2015 STATE OF DOWNTOWN ECONOMIC REPORT
TABLE OF CONTENTS

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

TRANSPORTATION .............................................................. 4

LIVING DOWNTOWN ........................................................... 6
Downtown Resident Data ..................................................... 6
Children Downtown ............................................................ 7
Downtown Housing Market Data ........................................... 8

WORKING DOWNTOWN ....................................................... 10
Downtown Employment Data ................................................. 10
Downtown Employers ........................................................ 11
Downtown Workforce .......................................................... 12
Downtown Office Market ..................................................... 13

DEVELOPMENT GUIDE ....................................................... 14,15

SHOPPING DOWNTOWN ..................................................... 16
Flagship Stores ................................................................. 16
Taxable Retail Sales Data ..................................................... 17
Street-Level Business Data ................................................... 18
Pedestrian Counts .............................................................. 19

PLAYING DOWNTOWN ......................................................... 20
Highlights ........................................................................... 20
Top Attractions .................................................................. 21
Arts Community .................................................................. 21
Cruise Industry ................................................................... 22
Hotels Counts Conventions ................................................. 23

FOR MORE INFO VISIT
DowntownSeattle.com
From the beauty of Puget Sound to the majesty of Mount Rainier, Seattle’s breathtaking landscape is a backdrop to an epicenter of innovation.

For decades Downtown Seattle has been the birthplace for many of the world’s most innovative companies and organizations as varied as Amazon.com, Bill & Melinda Gates Foundation, Boeing, Fred Hutchinson Cancer Research Center, Nordstrom, REI and Starbucks to name a few.

That spirit of innovation and entrepreneurship continues to thrive in Downtown Seattle across a broad mix of sectors from successful enterprises to promising start-ups including cutting-edge life sciences, gaming and technology companies.

It’s no wonder Seattle is ranked as the nation’s favorite city – and fastest growing – and why Downtown’s growth is outpacing the region. Record investment and growth is transforming Downtown Seattle and making possible a makeover of our already robust Retail Core; redevelopment of our scenic waterfront; and the expansion of our light rail, streetcar and bike path systems. This combination of public and private investment is attracting well-educated residents and employees to Downtown at a record rate.

I invite you to read this report and to give us a call. Let us tell you why Downtown Seattle’s future has never been more promising, and why now is the time to grow with us.

Jon Scholes
President & CEO
Downtown Seattle Association

It’s an exciting time for Seattle. We’re growing, and we’re investing in our city and Downtown like never before. A safe, vibrant, affordable, interconnected city for all – that’s the goal we have set for ourselves. And by harnessing the creativity that has long-defined our great city, we will achieve it.

Downtown is a center of innovation, and 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, information technology and of course, coffee. We are risk-takers who start small businesses and flood the city with entrepreneurial potential. Our economic future is bright.

I invite you to explore what’s going on here – as a visitor, as a resident, as a business owner. As we redefine our Downtown and our city, we will tap into the energy of our local talented people, to generate new ideas and see what’s truly possible.

Working together, I know we’ll continue growing our local economy and community.

Ed Murray
Mayor
City of Seattle
DOWNTOWN DASHBOARD

Downtown Seattle Association compiles this annual dashboard of economic indicators as a tool to measure Seattle’s progress in making Downtown the preferred urban location to live, work, shop and play. These charts show the percent of change since 2009 for each metric.

SEATTLE RANKINGS

WE’RE NUMBER ONE

#1: City in U.S. to find a job
(Wallet Hub, 2015)

#1: Fastest-growing big city in the U.S
(U.S. Census Bureau)

#1: Highest job growth for small businesses in the U.S.
(Paychex | IHS Small Business Jobs Index)

#1: Most “cultural” city in the U.S with one cultural attraction for every 354 people
(Property Shark)

#1: Nation’s most sustainable city
(STAR Communities)

#1: Most independent coffee shops per capita
(RealEstateRatings.com)

TOP 5 IN THE NATION

#2: Best city for recent college graduates
(Nerdwallet.com)

#2: Best city for high-tech growth
(Jones Lang LaSalle)

#3: Best market in North America for hotel property investment in 2015
(Urban Land Institute)

#4: Best market in North America for office property investment in 2015
(Urban Land Institute)

#5: Best U.S. cities for tech startups
(Entrepreneur.com)
# Downtown Neighborhood Stats

