Research Overview

This report presents findings of a year-long visitor profile study conducted by Destination Analysts on behalf of Visit Napa Valley. This research consisted of three parts:

1) Napa Valley Lodging Guest Survey

2) Napa Valley Visitor Intercept Survey of day-trip visitors and visiting friends or relatives staying overnight in private homes (VFRs).

3) Telephone Survey of Napa County Homes conducted at the end of 2014 to quantify the number of VFRs who stayed overnight in a private home. This survey was administered to 300 randomly selected homes in Napa County.
Lodging Guest Survey

Locations:

• Andaz Napa
• Arbor Guest House
• Auberge du Soleil
• Best Western Plus Stevenson Manor
• Calistoga Spa Hot Springs
• Chanric Inn
• Chelsea Garden Inn
• Christopher’s Inn
• DoubleTree by Hilton Hotel & Spa Napa Valley-American Canyon
• Embassy Suites Napa Valley
• Eurospa & Inn
• Fairfield Inn & Suites
• Harvest Inn
• Hawthorn Suites by Wyndham
• Holiday Inn Express & Suites
• Mount View Hotel & Spa
• Napa River Inn
• Napa Valley Lodge
• Napa Winery Inn
• Oak Knoll Inn
• Old World Inn
• River Terrace Inn
• Roman Spa Hot Springs Resort
• Silverado Resort
• Southbridge Napa Valley
• The Carneros Inn
• The Inn On first
• The Meritage Resort & Spa
• The Westin Verasa Napa
• The Wine Country Inn
• Vintage Inn & Villagio
Visitor Intercept Survey

Locations:

- Castello di Amorosa
- Chateau Montelena Winery
- Culinary Institute of America-Greystone
- Cuvaison Estate Wines
- di Rosa
- Duckhorn Vineyards
- HALL Wines
- Napa Premium Outlets
- Napa Valley Welcome Center
- Napa Valley Wine Train
- Pine Ridge Vineyards
- Robert Mondavi Winery
- Sterling Vineyards
- The Hess Collection
- V Marketplace
- V. Sattui Winery
- Yountville Chamber of Commerce
Visitor Volume, 2014

<table>
<thead>
<tr>
<th>Visitors to Napa (thousands)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Napa lodging</td>
<td>951</td>
</tr>
<tr>
<td>Private Napa residences</td>
<td>166</td>
</tr>
<tr>
<td>Day trip visitors</td>
<td>2,211</td>
</tr>
<tr>
<td>Total</td>
<td>3,329</td>
</tr>
</tbody>
</table>
Detailed Findings
Primary Reason for Visiting Napa

Question: Which best describes the trip you are currently on?

Base: All respondents. 1,740 completed surveys
Visits to Napa Valley in Past Twelve Months

Question: Including this trip, how many visits to the Napa Valley have you made in the past twelve (12) months for each of the following reasons?

Base: All respondents. 1,497 completed surveys
Airport Used
(Visitors arriving by air)

Question: If you arrived in the area by plane, which airport did you use?

San Francisco International Airport: 69.5%
Oakland International Airport: 12.5%
Sacramento International Airport: 6.4%
Sonoma County Airport: 0.8%
Napa County Airport: 0.4%
Other: 10.4%

Base: Respondents who arrived by airplane. 833 completed surveys
Question: On this trip, which methods of transportation will you utilize while in the Napa Valley?

Transportation Methods (All Visitors)

- Personal automobile: 58.6%
- Rental car: 35.5%
- Walk: 10.9%
- Limousine: 3.3%
- Bus line: 2.8%
- Hotel shuttle or courtesy vehicle: 2.8%
- Taxi: 2.6%
- Bicycle: 2.2%

Base: All respondents. 1,816 completed surveys
Question: On this trip, which Napa Valley towns or areas did you (or will you) visit?

Base: All respondents. 1,809 completed surveys
Question: On this trip, in which activities or attractions will you participate while in the Napa Valley?

Base: All respondents. 1,822 completed surveys
Napa Valley Wineries Visited

Question: How many Napa Valley wineries or tasting rooms did you (or will you) visit during your stay?

Base: All respondents. 1,740 completed surveys

Mean = 3.3
Question: Approximately how much will you spend in the Napa Valley PER DAY on the following?

