

ECONOMIC IMPACT OF COVID-19 ON SKAGWAY, ALASKA

MARCH 30, 2021



ECONOMIC IMPACTS OF COVID-19 ON SKAGWAY, ALASKA

99.68% REDUCTION IN ARRIVAL NUMBERS

2019 arrivals = 1,551,668

2020 arrivals = 4,984

Information provided by
Skagway Visitor Department 3/30/21



Photo: R. Hylton

Over 90% Decrease in Tax Revenue 2019 - 2020

SALES TAX: 91.4% loss in tax collected (\$8.2M) & \$163.9M reduction in taxable revenue spent in Skagway.

Total Sales Tax Revenues						
Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Taxable Revenue	Tax Collected
2019	5,730,753	66,148,840	106,070,986	5,037,200	182,987,778	8,961,205
2020	4,553,420	4,469,950	5,000,271	5,062,368	19,086,009	766,477

SHORT-TERM RENTAL (BED) TAX:

90.5% loss in tax collected (\$174k) & \$2.2M reduction in taxable revenue spent in Skagway.

Total Bed Tax Revenues						
Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Taxable Revenue	Tax Collected
2019	71,536	867,856	1,374,563	81,563	2,395,518	191,641
2020	56,733	37,208	110,138	22,826	226,905	18,152

The Municipality also recognized a loss of approximately \$5M in CPV Excise Tax shared revenues from the State of Alaska.

Information provided by
MOS Borough Treasurer 3/20/21

SKAGWAY'S PROJECTED 2020-2021 REVENUE LOSS

The Municipality originally budgeted 25% of sales tax revenue in FY21 (based on 2019 levels), but now expect closer to 6% with the news of the extended no-sail order. In addition to the actual 2020 losses demonstrated above, FY21 revenue losses are estimated to be around \$13.2M:

- Sales Tax: \$8M
 - STR (Bed) Tax: \$150,000
 - CPV Excise Tax: \$5M
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- Total losses to Skagway between 2020 & 2021 are estimated at over \$300 Million in taxable revenue spent within the community and \$26.6 million in taxes collected.

SKAGWAY'S INNOVATIONS

80% OF CARES ACT FUNDS
DISTRIBUTED DIRECTLY TO RESIDENTS

ECONOMIC SUPPORT	5,894,910.71	80.7%
PUBLIC SAFETY PAYROLL	1,094,060.62	15.0%
FOOD PROGRAMS	128,960.00	1.8%
PUBLIC HEALTH	122,308.14	1.7%
OTHER	60,780.02	0.8%
	7,301,019.49	100.0%

Information provided by
MOS Borough Treasurer 3/20/21



Photo: W. Anderson

SKAGWAY'S INNOVATIONS

USING SALES TAX RESERVES,
CREATED GRANTS
TO SUPPORT YEAR ROUND BUSINESSES

\$991,600 Small Business Emergency Grant

\$230,503 S.N.O.W. Grants

RESERVES	Dec-19 BALANCE	Dec-20 BALANCE	Dec-21 ESTIMATE
Sales Tax	15,648,116	10,567,830	5,124,562
Excise Tax	20,011,722	19,226,251	11,541,171

