



North Carolina Department of Agriculture and Consumer Services *N.C. Forest Service*



Steven W. Troxler
Commissioner

Scott Bisette
Assistant Commissioner

February 26, 2016

NC Department of Agriculture and Consumer Services Report on Dynamic Pricing for State Parks and Attractions

S.L. 2015-241, Section 14.11(f) requires the NC Department of Agriculture and Consumer Services to report on dynamic pricing fee implementation, including the evaluation of the feasibility and obstacles of charging new admission fees at state forests.

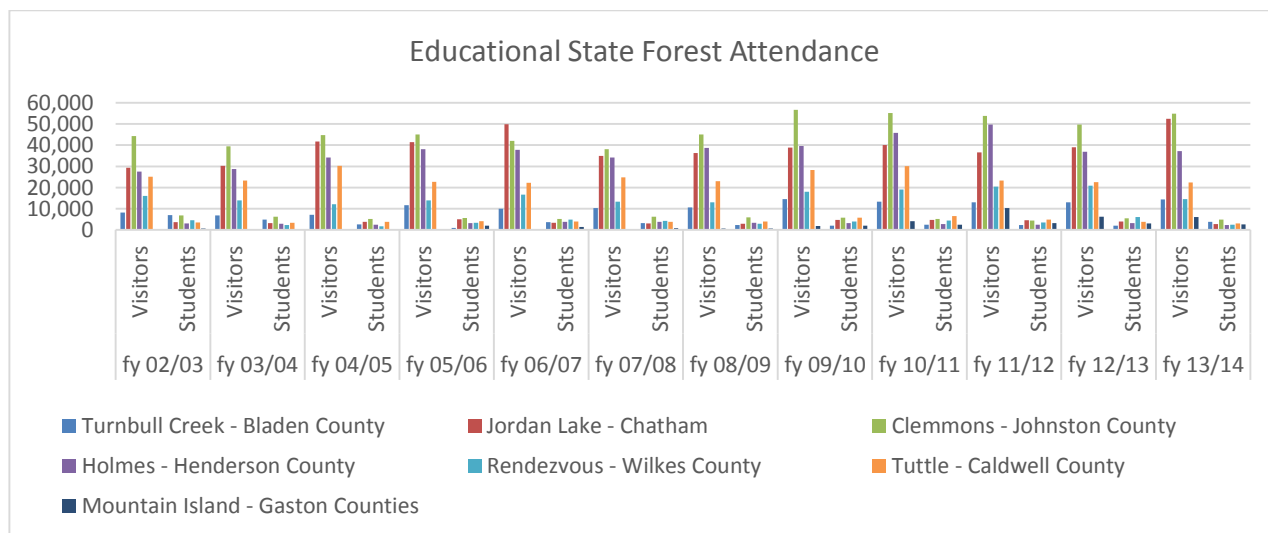
NC State Forests

Working Forests

The NC Forest Service operates two working State Forests. Gill State Forest, located near the town of Crossnore in Avery County, is a working forest and is not open to the public. Bladen Lakes State Forest, located near Elizabethtown in Bladen County consists of ~32,800 acres and is also a working forest, however, it is open to the public. There are no fees charged for any public activities on the State Forest. A working forest is one that is actively managed for timber production and other possible forest products.

Educational State Forests

The NC Forest Service operates seven educational state forests, hereafter referred to as ESFs, with the intent of teaching the public about the forest environment. Specially trained Educational Rangers conduct classes for school groups and other organizations such as Scout Troops. With the exception of Mountain Island ESF, which doesn't currently have any public facilities, all the ESFs feature self-guided trails that include exhibits, tree identification signs, a forest education center and a talking tree trail. They also operate as working forests to highlight the benefits of good forest management to the public. There are no fees associated with any activities on any ESFs.



DuPont State Recreational Forest

DuPont State Recreational Forest, hereafter referred to as DSRF, contains 10,400 acres in the Blue Ridge Mountains of Western North Carolina. Elevations range from 2,240 feet at Cascade Lake to 3,620 feet at the peak of Stone Mountain. Little River runs through the forest, with four major waterfalls along its course. The forest also contains five lakes. The largest is 99-acre Lake Julia. The forest has over 80 miles of roads and trails that are shared by hikers, mountain bikers and equestrians. Due to its popularity, this is currently the only State Forest that charges for activities.

