



City Manager Report

The City of
OKLAHOMA CITY

NO. 6870
DATE MAY 19, 2009
TO THE MAYOR and MEMBERS OF THE CITY COUNCIL
SUBJECT Hotel/Motel Tax Collections through March 31, 2009

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 third 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 third quarter of fiscal year 2009:

	<u>Target</u>	<u>Revenue</u>	<u>\$ Over/(Under)</u>	<u>% Over/(Under)</u>
Convention and Tourism	\$2,939,127	\$2,837,427	(\$101,700)	
State Fairgrounds	4,408,692	4,256,141	(152,551)	
Event Sponsorship	734,781	709,357	(25,424)	
Total	\$8,082,600	\$7,802,925	(\$279,675)	(3.46%)

When compared to last fiscal year for the same period, hotel taxes have decreased by 2.3%.

According to a survey by Smith Travel Research for the month of March, there are approximately 14,600 rooms available for rent within the City at an average quarterly rate of \$76.66. Compared to this quarter last year, the overall number of rooms grew 7.6%, the average rate charged per room decreased by 7.3%, and the overall number of rooms sold decreased by 1.4%.

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 twice have monthly revenues exceeded the monthly targets. Staff is available should you have questions or require additional information.



James D. Couch
City Manager