

Our Optimal Value Framework helps destination management organisations to understand and optimize the value of tourism for their community, increasing benefits and minimizing negative impacts.

## WHAT IS VALUE?



### ECONOMIC VALUE

Revenue generation, employment, how residents and entrepreneurs are benefiting from tourism.



### SOCIETAL VALUE

Quality of life, housing, access to facilities, health and well-being, diversity, equity & inclusion.



### CULTURAL VALUE

Conservation of built heritage, intangibles e.g. original stories, customs and beliefs, ways of life.



### ENVIRONMENTAL VALUE

Preservation of natural resources, biodiversity, climate change adaptation and mitigation.



### INDIVIDUAL OR MENTAL VALUE

Health, wellbeing, wellness, opportunities for rest versus feelings of overwhelm, burnout, etc.

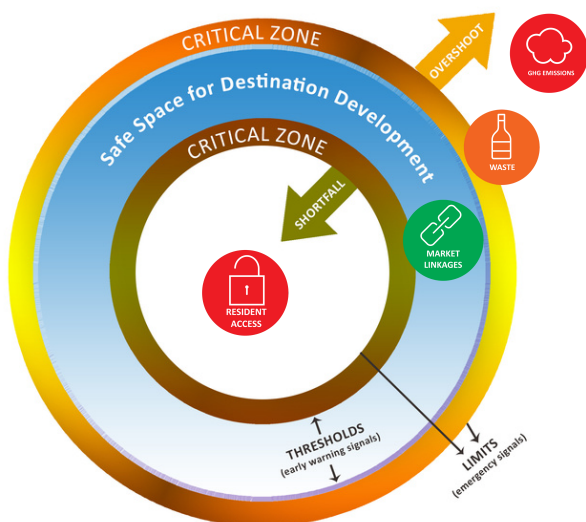
## RETHINKING VALUE

What value can tourism bring to your place-based vision?

Which are your highest priority impacts?

How can we dial those impacts up or down?

Recommendations fed into planning



## CREATING BALANCE

Impacts can be mapped to the 'Doughnut Destination' model, which shows a "safe space" where tourism is in balance, (in this example market access is shown here in green). Beyond this is an area of overshoot, where limits are surpassed, shown here with ghg emissions in red and waste on the threshold in orange. In the centre of the doughnut is an area of shortfall, with resident access in red as the example here. Any economy is at risk when moving out of the safe zone.

# IMPACT AREAS

A set of impact areas with 'optimal value' statements are the basis for an analysis of how tourism is contributing positively or negatively in the destination.

## ECONOMIC



## ENVIRONMENTAL



## SOCIETAL



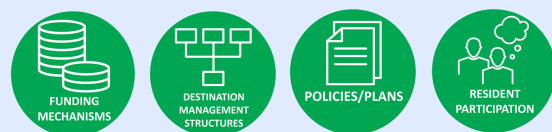
## CULTURAL



## TOURISM PRODUCT



## GOVERNANCE



## RESULTS



**PRIORITY IMPACT AREAS:** Priorities for action based on risk, stakeholder consultations, gaps and opportunities for future action e.g. economic resilience and health of watershed.



**OPTIMAL VALUE:** What outcomes do you want tourism to deliver? E.g. Water and watershed are protected from pollutants and are used efficiently within the tourism sector.



**INDICATORS:** Measures to monitor progress toward achieving this optimal situation and maintaining balance, e.g. % funding increase, net consumption reduction.



**THRESHOLDS & LIMITS:** Early warning signals and limits or emergency signals that can be used for monitoring and highlighting consequences of inaction in high-risk areas, e.g. inability to meet drinking water needs, loss of recreation opportunities.



Our process refers to the Future of Tourism Guiding Principles which encourages a more holistic view of impacts, focusing on the whole destination and overall outcomes of well-balanced tourism.

### 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 stakeholders, such as 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. Our 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.

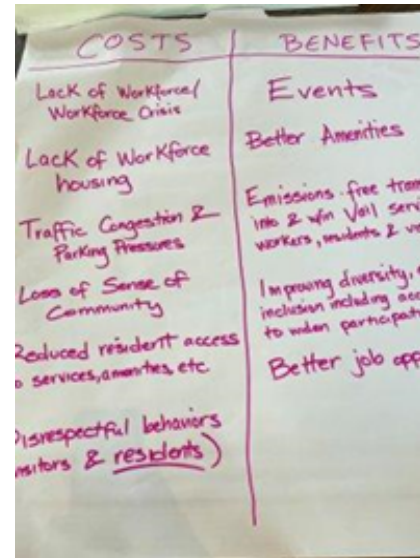
It results in a set of recommendations for achieving balance in the destination, which could be considered in broader planning efforts and reflected on when analyzing new initiatives, as well as indicators for a destination to use as a monitoring tool.

