strategic plan on July 1, 2023. This update showcases the team's progress towards the organization's Critical Business Objectives (CBOs) as well as the team's Key Performance Indicators (KPIs). Sections in the plan have been edited to remove some of the editorial content that lays a foundation for the KPIs, but is not material to the tracking of the KPIs.

Organizational Critical Business Objectives

Overarching Critical Business Objectives (CBOs) lay the foundation for all programs and create a shared vision for the organization. These are the metrics by which the success of the organization will be measured.

PRIORITY 1: Drive the Economy

- 1. Increase Revenue to Partner Businesses and the County.** To help increase revenue SCT will engage key strategies. While, depending on market conditions, these may shift slightly in year two of the plan, we anticipate these to continue throughout the plan time period (FY23-25).

- Elevate brand awareness primarily as it encompasses the key brand pillars of wine and food, sustainability, wellness and responsible travel;

While these are always the key pillars of SCT, we are taking a more intentional approach with the Wine Country for All of Us initiative and the This is Wine Country campaign. Centering around wine, the campaign will showcase the many other experiences available in the region.

SCT also worked with 10 partners on the Signature Experiences program facilitated through the Veneto Collaboratory. The experiences very definitely showcase these pillars, and do so in an immersive and memorable way.

SCT held a meeting of luxury properties in October with the goal to help the organization better understand how to position the destination within the luxury market. Most of the luxury properties/offers fall within the key pillars.

In February 2025, SCT launched a new initiative, Wine Country For All of Us. This initiative celebrates social inclusion following Merriam Webster's naming "polarization" the word of the year for 2024.

SCT also launched a new paid marketing campaign, THIS IS WINE COUNTRY. The campaign showcases Sonoma County as a wine destination, but juxtaposes that statement with images of the myriad other activities available in Sonoma County. The campaign will run February – June 2025.

- Increase inquiries to SCT's key marketing channels – SonomaCounty.com and the Sonoma County app;
 - *Direct Traffic to Sonomacounty.com was down 3% YOY 125,000 vs 129,000, however engagement on site was up 5% to 1:18 per session*
 - *1,862 New App Downloads from July-Dec. 2024. (7% increase)*

- Elevate engagement across Sonoma County's social channels;
 - Facebook: Daily Average Engagements: 1,032 +14% YOY
 - Instagram: Post Reach 1.81M + 32% YOY
- Incentivize meeting planners to choose Sonoma County;

In addition to the incentives offered to lodging properties and meeting planners, SCT introduced the Bay Area Transportation incentive to provide bus transportation for groups that meet certain thresholds for their meeting. This was introduced during a client event in San Jose on Oct. 24 and received a very positive response.
- Create business-building opportunities for partner properties;

During this time, SCT provided several client events and trade show opportunities that offered partners hances to engage in business development activities. A few highlights:

 - San Jose Client Event
 - IPW
 - IMEX
 - CalSAE Seasonal Spectacular
 - Visit California Highway 128 International Media Press Trip
 - Visit California's FAM for its new Italian agency Aligo
- Increase the number of Sonoma County trip offerings in international tour operator tariffs

In FY2023-24 SCT did increase the number of tariffs (offerings from tour operators to customers) from 4-6.
- Include the vacation rental product as a desirable lodging option.

Vacation rentals are now included on SonomaCounty.com under Lodging allowing for 1-click access.
- The overall revenue and growth in key sectors such as taxes generated and employment are measured through the annual Dean Runyan Economic Impact study.

The Dean Runyan 2023 study was provided in January 2025. While the revenue was down overall, it wasn't as dramatic as we expected through our monitoring of the STR report.

