BEYOND REAL ESTATE INCREMENT: THE VALUE OF THE CENTRAL SEATTLE WATERFRONT

A STUDY OF THE ECONOMIC, FISCAL, AND COMMUNITY BENEFITS OF SEATTLE'S NEW REGIONAL WATERFRONT

FEBRUARY 2019
Waterfront Seattle is a 26-block transformative open space and roadway improvement project that will reconnect Downtown Seattle, the City, and the region with its waterfront, generating new economic activity and improving the quality of life for the surrounding community and region.
EXECUTIVE SUMMARY

ECONOMIC & FISCAL IMPACTS

EQUITY

CITY BUILDING & TALENT RETENTION

TECHNICAL APPENDICES
EXECUTIVE SUMMARY | SCOPE OF WORK

HR&A Advisors was engaged to perform a detailed analysis of the projected benefits of the Waterfront Seattle project. This analysis and report serves as an update to HR&A's earlier analyses and reflects the more detailed project plans now available.¹

PROJECT CONTEXT
- Updated Program
- Updated Capital & Operating Budget Analysis
- Local Equity Challenges Research

BENEFITS ANALYSIS
- Economic & Fiscal Impact Analysis
- Friends’ Equity Agenda Definition
- Equity & Quality of Life Benefits Definition

NEXT STEPS
- Waterfront Seattle Completion
- Friends’ Equity Agenda Implementation
- Performance Tracking

OPPORTUNITIES

The project presents a significant opportunity to strengthen the Seattle waterfront and its ability to produce benefits for the surrounding community and region.

**CONSISTENT OPEN SPACE**
Link neighborhoods along the waterfront through connected open space

**WATERFRONT CONNECTION**
Reinforce the Seattle region’s connection to its waterfront

**ECONOMIC & FISCAL BENEFITS**
Generate new economic activity through construction, operations, visitation, and business activity

**EQUITY**
Drive toward equity goals in the surrounding neighborhood, city, and region

**QUALITY OF LIFE**
Enhance city brand and improve quality of life for residents and employees
EXECUTIVE SUMMARY | WATERFRONT SEATTLE

Waterfront Seattle will create a contemporary open space unlike any existing park in Seattle.

SIGNATURE OPEN SPACE

Signature design in a highly-utilized area distinct from past Seattle parks

WATERFRONT CONNECTION

Waterfront experiences spanning 26 urban blocks, including event space, kiosks, walking, and biking pathways, and connections to the bay

ACTIVE AND PASSIVE SPACE

Programming, natural space, and connections to make all feel welcome

Source: Seattle Parks & Recreation; James Corner Field Operations
EXECUTIVE SUMMARY | ECONOMIC & FISCAL BENEFITS

The project will generate both one-time and ongoing economic and fiscal impacts from a range of activities.

ONE-TIME IMPACTS

• Hard and soft construction costs

ONGOING IMPACTS

• Operations, including maintenance and Friends of Waterfront Seattle programming

Activity from park amenities, including:
• Food & beverage services (linked to entrepreneurial programming)
• Public and private event programming

• Visitor spending for lodging, retail, recreation, and transportation
**EXECUTIVE SUMMARY | ECONOMIC & FISCAL BENEFITS**

One-time construction of Waterfront Seattle and ongoing impacts of the project will generate meaningful economic impacts for the City of Seattle, including job creation and wages.

<table>
<thead>
<tr>
<th>ONE-TIME ECONOMIC IMPACT (NPV $2018)</th>
<th>ONGOING ECONOMIC IMPACT (Stabilized Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$1.1B</strong> ECONOMIC IMPACT</td>
<td><strong>$288M</strong> ECONOMIC IMPACT</td>
</tr>
<tr>
<td><strong>6,240</strong> JOBS (FTEs)$^1$</td>
<td><strong>2,385</strong> JOBS (FTEs)</td>
</tr>
<tr>
<td><strong>$376M</strong> WAGES</td>
<td><strong>$103M</strong> WAGES</td>
</tr>
<tr>
<td><strong>$30M</strong> LOCAL TAXES$^2$</td>
<td><strong>$10M</strong> LOCAL TAXES$^2$</td>
</tr>
</tbody>
</table>

1. Over the period of construction, anticipated to occur over the five year period 2018 – 2022.
2. Includes local Sales & Use Tax and Business License Tax; please refer to the Technical Appendix for a full accounting of all tax rates included in this analysis.
**EXECUTIVE SUMMARY | EQUITY**

Waterfront Seattle provides a once-in-a-lifetime opportunity to address key equity challenges facing the immediate area and the city and confer social benefits to the community.

- Friends of Waterfront Seattle holds several equity goals for the project: **access and inclusivity**, **economic empowerment**, and **outreach** to underserved populations in the surrounding neighborhoods and region.

- For each equity goal, HR&A examined the following:

<table>
<thead>
<tr>
<th>CONTEXT</th>
<th>RESPONSE</th>
<th>TOOLS</th>
</tr>
</thead>
<tbody>
<tr>
<td>What current conditions drove the Friends to set their equity objectives?</td>
<td>How is the Waterfront Seattle project responsive to these challenges?</td>
<td>What tools and tactics can the Friends use to measure success in achieving its goals?</td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY | EQUITY FINDINGS

ACCESS & INCLUSIVITY

44,000 residents within 1/2 mile of Waterfront Seattle

42% low-income households

ECONOMIC EMPOWERMENT

Retail rents
Inventory of small spaces
Vacancy rates
Limited access to loans

OUTREACH

Large homeless & addicted populations
Multiple existing services and actors proximate to the waterfront

CONTEXT

26-block welcoming open space with diverse recreation offerings

DATA

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ECONOMIC & FISCAL IMPACT | SUMMARY

The Waterfront Seattle project will create meaningful economic and fiscal impacts for the City of Seattle.

$1.1B
ONE-TIME IMPACT

$288M
ONGOING ECONOMIC IMPACT

2,385
PERMANENT JOBS

$10M
ONGOING LOCAL TAXES

1. One-time impacts refer to impacts accruing during the project’s construction period.
2. Ongoing and/or permanent benefits are estimated for a single year, using the assumed stabilized year of operations.
ECONOMIC & FISCAL IMPACT | METHODOLOGY

HR&A examined both one-time impacts (construction) and ongoing impacts (operations, activity driven by park amenities, and visitation), which will occur each year, to estimate total economic and fiscal impacts.

<table>
<thead>
<tr>
<th>ONE-TIME IMPACTS</th>
<th>ONGOING IMPACTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Hard and soft construction costs</td>
<td>• Operations, including maintenance and Friends of Waterfront Seattle programming</td>
</tr>
<tr>
<td></td>
<td>Activity from park amenities, including:</td>
</tr>
<tr>
<td></td>
<td>• Food &amp; beverage services (linked to entrepreneurial programming)</td>
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<td></td>
<td>• Public and private event programming</td>
</tr>
<tr>
<td></td>
<td>• Visitor spending for lodging, retail, recreation, and transportation</td>
</tr>
</tbody>
</table>
ECONOMIC & FISCAL IMPACT | OPERATIONS & MAINTENANCE

Once completed, the project will support new jobs and economic activity associated with its operations and maintenance.

ONGOING OPERATIONS & MAINTENANCE

145

JOBS¹

$8M

WAGES

$165K

LOCAL FISCAL IMPACT

¹ HR&A estimated Full Time Equivalent jobs (FTEs) based on analysis of a joint delivery model between Seattle Parks and Recreation and Friends of Waterfront Seattle. This estimate is informed by the total level of spending associated with operations and maintenance per the initial Operations & Maintenance Report prepared by ETM Associates, HR&A’s extrapolation of these costs to additional areas of the waterfront, projected to be maintained at the same level of investment, and Friends’ assumptions for staffing to support programming, enhanced security, administrative, and development staff, as well as multiplier jobs. Project areas included are shown on page 70.
ECONOMIC & FISCAL IMPACT | CONSTRUCTION

Construction of Waterfront Seattle began in late 2017, with the rebuild of Pier 62/63, and is expected to continue through 2022.

$781M
DIRECT IMPACT

$316M
MULTIPLIER IMPACT

$1.1B
TOTAL ONE-TIME
ECONOMIC IMPACT

6,240
ONE-TIME JOBS

$30M
LOCAL FISCAL IMPACT

1. FTEs: An FTE is the hours worked by one employee on a full-time basis. The concept is used to convert the hours worked by several part-time employees into the hours worked by full-time employees. On an annual basis, an FTE is considered to be 2,080 hours, which is calculated as: 8 hours per day, x 5 work days per week.
2. Includes Local Sales & Use Tax and Business License Tax
ECONOMIC & FISCAL IMPACT | ONSITE PARK AMENITIES

Programming led by Friends of Waterfront Seattle and its local partner, Ventures, will provide business support and resources for local entrepreneurs and provide F&B and event operations throughout the project.

ONGOING AMENITY ACTIVITY

30 JOBS\(^1\)

$1 M WAGES

$90K LOCAL FISCAL IMPACT

- Entrepreneurs engaged by micro-business support programming
- Public and private events
- Kiosk and restaurant employees

1. Full-Time Equivalent (FTE) jobs. Note: This number of jobs is based upon the IMPLAN analysis of economic activity associated with four F&B kiosks, F&B services at the Washington Street boat landing, the anticipated micro-business support programming (location TBD), and anticipated public and private events during the first year of operations. Based on the program typologies and associated employees per square foot, the estimated number of jobs (non FTEs) is 40. Estimates are based on a conceptual business plan, and employment, wage, and fiscal impacts could evolve over time in step with the potential evolution of the business plan following the launch of amenity offerings.
ECONOMIC & FISCAL IMPACT | NET NEW VISITATION

Residents from the surrounding area and annual tourists will visit Waterfront Seattle at rates similar to other waterfront, linear, and signature downtown open spaces across the country.

Based on current population and tourism figures, an estimated 8M people are likely to visit the Waterfront each year. This likely does not account for all new net visitation activity, which may also benefit from the brand value created by a revitalized Waterfront.

