McKINLEY RESEARCH
GROUP, LLC

Formerly McDowell Group

CAPITAL CIVIC CENTER

Market Demand and Community Benefits Assessment

August 2022

PREPARED FOR:

Alliance

TABLE OF CONTENTS

Executive Summary 1
- Introduction 1
- Market Demand Assessment 1
- Community and Economic Benefits 2

Introduction and Methodology 5
- Introduction 5
- Methodology 5
- Capital Civic Center Facility Concept 7

General Market Overview 9
- Meeting and Conference Market 9
- Resident Market 11

Comparable Facility Analysis 15
- Seaside Civic & Convention Center 15
- Sitka Harrigan Centennial Hall 18
- Sitka Performing Arts Center 22
- Valdez Civic & Convention Center 23
- Juneau Event Facilities 26

Current Facility Usage 28
- Current Usage of Centennial Hall and the JACC 28

Market Demand Assessment 33

Economic and Community Benefits 38
- Economic Benefit to Juneau 38
- Additional Community Benefits 42

Appendix 43

LIST OF TABLES

Table 1. Hotel Rooms in Juneau's Downtown Core 10
Table 2. New Housing Units, City and Borough of Juneau, 2010 to 2020 13
Table 3. Daily Rental Fees for Seaside Civic & Convention Center 16
Table 4. Seaside Civic & Convention Center Revenues 16
Table 5. Seaside Civic & Convention Center Expenses 17
Table 6. Seaside Civic & Convention Center Deficit 17
Table 7. Daily Rental Fees for Harrigan Centennial Hall 19
Table 8. Harrigan Centennial Hall Revenues 19
Table 9. Harrigan Centennial Hall Expenses 21
Table 10. Harrigan Centennial Hall Annual Deficit 21

Table 11. Daily Rental Fees for Valdez Civic & Convention Center 24
Table 12. Valdez Civic & Convention Center Revenues 24
Table 13. Valdez Civic & Convention Center Expenses 25
Table 14. Valdez Civic & Convention Center Deficit 25
Table 15. Juneau Event Facilities, Rental Rates, and Maximum Capacities 27
Table 16. Centennial Hall and JACC Rental Days, 2017-2021 28
Table 17. Centennial Hall and JACC Rental Rates 29
Table 18. Centennial Hall and JACC Revenue, 2017 to 2021 30
Table 19. CBJ Appropriations for Centennial Hall Operations, 2018 to 2023 30
Table 20. Centennial Hall and JACC Expenses, 2017 to 2021 31
Table 21. Centennial Hall and JACC Deficit, 2017 to 2021 32
Table 22. Annual Demand Estimate for Capital Civic Center 35
Table 23. Year 1 Estimated Revenue 37
Table 24. Year 5 Estimated Revenue 37
Table 25. Estimated Spending on Conferences and Large Events, 2019 39
Table 26. Year 1 Estimated Spending Due to Conferences and Large Events 40
Table 27. Year 5 Estimated Spending Due to Conferences and Large Events 40
Table 28. Civic Center Construction Economic Impact 40
Table 29. New Civic Center Operations Annual Economic Impact 41

LIST OF FIGURES

Figure 1. Juneau Population, 2010 to 2021 and 2030 projected 11
Figure 2. Juneau School-Age Population (Age 5-19), 2010 and 2020 Actual, 2030 Forecast .. 12
Figure 3. Juneau Household Income, 2010 to 2020 12
Figure 4. Number and Percent of Estimated Event and Rehearsal Days by User Group Type.. 14
Figure 5. Number of User Groups Interested in Facility Spaces 34

Executive Summary

Introduction

McKinley Research Group conducted this market demand and community impact assessment to inform the design and planning process for the Capital Civic Center. The Capital Civic Center is envisioned as a multi-use civic and conference center that will enhance Juneau's prominence as a conference and meetings destination and the regional center of art, culture, and community engagement.

The current concept for the Capital Civic Center would incorporate Centennial Hall's newly renovated ballrooms, with this project underway and scheduled for completion in mid-2023. The Capital Civic Center would add a large community hall, a 299-seat theater with raked seating, a multi-use event space, six meeting rooms, a conference room, a gallery, a large lobby that can serve as an expo or reception space, a large commercial kitchen, concession area, a business center, and attractive outdoor spaces.

The upgraded facility will improve the quality of life of Juneau residents by serving as a modern venue for the performing arts, civic, and community events that make the capital city a great place to live. It will also strengthen the local economy by attracting new and larger conferences, thereby increasing visitor spending in the community. Upgraded amenities will better meet conference organizers' needs for modern and flexible conference and meeting space, ensuring Juneau remains competitive in the conference and meetings market.

The scope of the demand assessment included research on trends in the conference and meetings market in Juneau, current venues in Juneau and comparable facilities in Alaska and the Pacific Northwest, and the perspectives of a wide range of local performing arts, nonprofit, business and trade, and civic organizations and statewide event organizers familiar with Juneau's hosting capabilities. The research team also incorporated findings from past research conducted to inform the planning processes for the Willoughby Arts Center and the Juneau Arts and Culture Center (New JACC) in this study.

Market Demand Assessment

Juneau's competitive position in the Alaska conference and meetings market is due to its role as the Capital City and as a regional center for arts and culture. Juneau's strengths include the

attractive setting, rich culture and history, outdoor recreation opportunities (particularly in summer months), the safety and walkability of downtown with hotels and restaurants in close proximity, and better accessibility by air compared to other communities in Southeast.

Juneau also has unique market opportunities with government-related meetings. Legislative event organizers desire a meeting space in close proximity to the capitol building during sessions. Juneau was described by one event organizer as ideal for collaborating with other groups to organize events. The seasonality of many conferences, typically in fall and spring, complements the robust summer visitor season.

Demand for conference and meeting space by local organizations suggests consistent use of the proposed facility compared to historic use of Centennial Hall and the Juneau Arts and Culture Center (the JACC), with many performing arts and other event organizers planning a return to in-person convenings and events at this stage of the pandemic. Local groups are the primary users of Juneau's municipal convention and meeting facilities, Centennial Hall and the JACC.

DIFFERENTIATING FEATURES OF THE PROPOSED CIVIC CENTER

The proposed facility has several differentiating features compared to other Juneau facilities that could positively impact demand among arts and culture events and conference organizers. These include:

- Multi-purpose rooms with a range of sizes under one roof will provide flexible event spaces and the ability to host more than one event at the same time.
- The theater space will have raked seating and state of the art performance technology and can be used for performing arts events or as a lecture hall.
- The gallery space will help grow the creative economy and culture of Juneau, benefitting the artists in town through proceeds from art shows.
- Improved conference technology including lighting, acoustics, and technology support will attract event planners that want to provide a high-quality conference or performing arts experience.
- Outdoor spaces, such as the rooftop deck and patio, provide additional flexibility for event organizers.

Community and Economic Benefits

Civic and convention centers often have a dual mission to support and enhance cultural and civic life while inducing economic activity that might not otherwise occur in a community. Civic centers are important public spaces that enhance residents' quality of life by serving as gathering places for social and cultural events, fostering stronger social connections and civic pride.

The Capital Civic Center will benefit Juneau's cultural and civic organizations by providing a modern venue for performances and events. By concentrating arts programming in one location, a civic center can help strengthen a community's brand as an arts and culture center, support nonprofit and arts organizations, and help attract more artists and cultural organizations to Juneau. Local governments support civic centers in order to promote the growth of a vibrant cultural landscape in a community.

Anchor projects like the proposed civic center improve the vitality of a neighborhood and promote additional private investment and improvements in an area. Development in the area around Centennial Hall and the JACC presents an opportunity for Juneau to improve the desirability of a neighborhood within walking distance of the downtown core.

The anticipated economic benefits from the Capital Civic Center include the impacts from construction spending, wages for facility and event support staff, and visitor and conference organizer spending on hotel accommodations, food and beverage, retail, and increased tax receipts for the City from these activities.

The upgraded conference center will preserve and enhance Juneau's ability to attract and host high-quality conferences. Conferences and large events that attract non-residents have a larger economic impact than local events by bringing new spending on lodging, food, and other services into the local economy. Visitor spending from conference attendees generates additional sales tax and hotel-motel bed tax revenues for the community. The upgraded facilities will help Juneau remain competitive in the conference and events market.

Juneau's hotel-motel bed tax revenues have historically been designated funding sources for Centennial Hall operating costs. The recent increase from 7 to 9 percent was approved by voters with the intention of using the additional revenue to fund Centennial Hall capital improvements.

The hotel-motel tax also funds the work of Travel Juneau in promoting Juneau in the meeting and convention market. Nationwide and in other Alaska communities, civic centers are supported as a public good through hotel bed taxes or other municipal funding sources because their operations contribute to civic wellbeing and generate these types of economic impacts.

Projected spending in Juneau for conferences and large events utilizing the Capital Civic Center is estimated at nearly $7 million by Year 5. Increased economic activity results from a combination of increased conference and event capacity, new groups attracted to the community, and a modest increase in facility rental rates.

Year 5 Estimated Spending Due to Conferences and Large Events

	Conferences		Large Events	Total
	Non-residents	Juneau residents	Non-residents	
Attendees	4,510	935	2,975	8,420
Average days per event	2.3	2.3	4.3	
Individual spending, per day	$326	-	$100	
Event organizer spending per attendee, per day	$132	$132	-	
Total estimated direct spending	**$4,750,834**	**$283,866**	**$1,998,650**	**$7,033,350**

Construction of the $48 million facility will directly generate approximately 130 full-time and part-time jobs in Juneau and $10 million in labor income annually over the two-year construction period. Including multiplier effects, construction is expected to generate a total of 200 jobs with $13 million in total labor income annually over the two-year period.

Civic Center Construction Economic Impact

Direct jobs	130
Direct labor income	$10,000,000
Total jobs	200
Total labor income	$13,000,000

Spending by non-resident conference and event attendees and organizers generated an estimated $4.8 million in economic impact in 2019. With a new civic center, projected spending for conferences and large events is anticipated to increase to nearly $6.6 million in the first year of operations, increasing to an estimated $7 million annually by the fifth year of operations.

New Civic Center Operations Annual Economic Impact

Total User Spending	
Baseline user spending	$4.8 million
New user spending	$2.2 million
Total with new civic center	$7.0 million
Total Jobs from User Spending	
Total baseline jobs	65
Total new jobs	25
Total with new civic center	90
Total Labor Income from User Spending	
Total baseline labor income	$2 million
Total new labor income	$0.9 million
Total with new civic center	$2.9 million

Introduction and Methodology

Introduction

This study assesses demand and potential community impacts of a multi-purpose convention and performing arts center in Juneau. The Capital Civic Center would be designed to accommodate small conferences and trade shows, meetings, banquets, performing arts events, and other functions. The Capital Civic Center would expand Centennial Hall to include Centennial Hall's renovated ballrooms, and add a large community hall, a theater with a stage and raked seating, a gallery, meeting rooms, a conference room, a business center, commercial kitchen, concession area, and shared office space. The Juneau Arts and Culture Center (the JACC, the repurposed Armory located near Centennial Hall) would be demolished.

