



*City of Franklin, Tennessee*  
**FY 2025 Operating Budget Request**

---

# Hotel Motel Fund



# *City of Franklin, Tennessee*

## **FY 2025 Budget Request - Hotel/Motel Tax Fund**

---

### **Purpose of Fund**

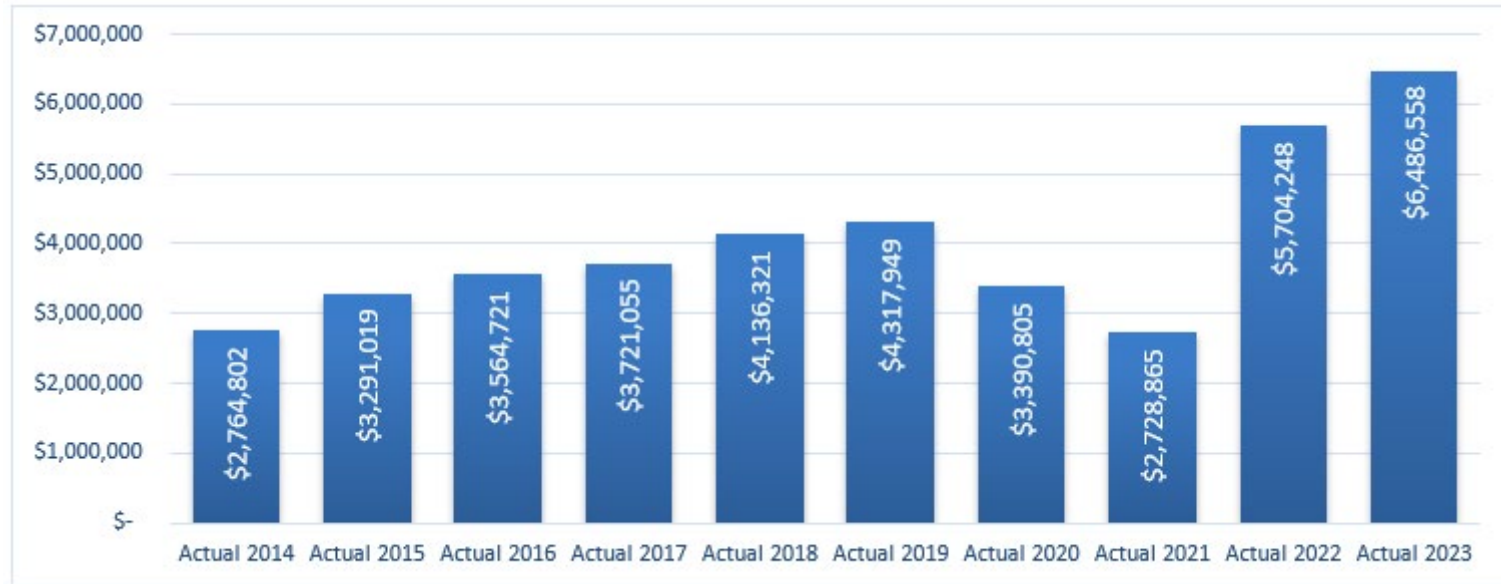
**A special revenue fund used to account for the locally administered tax levied on the occupancy of hotel and motel rooms, in addition to sales tax. The City of Franklin Hotel /Motel Tax is 4% (legal limit is 5%). The fund is used to pay debt service on the Cool Springs Conference Center and the Harlinsdale and Battlefield parks. Also, the funds are used for tourism. The budget includes 1% of the 4% tax (based on collections in calendar year 2013) to support the Williamson County Convention and Visitors Bureau.**



# City of Franklin, Tennessee

## FY 2025 Budget Request - Hotel/Motel Tax Fund

### Overall Performance



Revenues over the last 10-years in the Hotel-Motel Fund are shown above. Reliably pre-pandemic tourist growth and hotel stays grew every year, year over year. That changed in March 2020 and lasted for the better part of 18 months. Once the pandemic ebbed, hotel stays and tourist visits have rebounded far better than expected to record highs.



# City of Franklin, Tennessee

## FY 2025 Budget Request - Hotel/Motel Tax Fund

### Overall Performance

The Convention & Visitor's Bureau for Franklin & Williamson County monitors the monthly performance of hotels. Leading measures monitored include:

- Occupancy Rate (calculated by dividing the total number of rooms occupied by the total number of rooms available and multiplying by 100)
- ADR (Annual Daily Rate - calculated by dividing the room revenue by the rooms sold)
- RevPAR (Revenue per Available Room calculated by dividing total room revenue by the number of available rooms)
- Total Supply of Rooms
- Total Demand for Rooms
- Total Revenue generated

	Occupancy	ADR	RevPAR	Supply	Demand	Revenue
	76.8%	\$153.93	\$118.21	199.9K	153.5K	\$23.6M
Change vs. Previous Year	+5.4% YOY	+10.8% YOY	+16.7% YOY	+0.5% YOY	+5.9% YOY	+17.3% YOY
YTD Calendar Year	70.7%	\$143.81	\$101.66	2.0M	1.4M	\$199.3M
YTD Change vs. Previous Year	+6.8% YOY	+8.3% YOY	+15.6% YOY	+0.5% YOY	+7.3% YOY	+16.2% YOY

The graphic above provides hotel occupancy, rate, and revenue per available room for the month of October 2023.

