

# *Economic Sustainability Plan for the Sacramento-San Joaquin Delta Recreation and Tourism Chapter 2020 Update*

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Prepared for:

Delta Protection Commission

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## Executive Summary

### Purpose

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This update to the Recreation and Tourism Chapter of the *Economic Sustainability Plan for the Sacramento-San Joaquin Delta* (ESP) has two main purposes. First, it responds to the Legislative directive of the 2009 amendments to the Delta Protection Act of 1992, whereby the Delta Protection Commission (Commission) is to complete an economic sustainability plan, updated every five years, with the following guideline:

*The economic sustainability plan shall include information and recommendations that inform the Delta Stewardship Council’s policies regarding the socioeconomic sustainability of the Delta region.*

In addition, it offers the Commission, as well as local, state, and other decision makers, the best available current data and analyses of visitation, economic activity, facility and access issues, and emerging trends of recreation and tourism in the Delta. As recreation and tourism represents the second highest economic sector in the Delta, this update will help policy makers effectively respond to the key issues and trends influencing its economic sustainability.

This Executive Summary includes the following topics:

- Milestone Accomplishments from 2012 ESP
- Recreation Trends
- Key Data
- Constraints to Recreation
- Focus Group Findings
- Recommendations

### Milestone Accomplishments from 2012 ESP

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The Commission has advanced a number of important milestones from the 2012 ESP recommendations related to the sustainability of recreation and tourism, notably:

- Delta National Heritage Area designation and supporting projects, including Delta Narratives, annual Delta Heritage Forum, and Delta Heritage Courier newsletter
- Delta Marketing Task Force, including development of VisitCADelta.com website, Delta logo, sign plan and branding, and Delta Voice newsletter
- Great Delta Trail planning and designation of several segments
- Updated studies and surveys, including 2015 Inventory of Recreation Facilities, 2017 Recreational Boating Use, 2019 Delta Recreation and Tourism Survey Report, and 2019 Socioeconomic Indicators Report

### Recreation Trends

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During the past thirty years, outdoor recreation patterns have undergone some significant change, both in California and nationwide. Long-term trends in participation rates in most popular Delta outdoor recreation categories, including general outdoor recreation, boating, fishing, hunting, and others (see Table 8- 9), have declined significantly since the 1990’s but

appear to have leveled off. According to the U.S. Fish and Wildlife Service (USFWS), in the Pacific Region (including California), the fishing participation rate has declined 50% since 1991, while hunting has declined 55%, and away-from-home wildlife watching is down 50%. There are no equivalent studies of Delta-specific participation rates, but based on Delta boating trends, it appears that participation is also down in the Delta. Since 2000, boating vessel registrations are down by 24% within the Delta’s Market Area.<sup>1</sup> State Parks reports that statewide Activity Days for recreation activities common in the Delta are also down since 1995.

During the COVID-19 pandemic, it seems a reversal has occurred, with increases in close-to-home outdoor recreation, including boating, fishing, camping, and walking in parks and natural spaces. There is no certainty as to whether this rediscovery of outdoor recreation will continue.

## Key Data

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The following key data characterize the status of Delta recreation at the start of 2020.

- The number of marinas in the Delta has decreased since 2008, from 112 to 97 in 2020.<sup>2</sup> Likewise, there has been a decline in recreation-related establishments located in the primary zone, from 96 in 2008 to 70 in 2020.
- The number of boat builders in the Delta has dropped by 20%, along with declines in most other boating-related services.
- The number of farms with direct sale operations, such as farm stands or you-pick operations, agritourism or recreation sales, have increased in the six Delta Counties since 2002, with resultant increases in income per farm. In addition, many wineries and wine-tasting establishments have opened.
- Since 2012, the population in the Market Area is estimated to have increased by approximately 1,200,000 or 10%.
- Recreation visitation for 2020 was updated with recent data but is estimated to be similar to 2010 estimates: approximately 8 million *resource-related* (e.g., boating and fishing) visitor days of use per year, 2 million *urban parks-related* (e.g., golf, picnic, and turf sports), and 2 million *right-of-way-related* (e.g., bicycling and driving for pleasure) recreation visitors per year.
- Since no direct surveys exist, the total number of activity days was estimated based on best available data and professional judgment at approximately 12 million per year, similar to 2010. The increased Market Area population referred to above offsets declining participation rates.
- Current direct spending in the five-county<sup>3</sup> Delta region from *resource-related* and *right-of-way/tourism-related* trips and related non-trip spending is estimated at roughly \$250

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<sup>1</sup> The Delta’s Market Area is defined in Section 8.3.4.1 and includes the counties which represent approximately 85% of all Delta boating visitors.

<sup>2</sup> Source: Dun & Bradstreet Hoovers, UOP. Marinas include marinas, yacht clubs, launch ramps, and both public and private boating related facilities. Please See Section 8.3.2.1 and Appendix I for more details. Marinas may offer more than one service.

million inside the Delta (in 2020 dollars), as compared to approximately \$312 million in 2012, a decline of almost 20 percent.<sup>4</sup> Most spending occurs within Legacy Communities and at marinas.

