# Table of Contents

Welcome Message .............................................................1
Seattle Rankings ..................................................................2
Downtown Neighborhoods ..............................................3

### Living Downtown ..........................................................6
- Downtown Resident Data ............................................6
- Children Downtown ....................................................7
- Housing for a Variety of Choices ..................................8
- Economic Power of Downtown Residents ........................9
- Downtown Living Offers all the Best of Seattle ...............9

### Working Downtown ......................................................10
- Downtown Employment Data .....................................10
- Largest Employers ....................................................11
- Business Sectors .......................................................12

### Shopping Downtown ....................................................14
- Downtown Retail Sales Data ......................................14
- Flagship Stores ........................................................14
- New Retail and Restaurants ....................................15
- Pedestrian Counts .....................................................17

### Playing Downtown ......................................................18
- Downtown Entertainment Sales Data ..........................18
- Top Attractions ........................................................19
- Top Venues by Type ..................................................19
- Cruise Industry .........................................................20
- Hotels and Conventions ............................................21
- Economic Impact of Overnight Visitors .......................21

For more info visit
DowntownSeattle.com
Kate Joncas

No matter what brings you to Downtown Seattle – to live, to work, to shop or to play – you’re part of an exciting change taking shape all around us, which will transform our Downtown for generations.

From the development of more than 5,000 new housing units over the next two years, to the expansion of our light rail and streetcar systems; and from a major makeover of our Retail Core, to the development of a new Waterfront park and pedestrian plaza – Downtown Seattle continues to evolve, and to be the envy of urban centers around the world.

For businesses, now is the perfect time to give us a look. Whether considering locating or growing here, I invite you to read this report and learn more about Downtown Seattle’s competitive advantages, and why we’ve earned top rankings as the smartest and hardest working city in the country.

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

Ed Murray

Seattle is a city of neighborhoods; places of cultural enrichment and expression, of business and commerce, where people from all walks of life live, work and play. Nowhere is this thriving diversity more clearly on display than in Downtown.

Downtown is a center of innovation, and brings together some of Seattle’s most disciplined, passionate and creative minds. It is also a major economic engine. Downtown helps drive the growth and success of Seattle and the region, and keeps us competitive both nationally and internationally.

In Seattle, we are entrepreneurs and artists, risk-takers and visionaries. We are established global leaders in manufacturing, engineering, aerospace, life-sciences and information technology. Our economic future is bright.

It’s an exciting time to be in Seattle. I invite you to explore what’s going on here – as a visitor, as a resident, as a business owner. Working together, I know we’ll continue our impressive work improving our local economy and community.
Seattle garners top rankings as …

America’s favorite city (Public Policy Polling, 2012)

Hardest working city in the U.S. (Movoto, 2013)

Most generous city for online giving (Blackbaud, 2013)

Best city for tech job growth (Forbes, 2013)

Smartest city in North America (Fast Company, 2013)

Most-Liked U.S. city (Public Policy Polling, 2013)

And among the top five for…

Best real estate markets for investors in 2014 (Urban Land Institute, 2013)

Best city to work (Glassdoor.com, 2013)

Best cities for good jobs (Forbes, 2013)

Large share of college graduates in the center city (Martin Prosperity Institute, 2013)

National Retail Index (NRI) (Marcus & Millichap, 2013)

Best cities for women entrepreneurs (NerdWallet, 2013)

Top startup cities (GoodApril, 2013)

Highest density of startups (Atlantic Cities, 2013)

Best cities in the world based on “talent, technology and tolerance -- plus amenities and quality of place” (Martin Prosperity Institute, 2013)

Best cities in the world with potential for innovation (Innovation Cities Global Index 2012-2013)

Top cities for making movies (Moviemaker, 2013)

Most active office sales markets in the U.S. (CBRE, 2013)

Percentage of STEM jobs (The Brookings Institution, 2013)

Highest levels of office market absorption (Jones Lang LaSalle, 2013)
## DOWNTOWN NEIGHBORHOODS AT A GLANCE