<table>
<thead>
<tr>
<th>Neighborhood</th>
<th>Population</th>
<th>Employment</th>
<th>Retail</th>
<th>Restaurants</th>
<th>Population per sq. mile</th>
<th>Households</th>
<th>Median Housing Unit Value</th>
<th>Commercial Vacancy</th>
<th>Commercial Sales price per sq. ft.</th>
<th>Office Rent</th>
<th>Retail Rent</th>
<th>Walkscore</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. BELLTOWN</td>
<td>10,260</td>
<td>10,843</td>
<td>67</td>
<td>103</td>
<td>46,591</td>
<td>7,380</td>
<td>$393,321</td>
<td>7.0%</td>
<td>$459</td>
<td>$28.86</td>
<td>$30.52</td>
<td>96</td>
</tr>
<tr>
<td>2. CAPITOL HILL</td>
<td>11,983</td>
<td>3,590</td>
<td>55</td>
<td>98</td>
<td>39,927</td>
<td>8,421</td>
<td>$358,354</td>
<td>1.8%</td>
<td>$279</td>
<td>$26.52</td>
<td>$34.00</td>
<td>96</td>
</tr>
<tr>
<td>3. CHINATOWN/INTERNATIONAL DISTRICT</td>
<td>3,239</td>
<td>8,309</td>
<td>101</td>
<td>120</td>
<td>12,458</td>
<td>2,032</td>
<td>$350,000</td>
<td>3.1%</td>
<td>$173</td>
<td>$24.40</td>
<td>$16.70</td>
<td>96</td>
</tr>
<tr>
<td>4. DENNY TRIANGLE</td>
<td>5,040</td>
<td>18,765</td>
<td>38</td>
<td>71</td>
<td>21,000</td>
<td>3,432</td>
<td>$429,605</td>
<td>6.5%</td>
<td>$305</td>
<td>$32.05</td>
<td>$32.00</td>
<td>98</td>
</tr>
<tr>
<td>5. FIRST HILL (West of Broadway)</td>
<td>11,337</td>
<td>24,592</td>
<td>48</td>
<td>87</td>
<td>26,993</td>
<td>7,429</td>
<td>$320,739</td>
<td>3.8%</td>
<td>$381</td>
<td>$38.10</td>
<td>$30.09</td>
<td>97</td>
</tr>
<tr>
<td>6. PIONEER SQUARE</td>
<td>2,742</td>
<td>11,332</td>
<td>104</td>
<td>94</td>
<td>13,710</td>
<td>1,370</td>
<td>$480,851</td>
<td>10.0%</td>
<td>$283</td>
<td>$29.38</td>
<td>$16.32</td>
<td>97</td>
</tr>
<tr>
<td>7. RETAIL CORE</td>
<td>3,286</td>
<td>70,754</td>
<td>183</td>
<td>202</td>
<td>920</td>
<td>1,093</td>
<td>$486,364</td>
<td>10.1%</td>
<td>$445</td>
<td>$33.48</td>
<td>$36.34</td>
<td>98</td>
</tr>
<tr>
<td>8. SODO</td>
<td>266</td>
<td>16,356</td>
<td>64</td>
<td>24</td>
<td>215</td>
<td>22</td>
<td>$435,714</td>
<td>6.2%</td>
<td>$176</td>
<td>$39.22</td>
<td>$20.00</td>
<td>93</td>
</tr>
<tr>
<td>9. SOUTH LAKE UNION</td>
<td>5,341</td>
<td>34,840</td>
<td>57</td>
<td>88</td>
<td>7,571</td>
<td>621</td>
<td>$399,167</td>
<td>11.9%</td>
<td>$168</td>
<td>$30.45</td>
<td>$24.30</td>
<td>97</td>
</tr>
<tr>
<td>10. UPTOWN</td>
<td>6,980</td>
<td>12,274</td>
<td>30</td>
<td>64</td>
<td>15,174</td>
<td>4,864</td>
<td>$385,759</td>
<td>3.8%</td>
<td>$278</td>
<td>$22.44</td>
<td>$18.33</td>
<td>91</td>
</tr>
<tr>
<td>11. WATERFRONT</td>
<td>319</td>
<td>7,313</td>
<td>15</td>
<td>32</td>
<td>1,029</td>
<td>180</td>
<td>$576,823</td>
<td>4.1%</td>
<td>$399</td>
<td>$29.28</td>
<td>unavailable</td>
<td>94</td>
</tr>
<tr>
<td>12. WEST EDGE</td>
<td>4,043</td>
<td>25,228</td>
<td>249</td>
<td>171</td>
<td>28,679</td>
<td>2,833</td>
<td>$617,788</td>
<td>9.9%</td>
<td>$280</td>
<td>$32.21</td>
<td>$25.82</td>
<td>99</td>
</tr>
</tbody>
</table>

Sources: CoStar, Esri, MIDS Street-level Business Inventory, Walkscore.com (all queries as of November 2014)
One of the best cities to live without a car, Seattle is experiencing consistent growth in transit ridership. Seattle is now one of only six cities in the U.S. where fewer than half the commuters drive to work alone. In the most recent six-year period, Commute Seattle’s Mode Split study indicated transit use for Downtown commuters increased five percent and ferry ridership two percent.

Among Downtown employees, the largest share (45%) travel to work via transit. Just 31 percent of commuters drive alone to work. For information on Downtown Seattle Commuting, visit CommuteSeattle.com

PUBLIC TRANSPORTATION IS ON THE RISE

One of the best cities to live without a car, Seattle is experiencing consistent growth in transit ridership. Seattle is now one of only six cities in the U.S. where fewer than half the commuters drive to work alone. In the most recent six-year period, Commute Seattle’s Mode Split study indicated transit use for Downtown commuters increased five percent and ferry ridership two percent.

FUN FACT:
Downtown public transit use has increased by more than 60,000 RIDES PER DAY in the past 10 years!

Transit ridership: Data in each category are the aggregate annual ridership from various transit agencies including King County Metro, Sound Transit, Community Transit and Washington State Ferries. Ferry numbers include both water taxi and ferries. Rail includes commuter rail and light rail. Long-distance services such as Amtrak, Greyhound and Bolt bus are not included. Passengers who both boarded and alighted in Downtown Seattle are not included in the bus totals.
Seattle’s unique geography places a high level of importance on public transportation. In a 2014 Commute Seattle survey, commuters indicated the following distances traveled to Downtown:

- **Less than 5 miles**: 23%
- **5 to 9 miles**: 27%
- **10 to 19 Miles**: 25%
- **20+ Miles**: 24%

Garage utilization and website traffic on DowntownSeattleParking.com have increased, with more than 1,100 users accessing the mobile website every day (up 125% from previous year).

**TRANSPORTATION DEVELOPMENTS**

- **First Hill streetcar construction** is complete and the line will be operational in 2015 connecting Pioneer Square, Chinatown-International District, First Hill and Capitol Hill.
- **Planning** is under way for a Center City Connector streetcar line that will connect the First Hill and South Lake Union lines via 1st Avenue. It will run in its own lane, every five minutes from the Westlake Station to the King Street Station hub carrying an estimated 30,000 people per day.
- **There are 52.3 miles of bike lanes, shared lanes and trails** in Downtown Seattle. In 2015, the city will evaluate, prioritize and begin designing a network of protected bike lanes.
- **Pronto**, a new bike-sharing service was launched in late 2014, with 4,000 rides taken and 1,450 members joining in the first week of operation.

**DOWNTOWN PARKING**

The DSA/Commute Seattle-led expansion of DowntownSeattleParking.com has grown to include an additional nine garages in the Retail Core and West Edge neighborhoods, totaling 15 facilities with more than 6,800 low-rate spaces.

- **DSA/Commute Seattle have also assumed responsibility for marketing and administration of e-Park, Seattle’s real-time parking guidance system.**
- **Garage utilization and website traffic** on DowntownSeattleParking.com have increased, with more than 1,100 users accessing the mobile website every day (up 125% from previous year).

**Downtown Seattle has parking capacity for nearly 100,000 vehicles:**
- **Nearly 80k off-street parking spaces**
- **More than 18k on-street spaces**

Source: Seattle Department of Transportation
LIVING DOWNTOWN

More than a third of Downtown residents also work Downtown. Downtown living is also convenient for people who work elsewhere; for students attending one of the region’s many colleges and universities; for retirees; and people in all walks of life.

Nearly 65,000 people live Downtown, more than 10 percent of Seattle’s population of 638,776. Downtown residential density is more than double the citywide average (triple, if low-density SoDo is excluded from the Downtown total).

