

## **3.10 SOCIAL AND ECONOMIC FACTORS**

### **3.10.1 Introduction**

Social and economic factors considered in this analysis include: environmental justice, population demographics, local economics, and ski area economics. The existing condition of each of these factors is briefly described, and potential social and economic impacts under each alternative are discussed.

The White Pass primary market includes Cowlitz, Lewis, Pierce, Thurston and Yakima Counties. The White Pass Study Area for Social and Economic Factors is the US 12 corridor extending from Packwood (Mile Post 128) to the area immediately west of Yakima on the eastern border of Naches (Mile Post 191). This area includes the White Pass SUP area and is most likely to be affected by the proposal. Additional information is provided regarding the economics of ski resort operations in general, with a focus on operations at White Pass. Some state data is included for purposes of comparison.

Historically, the majority of visits to White Pass have been attributed to day visits. White Pass' location between Olympia and Vancouver, WA (west on US 12) and Yakima (east on US 12), makes it an easy choice for day skiers in the market area. White Pass competes with Mission Ridge (adjacent to Wenatchee, Washington) within the local/day skier market, and with Crystal Mountain among visitors residing in the vicinity of Olympia, WA. While White Pass primarily serves the day-use market, it is one of two resorts in the Northwest with overnight lodging provided in condominium facilities near the base area and within a comfortable walking distance of chairlifts.<sup>33</sup>

### **3.10.2 Affected Environment**

#### ***3.10.2.1 Environmental Justice***

As directed by the Civil Rights Act of 1964, NEPA, and Executive Order 12898, all federal actions, programs, and policies shall identify and prevent and/or mitigate, to the greatest extent practicable, disproportionately high and adverse human health and environmental effects on minorities and low-income populations. Consistent with the USDA Departmental Regulation Number 5600-2, the term "minority" applies to the following population groups: (1) American Indian or Alaskan Native; (2) Asian or Pacific Islander; (3) Black, not of Hispanic Origin; (4) or Hispanic. A "low-income population" is defined as, "a group of low-income persons who live in geographic proximity to [one another], and, if circumstances warrant, migrant farm workers and other geographically dispersed/transient persons who will be similarly affected by USDA programs or activities" (USDA 1997). Commonly called "Environmental Justice," this policy applies to all federal programs, policies, and activities, including NEPA documents and this FEIS.

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<sup>33</sup> Crystal Mountain also provides overnight accommodations (USFS 2004d).

Within the White Pass Study Area, the localities closest to the White Pass Ski Area include the community of Packwood in Lewis County and the Town of Naches in Yakima County. As a result, minority and low-income populations potentially located within these localities have the greatest potential to experience environmental and economic effects from the proposed White Pass expansion.

As described in Appendix J, the proposed development area is within traditional Yakama and Cowlitz (Taidnapam) territory. These tribes were consulted, and ethnographic and archaeological studies were completed. Refer to Section 3.9 – Heritage Resources and Reserved Treaty Rights for detail on the historic use of the White Pass Study Area by the Yakama Nation and Taidnapam peoples.

Table 3.10-1 provides population estimates for American Indian and Alaska Natives in Lewis and Yakima Counties. American Indians and Alaska Natives comprised 1.2 percent of the Lewis County population and 5.6 percent of the Yakima County population, as of the 2000 Census (U.S. Census Bureau 2000a). According to more recent estimates, American Indians and Alaska Natives comprised 1.3 percent of the Lewis County population and 4.4 percent of the Yakima County population in 2004 (U.S. Census Bureau 2004, 2005).

**Table 3.10-1:  
 Population Estimates for American Indian and Alaska Natives in Lewis and Yakima Counties**

County	Estimated Population 4/1/90 <sup>a</sup>	Estimated Population 7/1/99 <sup>a</sup>	Estimated Population 7/1/04	4/1/90 – 7/1/99		7/1/99- 7/1/2004		Percent of County Population – 7/1/99	Percent of County Population – 7/1/04
				Numeric Change	Percent Change	Numeric Change	Percent Change		
Lewis County	655	802	894 <sup>b</sup>	147	22.4	92	11.5	1.2	1.3
Yakima County	11,413	12,399	9,818 <sup>c</sup>	986	8.6	-2,581	-20.8	5.6	4.4

<sup>a</sup> Source of 1990 and 1999 data: U.S. Census Bureau 2000a

<sup>b</sup> Source for Lewis County 2004 demographics: U.S. Census Bureau 2005. Population demographics are estimates based on symptomatic data including birth records, death records, tax returns and immigration.

<sup>c</sup> Source for Yakima County 2004 demographics: U.S. Census Bureau 2004. Demographics are based on a survey.

As summarized in Table 3.10-2 and detailed in Illustration 3.10-1, minorities comprised approximately 18 percent of the total population of Washington State in 2000, while minorities accounted for 7 percent of Lewis County and 44 percent of Yakima County. Within Yakima County, 36 percent of the population is considered Hispanic/Latino in origin. Similarly, in 2004, minorities comprised approximately 19 percent of the total population of Washington State, 4 percent of Lewis County and 38 percent of Yakima County. Within Yakima County, 39 percent of the population was considered Hispanic/Latino in origin in 2004 (U.S. Census Bureau 2004, 2005). The agricultural production in Yakima County creates a dependence on seasonal workers. In the past, much of this labor was provided by migrant workers. Many of these

workers have settled in Yakima County, resulting in the high proportion of Latino/Hispanic residents. Most of the seasonal workforce is Latino/Hispanic, although most Latino/Hispanic residents are not seasonal laborers (Yakima County 1997). Within the White Pass Study Area, which includes the Town of Naches, the 1990 Census indicated that only 1.8 percent of the population was of “Mexican origin” (Town of Naches 1995). The discrepancy indicates that while Yakima County contains a large Hispanic/Latino population, the White Pass Study Area, from Naches to Packwood, contains a very small minority population.<sup>34</sup> Further evaluation of localities in the White Pass Study Area provided no indication that low income or minority populations exist within the White Pass Study Area (U.S. Census Bureau 2000a, 2000b, 2000c, 2004, 2005; Yakima County 1997; Town of Naches 1995, Washington State Employment Security 2001).<sup>35</sup>

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<sup>34</sup> The term minority is used to define people of non-Caucasian race, or of Hispanic origin.

<sup>35</sup> For purposes of this analysis, the term “low-income” is used to describe income below the poverty level. Following the Office of Management and Budget's (OMB's) Directive 14, the Census Bureau uses a set of money income thresholds that vary by family size and composition to detect who is poor. If the total income for a family or unrelated individual falls below the relevant poverty threshold, then the family or unrelated individual is classified as being "below the poverty level."

**Table 3.10-2:  
 2000 and 2004 Population Distribution by Race and Hispanic or Latino Origin  
 for Washington State and Lewis and Yakima Counties**

Location	Race/Origin	2000 <sup>a</sup>		2004 <sup>b</sup>	
		Number of Residents	Percentage of Total Residents	Number of Residents	Percentage of Total Residents
<b>Washington State</b>					
	White	4,821,823	82%	4,908,982	81%
	Black/African American	190,267	3%	199,794	3%
	Am. Indian/Alaska Native	93,301	2%	73,888	1%
	Asian	322,335	5%	381,867	6%
	Native Hawaiian	23,953	0%	23,216	0%
	Other	228,923	4%	239,990	4%
	Hispanic/Latino <sup>d</sup>	441,509	7%	517,055	9%
	<b>Total</b>	<b>5,894,121</b>	<b>100%</b>	<b>6,063,048</b>	<b>100%</b>
<b>Lewis County</b>					
	White	63,772	93%	68,650 <sup>c</sup>	96% <sup>c</sup>
	Black/African American	259	0%	362 <sup>c</sup>	1% <sup>c</sup>
	Am. Indian/Alaska Native	840	1%	894 <sup>c</sup>	1.2% <sup>c</sup>
	Asian	475	1%	533 <sup>c</sup>	1% <sup>c</sup>
	Native Hawaiian	122	0%	140 <sup>c</sup>	0% <sup>c</sup>
	Other	1,751	3%	960 <sup>c</sup>	1% <sup>c</sup>
	Hispanic/Latino <sup>d</sup>	3,684	5%	4,427 <sup>c</sup>	6% <sup>c</sup>
	<b>Total</b>	<b>68,600</b>	<b>100%</b>	<b>71,299<sup>c</sup></b>	<b>100%<sup>c</sup></b>
<b>Yakima County</b>					
	White	146,005	66%	140,389	62%
	Black/African American	2,157	1%	1,779	1%
	Am. Indian/Alaska Native	9,966	4%	9,818	4%
	Asian	2,124	1%	1,410	1%
	Native Hawaiian	203	0%	0	0%
	Other	54,375	24%	65,382	29%
	Hispanic/Latino <sup>d</sup>	79,905	36%	87,806	39%
	<b>Total</b>	<b>222,581</b>	<b>100%</b>	<b>225,351</b>	<b>100%</b>

