



Making a difference...together

REPORT TO REGIONAL PARKS COMMITTEE MEETING OF WEDNESDAY, SEPTEMBER 27, 2023

SUBJECT CRD Regional Parks & Trails – Non-Tax Revenue Options

ISSUE SUMMARY

To seek direction on options to generate additional funds through non-tax revenue for the Regional Parks service.

BACKGROUND

At its March 27, 2019 meeting, the Parks & Environment Committee directed staff to identify options during the 2020 budget process for service level adjustments to sustain the CRD Regional Parks service delivery. At the October 23, 2019 meeting, staff presented the Regional Parks Sustainability Service Delivery Plan Report Card, as well as an infrastructure status report card for each regional park and trail, which identified that the financial and human resources were no longer sufficient to meet the current asset renewal demands. This meeting resulted in two motions related to Sustainable Service Delivery: 1) that an additional \$925,000 be requisitioned each year for capital reserves to fund the refurbishment and replacement of existing assets; and 2) that staff report back in 2020 on strategies to ensure sufficient funding is in place in future years to sustain the Regional Parks service delivery.

At the November 25, 2020 Regional Parks Committee meeting, a Regional Parks Revenue Generation Strategy 2021-2024 and the Regional Parks Revenue Generation Review were presented. At that time, the Regional Parks Committee referred the matter back to staff to report back to the committee with:

1. revised recommendations with lower fee increases and/or extended implementation timelines for parking and camping
2. provide options for short-term paid parking
3. provide options for considering acceleration of paid parking at the three parks in the report
4. have conversations with the District of Central Saanich about paid parking at Island View Beach
5. consider what the implication would be on revenue if year-round paid parking is considered; and
6. provide any other revised recommendations by staff

At the February 24, 2021 Regional Parks Committee meeting, staff reported back with further options, including a gradual implementation of parking fee changes over three years, including the expansion of seasonal paid parking to nine additional regional parks. The Regional Parks Committee at that time endorsed the appropriateness of the property tax requisition as the primary revenue source for Regional Parks' operating costs and directed staff to report back during the Regional Parks Strategic Planning process on additional options for parking revenues in regional parks, with a view toward (a) maintaining accessibility for diverse park users, and (b) ensuring fairness for users across the regional parks system.

On April 12, 2023, the CRD Board approved updated parks services and facilities fees and charges to reflect fair market value. At that time, it was confirmed that parking fees would be brought forward through a separate report.

The Regional Parks and Trails Strategic Plan 2022-2032 was approved by the CRD Board on July 12, 2023. The strategic plan includes climate action and resiliency goal priority action 4-2b to align implementation of parking fees where regional parks can be easily accessed by transit, walking or cycling as a disincentive to motor vehicle use, excluding vehicle parking for people with disabilities.

At its August 9, 2023 meeting, the CRD Board considered funding options for the renewal of critical infrastructure and the widening and lighting of priority sections of the Galloping Goose and Lochside regional trails. The Board moved that the Regional Trestles Renewal, Trails Widening and Lighting Project be accelerated by the inclusion of the Project in the 2024-2028 Financial Plan and that project funds be secured by way of debt; and that staff continue to develop partnerships, pursue grant opportunities and report back to the Regional Parks Committee at the September 27, 2023 meeting with options to generate additional funds through non-tax revenue, in addition to working with the province to secure opportunities for supporting the work identified.

ALTERNATIVES

Alternative 1

The Regional Parks Committee recommends to the Capital Regional District Board:

1. That staff initiate a gradual implementation of parking fee changes over three years, including the expansion of seasonal paid parking to nine additional regional parks in 2024 to generate additional funds through non-tax revenue for the Regional Trestles Renewal, Trails Widening and Lighting Project; and
2. That staff bring back an amendment to the Capital Regional District Regional Parks Services and Facilities Fees and Charges Bylaw No. 4545 in 2024.

Alternative 2

That this report be referred back to staff for further information.

IMPLICATIONS

Financial Implications

Non-tax revenue provides a portion of the funding stream for regional parks and trails. Non-tax revenue is generated through the fees and permit provisions in CRD Bylaw No. 4545, “Capital Regional District Regional Parks Services and Facilities Fees and Charges Bylaw No. 1, 2010, Amendment Bylaw No.10, 2023.” Other sources of non-tax revenue may include donations, facility rentals or lease agreements, bylaw infraction fines, and external grant funding. The CRD conducted a revenue generation review for regional parks in 2019 and determined approximately \$575,000, not including grant funding and bylaw infraction fines, was generated from non-tax sources. In 2022, non-tax revenue comprised approximately 3% of the annual budget for regional parks and trails. In 2022, tax requisition funded \$15.5 million towards the total annual operating budget of \$16.7 million.

The estimated cost of the Regional Trestles Renewal, Trails Widening and Lighting Project, based on Class-D and contingency estimates, is \$53.5 million. Financing the project will take place through securing \$50 million in project funds through debt to achieve an accelerated project completion timeline within six years while continuing to seek grants opportunities. Additionally, non-tax revenue is an option to offset the funding pressures.

