Revenue Generation Review

Capital Regional District – Regional Parks | November 25, 2020

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Executive Summary

- This report is a snapshot of the revenues generated by Regional Parks in 2019. It provides information on similar permits and fees used across British Columbia and other Canadian protected area systems for revenue generation and offers suggestions on how we could align with those. A total of $576,468 was recovered in 2019.
- Permits are used to generate revenue and regulate commercial and recreational activities within the regional parks and trails system. The following permits are currently available: shelters ($40), filming ($80-$400), commercial service/activity ($40-$320), special event ($40-$160), temporary access ($80), and commercial dog walker ($320). In 2019, a total of $27,686 was generated through permits. If the CRD had adjusted the pricing of its current permits in 2019 to be in line with other comparable park system permits, the revenue generation would have increased from $27,686 to $54,167, an additional cost recovery of $26,481.
- Camping is offered at Jordan River Regional Park ($15), Island View Beach Regional Park ($20), and Spring Salmon Place (KWL-UCHUN) at Sooke Potholes Regional Park ($25). In 2019, a total of $99,954 was generated through camping fees. The Spring Salmon Place (KWL-UCHUN) Campground revenues are not collected by Regional Parks, as this campground is operated by the T'Sou-ke Nation. If the CRD had adjusted the pricing of its current camping fees to be in line with other comparable park system offerings, Jordan River and Island View Beach campgrounds could raise their prices to $22 a night.
- Currently, only Thetis Lake and Sooke Potholes regional parks ($2.25/day-$20/season) have paid parking. The approximate revenue generated in 2019 was $190,647. If the CRD had adjusted the pricing of its current parking fees to be in line with other comparable park systems, the daily rate could increase to $7.20 and the season pass to $59. If the CRD had adjusted the pricing of its current parking passes in 2019 to be in line with other comparable park system fees, the revenue generation would have increased from 190,647 to 601,605, an additional cost recovery of 442,249.
- School programs ($70), special request programs ($70), and adult workshops ($7) are offered as paid interpretive programs. Additional cost recovery is generated through the renting of the Beaver Lake Nature Centre and by receiving donations by visitors to the nature centres. In 2019, a total of $10,072 was generated by the interpretive programs. If the CRD had adjusted the pricing of its current interpretive programs in 2019 to be in line with other comparable park systems, the revenue generation would have increased from $10,072 to $15,698, an additional cost recovery of $5,626.
- There are a series of properties within the regional parks system that are rented for a yearly revenue generation of $99,747. Additional revenue can be generated through the review of the current rental rates in the different rental locations across the system. However, operational costs associated with rentals is quite high and, although this does generate some revenue, the ongoing operational costs must be considered.

- Other sources of revenue are currently used for cost recovery, such as the Mount McDonald Tower Licensing, which generated $109,775 in 2019, and other licensing, which generated $12,497 in 2019.
- A limitation of this document is the lack of a cost-of-service assessment, which should be undertaken to ensure the cost of all park management related endeavours and services provided are properly accounted for when charging fees.
- The complete park system should be assessed to identify in which parks to focus revenue generation. Strategically concentrating services and service fees in parks that attract a higher number of visitors and commercial users allows Regional Parks to maximize the return on investment and may solve issues related to limited service, such as parking capacity. Revenue generation should be especially explored in an optic of "service plus", the value-added services Regional Parks can offer to better serve its clients. Such an approach would allow us to market experiences based on user groups and their preferences for service delivery and would help develop more successful revenue generation streams. A thorough market analysis of the regional park system is required to identify new and ad-hoc revenue generation methods.

1. Introduction

Cost recovery strategies are increasingly important to park and protected area managers, especially in the context of rising public demand for access to natural areas and outdoor recreation opportunities, and growing annual operating costs to provide such access and recreational services (Drumm, 2007). 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 (Clermont, 2006). The establishment and preservation of protected areas is not as clearly linked with revenue generation as other natural resource industries, making the contribution of parks and protected areas to regional economic growth undervalued and less of a priority (Lindberg, 2001). On top of this lack of recognition of the ecosystem services and direct and indirect benefits provided by protected areas to the economy and human wellbeing, some members of the public believe that natural landscapes 'manage themselves', and that human management of parks and protected areas is expensive and unnecessary (Clermont, 2006). Consequently, park and protected area managers across Canada and the United States are working to diversify cost recovery streams in an effort to supplement or replace government funding and overcome negative perceptions about maintaining protected areas through public funds.

