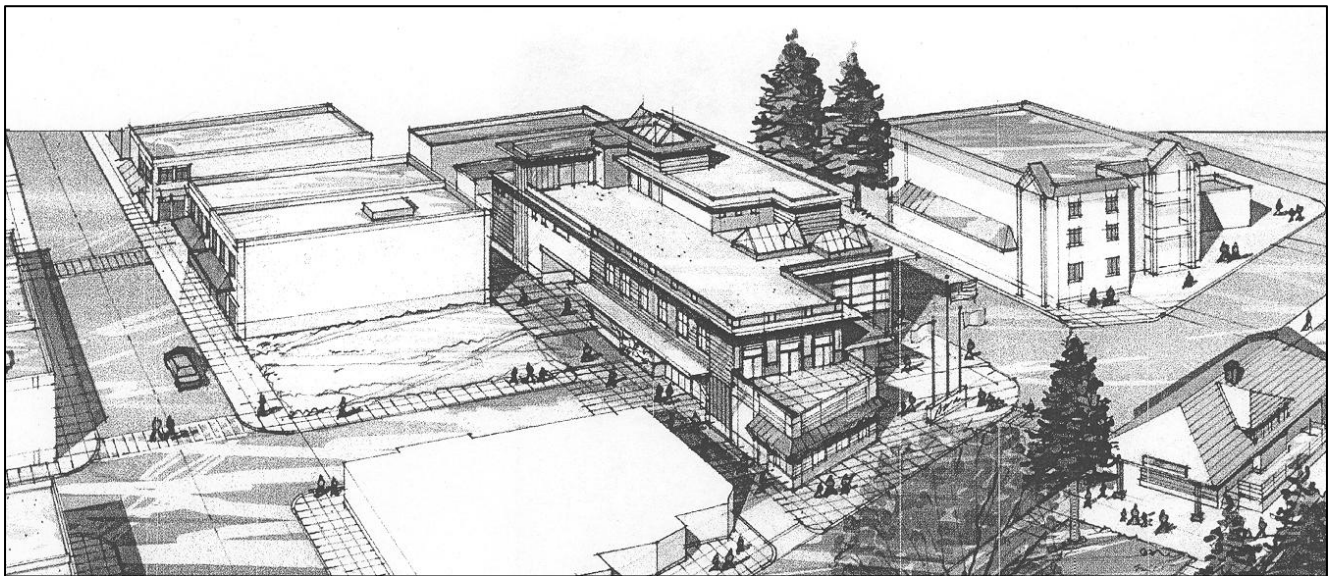

CITY OF SEWARD

MARY LOWELL CENTER

**CONFERENCE CENTER
FEASIBILITY ASSESSMENT**



Sketch from Schematic Design Report- The Portico Group 12.05

Prepared for the City of Seward by

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Seward Conference Facility Feasibility Assessment – FINAL DRAFT

I. INTRODUCTION

Purpose of this Report

The objective of this report is to investigate the financial outlook for a conference facility to be included as one portion of the proposed Mary Lowell Center. The Mary Lowell Center is planned as a collaborative project of three agencies: the National Park Service, the United States Forest Service and the City of Seward. The new conference facility is planned to offer capacity for events of up to 300 people seated for a meal. The facility would offer a flexible, high quality space, with a range of communication and presentation equipment. It would serve local community users, as well as provide space for regional, statewide and specialty national events and conferences.

This report investigates operation costs and projected demands for use and revenues associated with the City of Seward’s portion of the planned facility and presents conclusions regarding the facility’s financial prospects.

Like the great majority of publicly owned and operated conference facilities, this facility is not intended, on its own, to be a money maker. The economic value of conference centers is their ability to draw visitors into the community, particularly during non-summer months, creating demand for local dining, accommodations, retail and other local businesses.

This report was prepared by the University of Alaska Center for Economic Development (UACED), working with Agnew::Beck Consulting, LLC of Anchorage.

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2. SUMMARY OF CONCLUSIONS

The consulting team carried out a multi-pronged research effort to gauge prospects for the planned Mary Lowell Center conference facilities. Considerations leading to the conclusions summarized in this section included the subjects listed below.

- A review of the character of the planned facility (section 3)
- Evaluation of Seward’s strengths and weaknesses as a conference destination (section 4)
- Evaluation of existing conference, food and lodging facilities in Seward (section 5)
- Interviews and evaluation of comparable facilities in other parts of Alaska (section 6)
- A more detailed evaluation of the existing conference facility in Wrangell (in section 6)
- Proposed stand alone conference facility in Homer (section 7)
- A telephone survey of potential conference users in Southcentral Alaska (section 7)
- Input from community workshops, held November 16 & 20, 2006

Overall Strategy – The conference facility at the Mary Lowell Center can be successful, but will face significant competition, including the established conference facilities in Anchorage, Girdwood, and other communities in Alaska, as well as the existing facilities in Seward itself. Success will depend on offering a very high quality conference experience, including making the most of Seward’s attractive setting and recreational amenities, and offering a superior conference center. A very high quality experience – both within and outside the conference facility – will offset the extra time and cost required to reach Seward from the Anchorage area. More specific recommendations on this subject are presented later in this section.

Target Markets – Seward’s location, amenities, and ability to develop a high quality facility provide the chance to focus on several promising niche conference markets. One key market, linked to the community’s attractive setting, is for small (20-100) executive retreats, executive training sessions, board visioning sessions, and incentive travel and similar events. For this type of event, participants are willing to spend a bit more time and money to have a good conference facility, a more sequestered setting, and a chance for enjoyable extra-conference activities. This niche includes both Alaska-based and Lower 48 organizations. Attracting these groups will be easiest during the spring, summer, and fall seasons, when prospects for recreation are better than in winter. A second important market is for larger events, particularly linked to unique Seward institutions, for example the SeaLife Center, AVTEC, prison, and hospital. The community has previously hosted conferences linked to these agencies and organizations.

Financial performance – Once the facility is built and an initial period of time is provided to market the center and book events, the conference center is estimated to attract an average of 20 event-days per month each year (including both full and partial days). This will generate approximately \$110,000 in annual revenues. Annual expenses are approximately \$150,000, which are primarily for staff and facility operation costs. After an initial three year startup phase, when revenues are lower, the bottom line is the requirement for an annual subsidy of approximately \$40,000/year. In addition, a one-time investment of about \$100,000 will also be required, primarily to pay for furnishings, equipment and marketing materials.

	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Revenues	\$76,331	\$90,661	\$106,000	\$122,405	\$127,215
Operating Expenditures*	\$146,892	\$151,895	\$157,083	\$162,463	\$168,043
Net Revenue (deficit)	(\$70,561)	(\$61,234)	(\$51,083)	(\$40,058)	(\$40,828)
One time start up costs	\$100,548	\$0	\$0	\$0	\$0

*excluding one-time start up costs

One to three years will be needed to reach the level of revenues described above. Once the final decision is made to develop the facility, a firm construction schedule is set, and a commitment is made to furnishings and other conference equipment, it will be possible to begin booking events in anticipation of the facility's opening. This means the one to three year "clock" can begin ticking before the facility is in operation, shortening the gap between the initial year of operation and a future "stable revenue year." The financial analysis spreadsheet shows revenues starting in year one at 70% of projected stable year revenues and growing to 100% by year three.

Conclusions regarding financial performance reflect a reasoned, careful, but still subjective, judgment about the costs and revenues associated with future facility use. This is not a firm prediction, but instead an expression of assumptions regarding marketing, facility characteristics, facility management, and other subjects. These assumptions are summarized in the second half of this section.

Reasonable Expectations – Nearly all conference centers in Alaska and the country do not generate enough revenue to cover annual operating costs. Conference facilities are subsidized by annual local contributions from bed tax, property tax or other public taxes. Subsidies commonly range from 40% to 70% of total costs. Despite the requirement for subsidy, conference facilities are widely seen as valuable community resources because they bring significant spending into the community.

The Seward facility is expected to require a smaller subsidy than comparable facilities for two reasons: 1) the building will be developed with federal funds, and therefore annual expenditures do not include debt service repayments; and 2) under terms negotiated with the building's primary occupants - the Park Service and the US Forest Service - the conference center will share a number of facility operation costs, reducing the relative burden on the conference center budget.

Benefits to the Community – The table below shows estimates of the community economic benefits expected to result from establishing a conference facility in Seward. Appendix B presents additional information on the same subject, presenting national data from a survey of community spending by conference and convention delegates. As the appendix shows, average delegate spending on these events is high - \$278 per day, or an average of \$989 per event¹. These findings help explain why virtually all US cities are pursuing conferences and conventions.

The estimate of the community economic impact of conferences in Seward assumes slightly more modest spending, as outlined below:

- average of two out-of-town visitors for half-day events (assumes most half-day events are locally based but will still draw a few out-of-town visitors)
- average of \$40/event for out-of-town, half-day visitors
- average of \$215/event-day for out of town, full-day visitors This presumes 1/3 of visitors are day visitors only and spend \$50/visit; 1/3 overnight in Seward and spend \$200/visit, and a final 1/3 overnight plus take a tour or enjoy other local attractions, and spend \$375/visit.

Spending by visitors for Seward events is lower than the national figures for several reasons. One is that even for full-day events, many participants will not overnight in Seward. Another factor is that there are fewer choices and lower costs for lodging, dining, and entertainment in Seward than in the national conference centers that generated these numbers – places like New Orleans, New York or

¹ Revenues for events are based on total conference spending divided by total conference attendees. As a result the spending figure per attendee incorporates average spending by any accompanying children or spouses.

Las Vegas. Finally, these economic impact numbers are deliberately kept modest (both visitors per event and spending per visitor day) to avoid over-promising on the benefits of the facility. Particularly as the conference center becomes more established, and more businesses cater to conference attendees, odds are good the economic benefits per visitor will increase. Even with these conservative estimates, it is clear that the center would bring significant spending to the community as a whole. Spending could be further increased to the degree Seward’s recreation amenities lead to spouses or friends joining the conference attendees for a trip to Seward. Visitor spending is important in weighing the significance of the annual operating deficit described above.

type of event	avg. event-days/month	out of town visitors/event	monthly out of town "visitor days"	visitor spending/day	avg. monthly spending	avg. annual spending	annual bed tax (4%)	annual sales tax (4%)
<i>Half-day</i>								
Partial space	7	2	14	\$40	\$560	\$6,720		\$269
Full Space	4	2	8	\$40	\$320	\$3,840		\$154
<i>Full-day</i>								
Partial space	4.5	30	135	\$215	\$29,025	\$348,300	\$6,966	\$13,932
Full Space	4.5	50	225	\$215	\$48,375	\$580,500	\$11,610	\$23,220
Total	20		382		\$78,280	\$939,360	\$18,576	\$37,574

Estimates of bed tax revenues assume half of visitor spending goes to lodging (the rest goes to food, tours, etc.). Half (50%) of the 4% bed tax goes to the Chamber for marketing. The total sales tax rate in Seward is 6%, with a third going to the Borough and two thirds to the City; one quarter (25%) of the City’s portion of the tax is earmarked for the hospital.

The table above and the financial spreadsheets presented later in this document assume an average of 20 “event-days” per month. As the table shows, this is built on the assumption that generally small groups will come for relatively short stays. Alternatively, this same 20 event-day figure could be achieved through fewer numbers of events, with each event having more participants or a longer duration.

Key Assumptions Affecting the Ultimate Success of the Facility

To generate the level of use and the revenue and benefits outlined above, the conference facility will need to implement the following strategies:

- **Facility** – superior conference services and amenities
- **“The Alaska Experience”** – access to a range of enjoyable recreational experiences, from exploring the town on foot, to exploring nearby wilderness
- **Food** – develop a strategy to ensure conference attendees have good food
- **Access** - provide good access
- **Accommodations** – sufficient lodging, in the right locations
- **Marketing** – Carry out an aggressive marketing & packaging strategy
- **Conference Packaging** – Address all conference needs – “one stop shop”
- **Community support** – Plan & operate the facility to provide broad benefits

Facility – To deliver on the high quality conference experience required by target markets will require changes in the current facility design. The decision on the facility’s location, however, is correct as it stands: this site offers good views and walking access to lodging, restaurants and other services. Facility improvements are needed in the categories discussed below. The City should work with the architects to determine how best to meet these needs. For example, on the issue of

breakout space, this might be done through adding dedicated space, or finding ways to make better use of existing spaces.

- Breakout Rooms – Most dedicated conference centers have space both for full group plenary sessions and smaller breakouts. One option is to divide the conference space into 3 separate areas, as is currently planned. However, this is inconvenient during the middle of a conference session and will be difficult or impossible if the main space is set up for use in its entirety. Options for providing quality breakout areas include using meeting rooms in other parts of the building and using breakout space in nearby hotels or in spaces like the SeaLife Center. This latter option is only viable if the breakout rooms are very close by (within a block or two) and offer high quality space.
- Executive Meeting Space – While the facility will attract some larger groups, as noted above, the most promising demand segment is small (<100) conferences and executive meetings. The current design of the facility does not provide a dedicated space for this size of event (as, for example, is provided in Wrangell and Girdwood). More design work is needed to either make available a high-quality small meeting space in another part of the Mary Lowell Center, or to find a way to subdivide the 300 person space to provide the more intimate, comfortable space needed to attract this key market segment. Simply pulling a divider into a larger space is not adequate. This dedicated small conference space can double as a breakout room for larger events.
- Informal “networking” space – Often the most valuable interactions at conferences occur outside of structured sessions. The conference facility as currently designed provides fairly good spaces for this function, with the conference lobby area on the second level, and the lobby and exhibit hall on the first level. Ideally, more space would be provided on the second level. Whether or not this expansion occurs, these spaces on both levels should be furnished to provide comfortable, informal spaces suited for socializing, both standing and seated.



The diagram above shows the layout of the conference facilities at the Alyeska Prince Hotel – the most direct competitor for the Seward facility. As the illustration shows, the Girdwood conference facility offers several desirable features not currently planned for the Mary Lowell Center, including breakout rooms adjoining the 3000 SF main Columbia Ballroom and expansive socializing space including a bar.

- Other Facility Details – To attract footloose, out-of-town groups to Seward, the facility needs to offer consistently high quality in all its details. This strategy has the secondary benefit of helping to reduce ongoing operations costs. Specific elements include:
 - High Quality Furnishings & Equipment: including carpets, lighting, wall materials, seating, and tables.
 - Stage: activities from panel discussions to performances benefit from a stage. A folding, removable stage with space to store this item is the recommended solution.
 - Storage: increased space to store equipment and furniture should be added to the current design. Without such space, these items end up being stored in the dedicated conference space. This subject should be explored during the 65% design process.
 - Deliveries: More thought is needed regarding the process of getting a wide range of materials into the conference area. Dedicated conference facilities typically have a ground floor location and a service dock that provides ready access to this area from the street. Additional design thinking will be needed for the Mary Lowell Center to provide as much of this level of convenience as possible, despite the second floor conference center location.
 - A-V & Communication Equipment: provide “business center” services, including high speed Internet access and wireless LAN connection, access to copying and printing, and access to teleconference facilities.

“The Alaska Experience”– Seward’s advantage in the competitive conference market place and the key to attracting out-of-town events is to combine a very high amenity facility with the ability to offer fishing, hiking, Kenai Fjords tours, sightseeing and other elements of “the Alaska Experience.” This strategy meshes perfectly with Seward’s *“Alaska Starts Here”* brand. Without such activities and attractions, conference planners have little reason to select Seward over Anchorage, which offers more services and easier access. The conference center and the packages it offers should make maximum use of Seward’s attractive setting and opportunities for recreation. Means to achieve this goal include:

- Locate the conference facility where it has superior views (planned site achieves this goal).
- Include large windows to provide conference users with inspiring, memorable views (but plan for window coverings to darken the room as needed).
- Continue to work to improve the attractions of downtown Seward, including the number and variety of shops and restaurants, the appearance of buildings, sidewalk amenities like benches and interpretive information, trails leading directly from downtown to surrounding natural attractions, as well as information on out-of-town trails.
- Work actively with local tourism businesses, Park Service, Forest Service, SeaLife Center, and other entities to ensure conference attendees can take advantage of Seward’s attractions. The specific challenge will be to ensure interesting sightseeing and other outdoor activities are available during non-summer months (e.g. fall and spring tours of Kenai Fjords). A particular challenge will be to improve winter attractions, to make it easier to sell conferences between November and February, such as cross-country skiing and snow machining. Until such experiences are available, the Girdwood facility will have a significant advantage over Seward.

Food & Beverage – High quality food is essential as a conference offering. Seward’s most direct competition, the facilities in Girdwood and in Anchorage, have full professional kitchens on the premises. The Wrangell facility was designed without food service capabilities, but is now developing plans to add an on-site kitchen.

Based on interviews with several groups currently visiting the community, parties over thirty people often have to turn to Anchorage-based caterers or use facilities outside the community such as those at the Alyeska Prince Hotel. The hope is that, with the coming of the facility, local businesses will rise to the challenge and opportunity of meeting this need. Discussions with likely candidates should begin immediately to determine if there are such businesses and to get their input on the size and layout of the planned “caterer’s kitchen.” Specific issues to address include:

- Delivery process – the need for a practical, direct route to bring what could be very large volumes of food from off-site into the conference facility, and to conveniently clean up and dump garbage after such events.
- The need to provide plates, glasses and silverware on-site (including on-site capacity to store and wash these materials).
- Specific equipment required, amount of space required for the final preparation and serving of food largely prepared off-site.
- Support staff – more work is needed to determine if local capacity exists to provide staff to serve food and clean up after 200-300 person events.

Appendix D presents a more detailed discussion of food service options, and the costs and benefits of adding a full kitchen to the facility.

The facility also needs to make plans to serve alcoholic beverages. Many different events, from community parties to business meetings, will expect to be able to offer alcohol. Planning for this need will include responding to licensing requirements, as well as laying out socializing spaces to delineate where alcoholic beverages are and are not allowed.

Access – Seward’s location, two hours south of Anchorage, is a challenge and an opportunity. The “opportunity” side of this equation includes the ability to offer a strong, positive “Alaska experience”, throughout the year. A number of prospective conference users have spoken favorably about using Seward as a conference destination because of its location away from Anchorage. Regarding challenges, the conference center can mitigate the downside of the two-hour driving requirement by setting up options for convenient, inexpensive travel and offering the option of packaging this service with conference fees. One option is to bring conference attendees to Seward by chartered motorcoach or via the Alaska Railroad.

Accommodations – Conference centers with good linkages to accommodations offer significant advantages, particularly in the cool to cold, often wet climates of Alaska’s coastal communities. As covered in the packaging section below, special efforts will be needed to ensure Seward can offer convenient lodging in quantities required by conference planners.

Marketing – It cannot be over-emphasized: the conference market is very competitive. Only through a sustained, proactive, adequately-funded and creative marketing effort will the community achieve the level of use assumed in this report. The operation costs section describes in more detail the marketing activities needed to attract conference users. Some specific considerations in the marketing effort include:

- The main message from the successful marketing efforts in Wrangell and Anchorage is the need to establish personal relationships with prospective conference users. The marketing effort must include quality collateral materials including a website, brochure, and DVD. But the most important marketing strategy is one-on-one connections with individual organizations and conference planners.
- The marketing message will need to address the diverse attractions of Seward as a destination and put a positive spin on Seward’s outlying location. Another key marketing theme will be to present Seward as a “conference community” with a wide range of conference amenities.
- While every effort should be made to attract larger conferences, it is important to recognize that the facility will be most likely to attract smaller groups (fewer than 100 people). Such groups are less likely to be held back by the logistics and costs associated with the required trip from Anchorage.
- The peak season for conferences (October to April) occurs during a time when it is more challenging to offer outdoor recreation. New strategies will be needed to improve ‘off-season’ recreation opportunities and match visitor expectations with available attractions.
- Offer specialized revenue-generating services, such as “add-on” recreational packages. Create partnerships with Seward businesses to optimize success.

Conference Packaging – The conference facility will benefit by putting together packages that simplify the logistics of food, lodging, access and recreation. Conference planners will want to use facilities that are essentially “one-stop-shops” to simplify their planning needs. One option would be to partner with local accommodations providers, transportation providers and other local partners to share marketing costs and collaboratively address the needs of out-of-town clients. Providing this service can be a source of revenue for the conference center.

Community Support – A final consideration for success is community support for the facility. Wrangell succeeds in part because their conference center is actively embraced by the entire community. This translates into shared marketing, cooperation in providing food and lodging, and a friendly greeting for conference attendees. The Mary Lowell Center has the ability join all of the existing conference-related facilities and businesses together to provide a new level of service and capacity currently not available in Seward.

The City should continue to reach out to community residents and businesses and invite them to participate in refining the plan for the operation of the facility. In late 2006, two community workshops were held to review this document. The sponsors of this project should continue to provide these types of opportunities so that the full community understands, helps guide, and ultimately can help support the development of a successful conference project.