<table>
<thead>
<tr>
<th>Neighborhood</th>
<th>Population</th>
<th>Pop Per Sq Mi</th>
<th>Households</th>
<th>Restaurants</th>
<th>Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UPTOWN</strong></td>
<td>3,555</td>
<td>10,790</td>
<td>2,365</td>
<td>60</td>
<td>57</td>
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<tr>
<td><strong>BELTOWN</strong></td>
<td>9,571</td>
<td>33,639</td>
<td>6,585</td>
<td>101</td>
<td>87</td>
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<tr>
<td><strong>CAPITOL HILL (WEST OF BROADWAY)</strong></td>
<td>9,302</td>
<td>44,861</td>
<td>6,564</td>
<td>92</td>
<td>55</td>
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<tr>
<td><strong>DENNY TRIANGLE/ SOUTH LAKE UNION</strong></td>
<td>11,804</td>
<td>16,028</td>
<td>8,046</td>
<td>162</td>
<td>104</td>
</tr>
<tr>
<td><strong>FIRST HILL (WEST OF BROADWAY)</strong></td>
<td>11,018</td>
<td>26,087</td>
<td>6,386</td>
<td>84</td>
<td>58</td>
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<tr>
<td><strong>PIONEER SQUARE CHINATOWN/ID</strong></td>
<td>5,785</td>
<td>20,451</td>
<td>3,409</td>
<td>201</td>
<td>205</td>
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<tr>
<td><strong>RETAIL CORE, WATERFRONT AND WEST EDGE</strong></td>
<td>7,945</td>
<td>17,166</td>
<td>5,199</td>
<td>386</td>
<td>436</td>
</tr>
<tr>
<td><strong>SODO</strong></td>
<td>2,444</td>
<td>637</td>
<td>1,049</td>
<td>24</td>
<td>84</td>
</tr>
</tbody>
</table>

**STATE OF DOWNTOWN 2014**
Convenient Transportation Options

Widely considered one of the nation’s best cities in which to live without a car, Seattle has shown continued growth in public transit ridership. Seattle is now one of only five cities in the U.S. where fewer than half of the commuters drive alone to work, and where a healthy majority - 66 percent - of those who work in Downtown Seattle now commute by a mode other than driving alone. This represents an estimated 16 percentage point reduction in single-occupancy vehicles since 2000.

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 (Pierce, King and Snohomish Counties) and Community Transit (Snohomish County).

2012 BUS RIDERSHIP: Downtown Seattle bus ridership among the three major agencies totaled nearly 63 million in 2012.

- **Metro**: 114 Downtown routes, 49 million passengers in 2012
- **Sound Transit**: 14 Downtown routes, 11.7 million passengers in 2012
- **Community Transit**: 18 Downtown routes, 1.8 million passengers in 2012

**66%**

**DOWNTOWN WORKERS COMMUTE BY A MEANS OTHER THAN DRIVING ALONE!**

**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.

- In 2012, service between Downtown Seattle and Sea-Tac Airport Station averaged 262 trips each weekday with total Link light rail ridership reaching 8.7 million in 2012.
- The University Link is scheduled to open for service in early 2016. This section of the light rail system will run through a 3.15 mile bored tunnel connecting Downtown, Capitol Hill and the University of Washington.
- Future expansions will include construction of light rail to Northgate and beyond, as well as across Lake Washington to Bellevue and Overlake, and south from SeaTac to S. 200th Street to points further south.

Sources: Commute Seattle, The Seattle Times (based on U.S. Census Bureau data), King County Metro, Sound Transit, Community Transit, Seattle Monorail, Amtrak, Puget Sound Regional Council, Seattle Department of Transportation, Car2Go, Zipcar, Puget Sound Bike Share, Washington State Department of Transportation and American Public Transportation Association.
**BY RAIL**

In addition to Link light rail, Seattle is served by the Seattle Monorail, Sound Transit commuter trains and Amtrak.

- The Seattle Center Monorail links Seattle Center/Uptown to Westlake Center in Downtown’s Retail Core. The Monorail was the nation’s first full-scale commercial monorail system and celebrated its 50th anniversary in 2012. The Monorail departs approximately every 10 minutes. In 2013, the Monorail carried 2.1 million riders.

- The South Lake Union Streetcar is a 1.3-mile line serving 11 stations in the South Lake Union and Denny Triangle neighborhoods. Ridership in 2013 was estimated at 765,340 passengers.

- The Seattle Amtrak station greeted 640,054 passengers in 2013. Total statewide ridership for all three routes (boarding or leaving within the state) was 1,281,739 passengers.

- Sound Transit’s Sounder commuter rail makes a total of 26 train trips (150 rail car trips) each weekday

**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 operates passenger-only ferries on weekdays for Vashon Island and West Seattle commuters with a combined ridership of 427,399 in 2012.