POTENTIAL VISITOR MARKET

3.8M RESIDENTS

36M ANNUAL TOURISTS TO SEATTLE

×

20% CAPTURE RATE

8M ANNUAL VISITORS TO THE WATERFRONT

1. Population defined as within the Seattle metropolitan area. Source: Bureau of Economic Analysis
2. Daytime and overnight tourists to the City of Seattle in 2016, based on the 2016 Longwood Tourism Study.
3. Average capture rate of the visitor market based on comparable waterfront, linear, and downtown destination parks. Methodology is detailed further in the Technical Appendix.
ECONOMIC & FISCAL IMPACT | VISITOR TYPES

Visitors to the Waterfront Seattle program are comprised of regional residents and out-of-region tourists, who will spend varying amounts of extended time on the Waterfront.¹

**Waterfront Visitor Breakdown**

<table>
<thead>
<tr>
<th>Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day-Trip Tourists</td>
<td>37%</td>
</tr>
<tr>
<td>Visitors from outside the region who are likely to spend up to 2 hours visiting the Waterfront.</td>
<td></td>
</tr>
<tr>
<td>Overnight Tourists</td>
<td>28%</td>
</tr>
<tr>
<td>Visitors from outside the region who are likely to spend 2+ hours visiting the Waterfront.</td>
<td></td>
</tr>
<tr>
<td>Non-City Metropolitan Area Residents</td>
<td>27%</td>
</tr>
<tr>
<td>Regional visitors who will visit the Waterfront for its unique programming and amenities</td>
<td></td>
</tr>
<tr>
<td>City of Seattle Residents</td>
<td>8%</td>
</tr>
<tr>
<td>Existing residents from Seattle who will also go to the Waterfront.</td>
<td></td>
</tr>
</tbody>
</table>

¹ Estimates refer to regular, annual visitation totals only and are based on: i) visitation precedents of comparable parks nationwide, and ii) local and regional population shares. In addition, the Friends of Waterfront Seattle place strong emphasis on developing special events programming oriented to local residents that may attract greater numbers of regional visitors. Preliminary surveys of visitors indicate visitation from zip codes across the city, but additional future tracking and surveys will be required to fully understand actual visitation breakdowns.

² Based on comparable research of regional vs. out-of-region park visitation, population data from the U.S. Census Bureau, and the 2016 Longwood Tourism Study for the City of Seattle. Further detail available in the Technical Appendix.
1. HR&A assumption for different visitor populations, based on precedent analysis as discussed on the previous page.

2. HR&A’s 2013 Visitation Study estimated 950K net new visitor days. Further detail available in the Technical Appendix.
ECONOMIC & FISCAL IMPACT | VISITOR SPENDING

Based on typical visitor spending patterns, 1.5 million net new day and overnight visitors associated with the Waterfront Seattle are estimated to generate $191 million in spending.

1. Excludes visitor spending captured by on-site commercial activity. Based on an analysis of the 2016 Longwood Tourism Study, spending was assumed to average $78 per person for day trips and $275 per person for overnight trips. These averages were then multiplied by the net number of new visitor days for both day and overnight visitors.

2. Sales & Use taxes (including Convention & Trade Center taxes at the local level) and Business & Occupation taxes.
EXECUTIVE SUMMARY
ECONOMIC & FISCAL IMPACTS
EQUITY
CITY BUILDING & TALENT RETENTION
TECHNICAL APPENDICES
The City of Seattle and its partners are focused on advancing equity and inclusivity.

EQUITY GUIDELINES & INITIATIVES

CITY
- Seattle 2035
- Race and Social Justice Initiative
- Housing Affordability & Livability Agenda

SEATTLE PARKS & REC
- 2017 Parks & Open Space Plan
- Get Moving Initiative
- Healthy Environment Action Agenda
- Recreation for All

FRIENDS
- Hot Spot programming
- Community Connections Board
- Inclusive Board member recruitment & hiring
- Training with Race Forward & social equity toolkit
- LEAD waterfront focus
- DSA/MID partnership for social service outreach
**EQUITY | GOALS**

Equity is a key component of the Friends’ mission for Waterfront Seattle.

<table>
<thead>
<tr>
<th>ACCESS &amp; INCLUSIVEITY</th>
<th>Provide programming that invites diverse groups to use the waterfront as a canvas, bringing their own palettes. This is a park that is relevant and used by the whole city.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Through cultural, educational, and recreational programming, build a place where the community can come together to learn, play, create, and enjoy each other.</td>
</tr>
<tr>
<td></td>
<td>Partner with the City on Operations &amp; Maintenance and augment public funding to keep the waterfront clean, beautiful, safe, and welcoming in all seasons.</td>
</tr>
<tr>
<td>ECONOMIC EMPOWERMENT</td>
<td>Work with a local partner to create micro-business support programming that empowers lower income entrepreneurs through business ownership.</td>
</tr>
<tr>
<td></td>
<td>Create and grow an organization that shares leadership with all ethnicities, races, and socioeconomic levels.</td>
</tr>
<tr>
<td></td>
<td>Create career paths in park programming and operations for diverse communities.</td>
</tr>
<tr>
<td>SUPPORTING OUTREACH</td>
<td>Support partners’ efforts to meet people in need where they are by providing outreach and social services to the unsheltered and addicted.</td>
</tr>
</tbody>
</table>

Source: Friends of Waterfront Seattle
EQUITY | BACKGROUND

Best-in-class urban parks are now considering public space impacts through the lens of equity and inclusion. The Friends has joined this precedent-setting conversation.
EQUITY | GOALS

Some equity impacts can be projected today, while other metrics should be tracked and measured as the project begins operating.

The Friends may set targets and outline tactics in the following areas:
EQUITY | ACCESS & INCLUSIVITY: COMMUNITY ENRICHMENT

The Waterfront Park will serve over 44,000 people living within a 1/2 mile, as well as a robust worker and visitor population served by robust transit offerings, building a diverse community of regular users.

**DAYTIME POPULATION**

- **44K** Local Residents
- **45K** New workers in downtown and surrounding area between 2010 - 2016
- **3.6M** Annual regional visitors

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1. Esri
2. Commute Seattle
3. HR&A estimate; see appendix for methodology
EQUITY | ACCESS & INCLUSIVITY: COMMUNITY ENRICHMENT

The Waterfront Park will be an important community-strengthening asset, offering free programming and improving quality of life for neighboring communities which are less affluent and more diverse than Seattle on average.

42%

**STUDY AREA POPULATION LOW INCOME (<$35K)**

$43,600

**STUDY AREA MEDIAN HH INCOME**

$83,500

**SEATTLE AVERAGE MEDIAN HH INCOME**

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1. Source: Esri

Note: The study area was defined as a ½ mile radius (10 Min Walk) of Park Access Points. Equity analysis in the following slides was conducted using The Trust for Public Land’s geodesign application named “Park Evaluator™,” an online tool for city park planners.
EQUITY | ACCESS & INCLUSIVITY: CULTURE & EDUCATION

The 20-acre urban park will offer a diverse set of event space and cultural amenities not currently available in a central city location, building upon existing programming and providing opportunities for collaborative partnerships.
EQUITY | ACCESS & INCLUSIVITY: RECREATION

The Waterfront program will provide both passive and programmed space that is well-maintained to create a welcoming public area and valuable public asset that is appealing to and attracts a diversity of users.

Gathering & events space  
Increased access  
Pedestrian safety  
Connection with nature  
Cultural amenities
EQUITY | ACCESS & INCLUSIVITY: RECREATION

The Waterfront program will build upon existing programming and special events that have begun to activate portions of the waterfront in advance of new infrastructure investments, working in collaboration with partners to create programming that is appealing to a diversity of visitors from across the city.

Initial Survey Results

+40% increase in 2018 summer visitation over summer 2017

54,000+ waterfront visitors for pilot summer programming between 2015 - 2018 in advance of new infrastructure investments

97 summer events featuring local arts and music groups featured in waterfront programming between 2015 - 2018

36% surveyed visitors visit at least monthly

70% surveyed visitors reached the waterfront by foot, public transit, bicycle, or ride share, with 47% walking
EQUITY | ACCESS & INCLUSIVITY

The Waterfront’s accessibility and inclusivity, including the diversity and reach of its programming, cannot be measured yet but should be going forward. To track relevant metrics, the Friends should:

1. **Set specific targets.**
   - Set targets for **community enrichment; culture and education; and recreation**
   - Identify target populations to serve

2. **Establish the baseline.**
   Take inventory of existing cultural and historic assets and programs

3. **Track progress.**
   Conduct annual and event-specific surveys to measure:
   - Reach and demographic audience of parks programs
   - Visitation trends (time of year, time of day, duration of visit)
   - User satisfaction and perceptions of accessibility
   - Community engagement (volunteer hours, donations)
   - Crime rates and perceptions of safety around waterfront
   - Outcomes regarding targets for Women- and Minority-Owned Business Enterprises (WMBE) contracts, vendors, and concessions
Rising retail rents
At an average of $37.50 PSF, retail rents in near the waterfront are the highest in Seattle.

Declining inventory of small spaces
Only 25% of existing buildings have available spaces under 1,000 SF.

Falling vacancy rates
Since 2012, retail vacancy rates have declined from 2.9% to 1.9%.

Limited & unevenly distributed loans
Areas with a concentration of low-income, minority, and immigrant-owned businesses receive <10% of loan dollars per capita of more affluent areas.

Source: Commercial Affordability Study
EQUITY | INCLUSIVE GROWTH: ECONOMIC EMPOWERMENT

In partnership with Ventures, Friends of Waterfront Seattle will provide micro-business support programming to create economic opportunities for small businesses. Ventures empowers low-income entrepreneurs with limited resources and unlimited potential to improve their lives through small business ownership.
EQUITY | INCLUSIVE GROWTH: ECONOMIC EMPOWERMENT

Friends of Waterfront Seattle and Ventures’ partnership will empower entrepreneurs from underserved populations and generate economic activity for the City.

<table>
<thead>
<tr>
<th>MICRO-BUSINESS PROGRAMMING</th>
<th>ONGOING ANNUAL IMPACT ¹</th>
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</thead>
<tbody>
<tr>
<td><strong>ECONOMIC IMPACT</strong></td>
<td>$3M</td>
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<tr>
<td><strong>WAGES</strong></td>
<td>$1M</td>
</tr>
<tr>
<td><strong>JOBS (FTE)</strong> ²</td>
<td>30</td>
</tr>
<tr>
<td><strong>SHARE WMBE</strong> ³</td>
<td>80%</td>
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</tbody>
</table>

1. Micro-business support programming impact is included in on-site commercial activity, discussed earlier in this study.
2. Based on the IMPLAN analysis of economic activity. Before conversion to FTEs, based on the anticipated program and associated employees per square foot, the estimated number of jobs (non FTEs) is 40.
3. Per preliminary business planning by Friends of Waterfront Seattle and partners.
EQUITY | ECONOMIC EMPOWERMENT

With the ramp up of Waterfront Seattle, the Friends will advance its goal of creating economic opportunity for diverse and low-income populations. To track relevant metrics, the Friends should:

1. **Set specific targets.**
   - Set **economic empowerment** goals, including job creation
   - Identify target populations to serve

2. **Establish the baseline.**
   - Utilize existing inventories of WMBE and small businesses currently located in downtown

3. **Track progress.**
   Use annual reporting to measure:
   - Jobs created by micro-business support and parks operations, at management and junior levels
   - Demographic composition of supported micro-business members and staff at all levels
   - Number of workforce and training opportunities available
   - Success rate and trajectory of micro-business support program graduates
EQUITY | OUTREACH: SUPPORT OUTREACH & ENGAGEMENT

Friends can continue to act as a partner to existing programs run by the City and other local organizations to serve downtown’s vulnerable populations, which remain in critical need of support.

