

South Lake Union Plan Jobs Impacts Estimates

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Seattle City Council



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Estimating Employment Impacts

- South Lake Union neighborhood plan was adopted in 2007
- New development planned and underway during that time and continuing today
- The time between property acquisition and completion of new development spans two or more years
- For larger tenants, absorption of leased or owned space can take several months or more than a year after building completion

Exhibit 1. South Lake Union Neighborhood

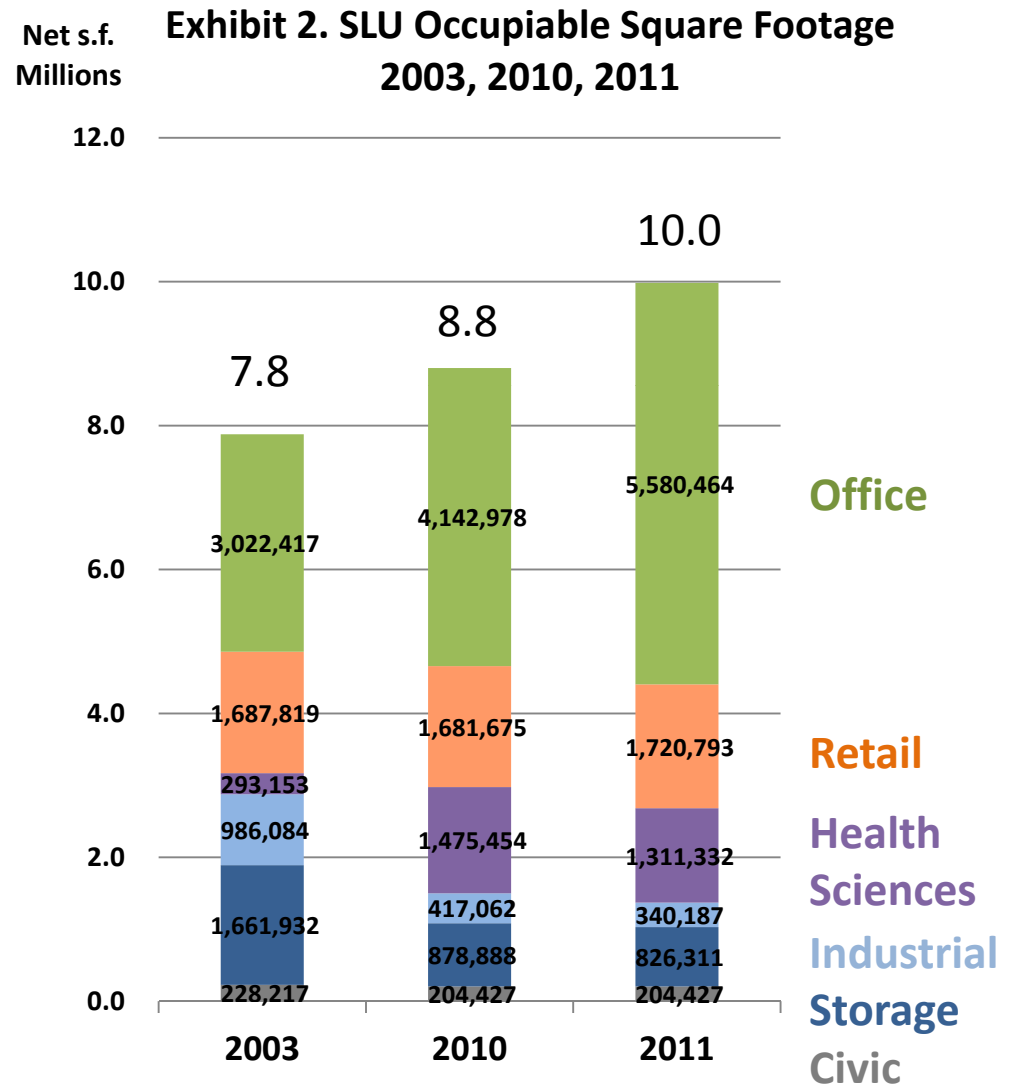


Estimating Employment Impacts (continued)

- The best available employment data can lag 18 months to two years
 - Covered employment data from the State
 - Maintained by Puget Sound Regional Council
 - March 2010 most recent data available
- Cyclical fluctuations in office market can distort understanding of long-term impacts
- More up-to-date estimates require some guesswork
 - Completed building square footage from King County Assessor's Office
 - Net of demolished, previously occupied buildings
 - Assumptions and estimates of employment densities
 - Expressed in terms of the number of employees per 1,000 s.f. of development
 - Vacancy rate estimates
 - Large tenant utilization