- Washington State Ferries are the primary mode of transportation to Downtown from the Kitsap Peninsula. 2013 annual ridership for ferries into Downtown was 8.6 million.

- Sound Transit’s Sounder makes a total of 26 train trips (150 rail car trips) each weekday

**BY CAR**

The multitude of mass transit options, incentives for carpooling and investment in infrastructure have contributed to easier access to Downtown by car.

- There are approximately 78,000 off-street parking spaces in Downtown Seattle garages, with seven garages participating in a special WSDOT rate-reduction program (DowntownSeattleParking.com) throughout the year, with additional garage participation expected in 2014.

- For on-street parking, there more than 5,000 paid spaces in the traditional Downtown neighborhoods (west of I-5 and south of Denny Way). In the broader Downtown (including South Lake Union, First Hill, Capitol Hill and SODO down to S Lander Street), there are more than 18,000 total on-street spaces.

- The Car2go Seattle fleet now numbers 500 cars, up from 330 in 2012 and 43% larger than the next largest U.S. city.

- In Downtown Seattle, Zipcar offers 185 vehicles for its members, accounting for 62 percent of the total Seattle Zipcar fleet.

- Those who carpool can access exclusive freeway lanes and take advantage of carpool-only parking spaces.

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**STATE OF DOWNTOWN 2014**
LIVING DOWNTOWN

Downtown Seattle is a dynamic collection of 12 unique urban neighborhoods offering diversity and 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.

- Nine percent of Seattle’s population of 640,821 lives Downtown.
- Downtown residential density is more than 20,000 residents per square mile, nearly three times the citywide average.
- Nearly 60,000 people live Downtown. More than one-third (34 percent) of those who live Downtown also work Downtown.
- The concentration of city residents Downtown is large and increasing. Downtown Seattle’s population has grown 10 percent since 2010, compared to 5 percent citywide for the same period, accounting for nearly 16 percent of the city’s total population growth between 2010-2014.

Who Lives Downtown?

- The number of family households Downtown has increased (9%) since 2010. Families currently comprise approximately 17 percent of Downtown households.
- The total number of households Downtown has increased 10 percent since 2010 and is projected to increase an additional 10 percent over the next five years.
- One-fifth (19%) of households Downtown have children.
- The number of children Downtown increased 31 percent between 2010 and 2014.
- Fifty-seven percent of Downtown residents are male, compared to 50 percent in the region.
- Nearly two-thirds are between the ages of 25 and 54 (compared to half city-wide).
- Sixty-seven percent of residents are in single-person households (compared to 42% city-wide).
- Most households (82%) are renter occupied, compared to just over half (52%) citywide.
- Of those age 25+, 52 percent have a bachelor’s degree or higher (compared to 37% for the region).

RESIDENTIAL POPULATION
10-YEAR TREND


FASTEST-GROWING GROUPS

Children aged 5-9 (72% increase)
Telecommuters (71% increase)
Teenagers (44% increase)
Households with 3 or more people (19% increase)
Asians (12% increase)
Hispanics (10% increase)
Women (10% increase)
Those with incomes more than $100K

Source: The Nielsen Company
In 2012, Downtown Seattle Association partnered with Seattle Public Schools (SPS) and the City of Seattle, to conduct a feasibility study on locating a public school in Downtown Seattle. The study helped inform school district policymakers during the Building Excellence IV (BEX IV) school capital levy planning process. The BEX IV levy contained $5 million for an interim Downtown School, and was approved by voters last year.

Downtown has experienced some of the fastest growth in student enrollment across the entire district. Since 2008, while school district K-12 enrollment increased by more than nine percent, Downtown enrollment climbed by 24 percent (SPS Annual Enrollment Report: 2012-13). Downtown’s population is growing; more children are being born to Downtown families each year, and a greater percentage of Downtown families are choosing to enroll their children in SPS.

- Downtown is the most populous Seattle neighborhood without a neighborhood school.
- A major driver for the school population growth has been the rise in births to Downtown families. In 2001, 110 children were born to Downtown parents. By the most recent reporting period, 2011-12, this figure climbed to 265.

