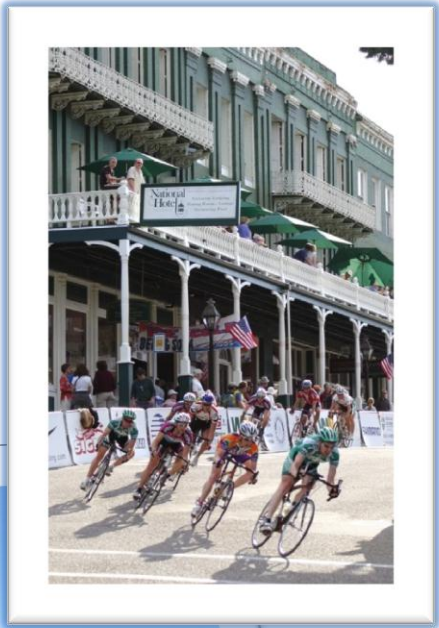


# Nevada County

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## Transient Occupancy Tax Survey and Analysis



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## **History of the Project**

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The Nevada County Regional Chambers of Commerce, in order to more fully understand the tourism climate in Nevada County for marketing purposes, decided to analyze the Transient Occupancy Tax (TOT) revenues received by Nevada County. The primary objectives are as follows:

- 1) Determine which entities are responsible for generating TOT
  - a. Where are they located
  - b. What types of lodging they provide (example: hotel/motel, B&B, campground, cabin/cottage)
  - c. Compile a history of each entities TOT from 2005 to 2010 to determine trends
  - d. Create a contact list for future communications
- 2) Determine how Nevada County compares with other counties in California
- 3) Determine how the incorporated cities within Nevada County compare to other cities in California
- 4) Survey Nevada County TOT generating entities to determine key elements to allow us to support them in marketing efforts
  - a. Seasonality of visitors
  - b. What geographic regions do visitors generally come from
  - c. What do the visitors generally participate in while visiting
  - d. What events generate lodging business
  - e. How do the lodging facilities currently market

County staff was extremely helpful in providing the required TOT information. These staffers include Tina Vernon, Sharon Rogers and Gregory Paden. Susan George, president, and Eric Sams, vice-president of the Nevada County Regional Chambers heartily contributed to this report.

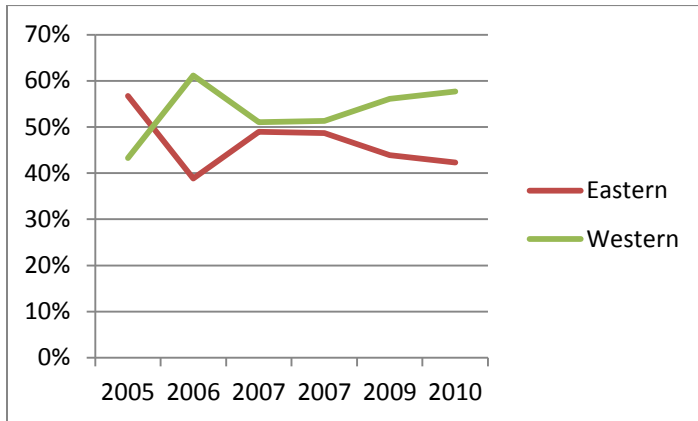
## **Nevada County TOT Generators**

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### **Location**

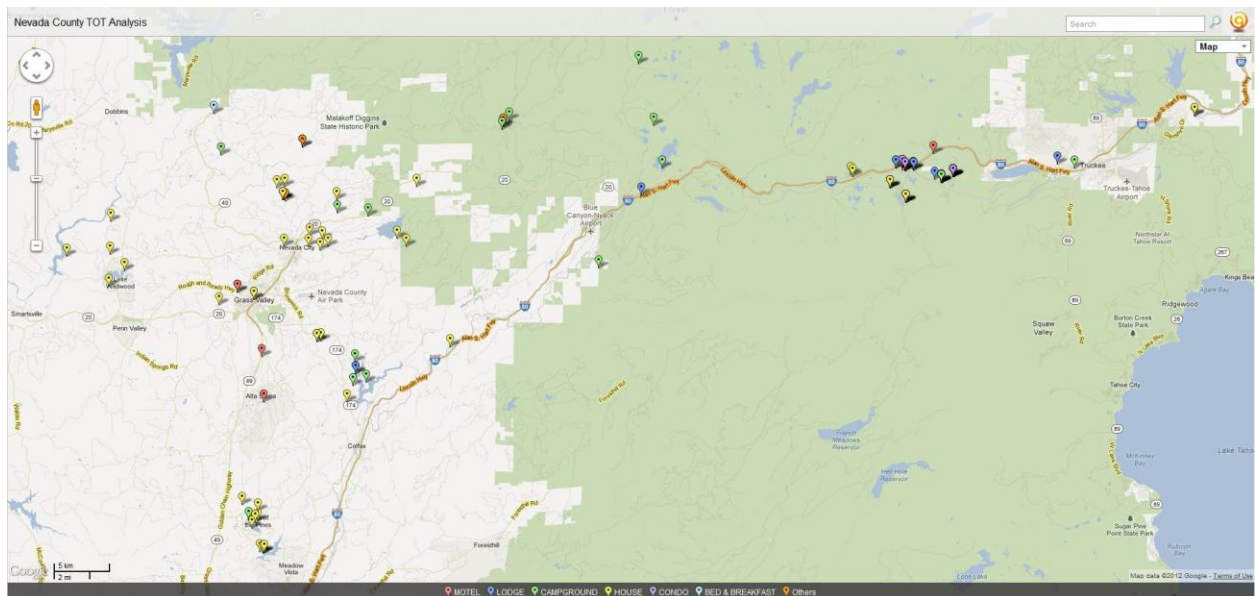
There has been previous discussion about the where the TOT comes from. Additionally, how much comes from the Eastern or Western portion of Nevada County. We noticed that the Eastern portion of the county was a larger contributor to total TOT revenues back in 2005. However, in 2006 we believe that certain TOT sharing agreements with the city of Truckee lapsed and the Eastern portion of the total share of TOT revenue began to decrease.