Sonoma County / Direct Travel Impacts

Summary Table

	2017	2018	2019	2020	2021	2022	2023p	Avg. Annual % Chg	
								2022-2023p	2017-2023p
Spending (\$Millions)									
Total	2,083.8	2,200.0	2,237.1	1,247.7	1,989.8	2,298.1	2,278.3	-0.9%	1.5%
Earnings (\$Millions)									
Earnings	766.6	814.5	863.0	652.5	469.8	934.7	1,028.9	10.1%	5.0%
Employment (Jobs)									
Employment	22,506	22,374	22,355	16,287	17,608	21,185	21,965	3.7%	-0.4%
Tax Revenue (\$Millions)									
Total	182.4	199.1	204.5	134.7	177.4	219.1	216.5	-1.2%	2.9%
Local	97.1	108.4	109.9	74.2	102.4	125.8	121.7	-3.2%	3.8%
State	85.3	90.7	94.6	60.5	75.0	93.3	94.8	1.6%	1.8%

Note: Details may not add to totals due to rounding. Percent change calculated on unrounded figures. Employment and earnings estimates include CARES Act support.

- Balance Travel Seasonality.** Sonoma County Tourism has been charged with intent marketing during the shoulder and off-season time period (November – April) since its inception in 2005. Because of the product offerings and regional nature of current visitation, driving visitation during this period continues to be a challenge. Both the consumer marketing and destination sales teams work to compel travel during this time period.

To further encourage year-round travel and most especially mid-week and off-season travel, the development of a convention center complex would help punctuate this goal. Critical objectives for development of a convention center during the upcoming biennium include:

FY24-25:

- Formulate architectural designs and key components of the center and adjoining structures.

While SCT continues to work on this project, identifying a funding/capital stack that will help move us to this phase, has taken longer than anticipated. At this point, a Memorandum of Understanding has been crafted that can be used to determine the ownership structure. This is currently being vetted among potential project owners. We will have the funding model completed and work on a community outreach plan and meetings underway during FY24-25.

- Create a Compelling Invitation for Hospitality Workers to Choose Sonoma County.** Along with industry and government agencies, including the Economic Development Board and the Sonoma County Hospitality Association, SCT will help spearhead programs that showcase the region to potential employees.

FY24-25:

- Explore and create a potential job education/event/fair FAM to Sonoma County with educational opportunities, housing exploration, partner employment opportunities, introduction to SCHA, etc. Work with Santa Rosa Junior College, Sonoma State and other Bay Area/Sacramento schools that have a hospitality program.
- Research and start to establish scholarship program and internships within the AHP program.
- Increase CTE Foundation internship partners to 5 for 2025.

Success will be measured by an increase in the number of workers in the hospitality industry and long-term, the number able to live in Sonoma County as reported through tax roles and census data.

This broad initiative was put on hold once it was determined this was out of the organization's scope for the time being. SCT does still work with workforce initiatives such as the CTE program and our own AHP program has completed two trainings in local high schools.

PRIORITY 2: Create a Resilient Organization

Resiliency is the capacity of an organization to prepare for and respond to any impact. This can be a crisis, an incident that diminishes organizational reputation or a shows a lack of forward planning especially planning that prepares the organization for potential impact. Sonoma County Tourism will work to become more resilient in the face of all potential impacts through creating a structure and approach that will help alleviate potential risks.

1. **Increase Funding to SCT.** To create a high level of organizational resiliency, Sonoma County Tourism will work to increase its funding by 30% - to \$12 million or more through long-term reliable sources of revenue. This will give the organization the foundation needed to manage ongoing programming and respond to any impacts.

Success will be achieved when SCT gains 30% or more in long-term funding.

Due to municipalities including TOT increases on the Nov. 2024 ballot, SCT postponed further discussions around increasing funding. Fundraising also is part of the capital funding model for the convention center. At this point, we have not achieved this goal.

2. **Elevate Commitment to and Programming Around Diversity, Equity, Inclusion and Accessibility (DEI+A).** To help both SCT and its county-wide partner businesses recognize the importance and need to integrate DEI+A policies, SCT will work to lay the foundation for meaningful programming internally and for partners.

Success will be the integration of a DEI program of work for the organization and a platform or other tool that partners can use to integrate their own DEI &A initiatives.

Sonoma County Tourism continued to work on its DE&I initiatives, however, lost a couple of the employees who represented diverse backgrounds to other career opportunities. We continue to use the framework around a commitment to DEI+A, but were not successful in replacing one of the employees with a person representing a diverse background.