Methodology

The scope of work for this market demand study included interviews with local and in-state user groups of Centennial Hall and the JACC, meetings and events industry professionals, facility managers of comparable facilities in Alaska and the Pacific Northwest, and research on existing venues in Juneau. The project team also reviewed findings from previous studies, including demand projections for similar facilities and economic impact studies for Juneau's convention and visitor markets.

MARKET DEMAND

Interviews were conducted with 30 Centennial Hall and JACC users including nonprofit organizations, businesses, government agencies, civic organizations, and performing arts groups. Data and insights were collected concerning meeting and event frequency, group size, current facility usage, approximate resident/non-resident participation, and benefits or concerns resulting from upgrading Centennial Hall as proposed to understand how the upgraded facility will impact the overall number of events held, attendance and ticket sales, and other revenues.

The study team conducted interviews with 9 experts outside of Juneau including professional meeting planners and statewide associations about anticipated usage and market response to the upgraded facility. Interview questions also explored how Covid-19 may impact near-term and future demand for the facility and the meetings market in Alaska. The list of contacts is included in the Appendix.

COMPETITIVE ANALYSIS

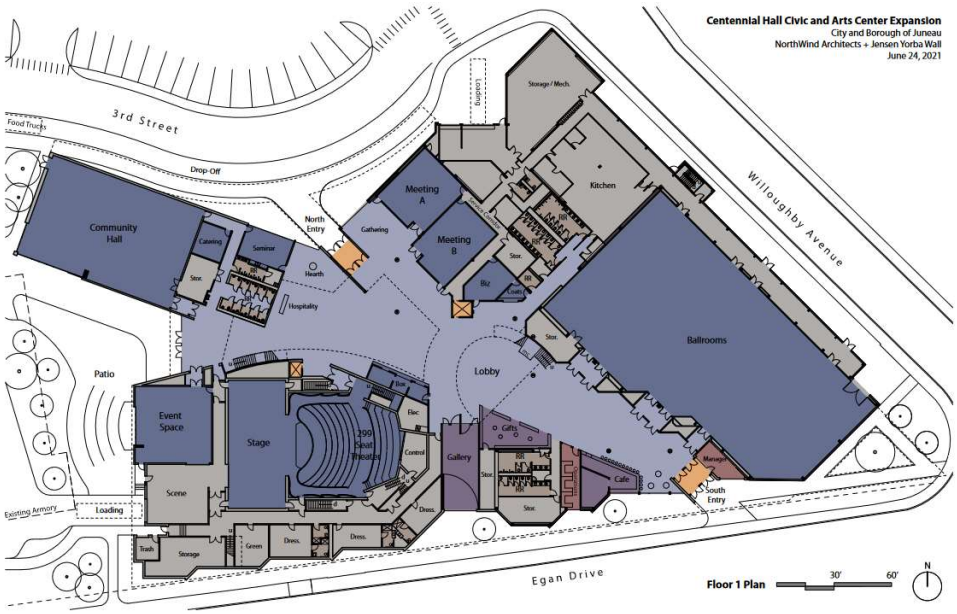
The study team gathered information about four comparable facilities in other communities, including facility size, configuration, rates, marketing, operating budget, and estimates regarding resident versus non-resident usage and economic impacts. Interviews were conducted with facility managers and the finance directors for the City of Sitka and City of Valdez. Facilities included in the research included Sitka's Harrigan Centennial Hall, Sitka Performing Arts Center, Valdez Civic & Convention Center, and Seaside Civic and Convention Center in Seaside, Oregon.

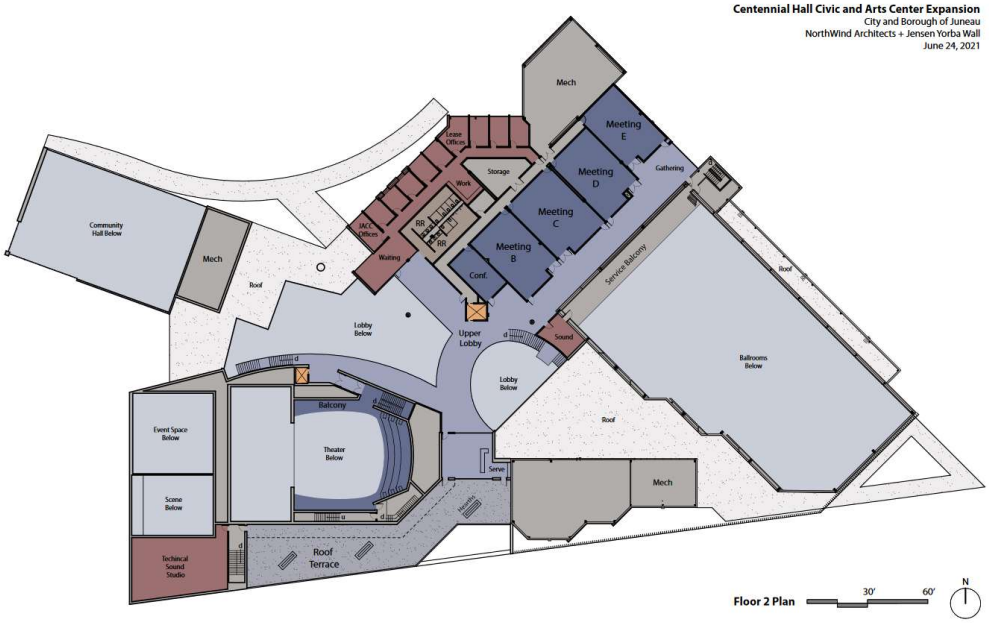
The study team also collected information from a combination of sources including published information and recent studies on existing meeting, event, and performance venues in Juneau, including maximum occupancy, rates, and space advantages and limitations.

ECONOMIC IMPACT AND COMMUNITY BENEFIT ASSESSMENT

Estimates were developed for facility demand and revenue scenarios using information gathered throughout this project and prior work by McDowell Group. The potential economic impacts of facility construction and future operation were based on the demand assessment and preliminary construction estimates provided by the City and Borough of Juneau. Particular attention was paid to the role the upgraded complex has in attracting non-residents and new spending to the community, as the strongest impacts are due to new spending in the local economy.

Capital Civic Center Facility Concept





ROOM SPECIFICATIONS

Ballroom:12,440 square feet. Capacity: 1,088 (theater-style), 600 (banquet). Ballroom can be divided into three separate rooms.

Community Hall: 3,220 square feet. Capacity: 460 (theater-style), 215 (banquet).

Theater: 6,190 square feet. Capacity: 299 (fixed seats). This includes a main level of 2,984 square feet, balcony of 1,148 square feet, and stage of 2,058 square feet.

Event Space: 1,120 square feet. Capacity: 160.

Gallery: 525 square feet. Capacity: 75.

6 Meeting Rooms: 1,000 square feet (each). Capacity: 100-140 (each).

Conference room: 400 square feet. Capacity: 25.

Lobby: 12,000 square feet. Capacity: 1,088 (reception), 850 (Expo).

Business Center: 400 square feet. Capacity: 25.

General Market Overview

The Capital Civic Center is expected to enhance Juneau's competitive position and generate new economic activity by improving the community's ability to attract small and mid-sized conventions, conferences, and meetings from in-state and select out-of-state markets. The facility would continue to act as a public resource for the community, with demand from local user groups expected to remain consistent with pre-pandemic usage of Centennial Hall and the JACC.

Market segments include:

- Local performing arts groups, civic groups, educational organizations, internal business meetings, stakeholder meetings, employee training sessions, fundraising banquets, and receptions.
- Local private events including weddings, funerals and memorials, or retirement parties.
- Regional and state association meetings and conferences.
- Small conferences, meetings, and events from outside Alaska.

Meeting and Conference Market

STRENGTHS IN THE EVENTS AND MEETINGS MARKET

Demand for a venue in the convention and meetings market depends on many factors, including the appeal of the destination; the condition, capacity, and amenities of the facility; the safety of the area around the convention center; walkability to hotels, restaurants, and entertainment; quality and quantity of hotels; and travel costs.

From a competitive standpoint, Juneau's strengths for attracting meetings and conferences are its beautiful natural setting, rich culture and history, outdoor recreation opportunities (particularly in summer months), the safety of the area around Centennial Hall and the JACC, hotels and restaurants in close proximity, and better accessibility by air compared to other communities in Southeast.

As the state capital, Juneau also has unique market opportunities with government-related meetings. Legislative event organizers desire a meeting space in close proximity to the capitol during session so that legislators can attend their meetings and meeting attendees can attend legislative sessions or meet with legislators in their offices.

Juneau was described by one event organizer as ideal for collaborating with other groups to organize events. Travel Juneau has a dedicated team and budget to provide group planning

services for event organizers, including securing competitive hotel room rates, referrals for excursions and activities based upon the group's interests and activity levels, and assistance with itinerary development.

CHALLENGES IN THE EVENTS AND MEETINGS MARKET

Challenges include high travel costs and inconvenience (especially in contrast to destinations accessible by road), lack of ground transportation, the current hotel inventory, the unappealing convention facilities, outdated audio-visual technology, limited catering options, limited winter recreation opportunities, and weather.

Travel and Transportation

Ease of travel is important to convention attendees. Juneau is not as accessible as cities in Alaska or the Pacific Northwest, requiring longer travel time or overnights. Travel costs to Juneau can be high, particularly in the summer months. This may change going forward, with Delta Airlines announcing in May 2022 that the company is resuming year-round service to Juneau; expanded air service has resulted in lower fares and increased air travel in prior years. However, once visitors arrive in Juneau, there are a limited number of taxis or shuttles for conference attendees.

Hotel Inventory

Quality hotel room inventory in close proximity to a convention center is a key factor in attracting non-local events. Event planners stated a preference for hotel beds within one-half to one mile from the convention facility. Event planners often prefer to hold events at hotels with meeting or conference space so that major components of an event are under one roof, and hotels frequently offer meeting space for free or at discounted rates with room blocks.

The limited supply of hotel beds in Juneau within close proximity to the civic center is a constraint in attracting large conferences, trade shows, or other events. Juneau has approximately 1,100 hotel beds, with 533 in the downtown core. The Baranof Hotel will now be closed October through April, removing 215 beds from the hotel inventory during the winter months.

Table 1. Hotel Rooms in Juneau's Downtown Core

	Number of Rooms
Baranof Hotel (May-September only)	215
Four Points by Sheraton	106
Juneau Hotel	72
Ramada by Wyndham	62
The Driftwood Hotel	62
Silverbow Inn	16
Total rooms in the downtown core	**533**
Total rooms in the downtown core during winter	**318**

Hotel blocks are hard to find during summer months due to the many visitors and business travelers. During winter and spring months, downtown rooms are in demand from the Legislature and staff, state officials traveling during session, and constituents. The quality of hotel rooms and affordability – especially during the visitor season – are some of the other challenges with Juneau's supply of hotel rooms.