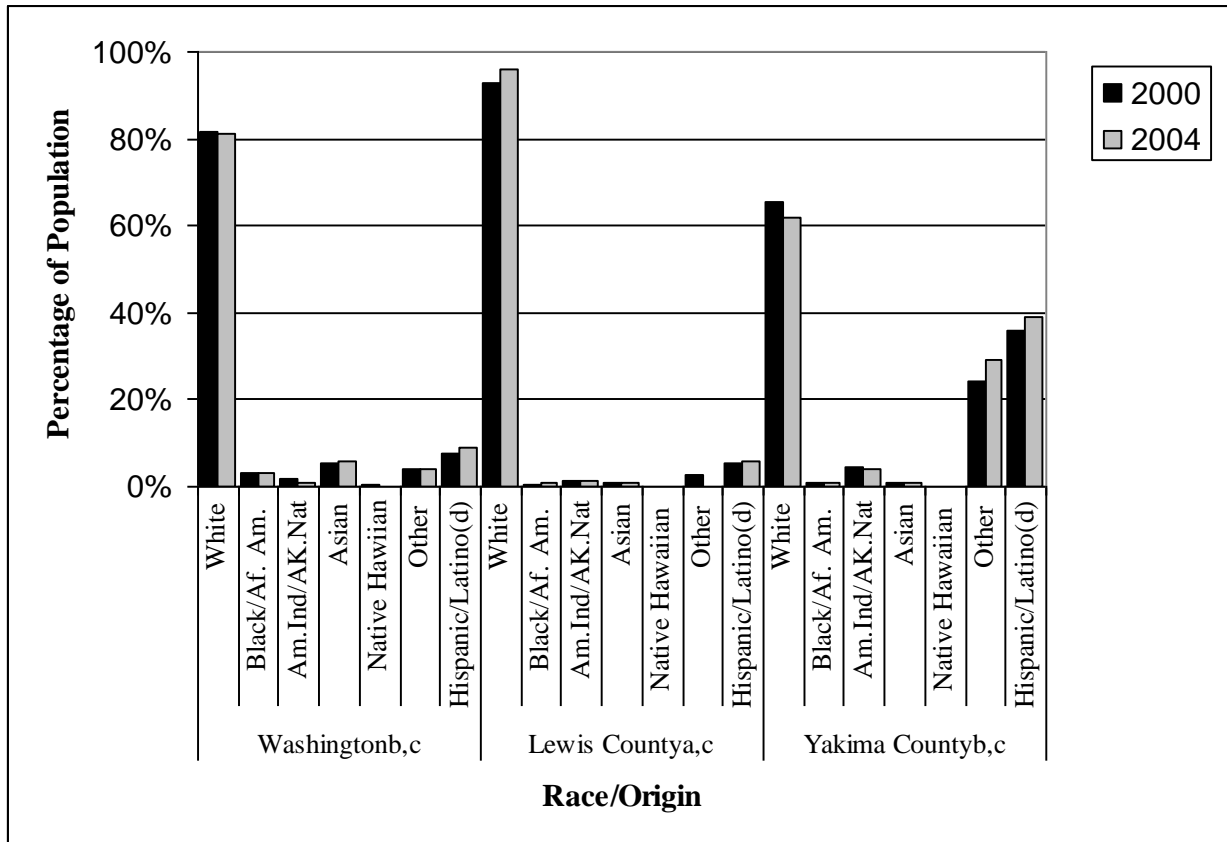
<sup>a</sup> Source: U.S. Census Bureau 2000b

<sup>b</sup> Source: U.S. Census Bureau 2004. Demographics are based on a survey.

<sup>c</sup> Source: U.S. Census Bureau 2005. Population demographics are estimates based on symptomatic data including birth records, death records, tax returns and immigration.

<sup>d</sup> According to the U. S. Office of Management and Budget directive 15, the term Hispanic does not refer to a race, but an Origin. Therefore, persons of Hispanic Origin may be of any race. The Hispanic Origin statistics contained in this table represent the percentage of the total population that are of Hispanic Origin, regardless of race. Individuals of two or more races were included in the numbers for all races they identified, resulting in a percentage of more than 100% for the total population.

**Illustration 3.10-1:  
 2000 and 2004 Population Distribution by Race and Hispanic or Latino Origin  
 for Washington State and Lewis and Yakima Counties**



<sup>a</sup> Source: U.S. Census Bureau 2005. Population demographics are estimates based on symptomatic data including birth records, death records, tax returns and immigration.

<sup>b</sup> Source: U.S. Census Bureau 2004. Demographics are based on a survey.

<sup>c</sup> Source: U.S. Census Bureau 2000b

<sup>d</sup> According to the U. S. Office of Management and Budget directive 15, the term Hispanic does not refer to a race, but an Origin. Therefore, persons of Hispanic Origin may be of any race. The Hispanic Origin statistics contained in this table represent the percentage of the total population that are of Hispanic Origin, regardless of race. Individuals of two or more races were included in the numbers for all races they identified, resulting in a percentage of more than 100 percent for the total population.

### 3.10.2.2 Population and Demographics

The White Pass Study Area is predominantly rural, as evidenced in Table 3.10-3 (refer to “Persons Per Square Mile”). Population growth in both Lewis (15.6 percent) and Yakima (17.9 percent) Counties was slower than the State (21.1 percent) between 1990 and 2000. Likewise, unemployment and poverty levels in the counties are higher than the State, with Washington State experiencing an unemployment rate of 4.1 percent as compared to 5.1 percent and 6.9 percent unemployment in Lewis and Yakima Counties, respectively. Consistent with population growth and unemployment rates, per capita and median family incomes are considerably lower in Lewis (\$17,082 and \$41,105, respectively) and Yakima (\$15,606 and \$39,746, respectively) Counties, as compared to the State of Washington (\$22,973 and \$53,760, respectively).

**Table 3.10-3:  
 Socioeconomic Indicators for Washington State  
 and Lewis and Yakima Counties**

Indicator	Washington	Lewis County	Yakima County
<b>Population</b>			
2000 <sup>a</sup>	5,894,121	68,600	222,581
2003 <sup>b</sup>	6,131,445	70,404	226,727
2005 <sup>c</sup>	6,287,759	72,449	231,586
Population % Change 2000-03	4.0%	2.6%	1.9%
Population % Change 2000-05	6.7%	5.6%	4.0%
Population % Change 1990-2000	21.10%	15.60%	17.90%
Per Capita Income <sup>a</sup>	\$22,973	\$17,082	\$15,606
Median Family Income <sup>a</sup>	\$53,760	\$41,105	\$39,746
Persons Living Below the Poverty Level <sup>a</sup>	10.60%	14.00%	19.70%
Percentage of Families Living Below the Poverty Level <sup>a</sup>	7.30%	10.40%	14.80%
Unemployment <sup>a</sup>	4.10%	5.10%	6.90%
Persons Per Square Mile <sup>a</sup>	88.6	28.5	51.8

<sup>a</sup> Source: U.S. Census Bureau 2000b.

<sup>b</sup> 2003 population estimate source: U.S. Census Bureau 2000c. Population demographics are estimates based on symptomatic data including birth records, death records, tax returns and immigration.

<sup>c</sup> 2005 population estimate source: U.S. Census Bureau 2005a. Population demographics are estimates based on symptomatic data including birth records, death records, tax returns and immigration.

Note: 2003 and 2005 population estimates are provided for reference. All economic indicators in this table are based on Census 2000 populations.

E.D. Hovee & Company (1999) indicated that as of the 2000 Census, the population of Packwood was 770, with a median age of 43.9 and 45 percent of the population over age 45. Packwood residents attribute the low representation of younger residents to the lack of family-wage employment. Young residents graduate from high school and leave the area in search of better economic opportunities. As of 1996, 73 percent of the job base, and 93 percent of the total wages paid in Packwood came from the manufacturing sector, which was predominantly forest products related. During this period, the unemployment rate in Lewis County was 1.8 times the statewide average (E.D. Hovee & Company 1999). The closure of the local mill in 1998 has further exacerbated the unemployment rate in Packwood, although no specific unemployment rate is available.

More recently, E.D. Hovee & Company (2005) indicated that there were 833 residents in Packwood in 2005. Approximately 52 percent of homes located within Packwood are seasonal and tourists visiting Lewis County spend approximately \$130 million on goods and services, supporting 1,800 jobs and \$1.4 million in local taxes (E.D. Hovee & Company 2005).

The population of Naches as of the 2000 Census was 643, with an unemployment rate of 4.2 percent (www.city-data.com 2004). The projected population growth from 2005-2015 for the White Pass market

area is shown in Table 3.10-4. The average annual projected increase for the entire area is 2.16 percent for the ten-year development period (refer to Appendix D).

**Table 3.10-4:  
White Pass Market  
Average Annual Population Growth Projections**

County	Growth Projection 2005-2015
Cowlitz	2.67%
Lewis	1.95%
Pierce	1.71%
Thurston	2.70%
Yakima	1.79%
Average	2.16 %

Source: State of Washington 2002

### *3.10.2.3 Local Economics*

White Pass sponsors visitor spending both at the ski area (e.g., lift tickets, food and beverage, rentals) as well as in the community of Packwood and Town of Naches (e.g., food and beverage, gas, ski equipment and apparel, rentals). In addition, White Pass Ski Area provides seasonal and full-time employment to local residents.

