

Economic Development Element

Background

White Salmon's economy supports a relatively small labor force and economic base due to the small population of the city. However, the economy of White Salmon is closely tied with Klickitat, Skamania, and Hood River Counties and the cities of Bingen and Hood River because of the flow of goods, labor, and customers throughout the region.

Planning for a vibrant and diverse economy must begin by understanding past and current economic conditions in White Salmon and the region. Historically, logging, lumber production, and agriculture were the mainstays for the White Salmon economy. These sectors still play an important role in the community, but the economy has diversified in recent years. Recreation, tourism, health care, avionics, technology, and viticulture are becoming increasingly important industries providing jobs for White Salmon residents. Home-based businesses are becoming more prevalent, and the city has recently started to attract new businesses involved in arts and crafts production. Residential construction has been strong, providing seasonal job opportunities. Government services, the school district, and retail sales round out the economic picture for the community.

Major employers in White Salmon include Skyline Hospital and the White Salmon Valley School District. Major employers in Bingen, including SDS Lumber and Mount Adams Fruit, also provide employment opportunities for White Salmon residents. Opportunities in manufacturing and other industrial uses are limited in White Salmon but are provided nearby at the Port of Klickitat's Bingen Point Business Park and the Port of Hood River's Waterfront Business Park. White Salmon contains no industrially zoned land, but the General Commercial and Riverfront zoning districts allow for limited light industrial uses. For example, Innovative Composite Engineering operates a roughly 65,000-square-foot facility in north White Salmon dedicated to composite manufacturing for a variety of clients. Insitu, a company that designs, develops, and manufactures unmanned aerial systems (also known as "drones"), is a growing technology company on both sides of the Columbia River that is headquartered at the Bingen Point Business Park and has spread throughout the White Salmon and Bingen communities, including multiple suppliers of avionic components.

Commercial businesses are generally concentrated along Jewett Boulevard in the downtown central business district and near Skyline Hospital. Arts, crafts, food and beverage establishments, and recreation-related businesses have become more established in the city in recent years. The city currently has one hotel (Inn of the White Salmon) with a new hotel/restaurant recently opening in Bingen (The Society Hotel). There has been considerable turnover in retail sales establishments and restaurant businesses during the past 10 years. There are two other commercially zoned areas of White Salmon, the area around Skyline Hospital along Jewett Boulevard and the area in north White Salmon off of Main Avenue/Loop Road. Other commercial and industrial uses (for example, Innovative Composite Engineering) have developed in these areas but most of the land is vacant or underutilized.

White Salmon residents often cross over the bridge to Hood River for entertainment, dining, and shopping as the Hood River area offers a wider range of these options than White Salmon. In addition, Washington consumers have an incentive to shop, and businesses have an incentive to locate, in Oregon

because of the lack of sales tax in Oregon compared to a 7.5 percent tax in White Salmon. The Walmart in Hood River is an example of a retail hub that draws customers throughout the region.

Economic Data and Trends

The following information includes available industry, employment, and income data as well as population, housing, and tourism trends, for Klickitat County and White Salmon. This background information highlights the economic conditions that the city is currently experiencing and provides some indication of where the city may be headed in the future. Additional economic and demographic information is detailed in the *Urbanization Study*, authored by FCS GROUP in May 2020, and can be found in Appendix XX. As of this early 2021 plan update, the international COVID-19 pandemic is evolving, and it is unknown how the pandemic will affect White Salmon's economy in the short and long term.

Employment

Total employment within Klickitat County has been increasing steadily over the past decade, according to Washington State Employment Security Data. Between 2010 and 2018, the industrial sector added 1,339 jobs while the services sector lost 556 jobs. The retail sector gained 54 jobs, agriculture sector lost 96 jobs, and the government sector declined by 8 jobs. The total estimated employment within Klickitat County in 2019 was 7,452 workers (farm and nonfarm workers). The largest job sectors included industrial trades (including construction, manufacturing, high tech, utilities, and warehousing) with 32 percent of the job base. The government and the service sectors are the next leading categories with 24 percent and 22 percent of the job base, respectively. Agriculture, forestry, and fishing related jobs account for 17 percent of the overall job base, followed by the retail sector at 5 percent.

Employment counts are difficult to obtain for small jurisdictions in rural areas. According to the *Urbanization Study*, which used U.S. Census OntheMap data, the total employment within White Salmon increased from 612 to 1,064 jobs between 2010 and 2017. Employment trends within White Salmon are exhibited below in **Table 1**.