Conference Facility and Technology

Several user groups commented on the outdated City-owned facilities. Some event hosts prefer facilities with the technology to support hybrid meetings. Event planners reported that organizing events in Juneau was more challenging than in Anchorage and required their team to be more creative and dedicate more time to finding audio-visual (AV) equipment and contractors providing IT and conference technology support, due to the lack of modern equipment and dedicated facility staff with conference tech skills.

Outdoor Recreation

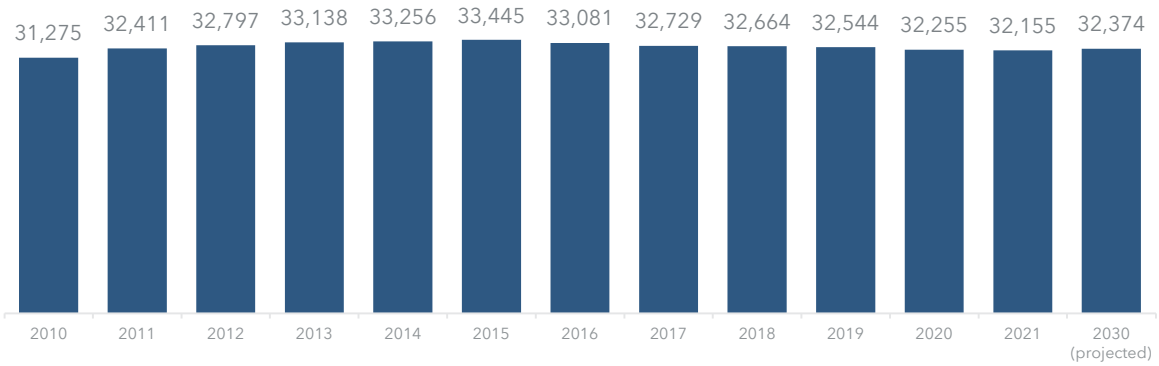
Outdoor recreation opportunities (such as hiking, flightseeing, or boat tours) are primarily available in summer months in Juneau, with limited winter attractions in the off-season. Weather is another factor, with moderate climates preferred by many event attendees and organizers.

Resident Market

POPULATION TRENDS

Population serves as a base from which events can draw attendance, event organizers, and sponsors. Juneau's population decreased by 1,290 residents (4%) between 2015 and 2021, Alaska's population decreased by 1% over the same period. The Juneau population is projected to remain flat over the next decade.

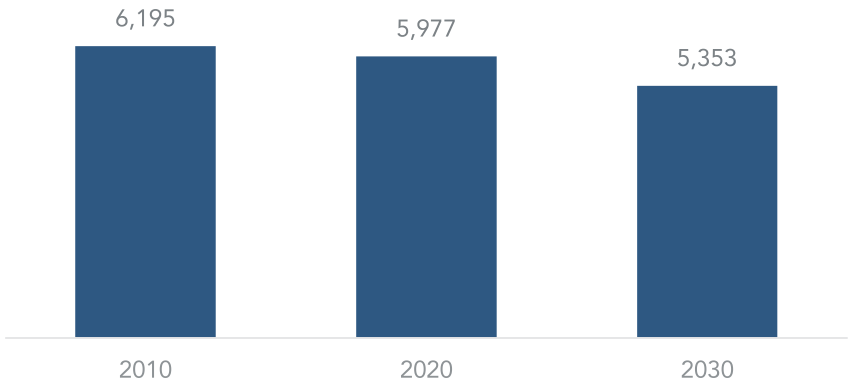
Figure 1. Juneau Population, 2010 to 2021 and 2030 projected



Source: Alaska Department of Labor and Workforce Development

As Juneau's population ages, the school-age population (age 5-19) is projected to decline 10% between 2020 and 2030.

Figure 2. Juneau School-Age Population (Age 5-19), 2010 and 2020 Actual, 2030 Forecast

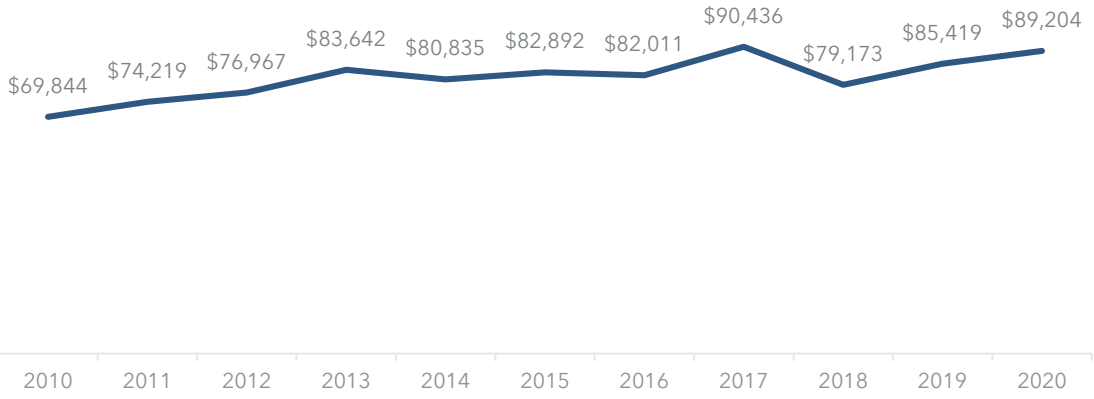


Source: Alaska Department of Labor and Workforce Development.

HOUSEHOLD INCOME

People in households with higher incomes are more likely to attend performing arts and civic events. Median household income for Juneau residents was $89,204 in 2020. Median household income increased approximately 28% between 2010 and 2020.

Figure 3. Juneau Household Income, 2010 to 2020



Source: US Census Bureau.

HOUSING STARTS

Based on building permit data provided by ADOLWD, Juneau added 717 housing units between 2015 and 2020, including 341 single-family homes and 376 multifamily units.

Table 2. New Housing Units, City and Borough of Juneau, 2010 to 2020

	Single-Family	Multi-Family	Mobile Home	Total New Units
2010	40	17	-	57
2011	49	2	-	51
2012	31	24	-	55
2013	61	65	6	132
2014	51	168	1	220
2015	76	20	-	96
2016	69	172	-	241
2017	45	22	1	68
2018	53	19	-	72
2019	46	137	-	183
2020	52	6	-	58

Source: DOLWD and AHFC.

EVENT INDUSTRY TRENDS

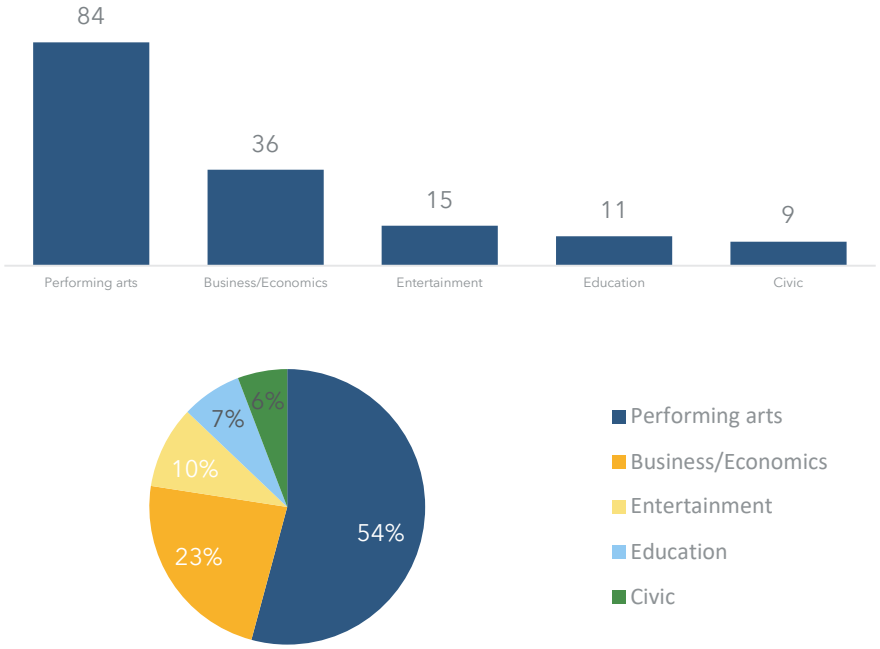
National forecasts suggest it may take one to two more years for the in-person meeting market to return to pre-pandemic levels[1]. In response to the pandemic, event industry professionals reported that some organizations are planning smaller events, increasing the spacing between attendees at events, using outdoor spaces (particularly for dining), serving plated or boxed meals rather than buffet-style food service, or planning hybrid events that mix in-person and virtual components. Another recent trend reported by event professionals is an increase in "bliesure" travel, with event attendees extending their business trips to spend time vacationing and sightseeing at their destination.

Event marketing professionals interviewed for this study reported an increase in in-person events both in Alaska and nationwide at the current phase of the pandemic. Local user groups in Juneau on the whole reported that their organizations were planning on resuming in-person events and performances similar to pre-pandemic levels in 2022 and 2023. The 30 local user groups who participated in this study represent performing arts, business and economics, entertainment, education, and civic organizations. (Additional interviews were conducted with associations and meeting planners outside of the community.)

[1] 2022 Global Meetings and Events Forecast, American Express Meetings & Events, https://www.amexglobalbusinesstravel.com/press-room/american-express-meetings-events-global-forecast-optimism-and-growth-in-2022/

Together, user groups provided an estimate of 155 days in 2023, including setup/rehearsal and performance/event days. Among these user groups, performing arts groups represented 54% of estimated event days, business or economics groups (including those holding legislative events) represented 23% of event days, with other general entertainment, education and civic events making up the remaining days. It should be noted that these user groups represent only a sample of all groups that have used Centennial Hall and the JACC in recent years, and projected usage and revenue estimates developed for this study include a wider range of user groups and additional event and setup days.

Figure 4. Number and Percent of Estimated Event and Rehearsal Days by User Group Type



Comparable Facility Analysis

Interviews were conducted with facility managers for four comparable facilities in Sitka and Valdez, Alaska and Seaside, Oregon to provide insights to inform the planning for the Capital Civic Center. Interviews were also conducted with staff at Discover Valdez and Visit Sitka. Information was gathered about the typical markets served by these facilities, rental rates, revenues and operating expenses, and descriptions of the facilities' amenities. Comparable facilities in Valdez and Sitka are used extensively by local residents and community groups for meetings, fundraising banquets, weddings, graduations, and performing arts events. Both communities attract some in-state conferences, although opportunities for smaller communities to compete are restricted by some of the larger groups.