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2007</u>	<u>2009</u>	<u>2010</u>	<u>Average</u>
Eastern	57%	39%	49%	49%	44%	42%	46%
Western	43%	61%	51%	51%	56%	58%	54%



### Geo-Plotted Results

We geo-plotted all of Nevada County’s TOT generating entities for further analysis. These entities have been color sorted by type of lodging. You may click on any of these locations to further drill into the entities to see the specific address, contact information, revenues generated from 2005 to 2010 and APN numbers. The website address for this interactive plot is (Text deleted).



## 2005 to 2010 Trends

The County received TOT revenue from over 250 unique entities from 2005 to 2010. Here is a ranking of the total revenue received from any entity that generated more than \$1,000 in total TOT over this 5 year period. Notice that the top 20% of revenue generations comes from the Eastern portion of the county. The western portion, however, has more generating units (153 in western vs. 84 in eastern).

Geo	Name	Calendar Year					Total	%	
		2005	2006	2007	2008	2009			
Eastern		31,710	30,808	26,982	28,084	24,410	20,707	162,702	10.3%
Eastern		24,542	23,023	27,738	28,823	27,581	24,758	156,466	10.0%
Western		29,652	33,659	28,115	18,390	12,833	19,423	142,072	9.0%
Eastern		5,866		25,083	29,472	24,247	25,314	109,982	7.0%
Western			14,926	17,178	19,042	18,167	18,317	87,630	5.6%
Western		14,168	10,659	10,744	9,510	8,660	7,627	61,368	3.9%
Western		151	11,437	11,241	11,081	12,917	12,301	59,127	3.8%
Western		5,722	8,003	9,256	10,579	12,398	11,857	57,815	3.7%
Western		10,728	10,082	8,619	7,958	6,900	8,381	52,668	3.4%
Western		2,226	32,713	6,379				41,319	2.6%
Eastern		10,936	23,243					34,179	2.2%
Eastern		7,615	6,774	6,147	5,345	3,614	4,590	34,085	2.2%
Western		6,380	7,446	5,663	3,990	5,320	810	29,609	1.9%
Eastern		9,177	11,348	2,664				23,188	1.5%
Western		273	21,985	523				22,781	1.4%
Western		4,355	2,560	3,102	3,423	3,356	3,816	20,610	1.3%
Western					7,194	4,903	4,848	16,945	1.1%
Eastern		2,821	2,957	2,877	3,598	2,065	1,835	16,152	1.0%
Western					4,413	5,916	5,704	16,033	1.0%
Eastern		1,591	5,069	3,982	4,929			15,572	1.0%
Eastern		606		2,214	4,566	2,937	4,585	14,907	0.9%
Eastern		9,954	2,528	1,930	31			14,443	0.9%
Eastern		2,492	2,340	9,412				14,244	0.9%
Eastern		3,060	3,388	3,974	2,758			13,180	0.8%
Western		1,181	1,956	2,312	2,596	2,079	2,011	12,135	0.8%
Eastern			1,376	1,581	2,464	1,921	3,796	11,138	0.7%
Western			10,650	391				11,041	0.7%
Eastern						7,681	2,967	10,649	0.7%
Eastern		1,507	1,987	1,852	1,265	1,617	2,164	10,393	0.7%
Western					2,887	2,608	3,876	9,371	0.6%
Western					2,455	2,789	3,982	9,226	0.6%
Western						4,903	4,150	9,052	0.6%
Western		1,509	1,375	1,477	1,401	2,010	1,273	9,045	0.6%
Western		1,886	2,788	1,868		2,129		8,670	0.6%
Western		985	1,955	1,415	1,505	1,277	1,264	8,400	0.5%
Western		420	2,253	2,478	1,782	1,279		8,212	0.5%
Western				2,030	1,907	1,981	2,293	8,210	0.5%
Eastern				1,745	2,580	1,908	1,482	7,715	0.5%

