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# From Juneau to the World: A Scalable Model for Sustainable Tourism Development

## Summary

Juneau, capital city of Alaska and home to approximately 30,000 residents, is a unique city that welcomes over a million tourists annually. The city boasts a number of natural treasures, including glaciers, rain forests and whales. However, due to the flourishing of tourism, Juneau now faces challenges such as receding glaciers, crowded streets, skyrocketing carbon emissions, and the loss of cultural heritage. This paper aims to propose a sustainable tourism strategy for Juneau and migrate the model to Sitka, Alaska.

Prior to the tasks, we analyzed our collected data and conducted a thorough prediction of various factors that affect the tourism industry in Juneau. Models such as **ARIMA**, **Linear Regression** were used to predict the number of tourists, and **K-means** was used to cluster the data.

In Task 1, we developed three models to respectively target at three categories: the economy, environment, and society (hidden causes). For economy, we proposed **Tourism Income Analysis Model** to analyse the relation between tax rate and the number of tourists, **SARIMAX** was also used to predict data in the future. For environment, we proposed **Kaya\_Tourism Model**, extending the original Kaya model, to analyse the carbon emissions especially from tourism. For society, we proposed **Social\_Impact\_Model** and used **Entropy Weight Method (EWM)** to calculate the weight of each factor. The models were then combined to form a comprehensive model to quantify the tourism industry in Juneau. We then found the optimal tax rate, number of tourists, and fine rate to maximize the tourism income and environmental sustainability.

We conducted a sensitivity analysis by **varying one factor at a time while keeping the others constant**, to evaluate the impact of each factor on the tourism industry.

In Task 2, we adapted the model to Sitka, Alaska, and tested its adaptability and migration capability. We found that the model could be successfully adapted to Sitka, and the optimal tax rate, number of tourists, and fine rate were calculated.

In Task 3, we proposed a sustainable tourism strategy for Juneau, in which we firstly introduced our model and then proposed a series of measures and recommendations to promote the sustainable development of the tourism industry in Juneau.

In conclusion, we have effectively built a model that can quantify the tourism industry in Juneau, adapted the model to another city, and proposed a sustainable tourism strategy for Juneau.

**Keywords:** Juneau, Sitka, SARIMAX, Kaya, Entropy Weight Method, PCA, sustainable tourism

## **Contents**

# 1 Introduction

## 1.1 Background

Juneau, the capital city of Alaska, seamlessly combines breathtaking natural beauty with a rich cultural heritage. Nestled in the southeastern part of the state, this unique city is accessible only by air or sea, giving it an island-like allure despite being located on the mainland. Home to approximately 30,000 residents, Juneau welcomes over a million tourists annually—a number that continues to grow each year. While tourism has significantly boosted the city's economy, it has also brought challenges, such as receding glaciers, increasingly crowded streets, and rising carbon emissions. To ensure its long-term prosperity, Juneau must embrace a **sustainable tourism strategy** that balances growth with the preservation of its natural and cultural treasures, which will be presented in the following sections.

## 1.2 Restatement and Analyses of the Problem

We need to complete the following tasks based on the given background and our collected data.

- **Task 1: Develop a model to quantify the tourism industry in Juneau and analyse the model.**
  - The model is required to qualitatively and quantitatively analyze the factors that affect the tourism industry in Juneau, including the economy, society, and environment.
  - The model should be able to predict the number of tourists in the next few years and provide insights into the development of the tourism industry in Juneau.
  - A sensitivity analysis should be conducted to evaluate the robustness of the model.

- **Task 2: Test the model's adaptability and migration capability in Sitka, Alaska.**

Based on the model developed in Task 1, we need to adapt the model to the city of Sitka, Alaska, and test its adaptability and migration capability.

- **Task 3: Propose a sustainable tourism strategy for Juneau.**

Based on the model developed in Task 1, we need to propose a sustainable tourism strategy for Juneau that balances economic growth with environmental and social sustainability.

It can be noted that task 1 serves as the foundation for Task 2 and Task 3, while Task 2 provides a practical application of the model developed in Task 1. Task 3 aims to address the challenges and opportunities identified in Task 1 and Task 2, providing a comprehensive and sustainable solution for the tourism industry in Juneau.

Questions can be asked to further clarify the problem: How to quantify the tourism industry in Juneau? Which factors should be considered in the model and what methods should be used? After developing the model, how can we adapt it to another city? What suggestions and strategies can be proposed to promote the sustainable development of the tourism industry in Juneau?

In summary, we should effectively build a model that can quantify the tourism industry in Juneau, adapt the model to another city, and propose a sustainable tourism strategy for Juneau.

### 1.3 Overview of Our Work

On the basis of the above analyses we carried out our work and the working framework is shown below.

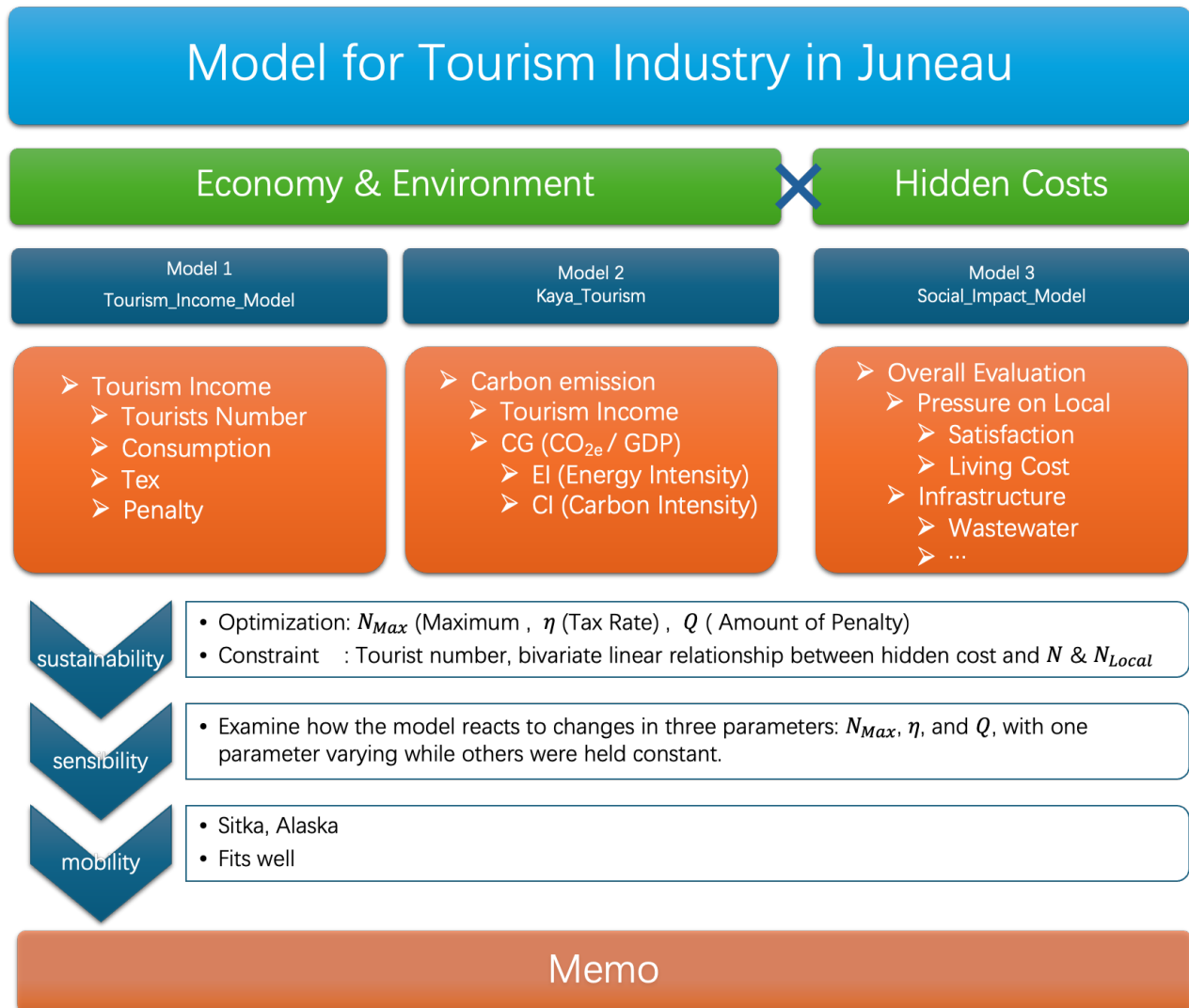


Figure 1: Our Work Overview Schematic Diagram

## 2 Assumptions and Notations

### 2.1 Assumptions

The following reasonable assumptions are made to reasonably simplify the model:

- Government policies (such as taxes, subsidies, regulations, etc.) remain unchanged during the period of the model.
- No major event compromising or promoting the tourism industry will occur during the period of our model.
- Consumer behavior, consumer preferences, or market demand are assumed to remain unchanged.
- Consumption per visitor per day remains stable.