Waterfront focus for LEAD

Friends of Waterfront Seattle Community Connections Board

30% DECREASE IN ARRESTS AND CITATIONS SINCE 2016

16% DECREASE IN OVERALL CONTACT HOURS

Spearheading collaboration with the Police Department to refer and serve vulnerable populations where they are

Standing committee meetings to achieve deep and wide engagement of all Seattleites & underserved populations
EQUITY | OUTREACH

Friends should continue to act as an on-the-ground partner to organizations leading outreach to vulnerable populations, including the homeless and addicted. To track these metrics, the Friends should:

1. **Set objectives.**
   - Set targets for outreach & engagement
   - Identify target populations to serve and potential partner organizations with which to collaborate

2. **Establish the baseline.**
   - Record instances in which Friends directly assists in outreach and identify key partners

3. **Track progress.**
   Ensure that Friends employees record key information about relationships with existing partners to leverage new or useful resources
Develop and maintain a system for tracking metrics on an ongoing and annual basis through surveys and other forms of data collection. Measuring equity impact should be a central part of the Friends’ business plan and mission going forward.
EXECUTIVE SUMMARY

ECONOMIC & FISCAL IMPACTS

EQUITY

CITY BUILDING & TALENT RETENTION

  WORKER ATTRACTION

  WORKER RETENTION

TECHNICAL APPENDICES
WORKER ATTRACTION | DOWNTOWN SEATTLE
Sustained employment and population growth downtown, within the area surrounding the Waterfront Seattle project, serve as major engines of growth for the county.

![Graph showing Seattle Growth 2007 - 2017](source: Emsi)

- **+52,000** new jobs created in Downtown Seattle
- **31%** of countywide employment growth driven by downtown Seattle

Source: Emsi
A base of high-skill industries has expanded since the recession, increasing the number of high wage jobs. Together with population growth this has driven increases in the food and accommodations and the arts, entertainment, and recreation industries.

### Downtown Seattle Employment: 2007 - 2017

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<tbody>
<tr>
<td>Retail (primarily online retail)</td>
<td>$139,000</td>
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<tr>
<td>Health care and social services</td>
<td>$77,000</td>
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<tr>
<td>Professional services</td>
<td>$120,000</td>
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<tr>
<td>Information</td>
<td>$187,000</td>
<td></td>
<td></td>
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<tr>
<td>Food and accomodation services</td>
<td>$33,000</td>
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<tr>
<td>Management of companies</td>
<td>$138,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td>$86,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts, entertainment, and recreation</td>
<td>$64,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation and Warehousing</td>
<td>$100,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other services</td>
<td>$61,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>$138,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admin, support, and waste management</td>
<td>$71,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>$100,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Other Industries</td>
<td>$76,600</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Emsi; Retail jobs added since 2007 are primarily Amazon-related (online retail).
Downtown has also accounted for a higher share of new regional “knowledge economy” employment growth than across all other industries.

### Employment Growth as a Share of Countywide Growth, Knowledge Industries 2007 - 2017

<table>
<thead>
<tr>
<th>Industry</th>
<th>Downtown Share</th>
<th>Other County Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional services</td>
<td>31%</td>
<td>69%</td>
</tr>
<tr>
<td>Management of companies</td>
<td>52%</td>
<td>48%</td>
</tr>
<tr>
<td>Information</td>
<td>34%</td>
<td>66%</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>39%</td>
<td>61%</td>
</tr>
<tr>
<td>Health care and social services</td>
<td>24%</td>
<td>76%</td>
</tr>
<tr>
<td>All other industries</td>
<td>20%</td>
<td>80%</td>
</tr>
</tbody>
</table>

Source: Emsi. HR&A defines knowledge economy industries as those comprising knowledge-intensive activities that contribute to an accelerated pace of technical and scientific advance, with a greater reliance on skills than on physical inputs or natural resources. Jobs within these industries tend to pay higher average wages than traditional manufacturing and services industries. The strength of specific knowledge economy industries varies regionally dependent on regional strengths including access to talent and educational infrastructure. A full definition and industry codes are included in the appendix.
WORKER ATTRACTION | SEATTLE

Employment growth in the downtown core is supported by significant commercial investments, including new Class A office space and corporate campuses.

**Recent Downtown Development and Corporate Relocations**

- **Recently completed commercial development**
  - Expedia Campus
    - 950,000 SF campus
    - 4,500+ employees
  
  - Google Campus
    - 600,000 SF campus
    - 3,000+ new workers

- **Select corporate relocations/new regional offices**
  - 300 Pine Street
    - 300,000 SF office
  
  - 450 Alaska Way
    - 175,000 SF office

  - F5 Tower
    - 528,000 SF office
    - 189 hotel keys

  - Madison Centre
    - 750,000 SF office & retail

  - Airbnb
    - 300+ new workers

  - Apple
    - 200+ new workers

*Source: Downtown Seattle Association*
WORKER ATTRACTION | NATIONAL TRENDS

Nationally, innovation economy workers want to live and work in dense, walkable, and mixed-use environments with quality open space that facilitates social interaction. Waterfront Seattle has the potential to reinforce these qualities in Downtown, strengthening the area’s draw for companies and employees.

Open space is the #5 driver of site selection for commercial tenants and investors.¹

1 in 5 leaders of fast-growing companies named quality of life as a key factor for business location.²

Place-based investments are more important to young workers than to older workers, by as much as 50%.³

Access to quality open space is a criterion for site selection of Amazon’s HQ2.

Expedia cited quality of life for its planned relocation to a $200M waterfront campus in Seattle from Bellevue.

Supporters of Austin’s planned Waller Creek Park network have cited quality of life for young workers as a motivating force.

2. Insight Endeavors: What Do the Best Entrepreneurs Want in a City?, 2014
WORKER ATTRACTION | EVALUATION OF PRECEDESNTS

To understand the impact of large-scale open space investments on attraction of workers, HR&A analyzed total and “knowledge economy” employment trends for comparable open space investments in peer cities. A broad range of parks were analyzed to understand the range of benefits generated in the period following park construction.

Impacts considered:

- Role of open space investment in attraction of new commercial investment
- Changes in park impact area employment relative to regional employment trends
- Changes in knowledge economy employment trends.  

1. As defined on Slide 5, this includes professional services, management of companies, information, finance and insurance, and health care and social services.
Across the studied projects, significant urban open space investments have had a positive effect on employment in the immediate area, and are particularly reinforcing for innovation economy job growth. HR&A observed this effect in cities with growing employment—Seattle’s peers—and for those in decline.

<table>
<thead>
<tr>
<th>Mitigate Losses in Existing Commercial Districts</th>
<th>Anchor New Commercial Districts</th>
<th>Strengthen Existing Commercial Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennium Park, Chicago</td>
<td>The High Line, Manhattan</td>
<td>Brooklyn Bridge Park, Brooklyn</td>
</tr>
<tr>
<td></td>
<td>Yards Park DC</td>
<td>Klyde Warren Park, Dallas</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rose Kennedy Greenway, Boston</td>
</tr>
</tbody>
</table>

Seattle Peer Case Study
WORKER ATTRACTION | MITIGATE LOSSES

Even in cities where overall employment is declining, signature urban open space helped to stem loss, attracting new corporate investment that resulted in lower employment declines in the immediate area than countywide.

In the presence of signature open space investments:

• Significant new residential real estate development attributable to park development confirmed the desirability of a live-work-play neighborhood and provided workers with new places to live.

• Major corporate entities, citing access to talent and amenities, relocated or opened major offices following park development.

• Losses in employment were observed to be significantly lower than across the county.

• Wages in key innovation economy industries were higher in the immediate area than countywide.
WORKER ATTRACTION | ANCHOR NEW DISTRICTS

In other cities, the development of signature open spaces was observed to anchor new commercial districts, supporting the branding of new live/work/play neighborhoods and the attraction of major new tenants.

In the presence of signature open space investments:

- New commercial districts achieved employment growth consistent with countywide averages in a short period of time.
- First-mover major corporate tenants relocated to benefit from proximity to new amenities, creating momentum for other commercial investment and employment growth.
- Wages in key innovation economy industries achieved parity with, or exceeded, countywide wages in a short period of time.
In a third category, particularly relevant to Seattle, the development of signature open spaces was observed to bolster growth in existing commercial districts, reinforcing areas of strength.

**In the presence of signature open space investments:**

- Major corporate tenants relocated to benefit from proximity to new amenities, creating momentum for new commercial investment, redevelopment, and employment growth.

- In established residential neighborhoods, more commercial investment emerged.

- Commercial districts achieved employment growth that exceeded countywide averages in a short period of time, including in key innovation economy industries.

- Wages in key innovation economy industries achieved parity with or exceeded countywide wages in a short period of time.
WORKER ATTRACTION | THE HIGH LINE

The High Line transformed elevated rail tracks into an iconic open space that spans several distinct neighborhoods, providing unique program offerings and catalyzing new commercial and residential development.

**Park Construction:** 2006 – 2017; first phase opened 2009.

**Signature Elements:** Landscaping on former elevated rail tracks provides a unique urban experience; the park provides signature community and arts programming.

**Resulting Investment:**

- The High Line has catalyzed new investment, attracting flagship offices to new construction.
- For example, Google established a 400,000 square foot headquarters at the Chelsea Market and has acquired the building for $2.4B. The company also purchased 111 Eighth Avenue for $1.8B, and leases additional space in the neighborhood.
- Facebook has followed, leasing approximately 900,000 square feet to support 5,000 jobs.

*Source: EMSI*
WORKER ATTRACTION | THE HIGH LINE

In a former residential and industrial district, the High Line catalyzed employment growth that has outpaced Manhattan-wide growth rates overall and for innovation economy industries. New jobs overall pay high wages, with information workers earning more on average in the district than throughout Manhattan.

Total New Employment Growth:
23,000 new jobs following park development, a 24% increase versus 5% across Manhattan.