Transient Occupancy Tax Survey and Analysis

Western					2,251	4,454	6,705	0.4%	
Western					5,539	614	6,153	0.4%	
Western			300		2,040	3,149	5,489	0.3%	
Western					4,901	329	5,230	0.3%	
Western					1,418	3,413	4,830	0.3%	
Western		804		1,892	802	1,323	4,820	0.3%	
Western				1,657	1,834	1,324	4,814	0.3%	
Western					1,865	2,732	4,597	0.3%	
Eastern					1,635	2,959	4,594	0.3%	
Western				1,974	1,155	1,062	4,192	0.3%	
Eastern					3,951		3,951	0.3%	
Western			223	1,540	582	1,577	3,922	0.2%	
Western			300	740	480	1,600	742	3,862	0.2%
Western					1,924	1,933	3,857	0.2%	
Western		66	373	849	548	1,090	577	3,503	0.2%
Eastern					1,204	1,118	998	3,319	0.2%
Eastern		2,744	559				3,303	0.2%	
Western		375	1,824	1,075			3,274	0.2%	
Western			1,664	891	452	125	3,133	0.2%	
Eastern					1,642	1,444	3,086	0.2%	
Western					1,613	1,293	2,906	0.2%	
Eastern				1,018	905	945	2,868	0.2%	
Western					446	2,415	2,860	0.2%	
Western			580	2,051			2,631	0.2%	
Eastern					666	634	1,227	2,526	0.2%
Eastern		28	343	713	531	541	368	2,525	0.2%
Eastern					1,390	840	264	2,494	0.2%
Western			1,243	219	722	229	27	2,439	0.2%
Western					2,203	101	115	2,420	0.2%
Western						1,224	1,118	2,342	0.1%
Eastern						1,316	996	2,312	0.1%
Western				1,080	1,170		60	2,310	0.1%
Western		1,304	987					2,291	0.1%
Western					2,274			2,274	0.1%
Western				242	1,598	334	50	2,225	0.1%
Western							2,205	2,205	0.1%
Western							2,123	2,123	0.1%
Western					261	645	1,048	1,953	0.1%
Eastern					584	642	724	1,950	0.1%
Eastern					602	671	659	1,932	0.1%
Eastern						991	937	1,928	0.1%
Western						900	1,000	1,900	0.1%
Western		594	145	451	181	520		1,891	0.1%
Eastern					167	494	1,176	1,837	0.1%
Eastern					697	705	386	1,787	0.1%
Eastern					554	363	865	1,781	0.1%
Western		1,737						1,737	0.1%
Western			275		1,368			1,643	0.1%
Western						318	1,280	1,597	0.1%
Western			441	1,145				1,586	0.1%

*Transient Occupancy Tax Survey and Analysis*

Western				203	1,164	216		1,583	0.1%
Western		1,569						1,569	0.1%
Eastern					544	385	581	1,509	0.1%
Eastern					434	292	768	1,493	0.1%
Western						1,463		1,463	0.1%
Western						397	1,063	1,460	0.1%
Western						294	1,136	1,430	0.1%
Eastern		512	887					1,399	0.1%
Eastern			149	252	203	313	480	1,398	0.1%
Eastern						644	744	1,388	0.1%
Western		597	162	140	63	204	167	1,333	0.1%
Western					80	696	526	1,302	0.1%
Western		175	795	280				1,250	0.1%
Western							1,242	1,242	0.1%
Western					120	815	300	1,235	0.1%
Eastern					553	294	372	1,218	0.1%
Eastern					586	370	259	1,215	0.1%
Eastern		765	449					1,214	0.1%
Western				266	437	418	86	1,206	0.1%
Western						1,102	100	1,202	0.1%
Eastern					470	230	483	1,183	0.1%
Western		80	336	352			403	1,171	0.1%
Western		64	336	352			403	1,155	0.1%
Western							1,147	1,147	0.1%
Western		630	500					1,130	0.1%
Western				218	472	200	201	1,091	0.1%
Eastern						1,084		1,084	0.1%
Western							1,082	1,082	0.1%
Eastern							1,069	1,069	0.1%
Eastern						452	605	1,057	0.1%
Eastern						498	547	1,045	0.1%

## Unincorporated Nevada County Compared

### Nevada County Ranks 36<sup>th</sup>

The data used to compare Nevada County with the rest of California comes from a publication by Dean Runyon. Dean Runyon is contracted with The California Travel and Tourism Commission. According to California Travel Impacts by County 1992 – 2009, Nevada County ranks 36 among the 58 counties in California in an absolute ranking of total TOT revenues. On a relative basis (adjusting all counties to the 10% TOT rate of Nevada County), Nevada County slips to the 37 spot.

