Kate Joncas

As the Pacific Northwest’s preferred urban location to live, work, shop and play – welcome to Downtown Seattle, where you will find everything in one great place.

Our breathtaking natural setting is widely known, and our rich legacy of innovation and entrepreneurship is as highly regarded as the companies and organizations established here – including Amazon, Bill & Melinda Gates Foundation, Boeing, Fred Hutchinson Cancer Research Center, Nordstrom, REI and Starbucks just to name a few.

Consistently ranked as one of “America’s Best Cities,” it’s no wonder Downtown Seattle’s residential population growth is outpacing the rest of the city and the region; it’s why 21 million people visit us each year; and why we’ve been recognized as the “#1 post-recession mecca for young skilled workers” by The Wall Street Journal.

Whether you are looking to locate or grow your business here – or would someday like to – I invite you to learn more about us by reading this report, visiting our extensive online research library at DowntownSeattle.com, or by giving us a call.

Downtown Seattle’s future has never been more promising, nor has the opportunity to grow with us.

Mike McGinn

This past year has brought good economic news to Seattle. We were ranked number four nationally for job growth, and were ranked the best city in the country for tech jobs by Forbes. Existing businesses are expanding and new ones are being launched.

Much of this is happening in Downtown Seattle. A thriving Downtown is key to our city’s and region’s success, and our Downtown keeps growing. Whether it’s a large employer, a family-owned mobile food truck, or a small retail store, they are here because they want to be in a growing, diverse, urban place like Seattle.

Good news continues to roll in. Hotel bookings are up, and our retail sales are outpacing the region. Amazon.com continues to expand. City University and Northeastern University opened campuses Downtown. Long-delayed building projects are getting back under way.

In 2013, we will continue our Center City Initiative that has brought together community members and businesses to ensure Downtown Seattle streets are safe, inviting and vibrant. We are beginning work to plan the Center City streetcar connector, and are designing a Downtown cycletrack network.

These are the kinds of projects that will help keep Downtown Seattle an attractive and inviting place to live, work, shop and play, and to help build shared prosperity for everyone in our community.
SEATTLE LEADS THE NATION

IN 2012, SEATTLE RANKED AS:

• The most popular city in America (Huffington Post, April 2012)
• The best city for technology jobs and STEM jobs (Forbes, May 2012)
• The best technology city (Milken Institute's Tech-Pole Index)
• The greenest city in America (Plan Forward, July 2012)
• The most vegetarian-friendly city (online food-ordering company GrubHub, July 2012)
• The best large metro for Gen Y workers - based on wage growth, wages and presence of technology firms (Forbes, August 2012)
• The best city for young professionals (Urban Times, August 2012)
• The city with the most arts related businesses per capita (Americans for the Arts)
• #1 "hipster" city in America (Travel + Leisure, April 2012)
• Seattle leads the nation in sustainable urban forestry (Green City Partnerships, September 2012)

SEATTLE WAS ALSO IN THE TOP FIVE AMONG CITIES FOR:

• Office building and retail space investment (Grubb & Ellis Investment Opportunity Monitor, 2012)
• Most sustainable city (Zipcar’s Future Metropolis Index, February 2012)
• America’s best cities (Businessweek, September 2012)
• Most peaceful place in the United States (U.S. Peace Index, April 2012)
• Strongest economies in the nation (Policom’s 2012 Economic Strength Rankings)
• Top smart, sustainable cities (Green Chip Stocks, March 2012)
• Best startup hubs in the world (Startup Genome)
• Best technology startup talent in the world (Startup Genome, 2nd after Silicon Valley)
• Smartest city in North America (Fast Company, December 2012)
• One of the fastest growing cities in the nation (Forbes, January 2013)

*Tied with Portland and San Francisco.

A Downtown is the life-force of any truly great city; a central hub for the surrounding community providing a foundation and an identity for millions of people. In Seattle, our hub, our Downtown, is also providing an example for downtowns across the nation for what is possible...we call it The New Urban.

Major employers are recognizing Downtown Seattle as the nexus where a talented and dynamic workforce meets emerging technologies – producing the preferred place to locate and grow their business. Educational institutions see an ideal location to attract students, expand their base and educate the innovators and leaders of tomorrow.

More and more of today’s educated workforce is forgoing the traditional, in favor of what’s practical and what fits their lifestyle – living in closer proximity to where they work, where they shop and where they play.

Construction cranes are dotting the Downtown Seattle skyline as developers take notice, The New Urban is taking shape.

The examples are all around us. Amazon is expanding its headquarters Downtown, Target selected Downtown as one of the first locations for its CityTarget concept stores, City University relocated to Downtown from the suburbs and more families with children are calling Downtown their home. None of this is happening by coincidence, it’s The New Urban.

This report is a collection of data from the past year which spotlights the importance of Downtown’s economic health. It’s organized into four sections that represent key indicators of a healthy, vibrant urban core: Living, Working, Shopping and Playing in Downtown.

Seattle consistently ranks at the top of various city indices due to our strong economy, lifestyle factors, real estate trends, education levels and environmental friendliness.
CONVENIENT TRANSPORTATION OPTIONS

With all of Seattle’s great transportation options, it comes as no surprise that more and more people are opting for alternative modes of transportation. A survey conducted in late 2012 by Commute Seattle found that a majority 66 percent of those who work in Downtown Seattle now commute by a mode other than driving alone - an estimated 16 percentage point reduction in single-occupancy vehicles since 2000. The first choice among commuters is public transit.

BY BUS

As the hub of the region’s mass transit system, Downtown is served by several different community bus services including King County Metro, Sound Transit (King, Pierce and Snohomish Counties) and Community Transit (Snohomish County).

2011 Ridership:
• Metro: 132 routes Downtown (8 more than 2010) with a weekday average of 164,000 rides per day.
• Sound Transit: 14 routes Downtown with a weekday average ridership of 34,462.
• Community Transit: 18 routes Downtown with a weekday average ridership of 7,642. In 2011, Community Transit introduced a new fleet of double decker buses to replace articulated buses and offer more seating for passengers in less space.

BY LINK LIGHT RAIL

Commuters can take Seattle’s quick and efficient light rail from Sea-Tac Airport to Downtown’s Retail Core at Westlake Station with 11 points in between, including six Downtown stations.
• The average daily ridership on Link Light Rail was 23,555 on weekdays with 251 trips.
• Points north of Downtown are under construction; the next major milestone will be service to the University of Washington when University Link opens for service in 2016 with stops on Capitol Hill and in the University District.
• Future expansions will see light rail service further north to Northgate Mall and beyond, as well as across Lake Washington to Bellevue and Overlake, and south from SeaTac to S. 200th Street.

