



CITY & BOROUGH of YAKUTAT

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Governor Mike Dunleavy
3rd Floor, State Capitol
P.O. Box 110001
Juneau, Alaska 99811

Dear Governor Dunleavy,

4/21/2021

The City and Borough of Yakutat applauds your efforts to aid our impacted tourism, hospitality, and ancillary business economy.

Yakutat is a world class tourist destination catering to independent travelers seeking an authentic Alaskan experience. We provide bear and glacier viewing, a unique surfing experience, and legendary fishing on the Situk River. Travelers to Yakutat arrive by plane or state ferry. They stay in local hotels and frequent local businesses providing a much needed cash infusion during the summer season. In 2019 (pre pandemic) we received between 5000-7000 visitors, who contributed \$6 million annually to our economy. The COVID-19 pandemic has caused this revenue stream to dry up.

Here are some data points to highlight how the pandemic has affected our visitor industry:

- Air travel to and from Yakutat declined significantly in 2020. For the first nine months of the year, enplanements were less than half the total for the same period in 2019. April and May declines were steepest at 95% and 81%, respectively, below the same months in 2019. As of September, enplanements were 43% below the same month a year earlier.
- Yakutat's leisure and hospitality employment in April 2020 was 65% below the April 2019 level. Lodging employment, the largest component of the leisure and hospitality sector, was down 75%.
- COVID-19 related losses in the leisure and hospitality sector moderated in May and June. June 2020 employment in the sector climbed back to 51 jobs, about one-quarter below the May 2019 level. However, losses deepened again in August and September. August 2020 employment in the sector was 36% below August 2019.

- Borough sales tax revenues indicate a \$4.3 million loss in gross business sales. Through September 2020, fiscal year-to-date tax revenues totaled \$377,820, compared to \$681,653 for the same period in 2019.

Yakutat received \$1.53 million in CARES Act funding. We are set to receive \$112 thousand for the next round of funding. This amount will not cover business, police, and health expenditures related to COVID-19. We hope for a rebound of the visitor industry to help bolster our economy.

Your proposal to rescue the 2021 Alaska tourism season makes a poignant argument for travelers to return to the state. You make many good points concerning easing the return of cruise ship passengers. We are a small town of 574 residents and do not have the capacity to accept large cruise ships. Your press release said *"our communities need our help now more than ever."* We ask that you consider all visitor dependent communities — not just those that serve large passenger vessels — when crafting your forthcoming tourism aid initiative.

Sincerely,



Jon Erickson, EdD
City and Borough Manager
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cc:
Miles Baker, Legislative Director, Office of the Governor
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Julie Anderson, Commissioner, Dept of Community, Commerce, and Economic Development