3. PROJECT HISTORY AND OVERVIEW

The proposed Mary Lowell Center is a multi-agency visitor center, administrative facility and conference space. It would be constructed in downtown Seward, close to the waterfront. The facility would be designed and located to help deliver on the promise of Seward’s tagline “*Alaska Starts Here*” and benefit from Seward’s ability to offer a range of memorable, uniquely Alaskan experiences. As described in the plans for the facility, the Mary Lowell Center will:

...provide a one-stop-shop for area visitors, expanded educational opportunities and centralized permitting as well as a City-operated conference center. It will replace existing NPS and USFS facilities that are no longer adequate to meet current visitation and staffing levels.²

The addition of a conference facility in the proposed Mary Lowell Center will take advantage of Seward’s existing base of attractions and visitor facilities. Well-managed conference centers are proven tools for increasing the number of visitors to an area in turn providing increased business for local hotels, restaurants, and retail establishments year round.

The concept for this facility has developed over the past ten years. It was first articulated in 1996 during public meetings held for the NPS *Frontcountry Development Concept Plan* where the idea came forward that a “one-stop-shop” facility should be developed. Over the next decade, locations for a facility of this type were explored, concepts and designs were created, and the public was invited to comment on the process and products. In December of 2005, a Schematic Design Report – 35% Design was completed by the Portico Group.

In the most recent design, the proposed facility is planned to encompass a total of 41,438 square feet. This includes NPS and USFS administration, agency law enforcement, agency shared services, visitor services, conferencing space, building systems, circulation, and exterior walls. Plans for the facility’s first floor include a main lobby with easy access to an information desk, trip planning area, agency help desk, exhibit hall, gift store, multipurpose space, and agency offices. The Center’s second floor is designed to include a small lobby area, conferencing space with a warming kitchen, and additional agency offices. For greater detail on facility design, please see *The Mary Lowell Center, Seward, Alaska; Schematic Design Report – 35% Design*. The Portico Group is now working on a more refined design for the facility, which is expected to include a reduction in total square footage to just under 40,000 square feet while retaining the same programmatic elements.

In the 35% design, the conference area, which is the focus of this report, measures approximately 6,400 square feet, as outlined below:

Conference administrative office	120 square feet
Conference room space	4,000
Warming kitchen	600
Equipment storage	400
<u>Additional 25% for Circulation, HVAC+ Electric</u>	<u>1,280</u>
Total estimated gross square feet	6,400

² National Park Service website: <http://www.nps.gov/kefj/planning%20and%20management/Seward%20Multi-Agency%20Center.htm>

The 4,000 square feet of dedicated conference space is designed as one large area that can be divided into three sections to meet the requirements of specific events. The conference room's maximum capacity for attendees seated at round conference or dining tables is 300 people. The conference area will have full A/V functionality, with media projectors and electric roll-down screens available for each section. Other planned communication amenities include: computer and video connections; DVD/VHS players; program sound system with ceiling mounted speakers and touch screen control systems in each of the three room sections.

Located adjacent to the conference space will be a warming kitchen which will assist with offering catered events to clients. With its second floor location, wide windows, and two terraces, this space will also offer striking views of the local mountains and Resurrection Bay.

As discussed in the Summary of Conclusions section of this report (Section 2), the facility being evaluated does not have the full set of attributes found in dedicated conference centers, such the facilities in Wrangell or Valdez. Functions commonly included in conference facilities that are either not present or only partially present in the current design of the Mary Lowell Center include:

- Adjoining breakout rooms for smaller group meetings
- A smaller (15-30 person) "executive conference room"
- A full-service, commercial kitchen
- A stage – either permanent or temporary
- A business center – offering copying and printing services, high speed Internet access and wireless LAN connection

The facility as planned includes a 400 square foot storage space. This may be too small to store the full set of chairs and tables that ideally would be removed from the area for some functions. Finally, because the conference area is located on the second floor it will be difficult to use the space for trade shows that display larger products or require setting up larger display booths. Most dedicated conference centers offer ground floor space with a service entry and loading dock. The facility would work for trade show functions where display materials can easily be taken up stairs or passenger elevators. Additional square footage should be considered to meet the needs of these functions and incorporated into the 65% design phase.

4. LOCAL CONDITIONS – LOCATION, LODGING, ACTIVITIES, COMMUNITY SETTING

Community Background³

The City of Seward is located on Resurrection Bay, on the east coast of the Kenai Peninsula in Southcentral Alaska. According to the State demographer's 2005 estimate, the population of this community is 2,606 people. Residents in the adjoining portions of the Kenai Peninsula Borough increase the total number of people in the "greater Seward" area to 4,970⁴. Seward is 126 miles south of Alaska's largest city, Anchorage, and has good access by road, rail, air, and boat. As the

³ Sources for this section include research by UACED and Agnew::Beck, as well as the Department of Community, Commerce & Economic Development website: http://www.commerce.state.ak.us/dca/commdb/CF_BLOCK.cfm ; and the Seward Convention and Visitor's Bureau website: <http://www.sewardak.org/>

⁴ Figures from City of Seward

southern end point for the Alaska Railroad and with its road link to Anchorage and the Interior, Seward has long been a state transportation hub. Other economic opportunities for this community include tourism, commercial fishing and processing, ship services and repairs, marine research facilities, and oil and gas development. Some of the facilities of economic importance in the Seward area include: an Alaska Railroad Corporation export facility for Usibelli coal, the Alaska Vocational Technical Center (AVTEC), a State Prison, SeaLife Center, the shipyard, hospital and related medical services, Park Service and other agency offices, and the University of Alaska's Institute of Marine Sciences...

The Alaska SeaLife Center, the Kenai Fjords National Park, the Mt. Marathon Race, Fourth of July festivities, and other area opportunities attract visitors looking for adventure and wanting to explore an interesting small town in a gorgeous natural setting. Over 146,933 cruise ship passengers in 2005 and 124,660 in 2004 visited Seward. Substantial numbers of in and out-of-state travelers visit Seward each year to take advantage of Seward's diverse attractions and events (see more below on Seward's attractions). This facility will create additional exposure to outside visitors.

Strengths and Weaknesses of the Seward Area as a Conference Destination

The market for conferences is very competitive. In general, conference facilities in Alaskan communities under-perform comparable facilities in the Lower 48. This section assesses the area's strengths and weaknesses as a conference destination and provides perspective on how the community might be perceived by conference organizers. Considerations that will affect judgments about Seward as a conference destination include:

- location and accessibility of the community
- availability of lodging, dining, and similar visitor services
- community character and amenities

Location and Accessibility

Seward is located within a 200 mile (3 hour) driving radius of the largest block of residents and businesses in Alaska. This includes the 51,224 residents of the Kenai Borough, 70,148 residents of the Mat-Su Borough, and 277,498 people living in Anchorage. A summary of approximate distance in terms of driving miles between Seward and other Alaskan locations is provided below.

Destination	Road Miles
Anchorage	126
Alyeska (Girdwood)	95
Fairbanks	484
Homer	173
Whittier	91

The link between Seward and Anchorage is critical for Seward to compete for conferences on a statewide or national level. By Alaskan standards, Seward is an easy place to access. It has a number of access options, the principal being the Seward Highway. The highway, designated as an All-American Road and a National Scenic Byway, is a well traveled and enjoyable drive. Access between Anchorage and Seward is only compromised in times of extreme weather when road closures may occur for brief periods due to avalanches. Options also exist for rail transport between Anchorage

and Seward. In general, connectivity between Anchorage and Seward is quite good; however, the potential for 1-2 day winter road closures – even if this only happens on average once or twice a year – will be a consideration in the use of the facility. Though Seward does not have regular jet service, chartered flights are possible and connection between the Ted Stevens International Airport in Anchorage and Seward are relatively quick. Flying time is about 30 minutes.

Seward can be placed a bit above the middle of the spectrum of accessibility of Alaskan communities. The urban centers of Anchorage and Fairbanks are the most accessible of Alaskan towns. They have central locations, the largest airports, and the largest number of incoming flights, in addition to road connections to other portions of the state. Communities like Juneau, Ketchikan, or Sitka occupy the next level along this spectrum, offering regularly scheduled jet service (and locations closer to the Lower 48), but without Seward’s road connectivity. Seward is most like communities such as Palmer and Wasilla, which are on the road system and a reasonably short, convenient drive from a major airport. Seward is also easier to reach than other small Southcentral communities such as Homer, Valdez, Cordova, or Soldotna. Like Alaska as a whole, conference facilities in Seward face the challenge of a location in a state with a very small population, far removed from the population centers of the Lower 48. This same remoteness, however, provides a quieter, less distracting environment that offers an attractive alternative to more metropolitan centers.

Hospitality Infrastructure: Lodging, Dining and other Visitor Services

Sufficient quantity and quality of hospitality infrastructure is a critical factor in the ability of a community to attract conferences. The Seward Chamber of Commerce hosts a website (www.Seward.com) that provides a brief overview of Seward’s hospitality services. According to the site, accommodations within the community offer many options including: 10 hotels and motels; 10 lodges, inns or hostels; 26 cabins or houses; 40 bed and breakfasts; and 9 RV/Camping areas. Overall, lodging available within Seward is diverse and dispersed throughout the community. The following is a breakdown of room totals according to properties.

Seward’s large-sized hotel/motel properties are defined as those having more than 50 rooms available for guests. There are currently five properties in Seward that fit this definition. These properties offer amenities such as: clean, comfortable, well decorated rooms; continental breakfast as well as other food service options; and a lounge or other public areas for meetings. Each of these properties either currently offers, or in the future has plans to offer, conference meeting space. Meeting space is geared toward smaller groups of approximately 30, but group sizes up to 125+/- can also be accommodated. The Seward Alaska Resort, while included, is currently only available to military groups and their immediate families. A more complete description of each facility is available in Chapter 4.

Large Property	Room Total non-summer	Room Total summer
Breeze Inn Motel	86	86
Holiday Inn Express	82 (if open)	82
Hotel Edgewater	76	76
Seward Alaska Resort	56 (military)	56
Seward Windsong Lodge	<u>not open</u>	<u>108</u>
<i>Total Rooms</i>	<i>162-300</i>	<i>408</i>

Seward’s mid-sized hotel/motel properties are defined as those having between 20 and 50 rooms available for guests. There are currently six properties in Seward that fit this definition. These properties offer similar amenities as the larger properties such as: clean, comfortable, well decorated rooms; continental breakfast; and some smaller accommodations for guest meetings.

Mid Sized Properties	Room Total
Harbor View Inn	38
Hotel Seward	38
Marina Motel	26
Murphy’s Motel	24
Trail Lake Lodge	22
Van Gilder Hotel	<u>31</u>
<i>Total Rooms</i>	<i>171</i>

A third segment of lodging available in Seward consists of small lodges, historical inns, and hostel-type properties. These facilities also provide guests with many amenities but operate on a smaller scale than the above mentioned properties. These smaller scale facilities add to the overall accommodation capacity within Seward and offer a wide variety of options for guests.

Small Property	Room/Apartment Total
A Swan Nest Inn	7
Alaska’s 3rd Ave Lodging	5
Box Canyon Cabin	6
Trailhead Lodging	5
<i>Total Rooms</i>	<i>23</i>

In addition, there is a conservative estimate of 40 bed and breakfast (B&B) facilities as well as an additional 5 smaller facilities (two to three rooms) that consider themselves “Inns”, but really operate very similar to B&B properties. Room counts for the B&B facilities vary greatly and are not provided for this analysis. These B&B facilities are located throughout the Seward area and neighboring communities. This accommodation segment, while likely glad to take in overflow generated by a conference facility, does not typically target conference attendees as a market.

Seward’s food service capability is also diverse with an estimated 28 establishments in the community providing food and/or beverage services. Approximately half of these provide sit-down food service for guests. The remainder would be considered bakery or bistro establishments, with a few considered fast food, such as Subway. In addition to these establishments some private catering is also available. Of the 28 - two primary ones (Rays and Chinooks) close for the winter; at least 4 smaller operations also close. Two other establishments – Yoly's and Harbor Dinner Club – have not yet determined if they will stay open year-round.

The characteristics and quantity of quality hotel properties can greatly influence the number and types of non-local events coming to a community. Seward’s hotels are operating at full or nearly full

capacity during the summer season. However, with advanced conference planning, blocks of hotel rooms can likely be secured, especially on weekdays. During the winter months, these same properties are operating at a loss or have decided to close for part of the season to limit losses. An initial assessment suggests Seward's accommodations should be sufficient to support conferences with a maximum of 300 persons during the off-season (September to May) if main facilities are open and guests share rooms. A conference sized at 300 persons or fewer may be most optimal for the community to support. The existing supply of accommodations will not be sufficient to support large conferences during the peak summer season, as most accommodation providers are reporting full capacity between mid-May and mid-September.

By national lodging and food service standards, Seward is less competitive in that it offers fewer opportunities for high quality service when compared to larger, urban areas or even smaller communities in the Lower 48. By statewide standards, Seward offers an alternative location for a statewide association or group that actively tries to rotate meetings between Alaskan communities.

See section 5 for a more complete discussion of the adequacy of Seward food and hotel services; see section 8 for a full discussion of target markets.

Community Attractions and Amenities

Seward offers a strong collection of recreational amenities, activities, and attractions. This claim is supported by the significant numbers of in- and out-of-state travelers currently visiting the community. Particular attractions of the area include:

- A location at the gateway to the fishing, boating, and sightseeing tours of Resurrection Bay and Kenai Fjords National Park
- A range of outdoor adventure activities including: hiking, biking, kayaking, camping, sailing, dog sledding, horseback riding, and public use cabins
- Recreational/educational opportunities such as the Alaska SeaLife Center
- Historical interests, including Native cultural attractions

The Seward community is known for its unique shops, galleries, and a local theater. The Seward community itself is an important attraction with its concentrated, walkable downtown, spectacular setting, and waterfront parks. Additionally, Seward hosts a variety of events throughout the year. The following regular Seward events offer opportunities to bring the local and regional community together for celebration and fun.

- Polar Bear Jump Off – January
- Parade of Boats - May
- Whale Migration Celebration - May
- Seward Harbor Opening - May
- Mt. Marathon Race and Celebration – July 4th
- Silver Salmon Derby - August
- Holiday Train – December
- Christmas Fair – December

While Seward is attractive year round, many of the area's well known activities are only available during the prime summer season. For the conference center to have optimal success, arrangements will need to be made to provide tours and other activities during the non-summer seasons.

In addition to visitor amenities Seward is home to several institutions that may draw conferences and special events. These include the USFS and NPS offices that manage adjoining public lands (and share space in the proposed building), the State Prison, AVTEC and Alaska SeaLife Center. Each of these facilities is linked to a set of regional, statewide and even national institutions. These connections are expected to lead to conferences or other events that might not otherwise be possible. A comparable example is the community of Kodiak, which, by virtue of its fishing industry, attracts meetings of groups such as the North Pacific Fishery Management Council. Section 8 provides a more complete description of target markets.

Conclusions Regarding Community Setting

Summary of Seward Strengths

Seward has many advantages compared to the many other small Alaskan communities competing for conferences. Most important is its attractive location away (but not too far away) from Anchorage, its airport, population base, and goods and services. As a result, Seward can offer a setting that appeals to groups with a special interest in Alaska and the spectacular ocean, mountains, and natural setting that Seward offers. Likewise, Seward appeals to those who have a special tie to groups that already exist in Seward (e.g., science or research related organizations, military groups, fraternal organizations, education or employment related organizations). Seward will need to emphasize these attributes and reach out to groups with interests that dovetail with the unique characteristics that Seward offers and compensate for challenges to accessibility.

Summary of Seward Strengths

- Diverse recreational amenities
- Attractive community, attractive setting – the chance to combine a conference with “an Alaska experience”
- Road system link
- Relative proximity of Seward to Anchorage (< 2 hour drive, continuing improvements to Seward Highway)
- Hotel base, food service – *see discussion in following section*

Summary of Seward Weaknesses

- Time and money required to reach Seward
- Lack of regular commercial air service to Seward from Anchorage
- Limited local food service
- Seasonal nature of tourism and associated services – key elements that distinguish Seward from its competitors
- Small local population (therefore limited locally-based demand)
- Year-round hotel base, food service – *see discussion in following section*
- Occasional closures to Seward Highway

5. EXISTING MEETING AND EVENT FACILITIES IN SEWARD

One key to gauging demand for the new facility is to understand the supply and demand for use of existing conference facilities in the community. Understanding what is already available will help to define levels of revenues that may be anticipated. Additionally, it is important that a new community facility complement existing conference facilities.

The remainder of this section reviews existing facilities available in the community. Local organizations and individuals seeking space for a meeting, social event, or other activity will be weighing the costs and amenities of the new facility against these existing alternatives.

Event & Meeting Facilities - Public

A review of existing meeting, conference, and event venues in the Seward area was conducted. Information came from published information about each facility. In addition, a standardized survey was prepared and facility operators were interviewed by telephone. It was learned that many of the facilities are utilized for public functions such as athletic games and community events. In addition, these facilities have also been utilized to support professional conferences. Below is a list of non-accommodation facilities that currently offer space to support community events within Seward.

Alaska SeaLife Center

The Alaska SeaLife Center is a non-profit marine science and educational facility dedicated to understanding and maintaining the integrity of the marine ecosystem of Alaska through research, rehabilitation, and public education. A variety of spaces are available for rent within the center. Events range from school functions to interpretative and other training seminars. While not a dedicated conference facility, the building offers many options due to its size including receptions for large groups down to small intimate rooms for small groups. The center is located downtown, on the waterfront, at mile 0 of the Seward Highway.

AVTEC Center

The Alaska Vocational Technical Center (AVTEC) offers a variety of meeting spaces, primarily geared towards small meetings or teaching environments. AVTEC does have larger space available through the gymnasium and food service hall. The site offers three distinct conference meeting spaces and catering to groups from outside Seward. Community organizations such as the Rotary Club regularly use the facility. The campus is located near downtown Seward.

Chugach Museum

The Chugach Museum is a relatively new space that is small, providing support for approximately 50 persons. This space is currently only used for Native non-profit functions and is not readily available for rental and use.

Cruise Ship Dock Facility

The Alaska Railroad owns and operates the Cruise Ship Dock Facility. The ground floor is largely a warehouse with concrete floors, heat, and painted walls. The ground level is approximately 23,000 square feet in size. The upper level is built out to support office space for the cruise lines and the National Oceanic and Atmospheric Administration (NOAA). There are no kitchen facilities but

outlets are available to support appliances and dish warming. The lower level of the facility is only available for rent in the late fall, winter, and early spring when not used to support cruise passengers.

The facility has its own dock adjacent to the facility. As such, an entity such as NOAA may host a meeting and house staff on the vessel moored near the facility. Utilities for the facility average approximately \$5,000 per month.

Liberty Theatre

The Liberty Theatre is a historic building that provides a unique setting for a smaller group desiring a stage or small-scale facility. The theatre is privately owned and the primary focus of business is non-conference related. While used on occasion for meetings in each case the owners have made special use exceptions. The theatre is typically used for showing films during the evening hours.

Seward High School

The Seward High School is largely used to support school functions and events. During the spring, summer and fall these facilities have also been utilized to support professional conferences such as the Alaska Academy of Family Physicians and the Alaska Wellness Conference. Similarly, sporting events such as the NBC Basketball Conference and non-conventional groups such as the Police Academy have used the facilities. The high school has a theatre space that can seat 300 persons, rooms to support breakouts (classrooms), and basic equipment necessary for a conference or meeting. Additional amenities include the gymnasium, pool, weight room, and kitchen. The high school is located a few blocks from the center of downtown.

Seward City Library

This facility includes several meeting spaces suitable for small groups.

UAF Rae Building

The UAF Rae Building offers an auditorium and open area for meetings and small conference needs. The auditorium can accommodate between 100 and 150 persons depending on whether seating is required. Typically meetings average 30 to 40 persons and occur 2 to 3 times per week. Meetings are most often held by the City, Alaska Railroad, local tour companies, and the university. Fees charged vary with public entities and often times the facility is provided at no cost. Amenities are basic but include audio visual equipment as well as a piano and kitchen. Total revenues for the year are approximately \$5,000.

As evidenced by this overview, a variety of event facilities exist in the Seward area, with most striving to accommodate specific niches. Depending on the facility type and focus, events supported include: meetings, small conferences, banquets, receptions, and small exhibit space. While these facilities offer a solution to meeting demand to accommodate these types of activities, it is also apparent that standard conference meeting space is not readily available through these space providers. These community resources do provide affordable alternatives to local non-profit, social, religious and service organizations that have little-to-no budget to pay for meeting space.

The following table provides a brief overview of the preceding narrative discussion.

