

**C.O.A.S.T.**

Coalition to Observe and Advance Sustainable Tourism



## **PRELIMINARY STUDY- REPORT**

**The Sonoma County Destination Area  
as a site for a  
UNWTO affiliated  
Sustainable Tourism Observatory.**

March 17, 2017

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# PRELIMINARY STUDY- REPORT

This report accompanies a proposal to the United Nations World Tourism Organization to establish a Sustainable Tourism Observatory to be located at Sonoma State University in the County of Sonoma in California, USA. The report below responds to the questions and topics listed by UNWTO in its application guidelines.

## 1. Description of the destination as an Observatory site.

### Location.

The “destination area” for this application is Sonoma County, one of the largest counties in the nine-county San Francisco metropolitan area of California, USA. Its 1,768 sq. miles (4,580 sq.km.) extends from the Pacific Ocean inland to San Francisco Bay. It has a population of 502,000 (2015).

Sonoma County is strategically located 45 minutes north of the Golden Gate Bridge and the metropolitan areas of San Francisco and the Silicon Valley. The county is largely agricultural, with 447 wineries, miles of rugged and scenic Pacific coastline, and towering redwood forests. Fifty percent of California’s wine industry is located in the Sonoma/Napa Wine Country area, and Sonoma County is already one of California’s most visited and attractive spots for a vacation or a weekend visit.

Sonoma County is also the most northerly county in the San Francisco Bay Area tourism market and destination area. Virtually all air-arrivals and -departures to the region travel through Bay Area airports (San Francisco, Oakland) or through Sacramento, the California State Capitol, all of which are only a two-hour drive away.

Sonoma County also receives a growing number of arrivals and departures through its county airport south of Windsor. The airport has direct flight-connections to Los Angeles, Orange County, Portland OR, San Francisco, San Diego, Seattle, Las Vegas and Phoenix and, via transfer, connections to other international airports and hubs. The airport is presently served by Alaska Airlines, Allegiant, American Airlines and Sky West.

In its regional reporting, the San Francisco Travel Association reports that 24.6 million visitors came to the San Francisco Bay area from US or international locations in 2015 (the last year for which reports are complete). They included 18.9 million leisure-visitors and 5.8 million business-travelers. Tourism-supported jobs totaled 76,520 in 2015, with an annual payroll of \$2.3 billion.

Of the people who visited the region in 2015, 10.18 million were overnight visitors, and 2.85 million of those visitors came from international destinations. Overnight visitors to the region from elsewhere in the United States totaled 7.33 million. Sixty-two percent of all overnight visitors stayed in hotels in the region.

In addition, the Port of San Francisco hosted 82 ship calls and 297,504 passengers in 2015. Each ship also carried approximately 1000 crew members. San Francisco’s Moscone Center hosted 44 conventions in 2015.

### Tourism flows.

Taken together, visitors to Sonoma County come from three primary market sources:

- a. residents of the San Francisco Bay Area and the Peninsula, including Silicon Valley. The San Francisco Metropolitan area has a population of 8.4 million people, for most of whom Sonoma County is a 60 to 90 minute drive away.

- b. residents of the Sacramento Metropolitan Area, which is also a 60 minute drive from Sonoma County. Summer visitor statistics are usually the highest from this source as Sacramento escape the heat of the Sacramento Valley for the cooler climates of coastal Sonoma County. The City of Sacramento is the State Capital of California, and the seven-county Sacramento Metropolitan area has a population of 2.66 million.
- c. Tourists and business people arriving at Bay Area transportation hubs, and at Sacramento airport, from elsewhere in the United States or from countries abroad. In addition to the statistics provided above for the San Francisco Bay Area transportation hubs, the Sacramento International Airport also serves 10 million passengers a year from outside the area.

Residents of the Bay Area, and visitors arriving at the Bay Area transportation hubs, find their way to Sonoma County via Highway 101, traveling north via the Golden Gate Bridge or via the Richmond Bridge from the East Bay.

