

**CORDOVA CENTER  
MEETING/SMALL CONVENTION  
MARKET ASSESSMENT**

**FINAL REPORT**

**PREPARED FOR:  
Minch Ritter Voelckers Architects**



Research-Based Consulting

Juneau  
Anchorage

**June 2004**

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As part of the study team's effort to determine the optimal size and design of the proposed Cordova Center, the McDowell Group of Juneau and Anchorage was asked to assess Cordova's potential tapping the meeting/small convention market and, further, assess the potential local economic benefits from that market. The purpose of this market assessment was to determine if the Cordova Center should be designed with the needs of this particular market in mind.

The market assessment has several components that will help determine the level and type of development the community should undertake. The first section provides an overall picture of the meeting/small convention market in Alaska, including a list of groups that often meet in the state. Also included is a discussion of Cordova's competitors, Cordova's possible market capture rate, meeting planner considerations and design facility criteria.

The second section is the possible economic impact of the meeting/convention market for Cordova followed by an infrastructure analysis that discusses Cordova's available meeting space, accommodations and transportation.

The final segment is a competitive analysis that identifies some of the challenges Cordova faces in attempting to target the small meeting/convention market.

This assessment does not provide a complete economic picture of developing a multi-use facility in Cordova. To fully understand the implications of building and operating a civic center, other uses and users must be considered, particularly local users.

This report presents the results of an assessment of the meeting/small convention market for the city of Cordova. This visitor market is a highly competitive one in Alaska. Convention and visitors bureau directors in smaller communities indicate that “slices of the pie” are shrinking as more towns decide to pursue the meeting/convention market.

With the construction of a community center, Cordova could become an active player in attracting meetings and small conventions. However, the facility alone is not enough. Entry into this market would require a considerable effort on the part of the community.

### **Meeting/Small Convention Market**

- Cordova currently attracts some meetings related to specific interests in the community, such as the Prince William Sound Science Center and the Prince William Sound Oil Spill Recovery Institute. Cordova could attract more and larger groups with the construction of a civic center, perhaps capturing up to five percent of Alaska’s meeting/small convention market.
- Cordova’s ability to host more gatherings is dependent on its ability to implement a marketing effort that will place Cordova on the meeting destination map. This includes using local residents to develop relationships with groups in which they are members. It must also include a professional sales effort (a role played by local CVBs).
- To maximize the center’s appeal to the meeting/small convention market the facility must include the basics such as screens, risers, skirting, podiums, audio and visual equipment, banquet facilities such as tables and linens, and at least some food service capabilities. Soundproofing and an ability to alter meeting space sizes are also important features.

### **Economic Impact**

- With some success in attracting meetings/small conventions to the community, economic impacts generated by local spending by meeting delegates could total approximately \$225,000 annually (mostly to lodging businesses). This level of impact would be achieved if Cordova hosted about 30 groups averaging 25 delegates each. Cordova would see additional indirect and induced spending as well.
- This additional economic activity would be good for local businesses and the economy overall, but by itself would not translate into a self-supporting civic center. It is important to note that even with a high level of local and non-local use, the community will need to subsidize the building’s operations. Virtually all Alaska civic centers are subsidized, in exchange for the economic impacts and service to the community that the facilities provide.

## **Infrastructure Analysis**

- Cordova's overall infrastructure for meetings and conventions is limited. Current meeting space is ill-suited for most professional groups, though adequate for some. A newer, well-designed facility could be more attractive to groups that already meet in Cordova and new meeting groups as well.
- Cordova could comfortably host groups of no more than 125 with the current lodging inventory. The room inventory is somewhat larger, but demand from other markets requires some of the lodging capacity. Further, some of the existing capacity is seasonal. In addition, not all facilities are conveniently located near meeting space – a problem for some delegates.
- In terms of access, Cordova is generally competitive with other coastal Alaska Communities. Cordova has good air service from Anchorage, which is appealing to meeting groups. An additional attraction to organizations considering Cordova would be group fare discounts. The introduction of the fast ferry Chenega in 2005 could be a useful option for meeting planners. The fast ferry operates at speeds that dramatically cut travel time between ports and is likely to operate on a more frequent basis than current AMHS vessels.

## **Competitive Analysis**

- Cordova is competitive with other small, relatively remote communities that are involved in the meeting/small convention market. It already attracts organizations with connections to the community through science, fisheries and other community groups.
- Along with a marketing effort, better meeting facilities could attract organizations that have never considered meeting in Cordova before.
- To be competitive, Cordova will need to make the appropriate professional and financial investments to attract the small meeting/convention market.

## **Recommendations**

- Because Cordova's potential to attract meetings and conventions is somewhat limited, the facility should be designed with a particular focus on local needs. A flat-floor room with round-table seating capacity of about 125 would meet the needs of the non-resident meeting/small convention market. A raked-floor auditorium would certainly be an asset in this market, but it is not essential.
- Attracting meetings and conventions is contingent on an effective and aggressive marketing strategy. If this market is to be pursued, the community must allocate financial and personnel resources to the effort.
- Ensure that appropriate amenities are addressed in the construction of a new facility, including room size flexibility, dining and kitchen facilities (though full kitchen facilities are probably not economically justified), and good lighting, sound, and communications systems.

