



**Marin County Visitor's Bureau
State of the Visitor Industry in Marin County
Economic Report**

November 2019

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Key Findings

Marin County is a vibrant market for visitors and adjacent to globally-recognized visitor areas. Survey data gathered by Marin County Visitors Bureau (MCVB) suggest those that visit Marin County arrive in relatively small parties and spend much less per day per person when coming for the day versus staying overnight. Word-of-mouth through family and friends is the main way people hear about Marin County as a place to visit. Social media also drives visitors to Marin County, and best practices are centered on the use of social media and data to be drawn from clicks and likes and overnight stays.

Findings on the economic impacts of visitors in Marin County include:

- Approximately 30,300 workers out of 115,800 (26.2 percent of total employment) may serve visitors in some capacity in Marin County;
 - Dean Runyan Associates estimates 6,120 workers serve only visitors in 2018;
 - Napa and Sonoma counties have larger percentages of total workers directly serving visitors;
- For every million dollars spent on hotel stays, there is another \$386,000 made across Marin County's economy, supporting 9.3 jobs per million spent by visitors, and generating approximately \$67,080 in state and local tax revenues per million spent;
- For every million dollars spent on restaurant meals, there is another \$355,300 made across Marin County's economy, supporting 15.8 jobs per million spent, and generating approximately \$90,987 in state and local tax revenues per million spent;
- For every million dollars spent on retail, there is another \$366,000 made across Marin County's economy, supporting 12.5 jobs per million spent, and generating approximately \$140,575 in state and local tax revenues per million spent;
- For every million dollars spent on museums, hiking, theaters, and other attractions, there is another \$160,592 made across Marin County's economy, supporting 14.4 jobs per million spent and generating approximately \$56,410 in state and local tax revenues per million spent; and
- For every million dollars spent on visitor transportation (from Uber to limo buses), there is another \$156,843 made across Marin County's economy, supporting 9.9 jobs per million spent and generating approximately \$54,660 in state and local tax revenues per million spent.

Short-term rental markets have grown and become more competitive, but also generate more visitors and government revenue than hotels and motels alone in Marin County. The competition is regional and should be expected to grow. Smith Travel Research (STR) and Dean Runyan Associates (DRA) data suggest the following trends about current, traditional properties and short-term rentals.

- Occupancy rates remains close to 80 percent in 2019 and revenue per available room (or RevPAR) has been rising slowly since late 2017 to 2019 year to date (YTD) in Marin County;
 - There has been little change in Marin County's supply of rooms as monitored by STR, and the gap between supply and demand has widened a bit but has basically been consistent, since 2014;
 - Visitor day spending has increased, while hotel and motel spending has flattened through June 2019 YTD.
 - Transient Occupancy Tax (TOT) revenues have increased across Marin County.
 - Some of that increase in revenue has been due to identification of short-term rentals as former scofflaws that are now paying TOT.
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- There may be up to 350 short-term rentals in Marin County versus the properties MCVB actively follows (36 properties) in Marin County as of September 2019 YTD).

DRA and labor market data otherwise follow aggregate trends in visitor spending where STR data are very specific to traditional hotel and motel occupancy and pricing. To try and understand visitor behavior more completely, survey data were collected from February 2019 to September 2019. Those data provided the following findings:

- Marin County visitors spend on average \$147 when they stay overnight and just over \$59 when they do not per person per day;
- Visitors stay at an array of hotels, motels, bed and breakfasts, campgrounds, and friends' homes;
- Visitors do an array of activities, mainly visiting Muir Woods and Point Reyes National Seashore (PRNS);
 - While official attendance has dropped since 2017 to PRNS, almost 2.3 million people visited there between September 2018 and September 2019;
 - Visitors to Marin County also visit Sonoma and Napa wine country and Marin County's cheese makers;
- Generally, there were fewer than 3 people traveling in the same party;
- Word of mouth through informal networks is the main way visitors become informed about Marin County;
 - Social media (with some links to word-of-mouth marketing) is a close second.

Best practices for destination management most applicable to Marin County include:

- More partnerships, both inside and outside Marin County, can drive more visitors and maximize potential economic impacts;
- Social media through influencers versus general campaigns can help differentiate Marin County visitor experiences in a market with rising competition;
- The use of data in making marketing and overnight conversion opportunities for people that want to come to Marin County can move visitor support to more complete destination management.

In summary, the data in this report on Marin County visitors suggest:

- Visitor spending in inflation-adjusted terms grew slowly and flattened a bit in Marin County from 2015 to 2018, but remains historically high in 2019;
 - Visitor spending in inflation-adjusted terms on classic hotel and motel properties has flattened from recent peaks in 2017 to June 2019 year to date (YTD), after rising steadily between 2010 and 2018;
 - Spending on short-term rentals is up in Marin County, and should be assumed to continue expanding;
 - Regardless, occupancy rates remain robust at 80 percent or more in Marin County in 2019 YTD;
 - Overnight spending is approximately 2.5 times that of day trippers in Marin County;
 - Of those that responded to the survey and indicated they stayed overnight, more than 50 percent stayed in classic hotels, motels, or bed and breakfasts (B&Bs).
 - Approximately 18.4 percent stayed in short-term rentals, where another 18.6 percent stayed with friends and family according to MCVB's 2019 survey data.
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State of the Visitor Industry in Marin County: Economic Report

Introduction

This report provides data on Marin County's visitor/tourism industry, its benefits, impediments, and potential opportunities. Marin County Visitors Bureau (MCVB) commissioned this study. Data on occupancy rates and rooms available in the overnight stay market are provided. The dichotomy between the day visitor (or "day tripper") versus the overnight stay visitor is considered in terms of spending potential and effects on Marin County overall. This report:

- Describes the economic importance of tourism in Marin County;
- Provides survey results derived from visitors about their spending habits, customer satisfaction and demography;
- Describes opportunities for Marin County given the regional, competitive marketplace in visitor services and hotels; and
- Provides insight on how the market for short-term rentals outside of typical hotel and motel properties may be affecting the overall, overnight marketplace;
- Provides recommendations as to how best practices become larger volumes of visitors and more business revenues and subsequent economic impacts.

This project uses a mix of data sources to describe Marin County's visitor markets. There are many businesses that support both visitors and local residents. Dean Runyan Associates (DRA) provides an estimate of workers specific to serving visitors for all counties in California (see link [here](#)). DRA estimates that approximately 5,000 workers in Marin County were solely, directly focused on visitor support in 2010 and 6,120 such workers in Marin in 2018. We then use spending data from DRA to estimate economic impacts of visitors in Marin County using IMPLAN® (www.implan.com), which provides data for Marin County at the zip code and countywide level on hundreds of industries to model visitors' economic impacts. We then look at hotel and motel data, as overnight stays are where the economic impacts of visitors accelerate as people stay in Marin County for more than one day versus those that come just for the day. The survey data collected by MCVB provides support for ways best practices may be enhanced to attract and support visitors more completely and also gives data on visitor spending, marketing outlets and where visitors come from when visiting Marin County. We start with some regional comparisons on the jobs that support visitors.

How Much does Marin County's Economy Rely on Visitors?

Napa County is a tourism-based economy centered on wine and food experiences. Sonoma County's economy also has a large amount of visitor activity based on wine and food, but is a more diverse economy than Napa County in terms of overall business mix. San Francisco County and the urban Bay Area cities are global destinations for visitors. Marin County, as of January 1, 2019, has approximately 60 employers that provide overnight stays (these 60 employers include any business that provides hotel, motel or bed and breakfast services and has regular payroll tax submissions to the state of California) versus 130 in Sonoma County and 100 in Napa County according to the Bureau of

Labor Statistics¹. This is one way to see a difference regionally among the three North Bay counties and how visitor data reflect the level of economic development to support visitors.

Some businesses provide goods and services for local residents and also serve visitors. A restaurant in Olema may have customers from the local population but market themselves globally as a destination for fine dining where the local market is not that important to their business plans. A small restaurant in Novato may serve visitors, but their primary marketing focus is the local population.

In contrast, hotels, motels and short-term rentals rely almost 100 percent on a visitor market. The local economy's ability to capture visitor spending and then circulate it locally is critical to the broader economic impacts and support for other local businesses beyond those supporting visitor experiences. Figure 1 shows the industry mix of Napa, Sonoma and Marin counties' economies in terms of visitor-support versus all other businesses. We compare 2010 to 2018 jobs numbers at the maximum capacity to serve visitors.

Figure 1: Visitor-Support Employment, 2010 and 2018, Marin, Sonoma and Napa Counties, Capacity to Serve

Industries	Marin		Sonoma		Napa	
	2010	2018	2010	2018	2010	2018
Retail	12,003	13,675	18,585	21,505	5,068	5,521
Transport (including ridesharing)	344	444	1,143	941	502	1,012
Leisure and Hospitality	2,512	2,975	3,122	3,968	697	1,094
Hotel	894	1,427	3,375	3,822	3,195	5,004
Restaurant	8,809	11,762	13,473	17,712	5,242	7,366
Visitor Support Totals	24,562	30,283	39,698	47,948	14,704	19,997
All Other	77,500	85,534	109,985	135,010	39,480	48,307
Total	102,062	115,817	149,683	182,958	54,184	68,304

Source: California EDD and MEF

This mix is meant to be the total jobs that may support visitors. We use year-end 2018 for consistency across each area with other data used in this study (the visitor data from Dean Runyan Associates, for example, is all estimated through year-end 2018). Some key findings include:

- Marin County's employment in these industries grew from 2010 to 2018 by 5,700 workers versus overall growth of those employed by Marin County businesses overall of 13,770 more jobs;
- Hotel and motel workers, primary visitor-support jobs, grew by 60 percent or 530 jobs since 2010; and
- Average weekly wages in hotels increase by 55 percent since 2010, and restaurant wages increased by 33.7 percent.
- Since 2010, between approximately 24 and 26 percent of jobs in Marin County has some potential touch with visitors to Marin County, a few percentage points less than Napa and Sonoma Counties.

¹ See the Quarterly Census of Employment and Wages (QCEW); see www.bls.gov/cew for more data.

The relative importance of the tourism industry may be seen through looking at the number of employees per 1,000 residents; the more employees per 1,000 residents, the more likely industries such as retail and restaurants focus on visitors versus local residents to those areas with fewer employees per 1,000 residents as in Figure 2. Retail growth may happen due to local population or income or both, as with restaurants. Napa County has over 100 more workers per 1,000 residents than Sonoma County, and Marin County is in the middle. On the restaurant side, the growth of restaurant jobs against population growth has been quick since 2010 in Napa County and Marin County versus Sonoma County.

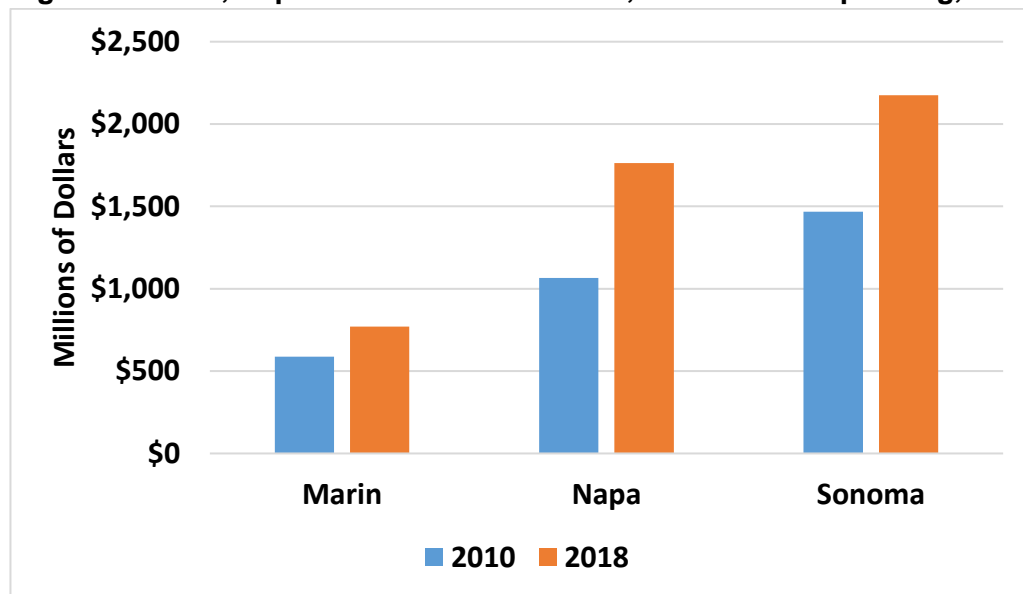
Figure 2: Visitor-Support Industries and Employment, 2010 and 2018, Marin, Sonoma and Napa Counties, Workers per 1,000 residents

Industries	Marin		Sonoma		Napa	
	2010	2018	2010	2018	2010	2018
Retail	47.2	52.0	38.2	43.0	36.9	39.2
Transport (including ridesharing)	1.4	1.7	2.3	1.9	3.7	7.2
Leisure and Hospitality	9.9	11.3	6.4	7.9	5.1	7.8
Hotel	3.5	5.4	6.9	7.6	23.3	35.5
Restaurant	34.6	44.7	27.7	35.4	38.2	52.3
Visitor Support Totals	96.6	115.1	81.5	95.8	107.2	142.0
All Other	304.5	325.4	226.0	269.7	287.7	343.1
Total	401.1	440.5	307.5	365.5	394.9	485.1
Total Residents	254,265	263,102	487,092	500,501	137,164	140,824

Source: California EDD and MEF

Figure 3 shows overall spending in 2010 and 2018 in these three counties as a way to both gauge potential for visitors in Marin County but also the change in visitor spending since 2010. Marin County visitor spending, if seen as business revenues, is about 3.2 percent of total business revenues in 2018 for Marin County's economy overall.