**2013 EDUCATIONAL ATTAINMENT (AGE 25+)**

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Downtown</th>
<th>City of Seattle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 9th grade</td>
<td>4.8%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Some High School, no diploma</td>
<td>5.0%</td>
<td>4.0%</td>
</tr>
<tr>
<td>High School Graduate (or GED)</td>
<td>12.0%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Some College, no degree</td>
<td>18.0%</td>
<td>17.2%</td>
</tr>
<tr>
<td>Associate Degree</td>
<td>8.0%</td>
<td>7.1%</td>
</tr>
<tr>
<td>Bachelor’s Degree</td>
<td>34.0%</td>
<td>33.1%</td>
</tr>
<tr>
<td>Master’s Degree</td>
<td>12.2%</td>
<td>14.7%</td>
</tr>
<tr>
<td>Professional School Degree</td>
<td>3.7%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Doctorate Degree</td>
<td>2.5%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

Source: The Nielsen Company
A Variety of Housing Choices

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

The projected number of housing units to be delivered Downtown in 2014 exceeds the average annual number of units delivered citywide over the past two decades.

Between 2008 and 2012, developers added 5,056 apartment units and 1,496 condominium units Downtown. In 2013, Downtown saw an additional 2,446 apartment units come online. As of December 31 2013, 4,442 apartment units and 707 condominium units were under construction. Including vacant units and those recently completed or undergoing renovations, Downtown Seattle now has a total inventory of more than 13,000 condominium units and 32,000 apartment units.

The market vacancy rate for apartments in Downtown Seattle as of September 2013 was just 3.7 percent, slightly lower than the regional average of four percent. The average rent for apartments in Downtown Seattle was $1,741, compared to $1,346 in the City of Seattle and $1,227 in King County.

As of September 2013, the median purchase price for condominiums Downtown was $355,000, 32 percent higher than the citywide median of $268,750, and more than the King County median of $229,500.

Downtown currently has 13,005 units with two or more bedrooms, including 5,313 condominium units and 7,692 apartment units.

In 2013, more than half of all residential unit deliveries in Seattle were Downtown. Downtown’s average share historically is 13 percent, and is 33 percent since 2010.

Currently, an estimated 27 percent of apartment units under construction in the tri-county area (and about half of those in Seattle) are in Downtown Seattle.

Tight Housing Market: Despite an increased supply this year, vacancies are down across the region. According to a 2013 Marcus & Millichap report, Seattle tied as the metro area with the sixth largest decrease in vacancy rates in the nation between 2012-2013.

IN DOWNTOWN SEATTLE:

- Housing inventory increased six percent between Fall 2012 and Fall 2013.
- Vacancy rates across Downtown neighborhoods fell from 3.6 to 3.1 percent over the same period.
- Rents increased nearly eight percent.
Economic Power of Downtown Residents

Average household income Downtown in 2014 was $67,390 and median income was $41,602. The average was a slight decrease and the median a slight increase.

Downtown Living Offers all 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 16 universities, colleges, graduate schools and trade schools, attended by more than 27,000 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 whether commuting by kayak, running along the waterfront, or bicycling along the many miles of bike lanes. Hiking and ski areas are just a short drive away.

Sources: The Neighborhood Company, LLC, Census Bureau, Seattle Public Schools, Metropolitan Improvement District, King County Assessor-Appraiser, Empire Pacific Apartments, Seattle Needle Neighborhood Early Learning, Seattle Educational Institutions: St. Louis School, Pacific Literacy Institute, TEAL Program, Seattle Institute, Seattle Arts & Lectures, University of Washington - School of Business, Seattle Northwestern University, Amy University, Art Institute of Seattle, City University, Central College of the Arts, Center Seattle, Denny High School, School of Visual Concepts, Seattle Central Community College, Seattle University, Seattle Waldorf School (Formerly Globe West), Sperry Street School, Thies Dairy School, The Bertha School, The Westminster School, The Seattle School of Theology and Psychology, Seattle Pacific University, Seattle Art Institute, walkscore.com
Downtown Seattle ranks 12th among the 231 major employment markets in the U.S. for job density, and that ranking is expected to rise. The most recent data points to a return to pre-recession employment levels in Downtown.

Unemployment in Seattle continued to fall below the national level with unemployment at 4.7 percent at the conclusion of 2013, while national unemployment was 6.7 percent.

Downtown Seattle offers the region’s highest concentration of jobs

Downtown Seattle has the highest employment density in Seattle. It also has a large share of jobs.

In 2012:

- Downtown Seattle had an employee population of 201,899. This figure represented 42 percent of all employees in the City of Seattle and 18 percent of those in King County, the state’s most populous county.
- The services sector comprised 60 percent of jobs in Downtown Seattle. Examples of services include personal, business, amusement & recreational, health, legal and social services.
- Government was the second largest sector Downtown with 14 percent of the total jobs.
- Downtown was home to 59 percent of the government jobs located in Seattle (includes city, county, state and federal jobs).

