

**REPORT OF THE  
DEPARTMENT OF CONSERVATION AND RECREATION**

# **Virginia State Parks User Fee Study**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



**HOUSE DOCUMENT NO. 4**

**COMMONWEALTH OF VIRGINIA  
RICHMOND  
2005**



**COMMONWEALTH of VIRGINIA**  
**DEPARTMENT OF CONSERVATION AND RECREATION**

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January 3, 2005

The Honorable John H. Chichester, Chairman of Senate Finance  
The Honorable Vincent F. Callahan, Chairman of House Appropriations

Dear Senator Chichester and Delegate Callahan:

I am pleased to submit the Virginia State Parks User Fee Study. This report, as directed by the 2004 General Assembly through the Appropriations Act, requested the Department of Conservation and Recreation (DCR) to "conduct, or contract for, a marketing study of state park user fees, including, but not limited to, the fees charged for cabin rental, campground use, parking and boat launch use".

As directed by the study, DCR solicited pro bono assistance from all of Virginia's public colleges and universities. We were very pleased that Virginia Polytechnic and State University, Radford University, Longwood University, and Christopher Newport University all participated in the study and contributed in significant ways to the final product.

DCR also consulted with PriceWaterhouse, one of the nation's leading management consulting firms on the study since they have performed similar studies for other State Park Systems and the National Park Service. Unfortunately, the high cost of enlisting a private management consulting firm made that option prohibitive. Despite this, we were able to use research conducted for other states in our study.

The staff of the Department of Conservation and Recreation, especially the Division of State Parks Enterprise and Operations Sections, were responsible for compiling the data, coordinating the work of the various partners and organizing this report.

DCR appreciates the guidance provided by Mr. Daniel Oney, Mr. Neal Menkes, and Mr. Paul Van Lenten, staff of the Senate Finance and House Appropriations Committees respectively. They helped clarify the legislative intent of the study.

The report demonstrates that Virginia's State Park System has been utilizing numerous user fees for many years. In many cases, Virginia's park fees are at or near the top when compared with those of neighboring states. In addition, the report recognizes that Virginia's

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advertising efforts for state parks makes it a national leader. Still, the report offers some additional pricing opportunities and recommendations that will be pursued. Unfortunately, as the report also notes, these prospective efforts offer relatively little relief in the larger context of operational and staffing shortfalls that currently exist in our State Park System.

As always, the Department staff and I look forward to continue to work with you and your colleagues and with Governor Warner and the administration in addressing these important matters.

Respectfully submitted,

A handwritten signature in cursive script that reads "Joseph H. Maroon". The signature is written in black ink and is positioned to the left of a vertical line.

Joseph H. Maroon  
Director

cc: The Honorable Mark R. Warner  
The Honorable W. Tayloe Murphy, Jr.  
Neal Menkes, Senate Finance Committee  
Paul Van Lenten, House Appropriations Committee

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## EXECUTIVE SUMMARY

*In its management of the Virginia State Park System, the Virginia Department of Conservation and Recreation in response to operational funding shortfalls, has been aggressive in raising prices for park services and now Virginia is among the most expensive when compared with other public providers in the region. These fee increases – including more than 30 percent increases in cabin, camping, and parking fees over the last two years – the development of new facilities and services, plus expanded marketing efforts have led to a precipitous increase in visitation and state park revenues over the last decade. The pattern of growth will continue into the future as cabin and campground projects of the 2002 State Parks and Natural Areas General Obligation Bond initiative come on line. While this study finds that the Department can continue to explore new programmatic opportunities that may have a positive impact on state park revenues, it also finds that only limited amounts of new revenues are available without major increases to fees for core services.*

This report was developed in response to language in the Appropriations Act adopted by the 2004 Session of the Virginia General Assembly (Chapter 4 of the 2004 Virginia Acts of Assembly, Special Session 1, § 100, Item 381):

- 1. The Department shall conduct, or contract for, a marketing study of state park user fees, including, but not limited to, the fees charged for cabin rental, campground use, parking and boat launch use. The study shall identify the factors determining demand for state park services, including demographics, locations, times of the year and other variables.*
- 2. Based on the findings of the study, the Department shall (1) establish marketing goals for its facilities and existing services, (2) identify new recreational products with the potential to increase nongeneral fund park revenue and increase the exposure of Virginias to the Park System, and (3) to the extent that it is practical, revise its fee schedule to maximize the revenue available to the Conservation Resources Fund while maintaining adequate public access to the parks,*
- 3. The study shall include a review of the potential for extraordinary pricing opportunities associated with particular facilities, locations, times of the year, or unique nature and recreational experiences, including package opportunities not currently included in the Department's fee schedule. To the extent possible, the Department shall make use of marketing departments at Virginia universities or other pro bono services in producing the study. Copies of the final report from the review, the marketing goals, new product ideas, and potential fee increase options, shall be delivered to the Chairmen of the House Appropriations and Senate Finance Committees by November 30, 2004.*

*The study was conducted by the agency with pro bono assistance from professors from four state universities: Virginia Polytechnic and State University, Longwood University, Radford University, and Christopher Newport University.*

The work and findings of the four universities were extremely important to this study:

- **Virginia Tech's** analysis of a decade of state park advertising found that the Department's advertising efforts have been generally successful in promoting an overall awareness of state parks and have been a factor in increased park attendance and revenue. They found that the amount spent by Virginia state parks on advertising places Virginia among the top State Park Systems in marketing expenditures. They also report that the state parks would benefit from more targeted marketing efforts particularly in the area of advertising park specific special events and programming.
- **Longwood University** confirmed through focus group research that user fees are generally considered to be too high or about right. There is concern that low and moderate income Virginia families may find fees a barrier to making a park visit. West Virginia state parks markets its facilities through virtual tours, while Virginia does not.
- **Radford University's** survey of 494 park visitors confirms the concern raised by the Longwood study and further documents the strong user support for state parks. Ninety-five percent of visitors expressed that fees should be kept as low as possible so parks will be accessible to all citizens (56 percent strongly agree, 39 percent agree). However, a majority of respondents indicate that some level of fee increases would be acceptable and would not keep them from visiting Virginia State Parks.
- **Christopher Newport University** highlighted the need to develop and maintain a quality web site to assure that Virginia state parks are competitive with all the other public sites on the Internet. Many public providers are using color photos of facilities, lands and waters to highlight the opportunities awaiting visitors. Virtual tours are rapidly becoming used in the outdoor recreation and hospitality industry.

In short, the purpose for examining fees charged in state parks and how they are marketed is to look for additional revenue generation opportunities. To better understand this potential one must have an understanding of how the State Park System came into being and the principles under which it has been managed for nearly 70 years.

Virginia was the first state to develop a comprehensively planned system of state parks after W.E. Carson, the first chairman of the State Conservation and Economic Development Commission persuaded President Franklin D. Roosevelt to use the Civilian Conservation Corp to develop a state park system that would serve as a model for state parks across the nation.

It is illustrative to understand the motivations of policy makers in the early 20<sup>th</sup> century as the state parks movement began to take shape. There was recognition that our great national parks served the nation in several important ways:

1. They were a healthy tonic for the mind, body and spirit of mankind; and served as great places to recreate or simply commune with nature.
2. They were a hedge against the expansion and growth of our nation and the resulting loss of open space, unique natural attractions, flora and fauna. They protected our natural and cultural treasures.

3. Tourism and outdoor recreation were economic engines that benefited the localities where they existed.

By the 1920's it was recognized that these benefits needed to be enjoyed by all our citizens and more often than was possible given the great distances and cost associated with traveling to the national parks. The state parks movement recognized that a National System of Parks, including both federal and state lands, would bring these attributes within reach of all Americans and greatly enhance the key quality of life components in the United States.

Following these principles, Virginia state parks were designed to provide citizens from all walks of life access to the natural and historical resources of the Commonwealth. Large tracts of land were acquired and facilities were designed in such a way as to give visitors an "outdoor experience." The generation of revenues was not a guiding principle in the development of the state parks.

Virginia's original six state parks opened to the public for the first time on June 15, 1936, nearly 70 years ago. The concept of locating state parks that capture and protect the various landscapes and historic, cultural and environmental assets that make up the Commonwealth has continued to guide the system as it has grown to its current number of thirty-four.

The system has enjoyed significant growth and support in recent years:

- Nearly 70 percent of voters overwhelmingly supported the 1992 and 2002 park referendums. They put more than \$200 million into new parks and capital improvements in all the state parks.
- More than seven million visits a year make our Park System busy and dynamic.
- Annually, park visitors create between \$140 to \$150 million in economic activity.
- Volunteers contribute more than 150,000 hours a year in service to park visitors.
- Cabins and campgrounds enjoy robust reservations for much of the year.
- Beaches and pools are havens for families.
- The parks' 350+ miles of trails are popular for hiking, biking and horseback riding.
- Birding and wildlife enthusiasts identify our state parks as prime viewing sites.
- Localities and the Commonwealth cite the quality of life in localities where our parks exist as reasons for new business to locate & existing businesses to expand.
- Virginia's State Park System has been and will remain a leader in the national system of parks.
- Virginia state parks were voted the "best managed State Park System in America" 2001-2003 at the National Recreation and Park Association Annual Congress.

While there has been dramatic growth in the State Park System, particularly over the past twelve years, funding for park staff, operation and maintenance has not kept pace. There is no direct linkage between capital improvement budgets and the operational budgets required to operate new parks and new park facilities. The end result is a System that is severely understaffed and under funded. Virginia ranks last among the 50 states in the percentage of state budget dedicated to state parks.

In 2002 the bipartisan Commission on the Future of Virginia's Environment found that the State Park System was "woefully under funded." Using the same methodology used by the commission, today's identified needs are an additional \$13 million per year – including 142 FTEs – for operations, a one-time appropriation of \$5 million to address existing vehicle and equipment deficiencies and \$8 million annually for critical maintenance needs.

*Today, the failure to address these funding challenges restricts services offered to park visitors, dramatically limits the stewardship on park lands, waters and facilities limits the programming that can be available and minimizes the economic impact and reputation of our Park System. It also results in declining morale in a Department recognized as having one of the best work ethics and effectiveness in all of state government.*

The growth of the State Park System, at a time of less general fund support for park operations, has resulted in more pressure to use revenues generated from park user fees and concessions to support basic operations. However, while it had been the practice to market-test fees against other public sector offerings and to be competitive with private sector equivalents, state parks had never intentionally sought to be the highest priced provider in the marketplace.