Figure 3: Marin, Napa and Sonoma Counties, Total Visitor Spending, 2010 and 2018, Current \$



Sources: Dean Runyan Associates and Visit California

In a place with about 60 percent of Marin County's population, Napa County generates more than double the estimated visitor revenue annually. The next section looks more deeply at how Marin County may benefit from more visitors, recognizing those visitors come with costs.

How Marin County Benefits from More Tourism

The attraction of more visitors is difficult in a competitive environment, but Marin County is beset on all sides by global tourism destinations. Marin County can benefit from more tourism in three ways:

1. More businesses opening and thus more jobs;
2. More government revenue that may be dedicated to address social issues such as affordable housing;
3. More support for local businesses than the local population can support otherwise.

While visitors come to all parts of Marin County, Point Reyes Station is a key hub and attraction for Marin County. West Marin County remains an agriculturally-based area with one-lane roads and smaller towns. In the case of government revenue, more tourism means more sales tax dollars and more TOT revenues. Local residents and public officials have suggested the county's cost of West Marin County is close to what is earned in sales tax and TOT revenues generated in West Marin County (the unincorporated portions). More tourism could achieve more government revenue to support these areas from Tomales to Stinson Beach.

Also, local businesses are definitely supported by the flow of tourism. This is especially true in Point Reyes Station. The flow of income made from day trippers and also overnight guests generates "export" income for businesses and also government revenue all along the coastline. Given the residential levels, there is little doubt that many of the retail and restaurant businesses in Point Reyes Station would struggle to maintain their business without the flow of visitors. These businesses can serve local residents all year and especially off-season supported by visitors when there.

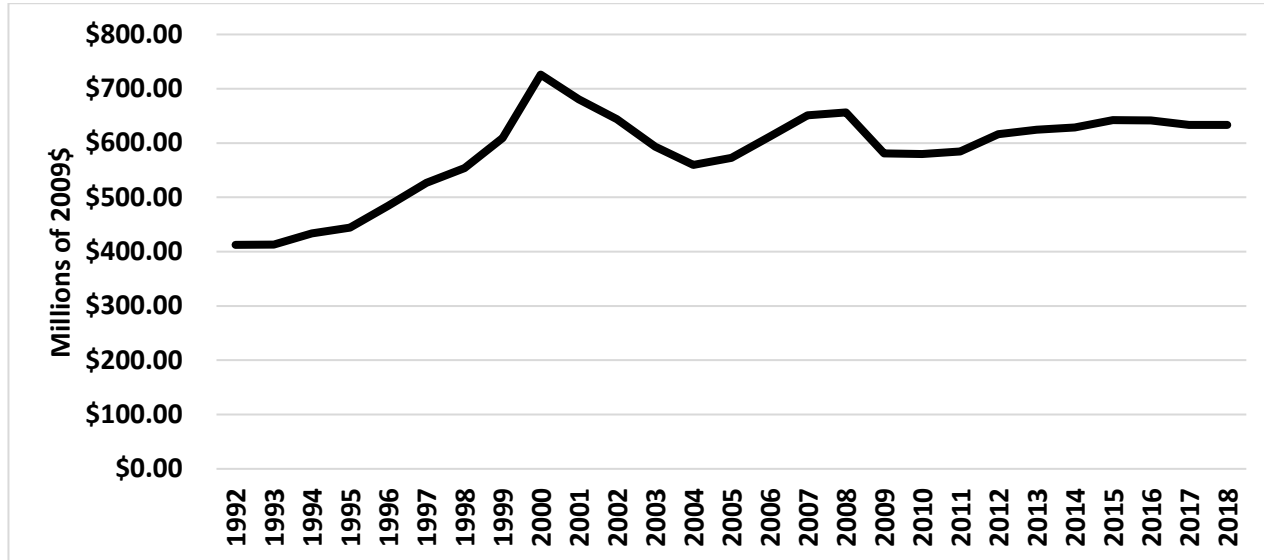
It is also possible to see more business activity as a direct result of visitors coming and wanting to move permanently to Marin County. Such passive economic development is part of such strategies in rural California in the wake of the Great Recession. With baby boomers considering retirement (as that generation nears 70 at its median), wealth among that demographic may be looking to move some places to slow down but not necessarily retire. West Marin County, and even central Marin County, may find entrepreneurs and also professionals (lawyers, insurance, medical, etc.) look to move and bring a business with them.

Reaching a broader audience, as discussed above, comes from stories and networking from social and classic media. It is also from partnering with other areas on conferences and other events where venues in Marin County can be utilized and hotel rooms can be filled. Napa and Sonoma counties outpace Marin County in terms of visitor spending both in absolute terms and also in terms of employment dedicated to serving visitors. However, those that visit Napa and Sonoma counties also represent a marketplace for Marin County that can be utilized to increase visitor spending and increase the size and market potential of Marin County's visitor economy.

Marin County Visitor Market: Current Size and Potential

Figure 4 shows inflation-adjusted (real) growth in visitor spending since 1992, Marin County has experienced trended growth of visitors and spending. In Figure 4, the two recessions in 2001 and 2008-09 are easily seen as well as the subsequent recovery of visitor spending in Marin County. It is more important to consider the real growth (inflation-adjusted) of spending, as those data are the real returns to visitor support in Marin County. Real growth has a second implication for local governments. Because inflation wants to erode income and wealth, visitor spending growth should at least outpace the rate of inflation; tax revenues derived from visitors are no different.

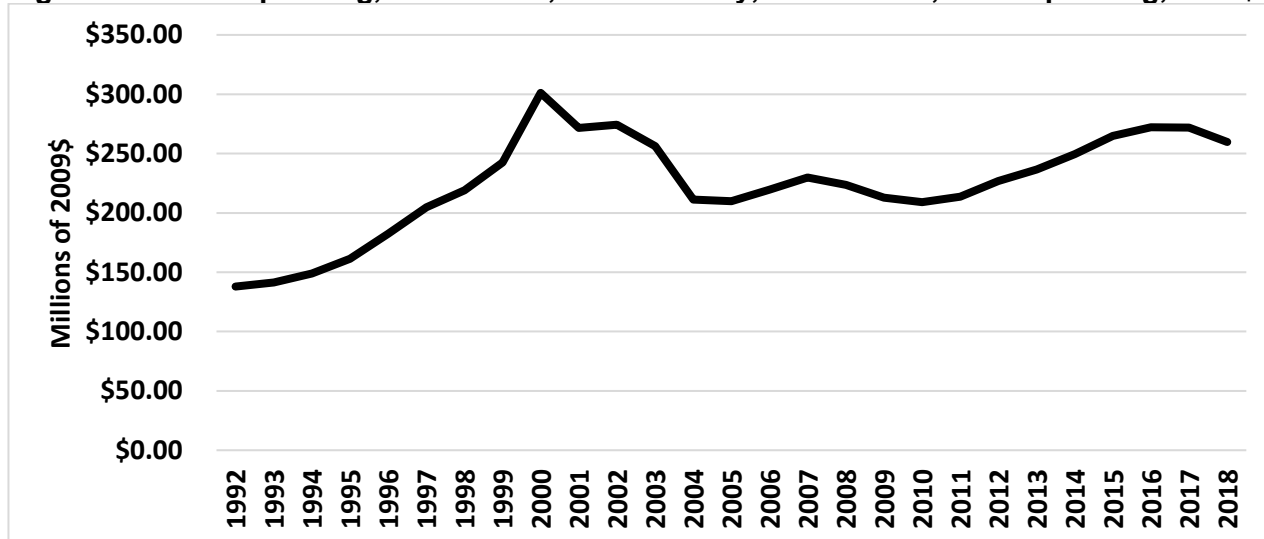
Figure 4: Total Visitor Spending in Marin County, 1992 – 2018, Millions of 2009 \$



Source: Dean Runyan Associates and Visit California 2019

Visitor revenue does estimate those that are staying overnight outside hotels and motels, but does not count the revenue from short-term rentals as compared to hotel stays. Figure 5 reflects this spending.

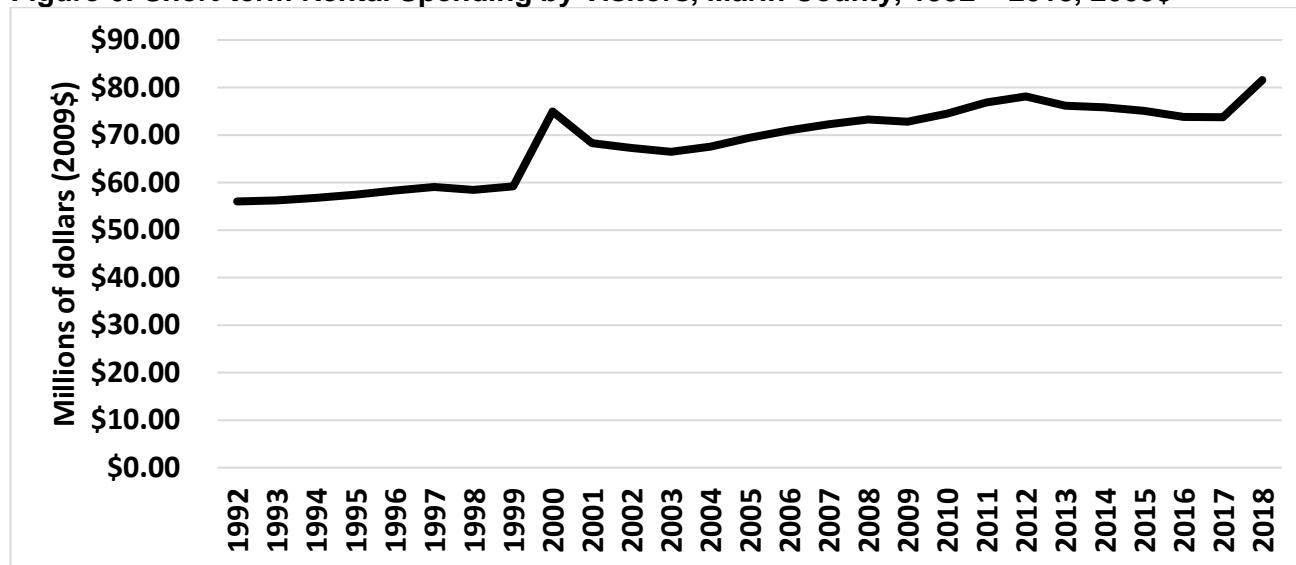
Figure 5: Visitor Spending, Hotel/Motel, Marin County, 1992 – 2018, Total Spending, 2009\$



Source: Dean Runyan Associates and Visit California 2019

Employment in the visitor support industry is normally split in five major categories: (1) hotel/motel; (2) restaurants; (3) attractions; (4) transportation; and (5) visitor-related retail. Notice in Figures 4 and 5 that, after inflation is considered, overall spending in Marin County has flattened a bit since 2015 and hotel/motel spending in dollars has dropped in total. Figure 6 shows that short-term rental spending has been recently rising in contrast.