Seattle is the nation’s fastest growing city, and Downtown has the fastest growing neighborhoods. The concentration of residents Downtown is large and increasing. Downtown Seattle’s population has grown eight percent since 2010, compared to five percent citywide for the same period. Downtown accounted for 16 percent of the city’s total population growth from 2010 to 2014.

WHO LIVES DOWNTOWN?

• The total number of households Downtown has increased nine percent since 2010, and is projected to increase an additional 10 percent over the next five years.
• The number of family* households Downtown has increased (8%) since 2010.
• Families currently comprise approximately 17 percent of Downtown households.
• About four percent of all households have children.
• The population of children under the age of 18 living Downtown increased 17 percent since 2010.
• Fifty-six percent of residents are male, compared to 50 percent in the region.
• Nearly two-thirds of residents are between the ages of 25 and 54 (compared to half citywide).
• Sixty-eight percent of residents are in single-person households (compared to 42 percent citywide).
• Most households (81%) are renter occupied, compared to 41 percent citywide.
• Of those age 25+, 53 percent have a bachelor’s degree or higher (compared to 38% for the Puget Sound region).

*The U.S. Census Bureau defines “family” as “A group of two or more people who reside together and who are related by birth, marriage or adoption”. A family household may or may not have children present.

FUN FACT:
Metro renters make up 79% of DOWNTOWN HOUSEHOLDS.

METRO RENTERS

Metro Renters tend to live alone or with a roommate in urban cores. They are a fast growing segment of the U.S. population, with moderate incomes. They tend to spend larger portions of their income on rent, clothing and technology. Metro Renters live in condominiums or apartments in close proximity to their jobs and usually get around the city without a car. They are well educated, with many currently enrolled in college. They work long hours but consider social status and socializing very important.

Sources: Consumer preferences are estimated from data by GfK MRI and provided by Esri. These are based on national level data; actual preferences may vary by region. Household demographic data provided by Esri.

FUN FACT:
Downtown Seattle nets more than 24 NEW RESIDENTS EVERY WEEK.
CHILDREN DOWNTOWN

Today, there are an estimated 2,690 children under 18 living in Downtown Seattle, an increase of 17 percent since 2010.

The Center School, serving 284 students with a focus on the arts and community engagement, is currently the only public school in Downtown Seattle. Downtown Seattle is also served by two high schools, three middle schools and three elementary schools outside the Downtown Seattle boundary. An additional 1,059 K-12 students are served by Downtown's private schools, many of whom come from outside Downtown.

In recent years, Seattle Public Schools experienced greater increases in enrollment from Downtown children than for the district as a whole. Between 2009 and 2013, the number of Downtown residents enrolled in Seattle Public Schools increased 30 percent, compared to 11 percent district wide.

The chart to the right shows the five-year trend for children enrolled in Seattle Public Schools.

Sources: Esri, Seattle Public Schools

Educational Attainment (Age 25+)

Seattle and Downtown Seattle typically rank high for educational attainment. More than half (53%) of Downtown residents have a bachelor’s degree or higher, compared to 38 percent in the region.

Source: Esri
Residential development is booming in Downtown Seattle. Including existing units, and those recently completed or undergoing renovations, Downtown now has a total inventory of nearly 12,000 condominium units and 33,000 apartment units.

Since 2010, Downtown Seattle has seen a 10 percent increase in the number of occupied housing units. In 2014, Downtown had 42,514 occupied housing units, about 14 percent of all occupied housing units in the city of Seattle. Of these, 18 percent are owner occupied and 82 percent are rentals, compared to 46 percent owner occupied citywide and 54 percent in the region.

The average size of a Downtown apartment is 638 square feet, and an average Downtown condo is 913 square feet. Nearly three-quarters (73%) of the Downtown housing inventory is in studio and one-bedroom apartments. However, Downtown does have more than 13,000 units with two or more bedrooms. With the current trend toward families favoring urban living, larger units may increase in importance in the years to come. Currently, a majority (71%) of the units in the largest residential project under construction (Bosa Development’s Insignia towers at 6th & Bell) are two bedroom or larger.

The market vacancy rate for apartments in Downtown Seattle as of September 2014 was just 3.7 percent, similar to the regional average of 3.8 percent. The average rent for apartments in Downtown Seattle was $1,906, compared to $1,485 in the city of Seattle and $1,338 in King County.

As of September 2014, the median purchase price for condominiums Downtown was $409,500, 40 percent higher than the citywide median of $292,500, and about 55 percent more than the King County median of $262,900. Approximately one-third of condominium units are renter occupied.

With only two condominium projects under construction, the current wave of construction is dominated by apartments. However, recent plans have been filed for several other condominium towers.

Source: Metropolitan Improvement District, based on data from the Seattle Department of Planning and Development
All Residential Unit Construction (Past 10 Years)

Dot size indicates the number of units within each project.

- **5+**
- **200+**
- **400+**
- **600+**
- **700+**

**Legend:**
- **Completed**
- **Under Construction**
- **Planned, Permitted & Scheduled**

<table>
<thead>
<tr>
<th>Year</th>
<th>Completed</th>
<th>Under Construction</th>
<th>Planned, Permitted &amp; Scheduled</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>3,089</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>58</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>497</td>
<td>398</td>
<td></td>
</tr>
</tbody>
</table>
WORKING DOWNTOWN

With the summer 2014 announcement that Weyerhaeuser is moving its headquarters to Pioneer Square and Facebook growing their Seattle employee base, Downtown continues to be the preferred destination for companies choosing to locate in Seattle. This urban trend is most visibly marked in Downtown by Amazon’s construction of its headquarters expansion with enough space to accommodate an estimated 72,000 employees.

RECOVERY CONTINUING STRONG

After the “Great Recession,” Downtown has seen steady employment growth, adding an average of 25 new jobs per day since 2010. This has attracted new residents along with a housing and office construction boom as more people are drawn toward living in a vibrant urban center like Downtown Seattle.

Note: For the purpose of this report, a “recession” is defined as a period of decreasing employment in the Puget Sound Region.

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 2013:

• Downtown Seattle had an employee population of 243,995. This figure represented nearly half (49%) of jobs in Seattle and 21 percent of those in King County, the state’s most populous county, with 2 million residents.

• Service sector jobs comprised 59 percent of jobs in Downtown Seattle. Examples of services include personal services, business services, amusement & recreational services, health services, legal services and social services.

• Government was the second largest sector Downtown with 14 percent of total jobs.

