

02/07/13

Overview:

Film and

Tourism

Programs by

Division of

Economic

Development,

DCCED

<TARGET><BILL></BILL><SUBJECT>02-07-13 Overview Film and
Tourism Programs by Division of Economic Development,
DCCED</SUBJECT><COMM>HEDT28</COMM></TARGET>

Alaska State Legislature

Representative Shelley Hughes, Chair

Session Address:

Alaska State Capitol, Room 409

Juneau, Alaska 99801-1182

Phone: (907) 465-3743

Fax: (907) 465-2381

House District 8



Representative Lynn Gattis

Representative Bob Herron

Representative Pete Higgins

Representative Craig Johnson

Representative Kurt Olson

Representative Lance Pruitt

Representative Harriet Drummond

Representative Geran Tarr

House Special Committee on Economic Development, Trade and Tourism

AGENDA

February 7, 2013

1. Call to Order

~Gavel~ Economic Development, Trade and Tourism Committee is called to order. The time is _____. Welcome, everyone. Thanks to LIO monitor, _____, and our recording secretary, Debbie, and to my committee aide, Ginger Blaisdell. Welcome 8 student guests (see handout)...

2. Roll Call and Agenda

- For the record, in attendance are: (representative xx, representative xx,... and representative xx – and remember to include self!)
 - Several members may be coming and going due to other committee meetings underway.
- Today's agenda includes two topics presented by:
Department of Commerce, Community and Economic Development, Division of Economic Development; Director Lorene Palmer
 - The Department also distributed via email last night to all legislators, the FY2013 Second Quarter Alaska Tourism Marketing Report. While it's not specifically part of the presentation today, it is an interesting read.

3. Calendar Review

- The next meeting of EDTT is Tuesday, February 12 at 11:15am in this room. This will be a joint meeting with the Senate Special Committee on World Trade and we'll hear from Greg Wolf of the World Trade Center Alaska.
 - We do not have a meeting scheduled for Thursday, February 14th.

Do members have any closing comments?

- Thank you. We are ADJOURNED at _12:___ (time).” ~Gavel~



Connecting Lives, Sharing Cultures

Please Join Us

Pizza Lunch

Friday, Feb. 8th

11:45-12:45

Beltz Room

We have 8 AFS "Sponsored Program" students spending the year in Alaska, visiting Juneau who are here on full scholarships to help build better relations between the USA and their home countries. Please come meet them and enjoy lunch.

Egypt - Jordan - Lebanon - India - Russia - Malaysia - Cameroon Germany

AFS-USA Mission

AFS-USA works toward a more just and peaceful world by providing international and intercultural learning experiences to individuals, families, schools, and communities through a global volunteer partnership.

AFS-USA (formerly the American Field Service), a 501(c)3 nonprofit organization, is a leader in intercultural learning and offers international exchange programs in more than 40 countries around the world through independent, nonprofit AFS Organizations, each with a network of volunteers, a professionally staffed office, and headed up by a volunteer board.

We've been exchanging students throughout the world for 65 years. That's six decades of history and experience in international education with an exemplary record of safety, security, and service to students, parents, and educators.

Contact - Amy Coffman (816) 898-4321 acoffman@afsusa.org

Welcome
the
student
guests



State of Alaska Economic Development - Tourism & Film

February 7, 2013

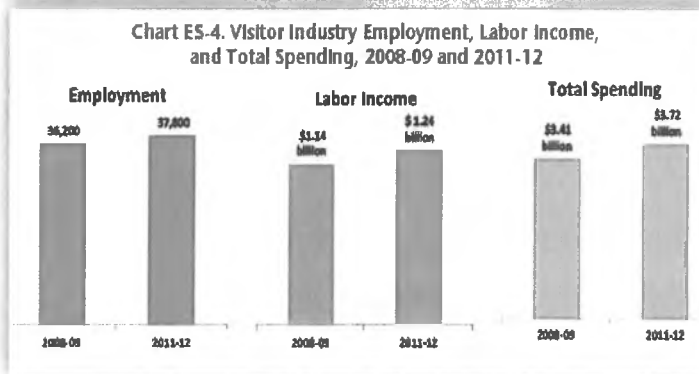
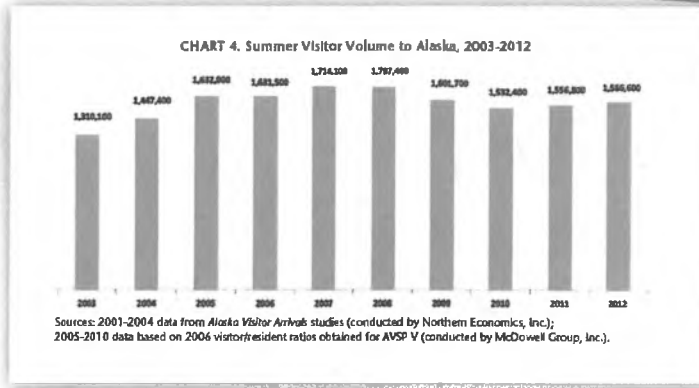
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Economic Development – Tourism Sector

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Why Tourism is Important to Alaska's Economy

- Generates \$3.72 billion in direct and indirect spending in the state
- Collects \$179 million in taxes and fees
- Represents 37,800 full and part-time jobs (8 percent of statewide employment) with 45,000 employed at peak season
- Forecast:
 - Cruise ship visitation is expected to increase in 2013 by up to 7% for total arrivals estimated at 1,005,000
 - Increased air capacity with addition of Icelandair, Jet Blue, United and Alaska Air flights



State Marketing Program	Budget
Advertising	\$9,893,525
Mailing Services/Data Management	874,200
Media Relations	1,109,375
Website	760,300
North to Alaska – Alaska/Canada Highway Promotion	590,000
Research	273,400
Cooperative Marketing	281,600
In-State Marketing	150,500
Travel Trade	454,000
International Marketing	1,263,500
DCCED Expenses	349,600
Tourism Support Services Contract	1,050,000
TOTAL:	\$17,050,000

Alaska Tourism Marketing – Creating Demand

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Public Relations

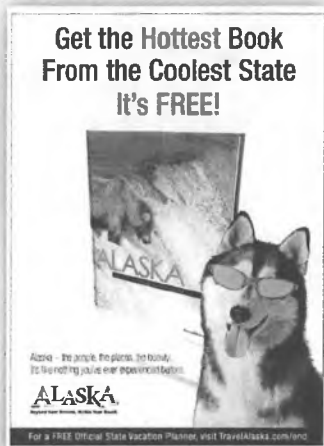
- Generated 447 stories to date
 - (PR value \$31.5 million)
- Media Road Show: 30 journalists
- New York media luncheon
- Monthly e-newsletter: 650 journalists
- Social media
- Special Projects – Top Chef
 - 5.2 million viewers/two episodes
 - \$5.4 million in PR value