Both Packwood and Naches are economically depressed. Packwood lost almost half of its population during the 1990s due to mill and ranger station closures (Dean Runyan Associates 2004). The overall economy in Naches is good, due to agricultural production. However, small businesses within the central business area are struggling as the town shifts from an agricultural and logging economy to a bedroom community for the greater Yakima area (Town of Naches 1995).

In response to the reduced economic activity in these communities, numerous economic development strategies and other planning documents have been prepared, or are under preparation for Lewis County/Packwood, Yakima County/Naches and the US 12 corridor. These include the following:

#### Lewis County/Packwood

- Overall Economic Development Plan for Cowlitz and Lewis Counties (CWCOG & LCEDC 1997)
- Lewis County Industrial Needs Analysis (E.D. Hovee & Company 1997)
- Packwood Community Action Plan (E.D. Hovee & Company 1999)

- Northwest Economic Adjustment Initiative Assessment – Packwood, Lewis County, Washington (NWAIA 2002)
- Lewis County Profile (Washington State Employment Security 2001)
- Draft USDA Forest Service Packwood Work Center Utilization Analysis (Dean Runyan Associates 2004)
- East Lewis County Economic Opportunities Study (E.D. Hovee & Company 2005)

#### Yakima County/Naches

- Naches, Washington 1993 Community Development Plan (Pacifcorp 1993)
- Town of Naches – Land Use Element (Town of Naches 1995)
- Plan 2015 – A Blueprint for Yakima County Progress. Chapter IV – Economic Development Element (Yakima County 1997)

#### US 12 Corridor

- US 12 Corridor Charette (USDI and NPS 2002)

The purpose of these documents, in general, is to evaluate the economic trends in the White Pass Study Area and to identify opportunities to improve the economic climate through commercial, industrial, and recreation-based initiatives.

Most recently, the Draft USDA Forest Service Packwood Work Center Utilization Analysis (Dean Runyan Associates 2004) evaluated the potential for new uses at the recently-abandoned Forest Service Packwood Work Center. The primary objective of the study states that:

“Destination Packwood is interested in putting the site to use for the community and, in particular, enhancing Packwood’s economic diversity and expanding the services available to the community and its visitors.” (Dean Runyan Associates 2004, 1)

Furthermore, the National Park Service (USDI and NPS 2002) describes a study focusing on the corridors leading to Mount Rainier National Park, focusing on US 12. The document describes the US 12 region, the results of charettes regarding opportunities along the US 12 corridor, and next steps in the implementation of projects along the corridor. The report describes the relationship between gateway communities, public lands, residents and visitors:



“Partnerships between gateway communities and public lands managers are emerging as critical strategies for identifying and pursuing shared regional goals. Although the US 12 region is a complex mosaic of land ownership and wide range of management goals, it is also a region of broadly shared interests, with opportunities for partnerships that will benefit public lands and local communities, travelers and residents.

The charette process focused on the opportunities to be gained from strengthened relationships among these agencies and with other stakeholders in the US 12 corridor. Corridor stakeholders - local communities, Mount Rainier National Park, the two National Forests (Gifford Pinchot and Wenatchee)...have many shared interests:

- a healthy, attractive landscape as a place to live and a place to visit;
- sustainable, vital community economics;
- healthy ecosystems, including fish and wildlife habitat;
- functional, multi-modal transportation systems;
- amenities to support great recreational travel experiences.

These complementary goals are the starting point for partnerships and cooperation that can strengthen the region at the same time that it meets the individual needs of the corridor stakeholders.” (USDI and NPS 2002, 3)

The role of White Pass as a stakeholder, and partner in recreation with the Forest Service is described in Draft USDA Forest Service Packwood Work Center Utilization Analysis (Dean Runyan Associates 2004):

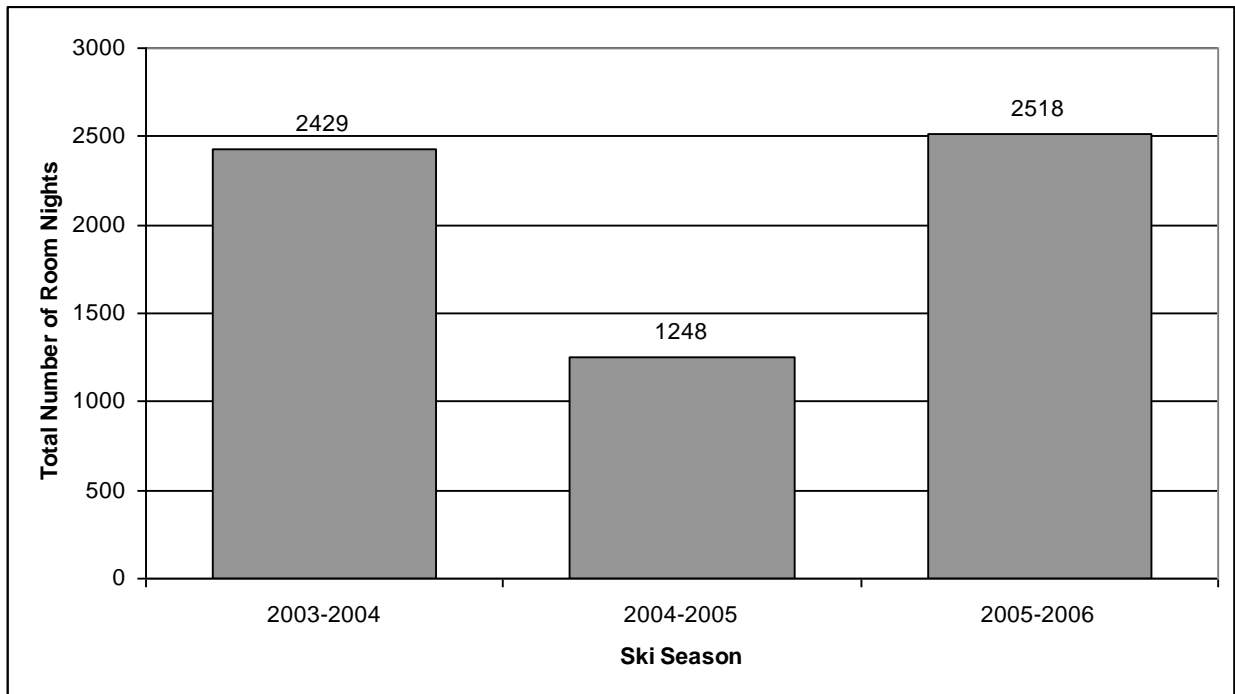
“White Pass is a fairly low-key operation and, except for certain weekends, does not have large attendance. White Pass is on leased federal land, and for many years has been trying to expand into the adjacent slopes below Hogback Ridge...the expansion received approval from the U.S. Forest Service, but has been fought by environmental groups arguing that Hogback Basin is on roadless national forest land that could be critical to endangered species.” (Dean Runyan Associates 2004, 24)

Although Dean Runyan Associates (2004) describes White Pass as a minor component of the overall economic improvement of Packwood, the Town of Naches – Land Use Element (Town of Naches 1995) identifies goals and policies of the Town of Naches, including:

“Goal 6 – Make tourism a major component of Naches’ economic base. Policy 6.1 – Provide activities and attract tourists, and make continuing identification of tourist preferences a basis for defining the focus of Naches’ tourist programs and facilities”.  
(Town of Naches 1995, 66)

During the public comment period for the DEIS, many comments were received suggesting that high visitation at White Pass results in an economic boost to the White Pass Study Area, while low visitation results in an economic down-turn (refer to Volume 3 - Response to Comments). In an effort to collect data to analyze these public comments, informal community discussions were held in September 2006 and data was obtained. A summary of the data collected for the 2003 to 2006 ski seasons from various accommodations in Packwood is shown in Illustration 3.10 FEIS 1. As suggested in the public comments on the DEIS, the 2004/2005 ski season overnight lodging market in the vicinity of Packwood exhibits approximately one-half of the room nights compared to 2003/2004 or 2005/2006 seasons. Given that the 2004/2005 season was a low snow season, the new data indicate that White Pass visitation does affect overnight lodging in the White Pass Study Area. For comparison, given an approximate room rate of \$200.00 per room per night, the low snow season of 2004/2005 equates to a loss of approximately \$250,000 compared to the 2005/2006 season.

**Illustration 3.10 FEIS1:  
Monthly Lodging Rentals and Revenue for Packwood Hotels**



Source: Destination Packwood (2006) Destination Packwood has provided this data to USFS and collected this data from various local accommodation owners including Cabin Rental, Hotel Packwood, Mountain View Lodge, Crest Trail Lodge and Vacation Cabins.

With visitation averaging 109,782 visits over the past five years (PNSAA 2006) (refer to Section 3.11) and with sixty percent of skiers coming from western Washington (i.e., through Packwood) and forty percent of skiers coming from the east side (i.e., through Naches) (Dean Runyan Associates 2004) both communities are in a position to realize economic benefits from the operation of White Pass via off-site spending (e.g., food and beverage, ski equipment and apparel, rentals). While not a key driver of economics in the White Pass Study Area, White Pass has the potential to improve economic conditions. As depicted in Illustration 3.10 FEIS1, successful economics at White Pass is not expected to be the primary driver of local economics, based on this information. The overall economic health of the White Pass Study Area will rely on the continued success of the ski area, but also the success of some or all of the initiatives described above.

