

# **Current Fiscal Benefit of Downtown Business Activity**

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## **Two tasks for Berk & Associates:**

- Quantify the current tax revenue contributions of downtown businesses, property owners and residents to the City of Bellevue and other jurisdictions
- Quantify the incremental net revenues from new downtown development projects that could be made available to fund downtown infrastructure projects

# Downtown's Current Contribution to City of Bellevue

<b>Major Tax Source</b>	<b>Total City of Bellevue (Actual 2005)</b>	<b>Bellevue Downtown (Estimated)</b>	<b>Downtown as % of Total City</b>
Property Tax	\$27,154,000	\$2,980,000	11.0%
B&O Tax	\$22,257,000	\$5,440,000	24.4%
Retail Sales Tax	\$42,058,000	\$10,090,000	24.0%
Utility Taxes	\$19,012,000	\$2,090,000	11.0%
REET	\$12,866,000	\$1,710,000	13.3%
<b>Total Major Tax Revenue</b>	<b>\$123,347,000</b>	<b>\$22,310,000</b>	<b>18.1%</b>
<b>Total Tax Revenue</b>	<b>\$131,305,000</b>		<b>17.0%</b>

- Downtown currently provides 18% of City's major tax revenues - on about 2% of the City's land area

# Downtown's Current Contributions

In thousands:

Major Tax Source	City of Bellevue	Bellevue School District	Port of Seattle	King County		Sound Transit	State of Washington	Total All Jurisdictions
				General	Metro Transit			
Property Taxes	\$2,980	\$5,100	\$570	\$3,250			\$6,110	\$18,010
B&O Taxes	\$5,440						\$35,660	\$41,100
Retail Sales Taxes	\$10,090			\$1,710	\$9,100	\$4,550	\$73,950	\$99,400
Utility Taxes	\$2,090						\$830	\$2,920
Real Estate Excise Taxes (REET)	\$1,710						\$4,390	\$6,100
<b>Total Major Tax Revenue</b>	<b>\$22,310</b>	<b>\$5,100</b>	<b>\$570</b>	<b>\$4,960</b>	<b>\$9,100</b>	<b>\$4,550</b>	<b>\$120,940</b>	<b>\$167,530</b>
Percent of Total Contributions	13.3%	3.0%	0.3%	3.0%	5.4%	2.7%	72.2%	100.0%

- Downtown generates significant funds to other jurisdictions

# Current Projects

- In the next several years, approximately 4.7M square feet of commercial space and almost 3,700 new housing units will be added to downtown Bellevue.
- This surge in development activity will bring approximately 6,900 new residents and 15,800 new jobs to downtown.

<b>Residential Units Completed</b>	<b>3,679</b>
Condominiums	1,958
Rental Apartments	1,721
<b>Commercial SF Completed</b>	<b>4,700,808</b>
Office	3,811,000
Retail - general	648,208
Retail - luxury	130,000
Hotel	111,600
<b>New Population</b>	<b>6,859</b>
<b>New Covered Employment</b>	<b>15,847</b>

**28 Projects**

*989elements Phase I*  
*1200 Bellevue Way*  
*Avalon Meydenbauer*  
*Bellettini*  
*Bellevue Towers*  
*European Tower*  
*LA Fitness/Galleria*  
*Lincoln Square Phase I*  
*Lincoln Square North Tower*  
*Overlake Medical Center expansion*  
*Washington Square Phase I*  
*Domain 1020 Tower*  
*Bell. Place Hotel expansion Phase I*  
*Belcarra*  
*Vue Hanover*  
*City Center Plaza*  
*Gateway Project*  
*Gregg's Bellevue Cycle*  
*Tower 333*  
*Meydenbauer Inn*  
*SRM Development*  
*The Bravern*  
*The Commons*  
*The Fountains at Pacific Regent Phase II*  
*Ashwood Commons Phase II*  
*Ventana on Main*  
*The Summit 108*  
*Washington Square Phase II*

# Revenue From Development Activity

- Over the *next 20 years* the total fiscal benefit from new development downtown is estimated to be (in thousands):

	In Year of Expenditure \$	Net Present Value
Total Revenue for Operations	\$227,243	\$121,120
Estimated Direct Operating Cost Impact	\$79,381	\$40,419
Estimated Net Contribution from Operations	\$147,862	\$80,701
REET and Traffic Impact Fees	\$12,589	\$10,289
<b>Total Potential Revenues for Capital</b>	<b>\$160,451</b>	<b>\$90,991</b>

- The Net Present Value is calculated at 6% discount rate to reflect the approximate cost of capital