BY RAIL

Seattle is served by the Seattle Monorail, Sound Transit commuter trains and Amtrak.
• The Monorail departs approximately every 10 minutes and carries passengers between the Seattle Center in Uptown and Westlake Center in the Retail Core. In 2012, the Monorail carried 2,106,846 riders.
• The South Lake Union Streetcar is a 1.3 mile line serving 11 stations in the South Lake Union and Denny Triangle neighborhoods. The total ridership for 2012 for the South Lake Union Streetcar line was 750,294.
• Construction started on the 2.5 mile First Hill Streetcar in 2012, and is expected to begin operation in early 2014.
• Seattle Amtrak station greeted 672,351 passengers in 2012. Total statewide ridership (boarding or leaving within the state) was 1,322,652 passengers.

BY CAR

Downtown is easy to get around in by car, partially due to the many mass transit options, incentives for carpooling and investment in infrastructure.
• Those who carpool can access exclusive freeway lanes and take advantage of carpool-only parking spaces.
• There are approximately 75,000 off-street parking spaces in Downtown Seattle garages. There are an additional 5,000 on-street metered parking spaces Downtown.
• Launched in late 2012, Car2Go North America offers a network of 330 Smart cars in Seattle, available for shared use 24 hours a day, seven days a week.
• In Downtown Seattle, Zipcar offers a total of 170 vehicles for its members, accounting for 60 percent of the total Seattle Zipcar fleet.

BY BIKE

Cycling is a popular way to get to Downtown Seattle.
• Downtown sidewalks offer more than 800 bicycle racks, providing parking capacity for more than 6,000 bicycles.
• With the addition of the 2012 bicycle project on Cherry Street from 5th Avenue to 7th Ave, the corridor from 1st Avenue to 7th Avenue is complete. The City of Seattle has added nearly 20 miles of dedicated bike lanes and “sharrow” lanes Downtown in the past five years, bringing the total to 33 miles of bike lanes Downtown.
• Downtown buildings offer parking capacity for 6,035 bicycles.

BY WATER

Many people get Downtown by traversing Elliott Bay from West Seattle or from the outlying islands of the Puget Sound, adding an element of charm and the best view in Seattle to the trip.
• King County now operates passenger-only ferries on weekdays for Vashon Island and West Seattle commuters with a combined ridership of more than 300,000 riders per year.
• Washington State Ferries are the primary mode of transportation to Downtown from the Kitsap Peninsula. The 2011 annual ridership for ferries into Downtown was 8.5 million.
BELLTOWN
POPULATION 8,953
POP PER SQ MI 31,467
HOUSEHOLDS 6,172
JOBS 16,913
RESTAURANTS 99
RETAIL 66
RECENT DEVELOPMENTS
Belltown Community Center

COMING SOON
The Martin
ArtHouse
Volta
Bell 206

DOWNTOWN NEIGHBORHOODS AT A GLANCE

CAPITOL HILL
POPULATION 9,135
POP PER SQ MI 44,056
HOUSEHOLDS 6,503
JOBS 1,496
RESTAURANTS 100
RETAIL 57
RECENT DEVELOPMENTS
Alturra (Apodments)
Bellevue Terrace
Melrose Market

COMING SOON
Capitol Hill Sound Transit
Light Rail Station
New Streetcar Line
Stream Belmont Westside
Apodments at Cortena

RETAIL CORE, WATERFRONT, AND WEST EDGE
POPULATION 7,599
POP PER SQ MI 16,418
HOUSEHOLDS 5,031
JOBS 81,444
RESTAURANTS 390
RETAIL 535
RECENT DEVELOPMENTS
CityTarget
Nordstrom Rack relocation
Lake Street Market
Seaplace
Red Lion Hotel renovation

COMING SOON
Waterfront redevelopment

FIRST HILL
POPULATION 10,622
POP PER SQ MI 26,149
HOUSEHOLDS 6,159
JOBS 35,876
RESTAURANTS 84
RETAIL 61
RECENT DEVELOPMENTS
Virginia Mason, Swedish and Harborview Medical Center expansions
Polyclinic

COMING SOON
First Hill Streetcar

PIONEER SQUARE
CHINATOWN/ID
POPULATION 5,502
POP PER SQ MI 19,450
HOUSEHOLDS 3,240
JOBS 6,821
RESTAURANTS 193
RETAIL 203
RECENT DEVELOPMENTS
King Street Station restoration
American Hotel (hostel)

COMING SOON
Addison on Fourth
Stadium Place Phase I
Western Building renovation

SODO
POPULATION 2,352
POP PER SQ MI 613
HOUSEHOLDS 1,004
JOBS 38,158
RESTAURANTS 203
RETAIL 86
RECENT DEVELOPMENTS
Inscape (artist lofts)
Amtrak facility improvements

COMING SOON
Mercedes Benz showroom
Home Plate Center
First Hill Streetcar maintenance facility

UPPTOWN
POPULATION 3,221
POP PER SQ MI 9,777
HOUSEHOLDS 2,106
JOBS 12,274
RESTAURANTS 57
RETAIL 30
RECENT DEVELOPMENTS
Bill and Melinda Gates Foundation campus & visitor center
Chihuly Garden and Glass Armory renovation

COMING SOON
Mercer Street improvements
Seattle Center renovations [multiple phases]
The Stream Uptown
600 Elliott Ave W
Downtown Seattle is a dynamic, diverse collection of 12 unique urban neighborhoods offering a high quality of life for its growing residential population. Downtown living is accessible and attractive to a wide variety of people who call Seattle home.

- Home to a diverse resident population, Downtown living is convenient for people who work Downtown and those who work elsewhere; for students attending one of the region’s many colleges and universities; for retirees; and many more.
- About nine percent of Seattle’s population of 618,256 lives Downtown, with a density of 20,510 residents per square mile, nearly three times the citywide average.
- Downtown Seattle’s population has grown 24 percent since 2000, compared to 10 percent citywide for the same period, accounting for 20 percent of the city’s total population growth between 2000-2012.

Nearly 56,000 people live Downtown. Thirty-eight percent of employed residents work Downtown as well.

WHO LIVES DOWNTOWN?

- Fifty-eight percent are male, compared to 50 percent in the region.
- More than two-thirds are between the ages of 25 and 54 (compared to about half city-wide).
- Seventy percent of residents are in single-person households (compared to 42 percent city-wide).
- The number of households Downtown has increased 35 percent since 2000 and is projected to increase an additional 10 percent over the next five years.
- The number of families living Downtown has increased 35 percent since 2000, and that number is expected to grow 10 percent in the next five years. Families currently comprise approximately 16 percent of Downtown households, with approximately 3,000 children calling Downtown home.
- Most households (82 percent) are renter occupied, compared to just over half (51 percent) citywide.
- Of those age 25+, 51 percent have a bachelor’s degree or higher (compared to 37 percent for the region).