Jobs Data Signals a Recovery

- Downtown employment is currently at its highest level since 2001, adding 18,378 jobs since 2010. This is approximately the same number of jobs lost Downtown during the most recent recession.
- Downtown Seattle accounted for more than half (52%) of the jobs lost during the recession, but so far has accounted for a strong majority (87%) of the net job increase in Seattle since 2010.
- Year-over-year, Downtown saw a 2.7 percent increase in jobs. Excluding Downtown Seattle, the city saw a 1.5 percent increase while countywide employment grew 2.2 percent.
- Puget Sound area job recovery continued to be dominated by the private sector. Downtown Seattle saw a three-percent increase in private sector jobs and a one-percent increase in public sector jobs. Citywide, the public sector saw a one-percent decrease in jobs while the private sector saw a three percent gain.

DOWNTOWN EMPLOYMENT

<table>
<thead>
<tr>
<th>Year</th>
<th>Downtown</th>
<th>City of Seattle</th>
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</thead>
<tbody>
<tr>
<td>2008</td>
<td>201,580</td>
<td>497,047</td>
</tr>
<tr>
<td>2009</td>
<td>190,828</td>
<td>473,280</td>
</tr>
<tr>
<td>2010</td>
<td>183,521</td>
<td>462,180</td>
</tr>
<tr>
<td>2011</td>
<td>196,648</td>
<td>472,921</td>
</tr>
<tr>
<td>2012</td>
<td>201,899</td>
<td>483,316</td>
</tr>
</tbody>
</table>

Source: Puget Sound Regional Council
Port of Seattle

The Port of Seattle is undoubtedly a major player in the regional economy. In 2013, the seaport, with facilities in and near Downtown Seattle supported 30,000 jobs. The port is the tenth largest container port in North America and the largest in Washington state based on container volume. The Port of Seattle is well positioned to support Seattle’s status as a significant center for 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 has embarked on a 25-year “Century Agenda,” aimed at creating 100,000 new jobs in the region. The Port’s operations currently help create nearly 200,000 jobs and $7 billion in wages throughout the region.

For Port of Seattle cruise industry statistics, see page 20.

Largest Employers

LARGEST PUBLIC COMPANIES
HEADQUARTERED DOWNTOWN

Revenue in Millions

Amazon.com Inc. ................................................................. $61,093
Starbucks Corp. ................................................................. $13,300
Nordstrom, Inc. ................................................................. $12,148
Expeditors International of Washington ....................... $5,981
Emeritus Corp. ................................................................. $1,568

DOWNTOWN JOBS BY SECTOR

Services ................................................................. 92,094
Healthcare ................................................................. 28,139
Government ............................................................... 27,487
Finance, Insurance & Real Estate .......................... 21,902
Retail ................................................................. 17,315
Wholesale Trade ..................................................... 7,811
Manufacturing ......................................................... 3,378
Construction ............................................................ 2,739
Education ................................................................. 1,034
A Snapshot of Downtown Business Sectors

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

FINANCE, INSURANCE & REAL ESTATE

• With nearly 22,000 employees, finance, insurance and real estate (FIRE) companies provide more than one in 10 jobs Downtown.
• About 69 percent of Seattle jobs in this sector are located Downtown.
• Downtown’s 698 FIRE firms generated more than $10.5 billion in gross business income in 2012, including $181 million in taxable retail sales, an increase of more than $20 million from 2011.
• There are 177 street-level addresses Downtown for businesses in this sector such as bank branches, real estate offices and retail locations for investment firms.

HOSPITALITY & TOURISM

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 $1.5 billion in taxable retail sales in 2012 among 1,719 firms.
• More than a quarter of the retail sales revenue for accommodations within Washington state is generated Downtown.
• Overall, sales revenue for the hospitality sector is up 13.5 percent year-over-year in Downtown.
• In 2013, the Port of Seattle saw 870,994 cruise passengers, generating more than $381 million in annual business revenue and creating 4,004 jobs.

More detail on this sector can be found in the “Play” section starting on page 18.

