

Revenue Generation Strategy – 2021-2024



Capital Regional District – Regional Parks | November 25, 2020

Capital Regional District - Regional Parks
490 Atkins Avenue, Victoria, BC V9B 2Z8
T: 250.478.3344 www.crd.bc.ca/parks

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1. Purpose

The purpose of the Revenue Generation Strategy 2021-2024 is to provide a phased approach to implement fair market value service fees in regional parks. This revenue generation approach will supplement tax-based funding, allowing Regional Parks to address infrastructure and service delivery needs currently not considered in the Regional Parks Sustainability Service Delivery Plan Report Card.

2. Context

The regional parks system has grown from just over 8,400 hectares in 2000 to over 13,000 hectares in 2019. 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 and services is expected in the coming years due to population growth, increased visitation and the acquisition of more parkland.

With increased use of the regional parks system comes increased demand for infrastructure and service delivery needs that provide for safe and enjoyable experiences in regional parks and trails. The growing cost of maintaining aging assets across the regional parks and trails system, for example, is a constraint to developing new park infrastructures, opening recently acquired land and meeting the growing pressure for additional service delivery. On average, the cost to manage each hectare of regional parkland is \$957 per year for the current basic service. New strategies for revenue recovery are needed to address growing service delivery pressures, meet rising demand for access to natural areas and outdoor recreation opportunities, and offer value-added experiences for park users, among other needs.

As seen in other parks systems, often government funding is not adequate to meet user demands and, in many cases, the funds available for protected areas management are in decline due to competing governance priorities. Many government park organizations rely largely on tax-based revenue, yet have started supplementing their budgets with revenues from user fees to partially recover costs and to offer value-added services and experiences for visitors. Indeed, revenue recovery strategies have proven an effective method for park and protected area managers to address issues related to rising public demands and growing annual operating costs related to access and recreational services. Similar to other government agencies, Regional Parks needs to address growing demand pressures in its regional parks and trails system. To address this gap, a standardized and tailored cost recovery strategy for Regional Parks is described below.

3. Alignment with CRD Strategic Documents and 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”. 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.

4. Strategy

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 that 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 is provided to support the generation of additional funding through non-tax revenue cost recovery for infrastructure and service delivery needs that are currently excluded from the Regional Parks Sustainability Service Delivery Plan Report Card, as per the second motion of the Parks & Environment Committee meeting. The strategy entails four key components:

- (1) guiding principles
- (2) current service fees review
- (3) expansion of revenue generation opportunities; and
- (4) “service plus” opportunities.

Service Plus is defined as optional value-added services and amenities beyond the core service that specifically benefit the visitor paying for them. Such services and amenities could include, for example, food services,

recreation equipment rentals, merchandise sales, and unique guided experiences, to name a few. A phased approach will be undertaken to address key components two to four of this strategy, to allow for appropriate development and implementation time of the strategy.

A phased approach will also allow for the provisioning of tailored and clear messaging around new service fees in regional parks and trails, providing visitors a transition into the specific revenue generation mechanism being implemented.

5. Guiding Principles

The following principles guide the Revenue Generation Strategy:

- Regional Parks acknowledges that public access to regional parks and trails should be free
- Any service fee should align with the CRD Corporate Plan, Regional Parks Strategic Plan and individual park management plans
- Value-added services provided through a fee should have no or minimal impact on the regional parks and trails natural environment
- Changes in service fees will be made in a transparent and accountable manner and based on fair market value
- Service fees will supplement tax-based funding, allowing Regional Parks to address infrastructure and service delivery needs currently not considered in the Regional Parks Sustainability Service Delivery Plan Report Card

6. Current Service Fees Review

Over the years, Regional Parks has modified service fees ad hoc specifically relating to immediate needs; however, a systematic evaluation of revenue generation for the regional parks and trails system was lacking, leading to the need for a full review of current service fees. To address this gap, a revenue generation review was undertaken, which informed the development of this strategy. The report also provided a comparison with other regional districts and protected area systems across British Columbia to better understand current revenue generation patterns. The report also considered rentals, grants and fines that do not fit within the purpose of this strategy. This approach assessed whether Regional Parks services fees aligned with fair market values implemented across comparable parks systems in British Columbia.

