

THE ALASKA TOURISM STORY



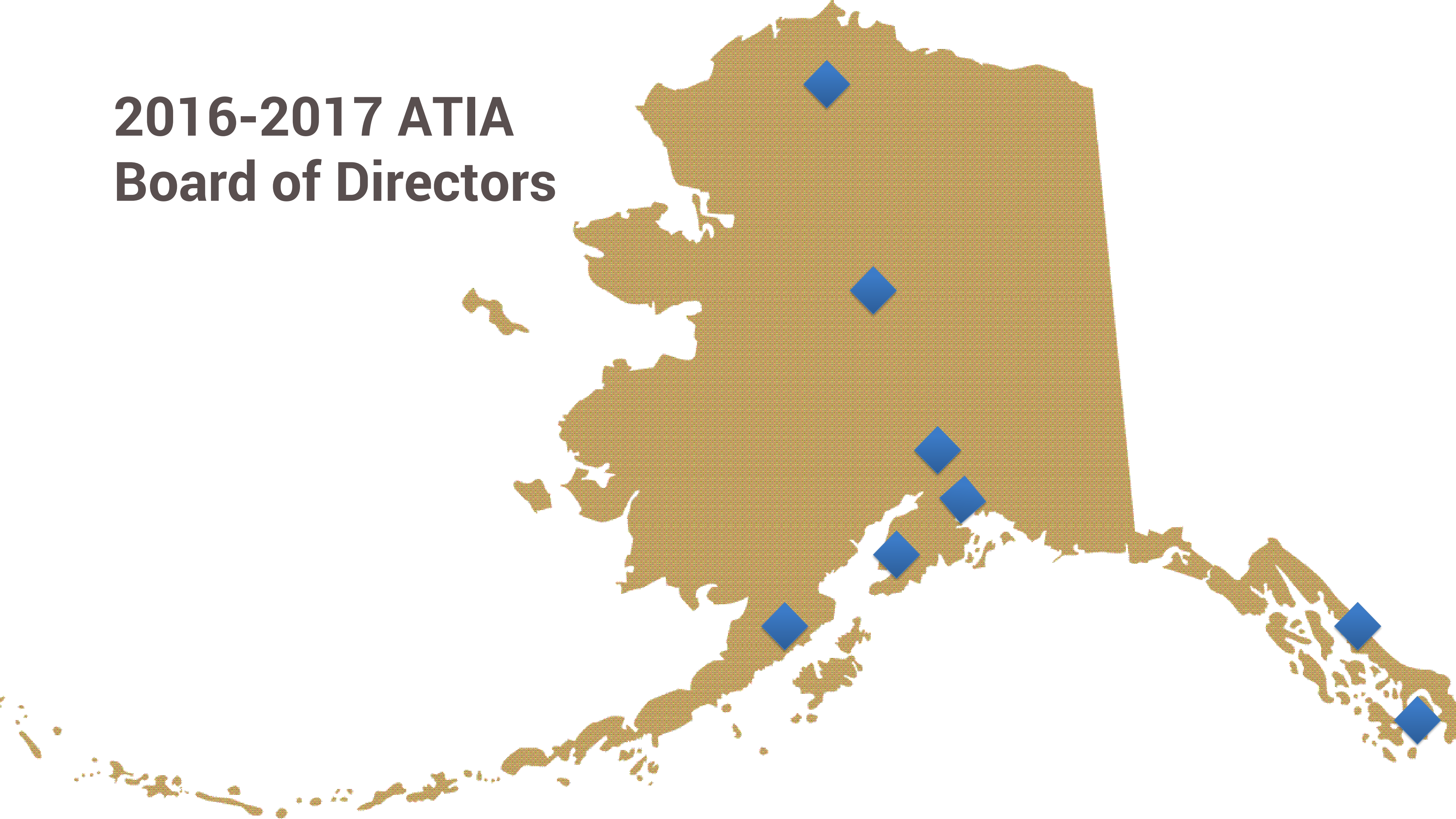