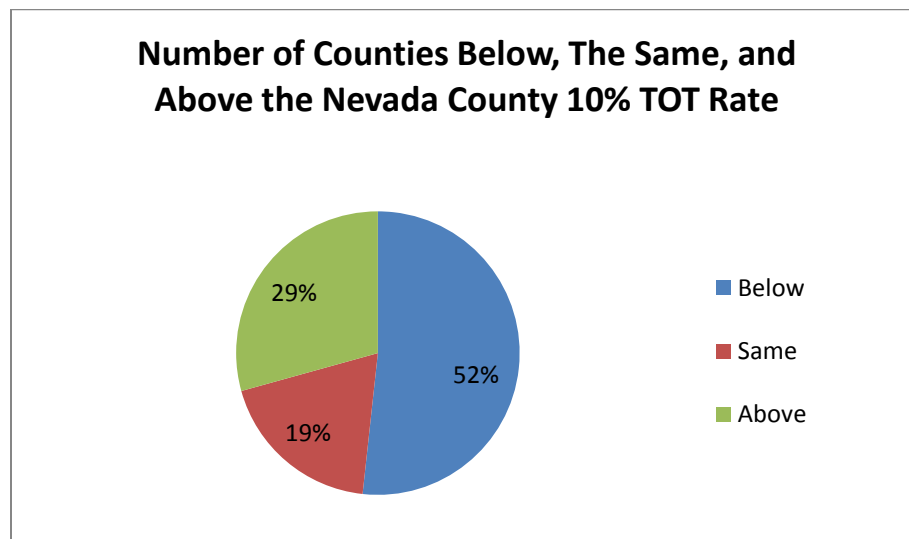
*Transient Occupancy Tax Survey and Analysis*

Ranking		County	Rate	2000 to 2010	
Absolute	Relative			Absolute	Relative
1	1	Los Angeles	12.60%	3,049,703	2,420,399
2	3	San Francisco	14.00%	2,006,323	1,433,088
3	2	San Diego	10.60%	1,729,428	1,631,536
4	4	Orange	11.80%	1,572,169	1,332,347
5	5	Santa Clara	10.10%	641,009	634,662
6	6	Riverside	10.40%	533,711	513,184
7	7	Monterey	10.30%	444,339	431,397
8	8	San Mateo	11.00%	380,661	346,056
9	9	Alameda	10.80%	335,952	311,067
10	10	Santa Barbara	10.90%	300,093	275,315
11	12	Sacramento	11.70%	295,884	252,892
12	11	San Bernardin	9.50%	247,162	260,171
13	15	Napa	12.00%	208,319	173,599
14	13	San Luis Obispo	9.70%	207,343	213,756
15	14	Sonoma	9.80%	175,942	179,533
16	16	Ventura	9.80%	146,883	149,881
17	20	El Dorado	10.00%	120,078	120,078
18	17	Contra Costa	9.30%	116,887	125,685
19	18	Mono	9.20%	114,951	124,947
20	19	Placer	9.10%	110,778	121,734
21	24	Fresno	11.50%	104,217	90,624
22	21	Kern	10.20%	103,041	101,021
23	22	Santa Cruz	10.00%	97,943	97,943
24	23	Mariposa	10.00%	93,228	93,228
25	25	Marin	10.30%	75,386	73,190
26	26	Mendocino	10.00%	63,062	63,062
27	29	Shasta	10.00%	46,353	46,353
28	28	Solano	9.50%	45,774	48,183
29	27	San Joaquin	8.20%	44,557	54,338
30	32	Humboldt	9.90%	40,091	40,496
31	31	Tulare	9.80%	39,943	40,758
32	30	Stanislaus	8.50%	35,852	42,179
33	33	Inyo	12.00%	33,528	27,940
34	34	Yolo	10.70%	27,260	25,477
35	36	Butte	9.70%	22,950	23,660
36	37	Nevada	10.00%	22,819	22,819
37	35	Madera	9.10%	21,551	23,683
38	38	Siskiyou	9.40%	20,096	21,379
39	40	Imperial	9.60%	17,976	18,725
40	41	Merced	9.90%	17,190	17,364
41	39	Tuolumne	8.00%	15,852	19,815



42	43	Lake	9.10%	12,120	13,319
43	42	Plumas	9.00%	12,082	13,425
44	45	Del Norte	9.40%	10,649	11,329
45	44	Calaveras	8.30%	10,109	12,180
46	47	Tehama	9.90%	8,516	8,602
47	46	Kings	8.20%	7,838	9,559
48	48	Amador	8.50%	6,380	7,506
49	49	Alpine	10.00%	6,265	6,265
50	50	Sutter	10.00%	5,801	5,801
51	51	Lassen	10.00%	5,006	5,006
52	52	Glenn	9.70%	4,192	4,322
53	54	Colusa	9.90%	3,933	3,973
54	55	San Benito	8.50%	3,063	3,604
55	56	Sierra	10.00%	2,899	2,899
56	57	Yuba	10.00%	2,549	2,549
57	53	Trinity	5.00%	2,092	4,184
58	58	Modoc	7.60%	1,705	2,244

