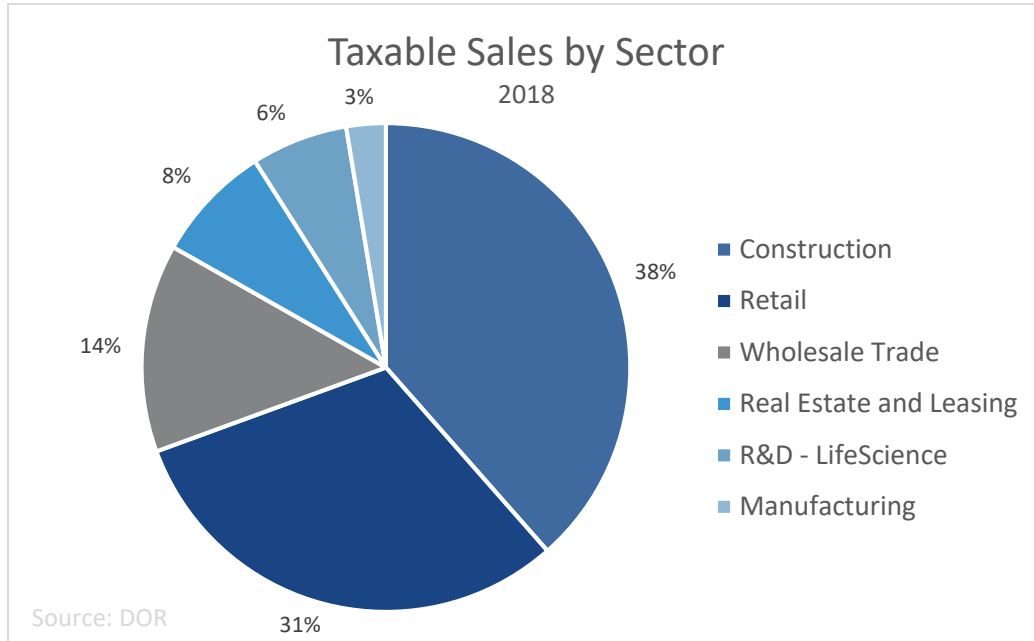


City of Bothell Economic Dashboard

Created by the Center for Business and Economic Research, Western Washington University



Bothell's construction sector is the largest by taxable sales, at 38% of total taxable sales, with retail close behind at 31%. Wholesale trade, composed of goods not sold to consumers, is the next largest sector at 14%. Real estate and leasing make up 8% of Bothell's taxable sales and may grow in the coming years as construction projects in the real estate market are completed. Depending on where the growth is concentrated, large shifts may occur between real estate and construction, albeit probably not enough to bump construction from the largest sector if the current growth rate is maintained.

In looking at sectors that contribute less than 10% individually, real estate and leasing is in the largest at 8%, followed closely by life science research at 6%. However, this could be slightly enlarged due to the inclusion of physical and engineering research in the life science classification. Also included in this sector is biotechnology research, which is reported within a different classification. We observe within the data that R&D make up a larger portion of the Snohomish-Bothell economy than in King-Bothell.

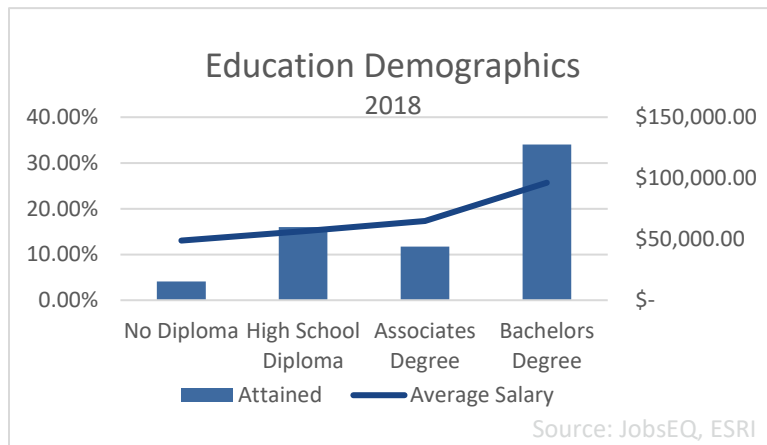
When considering sales tax data, it is important to note that the Washington State Department of Revenue assigns NAICS (industry) classifications based on what they interpret to be the primary business of the entity. This may change with time – in which case all previous business records are moved to the new category for reporting. Read the above chart as businesses reporting within these classifications reported collecting sales tax and that tax collection may be either a major or minor component to their business efforts.