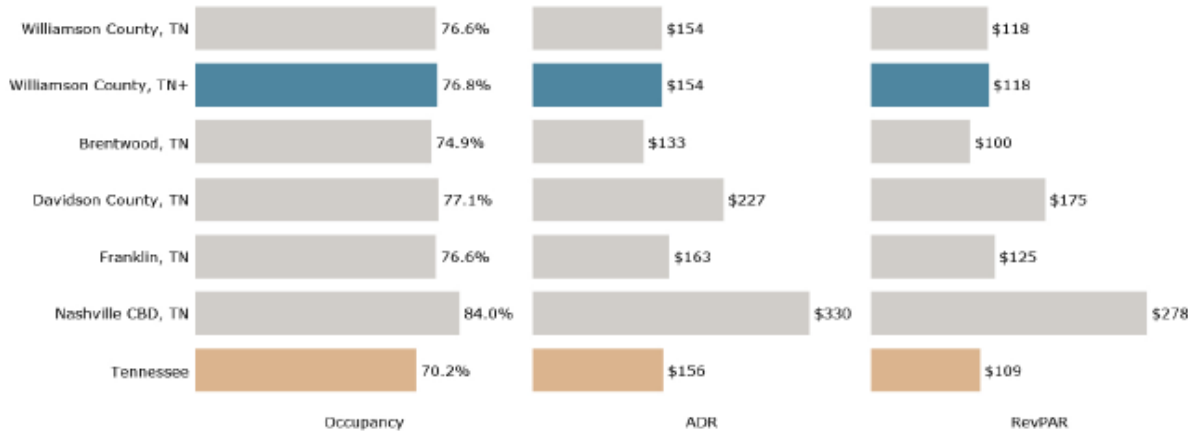


# City of Franklin, Tennessee

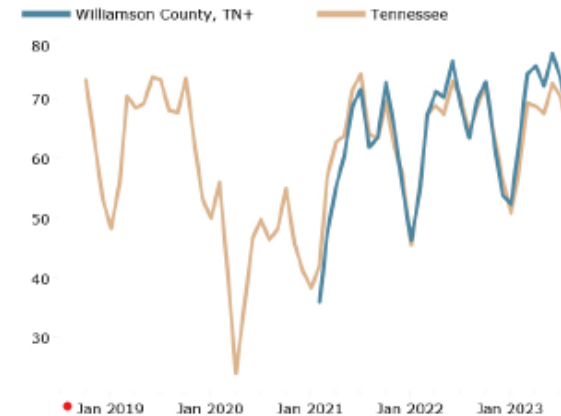
## FY 2025 Budget Request - Hotel/Motel Tax Fund

### Overall Performance

Comp. Markets Hotel KPIs



Occupancy Long Term Trend



Above is a summary of hotel sales statistics through October 2023. October was a relatively strong month with average daily rate (ADR) reaching \$154 in the county and \$163 inside the City. This is particularly good news when paired with an occupancy rate of 76.6%.



# City of Franklin, Tennessee

## FY 2025 Budget Request - Hotel/Motel Tax Fund

### Budget Summary

	2022 Actual	2023 Actual	2024		2025 Budget	2024 v. 2025	
			Budget	EOY		\$	%
<b>Beginning Fund Balance</b>	<b>5,927,371</b>	<b>8,006,649</b>	<b>9,581,092</b>	<b>9,581,092</b>	<b>7,747,039</b>		
Revenues	5,704,248	6,486,558	4,357,759	5,807,759	6,245,627	1,887,868	43.3%
Expenditures	3,624,970	4,912,115	5,757,018	7,641,812	2,332,746	-3,424,272	-59.5%
<b>Ending Balance</b>	<b>8,006,649</b>	<b>9,581,092</b>	<b>8,181,833</b>	<b>7,747,039</b>	<b>11,659,920</b>		

**Obligations: Debt Service, Funding for the CVB and ongoing project commitments.**

**The FY 2025 Hotel/Motel Tax Fund appropriations will be modified throughout Spring 2024 as the Board of Mayor and Alderman revisit prioritizations of the Capital Investment Plan. An amended appropriation proposal based upon that revisitation will be included in the City Administrator's Recommended Budget in May.**