- Delta recreation and tourism now supports almost 2,300 jobs in the five largest Delta counties, compared to approximately 3,000 jobs in 2012 (a 26% decrease). These jobs provide about \$98 million in labor income, and a total of \$144 million in value-added to the regional economy. These numbers are lower than the estimates from 2012 when Delta jobs provided about \$104 million in labor income and \$175 million in value-added.
- Delta recreation and tourism supports about 3,800 jobs across all of California, a decline of 28% of the estimated 5,300 statewide jobs supported in 2012. The sector contributes about \$280 million in value added, compared to approximately \$350 million in 2012, a decline of 20%.
- The main reasons for the decreases in spending are twofold: 1) the estimate of average daily spending decreased due to more precise data in this update, and 2) most recreation spending currently is retail related, lowering the economic impact multiplier. A higher level of spending on boats built in the Delta, for example, would increase the economic impact.
- Table 8- 1 at the end of this summary lists selected key economic data comparisons between this update and the 2012 ESP. Note that most of the key data points have declined in that time period, in spite of increases in population.

Progress on the Delta National Heritage Area, Delta Trail, and marketing programs is significant. However, these initiatives are not specifically designed nor intended to address actions necessary to economically sustain the two most financially productive, though weakening, segments of the Delta’s recreation and tourism economy– marinas and Legacy Communities.

### Constraints to Recreation

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A number of physical and operational constraints and uncertainties have an impact on current facilities and recreation access. These include:

- Sediment accumulation
- Invasive species
- Waterway obstructions
- Water quality
- Lack of boat-in destinations
- Highly sensitive habitat areas with public use restrictions
- User group conflicts

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<sup>3</sup> Note that while the legal Delta encompasses land and waterways from six counties, Alameda County is excluded from the economic analyses in this report following the standards of the 2012 ESP. More information can be found in Section 0.

<sup>4</sup> The analysis states impact estimates in nominal dollars. The decline in spending between 2012 and 2020 in inflation-adjusted dollars is nearly 30 percent.

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- Trespassing and crime
- Multiple management entities
- Burdensome regulations
- Homelessness
- Aging infrastructure
- Rising sea levels/climate change
- Water conveyance
- Lack of public access facilities
- Traffic congestion
- and others

Most of these constraints are chronic and were reported in the 2012 ESP (as well as many other studies), while some have become more problematic recently, such as homelessness, invasive aquatic weeds, traffic congestion, and water conveyance plans.

### Focus Group Findings

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Five focus groups were conducted for this update in order to help deepen understanding about current issues and provide additional qualitative data. The focus groups were all conducted via phone and web-based participation from February through April 2020 and represented a cross section of the Delta recreation and tourism sector, including marina owners, other business owners, activity participants, and underserved communities. Focus groups echoed many of the same issues identified above, including water quality, abandoned vessels, infrastructure, and limited public facilities and trails. In spite of these issues, business and marina owners were cautiously optimistic about the future, and users felt the Delta was a hidden gem, with easy access to natural areas, and suggested that visitation can be increased without changing its character. The ideas they offered to improve visitation, in addition to addressing negative issues, included increasing business networking, marketing, and programming, developing youth ambassador programs, and adding new businesses and public access facilities.

### Recommendations

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This update to the ESP first reviewed recommendations from prior studies and resultant actions, and then refocused recommendations to solve problems in the areas that most strongly impact the economy, namely marinas, boating, and Legacy Community-related outdoor recreation and tourism businesses. The key desired outcome is to restore and sustain the second pillar of the Delta economy: recreation and tourism.

- Prior recommendations from twelve other plans/studies prepared for multiple agencies since 2002 covered the following broad topic areas
  - Facilities: Increase operations and maintenance of existing areas
  - Facilities: Expand and develop new public facilities and support existing private businesses
  - Water Quality Needs, Enhancement, and Protection
  - Information/Marketing
  - Programming