AMONG THE FASTEST-GROWING GROUPS*

- Asians and Hispanics
- Baby Boomers
- Women
- Married couples
- Homeowners
- Those with advanced academic degrees
- Those with higher incomes

*Data compiled by figures from Nielsen Company
Today, there are about 3,000 children living in Downtown Seattle, an increase of approximately 40 percent since 2000.

Recognizing this, DSA implemented a “Family Friendly” initiative which led to the creation of a Downtown play space in Westlake Park, a Downtown School Feasibility Study and funds for a Downtown School in a Seattle School District levy.

In recent years, Seattle Public Schools saw a greater percentage increase in enrollment from Downtown children than for the district as a whole. Between 2007 and 2011, the number of children residing Downtown and enrolled in Seattle Public Schools increased 21 percent, compared to approximately 10 percent district wide.

The chart to the right shows the total number of Downtown children enrolled in public schools for those who live west of Interstate 5. The bars represent the total Downtown resident enrollment for each year, while the lines represent the percent change from 2007 for Downtown and for the District as a whole. The chart below reflects Downtown’s population trend.

The chart to the right shows the total number of Downtown children enrolled in public schools for those who live west of Interstate 5. The bars represent the total Downtown resident enrollment for each year, while the lines represent the percent change from 2007 for Downtown and for the District as a whole. The chart below reflects Downtown’s population trend.

The chart to the right shows the total number of Downtown children enrolled in public schools for those who live west of Interstate 5. The bars represent the total Downtown resident enrollment for each year, while the lines represent the percent change from 2007 for Downtown and for the District as a whole. The chart below reflects Downtown’s population trend.
HOUSING CHOICES FOR A VARIETY OF LIFESTYLES

Downtown offers apartments, condos for a number of different lifestyles. Amenities abound – transportation, sports, culture, world-class shopping and dining, parks and more.

Downtown Seattle has more than 13,000 condominium units and 30,000 apartment units. Between 2005 and 2011, approximately 6,000 apartment units and 2,800 condo units have been developed Downtown.

Approximately a third of all new apartment units under construction in the Puget Sound region are in Downtown Seattle – 5,316 apartment units and 670 condo units as of December 2012. A wide range of housing options are available Downtown, with 38 percent of the subsidized housing in Seattle located Downtown, more than 11,000 units.

The Downtown apartment vacancy rate as of September 2012 was just 3.6 percent, 1.9 percentage points lower than the region’s average. The average rent for apartments in Downtown Seattle was $1,434, compared to $1,252 in the City of Seattle and $1,141 in King County.

The median condo purchase price Downtown in December 2012 was $501,250, 76 percent higher than the citywide median of $285,000 and more than the King County median of $206,000.

Downtown’s double-digit residential population growth over the past decade is largely due to the varied assortment of housing choices, access to bus and transit service, amenities and attractions which make Downtown living a highly desirable option for residents.

There are 11,000 units with two or more bedrooms Downtown, including 5,224 condominium units and 5,830 apartments.

RESIDENTIAL UNIT DELIVERIES BY YEAR

For projects with announced start dates, the following chart illustrates projects by year. For projects where completion dates were unavailable, two years from the start date was assumed.

*Projected units include both permitted and unpermitted projects (unpermitted and on hold projects are typically not included in DSA publications)
ECONOMIC POWER OF DOWNTOWN RESIDENTS

Downtown per capita income in 2012 was $37,477, slightly higher than the citywide average. Average household income Downtown was $55,213 and median income was $34,451.

ANNUAL INCOME OF DOWNTOWN HOUSEHOLDS (EST.)

- LESS THAN $15,000: 8,793
- $15,000 - $24,999: 4,670
- $25,000 - $34,999: 5,087
- $35,000 - $49,999: 5,500
- $50,000 - $74,999: 5,233
- $75,000 - $99,999: 5,242
- $100,000 - $124,999: 1,536
- $125,000 - $149,999: 787
- $150,000 - $199,999: 792
- $200,000 - $499,999: 1,106
- $500,000 AND MORE: 304

Sources: The Nielsen Company, King County Assessor’s Office, Dupre + Scott Apartment Advisors, 2012 Downtown Development Guide (MID), Northwest Multiple Listing Service, Seattle Office of Housing

DOWNTOWN LIVING OFFERS THE BEST OF SEATTLE

DOWNTOWN IS:

- The region’s transportation hub with buses, a streetcar, light rail to the airport and neighborhoods south, and easy freeway access, plus miles of bike lanes.
- Seattle’s center for cultural institutions, sports facilities and world-class shopping and dining.
- Home to 17 universities, colleges, graduate schools and trade schools, attended by more than 26,000 students.
- Highly walkable, with eight of Seattle’s 10 most walkable neighborhoods according to Walkscore.com.
- A magnet for those who thrive on outdoor recreation – from commuting by kayak, to running along the Waterfront, to bicycling along the many miles of bike lanes and paths. Hiking and ski areas are just a short drive away.
- Becoming more family friendly. Creating a family-friendly urban core is a key element of DSA’s 5-Year Strategic Plan. In 2012, DSA worked in partnership with Seattle Children’s Research Institute, Seattle Parks and Recreation, and the Metropolitan Improvement District to create a new play area at Westlake Park. In addition, DSA partnered with the City of Seattle and Seattle Public Schools on a feasibility study for a Downtown public school; an effort that led to the inclusion of funding for a Downtown school in the 2013 school district levy.
Downtown has the highest employment density in Seattle. It also has a large share of jobs.

- 196,648 people are employed in Downtown Seattle. This figure represents 41 percent of all employees in the City of Seattle and 18 percent of those in King County, the state’s most populous county, with 1.9 million residents.

- Downtown is home to 57 percent of the government jobs located in Seattle (includes city, county, state and federal jobs).

- In 2011, 59 percent of jobs in Downtown Seattle were in the services sector including Personal, Business, Amusement & Recreational, Health, Legal and Social Services.

DOWNTOWN SEATTLE OFFERS THE REGION’S HIGHEST CONCENTRATION OF JOBS
DOWNTOWN SEATTLE SHOWING SIGNS OF RECOVERY, STRENGTH

- Job growth in the City of Seattle was concentrated Downtown. While Seattle saw a net increase of nearly 12,000 jobs citywide, Downtown saw an increase of more than 13,000 jobs.
- Job growth in King County for that same period was 1.7 percent, or 18,762 jobs.
- In 2011, Downtown Seattle saw the strongest improvement among employment centers in the region with a seven percent year-over-year increase in jobs.
- Between 2010 & 2011, Downtown accounted for 70 percent of the net increase in jobs in King County.