Average Regional Wage:
$135,052 (average Manhattan wages include those of some of the highest-paid workers nationwide, including in Midtown and the Financial District)

Average Wage of New Park District Jobs: $106,000

Knowledge Industry Growth
2006 - 2016

<table>
<thead>
<tr>
<th>Industry</th>
<th>Average Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information</td>
<td>$180,000</td>
</tr>
<tr>
<td>Professional services</td>
<td>$333,000</td>
</tr>
<tr>
<td>Management of companies</td>
<td>$146,000</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>$214,000</td>
</tr>
<tr>
<td>Health care and social services</td>
<td>$58,000</td>
</tr>
<tr>
<td></td>
<td>$168,000</td>
</tr>
<tr>
<td></td>
<td>$363,000</td>
</tr>
<tr>
<td></td>
<td>$158,000</td>
</tr>
<tr>
<td></td>
<td>$220,000</td>
</tr>
<tr>
<td></td>
<td>$75,000</td>
</tr>
</tbody>
</table>

Source: EMSI
WORKER ATTRACTION | YARDS PARK

Formerly part of a Navy yard, today the Yards Park anchors a vibrant, new mixed-use district along the Capitol Riverfront near downtown. Aquatic recreation and regular programming appeal to workers and residents, while a pedestrian bridge provides connectivity to surrounding areas.

**Park Construction:** Commenced 2007; park opened 2010.

**Signature Elements:** Pedestrian pathways and signature design provide connectivity to the waterfront and host regular programming.

**Resulting Investment:**

- Confirming the area’s new status as the city’s fastest-growing neighborhood, at full build-out the area will contain 37 million square feet of new office, retail, and residential space and is projected to add 12,000 new residents.
- Taking advantage of larger footprints, government relations firms and contractors, including Watkinson & Miller and defense contractor Asset Inc., have relocated from downtown.
- Broadcast company CBS Radio leased 33,000 square feet, including a ground floor performance studio to host talent. The National Association of Broadcasters has also relocated.

Source: EMSI
WORKER ATTRACTION | YARDS PARK

Yards Park has helped to anchor a new mixed-use district, achieving overall employment growth and average wages modestly exceeding DC-wide levels in a short period. While wages in high job quality industries lag countywide wages, employment in these industries has expanded more rapidly.

**Total New Employment Growth:**
6,000 jobs, at a rate of 12% versus 10% citywide in an entirely new planned district.

**Average Regional Wage:**
$114,000

**Average Wage of New Park District Jobs:** $116,000

### Knowledge Industry Growth 2007 - 2017

<table>
<thead>
<tr>
<th>Industry</th>
<th>Average Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information</td>
<td>$103,000</td>
</tr>
<tr>
<td>Professional services</td>
<td>$168,000</td>
</tr>
<tr>
<td>Health care and social services</td>
<td>$131,000</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>$160,000</td>
</tr>
<tr>
<td>Management of companies</td>
<td>$60,000</td>
</tr>
<tr>
<td>Management of companies</td>
<td>$149,000</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>$204,000</td>
</tr>
<tr>
<td>Management of companies</td>
<td>$155,000</td>
</tr>
<tr>
<td>Information</td>
<td>$245,000</td>
</tr>
<tr>
<td>Professional services</td>
<td>$79,000</td>
</tr>
</tbody>
</table>

**Source:** EMSI
WORKER ATTRACTION | BROOKLYN BRIDGE PARK

Built over former industrial waterfront piers, the 85 acre Brooklyn Bridge Park has reconnected the borough to its waterfront, attracting users from every corner of Brooklyn and new commercial investment.

Brooklyn Bridge Park, Brooklyn

Park Construction: Commenced 2008; park opened 2012.

Signature Elements: Waterfront access, pedestrian and bicycle connectivity, and signature programming that appeals to local workers and boroughwide residents.

Resulting Investment:

- Etsy, an online marketplace, developed its 225,000 square feet global headquarters in the district.
- JP Morgan Chase moved 1,000 jobs to Metrotech Center the year the park opened.
- Global design companies and cutting edge design firms are moving their headquarters to the area, both into the first newly-built Class A office tower in the borough in many years and into renovated, historic structures.

Source: EMSI
WORKER ATTRACTION | BROOKLYN BRIDGE PARK

In a neighborhood that was predominantly residential, Brooklyn Bridge Park helped to spur new commercial development on the periphery of Brooklyn’s downtown, achieving significant total employment growth, innovation economy growth, and wages higher than those Brooklyn-wide.

Total New Employment Growth:
20,000 new jobs following park development, a 45% increase in a previously predominantly residential neighborhood.

Average Regional Wage:
$57,000 (Brooklyn-wide)

Average Wage of New Park District Jobs: $62,000

Knowledge Industry Growth 2008 - 2017

<table>
<thead>
<tr>
<th>Study Area</th>
<th></th>
<th>Regional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information</td>
<td>30%</td>
<td>-6%</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>85%</td>
<td>67%</td>
</tr>
<tr>
<td>Professional services</td>
<td>20%</td>
<td>43%</td>
</tr>
<tr>
<td>Management of companies</td>
<td>107%</td>
<td>81%</td>
</tr>
</tbody>
</table>

Average Earnings

<table>
<thead>
<tr>
<th>Source: EMSI</th>
<th>Information</th>
<th>Finance and Insurance</th>
<th>Professional services</th>
<th>Management of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>$107,000</td>
<td>$95,000</td>
<td>$80,000</td>
<td>$97,000</td>
<td></td>
</tr>
<tr>
<td>$51,000</td>
<td>$92,000</td>
<td>$101,000</td>
<td>$74,000</td>
<td></td>
</tr>
<tr>
<td>$92,000</td>
<td>$49,000</td>
<td>$92,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
WORKER ATTRACTION | ROSE KENNEDY GREENWAY

Built over a buried freeway that previously divided downtown Boston from its waterfront, the 1.1 mile Rose Kennedy Greenway provides an important connective link and recreational amenity that appeals to workers, residents, and visitors.


Signature Elements: Neighborhood jewel and pocket parks, pedestrian and bicycle connectivity, and signature programming that appeals to local workers, citywide residents, and visitors.

Resulting Investment:

- Wayfair, an online retailer, currently employs 3,500 workers downtown and is seeking space to hire as many as 10,000 new workers.
- LogMeIn, a remote access tool developer, is expanding its headquarters to double employment to 450 workers.
- General Electric relocated its corporate headquarters from suburban Connecticut to a new $200M development in Seaport District, accessible by pedestrian bridge to the Rose Kennedy Greenway, adding 800 jobs at completion.

Source: EMSI
WORKER ATTRACTION | ROSE KENNEDY GREENWAY

The Rose Kennedy Greenway has strengthened an established downtown business district, attracting significant information sector growth that was once concentrated in Cambridge. While other innovation employment is growing at parity with the region, downtown has exceeded regional standard wages.

**Total New Employment Growth:**
13,000 new jobs following park development, an 11% increase in a dense downtown commercial district.

**Average Regional Wage:**
$108,000

**Average Wage of New Park District Jobs:** $152,000

**Knowledge Industry Growth 2008 - 2017**

<table>
<thead>
<tr>
<th>Study Area</th>
<th>Regional</th>
</tr>
</thead>
<tbody>
<tr>
<td>-11%</td>
<td>-8%</td>
</tr>
</tbody>
</table>

- Information: 38% (Study Area), 40% (Regional)
- Professional services: 33% (Study Area), 23% (Regional)
- Finance and Insurance: 31% (Study Area)
- Health care and social services: 27% (Study Area)
- Management of companies: 20% (Study Area)

**Average Earnings**

- $138,000
- $286,000
- $153,000
- $181,000
- $90,000
- $122,000
- $260,000
- $153,000
- $182,000
- $92,000

Source: EMSI
WORKER ATTRACTION | KLYDE WARREN PARK

Built over a freeway with a deck cap, Klyde Warren Park stiches together Downtown and Midtown Dallas, attracting new investment and development and strengthening established commercial districts.

Klyde Warren Park, Dallas

Park Construction: Commenced 2008; park opened 2012.

Signature Elements: Connects Downtown Dallas over a major physical barrier and provides a program that strengthens Downtown’s cultural district and surrounding commercial districts.

Resulting Investment:

- Goldman Sachs relocated its regional headquarters from nearby Irving, bringing over 1,000 jobs to Downtown.
- Global engineering firm Jacobs has also relocated its corporate headquarters from Los Angeles, planning to add 100 new jobs.
- Existing companies such as health-tech company Healthmark have also continued to grow their headquarters.
- Confirming Downtown’s new status as a desirable live-work destination, a planned 55-story residential tower at nearby Fountain Place will be the city’s tallest building.

Source: EMSI
WORKER ATTRACTION | KLYDE WARREN PARK

The new commercial district around Klyde Warren Park has achieved overall employment growth and average wages that outpace regional growth and wages. Innovation economy growth has reached parity with regional growth, with higher wages than countywide.

Total New Employment Growth:
13,000 new jobs following park development, a 21% growth rate versus 18% regionally.

Average Regional Wage:
$78,000

Average Wage of New Park District Jobs: $108,000

Knowledge Industry Growth 2008 - 2017

<table>
<thead>
<tr>
<th>Study Area</th>
<th>Regional</th>
</tr>
</thead>
<tbody>
<tr>
<td>-3%</td>
<td>6%</td>
</tr>
<tr>
<td>15%</td>
<td>14%</td>
</tr>
<tr>
<td>23%</td>
<td>27%</td>
</tr>
<tr>
<td>30%</td>
<td>23%</td>
</tr>
<tr>
<td>61%</td>
<td>61%</td>
</tr>
</tbody>
</table>

| Source: EMSI |

<table>
<thead>
<tr>
<th>Information</th>
<th>Finance and Insurance</th>
<th>Management of companies</th>
<th>Health care and social services</th>
</tr>
</thead>
<tbody>
<tr>
<td>$128,000</td>
<td>$148,000</td>
<td>$125,000</td>
<td>$133,000</td>
</tr>
<tr>
<td>$79,000</td>
<td>$125,000</td>
<td>$120,000</td>
<td>$119,000</td>
</tr>
<tr>
<td>$134,000</td>
<td>$134,000</td>
<td>$71,000</td>
<td></td>
</tr>
</tbody>
</table>

Average Earnings

Waterfront Seattle Benefits Study | 59
WORKER ATTRACTION | SEATTLE

As illustrated by other major open space investments, the Waterfront Seattle project presents an opportunity to build on existing local strengths. Upon completion, the project will likely catalyze further investment, including in both commercial and residential product.

Pipeline Downtown Development

- Currently under construction
- Land use issued
- Predevelopment

Source: Downtown Seattle Association
EXECUTIVE SUMMARY

ECONOMIC & FISCAL IMPACTS

EQUITY

CITY BUILDING & TALENT RETENTION

   WORKER ATTRACTION

   WORKER RETENTION

TECHNICAL APPENDICES
CITY BUILDING & TALENT | RETENTION OF TECH TALENT

Seattle is home to a significant number of tech workers, including people employed in tech industries as well as in tech occupations that support other industries. Firms hiring these employees are attracted to Seattle because of its strong pool of tech talent, which has grown significantly over the last decade.

