

January 4, 2013

To: Urbana City Council

From: Laurel Prussing

Re: Hotel-Motel Tax

Here is the actual revenue from Urbana's hotel-motel tax from July 2008 through October 2012.

Table A shows total revenue by month and year for both Urbana and Champaign and the percent change for each from the previous year.

Two events took place during this time period. First, July 1, 2011 Urbana stopped contributing to the Convention and Visitor's Bureau. Some people worried that this would adversely affect Urbana hotels relative to those in Champaign. However, Urbana hotel-motel tax revenues not only did not suffer a lack of growth but grew significantly faster than those in Champaign. Urbana's receipts grew 35.6% the first full-year after ending CVB support compared with 9.6% growth in Champaign.

Second, Urbana raised its hotel-motel tax from 5% to 6% effective October 1, 2011. Again, some were concerned that this would harm Urbana hotels. But it did not, since the growth in revenue was higher than what one would expect from the rate increase alone.

Table B shows revenue by month and year with the tax increase backed out for everything after October 1, 2011. Again, Urbana revenues grew 18% compared with 9.6% growth in Champaign.

Clearly the modest tax increase and the ending of the subsidy from Urbana to the CVB did not harm Urbana hotels and motels, but together provided a much-needed help to balance Urbana's city budget.

# Table A: Hotel-Motel Taxes: Urbana and Champaign, July 2008 through October 2012

Includes Tax Rate Increase from 5% to 6% effective October 1, 2011

		July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>URBANA:</b>														
	FY12-13	66,989.24	82,003.16	94,431.41	103,672.12									347,095.93
	FY11-12	49,631.29	70,085.77	75,917.08	97,647.38	79,881.18	38,727.63	49,326.93	74,607.78	75,109.89	87,160.87	97,102.07	88,400.45	883,598.32
	FY10-11	47,043.39	56,522.82	64,569.27	78,963.08	53,898.21	27,366.11	36,260.28	51,752.00	36,805.10	56,310.73	84,179.78	57,827.89	651,498.66
	FY09-10	45,353.25	61,791.62	62,576.14	72,112.17	50,187.08	29,350.66	31,607.22	49,222.49	46,332.53	63,807.07	70,272.24	55,458.05	638,070.52
	FY 08-09	64,268.13	58,723.27	60,929.86	83,058.64	52,031.67	28,554.16	36,629.96	47,445.52	48,226.31	59,905.12	58,040.72	54,493.58	652,306.94
<b>% change re:prior year</b>														
	FY12-13	35.0%	17.0%	24.4%	6.2%									
	FY11-12	5.5%	24.0%	17.6%	23.7%	48.2%	41.5%	36.0%	44.2%	104.1%	54.8%	15.4%	52.9%	35.6%
	FY10-11	3.7%	-8.5%	3.2%	9.5%	7.4%	-6.8%	14.7%	5.1%	-20.6%	-11.7%	19.8%	4.3%	2.1%
	FY09-10	-29.4%	5.2%	2.7%	-13.2%	-3.5%	2.8%	-13.7%	3.7%	-3.9%	6.5%	21.1%	1.8%	-2.2%
		July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>CHAMPAIGN:</b>														
	FY12-13	150,196.00	123,496.00	\$137,130.00	166,952.00									577,774.00
	FY11-12	138,963.00	118,195.00	141,490.00	147,223.00	162,071.00	131,760.00	82,195.00	95,367.00	120,921.00	133,095.00	181,428.00	160,571.00	1,613,279.00
	FY10-11	125,041.00	118,146.00	118,752.00	136,686.00	156,231.00	128,207.00	73,157.00	83,336.00	117,766.00	130,484.00	139,501.00	144,451.00	1,471,758.00
	FY09-10	129,643.00	115,549.00	117,544.00	138,558.00	149,235.00	117,885.00	75,191.00	78,380.00	107,762.00	110,927.00	124,061.00	164,558.00	1,429,293.00
	FY 08-09	122,720.00	139,534.00	117,682.00	141,300.00	161,303.00	131,446.00	69,941.00	85,389.00	106,907.00	112,394.00	131,318.00	141,394.00	1,461,328.00
<b>% change re:prior year</b>														
	FY12-13	8.1%	4.5%	18.0%										
	FY11-12	11.1%	0.0%	19.1%	7.7%	3.7%	2.8%	12.4%	14.4%	2.7%	2.0%	30.1%	11.2%	9.6%
	FY10-11	-3.5%	2.2%	1.0%	-1.4%	4.7%	8.8%	-2.7%	6.3%	9.3%	17.6%	12.4%	-12.2%	3.0%
	FY09-10	5.6%	-17.2%	-0.1%	-1.9%	-7.5%	-10.3%	7.5%	-8.2%	0.8%	-1.3%	-5.5%	16.4%	-2.2%

Urbana stopped contributing to the C&VB effective 7/1/11

Urbana increased hotel-motel tax rate from 5% to 6% effective 10/1/11 .

L.L.P. 1/4/13

## Table B: Hotel-Motel Taxes: Urbana and Champaign, July 2008 through October 2012

Excludes Tax Rate Increase from 5% to 6% effective October 1, 2011

		July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>URBANA:</b>														
	FY12-13	<b>55,824.37</b>	<b>68,335.97</b>	<b>78,692.84</b>	<b>86,393.43</b>									<b>289,246.61</b>
	FY11-12	49,631.29	70,085.77	75,917.08	<b>81,372.82</b>	<b>66,567.65</b>	<b>32,273.03</b>	<b>41,105.78</b>	<b>62,173.15</b>	<b>62,591.58</b>	<b>72,634.06</b>	<b>80,918.39</b>	<b>73,667.04</b>	<b>768,937.62</b>
	FY10-11	47,043.39	56,522.82	64,569.27	78,963.08	53,898.21	27,366.11	36,260.28	51,752.00	36,805.10	56,310.73	84,179.78	57,827.89	651,498.66
	FY09-10	45,353.25	61,791.62	62,576.14	72,112.17	50,187.08	29,350.66	31,607.22	49,222.49	46,332.53	63,807.07	70,272.24	55,458.05	638,070.52
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% change re:prior year														
	FY12-13	12.5%	-2.5%	3.7%	6.2%									
	FY11-12	5.5%	24.0%	17.6%	3.1%	23.5%	17.9%	13.4%	20.1%	70.1%	29.0%	-3.9%	27.4%	18.0%
	FY10-11	3.7%	-8.5%	3.2%	9.5%	7.4%	-6.8%	14.7%	5.1%	-20.6%	-11.7%	19.8%	4.3%	2.1%
	FY09-10	-29.4%	5.2%	2.7%	-13.2%	-3.5%	2.8%	-13.7%	3.7%	-3.9%	6.5%	21.1%	1.8%	-2.2%
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	FY11-12	11.1%	0.0%	19.1%	7.7%	3.7%	2.8%	12.4%	14.4%	2.7%	2.0%	30.1%	11.2%	9.6%
	FY10-11	-3.5%	2.2%	1.0%	-1.4%	4.7%	8.8%	-2.7%	6.3%	9.3%	17.6%	12.4%	-12.2%	3.0%
	FY09-10	5.6%	-17.2%	-0.1%	-1.9%	-7.5%	-10.3%	7.5%	-8.2%	0.8%	-1.3%	-5.5%	16.4%	-2.2%

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