Demographic Data

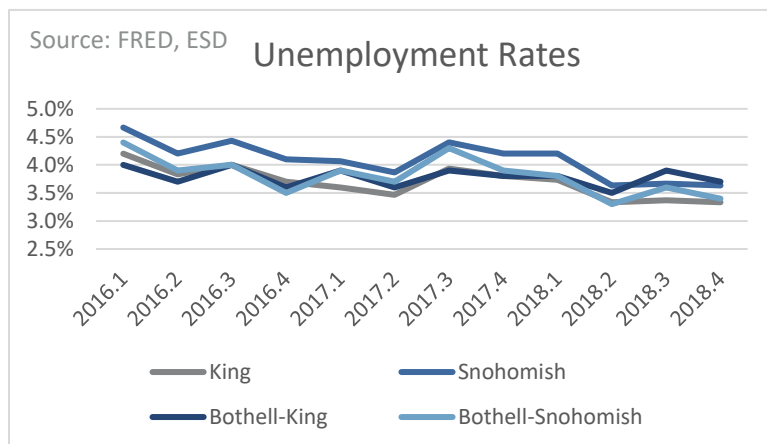
	BOTHELL	KING COUNTY	SNOHOMISH COUNTY	WASHINGTON STATE
MEDIAN INCOME	\$89,447	\$83,571	\$78,020	\$66,174
POPULATION	45,657	2,118,119	771,904	7,169,967
LABOR FORCE	24,495	1,200,419	412,425	3,636,944
PARTICIPATION RATE	69.6%	57%	53%	51%

Source: JobsEQ, ESRI

Bothell's median income is substantially higher than the median incomes in King County, Snohomish County, and Washington State, at \$89,447 - \$5,800 more than the King County median. Bothell's 69.6% labor force participation rate is dramatically higher than both King and Snohomish County, as well as Washington State. This high labor force participation rate and median income are both partially attributable to the high rate of attainment for bachelor's degrees within the city. It should be noted that the national average is 63%, meaning Bothell is the only area that has a higher labor force participation rate than the national average.

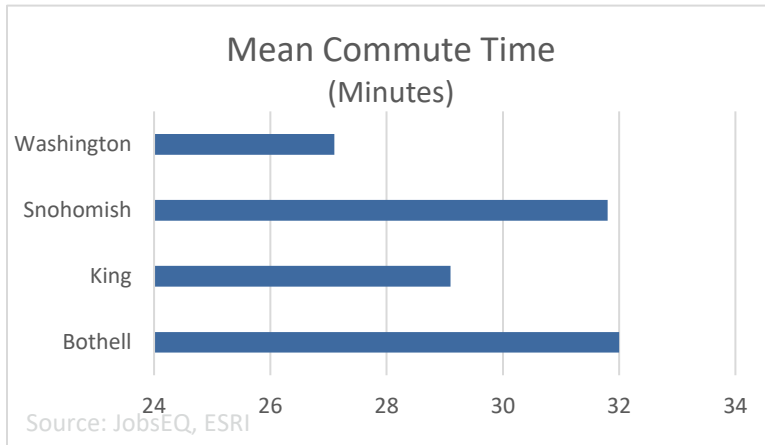


The population of Bothell is well educated - more than 30% of people hold a bachelor's degree. High school diplomas are the next most popular option, as this is the highest level of education for over 15% of residents. While there is no data for average salary by education level for Bothell, an average of Snohomish and King Counties is shown for comparison. The higher the degree attained, the higher the salary earned, with a larger jump between associates and bachelor's degree.

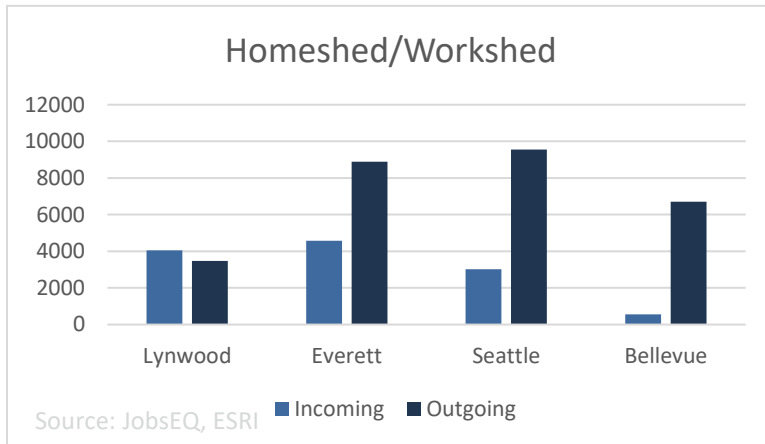


Snohomish County generally has the highest unemployment rate among our sample, excepting a brief period in Q3 and Q4 2018 when it was surpassed by the King County side of Bothell. Overall, there is a slight downward trend in all locations since the beginning of 2016, reflected in the labor market across the nation. However, in Q4 2018, Bothell-King and Bothell-Snohomish ended with unemployment rates only 0.3% and 1% lower than they started in 2016.