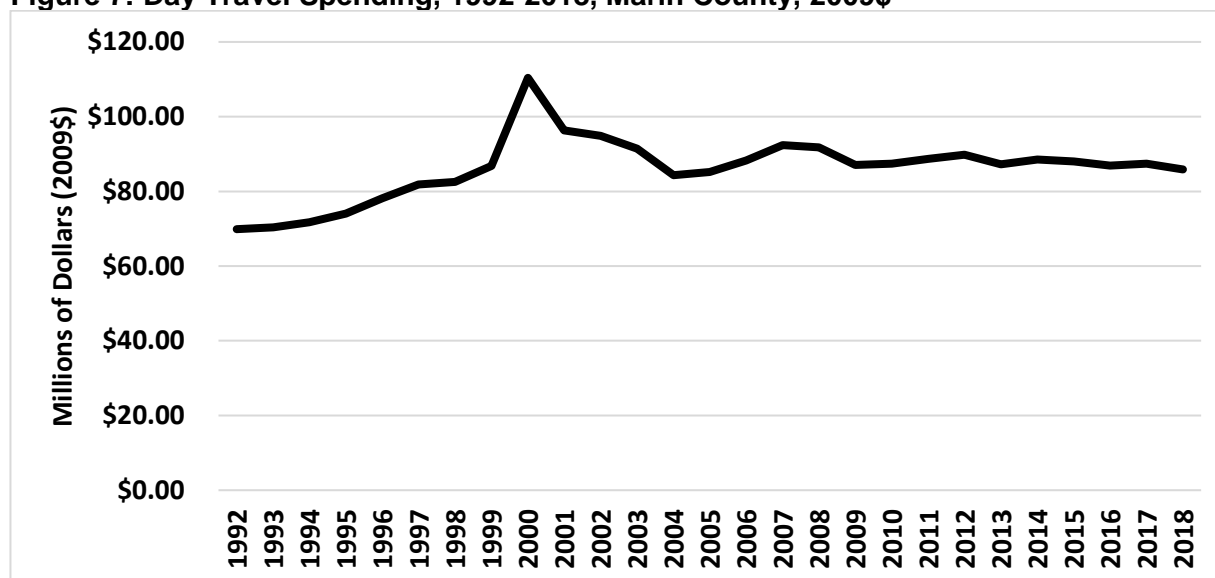
Figure 6: Short-term Rental Spending by Visitors, Marin County, 1992 – 2018, 2009\$



Sources: Dean Runyan Associates, Visit California 2019, Department of Finance, MEF

Day travel spending includes those that spend multiple nights in Marin County and spend while here as well as those simply coming for the day. Figure 7 shows these data.

Figure 7: Day Travel Spending, 1992-2018, Marin County, 2009\$

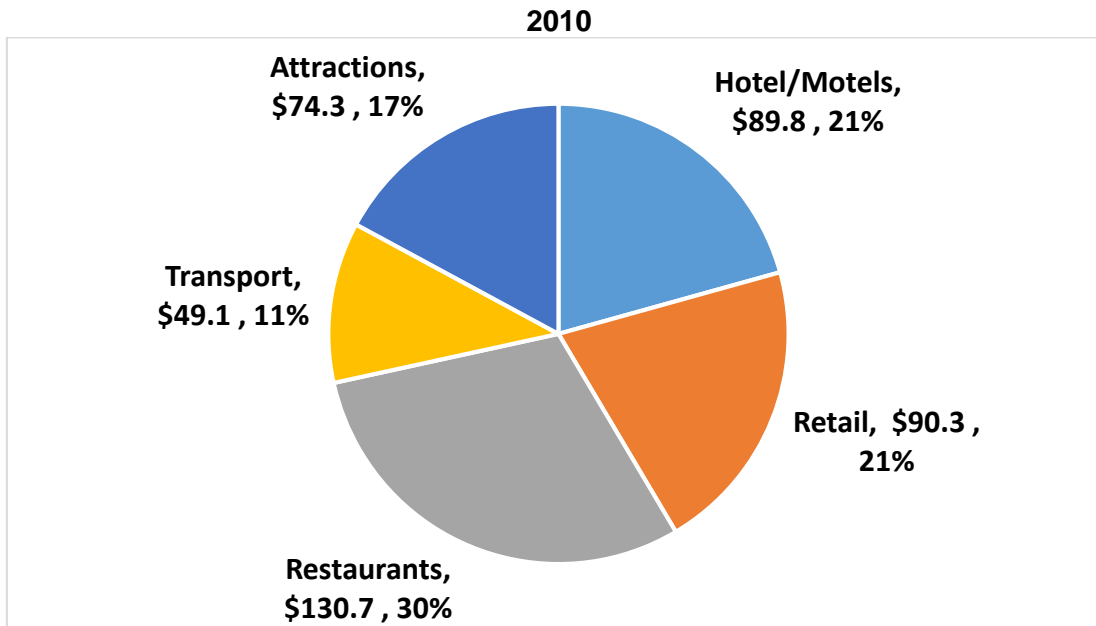


Sources: Dean Runyan Associates, Visit California 2019, Department of Finance, MEF

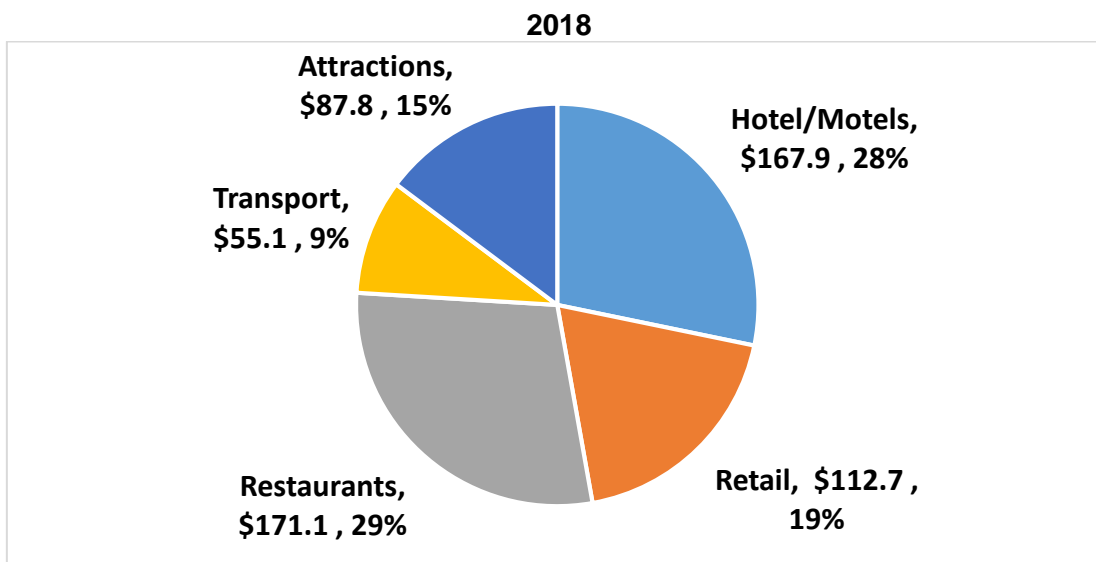
We now use visitor data on employment and income generation to show how much of the local economy relies on visitors and associated support jobs and businesses for the entire economy and the economic relationships

that exist based on visitors coming to Marin County. It is in the employment and spending data that the economic impacts of Marin County's visitor industries begin. Figure 8's two panels show the major spending categories by visitors to Marin County in 2010 and 2018, and the total dollars spent.

Figure 8: Travel Spending by Category, 2010 and 2018, Millions of Current Dollars and % of Total



Source: Dean Runyan Associates, Visit California 2019, Department of Finance, MEF

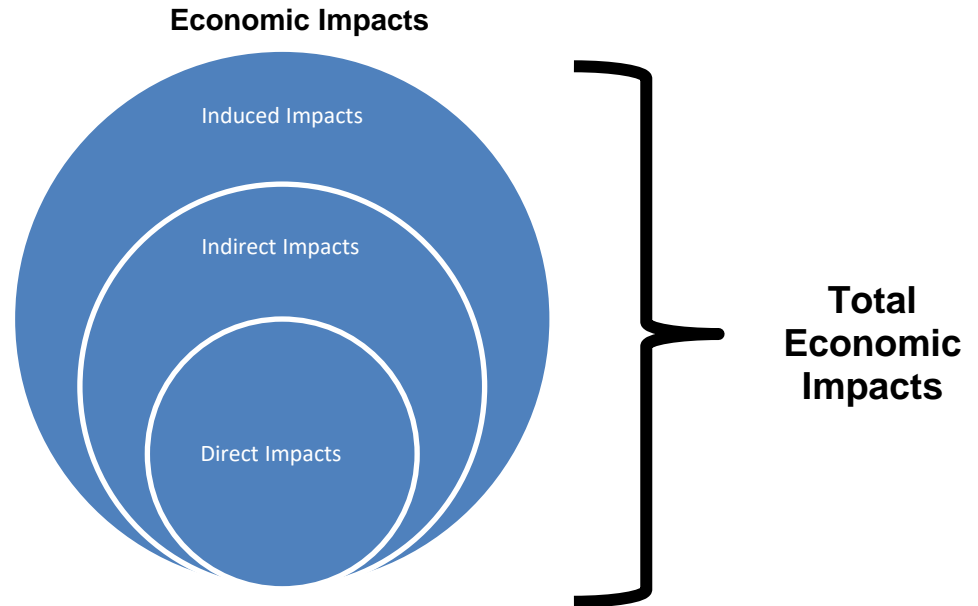


Dean Runyan Associates, Visit California 2019, Department of Finance, MEF

This section showed aggregate spending levels for Marin County, with some comparisons to Napa and Sonoma counties in terms of employment. Employment and spending initiate economic impacts broadly across the county economy. The next section looks at the economic impacts of the three key industries in visitor services: hotels, restaurants and retail. In many ways, these data describe the value chain of supporting visitors in Marin County and the breadth of industries touched by the direct and indirect effects.

Economic Impacts of Visitor-Support Businesses: Beyond Visitor Support

We now look at two scenarios of how visitor-support businesses affect the broader county economy. Economic impact studies split these effects into three “flavors”, where each build on the next. **Direct** effects are directly related to visitor spending. Hotel, visitor-related retail and restaurant spending, transportation for visitors, and attraction revenues all are direct effects when coming from visitors.



Indirect effects are how hotels, restaurants, attractions, and other entities that have received revenue directly from visitors then spend. This includes how the directly-affected workers spend their wages and salaries.

Induced impacts are those that come from the indirect impacts; the directly-affected workers and businesses spend at merchants and vendors across the county and those businesses and their workers then spend, spreading the circulating income to all points of Marin County’s economy. An example is when a hotel worker (direct) goes to the grocery store (indirect) and the grocery store worker then goes to a clothing store (induced), also generating tax revenues at each stage. The direct impacts support the county economy in hundreds of ways and industries.

Visitor services are an “export” service, where the local area receives the income visitors bring from outside. These resources would not be here otherwise, thus adding to the economic output of the economy at a faster pace than income already here (locals spending locally). Estimates of the economic impacts of tourism in Marin County -- as one of the 58 counties of California and the state overall as estimated -- are provided by Dean Runyan Associates for the state of California. However, those estimates are generally the direct spending effects and not the broader impacts. The estimates for 2018 are approximately \$770.4 million in direct visitor spending.

From these transactions, there are also taxes going to various levels of government. The major local taxes are transient occupancy tax (TOT) and sales taxes from retail and restaurant meals. Local taxes also include increased property taxes either from new construction or tenant improvements that increases value. This is the appeal of increasing tourism flows for local municipalities. Dean Runyan Associates estimates \$167.9 million was spent on hotel and motels stays, including additional revenue on-site at the hotels in Marin County during 2018. Figures 9 to 11 show the effects of \$167,900,000 of revenue for hotels from visitors as a baseline way to see broader connections.

Figure 9: Business Revenue and Industries affected, \$167.9 million of overnight stay spending, 2019 Dollars, Marin County

Industry	Direct	Indirect	Induced	Total
Hotels and motels, including casino hotels	\$167,900,000	\$9,500	\$7,800	\$167,917,300
Owner-occupied dwellings			\$6,938,800	\$6,938,800
Real estate		\$3,900,200	\$2,658,600	\$6,558,800
Advertising, public relations, and related services		\$2,178,700	\$179,600	\$2,358,300
Wholesale trade		\$1,167,000	\$1,069,000	\$2,236,000
Maintenance and repair construction, nonresidential structures		\$2,041,600	\$189,200	\$2,230,800
All other food and drinking places		\$1,231,200	\$334,900	\$1,566,100
Management of companies and enterprises		\$1,305,800	\$166,600	\$1,472,400
Other local government enterprises		\$846,800	\$505,900	\$1,352,700
Accounting, tax preparation, bookkeeping, and payroll services		\$1,134,900	\$193,500	\$1,328,400
Limited-service restaurants		\$254,200	\$1,071,600	\$1,325,800
Management consulting services		\$1,177,400	\$139,700	\$1,317,100
Services to buildings		\$1,048,100	\$228,200	\$1,276,300
Full-service restaurants		\$245,600	\$922,300	\$1,167,900
All Others	\$-	\$16,055,800	\$17,677,000	\$33,732,800
Totals	\$167,900,000	\$32,596,800	\$32,282,700	\$232,779,500

Figure 10: Jobs Supported, \$167.9 million of overnight stay spending, 2019 Dollars, Marin County

Industry	Direct	Indirect	Induced	Total
Hotels and motels, including casino hotels	1,735.3			1,735.3
Real estate		17.4	11.3	28.7
All other food and drinking places		21.7	6.1	27.8
Services to buildings		18.2	4.3	22.5
Full-service restaurants		3.5	13.9	17.4
Limited-service restaurants		2.6	9.5	12.1
Maintenance and repair construction of nonresidential structures		10.4	0.9	11.3
Accounting, tax preparation, bookkeeping, and payroll services		9.5	1.7	11.2
Management consulting services		9.5	0.9	10.4
Advertising, public relations, and related services		9.5	0.9	10.4
Postal service		9.5	0.9	10.4
Wholesale trade		4.3	4.3	8.6
Landscape and horticultural services		6.9	1.7	8.6
Individual and family services			7.8	7.8
All Others		90.4	137.1	227.5
Totals	1,735.3	213.4	201.3	2,150.0

Note: Jobs are full-time equivalent workers, hence the possibility of less than one "worker".