<table>
<thead>
<tr>
<th>278,000</th>
<th>KING COUNTY TECH WORKERS 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>227,000</td>
<td>51,000</td>
</tr>
</tbody>
</table>

- Jobs in traditional tech industries
- Tech occupations in non-tech industries

+74,000 NEW TECH JOBS CREATED 2007 - 2017

45% SHARE OF COUNTYWIDE EMPLOYMENT GROWTH DRIVEN BY TECH 2007 - 2017

Source: EMSI; A full definition of the tech industry can be found in the technical appendix.
CITY BUILDING & TALENT | RETENTION OF TECH TALENT

Tech jobs pay average wages higher than the regional average. In addition to the direct jobs created by the tech industry, tech employment generates significant indirect and induced employment.

2.1
NEW JOBS GENERATED BY ONE TECH JOB

$95,000
AVERAGE WAGE FOR EACH JOB GENERATED BY THE TECH ECONOMY, VERSUS $89,000 REGIONALLY¹

$753K
ECONOMIC ACTIVITY GENERATED BY EACH TECH JOB²

1. Includes indirect and induced wages and jobs. Average wage per direct job is $144,000.
2. Measured as total output per direct job.
CITY BUILDING & TALENT | RETENTION OF TECH TALENT

Tech occupations are also critical to the long-term health of other industries that comprise large shares of Seattle’s economy. As all industries increasingly become “tech” industries, retaining tech jobs will become critical to continued innovation and strength in adjacent industries.

Tech Occupations as a Share of Total Industry Employment

<table>
<thead>
<tr>
<th>Industry</th>
<th>Tech Occupation Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace Product and Parts Manufacturing</td>
<td>27%</td>
</tr>
<tr>
<td>Management of Companies and Enterprises</td>
<td>18%</td>
</tr>
<tr>
<td>Management, Scientific, and Technical Consulting Services</td>
<td>12%</td>
</tr>
<tr>
<td>Architectural, Engineering, and Related Services</td>
<td>14%</td>
</tr>
<tr>
<td>Scientific Research and Development Services</td>
<td>22%</td>
</tr>
<tr>
<td>Professional and Commercial Equipment and Supplies Merchant Wholesalers</td>
<td>26%</td>
</tr>
<tr>
<td>Advertising, Public Relations, and Related Services</td>
<td>26%</td>
</tr>
</tbody>
</table>

Source: HR&A Analysis of EMSI data, 2017; a full definition of the tech industry, including tech occupations, can be found in the technical appendix.
CITY BUILDING & TALENT | TECH TALENT LEAKAGE

Tech workers are a highly mobile population that actively seek workplaces surrounded by a vibrant public realm. Although Seattle’s tech workers appear more attached to the city than tech workers in other tech regions, as many as a third may be seeking out-of-region employment, following new opportunities and enhanced quality of life as local costs of living rise.

278,000
EXISTING TECH TALENT IN SEATTLE

30%
TECH TALENT SEEKING OUT-OF-REGION JOBS

Literature review suggests that approximately 30% of tech workers may be seeking out of region employment opportunities, while approximately 50% of new Seattle residents—largely tech workers—do not see themselves living in the city within 5 years.¹,²

1. HR&A reviewed a study (Is Silicon Valley At Risk of a Brain Drain?, Indeed, 2017) that analyzed job seeker data in major cities across the United States. Seattle tech workers’ rate was 29%, lower than the San Francisco/Bay Area region.
2. Merge Ahead: Seattle’s new and long-term residents adapt to change, Quin Thomas, DHM Research, and Continuum College, 2017
Open space investments have been observed to inform tech worker location decisions, along with other key urban investments that improve quality of life. The Waterfront Seattle project could play an important role in informing tech talent location and retention decisions, along with other major investments.

10 - 20%
RETENTION RATE WITH DOWNTOWN QUALITY OF LIFE INVESTMENTS

To understand the potential extent to which the Waterfront Seattle project and other major investments could stem tech talent loss, HR&A conducted a literature review to determine a conservative range of retention rates that could be attributable to park and other urban realm development.\(^1\)

The Waterfront Seattle project will be complementary to a series of major investments being made in the area around the waterfront, creating an environment attractive to valuable tech talent.

---

1. See technical appendix for discussion of HR&A literature review.
CITY BUILDING & TALENT | RETENTION OF TECH TALENT ANALYSIS

To illustrate the potential impact of an investment like Waterfront Seattle, in addition to the other key investments made in Downtown, HR&A analyzed the potential effects of the park stemming population loss of tech workers.

83,300
TCH TALENT SEEKING OUT-OF-REGION JOBS

10 - 20%
RETENTION RATE WITH DOWNTOWN QUALITY OF LIFE INVESTMENTS

8,300 –
16,700
TECH TALENT RETAINED
CITY BUILDING & TALENT | RETENTION OF TECH TALENT ANALYSIS

If these jobs mirror the wages and spending associated with the average “tech economy” job, the retention of these 8,300 – 16,700 employees represents significant economic impacts. These tech workers represent high wage jobs that generate additional benefits throughout the economy, including indirect and induced jobs, wages, and spending.

16,100 – 32,100 JOBS (FTE)  $1.5B – $3.1B WAGES  $5.9B – $11.8B OUTPUT
CITY BUILDING & TALENT | RETENTION OF TECH TALENT

The retention of 1,400 tech workers at risk of leaving the region would generate economic output equivalent with total costs associated with capital and O&M costs for waterfront Seattle. The total output associated with potential retention of tech workers far exceeds costs, by a measure of at least 6:1.

$5.9B - $11.8B
TOTAL OUTPUT FOR RETAINING 8,300 – 16,700 AT-RISK TECH WORKERS

1,400
RETAINED AT-RISK TECH WORKERS NEEDED TO GENERATE THE "BREAK EVEN POINT" BETWEEN ECONOMIC OUTPUT AND INVESTMENT IN WATERFRONT SEATTLE

$994M
TOTAL WATERFRONT SEATTLE PROJECT COSTS 1

1. Total project costs include $781M in capital costs and approximately $213M in O&M costs over 30 years (net present value).
HR&A's analysis considers the full waterfront project, as currently planned with the exception of those program elements under the jurisdiction of DOT and in the pre-design phase (Partner Projects 1-3 and 5).
ECONOMIC & FISCAL IMPACTS

HR&A’s economic impact analysis takes into account Waterfront Seattle’s direct spending and employment as well as the indirect and induced impacts of business and household spending.

**Direct**
- Effects from spending immediately associated with Waterfront Seattle
  - Multiplier Effects
    - Effects from *business spending* resulting from direct activities
    - Effects from *household spending* resulting from direct activities
**ECONOMIC & FISCAL IMPACTS | TAX RATE ASSUMPTIONS**

HR&A considered a range of the most commonly assessed local and State taxes to evaluate one-time and ongoing fiscal impacts associated with construction and operation.

<table>
<thead>
<tr>
<th>TAX</th>
<th>APPLIED TO</th>
<th>RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Seattle Sales &amp; Use Tax</strong></td>
<td>All materials and labor</td>
<td>3.6%</td>
</tr>
<tr>
<td><strong>Seattle Business License Tax (Retail Sales &amp; Retail Services)</strong></td>
<td>Gross receipts</td>
<td>.22%</td>
</tr>
<tr>
<td><strong>State Sales &amp; Use Tax</strong></td>
<td>All materials and labor</td>
<td>6.5%</td>
</tr>
<tr>
<td><strong>State Business &amp; Occupation Tax</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail sale &amp; retail services</td>
<td></td>
<td>.47%</td>
</tr>
<tr>
<td>Public Road Construction</td>
<td></td>
<td>.48%</td>
</tr>
<tr>
<td><strong>Hotel Tax, including state &amp; local sales and use</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>60+ rooms, includes Convention and Trade Center tax</td>
<td></td>
<td>15.6%</td>
</tr>
<tr>
<td>Fewer than 60 rooms</td>
<td></td>
<td>8.6%</td>
</tr>
</tbody>
</table>

Note: Local fiscal impacts do not include potential revenue from the Seattle Trade Improvement Area in Downtown, which charges an additional $2 per night for hotels with 60+ rooms who are affiliated with the Seattle Hotel Association and Visit Seattle.
## ECONOMIC & FISCAL IMPACTS | CONSTRUCTION

<table>
<thead>
<tr>
<th>One-Time Construction Inputs¹</th>
<th>Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction – Built Structures</td>
<td>$269M</td>
</tr>
<tr>
<td>Construction - All other elements</td>
<td>$558M</td>
</tr>
<tr>
<td>Total Costs</td>
<td>$827M</td>
</tr>
</tbody>
</table>

¹ Construction costs for the majority of park elements provided by the City of Seattle Office of the Waterfront. Cost estimates for the Ocean Pavilion and Market Front element included provided by SOJ.
### ECONOMIC & FISCAL IMPACTS | CONSTRUCTION

<table>
<thead>
<tr>
<th>One-Time Construction Impacts</th>
<th>Economic Output</th>
<th>Job-Years (FTE(^4))</th>
<th>Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Impacts(^1)</td>
<td>$827M</td>
<td>4,451</td>
<td>$291M</td>
</tr>
<tr>
<td>Indirect Impacts(^2)</td>
<td>$138M</td>
<td>619</td>
<td>$36M</td>
</tr>
<tr>
<td>Induced Impacts(^3)</td>
<td>$197M</td>
<td>1,170</td>
<td>$70M</td>
</tr>
<tr>
<td><strong>Total Impacts</strong></td>
<td><strong>$1.1B</strong></td>
<td><strong>6,240</strong></td>
<td><strong>$398M</strong></td>
</tr>
</tbody>
</table>

1. Waterfront Seattle direct output, employment, and total wages
2. Jobs and output generated by cross-sector purchases associated with the Waterfront Seattle program
3. Jobs and output generated as a result of employee household spending.
4. Full time equivalent: (FTE) Job-years adjust for part-time jobs within the industry.
ECONOMIC & FISCAL IMPACTS | CONSTRUCTION

DRAFT FOR DISCUSSION

DIRECT STATE + LOCAL TAXES

$84.3M

$50.8M
STATE SALES & USE TAX

$28.1M
LOCAL SALES + USE TAXES

$3.7M
STATE BUSINESS & OCCUPATION TAXES

$1.7M
LOCAL BUSINESS & OCCUPATION TAXES

$50.8M
STATE SALES & USE TAX

$28.1M
LOCAL SALES + USE TAXES

$3.7M
STATE BUSINESS & OCCUPATION TAXES

$1.7M
LOCAL BUSINESS & OCCUPATION TAXES
## Economic & Fiscal Impacts | Ongoing Operations Inputs

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing O&amp;M Inputs</td>
<td>$2018</td>
</tr>
<tr>
<td>Operations (Cost)</td>
<td>$12.4M</td>
</tr>
<tr>
<td>On-Site Commercial Activity (Annual Sales)</td>
<td>$2.4M</td>
</tr>
<tr>
<td>Visitor Spending</td>
<td>$191.3M</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$206.1M</strong></td>
</tr>
</tbody>
</table>
ECONOMIC & FISCAL IMPACTS | ONGOING OPERATIONS IMPACTS