The pressure to increase fees to meet operational shortfalls has reached the point where it threatens a basic tenet of the system – *will the common citizen, of low or moderate means, be priced out of the use of these facilities that were once dedicated for his or her use?*

Virginia's state parks are valued for a number of reasons including their contribution to the physical and mental health of our citizens, their positive impact on local real estate values and their conservation of significant tracts of open space and natural, cultural and historic resources. ***Also, studies of park users' spending habits show that Virginia state parks contribute approximately \$140 to \$150 million annually to the economies of surrounding communities.***

It may be helpful in the evaluation of fees in Virginia state parks to consider the overall context in which the Commonwealth operates. Whether or not to charge for a park service or facility, and at what price, are ultimately questions of public policy. The public's opinions on fees for Virginia state parks are not formed in a vacuum. History and experiences with other public and private providers of similar services affect them.

In setting fees or in determining if a fee should be charged, the agency must consider a number of factors. These include, but are not limited to, the purpose of the fee (produce revenue, recover all or part of the cost, etc.); how to use the revenues created (pay for direct costs, use for facility maintenance, etc.); the impact on potential users, particularly those of modest incomes; public acceptance; the cost and practicality of collection; competitiveness with the private sector; etc.

While the Virginia State Park System has many fees on a broad range of park-related activities, the major revenue sources of cabins, camping, and parking produce 87 percent of annual income.

The fee structures for all three have become more complex over the years with the advent of seasonal pricing, honor collection, the designation of "prime" parks and prime locations (e.g., lakefront cabins, water view sites) and in-state resident discounts.



Increased pressure to use revenues to compensate for cuts in state general fund support for operations has led Virginia to raise camping, cabin, and parking fees by more than 30 percent over the last two years. In addition, DCR is sensitive to the issue of unfair pricing in relation to the private sector for camping and has reflected this concern by indexing its prices relative to private campgrounds. However, these actions have left Virginia as the highest-priced public provider when compared to most surrounding states.

In addition to the “big three” of cabins, camping and parking, Virginia state parks also receive revenues from a number of other charges including admission fees, swimming fees, picnic shelter rentals, boat storage, interpretive and adventure programming, hunting fees, conference and environmental education center rentals, and more.

Since 1997 Virginia state parks have evaluated customer satisfaction by evaluating visitor survey cards found prominently at all parks. Over the years, approximately 98 percent of the people filling out the “Your Comments Count” cards have said they would recommend a Virginia state park visit to their friends. For this study, customers who had responded were contacted by Radford University personnel and asked to fill out a survey on the Internet. Park offerings and services such as natural and historic resources, staff assistance, facilities, security, facility cleanliness and programs and activities all received “excellent” or “good” ratings in the high eighties or nineties percentiles. Fees received a significantly lower rating of 77 percent good or excellent ratings.

In addition, the Radford University results found that 95 percent felt Virginia should keep fees low so parks are accessible to all, 63 percent felt park visitors should pay for programs in which they participate, 77 percent would support an increase in fees if they knew the fees were going to support the park where the fee was paid and 68 percent felt it was the responsibility of all Virginians to pay for park programs even if they did not use them.

Marketing and advertising of state park programs, facilities and services are directly related to their success and their potential for revenue generation. DCR has actively advertised state parks for a decade, helping lead to substantial increases in both attendance and revenue.

DCR has used a successful partnership with the Virginia Association of Broadcasters and a mix of advertising, including cooperative purchases with the Virginia Tourism Corporation to develop successful general awareness campaigns. The Internet has also become a major factor in promoting state park activities. According to the Virginia Tech marketing analysis, Virginia’s State Park System would benefit from a more targeted approach to marketing, particularly in the area of promoting special events and programming, and from devoting additional resources to the department’s website, making it more attractive and user friendly.

DCR has developed, and will continue to develop, a number of new recreational products and services such as wildlife photography workshops and horse riding day camps. However, development and marketing of these programs is a major challenge given the limitations of state park staff and funds. Furthermore, while these programs stir the imagination, they will produce very little revenue compared to major sources of park income. Perhaps the best role for state parks to play in this arena is to serve as the staging ground for programs provided by private and other public sector partners.

A number of “extraordinary pricing” strategies are already employed in Virginia state parks, including peak season pricing. As a result of this study, DCR has identified and will implement additional opportunities including a pilot program for increased pricing for nearby state park cabins and campgrounds during NASCAR race weekends and major state university football or graduation weekends. **However, the most effective way to significantly increase park revenues is through the growth of traditional services and facilities in parks. Virginia should continue over the long term to expand and enhance traditional park revenue producing offerings (cabins and camping) through the normal budget processes and the general obligation bond process. However, it is imperative that the state provides the manpower and operation and maintenance funds necessary to support new parks and facilities.**

### **Major Recommendations:**

- 1. The Department of Conservation and Recreation (DCR) should be guided by the following objectives as it continues to review and revise fees on a regular basis:**
  - a. Maintain affordability for the greatest number of citizens whenever possible;**
  - b. Maintain a pricing position for major park services that is comparable to surrounding State Park Systems;**
  - c. Maintain visitor acceptance of state park fees as shown by achieving a satisfaction rating on the agency’s customer service survey not substantially lower than the rating for all items combined. (Chapter 4)**
- 2. Continue annual or biennial review of park fees and increase fees when necessary. (Chapter 5)**
- 3. Carefully consider the impact of fees on low and modest income families and seek ways to eliminate barriers that prevent them from using state parks. (Chapter 5)**
- 4. Work closely with the legislature to assure that park operation and maintenance funding is re-benchmarked to adequately support the level of development of new facilities and new parks brought about by the 1992 and 2002 General Obligation Bond Parks improvement and expansion program. This will reduce some of the pressure to raise fees to the top of the market. (Chapter 5)**
- 5. Previous DCR marketing efforts in conjunction with the VA Association of Broadcasters have been successful in promoting a general awareness of state parks resulting in increased revenues and attendance. Future advertising efforts would benefit a more targeted approach based on market research. (Chapter 6)**
- 6. Electronic marketing initiatives such as expanded use of the Internet and a statewide informational kiosk system should become a larger part of the department’s future marketing mix. (Chapter 6)**
- 7. Improve the state park website to include more photographs, graphics, virtual tours and more frequent updates and revisions.**

- 8. There should be increased coordination between the DCR state park central office and individual state park offices in determining how to better promote special events and adventure programming. (Chapter 6)**
- 9. New strategies are needed to help promote new facilities coming on line as the result of the 2002 General Obligation Bonds. (Chapter 6)**
- 10. Agency efforts should continue with the Virginia Department of Transportation to improve directional and informational roadway signage for state parks. (Chapter 6)**
- 11. DCR should improve its ability to create new recreational opportunities in state parks through the development and delivery of programs and by acting as a venue for such programs when provided by other private and public entities; however additional funding and staffing support may be required for this effort. (Chapter 7)**
- 12. The concept of extraordinary pricing to take advantage of outside events (NASCAR races, college football weekends) should be weighed carefully before a full commitment is made. The Department should explore a pilot program to set up special event pricing at one or more parks that benefit from NASCAR events or major college football/event weekends in their vicinity. (Chapter 8)**

## **Chapter I: Introduction**

The 2004 Appropriations Act called on the Virginia Department of Conservation and Recreation to conduct a study of state park user fees through the following language:

- 1. The Department shall conduct, or contract for, a marketing study of state park user fees, including, but not limited to, the fees charged for cabin rental, campground use, parking and boat launch use. The Study shall identify the factors determining demand for state park services, including demographics, locations, times of the year and other variables.*
- 2. Based on the findings of the study, the Department shall (1) establish marketing goals for its facilities and existing services, (2) identify new recreational products with the potential to increase nongeneral fund park revenue and increase the exposure of Virginias to the Park System, and (3) to the extent that it is practical, revise its fee schedule to maximize the revenue available to the Conservation Resources Fund while maintaining adequate public access to the parks,*
- 3. The study shall include a review of the potential for extraordinary pricing opportunities associated with particular facilities, locations, times of the year, or unique nature and recreational experiences, including package opportunities not currently included in the Department's fee schedule. To the extent possible, the Department shall make use of marketing departments at Virginia universities or other pro bono services in producing the study. Copies of the final report from the review, the marketing goals, new product ideas, and potential fee increase options, shall be delivered to the Chairmen of the House Appropriations and Senate Finance Committees by November 30, 2004.*

As background to this study, it is important to understand the underlying principles and history that shaped the development of Virginia's State Park System and that have been foundational in its operation for the last seventy years. It is also important to consider the current use of fees, and the value of state parks to the Commonwealth.

### **History and Context**

Conceived and planned during the great depression and given life by President Franklin Delano Roosevelt's Civilian Conservation Corps, a system of six destination parks opened simultaneously on June 15, 1936. Using the CCC as labor, Virginia became the first state to "have a comprehensively planned System of State Parks."

Following his election as Governor of Virginia, Harry F. Byrd created the State Conservation and Economic Development Commission. W.E. Carson, first chairman of the commission, is credited with convincing President Roosevelt to use the CCC to develop a State Park System in Virginia that would serve as a model for state parks across the nation.

Carson's vision was to develop a geographically diverse System of State Parks that afforded the opportunity for the average citizen to enjoy and explore the many natural wonders of Virginia. He saw

state parks as “*recreational centers for that most deserving but least considered class...who is the backbone of our civilization...where he could at little cost take his family and enjoy the same luxuries and conveniences as are found at the most deluxe watering places.*”

Within weeks of Carson’s success in having Roosevelt commit the CCC to helping to build the parks, land for Douthat, Seashore, Hungry Mother and Fairy Stone State Parks was donated to the Commonwealth. On September 11, 1933, the General Assembly voted to allow the commission to acquire lands adjoining the historic Wakefield and Stratford Hall for Westmoreland State Park at a maximum cost of \$15,000. On October 13, 1933 Governor Pollard approved the expenditure of \$10,000 for land on the Dan and Staunton Rivers for what became Staunton River State Park. Halifax County contributed \$2,000 to the effort and Charlotte and Mecklenburg counties each gave \$500 toward the purchase.

The concept of locating state parks that capture and protect the various landscapes that make up the Commonwealth has continued to guide the System. In the decades that followed, the Park System has grown to 34 state parks with facilities located on the state’s great rivers, lakes, Chesapeake Bay, Atlantic Ocean and throughout the mountainous western region of the state.