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Alaska Tourism Marketing – Creating Demand

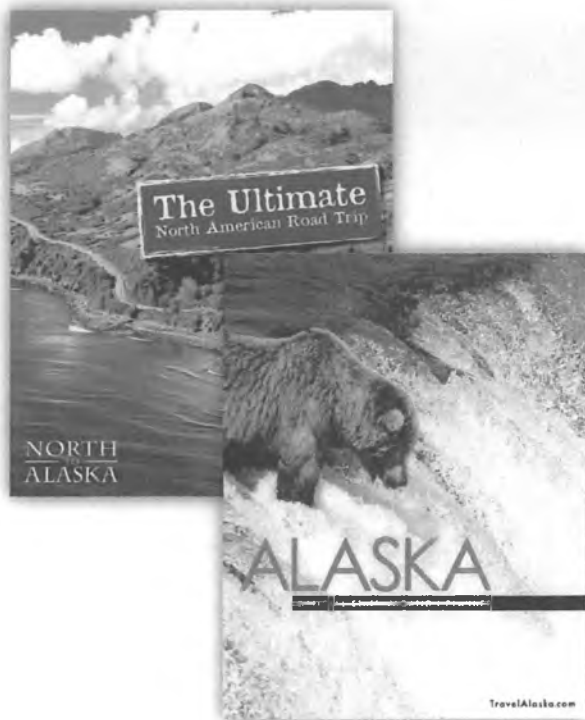
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Advertising

- 25 full-page ads in national magazines (circulation: 23.7 million)
- 18 small-space ads in national magazines (circulation: 15.6 million)
- National television advertising:
 - 1,772 30-second ads on cable networks
 - 439 10-second ads on nationally syndicated programs



Travel Planning Tools

- Distributing Alaska travel information:
 - Generate 600,000 requests for Alaska travel guides/brochures
 - 100,000 North to Alaska guides



TravelAlaska.com

- 2.4 million website visits annually
- 400,000 e-newsletters monthly
- Japanese, German and Korean language websites
- Updating content on state marketing partners, cultural information, and heritage tourism

Icelandair/Alaska Marketing

- Sales Manager FAM trip (Oct 15-18) sales managers from Sweden, Norway, France, Germany, Netherlands, Belgium, UK, Ireland, Finland, and Denmark were able to experience Alaska first-hand
- Attending Mid-Atlantic Conference; purpose is to connect with Icelandair executives prior to launch of new Alaska service in May

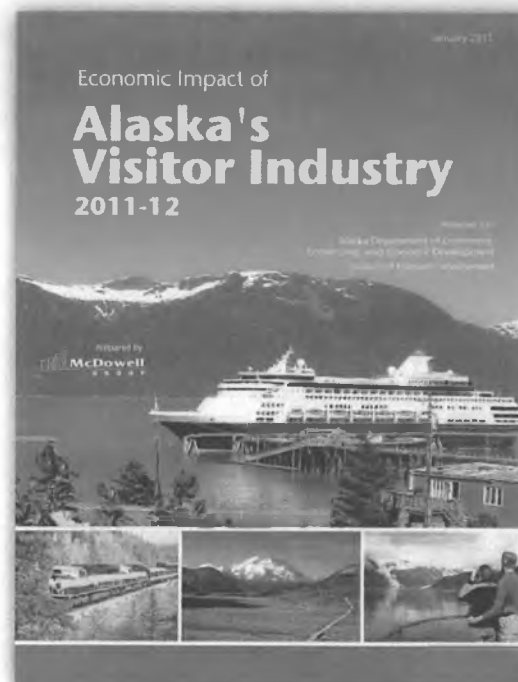
ICELANDAIR



Alaska Tourism Market Research

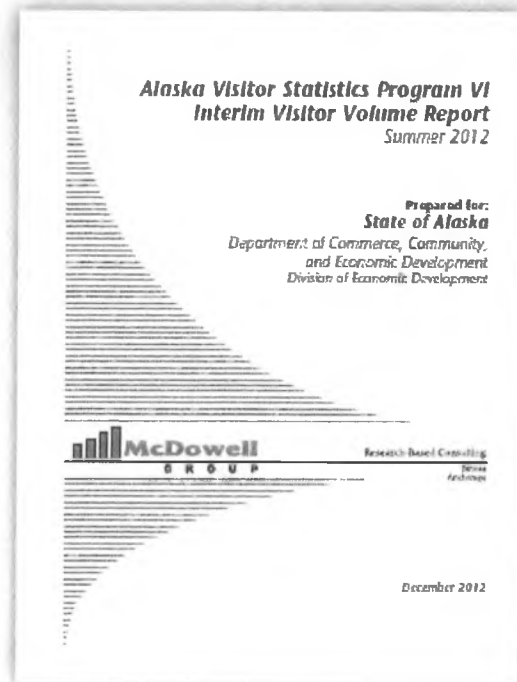
Economic Impact of Visitor Industry

- Commissioned by Division of Economic Development
- Shows tourism industry employment, visitor spending, visitor volume, revenues to municipal and state governments
- Report is in final review and will be released soon



Alaska Visitor Statistics Report

- Shows visitation volume, visitor volume trends, visitor industry indicators
- Available online



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Host and Tour Guide Training

- Training Programs:
 - AlaskaHost
 - CulturalHost
 - AlaskaTour Guide Training “Train the Trainer”
 - Navigating Tourism Opportunities in the Alaska Cruise Industry
 - Starting a Bed & Breakfast



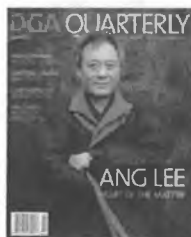
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Photo credit: Bob Crockett

Alaska Film Office – Promotion Activities

- Outreach through speaking engagements, targeted contacts, and fielding daily inquiries
- Film Industry trade shows and events
 - AFCI Locations Trade Show
 - Incentives Symposium
 - American Film Market
 - Global Media Update
- Advertising in target film industry publications
- Film Representation RFP



Alaska Film Office – Return on Investment

Approved Tax Credits - Spending Categories by Fiscal Year

Spending Category	FY10	FY11	FY12	FY13 (thru 1/23/13)	TOTAL
Non-Resident Wages	\$284,212	\$10,789,238	\$34,130,224	\$14,620,345	\$59,824,020
Alaska Resident Wages	\$134,540	\$1,992,584	\$5,713,981	\$2,562,327	\$10,403,433
In-state Transportation	\$61,730	\$959,020	\$763,716	\$928,544	\$2,713,009
Interstate Transportation	\$40,722	\$431,624	\$1,011,181	\$585,823	\$2,069,350
Location and other Fees	\$46,567	\$1,596,168	\$9,050,337	\$2,203,896	\$12,896,968
Contract Services	\$107,173	\$694,356	\$1,879,930	\$6,193,508	\$8,874,967
Food & Lodging	\$64,395	\$1,883,117	\$3,981,572	\$1,355,483	\$7,284,567
Other	\$5,616	\$706,779	\$859,520	\$2,079,158	\$3,651,072
Total	\$744,955	\$19,052,886	\$57,390,460	\$30,529,084	\$107,717,385
	244k	19.2M	18.6M	9.9M	\$ 35.1M

