



City Manager Report

The City of
OKLAHOMA CITY

NO: 669

DATE: JULY 21, 2015

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: HOTEL TAX COLLECTIONS THROUGH JUNE 30, 2015

Hotel Tax Collections for FY 2015 are up \$527,528 or 3.7%.

Hotel tax collections improved by 0.2% for the fourth quarter. This quarter included reoccurring large events such as the NCAA Women's Softball College World Series, the Oklahoma City Memorial Marathon, and the start of the first season for the newly affiliated Oklahoma City Dodgers. This marks the fifth consecutive year of increased collections over the prior year. However, collections ended FY 2015 below target by 1.6%.

HOTEL TAX COLLECTIONS

Hotel taxes are collected by local hotels and remitted the month after being collected. This report summarizes hotel tax collections for fiscal year 2015 and is limited 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:

FISCAL YEAR-TO-DATE COMPARISON

	<u>Target</u>	<u>Revenue</u>	<u>Over/Under Target</u>	<u>% Over/Under Target</u>
Convention and Tourism	\$ 5,403,920	\$ 5,318,044	\$ (85,876)	
State Fairgrounds	\$ 8,105,881	\$ 7,977,066	\$ (128,815)	
Event Sponsorship	\$ 1,350,981	\$ 1,329,511	\$ (21,470)	
Total	\$ 14,860,782	\$ 14,624,621	\$ (236,161)	-1.6%

QUARTERLY AND FISCAL YEAR-TO-DATE PERFORMANCE

QUARTERLY PERFORMANCE			
Sector of City	Q4 FY 2015	Q4 FY 2014	Percent Change
Central	1,247,175	1,132,733	10%
Northeast	159,028	183,731	(13%)
Northwest	1,079,310	1,201,797	(10%)
Southeast	212,905	216,125	(1%)
Southwest	1,318,151	1,274,024	3%
TOTAL	4,016,569	4,008,410	0.2%

FISCAL YEAR-TO-DATE PERFORMANCE			
Sector of City	YTD FY 2015	YTD FY 2014	Percent Change
Central	4,215,359	3,725,285	13%
Northeast	588,201	521,207	13%
Northwest	4,146,050	4,362,306	(5%)
Southeast	827,671	738,124	12%
Southwest	4,847,339	4,750,171	2%
TOTAL	14,624,621	14,097,094	3.7%

Central: Six new hotels have opened in the Central Sector over the past two fiscal years. This sector has experienced the largest growth in the City for the fourth quarter and fiscal year.

Northeast: Only 5 of the 20 hotels in this sector experienced growth this quarter, however, due to strong collections during the first three quarters, Northeast improved by 13% in FY 2015.


Northwest: The Northwest was the only sector to experience a decline for the fiscal year. As reported in the previous report, one hotel amended two reports from late FY 2014 and the remainder of their credit balance was applied this quarter.

Southeast: Although this sector experienced a small decline for the quarter, the southeast ended the fiscal year 12% over FY 2014. The decline in the fourth quarter is the result of one hotel closing after it suffered extreme damage from the May 6th tornado.

Southwest: This sector continues to see steady growth. As noted in previous reports, many hotels in this sector benefit from the close proximity to Will Rogers World Airport. The airport provides nonstop service to 22 cities, which includes the addition of a nonstop service that began on July 1, 2015.

Delinquencies: As of June 30, 57 correction notices remain unpaid representing an outstanding balance of \$13,298. 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