# MEETING/SMALL CONVENTION MARKET ASSESSMENT

## Meeting/Small Convention Market

Statewide, nationally and internationally there are a number of groups and organizations that hold meetings for their members annually or regularly throughout the year. These types of organizations are in need of meeting space that is suitable for hosting a professionally-run and business-type meeting.

In Alaska there are numerous government, civic and trade organizations that rotate their annual, semi-annual, quarterly or even monthly meetings, spreading their economic impacts and goodwill among host communities.

Several factors impact the number of meetings hosted during a year. One is where the community falls within an organization's meeting rotation cycle. The health of the economy also affects the number and frequency of meetings. A downturn in the economy results in less travel and more teleconferencing and video conferencing between group members. For instance, the current reductions in state agency budgets have been cited as a reason for the downturn in meetings and conventions in some communities.

A sample of some of the organizations that meet within Alaska with 200 or fewer attendees is listed on the following pages. The list depicts the variety in sizes and types of organizations that meet in Alaska. Some are potential users of a Cordova Center. (Note: This is a partial list only. There are many other professional and corporate board meetings, agency retreats, and other meetings that are not included on this list).

### Meetings/Conventions Recently Hosted in Alaska 200 or Fewer Attendees

Group Name	Group Origin	Size
Advance Inspection & Introduction to COR/ER	State	20
Advisory Board on Alcoholism	State	18
Agriculture Directors Conference	National	100
Alaska Academy of Family Physicians	State	200
Alaska Animal Control Association	State	26
Alaska Association of Assistant Principals	State	150
Alaska Association of Fire & Arson Investigators	State	80
Alaska Association of Independent Insurance Agents	State	10
Alaska Association of Realtors Convention	State	115
Alaska Association of School Administrators	State	70
Alaska Association of School Boards	State	25
Alaska Association of School Superintendents	State	100
Alaska Bed & Breakfast Association	State	60
Alaska Cabaret, Hotel, Restaurant & Retailers Association	State	85
Alaska Chapter North West Area Days	Regional	100
Alaska Christian Conference	State	50

Group Name	Group Origin	Size
Alaska Coastal Management	State	40
Alaska Council for Social Studies	State	100
Alaska Credit Union League	State	120
Alaska Dental Society	State	100
Alaska Dept of Education /Special Education Office Directors Conference	State	150
Alaska Dept of Fish & Game – Board of Game	State	75
Alaska Dept of Transportation Conference	State	200
Alaska Dietary Managers Association	State	25
Alaska Education Seminars, Inc.	State	40
Alaska Fisheries Development Foundation	State	60
Alaska Historical Society/Museums of Alaska	State	100
Alaska Hospital & Nursing Home Association	State	30
Alaska National Parks Superintendents Conference	State	30
Alaska Native Brotherhood/Alaska Native Sisterhood Camp Presidents	State	30
Alaska Optometry Association Convention	State	70
Alaska Permanent Fund Corporation Board	State	15
Alaska Permanent Fund Corporation's Annual Meeting	State	70
Alaska Pension Investment Board Meeting	State	35
Alaska Planning Association	State	40
Alaska Recreation and Parks Association	State	100
Alaska Rural Electric Cooperative	State	130
Alaska Science & Technology Foundation	State	20
Alaska Sea Kayaking Symposium	State	200
Alaska State Chamber of Commerce	State	20
Alaska State Federation of Garden Clubs	State	100
Alaska State Troopers	State	40
Alaska Tourism Industry Association Board Meeting	State	32
Alaska Winter Recreation & Travel Show	State	200
American Association of Medical Records	National	50
American Association of Petroleum Geologists	National	200
American Legion, Western Region	Regional	150
American Nuclear Medicine Board	National	20
American Postal Workers Union	National	60
American Society of Civil Engineers	National	200
American Society of Foresters	National	40
American Statistical Association – Alaska Chapter	State	20
American Society of Women Accountants – Alaska Chapter	State	100
American Water Resources Association	National	30
Arson Investigators Conference	National	75
Conference of State Banking Supervisors	State	50