To offer a better understanding in regard to revenue generation in protected areas, in general, and for Regional Parks specifically, this document offers an overview of existing literature and case studies on revenue generation in Canada and the United States. A summary of the current cost recovery mechanisms employed in Regional Parks follows. Comparisons with other regional districts and protected area systems are also provided to understand current revenue generation patterns in British Columbia.

2. Literature Review – Cost Recovery in Parks and Protected Areas

This section will provide an overview of case studies in Canada and the United States where cost recovery strategies were successfully implemented. These case studies provide guiding principles that maximize cost recovery efforts. An overview of the International World Conservation Union guidelines for financing protected areas is also offered to further expand the understanding around opportunities available for revenue generation (Phillips, 2000).

Only a few case studies on revenue generation in protected areas were found for Canada and the United States, which are described in the following sub-sections. All of the other revenue generation documents found were related to municipal recreation programs, which did not align with protected area users, patterns and demands.

2.1 Cost Recovery in Canadian Parks and Protected Areas

2.1.1 Mount Arrowsmith Biosphere Reserve

In 2006, a case study was undertaken to identify financing opportunities for Mount Arrowsmith Biosphere Reserve located near Nanaimo on Vancouver Island. The goal of the case study was to evaluate how to meet the financial needs of the park while achieving the protected area conservation management objectives (Clermont, 2006). To develop durable cost recovery strategies, Clermont worked with local communities to assess the value added to the region by the ongoing preservation of the Mount Arrowsmith Biosphere Reserve, and ascertain which types of cost recovery strategies were supported by the communities, based on willingness to pay, environmental values, and desire to ensure equitable accessibility. Acceptable strategies were described as ones positively impacting the ecological integrity of the landscape, contributing to a conservation ethic, providing stable long-term funding, generating revenue, and supported by the public and other stakeholders. A series of possible strategies were identified, including:

- certified adventure tourism and ecotourism operations
- boundary and property transfer taxes for those accommodations and bordering properties that benefited from the presence of the protected areas, as well as local tourism operations
- rentals of on-site buildings for short-term accommodation and/or community events and programs
- corporate relationships
- conservation lotteries
- payment for watershed services and ecosystem services
- sale of products such as artwork, on-site gift shops, and calendars; and
- strictly regulated resource extraction (timber, non-timber products).

While the specific strategies identified in this study may not be applicable in other protected areas, the analysis conducted and the description offered about the different revenue generation opportunities is of great interest for other parks, as they can help better understand what options are available for protected areas interested in generating sustainable and long-term funding mechanisms.

2.1.2 Ontario Parks

Since the late 1990s, Ontario Parks (see https://www.ontarioparks.com/en) has undergone a significant transformation of its funding structure. As of 2007, 40 of the 85 provincial parks that run tourism and recreation operations operate at a profit (Halpenny, 2007). As of 2013, Ontario Parks recovers up to 80% of its annual operating costs (Eagles, 2014). Due to this success, the provincial government has withdrawn most of its original funding for the Ontario Parks department without adverse effects on park operation or ecological integrity. This success is attributed largely to the impact of market research, the integration of

market research into park operations, the skilled delivery of services by personnel, and the systematic evaluation of the performance of market program goals (Halpenny, 2007). Additionally, the Ontario Parks revenue stream grew from 11 sources in 1995 to 26 sources in 2010, including the additions of: reservation penalties, park fines, merchandise sales, campfire wood sales, camper supply sales, food/beverage vending, recreation equipment rentals (contracted out in some parks), parking fees, and annual vehicle permits (Eagles, 2014). Ontario Parks also transitioned away from contracting third-party operators to undertake some merchandise sales and rental services and used their own seasonal staff, thus retaining more of the revenue generated (Eagles, 2014).

When Ontario Parks decided to undertake an expansive cost recovery strategy, they followed a three-step process: they identified the market segments they wished to serve based on management objectives and park resources, built a market profile for each segment (i.e., each customer/user group and/or stakeholder group), and used targeted marketing rather than mass marketing to reach these audiences, with options for experiences tailored specifically to their tastes. In addition to expanding their offerings based on market research (e.g., adding heated shelters and cabins to campgrounds, expanding natural and cultural interpretive programs), Ontario Parks also shifted to a 'customer first' mentality that resulted in the delivery of higher-quality visitor experiences. Paired with strong, department-specific branding and increased promotion of the wide array of experiences available in the provincial park system (e.g., the annual Parks Guide), these adjustments resulted in increased visitation and an increased willingness by visitors to spend money on services (e.g., camping, recreation activities and equipment rental) (Halpenny, 2007).