Amazon.com is one of the major drivers of employment growth in Downtown Seattle. In addition to leasing 3 million square feet of new office space in the South Lake Union and Denny Triangle neighborhoods (much of which is under contract to buy) the company also announced plans for development of an additional 3.3 million square feet in three towers in Denny Triangle.

Its presence has a halo effect on the immediate neighborhood and a positive effect on Downtown overall. The South Lake Union submarket saw a decrease in office vacancy rates from 17 to 5 percent between 2009 and 2012. In addition, dozens of new street-level businesses have opened in the area since Amazon started filling office space including restaurants, salons, spas and health clubs. This increasing density of residential, office, retail and services is having a positive impact Downtown by providing a diverse array of amenities for residents and employees alike.

LARGEST EMPLOYERS

LARGEST PUBLIC COMPANIES HEADQUARTERED DOWNTOWN

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>2011 REVENUE (IN MILLIONS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMAZON.COM INC.</td>
<td>$48,077</td>
</tr>
<tr>
<td>STARBUCKS CORP.</td>
<td>$11,700</td>
</tr>
<tr>
<td>NORDSTROM, INC.</td>
<td>$10,877</td>
</tr>
<tr>
<td>EXPEDITORS INTERNATIONAL OF WASHINGTON</td>
<td>$6,150</td>
</tr>
<tr>
<td>EMERITUS CORP.</td>
<td>$1,255</td>
</tr>
</tbody>
</table>

Source - Puget Sound Business Journal Book of Lists

PORT OF SEATTLE

The Port of Seattle enjoyed another productive year, with exciting developments to come in 2013. The nation’s sixth largest seaport, and seventh busiest in North America, the Port of Seattle realized a 6.5 percent increase in cargo vessel traffic with 1,325 cargo ships entering the port in 2011. Total tonnage also increased in 2011, with an astounding figure of 22.76 million tons, the Port of Seattle’s highest level of cargo volume on record.

The Port of Seattle is well positioned to support Seattle’s status as a major player in global trading for years to come with the recent signing of Hanjin/TTI to a 10-year lease extension through 2025. The Port of Seattle Commission also approved a new 25-year program, titled “Century Agenda” aimed at creating 100,000 new jobs in the region. The port’s operations currently contribute nearly 200,000 jobs and $7 billion in wages throughout the region.

STATE OF DOWNTOWN 2013 WORKING
SNAPSHOT OF DOWNTOWN SEATTLE BUSINESS SECTORS

Downtown Seattle thrives on a diverse base of business and employment opportunities. Major contributors to Downtown’s business sectors are financial services, global health/life sciences, healthcare, hospitality and information technology/interactive media.

FINANCE, INSURANCE AND REAL ESTATE
• With more than 22,000 employees, finance, insurance and real estate (FIRE) companies provide more than one in 10 jobs Downtown. Employment growth for this sector between 2010 and 2011 was four percent.
• About 70 percent of Seattle jobs in this sector are located Downtown.
• Downtown’s 620 FIRE firms generated more than $160 million in taxable retail sales in 2011.
• There are 147 street-level storefronts Downtown for businesses in this sector such as bank branches, real estate offices and retail locations for investment firms.

GLOBAL HEALTH & LIFE SCIENCES
• A number of major global health and life science organizations call Downtown home including the Bill and Melinda Gates Foundation, UW Medicine, PATH, Seattle Children’s Research Institute, Seattle Cancer Care Alliance and Fred Hutchinson Cancer Research Center.
• In Washington, 2,979 people work in global health. This includes 1,476 jobs in South Lake Union.
• UW Medicine Phase 3: 13,000 square feet to open later this year.
• In 2012, Vulcan announced construction of a new home for The Allen Institute for Brain Science in South Lake Union, where its workforce is expected to double to 350 employees.

HEALTHCARE
• With more than 28,000 jobs, about one in seven Downtown Seattle jobs are in the healthcare sector. Employment growth for this sector between 2010 and 2011 was five percent.
• About 43 percent of Seattle jobs in this sector are located Downtown.
• Downtown is home to more than half the city’s healthcare-related taxable retail sales.

HOSPITALITY
The hospitality sector is a broad category including lodging, restaurants, events, museums, tourist attractions, conventions and the cruise industry.
• Downtown is home to half the hospitality activity in Seattle with $1.3 billion in taxable retail sales in 2011.
• More than a quarter of the retail sales revenue for accommodations in Washington state is in Downtown.
• Overall, sales revenue for the hospitality sector is up 3.6 percent year-over-year in Downtown.
• In 2012, the Port of Seattle saw a record 933,900 cruise passengers, generating more than $416 million in annual business revenue and creating 4,319 jobs.

INFORMATION TECHNOLOGY
• Downtown Seattle’s 585 IT firms provide more than 17,000 jobs.
• In 2010, Downtown IT firms saw $22.1 billion in revenue, up 21 percent from the previous year.
• E-commerce is the largest subsector Downtown with more than $15 billion in revenue in 2010. Electronic shopping, led by Amazon.com, has the largest foothold in Downtown Seattle among IT subsectors. Almost 88 percent of 2010 statewide electronic shopping revenue takes place Downtown.
• A third of technology startups in the region are located in Downtown Seattle.

AMAZON AND ON AND ON...
While it’s indisputable that Amazon’s ongoing construction of its headquarters Downtown will have an enormous effect, there’s even more development activity on the horizon.

CB Richard Ellis’ 2Q 2012 market report estimated 7.5 million square feet of planned space, not including Amazon’s 3.3 million-square-foot development in Denny Triangle. Big things are ahead in Downtown.

WHO IS DOWNTOWN DAILY?
Downtown’s workforce continues to make up a large proportion of Downtown’s daily population:

RESIDENT POPULATION: 55,787
DAYTIME POPULATION*: 213,954

*D daytime population estimated based on employee and resident populations and resident commute modes using U.S. Census Bureau methodology.

OFFICE SQUARE FOOTAGE IN 2012

<table>
<thead>
<tr>
<th>Class</th>
<th>Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMPLETED</td>
<td>344,000</td>
</tr>
<tr>
<td>CURRENTLY UNDER CONSTRUCTION</td>
<td>344,000</td>
</tr>
<tr>
<td>PLANNED, PERMITTED AND SCHEDULED</td>
<td>752,000</td>
</tr>
<tr>
<td>PROPOSED, UNPERMITTED*</td>
<td>6,010,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>7,114,600</td>
</tr>
</tbody>
</table>
DOWNTOWN’S OFFICE MARKET

Downtown Seattle saw a positive absorption of 1.9 million square feet in 2012. This compares to a positive absorption regionally of 3.1 million square feet and represents Downtown’s 13th quarter of positive absorption. Additionally, vacancy rates Downtown fell from 17 percent at the end of 2011 to 14 percent at the end of 2012.

