



***Alaska Visitor Statistics Program VI
Interim Visitor Volume Report
Fall/Winter 2014-15***

Prepared for:

State of Alaska

*Department of Commerce, Community,
and Economic Development
Division of Economic Development*

July 2015



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Prepared by:



Juneau • Anchorage

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Key Findings

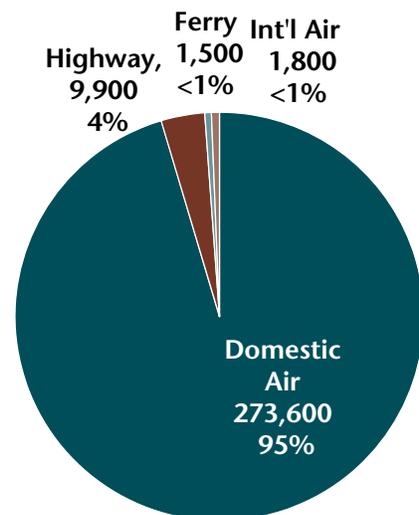
This report estimates the volume of out-of-state visitors to Alaska for the fall/winter period of October 1, 2014 to April 30, 2015, as part of the *Alaska Visitor Statistics Program VI (AVSP)*. The AVSP is conducted by McDowell Group for the Alaska Department of Commerce, Community, and Economic Development (DCCED), Division of Economic Development. Following are key findings from the study.

Visitor Volume, Fall/Winter 2014-15

Alaska received an estimated 286,800 visitors from out of state during the fall/winter 2014-15 period. This compares to 1.7 million visitors during summer 2014. Nearly all fall/winter visitors (95 percent) exited the state via domestic air, while 4 percent exited by highway, 0.6 percent exited by international air, and 0.5 percent exited by ferry.

Fall/winter travel patterns differ dramatically from the summer season, when 58 percent of visitors travel by cruise ship and 38 percent enter and exit the state via air.

CHART 1. Alaska Visitor Volume, Fall/Winter 2014-15, By Exit Mode



**TOTAL VISITORS:
286,800**

Change from 2013-14

Fall/winter visitor volume in 2014-15 was up by 5 percent from 2013-14, largely attributable to a 6 percent increase in domestic air (the mode that represents nearly all exits). International air was down by 61 percent, reflecting a decline in Japan Air flights, as well as the exceptional previous season, when the Arctic Winter Games brought a number of international charter flights to Fairbanks. Highway exits were up by 9 percent, an increase of 800 visitors, while ferry passengers were up by 15 percent, an increase of 200 visitors.

Table 1. Visitor Volume, by Exit Mode, Fall/Winter 2013-14 and 2014-15

Exit Mode	2013-14	2014-15	% change
Domestic Air	257,900	273,600	+6%
International Air	4,700	1,800	-61%
Highway	9,100	9,900	+9%
Ferry	1,300	1,500	+15%
Total	273,000	286,800	+5%

The table on the following page shows a variety of indicators that help illustrate the fall/winter season. All figures refer to the October-April period. Note that all indicators except for the Alaska Marine Highway System figure include both resident and non-resident activity.

- Domestic air exits were up by 6 percent between 2013-14 and 2014-15, reflecting a 6 percent increase in Anchorage exits. (Anchorage represents 76 percent of total fall/winter exits.) Other airports showed strong increases as well: Fairbanks was up by 10 percent, Juneau and Sitka by 6 percent, and Ketchikan by 4 percent. The “other” category (which includes Petersburg, Wrangell, Yakutat, and Cordova) showed the only decrease, at 1 percent.
- International air exits were down by 62 percent since last fall/winter. (This figure differs slightly from the 61 percent on the previous page because it refers to exits, rather than visitors.) There were zero international landings at Anchorage during fall/winter 2014-15; the previous period, there had been only one Condor flight, carrying 197 passengers. Fairbanks international traffic was down by 60 percent. Japan Airlines was the only carrier in 2014-15, and their passenger traffic declined by half. In addition, the 2013-14 season saw unusually high traffic, bolstered by several charter airlines who had visited Fairbanks for the Arctic Winter Games; these airlines did not return in 2014-15.
- Highway border crossings (personal vehicle passengers) were up by 12 percent overall between 2013-14 and 2014-15.
 - The largest increase occurred at the Haines border, where traffic was up by 40 percent, with gains largely occurring in the shoulder season months of October, March, and April. Over the past decade, fall/winter border traffic at the Haines border has ranged from 6,209 (2013-14) to 9,282 (2005-06); the most recent season’s traffic (8,665) is the highest since 2007-08 (9,179). US border crossings at Haines were fairly consistent with Yukon border data, which showed a 29 percent increase over the same time period.
 - Alcan border crossings showed an increase of 11 percent, while Skagway border crossings were down by 1 percent.
- Non-resident ridership on the Alaska Marine Highway System was up by 8 percent in 2014-15, following a 17 percent decrease the previous fall/winter season. These figures reflect all non-residents riding the Alaska Marine Highway System over the fall/winter season, including those who exited the state via ferry.
- Bed tax revenues were up in each of the four communities for which information was available. The growth was strongest in Anchorage and Juneau, which both showed gains of 8 percent. Sitka was up by 2 percent, and Fairbanks was up by 1 percent. (Note: Bed tax revenues reflect both resident and non-resident activity, as well as price fluctuations.)
- Anchorage vehicle tax revenues were up by 3 percent since the previous fall/winter, while RV rental revenues were up by 6 percent.
- Visit Anchorage reported an increase of 11 percent in convention attendance, while convention attendance in Fairbanks was down by 48 percent. Explore Fairbanks reported the decrease was due to the particularly strong season in 2013-14, when Fairbanks hosted both Alaska Federation of Natives and the Arctic Winter Games.