6.1 Proposed Park Use Permit Fees and Charges

The Regional Parks Revenue Generation Review highlighted that Regional Parks service fees did not align with other regional districts and protected area systems in British Columbia, mostly by being lower, or under market-value, in comparison to others. To align service fees to a comparable provincial standard, an overview is provided in Tables 1-3 on how to adjust current service fees to fair market value in 2021. Beyond 2021, fees will be reviewed and adjusted annually, as needed, to ensure the fees continue to align with fair market value, and any need for new service fees will be brought forward at such time. If non-tax-based revenue does not meet system needs, requests for supplementary tax-based revenue would be addressed through the normal budget process.

It is important to point out that some efficiencies to streamline camping fees are proposed. To be consistent across campgrounds, for example, a fee of \$25 is proposed to align to the Spring Salmon Place (KWL-UCHUN) Campground operated by the T'Sou-ke First Nation at Sooke Potholes Regional Park. Such an approach will allow for consistent and clear communication, implementation and enforcement across Regional Parks campgrounds.

Table 1. Camping and parking current service and fees, and proposed new service fees based on regional districts and protected area systems standards in British Columbia. Applicable taxes are not included, unless otherwise noted.

Service	Regional parks or trails	Description	Current Service Fees	New Service Fees
Camping – In designated campsites	Island View Beach Regional Park	Overnight recreational vehicle camping	\$20/night	\$25/night
		Overnight tenting	\$15/night	\$15/night
		Additional vehicle	\$10/night	\$10/night
		Cancellation fee for on-line reservation	One night rate	One night rate
	Jordan River Regional Park	Overnight recreational vehicle or tent camping April 1 to October 31	\$15/night	\$25/night
		Overnight recreational vehicle or tent camping November 1 to March 31	\$10/night	\$25/night
		Additional vehicle	\$5/night	\$10/night
	Spring Salmon Place (KWL-UCHUN) Campground at Sooke Potholes Regional Park	Overnight recreational vehicle camping	\$25/night	\$25/night
		Overnight tenting	\$25/night	\$25/night
		Tent pad for cyclists	\$15/night	\$15/night
		Additional vehicle	\$10/night	\$10/night
		Firewood	\$7/bundle	\$7/bundle
Pay Parking – In designated areas	Thetis Lake & Sooke Potholes Regional Parks	Daily rate	\$2.25	\$7
		Seasonal pass	\$20	\$60

Table 2. Park use permit current service and fees, and proposed new service fees based on regional districts and protected area systems standards in British Columbia. Applicable taxes are not included, unless otherwise noted.

Service	Regional parks or trails	Description	Current Service Fees	New Service Fees
Commercial Filming – Motion picture, television and photography	All	<u>Short Term</u> : Minimal set up, less than 5 days in park	\$80/permit	<ul style="list-style-type: none"> Filming outdoor locations \$500/day Parking \$300/day Staff time for monitoring charged at \$50/hour
		Long term: Elaborate set up, no more than 10 days in park	\$400/permit <ul style="list-style-type: none"> Staff time for monitoring charged at \$50/hour 	<ul style="list-style-type: none"> Indoor locations to be assessed on case by case basis
		Major commercial filming projects that are more than 10 days in a park	N/A	<ul style="list-style-type: none"> Filming more than 10 days to be assessed on a case-by-case basis and follow rates for long-term filming.
Commercial Service or Activity (e.g., guided programs, recreational training)	All	Single trip: 1 day	\$40/permit	\$80/permit
		Seasonal: 4 month period	\$200/permit	\$215/permit
		Annual: Jan 1 – Dec 31 inclusive	\$320/permit	\$320/permit
Commercial Dog-Walking	All	Annual (Jan 1 – Dec 31 inclusive)	\$320/permit	\$465/permit
Picnic Shelter	All parks with a picnic shelter	Single day use	\$40/permit	\$50/permit

Table 3. Park use permit current service and fees, and proposed new service fees, based on regional districts and protected area systems standards in British Columbia. Applicable taxes are not included, unless otherwise noted.