ADDITIONAL HIGHLIGHTS:

• Downtown Seattle makes up 44 percent of the office market in the Puget Sound region.
• The average Class A lease rate for Downtown Seattle was $31.08 at the end of 2012, up from $30.73 at the end of 2011.
• The average Class A lease rate for the Puget Sound Region was $28.44 at the end of 2012, up from $27.76 at the end of 2011.
• For comparison, Downtown Bellevue saw an increase in the lease rate from $31.36 at the end of 2011 to $34.28 at the end of 2012.
• Regionally, vacancy rates fell from 18 percent at the end of 2011 to 15 percent at the end of 2012.

Source: CB Richard Ellis

LARGEST SALES AND LEASE TRANSACTIONS

The market for office space investment has been heating up in Downtown Seattle with more than $3.6 billion in sales transactions in 2012. The Urban Land Institute and Grubb & Ellis both named Seattle as the second-best market in the country for office investment in 2012.

LARGEST LEASE TRANSACTIONS

<table>
<thead>
<tr>
<th>NAME</th>
<th>LOCATION</th>
<th>SQUARE FEET</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMAZON.COM</td>
<td>500 9TH AVE N/515 WESTLAKE AVE N</td>
<td>380,000</td>
</tr>
<tr>
<td>NORDSTROM</td>
<td>1600 7TH AVE</td>
<td>350,000</td>
</tr>
<tr>
<td>AMAZON.COM</td>
<td>202 WESTLAKE</td>
<td>135,000</td>
</tr>
<tr>
<td>PUBLICIS</td>
<td>100 WEST HARRISON, WEST TOWERS</td>
<td>122,000</td>
</tr>
<tr>
<td>CITY UNIVERSITY OF SEATTLE</td>
<td>6TH AVE AND WALL ST</td>
<td>87,600</td>
</tr>
</tbody>
</table>

LARGEST SALES TRANSACTIONS

<table>
<thead>
<tr>
<th>NAME &amp; LOCATION</th>
<th>NAME &amp; LOCATION</th>
<th>SQUARE FEET</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMAZON CORPORATE OFFICES</td>
<td>AMAZON.COM, INC.</td>
<td>1,801,876</td>
</tr>
</tbody>
</table>

1201 THIRD AVENUE BUILDING
1201 3RD AVE
METFILM REAL ESTATE INVESTMENTS
BEACON CAPITAL PARTNERS
1,190,000

RUSSELL INVESTMENTS CENTER
1301 2ND AVE
COMMONWEALTH PARTNERS
NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY
886,000

METROPOLITAN PARK EAST & WEST
1730 MINOR AVE (2 PROPERTIES)
brookfield Office properties, inc.
walton STREET CAPITAL LLC
699,766

1600 SEVENTH (BELL PLAZA)
1600 7TH AVE
clarion partners
CENTURYLINK, INC.
598,000

Source: CB Richard Ellis
Downtown features a blend of nationally recognized retail stores as well as hundreds of independent retailers sprinkled throughout Downtown’s 12 neighborhoods. A regional shopping destination, Downtown offers apparel, gifts and merchandise from high fashion to collectables synonymous with Seattle. Of the 3,840 occupied street-level businesses in Downtown, 1,139 are retail and 2,568 are services such as restaurants, fitness centers and salons, adding to the vibrant pedestrian streetscape experience.

Perhaps the most famous of all the great Downtown retail destinations is Pike Place Market. Attracting 10 million visitors a year, the beloved farmers market is a destination for tourists and locals alike. The Market is a hallowed place to shop for Downtown residents and workers looking for the freshest seafood, produce and flowers, as well as hand-crafted items and much more. There are many reasons why Pike Place Market is buzzing seven days a week.
Service-oriented businesses (such as restaurants and spas) at street level continue to perform well in Downtown. While the number of street-level retail decreased three percent year-over-year, street-level services increased four percent. Over a five-year period, retail storefronts decreased 10 percent and the number of street-level services increased five percent.

**Service Industry on the Rise**

Downtown Seattle is home to numerous flagship stores, including brands that have changed the way Americans shop, dress, enjoy the outdoors and eat. Flagship stores include Ben Bridge Jeweler, Ecohaus, Filson, Gene Juarez Salon and Spa, Nordstrom, REI, Starbucks, Top Pot Donuts, Utilikilts and Uwajimaya.

**New Retail & Restaurants**

In 2012, Nordstrom Rack relocated and expanded its Downtown store to Westlake Center; Target selected Downtown Seattle as the location for one of its first three CityTarget stores in the Pike Plaza building. In addition to dozens of new retail shops, more than 100 new restaurants have opened Downtown in the past couple of years including a number of new Tom Douglas restaurants in South Lake Union, Michael Mina’s RN74 in the Retail Core and Matt Dillon’s new venture in Pioneer Square, Bar Sajor.

**Street-Level Retail by Category**

- Merchandise & Gifts: 437
- Clothing & Accessories: 212
- Arts: 121
- Home & Office Decor: 121
- Grocery & Pharmacy: 119
- Specialty Food, Beverages & Tobacco: 88
- Auto & Boat Sales: 25
- Wholesale & Distribution: 12
- Dept. Store: 4

Source: 2012 MID Street-level Business Inventory

**Taxable Retail Sales**

- Clothing & Accessories: $420,788,856
- Miscellaneous Retailers: $188,813,464
- Sporting Goods: $147,334,841
- Toys, Books, & Music: $90,450,769
- Electronics & Appliances: $67,246,042
- Food & Beverage: $51,857,266
- Drug & Health Store: $51,857,266
- General Merchandise: $42,587,198
- Building Materials, Equipment & Supplies: $4,282,737

Source: Washington State Department of Revenue taxable retail sales, “Retail Trade” NAICS codes 44-45 (excluding motor vehicle sales, nonstore retail and gas stations), based on data provided June 2012 and subject to change without notice.
For the summer 2012 count, pedestrian traffic was counted at 17 sites throughout Downtown Seattle. Nine of these sites have been regularly counted since pedestrian counts began in December of 2006. The following chart shows the aggregate counts for these sites, illustrating how overall “Downtown” pedestrian traffic has changed each year from 2007 to 2012.