Base: All respondents. 1,848 completed surveys
Travel Party Size
(All Visitors)

Question: Please tell us how many people (including yourself) of each age group and gender are in your immediate travel party.

Mean = 3.3

Base: All respondents. 1,807 completed surveys
Most Liked Aspects of Napa Valley

(All Visitors)

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wine/wine tasting/wineries</td>
<td>39.8%</td>
</tr>
<tr>
<td>Beautiful scenery/landscape</td>
<td>37.9%</td>
</tr>
<tr>
<td>Weather</td>
<td>11.6%</td>
</tr>
<tr>
<td>Food/restaurants</td>
<td>9.3%</td>
</tr>
<tr>
<td>Relaxing/peaceful</td>
<td>4.5%</td>
</tr>
<tr>
<td>Ambiance/atmosphere</td>
<td>4.3%</td>
</tr>
<tr>
<td>Everything</td>
<td>3.9%</td>
</tr>
<tr>
<td>Friendly/hospitable people</td>
<td>3.0%</td>
</tr>
<tr>
<td>Spa/pools</td>
<td>2.6%</td>
</tr>
<tr>
<td>Great B&amp;B/inn/hotel</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

Question: What aspects of the Napa Valley do you like best?

Base: All respondents. 1,848 completed surveys
Question: In your opinion, what attractions or services would most enhance the Napa Valley?

Enhancing the Napa Valley experience (All Visitors)

- Great as it is/none: 30.2%
- More wine/wineries: 4.9%
- Less traffic: 4.8%
- Affordable: 4.6%
- Cheaper: 3.4%
- More diverse food: 2.9%
- Free wine tastings: 2.7%
- Better signage: 1.6%
- Better/more: 1.6%
- Better roads: 1.4%
- Misc. hotel complaint: 1.4%

Base: All respondents. 1,848 completed surveys
Likelihood to Return to Napa Valley

Question: How likely are you to return to the Napa Valley?

Likelihood to Return to Napa Valley
(All Visitors)

- Very likely: 74.4%
- Likely: 17.8%
- Neutral: 4.4%
- Unlikely: 1.4%
- Very unlikely: 1.3%
- I don’t know: 0.7%

Base: All respondents. 1,816 completed surveys
Gender

Gender (All Visitors)

Male, 41.2%
Female, 53.6%
I prefer not to answer, 5.2%

Question: What is your gender?

Base: All respondents. 1,738 completed surveys
Age

Age (All Visitors)

Question: Which age category best represents your age?

<table>
<thead>
<tr>
<th>Age Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 20</td>
<td>0.4%</td>
</tr>
<tr>
<td>20 to 34</td>
<td>29.9%</td>
</tr>
<tr>
<td>35 to 44</td>
<td>19.8%</td>
</tr>
<tr>
<td>45 to 54</td>
<td>17.1%</td>
</tr>
<tr>
<td>55 to 64</td>
<td>18.2%</td>
</tr>
<tr>
<td>65 or above</td>
<td>9.1%</td>
</tr>
<tr>
<td>I prefer not to answer</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

Mean = 39.4

Base: All respondents. 1,751 completed surveys
Question: Which of the following best describes the combined annual income of all members of your household?

Income (All Visitors)

- Over $500,000: 3.9%
- $200,001 to $500,000: 13.4%
- $150,001 to $200,000: 14.8%
- $100,001 to $150,000: 18.4%
- $50,001 to $100,000: 23.8%
- Less than $50,000: 7.5%
- I prefer not to answer: 18.1%

Base: All respondents. 1,740 completed surveys
Question: Which best describes your race or ethnic background?

Base: All respondents. 1,747 completed surveys
Question: Which of the following best represents the highest level of formal education you have completed?

- Completed graduate school: 28.0%
- Bachelor’s degree: 45.2%
- Attended some college: 14.0%
- High school graduate: 0.3%
- Some high school or less: 8.3%
- I prefer not to answer: 0.3%

Base: All respondents. 1,747 completed surveys
Marital Status

Marital Status (All Visitors)

Question: Which best describes your current marital status? (Select one)

Base: All respondents. 1,747 completed surveys
Question: Which best describes you?

- Heterosexual, 81.5%
- LGBT, 3.9%
- Other, 1.4%
- I prefer not to answer, 13.2%

Base: All respondents. 1,732 completed surveys
Question: What is your country of residence?