### TOT Rate Compared to the Rest of California



Given previously reported TOT revenue, a **hypothetical 1% incremental increase in the TOT rate (11%) will increase total TOT revenues by \$29,490 a year.**

# Incorporated/Unincorporated Compared

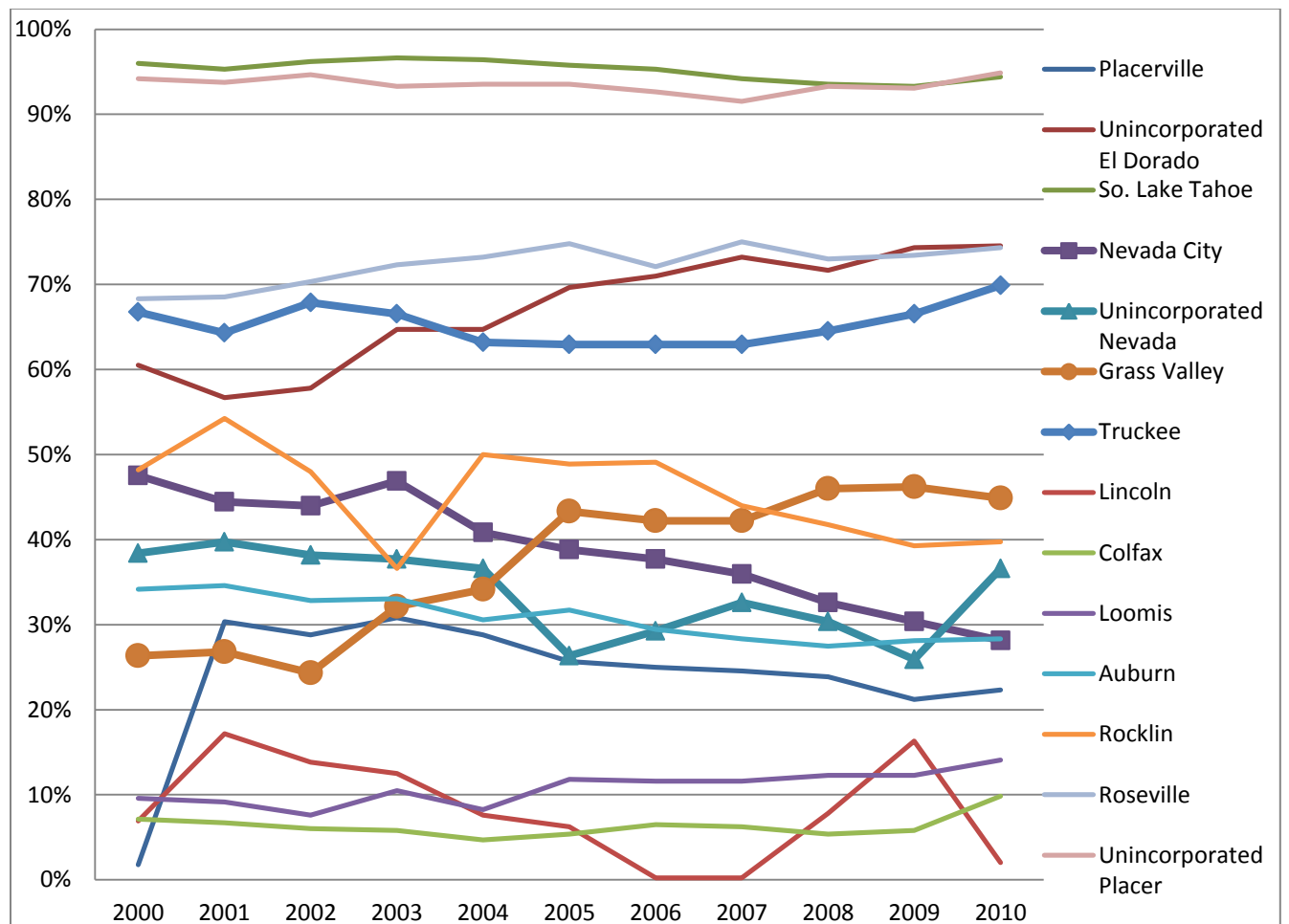
## TOT in all of Nevada County

Unincorporated Nevada County has received, on average, less TOT revenue than the incorporated cities in Nevada County