Group Name	Group Origin	Size
Department of Natural Resources/Forestry Fall Conference	State	100
Fish & Wildlife Investigators Conference	State	50
General Federation of Women's Club – Alaska	State	150
Girl Scouts Annual Meeting	State	60
Governor's Council on Fisheries	State	60
Humane Society of the US	National	29
Indian Health Service Head Start Program	National	100
Interface Center for Alaska Native Education	State	20
International Conference of Financial Econometrics	International	45
Lions Club District 49A Conference	State	200
Loyal Order of the Moose Convention	State	80
Maritz Travel West	National	34
Myers-Smith Association Management	International	75
Native American Management Services 2002 Cluster Training	National	40
Nature Conservancy	International	50
National Association of Hearing Officials	National	20
National Education Association – Alaska	State	45
National Organization of Lawyers for Education Associations	National	200
Navy Foreign Liaison	National	75
North Pacific Anadromous Fish Commission	International	80
Northwest Public Power Association	Regional	50
Outdoor Education Conference		100
Pacific Congress of Harbormasters	Regional	50
Public Employees Retirement System	State	25
Quality Schools Institute		150
Rotary International District Convention	State	200
Salvation Army Youth Council		100
Society of Petroleum Engineers, Western Region	Regional	200
State Hatchery Managers	State	50
Statewide Emblem Club Annual Convention	State	75
Toastmasters Annual State Convention	State	100
United State Department of Agriculture, Forest Service		75
United States Department of Commerce	National	60
United States Postal Service Convention	National	40
Stewart Title Agent Meeting – Region F	Regional	150

Source: Anchorage Convention and Visitors Bureau, Valdez Convention and Visitors Bureau and other sources compiled by McDowell Group.

## Remote Community Meeting/Convention Market

Remote communities experience greater challenges when attempting to attract conventions to their communities. These usually are related to meeting planners' perception of the type and level of services available in the community as well as concerns about access. If Cordova were to compete for the meeting/small convention market it is likely to draw from groups similar to those hosted by communities such as Kodiak, Sitka and Valdez. The table below shows the average number of groups hosted by these communities.

Sitka hosts the largest number of groups on average. Among the three communities, Sitka currently allocates the greatest amount of resources to attracting meetings and conventions to the community. It also has the highest frequency of mainline jet access, a clear advantage. Valdez is in the process of implementing a plan to attract more of this market. Kodiak's budget is limited and focused on other markets at this time.

### Meetings and Conventions in Remote Alaska Communities

Community	Average # of Groups	Average # of Delegates	Center Status
Kodiak	15	40	No meeting center
Sitka	28	104	Meeting center
Valdez	10	225	Meeting center

Source: Cordova Chamber of Commerce, Kodiak Island Convention & Visitors Bureau, Sitka Convention & Visitors Bureau, Valdez Convention & Visitors Bureau.

Convention and Visitors Bureau professionals agreed that the meeting/small convention market is attractive to their communities because of the economic value it contributes to each. However, they also indicated that it is challenging to attract this type of business to their communities and that the number of delegates and number of groups visiting changes from year to year.

### Cordova's Meeting/Small Convention Market

Cordova has hosted a few smaller groups in the past, but on a limited basis. These groups tend to have a specific connection to the community. For instance, the Prince William Sound Science Center attracts groups related to the sciences. Fisheries groups have held meetings in Cordova, as have groups connected with the Exxon Valdez oil spill. Occasionally museum and arts groups and professional boards have traveled to Cordova. There has not been any concerted effort to attract the meeting/convention market due to the limited facilities and lack of marketing budget.

Past research indicates that at a minimum the statewide meeting/ small convention market approaches 20,000 delegate days per year. With an aggressive marketing effort and a professional facility, Cordova could achieve similar convention activity as Sitka and Valdez – perhaps capturing up to five percent of this market.

To do this, Cordova would need to increase its profile with meeting planners with effective outreach programs. Discussions with meeting planners yielded little awareness of Cordova as a meeting destination. One planner said, "I hadn't thought

of Cordova.” Most had not traveled there and had no knowledge of the available infrastructure. A new facility could enhance Cordova’s position in the eyes of meeting planners, but a marketing effort is also necessary to inform and educate them.

## Meeting Planner Considerations

There are several factors that determine how a facility is selected for meetings. According to the Meetings Market Study conducted by Meetings & Conventions (August 2000), 72 percent of association planners indicated that the cost of the hotel or facility is a critical factor. It was followed by quality/type of meeting rooms (68 percent), negotiable rates (67 percent), and food service (63 percent). Billing procedures and quality of hotel rooms followed, tied at 48 percent.

In another survey conducted by Economic Research Associates, 78 percent of meeting planners indicated that cost of food and lodging was a very important consideration when selecting a site, followed by convenient airline service and travel costs at about 72 percent each.<sup>1</sup>

Planners rely on guidelines to assist with site selection for meetings and conventions. A checklist of critical elements was compiled in the Meetings & Conventions publication, February 2002.<sup>2</sup> The checklist is divided into several areas including general requirements, sleeping rooms, function space, food and beverage, and other important considerations.

Under “general requirements,” the first item mentioned relates to the type of property best suited for the type of meeting and the group involved and their primary service needs. Other important factors are the origin of meeting attendees, and whether any pre- and post-convention trips are planned.

For “sleeping rooms” the list identifies factors such as room rates, including sales and bed tax and any additional fees such as in-room phone charges. The list also identifies how rates are determined, whether rack (meaning retail rate), sliding scale or government per diem. Other issues relating to rooms include: the availability of smoking or nonsmoking, sleeping configurations (singles, doubles or suites), and policies on late arrival and checkout.

Under “meeting space” the checklist mentions elements such as number of rooms available to the group, whether meeting rooms have visual obstructions or sound proofing, and the condition and availability of sound systems, data ports and light and temperature controls.

