

Appendix E: Optimal Value Framework for Tahoe



The Concept and Approach

The Optimal Value Framework (OVF) is a strategic approach that can be used to help destination stakeholders work together to understand and optimize the value of tourism for their community, agree on more balanced measures of success, and prioritize the impact areas most important for them to manage carefully and resource sufficiently. The framework helps identify the strategic levers that increase the benefits of tourism in the destination and minimize the cost or negative impacts of tourism to the destination.

The values (positive and negative) that we take into consideration include:

Economical value: revenue generation, employment and how residents and local entrepreneurs in the destinations are benefiting from tourism.

Cultural value: conservation of built heritage, intangibles such as original stories, wisdom sharing, customs and beliefs, traditional lifestyles.

Environmental value: preservation of natural resources, biodiversity, climate.

Societal value: improving the quality of life, housing, access to facilities, health and well-being, diversity, equity & inclusion.

Individual or Mental value: health, wellbeing, wellness, opportunities for rest and recharging vs feelings of being overwhelmed, burnout, etc.

Ultimately 'value' is subjective and therefore depends upon the views and perceptions of the community. The goal is to help stakeholders think through which impact areas (both positive and negative) are most important to be managed and in which to demonstrate good performance, so that tourism can become as net-positive for as much of the broader community and environment as possible. It results in a set of recommended actions for achieving balance in the destination, which are incorporated into broader planning efforts (in this case, into the Lake Tahoe Destination Stewardship Action Plan), and provides indicators for a destination to use as a monitoring tool.

Stakeholder Perspectives

Through engagement activities at public workshops and in resident surveys, we asked stakeholders what they value and what should be prioritized. In general, environmental priorities came out on top, quickly followed by social priorities particularly around how tourism impacts quality of life and access due to cost of living increases and volumes of users of amenities and recreation sites at peak times. Respondents to our resident survey shared that the two most important ways

tourism should contribute to Tahoe:

- Provide support to preserve our natural resources, habitats and ecosystems, including the lake.
- Provide good job opportunities and business opportunities.

Stakeholder priorities for action identified in the resident survey included addressing the following:

- Increased wildfire risk from irresponsible behaviors; Threats to lake water quality from trash, pollution, invasive species;
- Lack of monitoring and enforcement of regulations including parking, litter, etc.; Litter and trash collection; Threats to wildlife habitat; Traffic congestion

These and each of the inputs summarized in the Summary of Stakeholder Engagement informed our conclusions about stakeholder priorities, and resulting recommended actions and monitoring indicators.

The Framework & Analysis

The Optimal Value Framework is based on a set of impact areas with attached value statements on which to base an analysis to understand how well a destination is optimizing tourism's value currently. By analyzing available data, the framework can tell us how in balance, or out of balance the destination is and point to opportunities for shifts.

The Impact Framework used includes 24 impact areas mapped to the Future of Tourism Guiding Principles³. The impact areas fall under the categories of Economic Impacts, Environmental & Climate Change Impacts, Societal Impacts, Cultural Impacts, Tourism Product and Governance. Each was reviewed according to significant challenges being faced, the efforts to address challenges to date, the priority level for future action based on risk and stakeholder consultations, gaps and opportunities for future action, and global destination best practice examples.

Summary of Findings

The review indicates tourism's impact in Tahoe and the extent to which Tahoe is achieving the optimal scenario in these areas. It indicates that Tahoe is out of balance in several areas, where Tahoe faces heightened risk, associated with outsized impacts as well as climate-related threats, and there are shortfalls that impact the economy, satisfaction, and wellbeing of the communities. These overarching themes are connected to the greatest concerns revealed by the stakeholder consultations.

Under Environmental impacts, there are multiple threats but the main risks here are related to litter & waste, climate change impacts, and water quality.

³ <https://www.futureoftourism.org/guiding-principles>

Under Societal impacts, there is waning resident satisfaction related to the access theme - higher cost of living leading to lack of housing and perception of overcrowding, congestion, and disrespectful behaviors impeding quality of life.

Under Economic impacts, the major risks identified here are around the labor shortage and inability to service the tourism economy (and beyond) as well as the tourism and outdoor recreation sectors' dependence on an increasingly unstable climate.