### *White Pass*

Over the last five years, annual visitation at White Pass has accounted for 6-8 percent of Washington's total skier visits (PNSAA 2006a). White Pass' local, regional, and destination market competition primarily includes Washington State areas such as Crystal Mountain, The Summit-at-Snoqualmie, Stevens Pass, Mission Ridge, Mount Baker, and Whistler/Blackcomb Resort in British Columbia. Oregon ski areas, including the Mount Hood ski areas and Mount Bachelor, also operate within White Pass' regional market. Within its local day skier market, White Pass primarily competes with Mission Ridge, which also serves the Yakima market. Crystal Mountain also competes with White Pass in that skiers from the Olympia to Vancouver corridor can access White Pass or Crystal Mountain with similar travel times and level of effort.

Prior to 1998, White Pass exhibited visitation ranging from 80,000 to 90,000 annual visits (PNSAA 2004). During the 1997-98 ski season, White Pass exhibited over 103,000 visits. Since that time, annual visitation has been increasing, as demonstrated by the ten-year average of 108,620 annual visits and a five-year average of 109,782 skier visits (PNSAA 2006a).

For the 2003-04 season, White Pass supported 18 year-round employees and 144 seasonal workers. A large portion of these employees live in the White Pass Study Area.

Gross revenue at White Pass was approximately \$4.2 million in 2005-06. White Pass paid approximately \$34,000 in personal property tax, and \$86,400 in USFS fees (White Pass Company 2006).

#### *3.10.2.4 Skiing Trends*

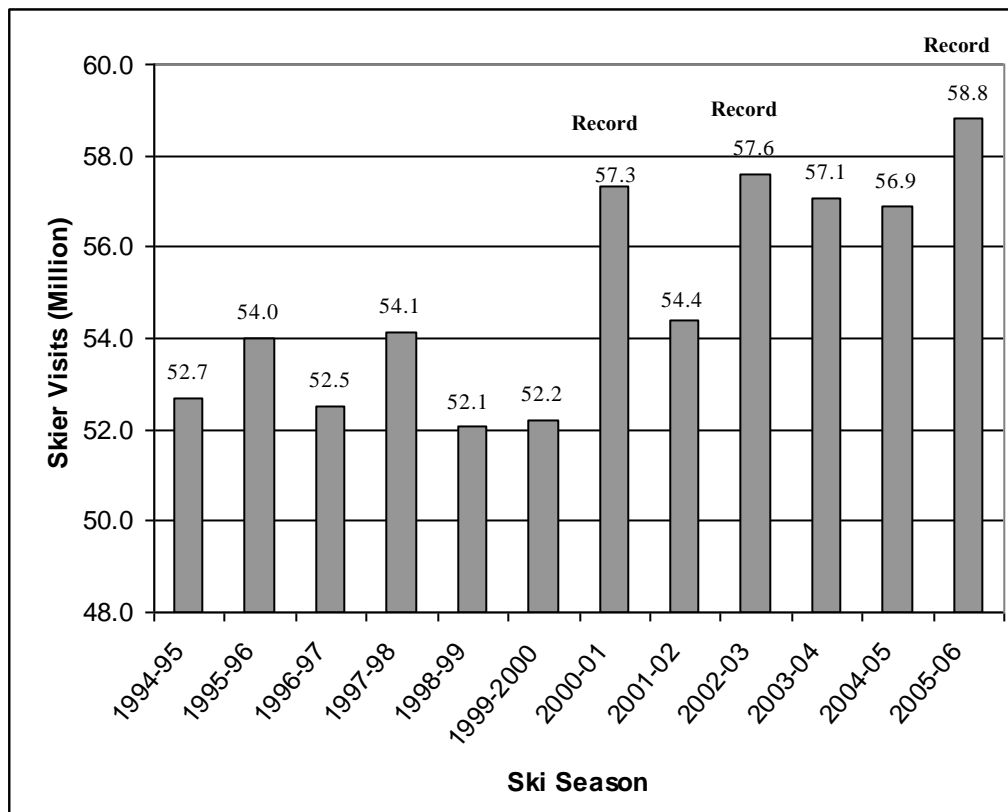
Illustration 3.10-FEIS 2 charts national skier visitation for the ten-year period from 1994-95 to 2005-06. The U.S. ski industry has, as a whole, performed strongly between 2000 and 2006, with three record-setting seasons in six years, including:

- A record-setting 57.3 million skier visits during the 2000-01 season (NSAA 2005).

- The 54.4 million 2001-02 season - despite September 11, the economic recession, and comparatively poor snow everywhere except the Pacific West (NSAA 2005).
- A record-setting 57.6 million skier visits during the 2002-03 season (NSAA 2005). Another record-setting 58.8 million skier visits during the 2005-06 season (NSAA 2006).

These strong results suggest that the industry may have moved into a new, higher performance range.

**Illustration 3.10 FEIS2:  
National Skier visitation 1996 - 2006**



Source: NSAA 2006

During the 2001-02 season, Oregon and Washington both reported all-time record visitation for the first time (Kottke 2003). In the subsequent year (2002-03 season), the Pacific West was the only region to record a drop in skier visits (-12.6 percent) relative to the previous season (due to substantially worse snow and weather conditions – snowfall was down approximately 19 percent).<sup>36</sup> The region nonetheless recorded its 10<sup>th</sup> best season out of 25 seasons on record. Within the Pacific West, the Northern Pacific West resorts (Washington, Oregon, Northern California) were down sharply (-25.4 percent), while smaller losses were recorded in the Tahoe area (-4.4 percent) and Southern California/Southern

<sup>36</sup>The Kottke survey does not distinguish between the Pacific Northwest and the Southwest. The Pacific West includes Washington, Oregon, California, Nevada and Arizona.

Nevada/Arizona (-2.3 percent) during the 2002-03 season. The 2005-06 season showed another record year for Oregon resorts and a near-record season for Washington resorts (PNSAA 2006).<sup>37</sup>

Similar to national skier visit trends, skier visitation in Washington has fluctuated widely over the past decade (refer to Table 3.10-5 and Section 3.11). While unpredictable weather patterns are largely blamed for Washington's inconsistent or lack of skier visit growth, the absence of substantial lift upgrades, terrain expansion, and snowmaking capability, combined with competition from other regional destination resorts, such as Whistler/Blackcomb, Sun Valley, Big Sky, and a host of Colorado, Utah, and Tahoe area resorts have also contributed to the lackluster performance (Kottke 2003).

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<sup>37</sup> Record visitation in Washington State occurred during the 2001/02 ski season with 2,151,544 visits. The 2005/06 season visitation was only 13,614 visitations short of meeting the record, with 2,137,930 ski visits. Refer to Section 3.11 for additional information.

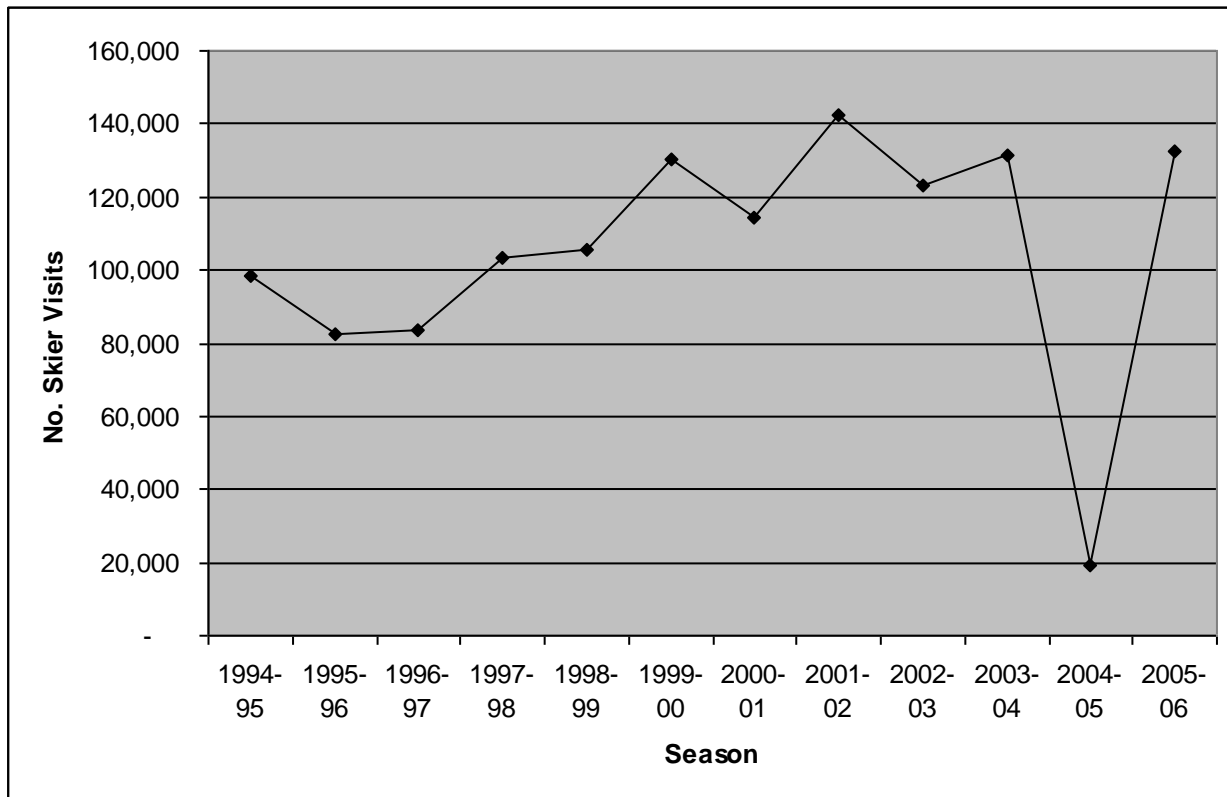
**Table 3.10-5:  
 Washington State Skier Visits from 1994 to 2006**