2.1.3 Parks Canada

While we were not able to retrieve a study or report about revenue generation for Parks Canada, it is important to mention this agency's efforts and success in generating financial support for its protected areas system through a "value-added" approach of experiencing Canadian National Parks.

According to the Parks Canada website: "To maintain its operations, Parks Canada relies largely on government appropriations and supplements its budget with revenues from user fees. Government appropriations are used primarily to protect Canada's cultural and natural heritage for the benefit of all Canadians. Revenues generated by fees partially recover the costs required to provide those products and services, for which users receive a personal benefit" (see https://www.pc.gc.ca/en/agence-agency/tarifs-fees/).

Parks Canada specifies that visitor fees, which make up about 20% of Parks Canada's operating budget and never exceed the costs of delivering the service, are collected and used to support programs, services, and facilities, and engage visitors in conservation efforts. In January 2020, this agency has adjusted such fees and announced a public consultation on fees for optional value-added services and amenities to

ensure Parks Canada provides exceptional visitor experiences. No further information is available regarding whether the consultation has taken place or has been postponed due to COVID-19.

2.2 Cost Recovery in the United States Parks and Protected Areas

2.2.1 California State Parks

In 2012, the state of California passed new legislation that emphasized the need for cost recovery in state parks. Two years later, the California Bureau of Research assessed the California Department of Parks and Recreation's (DPR) efforts, in order to identify areas of success and areas of opportunity. This report found that 15% of parks (particularly parks with water features) contributed to over 76% of the costs recovered between 2012 and 2014, which suggested that concentrating cost recovery strategies on a few popular parks was more likely to be successful than a widespread strategy (Ruffolo and Buttice, 2014). This report also found that entry fees were perceived to be an inequitable means of recovering costs, as they impacted some segments of the public disproportionately, and proved difficult to regulate or enforce without expending more resources than were collected (Ruffolo and Buttice, 2014). Instead, the DPR experienced success when focusing on service-related fees that specifically benefitted the visitor paying for them (e.g., outdoor recreation activities, equipment rental) – as long as an adequate cost-of-service assessment was undertaken and used to determine appropriate fees. The cost-of-service assessment did include the cost of employees' time allocated to the service, equipment, and indirect costs (e.g., contract management, strategic planning, ecological impact) to ensure that more resources were collected via fees than expended by providing the service (Ruffolo and Buttice, 2014).

To determine which parks to focus cost recovery efforts in, the DPR categorized parks into three categories: high private benefit (i.e., individual services offered), high public benefit (i.e., activities not associated with an individual service, such as nature viewing), and a combination of both. Cost recovery strategies were focused in the high private benefit parks, where structured recreational activities, equipment rentals, and higher expectations for visitor services (e.g., concession) were apparent (Ruffolo and Buttice, 2014). Conversely, parks with high public benefit generated minimal or no fees, to ensure that the public's right to access natural spaces without barriers was upheld. As a result, service fees were 'opt-in' rather than mandatory, allowing economically disadvantaged members of the public to access state parks at a similar rate as their economically-privileged counterparts. Finally, this report noted that visitors were happier to pay park fees when informed that 100% of the fees collected were reinvested in the park system rather than entering a general revenue stream (Ruffolo and Buttice, 2014).

2.2.2 Western United States

In 2015, cost recovery strategies were identified and evaluated across seven parks and recreation departments in the Western United States to identify the most successful strategies to employ in San Jose,

California (Pinkston, 2015). While this report looked primarily at urban parks and municipal recreation programs, some of the lessons learned are applicable to a regional parks system. In particular, this report found that parking was one of the most consistent cost recovery mechanisms in all seven cities, followed by food vendors and recreation service operators (Pinkston, 2015). Additionally, the departments generally found that increasing existing fees was well-received by the public if clear need was demonstrated by a cost-of-service analysis and if the allocation of proceeds was explicitly identified (i.e., signage explaining that all parking fees were reinvested in the maintenance of the park) (Pinkston, 2015). The public was also more likely to accept fee increases if the offerings were still competitive with private options, as was the case with increasing the fee for a park wedding permit while still offering a significant discount over private venue rentals (Pinkston, 2015).