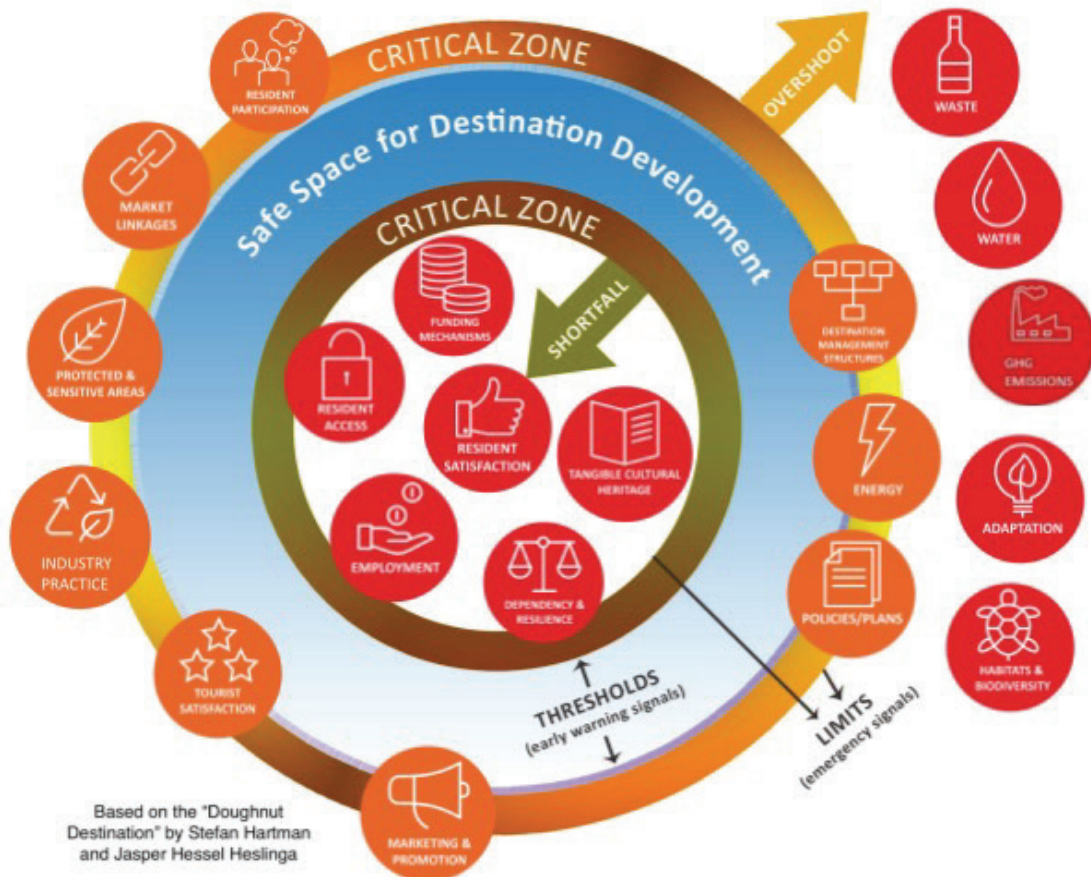
Destination governance and funding are also highlighted due to risk associated with inability to fulfill funding needs to implement destination stewardship priorities.

To illustrate a destination's current situation in regard to balance, we turn to the "Doughnut Destination" model developed by Stefan Hartman and Jasper Hessel Heslinga in 2022⁴. The model shows a "safe space" when the foundation is not jeopardized by either overshoots or shortfalls in tourism. Beyond the ceiling or limits are impacts experienced when tourism is not in balance. The Travel Foundation applied our analysis conclusions for Tahoe to this model to help visualize

the current overshoots and shortfalls, and help identify limits and thresholds. It also shows us that things are out of balance and it is not just one factor that is responsible. It is also important to note that the resulting overshoots are based on stakeholder priority and future risk, and are not a reflection of effectiveness of current programs or plans, only that they are areas to prioritize for achieving a more optimal situation. "The Tahoe Destination Donut" is visualized below.

Monitoring Indicators, Thresholds, and Limits for Tahoe

The table below provides an overview of potential indicators, for main priority impact areas, for Tahoe to use to monitor progress toward achieving this optimal situation and maintaining balance. There are also threshold or early warning signals, and limits or emergency signals, that can be used for monitoring and for thinking through consequences of inaction in certain high-risk areas. Some of these are dependent on the decision to implement a new program, and may be considered for adoption in the longer term.