Country (All Visitors)

USA, 86.4%

International, 13.6%

Base: All respondents. 1,814 completed surveys
International Country of Origin

Country of Origin
(All Visitors – Domestic and International)

Question: Country of origin

Base: All respondents. 1,814 completed surveys
**Question:** What is your home zip/postal code?

**Base:** All respondents. 1,106 completed surveys

**Response Distribution:**
- San Francisco-Oakland-San Jose, CA: 45.3%
- Sacramento-Yolo, CA: 7.5%
- Los Angeles-Riverside-Orange County, CA: 7.4%
- New York-Long Island, NY-NJ-CT-PA: 3.5%
- Chicago-Gary-Kenosha, IL-IN-WI: 2.6%
- Houston-Galveston-Brazoria, TX: 1.7%
- Atlanta, GA: 1.5%
- Philadelphia, PA-NJ-DE-MD: 1.5%
- Seattle, WA: 1.4%
- San Diego, CA: 1.3%
Napa Valley Visitor Industry
2014 Economic Impact Report

Report of findings prepared for Visit Napa Valley by Destination Analysts, Inc.
The profile below shows a summary of key economic statistics emerging from this research.

<table>
<thead>
<tr>
<th>Category</th>
<th>2012</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total visitors to Napa in 2014:</td>
<td>2.94 million</td>
<td>3.3 million</td>
</tr>
<tr>
<td>Total visitor spending in Napa in 2014:</td>
<td>$1.39 billion</td>
<td>$1.63 billion</td>
</tr>
<tr>
<td>Spending by visitors staying in Napa hotels, motels or inns:</td>
<td>$1.03 billion</td>
<td>$1.17 billion</td>
</tr>
<tr>
<td>Direct spending on group meetings &amp; events:</td>
<td>$187.7 million</td>
<td>$194.0 million</td>
</tr>
<tr>
<td>Spending in Napa by visitors for food and restaurants:</td>
<td>$301 million</td>
<td>$375 million</td>
</tr>
<tr>
<td>Jobs supported by Napa visitor industry:</td>
<td>10,498</td>
<td>11,776</td>
</tr>
<tr>
<td>Napa visitor industry payroll:</td>
<td>$300 million</td>
<td>$332 million</td>
</tr>
<tr>
<td>Taxes generated by the visitor industry for governmental entities in Napa County:</td>
<td>$51.7 million</td>
<td>$64.2 million</td>
</tr>
<tr>
<td>Tax revenues generated per Napa household:</td>
<td>$1,041</td>
<td>$1,304</td>
</tr>
<tr>
<td>Visitors in Napa on an average day:</td>
<td>13,409</td>
<td>15,019</td>
</tr>
<tr>
<td>Visitor spending in Napa on an average day:</td>
<td>$3.82 million</td>
<td>$4.48 million</td>
</tr>
<tr>
<td>Annual visitor spending per Napa resident:</td>
<td>$10,027</td>
<td>$11,741</td>
</tr>
</tbody>
</table>
Visitors to Napa spent 5.5 million total person-days in the county during 2014. This implies that, on an average day during the year, there were 15,019 visitors in Napa. Approximately half (49.6%) of these visitor days were comprised of persons staying in a Napa hotel or motel. In total, visitors staying in the county’s commercial lodging spent 2.7 million person-days in the county during 2014.

**Figure 2** – Annual visitor days (person-days) spent in Napa, defined by place of stay (2014). Source: Destination Analysts Economic Impact Model developed for Visit Napa Valley.
In 2014, the Napa visitor industry generated $1.6 billion in direct visitor spending inside the county. Most of this spending came from local hotel guests. These visitors were responsible for $1.2 billion in visitor spending, or 72 percent of the total. The large share of visitor spending accounted for by hotel guests is driven by their relatively high per-person, per-day spending of $389. By comparison, the average day trip visitor to Napa spent $150 per-person, per-day while in the county.

**FIGURE 3 – Annual direct visitor spending in Napa, defined by place of stay (2014).** Source: Destination Analysts Economic Impact Model developed for Visit Napa Valley.
Figure 4 (right) shows the breakout by type of visitor spending. Visitors to Napa spend on a diverse range of items, including lodging, food and transportation. The single largest component of visitor spending is on retail, which accounted for 39.7 percent of all spending, or $649 million, in 2014. The second largest component was the $375 million visitors spent in Napa hotels. This accounted for 23 percent of all 2014 visitor spending in Napa.