2.3 Financing Protected Areas – International World Conservation Union Guidelines

In 2000, The World Commission on Protected Areas produced a comprehensive guideline for protected area managers seeking revenue generation mechanisms to fund parks and protected areas around the world (Phillips, 2000). The report deliberately adopts business language, describing parks as "goods and services", and park visitors as "customers", to emphasize the relationship between members of the public (customers) and the benefits (goods and services) that they receive because of parks and protected areas, and the need to assign monetary value to these transactions. Like the aforementioned case studies, this report delineates direct use benefits (benefiting the individual) and indirect use benefits (benefiting the public as a whole), and assigns a higher monetary value to the former. This report also clusters park visitors into four groups: residents and neighbours (including neighbouring businesses), commercial customers (tourists and visitors who purchase services), bio-regional customers, and global customers. Identifying these customer groups, as well as the nature of the goods and services provided by protected areas, will help managers identify how to manage protected areas in order to recover costs.

Local communities and businesses derive direct benefits in the form of accessing goods and services, and indirect benefits in the form of regional economic growth resulting from tourism or recreation industries (e.g., accommodations, recreation operators, tourist amenities). These customers may be willing to invest in protected areas through a variety of mechanisms, including: contracting recreation operators or selling permits to operate within protected area boundaries; divesting a small percentage of revenue into a park fund (e.g., 2% of hotel fees or recreation equipment sales), or selling merchandise or products that benefit the park system (Phillips, 2000).

Commercial customers, who derive direct benefits from the use of parks to recreate in or obtain services, can contribute to cost recovery through fees ranging from entry and parking fees to equipment rentals, specialized tours, and concession purchases. To maximize this source of revenue, Phillips recommends market research to clearly identify the customer base preferences and to ensure that meeting this

preference does not compromise the conservation mandate of the protected area (2000). The best source of commercial revenue is a service that is compatible with the park's natural resources, the park manager's conservation mandate, and the customer's preference.

Bio-regional and global customers are largely identified as those who receive indirect, non-use benefits from parks and protected areas, such as carbon sequestering or watershed services. While some fees may be appropriate, they are likely beyond the scope of a municipal or regional government's mandate, and thus will not be discussed in detail in this report.

To better identify stakeholders, customers, and goods and services (current and future), the International World Conservation Union outlines the following key questions:

1. What are the current courses of funding? Can they be relied on indefinitely? What can be done to increase, extend, or strengthen each one of them?
2. Who are the protect area's stakeholders and customers? Which recreational user groups use each park? Tourists? Tourism service operators? Campers? What do they currently contribute to the cost of managing these areas, and could they contribute more?
3. What services are currently being provided? Do users pay for these services? Do these fees cover the cost-of-service? Would users pay more, and under what conditions?
4. What new services could be provided? What is the likelihood of their profitability?
5. What organizations are interested in the conservation of this area? Can they be partnered with?
6. Has the government considered special taxes? Are there one or two key leaders who might be instrumental in the establishment of a 'conservation sales tax' or similar?

This report also calls for a comprehensive business plan, including measurable objectives and cost recovery goals, and check-in points to ensure cost recovery strategies are bringing in more resources than they are expending (Phillips, 2000).

3. Current Cost Recovery Mechanisms

In 2019, a total of $576,468 was recovered by Regional Parks. For the purpose of this report, grants and fines are not included in the recovery cost calculated in this section. Grants are not considered as a revenue generation mechanism because such financial support varies between years, based on grant availability and success, making this recovery mechanism unreliable. Fines, instead, are used to foster behavioural changes. With the help of educational campaigns, the aim is to foster compliance to bylaws and positive behaviours in regional parks and trails, leading to a reduction in fines-related revenues over time. In Table 1, a detailed description of the overall revenue generated in 2019 is reported. In the following sections, a detailed description of each type of recovery cost is documented.

Table 1: Regional Parks cost recovery in 2019

Type of recovery cost	Cost recovery
Permits	$27,686
Camping	$99,954
Parking	$190,647
Interpretive programs	$10,072
Donations	$356
Nature Centre rental	$3,750
Rentals	$99,747
Tower licencing	$109,775
Other cost recovery	$34,481
Total costs recovered	**$577,992**

3.1 Permits

Permits are used to generate revenue and regulate commercial and recreational activities within the regional parks and trails system. The following permits are currently available to the public:

1. Shelter for a permit fee of $40
2. Filming for a permit fee of $80 for less than 5 days and $400 for no more than 10 days of filming
3. Commercial service/activity for a permit fee of $40 for one-day, $200 for 4 months and $320 for an annual permit
4. Special event for a permit fee of $40 for one-time and $160 for 10 events or less. The permit fee is not applied if all participants of the event are less than 18 years old.
5. Temporary access for service for a permit fee of $80 per day; and
6. Commercial dog walker for a permit fee of $320 per year

In 2019, a total of $29,686 was generated through permits. Table 2 shows in detail all of the recovery costs generated through each permit type currently used by Regional Parks.