<table>
<thead>
<tr>
<th>Ongoing Impacts - Operations</th>
<th>Economic Output</th>
<th>Job-Years (FTE)</th>
<th>Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Impacts¹</td>
<td>$12.4M</td>
<td>113</td>
<td>$5.8M</td>
</tr>
<tr>
<td>Indirect Impacts²</td>
<td>$2.5M</td>
<td>12</td>
<td>$.6M</td>
</tr>
<tr>
<td>Induced Impacts³</td>
<td>$3.5M</td>
<td>20</td>
<td>$.8M</td>
</tr>
<tr>
<td>Total Impacts</td>
<td>$18.4M</td>
<td>145</td>
<td>$7.2M</td>
</tr>
</tbody>
</table>

1. Waterfront Seattle direct output, employment, and total wages
2. Jobs and output generated by cross-sector purchases associated with the Waterfront Seattle program
3. Jobs and output generated as a result of employee household spending
4. Full time equivalent: (FTE) Job-years adjust for part-time jobs within the industry. Rounded to 145 in the summary slides
**ECONOMIC & FISCAL IMPACTS | ONGOING OPERATIONS IMPACTS**

- **$150K** Local Sales + Use Taxes
- **$30K** State Business & Occupation Taxes
- **$15K** Local Business & Occupation Taxes
- **$500K** State Sales & Use Tax

**Total:** **$695K**

Direct State + Local Taxes

*DRAFT FOR DISCUSSION*
## ECONOMIC & FISCAL IMPACTS | ONSITE PARK AMENITY INPUTS

<table>
<thead>
<tr>
<th>Category</th>
<th>Annual Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Programming</td>
<td>$840K</td>
</tr>
<tr>
<td>Limited F&amp;B</td>
<td>$1.2M</td>
</tr>
<tr>
<td>Events</td>
<td>$350K</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2.4M</strong></td>
</tr>
</tbody>
</table>
### ECONOMIC & FISCAL IMPACTS | ONSITE PARK AMENITY IMPACTS

<table>
<thead>
<tr>
<th>Ongoing Impacts - Commercial Activity</th>
<th>Economic Output</th>
<th>Job-Years (FTE(^4))</th>
<th>Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Impacts(^1)</td>
<td>$2M</td>
<td>25</td>
<td>$1M</td>
</tr>
<tr>
<td>Indirect Impacts(^2)</td>
<td>$.5M</td>
<td>2</td>
<td>$100K</td>
</tr>
<tr>
<td>Induced Impacts(^3)</td>
<td>$.5M</td>
<td>3</td>
<td>$200K</td>
</tr>
<tr>
<td><strong>Total Impacts</strong></td>
<td><strong>$3M</strong></td>
<td><strong>29</strong></td>
<td><strong>$1.3M</strong></td>
</tr>
</tbody>
</table>

1. Waterfront Seattle direct output, employment, and total wages
2. Jobs and output generated by cross-sector purchases associated with the Waterfront Seattle program
3. Jobs and output generated as a result of employee household spending.
4. Full time equivalent: (FTE) Job-years adjust for part-time jobs within the industry. Rounded to 30 in earlier slides.
ECONOMIC & FISCAL IMPACTS | ONSITE PARK AMENITY IMPACTS

$300K
DIRECT STATE + LOCAL TAXES

$200K
STATE SALES & USE TAX

$85K
LOCAL SALES + USE TAXES

$10K
STATE BUSINESS & OCCUPATION TAXES

$5K
LOCAL BUSINESS & OCCUPATION TAXES
To identify a potential capture rate for visitation to the Waterfront, HR&A evaluated visitation and capture rates of comparable open spaces.

<table>
<thead>
<tr>
<th>Park</th>
<th>Location</th>
<th># of Annual Visitors</th>
<th>Total Market (Metro Pop. + Annual Tourists)</th>
<th>Capture Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belle Isle Park</td>
<td>Detroit, MI</td>
<td>4M</td>
<td>20M</td>
<td>20%</td>
</tr>
<tr>
<td>Brooklyn Bridge Park</td>
<td>Brooklyn, NY</td>
<td>7M</td>
<td>81M</td>
<td>9%</td>
</tr>
<tr>
<td>Golden Gate Park</td>
<td>San Francisco, CA</td>
<td>13M</td>
<td>29M</td>
<td>44%</td>
</tr>
<tr>
<td>High Line</td>
<td>New York, NY</td>
<td>8M</td>
<td>79M</td>
<td>10%</td>
</tr>
<tr>
<td>Hudson River Park</td>
<td>New York, NY</td>
<td>17M</td>
<td>81M</td>
<td>21%</td>
</tr>
<tr>
<td>Millennium Park</td>
<td>Chicago, IL</td>
<td>20M</td>
<td>64M</td>
<td>31%</td>
</tr>
<tr>
<td>Rose Kennedy Greenway</td>
<td>Boston, MA</td>
<td>1M</td>
<td>30M</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Avg. Capture Rate</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>20%</strong></td>
</tr>
</tbody>
</table>

Waterfront Seattle Estimated Visitation: \[
\text{TOTAL MARKET} \times \text{CAPTURE RATE} = \text{PROJECTED ANNUAL VISITORS}
\]

\[
40M \times 20\% = 8M
\]

Note: Comparable parks were chosen based on the following criteria: 1) waterfront location and/or linear configuration; 2) downtown context and/or signature design; 3) multiple season climate. With the exception of the High Line, visitation and total market figures represent 2016 data. The High Line capture rate was estimated using 2015 data.
### ECONOMIC & FISCAL IMPACTS | NET NEW VISITATION METHODOLOGY

HR&A then estimated the share of regional vs. out-of-town visitors, and how much time these visitors might spend in the park.

<table>
<thead>
<tr>
<th>Visitor Type</th>
<th>Share of 8M Projected Visitors</th>
<th>Net New Visitor Days Per Person</th>
<th>Net New Visitor Days</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regional Residents</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Downtown (park adjacent)</td>
<td>&lt;1%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>City Residents (non-adjacent)</td>
<td>8%</td>
<td>.11</td>
<td>69K</td>
</tr>
<tr>
<td>Metro Residents (non-city)</td>
<td>37%</td>
<td>.11</td>
<td>327K</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>45%</td>
<td></td>
<td>396K</td>
</tr>
<tr>
<td><strong>Tourists</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Day Visitors</td>
<td>28%</td>
<td>.25</td>
<td>566K</td>
</tr>
<tr>
<td>Overnight</td>
<td>27%</td>
<td>.25</td>
<td>539K</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>55%</td>
<td></td>
<td>1.1M</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>~1.5M</td>
</tr>
</tbody>
</table>

Note: Distribution of visitors, % regional v. tourists, is based on comps from the High Line and Hudson River Park. Distribution of regional residents is based on population distribution. Distribution of day v. overnight tourists is based on 2016 Longwood Tourism Study for Seattle. Net new visitor days per person is based on precedent research on time spent in open spaces by residents and out-of-town visitors, based on an 8-hour day.
ECONOMIC & FISCAL IMPACTS | VISITOR SPENDING ASSUMPTIONS

HR&A applied average per person visitor spending assumptions to the anticipated breakdown of daytime and overnight tourists, and to a portion of regional visitors, assuming that some regional visitors do not generate new spending on-site.

<table>
<thead>
<tr>
<th>Net New Regional Resident Visitor Days</th>
<th>396K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capture Rate of Regional Resident Visitors</td>
<td>5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net New Out-of-Town Visitor Days</th>
<th>1.1M</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Daytime Seattle Visitors</td>
<td>51%</td>
</tr>
<tr>
<td>% Overnight Seattle Visitors</td>
<td>49%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Avg. per person spending¹</th>
<th>Daytime Trips</th>
<th>Overnight Trips</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging</td>
<td>N/A</td>
<td>$119</td>
</tr>
<tr>
<td>Restaurant, Food &amp; Beverage</td>
<td>$27</td>
<td>$63</td>
</tr>
<tr>
<td>Transportation</td>
<td>$13</td>
<td>$29</td>
</tr>
<tr>
<td>Recreation</td>
<td>$18</td>
<td>$30</td>
</tr>
<tr>
<td>Retail</td>
<td>$20</td>
<td>$33</td>
</tr>
</tbody>
</table>

1. As reported in the 2016 Longwood Tourism Study for Seattle, provided by the Downtown Seattle Association
ECONOMIC & FISCAL INPUTS | VISITOR SPENDING ANALYSIS

Visitors are anticipated to generate approximately $191.3M in spending off-site.

<table>
<thead>
<tr>
<th>Spending by Sector</th>
<th>Total Visitor Spending¹</th>
<th>Less: On-Site Sales²</th>
<th>Net Visitor Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging</td>
<td>$64.3M</td>
<td>N/A</td>
<td>$64.3M</td>
</tr>
<tr>
<td>Restaurant, Food &amp; Beverage</td>
<td>$49.8M</td>
<td>-$2.0M</td>
<td>$47.8M</td>
</tr>
<tr>
<td>Transportation</td>
<td>$23.4M</td>
<td>N/A</td>
<td>$23.4M</td>
</tr>
<tr>
<td>Recreation</td>
<td>$27.2M</td>
<td>-$0.4M</td>
<td>$26.8M</td>
</tr>
<tr>
<td>Retail</td>
<td>$29.0M</td>
<td>N/A</td>
<td>$29.0M</td>
</tr>
<tr>
<td>Total Impacts</td>
<td>$193.7M</td>
<td>-$2.4M</td>
<td>$191.3M</td>
</tr>
</tbody>
</table>

1. Visitor spending based on average per person spending reported in the 2016 Longwood Tourism Study for Seattle, provided by the Downtown Seattle Association
2. HR&A removed on-site sales from anticipated visitor spending to ensure that spending impacts are not double-counted.
## ECONOMIC & FISCAL IMPACTS | NET NEW VISITATION IMPACTS

Visitor spending creates significant new economic impacts, and supports job activity in and around the project.