INFORMATION TECHNOLOGY & INTERACTIVE MEDIA

• Downtown Seattle’s 559 IT firms provide more than 25,000 jobs.
• Online retail, led by Amazon.com, has the largest foothold in Downtown Seattle among IT subsectors.
  - Downtown Seattle electronic shopping companies delivered more than $670 million in taxable retail sales to addresses within the State of Washington in 2012. Almost a third (28%) of 2012 statewide electronic shopping taxable retail sales was generated Downtown.
  - Globally, 2012 business revenue by electronic shopping companies headquartered in Downtown Seattle totaled more than $62 billion.
• Downtown is home to the top two zip codes in the region for startup investment and is responsible for more than half the total investment in Seattle and about a third in the region.
In 2013, the Amazon.com footprint in Downtown expanded from 2.8 million to 3.2 million square feet. There is currently 4.7 million square feet of additional space in the office pipeline dedicated to future Amazon.com expansion. The current amount of space could support more than 23,000 employees. Including planned space, the company’s Downtown footprint could support a workforce of more than 40,000 workers*.

*Downtown’s Office Market

Downtown Seattle saw a positive absorption of 535,950 square feet in 2013. This compares to a positive absorption regionally of 799,520 square feet and represents Downtown’s 16th quarter of positive absorption.

**ADDITIONAL HIGHLIGHTS:**

• Downtown Seattle makes up 44 percent of the office market in the Puget Sound region.

• Regionally, vacancy rates fell from 15.7 percent at the end of 2012 to 15.1 percent at the end of 2013.

• Downtown vacancy rates fell from 14.8 percent at the end of 2012 to 13.9 percent at the end of 2013.

• The average Class A lease rate for Downtown Seattle was $32.52 per square foot at the end of 2013, up from $31.49 at the end of 2012.

• The average Class A lease rate for the Puget Sound region was $29.27 at the end of 2013, up from $28.56 at the end of 2012.

• For comparison, Downtown Bellevue saw a decrease in vacancy from 10.6 to 9.9. Downtown Bellevue also showed an increase in Class A from $34.28 to $35.67.

**OFFICE SQUARE FOOTAGE**

Currently Under Construction .................... 2,254,850

Planned, Permitted and Scheduled .................... 301,000

Proposed, Unpermitted* ............................. 8,746,300

Grand Total ........................................ 11,302,150

*Proposed, unpermitted projects are not typically included in DSA statistics on Downtown development.

SHOPPING DOWNTOWN

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 collectibles synonymous with Seattle. Of the 3,655 occupied street-level businesses in Downtown, 1,040 are retail and 2,615 are services such as restaurants, fitness centers and salons, creating a vibrant, unique Downtown 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.

### TAXABLE RETAIL SALES

<table>
<thead>
<tr>
<th>Year</th>
<th>Downtown</th>
<th>City of Seattle</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$1,165,828,003</td>
<td>$4,228,074,224</td>
</tr>
<tr>
<td>2009</td>
<td>$1,027,546,375</td>
<td>$3,911,671,021</td>
</tr>
<tr>
<td>2010</td>
<td>$1,031,590,111</td>
<td>$4,045,171,387</td>
</tr>
<tr>
<td>2011</td>
<td>$1,072,182,943</td>
<td>$4,155,744,377</td>
</tr>
<tr>
<td>2012</td>
<td>$1,140,227,255</td>
<td>$4,272,094,611</td>
</tr>
</tbody>
</table>

Source: Washington State Department of Revenue. Includes NAICS codes 44-45, “Retail Trade” (excluding motor vehicle sales, non-store retail and gas stations)

Flagship Stores

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:

- **Arc’teryx**
- **Ben Bridge**
- **Filson**
- **Nordstrom**
- **REI**
- **Starbucks**
- **Uwajimaya**

Photo: Christopher Nelson
New Retail and Restaurants

In 2012, Nordstrom opened a new Nordstrom Rack store in the lower level of Westlake Center and Target opened a new urban concept store.

In 2013, Westlake Center began a renovation and expansion that includes space for the region’s first Zara store. Several new retailers opened their doors Downtown, including Arc’teryx, Bang & Olufsen, T.J. Maxx, E. Smith Mercantile, Flor, Fjallraven and Timbuk2.