Table 2: Regional Parks cost recovery through permits in 2019

Permit	# of permits	Fee	Cost recovery
Commercial dog walker	37	$320	$11,840
Access	10	$80	$800
Event (one-time)	64	$40	$2,560
Event (> 10 or less events/year)	14	$160	$2,240
Film (short-term)	11	$80	$880
Film (long-term)	1	$400	$400
Shelter rental	140	$40	$5,600
Commercial (4 month season)	4	$200	$800
Commercial (annual)	12	$320	$3,840
Total costs recovered			$28,960

To understand how permits relate to broader provincial revenue generation patterns, we compared permit fees used in parks in the Regional District of Nanaimo, Metro Vancouver Regional District and the Regional District of Central Okanogan (Table 3). These comparative locations were chosen due to their geographic location and similarity in population demographics. An average cost was calculated using the mean value per permit fee for the four comparative locations selected.

Table 3: Comparison of permitting fees for CRD Regional Parks (CRD), Regional District of Nanaimo (RDN), Metro Vancouver Regional District (METRO), and Regional District of Central Okanogan (RDCO)

	CRD	RDN[1]	METRO[2]	RDCO[3]	Average
Shelter	$40	$50	$72	$40	$50.50
Commercial permit – recreation activity – day rate	$40	$100	150	$40	$82.50
Commercial permit – 4 month season	$200	n/a	$300	$150	$216.70
Commercial permit - annual	$320	n/a	$300	$250	$290.00
Event – small/one day	$40	$100 ($15 non-profit /sport)	$335 (day)	$100	$143.75
Event – Medium/large/ 10 or less events/year	$160	n/a	$500-1485 (day)	$200-400	$484.20
Weddings	n/a	$100	n/a	$250	$175.00
Dog walking	$320		$460-765 annual		466.25
Filming	$80-400 (1-10 days)	$250 (per permit)	$800-8000 (1-10 days)	$200 -400 (1-10 days)	$332.50-2,262.50
Access annual fee	$80	$500	$500	n/a	$360.00

It is important to point out that weddings are listed under the general category "Events", which corresponds to $40 a day.

If the CRD had adjusted the pricing of its current permit offerings in 2019 to be in line with the average calculated based on the other locations considered, the revenue generation would have increased from $27,686 to $54,167, an additional cost recovery of $26,481. In Table 4, a detailed description of recovery costs adjusted to the averages based on the other locations considered is reported.

[1] https://www.rdn.bc.ca/sites/default/files/2019-03/park_use_permit_application_form.pdf

[2] http://www.metrovancouver.org/boards/Bylaws1/GVRD_Bylaw_1177-Unofficial_Consolidation.pdf

[3] https://www.regionaldistrict.com/media/256802/bylaw1428.pdf

Table 4: Regional Parks cost recovery through permits in 2019 and cost recovery if the permit were in line with the average based on the other locations considered.

Permit	# of permits	Current fee	Current cost recovery	Fee based on regional average	Cost recovery based on average
Commercial dog walker	37	$320	$11,840	$466.25	$17,251.25
Access	10	$80	$800	$360.00	$3,600.00
Event (one-time)	64	$40	$2,560	$143.75	$9,200.00
Event (> 10 or less events/year)	14	$160	$2,240	$484.20	$6,778.80
Film (short-term)	11	$80	$880	$332.50	$3,657.50
Film (long-term)	1	$400	$400	$2,262.50	$2,262.50
Shelter rental	140	$40	$5,600	$50.50	$7,070
Commercial (4 month season)	4	$200	$800	$216.70	$866.80
Commercial (annual)	12	$320	$3,840	$290.00	$3,480.00
Total costs recovered			$28,960		$54,166.85

3.2 Camping

The current camping offerings are:

1. Jordan River: $15/night + $5/extra vehicle (May-September), $10/night + $5/ extra vehicle (October-May)
2. Island View Beach: $15/night + $10 per extra vehicle; $20/night for RVs
3. Spring Salmon Place (KWL-UCHUN): $25/night + $10 extra vehicle; $15/night bike/walk-in; $7 firewood

In 2019, a total of $99,954 was generated through camping fees. Specifically, a total of $24,557 was generated by the Jordan River Campground and $75,397 was generated by the Island View Beach Campground. The Spring Salmon Place (KWL-UCHUN) Campground revenues are not collected by Regional Parks, as this campground is operated by the T'Sou-ke Nation.

