

Tourism Economic Impact Study

FY2012 Request: \$100,000
Reference No: 45409

AP/AL: Appropriation **Project Type:** Research / Studies / Planning
Category: Development
Location: Statewide **House District:** Statewide (HD 1-40)
Impact House District: Statewide (HD 1-40) **Contact:** Jo Ellen Hanrahan
Estimated Project Dates: 07/01/2011 - 07/01/2016 **Contact Phone:** (907)465-2506

Brief Summary and Statement of Need:

This request is for preparation of the Tourism Economic Impact Study to document the value of the visitor industry to the State of Alaska. This project contributes to the Department's mission of promoting a healthy economy by supporting the visitor industry in developing and marketing Alaska tourism.

Funding:	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>Total</u>
Gen Fund	\$100,000						\$100,000
Total:	\$100,000	\$0	\$0	\$0	\$0	\$0	\$100,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Additional Information / Prior Funding History:

Start up costs for this impact study was funded at \$100,000 in 2008.

Project Description/Justification:

This request is for preparation of the Tourism Economic Impact Study to document the value of the visitor industry to the State of Alaska. The Economic Impact Study uses the baseline data from the Alaska Visitor Statistic Program (AVSP) to produce estimates of the total economic impacts of the visitor industry on Alaska's economy. The purpose of the study is to determine the number of jobs and payroll that visitor spending created in Alaska during the survey year.

This information helps communities measure economic growth of tourism in order to make decisions about future investments. The study covers employment and labor income (direct and indirect) at the statewide, regional and sector levels including accommodations, tours, retail, food, transportation and others. The study also provides information on statewide and municipal tax revenue associated with the industry such as bed tax, car rental tax, head tax, property tax estimation, and others.

The requested FY12 funds will allow the Economic Impact Study to occur more closely to the baseline data collection in the AVSP that began in FY11. This will provide timely information on the status, performance and trends of the visitor industry. Timely and relevant information enhances the ability to make investment decisions at the state, regional, and local levels. This information is used by government leaders, industry members and the general public for business and tourism planning and investment.

There is a cost savings associated with performing the study immediately following the baseline AVSP data collection. Without current data, the scope of the project must be increased to include a business survey to make adjustments to the AVSP data. This situation occurred on the FY09 Economic Impact Study.

Historically, the product of the Economic Impact Study was one report every four or more years. For this project, we plan one baseline study and three annual updates (as with the AVSP) to ensure that we have current data each year to benefit planning and to facilitate reporting to the legislature. No further funding is expected to complete baseline study and updates. The annual updates will reveal how year-to-year changes in visitor volume and estimated visitor spending translate into Alaskan jobs, payroll, and direct and indirect economic impacts.

The Tourism Economic Impact Study will provide information for better investment decisions that will result in more opportunities to increase economic benefits from tourism development and activity in Alaska.