City of Seward
Table of Existing Meeting & Event Facilities

<i>Facility</i>	<i>Approximate Capacity</i>	<i>Cost Structure</i>	<i>Size and Amenities (description of size of entire building; size of each applicable conference/event space; other amenities available)</i>	<i>Frequency of Use (how many events per year; of what size)</i>
Alaska SeaLife Center	1,283 – All spaces 250 – Main Lobby 100+ - Bear Mountain 250 - Windows to Sea 35 - Research Alcove 25 – Discovery Class	Fees not available.	The entire facility is approximately 6,000 square feet. Individual spaces range from 400 to 2,000 square feet. Use external parking lot for Classic Car Show.	Many local and in-state meetings and small conferences are hosted. Additionally, school classes; trainings in first aid and interpretive activities occur.
ARRC Cruise Ship Dock Facility	1,600 persons	\$500 full-day	23,000 square feet of warehouse space. Amenities are minimal including cement floor, heat and wall plug-ins.	The facility is used primarily for cruise ship transfers & occasionally for parties and spill trainings.
AVTEC	350 - Gymnasium 75 – SSC Auditorium 30 – Conference/Class Computer Lab	\$500 full-day \$250 full-day \$100 full-day \$1,000/day	Event catering can be managed onsite. Amenities include white boards, computer hook-ups, TV/VCR.	Variety of public, school, non-profit meetings. Wide mix with regular interest in the facilities.
Chugach Museum	50 persons	Fees not available.	Not marketed to the public.	Native or private group use only.
High School	300 -Theatre	Fees not available.	2,400 square feet – Theatre Amenities: gymnasium, weight room, pool, kitchen.	4-6 events/year on average, including 2-4 professional conferences; 2-4 sporting related events.
Liberty Theater	300 persons	No standard fees. Use permitted on special cases.	This facility has been used for daytime programs. In the evenings the space is used as a community movie theatre.	One to two events outside of regular business activities occur annually and only case by case.
UAF Rae Building	100 seated or 150 standing	\$150/day no kitchen \$25/day kitchen cost	Amenities include a piano, kitchen, outside picnic area and basic meeting A/V equipment.	Two to three small events occur weekly. Several larger events per year occur for conferences. National groups have booked the facility.

Event & Meeting Facilities – In Larger Local Hotels

A review of existing motel/hotels that have meeting facilities in the Seward area was conducted. Information came from reviewing published information about each facility. In addition, a standardized survey was prepared and facility operators were interviewed by telephone. While hotel operators were willing to share some information, they were tight-lipped in many regards when it came to sharing the actual number of meetings and events their property hosts annually.

Breeze Inn Motel

The Breeze Inn has 86 modern rooms and two Jacuzzi suites. Additionally, an annex facility is available that provides 20 additional rooms. Amenities are typical of hotel establishments. Additionally, a restaurant, lounge, and coffee shop are available. While no conference space is currently available, plans are underway to develop space for use in summer 2007. The addition will increase room numbers to approximately 100 and incorporate two meeting spaces, one having approximately 600 square feet and the other approximately 1,000 square feet. The facility will target smaller groups desiring an intimate setting and hotel accommodations. The Inn is located near Seward's small boat harbor.

Holiday Inn Express Seward Harbor

The Holiday Inn Express currently has 82 total guest rooms but is considering an addition of 9 units having kitchenettes. The facility was newly constructed in 2005 and offers amenities typical to hotel establishments. Two meeting spaces are currently available, each offering approximately 750 square feet of space and the ability to accommodate a group size of 25 to 30 persons. Typically, the space is rented for \$50 half-days and \$100 all day use. If the group is using the hotel facilities, the space is often available at no fee. The facility is currently utilized for board meetings, social gatherings and industry group strategic planning sessions. In the future, it is anticipated that a larger space for meetings will be added having approximately 1,900 square feet of room and the ability to accommodate a group size of 75 to 100 persons seated. No fees for service have been established for the proposed conference space. While food is available via outside catering, no food service other than a continental breakfast is available. An indoor pool, whirlpool, and guest laundry are also onsite. The Inn is located on the Seward small boat harbor.

Hotel Edgewater and Conference Center

The Hotel Edgewater has 76 rooms, many of which overlook Resurrection Bay. The facility has two conference meeting spaces: the Harbor room (with approximately 1,600 square feet and space for slightly more than 100 guests) and the Kenai room (with 640 square feet and space for approximately 35 guests). The conference rooms are used for a variety of purposes including nonprofit meetings, banquets, exhibits, weddings, and private parties. The bulk of Seward's conference events occur at this property. Bookings depend on the week and don't appear to be seasonally influenced. Currently, Sundays are booked for church services. The hotel is located downtown Seward, approximately one block from the Alaska SeaLife Center.

Seward Military Resort

The Seward Military Resort is open to all members of the service (active or retired) and Department of Defense civilians. The facility was previously utilized on occasion as a conference facility, but current policies prohibit non-military use. In addition to conference space, the facility offers amenities such as 79 rooms and RV sites. The resort is located just inside the city limits of Seward.

While a community asset, this facility does not support lodging needs for non-military related events occurring in Seward.

Seward Windsong Lodge

The Seward Windsong Lodge has 108 guest rooms and offers a more secluded setting. The facility has two conference meeting spaces: the Glacier room (with approximately 1,800 square feet and space for approximately 125 guests) and the River room (with 600 square feet and space for approximately 35 guests). A restaurant is located on-site and shuttle services are provided between the City of Seward and the lodge. The lodge is located just outside of Seward city limits, on the exit for Glacier road, approximately one half mile down the highway connection and two miles north of the Seward Small Boat Harbor. This facility currently only operates during the summer season.

The following table provides a brief overview of the preceding narrative discussion.

Local Hotels				
Facility	Approximate Capacity	Cost Structure	Size and Amenities (description of size of entire building; size of each applicable conference or event space; other amenities available)	Frequency of Use (how many events per year; of what size)
Breeze Inn	No meeting space currently	NA	Two spaces one having +/- 600 square feet and the other 1,000 square feet. No food service catering an option.	Space projected for Summer 2007.
Holiday Inn Express Seward Harbor	25 to 30 seated in two separate rooms	\$50/half-day \$100/full-day	Two spaces each offering approximately 750 square feet. No food service, catered events.	Facility opened in 2005. Use patterns have not been established.
Hotel Edgewater & Conference	108 – Harbor Room 34 – Kenai Room	\$60/hour or \$300/day \$35/hour or \$200/day	1,600 SF – Harbor Room 640 SF – Kenai Room Limited warming kitchen most use cater services. Wireless Internet, PowerPoint, overhead projector and supplies.	Used for a variety of purposes including meetings, banquets, exhibits, weddings, and private parties. Bookings depend on weeks, except Sundays booked for church services.
Seward Military Resort	Seabolt Hall	\$125 full-day	Food and bar services available. Portable dance floor can be rented. A/V equipment includes laptop, projector, and screen.	Limited to military use. Has been used in the past, but will not be used by non-military in the future.
Seward Windsong Lodge	125 – Glacier Room 35 – River Room	\$300 off season \$500 summer	1,800 SF – Glacier Room 600 SF – River Room Onsite catering and bar Dance floor Business center and Internet onsite.	Used for a variety of events including weddings and business meetings. Facility is open seasonally.

Meeting & Event Space in Other Local Lodging Facilities

Additional properties provide accommodations and in some cases additional meeting spaces. Many of these smaller properties have developed local partnerships with other meeting space providers such that meetings can occur within a short distance of the host facility.

Harbor View Inn

The Harbor View Inn is a 38-room facility offering private entrances and baths. All rooms are non-smoking and offer amenities typical of hotel operations. The Inn is located in mid-town Seward. No conference or meeting space is available.

Hotel Seward

The Hotel Seward is a 38-room facility that has no conference or meeting space of its own. The facility positions itself as “top quality”. The hotel is located in downtown Seward within steps of the Alaska SeaLife Center.

Marina Motel

The Marina Motel is a 26-room facility. The facility includes one handicapped room, one room with a kitchenette, and two smoking rooms; the remaining rooms are standard quality. The Motel is located in mid-town, or mile 1 of the Seward highway. No conference or meeting space is available.

Murphy’s Motel

Murphy’s Motel is a 24-room facility. The facility is located near the small boat harbor. No conference or meeting space is available.

The Swan Nest Inn

The Swan Nest Inn has seven rooms and two small meeting areas that can be used for small groups. While having only seven rooms, the facility is uniquely designed to accommodate 28 guests. Meeting spaces are currently only offered to guests staying within the facility and are available at no additional fee. The spaces are approximately 300 and 800 square feet in size and can comfortably accommodate between 15 and 20 persons respectively. In the past, users of the facility have included church, youth and educationally focused groups. The facility tends to be booked to maximum capacity between the Seward visitor season, from mid-May to mid-September. Currently the facility has a commercial kitchen. Plans are in place to add an additional 2,800 square feet of meeting and conference space to support a group of approximately 200 persons. Once the facility addition is completed, a wine and beer bar will also be incorporated into the facility. The Inn is located in historic downtown Seward on Adams Street between Fifth and Sixth Avenues; just two blocks from the Alaska Sea Life Center and within walking distance of the Seward small boat harbor. The addition of more conference space will be entirely contingent on the Mary Lowell Center being built. If the Mary Lowell Center is not built, pursuit of additional conference space will likely not occur.

Trail Lake Lodge

The Trail Lake Lodge is a 22-room facility that also has a full-service restaurant and lounge. The facility has a lodge look and feel and is located 30 minutes north of Seward. The property is marketed specifically for use as a small wedding or meeting location.

Van Gilder Hotel

The Van Gilder Hotel is a 23-room facility offering a historic setting. All rooms are non-smoking, decorated with antiques while also offering amenities typical to standard hotel operations. The hotel is located in downtown Seward between 3rd and 4th Avenues. The hotel markets itself as being ideal for small group events such as birthdays and weddings. Meeting spaces can accommodate between 10 and 15 persons. A full-service kitchen is also available for guest use.

Additional lodging is available throughout Seward but the remaining facilities are small and/or are bed and breakfast providers. These facilities, while providing support to a conference facility through the provision of accommodations, are not offering conference space now and are not anticipated to in the future.

Conclusions Regarding Existing Facilities

Conference Capacity & Quality

The City's preliminary analysis states, "while the Seward Chamber of Commerce, Conference and Visitor Bureau has supported past conferences in Seward with over 200 attendees, I feel Seward is suitable for markets above 50 persons." This statement provides a helpful starting point for assessing the state of existing facilities in the community. Additional details are provided below:

- Local "public" facilities (AVTEC gym, High School theatre, Alaska SeaLife Center lobby) are available and occasionally used for 200 + person conferences. While adequate for some events, these spaces do not offer dedicated conference space and do not provide the amenities or features commonly expected for more formal conference activities.
- Currently, three full-service hotels in the Seward market offer conference space for public use. The Breeze Inn plans to add conference/meeting room space within the year. Each of these facilities has approximately one 1,600 square foot space and an additional 600 square foot space, which works well for 50-100 person events.
- No Seward conference facility currently offers a full-service kitchen with the ability to serve guests a meal. Tour groups and conference organizers who, in the past used or considered using Seward facilities, have noted the lack of food service as a significant limitation in attracting conference and other group activities. (See Appendix D for a more detailed discussion of food service issues).
- In terms of quality, existing Seward facilities do not offer the full package of amenities and features often preferred by conference planners including aesthetic amenities such as new furnishings and the option to enjoy large windows with views, high ceilings, a flexible central space with direct access to breakout rooms, and the most modern teleconference, audio-visual, and Internet facilities.

Accommodations Capacity & Quality

- Number of Rooms Available:
 - During the summer visitor season, particularly on weekends, it will be challenging for larger conferences (100 persons or more) to find suitable local accommodations. Larger overnight events or conferences will either have to book rooms very early, or accept that participants may be spread over a wide range of properties, from larger hotels to outlying B&B's.
 - In the winter, the collection of hotels in town offers sufficient numbers of hotel beds to support large conference groups.
- Seward accommodations are located at various locations around the community, some of which are not within easy walking distance of the planned conference center.
- For national conferences, conference planners commonly seek nationally known hotel chains that either include conference facilities as part of their property or have immediate access to conference facilities. Anchorage examples include the Hilton and Marriot hotels. In addition, many conference planners want the level of service found at such hotels, including in-property restaurants and shopping, 24-hour room service, exercise rooms or a swimming pool. Seward does not offer this type of full-service property.
- Conference planners commonly expect “conference rates” on lodging. This is almost 100% true for large conventions, but also is routine for smaller conferences. To be most successful, the Seward conference booking process will require setting up packages including food, accommodations and activities so that prices are competitive.

Conference Space Pricing

Pricing of existing conference and meeting facilities in Seward:

- medium size spaces (75-125 people) – generally \$100-300/day
- large spaces (300-350 people) – \$500/day

Demand – see section 8 for a discussion of the use of existing local conference facilities and predictions of locally-based demand for conference activities.

Conclusion

The conference market is very competitive, both at the state and local level. There are a significant number of conference spaces already available in Seward, and more planned or on the way. As reviewed in the following section, conference facilities exist in most Alaskan communities. Potential ‘customers’ will carefully compare quality and prices of the planned versus existing facilities, both in Seward and in other communities. To be successful, the Mary Lowell Conference facility will need to offer conspicuous advantages over these competing facilities. A short summary of recommendations on how the facility can differentiate itself is listed below; details are provided in following sections and the Summary of Conclusions (Section 2). The overriding conclusion is that the facility’s most distinguishing attribute – the characteristic that will justify the extra effort needed to reach Seward – will need to be consistent, better-than-average quality.

- Right location – proximity to lodging, services and attractions, good views (planned location meets this objective)
- Quality of space (current plan needs to be improved – see section 2)
- Quality of equipment (current plan needs to be refined – see section 2)
- Food service (current plan needs to be improved – see section 2)
- Larger size (current plan achieves this objective)

6. COMPARABLE FACILITIES IN OTHER ALASKAN COMMUNITIES

This section describes conference facilities around Alaska. Information came from reviewing published information about each facility. In addition, a standardized survey was prepared and facility operators were interviewed by telephone. Some conference center operators were willing to share extensive information about their facilities. Perhaps because those being interviewed recognized they were feeding information to a future competitor, most of those interviewed did not share specifics of current users or levels of use. Results of this research are summarized below.

Facility Name	Size of Conference Space	Number of Staff	Total Staff Costs Annually	Total Operations Annually
Nolan Center Wrangell, AK	5,196 square feet	1 Director (PT) 4 Temps as needed Janitor (1/2 of pay from conference center budget)	\$5,000 for temps \$25,000 for director About \$14,000 for janitorial	\$127,000 per year (about \$40,000 for fuel costs)
Valdez Convention & Civic Center Valdez, AK	13,907 square feet (includes 3,600 SF theatre)	4 full-time and 1 half time admin position	\$300,000	\$480,000
Alyeska Prince Hotel, Girdwood AK	9,000 square feet of dedicated conference space in a 304 room hotel	N.A.	N.A.	N.A.
Harrington Centennial Hall, Sitka, AK	18,000 square feet	5 positions – building manager, building supervisor plus 3 general staff	N.A.	N.A.
Ted Ferry Civic Center Ketchikan, AK	4,935 square feet	3 full-time and temp workers as needed	N.A.	According to 2004 report operated at a \$270,000 deficit ⁵
Centennial Hall, Juneau, AK	29,000 square feet	3 full-time; 2 part-time custodial; 7 part-time as needed	\$370,800	\$743,984
Egan Center, Anchorage, AK	45,000 square feet	24 Full-time; 175 part-time (or on-call basis)	\$687,036	\$994,542
Hilton Hotel, Anchorage	7,680 SF – largest; + 4,200 SF room, 24 rooms in all	N.A.	N.A.	N.A.

⁵ Feasibility Study for a Potential New Conference Center in Homer, Alaska, prepared by CSL International

Facility Name	Rental Costs Structure*	Description of Events (frequency; local, regional statewide)	Revenue Earned Annually
Nolan Center Wrangell, AK	<p>Full-day (9-12 hours) Entire facility: \$1,550 Convention room (“civic center”): \$650 Small meeting room: \$275 (room can be split in half & rented separately: north half \$120; south half \$155 Warming kitchen: \$70 Small theater: \$200</p> <p>Full-day (5-8 hours) Entire facility: \$1,200 Convention room: \$500 Small meeting room: \$225 Warming kitchen: \$50 Small theater: \$150</p> <p>Half-day (1-4 hours) Entire facility: \$850 Convention room: \$350 Small meeting room: \$175 Warming kitchen: \$30 Small theater: \$100 or \$25/hour</p>	Over the past 2 years have hosted 222 events. 47 of these have been local. Event size varies – from 20 people to 268 for recent Southeast Conference.	Estimate about: \$70,000 per year from events; other revenue includes \$8,000 from bed tax; \$34,000 from City’s General Fund; Nolan endowment: around \$20,000. \$132,000 (total operating budget for this year).
Valdez Convention & Civic Center Valdez, AK	<p>Daily Rates Entire facility without kitchen: \$1,000 3 Ballrooms: \$450 2 Ballrooms: \$300 1 Ballroom: \$160 Conference Room: \$110 Theater Complex: \$440 Theatre/Mezzanine: \$350 Green Room: \$50 Dressing Rooms: \$20 Lobby: \$30 Main Hall: \$30 Parking Lots: \$50</p>	Estimate 90% local events; 10% statewide with an occasional out-of-state event (this is rare). Don’t usually host events of greater than 100 people. 2005 hosted about 480 functions – but this can be a misleading number – there can be several functions within one event. 114 of these were catered. Hosted 12 events that could be considered conferences (more than 50 people from out of town attending and spending 1.5 days or greater at local hotel).	Estimate about \$134,000 earned per year from events; the remainder of the total operating budget of \$405,000 (about 65% or \$270,000 total budget) is subsidized by local tax dollars.
Harrington Centennial Hall, Sitka, AK	N.A.	Estimate 70% statewide; 10% local; 20% out-of-state. Estimate that the average event that takes place in this facility is about 100 people. In contrast to what was reported in the interview, the Homer report recorded that only 5% of events were non-local.	Annual subsidy – about \$330,000 (Homer report).
Ted Ferry Civic Center Ketchikan, AK	<p>Entire Facility 1-4 Hours: \$520 4-8 Hours: \$650 8-12 Hours: \$812 12-16 Hours: \$975</p> <p>Full Ballroom 1-4 Hours: \$384 4-8 Hours: \$480 8-12 Hours: \$600 12-16 Hours: \$720</p> <p>Each Bay 1-4 Hours: \$144 4-8 Hours: \$180 8-12 Hours: \$225 12-16 Hours: \$270</p> <p>Conference Room 1-4 Hours: \$95 4-8 Hours: \$125 8-12 Hours: \$155 12-16 Hours: \$190</p>	Estimate about 70% from local groups and 30% come from regional or statewide – the bulk is regional, however. 5 large events per year, 40 events longer than one day. Only 25% of events “non-local” (Homer Report).	Information not available – N. A.

Facility Name	Rental Costs Structure*	Description of Events (frequency; local, regional statewide)	Revenue Earned Annually
Centennial Hall, Juneau, AK	<p>Entire Facility (9-20 hrs): \$1,320 (4-9 hrs): \$795 (1-4 hrs): \$530</p> <p>Entire Ballroom (9-20 hrs): \$990 (4-9 hrs): \$595 (1-4 hrs): \$400</p> <p>Part of Ballroom (9-20 hrs): \$415 (4-9 hrs): \$265 (1-4 hrs): \$180</p> <p>Large Conf. Rooms (9-20 hrs):\$165 (4-9 hrs): \$100 (1-4 hrs): \$70</p> <p>Small Conf. Room (9-20 hrs): \$85 (4-9 hrs): \$50 (1-4 hrs): \$35</p> <p>Lobbies (9-20 hrs): \$165 (4-9 hrs): \$100 (1-4 hrs): \$70</p>	<p>Estimate about 75% of clients are local; 10% from Southeast region; 10% statewide; 5% out of state. In 2005, estimate: Weddings: 12 Parties: 30 Conferences: 25-30</p> <p>Also host health fairs, yearly folk festival (with about 1200 people attending); trade shows.</p> <p>A typical event at this facility averages between 100-200 persons.</p>	Information not available.
Egan Center, Anchorage, AK	<p>Information provided below is an example – for greater detail; please see attached rate sheet:</p> <p>Explorer’s Hall (half-day/full-day) Entire hall (19,000 SF): \$4,395/\$2,970 La Perouse (6,762 SF): \$1,580/\$1,085 Arteaga (5,880 SF): \$1,320/\$870 Cook Hall (6,664 SF): \$1,495/\$1,015</p>	75% of events are categorized as local – the remainder is a mixture of statewide and local.	\$663,127
Alyeska Resort, Girdwood, AK	<p>Columbia Ballroom (3,034 SF): \$7,500 Prince Court (3,200 SF): \$4,000</p>	N.A.	N.A.
Hilton Hotel, Anchorage	Daily rates: largest space - \$4,000; next largest, \$2,500 (both without food)	Wide mix of local, regional, statewide events.	N.A.

*Cost structures are quoted for regular rates; discounts may be offered for non-profit, local or other user groups.



Photograph of Nolan Center from Wrangell Chamber of Commerce website

Case Study – Wrangell’s Nolan Conference Center

Wrangell’s conference center, opened in 2004, provides helpful insight into the challenges and potential for success of a small community conference center. The paragraph below, from an Alaska Historical Society newsletter, provides an initial overview of the facility.