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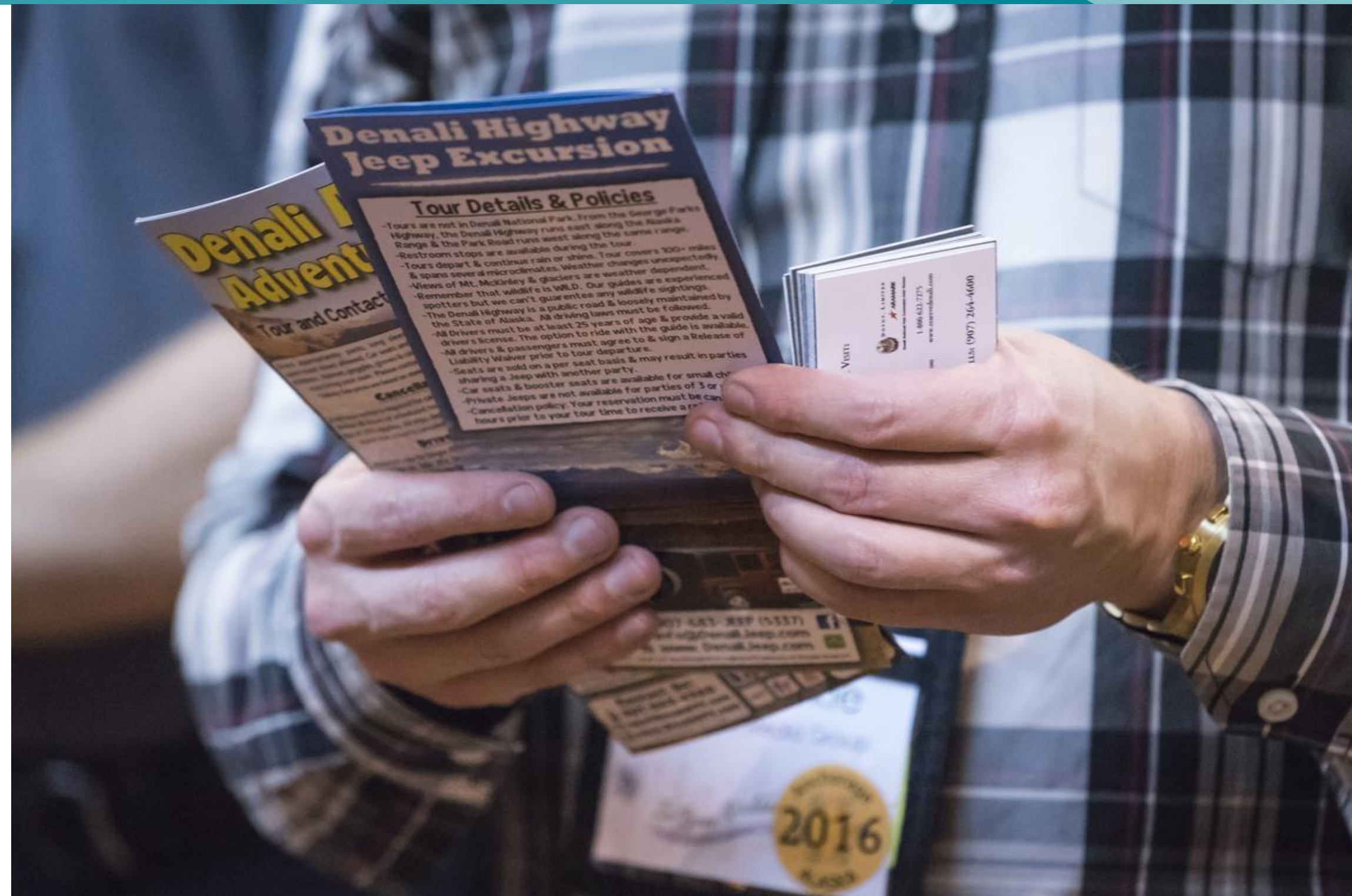
ATIA Highlights