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Average</u>
Grass Valley	126.1	144.4	131.4	196.4	238.9	425.4	466.5	523.7	633.2	545.3	469.5	354.6
Nevada City	362.5	366.9	358.8	428.5	331.7	353.4	346.6	344.0	294.2	231.5	180.3	327.1
Truckee	928.5	978.8	1,037.8	989.7	926.4	1,010.4	1,184.3	1,295.9	1,434.8	1,334.0	1,431.9	1,141.1
Unincorporated	230.0	275.0	264.6	266.5	277.9	188.9	222.2	292.5	258.2	196.3	294.9	251.5

## TOT Compared with Surrounding Cities/Counties

Percentile Ranking Amount Nevada, Placer & El Dorado Counties – Normalized for TOT Rate



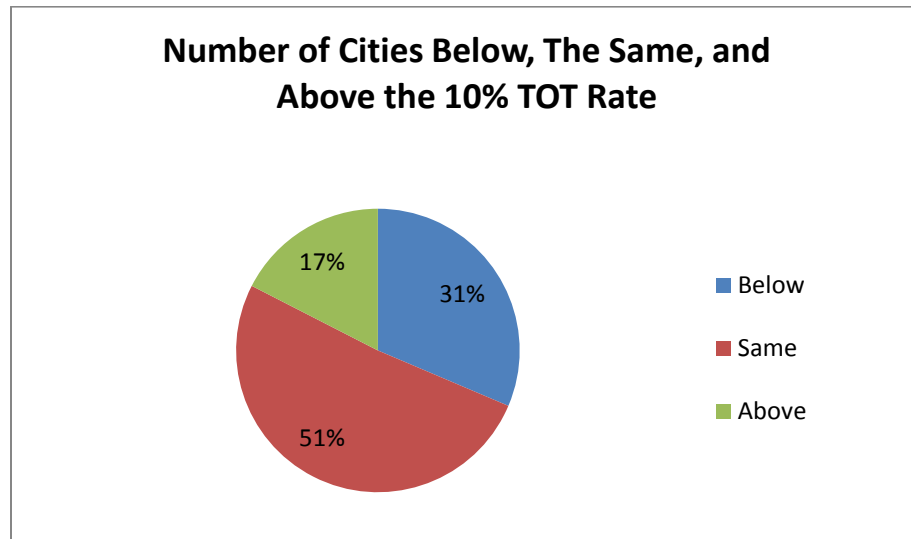
## Incorporated Compared

### Truckee, Grass Valley and Nevada City

The total TOT revenue from 2000 to 2010 ranks Truckee highest among incorporated Nevada County at 137<sup>th</sup> of 397 cities in California. Grass Valley ranks at 236<sup>th</sup>. Nevada City comes in close to Grass Valley at 243<sup>rd</sup>.

Percentile Rank Among California Cities	
Truckee	35%
Grass Valley	59%
Nevada City	61%

### TOT Rate Compared to the Rest of California



Given previously reported TOT revenue, a hypothetical 1% incremental increase in the TOT rate (11%) will increase total TOT revenues annually as follows:

Grass Valley	\$46,950
Nevada City	\$18,030
Truckee	\$143,190

## Survey of Nevada County TOT Generators

### Statistical Background

In 2010, there were 55 TOT generating entities in the unincorporated area of Nevada County. These results represent 23 (42%) of these entities. The margin of error in this survey is +/- 15%.

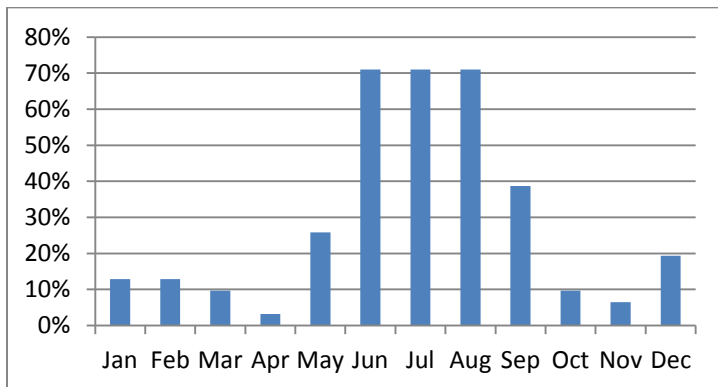
77% of the responses came from unincorporated Nevada County. Of these, 46% came from Eastern Nevada County (as defined by the Treasurer's office). All the responses from the incorporated portion of Nevada County came from Western Nevada County.

The survey was administered by a paid, third party individual via phone interviews. It should be noted that many respondents were hesitant to share information and the surveyor made repeated unsuccessful attempts to contact the remaining lodging establishments.