Table 2. Fall/Winter Visitor Industry Indicators, 2013–14 to 2014-15

	2013-14	2014-15	% change
Domestic Air Passenger Exits			
Anchorage	603,269	636,783	+6%
Fairbanks	92,691	101,808	+10%
Juneau	49,848	52,892	+6%
Ketchikan	23,074	24,082	+4%
Sitka	11,362	12,053	+6%
Other	9,050	8,965	-1%
Total	789,294	836,583	+6%
International Air Passenger Exits			
Anchorage	197	0	-100%
Fairbanks	4,538	1,817	-60%
Total	4,735	1,817	-62%
Highway Border Crossings (Personal Vehicle Occupants)			
Alcan Hwy	13,155	13,982	+11%
Klondike Hwy	12,181	12,085	-1%
Haines Hwy	6,209	8,665	+40%
Total	30,971	34,732	+12%
Ferry Non-Resident Ridership			
Total passengers	11,817	12,815	+8%
Bed Tax Revenues			
Anchorage	\$7,276,895	\$7,850,233	+8%
Fairbanks ¹	\$772,702	\$781,327	+1%
Juneau	\$365,049	\$395,240	+8%
Sitka	\$62,792	\$64,352	+2%
Anchorage Vehicle Tax Revenues			
Vehicles	\$1,064,151	\$1,091,531	+3%
RVs	\$14,091	\$14,911	+6%
Convention Attendance			
Anchorage	69,397	77,047	+11%
Fairbanks	10,628	5,516	-48%

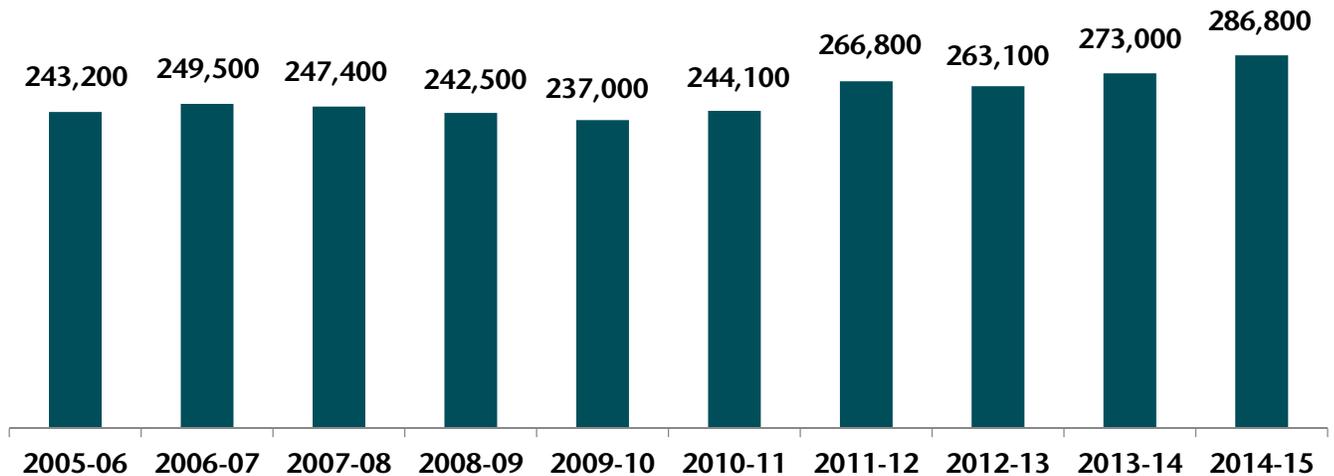
Sources: Ted Stevens Anchorage International Airport, Fairbanks International Airport, Alaska Airlines, Yukon Department of Tourism and Culture, Alaska Marine Highway System, Municipality of Anchorage, Visit Anchorage, Explore Fairbanks, City of Fairbanks, City and Borough of Juneau, and City and Borough of Sitka.