Seaside Civic & Convention Center

Location: Seaside, Oregon
Population (2020): 6,811

Seaside is a small coastal community about 90 miles west of Portland, Oregon. Seaside has a 24,600 square-foot civic and convention center that is city-owned and operated. The facility was renovated in 2019. The convention center has a large exhibit hall and stage, a ballroom divisible into two separate rooms, 12 meeting rooms, additional flexible meeting space, concession area, and on-site catering. Alcohol service is permitted. The facility has 10 full-time employees.

Seaside is a resort town and has a strong inventory of 1,400 hotel beds, 400 within walking distance of the convention center. The community's amenities include hiking, birdwatching tours, surfing, kayaking, canoeing, bike tours, historical landmarks from the Lewis and Clark expedition, a skate park, and an aquarium.

The closest airport is in Portland, and the 90-mile drive due to lack of air or train service is a challenge to attracting a national conference market. Most events come from the in-state market such as the Oregon District Attorney's Association, Coalition of Oregon School Administrators Convention, the Sea Pac Ham Convention, Oregon Scholastic Chess Federation State Championship, and the Miss Oregon Scholarship Pageant.

Seaside Civic & Convention Center was developed with the primary objective of promoting and facilitating events and activities that generate economic benefits to the area. Estimates for the economic impact for the community range from $29 million to $36 million annually from 2016 to 2019, decreasing to $5 million in 2020 due to pandemic shutdowns.

The Center has a dedicated annual marketing budget of $70,650 to promote Seaside as a destination for conventions and events. To help maximize the economic impact from the convention center, the facility has a priority scheduling policy, including a much longer advance booking window, to promote bookings by out-of-town organizations. An estimated 85% of events are hosted by out-of-town guests and 15% from in-town civic and nonprofit organizations and businesses. The facility is used an average of 260 event days annually (pre-COVID levels). Occupancy ranged from 58% to 68% between 2016 and 2019, with occupancy falling to 28% in 2020 due to the pandemic.

Table 3. Daily Rental Fees for Seaside Civic & Convention Center

Room	Daily Rates		
	Ticketed Event	Civic Related	Community Fundraising
Entire facility	$1,600 or 10% of ticket sales (greater amount)	$400	$300
Exhibit hall & stage	$1,300 or 10% of ticket sales (greater amount)	$300	$200
Ballroom	$1,100 or 10% of ticket sales (greater amount)	$300	$200
Conference rooms	$300 (1 room) - $500 (3 rooms)		
Meeting rooms	$40 (1 room) - $100 (4 rooms)		

REVENUES

Alcohol is the largest source of revenue from events, followed by room rentals and convention fees. Operating costs for Seaside Civic & Convention Center are funded by a hotel room tax of 12%. The civic center has received between $2.4 million and $3.6 million in room tax revenue annually to cover operations since 2017/2018.

Table 4. Seaside Civic & Convention Center Revenues

	2017/2018 Actual	2018/2019 Actual	2019/2020 Actual	2020/2021 Budget	2021/2022 Budget
Food & Liquor	$947,266	$675,346	$781,830	$1,000,000	$1,000,000
Room rentals	$91,827	$67,966	$64,813	$80,000	$80,000
Convention fees	$20,801	$9,159	$15,165	$25,000	$25,000
Total Revenues	**$1,059,894**	**$752,471**	**$861,808**	**$1,105,000**	**$1,105,000**

Source: City of Seaside.

EXPENSES

Expenses for Seaside Civic & Convention Center were approximately $2.1 million in 2019/2020, with payroll accounting for 45% of expenses.

Table 5. Seaside Civic & Convention Center Expenses

	2017/2018 Actual	2018/2019 Actual	2019/2020 Actual	2020/2021 Budget	2021/2022 Budget
Salaries, wages, and benefits	$1,052,039	$1,002,041	$987,269	$1,075,587	$1,122,630
Professional/Contractual services	$191,274	$63,317	$72,535	$100,000	$100,000
Utilities	$64,747	$76,805	$92,000	$92,000	$92,000
Insurance	$160,259	$63,338	$69,827	$80,000	$80,000
Marketing	$68,680	$49,801	$38,475	$70,650	$70,650
Other operating expenses	$1,053,721	$825,121	$848,786	$1,055,800	$1,055,800
Total Expenses	**$2,590,720**	**$2,080,423**	**$2,108,892**	**$2,474,037**	**$2,521,080**

Source: City of Seaside.

DEFICIT

Seaside Civic & Convention Center operated at a deficit of $1.2 million in 2019/2020. The 3-year average from 2017/2018 to 2019/2020 was $1.4 million, an average annual deficit of 61%.

Table 6. Seaside Civic & Convention Center Deficit

	2017/2018 Actual	2018/2019 Actual	2019/2020 Actual	2020/2021 Budget	2021/2022 Budget
Total revenues	$1,059,894	$752,471	$861,808	$1,105,000	$1,105,000
Total expenses	$2,590,720	$2,080,423	$2,108,892	$2,474,037	$2,521,080
Revenues minus expenses	**-$1,530,826**	**-$1,327,952**	**-$1,247,084**	**-$1,369,037**	**-$1,416,080**
Percent of expenses not covered by revenue	**59%**	**64%**	**59%**	**55%**	**56%**

Source: City of Seaside.

Sitka Harrigan Centennial Hall

Location: Sitka, Alaska
Population (2020): 8,569

Harrigan Centennial Hall is a 32,000 square-foot, City-owned convention center on the waterfront in downtown Sitka. The facility originally opened in 1967, and a major renovation was completed in 2015-2016. The facility employs 5 (FTE) staff members. Harrigan Centennial Hall also houses the nonprofit Sitka History Museum operated by the Sitka Historical Society.

The footprint of the main auditorium was not changed with the renovation of Harrigan Hall. The auditorium/theater has capacity of 500, seated theater-style (700 for receptions). The maximum banquet size is 250, which was described as a key limitation in attracting large conferences to Sitka. Limited storage space for tables and chairs was described as another factor limiting the potential event size at the upgraded facility.

The number of small meeting rooms was increased from four to seven, each with capacity of 40-100, and the lobby was made larger with the renovation. These changes have allowed the facility to be used in new and more efficient ways than the previous design. The facility has a commercial kitchen but does not have an on-site caterer. Alcohol service is allowed.

The majority of facility rentals are made by local organizations. Out-of-town groups typically represent about 15% of reservations and these groups are mostly in-state organizations, rather than out-of-state. Examples of recent or upcoming conferences held at Harrigan Centennial Hall include Sitka Summer Fest, the Heritage and Cultural Tourism Conference hosted by Sitka Tribe of Alaska and Central Council of Tlingit & Haida, the Alaska Travel Industry Association (ATIA) Annual Convention and Trade Show, and a Summer Legislative Conference hosted by Alaska Municipal League. ATIA is an example of an organization that limits hosting opportunities for small communities like Sitka to every four years. The other three years, ATIA rotate between Anchorage, Fairbanks, and Juneau.

Visit Sitka has a dedicated marketing budget of $20,000 to $30,000 in FY2023 to promote Sitka as a destination for conventions and events. Due to the capacity of the auditorium, Visit Sitka is focused on promoting Harrigan Centennial Hall in the small conference market. Visit Sitka attracts conventions and events by direct marketing at trade shows, bidding on conferences, and developing print campaigns, and has just released a new toolkit for convention planners. Demand is growing steadily from in-state organizations, but event size remains the same as before renovation because the size of the main auditorium did not change.

Daily rates for the entire facility range from $685 for nonprofit organizations to $2,030 for commercial users.

Table 7. Daily Rental Fees for Harrigan Centennial Hall

Room	Seating Capacity	Daily Rates		
		Commercial	General Use	Non Profit
Entire facility		$2,030	$1,360	$685
Auditorium	500	$620	$415	$205
Meeting room (1)	100	$250	$170	$85
Meeting room (2)	40	$140	$95	$45
Meeting room (3)	60	$155	$105	$50
Meeting room (4)	n/a	$65	$40	$25
Meeting room (5)	40	$135	$90	$45
Meeting room (6)	100	$265	$175	$90
Meeting room (7)	n/a	$100	$70	$40
Kitchen		$400	$300	$200

REVENUES

Room rentals are the primary source of revenue for Harrigan Hall. There was almost no revenue in 2016, as the facility closed for renovation from August 2015 through early 2017. Since the renovation, revenues have increased from an annual average of $60,000 (based on a 4-year average 2012 through 2014, the last full years of operation before the remodel) to $106,000 (the 2018 to 2019 average, post-remodel). Demand for the facility declined significantly in 2021 due to the pandemic.

Table 8. Harrigan Centennial Hall Revenues

	2014	2015	2016	2017	2018	2019	2020	2021
Room rentals	$56,070	$44,390	$970	$52,992	$109,471	$102,461	$100,603	$35,709
Total Revenues	**$56,070**	**$44,390**	**$970**	**$52,992**	**$109,471**	**$102,461**	**$100,603**	**$35,709**

Source: City and Borough of Sitka.

EXPENSES

Harrigan Hall expenses totaled nearly $700,000 in 2019, the last normal year of operation before the pandemic. Approximately 66% of 2019 expenses were for salaries, wages, and benefits (65% of expenses in 2021). The significant increase in data processing fees after 2015 is not due to new technology at the facility, but due to changes made by the City & Borough of Sitka's Finance Department to the allocation of expenses for centralized IT services across City departments and facilities.

DEFICIT

Harrigan Centennial Hall operated at a deficit of $518,000 in 2019. The 3-year average from 2017 to 2019 was $466,000, an average deficit of 84%. The City and Borough of Sitka collects a 6% bed tax but this is not a dedicated stream of funding for the facility. Harrigan Centennial Hall is funded as a government service through the municipal general fund.

Table 9. Harrigan Centennial Hall Expenses

	2014	2015	2016	2017	2018	2019	2020	2021
FTE payroll	$179,759	$186,386	$172,619	$180,997	$208,289	$235,104	$280,218	$224,516
Fringe benefits	$176,776	$218,509	$134,810	$142,505	$177,755	$192,624	$224,052	$208,838
Utilities	$50,609	$44,950	$5,666	$51,370	$61,317	$63,955	$60,994	$64,000
Building repair and maintenance	$32,370	$27,313	$13,505	$13,951	$21,176	$19,728	$28,730	$46,614
Data processing fees	$7,284	$7,363	$27,672	$26,308	$57,426	$61,348	$60,864	$64,642
Insurance	$6,957	$15,816	$11,933	$18,174	$20,393	$20,675	$24,142	$34,219
Contracted/purchased services	$0	$7,800	$71,316	$34,827	-$487	$0	$4,785	$7,499
Other operating expenses	$16,223	$15,012	$9,398	$14,155	$14,186	$27,614	$16,163	$17,478
Total Expenses	**$469,978**	**$523,149**	**$446,919**	**$482,287**	**$560,055**	**$621,048**	**$699,948**	**$667,806**

Source: City and Borough of Sitka.

