

-
- Distribution of Excess Revenue
 - Legacy items
 - Sales Tax Revenue
 - Final Report
 - Audits
 - Letter from Jerry Thick

2006 Arctic Winter Games
Legacy Disbursements

<u>Organization</u>	<u>Amount</u>
City of Homer	\$ 2,500.00
City of Kenai	\$ 5,000.00
City of Soldotna	\$ 5,000.00
KPB - Maintenance	\$ 7,500.00
KPB - Caldron Monument	\$ 7,500.00
Kenai Peninsula Foundation	\$ 10,000.00
Health Care Reimbursement, Employees	\$ 17,500.00
Severance Package for Employees	\$ 42,370.73
Bonuses	\$ 14,294.00
Challenger Learning Center of Alaska	\$ 25,000.00
	<u>\$ 136,664.73</u>
Remaining funds to Team Alaska	\$ 5,000.00 approximately

This was done in May & June

2006 Arctic Winter Games Legacy Projects

Kenai Peninsula Borough School District:

\$1.45 million, matched by \$290,000 from KPBSD, for 22 school activity buses that seat 32 passengers and are equipped with wheelchair lifts. Buses will be loaned to Arctic Winter Games during Games and will then be distributed to schools throughout the Borough. Source- Federal Transit Authority grant with local match from equipment replacement fund.

\$302,000 cash for costs of housing of athletes and sports/cultural events at Kenai Peninsula Borough School District facilities in Kenai, Soldotna, Homer & Seward. Source: Federal HUD Housing grant

Tsalties Trails System:

\$170,000 cash, plus significant in-kind services & materials, for equipment and improvements to cross country ski trail system. Includes lighting & new signage for 5+ kilometers of trail and a new waxing building. Source- Federal HUD Sports Facilities grant, State DOT grant & in-kind from HEA, MRO Sales & ASRC Energy Services

City of Soldotna:

\$95,000 cash to purchase a new scoreboard and street-side reader board for the Soldotna Sports Center. Source-Federal HUD Sports Facilities Grant

City of Kenai:

\$200,000 cash for improvements to Kenai ice rink facility. Includes new bleachers, radiant heaters for spectator & team seating & general facility improvements. Source- Federal HUD Grant

Homer:

\$800,000+ cash to provide icing equipment & access improvements to the new \$2.0+ million Homer Hockey Rink. Additional improvement through installation of stoplight at Lake Street & Homer Bypass intersection Source- Federal HUD Sports Facilities & Federal DOT Grants

Kenai Peninsula Borough:

\$400,000+ in sports equipment, medical equipment, communications equipment, computer & internet related equipment & misc. office equipment that will be distributed to local youth and community groups and organizations. Source-Federal HUD Grants.

Total Value of Legacy Projects:

\$3,700,000

(All Federal Grants originally authored by Senator Ted Stevens)

(All State Grants sponsored by Rep. Chenault & Sen. Wagoner)



KENAI PENINSULA BOROUGH

Jeanne Camp, Economic Analyst
144 North Binkley Street • Soldotna, Alaska 99669-7520
jcamp@borough.kenai.ak.us
Toll-free within the Borough: 1-800-478-4441, Ext. 2336
PHONE: (907) 714-2336 • **FAX:** (907) 714-2377
www.borough.kenai.ak.us

JOHN J. WILLIAMS
BOROUGH MAYOR

MEMORANDUM

To: Dale Bagley, President, Arctic Winter Games 2006 Host Society

From: Jeanne Camp, Economic Analyst

Date: November 21, 2006

Re: Economic Impact of Arctic Winter Games 2006 in the KPB

An estimate of the impact on the Kenai Peninsula Borough economy due to the 2006 Arctic Winter Games is desired. An effort is made in the following text to quantify that impact.

Taxable sales by SIC codes were evaluated using only SIC codes which could reasonably be assumed to have been impacted by the Games. To be included in the analysis, a gain in excess of five percent must have occurred from first quarter 2005 to first quarter 2006. This cut-off is reasonable, and perhaps conservative, because over the last several years, gains have ranged from one percent to six percent in overall taxable sales.