### 2.2 Notations

The primary notations used in this paper are listed in Table 1.

Table 1: Notations

Symbol	Definition
$\eta$	tax rate
$\mathcal{F}$	indicator of sustainability
$Q$	amount of fine
$I$	social impact
$N$	number of tourists (thousands)
$N_{Local}$	number of local residents (thousands)
$N_{Max}$	maximum number of tourists regulated (thousands)
$CO_{2\_Tourism}$	carbon emissions from tourism
$CG_{Tourism}$	tourism carbon emissions per GDP
$CG_{All}$	carbon emissions per GDP

## 3 Preliminary Analyses

We first analyse the potential factors that may affect the tourism industry in Juneau, thus enabling a smoother transition to the model building process.

### 3.1 Number of Tourists

We found no existing data on the number of tourists visiting Juneau each year, but we can infer it by other means.

According to [1] and [2], among all the transportation methods, cruise ships are the most popular way to visit Juneau, accounting for over 90% of the total number of tourists. As the number of cruise ship passengers is available online, we can use it as a proxy to estimate the total number of tourists.

According to [3], the number of cruise ship passengers visiting Juneau is as follows:

Table 2: Number of Cruise Ship Visitors to Juneau

<i>Year</i>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<i>Num(in thousands)</i>	961	983	1015	1072	1151	1306	0	117	1167	1670

It can be easily noted that numbers plummeted in 2020 and 2021 due to the COVID-19 pandemic. In this section, we use the *SARIMAX* model including the pandemic factor to predict the number of tourists in the next few years.

### 3.1.1 SARIMAX Model

The *SARIMAX* model, which stands for *Seasonal AutoRegressive Integrated Moving Average with exogenous regressors*, is an extension of the *ARIMA* (*AutoRegressive Integrated Moving Average*) model that incorporates seasonal effects and external variables. Since we need to consider the impact factors during the pandemic, *SARIMAX* is used instead of *ARIMA*.

### 3.1.2 Parameters Setting

- **Pandemic Impact Factor:** Given the severity of the COVID-19 pandemic, different factors are set. In 2020, 2021 when the pandemic was at its peak, factors are set to 1, in 2021 set to 0.3, and in other years set to 0.
- **Order (p, d, q):** The order of the *ARIMA* part of the model is set to (2, 1, 1) after conducting the ACF and PACF analysis(see Figure 1).
- **Enforce Stationarity:** The `enforce_stationarity` parameter is set to True to ensure the model is stationary.
- **Enforce Invertibility:** The `enforce_invertibility` parameter is set to True to ensure the model is invertible.

### 3.1.3 Model Results

The *SARIMAX* model is trained on the data from 2014 to 2023 and used to predict the number of tourists in the next few years. The prediction result is listed as follows. The residuals, ACF and PACF plots are also shown in Figure 1.

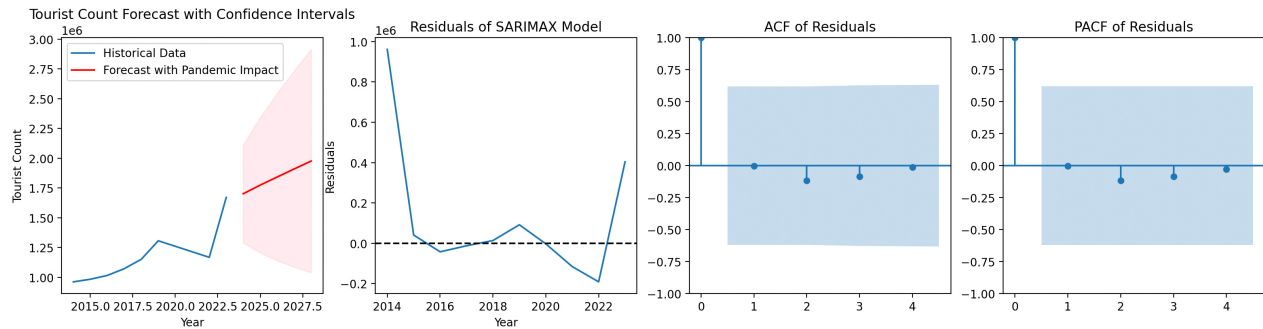


Figure 2: Tourist Prediction

It can be seen that the model correctly handles the plummet during the pandemic and captures the trend of the revival of tourism. The exact number of tourists in the next few years is shown below, which will be utilized in the following sections.

Table 3: Number of Tourists Prediction

Year	2024	2025	2026	2027	2028
Num(in thousands)	1701	1774	1842	1909	1976

## 3.2 Number of Local Residents

### 3.2.1 Population of Juneau

According to *World Population Review*, the population of Juneau in the last decade is as follows:

Table 4: Population of Juneau

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Num (in thousands)	31.4	32.2	32.4	32.6	32.5	32.6	32.5	32.1	32.0	32.0	32.2	32.0	31.7	31.6	31.3

### 3.2.2 Population Prediction

We still use the *SARIMAX* model proposed in the last section to predict the population of Juneau in the next few years. Parameters are the same as the last section. The first four pictures are still the original data and predicted data, the residual, ACF and PACF plots. In addition, official prediction data can also be found in *World Population Review*, therefore two additional pictures are added to compare the prediction results.

