

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 ConocoPhillips)
- 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



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



Chichagof Island



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” (=1 out-of-town boat/hr avg)
 - 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