



ALASKA TOURISM MARKETING BOARD

February 22, 2018

The Honorable Jason Grenn,
The Honorable John Lincoln,
The Honorable Neal Foster, and
The Honorable Paul Seaton
Alaska State Legislature
Alaska State Capitol
Juneau, AK 99801-1182

Representatives Grenn, Lincoln, Foster and Seaton:

The Alaska Tourism Marketing Board (ATMB), a governor appointed board tasked with guiding the Department of Commerce, Community & Economic Development and the Alaska Travel Industry Association (ATIA) on the development of a tourism marketing program for Alaska, strongly supports the industry's efforts to develop a long-range solution for statewide tourism marketing funding. These efforts are represented in Representative Grenn's recently introduced House Bill 383: An Act Establishing the Travel Alaska Board.

A strong tourism marketing program is critical to ensuring Alaska's travel industry remains competitive. Last year 2 million visitors came to Alaska including a record number of cruise passengers. According to the *Economic Impact of Alaska's Visitor Industry 2014-15 Update*, these travelers, through various visitor fees, contribute \$83 million to city and borough budgets and \$100 million to the state's general fund. The statewide economic impact is \$4 billion in the form of business growth and jobs.

Due to the state's current fiscal challenges, the tourism marketing program has been significantly reduced. From FY15 to FY17 funding for tourism marketing decreased by 90% to only \$1.5 million. Currently funding levels for FY18 are at \$3 million of state contributions. At this level, Alaska cannot compete with other destinations to attract new visitors and continue the growth in economic benefits to communities and the state. In fact, Alaska is faced with losing market share to our competitors, translating to lost revenue in taxes and fees and visitor spending.

The ATMB supports ATIA's proposed funding plan for tourism promotion based on national Tourism Improvement District (TID) models. The statewide TID model provides a self-assessment framework that reaches various tourism business sectors- namely accommodations, attractions, tour activities and vehicle rentals. The proposed plan includes a mix of new revenue from the Alaska TID and current revenue generated from the vehicle rental tax (VRT). The industry strongly feels the existing VRT should be included in the plan per intent language in statute stating that (AS 43.52.080 (c)): "*The legislature may appropriate the actual balance of the vehicle rental tax account for tourism development and marketing.*"

With the sunset of the Alaska Tourism Marketing Board scheduled at the end of this fiscal year, it is important to work toward a sustainable plan to fund tourism marketing. Successful implementation of

an Alaska TID would provide stable statewide tourism marketing funding similar to the Alaska Seafood Marketing Institute (ASMI) marketing assessment.

The ATMB supports the industry's plan developed in partnership with the Alaska Travel Industry Association, as per the intent language of House Bill 256, Section 1, pg. 6, lines 18-23: *Alaska Tourism Marketing Board to develop a plan for a self-sustaining funding model.*

Sincerely,



Colleen Stephens
Chair, Alaska Tourism Marketing Board
Stan Stephens Cruises & Tours



February 23, 2018

Representative Jason Grenn
Alaska State House
State Capitol Room 418
Juneau, AK 99801

On behalf of the Alaska Travel Industry Association (ATIA) – the leading statewide nonprofit marketing association for the travel industry in Alaska, I am pleased to report the ATIA Board of Directors voted to move forward legislation supporting the concept of an Alaska tourism improvement district (TID).

House Bill 383, an Act establishing the Travel Alaska Board; relating to a tourism marketing assessment; and establishing a tourism marketing fund, represents the TID concept and will help set up a framework for an Alaska TID and more certainty around destination marketing funding for Alaska.

House Bill 383 and proposed funding plan for tourism promotion is based on national Tourism Improvement District (TID) models. The statewide TID model provides a self-assessment framework that reaches various tourism business sectors. The proposed plan includes a mix of new revenue from the Alaska TID and current revenue generated from the vehicle rental tax (VRT). The industry strongly feels the existing VRT should be included in the plan per intent language in statute stating that (AS 43.52.080 (c)): *"The legislature may appropriate the actual balance of the vehicle rental tax account for tourism development and marketing."*

Attached to this letter are support letters from ATIA's industry partners, including destination marketing and management organizations (DMMOs) whose boards of directors are represented by various businesses and business sectors. These partners have joined ATIA and other industry leaders in funding discussions over the last two years and are in support of a plan for a long-range solution for statewide tourism marketing funding and for the concept of a TID.