Service	Regional parks or trails	Description	Current Service Fees	New Service Fees
Research Activity	All	Such as specimen collections, surveys, inventories and monitoring plots	\$40/permit	\$40/permit
Special Event or Activity	All	Single day use: such as a festival, tournament, competition, show or outdoor ceremony that attracts participants and spectators	\$40/permit	\$145/permit
		Frequent Users:10 or less events/year	\$160/permit	\$500 permit
		Wedding	N/A	\$175 permit
Temporary Service Access	All	Access/ occupancy through a regional park or trail for such purposes as accessing a private property, utility or public works	\$80/permit	\$360/permit

Table 4. Environmental interpretation current service and fees, and proposed new service fees, based on regional districts and protected area systems standards in British Columbia. Applicable taxes are not included, unless otherwise noted.

Service	Regional parks or trails	Description	Current Service Fees	New Service Fees
Environmental Interpretation	All parks	School Programs	\$70/class (non-taxable)	\$100/class
		Enhanced Naturalist Programs – specialty programs with limited registration, guided canoe programs or hikes with guest experts	\$7/person	\$8/person

7. Diversification of Revenue Generation Opportunities

To generate enough revenue to properly fund infrastructure and service delivery needs in Regional Parks, alternative revenue mechanisms need to be identified. Such mechanisms also could be used to help address capacity issues and related impacts on visitor experience and the natural environment, as per the principles identified in this strategy.

With yearly increases of visitation in our regional parks system and limited parking availability, additional seasonal paid parking could help address such capacity challenges, as well as ongoing asset maintenance and renewal costs. Currently, the largest source of user-generated revenue comes from seasonal pay parking from two regional parks: Thetis Lake and Sooke Potholes. This is consistent with findings in other protected areas where parking represents the most reliable cost recovery mechanism. When applied to highly-visited regional parks and trails, paid parking could address capacity limitations by encouraging park users to reach regional parks with alternate forms of transportation, including carpooling, and/or by encouraging park users to visit less-frequented parks that have free parking.

If applied seasonally, pay parking could generate income from visitors to the region, especially in peak seasons. As not all parks would have seasonal pay parking, residents would still have non-pay parking options for visiting a regional park in peak season and free parking when visiting all parks outside of peak season.

The following criteria would be applied to assess which parks would be considered for a pay parking system:

- Over 100,000 visits annually
- Capacity issues and/or alternate transportation options (bus or regional trail connectivity)

The following parks currently fit such criteria: East Sooke, Elk/Beaver Lake and Mount Work regional parks, in addition to Sooke Potholes and Thetis Lake regional parks, which already have pay parking. Additional parks are close to meeting this criteria and would be considered as visits increase or new capacity issues arise.

It is difficult to provide an accurate estimate of what extra revenue expanding pay parking to these three additional parks would generate without a more fulsome implementation plan that takes into account the cost of contracted parking services, number of parking spots available and visitor use patterns. However, by looking at the 2019 revenue from Thetis Lake and Sooke Potholes regional parks, which generated a combined \$190,647 for approximately 600,000 visits, it can be estimated that Elk/Beaver Lake, with an annual visitation of 1.5 million, could potentially generate up to \$500,000 based on the current rates and a similar service delivery contract.

Access points for regional trails will not be considered at this time, as it is a corporate priority to encourage active transportation. However, it is worth noting that some of these locations are experiencing high demand for parking and charging stations, making paid parking a feasible future option to alleviate capacity issues and help provide enhanced service. As the main parking lot at Island View Beach Regional Park is not our jurisdiction, it has not been included.

Expansion of seasonal paid parking to other regional parks beyond Thetis Lake and Sooke Potholes regional parks could increase pressures to neighboring areas. As a result, consultation with stakeholders would need to be undertaken before implementation. This consultation would be undertaken in 2021-2022 as an important step before finalizing an implementation plan.