<b>SKI AREA/RESORT</b>	<b>1994-95</b>	<b>1995-96</b>	<b>1996-97</b>	<b>1997-98</b>	<b>1998-99</b>	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>
Cascade (snowcat)	dno	dno	dno	250	679	329	nr	nr	dno	632	nr	nr
Crystal	320,983	264,633	302,673	318,536	311,335	332,276	230,506	391,595	255,370	348,933	123,242	371,811
49 Degrees North	50,914	43,000	49,925	52,210	66,164	65,922	59,905	76,866	52,503	71,508	28,016	75,639
Hurricane Ridge	3,425	nr	2,784	4,198	2,136	5,142	2,958	5,415	3,914	5,235	dno	2,541
Leavenworth	5,040	8,563	14,200	14,250	12,300	12,249	12,300	6,238	7,128	8,966	3,288	16,194
Loup Loup	22,168	26,420	15,559	9,215	27,000	15,935	5,700	16,000	13,907	13,434	1,180	19,721
Mission Ridge	105,738	84,764	92,570	79,091	96,529	108,194	91,372	111,162	89,815	109,085	23,021	116,387
Mt. Baker	134,728	111,504	111,246	114,534	124,477	138,602	123,493	134,822	107,472	115,000	81,322	204,000
Mt. Spokane	70,000	22,250	nr	50,797	62,852	72,080	85,055	94,764	46,322	87,520	19,844	90,493
North Cascade (helicopter)	368	488	522	331	409	663	594	428	360	389	212	nr
Ski Bluewood	54,225	10,067	45,851	48,007	54,501	49,332	49,836	61,679	27,048	43,024	3,393	37,452
Stevens Pass	703,343	307,484	392,437	379,591	404,204	485,522	426,100	498,367	378,868	450,222	133,785	452,456
Summit at Snoqualmie	490,310	436,239	476,218	410,334	502,200	506,021	507,783	611,638	328,746	475,006	55,173	618,531
White Pass	98,666	82,318	83,555	103,332	105,833	130,152	114,415	142,570	123,349	131,226	19,061	132,705
<b>Total, WASHINGTON</b>	<b>1,762,052</b>	<b>1,399,869</b>	<b>1,587,540</b>	<b>1,584,676</b>	<b>1,770,619</b>	<b>1,922,419</b>	<b>1,710,017</b>	<b>2,151,544</b>	<b>1,434,802</b>	<b>1,860,180</b>	<b>491,537</b>	<b>2,137,930</b>

nr = No Record  
 dno = Did Not Operate  
 Source: PNSAA 2004, 2006

Prior to 1998, White Pass exhibited visitation ranging from 80,000 to 90,000 annual visits (PNSAA 2004). During the 1997-98 ski season, White Pass exhibited over 103,000 visits. Since that time, annual visitation has been increasing, as demonstrated by the ten-year average of 108,620 annual visits and a five-year average of 109,782 visits (PNSAA 2006a). Illustration 3.10 FEIS3 presents the growth in annual visitation at White Pass between the 1994-95 season and the 2005-06 season. The steady growth in demand for alpine skiing at White Pass has resulted in larger crowds, longer lift line wait times, and more crowded slope conditions. Additionally, White Pass has observed an increase in the number of days at or near capacity, up to a five-year average of 21.4 near capacity days (refer to Illustration 1-3).<sup>38</sup>

**Illustration 3.10 FEIS3:  
Annual Skier Visitation at White Pass (1994-2006)**



Source: PNSAA 2004, 2006

<sup>38</sup> Near capacity visitation days include 90 percent CCC, 100 percent CCC and 110+ percent CCC. The five-year average includes the low 2004/2005 ski season.

3.10.3            Environmental Consequences

*3.10.3.1*        *Environmental Justice*

*Alternative 1*

Under Alternative 1, no new development would take place and no disproportionate social or economic impacts to minority or low-income populations, relating to White Pass, would occur within the White Pass Study Area.

*Alternatives 2, 6, 9 and Modified Alternative 4*

As noted in Section 3.10.2 – Affected Environment, very small **minority** or **low-income populations** have been identified within the White Pass Study Area and no environmental justice issues have been identified. Therefore, the potential does not exist for minorities or low-income populations to be disproportionately affected by implementation of any of the Action Alternatives. As indicated, while not a key driver of economics in the White Pass Study Area, White Pass has the potential to improve economic conditions, particularly in conjunction with some, or all of the initiatives described above.

Based on information from the Indian Claims Commission findings and on the Bureau of Indian Affairs interpretation of the district court’s specified findings in *United States v. Washington on Tribes’* usual and accustomed fishing places, regarding tribal territorial boundaries at the time of treaty negotiations in the 1850s, the Yakama Nation was identified as a concerned Tribe. Members of the Yakama Nation continue to express concerns that the cultural and spiritual values of the area are more than actual sites and any additional use and disturbance is of concern. In addition, the Cowlitz (Taidnapam) traditional territory includes the White Pass Study Area. Refer to Section 3.9 – Heritage Resources for detailed information on these concerns and consultation that has taken place to date. At the same time, access to and use of the White Pass Study Area would remain open and available to all tribal people under all of the Action Alternatives.

*3.10.3.2*        *Population and Demographics*

*Alternative 1*

Under the No Action Alternative, no improvements or additional facility development at White Pass would occur. The population and demographics in the White Pass Study Area would remain as described in Section 3.10.2 – Affected Environment. This is not expected to have any measurable effect on population or demographics.

*Alternatives 2, 6, 9 and Modified Alternative 4*

Under the Action Alternatives, new ski area facilities would be installed at White Pass, allowing for increased employment and visitation at White Pass (described below). Dean Runyan Associates (2004) describes White Pass as a minor component of the overall economic conditions in the White Pass Study



Area and local economic data (refer to Illustration 3.10 FEIS1) suggest that the overnight lodging market is only partially dependent on visitation at White Pass. As a result of its relatively small position in the White Pass Study Area economy, additional development at White Pass is not expected to result in any measurable changes in the population or demographics in the White Pass Study Area.

### *3.10.3.3 Local Economics*

#### *Alternative 1*

Alternative 1 would include no improvements or additional facility development at White Pass. Local economic conditions would continue to be strained in the White Pass Study Area. Potential economic benefits could result from the implementation of the plans described in Section 3.10-2 (refer to Section 3.10.4 – Cumulative Effects). As described above, White Pass is not a key economic driver in the White Pass Study Area, although many of the economic development strategies include the White Pass expansion as a component of the overall economic growth in the area. While White Pass has realized growth in visitation over the past decade (refer to Table 3.10-5, Illustration 3.10 FEIS3, and Section 3.11 – Recreation), the current facilities are becoming over-burdened (refer to Section 1.1.2). As a result, with no expansion, White Pass would not be in a position to participate in the overall strategies for economic growth in the White Pass Study Area. In addition, White Pass would not fulfill the Forest Service objective of meeting the public demand for recreation at appropriately designed facilities (USDA 1990a, 1990b; USDA and USDI 1994).

#### *Alternatives 2, Modified Alternative 4, 6, and 9*

The Action Alternatives would allow White Pass to more comfortably accommodate the recent increases in visitation, and to meet future demand for recreation at White Pass. By providing the most facilities, Modified Alternative 4 would provide the most opportunity for increased visitation and spending. Conversely, with the lowest potential for improved conditions at White Pass, Alternative 9 represents the least amount of potential to address growing demand (refer to Skiing Trends, below).

Under the Action Alternatives, economic conditions at White Pass would be altered through the creation of new ski area facilities, which would provide additional seasonal employment opportunities. Table 3.10-6 presents the additional employment at White Pass under the Action Alternatives.