Thank you for your leadership and support for a strong visitor industry in Alaska.

Best Regards,

Sarah Leonard
ATIA President & CEO

Alaska's leading statewide nonprofit membership organization for the Alaska travel industry.

610 E. 5th Ave., Ste. 200
Anchorage, AK 99501
O 907.929.2842
F 907.561.5727
AlaskaTIA.org

February 22, 2017

Board of Directors
c/o Sarah Leonard, President and CEO
Alaska Travel Industry Association
610 E 5th Avenue #200
Anchorage, AK 99501

RE: SUPPORT OF LEGISLATION ENABLING AN ALASKA TOURISM IMPROVEMENT DISTRICT

Dear ATIA Board of Directors:

On February 22, 2017, the Explore Fairbanks Board of Directors voted unanimously to support legislation that would enable travel industry sectors to vote on a statewide Tourism Improvement District (TID).

As the destination marketing and management organization (DMMO) for the Fairbanks region, Explore Fairbanks agrees that a sustainable and robust statewide tourism marketing program is critically important to the success of travel industry in the region as well as Alaska.

The TID model provides a self-assessment framework that reaches various tourism business sectors, including accommodations, attractions and tour activities. The proposed TID concept also includes a mix of current revenue generated from existing taxes on the tourism industry, including the Vehicle Rental Tax, and new revenue from an industry assessment. Successful implementation of an Alaska TID would provide stable statewide tourism marketing funding.

Thank you for taking the leadership on a robust and sustainable tourism marketing funding plan. If you have any questions, please feel free to contact us.

Warm Regards,



Deb Hickok
President and CEO



Kory Eberhardt
Chair, Board of Directors



Feb. 22, 2017

Sarah Leonard
Alaska Travel Industry Association
601 E. 5th Ave., Ste. 200
Anchorage, AK 99501

Dear Sarah,

At our recent Board Retreat, the Visit Anchorage Board of Directors confirmed our support for the industry's efforts to develop a long-range solution for sustainable statewide tourism marketing funding. Specifically, Visit Anchorage's Board of Directors supports passage of legislation to enable a self-sustaining TID funding model for Alaska tourism marketing.

A strong tourism marketing program is critical to ensuring that Alaska's travel industry remains competitive. Last year, the two million visitors that travelled to Alaska contributed \$83 million to city and borough budgets and another \$100 million to the state's general fund. The statewide economic impact is \$4.17 billion in the form of business growth and jobs.

Alaska's past investment in statewide tourism marketing has returned these positive economic results to communities and the State.

As the visitor industry provides so much economic and cultural value to the state, it has been disheartening to watch the severe reductions to the tourism marketing program. In two years, it has decreased over 90% and the current \$1.5 million cannot compete with other destinations to attract visitors and continue the growth in economic benefits. As you know, Alaska is now faced with losing market share to our competitors, translating to lost revenue in taxes and fees, reductions in visitor spending and a loss of jobs and opportunities in our communities.

The Alaska Travel Industry Association's (ATIA) proposed funding plan for tourism promotion based on national Tourism Improvement District (TID) models provides a long-term solution. The self-assessment framework within the TID model reaches a broad range of tourism business sectors and also provides a level of assurance to our industry that the funds will be used to support the industry collecting the fees. The proposed TID concept also includes a mix of current revenue generated from existing taxes on the tourism industry and new revenue from an industry assessment.

Successful implementation of an Alaska TID would provide stable statewide tourism marketing funding. Visit Anchorage's support of enabling legislation for a statewide TID embraces this goal for stabilized and increased marketing to improve the economic future of Alaska's communities.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie Saupe".

Julie Saupe
President & CEO

Visit Anchorage.net

Anchorage Convention & Visitors Bureau · 524 West Fourth Avenue · Anchorage, Alaska 99501-2212 · Phone: 907.276.4118 · Fax: 907.278.5559



March 13, 2017

ATIA Board of Directors
c/o Sarah Leonard, President & CEO
610 East 5th Avenue, Suite 200
Anchorage, Alaska 99501

Alaska Hotel and Lodging Association strongly supports the industry's efforts to develop a long-range solution for sustainable tourism marketing funding.