“Food and beverage items” include the type of tax and gratuity for groups, what the average prices of meals are, the seating capacity of restaurants, and the types of restaurants available. In addition the list identified some other considerations when selecting a location, such as parking availability, distance of meeting facilities from the airport, downtown and hospitals, taxi fares, and local transportation.

While the Alaskan market is accustomed to making some exceptions with regard to infrastructure, the logistics of meeting in Cordova need to be as simple and convenient as possible for both planners and delegates.

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<sup>1</sup> Steven E. Spickard, *Economic Impact of Convention and Conference Centers*, Economic Research Associates, January 1996.

<sup>2</sup> Martha Cooke, *The Site Selection Process*, Meetings & Conventions, February 2002.

## Cordova Center Facility Design Criteria

The Cordova Center, if built, should meet the needs of two groups: the meeting/convention market and local users.

The meeting/convention market has very specific needs. The space should be professionally appointed and have the flexibility of accommodating varied seating arrangements and meeting room sizes. Many of the civic centers available in Alaska communities have large spaces that can be subdivided. Also, some have smaller rooms that are available for small groups or breakout sessions. A variety of rooms and configurations gives greater flexibility to groups using the space, particularly if the convention schedules a variety of activities during the meetings or includes exhibitors at their event.

Basic amenities such as screens, skirting, risers, podiums, chairs, are always expected by meeting planners. Audio/visual equipment is also expected, particularly equipment capable of accommodating computer-assisted presentations. Current state-of-the-art technology is important to some professional groups.

Quality sound and lighting equipment are meeting essentials. Proper soundproofing between meeting spaces is also critical to groups who separate into smaller working sessions. Access to phones and internet connections were also recommended by one planner.

Adequate seating to accommodate a banquet is essential for some groups who incorporate group lunches and dinners into their agendas. This means food service either in the facility or catered by an outside server is necessary as well. How the food service is provided will affect the type of kitchen needed. For a multi-purpose facility a level floor rather than raked floor is recommended. The raked floor limits the space usage, while a level floor meets the needs of multiple user groups. Banquet seating capacity should be available for groups of up to 100, for this particular market. The preferred seating arrangement is circular tables.

## Summary

- The statewide small meeting/convention market is sizeable, at over 20,000 annual delegate days.
- Cordova can (and does) attract groups with specific interests related to the community such as the Prince William Sound Science Center and the Exxon Valdez oil spill.
- Prior to implementing a marketing effort, Cordova should realistically evaluate its current infrastructure against meeting planner expectations.
- With a developed marketing plan and effective outreach program, Cordova could attract more groups to the community and perhaps even increase the size of the groups it already attracts, capturing up to five percent of the statewide market. In addition to the professional sales efforts, local delegate support and outreach is essential to attracting this market.
- Facility design should allow for varied meeting space size and the ability to change floor plans easily. This includes the ability to convert a space into banquet-style seating and the necessary tables to do so. In addition, the design should incorporate proper wiring to accommodate developing technology.

- At a minimum, the facility should have basic meeting necessities such as screens, microphones, risers, skirting, podiums, audio/visual equipment and food service capability.

## ***ECONOMIC IMPACT OF THE MEETING/CONVENTION MARKET***

The meeting and convention market is generally a much-desired market, and many CVB's invest considerable time and energy to attract it. These visitors are not expected to pay for the operations of the convention centers, but are valued instead for their overall contributions to the local economy. Many conventions take place over several days, during which time delegates pay for hotel stays, dining, and shopping in local stores.

According to the International Association of Convention and Visitors Bureaus (IACVB), delegates nationwide spend an average of \$231 each night for all events while staying in a community.<sup>3</sup> This number is based on a year-long survey of convention delegates and exhibitors, and excludes the cost of travel to and from the meeting destination and convention fees.

The study also segmented the delegate expenditures into two categories – international/national/regional events and statewide/local events. This is significant because it demonstrates that spending impacts will differ depending on the type of organization that attends meetings in the community. International, national, and regional delegates spend more on average (\$240 per delegate per day) than statewide and local delegates (\$199 per delegate per day).

A small community such as Cordova would likely draw from statewide groups rather than the international/national/regional category, resulting in a lower expected economic impact to the community. Another factor affecting the economic impact of the market is the number of delegate days spent in a community. According to the Deloitte & Touche LLP study, delegates attending statewide/local meetings spend fewer days in a community – two days compared to three and a half days by international/national/regional delegates.

It is likely that Cordova's direct economic benefits from the small meeting/convention markets could range between \$140 and \$160 per person per delegate day. These figures could be greater if delegates add days to their itinerary to participate in pre- and post-meeting tours and other activities.

The table below shows a range of possible annual spending impacts. Using an average of \$150 per delegate day and an average group size of 25, the economic impact to Cordova could range between \$112,000 and \$225,000 annually, depending on the number of groups.