• Downtown was home to 71 percent of the government jobs located in Seattle (includes city, county, state and federal jobs).

FUN FACT:
Downtown has added an average of 25 NEW JOBS PER DAY SINCE 2010.

In 2013:

• Downtown employment was at its highest level since 2000, adding 27,857 jobs since 2010. This is 7,000 more than the number of jobs lost Downtown during the most recent recession.

• Downtown Seattle accounted for nearly two-thirds (59%) of the jobs lost during the recession and three-quarters (74%) of the net increase in Seattle since 2010.

• Year-over-year, Downtown experienced a four percent increase in jobs, similar to increases across the region.

• In Seattle, the private sector drove job growth during the recovery, adding nearly 41,000 jobs since 2010. During that same period, nearly 4,000 jobs were lost in Seattle in the public sector (government and public education jobs).

Puget Sound Regional Council 2013 Covered Employment Estimates

FUN FACT:
Downtown’s daytime population REACHES 260,000 EVERYDAY.
In 2013, Port of Seattle seaport activities contributed to:

- Nearly **30,000** jobs (direct and indirect)
- **$1.3B** in direct personal income
- **$3.2B** in business revenue
- **$322.4M** in state and local taxes

For Port of Seattle cruise industry statistics, see page 22

Source: Port of Seattle

**LARGEST EMPLOYERS**
Measured by Revenue (2013)

- **amazon** $74.452B
- **STARBUCKS** $14.829B
- **NORDSTROM** $12.54B
- **Expeditors** $6.08B
- **EMERITUS** $1.961B

**NEW OR GROWING**
The following companies are among those which significantly expanded, moved to or announced relocation into Downtown Seattle:

- Acucela Inc.
- Adaptive Biotechnologies
- Alibaba
- Bluebox
- CenturyLink
- Dropbox
- ELM
- EMC
- F5 Networks
- Facebook
- Fenwick & West
- Genelex
- GoDaddy
- Groupon
- HasOffers
- HP
- Hulu
- Intel
- Level 11
- Moz
- Nuance Communications
- Parametrix
- Realogics Sotheby’s Int’l. Realty
- Redfin
- Rhapsody
- Staples
- Switchpoint LLC
- Tesla Motors
- Ticketmaster
- Twitter
- Urban Renaissance Group LLC
- UW Medicine
- Weyerhaeuser
- Zillow
- Zulily
DOWNTOWN WORKFORCE

Downtown Jobs by Sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services*</td>
<td>144,107</td>
</tr>
<tr>
<td>Government</td>
<td>33,242</td>
</tr>
<tr>
<td>Finance, Insurance &amp; Real Estate</td>
<td>23,618</td>
</tr>
<tr>
<td>Retail</td>
<td>22,660</td>
</tr>
<tr>
<td>Wholesale, Transportation &amp; Utilities</td>
<td>9,690</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>4,753</td>
</tr>
<tr>
<td>Construction Restoration</td>
<td>4,214</td>
</tr>
<tr>
<td>Education</td>
<td>1,711</td>
</tr>
</tbody>
</table>

Source: Puget Sound Regional Council 2013 Covered Employment Estimates
*Additional “Services” subsector data can be found in the Downtown Business Sectors table.

DOWNTOWN’S REGIONAL TALENT POOL

Approximately one-third of Downtown workers commute from within Seattle; another third from other locations within King County. Most of the others commute from Snohomish, Pierce and Kitsap Counties. Together, 87 percent commute from within this four-county area, mostly from cities along major Interstates.

Major Developments in Downtown Business Sectors:

FINANCE, INSURANCE & REAL ESTATE

• Major leases (more than 100,000 sq. ft.) were signed by Amazon, Zulily and HomeStreet Bank.
• Expansion of local technology related Real Estate companies Redfin and Zillow.
• Zillow acquired rapidly expanding real estate tech company, Trulia.

GLOBAL HEALTH & LIFE SCIENCES

• The Allen Institute for Brain Science, BioMed Realty Research Center and an expansion of biotech/medical space at 1124 Columbia St. all broke ground.
• Construction continues on Dexter Station, 345,000-square foot 10-story building aimed at the life-sciences and biotechnology sector.
• The University of Washington, Department of Global Health graduated 32 Masters in Public Health students, nine pathobiology PhDs, and 18 certificate students. These graduates join a network of more than 1,000 alumni who are working in all aspects of global health around the world.
• The Fred Hutchinson Cancer Research Center completed the construction of the new Uganda Cancer Institute-Fred Hutchinson Cancer Centre in Kampala, Uganda, which will advance its mission to reduce the burden of infection-associated cancers through improved diagnoses, optimized treatments and better prevention strategies.

HEALTHCARE

• The opening of “Cambia Grove” healthcare innovation center was announced. The center aims to connect startups with partners in the industry.
• Swedish Medical Center was designated as a neonatal intensive care unit, only the second hospital with this designation in Seattle.

HOSPITALITY & TOURISM

• The Downtown Seattle Association bolstered its public space activation program, including a pilot space activation project at Westlake Park.
• Bell Street Park was completed, which created a pedestrian promenade on Bell Street between 1st and 5th avenues featuring tables, chairs, planters and space for activation.
• The Red Lion Hotel was renovated and reopened as a boutique hotel called ‘Motif’.
• The Palladian Hotel was renovated and opened in 2015 as a Kimpton-branded hotel.

INFORMATION TECHNOLOGY

• More than 5 million square feet of space is under development, including office space for Amazon.com.
• Clise Properties announced construction of its second data center in Denny Triangle (the first was completed in 2013).
• Online retail giant Alibaba joined the ranks of Downtown companies.
• Expansions of major Silicon Valley-based companies in (or into) Seattle including Apple, Dropbox, Facebook, HP, HTC, HULU and Twitter.
DOWNTOWN OFFICE MARKET

With about 44 million square feet of office space, Downtown Seattle makes up nearly half of the total inventory in the Puget Sound region. In 2014, Downtown saw 1.3 million square feet of positive absorption. This accounted for more than half of the 2.4 million square feet of absorption throughout the region and represents Downtown's 20th consecutive quarter of positive office absorption. The greater Puget Sound region has experienced year-over-year improvements in office absorption, vacancy rates and lease rates, with Downtown Seattle leading the way.