In late 2024, SCT did introduce an organizational initiative, Wine Country for All of Us, designed to address social inclusion and DEI+A initiatives. The program will have its official launch on Jan. 29, but will usher in a new partnership with Wheel the World and with HospitableMe, an Inclusive Hospitality Strategy and Training company for staff and partner inclusivity training. More programming will follow as SCT firmly positions Sonoma County as an inclusive and welcoming destination.

3. **Administer an Effective and Transparent Operation**

As a contributor to, and recipient of, public funds through the Transient Occupancy Tax (TOT), Sonoma County Tourism ensures its operational practices align with accounting and operational best practices. Through oversight of the Finance & Legal Committee and the Board of Directors, the budget and allocation of dollars are given careful scrutiny.

Forecasting and budgeting for FY23-25 should fall back into a more normalized cadence. The uncertainties and dramatic swings of the previous five years should now be more balanced giving SCT a better chance

to budget and allocate funds in alignment with the programs outlined in this plan. To this end, SCT will continue its annual audit with a County-approved auditing firm and will report all findings to the Finance & Legal Committee, Board of Directors and the County.

Success will be realized with accurate financial forecasting (within 10% of actual), a favorable annual audit and utilization of the program budgets to achieve the KPIs outlined in this plan.

SCT is on track to fully achieve this goal. The 2024 audit was a clean one and while forecasting has been challenging, SCT continues to modify its programming according to not only the forecasts, but the actuals for both revenue and expenses.

4. Create a Highly Engaged Board of Directors and Committees

Sonoma County Tourism is guided by its Board of Directors and Committees, making their engagement in all aspects of the organization critically important.

Achievement of this objective will be determined through an annual board and committees survey as well as ongoing participation in meetings and events. Success will be an overall satisfaction level of 90% or higher.

Based on feedback from the Board at its spring 2024 meeting, SCT is following through on creating a disruptive approach to both its programming and its organization. Because of this, SCT is planning a different approach to its spring 2025 board retreat and will be developing a board engagement/strategic planning session with Bill Geist, a tourism industry board development expert.

5. Ensure a Highly Satisfied, High Performing Team

The capacity for SCT to achieve the goals outlined in this plan and be an employer of choice is dependent on a professional team that is valued and empowered. Working collaboratively across all departments, coalescing around shared goals and values and having the skills and tools required to succeed at jobs is critical for success of the organization.

Success will be measured through a year-over-year increase in employee survey satisfaction scores.

SCT conducted an annual employee survey in August, but due to circumstances we cannot control, we were unable to present it to the team until November. SCT uses the Culture Amp survey platform which measures favorability. The overall satisfaction score showed a 4% increase over 2023 with 80% of employees saying SCT has a favorable or very favorable employee engagement environment. The survey also measured the workplace and the culture.

PRIORITY 3: Engage the Community

- 1. Provide Greater Opportunities for Community Input.** Ensure ongoing opportunities for residents to provide input into Sonoma County Tourism's initiatives, including those outlined in the master plan. This will help ensure a higher level of understanding and potentially support, from residents.

Overarching success will be measured in both the number of touchpoints between SCT and residents and the satisfaction scores of residents through an annual survey.

SCT is working to develop resident town halls and will provide these prior to the end of the fiscal year.

- 2. Increase Engagement with Tourism Industry Partners.** SCT will continue to develop business building opportunities for its partners and provide both financial and intellectual resources designed to create success.

Success will be measured through increase in partner participation in SCT programs and the satisfaction scores obtained during an annual partner survey.