Information provided by
MOS Borough Treasurer 3/20/21

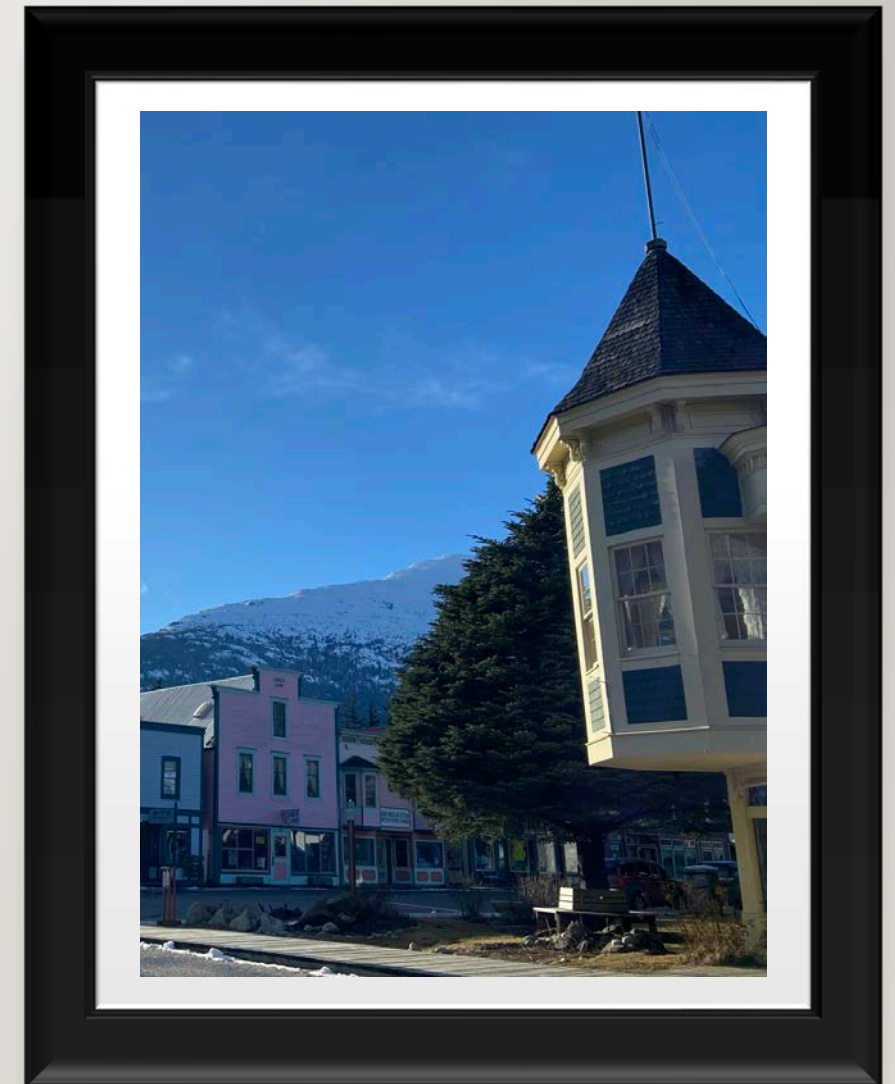


Photo: W. Anderson

GOALS FOR THE FUTURE?

ATTRACT INDEPENDENT VISITORS TO SKAGWAY IN 2021!



WHAT CAN THE STATE DO TO HELP MAKE SKAGWAY'S GOALS HAPPEN?