To understand how camping fees relate to broader Vancouver Island revenue generation patterns, we compared camping fees used in parks close to our regional parks system, such as Goldstream Provincial Park, China Beach Campground in Juan de Fuca Provincial Park, Horne Lake Regional Park, Descanso Bay

Regional Park and Bamberton Provincial Park (Table 5). These comparative locations were chosen due to their geographic location and similarity with CRD Regional Parks. An average cost was calculated using the mean value per camping offering for the six comparative locations selected.

Table 5: Comparison of permitting fees for CRD Regional Parks (CRD), Goldstream Provincial Park (GP), China Beach (CB), Horne Lake Regional Park (HL), Descanso Bay Regional Park (DB), and Bamberton Provincial Park (BP)

	CRD	GP	CB	HL	DB	BP	Average
High season (May-September)	$15-25	$35	$20	$20-24	$17	20	$22
Cost per extra vehicle high season	$5-10	$12	$10	n/a	$8.50	n/a	$9.50
RVs	$20	n/a	n/a	n/a	n/a	n/a	$20
Low season (October-May)	$10	$13	n/a	$10	$10	$11	$10.80
Cost per extra vehicle low season	$5	n/a	n/a	n/a	$5	n/a	$5

If the CRD had adjusted the pricing of its current camping fees to be in line with the average calculated based on other locations considered, Jordan River and Island View Beach campgrounds could raise their prices to $22 a night.

A summary of camping fees cost recovery in line with the other parks systems considered is not provided, as the CRD Regional Parks 2019 camping recovery costs diverges from those by including both camping fees and extra vehicle fees.

3.3 Parking

Only two regional parks currently have paid parking from May 1 – September 30:

1. Thetis Lake Regional Park: $2.25/day OR $20/season
2. Sooke Potholes Regional Park: $2.25/day OR $20/season

The approximate revenue generated in 2019 was $190,647, with $153,577 collected at Thetis Lake Regional Park and $37,070 at Sooke Potholes Regional Park. Collection is through contracted services and the service provider switched to a pay-by-plate system in 2019, which led to increased revenue. Of note, the $20 season's pass is valid for both regional parks that have pay parking in effect.

To understand how parking fees relate to broader revenue generation patterns, we compared parking fees used in parks in Saskatchewan Regional Parks, Metro Vancouver Pacific Spirit Regional Park, North Vancouver Regional Parks, Algonquin Provincial Park (APP) and Island 22 Regional Park in Fraser Valley Regional District (Table 6). These comparative locations were chosen due to their similarity with CRD

Regional Parks. An average cost was calculated using the mean value per fee for the seven comparative locations selected.

Table 6: Comparison of parking fees for CRD Regional Parks (CRD), Saskatchewan Regional Parks (SRP), Metro Vancouver Pacific Spirit Regional Park (MVPSRP), North Vancouver Regional Parks (NVRP) Algonquin Provincial Park (APP) and Island 22 Regional Park in Fraser Valley Regional District (I22RP).

	CRD	SRP	MVPSRP	NVRP	APP	I22RP	Average
Hourly	n/a	n/a	$1.50	n/a	n/a	n/a	$1.50
Daily	$2.25	n/a	$7.50[4]	$3.00	$15.50-21.00	$5	$7.2
Season pass	$20	$45	n/a	$30	$175.00	$25	$59

If the CRD had adjusted the pricing of its current parking fees to be in line with the average calculated based on the other locations considered, the daily rate could increase to $7.20 and the price for a season's pass could rise up to $59.

If the CRD had adjusted the pricing of its current parking in 2019 to be in line with the average calculated based on the other locations considered, the revenue generation would have increased from $190,647 to $601,605, an additional cost recovery of 410,958. In Table 7, a detailed description of recovery costs adjusted to the averages based on the other locations considered.

Table 7: Regional Parks pay parking cost recovery in 2019 compared to cost recovery if the rates were in line with an average based on other locations.

Pay Parking	# passes	Current Fee	Current cost recovery	Fee based on regional average	Cost recovery based on average
Daily	69,683	$2.25	$156,787	$7.20	$501,718
Season pass	1,693	$20	$33,860	$59	$99.887
Total Costs Recovered	n/a	n/a	$190,647	n/a	$601,605

[4] http://www.metrovancouver.org/boards/Bylaws1/GVRD_Bylaw_1177.pdf

3.4 Interpretive Programs

Three different interpretive programs are offered that generate revenue:

1. School programs for a fee of $70 per program
2. Special request programs for a fee of $70 per program
3. Special workshops for a fee of $7 per participant.