¹ These figures represent combined revenues for the City of Fairbanks and North Pole, which represent 58 percent of total lodging rooms in Fairbanks North Star Borough. Borough revenues were not available.

Visitor Volume Trends

The recent 5 percent growth in fall/winter visitor volume represents the second consecutive year of growth; the previous fall/winter saw a 4 percent increase. Fall/winter visitor traffic has generally been on the rise since the recession-related dip in 2009-10, the only decrease being in 2012-13, by 1 percent.

CHART 2. Visitor Volume, Fall/Winter 2005-06 to 2014-15



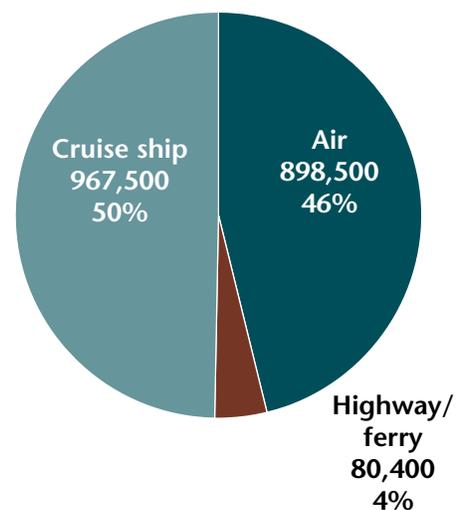
Sources: AVSP V and AVSP VI (conducted by McDowell Group).

Full-Year Visitor Volume

Combining results of the Summer 2014 and Fall/Winter 2014-15 AVSP study periods, the volume of out-of-state visitors to Alaska for the 12-month period of May 2014 through April 2015 was 1,946,400. The summer market (1,659,600) represented 85 percent of the annual volume; the fall/winter market (286,800) represented 15 percent. The full-year volume of 2014-15 represents a decrease of 1 percent over the previous 12-month period.

The chart at right shows the full-year volume by transportation market. The cruise ship volume of 967,500 includes all cruise ship visitors (regardless of entry/exit transportation mode). The air volume of 881,400 represents all visitors who entered and exited Alaska via air (excluding cruise ship passengers). The highway/ferry volume of 85,700 includes all visitors who entered or exited Alaska via highway or ferry.