Voter adoption of a Parks and Natural Areas Referendum in 1992 provided for new parks on the James River in Buckingham County, on the Rappahanock River in Lancaster County, on the Shenandoah in Warren County and on Daniel Boone’s Wilderness Road in Lee County. With legislative and voter support for bond funding in 2002, new parks are being pursued on the Potomac River in Stafford County, on the North Fork of the Shenandoah in Shenandoah County and on the Chesapeake Bay and its tributaries on the Middle Peninsula. Other current initiatives with strong local support include development of a park on the James River in Powhatan County, possible inclusion of the existing Grand Caverns and Natural Chimneys Parks into the State System, and a rail to trail park from Burkeville to Pamplin City in central Virginia through Cumberland, Prince Edward, Appomattox and Nottoway Counties.

### **Virginia State Park Highlights:**

- Nearly 70 percent of voters overwhelmingly supported the 1992 and 2002 General Obligation Bond referendums that provided more than \$200 million into new parks and improvements in all the state parks.
- More than seven million visitors come to Virginia’s state parks; 32 percent are from out of state.
- Volunteers contribute more than 150,000 hours a year in service to park visitors.
- Cabins and campgrounds enjoy robust reservations with full occupancy during peak summer weeks for cabins and most summer weekends for camping.
- Trails are popular for hiking, biking and horseback riding while beaches and park pools are popular with families.
- Birding and wildlife enthusiasts identify our state parks as prime viewing sites.
- Annually, between \$140 and \$150 million in local and state economic activity is created by park visitors.
- Localities and the Commonwealth cite the quality of life in localities where our parks exist as reasons for new business to locate & existing businesses to expand.
- Virginia’s state parks house many of the Commonwealth’s most important historic, cultural and

natural resources.

- Virginia's State Park System has been a leader in the national system of parks.
- Virginia State Parks were voted the "best managed State Park System in America" 2001-2003 at the National Recreation and Park Association Annual Congress.
- State parks contribute to a healthy lifestyle.

While there has been dramatic growth in the State Park System, particularly over the past twelve years, funding for park staff, operation and maintenance has not kept pace. There is no direct linkage between capital improvement budgets and the operational budgets required to operate new parks and new park facilities. The end result is a System that is severely understaffed and under funded. Virginia ranks last among the 50 states in the percentage of state budget dedicated to state parks.

The legislative Commission on the Future of Virginia's Environment, in a report published in 2002, states, *"In light of these needs, it was the recommendation of the subcommittee that budget amendments be prepared to address the operational and maintenance reserve funding needs of the State Parks System. The subcommittee also recommended that, during consideration of the next biennial budget, funding levels for state parks be reassessed and re-benchmarked to adequately cover the future financial needs of Virginia's state parks."*

While this report was developed prior to the 2002 bond referendum, a downturn in the state economy and a resulting state budget crisis has prevented these issues from being significantly addressed to date. Using the same methodology used by the Commission, today's identified operational funding needs are an additional \$13 million per year – including 142 full time staff – for operations, a one-time appropriation of \$5 million to address existing vehicle and equipment deficiencies and \$8 million annually for critical maintenance needs.

These funding challenges restrict services offered to park visitors, dramatically limit the stewardship on park lands, waters and facilities, limit the programming that can be available, minimize the economic impact and reputation of our Park System, and result in declining morale among the highly-regarded state park workforce.

### **Reliance on State Park Fees**

Due to the financial stress of operating new parks, new facilities and supporting significantly increased visitation, there has been more and more pressure to use park generated user fees and concessions to support basic operations. Today, support of the entire state park operation comes from nearly an even mix of state general funds and user fee revenues that are deposited to the Conservation Resources Fund. In 1989 when the Conservation Resources Fund was first established, park generated revenues were dedicated exclusively for maintenance projects.

DCR has employed numerous strategies to try to address growing operational budget shortfalls. For example, during the recent budget crisis, DCR re-evaluated and substantially increased fees for cabins and campground by over 30% since 2002. While it had been the practice to market test fees against other public sector offerings and private sector equivalents, state parks had never intentionally sought to be the highest priced in the marketplace. Unfortunately, Virginia's fees for state park users have now climbed to the top of neighboring states in many categories.

The increased pressure to increase fees to meet operational shortfalls has reached the point where it questions a basic tenet that has guided the system since its establishment – *will the common man, of low or moderate means, be priced out of the use of these facilities that were once dedicated for their use?*

## **Investing in Virginia’s Future**

Investment in our State Park System is smart on multiple fronts, including:

Our investment in *state parks is an investment in good physical health*. Our parks offer a variety of outdoor experiences that can help fight obesity and contribute to a healthy lifestyle. A regular 30-minute park activity can have a significant impact on weight, cardiovascular health, lung capacity, muscular strength and many other positive physiological impacts.

An investment in *parks is an investment in good mental health*. Studies show that a physically active lifestyle can enhance overall health and well being – critical to personal quality of life.

An investment in *state parks is an educational investment*. State parks are a perfect venue for exploring and gaining an appreciation of our natural world, our cultural past and conservation stewardship in a world where conservation is critical. Hands-on experiential learning has been proven to be the most effective learning experience. State parks offer tremendous outdoor classrooms as well as discovery centers and visitor centers serving as student classrooms. Our award winning “Your Backyard Classroom” environmental education program is designed expressly to satisfy many Virginia standards of learning. It is a popular program with schools and teachers.

*State parks enhance local real estate values*. Property values near state parks are enhanced by their proximity to these natural, cultural and recreational treasures. Property sales are enhanced as well. Businesses often locate or expand based on the quality of life issues created by having a state park nearby.

*State parks enhance rural economic development*. Many parks are in rural areas and as such are key, dynamic components of rural development and economics. Unlike many forms of economic development and activity, parks draw recreational users and tourists who spend money in the local community, but these visitors return home after spending time and money in the community. They do not adversely impact on local infrastructure, taxes or schools. ***Studies of park users spending habits show that Virginia state parks contribute approximately \$140 to \$150 million annually to the economies of surrounding communities and the state.***

*Our parks are an investment in protecting Virginia’s lands and waters*. Water quality improves in our streams, rivers and lakes by preserving or developing riparian buffers and using sound conservation practices. Forest management and habitat enhancement promotes a greater diversity of plant (flora) and wildlife (fauna). Actively managing the natural and cultural resources within our state parks results in a healthy environment and a preservation of natural and cultural treasures for generations to come.

*State parks preserve the historical and cultural heritage of Virginia.* Our System includes two Civil War battlefields, a museum dedicated to the history of Southwest Virginia, the most authentic 18<sup>th</sup> century frontier fort in America, and a wealth of individual historic sites within parks that interpret the past for our citizens. Additionally, park festivals and programs celebrate Virginia's unique and colorful cultural heritage, from mountain music and moonshine to the ways of watermen and Virginia's many Native American tribes.

*Virginia's State Parks System has been recognized as one of America's best managed.* It has been cited as a role model for public service excellence.



## Chapter II: Study Description

During the 2004 session of the Virginia General Assembly, the following language amendment was made to the DCR budget:

1. The Department shall conduct, or contract for, a marketing study of state park user fees, including, but not limited to, the fees charged for cabin rental, campground use, parking and boat launch use. The study shall identify the factors determining demand for state park services, including demographics, locations, times of the year and other variables.
2. Based on the findings of the study, the Department shall (1) establish marketing goals for its facilities and existing services, (2) identify new recreational products with the potential to increase nongeneral fund park revenue and increase the exposure of Virginias to the Park System, and (3) to the extent that it is practical, revise its fee schedule to maximize the revenue available to the Conservation Resources Fund while maintaining adequate public access to the parks.
3. The study shall include a review of the potential for extraordinary pricing opportunities associated with particular facilities, locations, times of the year, or unique nature and recreational experiences, including package opportunities not currently included in the Department's fee schedule. To the extent possible, the Department shall make use of marketing departments at Virginia universities or other pro bono services in producing the study.

The agency organized an in-house project team, developed an outline for the project and solicited assistance from all Virginia universities. Four universities stepped forward to assist on the study, volunteering the following contributions:

- Virginia Polytechnic and State University, Dr. Kent Nakamoto, R.B. Pamplin Professor of Marketing and Head of the Marketing Department: Review of state park advertising and marketing efforts.
- Christopher Newport University, Dr. Stephanie Honeycutt Bardwell, Department of Management and Economics: Investigation of new products and services for state parks, a survey of park visitors during a special event at Chippokes Plantation State Park, and review of agency's web site.
- Longwood University, Dr. Vincent Magnini, Department of Business and Economics: Conduct focus groups to establish citizen positions on fees and services and explore development of new product ideas.
- Radford University, Dr. Vincent Hazleton, Department of Communications: Conduct email survey, and special analysis of agency's customer service survey. (Radford University currently compiles and analyzes this survey on an annual basis.)

In addition to the research and study provided by the university partners, the agency also conducted a review of literature and research on the subject of park fees and the larger issues of government charges for services. Notable within this research was a large amount of work conducted by educational institutions and the federal recreation providers in association with the

Fee Demonstration Project that has been in effect for a number of years at National Parks, National Forests, and lands managed by the Bureau of Land Management and the U. S. Army Corps of Engineers.

The project team conducted the study according to the outline and project plan. The final report is a synthesis of a review of agency practices and historical documents, research literature, and original surveying and analysis conducted specifically for the project.

Special thanks are given to the university partners for the valuable contribution of knowledge, time, and expertise, without which the project would not have been possible.

## Chapter III: Issues and Approaches to Fees for State Park Services and Facilities

In the evaluation of user fees in Virginia state parks, it is important to recognize that whether or not to charge for a park service or facility, and at what price, are ultimately questions of public policy. Increasingly the National Park Service, other federal recreational land agencies, and most local and state park providers have been under pressure to increase park generated revenues over the past decade. In comparison, Virginia has been relatively more aggressive than many other states in charging park user fees.

In 1996, the National Park Service, U.S. Forest Service, Army Corps of Engineers, and Bureau of Land Management embarked on a “Recreational Fee Demonstration Program” that produced a great deal of research on the issues associated with park fees. The National Association of State Park Directors, individual State Park Systems, and private individuals and organizations have conducted additional research on this matter. Drawing on this research, the following is a brief synopsis of the most relevant issues that Virginia considers in establishing or setting fees for our State Park System:

**Role of Fees:** The production of revenues is not their only function. Fees can also apportion costs of services provided between the public and park users; ration, redirect, or reduce use of services; attract or discourage users; and make services more affordable or attractive for certain groups of users.