A strong tourism-marketing program is critical to ensuring Alaska's travel industry remains competitive. Last year, 2 million visitors came to Alaska, including a record number of cruise passengers. According to the *Economic Impact of Alaska's Visitor Industry 2014-15 Update*, these travelers, through various visitor fees, contribute \$83 million to city and borough budgets and \$100 million to the state's general fund. The statewide economic impact is \$4.17 billion in the form of business growth and jobs. Alaska's past investment in statewide tourism marketing has returned these positive economic results to communities and the State.

Due to the current budgetary challenges at the State, the tourism-marketing program has been significantly reduced. In two years, it has decreased by 90% and is currently only \$1.5 million. At this level, Alaska cannot compete with other destinations to attract visitors and continue the growth in economic benefits. In fact, Alaska is faced with losing market share to our competitors, translating to lost revenue in taxes, fees and visitor spending.

The Alaska Travel Industry Association (ATIA), the state's leading membership organization for the travel industry in Alaska, has proposed a funding plan for tourism promotion based on national Tourism Improvement District (TID) models. The TID model provides a self-assessment framework that reaches various tourism business sectors, including accommodations, attractions and tour activities. The proposed TID concept also includes a mix of current revenue generated from the existing Vehicle Rental Tax and new revenue from an industry assessment. Successful implementation of an Alaska TID would provide stable statewide tourism marketing funding.

Alaska Hotel and Lodging Association supports the industry's plan for a self-sustaining funding model for Alaska tourism marketing.

Sincerely,



Alicia Maltby
Executive Director

330 E. 4th Avenue, Suite 201 – Anchorage, AK 99501
Tel: (907) 272-1229 x201 – Fax (907) 272-1289 – Email: info@akhla.org

Businesses & Individuals in support of Tourism Improvement District Legislation:

*sortable table - click on headers

Name	Company	Community	Region
Katherine Smith	Google Partners		
	Explore Fairbanks Board of Directors	Fairbanks	Interior
Deb Hickok	Explore Fairbanks	Fairbanks	Interior
Deborah Hansen	Pike's Waterfront Lodge	Fairbanks	Interior
Kory Eberhardt	A Taste of Alaska Lodge	Fairbanks	Interior
Thomas McAleer	The Alaska Collection		Interior & Southcentral
	John Hall's Alaska		Outside
Frank Flavin	Flavin Photography	Anchorage	Southcentral
Bruce LaLonde		Anchorage	Southcentral
Steve Mahay	Mahay's Jet Boat Adventures	Talkeetna	Southcentral
Steve Halloran	Visit Anchorage	Anchorage	Southcentral
Colleen Stephens	Stan Stephens Glacier & Wildlife Cruises	Valdez	Southcentral
Dale Wade		Anchorage	Southcentral
	Visit Anchorage Board of Directors	Anchorage	Southcentral
	Mat-Su CVB Board of Directors		Southcentral
Sharon Heim Mahay	Mahay's Jet Boat Adventures	Talkeetna	Southcentral
Sarah Leonard	Alaska Travel Industry Association	Anchorage	Southcentral
Irene Meyer	GoNorth Alaska Travel Center	Anchorage	Southcentral
Jillian Simpson	Alaska Travel Industry Association	Anchorage	Southcentral
Julie Saupe	Visit Anchorage	Anchorage	Southcentral
Tanya Carlson	Alaska Travel Industry Association	Anchorage	Southcentral
Kelly Bender	Lazy Otter Charters	Whittier	Southcentral
Brandy Dixon		Anchorage	Southcentral
Linda Brandon	Major Marine Tours	Anchorage	Southcentral
Luke Peroni	Seward Windsong Lodge	Seward	Southcentral

Name	Company	Community	Region
Michael Schuster	Meander In B&B	Ninilchik	Southcentral
Dennis McDonnell	Alaska Coach Tours		Southeast
Chris McGraw	Halibut Point Marine	Sitka	Southeast
	ATIA Board of Directors		Statewide
Carol Fraser	Aspen Hotels of Alaska		Statewide
	Alaska State Chamber		Statewide
	Alaska Tourism Marketing Board		Statewide
	Alaska Hotel & Lodging Association		Statewide
Tom Garrett	YMT Vacations		Statewide