

COMMUNITY/CONVENTION CENTER

City of Sacramento

March 14, 1990

ADMINISTRATION OFFICES

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: Report Back - Transient Occupancy Tax Quarterly Receipts Increase

SUMMARY

This report provides information related to the higher than anticipated Transient Occupancy Tax receipts of the first two quarters of fiscal year 1989-90.

BACKGROUND

The Budget and Finance Committee at its February 27, 1990 meeting requested further information related to the higher than anticipated Transient Occupancy Tax received during the first two quarters of fiscal year 1989-90.

In comparing this fiscal year with last fiscal year's first two quarters of Transient Occupancy Tax receipts, there appear to be several reasons for the increase in receipts:

- . Most all hotels reported increases of approximately 10%
- . During the first quarter several special events filled hotel rooms during a normally slow period - Sacramento Gold Cup Soccer Tournament, the Girls Slow Pitch National Tournament and the Men's Fast Pitch National Tournament
- . During the first quarter, a major telephone strike unexpectedly improved hotel occupancy
- . During the second quarter Sacramento was the beneficiary of the bay area's unfortunate earthquake, many meeting planners moved their conventions/meetings to Sacramento

- . In the prior fiscal year (1988-89) four hotels were either remodeling, not open yet, or fairly new and had not reached their potential (Fountain Suites, Hyatt Regency, Radisson, and Riverboat/Delta King)

While the receipts for the first half of this year are 18.1% higher than the first half receipts for the previous year, the 10% annual projected increase over the next 10 years presented during the City's annual mid year financial review is a more realistic projection. The 18.1% increase is due good healthy business, unexpected disasters, and newly thriving hotels.

FINANCIAL DATA

The mid year projection for fiscal year 1989-90 Transient Occupancy Tax receipts is \$6,461,000.

POLICY MATTERS

None.

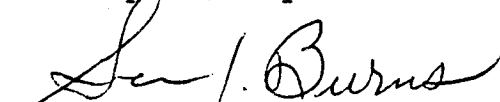
MBE/WBE

None.

RECOMMENDATION


This report is for Committee information only. No action is required.

Respectfully submitted,



Sam J. Burns, Director
Community/Convention Center

FOR COMMITTEE INFORMATION ONLY:



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Deputy City Manager

Contact Person to
Answer Questions:

March 27, 1990
All Districts

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