New Downtown restaurants in 2013 include Altstadt, Aragona, Loulay, Miller’s Guild and a cluster of establishments located in the new Via6 Apartment complex including Assembly Hall Juice and Coffee, Home Remedy and Tanakasan.
STREET-LEVEL RETAIL & SERVICE BUSINESSES BY CATEGORY

2013 Retail
Merchandise / Gifts ................................................................. 376
Clothing & Accessories ......................................................... 182
Grocery / Pharmacy ................................................................. 125
Arts .................................................................................... 105
Specialty Food, Beverage & Tobacco ................................... 104
Home / Office Decor ............................................................. 103
Auto / Boat Sales .................................................................. 27
Wholesale / Distribution ....................................................... 13
Department Store ................................................................ 5

2013 Services
Restaurant, Bars & Cafes .................................................... 1,109
Professional Services ......................................................... 507
Personal Services .............................................................. 312
Financial ............................................................................. 132
Special Interest Groups .................................................... 117
Trade Services .................................................................. 108
Cultural .............................................................................. 104
Hotels & Inns ..................................................................... 72
Human Services ................................................................. 63
Technology Services ....................................................... 56
Transportation .................................................................... 19
News / Media ..................................................................... 16

Source: MDC Street-level Business Inventory

TAXABLE RETAIL SALES BY CATEGORY

Clothing & Accessories $465,393,525
Building Equipment & Supplies $4,116,882
Food & Beverage $53,990,515
Pharmacy & Health $55,119,207
Electronics & Appliances $96,240,594
Home & Office Décor $72,350,603
General Merchandise $109,882,713
Sporting Goods, Toys, Books & Music $132,005,224
Miscellaneous Retailers $151,127,992

Source: Washington State Department of Revenue
Pedestrian Counts

In 2013 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 nine sites, illustrating how overall “Downtown” pedestrian traffic has changed each year from 2009 to 2013:

### PEDESTRIAN TRAFFIC TRENDS

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<td>31,335</td>
<td>37,738</td>
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<td>40,383</td>
<td>33,635</td>
<td>33,635</td>
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</tr>
</tbody>
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Source: MID Street-level Business Inventory

### Pedestrian Count Highlights

- **Summer 2013** saw a significant increase in traffic overall when compared to the previous year. Nearly all site counts were either flat or up year-over-year. Overall traffic at these sites was up 13.4 percent.

- The site with the most significant year-over-year increase for both summer and winter counts in pedestrian traffic was at Denny & Westlake, where the Denny Triangle and South Lake Union neighborhoods intersect.

- As in previous years, the tendency for most sites is to see higher levels of pedestrian traffic in August versus December.

- The difference between the summer and winter counts is most pronounced at sites along the Waterfront. Summer counts there are consistently well above those in December.

- During the the 2013 counts, 6th & Pine experienced the highest level of pedestrian volumes during both the 2013 summer and winter counts.
PLAYING DOWNTOWN

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 attractions, events, performances 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 visually stunning Chihuly Garden & Glass highlighting the work of celebrated artist Dale Chihuly; and a new children’s playground in Westlake Park – 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.

ARTS, ENTERTAINMENT, FOOD SERVICE & ACCOMMODATIONS TAXABLE RETAIL SALES

<table>
<thead>
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<th>Year</th>
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<th>Seattle</th>
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<tbody>
<tr>
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<td>$2,590,542,034</td>
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<tr>
<td>2009</td>
<td>$1,222,262,990</td>
<td>$2,501,539,664</td>
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<tr>
<td>2010</td>
<td>$1,294,108,775</td>
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<tr>
<td>2011</td>
<td>$1,340,988,078</td>
<td>$2,837,796,388</td>
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<tr>
<td>2012</td>
<td>$1,522,111,337</td>
<td>$3,074,492,707</td>
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</table>

Washington State Department of Revenue taxable retail sales NAICS 71 (“Arts, Entertainment & Recreation”) and 72 (“Accommodation & Food Services”). Census Tract 93 (SoDo) data not included.

Highlights

VISITORS: More than 21 million entertainment-seekers, conventioneers and sporting event attendees visited Downtown in 2013, 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 in the United States with more than 150,000 attendees, 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 Out to Lunch outdoor summer concerts.

EVENTS: Downtown Seattle hosted more than 3,500 major sporting, performance, convention, museum and festival events in 2013.
A Top Destination

*Travel + Leisure’s* annual best places poll consistently ranks Seattle among the best in the country for intelligence, wireless coverage, coffee, technology, summers and farmers markets among both visitors and residents.

Some of the reasons why Seattle consistently garners top rankings:

- 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

Twenty-eight parks provide 61 acres of open space used by residents and visitors alike. Slated to be completed early 2014 the new Bell Street Park reconfigures street lanes and parking to create a walkable park-like corridor along four blocks in the center of Belltown. Seattle Center features an additional 74 acres of recreational space.