<table>
<thead>
<tr>
<th>Year</th>
<th>Winter</th>
<th>Summer</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>39,719</td>
<td>32,009</td>
</tr>
<tr>
<td>2008</td>
<td>39,328</td>
<td>28,034</td>
</tr>
<tr>
<td>2009</td>
<td>39,320</td>
<td>27,195</td>
</tr>
<tr>
<td>2010</td>
<td>35,047</td>
<td>28,120</td>
</tr>
<tr>
<td>2011</td>
<td>39,320</td>
<td>30,383</td>
</tr>
<tr>
<td>2012</td>
<td>37,738</td>
<td>33,635</td>
</tr>
</tbody>
</table>

PEDESTRIAN COUNT HIGHLIGHTS

- Retail Core sites continue to be the busiest sites regardless of season. Sixth & Pine was the busiest area during the 2012 holiday count, followed by 5th & Olive.
- Overall, Downtown traffic is generally higher in the summer than during the holiday season.
- The difference between the summer and holiday counts is most pronounced at sites along the Waterfront, with the summer counts consistently well above those in December.
- The greatest increases were seen at sites along the Waterfront.
- After several years of increase, the sites in the South Lake Union area saw a leveling off this year. However, a site at Denny & Westlake saw a 47 percent increase during the lunch hour.
- During the summer waves, 5th & Olive [near the South Lake Union Streetcar terminus at McGraw Square] saw the highest level of traffic in both August 2011 and August 2012.
- Sites in tourist areas tend to see much lower traffic during the December wave compared to the August wave. The two Waterfront sites (Alaskan & Seneca, Alaskan & Pike Hillclimb) saw the greatest difference between summer and holiday traffic.
NEW COMPANIES AND ORGANIZATIONS DOWNTOWN IN 2012

More than 200 companies or organizations opened, relocated or announced plans to set up shop in Downtown in 2012. Some of those include:

<table>
<thead>
<tr>
<th>Name</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACE HARDWARE</td>
<td>Retail</td>
</tr>
<tr>
<td>ART OF SHAVING</td>
<td>Health &amp; Beauty</td>
</tr>
<tr>
<td>BAR SAJOR</td>
<td>Restaurant</td>
</tr>
<tr>
<td>BELLA UMBRELLA</td>
<td>Retail</td>
</tr>
<tr>
<td>BILL &amp; MELINDA GATES FOUNDATION VISITOR CENTER</td>
<td>Cultural Attraction</td>
</tr>
<tr>
<td>BLUE MOON BURGERS</td>
<td>Restaurant</td>
</tr>
<tr>
<td>BORN TO RUN</td>
<td>Sporting Goods &amp; Outdoor Apparel</td>
</tr>
<tr>
<td>CACUS</td>
<td>Restaurant</td>
</tr>
<tr>
<td>CAL’S CLASSIC AMERICAN</td>
<td>Restaurant</td>
</tr>
<tr>
<td>CARHARTT</td>
<td>Apparel</td>
</tr>
<tr>
<td>CITYTARGET</td>
<td>Department Store</td>
</tr>
<tr>
<td>CITY UNIVERSITY</td>
<td>Education</td>
</tr>
<tr>
<td>COLLECTIONS CAFÉ AT CHIHULY GARDEN &amp; GLASS</td>
<td>Restaurant</td>
</tr>
<tr>
<td>EINSTEIN’S BAGELS</td>
<td>Restaurant</td>
</tr>
<tr>
<td>ELTANA WOOD FIRED BAGELS</td>
<td>Restaurant</td>
</tr>
<tr>
<td>EVO TAPAS KITCHEN AND CABARET</td>
<td>Restaurant</td>
</tr>
<tr>
<td>EVOLUTION FRESH</td>
<td>Financial</td>
</tr>
<tr>
<td>EXPORT-IMPORT BANK OF THE UNITED STATES</td>
<td>CAFE</td>
</tr>
<tr>
<td>FLOR</td>
<td>Home Furnishings</td>
</tr>
<tr>
<td>GLASS DISTILLERY</td>
<td>Bar</td>
</tr>
<tr>
<td>GOODWILL SOUTH LAKE UNION</td>
<td>Thrift Store</td>
</tr>
<tr>
<td>HBO</td>
<td>Technology</td>
</tr>
<tr>
<td>ICEBREAKER</td>
<td>Retail</td>
</tr>
<tr>
<td>IDRI (FORMERLY &quot;INFECTIOUS DISEASE RESEARCH INSTITUTE&quot;)</td>
<td>Biotech / Life Sciences</td>
</tr>
<tr>
<td>MARCHE</td>
<td>Restaurant</td>
</tr>
<tr>
<td>MARX FOODS</td>
<td>Retail</td>
</tr>
<tr>
<td>MOD PIZZA</td>
<td>Restaurant</td>
</tr>
<tr>
<td>NORTHEASTERN UNIVERSITY</td>
<td>Education</td>
</tr>
<tr>
<td>POP KITCHEN &amp; BAR</td>
<td>Cafe</td>
</tr>
<tr>
<td>PRECOR HOME FITNESS</td>
<td>Sporting Goods &amp; Outdoor Apparel</td>
</tr>
<tr>
<td>RAIN SHADOW MEATS</td>
<td>Retail</td>
</tr>
<tr>
<td>RO RO BBQ</td>
<td>Restaurant</td>
</tr>
<tr>
<td>RUB WITH LOVE SHACK - BY TOM DOUGLAS</td>
<td>Restaurant</td>
</tr>
<tr>
<td>SEATTLE EXECUTIVE FITNESS</td>
<td>Health / Fitness</td>
</tr>
<tr>
<td>SEATTLE FUDGE</td>
<td>Restaurant</td>
</tr>
<tr>
<td>SEATTLE VAULT SELF STORAGE</td>
<td>Storage</td>
</tr>
<tr>
<td>SEATTLE’S GREAT WHEEL</td>
<td>Cultural Attraction</td>
</tr>
<tr>
<td>SERIOUS PIE – WESTLAKE</td>
<td>Restaurant</td>
</tr>
<tr>
<td>SHANIK RESTAURANT</td>
<td>Restaurant</td>
</tr>
<tr>
<td>SKILLET COUNTER</td>
<td>Restaurant</td>
</tr>
<tr>
<td>SPECIALTY’S CAFE AND BAKERY</td>
<td>Cafe</td>
</tr>
<tr>
<td>STILL LIQUOR</td>
<td>Bar</td>
</tr>
<tr>
<td>THE ALLEN INSTITUTE FOR BRAIN SCIENCE</td>
<td>Biotech / Life Sciences</td>
</tr>
<tr>
<td>T.J. MAXX*</td>
<td>Department Store</td>
</tr>
<tr>
<td>TOP POT DOUGHNUTS</td>
<td>Restaurant</td>
</tr>
<tr>
<td>TRANSWESTERN</td>
<td>Real Estate</td>
</tr>
<tr>
<td>TROPHY CUPCAKE</td>
<td>Restaurant</td>
</tr>
<tr>
<td>TWITTER</td>
<td>Technology</td>
</tr>
<tr>
<td>WEST ELM</td>
<td>Home Furnishings</td>
</tr>
<tr>
<td>ZARA*</td>
<td>Clothing</td>
</tr>
</tbody>
</table>

*Announced in 2013
Seattle’s reputation is world renowned, and is cause for envy among many cities. Downtown Seattle’s natural setting is a gorgeous backdrop for an exciting array of events, activities and festivals; professional sports; lively nightlife; tourist attractions, and an internationally respected and vibrant cultural and performing arts community.

