

To: Regional and Corporate Services Committee

Date: 2020-07-14

From: David Urban, Manager of Outdoor Recreation Planning

File No: 1855-20-Outdoor Rec

Subject: 2019 FVRD Outdoor Recreation Economic Impact Analysis

RECOMMENDATION

THAT the Fraser Valley Regional District Board receive the 2019 Fraser Valley Regional District Outdoor Recreation Economic Impact Analysis;

AND THAT the study be shared widely with all project participants, member municipalities, local outdoor recreation organizations and Indigenous communities in order to ensure there is broad uptake of this first-ever analysis of the value of outdoor recreation in the region.

STRATEGIC AREA(S) OF FOCUS

Foster a Strong & Diverse Economy
Support Environmental Stewardship

PRIORITIES

Priority #5 Outdoor Recreation
Priority #4 Tourism

BACKGROUND

Outdoor recreation provides social and environmental benefits to residents of the region and visitors. The region's vast array of well-managed recreation areas and trails support healthy lifestyles, help families and communities come together, and bridge inter-cultural differences. Outdoor recreation in the region also provides a compelling reason to carefully manage the resources in this vast and varied geography, ensuring that these shared resources are sustainably managed for all uses including personal enjoyment and fulfillment. Carefully managed natural resources and high-quality recreation areas such as in the Fraser Valley Regional District (FVRD) are a primary component of community building, economic resilience, and are a key factor in drawing youth, families, skilled workers, and new immigrants to the region.

In 2017, the FVRD hosted a facilitated multi-stakeholder visioning workshop to discuss the future potential of outdoor recreation and tourism in the region. The workshop was developed to support the 2014-2018 FVRD Board Strategic Plan and its focus on building a strong, diverse economy by recognizing our strengths and building upon them. With an abundance of world-class natural assets, the FVRD is uniquely poised to assist in the growth of the region as a premier outdoor and backcountry recreation tourism destination, while at the same time building a stronger and more diverse regional economy. The workshop concluded with recommendations for various next steps, including:

- i. Undertaking a region-wide economic impact study to inform an outdoor recreation strategic plan and to support ongoing tourism marketing and economic development initiatives.
- ii. Develop a common vision through the development of an outdoor recreation strategic plan to guide the creation of a regional outdoor recreation tourism economy.

In alignment with these outcomes, the priorities outlined by the FVRD Strategic Plan 2014-2018, and with the support of the Board, the FVRD was successful in receiving \$282,000 through the Gas Tax Strategic Priorities Fund (SPF) program for two projects. The first project is this region-wide outdoor recreation economic impact analysis and the second is a region-wide outdoor recreation management plan which is underway. Both Tourism Abbotsford and Tourism Chilliwack also contributed funding to make this economic impact analysis even more impactful.

In November 2018, the FVRD commissioned Larose Research & Strategy, in partnership with Align Consulting Group and with support of Laura Plant Consulting, to undertake the economic impact analysis of outdoor recreation in the entire region for all of last year. The purpose of this study was to quantify the value of outdoor recreation activities, both motorized and non-motorized, in the region since there is no specific data available. The study provides a first-ever baseline for future analysis on the value of outdoor recreation, assisting with planning, and managing for future growth. Gathered was a comprehensive array of information from both residents of the FVRD and visitors to the region, including demographic information, activity-based expenditures within the region, satisfaction with various aspects of their recreation experience, and other recreation experience characteristics.

The information collected from the study will be instrumental to guide future strategic planning and infrastructure development for the region, as well as for Indigenous communities, our member municipalities, the provincial government, outdoor recreation organizations, and search and rescue groups. Destination marketing organizations and Destination BC will also see value from this work on how to better market outdoor recreation experiences and promote travel to the region for outdoor recreation purposes.

DISCUSSION

Outdoor recreation is an important driver of economic development in our region. This region-wide outdoor recreation economic impact analysis provides the first-ever comprehensive analysis of the value of outdoor recreation in the FVRD, please see Appendix A. To achieve this accomplishment, more than 2,450 face-to-face surveys were conducted last year at 131 popular trail networks and recreation areas in the region. In addition, numerous other data sources were provided from trail and traffic counter data, from various levels of government, and outdoor recreation organizations which made for a truly collaborative study. Below are some of the key highlights from this study.

Outdoor Recreation Use Levels

Last year in the FVRD, there were approximately 7.4 million recreation days. Each recreation day represents a single person at a particular recreation location, for a specific recreation activity. Nearly 40% of these days were from visitors to the region and over two-thirds (69%) of these visitors were from Metro Vancouver (MV). By 2040, the population of MV is expected to increase by over 50% to 3.4 million, while the FVRD's population is projected to increase by over 40% to 450,000 resulting in a Lower Mainland population of 3.8 million by 2040. Like any growth, this will create both challenges and opportunities for outdoor recreation in the FVRD. As the primary link between MV and the rest of Canada, the FVRD will continue to be impacted by visitors traversing the region seeking to escape the more crowded urban periphery recreation areas of MV, as well as growth of the local population.