Development Changes in South Lake Union

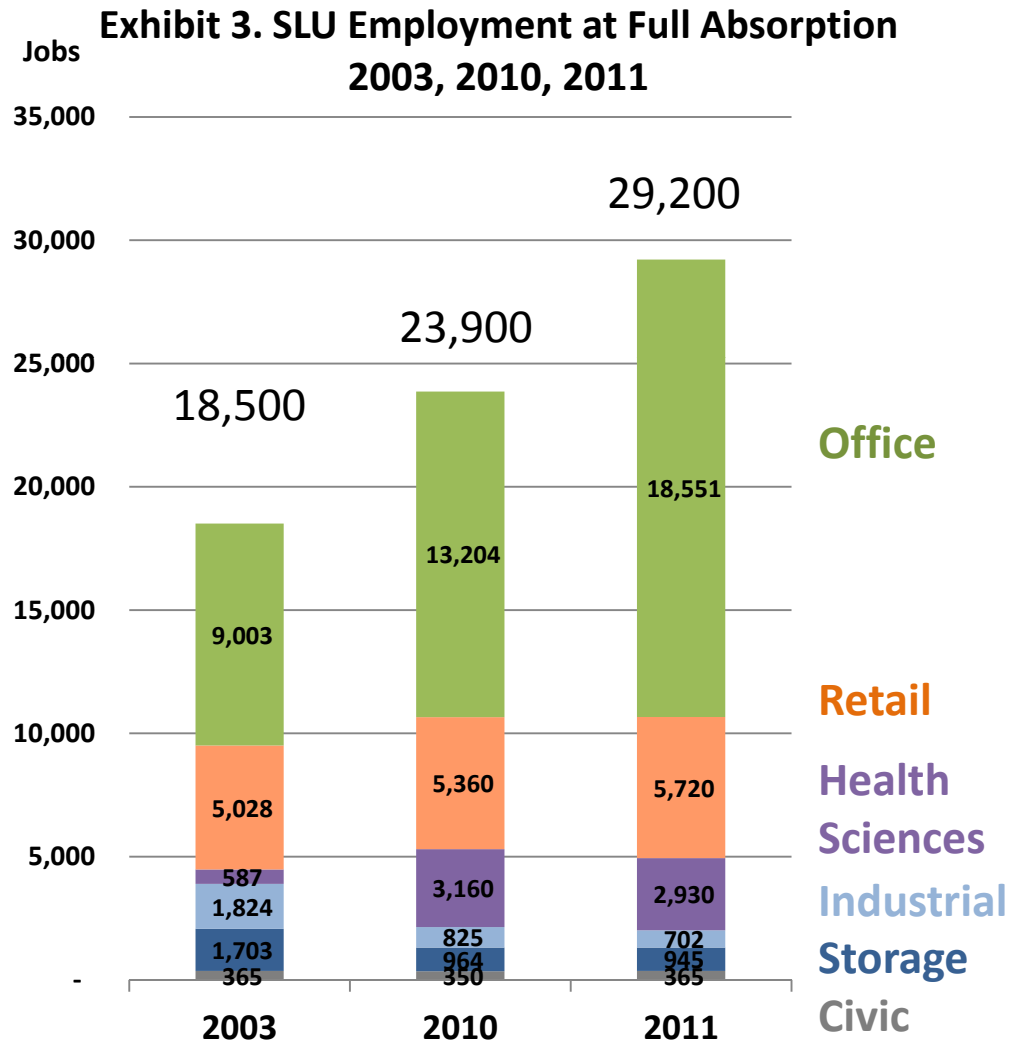
- The greatest amount of development in South Lake Union opened for occupancy during the 18-month period from June 2010 through December 2011
- From June 2010 to December 2011, commercial building space in SLU increased by 1.2 million square feet
- Exceeded the net amount completed during the previous seven years
 - Between December 2003 and June 2010 commercial s.f. increased by 921,000 s.f.



Source: King County Assessors, December 2011.
Seattle City Council Meeting

Employment Changes in South Lake Union

- 2010 would be the most difficult year to determine employment
 - Amazon began moving in mid-year and took some time to move in and absorb the space
- By the end of 2010, if all companies absorbed the newly built space at market vacancy rates, then employment would have reached an estimated 23,900 workers in SLU
- Employment probably tracked somewhat lower in 2010 as companies moved in
- New development coming on line, from June 2010 to December 2011 would be expected to have increased jobs to 29,200, a net increase of 5,300 jobs.



Source: Community Attributes Inc, December 2011.

Looking Ahead

- We believe that total employment increased in South Lake Union by several thousand jobs between March 2010 and December 2011.
- Commercial real estate agents report that vacancy rates in South Lake Union are low and overall absorption of new office space has been high.
- Impacts may be lower than typical if large companies such as Amazon.com control large amounts of space without moving employees in (or if they occupy more square feet per employee than average).
- We will know jobs impacts with better certainty when more recent State employment data are mapped and released.
- State employment data maintained by the PSRC would reflect this impact somewhat in the March of 2011 data (released mid-2012), but even further in the March of 2012 data (released mid-2013).