- ▶ Government Relations
- ▶ Tourism Policy & Planning
- ▶ Education and Training
- ▶ Workforce Development

- # ► Tourism Policy & Planning



- ▶ Education and Training
- ▶ Workforce Development



Budget comparisons



Alaska Tourism Marketing Board

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Representative Shelley Hughes



Industry managed destination marketing program



International Marketing

No longer have:

- Representation offices

- Trade training

- Public relations

- Trade shows

- Sales missions

- Airline development

- Foreign language planners



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48 states have larger budgets than us!





Alaska Visitors Statistics Program VII





Cruise up 2%



Highway up 13%



Air up 6%

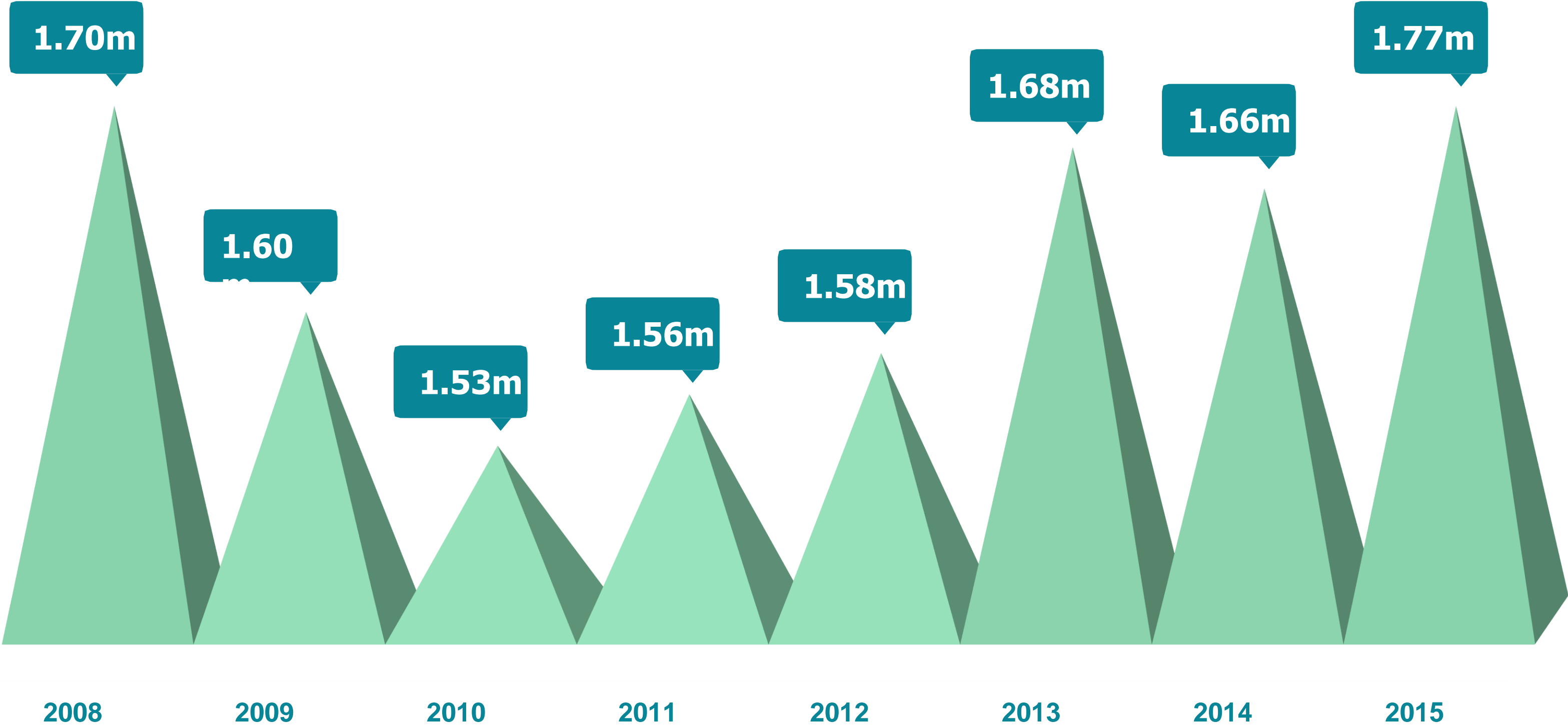


Ferry down 9%



**International Air
down 6%**

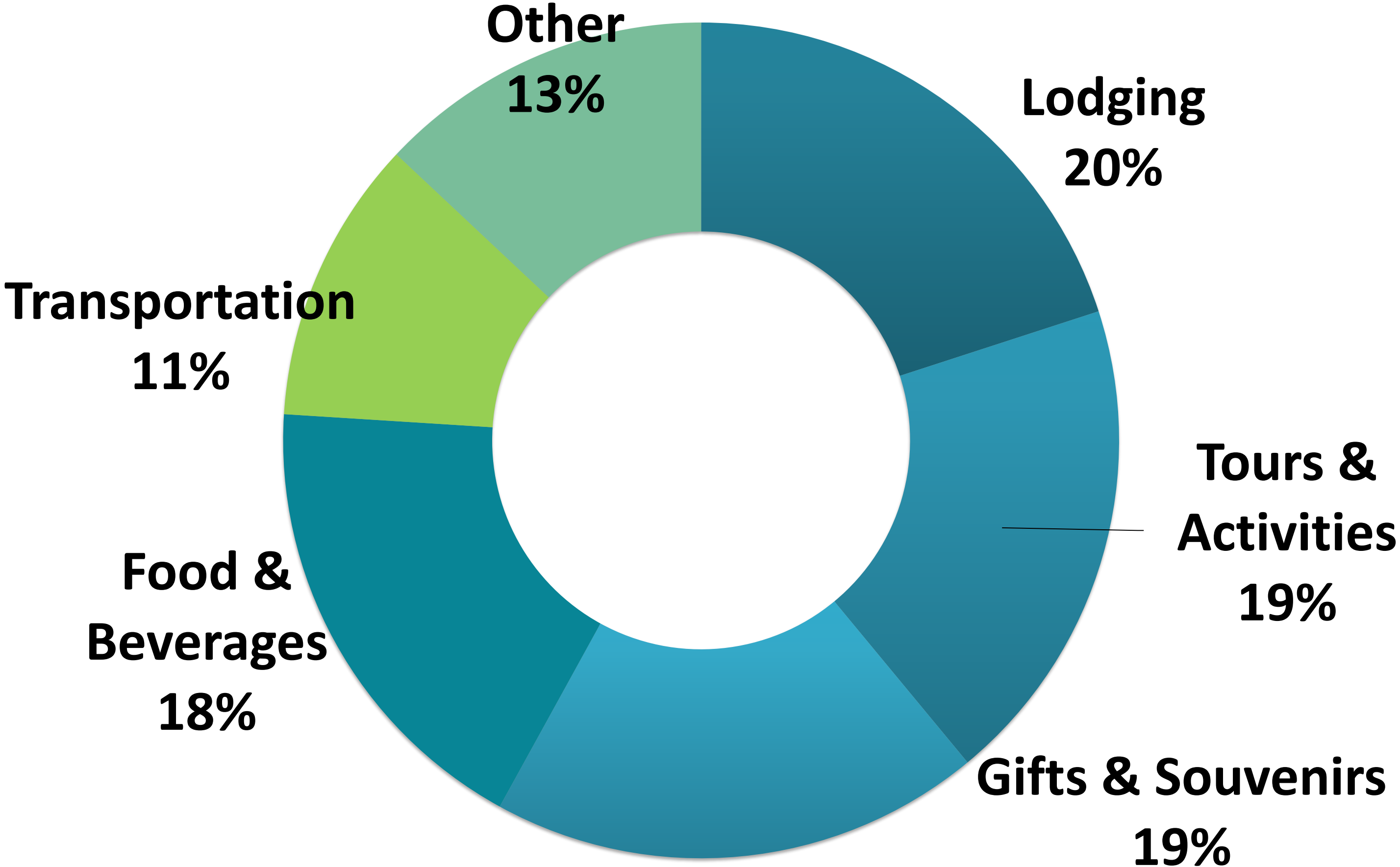
SUMMER VISITOR VOLUME



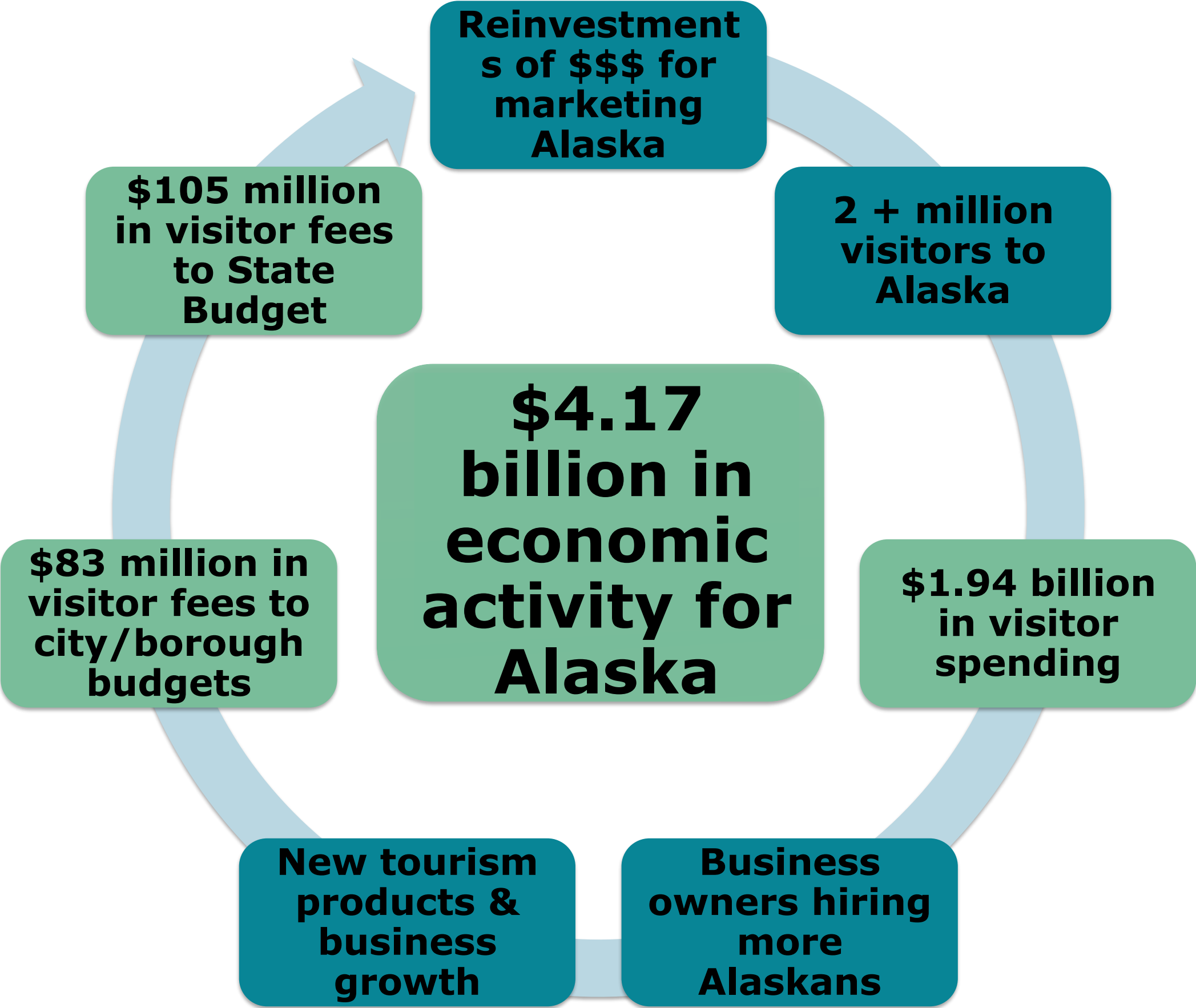
Summer visitors to Alaska grew to 1,170,000 in 2015 climbing back to tourism numbers seen in 2008



VISITOR SPENDING BY SECTOR



ECONOMIC IMPACTS



ECONOMIC IMPACTS

Municipal Revenues	2013-2014	2014-2015
Sales tax	\$31.4 million	\$33.4 million
Lodging Tax	\$30.5 million	\$32.6 million
Dockage/Moorage	\$16.1 million	\$16.9 million
TOTAL	\$78 million	\$82.9 million
State of Alaska Revenue	2013-2014	2014-2015
TOTAL	\$100.1 million	\$104.8 million

Economic Impact of Alaska's Visitor Industry 2014-2015



ECONOMIC IMPACTS



The U.S. continued enjoying a **travel-trade surplus in 2014 (\$75 billion)**.

Domestic person-trips, leisure and business, **rose by 50 million, a 2.4 percent increase**, totaling 2.1 billion person-trips in 2014.