Economic Data



Bothell's mean commute time is the highest of the benchmarks, at 32 minutes. Snohomish County ranks just below Bothell at 31.8 minutes, which may be one of the reasons Bothell's commute time is the longest. King County and Washington State are both lower, at 29.1 and 27.1 minutes, respectively. Spread between commute times is within 5 minutes.



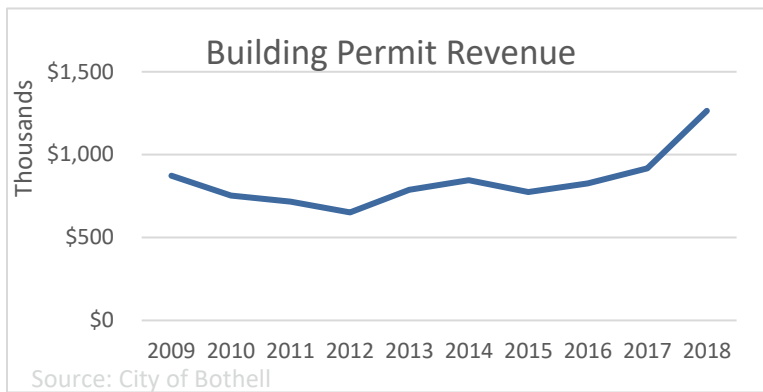
More people commute into Bothell than commute out of it, with 17,000 incoming and 33,000 outgoing. Unsurprisingly, the most popular outgoing commute location is Seattle, followed by Everett and Bellevue. This graph shows the top destinations for commuters to and from Bothell, but it does not represent the aggregate trends, given that these top locations represent a greater proportion of the outgoing population than the incoming.

	MEDIAN HOUSE PRICE	MEDIAN RENT – 1 BEDROOM	MEDIAN RENT – MULTI FAMILY
BOTHELL	\$612,367	\$1,520	\$1,775
KING COUNTY	\$685,000	\$1,660	\$2,500
SNOHOMISH COUNTY	\$485,600	\$1,342	\$2,070
WASHINGTON STATE	\$368,900	\$1,394	\$1,235

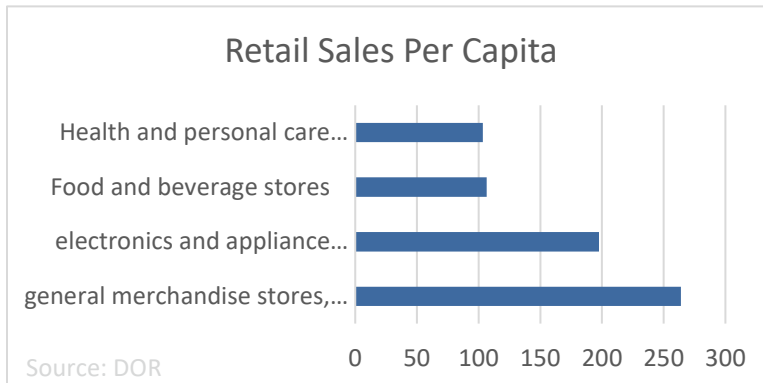
Source JobsEQ, RentJungle, Trulia, Runstad

As a general trend, Bothell has higher median house prices and rents than both Washington State and Snohomish County, but slightly lower than King County. The higher median home value does not pose an immediate concern for housing affordability since the median income is higher in Bothell than in all surrounding counties as well as in Washington State. The median house mortgage is 29.9% of the median income, meaning that the median house is affordable by the 33%-of-income standard.