2014

<table>
<thead>
<tr>
<th></th>
<th>Absorption</th>
<th>Vacancy Rate</th>
<th>Lease Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downtown Seattle</td>
<td>1,259,544</td>
<td>12.4%</td>
<td>$34.90</td>
</tr>
<tr>
<td>Bellevue CBD</td>
<td>21,644</td>
<td>9.3%</td>
<td>$37.38</td>
</tr>
<tr>
<td>Puget Sound Region</td>
<td>2,372,188</td>
<td>13.7%</td>
<td>$30.78</td>
</tr>
</tbody>
</table>

Source: CBRE

2013

<table>
<thead>
<tr>
<th></th>
<th>Absorption</th>
<th>Vacancy Rate</th>
<th>Lease Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downtown Seattle</td>
<td>547,398</td>
<td>13.9%</td>
<td>$32.64</td>
</tr>
<tr>
<td>Bellevue CBD</td>
<td>63,176</td>
<td>9.8%</td>
<td>$35.57</td>
</tr>
<tr>
<td>Puget Sound Region</td>
<td>816,034</td>
<td>15.1%</td>
<td>$29.31</td>
</tr>
</tbody>
</table>

Source: CBRE

Almost 15 million square feet of office space is in development:

- Under Construction or Permitted: 6M Sq. Ft.
- Proposed, Unpermitted: 9M Sq. Ft.

Amazon

South Lake Union/Denny Triangle Footprint
(current, planned or under construction)

Current space: _______________4.1M Sq. Ft.
In development: _______________4.9M Sq. Ft.
Additional planned space: ___________1M Sq. Ft.
Total planned footprint: ___________10M Sq. Ft.

- In 2014, Amazon employed more than 20,000 employees Downtown. The current Amazon footprint can support approximately 30,000 employees and the potential footprint (existing plus planned spaces) could support approximately 72,000*.

*Assumes current and planned space fully occupied by Amazon and an estimated 140 square feet per employee (the formula that Amazon stated it uses when planning office space acquisition).

Data on Amazon are aggregated from various news sources and plans filed with the Seattle Department of Planning and Development.
### PLANNED, PERMITTED & SCHEDULED

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Street Address</th>
<th>Category</th>
<th>Open Year</th>
<th>Developer</th>
<th>Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harvard Ave E Apartments</td>
<td>741 Harvard Ave E</td>
<td>Residential</td>
<td>2016</td>
<td>Somerence Holdings, LLC</td>
<td>$1,400,000</td>
</tr>
<tr>
<td>Cascade I</td>
<td>222 Fairview Ave N</td>
<td>Residential</td>
<td>2017</td>
<td>Equity Residential</td>
<td>$30,000,000</td>
</tr>
<tr>
<td>Cascade II</td>
<td>221 Minor Ave N</td>
<td>Residential</td>
<td>2017</td>
<td>Equity Residential</td>
<td>$36,000,000</td>
</tr>
<tr>
<td>Fifth + Columbia</td>
<td>811 5th Ave</td>
<td>Hotel/Office</td>
<td>2017</td>
<td>Daniels Real Estate</td>
<td>$400,000,000</td>
</tr>
<tr>
<td>Troy Laundry Block</td>
<td>300 Boren Ave N</td>
<td>Office</td>
<td>2017</td>
<td>Touchstone Corporation</td>
<td>$395,000,000</td>
</tr>
<tr>
<td>Urban Union</td>
<td>501 Fairview Ave N</td>
<td>Office</td>
<td>2016</td>
<td>Schmier West LLC</td>
<td>$4,100,000</td>
</tr>
</tbody>
</table>