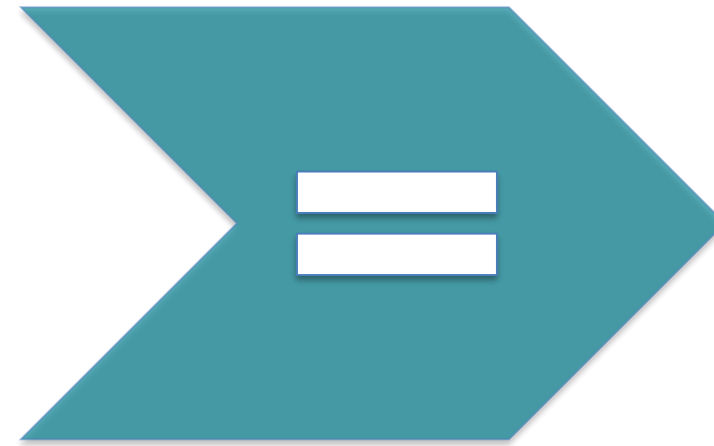
Overseas visitations are projected to **grow at four percent in 2015**.

Travel exports to all countries **grew by three percent and exceeded \$220 billion** in 2014



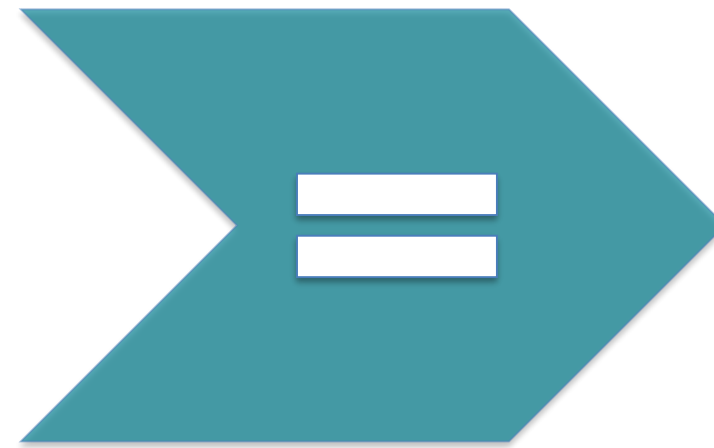
WHAT IF?

In 1993, Colorado repealed tourism funding



Within 2 years, **lost 30% of its U.S. visitor marketing share**

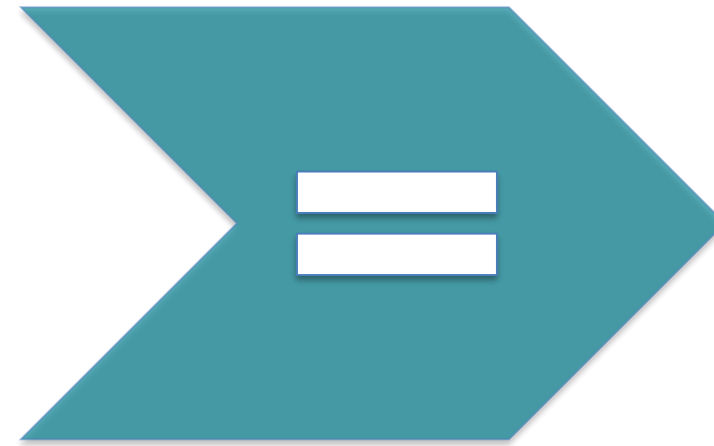
During a *recession*, Michigan doubled state tourism marketing funding



From 2006-2014, “Pure Michigan” **generated \$6.6 billion in visitor spending**

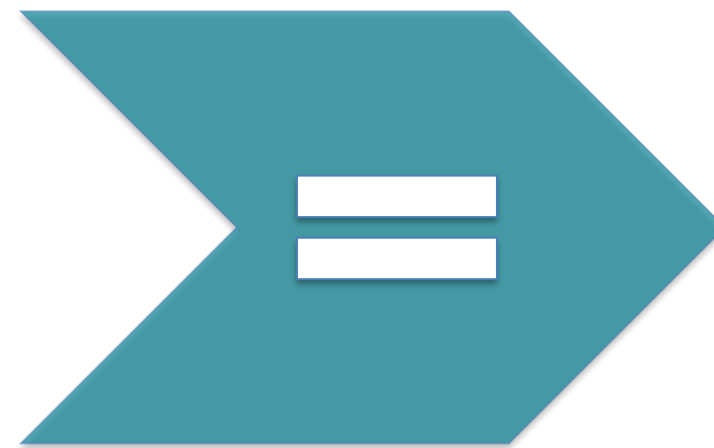
WHAT IF?