CHART 3. Alaska Visitor Volume, Full Year 2014-15, By Market



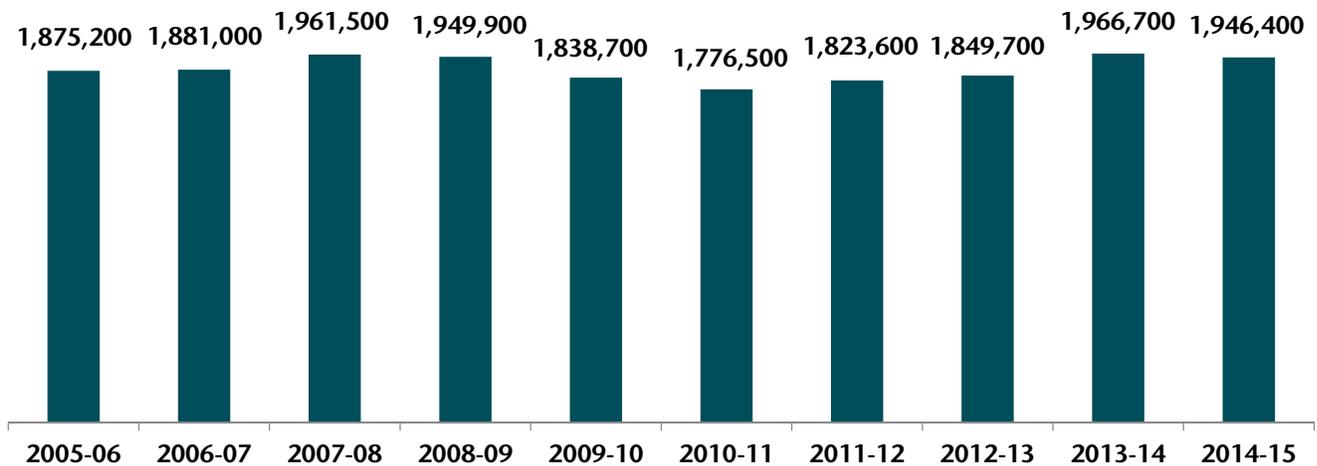
TOTAL VISITORS: 1,946,400

Full-Year Visitor Volume Trends

The 2014-15 full-year visitation of 1.95 million represents a very slight decrease from the previous year: down 1 percent, from 1.97 million. It is the first decline since the recession-era low point of 1.78 million in 2010-11. (After the low point of 2010-11, volume grew by 3 percent in 2011-12, by 1 percent in 2012-13, then by 6 percent in 2013-14.)

Annual visitation volume is largely driven by the summer market, which represents 85 percent of full-year volume. Summer 2014 visitation was down by 2 percent from summer 2013, largely attributable to a 3 percent drop in cruise passenger volume. With cruise passenger volume projected to bounce back by 5 percent in summer 2015, the next full-year volume (2015-16) is very likely to show a healthy increase.

CHART 4. Full-Year Visitor Volume, 2005-06 to 2014-15



Sources: AVSP V and AVSP VI (conducted by McDowell Group).

This report provides visitor volume estimates for Alaska between October 1, 2014 and April 30, 2015, as part of the *Alaska Visitor Statistics Program VI (AVSP)*, conducted by McDowell Group for the Alaska Department of Commerce, Community, and Economic Development (Division of Economic Development).

Visitor volume is estimated by exit mode; the methodology is slightly different for each mode.

Domestic and International Air: Outgoing traffic by month and by port was gathered from Alaska Airlines, Anchorage International Airport, and Fairbanks International Airport. Visitor/resident ratios were applied to monthly traffic, by port, to arrive at visitor volume estimates. Ratios were determined in the fall/winter 2011-12 AVSP survey fielding period, during which time 34,381 domestic flight passengers and 3,634 international flight passengers were tallied as they embarked on flights exiting Alaska. Tallies took place at airports in Anchorage, Fairbanks, Juneau, Ketchikan, and Sitka.

Highway: Border crossing data (the number of people exiting Alaska/entering Yukon) was provided by month and port by the Yukon Department of Tourism and Culture. Visitor/resident ratios were applied to seasonal (fall and winter) traffic, by port, to arrive at visitor volume estimates. The ratios were based on tallies conducted in AVSP V (2006-07) because no highway tallies were conducted for AVSP VI (2011-12).

Ferry: The Alaska Marine Highway System provided non-resident exiting traffic data by month and port (passengers disembarking at Bellingham and Prince Rupert).

This report also includes additional indicators of the 2014-15 visitor season and how they compare to 2013-14. Sources included:

- Bed tax revenues collected from Municipality of Anchorage, Explore Fairbanks, City and Borough of Juneau, and City and Borough of Sitka.
- Vehicle rental tax revenues collected from Municipality of Anchorage.
- Anchorage convention attendance provided by Visit Anchorage.
- Fairbanks convention attendance provided by Explore Fairbanks.

The AVSP VI study team would like to acknowledge the following entities for their assistance with the project.

Alaska Airlines
Alaska Marine Highway System
Alaska Travel Industry Association
Cruise Line Agencies of Alaska
Fairbanks International Airport
Ted Stevens Anchorage International Airport
U.S. Customs and Border Protection
Yukon Department of Tourism and Culture

Visitor/Resident Ratios

The following table shows the percentage of all travelers exiting the state by various transportation modes who are out-of-state visitors (rather than Alaska residents) in fall/winter 2014-15. For example, an estimated 32.7 percent of travelers who exited Alaska via Domestic Air were visitors. These ratios are a composite of ratios by location, by month. Because they apply to traffic data on a monthly and by-location basis, applying them to overall traffic will not yield the same results.

It is important to note that the highway ratio refers to highway travelers who are exiting the state for the final time on their trip. This eliminates the possibility of double-counting visitors who exit the state twice – for example, ferry passengers who exit the state at Beaver Creek, then re-enter at Haines to board a ferry.

Table 3. Visitor Percentages, by Mode

Exit Mode	Percentage Visitors
Domestic Air	32.7%
International Air	100.0%
Highway ¹	24.3%
Ferry	25.2%
Total	32.4%

¹ The highway ratio refers to “last-exit” visitors: not planning to re-enter Alaska on the same trip.