**Potential Annual Meeting/Convention Economic Impact**

<b>Number of Groups</b>	<b>Average Group Size</b>	<b>Average # of Delegate Days</b>	<b>Total # of Delegate Days</b>	<b>Potential Economic Impact (\$150 per day)</b>
15	25	2	750	<b>\$112,500</b>
20	25	2	1000	<b>\$150,000</b>
25	25	2	1250	<b>\$187,500</b>
30	25	2	1500	<b>\$225,000</b>

Source: Estimates by the McDowell Group.

<sup>3</sup> Deloitte & Touche LLP, 1998 IACVB Foundation Convention Income Survey Report, International Association of Convention & Visitor Bureaus, 1998.

The greatest portion of delegate spending is typically allocated to lodging, followed by food and beverages, rental cars, gifts and souvenirs, and other personal items. This spending would have direct economic impacts in the community, creating jobs and income to the businesses providing goods and services to meeting delegates (hotels, retail stores, tour operators, etc.).

Cordova would also benefit from indirect economic impacts through local spending by businesses providing goods and services to delegates. There would also be “induced” economic impacts, stemming from increased local spending of payroll dollars.

It is beyond the scope of this study to calculate a multiplier specific to the meetings/conventions industry for the Cordova economy. For this analysis we can use a generally accepted multiplier of 1.5 to gauge the total economic impact (direct, indirect and induced) of delegates to Cordova.<sup>4</sup> A total of 750 annual delegate days could amount to approximately \$169,000 in delegate spending. Using 1,500 delegate days results in a total spending of about \$338,000.

## Summary

- It is likely that Cordova would draw from in-state groups since they require less marketing effort to attract, particularly for a community just entering the market. State/local groups tend to have lower economic impacts than other groups from the national/regional/international level.
- Direct economic benefits to Cordova from delegate spending could range between \$112,000 to \$225,000 annually depending on the number of delegates, number of groups and delegate days spent in the community.
- Civic centers are not self-supporting and while the meetings/conventions market will generate revenue for the facility, additional subsidies will be required by the community to operate the center.

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<sup>4</sup> Multiplier developed by McDowell Group.

## **Cordova's Current Available Meeting Space**

Currently, Cordova's meeting space inventory is limited. The Reluctant Fisherman has two meeting rooms that can accommodate a maximum of one hundred people and several small break-out rooms. Service groups such as the Masons, and Loyal Order of the Moose have larger halls that can be used for group functions. The city also operates the Bidarki, a multi-use recreation center, which occasionally has been used for meetings. However, these facilities are not well-suited to compete in the meeting and small convention market. There is a shortage of facilities that accommodate small break-out sessions. Also, while some facilities have kitchens on the premises, a catering service needs to be brought in to serve meals, or meeting attendees must leave the premises to get meals.

## **Cordova's Accommodations**

Cordova accommodations are varied and spread throughout the local area. There are several motels, a couple of lodges and several bed and breakfast operations, making up approximately 165 rooms. The largest property, Reluctant Fisherman, currently has 42 rooms (4 more will be added in 2004), a full-service restaurant and bar that is open seasonally and meeting space for approximately 100 people. Some area accommodations are only open during the summer, limiting Cordova's ability to attract off-season meetings.

Several facilities are located in the downtown area, but some lodges, cabins and bed and breakfasts are located a little farther off the beaten path, for example, at Lake Eyak and along the Copper River Highway.

Amenities provided by the various lodging facilities differ depending on the type of facility. Available amenities include non-smoking rooms, fully stocked refrigerators, fully prepared meals, private phones and bathrooms, parking, shuttles to town or the airport, televisions, laundry facilities, and freezer space.

Cordova does not have any facilities that would be considered upscale or luxurious. Past studies indicate that some meeting attendees desire first class accommodations and could be disappointed with Cordova's current facilities. Though the current rooms may be clean, comfortable, and well-appointed, this may not be enough. There are plans for construction of a small upscale resort near the Million Dollar Bridge in the next few years.



## Cordova Area Accommodations

Property	Lodging Type	Number of Rooms	Room Rates
Alaskan Hotel & Bar	Hotel	9	\$35 to \$55
Bear Country Lodge	Lodge	2	\$70 to \$100
Bear's Den Cabins	Cabins	2	\$50 to \$120
Cordova Hotel and Bar	Hotel	15	\$60
Cordova Lighthouse Inn	B&B	4	\$100
Cordova Rose Lodge	Lodge	10	\$100 to \$150
Downtown B&B	B&B	2	\$60 to 115
Enchanted Garden	Rental Suites	2	\$75
Eyak Hideaway	Rental Suite	1	\$100 to \$200
Harbor View B&B	B&B	2	\$55 to \$75
Just for the Halibut Inn	Rental Suites	2	\$75
King's Chamber	B&B & Lodge	7	\$75 to \$185
Laura's	Rental Suite	1	\$105 to \$125
Lupine Inn	Rental Suite	1	\$70
Marine Way B&B	B&B	2	\$50-\$60
Northern Nights Inn	Inn	4	\$55 to \$85
Orca Adventure Lodge	Lodge	34	\$125
Prince William Motel	Motel	16	\$90 to \$120
Red Shield Inn	B&B	2	\$50 to \$60
Reluctant Fisherman Inn	Motel	42	\$50 to \$100
Sea View Condo	Rental Suite	1	\$85 to \$100
The Udder Inn	B&B	4	\$65 to \$75
<b>Total Number of Rooms: 165</b>			