“Banners flying, jet planes doing flyovers in congratulation, townspeople dancing in the streets; well, not really, but close to it for the Wrangell Historical Society. After years of debate, sometimes acrimonious, the brand new James & Elsie Nolan Center held its grand opening on July 2, 2004. Approximately 1,800 people attended the opening. The 20,000 square foot complex houses the Wrangell Museum, the Wrangell Visitor Center and a civic center/convention facility. Two totems, a canoe and the original Chief Shakes’s house posts welcome the visitor entering the spacious lobby. The center includes a professionally designed and installed 3,000-square-foot museum, a 24-seat theater with a plasma television and surround-sound for showing movies to small groups, a 35 person small conference room, and a 300 person multi-purpose, theater/civic center/conference space, with a projection system to show current films.”⁶

The project was proposed and planned in the late 1990’s as a response to the community’s declining timber industry. The City of Wrangell provided \$2.5 million for feasibility studies, design, and construction. Final designs were completed in the summer of 1999. After the concrete foundation was constructed the project was put on hold because of a local voter referendum. This challenge was resolved and the facility completed in 2004. The Nolan Trust – a Wrangell-based private funder - provided \$3.0 million for construction and \$3.0 million for an operations endowment. The Wrangell "Friends of the Museum" group and City of Wrangell raised an additional \$1 million for the remaining construction costs.

The Wrangell conference center is one of the more successful small conference operations in Alaska, in terms of the center’s ability to attract out-of-town events that in turn help support local business. Since the facility opened in July 2004 they have hosted 238 events. As noted in the tables above, approximately 30% of these are local events and approximately 70% are from outside town. The majority of the “outside” events are related to Southeast Alaska organizations. State and federal agencies are particularly important users. For example, in November of this year, the center is booked for a total of 3 ½ weeks for a 60-person gathering of Southeast-based USFS personnel, and a 120-person gathering from the State Department of Fish and Game. The facility also attracts statewide organizations, typically for smaller events, such as a meeting of the 35-person Alaska Airlines Board of Directors in 2008. The average length of conference events is about three days.

Some of the features of the Nolan Center and the community that contribute to its success are highlighted below:

- Community location – a relatively central location in southeast Alaska, which makes for a good gathering location for representatives from dispersed Southeast communities.
- Access – regularly scheduled Alaska Airlines jet service.
- Community amenities – Wrangell is an attractive, walkable ocean-side town. The climate is wet but mild by Alaska standards, allowing visitors to enjoy outdoor recreation activities, including fishing, hiking, even golf, for 6-8 months of the year. The ability to offer recreational opportunities to conference attendees is an important selling point.
- Quality of facility – the Nolan center is modern, well designed and equipped to support a range of different sized conferences. The 35-person small conference room is the most used part of the conference center. This is a particularly comfortable, attractive space, with great acoustics, good lighting, a convenient sink and countertop for food service,

⁶ Volume 32, No. 3 Quarterly of the Alaska Historical Society Fall 2004

- and a wall surface designed for displaying or posting information. The lobby provides a spacious, well-appointed space just outside the conference rooms perfect for informal socializing between conference activities. The ground floor location simplifies delivery of presentation materials and makes for good handicapped access.
- Lack of local competition – the Nolan center is the only high quality public or private conference space in the community. The nearby community of Petersburg does not offer a facility of this size or quality. As a result the Nolan center is the focal point of all conference activities in the Central Southeast area.
 - Skilled, dedicated staff and director.

The center did not initially have broad community support. Many people believed it would not receive enough use to justify construction costs and the City's required annual financial support (the City currently puts in approximately \$62,000 annually of the center's \$132,000 annual budget). Community sentiments have become more favorable since the center opened. One reason is the center's demonstrated ability to attract out-of-town events; another is by offering different prices for different events. Government agencies and commercial groups pay full fare; local groups and non-profits pay a slightly lower rate; and the space is available for free for certain number of special community events each year (e.g., fundraisers for high school sports, or meetings by local boards and commissions).

Current challenges facing the facility include limited lodging and food service in Wrangell. The center has a warming kitchen and relies on local caterers for providing food. This has only been somewhat successful, and the facility is now planning to add additional kitchen facilities, so more food can be prepared on site. The limited supply of local accommodations is the center's other major challenge. The center's director also said she wishes the small conference room was a bit bigger.

Wrangell's operating budget is modest relative to other facilities in Alaska – approximately \$132,000 annually. In addition to the attributes listed above, the center's success comes from a focused, successful marketing program. The director uses every opportunity to talk with potential user groups and conference organizers. She makes several trips each year around Alaska, visiting larger communities, and directly contacts as many of these groups as possible. This personal touch, as well as the highly personalized service offered at this facility is essential to the facility's success. According to the Nolan Center's director, the high level of personalized service they offer is one of the things that bring people back to Wrangell. "People know that we really want them here, we do everything we can to show it." The director feels like this kind of ethic is missing from larger conference facilities and smaller facilities can compete by perpetuating such feelings. The facility is currently working on developing a website that can provide on-line information about center fees, services and amenities.

Conclusions Regarding Other Alaskan Conference Facilities

The following is a summary of lessons learned from interviews conducted with the directors of conference facilities around the state.

Level of Use at other Conference Facilities

- A wide variety of use patterns exist within other communities. Valdez, for example, has an attractive, spacious facility and a road system location, but attracts relatively few out of town events (10% of total events – 12 in a year and generally small). In contrast, the recently

built conference facility in Wrangell attracts a majority of users from outside its community, despite having a location that can only be reached by a relatively costly air flight.

- Other statistics concerning use of these facilities include Sitka’s Centennial Hall noting that on average they have 25 events per year with an average stay of 3 days and an average number of people per event of 88. Wrangell has averaged 120 events per year, with an average stay of about 3 days. The Juneau conference facility, having seven rooms of varying sizes, has an average of 80,000 people per year with about 75 rooms used per month. A significant portion of the use of the Juneau facility comes from the city’s role as the state capital. They also point to the fact that they have approximately 70 days per year with no bookings.
- Among the key variables that distinguish these facilities is ease of access (air access, if reliable and frequent, does not appear to be a significant barrier to in-state conferences). The second variable is the nature of the conference experience, the character of the community and the conference facility. Wrangell, for example, has a modern attractive facility in a friendly, small, coastal community.
- Government organizations are major users of conference facilities. According to the director of the Sitka facility, revenue from meetings associated with the USFS and other state and federal organizations is a key element to sustaining the Sitka facility. Seward is a location that is similarly suited to gatherings by these organizations.
- Most use is local – at all the facilities, except Wrangell, locally-based users made up the majority of users. Wrangell is the only community reporting a higher ratio of outside events to local events, and even there the large majority of out-of-town users come from Southeast Alaska. Wrangell also reported a hesitancy of the local population to utilize their newly constructed facility. Though rates charged for events at this facility are similar to rates charged at other facilities around the state, local users prefer to patronize lower cost, more modest local options.

Operations Costs and Revenues

- Most facilities reported the intended purpose of having a convention center is not to make a profit but to provide a larger benefit to the community. This means drawing visitors to community businesses such as restaurants, hotels, shopping and to increase the general visibility of the community statewide and nationally.
- Nearly all facilities reported that they require a subsidy to operate their facility and that they do not earn enough revenue through events to cover operating costs. Sources of subsidy for operation costs include: bed tax, sales tax, and property tax collected by city government. Established endowments also offset costs in a few instances. Three Alaskan examples are shown below:

	Total Annual Budget	Local Subsidy	Percent Subsidy
Wrangell	\$132,000	\$62,000	46%
Valdez	\$405,000	\$207,000	65%
Sitka	\$471,000	\$330,000	70%

- The director of the Egan Center in Anchorage commented that the conference industry is highly competitive, and it would be difficult for them to offer higher pricing and also be competitive with conference facilities nationally. Egan recovers some costs through its in-house food and beverage service.

- All facilities reported that a significant issue they face is the rising cost of fuel and electricity. Valdez reported that since the summer of 2005, their electricity cost had climbed from \$42,000 to \$63,000. Fuel cost for the facility is estimated at \$45,000 annually and is projected to increase. The shared spaces at the Mary Lowell Center will help mitigate this issue by sharing these costs among several parties.

Technology and Special Amenities

Many conference center operators agreed that offering technology and special amenities can enhance the attractiveness and use of a facility. Suggestions include:

- Wireless Internet or multiple areas where Internet can be accessed.
- High quality projectors and screens – having multiple large screens in bigger rooms (as offered at the Hilton) is particularly successful in their main conference space.
- High quality and consistently reliable sound equipment.
- Wireless microphones were recommended by several interviewees (easy to use, set up).
- Sound protection between partitions and individual sound equipment for each section for conference areas that can be split into multiple sections.
- Outsourcing of AV services and/or have staff dedicated to ensuring that all equipment is functional throughout a meeting or conference.
- Commercial kitchen allowing catered events to be done in-house - with a warming kitchen, there will be a limit to who can cater particular events because of the logistics of transferring prepared foods from the catering location to the conference facility while also meeting permitting requirements. See Appendix D for discussion of catering options.
- Flexible spaces for a wide range of group sizes and activities and the ability to offer breakout rooms. As is discussed in the following sections, demand for small conferences (20-40 people) is greater than demand for gatherings for 200 or more people.
- Small nooks or dedicated space for networking, conducting business, and small two to four person meetings is essential for tapping into the larger conference market.

Marketing

Conference facilities can have great locations and great facilities but still fail without good marketing. The conference marketing process needs to be active, sustained, and comprehensive (Section 8 presents specific recommendations for marketing the Mary Lowell Center). The most important element of the process is direct contact with prospective users. For example, a facility like the Egan Center in Anchorage has a team of salespeople assigned by regions of Alaska and the United States. These people establish relationships with conference planners and individual organizations. Seward, like Wrangell, will be focused on a different market but will need to follow a similar strategy. The entity marketing the facility and the conference center director will need to reach out to organizations that hold events around Alaska and actively sell them on the benefits of using the Seward facility. In many instances, this will require setting up specialized packages that help solve problems such as lodging, transportation, food service or specialized equipment needs. Tools that can assist in this process include:

- Sales package: brochure, rate card, lodging and food information
- Website
- DVD describing conference features and amenities
- Other activities and suggested things to do in Seward

Most larger communities with conference facilities market through their local convention and visitors bureau, with funding from a local bed tax. In small towns such as Wrangell, marketing is done through a partnership between the conference center management and the local Chamber of Commerce.

Location, Accessibility, Community Services

The package of services, amenities and ease of access of a community are often as important as the facility itself in influencing a conference location:

- Valdez reported their building’s location in regards to the Valdez community is highly favorable. They have the best view in town – this encourages local use, and visitors are always pleased with the views the center offers of the surrounding area. The plan for the Mary Lowell Center has a similar central location and also has good views.
- Valdez reported their city’s location is a challenge to outside user groups, both the perception and the reality. Valdez has one small, regional airline that offers flight service and has had some conference schedules interrupted due to poor weather. The road is an option, but driving time to Valdez from Anchorage is about 5 hours and weather can make travel additionally challenging. People want reliability. The improved fast ferry connection between Whittier and Valdez might be an angle that they will pursue in the future. For rural areas that are trying to be competitive in the conference market, it is possible that emphasizing unique opportunities would be a good strategy.
- Drawing potential clients’ attention to an area’s unique opportunities is an idea also advanced by the convention space director in Wrangell. They recently served a conference of over 250 persons, though local lodging could not accommodate this number. To serve this conference, the City of Wrangell contracted with the Alaska Marine Highway and had the state ferry, Matanuska, dock locally as lodging. “People thought it was great, and recognized that we would do whatever we could to accommodate their needs.” The director acknowledged, however, that the lack of adequate local lodging creates challenges for serving large groups.

7. OPERATION PLAN

Management & Marketing

The conference components of the building will be operated by an entity to be hired by the City of Seward. The City will put out a request for proposals and select a qualified marketing partner. Most likely options include:

- City operated (e.g., City employee serves as director), marketed under contract
- Non-profit operated and marketed
- For-profit operated and marketed
- Chamber of Commerce operated and marketed

The selected entity will be responsible for day-to-day operations, including managing center staff, marketing, booking and managing events, maintaining the conference space portion of the building, and overall responsibility for the success of the conference space as a business venture. As mentioned above, in most Alaskan communities, conference centers are managed and marketed by the local convention and visitors bureau, established as an independent entity and supported in large

part by local bed tax revenues. Under this arrangement the municipal government has a measure of control over facility operations but all day-to-day decisions are made independently. In Wrangell, the center is operated by a city employee working in partnership with the Chamber of Commerce.

Whatever management and marketing structure is selected, the goal should be to maximize the impact of what will inevitably be a limited marketing budget. Marketing efforts tied to the conference center and those by the Chamber of Commerce for the community as a whole will need to be coordinated and carried out cooperatively.

Overview of Costs at Other Facilities

As was presented in Section 6, operation costs for comparable facilities in other parts of the state range from a low of \$132,000 in Wrangell, to \$480,000 in Valdez, to over \$700,000 in Juneau and Anchorage. As a comparison, total operating costs ranged from a low of \$22 to a high of \$34 dollars per square foot of conference space. The largest components of these costs are for staffing and building operations. As was reported by several facilities, operating costs tied to energy use are rising faster than revenues.

Operation Costs for the Seward Conference Center

The table on the following page presents costs for the planned conference facility. Notes on cost estimates are presented below. Costs in year one include one-time startup costs. Costs thereafter increase by 3% annually, except for facility operation costs (utilities), which increase by 5% annually.

a. Personnel

- Conference Center Coordinator – full-time position, responsibilities:
 - Booking
 - Connecting users with community services and facilities
 - Conference logistics, set up, troubleshooting
 - Assisting the Chamber and/or marketing coordinator with marketingSalary: \$45,000 base, \$61,875 with benefits (calculated as 37.5% over base salary) (While Wrangell is able to pay their director only \$25,000, this is an anomaly and more a reflection of weakness of the community's economy. Given the diverse and challenging responsibilities associated with this position, a highly capable person will be needed and a salary of at least \$45,000 will be required.)
- Full-time receptionist (City covers 15% of annual costs) – shared staff position with the National Park Service and US Forest Service
Salary: \$30,000 base, \$41,250 with benefits
- Full-time facility maintenance (City covers 15% of annual costs) – likewise shared
Salary: \$30,000 base, \$41,250 with benefits (seems low)
- Contract staff – limited role assisting with audio-visual and communication equipment

b. Equipment

Equipment costs are concentrated in the startup phase of the facility. The table on the following page shows the types and costs of equipment required at the outset of facility operations. *Note:* this list should be reviewed and refined by Portico Architects.

c. *Marketing and Communication*

Marketing will be essential to the success of the facility. As outlined above, there are several options for carrying out marketing responsibilities. Whichever approach is adopted, the Conference Center Coordinator will need to collaborate with the Chamber of Commerce, with local organizations who periodically host events (e.g., the hospital), with organizations that independently market themselves (e.g. the SeaLife Center), and also with other members of the community, including businesses.

To the degree that existing marketing materials and marketing activities (e.g., those of the Seward Chamber of Commerce) can be used to market the facility, costs charged to the conference facility operations budget can be reduced. Until decisions are made regarding who will manage and market the center, this report identifies a number of marketing costs associated with the conference center.

- One time startup marketing costs – the center needs to disseminate information regarding conference features, amenities and prices, as well as provide access to information regarding accommodations and other Seward visitor services and attractions. This should be done in the three modes listed below:
 - Sales package (brochure, rate sheets, etc.)
 - Website construction
 - DVD production and distribution
- Ongoing marketing activities
 - Update, distribute, reprint sales package
 - Update, optimize website
 - DVD copies and distribution
 - Limited travel (1 sales trip per year, in Alaska or outside)
 - Advertising (limited placement of print ads to draw prospective users to the conference center website)
 - Trade shows – no cost to conference operations; presumed to be covered by the Chamber of Commerce and local businesses (see note below)

This report presumes the facility will be actively marketed at least two years prior to its opening, in order to maximize use in early years of operation. Many conference bookings occur several years prior to the actual event, so without this initial marketing effort, use (and revenues) in the early years would otherwise be lower than what is shown in the revenue spreadsheet. No costs are shown for this pre-opening marketing. The report presumes these costs would be covered separately by the City or the Chamber of Commerce, as part of their regular marketing efforts⁷.

d. *Misc. Costs* (“other”)

As shown on the detailed spreadsheet, this category covers a range of miscellaneous costs, including office supplies, janitorial supplies, training, and miscellaneous travel.

e. *Facility Operation Costs*

The City anticipates being responsible for 15% of ongoing facility operation costs: heat, light, water, sewer, and any other utilities. These costs are estimated at \$6.00/square foot per year⁸. Costs for

⁷ It is presumed that the Chamber of Commerce as a matter of course will promote the conference center along with other community attractions and services. This is common in other small communities.

⁸ This \$6.00 figure is based on a consideration of estimates from rural communities like Bethel and Dillingham, where the average annual cost of building utilities and maintenance is between \$10-12.00, and an estimate by Portico Architects. Portico looked into the 35% Schematic Design life cycle costs. Their conclusion, as relayed from Paul L. Schrooten of the National Park Service: “During the value analysis, the VA team evaluated and confirmed many of the

regular janitorial services are covered under item D above. Cost calculation: Total building size is 40,000 SF x 15% x \$6/SF = \$36,000/year. Facility operation costs are shown as increasing 5% annually, reflecting recent trends in rising energy costs. This is faster than the rate of increase of other costs and of revenues, estimated at 3%. (Note: because revenues are only shown as increasing at 4% annually, the bottom line shows slightly increasing deficits over time.)

Start Up (One-time) Costs

	Note	Unit Cost	No. units	Total Cost
Audio Visual & Communications Equipment*				
Projector		\$ 3,000	1	\$ 3,000
Screen		\$ 350	3	\$ 1,050
Sound system - PA		\$ 650	3	\$ 1,950
Teleconference	?	\$ 5,000	1	\$ 5,000
Wireless Internet	?	\$ 2,500	1	\$ 2,500
Subtotal				\$ 13,500
Conference Center Equipment				
Rectangular Tables	8' long	\$ 120	10	\$ 1,200
Round Tables	10 person	\$ 250	30	\$ 7,500
Table Caddy	rolling	\$ 300	1	\$ 300
Chairs	folding upholstered	\$ 25	400	\$ 10,000
Chair Caddy	rolling	\$ 300	5	\$ 1,500
Linens	check - rough guess	\$ 35	30	\$ 1,050
Lecterns		\$ 300	3	\$ 900
AV Media Stand	rolling	\$ 132	3	\$ 396
Moveable Stage		\$ 3,000	1	\$ 3,000
Easels		\$ 17	10	\$ 170
Misc convention starter kit (extension chords, etc)		\$ 1,500	1	\$ 1,500
Subtotal				\$ 30,216
Office Equipment				
Computer & printer/fax		\$ 3,000	1	\$ 3,000
Telephone		\$ 150	1	\$ 150
Furnishings: desk, chairs, etc.		\$ 1,500	1	\$ 1,500
Subtotal				\$ 40,832
Catering/Kitchen Equipment	simple stove, refrigerator, microwave, utensils			\$ 3,000
Other Furnishings				\$ 1,000
Other Equipment				\$ 1,000
Subtotal				\$ 2,000
Total Startup Equipment & Furnishing Costs				89,548

* AV and communication equipment costs are preliminary, awaiting more precise estimates from Portico Architects.

cost assumptions used in TPG submittal. This resulted in a 20-year estimate for utilities, maintenance, repairs, replacement of equipment, and maintenance staff of \$3,260,160 for the preferred alternative. If we assume the size of the facility has been refined to approximately 37,650 SF, then the 20-year life cycle costs work out to \$86.60, or about \$4.33 per SF per year. This seems a little low to me, so using your \$6.00 per SF would include a 40% contingency. I believe that would be warranted given where we are in the design process.”

After the initial startup costs, an ongoing annual equipment maintenance cost is assessed, at 5% per year of the initial cost.

f. *Replacement Reserve*

To maintain the overall high quality of the conference environment, with multiple pieces of valuable equipment and components, annual contributions need to be made to a reserve account that can be used for major repairs and eventual replacement. The table below itemizes the required annual contributions. Contributions for items like chairs, tables, office furnishings, etc. presume that 10% of the replacement cost will be set aside each year. Twenty percent of initial costs are reserved annually for replacement of electronic equipment, which tends to wear more rapidly and become obsolete. Replacement costs are estimates, pending refinement of facility and furnishing plans.

Item/Building Element	Annual Reserve Expenditure
Conference & Support Space (the building)	none shown in budget
Chairs, Tables	10% (replace every 10 years)
Office Equipment (computers, etc)	10%
Audio-Visual Equipment	20% (replace every 5 years)
Communication Equipment	20%

No set-aside is shown for the replacement cost of the facility since the facility will be owned by the National Park Service.