### COMPLETED

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Street Address</th>
<th>Category</th>
<th>Open Year</th>
<th>Developer</th>
<th>Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1600 Seventh (Renovation)</td>
<td>1600 7th Ave</td>
<td>Retail</td>
<td>2014</td>
<td>Urban Renaissance Group LLC</td>
<td>$3,500,000</td>
</tr>
<tr>
<td>306 OA Apartments</td>
<td>306 Queen Anne Ave N</td>
<td>Residential</td>
<td>2014</td>
<td>Redhawk Group, LLC</td>
<td>$4,000,000</td>
</tr>
<tr>
<td>AMLI South Lake Union</td>
<td>1280 Republican St</td>
<td>Residential</td>
<td>2014</td>
<td>AMLI Residential Partners</td>
<td>$50,000,000</td>
</tr>
<tr>
<td>Aperture on Fifth</td>
<td>500 John St</td>
<td>Residential</td>
<td>2014</td>
<td>U&amp;P Partners</td>
<td>$12,400,000</td>
</tr>
<tr>
<td>ArtHouse</td>
<td>2334 Elliott Ave</td>
<td>Residential</td>
<td>2014</td>
<td>The Pauls Corporation</td>
<td>$17,000,000</td>
</tr>
<tr>
<td>Bell Street Park</td>
<td>1st Ave &amp; Bell St</td>
<td>Cultural</td>
<td>2014</td>
<td>City of Seattle - Parks &amp; Recreation</td>
<td>$3,500,000</td>
</tr>
<tr>
<td>Canvas</td>
<td>600 Elliott Ave W</td>
<td>Residential</td>
<td>2014</td>
<td>Goodman Real Estate, Inc.</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Compass on Dexter</td>
<td>756 John St</td>
<td>Residential</td>
<td>2014</td>
<td>Compass Housing Alliance</td>
<td>$23,000,000</td>
</tr>
<tr>
<td>Dimension by Alta</td>
<td>225 Cedar St</td>
<td>Residential</td>
<td>2014</td>
<td>Wood Partners</td>
<td>$38,000,000</td>
</tr>
<tr>
<td>First Hill Streetcar Maintenance Facility</td>
<td>701 S Dearborn St</td>
<td>Transportation</td>
<td>2014</td>
<td>City of Seattle - Department of Transportation</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>Jax Apartments</td>
<td>500 3rd Ave W</td>
<td>Residential</td>
<td>2014</td>
<td>Epstein Family LLC</td>
<td>$2,200,000</td>
</tr>
<tr>
<td>Lexicon</td>
<td>120 Harvard Ave E</td>
<td>Residential</td>
<td>2014</td>
<td>Baimontos LLC</td>
<td>$6,200,000</td>
</tr>
<tr>
<td>N Habit Belltown</td>
<td>2217 3rd Ave</td>
<td>Residential</td>
<td>2014</td>
<td>Daly Partners</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Olive Way Apartments</td>
<td>1650 E Olive Way</td>
<td>Residential</td>
<td>2014</td>
<td>Pacific Crest Property Management</td>
<td>$10,100,000</td>
</tr>
<tr>
<td>Palladian</td>
<td>2000 2nd Ave</td>
<td>Hotel</td>
<td>2015</td>
<td>Shemiran Trade</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>Premiere on Pine</td>
<td>815 Pine St</td>
<td>Residential</td>
<td>2015</td>
<td>Holland Partner Group</td>
<td>$72,000,000</td>
</tr>
<tr>
<td>Public Storage</td>
<td>700 Fairview</td>
<td>Retail</td>
<td>2014</td>
<td>Public Storage</td>
<td>$11,700,000</td>
</tr>
<tr>
<td>Queen Anne Flats</td>
<td>521 2nd Ave W</td>
<td>Residential</td>
<td>2014</td>
<td>Isola Development, LLC</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Red Lion Hotel Renovation (Motif)</td>
<td>1415 5th Ave</td>
<td>Hotel</td>
<td>2014</td>
<td>Motif Seattle</td>
<td>$25,000,000</td>
</tr>
<tr>
<td>Rivet</td>
<td>1201 Mercer St</td>
<td>Residential</td>
<td>2014</td>
<td>Holland Partner Group</td>
<td>$16,000,000</td>
</tr>
<tr>
<td>Stadium Place West Phase 1</td>
<td>201 S King St</td>
<td>Residential</td>
<td>2014</td>
<td>Daniels Real Estate</td>
<td>$295,000,000</td>
</tr>
<tr>
<td>Stream Belmont</td>
<td>500 Belmont Ave E</td>
<td>Residential</td>
<td>2014</td>
<td>Stream Real Estate LLC</td>
<td>$6,300,000</td>
</tr>
<tr>
<td>The Century</td>
<td>101 Taylor Ave N</td>
<td>Residential</td>
<td>2014</td>
<td>R.D. Merrill Co.</td>
<td>$70,000,000</td>
</tr>
<tr>
<td>The Northwest School Expansion</td>
<td>401 E Pike St</td>
<td>Education</td>
<td>2014</td>
<td>The Northwest School</td>
<td>$19,000,000</td>
</tr>
<tr>
<td>Three20 Apartments</td>
<td>320 E Pike St</td>
<td>Residential</td>
<td>2014</td>
<td>The Stratford Company</td>
<td>$11,000,000</td>
</tr>
<tr>
<td>True North</td>
<td>801 Dexter Ave N</td>
<td>Residential</td>
<td>2014</td>
<td>Holland Partner Group</td>
<td>$32,000,000</td>
</tr>
<tr>
<td>Verve Apartments</td>
<td>2720 4th Ave</td>
<td>Residential</td>
<td>2014</td>
<td>HB Capital</td>
<td>$22,000,000</td>
</tr>
<tr>
<td>Viktoria Apartments</td>
<td>1915 2nd Ave</td>
<td>Residential</td>
<td>2014</td>
<td>Goodman Real Estate, Inc.</td>
<td>$95,000,000</td>
</tr>
<tr>
<td>Western Building Renovation</td>
<td>619 Western Ave</td>
<td>Office</td>
<td>2014</td>
<td>WSDOT and the Meyers family</td>
<td>$19,000,000</td>
</tr>
<tr>
<td>Westlake Center Improvements</td>
<td>400 Pine St</td>
<td>Retail</td>
<td>2014</td>
<td>General Growth Properties - Westlake Center</td>
<td>$18,000,000</td>
</tr>
<tr>
<td>Yesler Terrace: Epstein Opportunity Center</td>
<td>120 8th Ave</td>
<td>Residential</td>
<td>2014</td>
<td>Seattle Housing Authority</td>
<td>$4,000,000</td>
</tr>
</tbody>
</table>
DOWNTOWN

Downtown features a blend of nationally recognized retail stores, as well as hundreds of independent retailers, offering apparel, home goods, gifts and merchandise unique to Seattle. There are 1,011 retail and 2,638 service businesses such as restaurants, salons, spas and fitness centers at street-level addresses Downtown, creating a vibrant and engaging Downtown experience.

Flagship Stores
Downtown Seattle is home to numerous flagship stores, including brands that have changed the way people shop, dress, enjoy the outdoors and eat. Flagship stores include:

New Retail
Clementine
Cone & Stein
Cone
KAVU
Flurt
Flirt
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
Anastasia
DOWNTOWN TAXABLE RETAIL SALES

Many industries are subject to retail sales tax for all or a portion of their business activity. Retail Trade, which includes traditional brick and mortar retail, is the largest category. Restaurant sales (found in the Play section) is another major category. All of these are strong and growing Downtown. Downtown Seattle accounts for 30 percent of retail trade, 49 percent of restaurant sales and 31 percent of all other taxable retail sales.

Downtown Seattle Retail Trade was 22 percent higher in 2013 than in 2009. Downtown sales increased four percent year-over-year (2012/13).

*To reflect traditional “brick and mortar” stores, “Retail” refers to retail trade excluding auto, gas and non-store retail unless otherwise specified.

Source: Washington State Department of Revenue

Retail Sales by Category (brick & mortar only)

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clothing &amp; Accessories</td>
<td>$623M</td>
</tr>
<tr>
<td>Miscellaneous Retailers</td>
<td>$214M</td>
</tr>
<tr>
<td>General Merchandise</td>
<td>$159M</td>
</tr>
<tr>
<td>Sporting Goods, Toys, Books &amp; Music</td>
<td>$133M</td>
</tr>
<tr>
<td>Electronics &amp; Appliances</td>
<td>$109M</td>
</tr>
<tr>
<td>Specialty Food &amp; Beverage</td>
<td>$91M</td>
</tr>
<tr>
<td>Home &amp; Office Decor</td>
<td>$88M</td>
</tr>
<tr>
<td>Pharmacy &amp; Health</td>
<td>$67M</td>
</tr>
<tr>
<td>Building Equipment &amp; Supplies</td>
<td>$9M</td>
</tr>
</tbody>
</table>
Downtown by the Numbers: Retail

<table>
<thead>
<tr>
<th>Category</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merchandise &amp; Gifts</td>
<td>298</td>
</tr>
<tr>
<td>Clothing &amp; Accessories</td>
<td>221</td>
</tr>
<tr>
<td>Grocery &amp; Pharmacy</td>
<td>133</td>
</tr>
<tr>
<td>Home &amp; Office Decor</td>
<td>122</td>
</tr>
<tr>
<td>Arts</td>
<td>105</td>
</tr>
<tr>
<td>Specialty Food, Beverage &amp; Tobacco</td>
<td>103</td>
</tr>
<tr>
<td>Auto &amp; Boat Sales</td>
<td>24</td>
</tr>
<tr>
<td>Department Store</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Metropolitan Improvement District 2014 Street-level Business Inventory