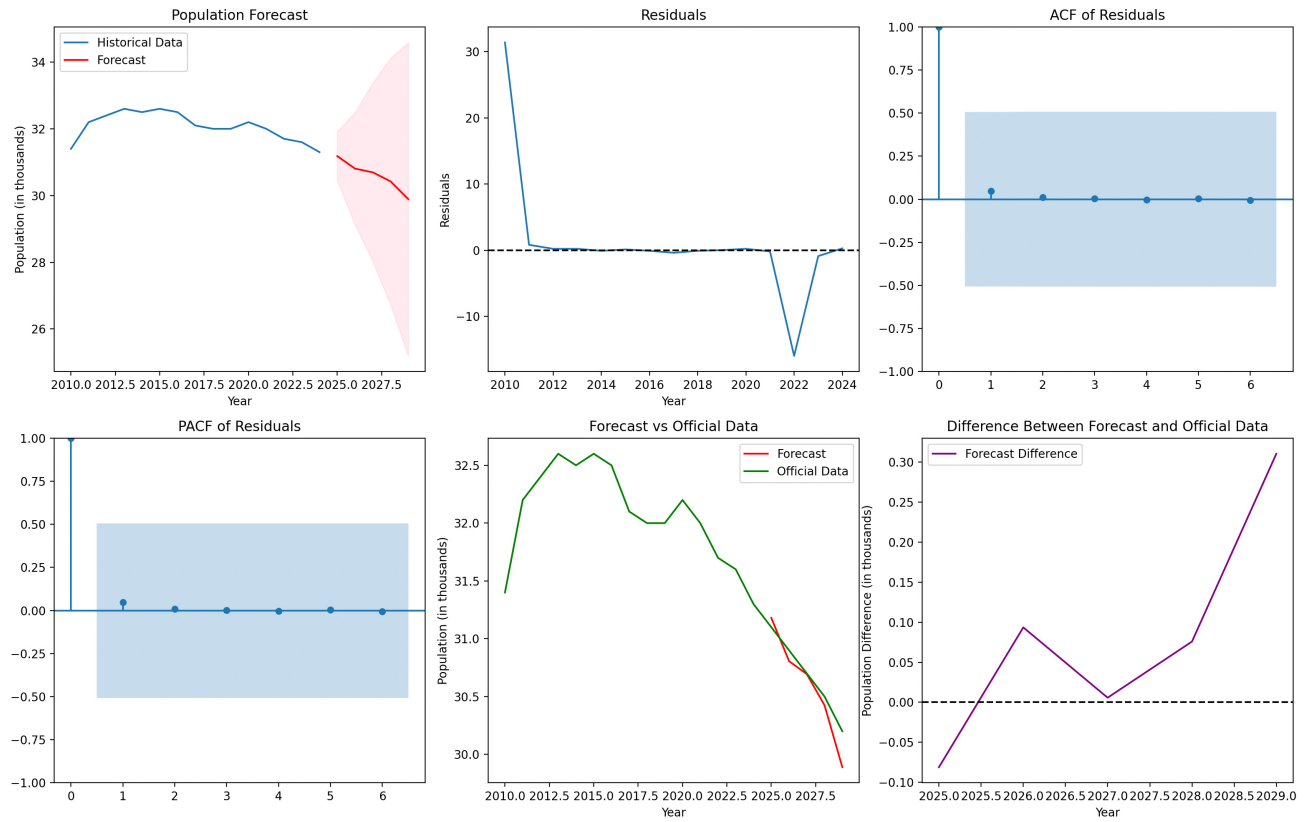


Figure 3: Tourist Prediction

It can be concluded from subfigure 5 and 6 that the model fits the data well and the prediction is reliable. The exact number of local residents in the next few years is shown below.

Table 5: Population Prediction

Year	2025	2026	2027	2028	2029
<i>Num(in thousands)</i>	31.2	30.8	30.7	30.4	30.0



## 4 Task 1: Model for Tourism Industry in Juneau

### 4.1 Introduction

In this section we need to select factors to quantify and track the tourism industry in Juneau. It is impossible and unnecessary to consider all the factors that may affect the tourism industry, only those that are relevant to the problem need to be considered. Drawing on the idea of the divide-and-conquer algorithm, we first divide the factors into three categories: economy, environment and society (aka hidden cost factors). The ultimate goal is listed below:

$$\mathcal{F} = (\alpha \cdot \text{Economy} - \beta \cdot \text{Environment}) / \text{Hidden Cost Factors} \quad (1)$$

where  $\alpha$  and  $\beta$  are the weights of the economy and environment, denoting the importance we attach to each category. Economy means the income generated by the tourism industry, environment means the environmental cost of the tourism industry, and society is an indicator that quantifies the satisfaction of the local residents towards the tourism industry.

Our goal is to maximize the final output  $\mathcal{F}$ . Intuitively, it is equivalent to maximizing economy income, minimizing the environmental impact and elevating the final scores of hidden cost factors.

Each category is further divided into several minor factors such as local population, number of tourists to extrapolate a mathematical model fitting the circumstances in Juneau, which will be discussed in the following sections.

### 4.2 Economy

In this section we consider the actions that will contribute to the income of the tourism industry in Juneau, which are tourists' consumption, tax income and fines.

#### 4.2.1 Tourists' Consumption

We first calculate the average consumption of tourists in Juneau per day. Since there is no existing official data available, we can infer it by other means. According to [5], average tax income from tourists in Juneau is 27.7 million dollars in 2018 with a tax rate of 12%. We can use this information to estimate the average consumption of tourists in Juneau per day according to the following equation.

$$\text{Average Consumption} = \frac{\text{Tax Income}}{\text{Tax Rate} \times \text{Number of Tourists}} \quad (2)$$

The number of tourists can be found in Table 2. The average consumption of tourists in Juneau per day is calculated as follows:

$$\text{Average Consumption} = \frac{27.7 \times 10^6}{0.12 \times 1151 \times 10^3} \approx 200.55 \quad (3)$$

Therefore the function of tourists' consumption regarding the number of tourists is:

$$\text{Tourists' Consumption} = 200.55N \quad (4)$$

Given that an average of 3 days are spent by each visitor to Juneau, the total consumption of tourists should multiply by another 3.

#### 4.2.2 Tax Income

According to the official website of Juneau, the tax rate of the tourism industry is 12%. The tax income can be calculated as follows:

$$\text{Tax Income} = 0.12 \times \text{Tourists' Consumption} \approx 24N \quad (5)$$

We should also consider the case when the tax rate is not fixed to propose suggestions to the government on how to adjust the tax rate to maximize the income of the tourism industry. We use the data calculated as above as the base case and assume that the tax rate  $\eta$  is associated with the number of tourists.

The actual visitors  $N$  is calculated as follows:

$$N = N_0 \cdot f(\eta)$$

Intuitively,  $\eta$  should be negatively correlated with the number of tourists. When  $\eta$  is set to 0, we assume that the number of tourists will be  $1.5N_0$ , and when  $\eta$  is set to 1, the number of tourists will be 0. Specifically, when  $\eta$  is set to the current tax rate 0.12, the number of tourists will be  $N_0$ . Also,  $f(\eta)$  should be monotonically decreasing and fall steeply in the range of  $[0, 0.12]$  and  $[0.85, 1]$ . Using the above data we propose a model that fits the relationship between the tax rate and the number of tourists as follows:

$$f(\eta) = -5.5\eta^3 + 9.1903\eta^2 - 5.1903\eta + 1.5, \quad 0 \leq \eta \leq 1$$

Therefore the tax income can be calculated as follows:

$$\text{Tax Income} = 200.55N \cdot f(\eta), \quad 0 \leq \eta \leq 1 \quad (6)$$

### 4.2.3 Fines

As there is no official data available, we assume that the fine rate is negatively correlated with the amount of fines and follows an exponential distribution  $f(x) = \lambda \cdot e^{-\lambda x}$ . We also assume that fined rate falls to 5% when the amount of fines climbs to 15 dollars, that is:

$$\int_0^{15} \lambda \cdot e^{-\lambda x} dx = 1 - 95\% \Rightarrow \lambda \approx 0.2$$

Therefore the total amount of fines can be calculated as follows:

$$\text{Fines} = NQ \cdot \left( 1 - \int_0^Q 0.2 \cdot e^{-0.2x} dx \right) = NQ \cdot e^{-0.2Q} \quad (7)$$

## 4.3 Environment

In this section we propose a new model  $KAYA_{tourism}$  derived from the KAYA model to quantify the environmental impact of the tourism industry in Juneau.

### 4.3.1 KAYA Model

The original KAYA model is a mathematical model that describes the relationship between the total amount of CO<sub>2</sub> emissions and the four factors that affect it: population, GDP per capita, energy intensity and carbon intensity. The KAYA model is expressed as follows:

$$\text{CO}_2 \text{ Emissions} = P \times GDP \times EI \times CI$$

where  $P$  denotes the population,  $GDP$  denotes the GDP per capita,  $EI$  denotes the energy intensity and  $CI$  denotes the carbon intensity. This model falls short when only considering the environmental impact of the tourism industry. Based on the data we collect and the goal of our project, we propose a new model  $KAYA_{tourism}$ .

