

MEMORANDUM OF UNDERSTANDING  
BETWEEN THE  
SONOMA COUNTY TOURISM BUREAU  
AND THE COUNTY OF SONOMA

This Memorandum of Understanding (MOU) is entered into on the first day of July 2019 by and between the SONOMA COUNTY TOURISM BUREAU (“SCTB”) and the COUNTY OF SONOMA, acting through its ECONOMIC DEVELOPMENT BOARD (“EDB”).

AGREEMENT

The purpose of this Memorandum of Understanding is to establish and maintain an economic research program on the hospitality industry, to be executed by the EDB with the support of the SCTB. To further this purpose, the parties to this MOU agree as follows:

**A. SERVICE AND PAYMENT TERMS**

The EDB shall perform the following tasks:

1. Transient Occupancy Tax (TOT) and Industry Development Report

On a quarterly and annual basis, the EDB will (a) compile data on TOT performance, as reported by cities and the County, as a tool to measure the progress and impact of various tourism-related programs and (b) compile data on development of new lodging facilities by obtaining information from the local permitting authorities in both cities and the County.

The compilation of TOT performance data will be presented in an approximately five-page report, which will include:

- Historical and current TOT collections for each city and the County, by quarter.
- Year over year absolute and percent changes in TOT collections for each city and the County.
- The quarterly and annual “share” of total TOT collected by each city and the County.
- A chart showing how each municipality spends their TOT (e.g. General fund or general fund and specific programs by percentage).

This report will be similar in format and scope to previous TOT reports.

The compilation of data on development of new lodging facilities will be presented in an approximately two-page report, which will include, for each new lodging facility identified:

- The tentative name and address for the facility
- The number of proposed rooms

- The expected average daily room rate of the facility
- The expected annual TOT and BIA collections for the facility
- The estimated date of completion

The report will also strive to maintain current information on vacation rentals run by private owners (VRBO) as well as AirBnB-type short-term rentals

## 2. Annual Tourism Report

In partnership with SCTB, the EDB will produce an Annual Tourism Report on the tourism industry in Sonoma County. The EDB will work with Sonoma County Tourism to identify the studies deemed as most appropriate to show overall industry performance. These studies will come primarily from SCTB research and insights provided through industry sources such as Visit California, the U.S. Travel Association and Brand USA. EDB anticipates that the Annual Tourism Report will be released in June 2020.

This report will include extensive written analysis on current and anticipated trends in the hospitality industry, including employment and output in local and nationwide industries; supply/demand factors; operating costs; upside and downside risk factors; two to four charts with commentary; impacts of VRBO and AirBnB dollars, reporting rate and overall presence; and five-year forecast detail for key U.S. macro drivers.

The report will be combined with the research commissioned by SCT to derive annual tourism and hospitality number, trends, and threats.

## 3. Sonoma County Restaurant Week

The EDB will organize, run and report on Sonoma County Restaurant Week (SCRW) in February 2020. This includes organizing participating restaurants, data collection materials and all local promotion and web presence. Following the event, the EDB is responsible for producing a report that outlines the economic impact, qualitative consumer feedback and restaurant perceptions of the event. The report will also include information about the events' web presence.

EDB will query restaurateurs via survey after the next SCRW scheduled for February 2020, to find the optimal time of year for SCRW in 2021.

## 4. Comprehensive Visitor Research, Economic Impact Survey, Lodging Performance (STR) and Marketing Programming ROI Metrics

- a. Sonoma County Tourism will employ tourism industry leading research partners to develop foundational visitor research, including:
  - Estimated volume of overnight trips to Sonoma County
  - Market share estimate for Sonoma County overnight trips
  - Trip purpose mix
  - Trip planning cycle