Recent additions to Downtown are adding even more appeal and acclaim, with the opening of the remodeled Armory at Seattle Center, the opening of MOHAI’s impressive new home at Lake Union Park, the visually stunning Chihuly Garden & Glass highlighting the work of celebrated artist Dale Chihuly; and new children’s playgrounds – creating even more opportunities for free and affordable entertainment Downtown. The seasonal marketing campaigns “Summer in Seattle” and “Holidays in Seattle” also serve as annual reminders of everything Downtown has to offer year-round.

Downtown provides one of the country’s best big-city urban experiences for visitors and residents alike, generating an important economic impact for the thousands working in arts, entertainment, hospitality and tourism. Don’t believe us? Just ask the cast and crew of Bravo’s “Top Chef: Seattle”. There are a number of reasons why our city was selected as the host city for season 10 of the hit television show.
A TOP DESTINATION

In the most recent Travel + Leisure magazine poll, visitors ranked Seattle #1 for intelligence, wireless coverage, coffee and technology. Seattle also consistently ranks among the best in the country’s for summers and farmers markets among both visitors and residents.

Some of the reasons why Seattle consistently garners top rankings in these polls:

• Walkability (one of the most “walkable” Downtowns in the nation)
• Easy access: Transit, Metro buses, easy access from Sea-Tac Airport
• Highest concentration of hotels in the region
• The scenic Waterfront
• The world-famous Pike Place Market
• A diverse array of food establishments and boutique shops

Many of the region’s largest public facilities, including CenturyLink Field, Safeco Field, Seattle Center, KeyArena, Seattle Art Museum, Olympic Sculpture Park, Seattle Aquarium, EMP Museum, Benaroya Hall, The 5th Avenue Theatre, Paramount Theatre, McCaw Hall, Washington State Convention Center and Seattle Central Public Library.

Twenty-nine parks provide 58 acres of open space used by residents and visitors alike. Seattle Center features an additional 74 acres of recreational space.

ECONOMIC IMPACT

The tourism industry in Seattle generated the following economic impact in the last year.

• Expenditures: $2.7 billion
• Tax revenue from visitors: $241 million
• Employment: 20,440
• Earnings: $816 million
• Overnight visitor volume: approximately 4.5 million

Source: VisitSeattle

HIGHLIGHTS

VISITORS:
More than 21 million entertainment-seekers, conventioneers and sporting event attendees visited Downtown in 2012, making it the most active, visible and heavily trafficked part of Puget Sound.

FESTIVALS:
Downtown Seattle is home to dozens of festivals each year, including the country’s largest urban arts festival, Bumbershoot, and the largest film festival, Seattle International Film Festival.

CONCERTS:
Downtown Seattle features hundreds of music concerts each year, from the grandeur of a Seattle Symphony performance at Benaroya Hall, to the dozens of free outdoor summer concerts.

EVENTS:
Downtown Seattle hosted more than 3,700 major sporting, performance, convention, museum and festival events in 2012.
Arts Community

Seattle’s thriving arts community, with most of the performance venues and major arts organizations concentrated Downtown, contributes to the economy as well as Downtown’s vibrant urban experience.

According to the Americans for the Arts, Seattle has the most arts-related businesses per capita with 5,765 businesses providing 23,367 jobs. Nonprofit arts and culture are a $447.6 million industry in Seattle supporting 10,807 full-time equivalent jobs and generating $38.2 million in local and state government revenue.

Music is a critical part of Seattle’s economy, with the most recent figures indicating the music scene creating 11,155 jobs, with 2,618 businesses generating an annual $1.2 billion in sales and $487 million in earnings. It is estimated that the industry in Seattle generates $90 million annually in state and local sales and B&O taxes.

Top Attractions

Downtown Seattle is home to some of the region’s top attractions. Each year approximately 10 million people visit the Pike Place Market and 1.3 million visit The Space Needle. Downtown is also home to some of Seattle’s top performance venues, exhibit spaces and sports venues.

Top 10 Downtown Attractions

<table>
<thead>
<tr>
<th>Attraction</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pike Place Market</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Seattle Mariners</td>
<td>1,721,920</td>
</tr>
<tr>
<td>The Space Needle</td>
<td>1,300,000</td>
</tr>
<tr>
<td>Port of Seattle (Cruise Ship Boardings)</td>
<td>933,900</td>
</tr>
<tr>
<td>Pacific Science Center</td>
<td>911,371</td>
</tr>
<tr>
<td>Seattle Aquarium</td>
<td>802,549</td>
</tr>
<tr>
<td>Seattle Sounders</td>
<td>733,441</td>
</tr>
<tr>
<td>Seattle Seahawks</td>
<td>531,311</td>
</tr>
<tr>
<td>EMP Museum</td>
<td>522,722</td>
</tr>
<tr>
<td>Benaroya Hall</td>
<td>431,314</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>17,888,628</strong></td>
</tr>
</tbody>
</table>

Top Venues

**Performance**

<table>
<thead>
<tr>
<th>Performance Venue</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benaroya Hall</td>
<td>431,314</td>
</tr>
<tr>
<td>The 5th Avenue Theatre</td>
<td>400,000</td>
</tr>
<tr>
<td>The Paramount Theatre</td>
<td>338,491</td>
</tr>
<tr>
<td>Pacific Northwest Ballet</td>
<td>224,039</td>
</tr>
<tr>
<td>Seattle Children’s Theatre</td>
<td>128,298</td>
</tr>
<tr>
<td>The Showbox at the Market</td>
<td>120,229</td>
</tr>
<tr>
<td>The Showbox Sodo</td>
<td>110,813</td>
</tr>
<tr>
<td>Seattle Repertory</td>
<td>93,785</td>
</tr>
<tr>
<td>Seattle Opera</td>
<td>89,566</td>
</tr>
<tr>
<td>A Contemporary Theatre (ACT)</td>
<td>81,779</td>
</tr>
<tr>
<td>The Moore Theatre</td>
<td>75,475</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,107,789</strong></td>
</tr>
</tbody>
</table>

Sources: Annual attendance self-reported by venue for most recent fiscal year

Sports

<table>
<thead>
<tr>
<th>Sports Venue</th>
<th>Team</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safeco Field</td>
<td>Mariners</td>
<td>1,721,920</td>
</tr>
<tr>
<td>CenturyLink Stadium</td>
<td>Sounders FC</td>
<td>733,441</td>
</tr>
<tr>
<td>CenturyLink Stadium</td>
<td>Seahawks</td>
<td>531,311</td>
</tr>
<tr>
<td>Key Arena</td>
<td>Storm</td>
<td>127,266</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>3,113,938</strong></td>
</tr>
</tbody>
</table>

