

**REPORT TO REGIONAL PARKS COMMITTEE
MEETING OF WEDNESDAY, NOVEMBER 25, 2020**

SUBJECT **CRD Regional Parks – Revenue Generation Strategy – 2021-2024**

ISSUE SUMMARY

To seek direction on the proposed revenue generation strategy for Capital Regional District (CRD) Regional Parks.

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 Regional Parks service delivery.

At the October 23, 2019 Parks & Environment Committee 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.

A Regional Parks Revenue Generation Strategy 2021-2024 (Appendix A) is provided to support the generation of additional funding through non-tax revenue cost recovery for infrastructure and service delivery needs that are currently not sufficiently resourced.

ALTERNATIVES

Alternative 1

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

That the CRD Regional Parks Revenue Generation Strategy 2021-2024 be approved and that staff bring back an amendment to the Capital Regional District Parks Services and Facilities Fees and Charges Bylaw No. 3675 in 2021.

Alternative 2

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

IMPLICATIONS

Financial Implications

The increasing costs to maintain aging assets across the regional parks and trails system constrains Regional Parks' ability to develop new park infrastructure, plan for new land

acquisition, open recently acquired parkland and sustain the growing pressure for additional or enhanced service delivery. While the gap in funding for asset renewal was addressed through the additional requisition of \$925,000, new strategies for revenue recovery are needed to fill funding gaps associated with rising demands for more access to natural areas and outdoor recreation opportunities, as well as fund the ongoing requirements to protect and maintain regional park values.

While over the years Regional Parks has modified fees ad hoc specifically relating to immediate needs and adjusted fees to supplement cost recovery, a strategic approach to develop alternative funding generation mechanisms has been lacking. The Regional Parks Revenue Generation Review provides a snapshot of the revenues generated by Regional Parks in 2019 (Appendix B) and provides information on similar permits and fees used across British Columbia and other Canadian protected area systems. This review informed the development of a Regional Parks Revenue Generation Strategy (Appendix A).

If the CRD had adjusted the pricing of its current permits, parking and interpretative programs to be in line with other parks systems in BC, and based on 2019 visitor demand, the revenue generation would have increased from \$227,797 to \$670,046, an additional cost recovery of \$442,249 (increase of 66%).

Type of recovery cost	2019	2021
Permits	\$27,686	\$55,085
Parking	\$190,647	\$601,605
Interpretive programs	\$9,464	\$13,356
Total cost recovered	\$227,797	\$670,046

These estimates are approximate, as visitors' demand for permits, parking and interpretative programs may increase or decrease in 2021 compared to 2019. Rentals, grants and fines are not considered, as they do not fit within the purpose of this strategy. The 2019 camping recovery cost includes both camping fees and extra vehicle fees, while other systems only include camping fees. Therefore, a summary of camping fees cost recovery in line with the other parks systems in BC is not provided.

Service Delivery Implications

The regional parks system has grown from just over 8,400 hectares in 2000 to more than 13,000 hectares in 2018. Visits to regional parks and trails have also increased by more than 45%, from 5.2 million in 2010 to 7.6 million in 2019. Additional pressure on park resources, infrastructure maintenance and services will continue in the coming years with population growth, increased visitation, increased demand for outdoor recreation opportunities and the acquisition of more parkland.

With increased use of the regional parks system comes increased demand for infrastructure and service delivery that provide safe and enjoyable use of regional parks and trails. On average, the cost to manage each hectare of regional parkland is \$957 per year for the current basic service. There is a need to address pressures beyond the basic service delivery. For example, there is a growing demand for new recreational opportunities, such as mountain biking, a need to lead more complex management planning processes, a commitment to greater First Nations engagement, increased impacts from climate change, and greater pressure on basic services from increased

visitor use. By implementing strategic and tailored cost recovery strategies, Regional Parks can address immediate and growing service delivery pressures while providing value-added experiences to park users and help to reduce the ongoing need for increased requisition.

Social Implications

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 to the 2017 Regional Parks Resident Survey 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.

While the Regional Parks Sustainability Service Delivery Plan Report Card and the additional requisition of \$925,000 start to address this issue, uncertainty still exists on how Regional Parks will cover costs related to the constantly increasing demand for new assets, environmental conservation efforts and requests to implement outdoor recreation opportunities across the system. Diversifying cost recovery streams to supplement capital funding can help overcome negative perceptions about managing protected areas through public funds. As noted in the Regional Parks Revenue Generation Review (Appendix B), there is a correlation for visitor support for fees when informed that fees are reinvested directly into a park system rather than entering a general revenue stream. User fees can help address current service delivery gaps while still allowing for equitable access and enjoyment of the protected areas system by reflecting market values and by being implemented based on strategic initiatives and site-specific service delivery expansion.

Alignment with Board & Corporate Priorities

The Regional Parks Revenue Generation Strategy 2021-2024 aligns with Corporate Priority 6a-1 and Board Priority 2d, which specifies the need to “ensure appropriate funding for parks & trails infrastructure, improvements & maintenance by updating the Regional Parks Strategy with consideration to ecological, recreation & reconciliation principles, land acquisition capacity, and expanded partnerships with First Nations & parks user groups.”

Alignment with Existing Plans & Strategies

The Regional Parks Strategic Plan (2012-2021) identifies the strategic action to explore opportunities for generating non-tax revenue as a means to strengthen the management of existing parks and trails.

CONCLUSION

As the regional parks system expands and the number of people who enjoy regional parks grows, resources as currently allocated are no longer sufficient to meet growing demands. There are increasing pressures for new assets and service delivery. In order to ensure appropriate and sustainable funding, a Regional Parks Revenue Generation Strategy 2021-2024 has been developed to highlight areas for additional non-tax revenue cost recovery.

RECOMMENDATION

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

That the CRD Regional Parks Revenue Generation Strategy 2021-2024 be approved and that staff bring back an amendment to the Capital Regional District Parks Services and Facilities Fees and Charges Bylaw No. 3675 in 2021.

Submitted by:	Jeff Leahy, RPF, Senior Manager, Regional Parks
Concurrence:	Larisa Hutcheson, P.Eng., General Manager, Parks & Environmental Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENTS

Appendix A: Regional Parks Revenue Generation Strategy 2021-2024

Appendix B: Regional Parks Revenue Generation Review