

Designated as a Hub Urban Village in 1998, the South Lake Union neighborhood has been targeted for significant growth in jobs and housing over the next twenty years. Recent economic activity in the neighborhood, such as the siting of the University of Washington research facilities suggests that growth will exceed previous estimates.

In April of this year, Mayor Nickels launched a "South Lake Union Agenda," a program to provide the infrastructure and neighborhood improvements necessary to encourage and support job and housing growth. To provide policy makers with a comprehensive analysis of proposed investment costs and likely revenues, the City undertook two sets of analyses.

The Mayor released the two reports on December 2. These are:

- 1) South Lake Union Development Investments and Revenues prepared by the City's Office of Policy and Management. This presents the proposed capital improvement projects and outlines the potential sources of public and private funding necessary to complete them. Additionally, this report examines the relationship between the capital costs for infrastructure improvements and the projected revenues generated by private development.
- 2) Draft Potential Economic and Fiscal Impacts of South Lake Union Development prepared by Dr. Paul Sommers. This projects tax revenues derived from economic activity generated by growth in the neighborhood.

Key Findings

- **The total estimated economic benefit to the City of Seattle's General Fund from the potential development in South Lake Union is \$247 million in net present value over the 2005-2025 period.¹**
- **The total estimated economic benefit to all public agencies in Washington State from the potential development in South Lake Union is \$1.39 billion in net present value over the 2005-2025 period.**
- **The total investment cost for all proposed capital projects in the South Lake Union neighborhood is \$421 million. More than half of this (\$216 million) will be paid for by private funders and ratepayers. An additional \$16 million derives from federal sources and \$6 million through the voter-approved Pro Parks levy.**

¹ The Draft Potential Economic and Fiscal Impacts of South Lake Union Development estimates that the net present value to the City of Seattle's General Fund of projected South Lake Union development is between \$224 million and \$269 million. This report uses the midpoint, \$247 million, for its analysis.

- **Of the remaining \$189 million to be paid by public sources in Washington State (Seattle, RTID, State), the City of Seattle's General Fund would contribute approximately \$30 million.**
- **The total tax revenue stream to the City of Seattle's General Fund from the potential development in South Lake Union is more than eight times the total estimated infrastructure costs to the City of Seattle's General Fund.**
- **In the 2004-2007 period (Phase I), more than 3 million square feet of development is planned to come into service. The revenue stream generated by just these Phase I projects to the City of Seattle's General Fund total \$65 million in net present value terms during the study period, or more than twice as much as the total estimated infrastructure costs to the City of Seattle's General Fund.**

Click here for full text of the [South Lake Union Development Investments and Revenues](#) by the Office for Policy and Management

Click here for the full text of the [Draft Potential Economic and Fiscal Impacts of South Lake Union Development](#) prepared by Dr. Paul Sommers