



November 10, 2022

Seattle City Council
Seattle City Hall
600 4th Avenue
Seattle, WA 98104

(sent via email)

Dear Councilmembers,

On behalf of downtown Seattle's business, nonprofit, arts and cultural communities, I am writing to share the findings of a recent independent analysis of the City budget commissioned by the Downtown Seattle Association and conducted by ECONorthwest. We hope this provides a useful perspective during this and future budget conversations.

In recent weeks, we have been encouraged by a 2023 City budget process marked by a shared vision and notable alignment between the Mayor and Council. The Mayor's proposed budget contains investments that will help spur downtown's recovery, which Seattle voters – through recent public opinion research – have declared a priority. And while we've made meaningful progress toward downtown's recovery, significant challenges remain. To sustain recovery momentum for the benefit of the entire city, we believe it is critical that the Council adopt a sustainable budget that prioritizes further economic recovery as well as investments in public safety and homelessness. Furthermore, we believe this is possible by using existing City revenues. The findings of the ECONorthwest report demonstrate significant revenue growth in the City's General Fund over the last decade and a record level of projected revenue in 2022.

Key conclusions of the ECONorthwest study include:

- Since 2013, the **City of Seattle's tax revenues have grown four times faster** than Seattle's population.
- **Taxes collected have grown by 94%**, while employment grew by 19% and population by 22%.
- After adjusting for inflation, **per capita taxes have grown 34% over the past 10 years.**
- The City now collects over **\$600 more in taxes per person** than it did in 2013, after adjusting for inflation.

- Since 2013, voters have **approved a series of levies and lid lifts totaling over \$350M** in new annual tax revenues that supplement the General Fund and in some cases supplant historic General Fund obligations.
- Over the past five years, the City has adopted a series of excise taxes on businesses amounting to **over \$300M in new annual spending**.
- The City received **nearly \$300M of federal stimulus in 2020**, more than offsetting revenue shortfalls experienced as the result of the pandemic.
- **Businesses contribute two-thirds** of the City of Seattle’s General Fund and “General Fund adjacent” tax revenues.

DSA and ECONorthwest are happy to answer any questions you may have pertaining to this report (full analysis is attached), and we look forward to our continued work together to ensure downtown is a healthy, vibrant place for all.

Sincerely,

Jon Scholes

President and CEO - Downtown Seattle Association

cc: Mayor Bruce Harrell