SCT conducted a partner survey in late 2024. The results were communicated in Dec. 2024. Key takeaways:

- *The survey was sent to SCT's partner distribution list and data was collected between August 12 to November 15, 2024.*
- *162 partner responses were collected in this survey.*
- *68% of SCT's partner organizations employ between 1-24 employees; approximately 43% are family-owned businesses, and 47% of these organizations have operated in Sonoma County for over 20 years.*
- *Partners found the following top 3 destination marketing initiatives to be **very important**: providing marketing, public relations, advertising and promotional activities (67%), followed by tourism performance and market research insights (51%), and events that help the local community (residents and non-tourism partners) understand the value of tourism (46%).*
- *83% of SCT's partners strongly agree that the tourism sector can play a larger role in the success of the Sonoma County economy. When asked if residents understand the economic impact of tourism, 50% agreed and 39% disagreed with this statement.*
- *Level of awareness, effectiveness and impact was greatest for recognizing sonomacounty.com and the annual visitors map, followed by industry mixers and the Accredited Hospitality Program. The top 3 concerns facing partner organizations over the next 5 years include: impact of rising costs and inflationary pressures, labor/staffing challenges (including retaining quality employees) and reduced visitation rates.*
- *Overall, partners expressed a positive sentiment toward SCT's programs and provided thoughtful input on ways to enhance partnership opportunities with SCT across all areas, including marketing, community engagement, and business development needs.*

3. **Elevate Awareness of, and Discussions Around, Sonoma County's Culture and Heritage.**

Tourism has generally taken a Pollyanna approach to culture and heritage, framing this in a completely positive light. Sonoma County Tourism recognizes that while part of the region's history can be celebrated and held amongst its most cherished key appeals, components of history need to be addressed in a more meaningful and authentic way. As identified in the Destination Stewardship and Resiliency Master Plan, spurring conversation around all aspects of our history, will move the destination forward in a more realistic way.

During the next two years, SCT will work with organizations, history centers, learned individuals and other institutions to help surface the true history and unique culture of Sonoma County.

A part of this dialogue will be conveyed through the Neighborhoods Program. This program will connect municipalities, unique voices and untold stories to residents and visitors.

Tied to the metrics in the Destination Stewardship and Resiliency Master Plan, success will be realized when 50 authentic oral and written histories are uploaded to the website. The Neighborhoods program will be measured through the completion of six programs per fiscal year.

Sonoma County has a solid link to Japan through the historic work of Kanaye Nagasawa and the establishment of the Fountaingrove Winery. SCT became connected with the Oita Prefecture, a state in Japan close to where Nagasawa was born, through a former San Francisco Consul General who loved Sonoma County. SCT signed an MOU of cooperation with the Oita prefecture in November 2024.

Due to a staffing change, the Neighborhoods program has been put on hold. We are working to find a consultant who can help craft the storytelling around the region's history and heritage.

PRIORITY 4: Solidify Commitment to Destination Stewardship

1. **Elevate the Position of Sonoma County Within the Sustainability Space.** Although Sonoma County has established itself as a leader in sustainable travel, SCT can continue to solidify this position and provide additional opportunities for its partners. The creation of the Manager, Sustainability and Climate Change Initiatives has provided SCT with greater insights into this arena and opportunities to create first-to-market solutions and opportunities for partners.

Success in this area will be around how SCT is able to elevate the destination through certification, opportunities for speaking engagements and number of partners who create new or advance sustainability offerings.

SCT continues its commitment to destination stewardship, although we do not have a staff member dedicated to this purpose. Our work with Leave No Trace and the Cleaner California Coast, Kind Traveler and the Global Sustainable Tourism Council continues.

2. **Enhance Partnerships with Sustainability Brands.** SCT has worked with organizations such as Leave No Trace and Kind Traveler for several years and developed foundational programming, more can be done to engage local partners and convey the programming to visitors.

As sustainability grows within the meeting sector, the opportunity to engage meeting planners with Sonoma County's commitment to sustainability is greater than ever. Helping ensure venues/hotel brands are aligned around the sustainability value will be critical for success.

Success will be in the number of new partnerships achieved and increasing the partner participation in current partnerships.

The partnerships with Leave No Trace and Kind Traveler continue. No new partnerships have been developed.

3. **Position Sonoma County as a Leader in the Climate Change Imperative.** California is working to become a global leader in mitigating climate change. With the commitment of both the winegrowing and tourism industries, Sonoma County can become a partner with the state to move climate change initiatives forward.

As this program is in its infancy, success will be realized in how SCT is able to position the destination within statewide climate change initiatives and to be seen as a thought leader in this space.

No additional work has been done toward this goal.