A small percentage of those travelers take the Highway 1 turning at Mill Valley, and then travel up the scenic coastal Highway 1 to Sonoma County. Most, however, continue on northward up Highway 101, entering Sonoma County through Petaluma. Depending on their chosen end-destination, they then either branch westward on Highway 116 to reach the rural town of Sebastopol and the agricultural areas and coastal villages of the West County, or they continue northward on Highway 101 to reach the County-town of Santa Rosa or the cities of Windsor, Healdsburg and Cloverdale beyond. A growing number of those travelers enter the Sonoma Valley from the north, or continue “over the hill” to the Napa Valley.

Alternatively, a growing number of visitors turn eastward off Highway 101 onto Highway 37 and approach the town of Sonoma, its surrounding Sonoma Valley wine-country, from Highway 12 in the south. Others visit the town of Sonoma, then travel on to enter the Napa Valley from the south before returning to their homes or hotel rooms in the Bay Area.

Visitors from the Sacramento Metropolitan Area generally approach Sonoma County from the north and east via Highways 80 and 121, entering the County east of the town of Sonoma and continuing from there to destinations throughout Sonoma County.

### **Roles and objectives of the Observatory.**

The role of the Sonoma County Observatory for Sustainable Tourism will first be to observe, monitor, evaluate, and report-on rapid-growth visitor-serving activities in its area, then to assist in the improvement of the sustainability of tourism in the region, and finally to enable others elsewhere to learn from, and adapt, the sustainable solutions generated in the region.

## **2. Features of the destination location.**

### **Sustainable policies.**

In recent years, Sonoma County has been a significant pioneer in support of sustainability through its policies and action programs. The County now obtains 60% of its energy from dams and geothermal resources, has an innovative clean-power company, and is home to several solar energy leaders. The County is also on-target to be the nation’s first Sustainable Viticulture area by 2019. For the past 11 years, Sonoma County has also been the venue for one of the longest-running annual conferences on sustainability in the United States.

**Rural setting.**

Sonoma has a thriving local agriculture scene, with over 25 local Farmers Markets, 50+ farm to table food co-ops, several active chapters of the Slow Food organization, all in the middle of one the world's biodiversity hotspots.

**Innovation.**

The nation's first-ever Green Motor Sports conferences are held annually at the Sonoma Raceway in the Sonoma Valley. The County is also the site of an innovative new public/private model designed to keep the County's public parks open in times of severe budget cuts (Jack London State Park and Armstrong Redwoods Park).

**Quality.**

The County represents the best of Northern California tourism resources - from premium wine and wine-country visitor experiences to farm-to-table dining, and from unique resorts and spas to more than 50 state and regional parks.

**Established tourism destination.**

Sonoma County is the largest producer of premium wines in California's famous "Wine Country" region. It has 13 approved American Viticulture Areas, and more than 447 wineries. Tourists throughout the San Francisco Bay spent \$33 billion in 2015, and tourism supports 540,000 jobs in the region. Of the \$5.09 billion spent on tourism in the six-county North Bay area alone, Sonoma County produces the largest amount of travel-related spending at \$1.82 billion, while producing tax revenues in excess of \$149 million in 2015 (Dean Runyon Associates).

**Tourism-based employment and small business.**

The hospitality- and tourism- industry generates one out of every ten jobs in Sonoma County. It also provides more than \$97 million in revenues that are used by local and state governments to support parks and economic development, cultural and historical festivals and events, affordable housing, and other uses.

Small businesses are common in Sonoma County. 76% of the County's tourism businesses have fewer than 25 employees. 91% are locally owned, only 8% are franchises, and 40% have been in business for more than 20 years.

**Established visitor base.**

Recent surveys show that almost 90% of the visitor activity in the North Bay is generated by workers in the high-tech industries of the near-by San Francisco and Silicon Valley areas who have the motivation, and the disposable income, to travel. Surveys also show a consistent flow of visitors to the County from all over the US and Europe, and from New Zealand, Australia, Canada, Mexico, Japan and China.