Figure 11: Tax Revenues, State and Local Taxes, \$167.9 million of overnight stay spending 2019 Dollars, Marin County

Tax Category	Amount
Employment Taxes	\$374,000
Sales Taxes	\$4,347,900
Property Taxes – Commercial	\$5,751,800
Property Taxes – Residential	\$123,200
Personal Income	\$3,004,800
Other Taxes and Fees	\$2,013,900
Total State and Local taxes	\$15,615,600

Compared to hotel and motel revenues, the next largest spending category is restaurants. The importance of these businesses is that they support local residents and visitors simultaneously, but make up a large amount of the estimated economic impact in the Dean Runyan data. For our purposes, we are interested in how other industries and local governments are affected by a certain amount of revenue from visitors. Dean Runyan Associates identified \$171.1 million in 2018 directly spent by visitors on restaurant meals. Figures 12 to 14 shows these results.

Figure 12: Business Revenue Impacts by Major Industry, \$171.1 Million in Restaurant Revenue, 2019 Dollars

Industry	Direct	Indirect	Induced	Total
Bars and Restaurants	\$171,100,000	\$442,000	\$2,463,400	\$174,005,400
Real estate		\$7,744,000	\$2,843,600	\$10,587,600
Owner-occupied dwellings			\$7,279,100	\$7,279,100
Wholesale trade		\$1,994,800	\$1,130,600	\$3,125,400
Management of companies and enterprises		\$2,763,200	\$176,200	\$2,939,400
Advertising, public relations, and related services		\$1,182,300	\$189,800	\$1,372,100
Accounting, bookkeeping, and payroll services		\$859,000	\$202,700	\$1,061,700
Other financial investment activities		\$178,600	\$836,100	\$1,014,700
Maintenance and repair construction, nonresidential		\$800,300	\$201,900	\$1,002,200
Offices of physicians			\$962,400	\$962,400
Other local government enterprises		\$390,500	\$540,900	\$931,400
Automotive repair and maintenance, except car washes		\$290,000	\$571,700	\$861,700
Hospitals			\$794,900	\$794,900
All Others		\$10,047,600	\$15,940,200	\$25,987,800
Totals	\$171,100,000	\$26,692,300	\$34,133,500	\$231,925,800

Figure 13: Employment Impacts by Major Industry, \$171.1 Million in Restaurant Revenue, 2019 Dollars

Industry	Direct	Indirect	Induced	Total
Bars and Restaurants	2,347.6	5.6	30.8	2,384.0
Real estate		33.6	12.3	45.9
Wholesale trade		8.0	4.6	12.6
Management of companies and enterprises		9.9	0.7	10.6
Services to buildings		5.5	4.2	9.7
Accounting, tax preparation, bookkeeping, and payroll services		7.1	1.7	8.8
Individual and family services			8.2	8.2
Retail - Food and beverage stores		0.1	6.8	6.9
Advertising, public relations, and related services		5.2	0.8	6.0
Offices of physicians			5.8	5.8
Automotive repair and maintenance, except car washes		1.9	3.8	5.7
Other educational services		0.1	5.2	5.3
Offices of other health practitioners			5.2	5.2
All Others		66.7	122.5	189.2
Totals	2,347.6	143.7	212.6	2,703.9

Note: Jobs are full-time equivalent workers, hence the possibility of less than one “worker”.

Figure 14: State and Local Tax Impacts, \$171.1 Million in Restaurant Revenue, 2019 Dollars

Tax Category	Amount
Employment Taxes	\$476,100
Sales Taxes	\$4,293,500
Property Taxes - Commercial	\$5,679,600
Property Taxes - Residential	\$131,400
Personal Income	\$3,096,200
Other Taxes and Fees	\$1,891,500
Total State and Local taxes	\$15,568,300

We look now at retail and its impacts across Marin County. For both the day tripper and the overnight stay, the ability of local retail to generate revenue from visitors likely subsidizes specific retail types in Marin County where the local population would not be able to do so alone. Further, in the case of food and beverage retail, the links to local farming may help support local agriculture when there are more visitors; this acts like an “export” market place without the logistics. We look at the Dean Runyan Associates estimates of \$112.7 million in 2018 directly from visitors on retail items in Figures 15 to 17. Retail sales, in this context, includes fuel stations.

Figure 15: Business Revenue Impacts, \$112.7 million in Retail Revenue from Visitors, 2019 Dollars

Industry	Direct	Indirect	Induced	Total
Retail Stores	\$112,700,000	\$8,600	\$416,500	\$113,125,100
Real estate		\$7,202,000	\$1,802,300	\$9,004,300
Owner-occupied dwellings			\$4,554,900	\$4,554,900
Wholesale trade		\$468,400	\$711,400	\$1,179,800
Advertising, public relations, and related services		\$985,000	\$119,500	\$1,104,500
Maintenance and repair construction, nonresidential		\$753,300	\$127,600	\$880,900
Limited-service restaurants		\$83,400	\$713,200	\$796,600
Full-service restaurants		\$108,600	\$614,000	\$722,600
Other local government enterprises		\$378,200	\$342,600	\$720,800
Accounting, bookkeeping, and payroll services		\$578,800	\$127,100	\$705,900
Other financial investment activities		\$114,500	\$531,900	\$646,400
Monetary authorities and depository credit intermediation		\$274,100	\$358,800	\$632,900
Automotive repair and maintenance, except car washes		\$262,800	\$362,000	\$624,800
Offices of physicians			\$606,800	\$606,800
Truck transportation		\$475,100	\$101,900	\$577,000
All Others		\$8,086,100	\$9,980,700	\$18,066,800
Totals	\$112,700,000	\$19,778,900	\$21,471,200	\$153,950,100

Figure 16: Employment Impacts by Major Industry, \$112.7 Million in Retail Revenue, 2019 Dollars

Industry	Direct	Indirect	Induced	Total
Retail Stores	1,168.9		4.5	1,173.4
Real estate		31.6	7.7	39.3
Full-service restaurants		1.8	9.5	11.3
Services to buildings		5.9	2.7	8.6
Limited-service restaurants		0.9	6.3	7.2
Accounting, bookkeeping, and payroll services		5.0	0.9	5.9
Individual and family services			5.0	5.0
Advertising, public relations, and related services		4.5	0.5	5.0
Wholesale trade		1.8	2.7	4.5
Other educational services		1.4	3.2	4.6
Maintenance and repair construction of nonresidential structures		3.6	0.5	4.1
All other food and drinking places		0.5	4.1	4.6
Automotive repair and maintenance, except car washes		1.8	2.3	4.1
Offices of physicians			3.6	3.6
Management consulting services		2.7	0.9	3.6
All Others		50.7	79.0	129.7
Totals	1,168.9	112.2	133.4	1,414.5

Note: Jobs are full-time equivalent workers, hence the possibility of less than one "worker".

Figure 17: State and Local Tax Impacts, \$112.7 Million in Retail Revenue, 2019 Dollars

Tax Category	Amount
Employment Taxes	\$333,100
Sales Taxes	\$4,903,400
Property Taxes - Commercial	\$6,486,100
Property Taxes - Residential	\$82,900
Personal Income	\$1,914,500
Other Taxes and Fees	\$2,122,800
Total State and Local taxes	\$15,842,800

Attractions revenue comes from spending at events, museums, paying to enter an attraction (Muir Woods, Point Reyes National Seashore, etc.), or buying a souvenir book at an event. Events at the Marin Center are a great way to consider this type of spending; if people come from all over the region to see a speaker or a performance, the attraction spending has a ripple effect into Marin County across hundreds of industries. Figure 18 to 20 summarize those effects.

Figure 18: Business Revenue Impacts, \$87.8 million in Attractions Revenue from Visitors, 2019 Dollars

Industry	Direct	Indirect	Induced	Total
Museums, historical sites, event centers	\$87,800,000	\$-	\$14,500	\$87,814,500
Real estate	\$-	\$15,742,500	\$1,492,400	\$17,234,900
Owner-occupied dwellings	\$-	\$-	\$3,743,700	\$3,743,700
Sightseeing transportation and support activities for transportation	\$-	\$1,649,700	\$40,200	\$1,689,900
Advertising, public relations, and related services	\$-	\$1,449,000	\$98,500	\$1,547,500
Management consulting services	\$-	\$1,325,800	\$77,300	\$1,403,100
Couriers and messengers	\$-	\$1,321,300	\$41,600	\$1,362,900
Maintenance and repair construction of nonresidential structures	\$-	\$1,168,800	\$105,600	\$1,274,400
Wholesale trade	\$-	\$649,400	\$586,600	\$1,236,000
Other local government enterprises	\$-	\$875,200	\$283,600	\$1,158,800
Insurance agencies, brokerages, and related activities	\$-	\$818,000	\$169,300	\$987,300
Insurance carriers	\$-	\$729,100	\$157,500	\$886,600
Full-service restaurants	\$-	\$288,000	\$506,100	\$794,100
Accounting, tax preparation, bookkeeping, and payroll services	\$-	\$623,400	\$104,300	\$727,700
Other educational services	\$-	\$573,800	\$122,700	\$696,500
All Others	\$-	\$8,529,300	\$10,158,600	\$18,687,900
Totals	\$87,800,000	\$35,743,300	\$17,702,500	\$141,245,800

Figure 19: Employment Impacts by Major Industry, \$87.8 Million in Attractions Revenue, 2019 Dollars

Industry	Direct	Indirect	Induced	Total
Museums, historical sites, event centers	949.9	-	0.2	950.1
Real estate	-	68.5	6.5	75.0
Other educational services	-	12.5	2.6	15.1
Couriers and messengers	-	12.5	0.5	13.0
Full-service restaurants	-	4.5	7.7	12.2
Management consulting services	-	11.0	0.6	11.6
Services to buildings	-	9.4	2.2	11.6
Scenic and sightseeing transportation and support activities for transportation	-	10.0	0.3	10.3
Advertising, public relations, and related services	-	6.5	0.5	7.0
Maintenance and repair construction of nonresidential structures	-	5.9	0.5	6.4
Postal service	-	5.7	0.3	6.0
Insurance agencies, brokerages, and related activities	-	4.9	1.1	6.0
Accounting, tax preparation, bookkeeping, and payroll services	-	5.1	0.9	6.0
Limited-service restaurants	-	0.5	5.1	5.6
Wholesale trade	-	2.6	2.3	4.9
All Others	-	47.1	78.9	126.0
Totals	949.9	206.7	110.2	1,266.8

Note: Jobs are full-time equivalent workers, hence the possibility of less than one "worker".

Figure 20: State and Local Tax Impacts, \$87.8 Million in Attractions Revenue, 2019 Dollars

Tax Category	Amount
Employment Taxes	\$291,400
Sales Taxes	\$1,076,000
Property Taxes - Commercial	\$1,423,300
Property Taxes - Residential	\$68,800
Personal Income	\$1,561,700
Other Taxes and Fees	\$531,600
Total State and Local taxes	\$4,952,800

Our final look at economic impacts from direct visitor spending comes from transportation. Whether taking an Uber or Lyft ride once at a hotel in Marin County, renting a car, taking a limo bus to an event, or simply riding the bus from San Rafael to West Marin, Figures 21 to 23 show the broader spending and employment that visitor support when they spend on transportation options while here. If they rent a car in some other county, that is not counted here.