### Seasonality

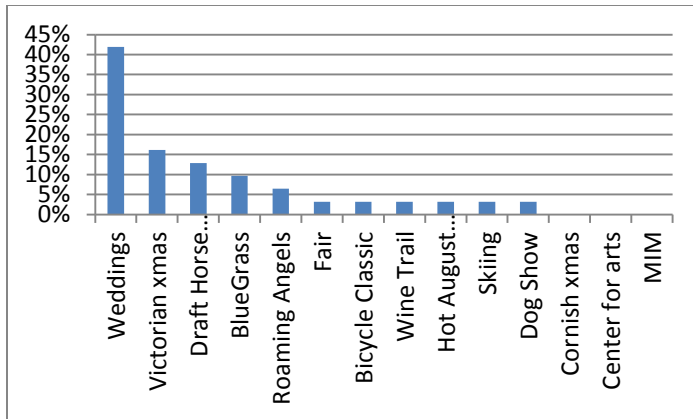
The summer season is the most popular season. Winter comes in second. The months of April and November are the weakest in Nevada County.



### Events

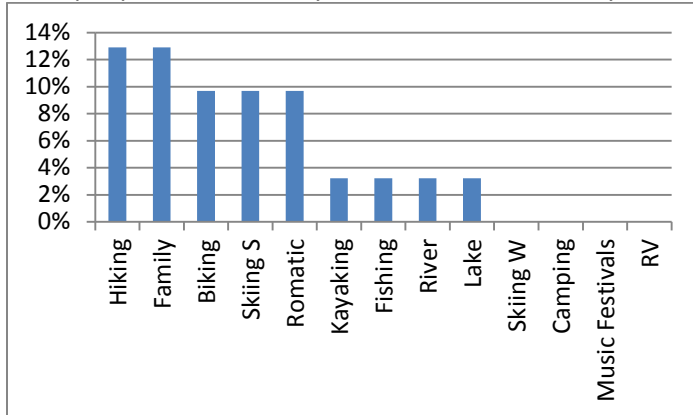
Weddings were the largest reason for lodging at 42%. Victorian Christmas, Draft Horse Classic and Bluegrass Festival were all individually cited as events that bring visitors into the County. Noticeably, Cornish Christmas, Center for the Arts and Music in the Mountains had zero responses.

## Transient Occupancy Tax Survey and Analysis



### Activities

Hiking, Family Activities, Biking, Snow Skiing and Romantic Getaways received the most responses in what people do when they come to Nevada County.



### Lodging Association

Only 3% of the respondents said they belong to a lodging association.

### Geographic Region of Visitors

52% of the respondents said that visitors came from outside the Nevada County. 52% also said that visitors come from outside California. Most interesting, was that 16% cited Reno specifically (and unsolicited) as a geographic source of visitors to Nevada County.

Nevada County		California		United States		Reno
Within	Outside	Within	Outside	Within	Outside	
6%	52%	35%	52%	6%	10%	

### TOT Revenue

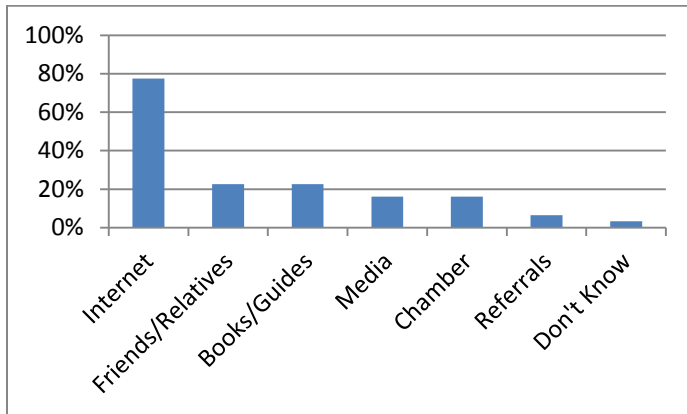
Only 13% of lodging entities know where the TOT revenues they create go and how it is spent.

### Full-Service Restaurant

Zero lodging establishments in unincorporated Nevada County have a full-service restaurant. Only 1 respondent from the incorporated area has a full-service restaurant.

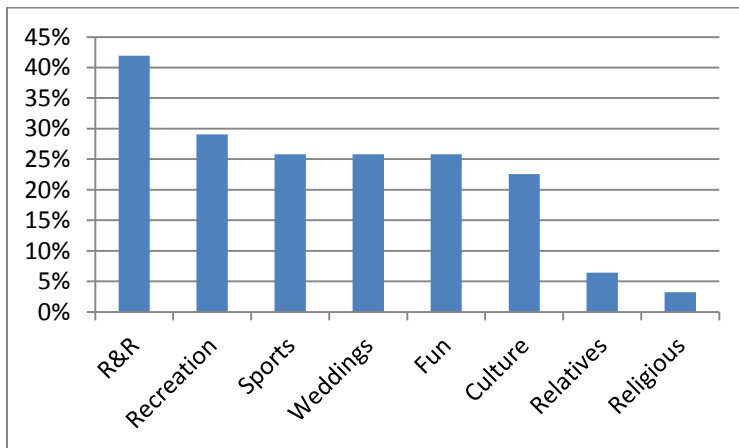
### Specific Marketing

77% of the respondents said that the Internet was how their visitors heard about their establishments. Friends/Relatives, Books/Guides, Other Media and Chambers all respectively had responses greater than 10%.