Based on the above conditions, sales occurring directly due to the Games totaled \$3,481,336.

In Homer, sales increased \$204,566, basically in 5800 – Eating & Drinking Places, Gifts & Souvenirs, and Hotels/Motels, resulting in sales tax revenues of \$9,205 (4.5%) to Homer.

Kenai sales increased \$1,350,516 in Communications, General Merchandise, Service Stations, Restaurants, Accommodations, and Car Rentals. At the three percent sales tax rate, these sales should have brought \$40,515 in sales tax revenues to the city of Kenai.

Soldotna sales increased \$870,407 with activity similar to that of Kenai. At the three percent sales tax rate, revenues received by Soldotna would be \$26,112.

In the non-city area of the KPB, sales increased \$1,055,847. Combining those sales with city sales, sales subject to the two percent rate in the KPB total \$3,481,336 and result in \$69,627 in sales tax revenue to the borough, ear-marked for the KPBSD.

It is reasonable to assume that a small portion of the sales increases would have occurred in these SIC codes without the Games, but it is also reasonable to assume that sales in numerous other SIC codes would not have occurred if not for the Games. Clearly, this is anecdotal information because it is an impossibility to quantify the actual impact.

Besides increased sales, borough residents also worked increased hours. General comments indicate that employees worked additional hours during the week of the Games, though few establishments hired additional workers. Construction projects (particularly legacy items), manufacturing, and medical services are a few items, which are not considered in the above analysis, though economic activity certainly occurred in those sectors. Each of these situations resulted in additional wages earned by KPB residents, and in increased spending in the local economy.

Intangible effects of the Games cannot be measured, but certainly the KPB benefits from an awareness by all the visitors who now know what this area has to offer during the winter months.

In addition to the above, the generally accepted multiplier for the KPB is 1.8.

Dale Bagley

From: Gerry Thick [gerry.thick@arcticwintergames.org]

Sent: Saturday, March 18, 2006 4:41 PM

To: 2006 HS Manager Tim Dillon; 2006 HS Board: Andrew Carmichael; 2006 HS Board: Becky Foster; 2006 HS Board: Betty Glick; 2006 HS Board: Bill Popp; 2006 HS Board: Bob Jones; 2006 HS Board: Colette Thompson; 2006 HS Board: Connie Wirz; 2006 HS Board: Mayor David Carey; 2006 HS Board: Debbie Brown; 2006 HS Board: Donna Peterson; 2006 HS Board: Gary Hale; 2006 HS Board: Jack Brown; 2006 HS Board: Jennifer Beckmann; 2006 HS Board: John Andrews; 2006 HS Board: Kathy Gensel; 2006 HS Board: Pam Howard; 2006 HS Board: Tim Navarre; 2006 HS Executive Assistant: Terri Nettles; 2006 HS President: Dale Bagley

Subject: Great Games

Hi

Just wanted to congratulate all of you for a fantastic Games. You were able to overcome all the challenges you had and it was without a doubt one of the best Games certainly since my involvement in the Games.

All of you should be proud of your accomplishments and the success you were able to achieve as you showcased Arctic Winter Games, the Kenai Peninsula Borough and Alaska.

I know that many of you are likely having some regrets that it is over already as you ponder what you are going to do now.

I would like to encourage some of you who have the time to consider maybe becoming involved with Team Alaska and maybe run for a position on the Team Alaska Board. It would be great if there could be some representation on the Board from the Kenai Peninsula which certainly help to ensure that kids from the Peninsula will continue to have the opportunity to participate in the Arctic Winter Games process and maybe future Arctic Winter Games. I know a lot of you that would be great representatives both for your area and for Team Alaska. And it is not difficult to become a member of Team Alaska and/or run for a position on the board. Team Alaska is a public body.

Again. Thanks for all your hard work and dedication to make the 2006 Games so great for everyone. I hope I have the opportunity to see each one of you sometime in the future.

**Gerry Thick - President
Arctic Winter Games International Committee
115 Copper Road
Whitehorse, Yukon Y1A 2Z7
Phone: (867)668-8094**