Alaska Film Office – Workforce Development

Training Provider	Program
Talking Circle Media	Crew Academy of Alaska offers training on live sets, locations and studio sound stages of film and television productions. Participants receive career counseling and job placement resources.
Alaska Crew Training (ACT I)	Production Boot Camp 101: Cast and Crew Training is a production overview for entry-level and mid-level positions through classroom and hands-on intensive crew trainings in rural and urban communities.
Alaska Crew Training (ACT I)	ACT I Week Intensive Level I and II Programs will prepare participants for entry-level, on-set opportunities in film and video production, including examining the knowledge and skills expected of a production assistant and teaching attendees to hold entry-level positions in the grip or electric departments.
IATSE Local 918 (International Alliance of Theatrical Stage Employees)	Professional film technician training including classes taught in Anchorage and Fairbanks with video streaming accessible to rural Alaska through the University of Alaska Anchorage. Classes will include fundamentals of filming, grip, electric, safety and set etiquette.
Affinityfilms, Inc.	Advanced training for script supervising for crew with experience in the film industry. Training focuses on film and commercial shoots in Alaska.
KPU Telecommunications (Ketchikan Public Utilities)	Southeast Alaska Film Training Consortium provides a web-based class for students to learn video production concepts. Emphasis will be on pre-production, camera operation, recording procedures, electronic field production, lighting, and audio.
University of Alaska Fairbanks, Film Program	Film Reel Alaska Mentoring Experience Phase II - Production & Post-Production provides three tiers of training to applicants in pre-production, production, and post-production using live film shoots to mentor students in all departments and positions on a small film set.



Questions?

Director Lorene Palmer
Division of Economic Development



THE STATE
of **ALASKA**

GOVERNOR SEAN PARNELL

Department of Commerce, Community,
and Economic Development

OFFICE OF COMMISSIONER

550 West Seventh Avenue, Suite 1535
Anchorage, Alaska 99501
Main: 907.269.8100
Programs fax: 907.269.8125

February 6, 2013

Dear Legislator,

I am pleased to provide you with the FY2013 Second Quarter Alaska Tourism Marketing Report including recent accomplishments and activities.

The marketing program's goal is to generate approximately 600,000 inquiries from consumers interested in visiting Alaska. As you will note in the report, we are close to reaching that objective. Advertising campaigns continue to run on television, in magazines, and online. These ads are helping to fuel interest in taking an Alaska vacation this year. In addition, our new social media campaign is generating interest and excitement – to date, the social media campaign has generated over 30,000 fans on Facebook.

This month, two episodes will air on the national cable television show *Top Chef*, which were filmed in Juneau last August. The department's tourism and seafood marketing team worked to bring this James Beard Award- and Emmy-winning series to Alaska for the final two elimination challenges. Contestants and crew boarded a one-way Celebrity cruise from Seattle to Juneau to film at four locations: Tracy's Crab Shack, Norris Glacier, the Gold Creek Salmon Bake and Governor's House with Governor Sean Parnell and First Lady Sandy Parnell for the final dinner. With 2.6 million viewers, the advertising value for each of the *Top Chef* Alaska episodes is approximately \$2,755,724. Reruns of the season will bring the total advertising value to more than \$35 million.

The department also continues to work collaboratively with the private sector, other tourism organizations and state agencies to add depth to the "Visit Alaska" message that heightens the appeal of Alaska to visitors and to the suppliers who bring clients to our state.

Highlights for the second quarter of FY13 include:

- Top Chef: Seattle's two Alaska episodes
- Launched "Do You Dream of Alaska?" social media campaign
- Hosted Alaska Media Roadshow wherein 36 Alaska businesses met in one-on-one meetings with the country's top travel journalists
- Conducted "Alaska Down Under" sales mission in Australia, providing travel agents with increased understanding on how to sell Alaska and hosted an Alaska evening reception with top US tour operators to increase their awareness of new tourism product in Alaska

- Contracted with the industry trade association to conduct cooperative advertising sales, provide input on program development, and to assist with selected trade and consumer marketing activities

If you have any questions, please do not hesitate to contact me at 907-269-8115.