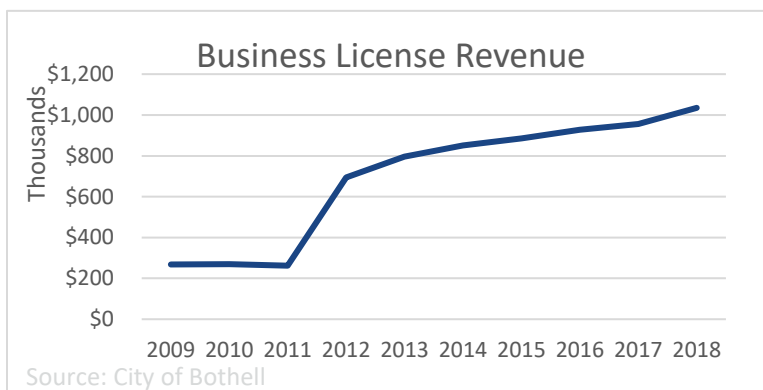
Business Data



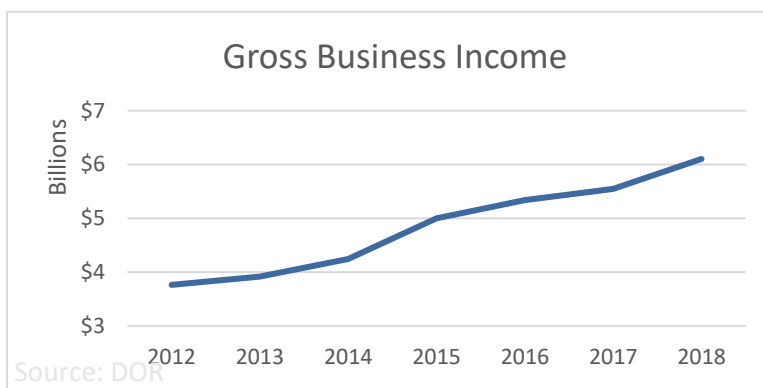
Aside from an initial downturn between 2014 and 2015, Building Permit revenue has been increasing since 2012. The highest growth rate has been observed between 2017 and 2018, with building permit revenue increasing 38%, to over \$1.2M. This is reflective of the forecasted growth trend in the construction sector, seen in the industry cluster graph on page 5 of this report.



The stores with the highest retail sales per capita are warehouse clubs and superstores, with \$263 in taxable sales per person. Next, are electronics and appliance stores with \$197 in taxable sales per capita. Electronics manufacturing has the lowest forecasted growth for Bothell, meaning we may see a change in this relationship, although there are too many variables to say for certain.



Business license revenue has shown a positive trend since 2011, with the only negative growth occurring in 2009. The largest growth rate was seen between 2011 and 2012, at 165%. Since then, the growth rate has steadily declined until 2018, which saw a growth rate of 8%. This is slightly higher than the average growth of 5% for the last 4 years.



Gross business income has been on the rise since 2012. The largest growth was seen between 2014 and 2015, at 18%. The smallest growth was seen between 2016 and 2017, at 4%, but the growth rate has picked up since then to 10% from 2017 to 2018, hovering at just over \$6 billion.

Industry Cluster

This chart shows the average wages, average annual employment forecast rate, and location quotient for selected industries. The location quotient (LQ) is the physical industry concentration in Bothell compared to the nation, meaning that if an industry has a LQ of 1, then that industry is equally specialized in Bothell and in the nation.

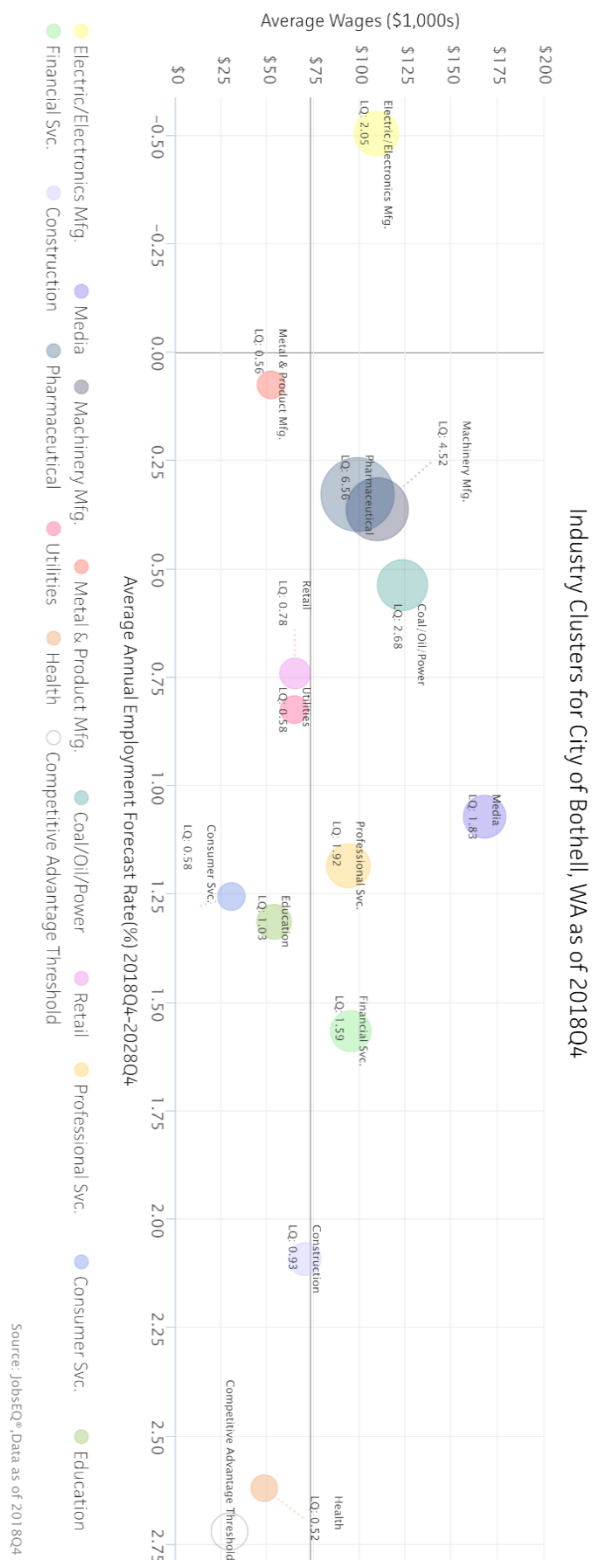
The industry with the highest LQ in Bothell is the pharmaceutical industry, at 6.56, meaning that the pharmaceutical industry is over 6 times as present in Bothell as it is from the national average. The location of the bubble also indicates the wage and employment forecast. The pharmaceutical industry pays on average \$100,000 per year in salary and forecasts a slight employment growth of 0.33%