**Role of the revenues created by park fees:** Revenues can be used for operational costs, equipment purchases, land acquisition, maintenance, construction, etc. The use of state park revenues across the nation has shifted greatly over the past 15 years. The original priority was for land and conservation uses, but later shifted to meet major maintenance needs, then to daily operations as general funds became scarce.

**Impact on citizens with low and moderate income:** Federal research shows that fees have a greater impact on low and moderate-income citizens than others. Nationwide, there is growing concern over this issue, especially as it affects the “working poor”. While Virginia’s state parks were created with a strong emphasis on affordability and access by the common man the department does not keep demographic information on park visitors. It is unclear if current fee levels have priced out low-income individuals, although many long-time state park employees have noted a shift in clientele.

**Public acceptance of fees:** The public has different perceptions of pricing for government services than for the private sector. In many cases, the public does not think there should be charges for things provided by public tax dollars. Research conducted by DCR and federal agencies shows that acceptance of fees is greatly increased when the public is aware of the cost of providing the service and when the fee is retained for use by the individual park where it is collected, a practice that is not generally possible when managing an entire System of Parks.

**Cost and practicality of collection:** The practice of charging for a service or facility sets in motion a whole litany of management, accounting, and other issues. The state's methodology for depositing and accounting for revenues is especially time intensive. Also, the cost of manning a collection point such as a park contact station can far exceed the revenue collected on low visitation days.

**Public Opinion:** It is important that public opinion be considered in fee setting and review. Virginia state parks rely mostly on visitor correspondence, responses provided to the agency's ongoing customer survey, and input from elected officials in response to constituent contacts. The Virginia Outdoors Survey, which is conducted as part of the State's outdoor recreational planning process, also collects responses to a number of specific questions about state park fees.

**Pricing Recreation Fees:** Once the decision is made to apply a fee to a public service, the establishment of the fee itself is done so with the recognition of similar pricing in the private sector, full or partial recovery of the cost of providing the service, or common practice by other government providers. Research conducted for this study (see Chapter V) shows that park visitors do not necessarily expect park prices to match the private sector, in contrast to the agency's efforts to approximate private pricing in many services, especially camping, as a result of concerns voiced by private providers.

**Effects on volunteerism and philanthropy:** These effects have not been quantified by research, but anecdotal evidence shows that some citizens have refused to volunteer for fee-based programs and local businesses are less likely to donate money or materials to activities for which there is a public charge.

## **Chapter IV: Virginia State Park Fees and Charges**

The authority to charge fees for the services within Virginia's state parks is found in the enabling legislation of the Department of Conservation and Recreation (§10.1-104, 4VAC 5-30-130, §10.1-200.3 and §10.1-202). The Department Director is given the responsibility to establish new fees and modify existing fees as the need arises.

While the Department's authority for fee setting is flexible, there are a number of factors that exert influence over the fee setting process. Among these are:

- The Department's policy requiring an 11-month advance rental of park cabins which means that it takes almost two years for the agency to receive the full benefit of a cabin fee increase.
- Conditions imposed by reservations software. For example, a fee cannot be changed within an established rental season once rentals have been made for that time period.
- The need to utilize "honor" sales for parking, cabins, firewood, etc. requires that fees be set in whole dollar amounts that include state sales tax.
- Similarly parking fees are set in whole dollar amounts in order to speed up entrance to the park on busy days, and to avoid the need to maintain large amounts of "change funds" at the parks.
- Services provided by private concessionaires are often negotiated as part of the contract solicitation but the contract timing may not coincide with the agency's annual fee review and publication process.

### **Existing Virginia State Park Fees and History**

The latest schedule of state park fees demonstrates the complexity and aggressiveness of fees employed by Virginia's state parks. Over one thousand individual fees are utilized for traditional park offerings such as camping, cabins, parking, and picnic shelters. Fees are also set for beach umbrella rentals, entertainment programs, and boat tours. Even within the traditional offerings, the fee schedule becomes complex as pricing for various types of campsites and cabins, seasons of the year, and local market factors are taken into consideration. Modern pricing for park services reflects the complexity that has emerged in park operations and the adoption of standard business practices such as seasonal pricing.

Eighty-seven percent of park revenues are generated by fees for cabins (35 percent), camping (31 percent), and parking (21 percent). These account for 25 percent of the listings in the agency's fee schedule.

### **CABIN FEES**

Visitor cabins, often called "housekeeping cabins", have been fixtures in Virginia's state parks since the system opened in 1936. Not only have fees for cabins changed over the years, but the pricing methodology has changed as well. A variety of strategies for setting cabin fees have been employed over the past twenty-five years:

- One price fits all
- Higher price for prime parks
- Extra cost based on the number of persons in the cabin

- Special off-season rates available to groups who rented multiple cabins
- Higher price for prime cabins within a park (waterfront or waterview)
- Higher price for non-state residents (actually marketed as an in-state discount)
- 3-season pricing schedule, similar to hotel and resort area rentals

The current fees charged for cabins incorporate most of these considerations. Additional charges are also levied for pets, extra beds, extra linens, and canceling of reservations.

As fees have changed, so to have the seasons of operation of the cabins. Originally, cabins were operated for a relatively short May 1 through Labor Day Weekend schedule. Thanks to the 1992 bond referendum, all cabins were upgraded with heating and air conditioning, introducing a year-round cabin season. All parks with cabins now offer year-round reservations on a limited basis. Peak season, mid-season, and off-season schedules vary somewhat within groups of parks.

The price charged for cabin rentals has increased several times over the past 25 years, with cabins in 2004 renting at a rate 507 percent higher than in 1979. While cabins have been improved over that time, the pattern of increase far exceeds the value of the improvements or overall inflation. The increases are more reflective of the agency's need to generate operating and maintenance revenues than what has happened in the general economy.

For example, the weekly price for a typical 2-bedroom cabin was \$101.51 in 1979, or \$273.60 if adjusted to year 2003 dollars. However, the actual year 2003 rental price for this cabin was \$617, some 125 percent higher than the inflation adjustment. While park cabins still rent briskly at these prices, concerns exist about the affordability of a cabin for moderate or low-income citizens. In 1979 a week in a 2-bedroom cabin consumed only 0.46 percent of the Virginian median household income. By 2003 this rose to 0.84 percent, meaning a park cabin is now only about half as affordable as it was twenty-four years ago.

Research shows that low-income visitors, and those with fixed incomes, are those most affected by recreational fee increases. If the long term pattern of raising fees faster than household income continues, a founding principal that park experiences be available to all Virginians will certainly be jeopardized.

### **Comparison to other providers**

Comparisons between park cabins in different states are challenging due to many variables that exist in the size and styles of cabins, amenities, location, etc. However, based on the best information available, Virginia's state park cabins are probably mid-level in terms of amenities, but poised at the higher end of the price scale compared to other parks in the mid-Atlantic and Southeastern U. S. The table below shows that Virginia has consistently been high priced compared to the selected states, with the exception of Kentucky, which operates an extensive system of resort parks.

<b>Virginia Cabins Compared to Selected States</b>						
Comparisons of Standard Two Bedroom Cabins, weekly rental, state resident						
	1997	% Va rate	2000	% Va rate	2004	% Va rate
<b>Virginia</b>	\$ 492	-	\$ 492	-	\$ 617	-
North Carolina	\$ 300	61%	\$ 300	61%	\$ 500	81%
Maryland	\$ 375	76%	\$ 400	81%	\$ 540	88%
Tennessee	\$ 455	92%	\$ 500	102%	\$ 525	85%
West Va	\$ 474	96%	\$ 483	98%	\$ 560	91%
Georgia	\$ 487	99%	\$ 565	115%	\$ 630	102%
Kentucky	\$ 665	135%	\$ 735	149%	\$ 805	130%

## **CAMPING FEES**

Camping is one of the most popular activities in Virginia state parks and it is the one activity that has a relatively comparable private sector equivalent. Private sector campgrounds have sometimes complained of unfair governmental competition and urged national, state, and local governmental camping providers to abandon the business or at least meet the private sector pricing for campsites.

However, the 2000 Virginia Outdoors Survey shows that citizens have a strong preference for publicly provided camping, but they also support the availability of both options. Campers in this survey indicated they camped exclusively at public campgrounds at a rate of 37.6 percent versus only 7.3 percent who used private campgrounds exclusively. The majority of campers indicated they utilized both public and private facilities (37.5 percent) or had no preference between the two (17.6 percent).

Pricing for government facilities is influenced by a number of factors not encountered in the private sector. Among these are the public service mission of the public provider and a strong sense within the populace that park services should be as broadly available to all citizens. The Radford University survey conducted for this report indicates that 93 percent of park visitors agree or strongly agree that fees should be kept as low as possible so that parks will be accessible to all citizens. Furthermore, the same study shows that visitors do not expect government services to be priced competitively with the private sector. Fifty-seven percent disagreed with the statement “State parks should not charge less than private vendors for comparable services (such as camping)” while only 21 percent agreed with it. Nonetheless, it remains the Department’s practice to set camping fees that are competitive with private campgrounds and to refer business to them when state park campgrounds are full.

Pressures to increase park revenues to offset cuts in general funding and to emulate private sector practices have led to a number of changes in camping fees in Virginia state parks, especially over the past ten years. The cumulative effects of these changes have been fee increases ranging from 39 percent to 118 percent, depending upon the park and type of campsite. Perhaps most notable was a round of increases in 2002 and 2003 that increased prices 28 to 39 percent.