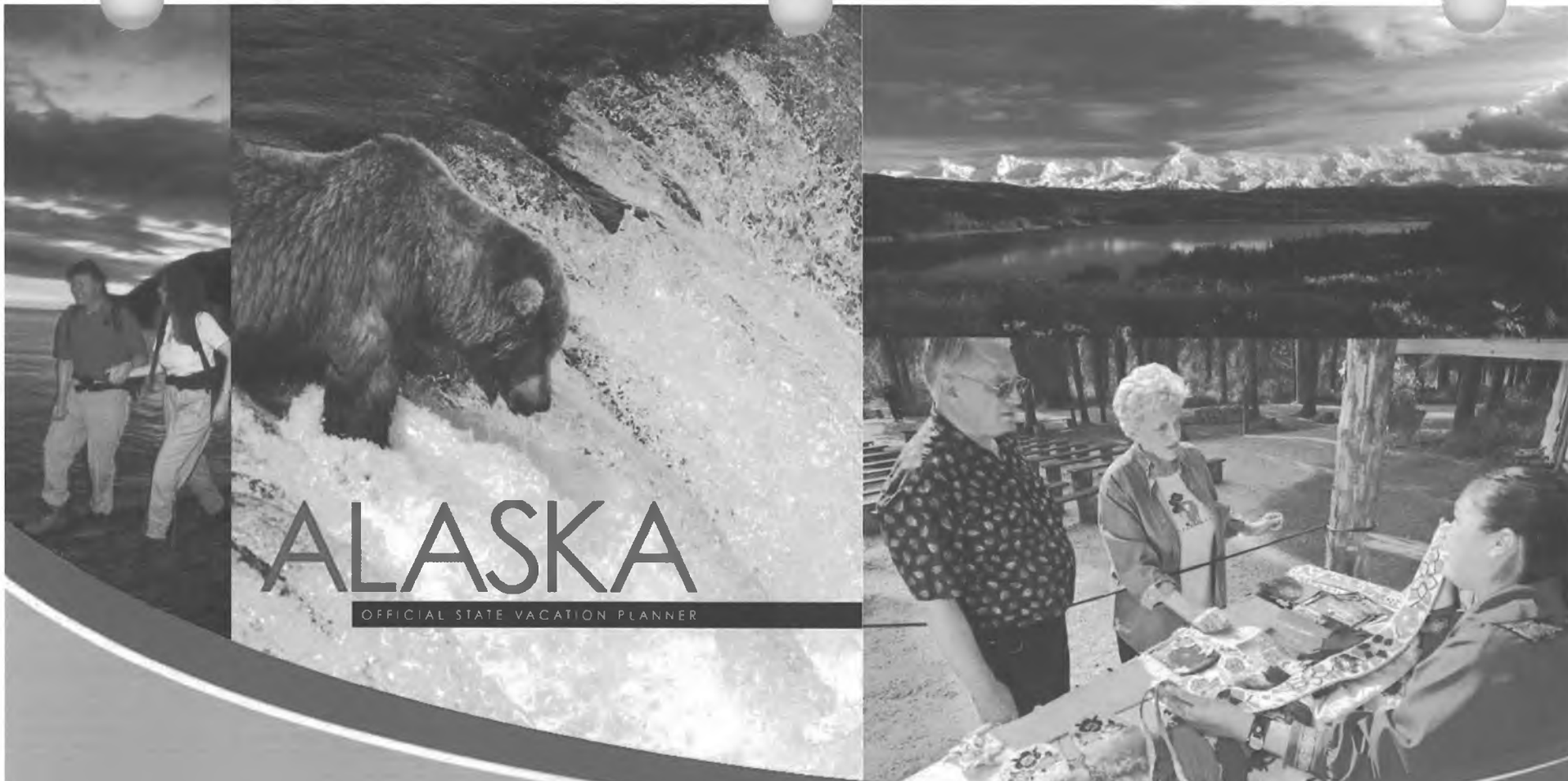
Sincerely,



Robetta L. Graham
Assistant Commissioner

Enclosure

cc: All legislators



Alaska Tourism Marketing

Second Quarter FY2013 Report

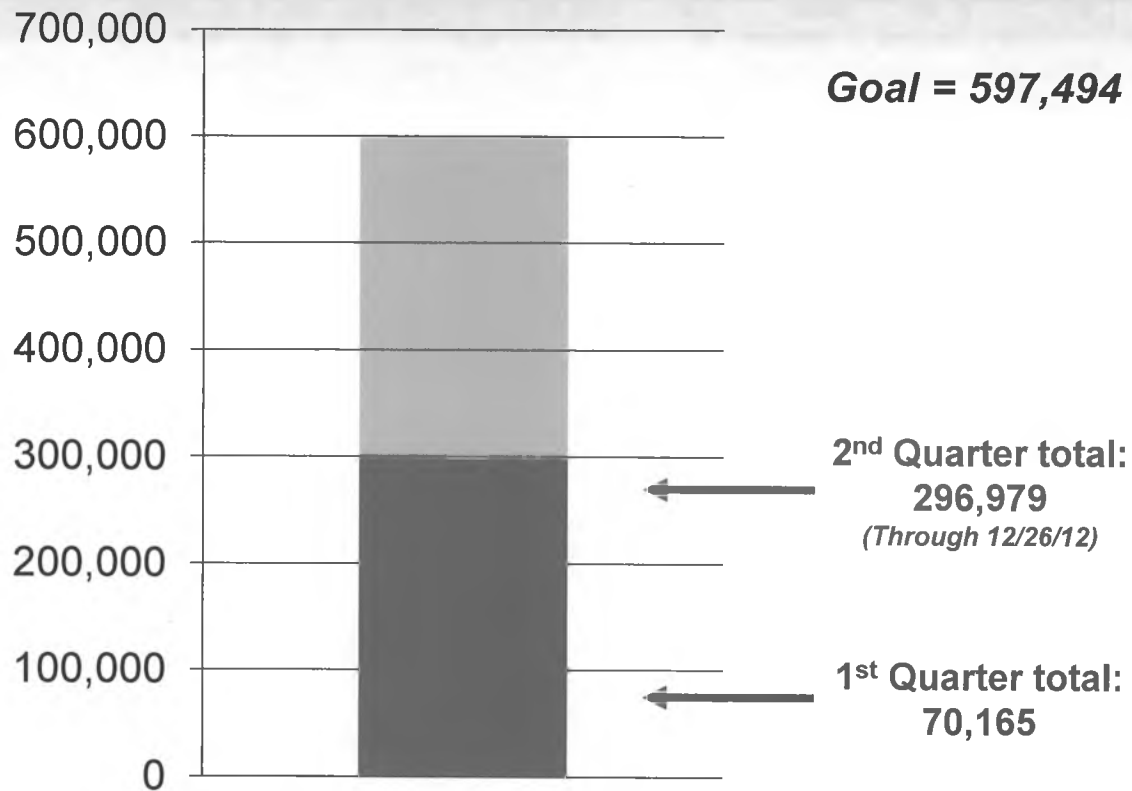
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Alaska's Tourism Marketing Program

1	Generating Results
2	Reaching U.S. Travelers
3	Presenting Alaska to the World
4	Reaching International Travelers
5	Selling Alaska
6	Creating New Opportunity
7	Connecting with Tourism Industry
8	Alaska's Tourism Marketing Team

Generating Results

- **50 percent** of the expected requests for Alaska travel information have been generated



Generating Results

Generating interest in visiting Alaska

- Research was conducted in December 2012 to determine travel intentions of those requesting Alaska information:
 - 48 percent indicated they would definitely travel or would probably travel to Alaska this year - this is a slight increase over the past year
 - Consumers indicating they will definitely travel this year, plan to finalize their travel plans, make travel arrangements/reservations between Jan- Mar (36%) and Apr-June (18%)

Reaching U.S. Travelers

Personal Invitation from Governor Parnell

- Direct Mail packages have been sent to **1,234,923** U.S. consumers to date
 - 7 percent accepted the Governor's offer for a free travel guide



A handwritten signature in cursive script that reads "Sean Parnell".

Sean Parnell
Governor

"I invite you to accept Alaska's FREE travel guide and visit us soon."