**Table 3.10-6:  
Employment at White Pass**

	<b>Alt. 1 (Existing)</b>	<b>Alt. 2, Change/Total</b>	<b>Mod. Alt. 4 Change/Total</b>	<b>Alt. 6 Change/Total</b>	<b>Alt. 9 Change/Total</b>
Full Time	18	2 / 20	2 / 20	1 / 19	1 / 19
Seasonal	144	24 / 168	20 / 164	18 / 162	12 / 156
Total	162	188	184	181	175

Source: White Pass Company 2004

With a population of 770 and a median age of almost 44 years, the creation of 12 (Alternative 9) to 24 (Alternative 2) seasonal jobs at White Pass would not result in significant improvement in employment conditions in Packwood, particularly given that these jobs would not be family-wage jobs, as described in E.D. Hovee & Company (1999). Similarly, with a population of 643 and a low unemployment rate, Naches would not benefit greatly from the creation of these seasonal jobs.

#### *3.10.3.4 Capital Investments and Returns*

The five alternatives and visitation projections are associated with significant differences in capital investments. Alternative 1 (No Action) includes no additional improvements or facilities at White Pass. The Action Alternatives include capital investments in lifts, buildings and other facilities. The costs of improvements for the Action Alternatives range from \$3.8M to \$10M.

The current and future lift revenue would become the main source of funds to support these investments. Lift revenue is also augmented by income from the sale of food and beverage, ski rentals/repairs and ski school. The upgrade of lifts, terrain and facilities in each Action Alternative would improve the skiing experience and thereby increase the ability of White Pass Ski Area to attract more skiers, and to a certain extent increase lift ticket prices. Increases in both skier visitation, displayed in Table 3.10-7, and lift ticket revenues throughout the projection period ultimately determine the investment returns for the project (refer to Table 3.10-7 and Appendix D).

**Table 3.10-7:  
White Pass Visitation Projection Comparisons**

<b>Visitor Projections</b>	<b>Alt. 1</b>	<b>Alt. 2</b>	<b>Mod. Alt. 4</b>	<b>Alt. 6</b>	<b>Alt. 9</b>
Year 1	109,782	149,782	149,782	123,782	115,782
Year 10	121,268	165,453	165,453	136,732	127,895
% Increase from Alt. 1/Year1	10%	51%	51%	25%	16%

The revenue associated with each visitor at White Pass was used to estimate future revenue per skier visit based on current trends and adjusted by the skier improvements associated with that alternative. In a similar manner the cost associated with each alternative was calculated based on the projected costs of the lifts, facilities, and infrastructure as well as additional expenses for operations (e.g., wages, insurance, cost of goods sold).

These numbers were then used to determine the number of visitors needed to reach operational break-even. Operational break-even represents the number of skiers needed in any given year to cover all costs that the mountain incurs in that year. The determination of a break-even point is an important measure used to assess the economic feasibility of each alternative.

The break-even analysis was completed using the current operational characteristics of White Pass and adding projected increases in skier visits and revenues per skier visit. Future yearly expenses were

estimated using the current operational costs at White Pass and dividing these costs into fixed, variable and semi-variable expenses. The allocation of costs into these expense categories was important because the proposed alternatives affect these costs to a different degree.

- Fixed expenses occur regardless of skier volume and still remain when the mountain is closed or when there are fewer skiers at the mountain. Fixed expenses include depreciation expense, debt service, insurance, overhead and administrative costs.
- Semi-variable expenses are those that vary with both the length of the operating season and the volume of skiers at the mountain. These expenses include some portion of salaries and wages, slope grooming, maintenance, ski patrol, visitor services.
- Variable expenses include those that are directly tied to the number of skiers at the mountain and include items such as salaries and wages, food and bar, sales tax, etc.

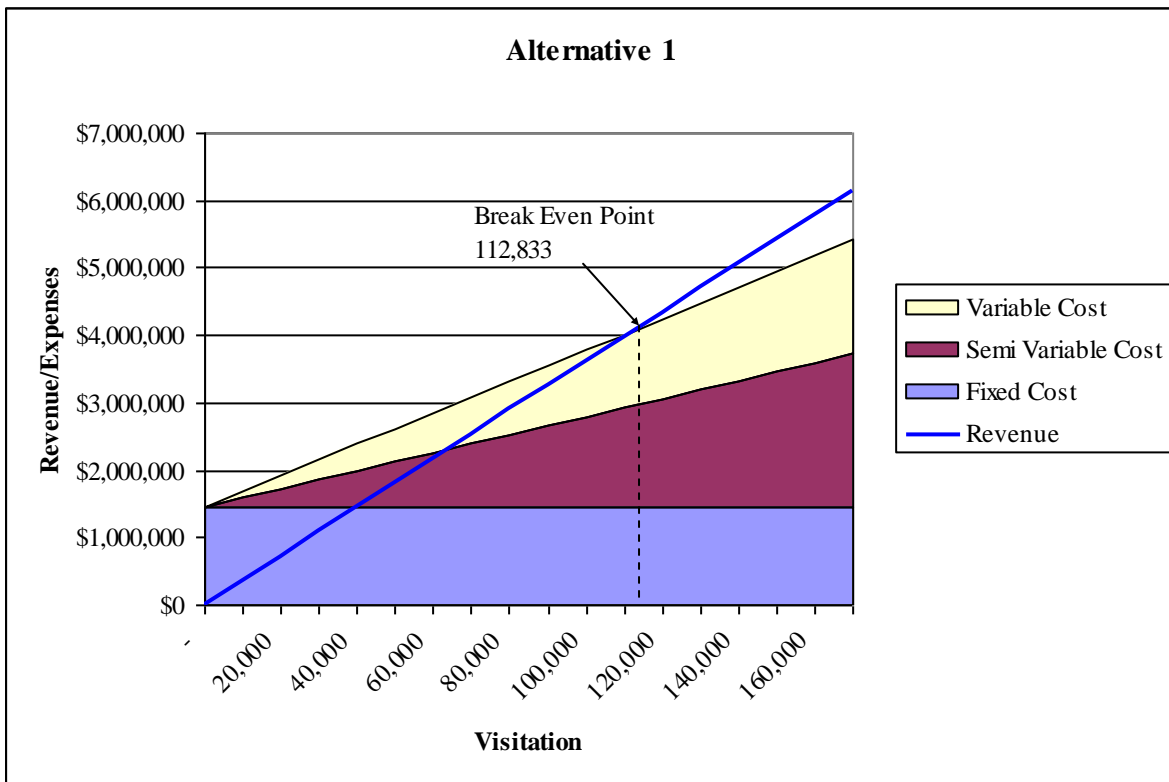
The debt service on capital investments for the proposed alternatives are, to a large extent, fixed operating expenses. These assets (lifts and buildings) are expensed (depreciated) using a fixed schedule, while other items such as terrain clearing are expensed as they occur and are also not dependent on skier visits. Some of the alternatives also add significant semi-variable and variable expenses due in part to increased wages and salaries associated with new lifts, slope grooming and other items associated with the improvements.

The break-even analysis was completed for a five-year period following the implementation of the alternatives by evaluating the revenue received per skier visit. The costs tied to each skier visit (variable and semi-variable expenses) were subtracted from the revenue per skier visit to determine a contribution margin. This number represents the amount the mountain would receive per skier visit to cover fixed operational costs. An operational break-even point was then computed as the number of skier visits needed to cover all fixed, semi-variable and variable expenses.

Alternative 1

Under the No-Action Alternative, the operating break-even would be attained at 112,833 skier visits (refer to Illustration 3.10-2). During the past five ski seasons (2000-01 to 2005-06), White Pass Ski Area averaged 109,782 skier visits, which is below the break-even point.<sup>39</sup> As shown in Table 3.10-7, skier visitation would increase by approximately ten percent under Alternative 1, to a total of 121,268. **As a result, the ski area operation would exceed the break even point by approximately 9,000 visits per year.**