## Comparison to Other Providers

Fee comparisons for state park camping may be made with both the private sector and other public providers. In 1995, the Virginia Campground Owners Association raised the issue of unfair government pricing and asked DCR to test its pricing using a model developed by the U.S. Forest Service. The agency evaluated all camping parks using the model and the results were used to make major price increases in 1996. These changes moved the state's pricing to approximate parity with the private sector. Since that time the agency has checked its pricing against the private sector on two occasions, 2000 and 2004, to assure that state park rates were keeping pace with changes at private campgrounds. **In both cases, it was found that the rates of increases at Virginia State Park met or exceeded private providers.**

Given the strong public preference for public camping, price comparisons to other government providers may be the most important point of reference in the fee discussion. Here again, Virginia ranks at or near the top compared to nearby states. **Only Maryland is consistently higher priced than Virginia, and even in this case some of Virginia's prices are higher.**

<b>Virginia Camping Compared to Selected States</b>				
Comparisons of Standard Site, one-night rental, state resident				
	2004 Fee			
	Lowest Tier Fee	Highest Tier Fee	% Va rate: Lowest tier	% Va rate: Highest tier
<b>Virginia</b>	\$ 14	\$ 22	-	-
North Carolina	\$ 15	\$ 15	107%	68%
Maryland	\$ 20	\$ 20	143%	91%
Tennessee	\$ 12	\$ 12	86%	55%
West Va	\$ 15	\$ 15	107%	68%
Georgia	\$ 14	\$ 20	100%	91%
Kentucky	\$ 12	\$ 12	86%	55%
Comparisons of Water/Electric Site, one-night rental, state resident				
	2004 Fee			
	Lowest Tier Fee	Highest Tier Fee	% Va rate: Lowest tier	% Va rate: Highest tier
<b>Virginia</b>	\$ 20	\$ 28	-	-
North Carolina	\$ 20	\$ 20	100%	71%
Maryland	\$ 30	\$ 30	150%	107%
Tennessee	\$ 19	\$ 19	95%	68%
West Va	\$ 19	\$ 19	95%	68%
Georgia	\$ 18	\$ 24	90%	86%
Kentucky	\$ 22	\$ 22	110%	79%

Camping fees receive the lowest overall satisfaction relating to fees in the state parks ongoing customer survey: 6.2 percent of those who indicate that they are campers rated fees as poor or unacceptable, compared to the combined rating for all activities of 5.2 percent.



## **PARKING AND ENTRANCE FEES**

For many years after the opening of the Virginia State Park system in 1936, a uniform parking fee was charged at all parks, and then only during the prime summer season when park contact stations were open. (Note: Although the terms “parking fee” and “entrance fee” are sometimes interchanged, it is most common to call a fee applied on a “per-vehicle” basis a parking fee, while fees applied “per person” are called entrance fees. Virginia experimented briefly with per-person entrance fees, but found this to be unpopular and difficult to implement.) Over the years a series of changes that increased the revenues from parking fees and introduced additional complexity were instituted. First, differential pricing was introduced to charge more for high-demand parks. “Honor collections” followed so that fees could be charged without operating the contact stations, and then “off season” parking fees were established. **With few exceptions, every visit to a state park now requires the payment of a fee.**

As the price of parking went up, the impact on frequent users became more onerous, so annual park passes were created. Annual passes are the one area where senior citizens discounts are available, and there is a class of passes that gives special discounts on other park services such as camping and merchandise purchases.

Parking fees are generally organized into two tiers, with an additional classification for parks under construction or in a primitive condition (usually defined by the absence of a modern restroom facility). All parks share a common off-season parking rate of \$2 collected by honor payment. Honor payment is also used extensively in some parks during the summer season on weekdays and non-peak weekend hours as a staffing efficiency and cost savings measure. However, the reduction in operating park contact stations has greatly reduced the face-to-face visitor interactions that are an important element of the park visit. The “Your Comments Count” survey consistently shows that satisfaction with the park is higher if the visitor has an interaction with a park staff member.

Virginia experimented with per-person entry fees at four parks during the late 1990’s. Initial visitor resistance to this fee was largely overcome by “bundling” the fee with entrance to the park swimming facilities and rental of recreational equipment, and higher revenues were produced. However, not all parks have the amenities necessary to create the appropriate services package, and even with bundling, fee satisfaction was significantly worse at the per-person parks. (This despite indications in the 2000 Outdoors Survey that visitors prefer the “one-price” format. It would seem that while supporting the concept in theory, visitors who do not use all of the bundled services feel they have been overcharged.) Furthermore, it was difficult to manage the two different methodologies from a public information perspective, so the practice was discontinued.

The 2004 fee schedule lists 79 parking fees including many special fees associated with special park events. Many special events are sponsored by local public service organizations that promote the event and split the parking/entrance fee with the park.

Parking and park entrance fees are perhaps the most common source of controversy within the overall topic of the appropriateness of charging park fees. There is a philosophical argument that parks are public commons and therefore all citizens should have access without additional charge. Others believe that while all citizens contribute to parks through taxpayer supported general funds, those who use the parks should pay more than those who do not.

The issue of eliminating parking and entrance fees for all or some Virginia state parks was discussed extensively at the meetings of the legislative Commission on the Future of Virginia’s Environment. While there was much support for the concept, it was recognized that the move could not be made without replacing the lost revenues currently utilized by the agency (\$1.5 million in FY04).

It is difficult to assess Virginia park visitor acceptance of parking fees because this fee is not directly applied to a specific activity (it is, essentially, a surrogate fee for day use activities such as hiking, picnicking, nature observations, etc.).

### Comparison to Other Providers

There is no clear pattern to be found among the 50 State Park Systems on the question of charging or not charging parking or entrance fees, other than that more states seem to be adding some form of entrance fee to at least some of their parks. All but 13 states report that they employ some form of vehicle parking fee, but the most common practice is to only charge at some, not all, locations. Six states (Illinois, Iowa, Kentucky, Missouri, Ohio, and Oklahoma) charge no form of entrance fee at all. The table below compares Virginia to other mid-Atlantic and southeastern states:

<b>Virginia Parking and Entrance Fees Compared to Selected States</b>					
2003 fees					
Source: NASPD 2003 Annual Information Exchange					
	Total # Managed Areas	# with Parking Fees	Parking Fee Charged	# with Entrance Fees	Entrance Fee Charged (per person)
<b>Virginia</b>	37	32	\$2-\$4	1	\$2-\$3
North Carolina	59	2	\$4	0	na
Maryland	51	10	\$1-\$4	27	\$1-\$4
Tennessee	53	17	\$3	0	na
West Va	47	1	\$1	0	na
Georgia	70	47	\$2-\$4	18	\$1.50-\$5
Kentucky	49	0	na	0	na

As can be seen, Virginia is notable in comparison to its neighbors, with the exception of Maryland, in that it charges parking fees at all developed sites, and even Maryland only charges its entrance fee at selected parks.

## **OTHER FEES**

In addition to the “big three” revenue producers: cabins, camping, and parking, Virginia state parks have literally hundreds of other fees associated with its facilities and services. It is difficult to make a general evaluation of these fees since information from other providers is either not readily available or it is difficult to be sure the service or facility is comparable. A listing of the major fee groupings utilized by Virginia state parks includes the following:

- Admission Fees
- Swimming Fees
- Commercial and Non-Profit User Fees
- Picnic Shelter Fees, Amphitheater and Gazebos, Boat Storage
- Interpretive Activities, Tours, Outdoor Skills Classes, and Performing Arts Programs
- Hunting Fees
- Environmental Education Facilities
- Recreational Equipment Rentals
- Conference Centers
- Administrative Fees

### **Findings and Recommendations:**

- **The large majority of park revenues are generated by a relatively small number of traditional park activities and services.**
- **Virginia has aggressively raised its state park fees over the past several years, with rates of increase far exceeding the rate of inflation.**
- **Virginia’ state park fees are among the highest of surrounding and nearby states in the southeast region.**
- **Virginia has responded to concerns from the private camping industry by evaluating state park pricing in comparison to private campgrounds and adjusting rates accordingly.**
- **Virginia’s state park user fees are currently among the highest in the region. Without additional state general fund support, the pressure to substantially increase park user fees will continue to rise and, thereby, further reduce the affordability of a state park experience for many Virginians.**
- **The Department of Conservation and Recreation continues to believe that it should be guided by the following objectives as it reviews and revises fees on an annual basis:**
  - **Maintain affordability for the greatest number of citizens whenever possible.**
  - **Maintain a pricing position for major park services that is comparable to surrounding state park systems and relatively competitive with private offerings.**
  - **Maintain visitor acceptance of state park fees as shown by achieving a satisfaction rating on the agency’s customer service survey not substantially lower than the rating for all items combined.**

## Chapter V: Perceptions of Virginia State Park Fees and Services

Several research tools contributed significantly to this section and made it possible to assess park visitor perceptions with a very high degree of certainty. Virginia state parks have annually surveyed customer satisfaction since 1997 using a printed survey called “Your Comments Count” that is prominently on display at most state park facilities. In addition, as part of this study four focus group sessions were conducted by Dr. Vince Magnini of Longwood University and an Internet survey of park users who responded to the 2003 customer satisfaction survey was developed and completed by Dr. Vincent Hazelton of Radford University.

In 2003, 5,169 customer surveys were coded and analyzed at Radford University by Dr. Hazelton and research assistants. Thirty-two state parks were represented in the survey. The majority of respondents to the survey were residents of Virginia (59.7 percent) spending one or more nights at a park. A majority of out of state respondents visited parks in Southwestern Virginia. About 92 percent of the respondents visited a park with two or more adults and 42.6 percent visited a park with children. Only 180 respondents reported visiting the park without another adult or child. The average number of visitors per party reported by respondents was 7.4. The total number of visitors included in respondent’s parties was 38,346.

Hiking, (N=2284), nature observation (N=1668), picnicking (N=1588), swimming (N=1560), camping (N=1446), and visiting/touring (N=1263) were the most frequently listed primary activities. Most respondents reported multiple primary activities during their visits. A majority of respondents (61.5 percent) lived within 100 miles of the park they visited. A little over 23 percent lived within 25 miles of the park they evaluated. The distance of respondent’s residence from park was related to both frequency of use and length of stay. Visitors who reported living within 25 miles of parks (N=739) indicated a high frequency of visits. Most of these local visitors were likely to be day users rather than overnight visitors.

Respondents were most likely to have learned about state parks from friends (19.3 percent), other sources (16.9 percent) or the Internet (13.5 percent). Previous visits to state parks (11.2 percent) and close proximity to the park (10.5 percent) were also important factors.

**Fees resulted in the lowest level of customer satisfaction:** While the majority of respondents rated their overall experience as good or excellent, in comparison state park natural and historic resources received the highest good and excellent rating of 94.3 percent, staff assistance 93.8 percent, facilities 89.1 percent, security 88.2 percent, facility cleanliness 88.1 percent, programs and activities 86.2 percent while fees ranked last at 77.2 percent.