Table 1: White Salmon Employment Trends

Sector	2010	2017	Change
Agriculture and Forestry	-	14	14
Industrial	104	296	192
Retail	62	78	16
Services	402	340	(62)
Government/Other	44	336	292
Total	612	1,064	452

Source: *White Salmon Urbanization Study*, Appendix XX

Income

According to the latest U.S. Census estimate, the 2018¹ median household income was \$54,056 for Klickitat County and \$55,677 for White Salmon. The 2018 median household income for Washington State was \$70,116. From 1999 to 2017, Klickitat County's median household income increased from \$34,457 to \$51,258 (an annual average growth rate of 2.2 percent) while the median household income

¹ 2018 American Community Survey 5-Year Estimates

for White Salmon increased from \$34,750 to \$47,418 (an annual average growth rate of 1.74 percent). Median household income for Washington State increased from \$45,610 to \$66,174 over the same time period, an annual average growth rate of 2.1 percent.

Population and Housing Trends

White Salmon is projected to grow at a faster rate than in the past. The city has traditionally experienced moderate and steady population growth. From 1980 to 2010, White Salmon grew from 1,853 residents to 2,224 residents, an increase of 20 percent (0.7 percent per year) over the 30-year period, according to the U.S. Census Bureau's decennial census. From 2010 to 2018, White Salmon has grown from 2,224 residents to 2,619, an increase of roughly 18 percent (2.2 percent per year). The Urban Exempt Area (UEA) has also seen substantial growth, primarily accommodating large-lot single-family homes. Long-term population forecasts by Washington State Office of Financial Management (OFM) assumes an increase of 4,719 people in Klickitat County from 2020 to 2040 using the high growth forecast, which is the most consistent forecast with trends established over the past decade.

Within White Salmon, the number of households increased from 763 to 889 between 1990 and 2018, an increase of 17 percent. Between this same time frame, number of dwelling units increased from 816 to 1,396, an increase of 71 percent. White Salmon's average household size also decreased from 2.46 in 2000 to 2.20 in 2018. The fact that number of dwelling units during this time frame increased at a rate much higher than year-round households, and average household size decreased is indicative of a growing second-home market.

The community has attracted many people who can both work and recreate in the area. The lifestyle in a small rural area is attractive to young couples with a desire to raise their children away from the metropolitan areas and professionals who enjoy the proximity to recreation. The relatively low property taxes and the absence of a state income tax also make White Salmon appealing to many retirees. Land prices, particularly land with views of the Columbia River Gorge and Mount Hood, have increased substantially.

Tourism and Recreation

Over the years, the Columbia River Gorge has become a major tourist and recreation destination, suggesting that the region is capitalizing on its comparative advantage in providing a range of outdoor recreation opportunities. Visitor spending continues to grow within Klickitat County. County residents and visitors enjoy access to abundant recreational activities afforded by the Columbia River, White Salmon River, Mount Adams Wilderness, Conboy Lake National Wildlife Refuge, Goldendale Observatory, Maryhill Museum, and several wineries and breweries. According to the Urbanization Study, nearly 400 additional lodging rooms could be supported in Klickitat County over the next 20 to 30 years based on forecasted growth in tourism, business, and group (for example, weddings, meetings, etc.) demand. New or expanded lodging facilities within White Salmon, along with an increase in short-term rentals, are very likely over the next decade. These lodging and rental facilities, as well as supporting uses such as restaurants, will help capture visitor spending in White Salmon.

Economic Development Partners and Plans

Partners

Ongoing coordination and collaboration with local, regional, and state partners, as well as private enterprises, will allow the City to leverage its resources to achieve mutually beneficial economic development goals. Maintaining relationships with the following public and private entities is key to achieving a diverse and vibrant economy.