Table 5: Parks by Paid Parking Criteria

Regional Park	Visitation in 2019	Parking Capacity Issues	Alternate Transportation Options	Suggested added paid parking
Albert Head Lagoon	77,312	yes	no	
Ayum Creek	not available	no	yes (bus)	
Bear Hill	9,703	n/a	no	
Brooks Point	8,776	no	no	
Coles Bay	33,764	no	yes (bus)	
Devonian	64,693	no	yes (bus)	
East Point	not available	no	no	
East Sooke	208,121	yes	yes (bus)	yes
Elk/Beaver Lake	1,587,494	yes	yes (bus)	yes
Francis/King	76,550	yes	no	
Gonzales Hill	44,921	yes	no	
Horth Hill	96,216	no	yes (bus, regional trail)	
Island View Beach	415,375	yes	no	
Jordan River	27,649	yes	no	
Kapoor	not available	no	yes (regional trail)	
Lone Tree Hill	15,710	yes	no	
Matheson Lake	65,152	yes	yes (regional trail)	
Matthews Point	not available	yes	no	
Mill Farm Reserve	n/a	n/a	n/a	
Mill Hill	51,913	no	yes (bus, regional trail)	
Mount Parke	12,972	no	no	
Mount Wells	31,121	yes	no	
Mount Work	196,607	yes	no	yes
Roche Cove	not available	yes	yes (bus, regional trail)	
Sea to Sea	42,389	no	yes (bus, regional trail)	
Sooke Hills Wilderness	9,230	no	no	
Sooke Potholes	166,795	yes	yes (regional trail)	already in place
Sooke River Road Reserve	n/a	n/a	n/a	
St. John Point	not available	no	no	
Thetis Lake	448,918	yes	yes (bus, regional trail)	already in place
Witty's Lagoon	98,046	yes	yes (bus)	

8. Service-Plus Opportunities

Upon the update of the Regional Parks Strategic Plan 2012-2021, and completion of an outdoor recreation strategy, Regional Parks will explore the development of options for enhanced services and experiences appropriate to regional parks and trails. Options for services and experiences beyond the normal service delivery, such as food services, recreation equipment rentals, merchandise sales, and unique guided experiences need to be considered with the lens of compatibility with the park's natural resources, the vision for regional parks, individual park management plans, cost of service assessment and visitor interest.

To develop a successful and comprehensive business plan for "service-plus" options, the following steps need to be addressed first:

- 1) Gauge support for enhanced services by including questions around this topic in the Regional Parks Resident Survey. Alternatively, an ad hoc service-plus survey or focus groups could be implemented to explore support for service-plus opportunities in regional parks and trails.
- 2) Identify market segments via a thorough market analysis. Such an approach has been undertaken by Ontario Parks and has proven extremely effective in developing successful service-plus opportunities.
- 3) Identify service-plus options and locations appropriate to the park's natural and cultural resources, the park management objectives, the market segment identified and the level of demand.

Based on this baseline information, it would be possible to develop a tailored and comprehensive business plan for "service-plus" options that includes measurable objectives, cost recovery goals, and check-in points to ensure cost recovery strategies are bringing in more resources than they are expending. Such a plan will also allow aligning "service-plus" options to the Regional Parks Strategic Plan mandate and other key CRD strategic plans and strategies.

9. Implementation Timeline

A tentative implementation timeline is proposed for the Revenue Generation Strategy. Such a plan will be adopted based on other key strategies deliverable timelines (i.e., renewal Regional Parks Strategic Plan 2012-2021, outdoor recreation strategy) and based on consultation with local municipalities, electoral areas and other key stakeholders.

Table 6: Proposed timeline for the Revenue Generation Strategy implementation

Year	Key component	Action Item
2021	Fees review	Bring updated service and fees bylaw to Regional Parks Committee
2021	Expand	Consultation about paid parking with stakeholders
2021	Service Plus	Start to gauge support for fee-based services through the 2021 CRD Regional Parks Resident Survey or an ad-hoc survey
2022	Expand	Finalize paid parking stakeholder consultation and present implementation plan to Regional Parks Committee
2022	Service Plus	Undertake a market analysis
2023	Expand	Implement seasonal paid parking at new locations
2023	Service Plus	Identify appropriate service-plus options and locations
2024	Service Plus	Develop a comprehensive service-plus business plan for implementation