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- Boating Safety
- Crime
- Homelessness
- Multiple studies have repeated the same suite of recommendations, with no meaningful progress on the majority of more than 40 recommendations over the past 20 years. The lack of progress can be attributed to many issues, including funding, issue complexity, and lack of a primary responsible entity.
- In order to overcome these obstacles and improve the recreation economy, the key high priority issues we recommend for immediate action and focus include:
  - Partner with local and regional park and economic development agencies and State Parks to expand access to existing public facilities
  - Partner with USACE to restart the Delta Dredged Sediment Long Term Management Plan
  - Develop permitting and planning assistance for Legacy Community small businesses
  - Partner with local agencies and State Parks-Division of Boating and Waterways (DBW) to expand funding to remove water hazards and abandoned vessels, and improve local boating and water access facilities
  - Expand “Save the Waters You Love” campaign from the Bay to the Delta
  - Partner with the Delta Conservancy, DBW, and counties to increase law enforcement funding and presence in the Delta
  - Expand the Delta Marketing Task Force efforts and promotion of VisitCADelta.com
  - Prioritize planning and implementation of Great Delta Trail and Delta National Heritage Area
  - Institute regular ongoing surveys of Delta recreation and tourism
- A responsible facilitator agency or organization should be identified or created that could coordinate community priorities in the Delta and then take action, solving major problems related to recreation, tourism, and economic development of the Legacy Communities.
- The Delta Plan recommends the Commission and Conservancy should take steps to encourage partnerships to expand recreation and promote tourism. This effort should be redoubled with outreach to engage state and local government and willing non-profit and private businesses to investigate the need and desire for a facilitator organization.
- Funding may be provided through pooled resources, the State budget process, the Delta National Heritage Area, local budgets, bonds, grant funds, federal budget, or through the Delta Conveyance Authority/DWR. Enhanced funding to Delta agencies would support economic benefits from recreation and tourism improvements.
- Public outreach for this project appeared to generally support priority recommendations and, in concept, the need for a responsible facilitator agency or organization.
- Table 8- 2 at the end of this summary highlights recommendations and sponsor or partner agencies.

**Table 8- 1 Selected Key Data Type Comparisons from 2012 ESP to 2020 Update**

Data Type	2012 ESP	Current Update	Percent Change
Market Area Population <sup>5</sup>	11,900,000	13,100,000	+10.1%
Recreation Related Establishments – Primary Zone <sup>6</sup>	96	70	(-27.0%)
Recreation Related Establishments – Secondary Zone	1,460	2,418	+65.6%
Marina Services <sup>7</sup>	112	97	(-13.4%)
Boat Builder Services	10	8	(-20.0%)
Boat Dealer Services	35	35	0
Boat Repair Services	49	36	(-26.5%)
DMV Registered Vessels (Market Area) <sup>8</sup>	306,998	270,713	(-11.8%)
Fishing Licenses Statewide (2009 v. 2019) <sup>9</sup>	1,179,195	1,007,428	(-14.6%)
Hunting Licenses Statewide (2009 v. 2019) <sup>10</sup>	1,679,864	2,040,946	+21.5%
Estimated Direct Delta Recreation Spending <sup>11</sup>	\$312,140,244	\$251,901,000	(-19.3%)
Total Economic Impact on Five Delta Counties	\$329,229,232	\$236,284,000	(-28.2%)
Total Economic Impact Statewide	\$654,415,364	\$446,082,000	(-32.8%)
Recreation Employment in Delta Counties	3,064	2,280	(-25.6%)
Recreation Employment Statewide	5,317	3,780	(-28.9%)

<sup>5</sup> See Table 8- 7 Population Projections for the Primary and Secondary Market Areas

<sup>6</sup> See Table 8- 3 Data for Recreation-Related Establishments within the Legal Delta with Changes in Numbers of Establishments Since 2008

<sup>7</sup> See Table 8- 4 Recreation-Related Facilities and Services within the Delta with Changes Since 2008

<sup>8</sup> See Table 8- 10 Total Vessel Registrations by Year within the Delta Market Area and Statewide

<sup>9</sup> See Table 8- 11 Total Resident Sport Fishing Licenses by Year Statewide

<sup>10</sup> See Table 8- 12 Total Hunting Licenses by Year Statewide

<sup>11</sup> See Section 8.3.6.1 for full economic models

**Table 8- 2 Sponsor Agencies and Potential Partners for each Recommendation**

<b>Recommendation</b>	<b>Sponsor Agency</b>	<b>Partners</b>
Establish Facilitator Organization	Commission	Council, Conservancy, local agencies, private partners
Prioritize planning and implementation of Great Delta Trail and Delta National Heritage Area	Commission	Facilitator Organization, Conservancy
Institute ongoing surveys of Delta recreation and tourism	Commission/Council	Facilitator Organization, Conservancy, DWR
Expand Delta Marketing Task Force and promotion of VisitCADelta.com	Commission/ Conservancy	Facilitator Organization, private partners
Maintain and upgrade existing public facilities	Facilitator Organization or Commission	Conservancy, State Parks, CDFW, WCB, local/regional park providers
Expand “Save the Waters You Love” campaign from Bay to Delta	Facilitator Organization or Commission	Conservancy, San Francisco Estuary Project
Implement permitting and planning assistance for Legacy Communities	Facilitator Organization or Commission	Conservancy and local agencies
Expand recreation facilities	Facilitator Organization	State Parks, Local Agencies, DBW
Restart Delta Dredged Sediment Long Term Mgt Plan, strengthen levees, simplify permitting	USACE	Reclamation Districts, CVFPB, Facilitator Organization
Expand funding to remove water hazards and abandoned vessels	DBW	Commission or Facilitator Organization, Conservancy, local agencies
Increase law enforcement funding and presence	DBW/Local law enforcement agencies	Commission or Facilitator Organization