### Focus Group Research

In an attempt to elicit deeper insights than can be prompted through survey research, four focus groups were conducted by Longwood University under the direction of Dr. Vince Magnini. The participants in the first focus group were Virginia state park employees. The second and third focus groups in this study were carried out with Longwood University students – a focus group of recent park visitors, and another of those who have not visited a state park. A fourth focus group was conducted with park volunteers.

The focus groups cited increasing attendance as the most significant way to increase revenue without raising fees, which were thought to be too high or about right by the participants. Asked how to increase attendance, they suggested the following:

- Partnering with various groups, such as outfitters, guides, localities, on programs and festivals;
- Targeting ethnic groups such as Hispanics, Asian Pacific Islanders and others who are a growing segment of Virginia's population;
- Targeting specific user groups such as bass fishermen, equestrians, and mountain bikers, encouraging them to come back more often;
- Promote "package" deals/programs;
- Handle more concessions at park hosted festivals;
- Provide Internet hookups to accommodate park users who require it to maintain connections to businesses, families and friends while on the road;
- Music festivals;
- Better-maintained, developed and promoted trails; and
- Improved food and beverage offerings.

Most of these suggestions are currently being done, have been attempted previously or are under consideration pending the availability of staff and financial resources. All four focus groups expressed reservations about major fee increases given the perception that fees are already on the high end of the market and because of this state parks are now unaffordable to many low and moderate-income families.

### **Internet Survey of Park Users**

Dr. Hazelton of Radford University emailed a survey containing multiple choice and short answer questions to past visitors of Virginia State Parks who had completed a customer satisfaction survey and provided an email address. The effort resulted in 494 returned surveys.

The following table highlights key responses.

[Question]13. Indicate the extent to which you agree or disagree with each of the following statements						
	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Response Average
Virginia should keep fees as low as possible so that parks will be accessible to all citizens.	<b>56% (262)</b>	39% (184)	3% (15)	2% (8)	1% (3)	<b>1.53</b>
Parks visitors should pay for the costs of programs they participate in at state parks.	14% (67)	<b>49% (232)</b>	23% (108)	12% (55)	1% (7)	<b>2.37</b>
Out-of-state residents should pay more than Virginians to visit a Virginia State Park.	20% (96)	23% (109)	15% (71)	<b>29% (135)</b>	13% (60)	<b>2.90</b>
Activities that don't require equipment should have no fee.	25% (118)	<b>41% (194)</b>	16% (77)	16% (74)	1% (6)	<b>2.27</b>
A fee increase of 10% on parking and entrance fees would not keep me from visiting Virginia State Parks.	19% (89)	<b>47% (221)</b>	18% (85)	10% (49)	6% (26)	<b>2.37</b>
I would support a parking/entrance fee that charges per person rather than per car.	5% (23)	15% (69)	15% (72)	<b>38% (178)</b>	27% (126)	<b>3.67</b>
I believe there should be a discount for special groups, such as, seniors and students.	36% (168)	<b>50% (232)</b>	8% (36)	5% (23)	2% (8)	<b>1.87</b>
I would be willing to support a fee increase at Virginia State Parks if I knew that the money was going to support the park where the fee was paid.	28% (130)	<b>49% (227)</b>	16% (75)	6% (27)	2% (8)	<b>2.05</b>
State parks should not charge less than private vendors for comparable services (such as camping).	6% (26)	16% (76)	20% (96)	<b>39% (182)</b>	19% (90)	<b>3.50</b>
Paying for state park programs should be the responsibility of all Virginia taxpayers, even if they don't use them.	22% (101)	<b>46% (216)</b>	19% (90)	11% (50)	3% (12)	<b>2.27</b>
Virginia should invest more money in new programs to increase park income from visitors.	15% (69)	<b>37% (175)</b>	35% (166)	11% (52)	1% (6)	<b>2.47</b>
Parks should increase the number of cultural and fine arts events to attract more visitors.	13% (59)	<b>35% (162)</b>	31% (145)	20% (94)	2% (9)	<b>2.64</b>
Rather than increasing fees the number of different services should be decreased.	1% (4)	4% (21)	22% (102)	<b>46% (215)</b>	27% (126)	<b>3.94</b>
<b>Total Respondents</b>						<b>474</b>

As the above table demonstrates, 95 percent of visitors expressed that fees should be kept as low as possible so parks will be accessible to all citizens (56 percent strongly agree, 39 percent agree). It is clear that affordability of the visit is a very important factor for existing users.

It is notable that 65 percent of the responding park users do not favor a “per-person” approach to entrance fees.

A majority of visitors feel their park visits are valuable and meet their expectations. Park visitors support the concept that the state should charge less than the private sector because their tax dollars should be supporting park operations. Visitors also support fees for park services and programs if the money is used to support state parks (77 percent). Yet, 68 percent believe paying for state park programs should be the responsibility of all Virginia taxpayers, even if they do not use them. Only 14 percent disagree with this concept. This response mirrors the statewide voter response to state park and natural area general obligation bond referendums in 1992 and 2002 when voter support approached 70 percent.

### **Survey of Special Event Attendees**

Students from the Small Business Center at Christopher Newport University visited Chippokes Plantation State Park and surveyed visitors during The Plantation Christmas Crafts Festival. This festival is an annual event held the last weekend in October. The results indicate overall customer satisfaction with the park and the special event.

Special events tend to attract customers who may not be regular park visitors. For example, this event features outstanding crafts from over 100 vendors. Respondents also indicate that park offerings appeal to customers with different interests and expectations. Of note is the question about what would entice more visitors to the park. This open-ended question did not offer suggested answers yet 15 percent volunteered that they felt that more visitors would come to the park if the fees were reduced (the second most popular response after more advertising).

In addition to the survey, the students recommended 12 low cost/no cost improvements including better trail markings, making park maps more readily available, more signs outside the park notifying the public of park events, implementation of a 5K race for the general public and a high school invitational track and field event, partnering with Jamestown for the 2007 anniversary, and website improvements. In reviewing other state park web sites, it was noted that the trend is to include more color photos and graphics, and reference was made to North Carolina's state park website as a good example of what can be done.

### **Findings:**

- **The public's overall satisfaction with Virginia state parks is high.**
- **Visitors express strong support for the concept of parks as "commons" to be supported by all citizens, including non-users.**
- **Price is an important factor in the decision to visit a park.**
- **It is clear that affordability of the visit is a very important factor for existing users. A survey of park visitors shows that 95 percent believe that fees should be kept as low as possible so parks will be accessible to all citizens (56 percent strongly agree, 39 percent agree).**
- **Park visitors support the concept that the state should charge less than the private sector because their tax dollars should be supporting park operations.**

- **Park visitors are split on the issue of charging higher prices of out-of-state users.**
- **Park user fees resulted in the lowest level of customer satisfaction in the customer survey.**
- **The average number of park visitors is over 7 persons per party.**
- **Over 60% of park visitors surveyed live within 100 miles of the park they visited.**



## Chapter VI: Marketing in Virginia State Parks

During the late 1930s and 1940s the new Virginia State Park System was an integral part of Virginia's tourism offerings. Extensive photo work still exists that was used heavily in the state's official tourism publication, "Carry Me Back to Old Virginia."

In subsequent years the State Park System was managed by the same agency that handled the state's tourism promotions, the Virginia Department of Conservation and Economic Development. Promotions for state parks were handled by the state's tourism office. As the tourism office grew and expanded its reach in promoting all of Virginia's public and privately owned tourism attractions, the marketing of state parks dwindled. By the 1980s, Virginia state parks were in more of an informational rather than active marketing mode. No advertising was done, and limited quantities of "promotional" brochures were produced.

The 1994 Budget Bill authorized the state to enter into a Non-Commercial Sustaining Advertising agreement with the Virginia Association of Broadcasters. This allowed the state parks to advertise on television and radio across the state. Over the years First Lady Susan Allen, Governor Jim Gilmore and Governor Mark Warner have served as state parks spokespersons on television spots. For the last three years, NASCAR driver and Virginia native Ward Burton has served as a state parks spokesperson on both television and radio.

### Today's Marketing Efforts

DCR prints and distributes 250,000 state park guides annually. They are distributed through local, regional and state welcome and tourism centers and to a host of other distribution points.

The Department also prints an annual *State Parks Adventure Guide* that provides information on state parks special events, festivals, concert series, interpretive programs and adventure programming. Approximately 150,000 of these are printed for distribution annually. The last two years they have been printed as an insert in *Blue Ridge Outdoors* magazine. In addition to the magazine's 70,000 circulation, an additional 80,000 are distributed through outfitters, sporting good stores, local recreation areas and other outlets.

The Internet has also become a major player in the Department's informational and promotional efforts. Over the past two years the DCR website averaged more than 750,000 unique visitors. The site's state park pages accounted for approximately 400,000 of those visits each year. The state park pages are also linked to hundreds of other sites and the Department's Webmaster works closely with the Virginia Tourism Corporation to feature state parks and park events on the state's tourism website, [www.virginia.org](http://www.virginia.org).

### Advertising

Currently DCR has a \$270,000 annual state parks advertising budget. **According to a recent survey of other states' marketing efforts analyzed by Dr. Kent Nakamoto of Virginia Tech, this amount puts Virginia at the upper end of state expenditures for marketing purposes.** While it is well behind the \$750,000 reported by Florida, a number of states reported little or no money devoted to advertising. Other states in the same range as Virginia include Louisiana (\$250,000), Missouri (\$380,000) and Nebraska (\$420,000).

In Virginia, \$200,000 goes to statewide and regional advertising. The remainder is made available locally through each of the Park System's seven district offices. Staff coordinates local efforts focusing on state park events and cooperative efforts with community attractions.

Through a mix of radio and television advertising using the VAB agreement, regional lifestyle and outdoor publications and cooperative advertising with the Virginia Tourism Corporation, DCR attempts to place advertisements so that they raise the general public's awareness of the State Park System and encourage visitation to its three major revenue generators: cabins, camping and in-season day use (parking and concessions). Many of the advertisements are placed seasonally to boost cabin and camping use during those times when use of those facilities has traditionally been lower.

### *Broadcast advertising*

The VAB agreement remains the cornerstone of the Department's advertising efforts. The campaign runs February through March annually, in advance of the traditional spring and summer park season. It calls for the department to pay the VAB \$100,000 in return for a guarantee of at least \$200,000 in airtime during the two month campaign period. The radio and television members are then encouraged to place the state parks advertisements in their normal public service announcement rotation for the remainder of the year.