All other interpretive programs and events are free to attend. Additional cost recovery is generated by the interpretive program through the renting of the Beaver Lake Nature Centre and by receiving donations by visitors to the nature centres. In 2019, a total of $13,625 was generated by the interpretive program. The recovery costs generated through each interpretive program currently used are reported in Table 8.

Table 8: Regional Parks interpretive program cost recovery in 2019.

Program type	Cost recovery
School programs, special request programs and special workshops	$9,464
Rental of Beaver Lake Nature Centre	$3,750
Donations	$356
Recovery cost	$55
Total costs recovered	$13,625

To understand how interpretive programs relate to broader revenue generation patterns, we compared interpretive programs used in Swan Lake Nature Sanctuary, Royal BC Museum, Shaw Centre for the Salish Sea, Fort Rodd Hill and Fisgard Lighthouse National Historic Sites, Goldstream Provincial Park, Rathtrevor Beach Provincial Park and Metro Vancouver Regional Parks (Table 9). These comparative locations were chosen due to their similarity with CRD Regional Parks. An average cost was calculated using the mean value per fee for the eight comparative locations selected.

Table 9: Comparison of interpretive programs fees for CRD Regional Parks (CRD), Swan Lake Nature Sanctuary (SL), Royal BC Museum (RBCM), Shaw Centre for the Salish Sea (SCSS), Fort Rodd Hill and Fisgard Lighthouse National Historic Sites (FRH&FLNHS), Goldstream Provincial Park (GPP), Rathtrevor Beach Provincial Park (RB) and Metro Vancouver Regional Parks (MVRP).

	CRD	SL	RBCM	SCSS	FRH & FLNHS	GPP	RB	MVRP	Average
Program for max 25 people for 1-3h	$70	$80-105	$99	$150	$83	$130-200	$130	$160	$118.63
Event per participant	$7	n/a	n/a	$6	$3.30	$5 - 10	$5 - 10	$15	$7.71

If the CRD had adjusted the pricing of its current interpretive programs in 2019 to be in line with the average calculated based on the other locations considered, the revenue generation would have increased from $9,464 to $15,698.22, an additional cost recovery of $6,234.22. In Table 10, a detailed description of recovery costs adjusted to the averages based on the other locations considered is reported.

Table 10: Regional Parks cost recovery through interpretive programs in 2019 and cost recovery if the interpretive programs were in line with the average based on other locations considered.

Interpretive Programs	# of Programs	Current Fee	Current cost recovery	Fee based on regional average	Cost recovery based on average
Program for max 25 people for 1-3h	127	$70	$8,890	$118.63	$15,066
Event per participant	82	$7	$574	$7.71	$632
Total Costs Recovered	n/a	n/a	$9,464	n/a	$15,698

3.5 Rentals

There are a series of properties within the regional parks system that are rented for a yearly revenue generation of $99,747. Additional revenue can be generated through the review of the current rental rates for the tenant in the different rental locations across the system. However, operational costs associated with rentals is quite high and although this does generate some revenue, the ongoing operational costs must be considered. Through the Asset Management Optimization Report, tenanted rental buildings are identified as a category of assets that have high life-cycle costs but are not critical to core service delivery.

3.6 Other Revenues

Other sources of revenue are currently used for cost recovery:

- Mount McDonald Tower Licensing, which generated $109,775 in 2019
- Other licencing, which generated $12,497 in 2019.

3.7 Recovery Cost over the Last Five Years

An overview of the costs recovered over the past five years by CRD Regional Parks is provided below to offer an overview of cost recovery patterns over a five-year cycle (Table 11 & Figure 1).

Table 11: Regional Parks cost recovery over the past 5 years

Type of recovery cost	2015	2016	2017	2018	2019
Permits	$11,165	$13,300	$13,100	$22,787	$27,686
Camping	$57,834	$62,651	$78,929	$95,759	$99,954
Parking	$88,538	$90,101	$100,688	$97,432	$190,647
Interpretive programs	$12,616	$15,513	$10,811	$11,760	$10,072
Donations	$336	$581	$374	$403	$356
Nature Centre rental	$5,780	$4,031	$4,031	$4,406	$3,750
Rentals	$45,914	$58,851	$89,610	$92,183	$99,747
Tower licensing	$120,020	$101,740	$101,740	$101,740	$109,775
Other licensing	$2,090	$14,055	$7,986	$7,153	$12,497

