



# City Manager Report

## The City of OKLAHOMA CITY

**NO:** 190  
**DATE:** JANUARY 22, 2013  
**TO:** THE MAYOR AND MEMBERS OF THE CITY COUNCIL  
**SUBJECT:** HOTEL/MOTEL TAX COLLECTIONS THROUGH DECEMBER 31, 2012

Hotel/Motel Taxes for FY 2013 are up 11.0% compared to FY 2012.

Growth has been positive this fiscal year for hotels. According to the Smith Travel Research Report, room rates in 2012 have increased by an average of 5.2% city-wide. This quarter included reoccurring large events such as the AQHA World Championship Horse show at the fairgrounds and the National Cheer Association Championships, but also welcomed new events to Oklahoma City such as the US Rowing Annual Convention and the National Association of Medicaid Program Integrity Annual Convention. Oklahoma City continues to experience economic growth and increased business travel as shown by all hotel sectors sustaining positive growth both in this quarter and fiscal year-to-date.

### **FISCAL YEAR-TO-DATE HOTEL/MOTEL TAX COLLECTIONS**

	<u>Target</u>	<u>Revenue</u>	\$ Over/(Under) <u>Target</u>	% Over/(Under) <u>Target</u>
Convention and Tourism	\$2,286,403	\$2,445,952	\$159,549	
State Fairgrounds	3,429,604	3,668,927	239,323	
Event Sponsorship	571,601	611,488	39,887	
Total	<u>\$6,287,608</u>	<u>\$6,726,367</u>	<u>\$438,759</u>	7.0%

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 through the second quarter of fiscal year 2013. 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% 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.

**QUARTERLY AND FISCAL YEAR-TO-DATE PERFORMANCE**

<b>QUARTERLY PERFORMANCE</b>			
<b>Sector of City</b>	<b>Q2 Prior FY</b>	<b>Q2 Current FY</b>	<b>Percent Change</b>
Central	759,501	822,199	8%
Northeast	72,175	76,967	7%
Northwest	892,699	960,083	8%
Southeast	147,988	160,262	8%
Southwest	1,061,024	1,185,420	12%
<b>TOTAL</b>	<b>2,933,387</b>	<b>3,204,932</b>	<b>9%</b>

<b>FISCAL YEAR-TO-DATE PERFORMANCE</b>			
<b>Sector of City</b>	<b>FYTD Prior FY</b>	<b>FYTD Current FY</b>	<b>Percent Change</b>
Central	1,552,074	1,666,142	7%
Northeast	150,611	186,800	24%
Northwest	1,834,735	2,051,411	12%
Southeast	316,700	352,113	11%
Southwest	2,204,272	2,469,900	12%
<b>TOTAL</b>	<b>6,058,392</b>	<b>6,726,367</b>	<b>11%</b>

Central: Business this quarter for hotels in the Central sector has been good with a large majority of hotels showing solid growth over last year. This is partly attributed to the regular start of the Oklahoma City Thunder when compared to the late start of the Thunder basketball season last year due to the 2011 NBA lockout.

Northeast: All hotels in this sector experienced overall solid sales growth this quarter and fiscal year-to-date. One hotel that is habitually late had missing reports for the quarter but appears to be experiencing similar growth as hotels in the sector based on what has been remitted.

Northwest: Three-fourths of the hotels in this sector improved their sales this quarter compared to last year for the same period. Continued development in the medical industry appears to have contributed to the growth in this area of the city.

Southeast: A previously delinquent hotel that is under new ownership is now remitting hotel tax which has played a big part in this sector's improvement over last year. The previous owner is also remitting the delinquent taxes due under a court ordered payment plan which began in November.

Southwest: This sector serves most of the Will Rogers Airport traffic. Two new direct flights added this year has increased travel by 4%, which has contributed to the continued strong growth of this sector during the second quarter.

Delinquencies: The current combined outstanding balances, excluding a court ordered payment plan, for hotels in the City totals \$8,372.

Respectfully submitted,



James D. Couch  
City Manager