⁴ Hartman, S. and Heslinga, J.H. (2022), "The Doughnut Destination: applying Kate Raworth's Doughnut Economy perspective to rethink tourism destination management", Journal of Tourism Futures, DOI 10.1108/JTF-01-2022-0017)

Optimal Value Framework: Tahoe Destination Monitoring Indicators, Thresholds And Limits

PRIORITY IMPACT AREA	INDICATORS	THRESHOLDS (early warning signals)	LIMITS (emergency signals)
Economic Resilience & Worker Satisfaction	<p>% value of goods and services procured locally by tourism sector</p> <hr/> <p>% increase in worker satisfaction with tourism employment and conditions</p> <hr/> <p>% decrease in employment gap</p> <hr/> <p>% of businesses relying on tourism for more than 50% of revenue</p> <hr/> <p># tourism businesses with employment policies/practices relating to diversity (e.g. Spanish-speaking workers), 'fair wages', working conditions...</p>	<p>Decrease in customer satisfaction</p> <p>Worker shortage</p> <p>Decreased revenues</p> <p>Temporary closures</p>	<p>Business Closures</p>
Resident Satisfaction & Access	<p>YOY changes in resident perceptions of impacts and benefits of tourism</p> <hr/> <p>Reductions in rate of instances of traffic congestion</p> <hr/> <p># Fines for illegal parking</p> <hr/> <p>Decrease in housing gap</p> <hr/> <p>% of resident survey respondents who feel they have appropriate opportunity to participate in decision-making</p>	<p>Resident dissatisfaction and tensions</p> <p>Resident dissatisfaction with involvement in tourism</p>	<p>Decline in worker availability due to out-migration</p>
Climate Change	<p>Indicators relating to implementation of adaptation action plans</p> <hr/> <p>Indicators relating to impacts of wildfire and smoke (and any other major risks)</p> <hr/> <p>Total GHG emissions (broken down as much as possible per sector)</p> <hr/> <p>#businesses with emission reduction targets</p>	<p>GhG emissions stay at same rate or increase</p> <p>Loss of some recreation activities due to climate change impacts</p>	<p>Loss of recreation activities due to major climate change events</p> <p>Or climate dependence</p>
Water, Wildlife & Protected Areas	<p>Indicators (e.g. fines) relating to the tourist activities proven to cause the most water quality issues</p> <hr/> <p>Indicators of water quality and clarity at different sites.</p> <hr/> <p>% of annual tourism revenue of tourism businesses contributed to support water clarity efforts (or just total amount contributed)</p> <hr/> <p>Protected species' population numbers, behavior and habitats at key tourism & recreation sites</p> <hr/> <p>Invasive species population numbers</p> <hr/> <p># human-bear conflicts (decreasing)</p> <hr/> <p>Financial contribution of the tourism sector to conservation and restoration</p>	<p>Lake clarity decreasing</p> <p>Increases in invasive species</p> <p>Instances of algal blooms</p> <p>Species decline</p> <p>Increase in human-wildlife conflicts</p> <p>Damage to protected areas</p> <p>Decrease in protected area and habitat</p>	<p>Contaminated water supply</p> <p>Loss of native species</p> <p>Loss of recreation opportunities</p>

PRIORITY IMPACT AREA	INDICATORS	THRESHOLDS (early warning signals)	LIMITS (emergency signals)
Litter & Waste	<p>Tourist awareness of waste issue / what action are required of them</p> <hr/> <p>Volume of waste collected in receptacles in tourist areas</p> <hr/> <p>Volume of waste in sensitives areas and lake</p> <hr/> <p>Costs of waste management infrastructure and services per volume of tourists (current and projected)</p> <hr/> <p>Financial contribution of the tourism sector population to waste management services</p>	<p>Trash on trails, beaches, other public spaces</p> <p>Higher rate of waste generated than average</p>	<p>Inability for system to remove waste at rate required</p> <p>Deterioration of experience; resident and visitor satisfaction decreased</p>
Destination Governance and Funding	<p>Establishment of destination stewardship council</p> <hr/> <p>Funding and staffing levels of council</p> <hr/> <p>% implementation of Tahoe Destination Stewardship Plan</p> <hr/> <p>\$ of funds from tourism taxes (or similar) allocated to destination stewardship priorities</p> <hr/> <p>% of funds raised that are specifically allocated to addressing negative tourism impacts</p>	<p>Lack of funding</p> <p>Slow progress on implementation</p> <p>Lack of resources to monitor, manage, enforce reduction in negative impacts</p> <p>Diminished quality of experience according to visitors and residents</p>	<p>Destination stewardship partnership discontinues collaboration</p> <p>Competing priorities or limited resources impede implementation of destination stewardship</p>

See full Optimal Value Framework Analysis Spreadsheet with evidence of initiatives by impact area, recommended actions, other destination best practice examples, and a full set of monitoring indicators by impact area.