### 4.3.2 $KAYA_{Tourism}$ Model

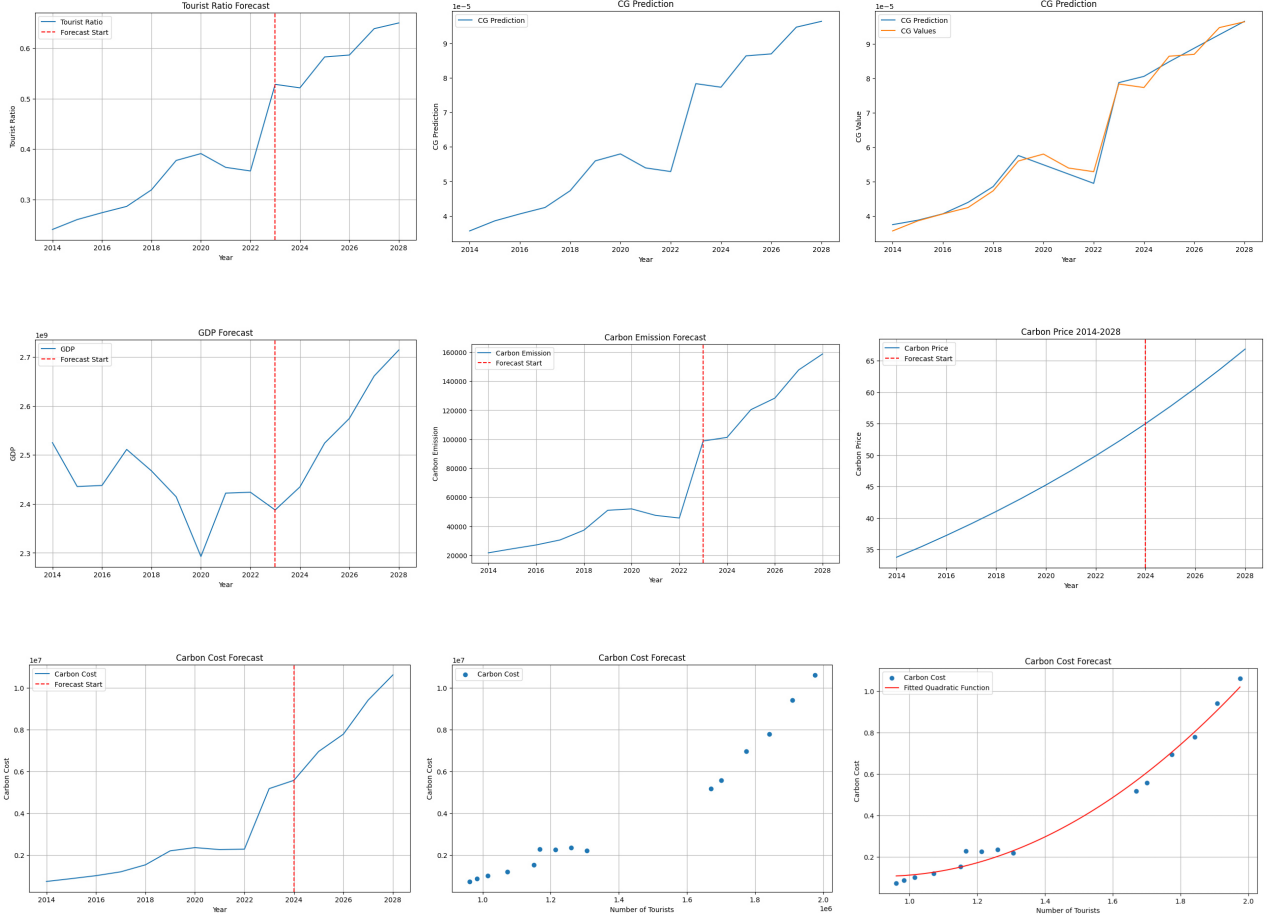
The  $KAYA_{Tourism}$  model is expressed as follows:

$$CO_{2\_Tourism} = G \times CG_{Tourism} \quad (8)$$

where  $G$  denotes the gross income of the tourism industry and  $CG = EI \times CI$ . To calculate the emission of  $CO_2$  in the tourism industry, we first looked up the data of the Juneau's carbon emission and GDP across the country and calculated the  $CG_{All}$  across the country.  $CG_{Tourism}$  can be calculated

as  $CG_{Tourism} = CG_{All} \times Ratio$  where  $Ratio$  is the ratio tourism accounts for across all industries. The income of the tourism industry in Juneau has been calculated in the previous section, and the  $CO_{2\_Tourism}$  can thus be estimated. It should be noted that  $G$  and  $CG_{Tourism}$  are both linear functions of the number of tourists  $N$ , therefore when fitting and regressing  $CO_{2\_Tourism}$  quadratic regression should be used.

Alongside the historical data, future predictions are also conducted using the *SARIMAX* model. The results are listed below.



From subplot 9 we can see that a quadratic regression fits the data well with an  $R^2$  value of over 0.99. The fitting function yields the following results:

$$CO_{2\_Tourism} = 0.815 \times \frac{N^2}{10^5} - 14.95N + 7924000 \quad (9)$$

#### 4.4 Hidden Cost Factors

Societal factors such as infrastructure, price of housing products, and the mental loss due to the overcrowding and rowdy tourists all account for the hidden costs of the tourism industry.

### 4.4.1 Data Processing

Firstly we collected comprehensive and accurate data from all sources regarding Juneau, including the following factors:

*Satisfy\_Score, Crowding\_at\_Mendenhall\_Glacier, Crowding\_on\_sidewalks\_downtown, Vehicle\_congestion\_downtown, Flightseeing\_noise, Air\_emissions\_from\_cruise\_ships, Vehicle\_congestion\_outside\_of\_downtown, Whale\_watching\_boat\_traffic\_and\_wakes, Crowding\_on\_trails, Street\_Services, Wastewater, Public\_Transit, Parks\_and\_Recreation, Docks, Ports*

We then use the data  $N$  and  $N_{Local}$  calculated in Section 3 to fit a linear regression model. The results are as follows:

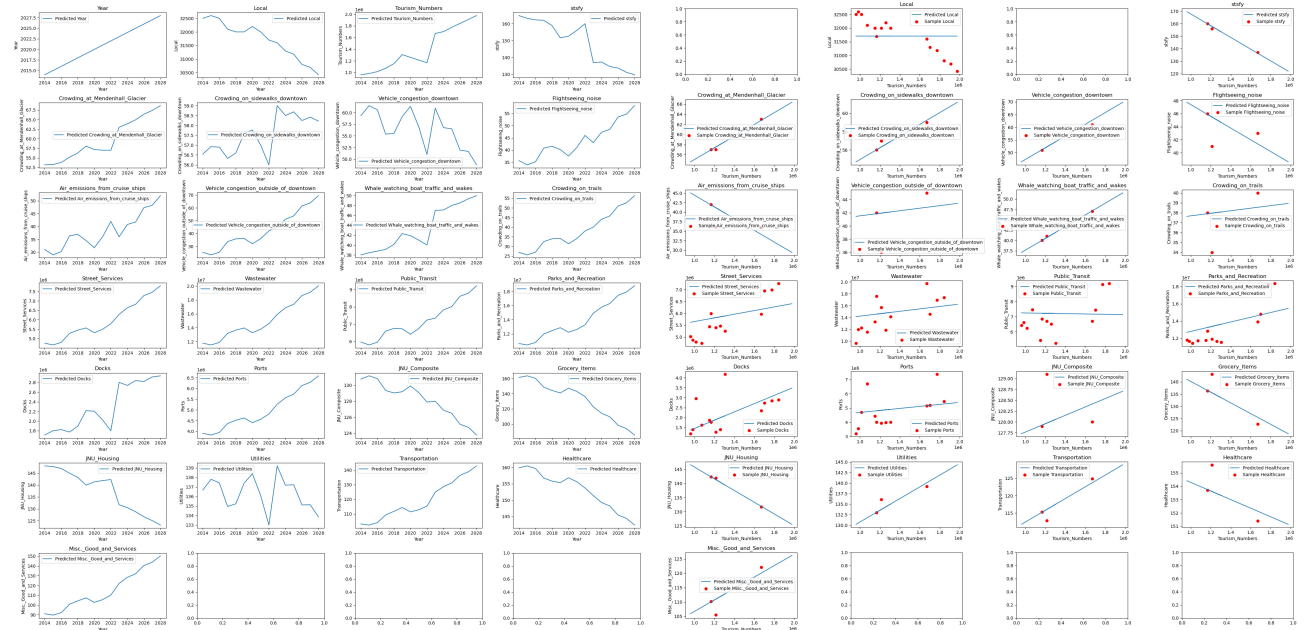


Figure 4: Bivariate Linear Regression

Only a fraction of results are shown here. The full results can be found in *Appendix A*.