### Reasons for Stay

Overwhelmingly, 42% cite R&R as the primary reason for stay. Recreation, Sports, Weddings, Fun and Culture all received responses of greater than 20%.



## **Final Analysis and Comments**

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The survey highlights when, why and how tourists decide to visit our amazing county. We hope that the information provided in this report will be beneficial to those responsible in promoting tourism in the unincorporated areas of the county.

The survey responses suggest that the primary reason why tourists come and spend time in our county is R&R, recreation & sports, and history. Weddings are also a huge draw and should be heavily promoted. The summer season is on-season for most entities in Nevada County. We suggest finding a way to help these entities in their off-seasons. The months of April and November should be specifically targeted.

The entities that generate the counties TOT revenue overwhelming do not know where the TOT funds go or how they receive benefit. There is no lodging association for them. These establishments are relatively small and receive no direct support from anyone in the county. By supporting these entities, the county creates self-sustaining revenue.

In order for the county to continue the programs and services it currently provides, it is important that the TOT revenue generated in the unincorporated areas is invested directly back into the unincorporated portion of the County. Each city has its own respective TOT revenue. In fact, the incorporated cities each have greater TOT revenue than the entire county.

In collaboration with the cities, the county should pursue an incremental increase in the TOT rate. Collectively, a 1% increase would raise an additional \$237,000 that could be used to fund common countywide entities like a lodging association, Nevada County Regional Chambers of Commerce or the Economic Resource Council. This would leave the current TOT funding free to be jurisdictionally spent within just the cities or the unincorporated county.

The county needs to create another system for tracking TOT. County IT staff should be utilized to recommend a relational database package for tracking and reporting purposes. The current method, while accurate, is not designed to track and report for higher-level managerial purposes. The work done in this report was laborious, but should help create a baseline for future analysis and help determine metrics that should be tracked in the future.

Nevada County did not pay for nor was the Nevada County Regional Chambers of Commerce compensated for the production of this report. The format for this report was shameless stolen from Switchback Public Relations because it was beautifully created.

### Additional Survey Results

#### Type of Property?

Campground	29%
Cabin/Cottage	19%
Hotel	14%
Lodge	10%
B&B	5%
Hotel/Motel	5%
Motel	5%
Motel, B&B	5%
N/A	5%
Vacation Rental	5%

#### How do you promote your establishment?

Internet	68%
Brochure	55%
Website	42%
Print Media	26%
Chamber	6%
E Newsletter	3%
Blog	3%

#### What months do you generally experience the most business?

Jan	13%
Feb	13%
Mar	10%
Apr	3%
May	26%
Jun	71%
Jul	71%
Aug	71%
Sep	39%
Oct	10%
Nov	6%
Dec	19%

#### What events generate lodging business for you?

Weddings	42%
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**Transient Occupancy Tax Survey and Analysis**

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Victorian xmas	16%
Draft Horse	
Classic	13%
BlueGrass	10%
Roaming Angels	6%
Fair	3%
Bicycle Classic	3%
Wine Trail	3%
Hot August	
Nights	3%
Skiing	3%
Dog Show	3%
Cornish	
Christmas	0%
Center for arts	0%
MIM	0%

What activities do your visitors participate in?

Hiking	13%
Family	13%
Biking	10%
Skiing S	10%
Romatic	10%
Kayaking	3%
Fishing	3%
River	3%
Lake	3%
Skiing W	0%
Camping	0%
Music	
Festivals	0%
RV	0%

Do you belong to any lodging association?

Yes	No	Other
3%	52%	3%

What geographic region do your visitors generally come from?

Nevada County		California		United States		
Within	Outside	Within	Outside	Within	Outside	Reno!
6%	52%	35%	52%	6%	10%	16%

How many guest rooms does your property currently have?

**Transient Occupancy Tax Survey and Analysis**

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1 to 5	6 to 10	11+
16%	13%	23%

Do you know where your TOT revenue goes?

Yes	No
13%	68%

Does your establishment have a full service restaurant?

Yes	No
3%	81%

How do most of your visitors hear about your establishment?

Internet	77%
Friends/Relatives	23%
Books/Guides	23%
Media	16%
Chamber	16%
Referrals	6%
Don't Know	3%

How many nights, on an average stay, are spent at your establishment?

				5+
1 Night	2 Nights	3 nights	4 nights	nights
3%	39%	32%	13%	10%

What are the main reasons people visit your establishment?

R&R	42%
Recreation	29%
Sports	26%
Weddings	26%
Fun	26%
Culture	23%
Relatives	6%
Religious	3%

Do "Last Minute" offers entice potential guests to stay at your establishment?

Yes	No	Other
16%	29%	10%

Incorporated or Unincorporated?

Unincorporated	Incorporated
77%	23%