Visitor Industry
Last updated: February 2015

A TOP DESTINATION FOR VISITORS AND LOCALS ALIKE

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 Downtown Seattle museums, theatres, conventions, tourist attractions, festivals, and sporting events in 2014.

Festivals: Downtown Seattle is home to dozens of festivals each year, including the country’s largest urban arts festival, 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).

Visitors: Approximately a million visitors stayed at Downtown Seattle hotels in 2014, accounting for 3.6 million room nights.

DINING

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 several recent openings adding to the available variety, the restaurant scene emerging Downtown is diverse, unique, local, classy and fun.

BY THE NUMBERS

<table>
<thead>
<tr>
<th>Type</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bar</td>
<td>127</td>
</tr>
<tr>
<td>Cafe</td>
<td>249</td>
</tr>
<tr>
<td>Restaurant</td>
<td>770</td>
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Total Restaurant, Bars and Cafes: 1,146
Hotels

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.

Tourism Promotion Program

In 2011, the City of Seattle created a Tourism Improvement Area (TIA) 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.

Hotel Development

In 2014, Downtown saw a major surge in hotel development. With a growing tourism industry and a proposed convention center expansion, the Downtown Seattle hotel market is strong. Overnight visitors to Downtown Seattle filled 3.6 million room nights in the past year. With occupancy at nearly 100 percent during the peak months of July and August, the Downtown hotel market has plenty of room to grow.

Currently, four hotel buildings are under construction representing 776 additional rooms:

- American Life is constructing a 278-room Embassy Suites hotel as part of the first phase of the eastern portion of the Stadium Place projects (opening in 2016).
- Kauri Investments is about to complete a Hyatt House project with 116 hotel rooms.
- Touchstone is currently constructing two hotel projects:
  - Hill7, with 222 rooms; opening in 2016
  - 1st and Stewart Hotel and Apartments, with 160 rooms; opening 2015.

Figure 6. Hotel units delivered by year and status (as of December 31, 2014)
While no hotels were completed from 2011 through 2013, activity began to increase over the past year. By the middle of 2014, four hotel projects broke ground and a renovation was completed for the Red Lion Hotel (now a Motif hotel). This renovation included the addition of 22 new hotel rooms. By 2015, the Palladian also completed a renovation, adding another 97 rooms to the Downtown inventory.

Figure 6 (on the previous page) does not include more than 3,000 rooms in projects that are proposed but not formally permitted.

If all the hotel rooms in the immediate pipeline are built, it will result in an eight 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 12.8 percent. The Seattle Metro area increased 12.6 percent year-over-year. The Seattle market had the second highest increase among U.S. metros (Nashville was first with a 12.7% 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.

Hotel Occupancy and Room Rates

Hotel market data are for August of each year (July and August are typically Seattle’s peak months for hotel occupancy and rates)

Sources: Downtown Seattle Development Guide, Smith Travel Research
Conventions

The Washington State Convention Center is considering an expansion to include the current Honda Dealership property, which was purchased in 2013, the area over the Convention Place Station transit stop and possibly other parcels to the north. The expansion could 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. Pine Street Group has been hired to be the owner’s representative and project manager and will coordinate the activities of the expansion for the Public Facilities District Board.

<table>
<thead>
<tr>
<th>Year</th>
<th>Attendance</th>
<th>Events</th>
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<tr>
<td>2010</td>
<td>390,282</td>
<td>423</td>
</tr>
<tr>
<td>2011</td>
<td>420,313</td>
<td>412</td>
</tr>
<tr>
<td>2012</td>
<td>422,275</td>
<td>460</td>
</tr>
<tr>
<td>2013</td>
<td>404,000</td>
<td>361</td>
</tr>
<tr>
<td>2014</td>
<td>420,000</td>
<td>412</td>
</tr>
</tbody>
</table>

Source: Washington State Convention Center
Cruise Industry

Local Economic Impact (2014 data)

- $408 million – annual business revenue
- 3,404 jobs
- $16.1 million – annual state & local taxes
- Each time a homeport ship docks it contributes $2.4 million to the local economy

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

Source: Port of Seattle, Economic Impact Report, released October 2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Boardings</th>
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<tr>
<td>2010</td>
<td>931,698</td>
</tr>
<tr>
<td>2011</td>
<td>885,949</td>
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<tr>
<td>2012</td>
<td>934,900</td>
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<td>2013</td>
<td>870,994</td>
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<tr>
<td>2014</td>
<td>823,780</td>
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<tr>
<td>2015 (projected)</td>
<td>895,055</td>
</tr>
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</table>

Major Cruise lines operating out of Seattle:
- Carnival
- Celebrity Cruises
- Disney
- Holland America Line (with headquarters based in Downtown Seattle)
- Norwegian Cruise Line
- Oceana
- Princess Cruises
- Royal Caribbean International

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.

Source: Port of Seattle

Unless noted, the research data presented in this document was generated by the Metropolitan Improvement District’s Business Development & Market Research team, in cooperation with the Downtown Seattle Association. Please credit MID/DSA when using this data for external purposes. For more information, please email info@downtownseattle.org or call (206) 623-0340.
Economic Impact of Overnight Visitors

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

- 87% of visitors come to Seattle for leisure
- 84% of expenditures are spent locally
- 8% 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 $1.3 Billion

Source: Visit Seattle

With Downtown accounting for more than half of the room nights booked at Seattle hotels, a large share of this visitor activity occurs Downtown. 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.

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