<table>
<thead>
<tr>
<th>Ongoing Impacts- Visitor Spending</th>
<th>Economic Output</th>
<th>Job-Years (FTE(^4))</th>
<th>Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Impacts(^1)</td>
<td>$176M</td>
<td>1,780</td>
<td>$67M</td>
</tr>
<tr>
<td>Indirect Impacts(^2)</td>
<td>$44M</td>
<td>190</td>
<td>$11M</td>
</tr>
<tr>
<td>Induced Impacts(^3)</td>
<td>$46M</td>
<td>240</td>
<td>$16M</td>
</tr>
<tr>
<td><strong>Total Impacts</strong></td>
<td><strong>$266M</strong></td>
<td><strong>2,210</strong></td>
<td><strong>$94M</strong></td>
</tr>
</tbody>
</table>

1. Waterfront Seattle direct output, employment, and total wages
2. Jobs and output generated by cross-sector purchases associated with the Waterfront Seattle program
3. Jobs and output generated as a result of employee household spending.
4. Full time equivalent: (FTE) Job-years adjust for part-time jobs within the industry.
Visitor spending activity is also anticipated to generate tax revenue for the City and State through hotel stays, food and beverage purchases, and other activities.

**ECONOMIC & FISCAL IMPACTS | NET NEW VISITATION IMPACTS**

$23M DIRECT STATE + LOCAL TAXES

- $420K LOCAL BUSINESS & OCCUPATION TAXES
- $900K STATE BUSINESS & OCCUPATION TAXES
- $6M LOCAL SALES & USE TAXES
- $4M LOCAL CONVENTION & TRADE CENTER TAX
- $12M STATE SALES & USE TAX

Visitor spending activity is also anticipated to generate tax revenue for the City and State through hotel stays, food and beverage purchases, and other activities.
TECHNICAL APPENDIX: ECONOMIC & FISCAL ANALYSIS

TECHNICAL APPENDIX: COMMUNITY BENEFITS

TECHNICAL APPENDIX: CITY BUILDING & TALENT
COMMUNITY BENEFITS | STUDY AREA

The study area for analysis was defined as a ½ mile radii of Park Access Points. In park planning, a ½ mile is a frequently used measure as it represents a ten-minute walk time, making the open space easily accessible by all potential visitors located within the area. This area includes over 2,125,000 square feet of open space program, spanning a range of typologies from natural space to active onsite commercial uses.

Project Areas

- Sidewalk - West Side
- Sidewalk - East Side, South Of Pine St.
- Sidewalk - North Of Pine, South Of Pine St.
- Promenade and LPS
- Railroad Way
- Union Street (btw. Western & Alaskan Way)
- Overlook Walk
- Market Front
- Pier 63 Only
- Pier 62 Only
- Waterfront Park
- Cycle Track
- Washington Street Boat Landing
- Alaskan Way
- Elliott Way
- Columbia Street
- Seneca Street
- Lenora Ped Bridge
- King Street
- Main Street
- Washington Street
- Yesler Way
- Marion Street Ped Bridge
- Pike Pine
- Bell Street
EQUITY MEASUREMENTS | ACCESS & INCLUSIVITY

HR&A considered the range of metrics that the Friends can use to gauge advancement of its equity goals, the most efficient way of tracking this information, the existence of baseline data, and whether data collection could potentially support future development of value capture strategies.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>METRIC</th>
<th>TOOL</th>
<th>BASELINE?</th>
<th>POTENTIAL VALUE CAPTURE OPPORTUNITY?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Enrichment</td>
<td>User perception of engagement, ownership, and/or park welcomingness</td>
<td>Annual survey</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Satisfaction with the park, by race and socioeconomic status</td>
<td>Annual survey</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hours of volunteer time donated to Friends</td>
<td>Tracking</td>
<td>Lowered operational costs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percentage of people participating in stewardship and park advocacy</td>
<td>Tracking</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Physical health values (i.e. obesity and asthma rates)</td>
<td>Tracking and survey</td>
<td>X</td>
<td>Cost savings on public health</td>
</tr>
<tr>
<td></td>
<td>Pedestrian and bike counts</td>
<td>Tracking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation</td>
<td>Park visitor composition (age, gender, race, income bracket, immigrant status)</td>
<td>Annual survey</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Demographics of program and event attendees</td>
<td>Event surveys</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of waterfront visitors</td>
<td>Sensors</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Time spent at waterfront</td>
<td>Sensors</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Level of program participation</td>
<td>Event sign-in</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Event attendance</td>
<td>Event sign-in</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture &amp; Education</td>
<td>Inventory of cultural and historic assets</td>
<td>Tracking</td>
<td>X</td>
<td>Collaborative funding with relevant organizations</td>
</tr>
<tr>
<td></td>
<td>Visitation to cultural and historic assets and programs</td>
<td>Event surveys</td>
<td>X</td>
<td>Collaborative funding with relevant organizations</td>
</tr>
<tr>
<td></td>
<td>Awareness of cultural and historic assets</td>
<td>Annual survey</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
## EQUITY MEASUREMENTS | ECONOMIC EMPOWERMENT & OUTREACH

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>METRIC</th>
<th>TOOL</th>
<th>BASELINE?</th>
<th>POTENTIAL VALUE CAPTURE OPPORTUNITY?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Empowerment</td>
<td>Number of jobs created in micro-business support program and parks operations</td>
<td>Tracking</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Demographics of employees in micro-business support program and parks staff</td>
<td>Tracking</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number/share of jobs created for minority or low-income individuals</td>
<td>Job entrance survey</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Average salary in micro-business support program and parks operations</td>
<td>Tracking</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase in salary compared to prior employment</td>
<td>Job entrance survey</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of workforce training opportunities in local area</td>
<td>Tracking</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Business success rate of micro-business support program graduates</td>
<td>Alumni program</td>
<td></td>
<td>Economic development funding</td>
</tr>
<tr>
<td></td>
<td>Number of management positions created</td>
<td>Tracking</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Demographic composition of managers (race, ethnicity, socioeconomic class)</td>
<td>Job entrance survey</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Local unemployment rates</td>
<td>Public tracking</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of small businesses graduating the micro-business support program</td>
<td>Tracking</td>
<td>X</td>
<td>Economic development funding</td>
</tr>
<tr>
<td>Outreach and Engagement</td>
<td>Number of outreach programs for homeless and addicted populations</td>
<td>Tracking</td>
<td>X</td>
<td>Collaborative funding agreements with relevant organizations</td>
</tr>
<tr>
<td></td>
<td>Number of people reached by programs</td>
<td>Tracking</td>
<td>X</td>
<td>Cost savings on City health and rehabilitation expenditures</td>
</tr>
<tr>
<td></td>
<td>Participation in offered programs by target demographic</td>
<td>Program surveys</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percentage who feel that outreach has been impactful</td>
<td>Annual surveys</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
TECHNICAL APPENDIX: ECONOMIC & FISCAL ANALYSIS

TECHNICAL APPENDIX: COMMUNITY BENEFITS

TECHNICAL APPENDIX: CITY BUILDING & TALENT RETENTION
QUALITY OF LIFE | WORKER ATTRACTION: KNOWLEDGE ECONOMY INDUSTRIES

HR&A defines knowledge economy industries as those comprising knowledge-intensive activities that contribute to an accelerated pace of technical and scientific advance, with a greater reliance on skills than on physical inputs or natural resources. Jobs within these industries tend to pay higher average wages than traditional manufacturing and services industries. The strength of specific knowledge economy industries varies regionally dependent on regional strengths including access to talent and educational infrastructure.

<table>
<thead>
<tr>
<th>NAICS Code (2 – digit)</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>54</td>
<td>Professional services</td>
</tr>
<tr>
<td>55</td>
<td>Management of companies</td>
</tr>
<tr>
<td>51</td>
<td>Information</td>
</tr>
<tr>
<td>52</td>
<td>Finance and insurance</td>
</tr>
<tr>
<td>62</td>
<td>Health care and social services</td>
</tr>
</tbody>
</table>
QUALITY OF LIFE | WORKER ATTRACTION: METHODOLOGY

HR&A identified recent, comparable open space investments in peer cities within the last 15 years. Innovation economy growth was evaluated within open space “benefit areas,” defined as the immediate districts surrounding the open spaces. Overall employment growth and innovation economy growth within these areas was evaluated against citywide growth.

Peer Open Spaces & Benefits Areas Analyzed

<table>
<thead>
<tr>
<th>Peer City Open Space</th>
<th>Open Space Benefit Areas (zip code statistical area)</th>
<th>Impact Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Klyde Warren Park, Dallas</td>
<td>75201, 75202</td>
<td>2008 (construction commencement) - 2017</td>
</tr>
<tr>
<td>The High Line, Manhattan</td>
<td>10014, 100111</td>
<td>2006 (construction commencement) - 2016</td>
</tr>
<tr>
<td>Brooklyn Bridge Park, Brooklyn</td>
<td>11201</td>
<td>2007 (construction commencement) – 2017</td>
</tr>
<tr>
<td>Millennium Park, Chicago</td>
<td>60601, 60602, 60603</td>
<td>2001 (construction commencement) – 2011</td>
</tr>
<tr>
<td>Yards Park, DC</td>
<td>20024, 20319, 20374, 20003</td>
<td>2007 (construction commencement) - 2017</td>
</tr>
<tr>
<td>Rose Kennedy Greenway, Boston</td>
<td>02109, 02110, 02111, 02113</td>
<td>2008 (construction commencement) - 2017</td>
</tr>
<tr>
<td>Downtown Seattle</td>
<td>98109, 98102, 98121, 98101, 98104, 98122, 98134, 98144</td>
<td>2007 - 2017</td>
</tr>
</tbody>
</table>

1. 10001 was not considered because Midtown Manhattan was a long-established office market, whereas the High Line helped to establish Chelsea’s office market.
WORKER RETENTION | WORKER RETENTION: LITERATURE REVIEW

HR&A reviewed past assessments of the importance of open space in worker attraction to understand the importance of public realm investments in attracting and retaining workers. Tech and knowledge economy industries are considered to be more “footloose” than traditional companies as their financial performance is relatively independent of location decisions, making local amenities, including public space, particularly important to these employees and employers.

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Evaluation</th>
<th>Increment/Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insight Endeavors. <em>What Do the Best Entrepreneurs Want in a City?</em>, 2014.</td>
<td>Surveyed founders of 150 companies from Inc.’s list of 500 fastest growing companies about location decisions.</td>
<td>1 in 5 founders cited quality of life/cultural attractions as the most important factor.</td>
</tr>
<tr>
<td>Hogana, Michael J.; Leyden, Kevin M; Conway, Ronan; Goldberg, Abraha; Walsh, Deirdre; McKenna-Plumley, Phoebe: <em>Happiness and health across the lifespan in five major cities: The impact of place and government performance</em>, 2015.</td>
<td>Surveyed 5,000 adults aged 25 – 85 years old living in 5 global cities about their happiness levels along place and performance dimensions.</td>
<td>Place-based investments are more important to young workers than to older workers, by as much as 50%.</td>
</tr>
<tr>
<td>Kelly, Janet; Ruther, Matt; Ehresman, Sarah; Nickerson, Bridget. <em>Placemaking as an Economic Development Strategy for Small and Midsized Cities</em>, 2016.</td>
<td>Examines the effect of quality of place in 81 small metros (250,000 to 500,000 people) and 83 mid-sized metros (500,000 to 2.5 million people) on the overall change in total population aged 25 and over, the share of adults with a college degree, and the size of the college-educated population between the ages of 25 and 34.</td>
<td>For medium-sized metros, the quality-of-place variables explained between 38 percent and 58 percent of the variance in outcomes.</td>
</tr>
<tr>
<td>Florida, Richard; Arora, Ashish; Gates, Gary; Kamlet, Mark. <em>Human Capital, Quality of Place, and Location</em>, 2000.</td>
<td>Reviewed 70 metro-areas for correlations between amenities, culture, housing, and high-skill workers.</td>
<td>Finds that the presence of amenities is correlated with high-skill workers and informs the distribution of talent independently of the initial stock of high-skill workers present in high-amenity locations.</td>
</tr>
</tbody>
</table>
WORKER RETENTION | METHODOLOGY

HR&A evaluated the scale of employment of highly-mobile tech workers whose location decisions could be influenced by the Waterfront Seattle project and other downtown improvements.