Electronics manufacturing is the only industry with a forecasted reduction in employment, at -0.51%. Since manufacturing is one of the smallest sectors in Bothell, this may not have a significant impact on the local economy. We note that these jobs pay more than \$109,000 on average and it has a locations quotient near 2.

Media is the highest paying industry, with an average annual salary of more than \$168,000. Media employment growth is forecasted for just over 1%, and their industry presence is higher than the national average at an LQ of 1.83. The lowest paying industry is Consumer Services, at an average annual salary of just over \$30,000.

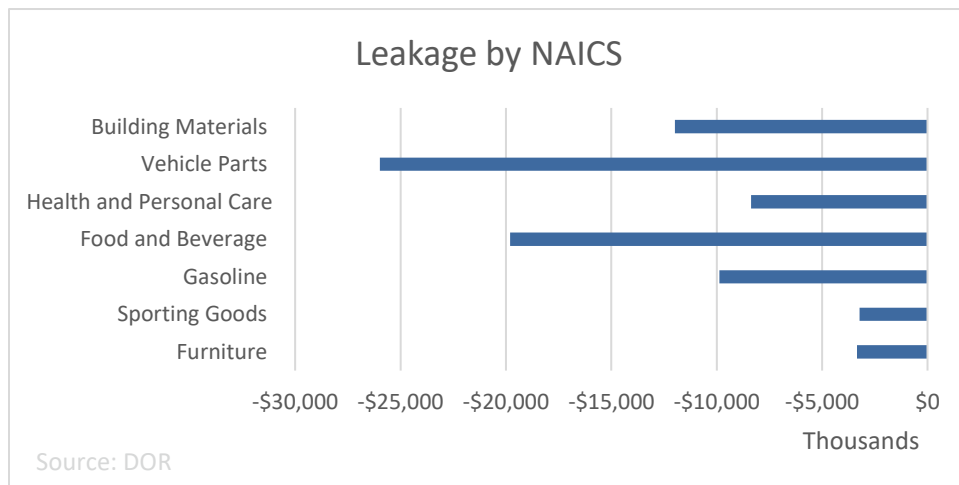
Construction and Health are the two industries with the highest predicted growth rates for employment at 2.09% and 2.62%, respectively. Unfortunately, these two industries pay lower than most large industries in Bothell, at just over \$70,000 for Construction and \$48,000 for Health. However, given that the median Salary in Bothell is substantially higher than in both Snohomish and King County, growth in low-paying job markets may be reflected in the median salary in future reports.

This graph also shows the growth rate at which an industry would have a competitive advantage. In Bothell, no industries cross this threshold, although the health industry comes closest.



Leakage and Value

Leakage



Leakage exists when the sales within an industry is lower for a community than it is as an average for the State. Leakage may indicate that residents are needing to go outside the community to find products or services that they prefer. All communities have some leakage – and some capture. the graph above illustrates leakage that exists in Bothell. The vehicle parts industry has the highest leakage amount, meaning that that industry has a higher potential for growth than sporting goods since the sporting goods industry has the lowest leakage amount. Furniture is the next smallest leakage ranking, followed by health and personal care.

Assessed Value

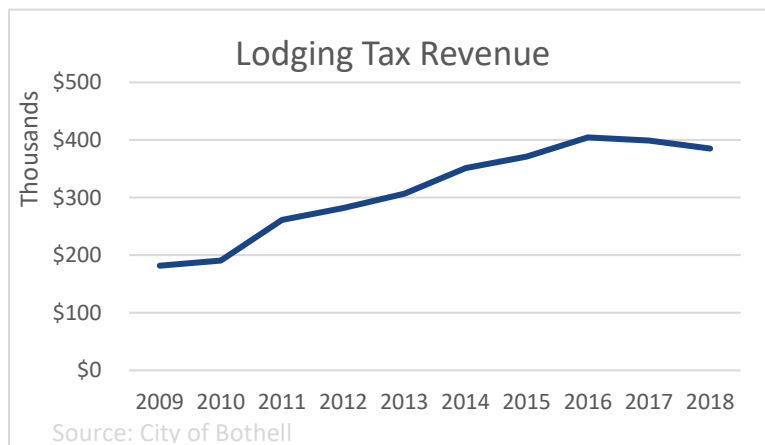
KEY SECTOR	ASSESSED VALUE PRESENT
RETAIL	\$158,323,900
HOUSING	\$210,273,000
MANUFACTURING	\$251,185,000
R&D	\$12,086,900
TOTAL	\$631,868,800