### Stakeholder Perspectives

Through engagement activities at public workshops and in resident surveys, we asked stakeholders what they value and what should be prioritized. In the first workshop the environment came strongly out on top, while later workshops saw interest in social and societal values, too. It became clear that Vail's identity is centered on the quality of its natural environment, but that the health and quality of life of those who live and work in Vail is paramount to its ability to thrive. While

our framework and analysis cover all areas of economic, social, environmental, and cultural elements, we paid particular attention to solutions that optimize tourism’s contribution to a healthy environment and quality of life.

### How should these values be prioritized in Vail's Destination Stewardship Plan?



### Top Priority Consensus as Reported by Groups during June 28 & 29 public sessions\*

Costs/Burdens/Neg Impacts to Manage	Benefits/Positive Impacts to Fund
Lack of Workforce Housing /Workforce crisis	Community cultural initiatives, including events aimed at building community
Loss of sense of community & livability	Better amenities for residents, including restaurants, shops + library, amphitheater ( would like community center)
Traffic congestion and parking pressures	Medical, health & wellbeing resources
Reduced resident access (and enjoyment) of amenities, services	Improve DEI, widen participation in tourism & recreation
Disrespectful behaviors (visitors & residents) & lack of compliance (+ lack of enforcement)	Focus on sustainability - keep it funded and marketed

\*Approximately 40 participants at each workshop. This is a compilation of majority selections from a list of 10 positive and 10 negative impacts provided to participants.

### 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.

In the case of Vail, the destination has gone through the process of achieving sustainability certification under the Mountain IDEAL standard, accredited by the Global Sustainable Tourism Council. This included an audit process conducted by Green Destinations, which enabled the Travel Foundation to access data to support our analysis.

The Town of Vail wished to receive a report on how its sustainability initiatives to date were successfully addressing key challenges, and an identification of opportunities for future actions, as well as global destination best practice examples. This full *Sustainability Analysis* therefore was provided as a separate deliverable (Appendix A) and the subsequent results are used to inform the Optimal Value Framework.

The framework used includes 24 impact areas mapped to the Future of Tourism Guiding Principles. 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. The Future of Tourism Guiding Principles<sup>1</sup> encapsulate these impact areas and encourage us to view impacts beyond one category, but in terms of the whole destination. They distill broader and sometimes insular categories of assessment into overall outcomes of well-balanced tourism.

## Summary of Findings from the Sustainability Analysis



The review indicates tourism's impact in Vail and the extent to which Vail is achieving the optimal scenario in these areas. It is not a reflection per se on what particular functions or organizations are doing in these areas. There are many progressive and effective programs in place. It does

<sup>1</sup> <https://www.futureoftourism.org/guiding-principles>

indicate that Vail is out of balance in several areas, where tourism is having an outsized impact on ecological health, and that there are shortfalls in ability to meet certain needs in the economy as well as residents' and workers' levels of satisfaction. These overarching themes are connected to the greatest concerns revealed by the stakeholder consultations.

- Under Environmental impacts, there are multiple threads but the main risks here are regarding the outsized energy use and greenhouse gas emissions related from tourism (e.g., snowmelt system), declines in biodiversity (e.g., species numbers falling), risk to water due to climate change and related drought. The lack of capacity to enforce monitoring and compliance as well as low rates of participation in efficiency and other sustainability programs impedes progress in these areas.
- Under Societal impacts, there is waning resident satisfaction related to the access theme - higher cost of living and perception of overcrowding impeding enjoyment and access to amenities (while at the same time residents do recognize the benefits tourism brings to their community in terms of amenities and services)
- 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 dependence on an increasingly unstable climate.
- Under Tourism Product, there is some decline in satisfaction particularly around value for money, and there is an opportunity to align marketing with stewardship principles and to differentiate Vail in this area of leadership in sustainability efforts.
- Under Governance, there is opportunity to shift funding allocation to achieve stewardship goals, as well as enhance implementation of destination stewardship and demonstrate leadership in this area.