**Model for stsfy:**

$$\text{stsfy} = -4.693528652706527 \times 10^{-5} N - 0.0060844912311383 \times N_{local} + 407.6518514$$

**Model for Crowding\_at\_Mendenhall\_Glacier:**

$$\text{Crowding\_at\_Mendenhall\_Glacier} = 1.1573084349139379 \times 10^{-5} N - 0.0017873857238289111 \times N_{local} + 100.15433801$$

### 4.4.2 Entropy Weight Method

The Entropy Weight Method (EWM) is a quantitative technique commonly used to determine the weight or importance of various factors in multi-criteria decision-making. It is based on the concept of information entropy from information theory, which measures the degree of disorder or uncertainty in a

system. We mainly utilized the following equations.

### Convert to Probability Matrix

$$P_{ij} = \frac{X_{ij}}{\sum_{i=1}^n X_{ij}}$$

where:

- $P_{ij}$  is the probability value of the  $i$ -th row and  $j$ -th column.
- $X_{ij}$  is the value of the  $i$ -th row and  $j$ -th column in the original data matrix.
- $\sum_{i=1}^n X_{ij}$  is the sum of all elements in the  $j$ -th column.

### Calculate Information Entropy

$$H_j = -k \sum_{i=1}^n P_{ij} \ln (P_{ij} + \epsilon)$$

where:

- $H_j$  is the entropy value of the  $j$ -th index.
- $k = \frac{1}{\ln(n)}$  is the normalization coefficient to ensure that the entropy value is within the range of  $[0, 1]$ .
- $P_{ij}$  is the probability value.
- $\epsilon$  is a very small value (e.g.  $10^{-12}$ ) to avoid numerical errors in the logarithm calculation.

The calculated results are shown below:

Table 6: Factors and Their Weights

Factor	Weight	Factor	Weight
stsfy	0.029112	Wastewater	0.038384
Crowding at Mendenhall Glacier	0.029089	Public Transit	0.012025
Crowding on sidewalks downtown	0.002553	Parks and Recreation	0.180182
Vehicle congestion downtown	0.058313	Docks	0.024321
Flightseeing noise	0.025751	Ports	0.121009
Air emissions from cruise ships	0.139424	Grocery Items	0.015780
Vehicle congestion outside of downtown	0.129145	JNU Housing	0.034101
Whale watching boat traffic and wakes	0.021685	Utilities	0.002685
Crowding on trails	0.034678	Transportation	0.034639
Street Services	0.067125		

It can be noted that *Air emissions from cruise ships* and *Vehicle congestion outside of downtown* are

the two important factors that affect the hidden cost of the tourism industry in Juneau, which denotes that our model is able to capture the essence of the problem and the need of people. It also provides a comprehensive and accurate solution.

#### 4.4.3 Social Impact Model

Multiplying the weight of each factor by the corresponding value and summing them up, we can get the social impact  $\mathcal{I}$ . The result yields:

$$\mathcal{I} = 5.011 \times 10^{-9}N - 0.002 \times N_{Local} + 69.93 \quad (10)$$

### 4.5 Summary

Summing up all the three categories, we can get the final output of the model:

$$\left\{ \begin{array}{l} \mathcal{F} = (\alpha \cdot \text{Economy} - \beta \cdot \text{Environment}) / \text{Society} \\ \text{Economy} = 200.55N \cdot f(\eta) \cdot (\eta + 1) + NQ \cdot e^{-0.2Q} \\ \text{Environment} = 0.815 \cdot \frac{N^2}{10^5} - 14.95N + 7924000 \\ \text{Society} = 5.011 \times 10^{-9}N - 0.002 \times N_{Local} + 69.93 \\ f(\eta) = -5.5\eta^3 + 9.1903\eta^2 - 5.1903\eta + 1.5, \quad 0 \leq \eta \leq 1 \end{array} \right. \quad (11)$$

where  $N, Q, \eta$  are independent variables,  $\alpha, \beta$  and are parameters that can be adjusted accordingly,  $N_{Local}$  is the local population of Juneau assumed fixed. Our goal is to find the optimal value of  $N, Q, \eta$  that maximizes the output  $\mathcal{F}$ .

Since the number of tourists in the coming year is related to the number of tourists in the previous year, we use the  $N$  in 2024 to predict the parameters in 2025, and the results are shown below.

When  $\alpha$  is set to 1 and  $\beta$  is set to 30, the optimal value of  $N, Q, \eta$  is calculated as follows:

$$\left\{ \begin{array}{l} N_{Max} = 1408 \\ N = 1264 \\ Q = 5 \\ \eta = 0.221 \end{array} \right. \quad (12)$$

The results suggest a feasible and effective strategy that the government can implement to promote sustainable development.

The proposed measures include reducing the maximum tourist capacity from 1.728 million in 2024 to 1.408 million, increasing the tax rate to 0.221, and introducing a 5\$ environmental penalty.

This strategy not only alleviates the pressure on Juneau's local ecosystem but also reduces the strain on essential infrastructure, such as water supply and public transportation. Additionally, it contributes to enhancing the overall well-being and satisfaction of local residents.

## 4.6 Sensitivity Analysis

To evaluate the robustness of our model, we conduct a sensitivity analysis. Since there isn't many factors that can be adjusted, we don't need to use the Principal Component Analysis (PCA).

The results are shown below:

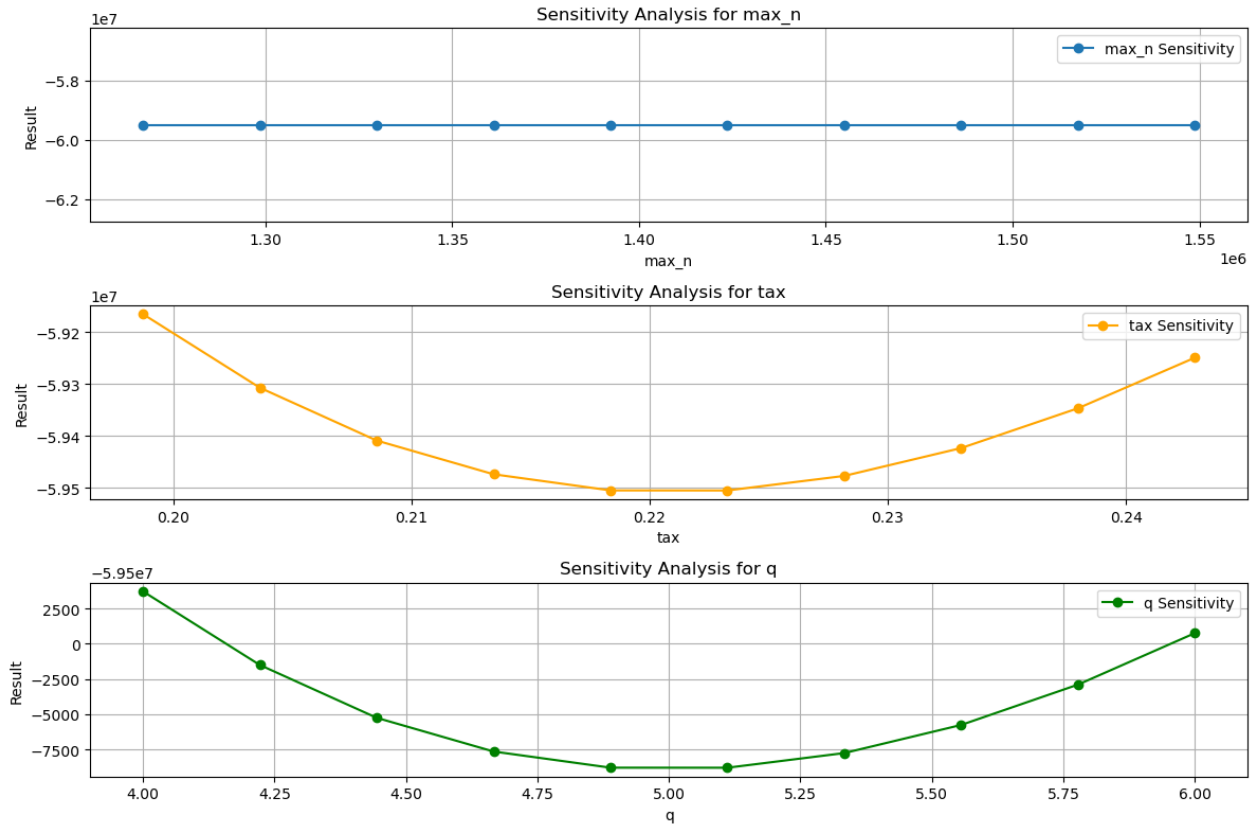


Figure 5: Sensitivity Analysis

It can be noted that when  $\eta$  (tax rate) and  $q$  are held constant, the output  $\mathcal{F}$  does not change significantly with the change of  $N_{Max}$ . However, when  $\eta$  becomes the independent variable, the output  $\mathcal{F}$  budges significantly with the change of  $\eta$ . The result is similar when  $q$  (fine amount) becomes the independent variable. Therefore, we can conclude that  $N_{Max}$  has minimal impact on the result,  $\eta$  shows moderate sensitivity with a non-linear effect, and  $q$  is the most sensitive, displaying significant influence on the output within its range.



## 5 Task 2: Model Adaptation and Migration

In the previous section, we have established a model to quantify the tourism industry in Juneau. Based on this model we take a further look at the city of Sitka, Alaska and test the model's adaptability and migration capability.

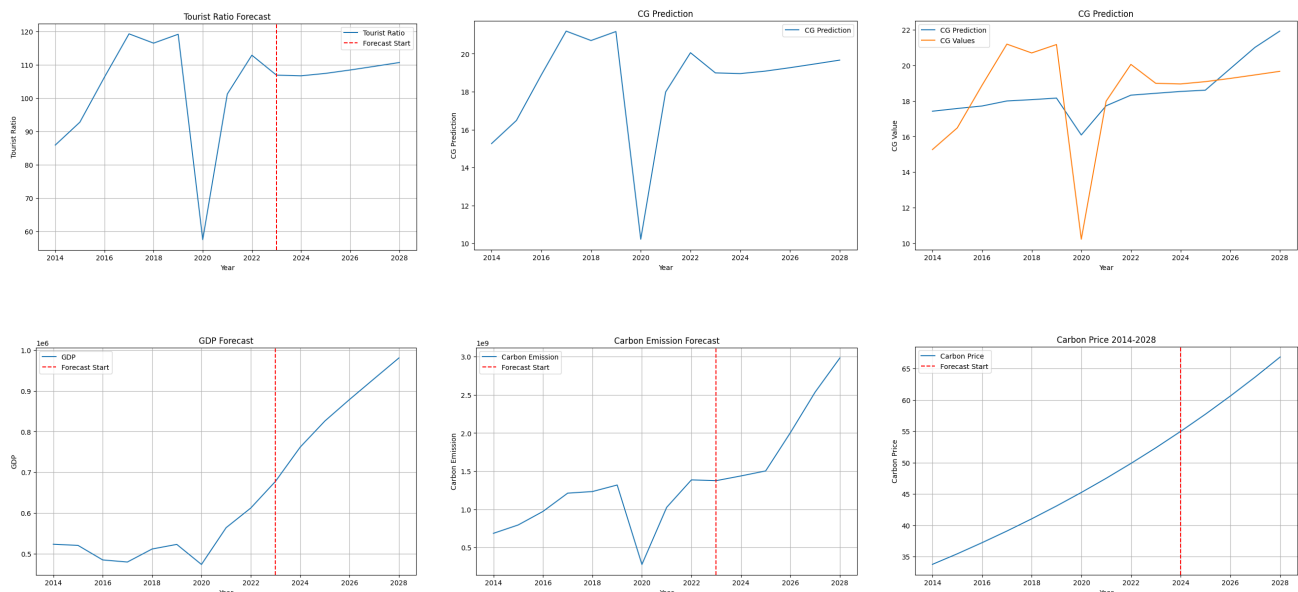
The following analyses, calculations and predictions are identical to those done in the area of Juneau. The model is adapted to the city of Sitka, and the optimal tax rate, number of tourists, and fine rate are calculated.

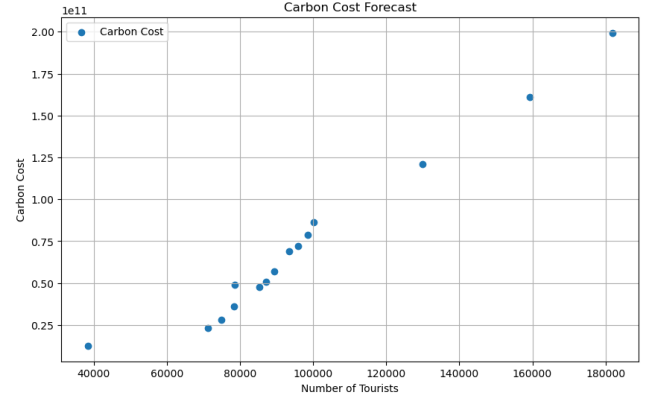
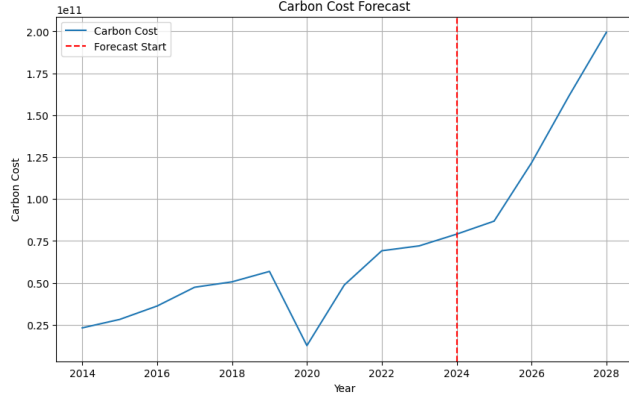
### 5.1 Procedure

We first calculated the CG of Sitka, Alaska, and utilized the results to predict the ratio of tourists to local residents in the next few years. The CG prediction is shown in subplot 2. After that, we extrapolate the relationship between CG and the number of tourists, and forecast GDP in the next few years. After that, according to equation (8), we forecast the amount of carbon emission from tourism in the next few years. The results are shown in subplot 5. In addition, we assume that the price of carbon increases by 5% each year, carbon price prediction can thus be obtained. The results are shown in subplot 4. Finally, we use the equation  $\text{Carbon Cost} = \text{Carbon Emission} \times \text{Carbon Price}$  to calculate the carbon cost in the next few years. The results are shown in subplot 7 and 8.

### 5.2 Results

The results of the prediction are shown in the following table.