**Range of attractive resources.**

Though it is widely promoted as a wine destination, Sonoma County also has a wide range of scenic and environmental resources that attract visitors. They include the dramatic Pacific Coast and its redwoods, a broad expanse of agricultural lands, the scenic Russian River basin, Sonoma Valley and its Sonoma Mountain and Mayacamas ranges, and a small-town rural character that provides a memorable experience for the visitor. The County's visitor-serving industries also offer fine-dining to farm-to-table experiences, plus lodgings of all kinds, from hotels to short-term vacation rentals, campgrounds and spas.

### **Involved community.**

Sonoma County is home to a well-educated and highly-vocal community of people who value the County's rural character and its environmental qualities, and who will provide an excellent base for the activities of an Observatory and the surveys and studies it will generate.

### **Source of models for progress.**

The debate over tourism-based issues in the County has resulted in several transferrable models for programs that engage both government and the community in new ways to deal with growth issues in the winery and tourism areas.

### **Long-term expansion potential.**

Over time it is anticipated that the Sonoma County Observatory will serve as the anchor for a network of similar observatories connecting the coastal university communities of the US West Coast and Canada - San Diego, LA, Channel Islands, Santa Barbara, San Luis Obispo, Monterey, Santa Cruz, San Francisco Bay area, Sonoma, Napa, Mendocino, Portland/Eugene, Seattle, and possibly Vancouver and Victoria BC. (see Attachment D for more information).

## **3. Issue areas common in the destination.**

The following are the issues in the Sonoma County destination area on which the Observatory will focus and report in the first three years:

### **A. Impacts of agricultural-tourism growth in an environmentally sensitive rural area.**

Sonoma County's wine industry is large and diverse. Its 62,135 acres of wine-grape agriculture annually produces a crop valued at US\$442 million. Its 447 wineries annually generate US\$1.25 billion in tourism revenues, US\$13.4 billion in economic benefits, and 54,000 jobs.

But the industry's success has also driven rapid expansion in recent years. The number of wineries with visitor facilities has doubled since 2004, and event-related facilities have tripled. That expansion brings with it an increase in traffic activity, and noise disruption from amplified music at events that has upset local residents more used to a bucolic way of life.

### **B. Loss of important tourism destinations due to budget cuts.**

Recent budget cuts in California have led to the closure of many public parks, resulting in the loss of important destinations for visitors and recreation opportunities for local residents. In Sonoma County, the closures prompted local citizen action to find new models for how State parks can be managed and funded locally without any loss of quality. Particularly successful models for local action have been implemented at Jack London State Park and at Sugarloaf Park, both in Sonoma County (see Attachment B for more information).

### **C. Scarcity of water in a drought-prone area.**

Competition for water by tourism and expanding winery- and agricultural-uses has affected residential wells in Sonoma County in recent years, and the situation has been exacerbated by the prolonged period of drought in the region. In a time when all communities in California are required to implement mandated Groundwater Sustainability Plans, the issue of water availability and quality is front and center in Sonoma County.

#### **D. Impacts of world-wide social media access to tourism reservations for environmental & tourism resources.**

New short-term travel business generated by Airbnb and VRBO has spurred the conversion of many of Sonoma County's residences to tourism. In some places, that has eaten into the community's housing supply, radically changing the character of some neighborhoods and detrimentally affecting the quality-of-life in others.

#### **E. Climate-change responsiveness and resilience.**

The threats of climate change (Drought, flooding, wildfire, migration of flora and fauna, extremes of changes in temperature and rainfall, all of which affect existing agriculture and visitor conditions, are being taken seriously in Sonoma County. The Observatory will partner with emerging organizations like the North Bay Climate Adaptation Initiative and Sonoma Ecology Center to look for sustainable solutions that increase the resilience of the destination area over time.

#### **F. Employment & local living opportunities across cultures**

Sonoma County has a culturally diverse population (Caucasian, Latino, Asian, Nepali, Sherpa, Native American) in which a wide range of employment and educational opportunities affect opportunities in business and in community life. The hospitality and wine-tourism industries are the primary employers in Sonoma County, and their actions and policies are important to the quality of life of a major segment of the County's population.

