



City Manager Report

The City of
OKLAHOMA CITY

NO. 6835
DATE FEBRUARY 3, 2009
TO THE MAYOR and MEMBERS OF THE CITY COUNCIL
SUBJECT Hotel/Motel Tax Collections through December 31, 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 second 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 second quarter of fiscal year 2009:

	<u>Target</u>	<u>Revenue</u>	<u>\$ Over/(Under)</u>	<u>% Over/(Under)</u>
Convention and Tourism	\$2,140,719	\$2,051,253	(\$89,466)	
State Fairgrounds	3,211,081	3,076,879	(134,202)	
Event Sponsorship	535,181	512,813	(22,368)	
Total	\$5,886,981	\$5,640,945	(\$246,036)	(4.18%)

When compared to last fiscal year for the same period, hotel taxes have decreased by 0.6 percent.

According to a survey by Smith Travel Research for the month of December, there are approximately 14,200 rooms available for rent within the City at an average rate of \$77.04. The overall number of rooms grew 5.5 percent while the average rate charged per room increased by 2.8 percent over the past year. The overall number of rooms sold has decreased by 1.1 percent over the past year.

Much of last year's growth was attributed to several new hotels in the downtown vicinity. Hotel revenues are down this year. Only twice so far have monthly revenues exceeded last year's revenues for the same period. Also, only one month had revenues exceeding the target for the month. Staff is available should you have questions or require additional information.


 James D. Couch
 City Manager