Table 10. Harrigan Centennial Hall Annual Deficit

	2014	2015	2016	2017	2018	2019	2020	2021
Total Revenues	$56,070	$44,390	$970	$52,992	$109,471	$102,461	$100,603	$35,709
Total Expenses	$469,978	$523,149	$446,919	$482,287	$560,055	$621,048	$699,948	$667,806
Revenues minus expenses	**-$413,908**	**-$478,759**	**-$445,949**	**-$429,295**	**-$450,584**	**-$518,587**	**-$599,345**	**-$632,097**
Percent of expenses not covered by revenues	**88%**	**92%**	**100%**	**89%**	**80%**	**84%**	**86%**	**95%**

Source: City and Borough of Sitka.

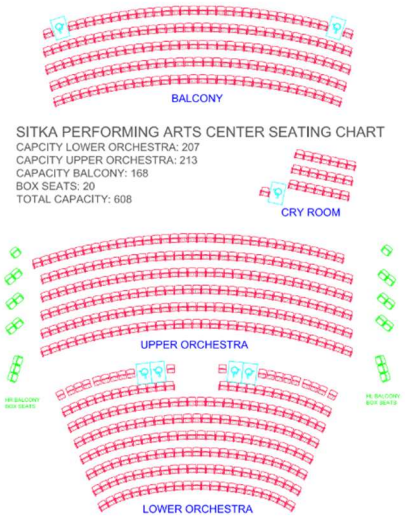
Sitka Performing Arts Center

Location: Sitka, Alaska
Population (2020): 8,569

Sitka Performing Arts Center is a 35,000 square-foot facility built in 2008. The facility is owned by the Sitka School District and managed by The Sitka Fine Arts. The center has a 608-seat theater with raked seating, a stage with an acoustic sound shell, and a variable-height orchestra pit.

On average, the facility is used for 50 school days, rented 20 days of the year, and there are typically 20 shows promoted and presented by the Sitka Performing Arts Center. Typical attendance is 250-500. Nearly all facility users are from Sitka. It is a versatile space and used for a wide variety of performances including rock bands, concert bands, musicals, plays, radio theater, conferences, dance shows, awards shows, high school wrestling matches, and film showings.

There is a flat fee of $1,000 to rent the facility for an 8-hour day. There is full-time employee (1 FTE), but that position is also the tech director for another venue for the PAC. The house manager and ushers are volunteers. There is no dedicated marketing budget for the PAC.



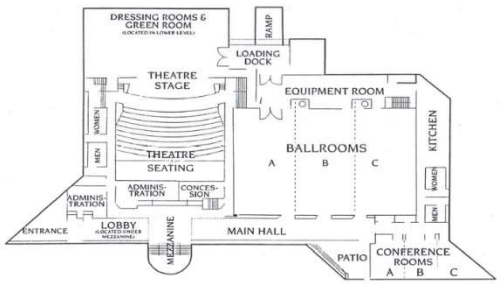
The PAC makes a profit from ticket sales for shows presented by The Sitka Fine Arts but does not earn significant revenue from the PAC as a rentable venue. In 2019, the PAC brought in about $17,000 from rentals. In 2021, user rentals decreased to $7,500. User rentals have increased in 2022. Expenses are for the technical director position salary ($50-60K) with utilities paid for by the school district. Operating costs are subsidized by revenue from other campus rentals and ticket revenue.

Valdez Civic & Convention Center

Location: Valdez, Alaska
Population (2020): 3,855

The Valdez Civic & Convention Center was built in 1982 and is located near downtown Valdez. It is owned and operated by the City of Valdez. The facility has 4.6 full-time employees (FTE). Valdez is accessible by road, air, and water. Several daily non-stop flights link directly with Anchorage International Airport. Auto and motorcoach connections are made by driving the Richardson and Glenn Highways. The community is also accessible by Alaska Marine Highway and private vessels.

The Valdez Convention and Civic Center encompasses 23,000 square feet. The facility has a theater that seats 487 with raked seating, a green room, lobby, and concession area, modern lighting and sound equipment, and dressing rooms. The theater is used as a community movie theater as well as for performances.



The facility also has a 6,464 square-foot ballroom that can be segmented into three separate rooms for flexible meeting arrangements, a main hallway that can house exhibits or trade show booths, a professional kitchen for catering, and separate conference rooms for smaller groups. Approximately 500 people can be seated theater-style in the ballroom or 400 people in banquet seating using a combination of oval and rectangular tables. Alcohol service is allowed at the facility. There are 186 parking spaces with fees for parking.

The majority of ballroom rentals are by local organizations and nonprofits, while the theater, when reserved as an event space, is more often rented by out-of-town groups. The facility manager estimates 85% of meetings and events are local. The Valdez Civic & Convention Center has a dedicated annual marketing budget of approximately $5,000 for attracting conferences and meetings.

Examples of recent or upcoming conferences and events include the annual Last Frontier Theatre Conference hosted by Prince William Sound College, Valdez STOL Fly-In and Air Show and Pilots' Dinner, performing arts events and concerts sponsored by Valdez Arts Council, and the 2022 annual meeting of Museum Alaska. The theater is rented an average of twice a week by cruise companies in the summer months for visitors featuring movies about Valdez (full-day rentals). Demand was reported to be increasing in 2022 after reduced demand in 2020 and 2021 due to the pandemic.

Daily rates for the entire facility range from $690 for nonprofit organizations to $1,380 for commercial users.

Table 11. Daily Rental Fees for Valdez Civic & Convention Center

	Daily Rates		
Room	Commercial	Local Resident	Non Profit
Entire facility	$1,380	$1,104	$690
3 ballrooms	$690	$552	$345
2 ballrooms	$460	$391	$230
1 ballroom	$230	$184	$115
Conference room	$150	$120	$75
Theater complex	$518	$415	$259

REVENUES

Valdez Convention and Civic Center revenues averaged approximately $237,000 annually from 2017 to 2019. Revenues fell sharply in 2020 and 2021 due to the pandemic. Typical revenues for the Valdez Convention and Civic Center rely heavily on movie ticket and concession sales which accounted for nearly three-quarters (71%) of 2019 revenue. In 2019, facility rentals fees were about 20% of revenues ($49,000).

Table 12. Valdez Civic & Convention Center Revenues

	2017	2018	2019	2020	2021
Room rentals	$45,279	$41,090	$48,756	$3,710	$11,442
Catering	$16,578	$25,684	$23,219	$1,075	$12,300
Concessions	$72,602	$72,124	$73,538	$21,369	$23,052
Movies	$94,723	$93,673	$103,052	$23,385	$27,773
Total Revenues	**$229,182**	**$232,571**	**$248,566**	**$49,538**	**$74,566**

Source: City of Valdez.

EXPENSES

Approximately 65% of Valdez Civic and Convention Center's 2021 operating costs were for salaries, wages, and benefits.

Table 13. Valdez Civic & Convention Center Expenses

	2017	2018	2019	2020	2021
FTE payroll	$377,916	$395,936	$420,234	$445,482	$457,881
Other personnel	$132,644	$52,955	$54,962	$18,202	$53,538
Other operating	$63,179	$117,583	$126,438	$76,536	$139,254
Contracts	$10,601	$3,767	$2,112	$5,916	$12,654
Utilities	$115,343	$132,829	$119,963	$108,334	$120,480*
Total Expenses	**$699,683**	**$703,070**	**$723,709**	**$654,470**	**$783,807**

Source: City of Valdez.

DEFICIT

Valdez Civic & Convention Center operated at a deficit of $475,000 in 2019, the last normal year of operation before the pandemic. The 3-year average deficit was $472,000 from 2017 to 2019, an average of 67%. The City of Valdez collects a 6% bed tax, but these revenues are allocated to the Valdez Convention & Visitors Bureau to promote visitation. Operating funds for Valdez Civic & Convention Center come from municipal general funds.

Table 14. Valdez Civic & Convention Center Deficit

	2017	2018	2019	2020	2021
Total Revenues	$229,182	$232,571	$248,566	$49,538	$74,566
Total Expenses	$699,683	$703,070	$723,709	$654,470	$783,807
Revenues minus expenses	**-$470,501**	**-$470,499**	**-$475,143**	**-$604,932**	**-$709,241**
Percent of expenses not covered by revenues	**67%**	**67%**	**66%**	**92%**	**90%**

Source: City of Valdez.

Juneau Event Facilities

Much of Juneau's significant cultural events occur in spaces not well-equipped to host them. This section provides an overview of existing event facilities in Juneau, a summary of capacity, and rental rates. Some of the key issues that limit the use of these facilities for events, meetings, and conferences include other primary uses (high school auditoriums and churches), lack of hotel rooms in close proximity, walkability of the areas (high schools), limited staffing, and size.

Centennial Hall: With a capacity of 1,100 seated theater-style, Centennial Hall is frequently used for meetings, conferences, events, and banquets. The main ballroom can be divided into two or three individual halls. Maximum banquet seating is 610. The flat floor and acoustics are a limitation for performances.

High School Auditoriums: The JDHS auditorium has a capacity of 1,000, and TMHS auditorium has a capacity of 500. Aside from the Egan Lecture Hall at UAS, the high school auditoriums are the only raked-seating venues. Limited staffing at the high school auditoriums means only one facility can be used at a time, and only when school-related use permits outside events.

Juneau Arts and Culture Center (JACC): The main hall has a maximum banquet capacity of 240. The space is heavily utilized despite the flat floor, extremely limited kitchen facilities, and modest aesthetics.

Elizabeth Peratrovich Hall: Recently upgraded, the hall has a maximum banquet capacity of 404 (500 theater-style), sub-dividable space, contemporary audio-visual systems, a stage, and a fully equipped commercial kitchen.

Father Andrew P. Kashavaroff (APK) Library, Archives, and Museum Building: Operated by the State of Alaska, the facility has several spaces that can be used for performances, lectures, and events. Maximum capacity in the atrium is 240, small meeting room is 150, and museum gallery is 350. Private event rentals in the atrium cannot take place during regular business hours.

Chapel by the Lake: The facility seats 250 in the main sanctuary and 75 in Smith Hall. It is frequently used for performances, rehearsals, and events.

Northern Lights Church: The main sanctuary has capacity of 210, and the fellowship hall has a capacity of 80.

Church of the Holy Trinity: Three spaces are available for performances and events: McPhetres Hall, the main sanctuary, and a conference/rehearsal room. The hall and conference area can hold 80 to 175 people, depending on seating configuration. The sanctuary seats 130.

Resurrection Lutheran Church: The church has a capacity of 100.