All of the issues above are potential case studies and models for distribution through the UNWTO Observatory network.

### **4. Monitoring processes in place.**

A number of highly reliable tourism monitoring and reporting entities already report annually in the Sonoma County destination area. They include:

#### **a. national and state-wide reporting systems and consultancies, including:**

- California Travel & Tourism Commission and Visit California which both report annually on travel impacts by county,
- Consultants, Dean Runyon and Associates,
- California Department of Parks and Recreation which administers state parks in the County and throughout California,
- Consultants, Moody's Analytics,
- Consultants Smith Travel Research, and
- the US. Bureau of Labor which reports on changes in the Consumer Price Index as they relate to tourism,

#### **b. regional and local reporting entities and consultants, including:**

- the Sonoma County Economic Development Board which produces an annual county-wide 'Tourism Industry Survey' with feedback from business owners and executives,
- the Sonoma County Tourism Board,
- the Sonoma County Controller, who reports annually on Transit Occupancy Tax receipts and statistics,

- the Sonoma County Airport Commission which conducts an annual ‘Visitor Intercept Study’ that tracks visitor entries and departures by air in the County, etc.,
- the Permit and Resource Management Department (PRMD) of the County of Sonoma which collects land-use and tourism data, then uses it to establish policies, regulations and management systems to regulate growth and protect the rural character of the County.
- eleven local visitor centers with the ability to collect and disseminate data on tourism in the destination area.

## 5. Tourism-related reporting data.

All of the reporting entities listed above produce tourism-related data in all of the categories listed by UNWTO in its application guidelines. Those categories include:

- Tourism flows
- Tourism-related industries and employment
- Tourism revenues as a contribution to the County and State-wide GDPs
- Tourism-related employment
- Economic conditions of local tourism
- Data gaps and constraints in the system

The Observatory will monitor, and report on, the data which those entities provide, and will supplement it with direct surveys and interviews as part of its annual work-plan and report.

In general, however, meaningful measurement of visitor flows is only possible at points like airports and transportation hubs where records are kept or direct counting and surveying is possible. Due to the difficulty of collecting data from free flowing traffic on the highways of the Bay Area, there are presently few accurate statistics that measure and compare the size or character of each of the visitor-flows in Sonoma County alone.

There are, however, accurate visitor statistics for the San Francisco Bay Area that provide an accurate indication of the size of the visitor and tourism market in the Bay Area destination area. Those statistics are produced annually by the San Francisco Travel Association, which is the primary source of regional tourism data for the City of San Francisco and for the Bay Area regional destination markets.

In developing its statistics, the Association relies on a newly developed research model (2016) that uses:

- a. internal data and curated research that has been developed in conjunction with Tourism Economics,
- b. several years of lodging data that was generated by STR and PKF consulting and is curated by San Francisco Travel,
- c. data on flight volumes that is provided by OAG (formerly Official Aviation Guide) and the San Francisco Airport Commission.
- d. domestic visitor data for the model that is collected by Longwoods,
- e. international visitor data that is provided by Tourism Economics’ Global City Travel database.
- f. Global visitor surveys that are provided by Destination Analysis, and
- g. Other data that is drawn from USI, San Francisco Travel’s CRM (customer relationship management) platform.



Most of the economic data for the Sonoma County destination area is collected annually, and provided by, the Sonoma County Economic Development Board (EDB). In its research, the EDB accesses economic data provided by the following:

- Bay Area Open Space Council
- Bay Area Real Estate Information Services, Inc. BeSmartee.com
- California Association of Realtors
- California Department of Education
- California Department of Finance
- California Department of Public Health
- California Department of Health Services
- California Department of Justice
- California Department of Resources Recycling Recovery
- California Employment Development Department
- California Postsecondary Education Commission
- California Travel & Tourism Commission
- Dean Runyan & Associates
- ESRI Business Analyst Online
- Keegan and Coppin, Inc.
- LoopNet
- Moody's Analytics
- North Bay Business Journal
- Smith Travel Research
- Sonoma County Water Agency
- United States Bureau of the Census
- United States Bureau of Labor Statistics
- United States Environmental Protection Agency

## **6. Sustainability-related data and issues associated with tourism.**

While a number of entities in the County concern themselves with sustainability, there are presently none which specifically monitor the impacts of tourism on the sustainability of Sonoma County. Working with SSU, PRMD, the Sonoma Ecology Center, and the Sustainable Sonoma coalition, the Observatory will use the measurable criteria generated by those organizations to evaluate both the sustainability of local tourism and its impacts on the environmental, cultural and social sustainability of the County and its communities.