Source: Cordova Chamber of Commerce and other sources. Compiled by the McDowell Group

With some rooms limited to single occupancy, the maximum number of delegates could reach 300, for 165 rooms. The typical occupancy rate for meetings/conventions is 1.2 or 1.3 persons per room. At this rate, Cordova could host groups of about 200 delegates. However, the community should target groups of 125 or less. This takes into account that some facilities are not open year-round and that there are occupancy limitations during the summer months when tourism-related visitors also use lodging space.

Communities can also be creative in finding accommodations for larger groups, depending on the type of group. Some organization members may not be as demanding with their lodging and require only a place to bed down. Several small communities in Alaska have utilized empty bunkhouses and vessels with cabins on them to house delegates. This is not ideal for all meeting groups but could be useful when attempting to bid for a larger-sized convention.

## Transportation

Cordova's location on Prince William Sound is considered remote since it is accessible only by air or water. Considering Cordova's size (about 2,500 residents), access is fairly good with several available air options and state ferry service.

## **Air Access**

Jet service to Cordova occurs once northbound (originating in Seattle via Juneau and Yakutat) and once southbound (originating in Anchorage). Travel time between Anchorage and Cordova is about 45 minutes. Fares from Anchorage to Cordova range between \$212 and \$245 round-trip. The northbound flight from Seattle stops in multiple Southeast communities. Rates in the summer of 2004 will range between \$604 and \$772 round trip, depending on the flight combination and the price of flight segments. The most efficient, although not the most cost affective, route for travelers from Seattle is to fly directly to Anchorage and then fly down to Cordova.

With smaller planes, ERA Aviation provides consistent scheduled service to Cordova from Anchorage. Flight schedules change somewhat with the season, increasing during the summer. ERA's winter schedule shows departures three mornings and 4 evenings a week with no service on Tuesday, Wednesday or Saturday. For summer 2004, ERA will operate three morning flights a week and evening flights every day except Saturday (Saturday flights may be available June, July and August). The 37 seat ERA DH8 200 flight duration is about one hour. ERA also occasionally operates a Convair which seats 50 passengers. The Convair will be replaced in the summer of 2004 with a DH8 300 with similar seating capacity. Walk-up, round-trip rates are about \$358 plus tax, airport fees, and fuel surcharges. Three week advance round trip tickets cost \$245 and short notice, weekend special fares, can be as low as \$109 roundtrip.

Jim Air, based out of Anchorage, offers charter flights to Cordova from Anchorage. The one way fare for up to five people is \$660 and the fare for up to 9 people is \$1800.

Occasionally weather conditions prevent aircraft from landing, but this is not a common circumstance and generally is not viewed as an issue for Cordova. Anecdotal information reveals that jets cancel stops between two and six times per year.

## Air Traffic

Air traffic in Cordova fluctuates. The last several years have seen a decline in enplanements since traffic peaked in 1995. Commercial fishing is a critical piece of Cordova's economy, and it is likely that air traffic has followed the fluctuations in this volatile industry.

Summer visitors are attracted to Cordova to sport fish, visit Prince William Sound and Childs Glacier, and experience various wilderness adventures – kayaking, river rafting, and wildlife viewing.

**Cordova Enplanements, 1992-2003**

Year	Number of Passengers
2003	NA
2002	13,448
2001	17,528
2000	17,995
1999	20,175
1998	19,985
1997	21,076
1996	21,907
1995	23,442
1994	19,019
1993	17,123
1992	19,090

Source: Federal Aviation Administration

Cordova's air service is good and a reasonable value. This is an asset to the community when competing with other communities to host meetings.

## Marine Access

Marine access is not likely to be the primary mode of travel used by meeting or convention delegates to access Cordova due to time considerations. However, it is important to acknowledge this additional mode of access to the community. The Alaska Marine Highway System stops in Cordova on a regular basis. The schedule varies depending on the season. Currently two vessels make Southcentral voyages, the MV Bartlett and the MV Tustumena. Both vessels carry vehicles and passengers. Ferry travel requires a greater time commitment than flying. Running time between Southcentral communities can be extensive. For example, current running time between Cordova and Valdez is about five and a half hours. Travel time between Cordova and Whittier is seven hours, and between Cordova and Seward, twelve hours.

Significantly improved ferry service to Cordova will be available within the next year. The M/V Chenega, a high speed ferry under construction for the Alaska Marine Highway System will sail in Prince William Sound beginning in 2005. The Chenega will be based in Cordova. The ferry is capable of carrying 250 passengers and 35 cars. Reaching speeds up to 36 knots, travel time between ports could be reduced by half. The decreased travel times will improve access to Cordova. In anticipation of the new fast ferry the current terminal will be replaced with a new floating steel dock. The AMHS will also be constructing an upland support facility for the vessel.

