

SOUND OPPORTUNITIES

Economic Growth for the Prince William Sound Region

Tourism and Outdoor Recreation Cluster

Tourism and Outdoor Recreation

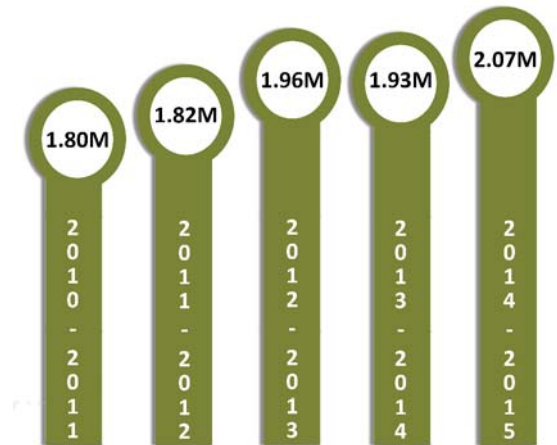
The Prince William Sound region continues to attract visitors from around the world as well as Alaskans for a variety of activities, events, and recreational pursuits. Visitation to Alaska was slow to recover following the Great Recession. The Tourism and Hospitality cluster was deemed fully recovered in 2012, when visitation first exceeded 2008 levels. Figure II.E.14. recounts visitation levels to the state between 2010 and 2015.

The state tourism marketing program increased dramatically during this time to offset visitor losses due to the recession. However, funding was reduced by nearly half in SFY2016. It was nearly eliminated for SFY2017, but a modest \$1.5 million was allocated. Figure II.E.15. summarizes the state tourism marketing budget from 2012 - 2017.

The Tourism and Outdoor Recreation cluster is comprised of the Accommodations and Related Services, Other Tourism Attractions, Tourism Related Services, and Cultural and Educational Entertainment subclusters. Based on 2014 employment, the cluster accounted for 400 jobs, representing a high degree of employment specialization across all four subclusters. Despite year-to-year ups and downs, employment in the cluster has grown fairly consistently in both the long- and short-term.

Cluster Snapshot:	2014
Jobs	400
Location Quotient	2.82
Change 1998 - 2014	+200
Change 2010 - 2014	+121
Outlook	↔

Figure II.E.14. Alaska Visitor Volume, 2010-2011 through 2014 - 2015



Source: Alaska Visitor Statistics Program

Figure II.E.15. Alaska Tourism Marketing Budget 2012-2013 through 2016-2017



Source: Alaska Department of Commerce, Community, and Economic Development

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Based on the 2011 Alaska Visitor Statistics Program VI: Summer 2011, the estimated volume of nonresident visitors identified for the PWS region were as follows:

Whittier:	224,000
Prince William Sound:	73,000
Valdez:	57,000

Shopping	70 - 77%
Wildlife Viewing	68 - 73%
Hiking/Nature Walks	51 - 53%
Day Cruises	53 - 57%

The study also revealed that most visitors to the region traveled for the purpose of vacation/pleasure (79 - 84%). Top activities for visitors to the region were:

Visitors travel to the region via cruise ship, packaged tours, the Alaska Marine Highway, the Alaska Railroad, scheduled and charter air, and personal vehicles and recreational vehicles. It is not possible to quantify each mode of travel or to fully separate visitor versus resident travelers. However, Figure II.E.16. presents traceable passenger volumes by transportation mode for those modes that are officially tracked. These figures are not cumulative, as visitors may use multiple modes of travel.

Figure II.E.16. Prince William Sound Transportation Modes and Volumes 2010 - 2015

		2010	2011	2012	2013	2014	2015
Alaska Marine Highway System	Port Departures	987	1,060	1,030	1,026	992	862
	Embarking Passengers	44,742	49,554	43,986	43,136	45,536	37,297
	Disembarking Passengers	44,817	49,682	44,065	43,352	45,519	37,183
(all PWS ports combined)	Embarking Vehicles	18,259	19,792	18,165	17,168	17,845	14,704
	Disembarking Vehicles	18,157	19,684	17,995	16,894	17,610	14,555
Alaska Railroad	Combined Embarking and Disembarking Passengers	76,910	80,263	94,942	92,993	87,336	94,751
Air Passengers	Enplanements	33,595	33,878	32,148	29,090	29,137	31,150
Cruise Passengers	Embarking	N/A	N/A	N/A	77,922	75,340	71,075
	Disembarking	N/A	N/A	N/A	80,489	76,640	71,854

Source: Alaska Department of Transportation, Alaska Railroad Corporation, Federal Aviation Administration, Cruise Lina Agency Alaska

Sport fishing in Prince William Sound remains an important activity for visitors as well as Alaskans. Figure II.E.17. recounts sport fishing participation for the PWS region from 2009 through 2014. Overall, the number of anglers is down by two percent, but days fished remains unchanged. Year-to-year variations can be significant. Fifty businesses are engaged in guided saltwater sport fishing, while 11 businesses are engaged in freshwater guided sport fishing. Figure II.E.18. summarizes these two sectors.