**See Appendix A: Sustainability Analysis Report** for an Executive Summary of Key Challenges & Opportunities, as well as a full report by impact area of key challenges, initiatives to date, key opportunities and potential future actions.

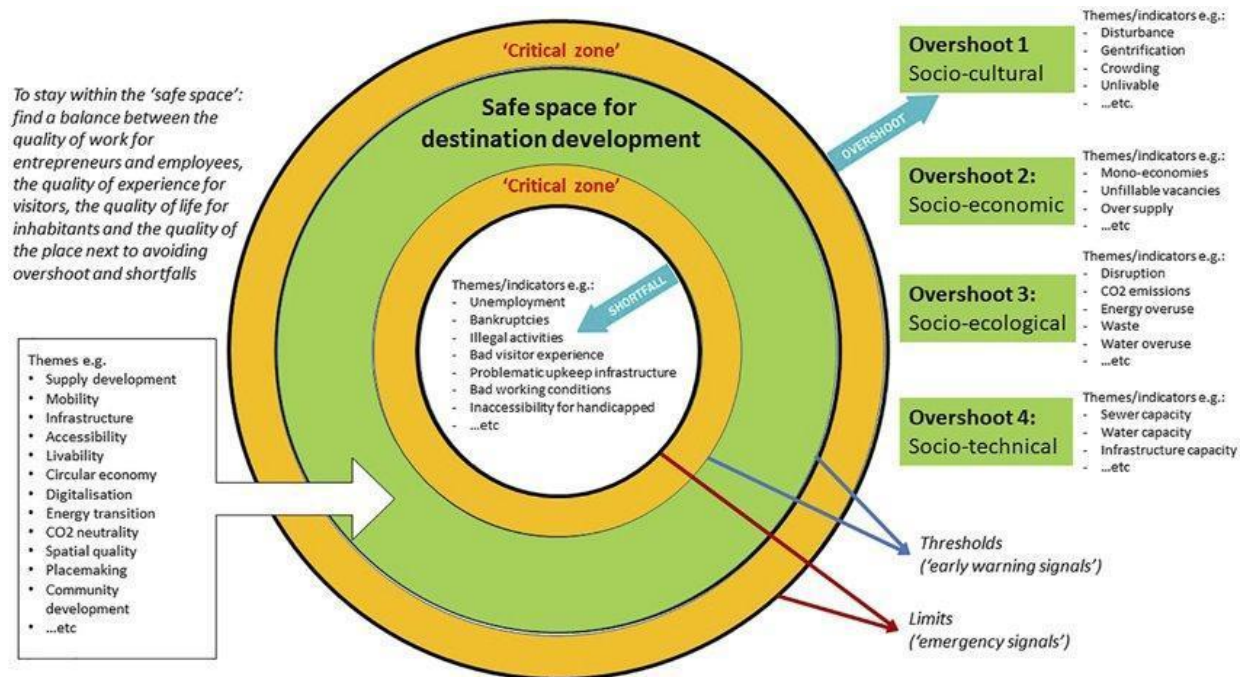
## **The Optimal Value Framework for Vail: Potential Indicators for Destination Balance**

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 2022<sup>2</sup>. The model shows a "safe space" when the foundation is not jeopardized (and if it is, there is a shortfall situation) - things that we would miss without tourism. Beyond the ceiling or limits are considered things we would not see when tourism is more in balance (but if limits are surpassed, there is an overshoot situation). Any economy enters a danger zone when moving out of the safe zone. It is important to note that not all aspects that make an economy exit the safe zone are tourism-related or tourism induced, but in the case of Vail - a tourism town- it was quite obvious that the majority of the impacts are mostly driven by tourism.

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<sup>2</sup> 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)

Every place will have a different “doughnut,” and here you will see many examples of shortfalls or overshoots. When there are not enough jobs for local people, tourism is not reaching its minimum value, or when people with disabilities are left out, tourism is not delivering value to those people. Examples of overshoots are gentrification, over supply, scarcity of water, greenhouse gas emissions, pollution, crowding, etc. Since the Travel Foundation published “Destinations At Risk: The Invisible Burden of Tourism,”<sup>3</sup> the organization has been challenging traditional assumptions about how to define the value of tourism, including looking more closely at the so-called invisible costs of servicing tourism demand. A more holistic view of costs alongside benefits can help destinations to assess the overall value of tourism in ways they did not previously as well as design effective policies and allocate resources to mitigate those costs.