Figure 21: Business Revenue Impacts, \$87.8 million in Transportation Revenue from Visitors, 2019 Dollars

Industry	Direct	Indirect	Induced	Total
Sightseeing transportation and support activities for transportation	\$55,100,000	\$3,534,100	\$25,900	\$58,660,000
Couriers and messengers	\$-	\$4,403,600	\$26,400	\$4,430,000
Owner-occupied dwellings	\$-	\$-	\$2,433,200	\$2,433,200
Postal service	\$-	\$2,118,600	\$18,700	\$2,137,300
Real estate	\$-	\$1,148,300	\$923,500	\$2,071,800
Other local government enterprises	\$-	\$1,149,900	\$175,800	\$1,325,700
Maintenance and repair construction of nonresidential structures	\$-	\$1,202,800	\$66,100	\$1,268,900
Wholesale trade	\$-	\$548,800	\$373,600	\$922,400
Waste management and remediation services	\$-	\$551,000	\$48,500	\$599,500
Services to buildings	\$-	\$413,300	\$79,900	\$493,200
Management of companies and enterprises	\$-	\$386,300	\$57,900	\$444,200
Limited-service restaurants	\$-	\$27,000	\$374,100	\$401,100
Insurance agencies, brokerages, and related activities	\$-	\$256,200	\$106,900	\$363,100
Full-service restaurants	\$-	\$32,500	\$322,300	\$354,800
Other financial investment activities	\$-	\$76,000	\$268,900	\$344,900
All Others	\$-	\$4,194,200	\$5,976,200	\$10,170,400
Totals	\$55,100,000	\$20,042,600	\$11,277,900	\$86,420,500

Figure 22: Employment Impacts by Major Industry, \$87.8 Million in Transportation Revenue, 2019 Dollars

Industry	Direct	Indirect	Induced	Total
Sightseeing transportation and support activities for transportation	336.1	21.5	-	357.6
Couriers and messengers	-	41.9	0.6	42.5
Postal service	-	19.3	-	19.3
Real estate	-	5	3.9	8.9
Services to buildings	-	7.2	1.7	8.9
Maintenance and repair construction of nonresidential structures	-	6.1	0.6	6.7
Full-service restaurants	-	0.6	5	5.6
Wholesale trade	-	2.2	1.7	3.9
Limited-service restaurants	-	-	3.3	3.3
Landscape and horticultural services	-	2.8	0.6	3.4
Other local government enterprises	-	2.8	0.6	3.4
Individual and family services	-	-	2.8	2.8
Waste management and remediation services	-	2.2	-	2.2
Dry-cleaning and laundry services	-	2.2	-	2.2
Management consulting services	-	2.2	0.6	2.8
All Others	-	25.1	49.1	74.2
Totals	336.1	141.1	70.5	547.7

Note: Jobs are full-time equivalent workers, hence the possibility of less than one "worker".

Figure 23: State and Local Tax Impacts, \$87.8 Million in Transportation Revenue, 2019 Dollars

Tax Category	Amount
Employment Taxes	\$116,800
Sales Taxes	\$634,200
Property Taxes - Commercial	\$838,600
Property Taxes - Residential	\$43,000
Personal Income	\$1,062,900
Other Taxes and Fees	\$316,300
Total State and Local taxes	\$3,011,800

Summary and Caveats

Spending by visitors to Marin County have multiplier effects, where the effects of visitor spending are spread to hundreds of industries, multiple channels of government revenue, and support jobs across Marin County. For example, for every million dollars spent on hotel stays, there is another \$386,000 made across Marin County's economy, supporting 9.3 jobs per million spent, and generating approximately \$67,080 in state and local tax

revenues. The connections to retail and restaurant spending for overnight visitors makes this one of the largest industrial multipliers available for economic development across a regional economy because hotel rooms are relatively expensive, taxable purchases and spending otherwise is primarily taxable retail or restaurant meals.

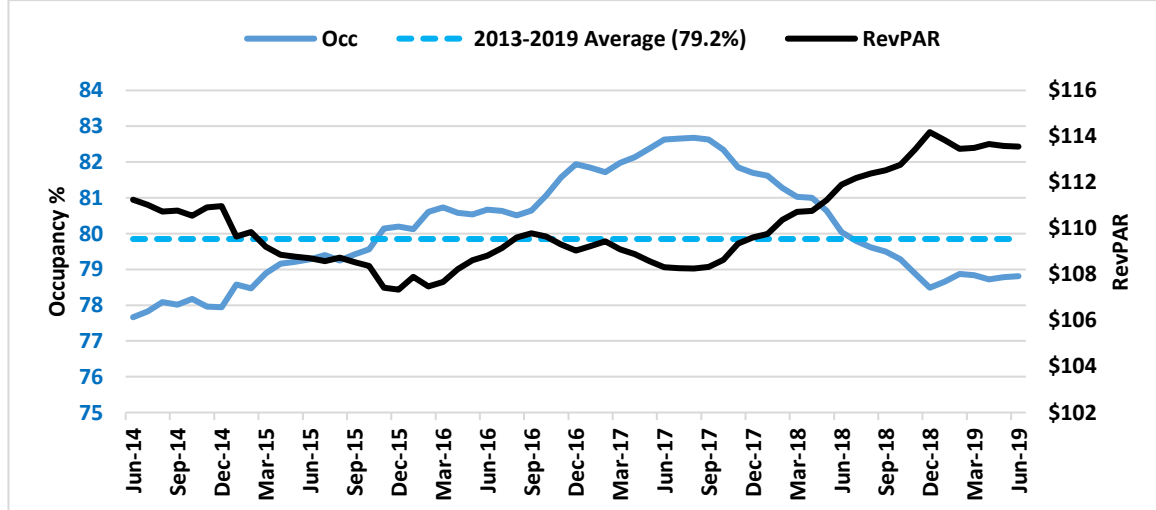
Caveats exist with these data. Dean Runyan Associates reports these as “direct” spending estimates. In the figures above, we show data and make estimates about visitors’ broader effects based on direct spending. However, there are a lot of entangled connections between staying overnight and other visitors’ spending. That entanglement creates difficulty in separating how visitors that stay overnight spend versus those that are in Marin County just for the day or perhaps just one event. Figures 9 to 23 show the broader impacts of spending by visitors, the jobs supported and what industries are affected, as well as the multiple lines of state and local tax revenues. It is in overnight stays where visitors make their largest economic impacts.

Visitor Data on Overnight Stays

Smith Travel Research (STR) is a data resource using survey data from hotels specifically, which is different than the DRA data shown above. DRA looks at aggregate trends, regardless of overnight stay choice, where STR reports survey data on traditional hotel and motel properties. The STR data provides monthly comparisons on demand, revenue, average daily revenue (ADR), revenue per available room (RevPAR), hotel room supply, and occupancy rates (see Figure 24 for summary data for Marin County). STR surveys are just that: samples of the population of local hotels and motels and to provide estimates for subscribers of values and trends from their survey responses. These reports are standard in the industry in terms of monitoring changes and pricing. One submarket that is missing in the STR data include short-term rentals (VRBO, Airbnb, etc.), which have become a more visible market since 2010. We should expect short-term rental owners to monitor and react to hotel demand and pricing with their own pricing to remain competitive. STR is the standard data source in tracking overnight visitors for a region.

Figure 24 shows some recent data for Marin County. What STR or DRA data do not track is the “day tripper” or those that simply come to Marin County for the day with no intention to stay the night or have an intention to stay elsewhere.

Figure 24: Occupancy Rates, RevPAR in Marin County, June 2014 to July 2019, 12-month averages



Source: Smith Travel Research (data provided by Marin County Visitor's Bureau)

Marin County tends to have similar occupancy to Napa County and similar pricing to Sonoma County. Smith Travel Research (STR) provides monthly data to MCVB on 29 to 30 hotel properties in Marin County. STR and the County of Marin both have counts of a subset of the actual properties offering overnight stays in Marin County. STR only counts explicit hotel and motel properties, and the County of Marin only counts TOT-licensed properties, with an estimate of short-term rentals that remain scofflaws. The following summary statements are conclusions from a mix of STR and County of Marin data:

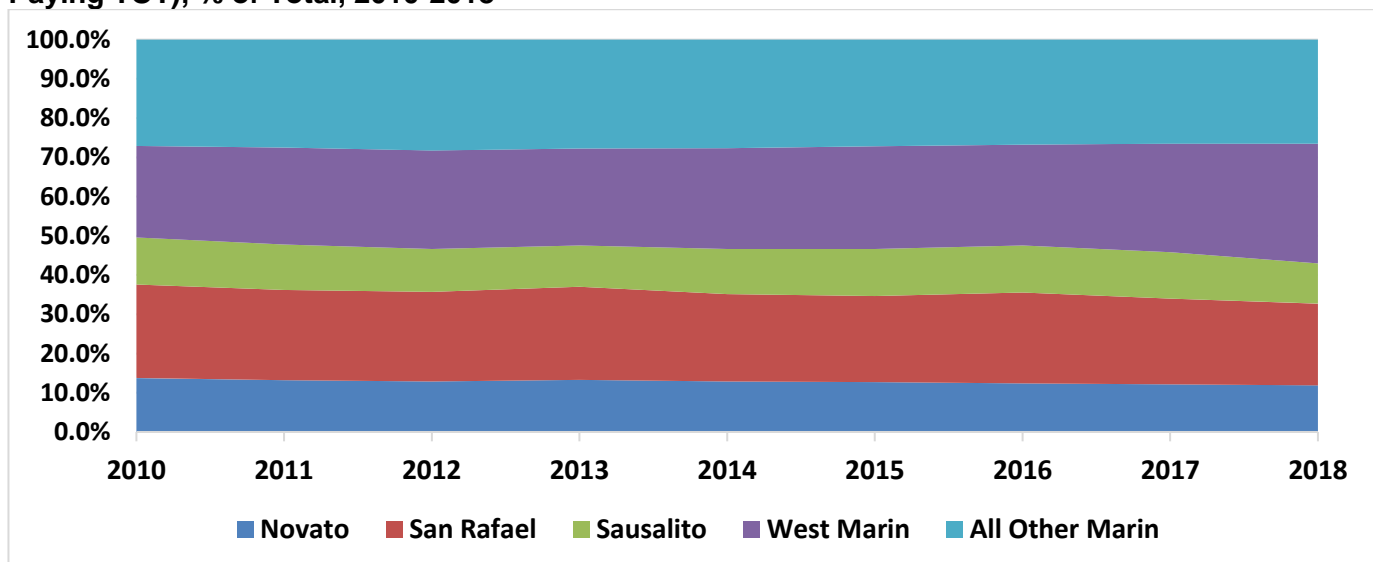
- STR surveys 29 to 30 properties generally. STR (in June 2019) states this sample comes from 36 properties that are traditional hotels and motels;
 - A total of 2,411 rooms is tracked by MCVB as of Sept 2019, and we use this number as our aggregate figure, which includes hotel rooms not tracked by STR.
- The County of Marin believes there may be as many as 450 short-term rental options:
 - The number of beds/rooms in the short-term rental market is unknown at this time;
 - Approximately 200 of these 450 are paying TOT as of February 2019; and
 - The Bureau of Labor Statistics estimates 60 hotel, motel and bed and breakfasts with payroll employment providing overnight stay options.

Tracking TOT revenues is important to understand the amount of people staying overnight on a regular basis as coming through public sources and also to watch the supply conditions; as more short-term rentals come on the market, the municipal tracking for purposes of TOT also reveal competition for classic hotels and motels.

Importance of Short-Term Rentals and Transient Occupancy Tax (TOT) Revenues

The short-term rental market, specific to West Marin, is an interesting complement to the classic bed and breakfast (B&B) stay. Properties are going to come on the market and also leave without the normal signals of a new or existing hotel or motel property. In terms of tracking lost revenue for classic hotel and motel markets due to new competition, TOT collections of non-traditional properties are likely the easiest method. Figure 25 shows the geographic mix of TOT revenues across Marin County's major municipalities and areas since 2010.

Figure 25: Mix of TOT Revenues Across Marin County (Short-Term Rental Included if Paying TOT), % of Total, 2010-2018



Sources: Dean Runyan Associates and County of Marin and MEF

Lost TOT revenues by traditional hotels and motels and bed and breakfasts from short-term rentals depend on identifying the total number of short-term rental properties, their ADR, available nights (supply), and occupancy rates. County of Marin estimates of TOT for short-term rentals have grown annually since 2012 (when the County of Marin began tracking these properties), and their loss estimates and also collections of TOT depend on identification and conversion of properties to paying TOT. Three basic ideas summarize the current state of information:

- The number of properties will continue to rise in the short-term;
- The County of Marin is diligently attempting to identify and provide incentives to have these properties pay TOT (which may change the decisions of some properties to offer a home as a short-term rental option); and
- For hotels and motels, these properties are going to remain a competitive threat.