- Sources used for trip planning and booking
  - Trip characteristics (season of trip, length of trip, size and composition of travel party)
  - Transportation and accommodations used on trip
  - Activities on trip
  - Prior visitation
  - Use of internet and social media
  - Trip satisfaction – overall and specific characteristics
  - Estimated travel expenditures in Sonoma County, overall and by five (5) major sectors (accommodations, food and beverage, retail, transportation, recreation/attractions/sightseeing)
  - Sources of business
  - Demographic profile of visitors
  - U.S. norms on all of the above, where applicable
  - Profiles of overnight visitors by trip purpose segments
  - Day trip profile, including:
    - i. Trip volume
    - ii. Market share estimate
    - iii. Travel expenditures
    - iv. Sources of business
    - v. Demographics
- b. SCTB will use its research vendor to conduct an advertising ROI Study that will determine:
- Awareness of SCT advertising
  - Short-term conversion, e.g. trips taken as a direct result of the advertising during and immediately following the campaign
  - Intentions to visit in the future
- c. SCTB also will commission its vendor to develop a study that measure the impact of tourism advertising as a driver of economic development. The “Halo Effect Study,” will demonstrate the expansive role a destination’s tourism advertising and visitation plays in boosting the image of that destination for all major economic development objectives, including image as a place to live, to start a business, to start a career, to attend college, to purchase a vacation home and to retire.

The purpose of the specific research component proposed here is to provide information that will be useful in supporting Sonoma County Tourism’s position as a key proponent of the Sonoma County “brand.”

The output of the study will be a report providing charts summarizing the data in each area described above, with conclusions and recommendations for future direction.

- d. Sonoma County Tourism will work with Visit California and Dean Runyan to finalize and communicate the annual Economic Impact Survey

- e. Sonoma County Tourism will integrate information derived from the STR report into its overall industry performance metrics.
- f. Sonoma County Tourism may use ad hoc studies as needed to gain insights into specific industry segments, conduct partner outreach and measure international inbound activity.

Partnering with the EDB, Sonoma County Tourism will integrate the EDB research fellow into managing these research programs.

As compensation for all services contemplated by this Agreement, SCTB shall pay EDB the sum of \$51,000.

The SCTB shall make four equal payments; the first payment of twelve thousand, seven hundred fifty dollars (\$12,750) will be paid to EDB upon execution of this MOU, with the next three payments as follows: December 15, 2019, March 1, 2020 and June 15, 2020.

## **B. GENERAL PROVISIONS**

### **1. Term of Agreement**

- a. The term of this Agreement shall be from July 1, 2019 through June 30, 2020 unless terminated earlier in accordance with the provisions in 1.b.
- b. Either party to this Agreement may terminate the Agreement for convenience and without cause, by giving the other party 30 days advance written notice of the effective date of termination. In the event of termination, COUNTY shall be entitled to retain compensation for each completed month of service since July 1, at a rate of one-twelfth per month, through the date of termination.
- c. In order to better facilitate communication and to train EDB staff on the hospitality industry, EDB employees will work on site at the SCTB offices, or out in Sonoma County, at least one day per work week. Work will include attending meetings with SCTB staff as it pertains to projects, coordinating with SCTB on tasks as outlined above, and implementing research and education initiatives in the community. SCTB will provide a desk and computer for EDB staff to work on while working onsite.

### **2. Notices**

All notices, bills, and payments shall be made in writing and shall be given by personal delivery or by U.S. Mail or courier service. Notices, bills, and payments shall be addressed as follows:

EDB: Sonoma County Economic Development Board  
141 Stony Circle, Suite 110  
Santa Rosa, CA 95401

SCTB: Sonoma County Tourism Bureau  
400 Aviation Blvd., Suite 500  
Santa Rosa, CA 95403

### 3. Assignment/Delegation

Neither party hereto shall assign, sublet or transfer any interest in this Agreement or any duty hereunder without written consent of the other, and no assignment shall be of any force or effect whatsoever unless and until the other party shall have so consented.

### 4. Merger

This writing is intended both as the final expression of the Agreement between parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

**IN WITNESS WHEREOF, the parties hereto have executed this Agreement as set forth below.**

SONOMA COUNTY TOURISM BUREAU

DATED: \_\_\_\_\_

By: \_\_\_\_\_  
Claudia Vecchio, CEO

COUNTY OF SONOMA

CERTIFICATES OF INSURANCE ON  
FILE WITH AND APPROVED AS TO  
SUBSTANCE BY DEPARTMENT:

DATED: \_\_\_\_\_

By: \_\_\_\_\_  
Sheba Person-Whitley, Economic  
Development Director

APPROVED AS TO FORM:

DATED: \_\_\_\_\_

By: \_\_\_\_\_  
Linda Schiltgen, Deputy County Counsel

COUNTY OF SONOMA

DATED: \_\_\_\_\_

By: \_\_\_\_\_  
Chair, Board of Supervisors

DATED: \_\_\_\_\_

ATTEST: \_\_\_\_\_  
Clerk of the Board of Supervisors