**Source(s):** Authors

The Travel Foundation customized this framework to the town of Vail based on our sustainability analysis and stakeholder consultations.

- This helps us visualize the current overshoots and shortfalls, and helps identify limits and thresholds
- This shows us that things are out of balance and it is not just one factor that is responsible
- Based on our research it seems clear we need to focus on reducing the impacts of the overshooting areas because tourism in Vail is hitting an ecological ceiling and there are shortfalls that are in need of strengthening.

<sup>3</sup> <https://www.thetravelfoundation.org.uk/invisible-burden/>

# Tourism in Vail today



Based on the model from "The Doughnut Destination" by Stefan Hartman and Jasper Hessel Heslinga

A table is provided below with value statements by key impact area, and potential indicators for the Town of Vail 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.

## Conclusion

The process to review stakeholder priorities against an analysis of Vail's efforts to date across all areas of social, economic, and environmental impacts has revealed a system being pushed out of balance by certain areas with outsized impacts from its tourism economy.

It is the aim of this component of the Vail Destination Stewardship Roadmap that the value statements and indicators developed will be used as a tool for monitoring and evaluation to assist with a shift toward redefining success in Vail. Targets for each indicator should be agreed by the destination stewardship committee as part of the shared vision for a way forward for Vail, to regain balance across the whole system.

Using a lens of destination stewardship – including climate, equity, and community wellbeing – through which to view and evaluate tourism development activities, versus viewing them as separate functions, will ultimately bring disparate agendas together around the priority actions to achieve the shared vision.



**TABLE: VALUE STATEMENTS, MONITORING INDICATORS, THRESHOLDS AND LIMITS**

Priority Impact Area	Optimal Values	Indicators (Potential)	Thresholds (early warning signals)	Limits (emergency signals)
<p><b>Economic Resilience</b></p>	<p>Vail's economy is resilient to shocks in the tourism industry, and the tourism industry is diverse.</p> <p>It provides benefits to the broader community and value chain linkages between tourism and other sectors are strong and healthy, maximizing benefits to Vail's society.</p>	<ul style="list-style-type: none"> <li>→ Optimal occupancy % identified by season and # months optimal occupancy % is achieved</li> <li>→ # New businesses incubated by TOV</li> <li>→ # Businesses with local procurement policies</li> <li>→ % Purchases supplied by local (county-wide) businesses to Vail's tourism industry</li> </ul>	<ul style="list-style-type: none"> <li>→ Decrease in customer satisfaction</li> <li>→ Worker shortage</li> <li>→ Decreased revenues</li> <li>→ Decrease in percentage of local ownership</li> </ul>	<ul style="list-style-type: none"> <li>→ Business Closures</li> <li>→ Tourism tax dollars not able to cover funding requirements</li> <li>→ Entrepreneurs relocate outside of Vail</li> </ul>
<p><b>Employment &amp; Worker Satisfaction</b></p>	<p>Tourism provides quality and diverse employment opportunities for local people at different levels and employee satisfaction and retention is sufficient to service Vail's tourism economy.</p>	<ul style="list-style-type: none"> <li>→ % Decrease in employment gap</li> <li>→ % Increase YOY in employee satisfaction on inclusion, access, mental wellbeing, transit and housing</li> <li>→ # Extended transit hours and stops</li> <li>→ # Employee targeted events</li> </ul>	<ul style="list-style-type: none"> <li>→ Decrease in customer satisfaction</li> <li>→ Worker shortage</li> <li>→ Decreased revenues</li> <li>→ Decrease in worker satisfaction and/or mental well-being</li> </ul>	<ul style="list-style-type: none"> <li>→ Business Closures</li> <li>→ Tourism tax dollars not able to cover funding requirements</li> </ul>