For countywide destination marketing strategies, these properties have both negative and positive effects on the industry overall. The positive effects come from expanding options to stay overnight and then capture more revenue from the economic impacts of those visitors; it is good to assume some visitors come to Marin County because of the short-term rental options.

The negative effects include is more competition for local hotels, motels and bed and breakfasts in traditional forms. Demand and market segmentation drive many concerns for local hoteliers that already face a wide variety of properties and homes with which to compete **regionally**. If staying in a short-term rental is the difference between capturing and not capturing the visitor's spending over multiple days here in Marin County, these properties likely provide a wider audience for what the county offers overnight visitors.

Overnight Stay Potential

Every community has excess capacity for visitors, as there are no communities with 100-percent occupancy 365 days a year in local hotels, motels, and B&Bs. Because it is unknown how many short-term rental stay options may be here now or coming (Airbnb, VRBO remain an unknown supply shock), the potential of the Marin County visitor industry may be shown by comparing it to other places, assuming the current supply remains unchanged for the short-term and grows with some trend in the long-term.

The overnight stay potential depends on both demand and supply. On the demand side, the competitive forces are relatively large given that Marin County is surrounded by major tourism areas that have a multiple of hotels and motels to choose from in terms of breadth and depth. There are also deep short-term stay markets in each of the surrounding counties in the North Bay that have sprung up due to rising tourism levels and an ability to gain access to those visitors. If Marin County views the current levels of tourists going to San Francisco and to the North Bay as a potential marketplace **and** also the day tripper market converted to staying overnight, the demand for an expanded overnight market is likely already in place.

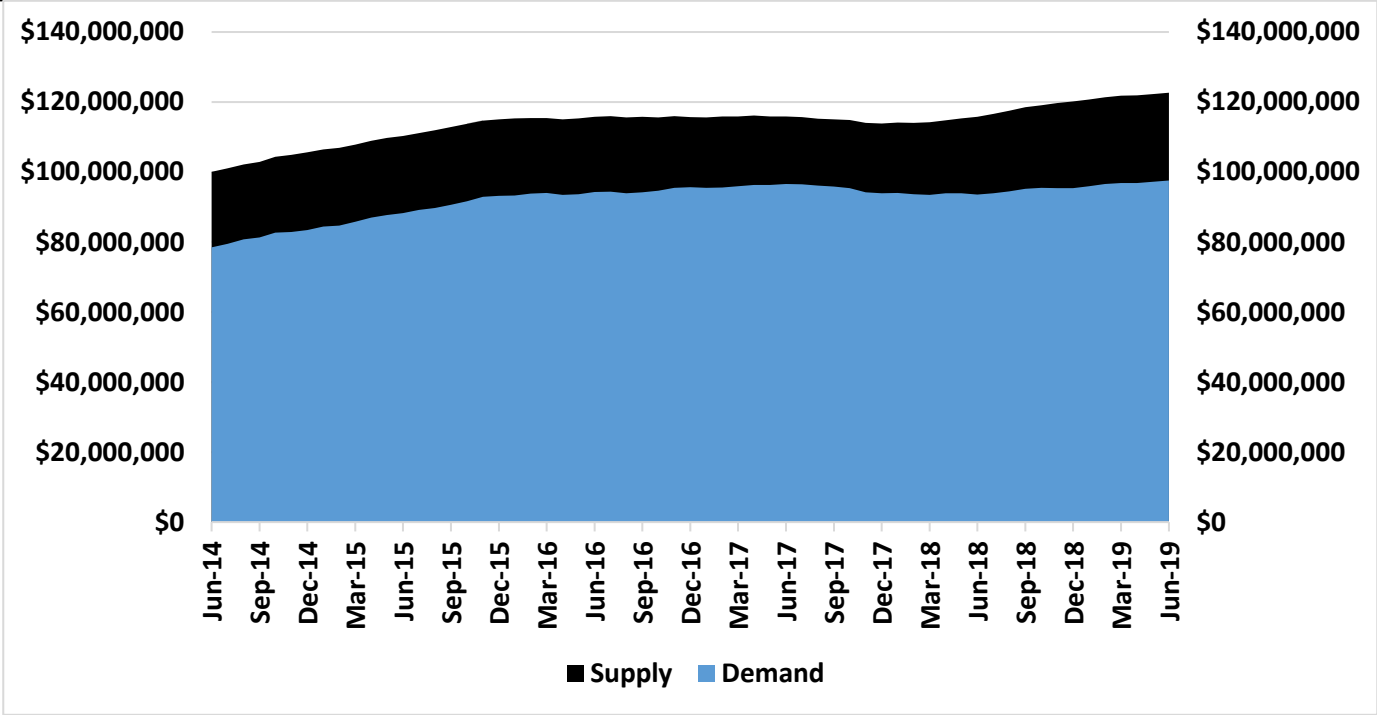
On the supply side, the current number of hotel properties in Marin County provide one capacity constraint; the short-term stay market provides another. In sum, it becomes a number of potential overnight stays based on the number of available rooms/beds. Because the short-term rental market remains a general mystery everywhere in terms of the actual number of overnight guests it can support, we will focus on the number of properties that are currently (as of June 2019) in place in Marin County and those identified by County of Marin

Department of Finance concerning overnight stays. The County of Marin is tracking these properties for TOT collection purposes. Below are the supply conditions from STR, MEF and County of Marin.

MCVB tracks approximately 2,411 rooms in Marin County as of September 2019 year to date (YTD). Assuming these rooms are available 365 days a year on average, that suggests approximately **880,015** room nights available to be sold per year. Assuming there are 1.5 people per room on average, that suggests capacity for as many as 1.32 million people to stay overnight in Marin County.

Assuming a number of people per room and estimating the number of rooms/properties to stay overnight helps estimate “visitor load” in terms of overnight stays. STR estimates the total spending per the data in Figure 26. Notice there is a consistent gap since June 2014 between hotel and motel supply (available rooms) and demand (rooms sold). Maximizing other opportunities may come from partnerships and more complete collection and use of data.

Figure 26: Supply Potential in Overnights versus Demand July 2013 to June 2019 YTD, Current Dollars



Sources: STR and MEF

While overnight visitors provide more spending power to Marin County per visitor (see survey results below also), the day visitor is also important. Marin County should not discourage visitors of any type, as a day tripper (the visitor here for part of one day) is a potential overnight visitor using the correct marketing. Further, there are millions of potential day trippers (in terms of market size) that come to Napa County, San Francisco, Sonoma County, that either pass through or a short ferry ride or car or bike trip away from Marin County.

We see how partnerships are a key way that local hotels and motels and B&Bs can enhance the economic footprint of visitors in Marin County through best practices.

What are Best Practices in Destination Management?

Destination management (DM) is brand management: why do people come to your location and stay overnight? Conference travel can include a broader set of places than just San Francisco, and do indirectly in terms of overnight stays. Best practices in destination management include three basic elements, where partnerships are the core best practice.

1. Social media presence and influencers

Brands realize that success depends on positive word-of-mouth and messaging about the tourism experience, generally from someone that has experienced it. Social media presence is now a daily part of DM, but the focus of those efforts should be on driving stories and influencers to showcase what Marin County is all about for visitors.

Social media metrics are vogue for now but quickly becoming necessary marketing and branding vehicles, but also necessary because Marin County utilizes social media sites of all kinds to promote and recruit visitors. Finding ways to partner with social media means finding specific people that have millions of followers and shaping their messaging about Marin County. Having a “megaphone” strategy in social media, where the DM organization (in this case MCVB) is simply pushing out advertising as a minimalist strategy. It is finding key influencers and driving the message through those individuals that expands marketing reach quickly and uses best practices at the frontier of DM.

2. Watching the correct metrics

While it may seem like a trend, the use of “big data” is here to stay. Part of best practices is to strategically utilize data, doing so in a way that helps monitor and continuously form strategic plans. Using information from the hotels and motels on where their overnight visitors originate is an immediate piece of big data that can help focus marketing campaigns. Combining such data with social and classic media campaigns then leads to more metrics to follow in terms of how marketing converts to overnights. Conversion of leads to overnight stays is a critical factor of remaining competitive in a market surrounded by globally-branded counties and tourist areas (Napa, San Francisco, Sonoma). Some example metrics include:

- Tracking where people that stay in Marin County overnight originate (partnerships with local hotels and motels and perhaps Airbnb and VRBO);
- What visitors buy and where they buy it (partnerships with major retailers, restaurants, businesses like Uber and Lyft);
- Other places visitors go that are north of the Golden Gate Bridge when they cross it (how does competition regionally become potential partnerships).

3. Packages: What Short-Term Rentals Cannot Do Individually with Ease

Best practices suggest that packaging visitor consumption in bundles provides a one-stop experience for purchase while delivering a full package of experiences that may generate repeat consumption. Such packages achieve major outcomes discussed above:

- Link visitors staying overnight with local dining and attractions options;
-

- Showcase how staying overnight and dining locally is a unique experience; and
- When connected to social media, visitors can link to influencers in such a way that they enhance the experience.

Recognizing how Marin County overall benefits from visitors is a way to advocate for visitor services and investments by local governments expanding. MCVB engages in most of these activities already; enhancing them, specifically that package partnerships both internal and external to Marin County, can help increase occupancy rates and flow of funds to local hoteliers and moteliers.

For DM purposes, the more these packages can be sold, the more the local area captures the revenues from visitors that become larger economic impacts. There may be cost reductions or sharing of revenues to make the packaging work. Best practices provide uniqueness in the market and then potential for repeat visitors.

Best Practices: Capturing More Revenue and Return Visits

The critical step in mechanizing best practices is conversion of visitors to overnight stays, increasing revenues from visitor spending and visitor exposure to broader opportunities that may convert those that stay overnight to be return visitors. Converting to overnight stays depends on three major items:

1. Visitors plan to stay in Marin County versus other places, including their own homes;
2. Availability of overnight stays in properties that complement the reason why the overnight visitor is coming to stay in Marin County in the first place; and
3. There are two days or more worth of events or attractions that would necessitate an overnight stay.

Any strategy can involve both markets, and one can become the other. Generally, day trippers should be seen as overnight visitors in waiting. Marketing and general destination management practices provide ways to attract those day trippers back as overnight guests or perhaps as convention or conference stays based on their experience. It is important that the two markets (overnight and day tripper) do not trade off for each other or that they are seen as substitute markets. The importance of identifying the number of day trippers to overnight guests is multi-faceted and broad. Our survey instrument is meant to help explain possible connections to best practices.

2019 Survey Results

From February 2019 to August 2019, Marin County Visitors Bureau (MCVB) administered a survey throughout Marin County to visitors. This survey was collected at hotels, motels, Point Reyes National Seashore (PRNS), and other places where visitors were likely to gather. The results of the survey in summary form are below and the Appendix has raw responses to qualitative questions about what Marin County can do to improve the visitor experience. The survey was distributed throughout Marin County.

This survey was focused on three main pieces of information. First, the likelihood a visitor would spend the night in Marin County. Second, the estimated amount of spending that visitors make per person per day. Finally, if the party stayed overnight, where did they stay? Other information was gathered: a general area where the visitors originated; how they heard about Marin County?; how many people were in the party?; and what did the party do when they arrived?

As we see below, there is a wide variety of what visitors do, but primarily they are visiting outdoor attractions in Marin County: Point Reyes National Seashore, hiking in West Marin.

Survey Outcomes: Stories About Specific Types of Travelers and Visitor Demography

For each of the survey questions, the total respondents did not answer all questions. We provide the number of responses for each question to provide perspective on the sample size as “n = XXX”.