Implementation of Current Activity/Use Fee Programs:

DSRF currently has the following categories of activity or use fees:

- Unimproved Campsite Rental: \$9.00 per campsite (daily)
- Primitive Group Campsite Rental: \$1.00 per person (daily)
- Improved Group Campsite Rental: \$40.00 (daily)
- Picnic Shelter Rentals: \$25.00 to \$60.00 (daily)
- Classroom fees: \$75.00 (1/2 day); \$150.00 (full day)
- Barn and Paddock Fees: \$10.00 per horse (daily)
- Special Activity Permit Fees: reimbursement for application and monitoring activities that require a permit. \$27 per hour for permit application review; permit monitoring reimbursement from \$1.25 to \$5.00 per user.

Trends:

Since fiscal year 12-13, DSRF has increased its activity fee revenue significantly. These efforts are essential in generating receipts that can support DSRF operation costs, however, they have perhaps reached the limits of their earning potential. Activity and use fees often require significant staff resources to issue and monitor permit conditions. Additionally, there are a finite amount of activities and uses that can be allowed within a given period of time.

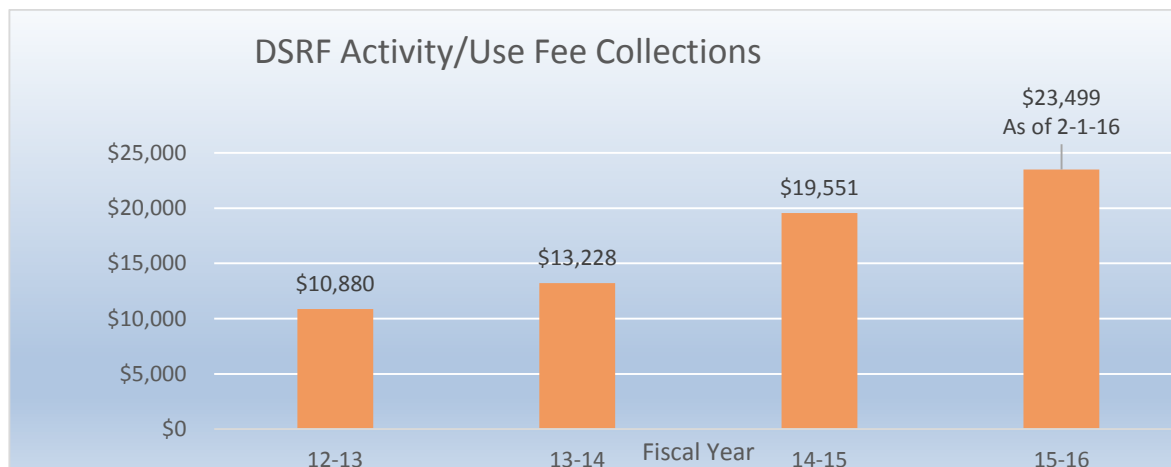


Figure 1

Evaluation of Dynamic Pricing Opportunities at DuPont:

Stakeholder Inputs:

In October of 2014, the DSRF Advisory Committee recommended that DSRF explore additional revenue programs to assist with the operation of the Forest and to provide critical services to DuPont's visiting public. Since 2011, the annual visitation to DuPont State Recreational Forest has nearly tripled, from ~200,000 visitors to ~680,000 visitors in calendar year 2015 (Figure 2). Moreover, it is estimated that nearly half of DSRF's visitors come from outside North Carolina, especially during the peak months of May through October. The impacts of such high visitation has spurred action and planning initiatives at the Department level and among local supporters of DSRF.