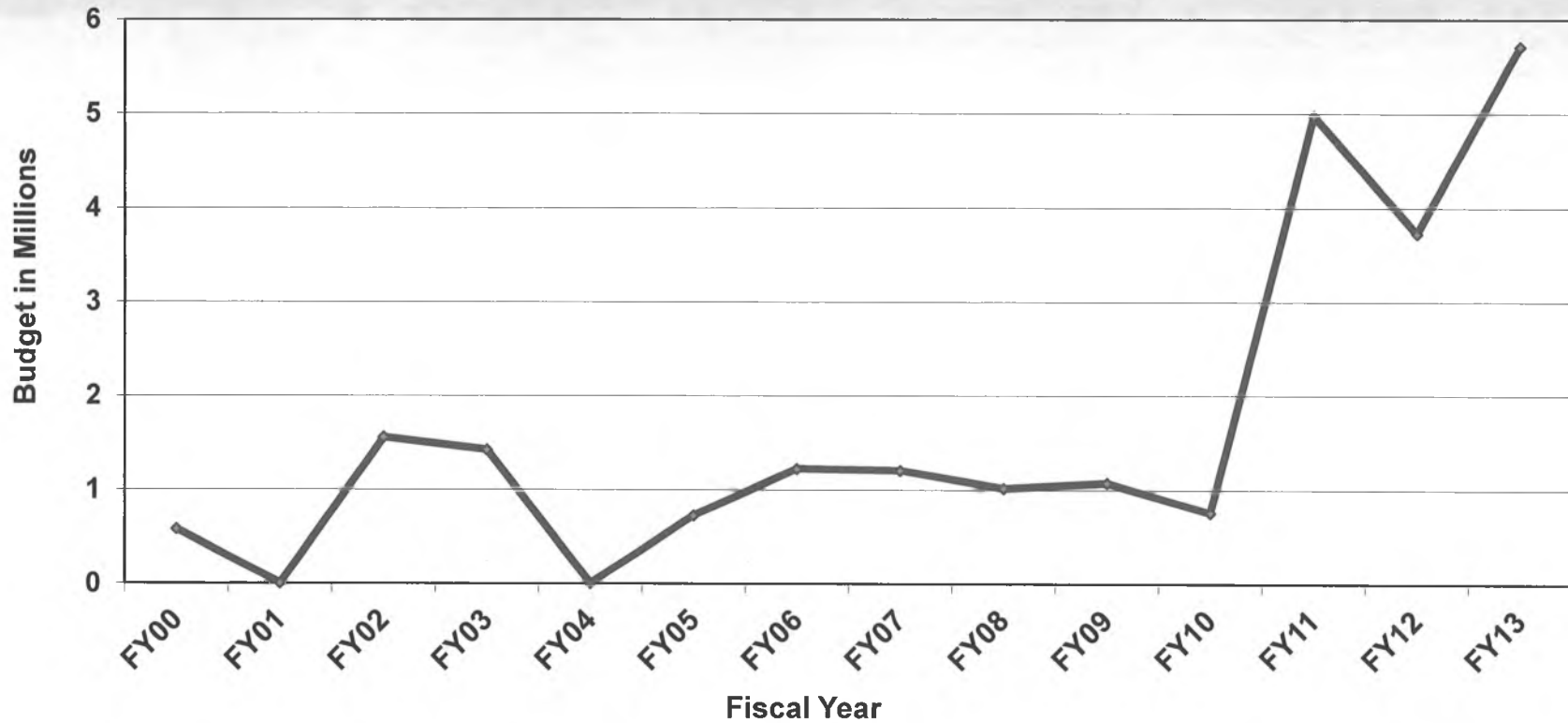
"Alaska is different from every other destination in the world. Every day offers an unforgettable memory: a mother moose and calf, glaciers and mountains, unique Native cultures, our

Russian legacy and gold rush days. And we have a wide range of accommodations and dining to suit every budget. Please send for your **FREE** guide today, while supplies last."

Reaching U.S. Travelers

Alaska's largest TV advertising campaign to date

\$5.7 million
investment in TV advertising



Reaching U.S. Travelers

- Alaska television ads are running on major cable networks and on nationally-syndicated programming:
 - Cable Networks:
 - Weather Channel, History Channel, Travel Channel, Discovery Channel, National Geographic Channel, Animal Planet, Destination America Channel
 - Nationally-Syndicated Programs:
 - Fox News, Jeopardy, Judge Judy, Price is Right, Wheel of Fortune, Let's Make a Deal, The Doctors



Reaching U.S. Travelers

- State Vacation Planner promotes the entire state:
 - Highlights what makes Alaska an intriguing travel destination:
 - Scenic beauty, wildlife, art, culture, history, Alaskan seafood and produce
 - Provides comprehensive travel information





Top Chef films in Alaska; Shows air in February 2013

- As part of the tourism promotion program, Top Chef filmed two episodes in Alaska in August 2012.
- The Emmy-winning series is the No. 1 food show, reaching more than 2.6 million viewers, with each episode airing an average of 12 times.
- The ad value for each airing is \$2,755,724.

Reaching U.S. Travelers

National Media continues to run

- Full-page, color ads ran in 16 national magazines *(to date)*
- Online advertising campaigns began running on four travel network channel sites

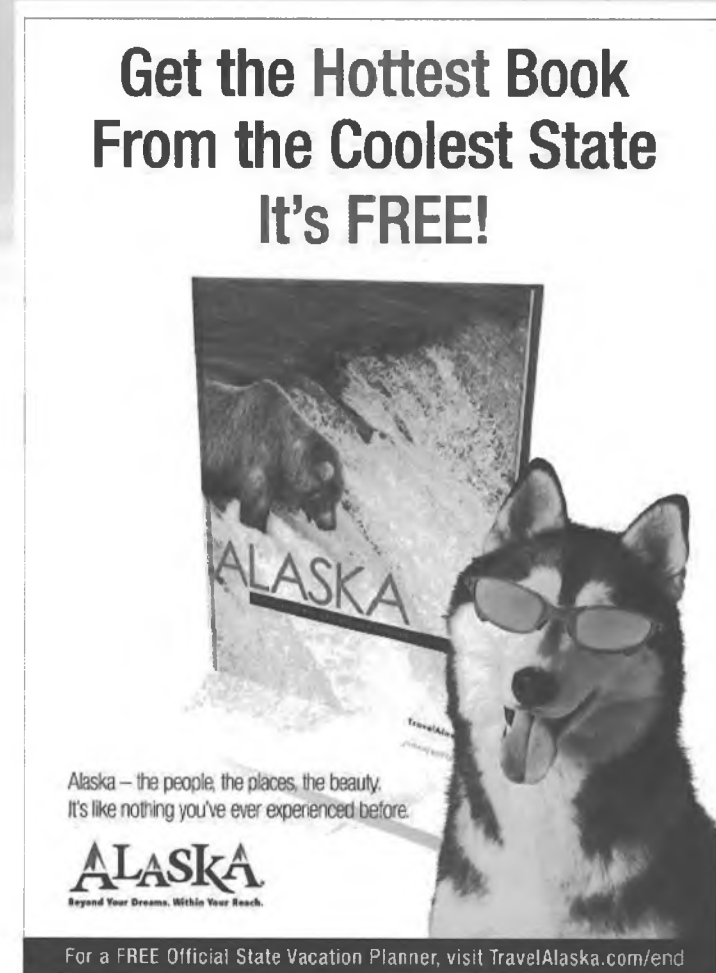


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► Official State Guide

ALASKA
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ALASKA

Alaska – the people, the places, the beauty.
It's like nothing you've ever experienced before.