## **7. Structures and procedures of the Observatory.**

### **Governance**

The day-to-day activities of the Observatory will be run by a small staff headed by the Executive Director of COAST and the Director of the Center for Environmental Enquiry. Policy will be directed by a five-member Board of Directors with a diverse representation from tourism and environmental/sustainability interests.

An appointed Advisory Committee with membership drawn from industry and stakeholders in the region will advise and support the work of the staff and the Board.

## **Monitoring.**

The Observatory's annual baseline for monitoring will, at a minimum, cover the nine issue areas required in the UNWTO guidelines, including:

- a. Local satisfaction with tourism – monitoring and data sources include: Sonoma County Tourism, Sonoma Valley Tourism, Sonoma County Parks and Recreation, Sonoma County Airport Commission, California Department of Parks and Recreation, Sonoma County Chamber of Commerce, California State Tourism Commission, and Visit California.
- b. Destination economic benefits – monitoring and data sources include: Sonoma County Economic Development Board, Sonoma County Chamber of Commerce, Sonoma County Tourism, Sonoma County Tax Collector, Sonoma County Information Services Division, and various industry reporting sources through the above.
- c. Employment – monitoring and data sources include: the Sonoma County Economic Development Board, Sonoma County Parks and Recreation, the US Department of Labor, the US Census, the Sonoma County Department of Health Services and the Sonoma County Information Services Division.
- d. Tourism seasonality – monitoring and data sources include: Sonoma County Tourism, the Sonoma County Economic Development Board, Sonoma County Tax Collector, and the Sonoma County Chamber of Commerce and its reporting members.
- e. Energy management – monitoring and data sources include: Sonoma County Clean Power, Pacific Gas and Electric Co., California State Energy Commission.
- f. Water management – sources monitoring and data include: Sonoma County Water Agency, California Department of Water Resources, various municipal water agencies throughout the County, US Geological Survey, California State Water Resources Control Board.
- g. Sewage and waste-water treatment – monitoring and data sources include: Sonoma County Water Agency, Sonoma County Sanitation District, California Regional Water Quality Control Board.
- h. Solid-waste management – monitoring and data sources include: Sonoma County Waste Management Agency, Sonoma County Economic Development Board
- i. Development control – monitoring and data sources include: Sonoma County Permit and Resource Management Department (PRMD), Sonoma County Winegrowers Association, Sonoma County Vintners and Growers, Sonoma County Economic Development Board.

## **Annual survey.**

The Observatory will carry out one or more annual surveys as needed to supplement the information already collected in the destination area.

**Annual conference.**

The Observatory will convene an annual conference to bring attention to the importance of sustainability in tourism in the destination area, and to document models developed in the area and transfer them to others who can use them.

**Reports.**

The Observatory will publish reports on its work from time to time as appropriate, and will report on the findings and models discussed at its conference(s) as they occur.

**Support.**

The organizers will work to obtain grants and other financial support for its work, working with foundations, private donors and industry to fund its projects.

**8. Stakeholders.**

The Observatory will work with a broad range of governmental and private-sector stakeholders to accomplish its objectives (see Attachment A for a list).

**9. Objectives for first year and beyond.**

The objectives for the first three years are outlined in the description of the Observatory that precedes this report.

**10. Stakeholders' workshops.**

The initial Stakeholders Workshop in Year 1 will be organized according to the structure described in the UNWTO Guidelines. Workshops in subsequent years will also follow the aims and objectives of the UNWTO Guidelines.