Projected Expenditures

EXPENDITURES		Year 1	Year 2	Year 5
Item		Annual Amount	Annual Amount	Annual Amount
Personnel				
Permanent Conference Staff				
Center Coordinator	City bears 100% of cost (\$45,000 + benefits)	\$45,000	\$46,350	\$50,648
Facility Staff (shared)				
Janitorial	City bears 15% of cost (\$30,000 + benefits)	\$4,500	\$4,635	\$5,065
Reception	City bears 15% of cost (\$30,000 + benefits)	\$4,500	\$4,545	\$4,683
Subtotal		\$54,000	\$55,530	\$60,395
Fringe Benefits	37.500%	\$20,250	\$20,824	\$22,648
Subtotal Permanent Staff w/fringe		\$74,250	\$76,354	\$83,044
Contract Staff - AV / IT Support	Average per month \$500	\$6,000	\$6,180	\$6,753
Subtotal Contract Staff		\$6,000	\$6,180	\$6,753
Subtotal Personnel		\$80,250	\$82,534	\$89,797
Equipment				
Equipment Purchase	See 'startup equipment cost' - subsequent years covered below	\$ 89,548	\$0	\$0
Equipment Maintenance	estimated annual expense - 5%	\$4,477	\$4,612	\$5,039
Subtotal Equipment		\$94,025	\$4,612	\$5,039
Marketing & Communications				
Print - brochure, sales package	First year only - design, printing of 1000	\$4,000	\$0	\$0
Distribution, average reprint	Annual postage to mail 500 (+reprint alt yrs)	\$1,500	\$1,545	\$1,688
Website development	First year only	\$2,500	\$0	\$0
Website maintenance - changes to site	2 hours per month @ \$75/hour	\$1,800	\$1,854	\$2,026
Website hosting fees	\$20/month + \$10/year for domain name	\$250	\$258	\$281
DVD production	First year only - uses existing City footage	\$4,500	\$0	\$0
DVD distribution - mail	Est. annual expense - postage	\$250	\$258	\$281
DVD distribution - online hosting	Postage, on-line hosting (for fast downloads)	\$360	\$371	\$405

EXPENDITURES – cont'd

Item	Year 1 Annual Amount	Year 2 Annual Amount	Year 5 Annual Amount
Booth & related display info	\$1,000	\$0	\$0
Trade Show Fee	\$1,000	\$1,030	\$1,126
Marketing-related travel	\$3,000	\$3,090	\$3,377
Subtotal Marketing & Communications	\$20,160	\$8,405	\$9,184
		8%	
Miscellaneous			
Office Supplies - paper, toner, misc.	\$600	\$618	\$675
Conference Supplies – misc.	\$600	\$618	\$675
Maintenance & Janitorial supplies	\$600	\$618	\$675
Training/ Professional Development	\$1,000	\$1,030	\$1,126
Communications - telephone	\$3,600	\$3,708	\$4,052
Misc. travel - e.g., drive to Anchorage	\$1,200	\$1,236	\$1,351
Fees & Licenses	\$100	\$103	\$113
Insurance	\$0	\$0	\$0
Commission to Booking Agencies	\$0	\$0	\$0
Subtotal Other	\$7,700	\$7,931	\$8,666
		3%	
Building Utility, Maint. Costs			
	total	Fiscal Year 1	
Estimated \$/SF - City Portion of Facility	SF	City Share	
	40000	15%	\$36,000
Subtotal Facility Operations & Maintenance			\$36,000
		14%	
Equipment, Furnishings Replacement			
Subtotal Annual contribution to Repair & Replacement Reserve	\$ 10,305	4%	\$11,598
Total Expenditures	\$ 248,440	100%	\$151,895
			\$168,043

See 'Replacement Detail'

Includes annual contribution for R & R on equipment ONLY

8. ESTIMATED DEMAND & REVENUES

Target Markets

The facility aims to attract a combination of users from the community, Southcentral Alaska, the state as a whole, and to a lesser degree, from around the nation. The most promising markets are listed below. This information was derived from a synthesis of evaluations of other existing or proposed facilities, plus other research prepared as part of this report. The following sections present a more complete description of these markets and then an estimate of the expected amount of use in each category.

- In-Town
- Out of Town Users Linked to Local Institutions ←
- Kenai Area
- Anchorage, Southcentral and Statewide ←
- National

Of all these market types, the one that promises the most economic benefits to the community is the Anchorage, Southcentral and Statewide market, in particular, the market for smaller events, such as a 20-40 person executive conference. Groups planning this type and scale of event are more likely to accept the extra cost and time required to use the Seward center, in exchange for the amenities the community and facility can offer. The second most important market is “out-of-town use linked to local institutions,” particularly meetings by the USFS and NPS. Local use will also be important as a revenue generator to help cover center costs.

The most important specific types of facility uses include:

- Small conferences and trainings (20-100 people)
- Larger conferences (100-300 people)
- Social events, e.g. weddings, banquets or other events drawing out-of-town users (e.g., events related to the Mt Marathon race)

Other important, but secondary types of conference activities include public meetings, performing arts activities, and small trade shows. The Egan Center in Anchorage is used during the summer as a staging area for pass-through cruise ship passengers. This use is not expected at the Seward facility.

In-Town

Existing conference facilities in Seward all report regular use of their facilities, largely by local organizations and private groups. Event bookings are generated year-round by social, military, educational, religious, fraternal organizations, small business users, and private parties. Most of these are daily events by local residents that do not require the participants to seek accommodations. These activities require little marketing. It is not believed that any significant increase in these events will occur due to the conference facility entrance into the marketplace, but instead the market slice of the pie to any given facility will be a bit narrower. Based on the experience of other communities, the price to use the new facility will have a major role in determining the degree to which the conference center is used by such events.

Out of Town Users Linked to Local Institutions or Facilities

An important user category is related to local institutions such as the hospital, prisons, commercial banks, AVTEC, the Alaska Railroad, and government agencies. These groups can be relied on for occasional use of the facility for their own staff, but more importantly, can help attract Southcentral or statewide events related to their respective activities, e.g., related to education or job training in health care. The Alaska Railroad, surveyed as part of this project, is a good example. The Railroad representative stated that they are interested in the economic future of Seward, and would be pleased to arrange to use the conference center.

Locally-based state and federal agencies, in particular the National Park Service and the US Forest Service, generate significant demand for meeting and training space. These groups are at or near the top of the categories of users of the Wrangell center. Because NPS and USFS are partners in the ownership and operation of the facility, it is expected that these groups may be charged a slightly reduced rate for the use of the facility and will also aim to schedule their events to avoid conflicts with other important out-of-town events.

Kenai Peninsula

Kenai Peninsula businesses, organizations, and residents are expected to create a steady but small demand for use of the facility. The majority of the Peninsula's population is located within approximately two hours of Seward. These groups have access to existing facilities in the Homer and Kenai-Soldotna area and are largely expected to continue to use these facilities. Nonetheless, it is expected that some of these entities will periodically choose to hold gatherings in Seward. This is particularly true for governmental entities that are obliged to respond to the interests of residents and businesses throughout the Borough.

Anchorage, Southcentral and Statewide

Alaska has an unusually abundant and diverse collection of organizations, agencies, and non-profits, almost all of which hold conferences, meetings, and retreats. The Homer study (see previous citation) identified about 100 larger non-profits and business organizations in Alaska that regularly hold conferences. The report estimated that these groups hold an average of two meetings per year. In addition, Alaska has numerous local, state, and federal government entities (and organizations made up of such entities, such as the Alaska Municipal League or Alaska local and regional economic development organizations). The state is also home to many native and tribal organizations. Finally, 3,000-4,000 non profit organizations are registered in Alaska and around 2,500 of these are active. The large majority of these prospective facility users are based in Anchorage, Fairbanks or Juneau.

Appendix C presents a list of Alaskan organizations expected to create demand for conference space in Southcentral and statewide.

The majority of the events associated with these organizations, agencies and non-profits currently take place in Anchorage. The planned Seward facility would join the conference spaces available at the Alyeska Prince Hotel in Girdwood, to offer top quality, dedicated conference space, in a high amenity location, in a small community with good visitor services, within a two hour driving range of Anchorage.

National

Anchorage and Juneau are the only communities in Alaska that attract significant numbers of national events, and even in those communities such events are relatively infrequent. Wrangell has had some success attracting statewide events and out-of-state events, although as noted the majority of their users are from the Southeast region. Seward's recreational and aesthetic amenities, coupled with a sustained marketing effort, offer the potential to attract occasional national organizations. Most promising are groups with a special interest in Alaska and the type of surroundings and visitor attractions that Seward offers. This might include corporate retreats or corporate incentive travel. Another plausible way to attract national groups is through ties to Alaskan organizations based in Seward. Examples of such groups include: the SeaLife Center (and science- or research-related organizations), the Seward Hospital (health-related organizations), Seward Corporate Banks (financial service trainings and events), and AVTEC (education or employment-related organizations).

One regular national event that currently occurs in Seward is the August gathering sponsored by Representative Don Young. This event brings over 100 politicians, lobbyists, and related people for several days of fishing and socializing. The Mary Lowell Center will provide a new and improved home for this event, for at least as long as Representative Young remains in office.

Feasibility of a Conference Center in Homer: 2005 Study Findings⁹

In addition to the research presented earlier in this report, two other perspectives were considered as part of the evaluation of target markets and projected levels of demand. The first is a recent study sponsored by the City of Homer and prepared by consultants CSL, which considered the feasibility of developing a conference center in Homer. Homer has about twice the population of Seward, but is similar in that it would offer conference attendees a small-town Alaskan experience in an attractive natural setting. Homer, like Seward, is not served by jet service and is located on the road system. The biggest difference between the communities, and the reason we believe the planned Seward facility has much better prospects than the facility proposed for Homer, is travel time. Travel time driving from Anchorage to Homer is more than twice what is needed to reach Seward, approximately 4.5 hours. As a result of these similarities and differences, conclusions drawn regarding Homer's feasibility as a conference destination provide an interesting lens for studying Seward's potential. A short overview of the Homer report and its findings follows.

One way that the Homer report judged the attractiveness of the community as a conference destination was through a survey of in-state groups who held regular conferences in Alaska. The report estimates that around 200 events are produced in-state on a yearly basis, by a population of about 100 Alaskan organizations who hold these types of events. The survey was distributed to 35 Alaskan groups, representing approximately 60 recurring events. The entities were asked to respond to a survey characterizing the type, size and frequency of their events and the likelihood of using a facility located in Homer. Groups listed as surveyed did not include state or federal government or Native organizations, so there may be a significant source of demand left unexplored by the Convention Sports & Leisure (CSL) study.

⁹ Feasibility Study for a Potential New Conference Center in Homer, Alaska; Conventions, Sports and Leisure International; July 9, 2005. CSL is a consulting company based in the lower 48.

Based on this survey, an extensive analysis of other sources of demand, and a review of the operations of a number of other conference facilities in Alaska and outside, the Homer report draws the following conclusions:

- Interest levels from surveyed Alaskan organizations were qualified as moderate, with 45% of respondents giving a positive response when asked if they would hold an event in Homer. Since these groups have low population and rotate their meetings to different locations, they would contribute a small to moderate number of facility utilization days.
- National conferences would not contribute a significant number of event-days.
- Based on Homer’s location, local market characteristics and event profiles of competing facilities around Alaska, local events would be the largest user of this facility. Projected annual use at the proposed Homer conference center is outlined below:

Types of Demand for Proposed Homer Conference Center	Number of Annual Events	Event Days/Year	Utilization Days/Year
State Conventions & Conferences	8	20	28
Other conferences	2	4	6
Public/Consumer Shows	4	10	20
Meetings/Banquets/Other events	60	60	60
Annual Total	74	94	114
Monthly Average (annual/12)	6.2	7.8	9.5

Utilization days include events plus pre- and post-event activities, such as setting up materials, cleaning, etc.

- Homer already possesses a number of event facilities that can host meetings, conferences, and banquets. A newly constructed facility would compete with existing facilities for users holding smaller events and meetings.
- Based on the level of market demand, it is considered unlikely that a new stand-alone conference center (publicly owned, not attached to a hotel or other facility) could generate utilization levels consistent with, or higher than, the average comparable facility reviewed. These include facilities surveyed within this report, including Ketchikan, Valdez and Sitka. All of these facilities operate at a substantial deficit and require subsidy to maintain operations.
- Based on the findings of the CSL study, the City of Homer has decided not to pursue construction of a convention center at this time.

Seward faces many of the same challenges as Homer but with two significant differences: first and foremost, Seward is much closer to Anchorage than Homer, and, second, Seward has a more concentrated collection of services, in particular hotels, that could simplify conference logistics. In addition, we believe that the Homer study did not consider the full range of organizations, in particular state and federal organizations that generate demand for conferences and events.

Alaska Conference Holding Organizations - Telephone Survey Results

As a final consideration in analyzing potential market demand, a limited survey was conducted by phone of prospective conference facility users. Thirty-one potential high users of the proposed conference facility that in aggregate represent over eighty recurring events were contacted and asked

questions regarding their conference needs, willingness to use the proposed conference facility, and insights they might share regarding a conference facility in Seward. The groups contacted were a loosely-stratified sample from a statewide listing of associations and organizations from the Anchorage yellow pages. While not a random sampling, the survey team intentionally sought interviews from statewide, Anchorage, Kenai and multi-industry based associations to provide the widest cross section of information. Following is a list of the questions asked of potential users:

1. Does your association hold events throughout the year?
 - How many events per year do you hold?
 - How many people per event on average?
2. Where have you met in the past?
3. What sort of conference needs do you have (i.e. catering, AV equipment, etc.)?
4. Would you consider Seward as a location for future meetings?

Overriding themes and general results of potential user telephone interviews are summarized below:

- Seward is seen as a potentially attractive destination for conferences. Groups that hold regular meetings are open to new locations; Seward is seen as a physically attractive destination; some statewide organizations have members in the Seward area.
- Virtually every group would require quality amenities and food service. Many indicated that they would require a dedicated ballroom or designated place for food functions in addition to a space for general assembly of conference delegates. High quality food service was considered a necessity by many of those responding.
- Recurring hesitations about the use of a conference facility in Seward were in two categories: concern by some about the capacity, in terms of the conference space (e.g., for vendors to set up booths, networking space and breakout rooms); concern that conference attendees flying into Anchorage would then have to drive to Seward and that this may cause the number of delegate attendees to decrease.
- Hesitancy was also expressed in regard to lodging accommodations. Some state groups or associations expressed the desire to have a hosting hotel facility tied to their conference experience. These interviewees expressed that their delegates would fill and demand the use of one or more full-service hotel properties (those having on-site food, beverage, meeting and remote office capabilities).

Several conclusions can be drawn from interviewee comments as the City of Seward makes decisions regarding the development and operation of the proposed conference facility.

- The existing design of the Mary Lowell Center, while able to seat 300 people for a meal, will in many instances be better suited for smaller events – 200 delegates or less. This reduction in capacity would occur because some space will often be needed for concurrent activities, such as trade show displays, breakout activities and food preparation and service. Ideally all conference needs will be offered under one roof.
- Quality food service was expressed as an element of critical importance and may require the thoughtful consideration of a full-service kitchen (see section 8 for more information).

- Conference facility staff needs to work actively with potential facility users to meet their specific needs. Many users will expect conference components to be packaged to make the process of doing business with Seward simple and more affordable, for instance:
 - Packaging or marketing hotel components along with the conference facility may be necessary. Many groups will want a “headquarters” hotel. The conference facility’s lack of tie to a hotel impacts the facility’s competitiveness.
 - Packaging transportation to the site, for instance through the Alaska Railroad or charter motorcoach providers, may be the best way to address transportation concerns. These forms of transportation can be linked to pre- and post-event connections, benefiting local businesses and making the Seward facility more competitive.
 - Package recreational opportunities such as a trip to Fox Island, a Kenai Fjords tour or community night activity.
- The non-local market share is limited to what the Seward area full-service hotels can accommodate. Currently hotel space is at a premium or not available during the prime visitor season – mid-May to mid-September. As a result, marketing of the conference facility needs to be aggressive so that the facility is filled by non-local users between October and April.

Appendix C presents the verbatim results of individual interviews.

The results of this telephone survey reinforced conclusions reached through other research. Non-local in-state associations and organizations have the best potential to bring their events to Seward and should be given the greatest attention because they will bring greater overall economic benefits and may also host conferences in Seward multiple times. Local events will likely create the greatest overall use for the facility, but often these groups are limited in their ability to pay for facility use and amenities. Furthermore, local events will generate little new economic benefits to Seward through room nights, additional meals and other purchases. While the facility may attract an occasional national group, this segment of the market will not likely hold repeat meetings and will only plan the occasional “one-time” meeting as a way to draw in additional delegates or support an Alaskan membership of a national organization.

Estimating Magnitude of Use

Developing a strictly quantified approach to predicting demand is challenging. While there are other conference centers in Alaskan small towns, Seward is unique. Predicting demand requires numerous assumptions, including estimates of the prices and services at the center and competing local facilities, the level of marketing for the Seward center, the provision of food services, and the current and future demand at the local, state and national level.

Given these variables, the consulting team made a best judgment of the level of demand that might be reasonably expected from local, regional, Anchorage, statewide, and out-of-state conference users. Demand is broken out by category so it is easy to review (and second guess) the demand assumptions. The estimate presented in this section was based on a synthesis of all the information listed below.

- Understanding of the character of the planned facility (section 3)
- Evaluation of Seward’s strengths and weaknesses as a conference destination (section 4)
- Availability of existing conference, food and lodging facilities in Seward (section 5)
- Interviews and evaluation of comparable facilities in other parts of Alaska (section 6)
- Review of the feasibility assessment of a proposed conference facility in Wrangell (in section 6) and in Homer (summary above)
- A telephone survey of potential conference users in Southcentral Alaska (summary above)

The table below presents a summary of projected demand.

Summary of Projected Annual Demand

Location	Use Days* per month	Use Days* per year	Percent of total	Notes
Local: Seward Based Users				
Corporate - Banks, etc.	2	24		
Community Event	0.33	4		e.g. awards banquets
University of Alaska	0.33	4		
Other Seward orgs	4	48		e.g., hospital, prison, fraternal groups
Private Parties - social	2	24		e.g., weddings, funerals, graduations
Total Local	8.66	104	43%	
Kenai Peninsula Region				
Corporate Meetings	1	12		
Government	0.5	6		
Assoc, Non-profit	0.5	6		
Private Parties - social	1	12		e.g., weddings, funerals, graduations
Total KP Region	3.0	36	15%	
In-state: Anchorage, Southcentral AK				
Corporate, Trade Groups	3	36		
State, Federal Gov't	2	24		
Assoc, Non-profits	2.5	30		
Consumer Show	0.3	3.6		
Total In-State	7.8	94	39%	
Out of state				
National Convention	0.5	6		
Total Out-Of-State	0.5	6	3%	2 groups, 3 days per event
Total	20	240		

*includes both full and partial day events

Revenue Projections

This section outlines estimated revenues associated with projected demand. Revenue calculations could easily become quite complex. For example, estimating fees for use of the facility on an hourly basis or for three different facility spaces, or distinguishing between single- and multiple-day events, between different fee schedules, or different levels of secondary fees by event size. For this analysis, the goal has been to keep the estimates simple. As shown below, conference space user fees are based on four levels of use: for full- or half-days, and for the full or partial space.

Pricing – Mary Lowell Center

	<i>half-day</i>	<i>full-day</i>
Partial facility (1/3 space)	\$150	\$300
Full conference space	\$450	\$650

These pricing estimates are derived from a review of the prices charged in other facilities around the state. Based on our research, there are no facilities that base fees on individual users; the fees consistently are based on the size of the area being used and the length of time. The most readily comparable fees are for full-day use of the full conference space (but not the entire facility, which can only happen in dedicated conference centers). As the two tables show, full-day rates for the “full ballroom” or equivalent spaces in other facilities range from \$450 in Valdez to \$1,580 at the Egan Center in Anchorage. The prices used for the financial analysis in this report fall towards the upper end of the spectrum of small community conference centers, but are well below the costs in Girdwood, and match the fee charged in Wrangell.

Prices Charged – Other Facilities

<i>Facility</i>	<i>half-day</i>	<i>full-day</i>
Ketchikan		
Entire facility	\$520	\$650
Full ballroom	\$384	\$480
Valdez		
Entire facility	N.A.	\$1,000
3 ballrooms	N.A.	\$450
Alyeska Prince		
Columbia Ballroom (3000 SF)	N.A.	\$1,500
Wrangell		
Entire facility	\$850	\$1,550
Convention Room	\$350	\$650
Juneau		
Entire facility	\$530	\$795
Entire Ballroom	\$400	\$595
Anchorage Egan Center		
Entire Hall	\$2,970	\$4,395
La P. 6762 SF	\$1,085	\$1,580

The prices shown above for use in the Seward financial analysis are intended to make the facility competitive with other regional facilities, but still within the reach of local organizations. It is important to note that while these facilities will compete with Seward for conferences, each

destination has its own distinct strengths. For example, Girdwood’s marketing emphasizes its ski mountain; Seward will need to feature its coastal community location.

Additional fees would be generated from supplemental services, as outlined below. The presumption in the financial analysis is that one-third of users would use these services. The fee shown for catering relates to the revenue received by the conference facility for use of the kitchen. The actual charge for meals would be arranged separately through a catering service or restaurant.

