



# City Manager Report

The City of  
**OKLAHOMA CITY**

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**NO:** 466  
**DATE:** JULY 29, 2014  
**TO:** THE MAYOR AND MEMBERS OF THE CITY COUNCIL  
**SUBJECT:** HOTEL TAX COLLECTIONS THROUGH JUNE 30, 2014

Hotel Taxes for FY 2014 are up \$952,537 or 7.3%.

Oklahoma City continues to experience thriving tourism evidenced by all hotel sectors sustaining growth for the third year in a row. Fourth quarter hotel tax collections were 8% above last year for the same period; and year-to-date collections increased by 7% compared to FY 2013. This is especially impressive given last year's fiscal year revenues were up 9.4% over 2012's fiscal year revenues. The strong fiscal year growth in hotel tax is evidence that the overall economy in Oklahoma City is continuing to move in a positive direction.

## HOTEL 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 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	\$ 5,097,397	\$ 5,126,216	\$ 28,819	
State Fairgrounds	\$ 7,646,095	\$ 7,689,324	\$ 43,229	
Event Sponsorship	\$ 1,274,349	\$ 1,281,554	\$ 7,205	
<b>Total</b>	<b>\$ 14,017,841</b>	<b>\$ 14,097,094</b>	<b>\$ 79,253</b>	<b>0.6%</b>

## QUARTERLY AND FISCAL YEAR-TO-DATE PERFORMANCE

<b>QUARTERLY PERFORMANCE</b>			
Sector of City	Q4 Prior FY	Q4 Current FY	Percent Change
Central	941,227	1,132,733	20%
Northeast	97,876	183,731	88%
Northwest	1,174,378	1,201,797	2%
Southeast	196,685	216,125	10%
Southwest	1,302,414	1,274,024	(2%)
<b>TOTAL</b>	<b>3,712,580</b>	<b>4,008,410</b>	<b>8%</b>

<b>FISCAL YEAR-TO-DATE PERFORMANCE</b>			
Sector of City	FYTD Prior FY	FYTD Current FY	Percent Change
Central	3,344,187	3,725,285	11%
Northeast	341,846	521,207	52%
Northwest	4,034,561	4,362,306	8%
Southeast	689,510	738,124	7%
Southwest	4,734,453	4,750,171	0%
<b>TOTAL</b>	<b>13,144,557</b>	<b>14,097,094</b>	<b>7%</b>

Central: Business this quarter for hotels in the Central sector showed solid sales growth over last year. This growth is partially due to the Oklahoma City Thunder's long playoff run, which included advancing to the Western Conference Finals. In addition, four new hotels have opened in the Bricktown and Midtown area this fiscal year.

Northeast: This sector experienced the largest growth in the City for both the quarter and the fiscal year. This growth is entirely attributed to the boundary adjustments made by the Convention and Visitors Bureau, which moved four smaller hotels that were previously being reported in the Central Sector to the Northeast sector.

Northwest: Collections from hotels located in the Northwest sector were good with the majority of hotels showing solid growth over FY 2013.

Southeast: This sector continued to see growth for both the quarter and fiscal year-to-date. Much of the sector's growth this quarter stems from a new hotel that recently opened.

Southwest: The sector's close proximity to the Will Rogers Airport allows it to serve most of the airport's traffic. Even with the opening of a new hotel this quarter, the Southwest Sector experienced a decline of 2% for the quarter. Sales were mostly flat for the fiscal year.

Delinquencies: As of June 30, 33 correction notices remain unpaid representing an outstanding balance of \$9,917. In addition to outstanding correction notices, the City also had one missing payment for the quarter. 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