**Illustration 3.10-2:  
 Alternative 1 Break-Even Analysis (No Action)**

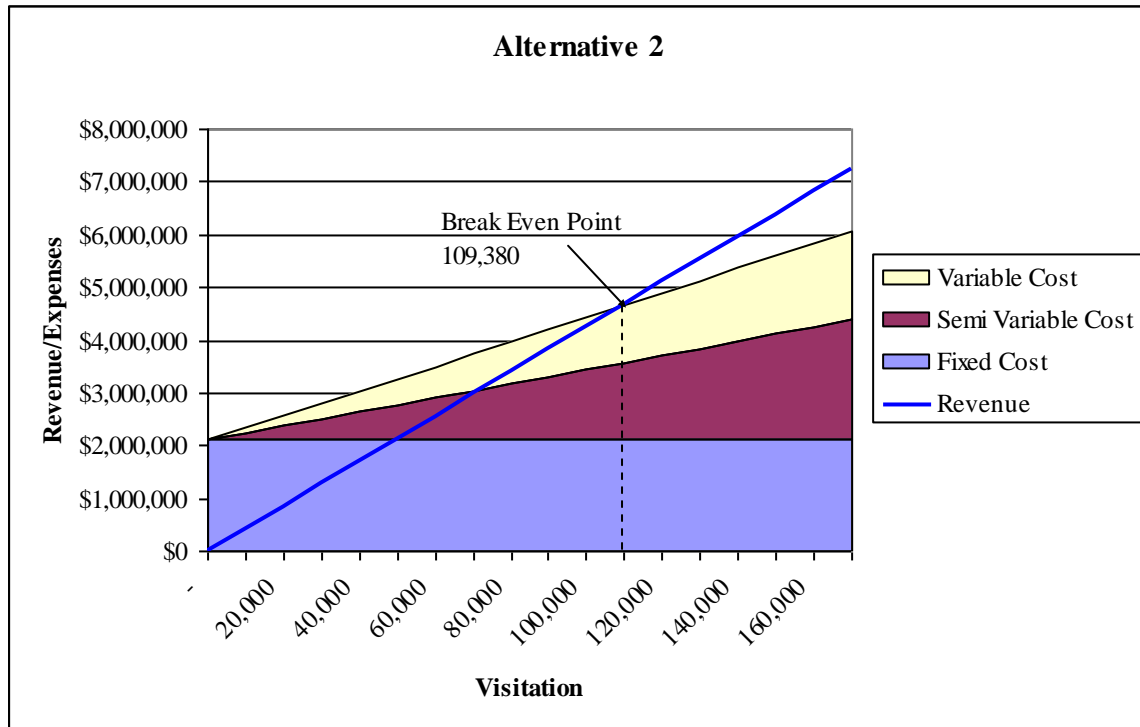


<sup>39</sup> This average incorporates the 2004/05 season, when the White Pass Ski Area was open for business a total of 24 days out of a usual average of 139 days per season (averaged from 1999/00 to 2005/06 ski seasons, excluding 2004/05 ski season). Excluding 2004/05 and 2005/06 seasons, the DEIS five-season average (1999/00 – 2003/04), totaled 128,000 skier visits, which is above the break-even point.

Alternative 2

Under Alternative 2, White Pass would be positioned to increase revenue per skier visit (refer to Appendix D – Social, Economic and Recreation Assumptions). With increased revenue per skier visit, the operating break-even point for White Pass would decrease to 109,380 skier visits. As shown in Table 3.10-7, visitation is projected to increase to approximately 165,453 in ten years under Alternative 2. **As a result, Alternative 2 would exceed the breakeven point by over 55,000 visits (Illustration 3.10-3).**

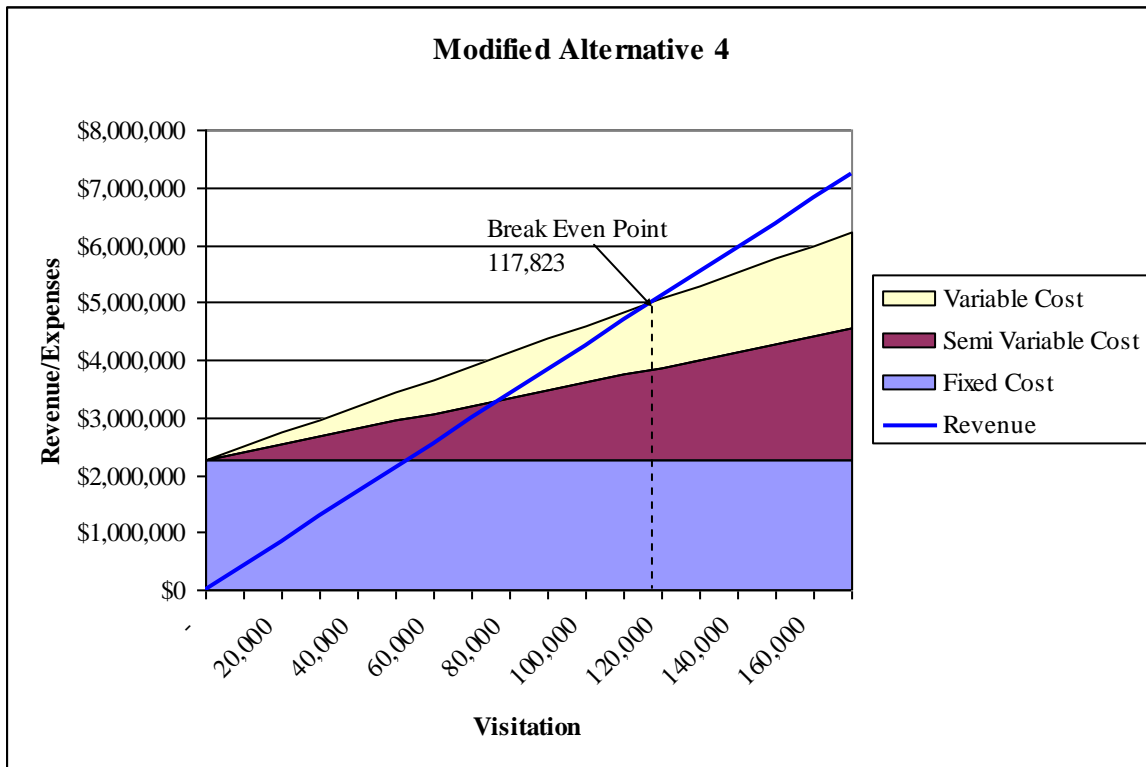
**Illustration 3.10-3:  
 Alternative 2 Break-Even Analysis**



Modified Alternative 4

The break-even point under Modified Alternative 4 would be approximately 117,823 skier visits (refer to Appendix D). This break even would be higher than Alternative 2 primarily due to the higher capital expenditures, including the construction of the new parking lot, an egress trail from the bottom of the *Hogback Express* chairlift (labeled 4-16 in Figure 2-4), trails 4-17 and 4-18 (refer to Figure 2-4), tree islands located around the *Lower Cascade* chairlift, grading of the Holiday trail and the waterline (or well) to the mid-mountain lodge. As shown in Table 3.10-7, annual visitation under Modified Alternative 4 is projected to increase to 165,453 visits, roughly 48,000 visits higher than the break even point, as illustrated in Illustration 3.10-4.

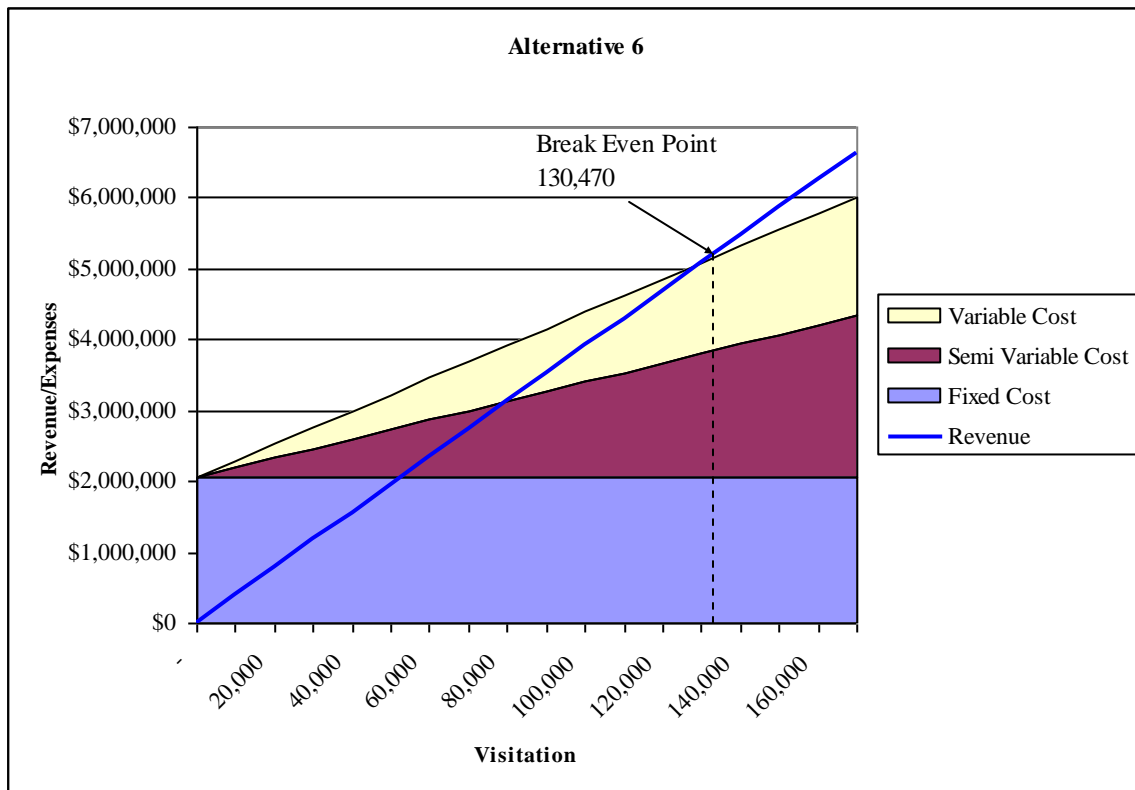
Illustration 3.10-4:  
 Modified Alternative 4 Break-Even Analysis



Alternative 6

Alternative 6 provides for less capital investment and operating expenses than Alternative 2 and Modified Alternative 4. However, as Alternative 6 provides fewer new facilities than Alternative 2 or Modified Alternative 4, the increase in revenue per skier visit is smaller, causing the break-even point to be higher than under the other alternatives (refer to Appendix D). The break-even point under Alternative 6 would be 130,470 visits (refer to Illustration 3.10-5), which would be approximately 6,000 visits below the projected annual visitation of 136,732 (refer to Table 3.10-7).