The assessed value of real estate utilized by these select sectors was gathered using a combination of companies by NAICS code, county assessor's data, and GIS software to determine the assessed land value per industry. This explores the usage of land per industry, and over time, will demonstrate patterns of expansion and growth within each industry. Currently, the manufacturing sector has the largest assessed land value, which, when compared to the industry sizes reported on page 1 of this report, shows that a large assessed value does not reflect industry size, but rather geographic size and development.

Occupancy and Tourism

OCCUPANCY PERMITTED	SQUARE FEET UNDER CONSTRUCTION	OCCUPANCY PERCENT
PUBLIC PARKS	(Waiting on this data from the city)	
HOUSING		
INDUSTRIAL		
SHOPPING		
TOTAL		

Pellentesque sit amet ex vitae nisi gravida malesuada. Ut porta placerat velit. Suspendisse semper non nulla non accumsan. Aenean nec pellentesque lacus. Vivamus rhoncus, lectus a ultricies euismod, tellus metus luctus urna, ac sodales dolor purus non erat.



The observable growth in lodging tax revenue was interrupted in 2017, showing the first decline since 2009. The largest growth period was from 2010 to 2011, with a growth rate of 37%. On a more negative note, the rate of decline has increased over the last two years, from -1% to -3%. It should be noted, however, that the average growth rate is about 9%, which is reflective of the overall positive trend in lodging tax revenue.

CONSTRUCTION COSTS PER SQUARE FOOT						
	Residential	Commercial	Retail	Manufacturing	Healthcare	AVERAGE
2019	\$305.5	\$445.6	\$370	\$318	\$499.3	\$387.7

Source: CCorplnsights.com

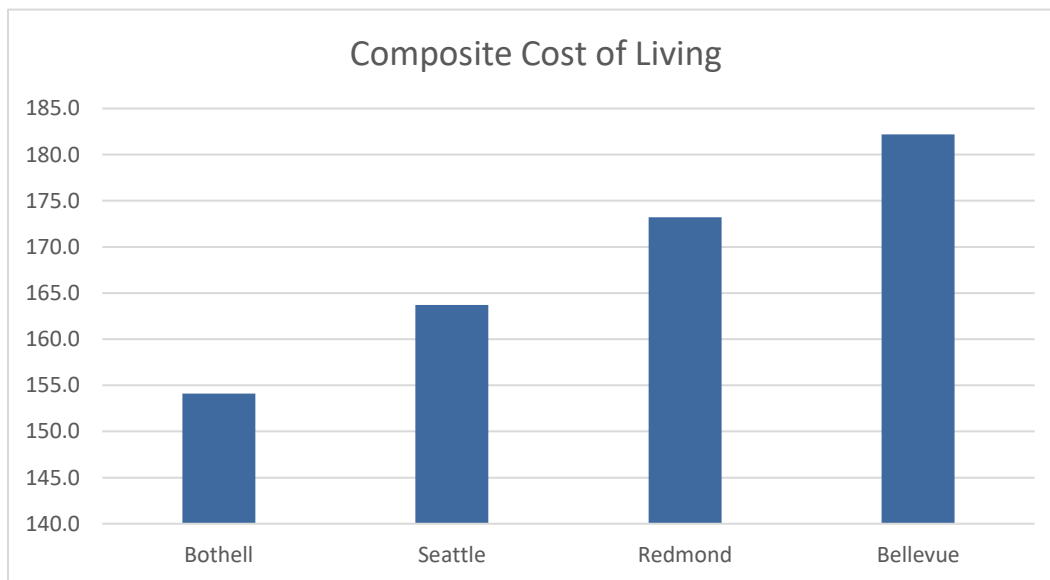
The healthcare industry has the highest construction costs per square foot, at \$499.3. This is about \$44 higher per square foot than the next highest, which is commercial space. Considering that healthcare has the largest predicted employment growth rate by far, as shown in the industry cluster graph on page 5 of this report, the high construction costs for health buildings constitute a large portion of the construction budgets in the city, along with residential. However, it should be noted that for every major city in the US, Health buildings have higher construction costs than nearly every other sector, so these higher costs are generally not reducible and are driven by the level of specificity required by healthcare buildings. As this report continues, a time-series comparison will be available to compare trends in these industries.