Passenger rates change depending on the season and the destination. There are also separate rates for cabins and vehicles. Below is a rate schedule for adults for fall, winter, spring 2003-2004 and summer 2004 between several Southcentral ports.

**AMHS One-way Passenger Tariffs,  
Fall, Winter and Spring 2003-2004, and Summer 2004**

Port Link	Fall Winter Spring 2003- 2004	Summer 2004
Cordova to Valdez	\$39	\$41
Cordova to Whittier	\$74	\$74
Cordova to Seward	\$71	\$74
Cordova to Homer	\$162	\$170

Source: Alaska Marine Highway System, Official Schedules.

**AMHS Traffic**

Ferry disembarkations have fluctuated over time but since 1999 the trend has been upward. However, there has been an average annual decrease for the last twelve years of less than 1 percent. Ferry disembarkations were greatest in 1992 and lowest in 1999.

**Cordova Ferry Disembarkations, 1992-2003**

Year	Number of Passengers
2003	NA
2002	5,871
2001	5,872
2000	5,418
1999	5,019
1998	5,082
1997	5,567
1996	5,126
1995	5,664
1994	5,126
1993	5,664
1992	6,548

Source: Annual Traffic Reports 1992 through 2003, Alaska Marine Highway System.

Ferry transportation is very reliable, and reduced travel time between ports is a positive development, but it is unlikely many meetings/convention attendees would use this travel mode. A business traveler generally has less time available and air transportation to and from Cordova is more efficient. The reduction in travel times to other ports in Prince William Sound may be useful in attracting delegates who wish to add more extensive pre and post trip activities to their itinerary.

## Summary

- Cordova's current available meeting space is limited and generally not adequate for hosting meetings and small conventions. While the community has hosted larger groups in the past, facility operators have pointed out inadequacies, such as poor soundproofing and lack of food service on the premises.
- Cordova has an adequate number of rooms to host a group of approximately 100 delegates. However, meeting group size is dependent on room availability. Group size would be limited in the busy summer visitor season. Also, not all lodging facilities are open year-round, further limiting the number and types of potential groups.
- Air access to Cordova is sufficient from Anchorage to accommodate small meetings. Negotiating group discounts or special fares would provide an additional boost in attracting this market.
- Cordova also has marine access via the state ferry system, but it is a less efficient travel option and not the primary choice of most meeting planners. The fast ferry has the potential to reduce some of these inefficiencies and improved ferry service to Cordova will provide meeting planners with much better marine access than is currently available.

If a new civic center were built, Cordova would compete with other relatively remote Alaska communities such as Kodiak, Sitka and Valdez for the small meeting/convention market. Each of these communities requires an additional investment in terms of cost and travel time when compared to Anchorage, Fairbanks, and Juneau. In addition, there are fewer services available locally. However, these smaller communities do attract certain kinds of organizations – those with a small number of meeting delegates, those with ties to the community, and those seeking a small-town atmosphere for their meeting.

### **Market Presence**

Currently Kodiak, Sitka, and Valdez have a clear advantage over a possible newcomer like Cordova: they are already established as meeting destinations. Meeting planners and business and government agencies are cognizant of the type of reception and service they receive in these communities based on past experience. Valdez has an additional advantage since it is on the state road system.

A community seeking to establish itself in this market will need to invest heavily in an initial marketing campaign to create awareness among meeting groups. Currently, according to meeting planners contacted for this study, Cordova has no market presence as a meeting destination.

### **Marketing Investment**

Cordova currently allocates zero funding to attracting meetings and conventions, although the Chamber of Commerce occasionally provides information to groups that inquire about lodging and meeting facilities. In addition, low staff availability makes it difficult to assist the few groups that do visit. Construction of a facility alone, without marketing support, is not likely to attract more meetings to Cordova.

The necessary marketing effort to attract groups includes personnel time devoted to making sales calls to target organizations. This type of outreach would focus on educating groups about Cordova's ability to host meetings and highlighting the community's assets. Information would include ease of access, style and variety of restaurant and catered cuisine, and pre- and post- activities. Sales calls would further include traveling to meeting/convention trade shows to create greater awareness of Cordova.

A proactive marketing approach also means taking advantage of connections local community members have with various organizations. For instance, the local harbormaster could assist in adding Cordova to the rotation of the state or regional harbormaster meetings.

In addition, a staff member would need to offer direct assistance to meeting planners. This includes providing meeting packets with maps and fliers, making suggestions on meeting facilities and accommodations based on the size of the group and the group's needs, making pre- and post-meeting tour suggestions and assisting with conference registration.

Convention and visitors bureaus that compete in the meeting and convention market dedicate various levels of funding to attracting it. Sitka has a full-time staff person devoted to attracting groups to the community. Approximately one-quarter of Sitka's overall budget is dedicated to the meeting/convention market. Valdez allocates 7 percent, increasing to 12 percent in the next couple of years. Kodiak does not have a staff person devoted to attracting this market.