### 5.3 Analyses

Summing up all the categories and the parameters yields the final equation.

$$\left\{ \begin{array}{l} \mathcal{F} = (\alpha \cdot \text{Economy} - \beta \cdot \text{Environment}) / \text{Society} \\ \text{Economy} = 165N \cdot f(\eta) \cdot (\eta + 1) + NQ \cdot e^{-0.2Q} \\ \text{Environment} = 2.897 \cdot N^2 + 7.67 \times 10^5 N - 3.293 \times 10^{10} \\ \text{Society} = 5.011 \times 10^{-9} N + 4.2 \\ f(\eta) = -5.5\eta^3 + 9.1903\eta^2 - 5.1903\eta + 1.5, \quad 0 \leq \eta \leq 1 \end{array} \right. \quad (13)$$

When  $\alpha$  is set to 1 and  $\beta$  is set to 30, the optimal value of  $N, Q, \eta$  is calculated as follows:

$$\left\{ \begin{array}{l} N_{Max} = 93.353 \\ N_{LastYear} = 95.937 \\ N = 52.04 \\ Q = 4.89 \\ \eta = 0.286 \end{array} \right. \quad (14)$$

The strategy is the same as we have proposed in Juneau, that is to increase the tax rate and the fine rate, and to decrease the number of tourists. Thus our model can be successfully adapted to Sitka, Alaska, proving its adaptability and migration capability.

### 5.4 Sensitivity Analysis

To evaluate the robustness of the migrated model, we conduct a sensitivity analysis.

The results are shown below:

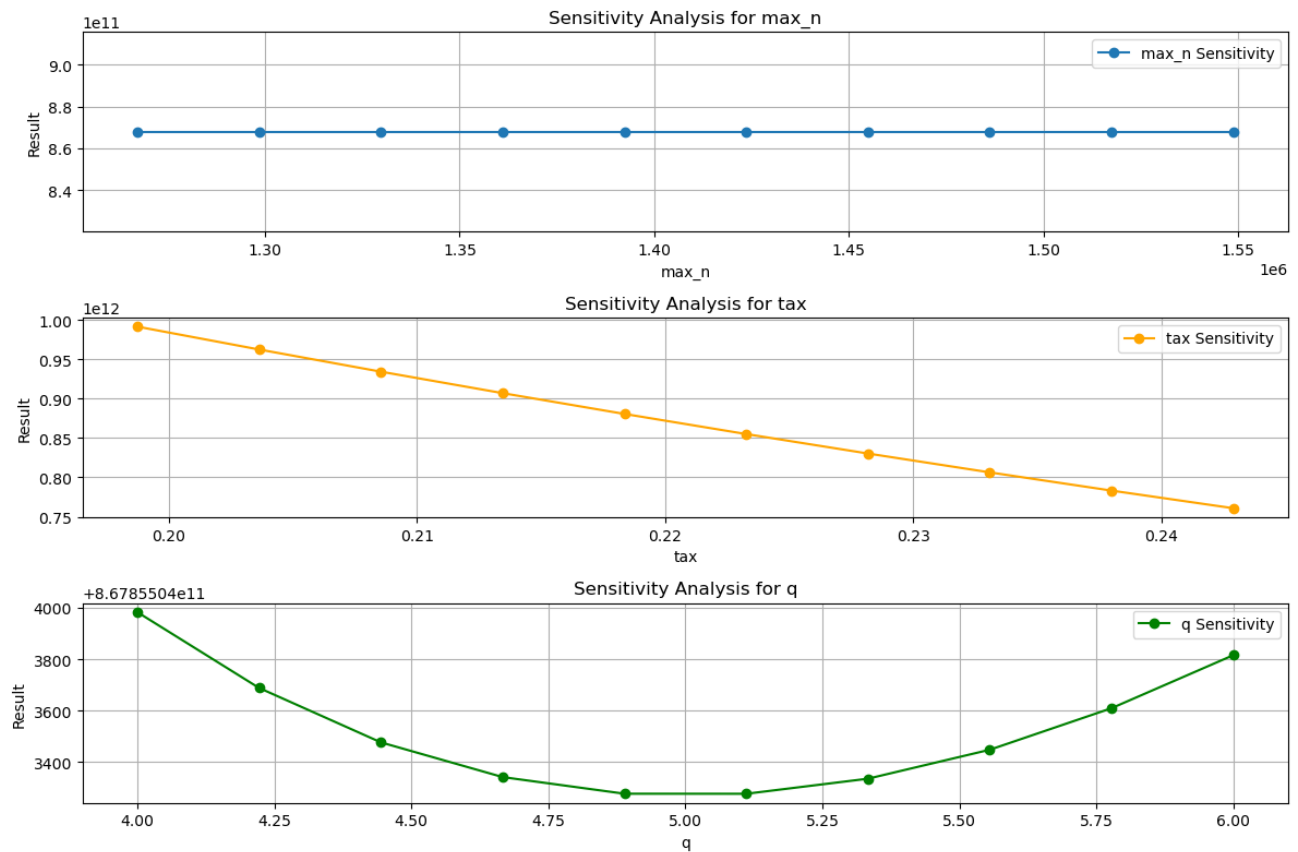


Figure 6: Sensitivity Analysis

It can be shown that when  $N_{Max}$  is the independent variable, the outcome is immune to the change of  $N_{Max}$ , while in other circumstances are sensitive to the changing of the independent variables. The result is similar to what we conducted in Juneau.

## 6 Task 3: Memo

### Recommendations for Sustainable Tourism in Juneau, Alaska

Dear Tourist Council,

It is our great honour to present to you our recommendations for sustainable tourism in Juneau, Alaska. We have conducted a thorough analysis of the current situation in Juneau and have identified several key areas that need to be addressed in order to ensure the long-term sustainability of the tourism industry in the region. Our recommendations are based on the principles of sustainable tourism, which aim to balance the economic, social, and environmental impacts of tourism in order to ensure that it can continue to benefit both the local community and the environment for generations to come. Our approaches, findings and suggestions are as follows.

Firstly we summarized a general equation aiming to balance the economic, social, and environmental impacts of tourism. Then we looked into these aspects and devised a model accordingly for each. *SARIMAX*, *Linear-Regression* models were used to ensure the accuracy and reliability of our findings and suggestions.

Here are some findings based on our predictions.

- The emission of carbon dioxide from tourism is increasing at an alarming rate, and it is highly correlated with the square number of tourists.
- Current tax rates may not be optimal for maximizing tourism income and environmental sustainability.
- The number of tourists is higher than the optimal number that can be accommodated by the local environment.

Based on these findings, we put forward the following recommendations and measures.

- Impose a carbon tax of around 20% on tourism to reduce carbon emissions and encourage sustainable practices.
- Increase the fine amount to 20\$ for tourists who violate environmental regulations to deter harmful behavior.
- Set the upper limit of tourists to 1.5 million per year to protect the local environment and culture. Reduce the number of tourists by 10% each year to around 1.2 million by 2030.

I hope you find our recommendations useful and that they will help to guide the development of sustainable tourism in Juneau. We believe that by working together, we can create a more sustainable future for the tourism industry in the region. Thank you for your attention and consideration. Feel free to contact us for any further information.