Priority Impact Area	Optimal Values	Indicators (Potential)	Thresholds (early warning signals)	Limits (emergency signals)
<p><b>Resident Satisfaction &amp; Access</b></p>	<p>Vail's community well-being is enhanced by the tourism economy.</p> <p>Residents are demonstrating improved satisfaction with the impact of tourism on their wellbeing and quality of life and negative impacts associated with tourism are minimized – e.g., rising cost of living, parking &amp; congestion issues, etc.</p>	<ul style="list-style-type: none"> <li>→ % Increase in resident satisfaction (as measured in biannual community survey)</li> <li>→ % Reduction of housing gap YOY</li> <li>→ % Reduction of childcare spaces gap YOY</li> <li>→ % Days parking capacity not exceeded (increase YOY)</li> <li>→ % Days traffic congestion not reported (increase YOY)</li> <li>→ # Days capacities not exceeded (trails, habitats, Vail Mountain, parking, i70 + any other items identified in capacity study)</li> </ul>	<ul style="list-style-type: none"> <li>→ Housing shortage</li> <li>→ Wages unable to meet cost of living requirements</li> <li>→ Illegal parking</li> <li>→ Traffic congestion</li> <li>→ Childcare shortage</li> <li>→ Complaints of crowding</li> </ul>	<ul style="list-style-type: none"> <li>→ Resident population decline</li> <li>→ Crime</li> <li>→ Business closure or relocation</li> <li>→ Loss of quality experience</li> </ul>
<p><b>Water &amp; Watershed</b></p>	<p>The health of Vail's watershed is a key indicator of the destination's health.</p> <p>Vail's water and watershed are protected from pollutants and other inputs that harm water quality</p> <p>Water resources are used efficiently within the tourism sector without compromising the needs of others (e.g., reliability, scarcity, access)</p>	<ul style="list-style-type: none"> <li>→ % Funding increase toward water quality and watershed protection &amp; restoration</li> <li>→ Quantitative measure for ecosystem health (#invertebrates, % reduction in harmful substances in waters, for example)</li> <li>→ Net water use decreasing YOY</li> </ul>	<ul style="list-style-type: none"> <li>→ Watershed impaired</li> <li>→ Illegal and/or harmful inputs/toxins/pollution entering watershed</li> <li>→ Gold medal waters threatened</li> <li>→ Net water use increasing</li> </ul>	<ul style="list-style-type: none"> <li>→ Gold medal waters status revoked</li> <li>→ Vail water supply contaminated</li> <li>→ Inability to meet water demand needs</li> <li>→ Loss of recreation opportunities</li> </ul>

Priority Impact Area	Optimal Values	Indicators (Potential)	Thresholds (early warning signals)	Limits (emergency signals)
<b>Habitats &amp; Protected Areas</b>	<p>Vail's ecosystems and habitats are protected and restored.</p> <p>Tourism makes a positive contribution to the conservation of habitats, protected areas and biodiversity; changes in land use due to tourism developments are not impacting negatively on biodiversity.</p>	<ul style="list-style-type: none"> <li>→ % Human resource increase for monitoring and enforcement of protected area impact reduction measures</li> <li>→ % Increase in protected land</li> <li>→ Populations of individual species meeting thresholds established by CPW</li> <li>→ % Revenue generated from tourism allocated to protection and restoration</li> </ul>	<ul style="list-style-type: none"> <li>→ Species decline</li> <li>→ Quality or quantity of Habitat decline</li> <li>→ Damage to protected areas</li> </ul>	<ul style="list-style-type: none"> <li>→ Loss of species</li> <li>→ Loss of recreation opportunities</li> </ul>
<b>Waste</b>	<p>Pollution from tourism activities is minimized; Vail's solid waste management infrastructure has the capacity to manage the volume of waste produced by the tourism sector (and future projected volumes).</p>	<ul style="list-style-type: none"> <li>→ % Increase in diversion</li> <li>→ % Decrease in waste generated</li> <li>→ Decrease YOY in volume of waste in protected areas, trails, etc.</li> </ul>	<ul style="list-style-type: none"> <li>→ Higher rate of waste generation than average</li> <li>→ Lower diversion rate than average</li> <li>→ Trash on trails and in other public spaces, habitats, ecosystem</li> </ul>	<ul style="list-style-type: none"> <li>→ Inability to process, divert, or landfill waste generated</li> <li>→ Deterioration of experience</li> </ul>
<b>Climate Change</b>	<p>Vail aims to be a net zero by 2030 destination</p> <p>The tourism sector is reducing its carbon emissions in line with the Glasgow Declaration/Paris agreement</p> <p>Vulnerable tourism assets are protected from the impacts of climate change. i.e., the Vail is implementing measures to adapt to changing climate and its effects on the tourism industry</p>	<ul style="list-style-type: none"> <li>→ Vail Climate Action Plan Submitted</li> <li>→ # Initiatives in CAP implemented YOY</li> <li>→ % Decrease in energy usage against GhG baseline</li> <li>→ # Large emitters with reduction plans and 2030 net zero targets</li> </ul>	<ul style="list-style-type: none"> <li>→ GHG emissions are maintained at current levels</li> <li>→ Low or stagnant rate of business participation in reduction schemes</li> <li>→ Certain activities affected by climate change (reduction in access to recreation activities due to extreme weather for example)</li> </ul>	<ul style="list-style-type: none"> <li>→ Higher GHG emission rates than average</li> <li>→ Vail experiences catastrophic climate events</li> <li>→ Economy and quality of life adversely affected by climate impacts</li> <li>→ Loss of climate-dependent recreation activities</li> </ul>