Arts Community

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

According to the Western states Arts Federation’s 2011 Creative Vitality Index, Seattle outperformed the U.S., the State of Washington, the Pacific Northwest region and the Western States region for its performing arts jobs, attendance and revenue, as well as photography, music, book, art gallery and artist sales. The report also shows:

- The arts supported 31,000 jobs.
- Arts-related organizations generated more than $371 million in revenue.
- Independent artist revenues totalled $233.1 million.

Music is a critical part of Seattle’s economy, with the most recent figures indicating 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 music industry in Seattle generates $90 million annually in state and local sales and B&O taxes.
Alaskan cruises departing from Seattle are offered by Carnival Cruise Lines, Celebrity Cruises, Holland America Line*, Norwegian Cruise Line, Oceana Cruises, Princess Cruises and Royal Caribbean.

**PASSENGER GROWTH**

<table>
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<th>Year</th>
<th>Passengers</th>
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<td>'12</td>
<td>703,637</td>
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<td>'13</td>
<td>885,033</td>
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</table>

*Headquartered in Downtown Seattle

**Cruise Industry Local Economic Impact**

- $381 million – annual business revenue
- 4,004 jobs
- $16.8 million – annual state and local taxes
- Each time a homeport ship docks it contributes approximately $2.1 million to the local economy

In addition to the major cruise lines, local companies such as Argosy Cruises and Victoria Clipper offer daily trips throughout Puget Sound and other local waterways.

**Hotel Growth**

Hotel development has started to pick up again in Downtown. With more than 14,000 rooms, Downtown has the highest concentration of hotel rooms in the city, catering to business travelers, vacationers and others. This inventory includes more than 2,000 rooms added since 2005.

In 2011, for the first time since tracking began in 2005, there were no hotel rooms under construction in Downtown Seattle. As indicated below, that has certainly changed.

**In 2013:**

- Touchstone began construction on Hill7, a hotel/office project with 222 rooms planned for completion in 2015.
- The Red Lion Hotel will complete a renovation in 2014. The renovation includes improvements to 296 existing rooms, the addition of 22 rooms and improved restaurant, outdoor entertainment and lobby spaces.
- American Life began the permitting process for a hotel component within the Stadium Place project in Pioneer Square, with 278 rooms planned for completion in 2015.
- Daniels Real Estate restarted work on the Fifth + Columbia Tower. This office project includes plans for 184 hotel rooms in addition to office space with completion expected in 2016.
- Hyatt is planning its fourth Downtown Seattle hotel near the Seattle Center with 116 rooms.
- Twelve additional hotel projects totaling 3,416 rooms are in various stages of the land-use process. This includes an additional phase of Stadium Place, (50 rooms), a Stanford Hotel in South Lake Union (283 rooms) and the R.C. Hedreen project Ninth & Stewart (1,680 rooms) planned for 2017.
- In recent years, there has been a trend toward inclusion of hotels in mixed-use developments. Among the 17 projects in the pipeline, nine include residential components and two include a significant office component.

In 2011, the City of Seattle created a Tourism Improvement Area (TIA), managed by Visit Seattle, 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.
Hotels & Conventions

Average daily room rates in Downtown Seattle increased 15.8 percent year-over-year. This compares to a nationwide increase of 4.5 percent and an 11.2 percent increase in the Seattle metro area.

Total 2013 hotel occupancy was more than 80 percent city-wide, according to Visit Seattle.

Economic Impact of Overnight Visitors

In 2012, 10.2 million overnight visitors spent $5.9 billion in King County. The visitor industry provided 53,000 jobs, contributing $2.4 billion to direct earnings from travel spending.

A large share of this activity is in Seattle. According to Visit Seattle, the tourism industry in Seattle generated the following economic impact in 2012:

- Expenditures: $2.1 billion
- Tax revenue from visitors: $221 million
- Employment: 18,600
- Earnings: $717 million

Dining Downtown

There are currently more than 1,100 bars, restaurants and cafes in Downtown Seattle. The mix of restaurants Downtown continues to change along with the demographics. With openings in 2013 from prominent chefs Matt Dillon, Tom Douglas, Thierry Rautureau and Jason Stratton among others, the restaurant scene emerging Downtown is diverse, unique, local, classy and fun.
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We applaud and support the downtown Seattle association for creating a healthy, vibrant urban core.
STATE OF DOWNTOWN
2014
ECONOMIC REPORT

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