



City Manager Report

The City of
OKLAHOMA CITY

NO: 409

DATE: JANUARY 28, 2014

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: HOTEL/MOTEL TAX COLLECTIONS THROUGH DECEMBER 31, 2013

Hotel/Motel Taxes for FY 2014 are up \$507,930 or 7.6%.

Hotel tax collections continue to see positive growth this quarter and fiscal year-to-date. There has not been a decline in collections since July 2011. During this quarter, the federal government shutdown halted travel for federal government employees; however, Oklahoma City tourism was able to overcome this obstacle by welcoming six new large events to the City such as the American Association of Code Enforcement Annual Conference and the American Dental Education Association Fall Meeting.

HOTEL/MOTEL TAX COLLECTIONS

Hotel taxes are collected by local hotels and remitted to the City the month after being collected. This report summarizes hotel tax collections for the second quarter of fiscal year 2014 and is limited exclusively to hotel tax. 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. The following table represents year-to-date revenue collections and annual targets for each of these purposes:

	<u>Target</u>	<u>Revenue</u>	<u>Over/Under Target</u>	<u>% Over/Under Target</u>
Convention and Tourism	\$ 2,604,991	\$ 2,630,654	\$ 25,663	
State Fairgrounds	\$ 3,907,485	\$ 3,945,980	\$ 38,495	
Event Sponsorship	\$ 651,247	\$ 657,663	\$ 6,416	
Total	\$ 7,163,723	\$ 7,234,297	\$ 70,574	1%

QUARTERLY AND FISCAL YEAR-TO-DATE PERFORMANCE

QUARTERLY PERFORMANCE			
Sector of City	Q2 Prior FY	Q2 Current FY	Percent Change
Central	822,199	865,630	5%
Northeast	76,967	100,562	31%
Northwest	960,083	1,068,729	11%
Southeast	160,262	165,304	3%
Southwest	1,185,420	1,137,946	(4%)
TOTAL	3,204,932	3,338,172	4%

FISCAL YEAR-TO-DATE PERFORMANCE			
Sector of City	FYTD Prior FY	FYTD Current FY	Percent Change
Central	1,666,142	1,784,901	7%
Northeast	186,800	238,292	28%
Northwest	2,051,411	2,310,846	13%
Southeast	352,113	384,810	9%
Southwest	2,469,900	2,515,448	2%
TOTAL	6,726,367	7,234,297	8%

Central: Business this quarter for hotels in the Central sector has been good with twelve of the thirteen hotels showing positive growth. The City continues to experience economic growth and increased business travel in its core area.

Northeast: For the second quarter in a row, this sector experienced the largest growth in the City. Collections for the quarter came in 31% higher than the previous year. This is primarily due to a new hotel that opened in March 2013.

Northwest: The continued commercial and medical development occurring in this sector of the city has contributed to its steady growth.

Southeast: Two-thirds of hotels in this sector experienced sales growth this quarter. The redevelopment of Crossroads Mall, which has become the Plaza Mayor at the Crossroads, has contributed to the success of this sector.

Southwest: This sector serves most of the Will Rogers Airport traffic. This sector is down 4% for the quarter; however, it is up 2% for the fiscal year.

Delinquencies: As of December 31, 72 correction notices remain unpaid representing an outstanding balance of \$11,197. City staff works closely with hotel operators to ensure corrections and missing payments are addressed in a timely manner.

Respectfully submitted,


 James D. Couch
 City Manager