Downtown by the Numbers: Services

<table>
<thead>
<tr>
<th>Category</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurants, Bars &amp; Cafe</td>
<td>1,146</td>
</tr>
<tr>
<td>Professional Services</td>
<td>510</td>
</tr>
<tr>
<td>Personal Services</td>
<td>333</td>
</tr>
<tr>
<td>Financial</td>
<td>129</td>
</tr>
<tr>
<td>Cultural</td>
<td>111</td>
</tr>
<tr>
<td>Special Interest Groups</td>
<td>109</td>
</tr>
<tr>
<td>Trade Services</td>
<td>89</td>
</tr>
<tr>
<td>Hotels &amp; Inns</td>
<td>70</td>
</tr>
<tr>
<td>Human Services</td>
<td>53</td>
</tr>
<tr>
<td>Transportation</td>
<td>41</td>
</tr>
<tr>
<td>Technology Services</td>
<td>32</td>
</tr>
<tr>
<td>News/Media</td>
<td>15</td>
</tr>
</tbody>
</table>

Source: Metropolitan Improvement District 2014 Street-level Business Inventory

Occupied Street-level Addresses by Type

- Education: 57%
- Government: 22%
- Housing: 18%
- Retail: 1%
- Services: 1%

Occupied Retail & Service Businesses

<table>
<thead>
<tr>
<th>Category</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>1,064</td>
<td>1,086</td>
<td>1,043</td>
<td>1,025</td>
<td>1,011</td>
</tr>
<tr>
<td>Services</td>
<td>2,369</td>
<td>2,452</td>
<td>2,570</td>
<td>2,616</td>
<td>2,638</td>
</tr>
<tr>
<td>Total</td>
<td>3,433</td>
<td>3,538</td>
<td>3,613</td>
<td>3,641</td>
<td>3,649</td>
</tr>
</tbody>
</table>

Source: Metropolitan Improvement District 2014 Street-level Business Inventory
PEDESTRIAN COUNTS

In 2014, pedestrian traffic was counted at 18 sites throughout Downtown Seattle. Eight of these sites have been counted regularly since 2006. The following chart shows the aggregate counts for these eight sites, illustrating how overall “Downtown” pedestrian traffic has changed over the past five years.

Pedestrian Count Highlights

• Downtown pedestrian traffic is up year-over-year (21%).
• This year’s holiday count at 6th & Pine has the distinction of the largest pedestrian volume recorded at any site since counts began, with more than 10,000 pedestrians counted over 4.5 hours.
• In December, almost all sites saw significant year over year increase, just one site experienced a decrease (near a light rail construction site).
• Overall, there tends to be more pedestrian traffic during the summer. An exception the last two summers is 6th & Pine, which has heavy holiday traffic each December.

Summer Observations

• In 2014, few sites saw significant year-over-year changes in levels of pedestrian traffic.
• Those with significant decreases were adjacent to road construction projects.
• Those with significant increases were in areas where Amazon.com continues to expand. One exception was a site in the Chinatown-International District, which may have been partially impacted by a Seahawks game this year.

Source: Metropolitan Improvement District Pedestrian Counts
PLAYING DOWNTOWN

Downtown Seattle is the most heavily trafficked part of Puget Sound. In addition to daily workers, residents and shoppers, more than 23 million people visited/attended Downtown Seattle museums, theatres, conventions, tourist attractions, festivals and sporting events in 2014. Of course, this included a sizable number of “12s” during the Seahawks run to back-to-back Super Bowls.

Other cities no doubt are jealous. Downtown Seattle’s natural setting is a gorgeous backdrop for an array of events, festivals and cultural activities.

The seasonal campaigns “Summer in Seattle” and “Holidays in Seattle” serve as annual reminders of everything Downtown has to offer year-round.

FUN FACT:
Overnight visitors to Downtown Seattle filled MORE THAN 3.6 MILLION ROOM NIGHTS IN THE PAST YEAR.

Highlights

Festivals: Downtown Seattle is home to dozens of events each year including:
- Bumbershoot, with more than 100,000 attendees;
- Folklife, with 250,000 attendees 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 4,000 major sporting, performance, and exhibition events in 2014. Each year, hundreds of thousands attend public events, such as the Seafair Torchlight Parade with 150,000 attendees and the Seahawks Super Bowl victory parade which drew an estimated 700,000 fans to Downtown.

New Restaurants

Belle + White
BRGR Bar
Casco Antiguo
Cantina Lena
Damn the Weather
Elysian Bar
Evergreens
Good Bar
Intermezzo
Laika Lounge
Mamnoon
Pizzeria Gabbiano
Quality Athletics
Sprout
Stateside
Starbucks Roastery
& Serious Pie
Storyville Coffee Company
The Blarney Stone
The London Plane
Taylor Shellfish
Trove
Twisted Pasty
Vespolina
TOP DOWNTOWN ATTRACTIONS

Downtown Seattle is home to some of the region’s top attractions, including the Pike Place Market (10 million visitors per year) and the Seattle Space Needle (more than 1 million visitors each year). Downtown is also home to some of the state’s top performance, exhibit and sports venues.

Top Downtown Venues by Type

<table>
<thead>
<tr>
<th>Cultural Arts &amp; Exhibits</th>
<th>2013-14 Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seattle Aquarium</td>
<td>834,526</td>
</tr>
<tr>
<td>Pacific Science Center</td>
<td>770,349</td>
</tr>
<tr>
<td>EMP Museum</td>
<td>558,544</td>
</tr>
<tr>
<td>Chihuly Garden and Glass Exhibit</td>
<td>400,000+</td>
</tr>
<tr>
<td>Seattle Art Museum</td>
<td>366,761</td>
</tr>
<tr>
<td>Olympic Sculpture Park</td>
<td>288,140</td>
</tr>
<tr>
<td>MOHAI</td>
<td>217,821</td>
</tr>
<tr>
<td>Seattle Children’s Museum</td>
<td>182,334</td>
</tr>
<tr>
<td>Frye Art Museum</td>
<td>86,677</td>
</tr>
<tr>
<td>Klondike Gold Rush Museum</td>
<td>61,425</td>
</tr>
<tr>
<td>Wing Luke Asian Museum</td>
<td>43,802</td>
</tr>
</tbody>
</table>