Table 15. Juneau Event Facilities, Rental Rates, and Maximum Capacities

Facility	Facility Type	Maximum	Rental Rates
Centennial Hall	Multi-purpose: convention center, concert/dance hall	1,100	$350-$1,040 1-9 hours, $495-$1,571 9-20 hours
JDHS Auditorium	Performing arts space for high school, used by community	1,000	$52-$276/hour
TMHS Auditorium	Performing arts space for high school, used by community	500	$58-$240/hour
Juneau Arts and Culture Center (JACC)	Multi-purpose: convention center, concert/dance hall	290	$175-$540 5-9 hours, $250-$750 10-24 hours
CCTHITA Elizabeth Peratrovich Hall	Multi-purpose: convention center, concert/dance hall	500	Full day: $160-$780 half day: $110-$470 Kitchen: $150-$200
APK State Library, Archives, and Museum Building	Library, archives, and museum	Atrium 240, Museum gallery 350, lecture hall 150	$75-$300/hour
Chapel by the Lake	Church	Sanctuary 200-250, hall 75	$350 half day, $500 full day
Northern Light United Church	Church	Sanctuary 210, hall 80	2 hours $100, 2-4 hours $150, 4+ hours $250
Church of the Holy Trinity McPhetres Hall	Church	Hall 80-175, sanctuary 130	$200 half day, $350 full day
Resurrection Lutheran Church	Church	100	$100 for shows, $30-40/hour

Note: Rental rates are summarized; rates can vary according to for-profit versus nonprofit status, day of week, and other factors.

Current Usage of Centennial Hall and the JACC

Historical information for Centennial Hall and the JACC was provided by JAHC for 2017 through 2021.

Table 16. Centennial Hall and JACC Rental Days, 2017-2021

	2017	2018	2019	2020	2021
Centennial Hall Ballrooms					
Total days	172	160	169	53	78
Weekdays	94	88	93	31	53
Weekend days	77	72	76	22	25
Percent of total days	47%	44%	46%	15%	21%
Percent of weekdays	36%	34%	36%	12%	20%
Percent of weekend days	73%	68%	72%	21%	24%
JACC Main Hall					
Total days	190	174	170	20	41
Weekdays	125	117	114	12	35
Weekend days	65	57	56	8	16
Percent of total days	52%	48%	47%	5%	11%
Percent of weekdays	48%	45%	44%	5%	14%
Percent of weekend days	61%	54%	52%	8%	15%

Source: JAHC.
Note: Shading in this table identifies 2020 and 2021 as non-typical years of operation due to the pandemic. CBJ rented both Centennial Hall and the JACC in the entirety from March 2020 to June 2021 for use as a COVID quarantine shelter and vaccination site.

LOCAL AND NON-LOCAL ATTENDANCE

Centennial Hall and the JACC generate most of their revenues from the local market. Nearly one-third of events at Centennial Hall and the JACC have been organized by non-local groups in recent years, including trainings and performances, and many Juneau residents attend the events organized by non-local organizations. Based on user group interviews, attendance at events at Centennial Hall and the JACC is estimated at 90% resident, 10% non-resident.

RENTAL RATES

Table 17. Centennial Hall and JACC Rental Rates

	Regular Rate			Local Nonprofit		
	Setup Day	1-9 hours	9-20 hours	Setup Day	1-9 hours	9-20 hours
Entire facility	$858	$2,376	$3,564	$640	$1,771	$2,957
Ballrooms						
All 3 ballrooms	$640	$1,771	$2,678	$480	$1,328	$2,214
Single ballroom	$289	$799	$1,123	$215	$594	$929
Meeting rooms						
Egan	$205	$302	$486	$162	$227	$378
Hickel	$205	$302	$486	$162	$227	$378
Hammond	$205	$302	$486	$162	$227	$378
Miller	$119	$162	$248	$86	$119	$194
Lobbies & Ancillary						
Single lobby	$205	$302	$486	$162	$227	$378
Both lobbies	$266	$392	$632	$211	$295	$491
Courtyard	$205	$302	$486	$162	$227	$378
JACC Rates						
Entire facility	n/a	$650	$900	n/a	$515	$720
Main hall	$430	$595	$780	$360	$480	$625
Gallery	$160	$210	$300	$145	$170	$240

Source: JAHC.

REVENUE

Total annual revenue from Centennial Hall room and equipment rentals and other venue income averaged $427,225 from 2017 to 2019. Revenues are earned income and do not include hotel-motel collections that offset Centennial Hall operating costs. Annual revenue averaged $203,000 for JACC from 2017 to 2019. CBJ rented both facilities in the entirety from March 2020 to June 2021 for use as a COVID quarantine shelter and vaccination site.

Centennial Hall was operated by CBJ prior to FY2019 and has operated under contract with JAHC since then. Centennial Hall receives general fund appropriations and designated funds from the hotel-motel bed tax, which increased in January 2020 from 7% to 9% of gross room receipts. (Prior to this increase, disposition of the tax had been 4% funding tourism promotion and 3% funding Centennial Hall operations[2].) There is no designated funding stream to support current JACC operations. Juneau Community Foundation's performing arts center fundraising

[2] Memo from Jeff Rogers, CBJ Finance Director about CBJ Hotel Bed Tax dated April 8, 2020.

and operations endowment will contribute funds toward the operating costs of the Capital Civic Center. The City will continue to fund Centennial Hall operations and will use additional revenues collected from the 2% bed tax increase for capital improvements to Centennial Hall. The increase will remain in place through December 2034.

Table 18. Centennial Hall and JACC Revenue, 2017 to 2021

Centennial Hall	2017	2018	2019	2020	2021
Entire facility	$89,026	$84,011	$103,427	$293,008	$143,845
Ballroom 1	$20,400	$14,420	$16,173	$2,820	$25,291
Ballroom 2	$7,720	$10,640	$10,440	$3,375	$8,945
Ballroom 3	$7,475	$12,905	$11,590	$3,835	$13,595
3 Ballrooms	$35,893	$41,834	$34,370	$7,658	$2,681
Meeting rooms	$43,598	$45,460	$45,260	$5,565	$4,047
Lobby	$1,945	$3,885	$3,735	$1,720	$3,434
Rental revenues	**$206,057**	**$213,156**	**$224,995**	**$317,981**	**$201,838**
Other venue income	$205,538	$189,289	$214,459	$49,405	$5,764
Miscellaneous income	$16,398	$11,342	$442	$50,010	$146,073
Total Centennial Hall revenue	**$427,993**	**$413,787**	**$439,896**	**$417,396**	**$353,675**
JACC					
Entire facility	$34,570	$20,910	$27,353	$93,440	$71,890
Main hall rental	$64,718	$43,480	$36,515	$18,030	$650
Other rental income	$41,076	$26,179	$24,520	$3,855	$3,975
Rental revenues	**$140,364**	**$90,569**	**$88,388**	**$115,325**	**$76,515**
Other revenues	$86,309	$106,110	$97,925	$32,342	$45,427
Total JACC revenue	**$226,673**	**$196,679**	**$186,313**	**$147,667**	**$121,942**
Total Centennial Hall and JACC revenue	**$654,666**	**$610,466**	**$626,209**	**$565,063**	**$475,617**

Source: JAHC. Note: Shading in this table identifies 2020 and 2021 as non-typical years of operation due to the pandemic. CBJ rented both Centennial Hall and the JACC in the entirety from March 2020 to June 2021 for use as a COVID quarantine shelter and vaccination site.

Table 19. CBJ Appropriations for Centennial Hall Operations, 2018 to 2023

	Hotel Bed Tax	General Fund	Other (Fees)	Total
2018	$634,300	$44,800	$451,900	$1,131,000
2019	$645,000		$1,000	$646,000
2020	$664,000	$-	$-	$664,000
2021	$450,000	$153,600	$-	$603,600
2022 (projected)	$416,700	$146,500	$-	$563,200
2023 (budget)	$639,100			$639,100

Source: CBJ.

EXPENSES

JAHC took over management of Centennial Hall in 2018 and salary and wages decreased due to lower fringe benefit costs. Expenses for Centennial Hall were approximately $682,000 in 2019, with payroll accounting for 70% of expenses. Expenses for JACC were approximately $205,000 in 2019, with payroll accounting for 44% of expenses.

Table 20. Centennial Hall and JACC Expenses, 2017 to 2021

Centennial Hall	2017	2018	2019	2020	2021
Payroll expenses	$561,092	$494,708	$479,518	$297,632	$165,191
Utilities	$142,820	$126,889	$164,708	$167,923	$127,991
Operating expenses	$38,134	$34,408	$15,320	$9,615	$5,750
Other expenses	$367,586	$207,978	$22,588	$11,668	$15,970
Total Centennial Hall expenses	**$1,109,632**	**$863,983**	**$682,134**	**$486,838**	**$314,902**
JACC					
Payroll expenses	$76,696	$99,603	$91,307	$31,695	$996
Utilities	$26,595	$39,481	$36,883	$31,044	$32,202
Other expenses	$94,283	$91,942	$77,188	$26,013	$69,881
Total JACC expenses	**$197,574**	**$231,026**	**$205,378**	**$88,752**	**$103,079**
Total Centennial Hall and JACC expenses	**$1,307,206**	**$1,095,009**	**$887,512**	**$575,590**	**$417,981**

Source: JAHC. Note: Shading in this table identifies 2020 and 2021 as non-typical years of operation due to the pandemic. CBJ rented both Centennial Hall and the JACC in the entirety from March 2020 to June 2021 for use as a COVID quarantine shelter and vaccination site.

DEFICIT

Centennial Hall operated at a deficit of $242,000 in 2019. The 3-year average from 2017 to 2019 was $458,000, an average deficit of 52%. Centennial Hall operated at a deficit of $19,000 in 2019 (with a 3-year average of $24,000 from 2017 to 2019), an average deficit of 3.8%.

As noted above, a significant portion of Juneau's hotel-motel tax has been historically used to offset the gap in operating expenses while the recent increase is intended to fund capital improvements and debt service.

Table 21. Centennial Hall and JACC Deficit, 2017 to 2021

Centennial Hall	2017	2018	2019	2020	2021
Total revenues	$427,993	$413,787	$439,896	$417,396	$353,675
Total expenses	$1,109,632	$863,983	$682,134	$486,838	$314,902
Revenues minus expenses	**-$681,639**	**-$450,196**	**-$242,238**	**-$69,442**	**$38,773**
Percent of expenses not covered by revenues	**61%**	**52%**	**36%**	**14%**	**-12%**
JACC					
Total revenues	$226,673	$196,679	$186,313	$147,667	$121,942
Total expenses	$197,574	$231,026	$205,378	$88,752	$103,079
Revenues minus expenses	**$29,099**	**-$34,347**	**-$19,065**	**$58,915**	**$18,863**

Source: JAHC.
Note: Shading in this table identifies 2020 and 2021 as non-typical years of operation due to the pandemic. CBJ rented both Centennial Hall and the JACC in the entirety from March 2020 to June 2021 for use as a COVID quarantine shelter and vaccination site.

Market Demand Assessment

The assessment of potential demand for the proposed civic center was based on analysis of historical usage data for Centennial Hall and the JACC, informed by interviews with local and in-state organizations that host events in Juneau, managers of four comparable facilities, staff from the Sitka Chamber of Commerce and Valdez Convention and Visitors Bureau, and industry experts and statewide organizations familiar with Juneau's conference hosting abilities.