- Columbia Cascade Housing Corporation
- Columbia Gorge Windsurfing Association
- Columbia Gorge Kiteboarding Association
- Gorge Technology Alliance
- Klickitat County Economic Development Department and Public Economic Development Authority (EDA)
- Mid-Columbia Economic Development District (MCEDD)
- Mid-Columbia Housing Authority
- Mount Adams Chamber of Commerce
- One Gorge (consortium of ports, cities, counties, nonprofits, and industry)
- Port of Klickitat
- Innovative Composite Engineering
- Insitu, Inc.
- Mount Adams Fruit
- SDS Lumber Company
- Skyline Hospital
- Washington Economic Development Association
- Washington Forest Protection Association
- Washington State Department of Commerce
- White Salmon Valley School District
- Washington Tourism Alliance

Regional Economic Development Plans

Existing economic development planning efforts for the region include the Columbia Gorge Economic Development Strategy 2017-2022 for Hood River, Klickitat, Sherman, Skamania, and Wasco Counties from MCEDD and Advancing Economic Prosperity in Klickitat County – 10-Year Economic Development Strategic Plan from Klickitat County Public EDA. These planning efforts present the regional economic landscape, including unique economic opportunities and challenges that the region faces. The culmination of these plans are various goals and strategies that can inform local economic development policies that address economic challenges and capitalize on economic opportunities.

Columbia Gorge Economic Development Strategy 2017-2022

Every five years, Mid-Columbia Economic Development District develops a regional comprehensive economic development strategy as a guide to understanding the economy and to develop goals, strategies, and actions to create jobs, raise income levels, and diversify the economy. The strategy highlighted the region's primary economic vulnerabilities, including lack of industry diversification, aging infrastructure, unattainable housing, labor force constraints and workforce shortages, and economic

disparities between demographic groups. The strategy focused on the following priority goals, in order by priority, and developed action plans for each category.

- **Housing:** Plan for, maintain, and reinvest in housing, including attainable housing, to provide for current population demands and support future economic development opportunities.
- **Financial Capital and Entrepreneurial Environment:** Enhance the retention and expansion of businesses in the region, coordinating resources to diversify the economy, and create sustainable quality jobs.
- **Workforce:** Nurture, educate, attract, and maintain a regional workforce that is career-trained and work ready.
- **Infrastructure:** Plan for, maintain, and reinvest in water, wastewater, transportation, and broadband infrastructure to provide for current population demands and support future economic development opportunities.
- **Regulatory Environment:** Collaborate as a region to simplify and decentralize regulatory processes.

[Advancing Economic Prosperity in Klickitat County – 10-Year Economic Development Strategic Plan, 2017](#)
The strategic plan is intended to guide Klickitat County’s economic development efforts until 2027. The plan is organized around five goals, with supporting strategies and specific actions designed to grow the regional economy. Those goals include

- **Foundational Initiatives:** The bedrock of successful community economic development is its physical and civic infrastructure, including transportation, communications, and water/wastewater, as well as supportive government policies and positioning the community and its needs so that they are visible with the proper local, state, and federal audiences.
- **Catalyst Opportunities:** Taking advantage of short- and long-term opportunities to accelerate economic growth. Opportunities in west Klickitat County, which includes White Salmon, that were highlighted were (1) the tech industry, especially UAS, as a catalyst opportunity, (2) composite materials by leveraging the county’s existing composites industry, and (3) promoting and expanding the primary and secondary forest products industry.
- **Real Estate Development:** Includes strategies to stimulate public and private real estate investment and development, creating a buildable lands inventory, using various funding mechanisms, and increasing workforce housing.
- **Workforce Development:** Enhancing local training and job placement, cultivating and maintaining strategic partnerships, and developing workforce attraction/retention tactics. It is essential that public agencies work with the business community to identify talent needs.
- **Klickitat EDA Programs and Services:** Organizational activities such as business retention and expansion, business attraction, marketing, and entrepreneurship.

Goals and Policies

The following goals and policies strive to capitalize on and strengthen existing community assets, diversify the local economy, create a vibrant downtown commercial district, and provide stable employment opportunities and family-wage jobs. These goals and policies are not meant to be used independently of each other but are designed to be used in combination with each other for a successful economic strategy.

GOAL EC-1: Create a distinctive downtown along Jewett Boulevard that is an attractive place to walk, dine, shop, and gather.

Policy EC-1.1: Support the creation of a downtown central business district association made up of downtown merchants, policy makers, and other interested parties. A strong organizational foundation ensures that all resources (funding, volunteers, etc.) are mobilized to achieve a common vision for White Salmon's downtown.

Policy EC-1.2: Support enhanced pedestrian and bicycle improvements in the downtown core that help capture pedestrian and bicycle consumers. Downtown pedestrian and bicycle improvements should connect to other key areas of the city.

