

AMHS Reform Phase 5

McDowell Group

Task 1: Economic Impact Analysis

Objective: Update AMHS economic impact analysis.

Deliverables: We propose to streamline deliverables and tailor them for use in AMHS Reform communications. Deliverables: a four-page Executive Summary, a one-page brochure highlighting key findings, and a PowerPoint presentation.

Scope of Work

Our methodology follows the analysis completed in 2016 and includes the following tasks:

- Review of AMHS employment and payroll, and in-state operational and capital expenditures.
- Calculation of the indirect or multiplier effects of AMHS employment and expenditures.
- Estimated direct and indirect spending impacts of non-resident system users.
- Estimated total annual economic impact from the State's investment in the AMHS.
- A review of statewide and regional spending impacts.
- Analysis of the role of the AMHS in Alaska's visitor industry.

Our study would rely on extensive data on AMHS' 2018 operations, including traffic data, operational purchases, capital investments, employment, and payroll and benefits. This data will be supplemented with research on AMHS' non-resident ridership from McDowell Group's *Alaska Visitor Statistics Program*, conducted for the State of Alaska in summer 2016, and updated to reflect the 2018 visitor market. Economic impact analysis would be conducted using IMPLAN, a widely used econometric modeling tool.

As requested, we can develop case studies for selected communities to illustrate the critical role AMHS plays in the local economy, including freight, health care, school activities, and linkages with industries such as tourism and seafood. Methodology includes executive interviews with approximately eight community and business leaders in each location and special analysis of AMHS data. In the report published in 2016, Angoon, Cordova, and Haines were profiled. Community case studies conducted for purposes of this study would be expanded to include analysis of the socioeconomic impacts of discontinued or substantially diminished ferry service.

Schedule: March 2019 through May 2019

The project is anticipated to require 30 to 45 days from notice to proceed, contingent on responsiveness of AMHS to data requests and time needed for Steering Committee review of final deliverables.