Support & fund
the Alaska Marine Highway System

Alaskans & Visitors need reliable transportation
in Southeast Alaska

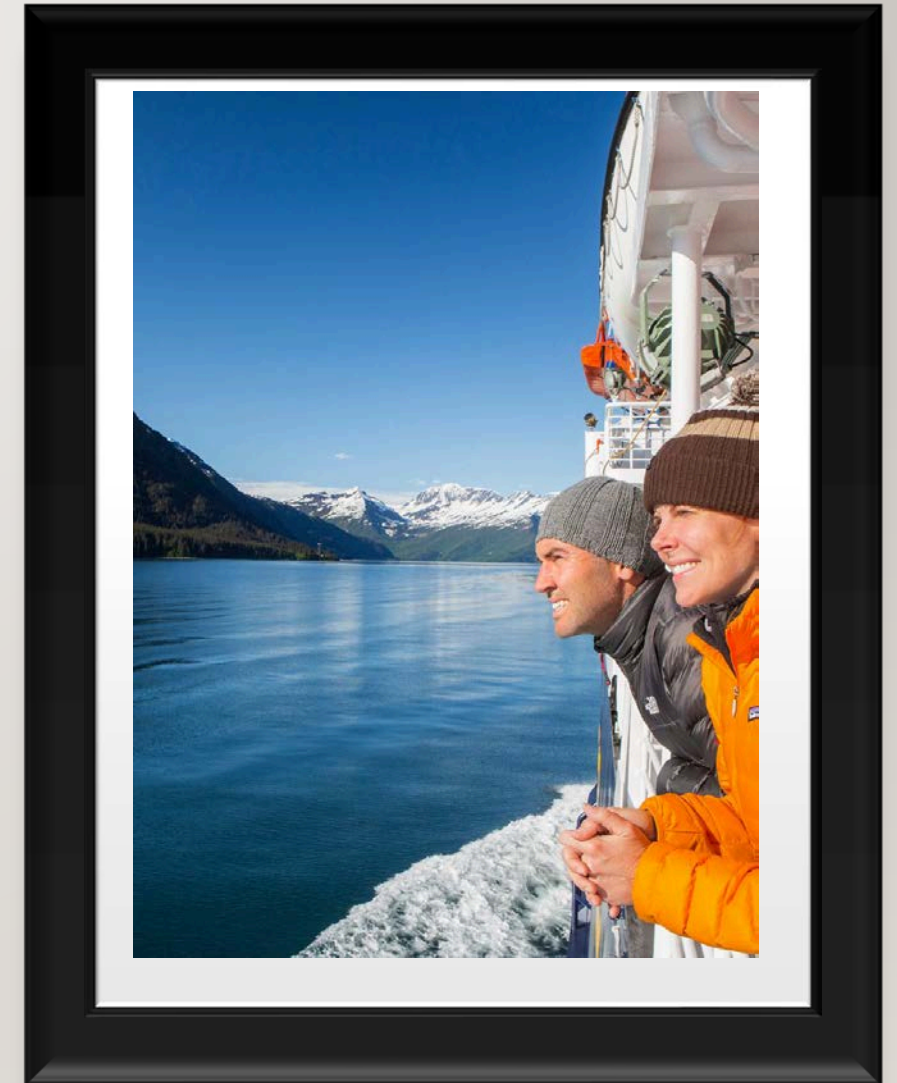


Photo: AMHS

WHAT CAN THE STATE DO TO HELP MAKE SKAGWAY'S GOALS HAPPEN?

Any funding that can be used for general government purposes or revenue replacement due to losses cause by the pandemic would be much appreciated from the State or Federal Government

- Funding would help Skagway make it to the 2022 season & prepare for 2023. Maintaining the necessary infrastructure required for a full-season continues to be a heavy burden on such a small community.
- This includes water, wastewater, garbage, public works, public safety and port/harbor facilities & services. This infrastructure must be well-maintained to accommodate the heavy influx of seasonal populations & visitors when they are able to return & to serve current local residents.



SOS Save Our Skagway



When it's safe to travel

Think Skagway, Alaska.

Where social distancing
comes naturally.

#thisisskagway #planforvacation
#letsmakeplans #travelalaska



Skagway, Alaska needs your help! After the events of the past year, Skagway is ready to help you.

Cruise ship tourism is Skagway's main economy. The pandemic's devastating effect on the cruise industry has essentially left Skagway without an economy. Fortunately, you can help, and in the process enjoy the most unforgettable vacation of your life. Plan your vacation in Skagway this summer and enjoy this once-in-a-lifetime opportunity to immerse yourself in the natural beauty of our home free from the crowds. Whether you used to live in Skagway as a year-round or seasonal resident or visited our town and fell instantly in love with everything we have to offer, your visit in 2021 could very well be what helps us survive until cruise ships return in 2022. Skagway offers visitors a healthy and safe environment where you can enjoy endless adventure and quiet inspiration from ocean to mountaintop and everywhere in between.

Explore skagway.com or reach out to us at skagwayinfo@skagway.org
so we can encourage your travel dreaming and planning!