Cost of Living

	GROCERY	HOUSING	UTILITIES	HEALTHCARE	TRANSPORTATION
BOTHELL	115.6	200.1	115.5	92.5	133.5
SEATTLE	118.7	275	104.7	102.9	140.8
REDMOND	111.9	301.5	105.6	134.7	137.1
BELLEVUE	111.5	292.2	96	81.7	132.2

Source: bestplaces, salary.com, payscale, areavibes, JobsEQ

The cost of living index is generated by comparing the costs of goods and services against the national average, which is set at 100. Bothell's housing index of 200.1 means that housing costs are nearly double compared to the national average. For nearly all components of the composite cost of living, Bothell, Seattle, Redmond, and Bellevue rank similarly. The sectors of Housing and Healthcare have the highest variations, with housing spanning 100 points between Redmond and Bothell. This partially explains the high number of Bothell residents commuting to Redmond.



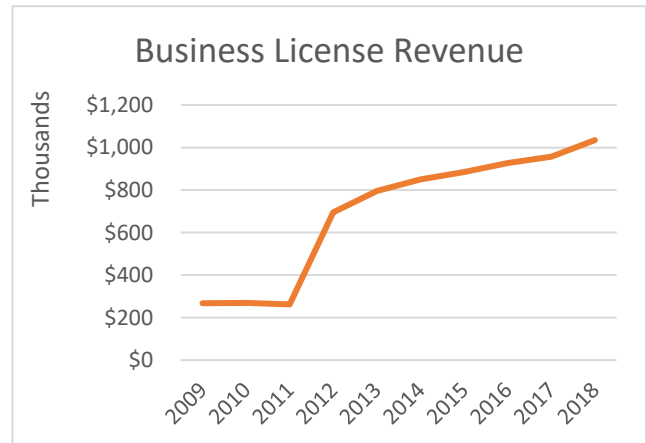
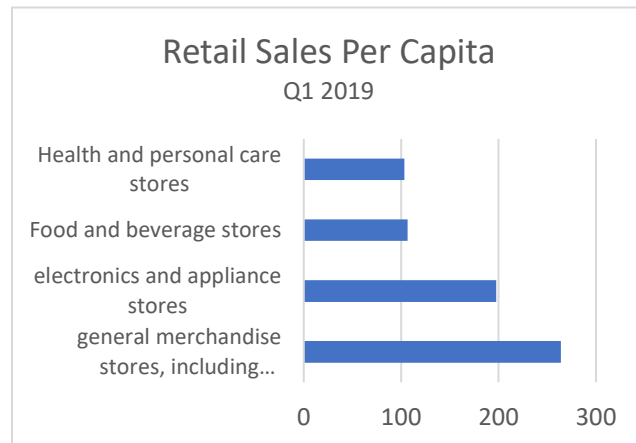
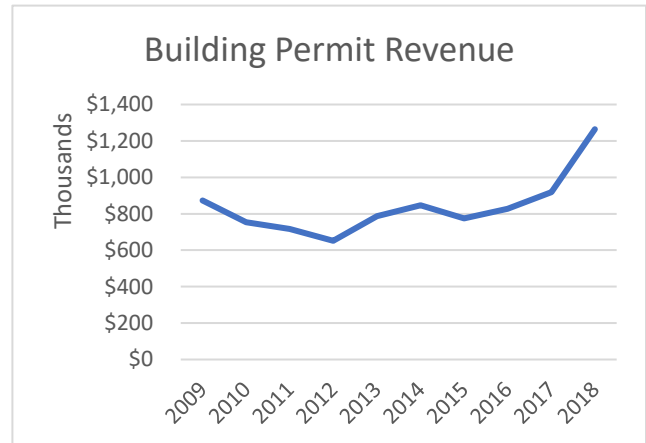
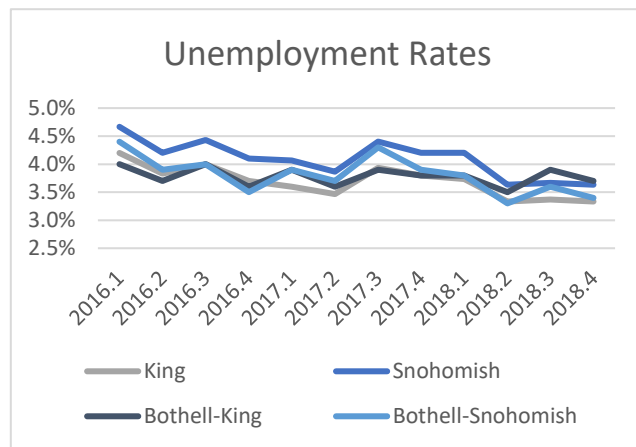
Source: bestplaces, salary.com, payscale, areavibes, JobsEQ

The composite cost of living considers the cost of living for all potential expenditures. Bellevue ranks highest, driven by their substantially higher median house and rent prices. Redmond is second, driven by both housing and healthcare costs. Despite Bothell having a higher median house price than both Snohomish County and Washington State, it has a lower cost of living index than all three of the cities shown for comparison. Bothell does, however, have a higher cost of healthcare than in other cities. All cost of living indices were generated by averaging several different sources, as to attempt to remove any subjectivity or data error.