Performance and event organizers were asked about their planned activities and anticipated use of the facility's ballroom, community hall, theater meeting rooms, office space, and administrative support. Event organizers were asked about Juneau's strengths and weaknesses as an event destination and potential changes in their demand for event space in Juneau with a new facility. Consideration was also given to new revenue streams associated with new and enlarged spaces.

RESIDENT VERSUS NON-LOCAL DEMAND ASSUMPTIONS

Juneau's two City-owned facilities and comparable civic center facilities in Valdez and Sitka generate most of their revenues from their local markets. Events hosted by Juneau organizations are likely to continue to drive demand for the Capital Civic Center as they do for Centennial Hall and the JACC. This is assumed to remain the case for the Capital Civic Center unless a priority reservation policy is adopted as in Seaside, Oregon. The Seaside facility manager reported that prospective non-local events are often turned away due to date availability issues; a priority reservation policy could be designed to capture the larger economic impact of out-of-town events. User groups also reported challenges with facility availability on their preferred dates.

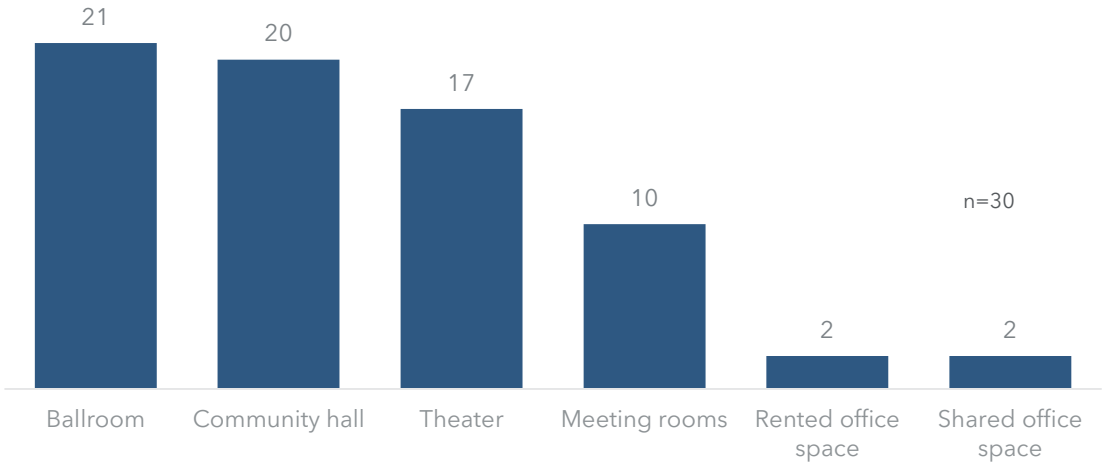
Based on user group interviews, estimates of demand for the Capital Civic Center assume consistent demand from local groups who currently use Centennial Hall and the JACC. Local demand is estimated at 90% based on recent usage in the startup years, with attendance at events (hosted by in-state and out-of-state organizations) expected to comprise 10% of total demand. This is assumed to remain the case for the first few years of operation of the Capital Civic Center, with strong potential for the out-of-town market to grow over time with effective promotion of the facility in the events market. Based on industry professionals, non-local demand is expected to grow by up to 10% with strong marketing of the facility to in-state and national event planners.

USER DEMAND BY FACILITY SPACE

The strongest interest was identified for the ballroom, community hall, and meeting rooms. Reported interest from user groups that participated in this study and historical facility usage

data since 2017 suggest similar demand for the ballrooms and community hall. Theater demand was strongest among performing arts organizations, but other types of organizations expressed interest in using the space for other uses such as presentations, lectures, or awards ceremonies. Just over a quarter of user groups expressed interest in meeting and conference rooms. There was very low demand for assigned or shared office space, with two user groups expressing interest.

Figure 5. Number of User Groups Interested in Facility Spaces



USER DEMAND ESTIMATES

Estimates include "low case" and "high case" scenarios and are based on user groups' stated demand, recent usage of Centennial Hall and the JACC, and interviews with event organizers familiar with Juneau's conference hosting capabilities and their likelihood of hosting events in the community.

Ballrooms: Usage of the ballrooms is estimated to range from 49% to 59% of all days annually, ranging from 180 days (low case) to 215 days (high case), including days for setup or rehearsal.

Community Hall: Usage of the community hall is estimated to range from 51% to 58% of all days of the year, ranging from 185 days (low case) to 210 days (high case).

Meeting and conference rooms: Meeting and conference room usage is estimated to range from 30% to 38% of days annually.

Theater: Theater usage is estimated between 25% and 34% of days of the year, from 90 to 125 days.

Event Space: Event space usage is estimated at 18% to 25% of days of the year, from 65 to 90 days.

Lobby: Lobby usage is estimated at 10% to 14% of days of the year, from 35 to 50 days.

Table 22. Annual Demand Estimate for Capital Civic Center

	Ballrooms		Community Hall		Meeting Rooms		Theater		Event Space		Lobby	
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
Number of event days	160	185	170	190	110	140	75	95	55	75	30	40
Weekdays	90	105	110	120	85	105	30	40	35	50	20	25
Weekends	70	80	60	70	25	35	45	55	20	25	10	15
Number of setup / rehearsal days	20	30	15	20	0	0	15	30	10	15	5	10
Total event and setup / rehearsal days	180	215	185	210	110	140	90	125	65	90	35	50
Percent usage												
Percentage of days used	49%	59%	51%	58%	30%	38%	25%	34%	18%	25%	10%	14%

There are a number of factors that may result in an increase in the total number of events in Juneau annually beyond these estimates. These include:

More appealing venue: While heavily used now, Centennial Hall and the JACC are outdated and have functional limitations. Having a new facility will likely be attractive to a wider audience and lead to additional rentals.

The addition of new spaces: The wider range of room sizes in the new facility will meet the needs of a wider range of organizations. Event organizers reported that they want appropriate-sized rooms for their event.

The new facility offers six meeting rooms (up from four small rooms at Centennial Hall), each with capacity for 100-140, a new theater space with full professional back-of-house support, an event space that can also be used as a black box theater, a gallery, a large lobby, a retail shop, a conference room, concession area, and a business center. Most of these spaces will be entirely new revenue centers for the facility.

User groups currently rent the Centennial Hall lobby, typically in conjunction with rentals of the ballroom or meeting rooms. The increased size and appeal of the new lobby/foyer will make this space more attractive as an exposition or reception area, and lobby rentals are expected to increase based on the larger event size and increased appeal.

This large additional indoor space can be used as an expo or reception space and will also accommodate attendees in the facility while setting up a room for a banquet or other

function during an event. For example, with a large conference, formal seating events could be staged in the ballrooms, while the lobby could stage expo displays or be used as pre-conference or reception area.

The ability to use the new space in more flexible ways: The design of the facility will allow the facility to be used in new ways. For example, the total capacity of all six meeting rooms is approximately the capacity of the main ballrooms during a conference event. This would be sufficient space for an event (such as a keynote speaker) with 600-850 attendees to be held in the ballrooms, then move to meeting rooms for breakout sessions while the ballroom is being reconfigured for dinner or another type of event.

Potential to host multiple events at the same time: The layout of the facility will allow for use of event spaces by multiple groups without interference. Large spaces including the ballroom, community hall, theater, and meeting rooms are set apart, minimizing sound interference, and the large lobby space will allow groups to access event rooms without crossing paths. The large catering space will be able to support more than one caterer in the building at a time.

Outdoor spaces: The initial design for the facility includes outdoor spaces including a patio and a roof terrace. Outdoor spaces (especially those with an inviting view) for dining, receptions, and breaks were among the preferences identified by many event organizers interviewed for this study.

REVENUE ESTIMATES

Revenue estimates for Year 1 and Year 5 of operations were developed based on demand estimates and room rates for Centennial Hall and the JACC. A blended rate was calculated to account for both nonprofit and for-profit use, and room rates were increased by 10% to account for anticipated rate increases at the new facility.

Projected revenues for the proposed Capital Civic Center are higher than prior estimates developed for a proposed performing arts center due to the addition of ballroom, community hall, and meeting room spaces with demonstrated demand, plus new revenue centers such as the additional (and larger) meeting rooms, theater, event space, and lobby. Other factors that are likely to drive higher usage than projected in previous studies are the upgraded and more appealing venues, greater flexibility in use, and potential for hosting larger events as well as multiple simultaneous events.

It should be noted that selecting an appropriate fee structure will impact usage levels and revenues. Fees that are too high will tend to discourage facility use and revenues. Some user groups, particularly nonprofits, expressed concern about the affordability of new rental fees established for the proposed facility. Other groups reported that increases in ticket prices would

likely be necessary to cover higher facility rental costs, which may decrease demand for ticket sales.

Table 23. Year 1 Estimated Revenue

	Low	High
Ballrooms	$222,354	$265,590
Community Hall	$228,531	$259,413
Meeting rooms	$192,027	$244,398
Theater	$49,140	$68,250
Event space	$35,490	$49,140
Lobby	$26,250	$37,500
Total room rental revenue	$753,792	$924,291
Equipment rentals	$175,000	$225,000
Lobby shop	$50,000	$75,000
Gallery commissions	$15,000	$20,000
Concessions	$25,000	$50,000
Total	**$1,018,792**	**$1,294,291**

Revenue projections assume that by Year 5 there will be an increase of two new conferences in Juneau. These conferences are assumed to each attract 200 out-of-town attendees. Assumptions include a 5% increase in use of the community hall and ballrooms, as well as revenue from equipment rentals, sales and commissions from the lobby shop and gallery, and concessions. There is potential for additional revenue growth due to better pandemic conditions, new cultural offerings, increases in event attendance, room rental rate increases, or other market factors.

Table 24. Year 5 Estimated Revenue

	Low	High
Ballrooms	$233,472	$278,869
Community Hall	$239,957	$272,384
Meeting rooms	$192,027	$244,398
Theater	$49,140	$68,250
Event space	$35,490	$49,140
Lobby	$26,250	$37,500
Total room rental revenue	$776,336	$950,541
Equipment rentals	$183,750	$236,250
Lobby shop	$52,500	$78,750
Gallery commissions	$15,750	$21,000
Concessions	$26,250	$52,500
Total	**$1,054,586**	**$1,339,041**

Economic and Community Benefits

Economic Benefit to Juneau

Civic and convention centers are economic engines, inducing economic activity that might not otherwise occur in a community. Conferences and large events that attract non-residents have a larger economic impact than events attended by residents, with out-of-town guests and event organizers spending on hotel accommodations, food and beverage, and retail as well as facility rentals, catering, conference equipment and other goods and services, and generate sales and hotel taxes. Construction spending for large projects has a strong impact on a local economy and labor market.

VISITOR DIRECT SPENDING ESTIMATES

One of the measures of economic impact is the estimated amount of money spent by attendees while in Juneau for an event. Direct spending estimates were developed for meeting and conference attendees not living in the Juneau area to demonstrate the range of total potential economic impacts generated by the proposed facility. The economic impact of visitor spending could increase significantly through a strategic marketing plan and policies developed to attract more conferences and events with higher numbers of out-of-town attendees.