Policy EC-1.3: Support mixed-use and other housing options in the downtown core, contributing to a recognizable town center that supports local businesses.

Policy EC-1.4: Establish incentive-based design guidelines for new development that is proposed along Jewett Boulevard. Provide incentives for existing businesses to make design improvements to meet these guidelines.

Policy EC-1.5: Enhance the look and character of downtown with the inclusion of public art, including filling blank walls with murals by local artists, painted crosswalks, and establishing art near gateway locations and where human activity is desired to be concentrated.

Policy EC-1.6: Establish a community art program in supporting White Salmon as a destination in the Gorge for the creative arts and creative industries.

GOAL EC-2: Support and expand on a robust tourism industry by capitalizing on the scenic beauty and close proximity to recreational opportunities that White Salmon offers.

Policy EC-2.1: Inventory existing recreational tourism assets, such as proximity to the Columbia River, and identify gaps or opportunities that may be considered for promoting or enhancing the asset.

Policy EC-2.2: In partnership with local businesses and tourism organizations, formulate a tourism promotion strategy that highlights recreational assets to attract travelers and encourage them to spend money at local businesses.

Policy EC-2.3: Promote more tourist-related businesses, such as breweries, restaurants, bed and breakfast establishments, hotels/motels, and recreational sports equipment suppliers. Consider providing incentives for these desired uses to locate in White Salmon and market to them directly.

GOAL EC-3: Create an environment that is supportive of existing businesses and does not create unnecessary barriers for their growth.

Policy EC-3.1: Develop and maintain a comprehensive inventory of existing businesses operating in White Salmon.

Policy EC-3.2: Periodically survey local businesses to understand how the City can support their growth and success. Host business roundtables and discussions to give local businesses the opportunity to meet City staff and stimulate discussions.

Policy EC-3.3: Provide assistance to local businesses operating in White Salmon in the form of helping understand local zoning and land use requirements, Washington’s property tax system, local and state permits, licensing procedures, and inspections.

Policy EC-3.4: Review development regulations, ordinances, and approval processes to identify regulatory and process barriers to expanding existing businesses and to ensure that the City is responsive to the business community.

Policy EC-3.5: Establish streamlined permitting processes that allow for business expansions and modifications without undergoing the same level of review as new development.

GOAL EC-4: Attract, plan for, and support new businesses and industries in White Salmon.

Policy EC-4.1: Ensure the availability of an adequate supply of developable commercial land through appropriate zoning.

Policy EC-4.2: Ensure adequate infrastructure is in place or planned for to support and stimulate new businesses.

Policy EC-4.3: Facilitate and support business incubators and other methods to assist start-up businesses. Create a webpage where entrepreneurs can access information about starting a business in White Salmon.

Policy EC-4.4: Establish a marketing campaign with the Mount Adams Chamber of Commerce to promote White Salmon as a great place to operate a business, targeting specific industries that would benefit from the City’s locational advantages.

Policy EC-4.5: Leverage resources and infrastructure investments to attract new businesses that complement existing businesses and industry clusters operating in the city and region.

Policy EC-4.6: Seek catalyst opportunities in technology, hospitality, health care, fruit growing and packing, and forestry products, leveraging these existing industries in the region. Ensure that incentives and other tools are in place to enhance and attract these industries.

Policy EC-4.7: Identify sites and clusters of sites in the city that are serviceable for employment development. Identify potential public/private partnerships to promote employment, and address any zoning or regulatory barriers to ensure that jobs can be developed in these areas.

Policy EC-4.8: Continue to participate in local and regional economic development organizations, including the Klickitat County Public EDA, the Port of Klickitat County, and the MCEDD to develop existing and potential commercial and industrial properties.

Policy EC-4.9: Develop subarea plans for the area around Skyline Hospital, the Main Avenue/Loop Road intersection, and the Riverfront District. The Main Avenue/Loop Road intersection subarea plan should be developed in partnership with Klickitat County.

GOAL EC-5: Work with regional economic development partners to foster workforce development programs that support local businesses and provide residents with the training they need to work in family-wage industries.

Policy EC-5.1: Encourage apprenticeships, on-the-job training, and internships in all industry sectors. Incentivize and promote businesses that provide these programs.

Policy EC-5.2: Survey local businesses to understand employment gaps.

Policy EC-5.3: Partner with local businesses and regional community colleges to create training programs for employers in high-growth industries.