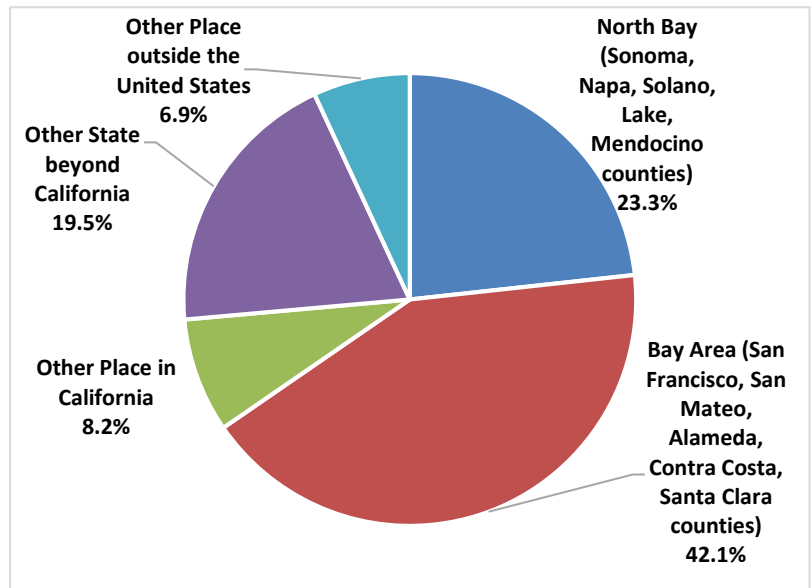
Question 1: Where are you from? (n = 524)

The choices on this question were:

- North Bay
- Bay Area
- Other Part of California
- Outside California from US
- Outside US

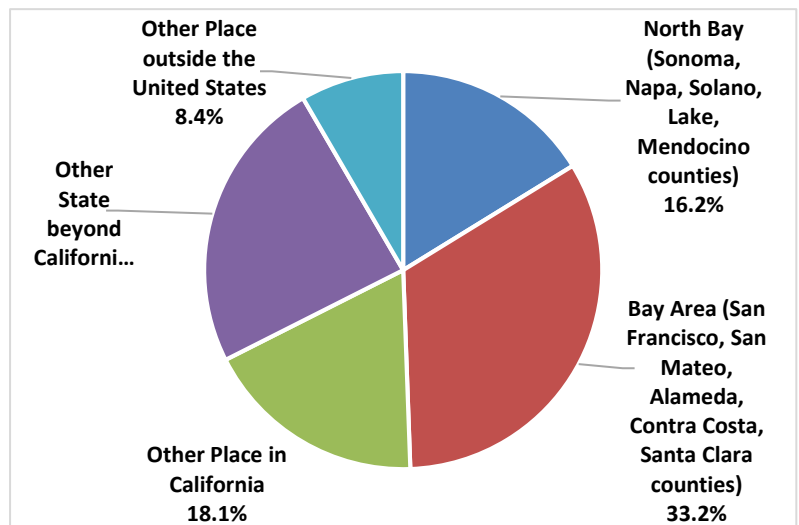
Question 1 asked where travelers originated.

As discussed in the best practices section above, a piece of data that MCVB may be able to ask for quickly and utilize a “big data” outcome zip code and country data origins from visitors. These data not only inform MCVB and its member organizations about what markets may see Marin County as an overnight destination, the data allow marketing efforts to become more focal. Almost one half of the respondents come from the North Bay or the Bay Area.



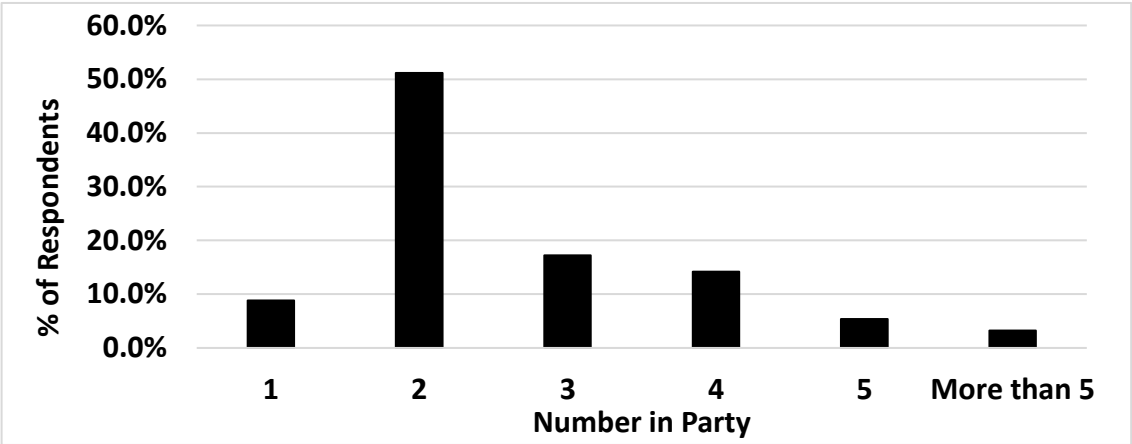
Where do Day Trippers Originate? (n = 175)

Over 65 percent of those that said they came to Marin County for the day, but did not stay overnight originated from the Bay Area or the North Bay in terms of where they live. Another 19.5 percent were from another state. There are some caveats with these data, even though the results seem intuitive. To keep the respondents anonymous, we did not ask where in Marin County they took the survey as to not bias the results. However, in subsequent surveys a second origination question may be needed, such as: “if you did not stay overnight in Marin County, are you staying in the Bay Area (San Francisco otherwise)?”



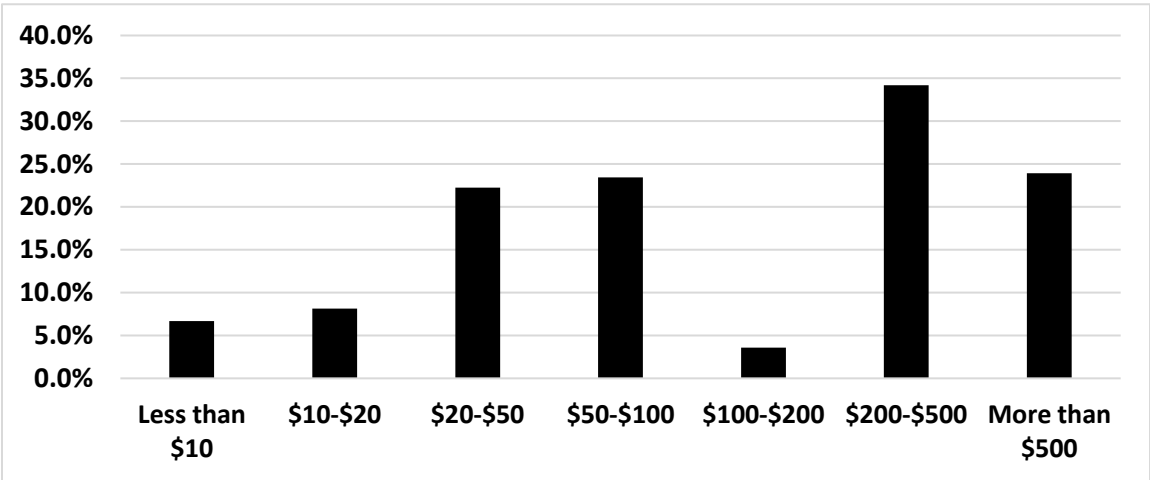
Question 2, How Many People Where in Your Party? (n = 522)

The number of people in the visitor’s party also determines the potential spending. However, the amount of spending per additional person is not the same every time. For example, a couple going for a romantic, two-night weekend at Stinson Beach or Olema may spend multiples over a family of five camping at PRNS for two nights. What these data suggest is the typical party size that visits Marin County.



Question 3: How much did you spend per day while you were in Marin County (n = 418)

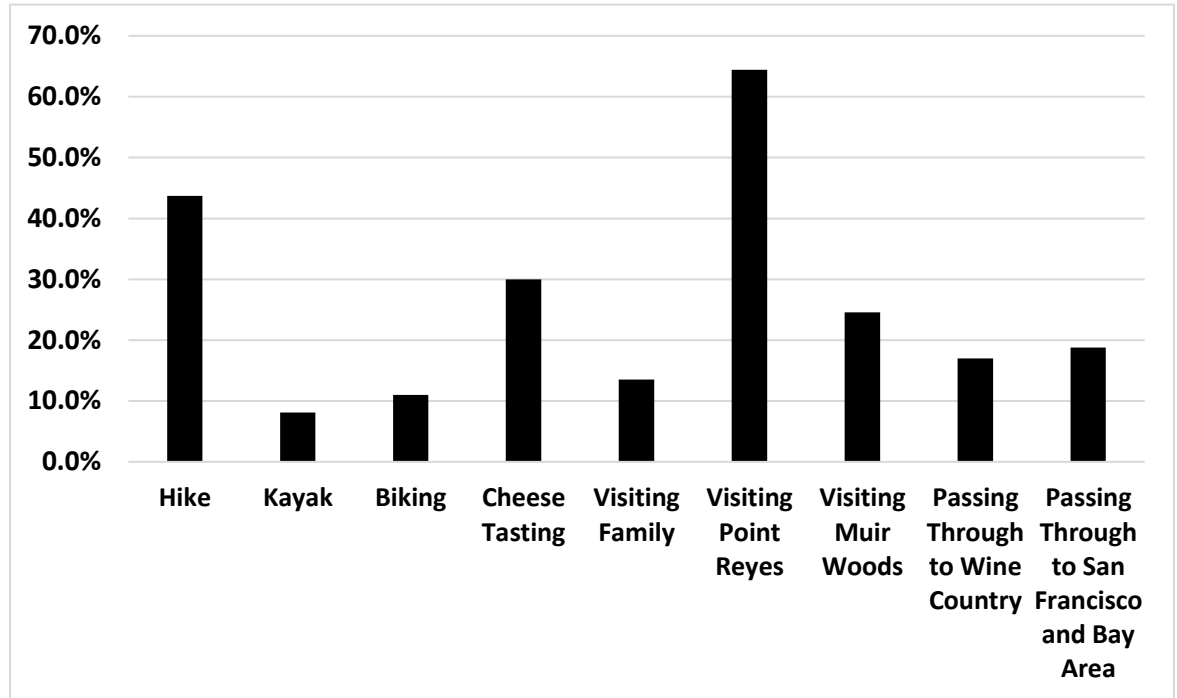
Question 3 is key for this survey and ongoing intelligence about the Marin County visitor sector. Notice the spending per day looks like there are two groupings. The first may be more of the “day-tripper” group, where spending is low and



without the overnight stay, large-item spending is limited. The second group is the “overnight” group. Typically, larger amounts of daily spending are a function of adding an overnight stay into the travel budget; for our survey, those that stayed overnight spent a self-reported average of \$147.10 per person per day and those that came for the day spent \$59.35 per person per day. Notice the distribution of spending looks “bi-modal” or has two distinct subgroups within the sample. This makes sense in that there is a combination of day-tripper spending (without the overnight) and what overnight visitors spend while here.

Question 4, What did you do while you stayed here? (n = 517)

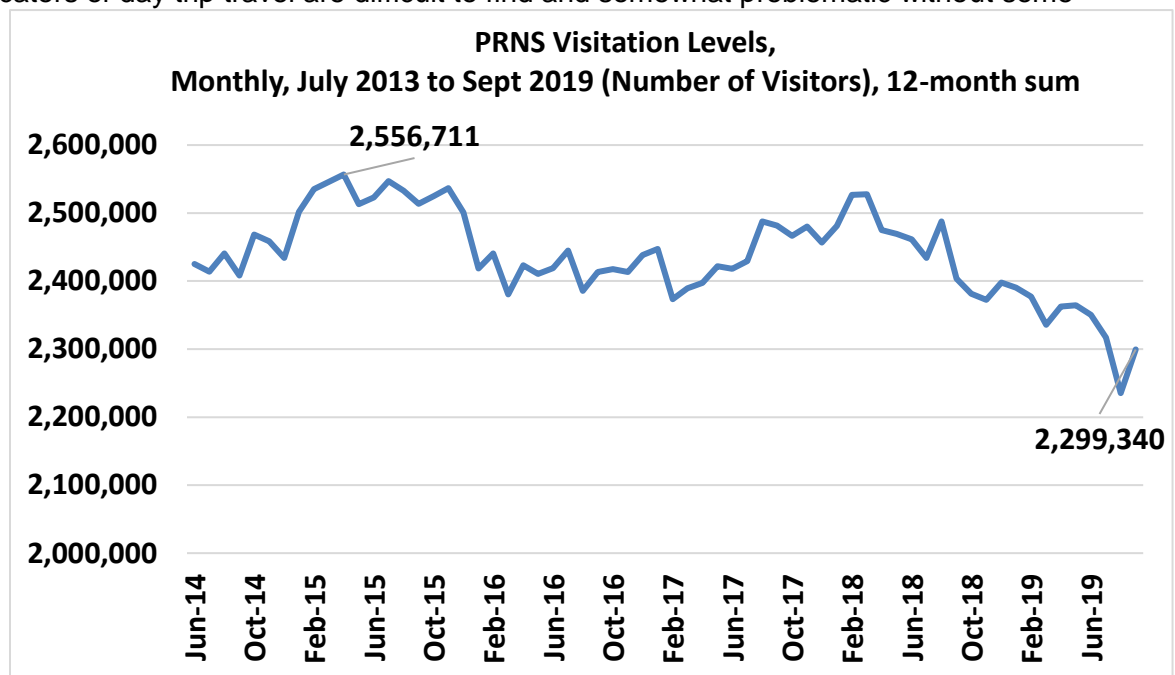
The next survey question focused on the activities the respondent did while in Marin County. The array of possibilities was determined by MCVB staff and MEF as a comprehensive set of choices. Notice many of the respondents said they were visiting Point Reyes and its environs, or hiking, or a combination.