Other Event-Related Income	Fee	% of events using service
Catering kitchen fee	\$100	1/3
Room set up/cleanup fee	\$50	1/3
Phone, computer, Xerox & related	\$20	1/3
AV rental fee	\$50	1/3
<i>Contracts for Services</i>		
Event coordination services	\$100	1/3

Comparison of Revenues and Expenditures

	Event-days Per Month	Event Income	Other event-related income	Fees for Services	Total
Projection 1 (year 5)	20	\$97,917	\$20,384	\$8,914	\$127,215
<i>Other scenarios</i>					
5% decrease in events	19	\$93,021	\$19,364	\$8,468	\$120,854
5% increase in events	21	\$102,813	\$21,403	\$0,360	\$133,576
32% increase (break-even)	25	\$129,740	\$27,008	\$11,811	\$168,560

As shown on the spreadsheet on the following pages, and excerpted above, this initial demand estimate leads to approximately \$110,000 in annual revenue in year one, rising to \$127,000 in year 5. In year 5, this level of revenue would require an annual subsidy of approximately \$40,000 per year to cover operating costs (earlier years have less revenue, and require an initial investment in equipment).

The table also shows how the bottom line changes with different assumptions about the average number of monthly event-days. Changes shown in these alternative scenarios all occur in the “full-day” event category. So, for example, the difference between projection one and the break-even scenario is a jump from an average of 9 full-day events per month, to 14 full-day events.

The Summary of Conclusions (Section 2) presents more details about strategies required to achieve these revenues.

Summary of Projected Revenue, Comparison with Projected Costs

				Fiscal Yr #1	Fiscal Yr #2	Fiscal Yr #5
REVENUE SOURCES	Item	Quantity	Fee	Notes	Annual Amount - average 4% annual revenue increase	Percent
EARNED INCOME						
Event Income						
<i>Half-day</i>						
	Partial space	7	\$150	event-days/month @ \$/use x 12 months	\$12,600	\$13,104
	Full Conference Space	4	\$300	event-days/month @ \$/use x 12 months	\$14,400	\$14,976
<i>Full-day</i>						
	Partial space	4.5	\$400	event-days/month @ \$/use x 12 months	\$21,600	\$22,464
	Full Conference Space	4.5	\$650	event-days/month @ \$/use x 12 months	\$35,100	\$36,504
	Days used/month	20		Subtotal Event Income	\$83,700	\$87,048
Other Event-Related Income						
	Catering kitchen use fee	6.6	\$100	1/3 of event-days/mo @ \$/use x 12 months	\$7,920	\$8,237
	Room setup-take down fee	6.6	\$50	1/3 of event-days/mo @ \$/use x 12 months	\$3,960	\$4,118
	Phone, Xerox, computer fee	6.6	\$20	1/3 of event-days/mo @ \$/use x 12 months	\$1,584	\$1,647
	AV rental fees	6.6	\$50	1/3 of event-days/mo @ \$/use x 12 months	\$3,960	\$4,118
				Subtotal Other Fees	\$17,424	\$18,121
Contracts for Services						
	Event Coordination services	6.6	\$100	1/3 of event-days/ mo @ \$/use x 12 mo	\$7,920	\$8,237
	Scheduled events for local organizations			covered under Event income		
				Subtotal Contracts for Services	\$7,920	\$8,158
	Subtotal Earned Income				\$109,044	\$113,327
	Adjustment for reduced events in startup yrs			percentage of "stable future year" events	70%	80%
						100%
Adjusted subtotal Earned Income						
					\$76,331	\$90,661
						\$127,215

REVENUE SOURCES – cont'd					Fiscal Yr #1	Fiscal Yr #2	Fiscal Yr #5
Item	Quantity	Fee	Notes	Annual Amount - average 4% annual revenue increase			
INDIVIDUAL AND COMMUNITY CONTRIBUTIONS							
City of Seward							
Chamber of Commerce, Business			Contribution to subsidize center		\$0	\$0	\$0
Other					\$0	\$0	\$0
Subtotal Individual & Community Contributions					\$0	\$0	\$0
In-kind (cash replacement)							
Maintenance & janitorial labor							
Utilities, Other							
Sub-total In-kind (cash replacement)					\$0	\$0	\$0
Total Revenues					\$109,044	\$113,327	\$127,215
Total Expenditures							
					\$ 248,440	\$151,895	\$168,043
Revenues Less Expenditures: Surplus (Deficit)					(\$172,109)	(\$61,234)	(\$40,828)

Appendix A

Typical Industry Segments (except from Homer Report)

Functions commonly provided in conference/convention facilities are listed below. The planned Seward facility, based on its size, layout, and second floor location, will be best suited for conferences, small conventions, “SMERF” events and meetings, and banquets.

Conventions: Events traditionally held by professional associations of international, national, regional, state, or local scope. Many of these groups tend to hold annual events that rotate among various destinations within a particular region.

Conferences: Meetings held by professional associations, non-local corporations, and local area companies. While sometimes used interchangeably with the term “convention,” these events tend to be smaller on average than conventions and also are less exhibition-focused.

Tradeshows: Events traditionally held by professional associations of international, national, regional, state, or local scope, as well as private events hosted by one or more corporations. Some of these groups tend to hold annual events that rotate among various destinations within a particular region, similar to conventions.

Consumer Shows: Exhibit base shows open to the general public and that generally draw from the local area. These events tend to charge a nominal fee for entry and typically include events such as home and garden shows, boat shows, auto shows, career fairs, etc.

Social, Military, Educational, Religious, and Fraternal (SMERF): Events include reunion-type meetings and conventions of groups and members, educational conferences, and other such events.

Meetings/Banquets: Events include functions hosted by local service clubs intended to share information, generate interest, and spur membership. Other private events include meetings/training, wedding receptions, parties and private banquets.

Spectator Events: Ticketed and non-ticketed spectator events, both athletic and non-athletic entertainment and educational events.

Incentive Travel (also important, but not included in the Homer report): travel sponsored by businesses and other organizations as a reward for success. This often includes a mixture of recreation, training and “team-building” activities, and is a good fit with Seward’s recreational offerings.

Appendix B

Expenditure Impact: 2005 Convention Expenditure and Impact Study

The information below shows direct event spending for meetings, conventions, tradeshow, and exhibitions (these figures do not cover spending related to consumer shows, sporting events, fairs, and festivals or concerts). This information, developed by Destination Marketing Association International, came from a survey of 86 participating Convention and Visitors Bureaus; 12,920 conference and conventional delegates; 1,286 exhibiting companies and 77 event organizers.

- In general, delegates spend an average of US\$989 per event or US\$278 per day. The average length of stay is 3.6 nights.
- 77% of all delegate spending is accounted for by lodging (48%) and food & beverage (29%).
- Consistent with previous studies, events held in larger destinations tend to produce more spending. Larger destinations also tend to host events that are broader in scope (e.g., drawing a regional, national or international audience), which also translates into additional spending.
- Overall, delegate expenditures increased 36% from 1998 to 2004. Delegate spending per day increased 15%. The average length of stay increased from 3.01 in 1998 to 3.6 in 2004.
- In addition to delegate spending, larger conventions generate significant spending by exhibiting companies, their staff and by event organizers (e.g. spending on caterers, flowers, entertainment, equipment rentals).
- Just over 80% of delegates stay in hotels when attending conventions and trade shows. Just under 18% of all delegates do not contribute any lodging expenditures to the local economy, by either staying with friends or relatives (7%) or by commuting daily to the event from home (12%) while attending these events.
- Direct spending generates additional, secondary spending and associated economic benefits. The degree of secondary spending varies with the size and complexity of the community economy.

Destination Marketing Association International; 2025 M Street, NW, Suite 500, Washington, DC 20036; .202.296.7888 info@destinationmarketing.org

Appendix C

Survey of Prospective Users

Focus: Interest by Associations to hold conferences in Seward

Community: Anchorage

Organization: Alaska Academy of Family Physicians

Telephone & Email: (907) 258-2255 or akafp@gci.net

1. Does your association hold events throughout the year? **Yes**
 - How many events per year do you hold? **Two**
Medical Evaluation Conference - June
Winter Update - March
 - How many people per event, average? **400 with families (Medical Evaluation) and approximately 100 participants (winter update)**
2. Where have you met in past? **Seward, Homer, Valdez (favorite location), Sitka, Juneau, Fairbanks, Soldotna and the Alyeska Prince – plan to rotate the event routinely**
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)? **Ballroom, breakout, hallway space for networking, food service-largely always set up, and typical AV equipment for presentations**
4. Would you consider Seward as a location for future meetings? **If the space were large enough to support 400 – have used Seward in the past, but outgrew the facilities.**

Community: Anchorage

Organization: Alaska Association of Realtors

Telephone & Email: (907) 563-7133

1. Does your association hold events throughout the year? **Yes**
 - How many events per year do you hold? **One to Three**
Annual Conference
Board of Directors meeting
Trainings for members
 - How many people per event, average? **200 participants average for annual conference and +/- 30-50 for other events**
2. Where have you met in past? **Anchorage, Girdwood, Juneau, Homer, Talkeetna – rotate event intentionally to provide all members a perspective on other statewide communities**
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)? **Catered food service, AV equipment typical of sophisticated operation, enjoy getting out to walk the community – food service for 200 seated banquet critical factor, breakout rooms, networking space**
4. Would you consider Seward as a location for future meetings? **Yes, always looking for new options – plan two years out typically**

Community: Anchorage and Statewide
Organization: Alaska Broadcasters
Telephone & Email: (907) 258-2424

1. Does your association hold events throughout the year? **Yes**
 - How many events per year do you hold? **One**
Annual Convention - November
 - How many people per event, average? **250 persons**
2. Where have you met in past? **Anchorage Hilton Hotel**
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)? **Typical**
4. Would you consider Seward as a location for future meetings? **No – moving outside of Anchorage has not worked in the past due to the decreased number of participants**

Community: Anchorage
Organization: Alaska Conservation Alliance
Telephone & Email: (907) 258-6171

1. Does your association hold events throughout the year? **Yes**
 - How many events per year do you hold? **Three to Five**
 - How many people per event, average? **20-50 typical with max of 200**
2. Where have you met in past? **Hilton Hotel Anchorage, UAA facilities**
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)? **Light breakfast, catered lunch, and once in a while a full-service breakfast**
4. Would you consider Seward as a location for future meetings? **Yes, wouldn't need special food catering; perhaps would use for board retreat (20 people)**

Community: Anchorage
Organization: Alaska Dental Society
Telephone & Email: (907) 563-3003

1. Does your association hold events throughout the year? **Yes**
 - How many events per year do you hold? **One**
 - How many people per event, average? **75**
2. Where have you met in past? **Around the state, Sheraton Hotel when in Anchorage**
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)? **Catering, AV equipment**
4. Would you consider Seward as a location for future meetings? **Yes, space is a concern; need space for 30-40 vendors + 2-3 courses per day.**

Community: Anchorage
Organization: Alaska Hotel & Lodging Association
Telephone & Email: (907) 272-1229

1. Does your association hold events throughout the year? [Yes](#)
 - How many events per year do you hold? [Four to Six](#)
 - How many people per event, average? [Hundreds \(est.\)](#)
2. Where have you met in past? [Anchorage Hotels \(Hilton, Marriot\)](#)
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)? [Catering and AV](#)
4. Would you consider Seward as a location for future meetings? [Yes, members in Seward and try to not solely be based in Anchorage.](#)

Community: Anchorage
Organization: Alaska Library Assoc.
Telephone & Email: (907) 269-6566

1. Does your association hold events throughout the year? [Yes](#)
 - How many events per year do you hold? [One](#)
 - How many people per event, average? [400](#)
2. Where have you met in past? [Rotate between locations - Anchorage, Juneau, Barrow](#)
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)? [Catering, AV equipment depending on presenter needs](#)
4. Would you consider Seward as a location for future meetings? [Yes](#)

Community: Anchorage
Organization: Alaska Miners Association
Telephone & Email: (907) 563-9229

1. Does your association hold events throughout the year? [No](#)

Community: Anchorage
Organization: Alaska Natural History Assoc.
Telephone & Email: (907) 274-8440

1. Does your association hold events throughout the year? [Yes](#)
 - How many events per year do you hold? [One](#)
 - How many people per event, average? [20-40](#)
2. Where have you met in past? [Anchorage hotels](#)
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)? [Typical AV and high quality catering or food service](#)
4. Would you consider Seward as a location for future meetings? [Probably not, a lot of people travel from around state and have to fly in. Seward would mean a flight and then a drive.](#)

Community: Anchorage
Organization: Alaska Nurses Association
Telephone & Email: (907) 274-0827

1. Does your association hold events throughout the year? **Yes**
 - How many events per year do you hold? **One every 18 mo.**
 - How many people per event, average? **200**
2. Where have you met in past? **Captain Cook**
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)? **Yes**
4. Would you consider Seward as a location for future meetings? **Yes, for a change of location.**

Community: Anchorage
Organization: Alaska Oil & Gas Association
Telephone & Email: (907) 272-1481

1. Does your association hold events throughout the year? **No**

Community: Anchorage
Organization: Alaska Power Association
Telephone & Email: (907) 561-6103

1. Does your association hold events throughout the year? **Yes**
 - How many events per year do you hold? **Four**
 - How many people per event, average? **20-200**
2. Where have you met in past? **Juneau, Anchorage, one traveling, Girdwood/Anchorage**
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)? **Catering, AV**
4. Would you consider Seward as a location for future meetings? **Yes, concern for amount of hotel (90-100 rooms) to house big meeting (200 people)**

Community: Anchorage
Organization: Alaska Public Employees Association
Telephone & Email: (907) 274-1688

1. Does your association hold events throughout the year? **No**

Community: Anchorage
Organization: Alaska Railroad
Telephone & Email: (907) 265-2670

1. Does your association hold events throughout the year? **Yes**
 - How many events per year do you hold? **Two minimally in Seward**
 - Board Meeting**
 - Winter Carnival**
 - How many people per event, average? **+/- 30 to 100's**
2. Where have you met in past? **At the Alaska Railroad facilities, local meeting spaces within Seward hotel properties, at the AVTEC or university facility**
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)? **Breakout rooms, ballroom offering food service and typical amenities for delegates**
4. Would you consider Seward as a location for future meetings? **Yes, would depend on number of days and number of delegates – sincere desire to support economic development in Seward**

Community: Anchorage, Statewide
Organization: Alaska State Medical Association
Telephone & Email: (907) 562-0304

1. Does your association hold events throughout the year? **Yes**
 - How many events per year do you hold? **Two**
 - Annual Meeting (3 day)**
 - Board Meeting (1 day)**
 - How many people per event, average? **200 at the annual meeting and 100 at the board meeting**
2. Where have you met in past? **Alyeska Prince Hotel and at Anchorage hotels**
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)? **2 ballrooms to accommodate meetings and food service banquet style, breakout rooms, networking space, all AV equipment typical of high-end event facility.**
4. Would you consider Seward as a location for future meetings? **No, would rather stay close to Anchorage.**

Community: Anchorage
Organization: Alaska Telephone Association
Telephone & Email: (907) 563-4000

1. Does your association hold events throughout the year? **Yes**
 - How many events per year do you hold? **Three**
 - Annual Meeting – 100 delegates
 - Winter Conference – 150-200 delegates
 - Tradeshaw – 400-600 delegates/80 to 90 vendors
 - How many people per event, average? **100 to 600 delegates**
2. Where have you met in past? **Hawaiï, Anchorage Hilton**
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)? **Desired meeting space is attached to a hotel to keep delegates all in one location. An event would need catered meals as well as well as a main meeting facility and ability to have multiple breakout rooms. Standard AV equipment desired. A Fox Island banquet would be desired.**
4. Would you consider Seward as a location for future meetings? **Yes, the Windsong Lodge offers a large meeting space and attached hotel accommodations.**

Community: Anchorage
Organization: Alaska Veteran’s Foundation
Telephone & Email: (907) 222-6945

1. Does your association hold events throughout the year? **Yes**
 - How many events per year do you hold? **One**
 - Veterans Day Concert
 - How many people per event, average? **800-2,000**
2. Where have you met in past? **Performing Arts Center**
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)? **N/A**
4. Would you consider Seward as a location for future meetings? **No**

Community: Anchorage
Organization: Alaska Wastewater Management
Telephone & Email: (907) 561-9777

1. Does your association hold events throughout the year? **Yes**
 - How many events per year do you hold? **Two**
 - Annual Statewide Conference
 - Regional Conference
 - How many people per event, average? **300**
2. Where have you met in past? **Anchorage**
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)?
4. Would you consider Seward as a location for future meetings? **Yes, if the facility could accommodate 300 persons sufficiently under one roof. The interviewee expressed concern with airfare rates and travel to Seward as well as having enough hotel space.**

Community: Anchorage
Organization: American Institute of Architects
Telephone & Email: (907) 276-2834

1. Does your association hold events throughout the year? [No](#)

Community: Juneau
Organization: Association of Alaska School Boards
Telephone & Email: (907) 586-1083

1. Does your association hold events throughout the year? [Yes](#)
- How many events per year do you hold? [Three to Five](#)
[AASB Leadership Fly-In](#)
[State Board of Education](#)
[Capacity Building Trainings](#)
[Board of Directors Meetings](#)
 - How many people per event, average? [60 to 130](#)
2. Where have you met in past? [Juneau, Anchorage, Fairbanks](#)
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)? [Typical](#)
4. Would you consider Seward as a location for future meetings? [No, due to lack of accessibility to Seward \(long drive\), convenience overall to delegates, and required access to legislative persons.](#)

Community: Homer
Organization: Challenger Learning Center
Telephone & Email: (907) 283-2000

1. Does your association hold events throughout the year? [No](#)

Community: Anchorage
Organization: Commonwealth North
Telephone & Email: (907) 276-1414

1. Does your association hold events throughout the year? [Yes](#)
- How many events per year do you hold? [Three Monthly](#)
 - How many people per event, average? [20 to 100 delegates](#)
2. Where have you met in past? [Anchorage](#)
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)?
4. Would you consider Seward as a location for future meetings? [No, the location is not convenient](#)

Community: Kenai
Organization: Cook Inlet Aquaculture
Telephone & Email: (907) 283-5761

1. Does your association hold events throughout the year? **Yes**
 - How many events per year do you hold? **Three to Five**
 - Board Meetings**
 - Trainings**
 - Fishermen's/ADF&G Meetings**
 - How many people per event, average? **30-40 persons**
2. Where have you met in past? **Own facilities offers a small conference space**
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)? **N/A**
4. Would you consider Seward as a location for future meetings? **No, once the meeting moves the attendance drops too significantly.**

Community: Anchorage
Organization: Denali Foundation
Telephone & Email: (907) 683-2597

1. Does your association hold events throughout the year? **Yes**
 - How many events per year do you hold? **3 to 5 annually**
 - Trainings and Workshops primarily**
 - How many people per event, average? **40 per event average**
2. Where have you met in past? **Anchorage, Denali, Seward – all over**
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)? **Affordable food, typically AV – screen, slide projector, LCD projector, quality sound system**
4. Would you consider Seward as a location for future meetings? **Yes, currently use Seward facilities and expressed interest in the facilities proposed.**

Community: Seward
Organization: Independent Living Center
Telephone & Email: (907) 224-8711

1. Does your association hold events throughout the year? **Yes**
 - How many events per year do you hold? **Several**
 - How many people per event, average?
2. Where have you met in past? **Locally at a school, church or other inexpensive or free site**
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)?
4. Would you consider Seward as a location for future meetings? **Yes, but only facilities that are largely free due to budget constraints.**

Community: Anchorage
Organization: National Electrical Contractors Association
Telephone & Email: (907) 561-1958

1. Does your association hold events throughout the year? No

Community: Seward and statewide
Organization: Rotary
Telephone & Email: (907) 224-2220

1. Does your association hold events throughout the year? Yes
- How many events per year do you hold? Several
 - Regular Meetings
 - Kenai/Anchorage Conference
 - District Convention – Russia, Alaska and Canada
 - How many people per event, average? 25 to 350 for district convention
2. Where have you met in past? Anchorage, AVTEC, Fox Island
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)? Ballroom or grand meeting space, food service, multiple breakout rooms, networking space, a hotel “headquarters”, stage with lighting, typical A/V equipment to standard conference.
4. Would you consider Seward as a location for future meetings? Yes, with size, amenities and price all being decision factors in making a final decision.

Community: Seward
Organization: Seward Fisheries
Telephone & Email: (907) 224-3381

1. Does your association hold events throughout the year? Yes
- How many events per year do you hold? One – Board Meeting
 - How many people per event, average? +/- 30 attendees
2. Where have you met in past? AVTEC or Holiday Inn
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)? Chalkboard
4. Would you consider Seward as a location for future meetings? Yes, to a conference center space if cost was nominal or free.