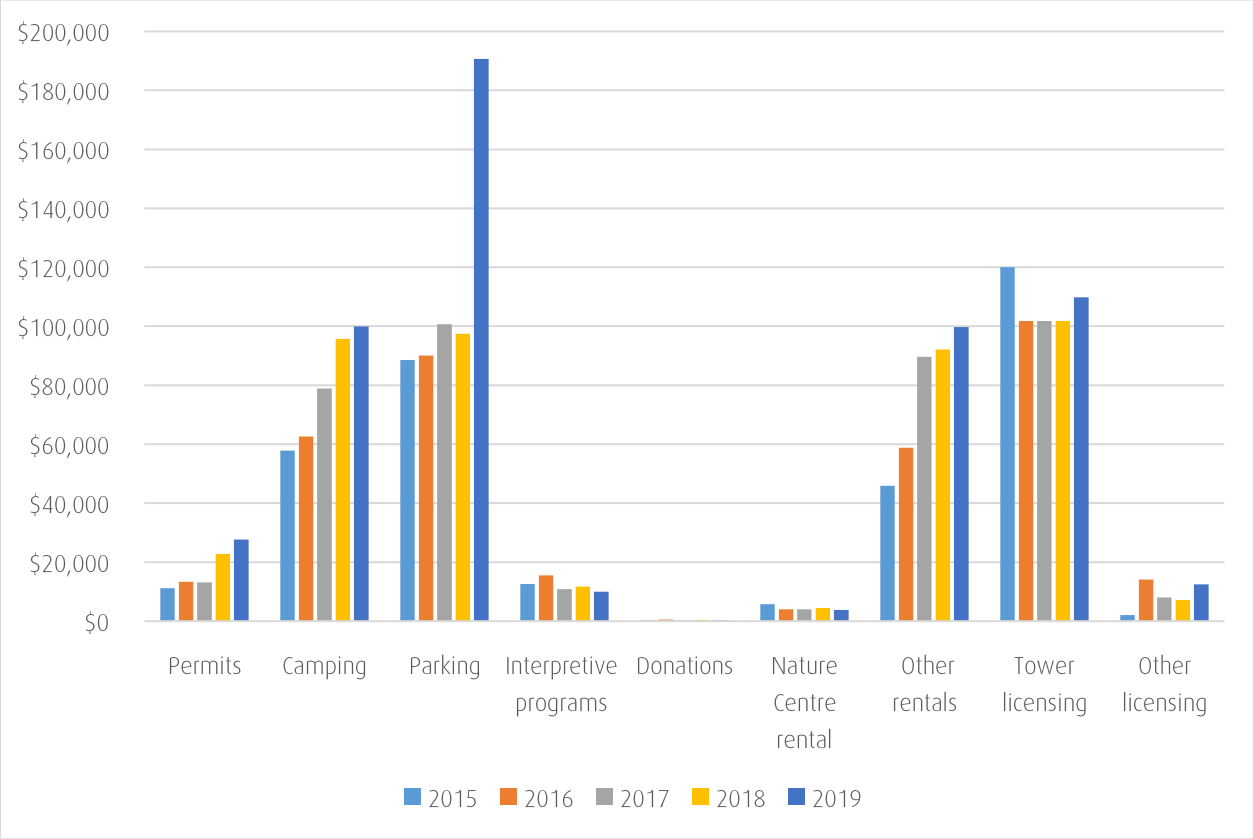

Figure 1: Regional Parks cost recovery over the past 5 years

4. Conclusion

This report is a snapshot of the revenues generated by Regional Parks in 2019. It provides information for similar permits and fees used across British Columbia and other Canadian protected areas systems for revenue generation and offers suggestions on how Regional Parks could align with those. A limitation of this document is the lack of a cost-of-service assessment, which should be undertaken to ensure the cost of all park management-related endeavours and services provided are properly accounted for when charging fees. For example, the operational costs associated with rentals is quite high (i.e., infrastructure maintenance), yet difficult to determine as it's embedded in the everyday work of parks staff. Gaps between costs-of-service delivery and fees received should be identified and used to review and accordingly adapt the current permits and fees of Regional Parks to market values.

Additionally, the complete park system should be assessed to identify in which parks to focus revenue generation. Strategically concentrating services and service fees in parks that attract a higher number of visitors and commercial users allows Regional Parks to maximize the return on investment and may solve issues related to limited service, such as parking capacity. Revenue generation should be especially explored in an optic of "service plus", the value-added services Regional Parks can offer to better serve its clients. Such an approach would allow for market experiences based on user groups and their service delivery preferences and would help develop more successful revenue generation streams. A thorough market analysis of the regional parks system is required to allow for the identification of new and ad-hoc revenue generation offers. Regarding the example of Ontario Parks, market research that helps tailor parks offerings to user demands would be of great support for the enhancement of revenue generation in regional parks.

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