Estimates for visitor and event organizer direct spending on conventions are based on a recent McDowell Group survey of convention attendees and interviews with meeting organizers for conventions and meetings held in Juneau from October 2017 through September 2018. Attendance numbers were provided by event organizers who used Centennial Hall and the JACC between 2017 to 2021.

Meeting and convention attendees spend an average of $1,270 per attendee/per event in Juneau. With an average stay of 3.9 nights, average direct spending is estimated at $326 per day, per attendee. Meeting/convention sponsor organizations reported additional average spending of $132 per attendee/per day.

Spending by attendees and organizations is distributed through a wide variety of sectors. The largest spending category (attendee and organization spending combined) was lodging, followed by food and beverage, retail, tours, activities, and entertainment, local transportation, facility rental, services and equipment rental, and other expenses.

ECONOMIC IMPACTS

Spending in Juneau by visitors and by the businesses that serve those visitors creates jobs, income, and secondary spending throughout the local economy. This analysis describes employment and labor income effects of conference and event-related spending in Juneau based on 2019 as the most recent pre-pandemic baseline (normal operations). In 2019, there were 246 conferences, events, and meetings at Centennial Hall and the JACC. With an average of 1.8 days per event, this made for a combined total of 453 event days. Most events were attended primarily by Juneau residents, but there were 26 conferences that brought positive economic impacts by attracting significant non-local spending to the community. Direct spending by these conference visitors and conference organizers totaled an estimated $4.8 million in 2019.

- Conferences and large events brought an estimated 3,700 non-resident attendees to Juneau for an average of 2.3 days. These visitors spent an estimated $3.9 million.
- Juneau residents also attended conferences, and conference organizers spent $132 per attendee, for a total of approximately $258,000 in organizational spending in 2019.
- Large events in 2019 that attracted out of town visitors included Alaska Folk Festival, the Juneau Holiday Market, and the Sealaska Holiday Fair. Celebration, held only in even years, is factored into the Year 1 and Year 5 projections on an annualized basis.

Table 25. Estimated Spending on Conferences and Large Events, 2019

	Conferences		Large Events	Total
	Non-residents	Juneau residents	Non-residents	
Attendees	3,700	850	1,600	8,900
Average days per event	2.3	2.3	4.3	
Individual spending, per day	$326	-	$100	
Event organizer spending per attendee, per day	$132	$132	-	
Total estimated direct spending	**$3,897,580**	**$258,060**	**$688,000**	**$4,843,640**

PROJECTED CONFERENCE SPENDING

Projected spending for conferences and large events is estimated at nearly $6.6 million in Year 1 of civic center operations, increasing to an estimated $7 million by Year 5.

Table 26. Year 1 Estimated Spending Due to Conferences and Large Events

	Conferences		Large Events	Total
	Non-residents	Juneau residents	Non-residents	
Attendees	4,100	850	2,975	7,925
Average days per event	2.3	2.3	4.3	
Individual spending, per day	$326	-	$100	
Event organizer spending per attendee, per day	$132	$132	-	
Total estimated direct spending	**$4,318,940**	**$258,060**	**$1,998,650**	**$6,575,650**

Table 27. Year 5 Estimated Spending Due to Conferences and Large Events

	Conferences		Large Events	Total
	Non-residents	Juneau residents	Non-residents	
Attendees	4,510	935	2,975	8,420
Average days per event	2.3	2.3	4.3	
Individual spending, per day	$326	-	$100	
Event organizer spending per attendee, per day	$132	$132	-	
Total estimated direct spending	**$4,750,834**	**$283,866**	**$1,998,650**	**$7,033,350**

ECONOMIC IMPACTS

Construction Phase

Construction of the $48 million facility expansion and upgrade will directly generate approximately 130 full-time and part-time jobs in Juneau and $10 million in labor income annually over the two-year construction period. Including multiplier effects, construction is expected to generate a total of 200 jobs with $13 million in total labor income annually over the two-year period.

Table 28. Civic Center Construction Economic Impact

Direct jobs	130
Direct labor income	$10,000,000
Total jobs	200
Total labor income	$13,000,000

Civic Center Operations

Jobs and income are created in Juneau as conference visitors and organizers purchase goods and services in Juneau. This includes jobs at the civic center and elsewhere in the economy. The current economic impact of that user spending (estimated at $4.8 million annually), totals 65 jobs and $2 million in total annual wages, including multiplier effects.

Within about five years of the upgrade, spending by conference visitors and organizers is expected to total approximately $7 million annually, an increase of $2.2 million. That increase in spending will account for 25 new jobs and $1 million in annual wages, including direct and indirect impacts. In total the new civic center will account for 90 jobs and $3 million in annual wages.

Table 29. New Civic Center Operations Annual Economic Impact

Total User Spending	
Baseline user spending	$4.8 million
New user spending	$2.2 million
Total with new civic center	$7.0 million
Total Jobs from User Spending	
Total baseline jobs	65
Total new jobs	25
Total with new civic center	90
Total Labor Income from User Spending	
Total baseline labor income	$2 million
Total new labor income	$0.9 million
Total with new civic center	$2.9 million

Additional Community Benefits

Civic centers are important public spaces that enhance residents' quality of life by serving as gathering places for social, educational, business, and cultural events. Civic centers are a central gathering place for community members, fostering stronger social connections and civic pride.

Local governments support civic centers in order to promote the growth of a vibrant cultural landscape in a community. The Capital Civic Center will benefit Juneau's cultural and civic organizations by providing a modern venue for performances and events. While there are abundant recreational arts offerings in Juneau, none of Juneau's current facilities are purpose-built for arts and culture. By concentrating arts programming in the Capital Civic Center, this can help strengthen Juneau's brand as an arts and culture center for the region, support nonprofit and arts organizations, and help attract more artists and cultural organizations to Juneau. The civic center may also help address the need for affordable office space for nonprofit arts and culture organizations.

The upgraded and expanded civic center will be an important aspect of Juneau's effort to attract the workforce its employers need now and in the future. Across all sectors of the economy, labor shortages are constraining growth. Measures that enhance a community's affordability and quality of life, including opportunities to experience and enjoy the arts, are key to Juneau's competitiveness in the increasingly mobile national labor market.

The new conference center will preserve and enhance Juneau's ability to attract and host high-quality conferences. A number of event organizers (business, civic, and nonprofit), as well as private event coordinators for events such as weddings or retirements familiar with Centennial Hall and the JACC described the outdated conditions of these facilities. More appealing and "right-sized" spaces are likely to draw increased usage from groups as they evaluate their range of venue options for these types of events. The conference market is highly competitive, and a modern facility will also enhance Juneau's ability to attract new events from this profitable market segment to help grow Juneau's economy.

Anchor projects like the proposed civic center improve the vitality of a neighborhood and promote additional private investment and improvements in an area. Development in the area around Centennial Hall and the JACC presents an opportunity for Juneau to improve the desirability of a neighborhood within walking distance to the downtown core. The venue would attract more visitors to the area and help bring new foot traffic to local businesses. The civic center project will create a more inviting area around the convention center and may promote further private investment in the area.

The proposed design for the Capital Civic Center would create new revenue centers for the City-owned facility, with the addition of rentable spaces including six meeting rooms, a conference room, theater, event space, lobby, and concession area.

Appendix

CENTENNIAL HALL AND JACC USER GROUP INTERVIEW PARTICIPANTS

Alaska Arts Education Association, Vanessa Powell

Alaska Council of School Administrators, Chala Giron

Alaska Fisheries Development Foundation, Julie Decker

Alaska Folk Festival, Andrew Heist

Alaska Library Association, Jonas Lamb

Alaska Municipal League, Nils Andreassen

Alaska Power Association, Michael Rovito

Alaska Robotics Mini-Con, Pat Race

Alaska State Improv Festival, Eric Caldwell

Alaska State Firefighters Association, Justin Boddy

Alaska Youth Choir, Amanda Blackgoat

Association for the Education of Young Children (AEYC), Blue Shibler

Alaska Travel Industry Association (ATIA), Sarah Leonard

Creativations and Sunny Days Events, Jessie Miller

Glacier Valley Rotary Club, Michelle Strickler

Greater Juneau Chamber of Commerce, Craig Dahl

Hecla-Greens Creek Mining Company, JP Roulet

JUMP Festival, Pat Race

Juneau Arts and Humanities Council, Nancy DeCherney

Juneau Economic Development Council, Brian Holst

Juneau Ghost Light Theatre, Richard Carter

Juneau Jazz and Classics, Sandy Fortier

Juneau Public Market, Peter Metcalfe

Juneau String Ensembles, Guohua Xia

Juneau Symphony, Charlotte Truitt

KTOO Public Media/Coast Alaska, Jeana Varney

Logistics LLC, Toni Walker

Mudrooms, Alida Bus

Museums Alaska, Dixie Clough

Perseverance Theatre, Leslie Ishii, Frank Delaney

Platypus Gaming, Josh Warren

Princess/Holland America, Kirby Day

Southeast Conference, Robert Venables

Sealaska Corporation, Amy Miller

Sealaska Heritage Institute - Celebration, Yées Ḵu.oo Dancers, Nancy Barnes

Sitka Summer Music Festival, Amy Kramer Johnson

Southeast Alaska Conservation Council, Raylynn Lawless

Trail Mix, Inc., Ryan Oshaughnessy

Travel Juneau, Liz Perry

COMPARABLE FACILITY INTERVIEW PARTICIPANTS

Discover Valdez, Sharon Anderson

Elizabeth Peratrovich Hall, Cathy Martin

Greater Sitka Chamber of Commerce, Rachel Roy

JACC and Centennial Hall, Kathleen Harper

Seaside Civic and Convention Center, Russ Vandenberg

Sitka Harrigan Centennial Hall, Antonio Rosas

Sitka Performing Arts Center, Drew Sherman

Valdez Convention and Civic Center, Jennifer James

MCDOWELL GROUP REPORTS USED IN THIS ANALYSIS

Economic Impacts of Juneau Conventions and Meetings, 2018

Financial Feasibility Study for The New JACC, 2019

Juneau Air and Ferry Visitor Survey, 2018

Juneau Performing Arts Center Needs Assessment, 2002

Juneau Visitor Profile and Economic Impact Study, 2016

New Juneau Arts and Culture Center Feasibility Assessment, 2016

The Economic Impacts of Celebration, 2012

Willoughby Arts Complex Financial Feasibility Assessment, 2015

Willoughby Arts Complex Market Demand Assessment, 2015

McKINLEY RESEARCH GROUP, LLC

3800 Centerpoint Drive, Suite 1100 • Anchorage, AK 99503 • (907) 274-3200
801 West 10th Street, Suite 100B • Juneau, AK 99801 • (907) 586-6126

info@mckinleyresearch.com • mckinleyresearch.com