On a national level, CVB expenses devoted to the meeting/convention market averaged 31 percent in 2001.<sup>5</sup> This includes convention sales and marketing (27 percent of CVB expenses), convention services and housing (3 percent), and convention registrar operations (1 percent).

Cordova will need to assess its ability to invest in staff time dedicated to the meeting and convention market, particularly if the Cordova Center is built.

## Transportation Analysis

A small community attempting to compete in the meeting/convention market must ensure that access to the community is similar to that of its competitors. Like other more remote Alaska communities, Cordova could be perceived as being costly to access in terms of time and money. In addition, weather delays are a factor to consider when relying on air travel to reach a meeting location, though Cordova's airport experiences few flight weather delays.

The table below shows Alaska Airlines fees and flight times to Cordova, along with other small meeting destinations. Airfares to Cordova are competitive. It should be noted that among these small communities, only Cordova is an Essential Air Service (EAS) community. Alaska Airlines provides scheduled air service under an agreement with the federal government and receives a subsidy for operating in the community. This guarantees Cordova continued scheduled air service.

**Alaska Airlines Flight Fares and Duration, Summer 2004**

Destination Link	Fare	Flight Time
Anchorage to Cordova	\$212 - \$244	45 min.
Anchorage to Valdez	\$225	40 min.
Anchorage to Kodiak	\$219 - \$310	1 hr.
Anchorage to Sitka	\$328 - \$439	2 hrs. 20 min.
Seattle to Cordova	\$492 - \$736	4 hrs. 10 min.
Seattle to Valdez	\$466 - \$736	4 hrs. 7 min.
Seattle to Kodiak	\$458 - \$645	4 hrs. 27 min.
Seattle to Sitka	\$388 - \$505	2 hrs. 45 min.

Source: Alaska Airlines, compiled by McDowell Group.

Travel fees are important to meeting groups. The study team recommends establishing relationships with air carriers to provide lower rates or negotiated discounts to further enhance Cordova's appeal.

<sup>5</sup> Industry Insights, 2001 CVB *Organizational & Financial Profile*, International Association of Convention & Visitors Bureaus Foundation, 2001.

## Infrastructure

While Kodiak, Sitka and Valdez may have similar style accommodations to Cordova, they also have larger room inventories. In addition, both Sitka and Valdez have well-established convention facilities, the Centennial Building in Sitka and the Valdez Convention Center. These are clear advantages.

Remote communities can be attractive to some meeting planners but also can be considered undesirable by some who are concerned about the type of service their clients may receive. There could be concerns about the quality of food, lodging facilities and other services in the community as well as the ability to participate in activities outside the structured meeting time. If there is doubt about the caliber of the location, meeting planners would be less likely to select the destination for their groups.

Valdez expended energy and focused on improving the local infrastructure so that lodging and food service are considered good quality for the groups that travel to their community.

Cordova will need to analyze its own facilities. This is particularly critical for corporate retreats that may have higher service expectations.

## Challenges and Opportunities Summary

There are a number of challenges and opportunities Cordova faces as it considers entering the meeting/convention market. But with careful planning and additional investment Cordova can attract some of the small meetings/conventions market and reap the related economic benefits. The table below identifies some of these challenges and opportunities.

**Cordova's Challenges and Opportunities**

Challenges	Opportunities
New to market, no reputation	New to market, fresh appeal
Highly competitive market requires awareness among groups	Already established presence among specific groups with ties to the community (i.e. PWSSC)
Currently no resources to compete	Tourism plan identifies need to invest in tourism marketing including meeting/convention market <sup>6</sup>
Perceived as expensive and remote	Transportation fees are competitive
Limited infrastructure, seasonal availability of some rooms and catering services	Remote, "off the beaten path" appeal
Perception of few available activities and limited shopping opportunities	Pre- and post- convention wilderness activities (fishing, kayaking, glacier experience, etc.)
Convention/meetings facilities almost always need to be subsidized	Fast ferry Chenega will provide more efficient marine access to the community

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<sup>6</sup> Christopher Beck & Associates, *Cordova Community Tourism Plan: Actions and Strategies for Positive Tourism Growth in Cordova and the Lower Copper River Watershed*, March 2002, Page 27.



## Summary

- Cordova is in a unique competitive position to enter the meeting/small convention market. The connections it has to specific interest groups are strong assets.
- Though Cordova has little market presence it can capitalize on being a new destination to the in-state meeting rotation if a civic center is built.
- Cordova will need to invest professional time and provide financial support to either the city or Chamber of Commerce to market the community to meeting planners.
- Cost to travel to Cordova is competitive among other small remote communities. Its Essential Air Service (EAS) status is a benefit to the community since it is more likely to be guaranteed jet service.
- Cordova's accommodations, restaurants and services are similar to those found in other small communities. Some investment may be necessary to upgrade these and assure meeting groups that Cordova has the ability to provide quality service and accommodations.
- The challenges Cordova faces are not insurmountable with a sound long-term tourism development plan.