Unlike most industries that are neatly defined by the North American Industrial Classification System (NAICS), tech jobs are embedded in industries throughout the economy. A guiding principle of HR&A’s definition process is that the tech ecosystem should be defined based on both industry and occupational data. There are tech jobs present in industries that should not be wholly classified as “tech,” such as finance or healthcare. Counting these tech jobs requires a definition that captures tech jobs using occupational data. Similarly, there are non-tech jobs at tech industry firms, such as a janitor who works at a software company. Although such jobs are not “tech” jobs themselves, they provide necessary support to tech employers, and thus are directly enabled by tech. Counting these jobs requires a definition that captures tech-enabled jobs using industry data.

<table>
<thead>
<tr>
<th>Tech Industries</th>
<th>Tech Occupations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industries are based on the 2017 NAICS codes as defined by the U.S. Census Bureau. Two rules guided classification of industries as tech industries:</td>
<td></td>
</tr>
<tr>
<td>Rule 1: Is this industry enabled by tech?</td>
<td>Occupations are based on the Standard Occupational Classification (SOC) codes as defined by the Bureau of Labor Statistics. Three rules guided classification of occupations as tech occupations:</td>
</tr>
<tr>
<td>Rule 2: Does this industry primarily produce tech?</td>
<td>Rule 1: Does this occupation directly produce tech?</td>
</tr>
<tr>
<td></td>
<td>Rule 2: Does this occupation facilitate the use of tech by others?</td>
</tr>
<tr>
<td></td>
<td>Rule 3: Would this occupation cease to exist without the presence of tech?</td>
</tr>
</tbody>
</table>
HR&A identified employment within primary tech related industries to size the employment of the greater Seattle tech ecosystem.

<table>
<thead>
<tr>
<th>NAICS Code</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>5112</td>
<td>Software Publishers</td>
</tr>
<tr>
<td>3364</td>
<td>Aerospace Product and Parts Manufacturing</td>
</tr>
<tr>
<td>5415</td>
<td>Computer Systems Design and Related Services</td>
</tr>
<tr>
<td>4541</td>
<td>Electronic Shopping and Mail-Order Houses</td>
</tr>
<tr>
<td>5191</td>
<td>Other Information Services</td>
</tr>
<tr>
<td>5173</td>
<td>Wired and Wireless Telecommunications Carriers</td>
</tr>
<tr>
<td>5417</td>
<td>Scientific Research and Development Services</td>
</tr>
<tr>
<td>5182</td>
<td>Data Processing, Hosting, and Related Services</td>
</tr>
<tr>
<td>3345</td>
<td>Navigational, Measuring, Electromedical, and Control Instruments Manufacturing</td>
</tr>
<tr>
<td>3344</td>
<td>Semiconductor and Other Electronic Component Manufacturing</td>
</tr>
<tr>
<td>3341</td>
<td>Computer and Peripheral Equipment Manufacturing</td>
</tr>
<tr>
<td>33422</td>
<td>Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing</td>
</tr>
<tr>
<td>5179</td>
<td>Other Telecommunications</td>
</tr>
<tr>
<td>5174</td>
<td>Satellite Telecommunications</td>
</tr>
</tbody>
</table>
## WORKER RETENTION | METHODOLOGY

HR&A identified secondary tech occupational employment to size the employment of the greater Seattle tech ecosystem.

<table>
<thead>
<tr>
<th>SOC Code</th>
<th>Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>11-3021</td>
<td>Computer and Information Systems Managers</td>
</tr>
<tr>
<td>15-1111</td>
<td>Computer and Information Research Scientists</td>
</tr>
<tr>
<td>15-1121</td>
<td>Computer Systems Analysts</td>
</tr>
<tr>
<td>15-1122</td>
<td>Information Security Analysts</td>
</tr>
<tr>
<td>15-1131</td>
<td>Computer Programmers</td>
</tr>
<tr>
<td>15-1132</td>
<td>Software Developers, Applications</td>
</tr>
<tr>
<td>15-1133</td>
<td>Software Developers, Systems Software</td>
</tr>
<tr>
<td>15-1134</td>
<td>Web Developers</td>
</tr>
<tr>
<td>15-1141</td>
<td>Database Administrators</td>
</tr>
<tr>
<td>15-1142</td>
<td>Network and Computer Systems Administrators</td>
</tr>
<tr>
<td>15-1143</td>
<td>Computer Network Architects</td>
</tr>
<tr>
<td>15-1151</td>
<td>Computer User Support Specialists</td>
</tr>
<tr>
<td>15-1152</td>
<td>Computer Network Support Specialists</td>
</tr>
<tr>
<td>15-1199</td>
<td>Computer Occupations, All Other</td>
</tr>
<tr>
<td>15-2031</td>
<td>Operations Research Analysts</td>
</tr>
<tr>
<td>17-2011</td>
<td>Aerospace Engineers</td>
</tr>
<tr>
<td>17-2031</td>
<td>Biomedical Engineers</td>
</tr>
<tr>
<td>17-2041</td>
<td>Chemical Engineers</td>
</tr>
<tr>
<td>17-2061</td>
<td>Computer Hardware Engineers</td>
</tr>
<tr>
<td>17-2071</td>
<td>Electrical Engineers</td>
</tr>
<tr>
<td>17-2072</td>
<td>Electronics Engineers, Except Computer</td>
</tr>
<tr>
<td>17-2112</td>
<td>Industrial Engineers</td>
</tr>
<tr>
<td>17-3012</td>
<td>Electrical and Electronics Drafters</td>
</tr>
<tr>
<td>17-3021</td>
<td>Aerospace Engineering and Operations Technicians</td>
</tr>
<tr>
<td>17-3023</td>
<td>Electrical and Electronics Engineering Technicians</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SOC Code</th>
<th>Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>17-3024</td>
<td>Electro-Mechanical Technicians</td>
</tr>
<tr>
<td>17-3026</td>
<td>Industrial Engineering Technicians</td>
</tr>
<tr>
<td>27-1014</td>
<td>Multimedia Artists and Animators</td>
</tr>
<tr>
<td>27-4011</td>
<td>Audio and Video Equipment Technicians</td>
</tr>
<tr>
<td>27-4012</td>
<td>Broadcast Technicians</td>
</tr>
<tr>
<td>27-4014</td>
<td>Sound Engineering Technicians</td>
</tr>
<tr>
<td>27-4032</td>
<td>Film and Video Editors</td>
</tr>
<tr>
<td>29-2011</td>
<td>Medical and Clinical Laboratory Technologists</td>
</tr>
<tr>
<td>29-2031</td>
<td>Cardiovascular Technologists and Technicians</td>
</tr>
<tr>
<td>29-2032</td>
<td>Diagnostic Medical Sonographers</td>
</tr>
<tr>
<td>29-2033</td>
<td>Nuclear Medicine Technologists</td>
</tr>
<tr>
<td>29-2034</td>
<td>Radiologic Technologists</td>
</tr>
<tr>
<td>29-2035</td>
<td>Magnetic Resonance Imaging Technologists</td>
</tr>
<tr>
<td>29-2055</td>
<td>Surgical Technologists</td>
</tr>
<tr>
<td>41-3011</td>
<td>Advertising Sales Agents</td>
</tr>
<tr>
<td>49-2011</td>
<td>Computer, Automated Teller, and Office Machine Repairers</td>
</tr>
<tr>
<td>49-2022</td>
<td>Telecommunications Equipment Installers and Repairers, Except Line Installers</td>
</tr>
<tr>
<td>49-2091</td>
<td>Avionics Technicians</td>
</tr>
<tr>
<td>49-2093</td>
<td>Electrical and Electronics Installers and Repairers, Transportation Equipment</td>
</tr>
<tr>
<td>49-2094</td>
<td>Electrical and Electronics Repairers, Commercial and Industrial Equipment</td>
</tr>
<tr>
<td>49-2095</td>
<td>Electrical and Electronics Repairers, Powerhouse, Substation, and Relay</td>
</tr>
<tr>
<td>49-2096</td>
<td>Electronic Equipment Installers and Repairers, Motor Vehicles</td>
</tr>
<tr>
<td>49-2097</td>
<td>Electronic Home Entertainment Equipment Installers and Repairers</td>
</tr>
</tbody>
</table>
Based on an estimate of tech workers who may be retained based on investments in Waterfront Seattle and other investments downtown, HR&A evaluated the full potential economic impact of retaining these jobs.

<table>
<thead>
<tr>
<th>Ongoing Impacts</th>
<th>Economic Output</th>
<th>Jobs (FTEs)</th>
<th>Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Impacts¹</td>
<td>$4.2B - $8.4B</td>
<td>7,800 – 15,600</td>
<td>$1.1B - $2.3B</td>
</tr>
<tr>
<td>Indirect Impacts²</td>
<td>$900M - $1.7B</td>
<td>3,600 – 7,200</td>
<td>$200M – 400M</td>
</tr>
<tr>
<td>Induced Impacts³</td>
<td>$800M - $1.7B</td>
<td>4,600 – 9,200</td>
<td>$200M - $400B</td>
</tr>
<tr>
<td>Total Impacts</td>
<td>$5.9B - $11.8B</td>
<td>16,000 – 32,000</td>
<td>$1.5B - $3.1B</td>
</tr>
</tbody>
</table>

1. The direct output, employment, and total wages associated with each retained tech worker.
2. Jobs and output generated by cross-sector purchases generated by each retained tech worker.
3. Jobs and output generated as a result of employee household spending.
BEYOND REAL ESTATE INCREMENT: THE VALUE OF
THE CENTRAL SEATTLE WATERFRONT

A STUDY OF THE ECONOMIC, FISCAL, AND COMMUNITY BENEFITS OF SEATTLE'S NEW REGIONAL WATERFRONT

FEBRUARY 2019