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**REPORT TO REGIONAL PARKS COMMITTEE
MEETING OF WEDNESDAY, FEBRUARY 24, 2021**

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

ISSUE SUMMARY

To seek direction on the proposed Revenue Generation Strategy 2021-2024 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 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 (Appendix B) and the Regional Parks Revenue Generation Review (Appendix C) were presented. At this 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.

ALTERNATIVES

Alternative 1

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

1. That the Capital Regional District Regional Parks Revenue Generation Strategy 2021-2024 be approved with a gradual implementation of parking fee changes over three years, including the expansion of seasonal paid parking to nine additional regional parks in 2022;
2. 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 the Capital Regional District Regional Parks Revenue Generation Strategy 2021-2024 be approved with alternate options, as provided in the Revenue Generation Strategy 2021-2024 (Options) (Appendix A), and that staff bring back an amendment to the Capital Regional District Parks Services and Facilities Fees and Charges Bylaw No. 3675 in 2021.

IMPLICATIONS

Financial Implications

Staff’s recommended option for parking fee changes is 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.

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

	Short-Term (2 hours)	Daily	Season
2020	None	\$2.25	\$20.00
2021	\$2.00	\$4.00	\$30.00
2022	No change	\$5.50	\$45.00
2023	No change	\$7.00	\$60.00
2024	No change	No change	No change

Projected revenues for year-round paid parking along with the expansion of paid parking to nine regional parks (see Table 2), could ultimately generate \$2.5 million in annual revenue at the fair market value rates. This year-round paid parking option would defeat the capacity-driven approach to application of paid parking suggested in the Revenue Generation Strategy. Furthermore, year-round paid parking may or may not be economically viable for a parking management service provider. Therefore, staff are recommending seasonal paid parking for nine regional parks. Projected revenues for seasonal paid parking along with the expansion of paid parking to nine regional parks, could ultimately generate \$1.9 million in annual revenue. 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. The Regional Parks Committee’s request for other paid parking options are identified in Appendix A.

Staff recommend that a camping fee of \$25 be implemented across regional parks campgrounds. This would create consistent camping fees for regional parks campgrounds as well as bring current fees up to fair market value. A \$25 camping fee could ultimately generate \$15,000 in additional annual revenue.

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. Preliminary numbers show that 2020 recorded

unprecedented visitation numbers, which may continue even after the pandemic, as residents created new habits of use and/or discovered new regional parks.

To address increasing pressures on the regional parks and trails system as well as the direction of the Regional Parks Committee, an accelerated paid parking option is provided (see Table 2). After 2024, the regional parks without paid parking would be reassessed for implementation of parking fees. Albert Head Lagoon and Island View Beach regional parks parking lots are not located on CRD land. Discussion with the respective municipalities will be undertaken in 2021 to discuss the feasibility of implementing paid parking in these locations.

Table 2: Recommended additional regional parks with paid parking in 2022.

Regional Park	Visitation in 2019
Devonian	64,693
East Sooke	208,121
Elk/Beaver Lake	1,587,494
Francis/King	76,550
Horth Hill	96,216
Matheson Lake	65,152
Mill Hill	51,913
Mount Work	196,607
Witty's Lagoon	98,046

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 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 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, & 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. By implementing strategic and tailored revenue strategies, CRD Regional Parks can address immediate and growing service delivery pressures and help to reduce the ongoing need for increased requisition.

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. 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. Additional options for implementation have been provided through the Regional Parks Revenue Generation Strategy 2021-2024 (Options).

RECOMMENDATION

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

1. That the Capital Regional District Regional Parks Revenue Generation Strategy 2021-2024 be approved with a gradual implementation of parking fee changes over three years, including the expansion of seasonal paid parking to nine additional regional parks in 2022;
2. 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: Revenue Generation Strategy 2021-2024 (Options)
- Appendix B: Regional Parks Revenue Generation Strategy 2021-2024
- Appendix C: Regional Parks Revenue Generation Review