



City Manager Report

The City of
OKLAHOMA CITY

NO. 6800
DATE OCTOBER 21, 2008
TO THE MAYOR and MEMBERS OF THE CITY COUNCIL
SUBJECT Hotel/Motel Tax Collections through September 30, 2008

Hotel taxes are collected by local hotels and motels and remitted to the City the month after being collected. The following report summarizes hotel tax collections for the first quarter of this fiscal year. This report is limited to hotel tax only. Any sales tax collected by hotels is reported separately in the monthly sales and use tax City Manager report.

The distribution of collections from the City's 5.5 percent hotel tax is set by ordinance, with 4/11 used to promote convention and tourism, 6/11 for fairgrounds improvements and 1/11 to sponsor and promote local events. The current rate has been in effect since January 1, 2005.

Following is a summary of hotel tax collections through the first quarter of fiscal year 2009:

	<u>Target</u>	<u>Revenue</u>	<u>\$ Over/(Under)</u>	<u>% Over/(Under)</u>
Convention and Tourism	\$1,095,335	\$1,072,887	(\$22,448)	
State Fairgrounds	1,643,005	1,609,330	(33,675)	
Event Sponsorship	273,834	268,222	(5,612)	
Total	<u>\$3,012,174</u>	<u>\$2,950,438</u>	<u>(\$61,736)</u>	(2.05%)

When compared to last fiscal year for the same period, hotel taxes have increased by 1.3 percent.

According to a survey by Smith Travel Research for the month of August, there are approximately 20,000 rooms available for rent within the City at an average rate of \$76.82. The average rate charged per room has increased by 4.1 percent over the past year. The overall number of rooms has grown 3.5 percent over the past year. The overall number of rooms sold has only increased by 0.5 percent over the past year.

Much of last year's growth is attributed to several new hotels in the downtown vicinity. Now that those hotels have been in operation for over a year, year-over-year growth is expected to be more tempered.

July and August started off sluggish but September's revenues were strong. Staff is available should you have questions or require additional information.


James D. Couch
City Manager