

The state of Seattle's downtown: A look at the city's economic growth and challenges

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Seattle has seen significant growth over the past decade, but the city's downtown still faces several challenges, according to the Downtown Seattle Association's 2020 "State of Downtown" Economic report.

[Seattle](#)'s downtown has seen incredible growth over the past decade, with a lot of change and prosperity, but the area still faces huge challenges, said Jon Scholes, president and CEO of the Downtown Seattle Association.

During the DSA's annual "State of Downtown" event Thursday, Scholes highlighted the organization's 2020 economic report, showing how the city's downtown continues to grow in terms of jobs, retail sales and residential units.

"We've been in sort of a 'beast mode,' if you will, in downtown Seattle over the last 20 years," Scholes said. "This period we've been in is not entirely unprecedented, but you've got to go back more than 100 years to find a comparable period of time."

Scholes called 2019 a big year for infrastructure and one that saw a lot of transformation. It was also a year that continued to see a tech rush, with Amazon keeping up its growth and other companies moving to the region.

According to the new 2020 State of Downtown Economic Report, there are 328,000 jobs located downtown, a 52% increase since 2010. In 2019 alone, 4.5 million square feet of new office space was completed. Over the past decade, 17.5 million square feet of office space was completed. Another 4.8 million square feet of office space is predicted to be completed over the next several years. But Scholes said the city shouldn't take this for granted.

"There are cities across the country, across the region, that are fighting every day for our jobs," Scholes said. "One of the big threats is we're just running out of space, and this puts more and more pressure on rents ... so we need to plan now for 10, 20 years down the road of where we're going to locate office development in downtown."

The report also said there are now 88,000 people that live in downtown Seattle, a 42% increase over the last decade. In 2019 alone, 3,263 new residential units were completed. Children are one of the fastest growing demographics in Seattle's downtown, with the number of children living in downtown Seattle having more than doubled over the past decade.

Taxable retail sales in brick-and-mortar stores have also grown more than 50% over the last decade. But recently, there has been some flattening of that growth.

"We see this right now in our retail core no doubt with a significant number of vacancies. And I think we need to be mindful of this," Scholes said. But he said he doesn't think brick-and-mortar is going anywhere.

The DSA also reported a 70% increase in retail sales for arts, entertainment, sports, recreation and food services over the past decade, with more than 20,000 restaurant jobs being located downtown.

The city's downtown is the "economic engine" for Seattle and the region, accounting for nearly half of all economic activity in Seattle while being less than 6% of Seattle's land mass, the report said.

"Downtown businesses contribute 48% of the gross regional product generation within the city of Seattle," the report said.

But despite boasting of Seattle's economic growth, the event was also tinged with talk of the fatal shooting that happened last month in downtown Seattle. The shooting, which happened during rush hour in a busy downtown intersection, left one person dead and seven others injured.

"We have a strong wind at our back in downtown Seattle as we look to the next decade," Scholes said. "But all this is at risk if we don't take immediate and urgent action to address the safety issues in our city and the disfunction in our criminal justice system ... Downtown's otherwise sunny skies and our bright future is darkened by some ominous clouds."

Scholes said the system is broken, noting there must be more prevention, intervention and accountability.

Since the shooting, several downtown residents and businesses have been calling for immediate action to improve public safety in the city's downtown core. But several public officials, including Seattle Police Chief Carmen Best, said previously Seattle [is one of the safest major cities](#) in the country. Best said during a press conference following the fatal downtown shooting that major cities everywhere are dealing with issues of gang and gun violence, and while Seattle is not immune, it is "a very safe city on this very issue."

Mayor Jenny Durkan during the event Thursday also touted Seattle for its growth and innovation, but she noted public safety can be a challenge in certain areas of Seattle's downtown. She said she and Best meet regularly to discuss what they need to do better and how the Seattle Police Department can continue to help people dealing with crisis. She also brought attention to the city's homelessness crisis, saying it is heartbreaking to see a growing number of people living on the city's streets.

Durkan said no one should feel unsafe in the city's downtown and vowed to do everything possible to make that a reality.

"Nobody walking home, coming out of a business, going shopping, there with their kids, should ever have to fear that they could be the victim of gun violence," Durkan said. "That is wrong."

She said the city is focused on long-term solutions.

Scholes echoed the downtown must be a place where everyone feels safe.

"We want a downtown that's not only prosperous, but safe and welcoming for everybody, for the resident, for the barista, for the artist, for the small business owner ... and for the most vulnerable among us, that are either living in low-income housing in our downtown, or on the streets," Scholes said. "Downtown is really everybody's neighborhood. And we have been in this beast mode as a city for the last 20 years and counting."

But now, people must send a strong message, he said: "That the status quo is unacceptable. Enough is enough."