City of Bothell

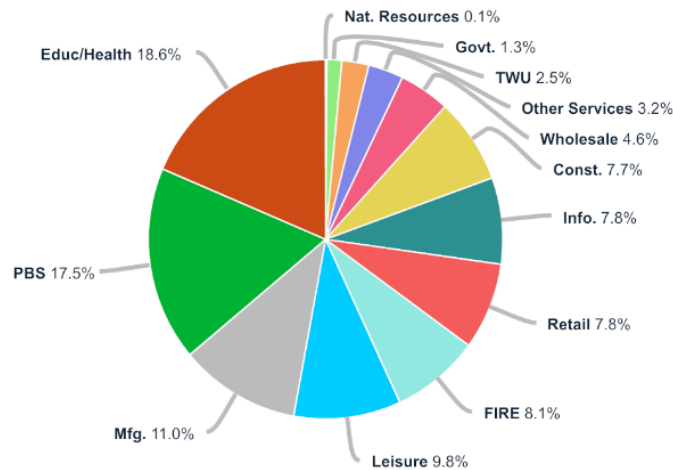
Business Metrics and Indicators

REAL ESTATE OVERVIEW (2019)	MEDIAN HOUSE PRICE	MEDIAN RENT – 1 BD	MEDIAN RENT – MULTI FAMILY
BOTHELL	\$612,367	\$1,520	\$1,775
KING COUNTY	\$685,000	\$1,660	\$2,500
SNOHOMISH COUNTY	\$485,000	\$1,342	\$2,070

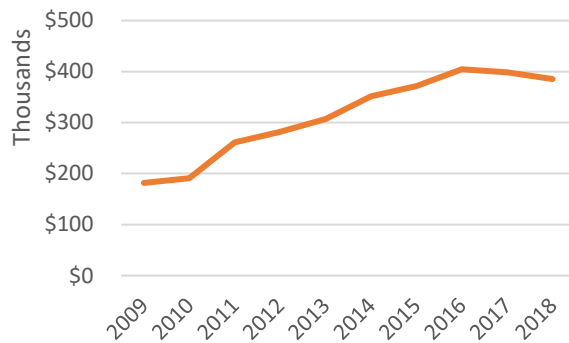


CONSTRUCTION COSTS PER SQUARE FOOT						
	Residential	Commercial	Retail	Manufacturing	Healthcare	AVERAGE
2019	\$305.5	\$445.6	\$370	\$318	\$499.3	\$387.7

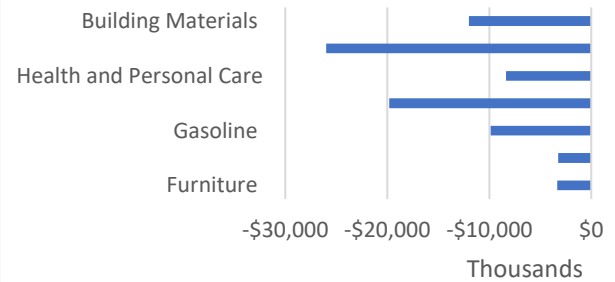
Labor Inventory, Covered Employment, for Bothell



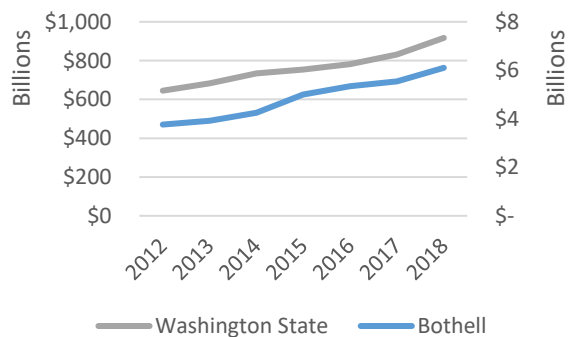
Lodging Tax Revenue



Leakage by NAICS Q1 2019



Gross Business Income



ASSESSED VALUE (Q1 2019)

ASSESSED VALUE (Q1 2019)	
RETAIL (44-45)	\$210,273,000
REAL ESTATE; LEASING (53)	\$251,185,000
MANUFACTURING (31-33)	\$158,323,900
R&D; LIFE SCIENCE (5417)	\$12,086,900
TOTAL	\$631,868,800



City of Bothell™



CENTER OF ECONOMIC AND BUSINESS RESEARCH