In 2010, Connecticut eliminated entire tourism marketing budget



Travel-related **tax revenue growth slowed** to half the pace during slow economic times of 2009-2010

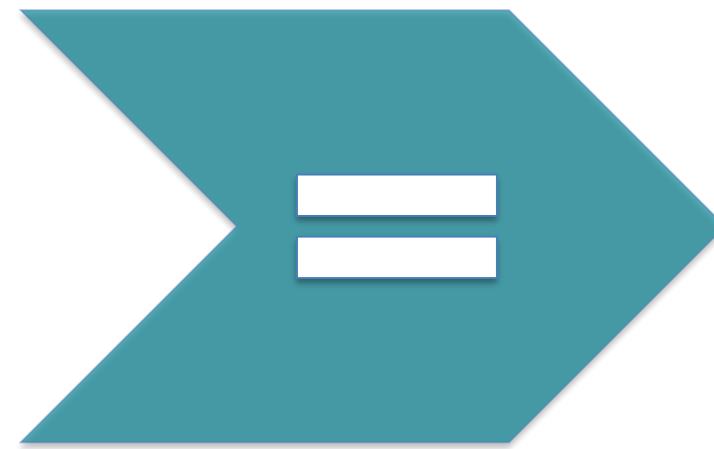
In 2011, Washington shut down tourism office



Saw competing states increase tourism promotion budget and capture increased visitor spending

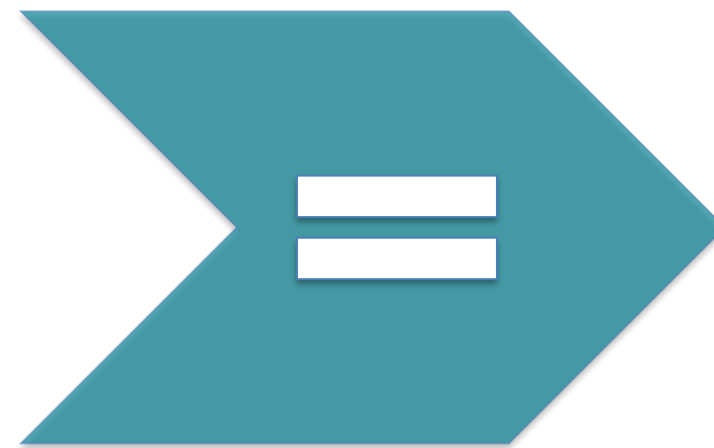
WHAT IF?

Pennsylvania's tourism funding declined 77% from 2008-2015



Projected **loss of \$600 in state and local tax revenue** that travelers would have generated

In 2013, San Diego held off on tourism promotion funding



\$560 million in lost visitor spending and \$24 million in reduced tax revenues

Tourism Improvement District Concept

► Broad based, reaches different industry sectors

► Visitor activity vs impacts to Alaskans

► A mix of current and new revenue



What about a Tourism Improvement District?

- Industry pays assessment for tourism promotion \$\$
- Collected by government
- Governed by participating industry payors
- Implemented by existing industry association
- Industry can disestablish

Alaska TID ideas?

- State Legislation creating Alaska Tourism Improvement District
- Existing Vehicle Rental Car Tax (VRT) as base assessment
- Other sectors: Tour activities, accommodations, food & bev, retail
- A fraction of a percent: .5 % to 1%
- \$20 million goal for tourism marketing

*"Legislators and policymakers often face a hard task in **balancing the desire for fiscal responsibility with the need to make strategic investments** that produce long-term benefits for states and communities."*

*When it comes to investing in travel promotion efforts, however, the decision should not be difficult. **Wise investments in travel promotion** programs feed a virtuous cycle of economic benefits – **growing the number of travelers boosts spending at community businesses, which supports more jobs and increases tax revenue.***

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