Cordova, Valdez, and Whittier levy taxes on transient accommodations, car rentals, and cruise passenger transfers. Revenues from these visitor-paid taxes vary from year to year depending on visitor volumes, modes of travel, and, in some cases, the pricing of visitor services. Overall, visitor-paid taxes have increased over the past three years. Figure II.E.19. summarizes these taxes for the period 2009 through 2015.

Figure II.E.19.. Sport Fishing Activity in Prince William Sound 2009 - 2015

Tax	Transient Occupancy ¹	Car Rental ²	Passenger Transfer ³	% Change
2009	\$500,161	\$ 9,752	\$194,236	
2010	\$488,650	\$12,662	\$186,277	-2.4%
2011	\$534,528	\$12,380	\$193,222	7.6%
2012	\$505,014	\$16,065	\$215,909	-0.4%
2013	\$506,983	\$14,603	\$233,770	2.5%
2014	\$503,289	\$11,139	\$283,889	5.7%
2015	\$532,066	\$14,517	\$270,666	2.6%

¹ Cities of Cordova and Valdez

² City of Cordova

³ City of Whittier

Source: Alaska Department of Commerce, Community, and Economic Development, Alaska Taxable

Figure II.E.17.. Sport Fishing Activity in Prince William Sound 2009 - 2014

Year	Anglers	% Change	Days Fished	% Change
2009	55,438		169,541	
2010	58,262	5.1%	150,206	-11.4%
2011	53,806	-7.6%	141,041	-6.1%
2012	44,671	-17.0%	120,881	-14.3%
2013	49,539	10.9%	158,836	31.4%
2014	54,326	9.7%	169,590	6.8%
% Change 2009 - 2014	-2.0%		0.0%	

Source: Alaska Department of Fish and Game, Sport Fishing Survey

Figure II.E.18.. Sport Fishing Charters and Guides in PWS 2014

Community	Saltwater Charter/Guided Fishing			Freshwater/Guided Fishing		
	Businesses	Vessels	Trips	Businesses	Guides	Trips
Valdez	27	31	732	11	20	156
Whittier	18	20	580			
Other	5	6	134			

Source: Powers, B., D. Sigurdsson. (2016). Participation, Effort, and Harvest in the Sport Fish Business/ Guide Licensing and Logbook Programs, 2014. Alaska Department of Fish and Game, Divisions of Sport Fish and Commercial Fisheries.

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Strengths	Weaknesses	Opportunities	Threats
<p>Growth in visitors to Alaska, exceeding 2 million visitors in 2015 for the first time</p> <p>Scenic beauty and wilderness values</p> <p>Strong statewide tourism marketing program since 2010</p> <p>Most public lands allow recreational and multiple use</p> <p>Growing reputation for outdoor adventure sports including heliskiing, fat tire biking, and kayaking</p> <p>Glaciers, wildlife, and mountains are top interests for Alaska visitors</p> <p>Region is easily accessible to Alaskans for recreation</p>	<p>Lack of regional tourism identity and marketing effort</p> <p>Many of the largest tourism operators in the region are based elsewhere</p> <p>Many jobs are seasonal and low-paying</p> <p>Complex regulation, permitting, and reporting for commercial use of public lands</p> <p>High costs to visit the region</p> <p>Quality of lodging and restaurants is not well-rated by visitors</p>	<p>Increase collaboration between communities that desire increased visitation</p> <p>Increase participation and use of Alaska Green Adventure designation</p> <p>Increase utilization of marine parks through marine trails and public-private partnership</p> <p>Increase economic value of recreationists</p> <p>Promote region to small boutique cruise category and yacht market</p>	<p>Drastic reduction in state tourism marketing funding</p> <p>One vessel ferry service resulted in large reductions in passenger volume</p> <p>Potential for ongoing reductions in ferry service, parks management, sport fish programs, and other state infrastructure</p> <p>Possible new or increased statewide tourism taxes or general taxes</p> <p>Waiting lists for moorage in small boat harbors</p>