FIGURE 4 – Annual direct visitor spending in Napa by type (2014). Source: Destination Analysts Economic Impact Model developed for Visit Napa Valley.
Group meetings and events generated $194 million in spending for Napa in 2014. As illustrated in Figure 5 (right), spending related to group meetings and weddings are included in these estimates. The components measured for this project include (1) direct visitor spending by group meeting attendees and by wedding or special event attendees, and (2) spending related to group meetings and wedding (e.g., catering, room rental, audio visual equipment, etc.) hosted by persons from outside the county.

FIGURE 5 – Meeting and event expenditures (2014): The four components estimated in this model are direct spending by meeting attendees and spending by a meeting’s sponsor or host for other goods and services necessary to hold a meeting, direct spending by persons attending a wedding or special event and related spending for weddings hosted by persons from outside Napa County. Source: Destination Analysts Economic Impact Model developed for Visit Napa Valley.
Napa visitor spending in 2014 supported an estimated 11,776 jobs. Figure 6 (right) shows the estimated number of jobs supported by visitor spending in each of several industries. The majority of these jobs are in either the hotel or restaurant industries. Visitor spending backs an estimated 4,567 restaurant industry jobs and 3,383 jobs in hotel-related industries.

FIGURE 6 – Jobs supported by the Napa Visitor Industry (2014). Source: Destination Analysts Economic Impact Model developed for Visit Napa Valley.
In 2014, the 11,776 jobs supported by the Napa visitor industry had an estimated total combined payroll of $332 million.

**FIGURE 7 – Napa Visitor Industry Payroll (2014). Source: Destination Analysts Economic Impact Model developed for Visit Napa Valley.**
Napa’s visitor industry generated $64.2 million in tax revenues for governmental entities in Napa County in 2014. Taxes directly generated by the visitor industry include revenues from the transient occupancy tax (hotel tax), sales taxes and property and transfer taxes paid on lodging facilities. As Figure 8 (right) shows, the hotel industry generates the majority of these revenues, with the combination of transient occupancy tax and property taxes on hotels creating over $38 million in income for governmental entities in the county.

**Figure 8: Tax Revenues Generated in Napa, 2014**

<table>
<thead>
<tr>
<th>MAJOR REVENUE SOURCES</th>
<th>Direct Revenue in 2014 $1,000s</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HOTEL TAX</strong></td>
<td></td>
</tr>
<tr>
<td>Visitor Spending on Lodging</td>
<td>$375,158</td>
</tr>
<tr>
<td>Tax Rate (Local)</td>
<td>12.0%</td>
</tr>
<tr>
<td>Factor for Non-Taxable Room Sales</td>
<td>85.7%</td>
</tr>
<tr>
<td>Hotel Tax Collected by Napa cities</td>
<td>38,561.3</td>
</tr>
<tr>
<td><strong>HOTEL SALE TRANSFER TAX</strong></td>
<td></td>
</tr>
<tr>
<td>Transfer Taxes Paid to the County on sale of hotels</td>
<td>18.5</td>
</tr>
<tr>
<td><strong>HOTEL PROPERTY TAX</strong></td>
<td></td>
</tr>
<tr>
<td>Property Taxes Paid to the County by Hotels</td>
<td>16,627.0</td>
</tr>
<tr>
<td><strong>SALES TAX</strong></td>
<td></td>
</tr>
<tr>
<td>Visitor Spending (including 7.75% tax)</td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>$648,813</td>
</tr>
<tr>
<td>Restaurants (adjusted, less tips)</td>
<td>$275,550</td>
</tr>
<tr>
<td>Entertainment &amp; Sightseeing</td>
<td>$49,324</td>
</tr>
<tr>
<td>Tax Rate</td>
<td>1.00%</td>
</tr>
<tr>
<td>Sales Tax Returned to the govt entitles</td>
<td>9,640.5</td>
</tr>
<tr>
<td><strong>DIRECT CITY REVENUES FROM VISITOR INDUSTRY</strong></td>
<td>64,196.7</td>
</tr>
</tbody>
</table>

Source: Destination Analysts, Inc., model developed for Visit Napa Valley
DOUMO ARIGATOU GOZAIMASU