Over the years, the VAB has greatly out performed its minimum requirement. Most years the value of advertising time exceeds \$300,000 with it topping \$430,000 at its zenith.

While the VAB agreement provides the Department considerable return for its investment, over achieving in each of its 10 years, the Department has no control over the placement of its advertisements. While the contract has drive time and gross rating points clauses that guarantee value, it does not allow DCR to target specific programs and audiences with a large portion of its advertising budget.

### *Regional publications*

The Department supplements the VAB agreement with other statewide and regional efforts. Recent efforts have focused on regional lifestyle or outdoor oriented periodicals such as ***Southern Living***, ***Blue Ridge Country*** and ***Blue Ridge Outdoors***. Previous efforts included cable television, statewide newspapers and other publications.

The Department later returned to regional lifestyle and outdoor oriented publications believing they provided more control over their advertising dollars. They allow the Department to focus on specific target audiences. The timing of the advertisements also allows the Department to focus on the spring and fall seasons.

For example, ***Southern Living*** magazine allows the Department to reach two key audiences in the Virginia, North Carolina and Maryland markets – families and empty nesters. ***Southern Living*** readers are married, the majority are women (who make most of the families traveling decisions) and more than 40 percent have children living at home. Its two strongest age groups are 35-54 and 55 and older. Again, families and empty nesters are two critically important audiences for state parks.

By contrast, *Blue Ridge Outdoors* attracts a much younger, primarily single audience that is interested in active exploration of the outdoors. An advertising investment in this and similar publications not only attracts users for mountain biking, canoeing and kayaking and adventure programs, it is also an investment in the future. Active singles familiar with the State Park System now are more likely to be cabin and camping users as they mature and start a family.

### **Promotional Partnerships**

Over the years the Department has explored a number of advertising and promotional partnerships. The early Outdoor Adventure Guides were printed as an insert in the Virginia Tourism Corporation's Virginia Outdoors Guide. Unfortunately that publication no longer exists. **DCR has entered into partnerships with both the Virginia Campground Owners Association and the Virginia Hospitality and Travel Association to produce campground guides promoting private and state park campgrounds.** Currently state parks are advertised in a publication produced by ReserveAmerica, who provides Internet camping reservations.

**Under the Warner administration, the Virginia Tourism Corporation has shown an increased interest in promoting Virginia's outdoor recreational resources.** Virginia's state parks have benefited from this interest. To date the Department has worked with VTC on several cooperation promotional opportunities including having real-time "fall foliage cams" located in several Virginia state parks to highlight the progress of the turning leaves, a "pet friendly" travel promotion with VTC, state parks, *Good Housekeeping* magazine and others, and a recent camping promotion with VTC, *Blue Ridge Outdoors* and Blue Ridge Mountain Sports outfitters.

### **Localized, park and event oriented advertising**

In addition to those marketing efforts that reach audiences statewide or in the Southeast U.S., the Department has devoted a portion of its advertising budget to localized efforts. These are coordinated by DCR Visitor Services Specialists (VSS's) in the seven park district offices across the Commonwealth.

The VSS's coordinate with local tourism and outdoor recreation attractions in developing local, cooperative promotional and advertising opportunities. These monies are also designed to give the Department more flexibility in advertising specific park programs such as newly developed adventure experiences, festivals or other special events. Unfortunately in many cases the potential audiences for these events are not strictly local.

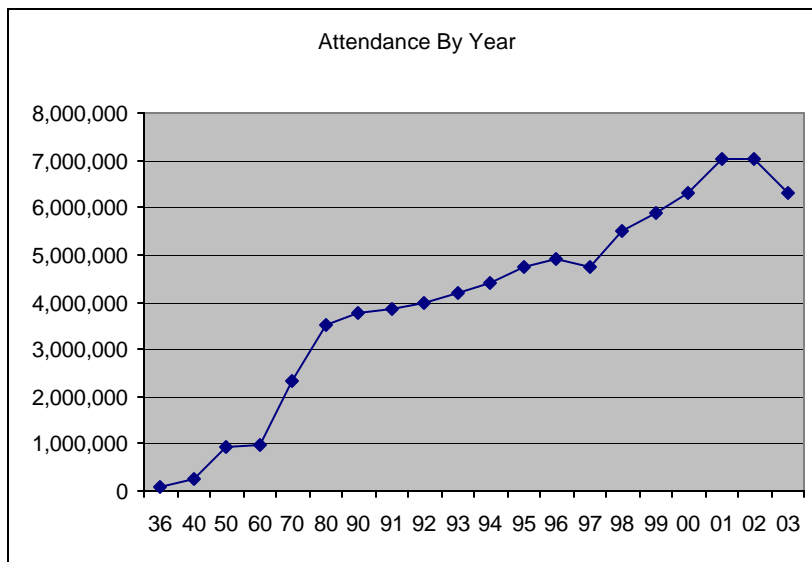
### **Future marketing challenges**

DCR has been actively marketing state parks through the purchase of advertising and other marketing and promotional efforts for approximately 12 years. In his analysis of Virginia's state park advertising efforts, Dr. Kent Nakamoto of Virginia Tech found that **"attendance figures, lodging and camping usage, and special event attendance all suggest that the promotional campaigns for state parks are generally successful. The advertising expenditures appear to be competitive with other states and the timing of the campaign appears to be appropriate to the natural seasonality of demand."**

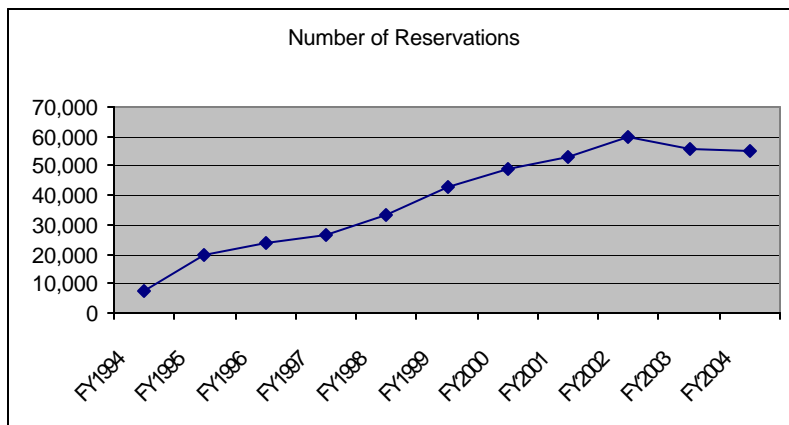
Since 1992 intensified marketing has been one factor in sparking tremendous growth in both park attendance and revenues. More people are aware of Virginia state parks and enjoying their offerings than at any other time in their history.

Attendance in Virginia state parks has increased since 1992 from 3.97 million to a high of 7.02 million in 2002. This is a 77 percent increase since state parks began actively marketing their services. Likewise the number of reservations for overnight accommodations, a focal point for marketing efforts, has grown approximately seven-fold since 1994, increasing from 7,476 to 55,121 in 2003.

### State Park Attendance: 1936-2003



### State Park Reservations: FY 1994-FY2004



However, with a void of marketing efforts for many years previous to 1992, it is not surprising that this is the case. Given the amount of funding devoted to advertising efforts it was decided that **all** promotional funds should go into the purchase of advertising with no funding for production or research.

Development of advertising products is done in-house as are decisions on advertising placement.

Decisions on the placement of advertising and the vehicles used are done according to the best judgment

of DCR staff rather than being based on current market research. Anecdotal information received from reservation center counselors or from “Your Comments Count” cards and other related efforts are used, but for the most part decisions are judgment calls.

As stated earlier, this approach has worked in developing a successful general awareness campaign that focuses on several major park offerings and their major seasons. Virginia Tech’s Dr. Nakamoto sees this general awareness approach as a natural extension of the state parks mission. “The goals of the advertising campaign must be framed by the usage goals of the state for its parks. The primary goal of the State Park System is to provide a recreational resource to the citizens of the Commonwealth of Virginia. With respect to this goal, then, the role of advertising is to publicize the presence of parks as a recreational resource.”

While Dr. Nakamoto sees revenue generation as “a secondary goal suggested by the General Assembly and DCR budgetary needs,” advertising has had an impact on it as well. Increased facilities, fee increases and marketing efforts have helped account for a dramatic increase in state park revenues. **For example, since 1997, combined cabin and camping revenues have nearly doubled from \$1.09 million to \$1.97 million for 2004.** If the Department is to continue to explore additional recreational offerings that generate revenue and explore extraordinary pricing opportunities then the advertising and marketing budget will have to keep pace.

Extraordinary pricing opportunities are neither extraordinary or opportunities if there is no way to make the public aware of them. Likewise, numerous efforts at developing new special events and adventure programming, many in cooperation with local outfitters or other partners, have failed because the Department currently puts most of its effort into once-a-year advertising vehicles and has limited funding to develop spot advertising and marketing efforts. Dr. Nakamoto suggests that these events and the proper marketing of them “represents opportunities for the parks to partner with businesses to expand the revenue potential of the parks in a cooperative rather than competitive manner.”

When originally conceived, the Department thought that more revenues would be invested into marketing efforts including the development of Virginia state park-specific market research to support existing and especially new offerings. However, with revenue increases going to support park operations and maintenance, marketing funds have remained stagnant for the last five or six years.

As stated earlier the Internet has become an important part of the Department’s state parks marketing efforts. National studies show that the public’s use of the Internet in making traveling decisions will continue to grow exponentially. While the Department’s site has received numerous compliments for its state parks information, much more can be done.

Currently the Department has one person devoted to maintaining and updating state park web pages among his other duties. This position also oversees the entire website devoted to soil and water, natural heritage, Chesapeake Bay local assistance, planning and recreational resources, land conservation and other DCR functions. Much of the Webmaster’s time is devoted to maintenance and needed informational upgrades. Little time is available to evaluate the entire site, and in particular the state park pages, to ensure they are user friendly and are coordinated with other marketing efforts.

As part of its participation in this study, students at Christopher Newport University reviewed the state park pages of the DCR website and cited several improvements that could be made. Their primary

recommendation was that more images of the parks and the parks' offerings were needed to encourage web visitors to become park visitors. Their suggestions included more photos of existing facilities, including virtual tours of cabins, campgrounds, and facilities associated with the parks' conference and meeting facilities. The use of "real-time" photos to show the changing seasons in the parks (similar to the "fall cam" in state parks initiative on the Virginia Tourism Corporation's website) would also be beneficial.