Major League Sports & Venues

| Seattle Mariners/Safeco Field                     | 2,064,334          |
| Seattle Sounders/CenturyLink Field                | 743,485            |
| Seattle Seahawks/CenturyLink Field                | 545,577            |
| Seattle Storm/KeyArena                            | 117,638            |

Performing Arts & Venues

| The Paramount Theatre                             | 441,432            |
| Benaroya Hall                                     | 428,831            |
| The 5th Avenue Theatre                            | 298,541            |
| Pacific Northwest Ballet/McCaw Hall               | 177,911            |
| The Showbox Market                                | 140,978            |
| A Contemporary Theatre (ACT)                       | 125,934            |
| Seattle Children’s Theatre                        | 114,839            |
| Seattle Repertory Theatre                         | 110,620            |
| The Showbox SoDo                                  | 101,951            |
| Seattle Opera/McCaw Hall                          | 99,146             |
| The Moore Theatre                                 | 86,118             |

Sources: self-reported attendance by each venue for the most recent year or season (as of November 2014). Sports attendance is for regular season only.

A TOP DESTINATION

Travel + Leisure magazine’s annual best places poll consistently ranks Seattle among the best cities in the country for both visitors and residents.

In 2014, Seattle ranked:

#2 for specialty food
#2 for coffee
#3 among “geeky” cities
#4 for bookstores
#5 for ski trips

Some of the reasons why Seattle garners top rankings:

• One of the most “walkable” downtowns in the nation according to Walkscore.com
• Easy transit access, including light rail direct from SeaTac Airport
• One of the most gorgeous natural backdrops in the world, from our mountain ranges to the Puget Sound
• The world-famous Pike Place Market
• Diverse array of food establishments and boutique shops

ARTS COMMUNITY

In 2012, the Seattle area outperformed the U.S., the State of Washington, Pacific Northwest Region and the Western States Region in all eight categories measured by the Creative Vitality Index.

There were 329 non-profit arts and arts-active organizations within the Seattle Metro Area, and these organizations generated more than $207 million in revenues. The arts industries in Seattle support more than 30,000 jobs.

Seattle has more than 5 million square feet of cultural space, including 55,000 theatre seats and 300,000 square feet of art galleries.

More than 150 productions filmed in the Downtown area in 2014, including two feature films, a major studio TV pilot, and over 80 commercial/corporate productions, as well as various other projects including documentaries, commercial still photography, web series, reality television and travel programs.

Sources: City of Seattle Office of Arts and Culture, City of Seattle Office of Film and Music
Major Cruise lines operating out of Seattle:

Carnival
Celebrity Cruises®
Octania Cruises®
PRINCESS CRUISES®
Holland America Line
Royal Caribbean
NORWEGIAN CRUISE LINE®

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.

CRUISE INDUSTRY

Cruise Industry Local Economic Impact

• $408 million – annual business revenue
• 3,404 jobs
• $16.1 million – annual state & local taxes

The Seattle cruise ship industry has grown from 6,615 boardings in 1999 to more than 800,000 in 2014.

Passenger Boardings Per Year

2010: 531,698
2011: 885,949
2012: 934,900
2013: 870,394
2014: 823,780
2015 projected: 895,055

Source: Port of Seattle

ECONOMIC IMPACT OF VISITOR INDUSTRIES

In 2013, 36 million visitors to King County spent $6 billion, supported 68,000 jobs and contributed $884 million in taxes.

• 87 percent of visitors come to Seattle for leisure
• 84 percent of expenditures are spent locally
• 8 percent of visitors are international visitors
• Overseas visitors are one of the fastest growing groups (5.7% increase year-over-year)
• Lodging is the largest share of visitor spending, with $1.3B

Source: Visit Seattle

A large share of visitor activity occurs in Downtown, with Downtown accounting for more than half of the room nights booked in Seattle hotels. According to Washington State Department of Revenue data, tourism companies located in Downtown Seattle reported more than $2.2 billion in revenue earned within the state in 2013.

FUN FACT:
Each time a homeport ship docks it contributes $2.4 MILLION TO THE LOCAL ECONOMY.
HOTEL GROWTH

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.

If all the hotel rooms in the immediate pipeline are built, it will result in a nine percent increase in available rooms Downtown. If those in the planning stages are included, that becomes a 36 percent increase. Nationally, the construction pipeline is up 15 percent.

Average daily room rates in Downtown Seattle increased 12.7 percent. The Seattle metro area increased 12.6 percent year-over-year. The Seattle market had the second highest increase among U.S. metro areas. (Nashville was first with a 12.8% increase). This compares to a 5.4 percent increase nationwide.

Hotel occupancy in Downtown Seattle was at 96 percent. This compares to 72 percent nationwide and 93 percent in the Seattle metro area.

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.

CONVENTIONS

The Washington State Convention Center is planning an expansion to include as much as 300,000 square feet of exhibition space, 125,000 square feet of meeting room space and a 60,000 square-foot ballroom to capture millions of dollars more each year for hotels, restaurants and other businesses catering to convention attendees.

Hotel Room Inventory & Pipeline (projected cumulative inventory)

Hotel Occupancy & Room Rates

If all the hotel rooms in the immediate pipeline are built, it will result in a nine percent increase in available rooms Downtown. If those in the planning stages are included, that becomes a 36 percent increase. Nationally, the construction pipeline is up 15 percent.

Average daily room rates in Downtown Seattle increased 12.7 percent. The Seattle metro area increased 12.6 percent year-over-year. The Seattle market had the second highest increase among U.S. metro areas. (Nashville was first with a 12.8% increase). This compares to a 5.4 percent increase nationwide.

Hotel occupancy in Downtown Seattle was at 96 percent. This compares to 72 percent nationwide and 93 percent in the Seattle metro area.

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.

CONVENTIONS

The Washington State Convention Center is planning an expansion to include as much as 300,000 square feet of exhibition space, 125,000 square feet of meeting room space and a 60,000 square-foot ballroom to capture millions of dollars more each year for hotels, restaurants and other businesses catering to convention attendees.

Convention Event & Attendance
Here’s to What’s Next.

Schwabe is proud to be a partner in building Seattle's new skyline, providing legal services in land use, real estate, construction, water rights, and environmental law.

Schwabe, Williamson & Wyatt
ATTORNEYS AT LAW

1420 5th Ave., Suite 3400, Seattle, WA 98101 | 206-622-1711 | www.schwabe.com
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.

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.