Respondents could provide multiple answers to this question. Two caveats exist with these answers also. First, many of the responses were taken in Point Reyes Station or PRNS, leading many to answer that Point Reyes was part of their activities as was hiking. Second, by not limiting respondents to one activity, we do not know how they predominately spent their time. This question was more about how to shape marketing efforts in the future.

Monthly or quarterly indicators of day trip travel are difficult to find and somewhat problematic without some major assumptions.

Also, across the county flows of visitors differ. The Point Reyes National Seashore (PRNS) provides relatively precise statistics on park visitation, including overnight use of the park by style of accommodation. By the seasonal nature of visiting PRNS, we use the 12-month summation of visits to show trend.

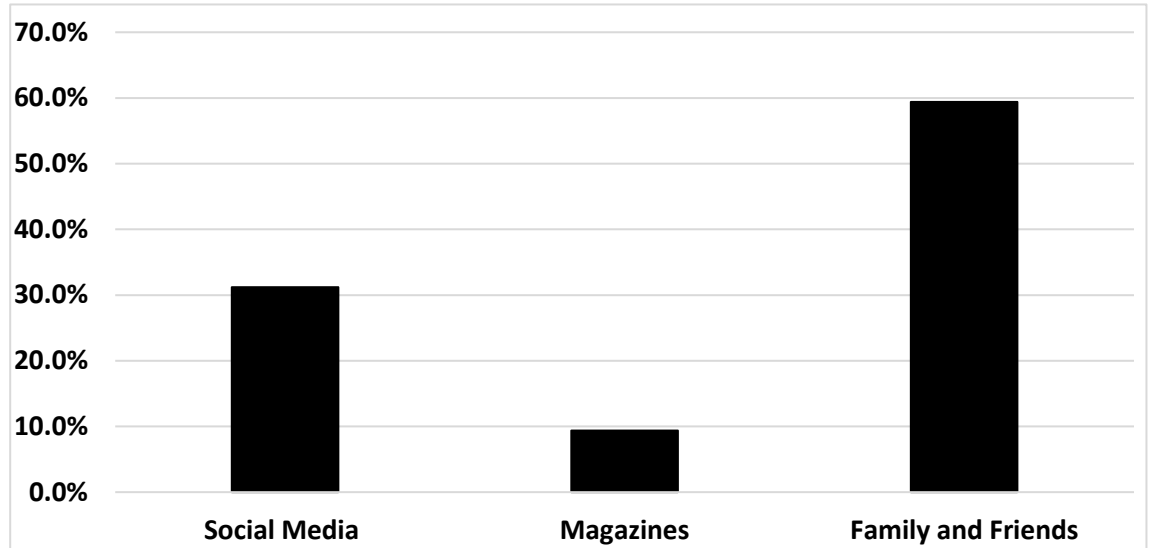


Sources: PRNS/GGNRA and MEF

Question 5: How did you hear about Marin County as a place to visit? (n = 532)

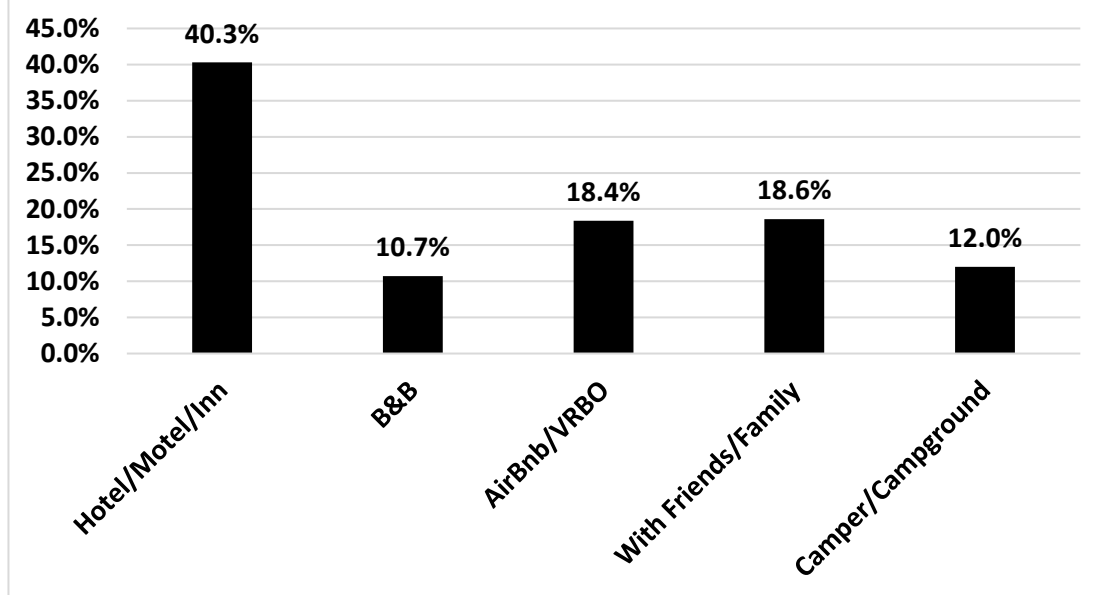
The number of people that come to PRNS suggests a benchmark for the visitor “load” that Marin County can take on annually, PRNS is a key destination and why people cross the Golden Gate or Richmond Bridge or come in from the north to Marin County. Having

attractions, like Golden Gate National Recreation Area and Muir Woods, can lead to word of mouth through family and friends, or become social media fodder through influencers and networks. Word-of-mouth through informal networks is where most hear about Marin County as a place to visit from this survey.



The next question took a deeper look at where people that stayed overnight stayed. Notice short-term rentals are 18.4 percent of the responses, but staying with friends and family is similar. Over half of the respondents stayed in classic overnight properties.

Question 6: If you stayed overnight, at what type of place did you stay? (n = 392)



Question 7 asked for specific offerings that Marin County does not have that the visitor wished was here. A sample of comments are in the Appendix. We identify the questions that had multiple responses as a way to showing possible concerns to address or where Marin County’s businesses that serve visitors gets it right.

Conclusions

For Marin County, broad economic impacts of visitor markets are centered on overnight stays. Dean Runyan Associates estimates in 2018 that visitors spent almost \$771 million in Marin County across an array of industries. Such spending has broader effects; for every million dollars spent on hotel stays, there is another \$386,000 made across Marin County's economy, supporting 9.3 jobs per million spent, and generating approximately \$67,080 in state and local tax revenues. Restaurants and retail have smaller multiplier effects, but sales and TOT revenues come from visitor spending combining experiences with overnight stays.

Survey data through Marin County Visitors Bureau (MCVB) suggests overnight spending is almost 2.5 times that of "day trippers" and that over 50 percent of those that stay overnight stay in classic hotels, motels and B&Bs versus short-term rentals. In partnership with MCVB distributing a survey instrument to visitors to Marin County, this report summarized the survey's results. Marin County visitors spend on average \$147 when they stay overnight and just over \$59 when they do not. They stay at an array of hotels, motels, bed and breakfasts, campgrounds, and friends' homes. They do an array of activities, mainly visiting Point Reyes National Seashore and hiking; they also visit Sonoma and Napa wine country and Marin County's cheese makers. Those that visit Marin County come in relatively small parties and spend much less per day per person when coming for the day versus overnight. Word of mouth through family and friends is the main way people hear about Marin County as a place to visit. Social media also drives visitors to place in Marin County, and many best practices are centered on the use of social media and data to be drawn from clicks and likes and overnight stays. Short-term rentals are growing in importance.

Overnight stays are historically in hotel and motel properties, while others rent a vacation home or stay with family and friends. The data from Dean Runyan Associates (DRA) and Smith Travel Research (STR) suggest that classic metrics for hotels and motels (such as occupancy rates and revenue per available room or RevPAR) show occupancy rising to over 90 percent in some months of 2016 and 2017, there has been some stability in occupancy rates closer to 80 percent. This level of occupancy is very strong. RevPAR has seen some flattening of its upward trend since 2017 to June 2019 year-to-date, from a peak of over \$165 per night to just under \$160. Occupancy and RevPAR are closely tied unless room rates (stated rates for rooms) are rising or dropping rapidly. The data from STR suggest that is not the case. Short-term rental markets, while there is no occupancy rate or RevPAR data easily available, have shown increased revenues. The flattening trend in Marin County hotel spending by visitors suggests short-term rental are becoming more competitive

Best practices are discussed in this report and provide guidance for monitoring MCVB's activities but also considering future marketing and package building to connect visitor assets in Marin County:

- The use of data in making marketing and overnight conversion opportunities for people that want to come to Marin County can move visitor support to more complete destination management;
 - Conversions help support RevPAR and occupancy rates remaining high with rising competition;
 - More partnerships, both inside and outside Marin County, can drive more visitors and maximize possibilities;
 - PRNS visitation is fading a bit, a source of overnight stays coming purposefully to Marin County;
 - Linking industries affected by visitors' economic impacts increase the spending and support for all visitor industries as illustrated in the data of this report;
 - Social media through influencers and not general campaigns can differentiate Marin County visitor experiences in a crowded market.
-

References

California Department of Finance for inflation data for California annually:
<http://www.dof.ca.gov/Forecasting/Economics/Indicators/>

California Employment Development Department for employment data
<https://www.labormarketinfo.edd.ca.gov/data/employment-by-industry.html>
<https://www.labormarketinfo.edd.ca.gov/qcew/qcew-select.asp> (for official quarterly data)

Dean Runyan Associates: <http://www.deanrunyan.com/CATravelImpacts/CATravelImpacts.html>
 (Visitor data generally, including direct spending and employment and tax revenues, as well as regional comparisons).

IMPLAN® data at the zip code level provided the economic impact data from the Dean Runyan baseline for 2018: www.implan.com

Appendix I: NAICS Codes for Comparisons

NAICS 3	Category Title
441	Motor Vehicle and Parts Dealers
442	Furniture and Home Furnishings Stores
443	Electronics and Appliance Stores
445	Food and Beverage Stores
446	Health and Personal Care Stores
447	Gasoline Stations
448	Clothing and Clothing Accessories Stores
451	Sporting Goods/Hobby/Book/Music Stores
452	General Merchandise Stores
453	Miscellaneous Store Retailers
485	Transit and Ground Passenger Transport
487	Scenic and Sightseeing Transportation
488	Support Activities for Transportation
711	Performing Arts and Spectator Sports
712	Museums, Parks and Historical Sites
713	Amusement, Gambling & Recreation Ind
721	Accommodation
722	Food Services and Drinking Places

Appendix II: Raw Survey Answers on Open-Ended Questions

The open-ended questions allowed the respondent to the survey to provide any opinions or thoughts not asked otherwise, or perhaps adding to an answer. In responses where there was more than one example of the same answer, those are shown first in alphabetical order with an asterisk (*).

Affordable Housing*	Live here	Smaller sandwich shops
Area shuttle	Live music	Snacks and drinks
BART	Local crafts and supplies	Spa*
Bathrooms*	Lower housing prices	Spain
Beaches*	Meat	Steak house
Beautiful	More affordable places	Sunshine and Warmth
Better cell coverage*	More bars	Tour guide
Better hotels in PRS	More bike trials	Tour of factory
Better inexpensive lodging	More burger kings	Tourists
Better internet	More camping	Tours
Better Roads*	More Celiac Friendly Choices	Trail between Olema and PRS
Better Signage*	More cheese more tours	Turtles
Better transit	More coffee houses and bakeries	Vegetarian Food
Book stores	More family farms open to the public	Visitor Center great
Camping options	More food options	Walking Area from Olema to PRS
Cash Refreshments	More gas stations	Warm Ocean
Cheaper Food	More local restaurants	We love Marin
Cheese	More local vendors	Went to Bodega Bay
Cheese balls at the cheese factory	More luxury Offerings	Whales
Customer service improvement	More Music	Wildflower stands
Dairy Queen	More naturalist tours	Wine tasting
Different Scenes	More olives	
Dog Places	More parking	
Don't know	More public transit*	
Easier Bike Rentals	More rest stops	
Fix and restore old buildings	More road signs*	
Food	More RV Parks	
Forest	More tent camping	
Gas stations	Music Festivals	
Great info office	Natural scenery	
Happy hour on weekends	Nightlife*	
Hikes, Evening Entertainment	Nothing*	
Housing	Old Davy Tour	
Jazz	Park ID , Signs	
Keep as is*	Point Reyes	
Keep it country	Pretty cool as is	
keep it simple	Public restrooms	
Kids' stuff to do	Rest rooms	
Less cyclists	Restrooms*	
Less Traffic*	Restrooms	
Lighthouse*	Roads could be better	