The Department is also in the discussion stages of another electronic marketing initiative, establishing a statewide system of electronic kiosks that would provide information on state parks and surrounding tourism destinations. The Virginia Tourism Corporation has expressed interest in creating a system based on a model developed for Virginia state parks.

Work conducted by Christopher Newport University for this study also shows that highway directional signage is an important factor in park visitation. While the primary purpose of directional signage along interstates and other Virginia roadsides is not to promote state parks, there is no doubt that these signs play a role in reminding the public of the availability of their parks. Additionally, the assurance given to visitors by these signs as they seek out sometimes remote parks is a factor in encouraging visitation. Across the state, there is variation in the willingness and ability of transportation districts to place these signs, largely influenced by interpretations of VDOT's signage standards. For many years, DCR has attempted to receive the same privilege as enjoyed by museums and historic sites that relaxes the standards for sign placement on interstate highways. The agency is hopeful that this issue will soon be resolved.

#### **Findings and Recommendations:**

- **Previous efforts have been successful in promoting a general awareness of state parks resulting in increased revenues and attendance. Future advertising efforts would benefit a more targeted approach based on market research.**
- **Electronic marketing initiatives such as expanded use of the Internet and a statewide informational kiosk system should become a larger part of the department's future marketing mix.**
- **Improve the state park website to include more photographs, graphics, virtual tours and more frequent updates and revisions.**
- **There should be increased coordination between the DCR state park central office and the individual state park offices in determining how to better promote special events and adventure programming.**
- **New strategies are needed to help promote new facilities coming on line as the result of the 2002 General Obligation Bonds.**
- **Agency efforts should continue with the Virginia Department of Transportation to improve directional and informational roadway signage for state parks.**

## **Chapter VII: New Recreational Products and Services**

One aspect of the study directed by the 2004 Appropriations Act is the identification of new recreational products to increase revenue and increase the exposure of Virginians to the State Park System.

As discussed in Chapter V, Virginia state parks derives most of its collected revenue from three major sources: cabin rentals, camping site rentals, and parking fees. The 2002 General Obligation Bond was designed to increase the State Park System's inventory of cabins and campsites at parks that already successfully offer these facilities and at state parks previously devoted to day use only. Based on revenue collection and demand, this will increase revenue.

The recent conversion of the Pocahontas State Park Pool to an aquatic center, for example, has demonstrated that there is a potential to convert some of the more labor-intensive pool and waterfront facilities to operations that require fewer paid lifeguards and increase attendance. Revenue production, even at the net revenue level has been impressive at Pocahontas. Studies conducted at a number of our facilities do indicate that following this model or adding spray grounds at some of our lakefront swimming locations would also translate to increased profit.

When examining opportunities presented by new products that have not been significantly exploited by state parks there are two important considerations.

First, does the new recreational product support the Virginia State Parks mission? Nearly seventy years of history point to a primarily natural experience, where the development footprint is no more than a third of the park. If revenue generation had been the most important consideration in state park development, dispersed family cabins and small campgrounds would not have been the choice. Hotel/motel facilities, resort style amenities, golf courses and more developed land would have been the norm. These type facilities have proven to be highly controversial when proposed for Virginia's state parks.

The second consideration is actual revenue generation. Given the current operational funding shortfalls faced by state parks, net profit is a more important measure than gross revenue when evaluating new products or services. In an effort to maximize profit in all services offered, DCR staff have spent significant time and effort training state park staff to be better food concession managers, maximizing system-wide buying power to reduce cost of goods sold in the merchandising operations, and finding concessionaires to appeal to niche markets like horseback riding, equipment rentals like boats and bikes, and outfitter services.

Where individuals and small businesses to operate these concessions were not found and where significant demand exists, individual state parks have taken over the operations of these services. While these services offer additional amenities to our customers, generally speaking, they have not proven to be particularly lucrative. The operations are often justified on a break-even basis due to the value added for park users, but these opportunities do not represent significant revenue generating potential. Most new opportunities are also staff intensive increasing the cost of operating and adding additional stress to park operations.

## **The potential for outdoor adventure programming in Virginia state parks**

A number of Virginia's state parks possess natural resource attributes and program support facilities that make them potentially attractive for the development of packaged outdoor adventure programs. In some instances, permanent and/or seasonal staff members possess the knowledge, skills and abilities necessary to serve as adventure activity leaders. The missing element in the case of state parks is the ability to dedicate staff solely to the task of developing and conducting outdoor adventure programs.

Nonetheless, over the years, state parks have developed several outdoor adventure programs intended, at least in part, to generate new revenue streams. Those programs have met with varying degrees of success. Two of the more successful programs are the Chippokes Plantation Heritage Deer Hunt and Hungry Mother's Mountain Empire Fly-fishing School.

The Chippokes Plantation Heritage Deer Hunt has been very popular. Each year, approximately 30 participants pay a premium fee (\$325/hunter) and are treated to an old-fashioned deer hunt, complete with a Hunt Master and a Blessing of the Hounds. The event includes a pre-dawn breakfast, lunch and a special awards dinner at the conclusion of the day. From a purely financial view, this is a staff-intensive event and even with the premium fee involved, does not generate significant revenue.

The Mountain Empire Fly Fishing School at Hungry Mother State Park is another example of a non-tradition offering that was designed in part to generate new revenues. This annual two-day event accommodates approximately 25 participants and includes meals, lodging, expert instruction and access to a privately stocked trophy trout stream. While this is a very popular program, it, too, is a staff-intensive effort, and does not generate a profit.

These two examples clearly illustrate that people are willing to pay for a program that they perceive to offer a unique experience and that parks are often ideally suited to support such programs. However, they also illustrate the fact that such programs are by their very nature, staff-intensive, reach a limited audience and do not generally have the potential to generate significant levels of new revenue for state parks.

Many of the natural and cultural resources and the visitor support facilities necessary to support a variety of outdoor adventure programs do exist within the State Park System. Such programming is valuable in that it increases the exposure of state parks and it furthers the DCR conservation education mission. However, because the development and delivery of adventure programming is staff-intensive, it would need to be supported with additional staff and budgetary resources in order to be successful on a large scale. Furthermore, even with the necessary staff and budgetary support to make outdoor adventure programming in state parks successful, it would likely result in minor increases in overall park revenues.



## **Findings and Recommendations:**

- **Long term, DCR's most appropriate niche in the outdoor adventure market may be to provide the natural resource base and necessary support facilities at our state parks for private sector program providers to utilize. This would present the advantage of providing the public with the opportunity without the necessity of devoting scarce staff and budgetary resources to a new, time-consuming undertaking.**
- **DCR should continue to explore and implement new fee-based recreational opportunities, especially outdoor adventure programs, to enrich its public offerings but must recognize that these programs have only limited potential to produce revenues.**

## Chapter VIII: Extraordinary Pricing Opportunities:

The legislative instructions directing this study requested DCR to include “a review of the potential for extraordinary pricing opportunities associated with particular facilities, location, times of the year, or unique nature and recreational experiences, including package opportunities not currently included in the Department’s fee schedule.” This refers to common private sector practices such as prime season pricing for vacation and resort properties, higher prices for accommodations facing waterfronts, higher pricing for high-demand locations, and special event pricing such as employed by hotels on the weekends of college football games. Several of these practices are already in place in the Virginia State Park System and the public has generally accepted these practices, in part because they are so common in other similar purchases. Among these are:

- Three-season pricing for park cabins;
- Differential pricing for cabins, camping, and parking depending upon park demand;
- An out-of-state resident pricing structure;
- Higher parking fees during park special events;
- A second peak season during leaf-change season in Fall;
- Higher prices for cabins located on water features or having views of water features;
- Rental prices for boat storage facilities based on size of boat or size of slip;
- Special (higher) rates for commercial users of parks;
- Special group rates for swimming, camping, etc.;
- Special pass books to encourage additional purchases/uses;
- Higher fees for business users of educational facilities;
- Surcharges for using facilities before or after normal hours of operation;
- “Package” pricing for wedding and meeting facilities.

DCR identified and evaluated several other pricing options during the course of this study that could be considered including the following:

- Base price plus per – person rates for camping and cabins: A common practice for camping in the private sector, although uncommon in the public sector; it is difficult to collect/enforce. This practice was in place in Virginia park cabins in the early years.
- Higher non – resident prices for camping, parking, and programs (similar to what is already used for cabin fees.): This practice is rarely used in other states for camping, parking, and programs.
- Surcharge to cover reservation costs for camping and cabins: Several states employ this fee. There is a cost for any reservations system, but it may be counterproductive to charge a separate fee for using it. Virginia has to date incorporated the reservations cost in the overall price.

One practice being explored is the idea of “special-event” pricing, such as raising prices for cabins and camping at parks near NASCAR tracks on Nextel Cup race weekends. These events draw huge numbers of persons who are looking for overnight accommodations, and it is common for hotels and motels to raise their prices, sometimes doubling or tripling their normal top rates. There are three race venues in Virginia, and each has an associated state park within 50 miles of the event. Each racetrack has two events, and all but one of the events occur when mid-season rates are in effect at parks (the other occurs in August when cabins are already at prime season price). Consideration is being given to switching to prime season, or even higher, pricing on race weekends.

DCR will need to consider several factors relating to this approach. One consideration, for example, is that some of the parks still have significant numbers of users who are visiting the parks for purposes not related to the NASCAR event.

DCR staff have calculated the effects at Fairy Stone State Park of reverting to peak season pricing for the Fall or Spring races, held at the Martinsville Speedway, and it projects the effects of prices 25 percent and 50 percent higher than peak. The Department’s information shows that \$756 in new revenue would be generated by reverting to prime season pricing for race weekend, and a surcharge of 50 percent over prime rate would generate an additional \$1,134. Similar estimates would occur at Pocahontas and Hungry Mother State Parks, the two other race venues. Pocahontas has no housekeeping cabins (and therefore less revenue potential) and one of the two races that affect Hungry Mother occurs in August, when peak pricing is already in effect.

**Recommendation:**

- **The concept of extraordinary pricing to take advantage of outside events (NASCAR races, college football weekends) offer some limited opportunities for increased park revenue generation. The Department should explore a pilot program to set up special event pricing at one or more parks that benefit from NASCAR events or major college football/event weekends in their vicinity.**