Sincerely,

Team # 2503720 Members

## Appendix A Bivariate Linear Regression Results

The Bivariate Linear Regression results are as follows:

***Model for stsfy:***

$$\text{stsfy} = -4.693528652706527 \times 10^{-5} N - 0.0060844912311383 \times N_{\text{local}} + 407.6518514$$

***Model for Crowding at Mendenhall Glacier:***

$$\text{Crowding\_at\_Mendenhall\_Glacier} = 1.1573084349139379 \times 10^{-5} N - 0.0017873857238289111 \times N_{\text{local}} + 100.15433801$$

***Model for Crowding on sidewalks downtown:***

$$\text{Crowding\_on\_sidewalks\_downtown} = 6.429491305077434 \times 10^{-6} N + 0.0023403412645394937 \times N_{\text{local}} - 25.69203444$$

***Model for Vehicle congestion downtown:***

$$\text{Vehicle\_congestion\_downtown} = 2.3146168698278767 \times 10^{-5} N + 0.01642522855234218 \times N_{\text{local}} - 496.69132398$$

***Model for Flightseeing noise:***

$$\text{Flightseeing\_noise} = -9.001287827108412 \times 10^{-6} N - 0.015276477770355294 \times N_{\text{local}} + 540.76884821$$

***Model for Air emissions from cruise ships:***

$$\text{Air\_emissions\_from\_cruise\_ships} = -1.543077913218585 \times 10^{-5} N - 0.017616819034894794 \times N_{\text{local}} + 618.46088265$$

***Model for Vehicle congestion outside of downtown:***

$$\text{Vehicle\_congestion\_outside\_of\_downtown} = 1.9288473915232255 \times 10^{-6} N - 0.02029789762063815 \times N_{\text{local}} + 683.19238967$$

***Model for Whale watching boat traffic and wakes:***

$$\text{Whale\_watching\_boat\_traffic\_and\_wakes} = 1.4144880871170358 \times 10^{-5} N + 0.0011487507819868843 \times N_{\text{local}} - 12.92247577$$

***Model for Crowding on trails:***

$$\text{Crowding\_on\_trails} = 1.2858982610154833 \times 10^{-6} N - 0.013531931747092107 \times N_{\text{local}} + 465.46159311$$

***Model for Street Services:***

$$\text{Street\_Services} = 0.7716946724830306 \times N - 1098.7869298693258 \times N_{\text{local}} + 39720019.96870749$$

***Model for Wastewater:***

$$\text{Wastewater} = 2.0506436350699593 \times N - 2977.4037361145515 \times N_{\text{local}} + 1.06567591 \times 10^8$$

***Model for Public Transit:***

$$\text{Public\_Transit} = -0.11276464701428993 \times N - 1619.7640126090985 \times N_{\text{local}} + 58718764.15347296$$

***Model for Parks and Recreation:***

$$\text{Parks\_and\_Recreation} = 2.7473696565739054 \times N - 2597.301898470375 \times N_{\text{local}} + 92393330.57040936$$

***Model for Docks:***

$$\text{Docks} = 2.0782557994938906 \times N + 424.7535749514112 \times N_{local} - 14090559.71680191$$

***Model for Ports:***

$$\text{Ports} = 0.708958939693741 \times N - 944.9238521963889 \times N_{local} + 33938861.95916443$$

***Model for JNU Composite:***

$$\text{JNU\_Composite} = 9.644236957615973 \times 10^{-7} N + 0.003851051189680889 \times N_{local} + 4.69619483$$

***Model for Grocery Items:***

$$\text{Grocery\_Items} = -2.1860270437263293 \times 10^{-5} N + 0.026042839700565677 \times N_{local} - 663.74708291$$

***Model for JNU Housing:***

$$\text{JNU\_Housing} = -2.0702962002349386 \times 10^{-5} N + 0.0018641011281828252 \times N_{local} + 107.36835089$$

***Model for Utilities:***

$$\text{Utilities} = 1.3951996132018008 \times 10^{-5} N + 0.008178540544050684 \times N_{local} - 142.54171473$$

***Model for Transportation:***

$$\text{Transportation} = 1.6909562132353666 \times 10^{-5} N - 0.01094490247426114 \times N_{local} + 442.51994943$$

***Model for Healthcare:***

$$\text{Healthcare} = -3.2147456525386777 \times 10^{-6} N + 0.006829829367730268 \times N_{local} - 59.05398278$$

***Model for Misc. Goods and Services:***

$$\text{Misc\_Goods\_and\_Services} = 1.9931423045740026 \times 10^{-5} N - 0.018744942079927586 \times N_{local} + 681.15469324$$

## References

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- [11] City and Borough of Juneau. (2020). *Biennial Budget Adopted Fiscal Year 2020: Year 2 of the FY19/20 Biennial Budget*.
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- [16] UK NIR (2008). *Detailed discussion of methodology and data for estimating CO<sub>2</sub> emissions from fossil fuel combustion*
- [17] Final Alaska Greenhouse Gas Inventory and Reference Case Projections (2009). *Greenhouse Gas Emissions Inventory and Reference Case Projections*

## Report on Use of AI

### GPT4o

Messages below are conversations between a human and GPT-4o. The human is represented by *Q* and GPT-4o is represented by *A*.

*Q1:* Write me an introduction of Juneau, Alaska. Talk about its residents, tourists and attractions.

*A1:* Juneau, Alaska, the state's capital, is a city that blends breathtaking natural beauty with rich cultural heritage. Nestled in the southeastern part of the state, Juneau is uniquely accessible only by air or sea, giving it an island-like charm despite being part of the mainland. The city is home to approximately 30,000 residents who enjoy a lifestyle deeply connected to nature, with fishing, hiking, and outdoor exploration forming an integral part of daily life.

*Q2:* Can you tell me about the tourism industry in Juneau?

*A2:* Juneau is a popular destination for tourists from around the world, attracting over a million visitors annually. The city's natural wonders, including glaciers, rainforests, and abundant wildlife, make it a magnet for outdoor enthusiasts and nature lovers. Tourists can explore the Mendenhall Glacier, go whale watching, or take a scenic flight over the stunning landscape. The city also offers a vibrant arts and culture scene, with museums, galleries, and theaters showcasing the region's history and creativity.

*Q3:* What does Thousands of Chained 2017 U.S. Dollars mean?

*A3:* Thousands of Chained 2017 U.S. Dollars is a measure of economic value that adjusts for inflation and changes in purchasing power over time. By using the 2017 dollar as a base year, the measure allows for more accurate comparisons of economic data across different years, accounting for the effects of inflation on prices and wages.

*Q4:* What is the Kaya Identity?

*A4:* The Kaya Identity is a mathematical formula used to decompose the factors driving changes in carbon dioxide emissions. It breaks down emissions into four components: population, GDP per capita, energy intensity of the economy, and carbon intensity of energy. By analyzing these factors, policymakers can identify the key drivers of emissions growth and develop strategies to reduce carbon footprints.

*Q5:* Cost of converting CO2 to non-greenhouse gases?

*A5:* The cost of converting CO2 to non-greenhouse gases depends on the method used and the scale of the operation. Technologies such as carbon capture and storage (CCS) and direct air capture (DAC)



can be expensive due to the energy and resources required to capture and convert CO<sub>2</sub>. However, as these technologies become more advanced and widespread, the cost of converting CO<sub>2</sub> to non-greenhouse gases is expected to decrease, making it a more viable solution for reducing emissions.

## **GPT4o-mini**

Messages below are conversations between a human and GPT4o-mini. The human is represented by *Q* and GPT4o-mini is represented by *A*.

*Q6*: What does MTCO<sub>2</sub>e mean?

*A6*: MTCO<sub>2</sub>e stands for metric tons of carbon dioxide equivalent, a unit of measurement used to quantify the global warming potential of greenhouse gases. By expressing emissions in terms of CO<sub>2</sub> equivalents, different gases can be compared based on their impact on the climate, allowing for a more comprehensive assessment of a country or region's carbon footprint.

*Q7*: How to quantify the damage humans have done to the environment?

*A7*: Quantifying the damage humans have done to the environment is a complex and multifaceted task that requires a combination of scientific, economic, and social analyses. Environmental impact assessments, life cycle assessments, and ecological footprint analyses are some of the tools used to measure the effects of human activities on ecosystems, biodiversity, and natural resources. By evaluating factors such as pollution, habitat destruction, and resource depletion, researchers can estimate the extent of environmental damage and develop strategies to mitigate its impact.