Sources: Individual teams self-reported attendance for most recent completed regular season as of November 2012

Museums/Exhibitions

<table>
<thead>
<tr>
<th>Venue</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pacific Science Center</td>
<td>911,371</td>
</tr>
<tr>
<td>Seattle Aquarium</td>
<td>802,649</td>
</tr>
<tr>
<td>EMP Museum</td>
<td>522,722</td>
</tr>
<tr>
<td>Seattle Art Museum</td>
<td>429,090</td>
</tr>
<tr>
<td>Olympic Sculpture Park</td>
<td>382,112</td>
</tr>
<tr>
<td>Seattle Children’s Museum</td>
<td>235,546</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,283,490</strong></td>
</tr>
</tbody>
</table>

Sources: Individual venues provided numbers for most recent fiscal or calendar year available

Seattle Cruise Industry

Local Economic Impact

<table>
<thead>
<tr>
<th></th>
<th>$416 Million</th>
<th>4,319</th>
<th>$18 Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Business Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jobs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual State &amp; Local Taxes</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Each time a homeport ship docks it contributes $2.1 million to the local economy.

Seattle has become a major west coast departure point for the Alaska cruise industry. Cruise ships depart from Pier 66 on the Waterfront and from Terminal 91 near the northern edge of Downtown. The cruise industry expanded from 6,615 passengers in 1999 to nearly a million a decade later. By 2012, Downtown Seattle hosted more than 8.1 million passengers.

Passenger Boardings

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6,615</td>
<td>119,770</td>
<td>166,815</td>
<td>224,905</td>
<td>344,922</td>
<td>562,308</td>
<td>698,978</td>
<td>751,074</td>
<td>780,593</td>
<td>886,039</td>
<td>875,433</td>
<td>931,698</td>
<td>885,949</td>
<td>933,900</td>
</tr>
</tbody>
</table>

Source: Port of Seattle *Round trip passengers are counted both at the point of embarkation and disembarkation. Passengers with Seattle as a port of call are only counted once.*
HOTELS AND CONVENTIONS

With 13,916 hotel rooms, Downtown has the highest concentration of rooms in the city, catering to business travelers, vacationers and other visitors. This inventory includes more than 2,000 rooms added between 2005 and 2012.

In 2011, for the first time since tracking began in 2005, there were no active hotel projects in Downtown. However, in 2012:

- The Red Lion Hotel on Fifth Avenue announced a $25 million renovation plan that will increase meeting space by 50 percent, add 22 additional guestrooms and remodel the dining and outdoor entertainment areas.
- Developers Daniels Real Estate Co. and American Life teamed up to build the second phase of Stadium Place, the grand hotel complex just north of CenturyLink Field and near the transportation hub King Street Station. The new facilities aim to revitalize and redevelop the historic Pioneer Square neighborhood. The complex will include a 23-story hotel, apartment towers, office space, 16,000 square feet of shops and restaurants, and a health club when completed. The Stadium Place hotel will have 278 suites and is scheduled to open in 2015.

In 2011, the City of Seattle created a Tourism Improvement Area (TIA) managed by VisitSeattle to help Downtown Seattle stay viable in an increasingly competitive marketplace by providing a sustainable approach to tourism marketing. Supported by approximately 55 hotels – representing 12,000 rooms – the TIA is helping grow Seattle’s leisure travel market share, focusing on overnight visitor markets for area hotels, particularly those that generate shoulder season business.

OVERNIGHT VISITORS

In 2011, 9.9 million overnight visitors spent $5.9 billion in King County. The visitor industry contributed 49,000 direct jobs contributing to $2.26 billion in earnings from travel spending.

A large share of this activity is in Downtown Seattle. The tourism industry in Seattle contributed the following economic impact in 2010:

EXPENDITURES: $2.7 BILLION
TAX REVENUE FROM VISITORS: $241 MILLION
EMPLOYMENT: 20,440
EARNINGS: $816 MILLION
OVERNIGHT VISITOR VOLUME: APPROXIMATELY 4.5 MILLION

For the most up-to-date information on overnight visitors and their economic impact in King County, please visit the VisitSeattle website.

DINING

In 2012, more than 100 new restaurants opened in Downtown. In addition, Tom Douglas continues to invest in Downtown Seattle with four new endeavors announced in the ground floor of the new Via6 apartment complex to open in 2013.

RESTAURANTS BY THE NUMBERS

<table>
<thead>
<tr>
<th>YEAR</th>
<th>COFFEE SHOPS</th>
<th>RESTAURANTS</th>
<th>BARS</th>
<th>TOTAL RESTAURANTS, BARS AND CAFES</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>85</td>
<td>650</td>
<td>148</td>
<td>1,109</td>
</tr>
<tr>
<td>2008</td>
<td>85</td>
<td>648</td>
<td>154</td>
<td>1,118</td>
</tr>
<tr>
<td>2009</td>
<td>87</td>
<td>655</td>
<td>155</td>
<td>1,139</td>
</tr>
<tr>
<td>2010</td>
<td>88</td>
<td>647</td>
<td>155</td>
<td>1,126</td>
</tr>
<tr>
<td>2011</td>
<td>111</td>
<td>674</td>
<td>155</td>
<td>1,198</td>
</tr>
<tr>
<td>2012</td>
<td>118</td>
<td>730</td>
<td>171</td>
<td>1,271</td>
</tr>
</tbody>
</table>

Source: VisitSeattle

Source: 2012 MID Street-level Business Inventory
More satisfied tenants per square foot.

Attract high-value tenants with the CenturyLink Fiber + that’s already in your building.

For more information call 206.733.5165 or visit centurylink.com/fiberplus

Building Our Future.
When we anticipate, innovate, and collaborate...
Seattle thrives.

Securities products are offered by Capital One ShareBuilder, Inc., a registered broker-dealer and Member FINRA/SIPC. Capital One ShareBuilder, Inc. is a subsidiary of Capital One Financial Corporation. Securities products are: Not FDIC insured • Not bank guaranteed • May lose value.
Lane Powell shares its success with our communities through pro bono work, volunteering, board memberships, fundraisers, sponsorships and donations. We are dedicated to helping our communities thrive and are strongly committed to the well-being and progress of the region where we live and work.


We applaud and support the Downtown Seattle Association for creating a healthy, vibrant urban core.

Lane Powell shares its success with our communities through pro bono work, volunteering, board memberships, fundraisers, sponsorships and donations. We are dedicated to helping our communities thrive and are strongly committed to the well-being and progress of the region where we live and work.


Your Pacific Northwest Law Firm®