Community: Seward
Organization: Seward Senior Citizens
Telephone & Email: (907) 224-5604

1. Does your association hold events throughout the year? **Yes**
 - How many events per year do you hold? **Several**
 - Board Meetings**
 - Trainings and Seminars**
 - How many people per event, average? **+/- 20 attendees**
2. Where have you met in past? **Own facilities in Seward**
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)? **N/A**
4. Would you consider Seward as a location for future meetings? **No, unless the use of space was free due to ability to use own facilities**

Community: Ketchikan
Organization: Southeast Alaska Pilots' Association
Telephone & Email: (907) 225-9696

1. Does your association hold events throughout the year? **No**

Community: Seward
Organization: Wells Fargo Bank
Telephone & Email: (907) 224-2220

1. Does your association hold events throughout the year? **Yes**
 - How many events per year do you hold? **Several**
 - Board Meeting**
 - Regional Sales Meeting**
 - Seminars/Trainings**
 - How many people per event, average? **20 – 40 for seminars and trainings and the regional meeting having up to 100**
2. Where have you met in past? **Statewide rotate through communities every 10 years**
3. What sort of needs do you have (i.e. catering, AV equipment, etc.)? **Kitchen capabilities are key, meetings require multiple rooms and ability to breakout into smaller groups, networking or working space desired, AV typical of most meetings, cost of space will be a decision point**
4. Would you consider Seward as a location for future meetings? **Yes**

4-H Club – Anchorage, Fairbanks, and Statewide
Alaska - Alaska Association of Secondary School Principals - Palmer, AK
Alaska Academy of Family Physicians - Anchorage, AK
Alaska Air Carriers Association - Anchorage, AK
Alaska Alcoholics Anonymous – Anchorage, Fairbanks, Juneau, AK
Alaska Area Native Health Service – Anchorage, AK
Alaska Association of Elementary School Principals – Fairbanks, National
Alaska Association of Realtors - Anchorage, AK
Alaska Association of Private Career Educators, Anchorage
Alaska Auto Dealers Association – Anchorage, AK and National
Alaska Baptist Association(s), Anchorage, Statewide and National
Alaska Bar Association – Anchorage, AK
Alaska Board of Marine Pilots – Statewide
Alaska Broadcasters Association – Anchorage, Statewide, National
Alaska Cabaret, Hotel, Restaurant and Retailers Association - Anchorage, AK
Alaska Coal Association, Fairbanks, National, International
Alaska Council of School Administrators – Juneau, National
Alaska Counseling Association - Anchorage, AK
Alaska Dental Society, Inc. – Anchorage, Statewide, National
Alaska Department of Education and Early Development - Juneau, AK
Alaska Druggers Association, Kodiak, AK
Alaska Federation of Natives - Anchorage, AK
Alaska Fishing and Lodging, Soldotna, AK
Alaska Forest Association - Ketchikan, AK
Alaska Hospitality Alliance, Anchorage, Statewide
Alaska Hotel and Lodging Association, Statewide
Alaska Hotel and Motel Association
Alaska Humane Society, Anchorage, AK
Alaska Independent Insurance Agents and Brokers - Anchorage, AK
Alaska Kennel Club, Inc. - Anchorage, Statewide, National
Alaska Library Association, Statewide, National
Alaska Marine Conservation – Anchorage, AK
Alaska Marine Pilots Association, Statewide
Alaska Marine Safety Education Association - Sitka, AK
Alaska Miners Association - Anchorage, AK
Alaska Municipal League - Juneau, AK
Alaska Native Harbor Seal Commission – Anchorage, AK
Alaska Native Arts Foundation – Anchorage, AK
Alaska Nurses Association - Anchorage, AK
Alaska Oceans Network – Anchorage, AK
Alaska Oil and Gas Association - Statewide
Alaska Outdoor Council – Fairbanks, Wasilla, Palmer and Homer, AK
Alaska Optometric Association - Anchorage, AK
Alaska Outdoor Council - Fairbanks, AK
Alaska Pharmacists Association - Anchorage, AK
Alaska Power Association - Anchorage, AK

Alaska Psychological Association – Anchorage, AK
Alaska Rotary - Statewide, National, International
Alaska Society of Certified Public Accountants - Anchorage, AK
Alaska State Home Building Association - Anchorage, AK
Alaska State Hospital and Nursing Home Association - Juneau, AK
Alaska State Library – Anchorage, AK
Alaska State Medical Association - Anchorage, Statewide, National
Alaska State Medical Board - Statewide
Alaska Support Industry Alliance (The Alliance) – Anchorage, Statewide
Alaska Telephone Association - Anchorage, AK
Alaska Travel Industry Association - Anchorage, AK
Alaska Veterinary Medical Association - Statewide, National
Alaska Wastewater Management Association - Anchorage, AK
American Academy of Family Physicians - Alaska Chapter - Anchorage, AK
American Academy of Physician Assistants - Anchorage - Anchorage, AK
American Baptist Churches of Alaska - Anchorage, AK
American Cancer Society - Anchorage and Sitka, AK
American Institute of Architects - Alaska Chapter - Anchorage, AK
American Legion Alaska – Anchorage, Fairbanks, Seward, Statewide
American Lung Association of Alaska – Anchorage, AK
American Marketing Association - Alaska Chapter - Anchorage, AK
American Planning Association - Alaska Chapter - Anchorage, AK
American Red Cross of Alaska - South Central District - Anchorage, AK
American Society of Landscape Architects - Alaska Chapter - Anchorage, AK
American Society of Women Accountants - Anchorage Chapter - Anchorage, AK
AMVETS Post – Anchorage, Statewide
Anchorage Board of Realtors Inc - Anchorage, AK
Anchorage Convention and Visitors Bureau - Anchorage, AK
Anchorage Running Club – Anchorage, AK
Anchorage Sports Association, Inc – Anchorage, AK
Arts Council – Anchorage, AK
Associated Builders and Contractors of Alaska – Anchorage Chapter and National
Associated General Contractors of Alaska, Anchorage Chapter and National
Association of Alaska Housing Authorities - Anchorage, AK
Association of Alaska School Boards - Juneau, AK
Association of Information, Anchorage, AK
At-Sea Processors Association - Anchorage, AK
Audubon Alaska - Anchorage, AK
Big Brothers Big Sisters – Anchorage, Statewide, National
Boys and Girls Clubs – Anchorage, Statewide, National
Boy Scouts of America – Anchorage, Statewide, National
Bridges Community Resource Network Inc. - Soldotna, AK
Camp Fire Alaska Council – Anchorage, AK
Commonwealth North - Anchorage, AK
Cook Inlet Regional Citizens Advisory Council - Kenai, AK
Easter Seals Alaska – Anchorage, Statewide, National

Girl Scout Councils – Anchorage, Statewide, National
Home Builders Association of Alaska State - Anchorage, AK
Home Builders Association of Anchorage - Anchorage, AK
Institute Of Real Estate Management - Alaska - Anchorage, AK
Kenai Peninsula Association of Realtors - Soldotna, AK
Kenai Peninsula Builders Association – Kenai, AK
Kenai Peninsula United Way - Kenai, AK
Literacy Council of Alaska - Fairbanks, AK
Mat-Su Home Builders Association - Palmer, AK
National Electrical Contractors Association - Alaska Chapter - Anchorage, AK
Nea-Alaska - Anchorage, AK
Opticians Association of Alaska
Public Safety Employees Association of Alaska - Anchorage, AK
Primary Care Associates, Anchorage, AK
Salvation Army – Anchorage, and Statewide
Society for Human Resource Management - Anchorage Chapter - Anchorage, AK
Society of Financial Examiners - Alaska - Anchorage, AK
Soroptimist of Cook Inlet, Anchorage, AK
Southwest Pilots Association
Southeast Pilots Association
Supreme Emblem Club
The At-Sea Processors Association - Anchorage, AK
United Fishermen of Alaska - Juneau, AK
United Way of Anchorage - Anchorage, AK
United Youth Courts of Alaska – Anchorage, AK
Young Women’s Christian Association of Anchorage - Anchorage, AK

Industry Corporations

Oil and Gas

- Alaska Division of Oil and Gas
- Alaska Division of Spill Prevention and Response
- Alaska Oil and Gas Conservation Commission
- Alaska Regional Response Team
- Anadarko Petroleum Corporation
- BP Exploration (Alaska), Inc.
- Chevron/Texaco
- XTO Energy
- Exxon Mobil Corporation
- Forest Oil Corporation
- Marathon Oil Corporation
- Petro Star, Inc.
- Philips Alaska, Inc.
- Shell Western Exploration & Production, Inc.
- Tesoro Petroleum
- Unocal
- Williams Alaska Petroleum, Inc.

Construction

- CONAM Construction Co.
- Cornerstone Construction Company, Inc.
- Davis Constructors & Engineers
- Kiewit Construction Co.
- H.C. Price Co.
- Neeser Construction, Inc.
- Osborne Construction
- Roger Hickel Contracting, Inc.
- UNIT Company
- VECO Corporation
- Watterson Construction Co.

Finance/Insurance/Real Estate

- Alaska First Bank and Trust
- Alaska Pacific Bank
- Alaska USA Federal Credit Union
- Credit Union 1
- Denali Alaskan Federal Credit Union
- First Bank

- First National Bank Alaska
- Key Bank
- Marsh USA
- Northrim Bancorp Inc.
- Premera Blue Cross Blue Shield Alaska
- The Wilson Agency LLC
- Wells Fargo Bank

Fishing

- American Seafoods Company
- UniSea Inc.

Health Care

- Alaska Regional Hospital
- Providence Health System – Alaska Region

Info/Tech - Communications

- ACS
- AT&T Alascom
- Matanuska Telephone Association
- New Horizons Telecom, Inc.
- TelAlaska Inc.

Industrial Equipment and Services

- Alaska Steel Co.
- ASRC Energy Services, Inc.
- Construction Machinery Industrial, LLC
- NC Machinery Co.

Mining

- Coeur Alaska
- Fairbanks Gold Mining, Inc.

Retail/Wholesale Trade

- Alaska Commercial Company
- Alaska Industrial Hardware, Inc.
- Carrs Safeway
- Seekins Ford Lincoln Mercury
- Spenard Builders Supply, Inc.

- The Odom Corporation
- Yukon Fuel Company

Services

- American Marine Services Group
- ASCG, Inc.
- Chugach Electric Association, Inc.
- Homer Electric Association
- Mikunda Cottrell & Co.
- SGS Environmental Services
- The Alaska Club
- Weidner Investment Services, Inc.

Tourism

- Princess Tours
- US Travel

Transportation

- ACE Air Cargo
- Alaska Airlines, Inc.
- Alaska Railroad Corp.
- Carlile Transportation System
- Crowley Marine Services, Inc.
- DHL Danzas
- Evert Air Cargo
- FED Ex-Alaska Operations
- Foss Maritime Co
- Hageland Aviation Services
- Horizon Lines
- Lynden Inc.
- Northern Air Cargo, Inc.
- Pacific Alaska Forwarders, Inc.
- Peninsula Airways, Inc.
- Span-Alaska Consolidators, Inc.
- Totem Ocean Trailer Express

Government/Statewide Organizations (non-Native)

- Denali Commission
- US Economic Development Administration
- US Department of Agriculture
- US Department of Housing and Urban Development
- Alaska Industrial Development and Export Authority (AIDEA)
- Alaska Village Initiatives

Native Organizations and Corporations

- Alaska Federation of Natives
- Alaska Native Health Board
- Aleut Corporation
- Arctic Slope Regional Corporation
- Bering Straits Native Corporation
- Calista Corporation
- Chugach Alaska Corporation
- Cook Inlet Region, Inc.
- Doyon, Limited
- Koniaq, Inc.
- NANA Regional Corporation
- Sealaska Corporation
- Aleutian/Pribilof Islands Association (APIA)
- Arctic Slope Native Association, Ltd.
- Association of Village Council Presidents (AVCP)
- Bristol Bay Native Association (BBNA)
- Chugachmiut. Chugach region
- Cook Inlet Tribal Council, Inc. (CITC)
- Copper River Native Association
- Kawerak, Inc. Bering Strait region
- Kodiak Area Native Association
- Maniilaq Association
- Tanana Chiefs Conference (TCC)
- Tlingit and Haida Indian Tribes

Appendix D

Food service Alternatives

Seward's accommodations, restaurants and ancillary services are not unlike those found in other similarly-sized Alaska communities. During the summer visitor season businesses are stretched to maximum capacity, and then oftentimes during the winter businesses are forced to cut back staff or even close due to limited client and visitor traffic and demand for services. As a result, encouragement of private-industry investment may be necessary to upgrade these services to ensure potential conference groups that Seward has the ability to provide the full array of conference services, particularly food services.

Kitchen Situational Analysis

A wide range of café style, fast food, family friendly dining, and finer restaurants are available within Seward. Currently, those hosting conferences or meetings work with locally-based caterers or Anchorage-based caterers to meet their food service needs. Some also bring in food from other Seward-based providers such as Subway or host meetings at sites able to provide food service options such as the Breeze Inn Motel, the Seward Windsong Lodge, or the Alaska Vocational Technical Center (AVTEC).

Based on conversations with a variety of meeting planners, tour coordinators and first-hand experience with Seward, it is also important to note that food service options are not readily available for groups larger than 100. For instance, one tour coordinator shared that they routinely have the need to feed 100 to 150 guests throughout the summer season and currently bus clients to Alyeska for food services, since sit-down service is not available for this group size in Seward. Events such as the Don Young Invitational, having guests in excess of 300 persons, require importing catering services from Anchorage. In pursuing a conference facility, it is critically important that food service needs be addressed and that high quality food options be developed. High quality food will be a critical factor in the success of the Mary Lowell Center.

Overview of Kitchen Options

Options for food service can range from a small-scale warming kitchen to a full-scale commercial kitchen capable of operating like a restaurant.

Warming to Caterer's Kitchen

A warming or caterer's kitchen scenario assumes outside caterers will provide food service in the conference center following Alaska Department of Health guidelines for food service. Responsibility for the cleanliness of the catering kitchen during and following use would belong to the caterers. Center staff could be employed to assist caterers with setup, service and clean-up prior to or during an event. The center staff could also be prepared to provide minimal food service to conference center guests (such as coffee and light refreshments) for breaks without requiring the hiring of an outside caterer. For planning purposes, one will also likely need to apply for and receive a health permit to legally rent and use the space for food service.

The equipment needed will vary with the quantity and type of food projected to be served and the amount of investment that is made into the kitchen portion of the facility. It will be important to involve local caterers who may ultimately work within the conference center with design considerations and development. If operating as more than a warming kitchen, at a minimum

caterers should be able to cook most of their food product in a half-size convection oven (maybe a double stack), two foot griddle, microwave and a 4-eye range. Electric cooking equipment is often utilized to minimize any open flames. Likewise, it may also be necessary to childproof or use other similar precautions within the kitchen area to minimize the potential for burns, cuts, and fire. The cooking equipment also needs to be placed under a NFPA-qualified exhaust hood with fire system. Additionally, the kitchen will need to have a pot and pan sink (3 or 4 bowl with drainboards), a vegetable wash sink, and a hand wash sink. Additional stocking of the kitchen may be necessary depending on arrangements made with caterers. For instance, a good set of knives and a heavy-duty food processor and mixer are basic catering items. Serving containers, including large bowls and trays, may be needed. Other items one may wish to consider include skirting for tables and items for use in centerpiece arrangements.

Depending on the stocking of the kitchen, the area could be used for the preparation of a meal to the final preparation, plating and serving of a plated function. A benefit of this strategy is the ability to charge caterers a rental fee for use of the kitchen, thus deriving some financial benefit from the catered activity without having to manage the entire food service activity. As previously implied, if this strategy is decided upon it would be wise to establish a committee of caterers to seek their input on design and kitchen development.

Full-Service – Restaurant Kitchen

Food quality for catered events just cannot match that of a full-service or small restaurant-capable kitchen with the ability to prepare plate-by-plate food. This option offers potentially the highest quality choice of food options, but also comes with a steep price tag to develop as well as ongoing financial commitments to staffing and operations. Additionally, this option likely won't be feasible given kitchen square footage limitations in the current plan. This is because the full-service or restaurant-style kitchen would need to be of sufficient size to allow the handling, preparation, packaging, and storage of ingredients and finished products without danger of contamination from other food contact surfaces for items developed entirely from within the kitchen. While a caterer's kitchen requires many of the same elements, a full-service kitchen tends to be of a grander scale, scope and capacity since these facilities tend to operate on a regular basis and are more targeted for facilities hosting events in excess of 300. The cost of developing this alternative scenario given the primary target audience of approximately 100-person conferences is likely not feasible given the need to routinely staff the kitchen and the fact that these types of food operations are typically not revenue generators. Restaurants run on tight margins and full-service conference kitchens run on even tighter margins unless the facility receives enough traffic and is of enough size and scale to warrant the staffing and kitchen investment.

Private Partner – Shared Use Kitchen

A shared-use commercial kitchen provides a unique opportunity for individuals who desire to be associated with the food industry to jump-start their businesses and reach some synergies earlier than they would otherwise be able to afford. The difference between a shared-use kitchen and a full-service or restaurant kitchen is the volume of food processed at one time. Where a restaurant kitchen will base its operation on its menu, the shared-use kitchen providers typically develop their businesses around their clients' needs and customize delivery of services. The shared-use kitchen would be better prepared to slowly grow as conference demand in Seward grows and "incubate" additional Seward-based caterers or even prospective restaurant owners. It is envisioned that the shared-use kitchen would be located offsite, owned and operated separately, and rely only on a "caterer's" kitchen for transfer of food to the Mary Lowell Center. Potential development partners

may include the Alaska Vocational Technical Center (AVTEC), the University of Alaska, the City of Seward, Small Business Development Center and local tribal or other non-profit organizations. Employing or encouraging a shared-use kitchen strategy is one that will require careful consideration and feasibility analysis outside of this study. This strategy may be beneficial for the conference center to encourage and support in order to encourage the successful growth of restaurants and caterers within the Seward area.

Do Nothing

Having no kitchen is not really an option for this type of facility and given the importance groups will place upon food and the quality of food choices available for an event. Thus, the City of Seward's option is not to exclude a kitchen from the facility, but rather to not put any additional time and resources into the development and planning for a kitchen. The City of Seward has an option to defer to the Portico Group, developing the kitchen based on the Portico Group recommendations and spending no further time addressing the kitchen issue. At the time of this writing, designs and plans for the facility were only at a 35 percent completion; thus, we are unable to provide much input into existing kitchen designs and plans.

Conclusions

The ultimate design of the kitchen within the Mary Lowell Center will depend on several factors with the most critical being projected use and space availability considerations. This report has provided a big-picture overview, but is limited in providing final recommendations due to unknowns regarding development costs and design space availability. Given that the primary target market of the conference center is groups with less than 100 delegates, excluding spouses, it may be possible to get by with a "caterer's" kitchen, particularly given space limitations for designing a full commercial kitchen. Ultimately, decisions will need to be made regarding desired target conference groups so that kitchen requirements and the final design can evolve from projections of the types and volume of food that will be prepared. It is also recommended that food service providers (i.e. caterers) be involved in progressive design stages. It is also recommended that a more comprehensive analysis of the kitchen space be undertaken.

The following are also considered critical considerations as kitchen planning progresses:

Kitchen Quality

- Consistent high-quality food will be a deciding point for conference groups as to whether they will bring their conferences to Seward.
- Food choices and quality may ultimately be deciding factors on whether a conference group comes to Seward.

Current Capacity

- Currently, Seward is not meeting existing needs for catering and food services opportunities; thus, catering businesses will either need to be encouraged to develop new operations, expand existing operations, or the conference center will be forced to explore alternative development strategies.

Space and Design Considerations

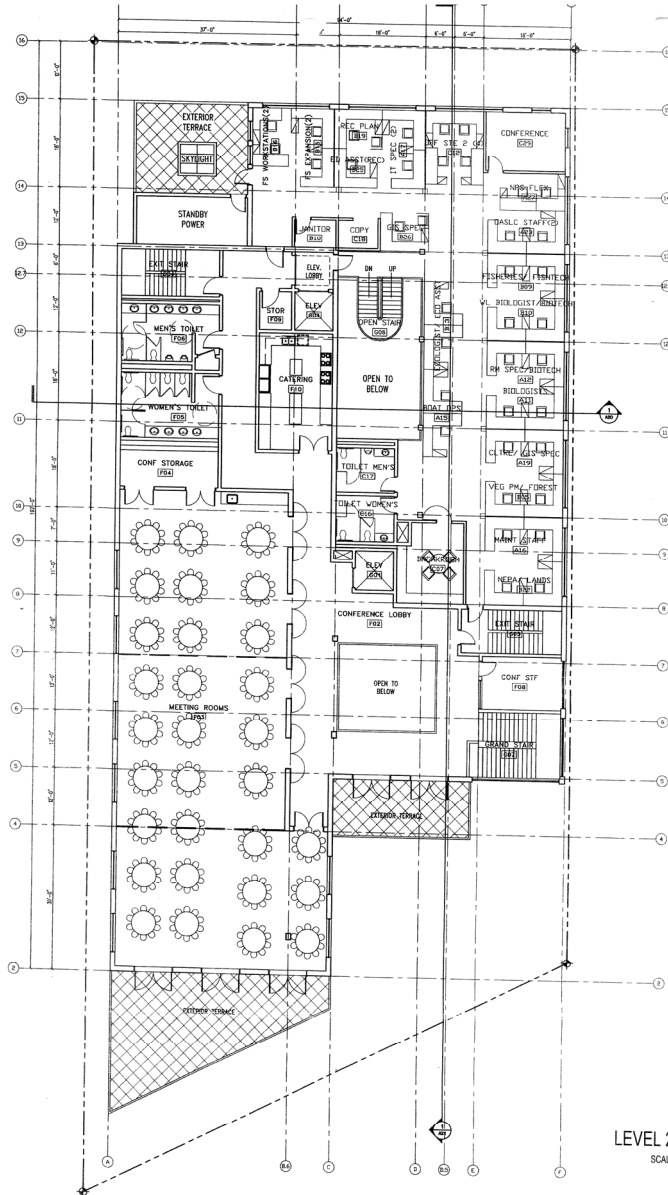
- The flow of food, personnel and materials associated with food receipt, food holding and food should all be given careful consideration, given likely ongoing event and conference needs and limited square footage allocations. Design of the proposed facility

should take into consideration the fact that caterers will need to bring food to the center in various forms of completion and potentially during an already-occurring event. There needs to be a means of private entry into the kitchen space, DEC-approved refrigerated and dry storage space, food preparation counters and tables, final-stage cooking equipment, and facilities for ware washing, as well as adequate waste disposal.

