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## REPORT TO CAPITAL REGIONAL DISTRICT BOARD MEETING OF WEDNESDAY, MAY 13, 2020

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**SUBJECT**     Improving the Capacity of the Regional Parks Land Acquisition Fund –  
Response to Notice of Motion

### **ISSUE SUMMARY**

The Capital Regional District Board (CRD) has requested staff report back on options to improve the capacity of the CRD Regional Parks Acquisition Fund.

### **BACKGROUND**

The following motion was carried at the CRD Board meeting Wednesday, April 8, 2020:

*That staff report back on options to improve the capacity of the CRD Parks Acquisition Fund, for example, starting in 2021 by \$2.00 per year to reach \$40.00 from its current \$20.00.*

Since 2000, Regional Parks has acquired almost 4,800 hectares through the Land Acquisition Fund (LAF). The fund was established in 2000 for a 10-year period (2000-2009) at a rate of \$10 per average residential household assessment. In 2010, the fund was extended for 10 years (2010-2019), starting at a rate of \$12 per average residential household assessment and increasing by \$2 per year to a maximum of \$20 in 2014, through to 2019. In 2019, the CRD Board renewed the LAF for another 10-year period (2020-2029) at the rate of \$20 per average residential household assessment.

### **ALTERNATIVES**

#### *Alternative 1*

That the Land Acquisition Fund be maintained at the current rate of \$20 per average residential household assessment.

#### *Alternative 2*

That this report be referred back to staff with direction.

### **IMPLICATIONS**

#### *Financial Implications*

The LAF currently generates approximately \$3.7 million per year. If the LAF was increased to \$22 per average residential household assessment starting in 2021 and was increased by \$2 per year to a maximum of \$40 in 2030, each increase of \$2 per average household would increase the annual requisition and the available funds for land acquisition each year by \$370,000-\$400,000. With these increases, by 2030 the LAF would generate approximately \$7.5 million per year. This increase on its own would translate into a 2.5% increase to the Regional Parks annual budget, and potentially a 0.14% increase to the CRD Budget.

The upcoming budget process for the 2021-2025 financial plan will reflect updated assumptions in timing, scope and cost estimates, based on service level. The budget will also include core inflation and cost escalation reflected in market conditions. The five-year Financial Plan currently anticipates a 5% increase in the operational budget for Regional Parks and, given the Board decision to increase the budget by \$925,000 in 2020 to address operational and asset replacement deficiencies, any increase to the Land Acquisition Fund portion of this requisition would need to be over the projected operating budget.

#### *Strategic Plan Implications*

The current Board Strategic Plan priority initiative under Climate Action and Environmental Stewardship is to “Ensure appropriate funding for parks and trails infrastructure, improvements and maintenance by updating the Regional Parks Strategy with consideration to ecological, recreation and reconciliation principles, land acquisition capacity, and expanded partnerships with First Nations.” Actions and key deliverables to date include renewing the Land Acquisition Fund for an additional 10 years, development of an asset management plan, \$925,000 increase in the operating budget to address deficiencies and asset replacement, additional staffing and work underway to update the Regional Parks strategies.

#### *Service Delivery Implications*

The acquisition of new land often requires additional funds for management, development and operations. These costs are not included in the estimated costs to acquire land identified in the Land Acquisition Strategy. The management and development cost for each acquisition are identified in a report to the Board when it considers acquisition of a specific parcel.

On average, the cost to manage one hectare of CRD regional parkland is \$680/year. Sustainable service delivery needs to consider and plan for the growth of the CRD regional parks system over time. For example, maximizing optimization strategies and revenue generation options would be the priority for long-term sustainability, rather than additional LAF funding.

#### *Regional Growth Strategy Implications*

The regional population is increasing. The Regional Growth Strategy indicates an intent to protect, enhance, and expand natural areas and to provide recreation areas. With increasing population and changing population demographics, there will be increasing demands on the regional park system. The acquisition of land for regional parks and trails sets aside parkland to meet the needs of current residents and future population growth.

#### *Intergovernmental Implications*

The CRD's LAF has received strong political and public support over the past 20 years. The acquisition of land provides community green space and contributes to achieving some Official Community Plans. The acquisition of private land for regional parks and trails could result in the loss of some tax revenue for municipalities.

*Social Implications*

Increasing the capacity to acquire more regional parks and trails contributes significantly to the environmental, economic and social sustainability of the region and is a defining ingredient of the region's livability. However, given the social and economic uncertainty associated with the COVID-19 world-wide pandemic and other cost pressures emerging on requisitions across the Capital Regional District Service Areas at present, it may be prudent to maintain the current LAF levy as is.

*Environmental & Climate Implications*

The acquisition of land for regional parks and trails contributes significantly to achieving corporate environmental protection and climate action strategic priorities. Land acquired protects ecosystems, provides habitat for plants and animals, supports the natural cleansing of water and air and helps reduce fossil fuel use and greenhouse gas emissions.

**CONCLUSION**

On April 8, 2020, the CRD Board requested that staff report back on options to improve the capacity of the CRD Parks Acquisition Fund; for example, starting in 2021, increase the annual rate by \$2 per year to reach \$40 from its current \$20. Staff have determined that doing so would increase the requisition and the available funds for land acquisition by \$370,000-\$400,000 per year, which would be a 2.5% increase to the Regional Parks annual budget. The Board approved an increase in the operating budget for 2020 to address operational and asset replacement deficiencies; however, with increasing park use and the addition of more land, there will be ongoing pressure on the operating budget. If the Board wishes to make the acquisition of additional regional park land a new priority, an increase in the requisition would be required beyond the projected increase in operational budget. Given that this is not an approved Board Strategic Priority for 2019-2022 and the region is likely to face fiscal challenges related to the COVID-19 pandemic, staff recommend no changes be made to the annual land acquisition levy at this time.

**RECOMMENDATION**

That the Land Acquisition Fund be maintained at the current rate of \$20 per average residential household assessment.

Submitted by:	Jeff Leahy, RPF, Senior Manager, Regional Parks
Concurrence:	Glenn Harris, Ph.D., RP.Bio., Acting General Manager, Parks & Environmental Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

**Appendix E: Motion with Notice**

**20-235 Parks Acquisition Fund - Notice of Motion from Director Haynes**

**Recommendation:**

[The following was read into the record at the Regional Parks Committee meeting on February 26, 2020:]

*That staff report back on options to improve the capacity of the CRD Parks Acquisition Fund, for example, starting in 2021 by \$2.00 per year to reach \$40.00 from its current \$20.00. (NWA)*