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Reaching U.S. Travelers

National exposure

- Alaska was selected by TravelZoo as one of the top “Wow Deal Destinations” for 2013, and featured on TravelZoo website in November

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Home | Travel Deals | Entertainment Deals | Local Deals | SuperSearch | About Travelzoo

Home > Travel Deals > Featured Destinations > Wow Deal Destinations for 2013

Wow Deal Destinations for 2013

Love It? Share It!

NEW ZEALAND Seize flight deals to "Middle Earth."		Awe-Inspiring Alaska Fulfill the fantasy of floating past majestic icebergs, orcas and humpback whales aboard an Alaskan cruise. Major cruise lines such as Celebrity and Princess are adding more ships and departures to Alaska in 2013. With more cabins to fill, cruise lines are in a position to release more deals, especially for spring and late-summer travel. Learn More >
IRELAND Be a part of The Gathering 2013.		
NIAGARA FALLS Find a flood of hotel deals on both sides.		
COLOMBIA Sample an emerging Latin American hub.		
ALASKA Sail past icebergs & whales with cruise deals.		

"Where Should I Go Next Year?"

Let Travelzoo jump-start your vacation planning for 2013.

Our Deal Experts have narrowed down the world to five favorite destinations where we anticipate a strong collection of "wow" deals based on recent trends, industry projections and buzz.

Top Deals Handpicked by Travelzoo

* Some taxes, fees additional.

\$999 & up -- Ireland: B&B Adventure w/Car & Air, Save \$400 Select January-March departures	More > go-today
\$179 -- Luxe Niagara-Area Mansion Escape for 2, Reg. \$349 Through Feb. 28	Go to site > Queen's Landing
\$1999 & up -- New Zealand Vacation incl. Air, Save \$1000 February-March	More > Travelscene

Presenting Alaska to the World

Alaska Media Road Show

- October 25-27, 2012
- 36 Alaska businesses met with 38 journalists to pitch Alaska story ideas



Presenting Alaska to the World

Alaska Media Road Show

- Generating exposure for Alaska

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INSPIRING FAMILIES TO EXPLORE THE WORLD

select your destination - hotel reviews - hotel specials - Ciao Bambino! blog - travel tips - about us

Ciao Bambino!™ Blog

10 Reasons to Visit Alaska with Kids

November 5th, 2012
Krisi from Ciao Bambino

There is a reason that Alaska is high on many family travel bucket lists. An Alaska family vacation is a little mysterious, a little off the beaten path and full of adventurous activities and wildlife. It's impossible not to get caught up in Alaska when you visit because you are surrounded and immersed in the destination.

I recently attended the Alaska Media Road Show hosted by the State of Alaska Tourism Office at Four Seasons Resort The Biltmore in Santa Barbara. I discovered that the largest state in the union, it's twice the size of Texas, has much to offer families including — but not limited to — cruises.

Photo courtesy of State of Alaska Tourism Office

Family travel is an important component of Alaska tourism and you'll not only find detailed information and sample itineraries on most of the websites highlighted in this article, but there's usually a mention for families too.

10 Reasons to Visit Alaska

More on this Topic

- Wanting to Kid-Friendly LUXURY HOTELS

Recent Comments

- Veronica on Great Phone and iPad Apps for Kids of all Ages
- Vera Marie Espenshaver on Passports at Europe 2012: A Luxury Retrospective with Pampering in Mexico
- Holly Rosen Pink on Baby and Toddler Travel: Shopping List

Los Angeles Times TRAVEL

LOCAL U.S. WORLD BUSINESS SPORTS ENTERTAINMENT HEALTH LIVING TRAVEL OPINION DEALS

TRENDING NOW ▲ FISCAL CLIFF | NORTHRIDGE KILLINGS | SYRIA | VOYAGER | REDSKINS | KATE MIDDLETON

BREAKING NEWS Villaraigosa says port strike to get federal mediator

DEALS & NEWS

TRAVEL DEALS, TIPS AND ADVICE FILTERED FOR RESTLESS SOUTHERN CALIFORNIA

Portage, Alaska

(Doug Lindstrand / Alaska Wildlife Conservation Center)
It's not clear whether this brown bear, named Nugs, is licking her chops or has overindulged.

Comments (0) Add comments Discussion FAQ

Recommended on Facebook

- State of Alaska
- The SOA band
- If your job requires you to access SO

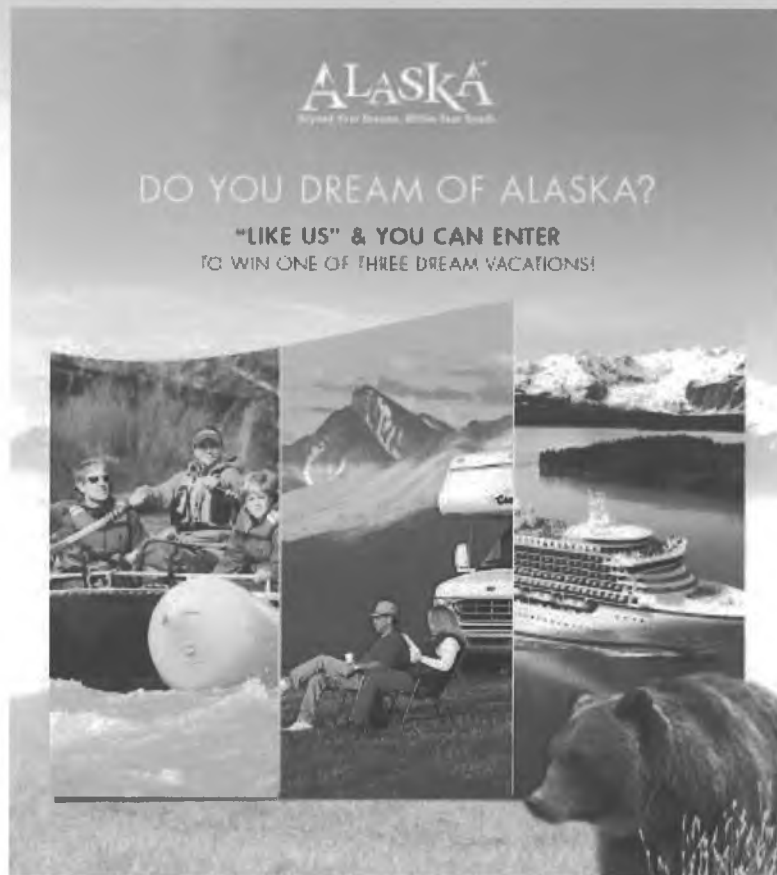
Your Host

Los Angeles Times Daily Travel & Deal blogger
Mary Fergione likes to hit the dirt when she's on vacation. An avid hiker and runner, Mar

Presenting Alaska to the World

Dream of Alaska Social Media Campaign

- Engaging potential visitors in a fun and exciting way



Reaching International Travelers

Alaska Down Under Workshops

- Seven Alaska businesses joined the state in Sydney, Adelaide, Melbourne and Brisbane (Nov 12-15)
- Met with 286 travel agents, 23 media representatives, and 11 Tour operators/wholesalers



Reaching International Travelers

Alaska Down Under Workshops

- Generating exposure for Alaska

eGlobal
TRAVEL MEDIA
AUSTRALIA/NEW ZEALAND
INDIA / ASIA / JAPAN / AMERICA'S

HOTEL DE LA PAIX
CUA AM BEACH - OUA LIN

HOME AVIATION CAREERS CRUISE DESTINATION HOSPITALITY INDUSTRY RATES MICE TOUR OPERATOR TO

HOME » DESTINATION » HEADLINE NEWS » CURRENTLY READING:

Aussies are tops in Alaska – and they book through agents

November 13, 2012 | Destination, Headline News | No Comments | Print | Email

More Australians are visiting Alaska than ever – and at least eight out of every 10 of them book through a travel agent.

Australia and New Zealand, as a region, now constitutes Alaska's number-one international market, supplying about 42,000 visitors annually, or 27% of the total, State of Alaska Tourism Marketing Manager Kathy Dunn told media at Sydney Hilton yesterday.

Dunn, in Sydney with an Alaskan tourism delegation, said 10% of tourists to Alaska were international.

Of the Australian and New Zealand visitors, 84% booked through a travel agent, 92% purchased a package tour, 90% bought a cruise package and 31% of the cruisers spent time on their own before or after the cruise.

After their visit, 72% of the Aussies and Kiwis professed themselves to be "very satisfied" with their experience and 76% said they were "very likely" to return.

Dunn said Australians enjoyed Alaska because they shared a similar mindset and sense of adventure. While Alaska offers plenty of adventure, it's not as cold as many people think and there's no shortage of comfortable activities – it's not just adventure tourism.

ALASKA IS BIG! KATHY DUNN'S MAP SHOWS JUST HOW BIG COMPARED TO AUSTRALIA.

HAPPY VISITORS ON ALASKA'S RUTH GLACIER

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Alaska steps up Australia efforts

13 November 2012 Tara Harrison comments

Australia has become Alaska's top international inbound market, Alaska Tourism has revealed.

During its bi-annual visit to Sydney, the tourism body referred to research undertaken earlier this year which showed that Australia had overtaken the UK in terms of market share.

Marketing manager Kathy Dunn said these statistics will prompt a reallocation of funding.

"It used to be \$1 million for international marketing, now it's moved to \$1.5 million and I think we will continue to see that grow," she said.

A delegation of eight Alaska Tourism partners will meet with industry members in Sydney, Melbourne Adelaide and Brisbane this week.

"Every time we do this the partners want to come, especially now with the numbers trending the way they are," Dunn said.

The research study found that 92% of Australians visit Alaska after the purchase of a package tour and 50% visit during a cruise.

Latest news from Travel Today

- Overseas target for \$20/98 group
- Hawaiian grows Sydney services again
- APT releases small ship program
- NSW tourism unveils fresh China plan
- TA sticks to its guns in Qantas feud

Advertisement

Latest comments Most read

Selling Alaska

US Tour Operators Association Conference & Marketplace

- Networked with tour operators at an Alaska-themed evening event
- Conducted one-on-one meetings with tour operators



While visiting the 50th state, cool down with a glacial facial and delicious treats from the 49th state. Alaska and Hawaii have a lot in common. Both have an abundance of natural wonders, gorgeous scenery and a rich cultural heritage. Each is a long-haul dream destination for many Americans. However, it can be intimidating for a person to organize a trip to see Denali, a glacier calving and the northern lights. The research and planning necessary for Alaska tour packages require the expertise and experience of USTOA tour operators. So while you are enjoying the *Spirit of Aloha*, we want to thank you for making the *Spirit of Alaska* accessible to our visitors!

Visit TravelAlaska.com/trade for resources and information to help you promote your Alaska tour packages.



Icelandair/Alaska Marketing

- Sales Manager FAM trip (Oct 15-18) Sales managers from Sweden, Norway, France, Germany, Netherlands, Belgium, UK, Ireland, Finland, and Denmark were able to experience Alaska first-hand
- Registered to attend Mid-Atlantic Conference; purpose is to connect with Icelandair executives prior to launch of new Alaska service in May

ICELANDAIR



Connecting with Tourism Industry

- Contract with the tourism industry association signed on November 15
- 20 Cooperative Marketing programs have been launched through December, generating \$1,213,625
 - More than 500 tourism businesses advertised the state Vacation Planner
 - 19 businesses joined the co-operative magazine program
 - 36 businesses and organizations joined the state at Alaska Media Roadshow
 - 8 businesses joined the state for its trade event in Australia

Support from Tourism Organizations

- Alaska tourism organizations report results/benefits to their members on a monthly basis



January 25, 2013

Advertising & Public Relations attended the 2012 Alaska Media Roadshow in Santa Barbara, CA from October 21-23. Director of Communications Amy Geiger and Public Relations Manager Bill Wright, had meetings with 24 U.S. based travel journalists and networked with Alaska tourism partners. Through October, the FCVB www.explorefairbanks.com website had a total of 175,830 unique visits, a 23% increase over the same period in 2011. As of October, the number of Twitter followers was 2,807 and total number of "likes" on Facebook was 2,761. The staff fulfilled media requests from Animal Planet cast members for Your Love), Sunset Magazine with early snow for their television commercial (Aurora Ice Museum), Laura Read for VIA Media (Japanese TV show about Hot Springs in Alaska), Alaska (Japanese TV show about Hot Springs in Alaska), Alaska), FCVB hosted photojournalist and vlogger Northwest Fly Fishing, Backpacker Magazine

Kodiak Island
Convention
& Visitor Bureau
- Kodiak, Alaska -



Monday, 28 January 2013

100 Marine Way, Suite 200,
Kodiak, Alaska 99615
907-486-4782
e-mail: ciab@kodiak.org

Upcoming Trade Shows

We are just beginning (and refining) our trade show season. It starts with a bang at the Alaska Media Road Show in Santa Barbara. This show is consistently a high performer as it brings together KICVB director Janet Buckingham with 25 journalists, photographers and filmmakers from across the United States. The KICVB has attended every AMR since 2003 except for 2007. In the past five years, nine journalists who were first contacted at the Alaska Media Road Show have visited Kodiak and a dozen or more articles or blogs have been written by those authors making it a highly profitable show to attend.



Aussie mission targets largest international group

The Mat-Su CVB joined seven other Alaska destination and business in promoting tourism to more than 300 travel agents, tour operators and media during the state of Alaska Down Under sales mission in Australia in early November. Marketing manager Casey Resler did presentations in four cities that highlighted the Mat-Su Valley as a destination to include in vacation packages offered by Australian operators and agents.

"Australia is now the top inbound international market for Alaska, and the agents and operators we met were very

interested in us. As a result, we expect there to be a lot of new business coming to the Mat-Su Valley next summer," Resler said.

The state of Alaska holds the Alaska Down Under sales mission every other year, but due to budget cuts, the Mat-Su CVB did not participate in 2010. During November's mission, the Mat-Su CVB was joined by representatives from

the Alaska Railroad, Alaska Holiday and Alaska Airlines.



Mat-Su CVB's Casey Resler (second from left) with other Alaska organizations in the Alaska Down Under Sales Mission in early November.

CVB was joined by representatives from Visit Anchorage, the Kenai Peninsula Tourism Marketing Council, Fairbanks CVB, Northern Alaska Tour Company, the Alaska Railroad, Alaska Holiday and Alaska Airlines.

Financial Responsibility

PROGRAM	BUDGET	EXPENSES TO DATE
Advertising	\$9,943,400	8,432,401
Collateral	923,800	607,295
Coop Leads	281,600	63,974
Highway Marketing	590,000	327,180
Instate Marketing	150,500	3,485
International	1,263,500	409,425
Public Relations	1,059,500	658,242
Research	273,400	234,720
Travel Trade	454,000	121,215
Website	760,300	216,380
DCCED Expenses	300,000	163,969
Tourism Support Contract	1,050,000	0
TOTAL:	\$17,050,000	\$11,238,286



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Commerce, Community,
and Economic Development

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February 6, 2013

The Honorable Shelly Hughes, Chair
House Committee on Economic Development, Trade and Tourism
House of Representatives
Alaska State Capitol
Juneau, Alaska 99801-1182

Subject: Committee Follow-up

Dear Representative Hughes:

Please see the Department's response to the Committee's questions during the January 31, 2013 Division of Economic Development/Finance, Minerals, Timber and Fisheries Overview.

- 1. Fisheries Enhancements – do we have more examples of success beside DIPAC?**
Southern Southeast Regional Aquaculture Association (SSRAA) - capital loans in excess of \$750,000 were approved to assist SSRAA to expand chum and coho salmon production. This is anticipated to increase the return of adult chum and coho salmon in Southern Southeast for the common property fisheries.

Prince William Sound Aquaculture Corporation (PWSAC) - a \$2.5 million capital loan was approved to fund the construction of a new dam at Armin F. Koernig (AFK) Hatchery. The original dam was built in the 1930s. This will extend the useful life another 40-50 years as well as providing a stable source of water that supplies the AFK Hatchery.
- 2. Loan Activity Summary – Do we have a list of loans and activity?**
Yes, please see attachments of loan activity reporting. These statutorily required documents were provided to the Speaker of the House and Senate President on January 17, 2013.
- 3. Can we keep the committee apprised of the CQE loan demand activity of the course of the session?**
Yes, we are currently working with a potential CQE client in Southeast Alaska and are happy to update the committee on CQE loan activity.
- 4. Small Business Development Loan – What was the purpose of the \$189,000 loan?**
The loan was made in Southeast Alaska for the purchase of commercial condo units to expand an existing service/tourism business.

5. Volunteer Tax & Loan Program (VTLP)

The Alaska Business Development Center (ABDC) operates the Volunteer Tax & Loan Program. DED initially contracted with ABDC in 1996 for \$200,000 to assist with a backlog of delinquencies and loan extensions for DED borrowers. Over time, the backlog diminished and the extension tasks returned to DED loan and collections staff. DED's current contract amount of \$30,000 allows ABDC to continue to provide services to assist clientele in underserved areas and helps DED loan clients meet their financial reporting requirements to the IRS and assists rural Alaskans to collect tax refunds due to them.

6. Do we track regulatory and statutory complaints?

We do not maintain an official log of complaints. However the development team notes complaints and forwards on to appropriate Division or Department authorities and incorporates the information into the division's industry analyses. Concerns and complaints are also communicated through the various agency and commission reports distributed to the legislature, as identified by the Alaska Timber Jobs Task Force and the Alaska Minerals Commission.

7. Cost comparison of Alaska wood products prices to non-Alaska made products.

Our initial review of pricing information indicates the cost to ship lumber to the Anchorage market is very high and suggests a cost advantage for Alaska manufactured lumber. However, Alaska lumber is difficult to source given an inconsistent timber supply.

8. How are we promoting Made in Alaska products in retail outlets?

The Made in Alaska program at this time provides modest marketing support for permit holders. The program stocks display cases of Made in Alaska products in the Anchorage Egan Center, the Ted Steven's Anchorage International Airport, the ferry terminals in Juneau and Whittier, the Office of the Governor in Washington D.C., and the Alaska Public Lands Information Center in Tok. The department provides table tents, window decals, and rack cards for permit holders and retailers. The program also received additional tourism marketing support through an article in the state's official travel planner.

9. Why did Yummy Chummies locate part of their operation in Arizona?

Yummy Chummies is an Anchorage-based company, maintains a processing center in Anchorage, and is planning to expand that facility this year. However, due to high freight costs, the company moved its manufacturing to Arizona. COO Michael Burkes said 28 percent of the company's expense is the cost of freight, and with 90 percent of its business in the Lower 48, the company made the decision to lower its freight costs to remain competitive. In addition, business incentives offered by Arizona were a consideration. The company employs seven fulltime staff in Arizona and seven fulltime staff in Anchorage, which increases to 35 during the fishing season.

10. The Committee requested information on The Working Forest Group.

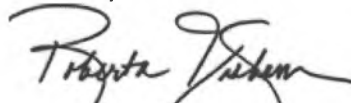
The Working Forest Group initiative is also a recommendation in the Governor's Timber Jobs Task Force's report. A comprehensive report on the Timber Jobs Task Force and more information may be found at DNR Division of Forestry website http://forestry.alaska.gov/aktimber_jobs_taskforce.htm.

Representative Hughes
February 6, 2013
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Note: DED staff inadvertently stated the wrong interest rate for the microloan program; the correct interest rate is six percent, not five percent as was discussed in the hearing.

Thank you again for the opportunity to provide information to the committee. We look forward to working with you more in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Roberta L. Graham". The signature is fluid and cursive, with the first name being the most prominent.

Roberta L. Graham
Assistant Commissioner