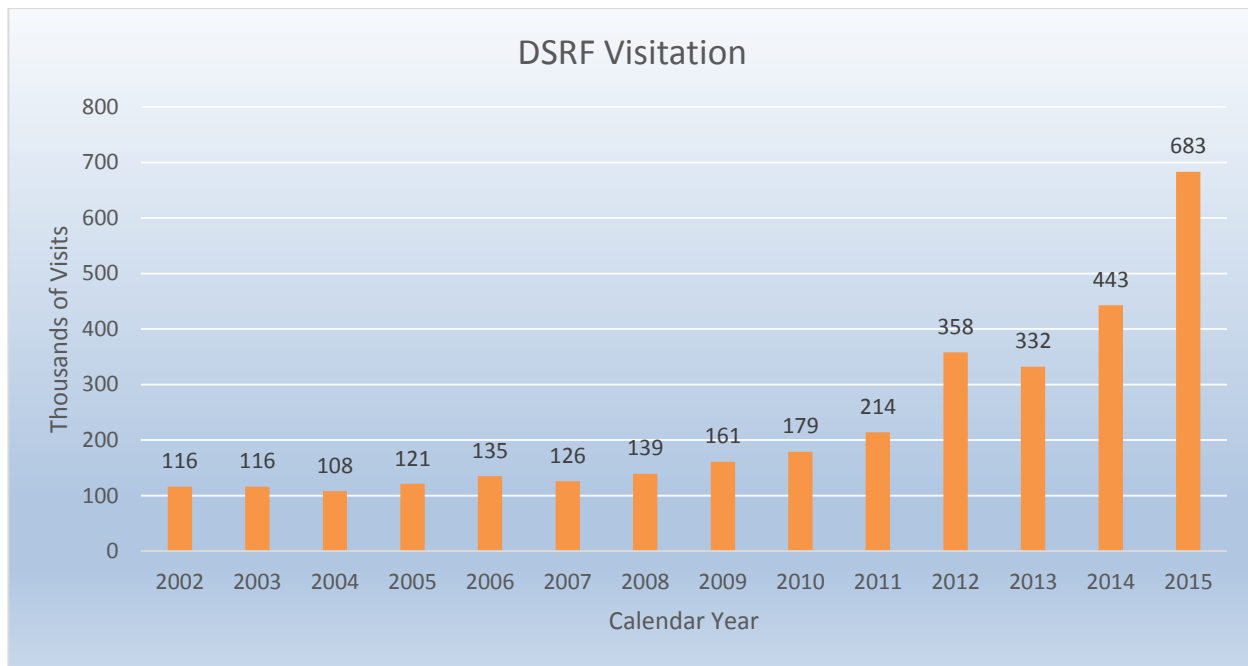


Figure 2

The DSRF Advisory Committee, composed of a group of twelve citizens representing different forest users, supported adding admission fees to generate revenue for the operation of DSRF. The Advisory Committee's members were asked to seek feedback from their user groups prior to these recommendations. The Committee also reviewed and supported the draft dynamic fee structure presented in this report in October of 2015. Additionally, the recently completed DSRF Master Plan was initiated with interviews with large group of stakeholders about the needs and challenges for DSRF and its facilities. Among the top priorities identified for DSRF were facility improvement and protecting natural resources, both of which necessitate significant and sustained funding. In the Master Plan's Operational Recommendations it was suggested that collection of fees be a part of DSRF's future initiatives.

Feasibility of Admission Fees at DSRF:

DSRF has examined the feasibility of admission fees based on a dynamic pricing strategy (Table 1). Certain Access Areas associated with DSRF's waterfalls are heavily used and subsequently impacted by the visiting public. Dynamic pricing for high-demand access areas would increase the admission fees on weekends and holidays, specifically for the High Falls and Hooker Falls Access Areas. Other Access Areas would have a lower admission fee, based on seasonal demands illustrated in Figure 3. Admission fees would be either for day use or on an annual basis. Discounts could be offered for NC residents, Veterans, or other groups.

Draft Dynamic Pricing Strategy for DuPont State Recreational Forest:

Fee Type	Access Areas	Rates
Day Use	<ul style="list-style-type: none"> High Falls Hooker Falls 	<p>Mon - Thurs: \$6 per vehicle per visit</p> <p>Fri - Sun and State Holidays: \$10 per vehicle per visit</p>
	<ul style="list-style-type: none"> Lake Imaging Fawn Lake Guion Farm Corn Mill Shoals Other trailheads 	<p>\$4 per vehicle per visit or \$20 per bus or large vehicle per visit</p>
Annual Fee	All Access Areas	<p>\$30 per year for North Carolina resident</p> <p>\$60 per year for out-of-State</p> <p>*Consider discounts for other groups (e.g., FODF, State Employees, local partners, etc.)</p>

