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REPORT TO REGIONAL PARKS COMMITTEE MEETING OF WEDNESDAY, APRIL 28, 2021

SUBJECT **Sustainable Funding Model for Future Land Acquisitions**

ISSUE

To address resource funding required to sustain future land acquisitions.

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 Capital Regional District (CRD) Regional Parks service delivery. At the October 23, 2019 meeting, staff presented sustainable service delivery report cards that identified that financial and human resources were no longer sufficient to meet current asset renewal demands. That 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 that sufficient funding is in place in future years to sustain the Regional Parks service.

At its November 13, 2019 meeting, the Board approved an extension to the Land Acquisition Fund (LAF) for 10 years. At its October 28, 2020 meeting, the Board approved a \$1 increase per average residential household every year from 2021 until 2025. The Board did not support utilizing the LAF to resource increased costs associated with the additional land acquisitions.

Increases in the regional parks land base come with costs at the time of acquisition, as well as later on when implementing an approved management plan for the area. As soon as land is acquired, the CRD has a responsibility to manage the land to ensure visitor safety and park values are protected; therefore, all costs associated with the acquisition of properties need to be made available for immediate site management needs.

Costs associated with land management will vary widely based on the size of the land, the amount of development already on the land and where the land is located relative to the CRD Regional Parks' service yards and offices. To understand the real costs associated with managing, developing and maintaining a new property, staff have developed a cost sheet that identifies many of the individual one-time costs associated with immediate management needs as well as some of the ongoing costs that are associated with maintaining park assets (Appendix A).

In addition to the costs described within Appendix A, there are incremental costs associated with supporting new land acquisitions. Support services such as First Nations Relations, park planning, ecological biology, GIS, management and administration increase with each acquisition. For each new land acquisition a detailed unique cost schedule for immediate management needs will be brought forward.

All draft management plans presented to the Regional Parks Committee will identify a cost schedule for plan implementation. This cost schedule will form part of the draft management plan for consideration during the decision-making process (Appendix B), including any additional staffing resources that are required.

ALTERNATIVES

Alternative 1

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

1. That all future recommended regional park land acquisition purchases include a detailed unique operating cost schedule until a management plan is completed, and all draft management plans presented to the Regional Parks Committee will identify a cost schedule for plan implementation.
2. That costs required for future property acquisitions be identified within the subsequent Capital Regional District Regional Parks Financial Plan.

Alternative 2

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

IMPLICATIONS

Financial Implications

The acquisition of new land requires additional resources for its securement, protection and management. These costs are not included in the estimated costs when acquiring land for CRD Regional Parks. These costs have historically been absorbed through the Regional Parks' core budget. Increases in the annual requisition that account for new acquisition costs will be required in each year where new lands are purchased. Requests for funding to support new land acquisitions will be made through the budgeting process. The requested increases will vary depending on the complexities associated with the lands and depending on how many staffing resources are required.

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 LAF 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, update the Regional Parks Plan and a zero based budget exercise for regional parks.

Social Implications

From 2010 to 2020, visits to regional parks and trails have increased by more than 60% from 5.2 million in 2010, to 8.5 million in 2020. Public expectations are that lands purchased to become regional parks will be made accessible to the public and will provide some level of recreational service even before park management planning processes are completed. Without the resources required to operate newly acquired park lands, existing parks will continue to face capacity issues that will have implications for both park values and quality visitor experience.

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.

If newly acquired lands are not actively managed and developed for visitor use, those lands may be at risk of being used by the public without appropriate guidance and oversight. This has the potential to impact culturally sensitive sites as well as sensitive ecosystems and their related federally and provincially protected species.

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.

CONCLUSION

At its November 13, 2019 meeting, the Board approved an extension to the Land Acquisition Fund (LAF) for 10 years and did not support utilizing the LAF to resource increased costs associated with additional land acquisitions. With increasing park use and the addition of more land, there will be ongoing pressure on the regional parks budget. Staff will provide a summary of expected costs associated with each new land acquisition. An increase in the requisition would be required beyond the projected increase in the operational budget.

RECOMMENDATION

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

1. That all future recommended regional park land acquisition purchases include a detailed unique operating cost schedule until a management plan is completed, and all draft management plans presented to the Regional Parks Committee will identify a cost schedule for plan implementation.
2. That costs required for future property acquisitions be identified within the subsequent Capital Regional District Regional Parks Financial Plan.

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: Cost Estimates for Resources required to Secure, Develop and Manage New Land Purchases

Appendix B: Cost Estimates for Resources required to Develop and Manage New Assets associated with Management Plan Implementation