The economic contribution of Southeast Alaska’s Nature Based Tourism

Darcy Dugan
Institute of Social and Economic Research
University of Alaska
Acknowledgements

- Moore Foundation
- University of Alaska Foundation (BP and ConocoPhilips)
- Steve Colt (ISER)
- Ginny Fay (Eco-Systems)
- Hannah Griego (ISER)
Objective

- How much money do nature-based tourism activities generate?

- Which geographic areas can be linked to tourism revenue?

- What methodology is most effective for collecting economic data?
Overview

- Methodology
- Communities
- What worked
- Possibilities for next year
Methodology

- 9 weeks in the field
  - Ketchikan
  - Chichagof Island

- Visitor Interviews

- Company Interviews

- Additional data sources
  - Creativity with data collection
Communities in Focus

- Elfin Cove
- Hoonah
- Tenakee Springs
- Sitka
- Juneau
- Ketchikan
Ketchikan

- Visitor Interviews
  - Over 200 parties
    - Cruise passengers
    - Ferry passengers
    - Air travelers

- Company Interviews
  - 40+ companies
    - Flightseeing
    - Sport fishing
    - Rainforest/adventure tours
Ketchikan - the Cruise Industry

- 887,000 passengers in 2005
- 47 Shore excursions
  - 33 directly nature-based (NB)
  - 4 nature-related

- Other operators
Misty Fjords

- Flight seeing
  - 10 operators
  - 95% of flightseeing goes to Misty Fjords
  - >600 people per day

- Marine cruises
  - 2 large operators
  - Combined cruise/flightseeing tour

- Estimated $19-$20 million/season
  - Just from companies above
Ketchikan

Innovative ideas emerging

- “Adventure-karts”
- Snorkeling
- Biking
- Zip-line canopy tour
- Rainforest Sanctuary

Above tours:  ~$6.8 million
70,000 people/season
Ketchikan - Independent travelers

- Small portion of the overall visitors
  - Most people staying 1 night or less on way to other fishing grounds
  - 45% air passengers to POW lodges
  - 24% to see friends/relatives
  - Independents travel farther to fish, beyond the realm of cruise visitors

- More dispersed travel patterns
Ketchikan Observations

- Concentrated geographic use areas

- Ketchikan does not cater to independent travelers
  - Independents are <5% of business for most companies
  - Exception: Misty Fjords

- $$ may be heading south at end of season
  - Many business owners and employees from out of state
Elfin Cove

- Sport fishing mecca
  - 9 Fishing lodges
  - 5 day package, all inclusive
  - Average: $577/person/night
  - Total Revenue: $4.2 - 5.2 million per year

- Small cruise ships: >$100,000 per season
  - Gifts, restaurant food
Elfin Cove

- Supplies and transportation services purchased from Juneau
  - "40% of the money flowing through my hands goes to Juneau businesses"
    - Elfin Cove lodge owner

- Fuel purchase is local - $600-1,500/lodge/week
- Few (and fewer) year-round residents
- Rapid growth constrained by lack of available land
Elfin Cove

- Primarily sport fish package visitors

- Difficult to gauge independent travelers
  - No official harbor
  - Fuel dock clues:
    - transient boaters are ~ 1/3 of business
    - ex. 124 boats filled up in June 2004
Hoonah – Transitioning to tourism

Icy Strait Point Development

- Old cannery → cruise port of call
- 1.5 miles from Hoonah
- Huna Totem Corporation, owner
- Pt. Sophia Dev. Corp, operator
- 124 employees, 96% local
Hoonah

- Icy Strait Point
  - $3.3 - $4.3 million from NB tours in 2005
  - 4 NB tour options on Chichagof
  - Over 35,000 people on NB tours/season
  - Ship days to double in 2006
Hoonah

- Other tourism ventures
  - 7 marine charters/guides
  - 7 accommodation options
  - ~1,000 people/season on guided ventures
  - $600,000 - $700,000 from guided ventures
  - Regional price differences
Hoonah – Independent Travelers

- Fuel dock operator:
  - “50% of business is from transient recreationists”
  - Noticeable increase in local area boaters

- Harbor Master:
  - "40% of boats spending the winter are recreational"
    - 20% local
    - 10% from AK but out of town
    - 10% from Lower 48

- Hoonah is now a base for perpetual recreation
Other Chichagof Communities

- **Pelican**
  - Under transition
  - 10 charters, lodges
  - $400,000 to $500,000 per season
  - ~ 500 clients

- **Tenakee Springs**
  - 2 operators
  - Locals vocally opposed to tourism development
Independent Travelers on Chichagof

- **Recreational boaters**
  - **Tenakee**
    - 230 transient boaters in 2004
      - (43% known to be out of state)
    - $4,600 in docking fees
    - 468 boat nights
  - Source of positive economic impact
  - Tenakee just one example of many

- **Drop-offs to W Chichagof**
  - 550-600 people/season from Sitka, mostly from air service
  - ~ 90 people/season from Pelican, water taxi
Chichagof: More Observations

- High-end charter yachts
  - $500+ per person per day
  - More than 1,800 people per season, mostly Juneau/Sitka route
  - $4 million in revenue attributable to Chichagof area

- Several marine charter operators interested in moving more towards wildlife viewing than fishing

- Juneau is a major beneficiary of Chichagof tourism
Comparing Methodologies

- Company interviews
  - Pros, cons
- Destination-based approach
- Gateway approach
  - Which destinations to include
Challenges

- Independent travelers – the big question
  - Private boats
  - Yachts owned by non-residents
  - Kayakers
  - More cost-intensive to track
Promising next steps

- GIS mapping
- Field data gathering for whole southeast region
  - Avoid double counting
  - Remove fuzzy boundaries
  - Better sense of money flow throughout entire region
- Web-based survey of operators
- Leverage existing large data sets
Large data sets:

- Tongass Guide data collection
  - **Underway!**
  - Revenue by place
  - Employment and payroll
  - Purchases of fuel, food, and other inputs
  - Investment and capital assets used

- Existing permit database
- Sportfishing effort by geographic area
- ADF&G hunting effort
Contact us

ISER website:  www.iser.uaa.alaska.edu

- Darcy Dugan, ISER
  - andgd@uaa.alaska.edu

- Steve Colt, ISER
  - steve_colt@uaa.alaska.edu
  - 786-1753

- Ginny Fay, Eco-Systems
  - ginny.fay@earthlink.net
  - 333-3568