Table 1

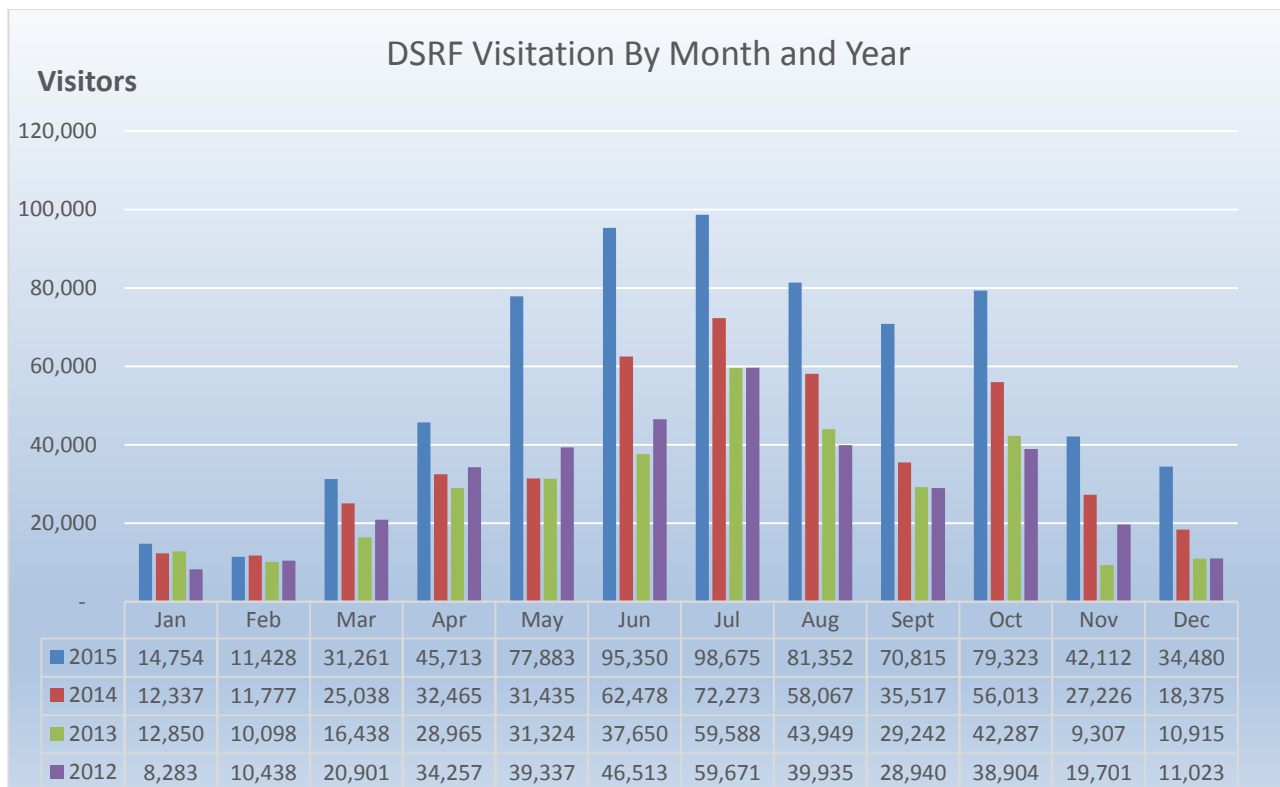


Figure 3

The feasibility of this admission fee program depends on addressing the following challenges:

- Defining the legislative authority for charging and enforcing admission fees via the NC Administrative Code review process.
- Providing an effective public information campaign ahead of fee implementation.
- Developing a service contract with a concessionaire or public lands partner for the daily operation of fee collections, cash management, and compliance.
- Establishing “No Parking” ordinances near the entrances of DSRF to address public safety issues created by road-side parking.
- Extending public utilities to all Access Areas (electricity, phone, internet).
- Construction of two gate houses, improved hardened surfaces for access areas, extending Wi-Fi services to accommodate electronic payments, expanding security lighting, and providing automatic payment stations.

Projections:

Based on the average number of visitors from 2012-2015 (454,000 people), an admission fee based on the draft dynamic pricing strategy would generate approximately \$770,000 in gross revenue over a 12-month period. The projections assumed that overall visitation to DSRF would drop 40% as a result of the admission fee and limited parking opportunities. Given the recent trends in DSRF’s visitation and the record attendance numbers reported by other public lands in Western North Carolina (e.g., The Blue Ridge Parkway, Gorges State Park, and the Great Smoky Mountain National Park), this may be a conservative estimate.

Appreciation of Support

As DSRF has grown from a relatively unknown State Forest to the one of the most popular outdoor destinations in North Carolina, there has been continual support for the needs of the facilities, protection of natural resources, and maintaining public safety. The creation of dynamic pricing through House Bill 97 is an opportunity for DSRF to take the next step and become a more self-sustaining public land that can both enrich the experience of its visitors and by providing first-class facilities and conveniences that best represent the State of North Carolina. We appreciate the opportunity to continue this important work.