As part of the 2020 Regional Parks Revenue Generation Review, it was determined that parking is the most reliable non-tax revenue source for the regional parks system. Staff’s recommended option for non-tax revenue is to introduce parking fee changes through a phased approach and to implement a short-term (2 hours) rate and fixed incremental daily and yearly rates (see Table 1). This gradual approach makes the changes to fees systematic and would bring fees up to fair market value over a span of three years. As part of the 2020 review, staff undertook a market analysis to understand how fees relate to broader provincial revenue generation patterns. Fees were compared from other parks systems in the region and province and an average cost was calculated using the mean value for the comparative locations selected. These updated fees reflect the findings of that review.

Table 1: Recommended gradual increases of parking fees over a span of three years

	Short-Term (2 hours)	Daily	Season
2023	None	\$2.25	\$20.00
2024	\$2.00	\$4.00	\$30.00
2025	No change	\$5.50	\$45.00
2026	No change	\$7.00	\$60.00

Projected revenues for seasonal paid parking along with the expansion of paid parking to nine regional parks (see table 3), could ultimately generate \$1.8 million in additional annual revenue (see table 2). These estimates need to be considered cautiously because the introduction of the short-term parking option, the value of the seasonal pass, the fact that visitors with a seasonal pass may visit more than one park, the variability of modes of travel to different parks, and the change in visitor use patterns are all variables that can influence gross parking revenue projections.

Table 2: Projected additional revenue based on gradual increases over a span of three years

	Additional Revenue Projected
2024	814,854
2025	1,277,361
2026	1,816,369

Service Delivery Implications

The regional parks system has grown from just over 8,400 hectares in 2000 to more than 13,300 hectares in 2023. Visits to regional parks and trails have also increased by nearly 32%, from 6.1 million in 2013 to 8.1 million in 2022.

To address increasing pressures on the regional parks and trails system, as well as to provide an option for non-tax revenue to support the Regional Trestles Renewal, Trails Widening and Lighting Project, nine parks are proposed for pay parking implementation, in addition to the two parks that already have pay parking in place (see Table 3). These parks have been chosen to align with the Regional Parks and Trails Strategic Plan 2022-2032 climate action and resiliency goal priority action 4-2b to align implementation of parking fees where regional parks can be easily accessed by transit, walking or cycling as a disincentive to motor vehicle use, excluding vehicle parking for people with disabilities. After 2026, the regional parks without paid parking would be reassessed for implementation of parking fees. It is important to note that Albert Head Lagoon and Island View Beach regional parks parking lots are not located on CRD land.

Table 3: Recommended additional regional parks with paid parking in 2024

Regional Park	Visitation in 2022
Devonian	73.862
East Sooke	235.262
Elk/Beaver Lake	1,910.942
Horth Hill	120.020
Matheson Lake	85.360
Mill Hill	53.791
Sooke Hills Wilderness – South Access	107.834
Sea to Sea	77.721
Wittv's Lagoon	101.963

Social Implications

Regional parks and regional trails are a public good that belong to everyone in the region. The benefits of experiencing and interacting with nature for physical and mental well-being are felt by many. Park entrance fees, as utilized in other parks systems, can be a barrier for accessing nature and recreational opportunities. The regional parks proposed for pay parking can be accessed by transit, walking or cycling as a disincentive to motor vehicle use, with the exception of parks that are included due to capacity challenges. Fees would not be charged for vehicle parking for people with disabilities.

In the 2017 Regional Parks Resident Survey, respondents were asked to comment on levels of funding for operating regional parks and trails in the future. More than half of the participants (55%) were in favour of increasing funding. A similar outcome was reflected in the 2018 Regional Parks Funding Priorities Survey, where participants pointed out that currently not enough money is available for the maintenance and management of the regional parks and trails system. Such results show an understanding by the public of the need for additional funding to support service delivery within regional parks and trails.

Alignment with Board & Corporate Priorities

The Corporate Plan identifies the priority initiative to prepare a funding strategy to support implementation of priority regional trail enhancement and expansion projects (4c-2).

Alignment with Existing Plans & Strategies

The strategic plan includes climate action and resiliency goal priority action to align implementation of parking fees where regional parks can be easily accessed by transit, walking or cycling as a disincentive to motor vehicle use, excluding vehicle parking for people with disabilities (4-2b).

CONCLUSION

In order to support the accelerated Regional Trestles Renewal, Trails Widening and Lighting Project, staff were asked to provide options to generate additional funds through non-tax revenue. Expanded pay parking at a fair market value rate would be the most reliable non-tax revenue

source for the regional parks system and could be introduced through a phased approach with consideration for including parks that can be accessed by transit, walking or cycling as a disincentive to motor vehicle use.

RECOMMENDATION

The Regional Parks Committee recommends to the Capital Regional District Board:

1. That staff initiate a gradual implementation of parking fee changes over three years, including the expansion of seasonal paid parking to nine additional regional parks in 2024 to generate additional funds through non-tax revenue for the Regional Trestles Renewal, Trails Widening and Lighting Project; and
2. That staff bring back an amendment to the Capital Regional District Regional Parks Services and Facilities Fees and Charges Bylaw No. 4545 in 2024.

Submitted by:	Jeff Leahy, Senior Manager, Regional Parks
Concurrence:	Larisa Hutcheson, P.Eng., General Manager, Parks & Environmental Services
Concurrence	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer