

Chapter 3

Market Conditions

The 1995 and 2002 analyses indicate that a great deal of effort was put into developing various growth and participation scenarios. These analyses showed a range of potential population growth assumptions and alpine skier day potential. Unfortunately, there was no analysis done for Nordic skiing or other use potential in these earlier reports, but there are clear demands for this type of recreational use as shown from Chapter 2 (Recreation and Tourism).

Actual growth in the Borough has exceeded the high end of the range predicted in those reports. In the 2002 analyses, the estimated high end population was 72,900 for 2005. The State's Department of Commerce, Community and Economic Development certified population for the Borough in 2006 was 74,000. The population at the end of 2007 was estimated at 80,056, which is up from 59,322 in the 2000 census.

The U.S. Census Bureau 2006 American Community Survey estimates the Borough population at 80,480, which is up 5.7% over their earlier estimate. This compares to state growth at 1% and the Municipality of Anchorage at 1.1%. No matter which figures are used, the Matanuska Susitna Borough continues to be the fastest growing area in the state.

In the 2002 ERA report, published data was used that showed population trends and projections for the area to the years 2010 and 2015. As mentioned above, these figures are now low. These projections as shown beginning on page 2 of this chapter have been updated to use current population estimates and for an extended time period. The revised projections support the need for planned development, and emphasize the need for recreation centers to provide for the faster than expected population growth.

Other than the tremendous population growth, the overall Borough development and use patterns of the population in the surveyed area has not changed dramatically. In 2002, it was found that the physical demarcations for the population analysis used in 1995 were equally valid in establishing market area definitions. There is no apparent reason to change these boundaries for this new analysis.

Both the 1995 and 2002 analysis used primary consumer research to measure the local population's propensity to ski in comparison to the National Sporting Goods Association survey. Not surprisingly, the local participation rate approached those of geographical areas that also had close proximity and access to skiing areas.

In the 1995 analyses, two growth scenarios were developed showing a range of potential population growth and indicated skier day potential. Since the development pattern of the greater region has not changed dramatically, these scenarios can still be used today. The areas defined in the 1995 scenario were the South Anchorage area, North Anchorage and Chugiak/Eagle River, and the Mat-Su Valley. The North and South Anchorage areas



were defined by an artificial east to west line that represented an approximate equal drive time to Hatcher Pass versus Alyeska to the South.

Both the 1995 and 2002 analyses showed there were more than adequate available skier days, or market share to support a new alpine ski facility without adversely affecting other ski facilities in the region. More important, because of the faster-than-expected population growth, skier participation at Hatcher Pass can easily meet and significantly exceed the estimates completed in 2002.

What cannot be determined from this analysis is how many of the potential users will actually use the various venues. Response to this facility, size of the facilities, fee structure, types of skiing and trail uses offered, programs offered, weather, hours of operation, parking, etc. are all somewhat unpredictable. However, comparison to similar facilities does allow a degree of reasonable estimation.

The following two charts show the Low and High estimate of potential participation in Alpine skiing at Hatcher Pass based on the most recent population surveys available at the end of 2007. The compound growth rate for the area's population at the low estimate is 0.7 percent per year, while the high estimate is 1.9 percent per year; both are well within the limits of reasonable projections.

HATCHER PASS ALPINE SKIER DAYS

LOW ESTIMATE

	2006	2010	2015	2020	2025
Total Population (000)					
N. Anchorage/Eagle River	33.9	34.1	34.7	35.5	36.5
S. Anchorage	248.8	249.7	254.8	260.4	265.4
Mat-Su Valley	77.2	81.6	90.1	99.2	109.5
TOTAL	359.9	365.39	379.6	395.0	411.0
Mat-Su Valley as % of Total	21.5%	22.3%	24.0%	25.1%	26.6%
Age Qualified (000)*					
N. Anchorage/Eagle River	30.5	30.7	31.2	32.0	32.9
S. Anchorage	223.9	224.7	229.3	234.4	238.9
Mat-Su Valley	69.5	73.4	81.1	89.3	98.6
TOTAL	323.9	328.8	341.6	355.7	370.4
Per Capita Participation Rate*					
N. Anchorage/Eagle River	6.9%	6.9%	6.9%	6.9%	6.9%
S. Anchorage	8.0%	8.2%	8.2%	8.2%	8.2%
Mat-Su Valley	8.1%	10.2%	10.2%	10.2%	10.2%
Percent Who Ski per Year*					
N. Anchorage/Eagle River	70.0%	70.0%	70.0%	70.0%	70.0%
S. Anchorage	68.0%	70.0%	70.0%	70.0%	70.0%
Mat-Su Valley	56.0%	70.0%	70.0%	70.0%	70.0%

	2006	2010	2015	2020	2025
Number of Active Skiers (000)					
N. Anchorage/Eagle River	2.1	210	2.2	2.2	2.3
S. Anchorage	17.9	18.4	18.8	19.2	19.6
Mat-Su Valley	5.6	7.5	8.3	9.1	10.1
	2006	2010	2015	2020	2025
TOTAL	25.6	2803	29.3	30.5	32.0
Average Days Skied					
N. Anchorage/Eagle River	15.5	15.5	15.5	15.5	15.5
S. Anchorage	14.5	14.5	14.5	14.5	14.5
Mat-Su Valley	15.0	15.0	15.0	15.0	15.0
Total Days Skied (000)					
N. Anchorage/Eagle River	32.6	32.6	34.1	34.1	35.7
S. Anchorage	259.6	266.8	272.6	278.4	284.2
Mat-Su Valley	84.0	112.5	124.5	136.5	151.5
TOTAL	376.2	411.9	431.2	449.0	471.4
86% Adjustment for Confidence Factor = Net Local Alaska Skier Days (000)					
Net Local Alaska Skier Days (000)					
N. Anchorage/Eagle River	28.0	28.0	29.3	29.3	30.7
S. Anchorage	223.3	229.4	234.4	239.4	244.4
Mat-Su Valley	72.4	96.8	107.1	117.4	130.3
TOTAL	323.7	354.2	370.8	386.1	405.4
Market Share					
N. Anchorage/Eagle River		43.8%	47.5%	47.5%	47.5%
S. Anchorage		22.0%	24.0%	24.0%	24.0%
Mat-Su Valley		80.0%	80.0%	80.0%	80.0%
Hatcher Pass User Days (000)					
N. Anchorage/Eagle River		12.3	13.9	13.9	14.6
S. Anchorage		50.5	56.3	57.5	58.7
Mat-Su Valley		77.4	85.7	93.9	104.2
TOTAL		140.2	155.9	165.3	177.5

* Percentages and formulas carried forward from 1995 analysis based on community survey conducted at that time for Alaska Industrial Development and Export Authority by: Fox Practical Management & Marketing, Economics Research Associates, Christopher Beck & Associates, HDR Engineers, and Ecosign Mountain Resort Planners Ltd.

Sources: Alaska Department of Labor and Workforce Development, Research & Analysis Section; "Alaska Projections- 2007-2030", "Hatcher Pass Ski Area Survey 1995" conducted by: Fox Practical Management & Marketing, Economics Research Associates, Christopher Beck & Associates, HDR Engineers, and Ecosign Mountain Resort Planner Ltd.

HATCHER PASS ALPINE SKIER DAYS

HIGH ESTIMATE

	2006	2010	2015	2020	2025
Total Population (000)					
N. Anchorage/Eagle River	33.9	36.5	39.5	42.5	45.3
S. Anchorage	248.9	267.3	289.7	311.9	332.3
Mat-Su Valley	77.2	87.4	102.5	118.8	137.0
TOTAL	359.9	391.2	431.7	473.3	514.6
Mat-Su Valley as % of Total	21.4%	22.3%	23.7%	25.1%	26.6%
Age Qualified (000)*					
N. Anchorage/Eagle River	30.5	32.9	35.6	38.3	40.8
S. Anchorage	224.0	240.6	260.7	280.7	299.1
Mat-Su Valley	69.5	78.7	92.3	106.9	123.3
TOTAL	324.0	352.1	388.6	426.0	463.1
Per Capita Participation Rate*					
N. Anchorage/Eagle River	7.2%	7.2%	7.2%	7.2%	7.2%
S. Anchorage	8.1%	8.2%	8.2%	8.2%	8.2%
Mat-Su Valley	8.2%	10.4%	10.4%	10.4%	10.4%
Percent Who Ski per Year*					
N. Anchorage/Eagle River	71.0%	68.0%	68.0%	68.0%	68.0%
S. Anchorage	68.0%	68.0%	68.0%	68.0%	68.0%
Mat-Su Valley	56.0%	68.0%	68.0%	68.0%	68.0%
Number of Active Skiers (000)					
N. Anchorage/Eagle River	2.2	2.4	2.6	2.8	2.9
S. Anchorage	18.1	19.7	21.4	23.0	24.5
Mat-Su Valley	5.7	8.2	9.6	11.1	12.8
TOTAL	26.0	30.3	33.6	36.9	40.2
Average Days Skied					
N. Anchorage/Eagle River	17.3	17.3	17.3	17.3	17.3
S. Anchorage	16.3	16.3	16.3	16.3	16.3
Mat-Su Valley	16.8	16.8	16.8	16.8	16.8
Total Days Skied (000)					
N. Anchorage/Eagle River	38.0	41.5	45.0	48.4	50.2
S. Anchorage	295.0	321.1	348.8	374.9	399.4
Mat-Su Valley	95.8	137.8	161.3	186.5	215.0
TOTAL	428.8	500.4	555.1	609.8	664.6

	2006	2010	2015	2020	2025
86% Adjustment for Confidence Factor = Net Local Alaska Skier Days (000)					
Net Local Alaska Skier Days (000)					
N. Anchorage/Eagle River	32.7	35.7	38.7	41.6	43.2
S. Anchorage	253.7	276.1	300.0	322.4	343.5
Mat-Su Valley	82.4	118.5	138.7	160.4	184.9
TOTAL	368.8	430.3	477.4	524.4	571.6
Market Share					
N. Anchorage/Eagle River		43.8%	47.5%	47.5%	47.5%
S. Anchorage		22.0%	24.0%	24.0%	24.0%
Mat-Su Valley		77.5%	80.0%	80.0%	80.0%
Hatcher Pass User Days (000)					
N. Anchorage/Eagle River		15.6	18.4	19.8	20.5
S. Anchorage		60.7	72.0	77.4	82.4
Mat-Su Valley		91.8	111.0	128.3	148.0
TOTAL		168.1	201.4	225.5	250.9

* Percentages and formulas carried forward from 1995 analysis based on community survey conducted at that time for Alaska Industrial Development and Export Authority by: Fox Practical Management & Marketing, Economics Research Associates, Christopher Beck & Associates, HDR Engineers, and Ecosign Mountain Resort Planners Ltd.

Source: Alaska Department of Labor and Workforce Development, Research & Analysis Section; "Alaska Projections: 2007-2030", "Hatcher Pass Ski Area Survey" 1995" conducted by Fox Practical Management & Marketing, Economics Research Associates, Christopher Beck & Associates, HDR Engineers, and Ecosign Mountain Resort Planner Ltd..



Photo courtesy of Patty Sullivan