Appendix E

Mary Lowell Center Floor Plan

This draft floor plan was drawn December 19, 2005. As of the writing of this report, the National Park Service (NPS), the United States Forest Service (USFS), and the City of Seward plan to work with the architect to refine the facility design. The City will sponsor several additional community meetings as part of this process. Based on further community, agency and City review, the project architects will prepare a more detailed project design.



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 LISKI INC.
 NR DESIGN GROUP
 CANDELA
 SPARKLING
 BRC

MARY LOWELL CENTER
 SEWARD, ALASKA

LEVEL 2 PLAN
 SCALE: 1/8" = 1'-0"

A-02



19 December 2005

Appendix F - Conference Center Workshop Summary

MARY LOWELL CONFERENCE CENTER

COMMUNITY REVIEW OF DRAFT FEASIBILITY REPORT

Introduction – Workshops Overview

Two public workshops were held in November 2006 to review the October 2006 draft of the “Mary Lowell Center - Conference Center Feasibility Assessment” report. The purpose of the workshops was to present findings from the draft report and to get public feedback on these findings. A handout used at the workshops, “the Summary of the Summary,” is attached.

The first workshop was attended by fifteen people, including community members and City representatives. This workshop began with an overview of the report’s findings and then focused on the physical form of the conference facility. The second workshop was attended by twenty-one people. It also began with an overview of the report’s findings, and then focused on issues related to food service/kitchen, accommodations, breakout spaces, and options for partnerships.

Workshops were well publicized, including direct invitations to a range of community groups, flyers distributed around the community, and advertisements in the Seward Phoenix Log and on the local cable community scanner channel.

Based on the sentiment expressed at these workshops, a few minor changes were made to the October draft of the report. Community comments and changes to the draft are summarized in the following section.

Next steps in the development of the project are summarized below:

- The National Park Service (NPS), the United States Forest Service (USFS), and the City of Seward will work with the architect to refine the facility design. The City will sponsor several additional community meetings as part of this process.
- Based on further community, agency and City review, the project architects will prepare a more detailed project design.
- The City, NPS and USFS will work together to seek construction funding. The City currently hopes that full capital funding for the project can be secured by early 2008, with construction to begin as early as the following year.
- A conference center operations plan will be prepared, including issuing an RFP for facility marketing and management.

Summary of Community Comments and Proposed Changes to the Draft Feasibility Report

1. **Overall** – The large majority of those who attended the workshops is enthusiastic about the conference center and believes the draft feasibility report provides a realistic view of the facility’s prospects for success. Several people believe the study may take a too conservative view; a few people believe the study may be too optimistic.

2. **Seward as Destination** – Those who participated were all strongly in agreement that a key part of the attraction of Seward as a conference center is the chance to get out of Anchorage and experience Alaska.
3. **Facility Character** – Those who participated agreed with the report’s conclusion that the facility needs to offer a high-quality environment, including breakout space, “networking space”, dedicated areas for small meetings, good storage and the capacity to offer quality food service (see below for details on this latter issue). Those attending also agreed that the current design does not meet these objectives. At the same time it was understood that this is a multi-purpose facility serving USFS and NPS office and visitor information functions, and consequently cannot match the character of a dedicated conference center.

The draft feasibility report outlines design improvements needed to maximize the odds of creating a successful conference center. These were reviewed and in some cases refined during the public workshops, and changes made to the October 2006 draft to reflect these views. Some of the specific areas the public focused on as needing improvement include:

- Improved breakout room space – possibly utilizing meeting rooms in other parts of the building or in other nearby facilities;
- Improved options for deliveries (see notes under food service below);
- Expanded and improved storage;
- Improved areas for informal socializing and “networking space.”

4. **Food & Beverage Service** – There was a consensus among workshop participants that more effort is needed to ensure that the facility can provide quality food and beverage service. Several changes have been made to the draft report to reflect these suggestions. Options include:
 - Expand the size and capability of the kitchen area – stopping short of a full commercial kitchen, but better able to serve as a staging area for caterers.
 - Provide on-site plates, glasses, silverware, etc. and the capacity to clean and store this material.
 - The service elevator should open immediately into the kitchen area and should be near the outside of the building so that caterers and other deliveries have the easiest possible access from outside the building.
5. **Market Niche** – Several participants believe the market assessment focuses too much on the smaller conference and meeting market, and that the facility will be more successful if focused on fewer numbers of larger groups. The final document was changed slightly to explain that the projected use numbers can either be seen as they are now (more frequent events for smaller groups), or as representing less frequent events attended by larger numbers of attendees. Either way, the total number of expected conference center users is comparable and the “bottom line” is the same.

**City of Seward Conference Center in the Mary Lowell Center
Community Workshop #1 11.16.06**

Summary of Public Comments

Building Design

- The current floor plan will change (the building footprint will change because of the need to fit into the right of way in a manner slightly differently than in the original design).
- The Kenai Peninsula Borough approved the vacation of the right-of-way; this has been appealed, but it appears unlikely this decision will change.
- The building footprint is likely to shrink; this will affect its design.
- The facility needs to be able to offer a large space; can this be divided and made to work for smaller groups or not?
- The kitchen is very important to success of facility:
 - Not sure about warming vs. full kitchen and how to connect with local food service providers (Offer a food service request for proposals like in Valdez?)
 - Would caterers bring in all equipment? The current facility design does not have room for storage (from Fire Dept). What about trash and moving dishes, etc.? Staging areas are needed. (Note that the basement is available for storage.)
- Investigate IT considerations for sharing/clustering smaller conference rooms, etc. with administrative offices. Sharing bathrooms, etc. is good.
- Fire Dept would rather see the conference center on the first floor and offices, etc. upstairs, but recognize that the best views are on the second floor. Debate about the number of people going upstairs/downstairs.
- NPS's primary intent of the facility is for agencies (Visitors Center & Admin), not as a conference center. The goal of the facility needs to be to balance these functions.
- How to accommodate the need for breakout rooms? More of a marketing issue: "conference town" vs. "conference facilities." Take advantage of breakout rooms up the street, across the street; more emphasis on coordinating transportation.

Market and Projected Demand

- Seasonality: is use over 12 months realistic? What are you basing demand numbers on? (*Response:* 12 months represent average use; the middle of winter is likely to see less use than spring, summer, fall.)
- The community has identified a strong market of 200-300 attendees; why does the feasibility study not focus on this market? Seward already has capacity/facilities for smaller groups, but not for larger groups. (*Response:* Draft report cites benefits of attracting both markets.)

Access & Community Circulation

- Take advantage of Seward bus lines, "Park Connection" bus; large supply motor coaches sit unused in Anchorage all winter.

- People underestimate the barrier of walking 4 blocks, especially in poor weather. “Walkability” means a 2-block range and a good line of sight. Awnings, store windows, attractive street amenities - the better the walking environment the farther people will walk.

Marketing and Miscellany

- Advance planning is the key to making conferences work; winter should be ok (with mushing events and other attractions).
- Expand on what Seward has to offer; success comes from selling the town as a complete package.
- Seward doesn't have to compete with Anchorage or Alyeska – it's a different product. Alyeska is less attractive for conferences during the peak winter ski season; this creates an advantage for Seward.
- Alyeska does have a very nice facility, but Seward will have a significant price advantage.

Revenues/Expenditures Analysis:

- Are these numbers a projection of theoretical new visitors, or those who are already coming here? (*Response:* They represent a mix: mostly new, some reallocation of existing.)
- These numbers are extremely optimistic.
- The Alaska Family Physicians conference came to Seward three years in a row and brought much higher numbers. Agnew::Beck numbers seem conservative based on this.
- How much did distance factor into these numbers? Seems that Agnew::Beck gave no credit for the competitive advantage that comes from Seward's shorter travel time from Anchorage (e.g., as compared to Homer, to Valdez) (*Response:* The draft report suggests that Seward *does* get a significant benefit from its relatively good proximity to Anchorage.)
- The study focuses on Seward's disadvantage vis-à-vis Anchorage, and should emphasize the benefits of Seward instead.
- People visiting Seward are happy not to be in Anchorage. They are willing to take extra time on either end of an event/conference to “experience Alaska” via Seward.
- People coming to Alaska in November know they're in the off-season. The ability to have a true Alaska experience makes these numbers seem too conservative.
- Anchorage is not an “Alaska experience.”
- But on balance, conservative projections might be better, more cautious.

Requirement for City Support

- Need to have “reasonable expectations” regarding ongoing local support: there are only 800 property owners in Seward who do not want to be taxed more to support this facility.
- \$60,000 will be generated from taxes (direct), but the City will also benefit from indirect spending and taxing.

- Is the cost side of the study based on Wrangell as a model? What went into those assumptions? Agnew::Beck basically went with a personnel-intensive, relationship model for marketing (as opposed to print advertising, etc.) - that's an informed decision?

**City of Seward Conference Center in the Mary Lowell Center
Community Workshop #2 11.20.06**

Summary of Public Comments

Market and Projected Demand

- Compare Anchorage and Alyeska to Seward's winter prospects: a project like this is something this person (a local caterer/restaurant owner) looks for in a town. The train from the airport makes it easier to get to Seward; he thinks it's good for Seward. Getting people here won't be that hard. The project offers great potential for Seward.
- The Sea Life Center can feed 350, but doesn't have food preparation facilities.
- Alaska chapters of national organizations are looking for space and are about the right size for the proposed facility (80-100 people; 2-2.5 day events). All require facilities with good breakout space.
- How did Agnew::Beck come up with the fee structure? Seems like a full-day event host would spend more but a partial-day event host couldn't afford the prices specified. (*Response:* The fee structure comes from a review of prices at other facilities in Alaska.)
- Workshop attendee doesn't see the new conference center as competing with existing facilities, rather as expanding opportunities and enhancing what Seward already has.
- An average of 20 event-days/month is high, especially at startup (*Response:* The report shows years 1-3 as getting less than this full amount, and only reaching this level starting in year 4.)

Building Design

- Where is the mixing zone/common space? It's way too small. If you're going to run close to 200+ person events, you need at least 5 breakout spaces.
- "The first thing I saw/wondered: why are the toilets are right in the middle – looks like a key area for conference space; why put toilets there?"
- What's on the bottom floor? – can the conference center be there?
- Architects might want to reconsider the large open space on the ground floor (entry lobby); it looks nice but every inch counts.
- What was the seating capacity in Wrangell?
- Across the street is about as far as you want to go for breakout space.
- Workshop attendee wants the existing "arcade building" removed from the cover drawing: "Tell architects to get rid of it; it doesn't exist."
- NPS reports that the next round of community feedback to critique facility design with the architects will be in early January 2007.

Location, Relationship to Town

- It would be an awesome thing to have downtown – would love to keep people downtown and patronizing shops and services there.
- When talking about 300 person capacity, the breakout space would have to expand within a 1-block radius, but the bulk of groups would be much smaller.

Food Service

- What is the route a caterer would have to take and where would they set up? Where is the prep space?
- If cooking is to be done offsite: the kitchen in its present location is not a good place (it's in the flow of traffic); the facility needs a service elevator, prep space for reheating, etc. It's okay to prepare food offsite; food service people want to stay behind the scenes. The facility needs proper refrigeration and heating.
- The kitchen is big enough, but definitely don't go smaller.
- A full kitchen is cheaper to do upfront than to retrofit later.
- Workshop attendee suggests switching the location of the kitchen and bathrooms.
- For serving purposes, you would want prep space next to serving space.
- Transporting and washing plates, silverware, etc. is a consideration. If the facility does not include a full-service restaurant, a full kitchen is not necessary.
- 20 events/month is a lot of food and beverages coming in and out of the space; the existing small prep kitchen and delivery system aren't up to the task.

Community Attractions

- Seward rolls up in winter; many businesses shut down. The months of February, March, April, and May is the slowest season; Seward has difficulty supporting itself.
- Boats can always get groups out into the bay, especially since conferences are booked well in advance. Activities can and will be there if the demand is there.
- The Alaska Sealife Center is open year-round. Kenai tours are almost year-round (9 months). The local trail system for hiking is great. The backcountry is all uphill (although there are some more user-friendly areas nearby). It's possible to expand the Iditarod trail. Mushing, snowmachines, etc. depend on the weather (snowpack).
- Non-summer recreation activities are a chicken and egg situation: demand will drive new activities.

Access & Community Circulation

- Workshop attendee is irritated by the negative emphasis on the drive: Seward might be two hours from Anchorage, but in some cities you can't get across the city in two hours, and it's one of the best scenic drives in the nation.
- Seward is a very entrepreneurial town; you'd be amazed at what will happen if this facility gets built.
- Compared to Valdez & Wrangell, Seward is fairly easy to access.
- It's cheaper to get conference attendees to Seward than to Wrangell or Valdez.

Marketing and Miscellany

- We don't see the conference facility Director leading the marketing, instead we envision more collaboration with the Chamber of Commerce.
- Ideally, we would develop a competitive bid for the marketing responsibility.
- The target market for the conference center should be the 250-300 person-event range; events of this size would have a *huge* impact on the city. Booking 5 such events per year would immediately cover the projected use level targets. The Chamber of Commerce thinks it's a very strong market; the Chamber gets calls and has to turn them down because they don't have large-enough facilities.
- We should look closely at why Homer said no to conference facility. There is a need to be careful about numbers; the SeaLife Center numbers were too optimistic.
- Homer can't do 300+ person events because you can't fly all those people out there in a day.
- Don't know hard numbers, but my guess is that Homer has double the existing meeting/banquet space as Seward – this no doubt was part of the reason a new facility there wasn't judged to be feasible.
- The Homer Chamber of Commerce sees conference space in Soldotna, Kenai and Seward as competition.

Requirement for City Support

- Who will be responsible for purchasing conference technology? (*Response:* The draft report presumes some will be “off budget,” that is, part of building cost; some will be charged to conference center startup budget.)
- Are high-end conference center furnishings in the budget? (The Park Service budgeted for medium-grade furnishings.) So the City would be responsible for the upgrade? Look at the Challenger Center and see examples of corporate sponsorship.
- Where does the startup money come from? (*Response:* the City budget)
- To clarify: the Egan Center in Anchorage doesn't have high-end technology; it rents the equipment, so the Mary Lowell Center could do the same.
- How comparable is the Wrangell facility? Is it a partnership like this one? Not a shared facility by the National Park Service and the National Forest Service? In Agnew::Beck's calculations for use, are the National Park Service and National Forest Service's use of the space calculated in? At what rate – the same as other groups? (*Response:* Agnew::Beck's projections assume some use by the NPS and USFS, but the assumption is that this use would be charged at a lower rate.)

Additional Public Comments

Chamber Director Laura Cloward was unable to attend either workshop (her staff did attend the Thursday noon meeting), but she had some comments she felt were important to add:

- 1) Laura has concerns that the amount of wait staff needed for the large conferences would not be available. There is a limited job pool in Seward and the caterers would not have a full staff standing by to serve 200-300 attendees. Laura stated there would not even be enough community volunteers to mobilize to fulfill this requirement. She asks: would the conference attendees be required to bring staff? Would the promoters fill the gap? How would this necessary function be provided?
- 2) Laura also wanted the idea of a liquor license to be discussed. Would the City be willing to take on this responsibility? Many conferences have cocktails and evening mixers. She doubts the City would want this liability. Are there enough caterers with a liquor license they can use for off-site functions? She doesn't know the answer to that. What are the feelings of the local hotel owners with liquor licenses and how this will affect their business? Laura recognizes serving alcohol is an important aspect of the conference experience and that organizations will be looking for this capability. This will need to be examined and addressed.

The Chamber is working on brainstorming the process of organizing a conference from start to finish to find out where the holes are and to define some of the needed roles. The two items above were brought up as a result. The Chamber is very excited about the Conference Center.

City of Seward - Mary Lowell Center conference facilities
“SUMMARY OF THE SUMMARY OF CONCLUSIONS”
Handout Distributed at Nov 2006 Workshops

Overall Strategy (Page 1, 3)

The conference facility at the Mary Lowell Center can be successful, but will face significant competition, including the established conference facilities in Anchorage, Girdwood, and other communities in Alaska, as well as the existing facilities in Seward itself. The facility starts with a huge advantage: partnership with the NPS and USFS in construction and operation. Success will depend on offering a very high quality conference experience, including making the most of Seward’s attractive setting and recreational amenities, and offering a superior conference center.

Target Markets (Page 3)

- Small (20-100) executive retreats, executive training sessions, board visioning sessions, and incentive travel and similar events.
- Conferences linked to unique Seward institutions, for example the SeaLife Center, AVTEC, prison, and hospital.

Financial performance (Page 3-4)

Once the facility is built and an initial period of time is provided to market the center and book events, the conference center is estimated to attract an average of 20 event-days per month each year (including both full and partial days).

- Annual revenues: +/- \$110,000
- Annual expenses are approximately: \$150,000 +/- (staff, facility operation, marketing)
- After an initial three-year startup phase, annual subsidy required: +/- \$40,000/year
- Upfront investment: +/- \$100,000 (furnishings, equipment, marketing materials)

	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Revenues	\$76,331	\$90,661	\$106,000	\$122,405	\$127,215
Operating Expenditures*	\$146,892	\$151, 895	\$157,083	\$162,463	\$168,043
Net Revenue (deficit)	(\$70,561)	(\$61,234)	(\$51,083)	(\$40,058)	(\$40,828)
One time start up costs	\$100,548	\$0	\$0	\$0	\$0

*excluding one-time start up costs

Caveat (Page 3-4)

Conclusions regarding financial performance reflect a reasoned, careful, but still subjective judgment about the costs and revenues associated with future facility use. This is not a firm prediction, but instead an expression of assumptions regarding marketing, facility characteristics, facility management, and other subjects.

Reasonable Expectations (Page 4)

- Conference centers do not generate enough revenue to cover annual operating costs.
- Conference facilities are supported by annual, local contributions from bed tax, property tax or other public taxes. Subsidies commonly range from 40% to 70% of total costs.
- The Seward facility requires a smaller subsidy than comparable facilities:
 - Annual expenditures do not include debt service repayments.
 - NPS & USFS will share a number of facility operation costs.

Benefits to the Community (Page 5)

type of event	avg. event-days/ month	out of town visitors/ event	monthly out of town "visitor days"	visitor spending/ day	avg. monthly spending	avg. annual spending	annual bed tax (4%)	annual sales tax (4%)
<i>Half-day</i>								
Partial space	7	2	14	\$40	\$560	\$6,720		\$269
Full Space	4	2	8	\$40	\$320	\$3,840		\$154
<i>Full-day</i>								
Partial space	4.5	30	135	\$215	\$29,025	\$348,300	\$6,966	\$13,932
Full Space	4.5	50	225	\$215	\$48,375	\$580,500	\$11,610	\$23,220
Total	20		382		\$78,280	\$939,360	\$18,576	\$37,574

Estimates of bed tax revenues assume half of visitor spending goes to lodging (the rest goes to food, tours, etc.). Half (50%) of the 4% bed tax goes to the Chamber for marketing (not shown in the bed tax column above). The total sales tax rate in Seward is 6%, with a third (33%) going to the Borough and two-thirds (67%) to the City; one quarter (25%) of the City's portion of the tax is earmarked for the hospital.

Key Assumptions Affecting the Ultimate Success of the Facility (Page 5-8)

To generate the level of use and the revenue and benefits outlined above, the conference facility will need to implement the following strategies:

- **Facility** – provide superior conference services and amenities:
 - Right location: attractive setting in an attractive, walkable downtown
 - Right facility
- **“The Alaska Experience”** – provide access to a range of enjoyable recreational experiences, from exploring the town on foot, to exploring the nearby wilderness
- **Food** – a strategy to ensure conference attendees have good food
- **Access** – provide good access; develop access packages
- **Accommodations** – sufficient lodging, in the right locations
- **Marketing** – Carry out an aggressive marketing and packaging strategy:
 - Build a “brand” around community amenities
 - Skilled professional management
 - Sustained marketing program
 - Personal relationships with prospective conference users
- **Conference Packaging** – Address all conference needs – “one stop shop”
- **Community Support/Business Support**
 - Give community a meaningful role in planning and development
 - Business partnerships essential – the center must be seen as an asset
 - Plan and operate the facility to provide broad benefits