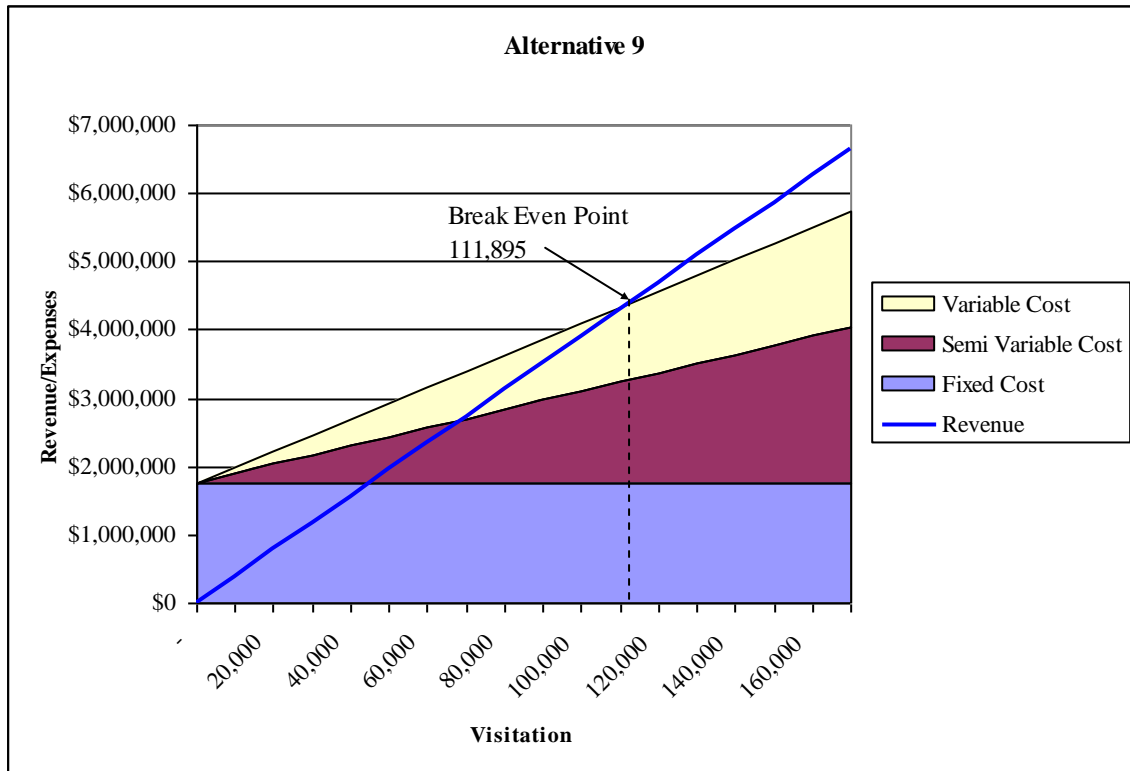
**Illustration 3.10-5:  
Alternative 6 Break-Even Analysis**



Alternative 9

Alternative 9 also provides for less capital investment and operating expenses than Alternative 2 and Modified Alternative 4. Alternative 9 provides for less increase in revenue per skier visit than Alternative 2 or Modified Alternative 4. The break-even point under Alternative 9 would be 111,895 visits, which would be approximately 16,000 visits below the projected annual visitation of 127,895 (refer to Illustration 3.10-6).

**Illustration 3.10-6:  
Alternative 9 Break-Even Analysis**





### *3.10.3.5 Skiing Trends*

#### *Alternative 1*

Under Alternative 1, it is projected that visitation would increase at a nominal one percent per year, on average, due to the expanding population within the White Pass market. Over a ten-year projection period, based on one percent annual increases, visitation would increase from 109,782 visits to 121,268 as shown in Table 3.10-7.<sup>40</sup> This level of growth would allow White Pass to continue its current operation from an economic standpoint. **However, the increased demand for skiing at White Pass, coupled with the growth in the regional and national markets, would place White Pass in a position of not being able to meet the local demand for skiing.**

Assuming that future spending patterns in the White Pass Study Area would be similar to the current spending patterns, this growth rate would result in increased spending associated with White Pass, of about 10 percent over the current condition. It is anticipated that the majority of this spending would take place at White Pass, with increased lift ticket and restaurant sales.

#### *Alternative 2 and Modified Alternative 4*

As shown in Table 3.10-7, the alternatives with the development of two lifts in Pigtail and Hogback Basins are projected to result in the highest increase in visitation over the ten-year projection period. It is anticipated that skier visitation would increase dramatically after the opening of the new terrain at White Pass (estimated at 40,000 additional visits). After this “excitement” period, growth is anticipated to return to one percent per year (refer to Appendix D). Over the ten-year projection period, visitation at White Pass would increase by as much as 51 percent, as compared to the 10 percent under Alternative 1.

With this projected increase in visitation and spending at White Pass, Alternative 2 and Modified Alternative 4 represent the highest potential for White Pass to meet the public demand for facilities at White Pass and to operate at or above the break-even point, as shown in Illustrations 3.10-4 and 3.10-5.

Assuming that skier spending patterns would not change dramatically, spending associated with White Pass would increase by 51 percent. As under Alternative 1, it is assumed that the majority of this spending would take place at White Pass.

Due to its small position in the White Pass Study Area economy, and with the majority of spending taking place at the ski area, it is not expected that Alternative 2 or Modified Alternative 4 would significantly alter the economic conditions in Packwood or Naches.

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<sup>40</sup> Based on the past five ski seasons, 2000-01 to 2005-06, including the 2004-05 low snow year. Comparatively, the averaged five ski seasons (1999-00 to 2003-04) in the DEIS identified that the White Pass Ski Area averaged 128,000 skier visits, with the ten year projection of 139,992 skier visits

*Alternative 6*

Spending would increase by approximately 25 percent based on an initial increase in visitation of 14,000 (as compared to 40,000 under Alternative 2 and Modified Alternative 4), and overall growth in visitation and spending of one percent per year over the ten-year projection period (refer to Appendix D). **Alternative 6 would operate above the break-even point. However, Alternative 6 provides reduced ability to meet increased demand, as compared to Alternative 2 or Modified Alternative 4, because projected visitation is only 6,000 visits above the break-even point, as compared to 55,000 and 48,000 visits above the break-even point for Alternative 2 and Modified Alternative 4.**

*Alternative 9*

Under Alternative 9, spending would increase by 16 percent based on the initial increase in visitation of 6,000 (as compared to 40,000 under Alternative 2 and Modified Alternative 4 and 14,000 under Alternative 6), and overall growth in visitation and spending of one percent per year over the ten-year projection period (refer to Appendix D). **Alternative 9 would operate above the break-even point for the ski area operation. However, Alternative 9 provides reduced ability to meet increased demand, as compared to Alternative 2 or Modified Alternative 4, because projected visitation is only 16,000 visits above the break-even point, as compared to 55,000 and 48,000 visits above the break-even point for Alternative 2 and Modified Alternative 4.**

3.10.4            Cumulative Effects

No past, present or reasonably foreseeable projects were identified as having any cumulative effect on local economies. As described in Section 3.10.3 – Environmental Consequences, the White Pass expansion is not projected to have a significant impact on employment or visitor spending in the White Pass Study Area, particularly Packwood and Naches, as the White Pass Ski Area is identified as a minor component of the local economy. However, the increased economic activity at White Pass, coupled with additional economic development initiatives in Naches and Packwood, has the potential to cumulatively improve the economic conditions in the White Pass Study Area (i.e., US 12 corridor from Packwood to Naches). For example, the U.S. Highway 12 Corridor Charette (USDI-NPS, 2002) indicates that the potential exists for hotels in Packwood to jointly sponsor a shuttle service to White Pass, and that Naches is considering a similar shuttle from a recreational staging/parking area in the center of town. By using these gateway communities as staging areas for skiers, White Pass would be positioned to attract regional destination skiers, similar to Mount Bachelor, Oregon, although substantially smaller.

The overall improvement to the developed recreation experiences at White Pass under the Action Alternatives, coupled with the projected increase in visitation at White Pass, would overlap in both space and time with a shuttle proposal, resulting in a cumulative improvement in the economic condition of the White Pass Study Area. However, of the economic development plans and initiatives described in Section

3.10.2 – Affected Environment, none of the projects have been determined to be reasonably foreseeable (i.e., proposed for implementation) as of publication of this FEIS.

No past, present or reasonably foreseeable projects, coupled with the White Pass expansion, were identified as having any cumulative effect on social and economic factors including environmental justice, population or demographics, as no environmental justice issues have been identified during the study of minority and low-income populations in the area.

In summary, cumulative effects would not result from the White Pass expansion, coupled with the effects of the past, present and reasonably foreseeable projects in the vicinity, as the White Pass Ski Area has been identified as a small portion of the local economy of the area. Potential cumulative impacts resulting in improved economic conditions in the area may occur due to proposed economic development initiatives in Naches and Packwood, coupled with the increased economic activity at White Pass. However, these initiatives have not been identified as reasonably foreseeable for inclusion in Tables 3.0-FEIS1 and 3.0-FEIS2 as of publication of this FEIS.