Priority Impact Area	Optimal Values	Indicators (Potential)	Thresholds (early warning signals)	Limits (emergency signals)
<b>Industry Practice &amp; Mitigation</b>	<p>Tourism practices are not deteriorating Vail's natural assets; the tourism sector makes an equitable financial contribution to the cost of maintaining the environments it uses.</p>	<ul style="list-style-type: none"> <li>→ % Businesses measuring emissions (YOY increase)</li> <li>→ % Businesses with sustainability plans and/or Actively Green certification</li> <li>→ \$\$ raised YOY via eco-fee/carbon/tax/REMP (mechanism TBD)</li> </ul>	<ul style="list-style-type: none"> <li>→ Low or stagnant rate of businesses with sustainability policies and practices (or certifications)</li> <li>→ Low or stagnant rate of contribution from businesses to mitigation and restoration</li> </ul>	<ul style="list-style-type: none"> <li>→ Inability to protect, mitigate and restore Vail's natural environment</li> <li>→ Loss of identity and position as a sustainable destination</li> </ul>
<b>Marketing &amp; Promotion</b>	<p>Vail branding, marketing, and awareness are aligned with destination stewardship principles leading to more responsible recreation behaviors.</p> <p>Vail's marketing and promotional strategies and activities are increasing 'value' to the destination across economic, environmental and social measures.</p>	<ul style="list-style-type: none"> <li>→ % Marketing dollars invested into destination stewardship branding, education and responsible messaging Content analysis shows messaging shifted from volume to value.</li> <li>→ There is consistency across all communication on the values</li> <li>→ New campaign ROI measures based on contribution to Vail's environmental and social well-being (TBD)</li> </ul>	<ul style="list-style-type: none"> <li>→ Disrespectful and irresponsible tourism behaviors such as litter, illegal parking, rudeness to staff, etc. as a result of attracting segments that do not respect the values of Vail.</li> </ul>	<ul style="list-style-type: none"> <li>→ Reduced quality of experience/below threshold customer satisfaction attributed to irresponsible tourism</li> <li>→ Below threshold resident satisfaction attributed to irresponsible tourism</li> </ul>

Priority Impact Area	Optimal Values	Indicators (Potential)	Thresholds (early warning signals)	Limits (emergency signals)
<b>Funding &amp; Resource Allocation</b>	<p>Vail's funding mechanisms are adequate to ensure tourism income is allocated to mitigate impacts, both in terms of human and financial resources.</p>	<ul style="list-style-type: none"> <li>→ % Funding reallocated to mitigation and restoration</li> <li>→ Funding grows as tourists grow demonstrating the link between the number of visitors and funds avail.</li> <li>→ % Funding &amp; human resources allocated to monitoring and enforcement activities</li> </ul>	<ul style="list-style-type: none"> <li>→ lack of resources to monitor and enforce regulations for trail usage, protected areas, parking, recycling, etc.</li> </ul>	<ul style="list-style-type: none"> <li>→ Inability to protect, mitigate and restore Vail's natural environment</li> <li>→ Loss of identity and position as a sustainable destination</li> </ul>
<b>Destination Management Structure</b>	<p>Vail's destination management structures have effective participation by government, the private sector, and civil society organizations that represent diversity in values.</p> <p>Its structure is able to advance and implement destination stewardship priorities.</p>	<ul style="list-style-type: none"> <li>→ Published Destination Stewardship Plan</li> <li>→ New Destination Stewardship Role</li> <li>→ # Signatories to DSP across sectors including destination stewardship committee members and businesses )</li> <li>→ # Initiatives implemented by Destination Stewardship Council</li> </ul>	<ul style="list-style-type: none"> <li>→ lack of collaboration, disparate or conflicting plans and competing interests</li> </ul>	<ul style="list-style-type: none"> <li>→ All of the above challenges threaten destination quality, health, sustainability and resilience</li> </ul>