Economic Impact

All these recreationists spent over \$1.1 billion on outdoor recreation-related products and services last year in the region, on items such as equipment purchases and rentals, retail items, transportation, accommodations, food and beverage. When economic spinoffs are included such as:

- induced economic impacts - primarily expenditures by recirculating employee salaries of recreation-related businesses throughout the local economy, on items such as housing, food, transportation, retail items, etc.
- indirect economic impacts - expenditures by recreation-related businesses on input items, such as a hotel purchasing financial services and insurance, or physical assets such as beds, televisions, etc.

the total economic impact increases from \$1.1 billion to \$1.8 billion. As well, this region-wide outdoor recreation sector created 11,700 jobs last year.

Over half of the significant economic impacts were from three of the most common activity sectors, which are defined in tourism and recreation literature as "soft" adventure or recreation activities. These include hiking/trail running (\$228 million), camping (\$203 million), and "walking/dog walking" (\$164 million). The common characteristic among these three activities is their relative accessibility for a wide variety of outdoor recreationists. These urban interface activities, provide more accessible opportunities for people with disabilities, the elderly, families with young children, and others who are less comfortable venturing into more remote areas. Considering their low barriers to entry for most user demographics, and the associated benefits of outdoor recreation for these groups, these resources should be carefully stewarded in the future.

While generally considered an "expenditure" budgetary line item for most levels of government, it bears mentioning that outdoor recreation typically produces significantly more revenues than government outlays. In 2019, outdoor recreation produced over \$300 million in taxation revenues to federal (\$135 million), provincial (\$147 million), and local governments (\$18.3 million).

Outdoor Recreation Participant Characteristics

This study also looked at a number of characteristics of the outdoor recreation participants related to demographics and experience levels from both a resident and visitor perspective. More visitors rate their experience level as advanced or expert (50%) compared to residents (34%). This difference implies contemplation should be taken when considering target audiences for new infrastructure and marketing. Most visitor trips were primarily to participate in outdoor recreation (80%) and the majority stayed for the day (54%). A detailed activity sector analysis was also done for eleven of the more popular outdoor recreation activities, please see Appendix A in the economic impact analysis.

Indigenous Cultural Experiences

One of the key focal points for the analysis was the intersection of Indigenous culture/heritage with outdoor recreation. From a visitor economy perspective, outdoor recreation and Indigenous cultural/adventure tourism are considered highly compatible experience categories. Understanding the awareness, interest, and perspectives of both residents and visitors with respect to Indigenous culture is a key aspect in tourism and outdoor recreation planning, which in turn enhances opportunities for economic development within Indigenous communities. More than half (53%) of outdoor recreation participants responded they were very interested (8+/10) in seeing Indigenous cultural interpretation information in the recreation area even though only a third could name the Indigenous Peoples traditional lands they were recreating on. A representative of Stó:lō Tourism was a member of the Project Working Group and understanding these relationships was of interest because it shed light on potential future opportunities for their communities.

Quality of the Outdoor Recreation Experience

A comprehensive evaluation of recreationist satisfaction was evaluated in a number of aspects of recreation, including recreationist perspectives on the overall quality of recreation at each location, friendliness of locals, quality of signage/wayfinding information, parking/access, and crowding. Overall, there was a very high level of satisfaction with most aspects of recreation, with the ‘friendliness of locals’ being the highest-rated (9.5/10) aspect of recreation in the region and crowding the lowest rated (8/10).

For the first time, a Net Promoter Score (NPS) was calculated for outdoor recreation in the region. This score assesses the likelihood that resident and visitor recreationists would recommend the FVRD as a recreation destination. NPS range from a possible low of -100 to a possible high of 100. The region’s NPS for outdoor recreation is 83 which is an extremely high score for this sector. By way of comparison, the NPS for British Columbia overall as a travel destination is typically around 70.

Climate Change

Hot, dry summers, erratic weather, wildfires, flooding, deteriorated air quality, and other impacts of climate change are already posing significant threats to outdoor recreation in the region. Climate change can degrade the natural environment upon which outdoor recreation is dependent, deteriorate

outdoor recreation infrastructure, and diminish recreationist satisfaction. For a region that already has challenges with air quality (ground level ozone and fine particulate matter), this must be factored into future management practices and policy.

The results of this first-ever comprehensive analysis of outdoor recreation use levels, expenditures, user characteristics, satisfaction levels, and user perceptions provide critical information to support outdoor recreation development and management in our region into the future.

COST

The Gas Tax Strategic Priorities Fund program funds up to 100% of eligible costs. The FVRD received the full amount requested of \$282,000 for the FVRD outdoor recreation economic impact analysis and management plan.

CONCLUSION

This region-wide outdoor recreation economic impact analysis provides a detailed snapshot of outdoor recreation in the region and of its many activity sectors, including their size, composition, and characteristics. The reliability of these results, due to the robust sampling program and four-season timeframe for data collection, will be invaluable for decision-makers not only in the FVRD, but all levels of government, including Indigenous and municipal governments at the local level, as well as both the provincial and federal governments. It will also serve a multitude of different purposes for destination marketing organizations, Destination BC, outdoor recreation organizations, and search and rescue groups.

COMMENTS BY:

Stacey Barker, Director of Regional Services:

Reviewed and supported.

Kelly Lownsbrough, Chief Financial Officer/ Director of Financial Services:

Reviewed and supported.

Jennifer Kinneman, Chief Administrative Officer:

Reviewed and supported.