



The Impact of the  
**Helix**  
project  
on  
Local and State Revenue

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# Executive Summary

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## BACKGROUND

This report provides an updated analysis of direct tax benefits from the retention of Amgen (formerly Immunex) operations in Seattle. The retention of the company's research and development facilities was made possible through a public private partnership that included the company, the City of Seattle, Metropolitan King County, and the Port of Seattle. The role of the three public agencies was to provide funding for improved access to a 29-acre parcel at Pier 88, which enabled Immunex to build a new research and technology center on Seattle's waterfront (code-named the "Helix Project"). Without that public investment, the facilities would have been built at a "greenfields" site in Snohomish County and the tax revenue from those facilities would have gone to other jurisdictions.

The willingness of the three public agencies to participate in funding the access improvements was based in part upon an analysis completed in September 1994 by Gibson Economics, which projected that the direct tax benefits from the research and development facilities alone would be more than sufficient to offset the public investment. The study was updated in 1996 and again when construction began in 2001. This report provides a fresh analysis in light of several changes:

- site acquisition and the start of construction were pushed back because of the time needed to secure permits;
- Amgen's acquisition of Immunex has led to changes in the scope of the facilities to be constructed;
- passage of Initiative 727 reduced the future property tax revenues that are projected; and
- the contributing jurisdictions have made policy decisions that have altered their property tax rates.

The cumulative effect of these changes is to reduce the direct taxes to be received well below previous projections. Therefore, this analysis seeks to determine whether and when local governments can expect to recoup their investment in the access improvements from the tax revenue generated by the Helix project.

## FOCUS OF THE ANALYSIS: DIRECT TAX BENEFITS

The analysis is focused solely upon the new revenue generated for state and local government through taxes paid by Immunex/Amgen. It does not reflect the full range of benefits the public will derive from this investment, which include improvements in safety, access to other adjacent properties and parks, and the magnet effect of these facilities in attracting other biotechnology firms to our community.

In addition, Immunex/Amgen has provided a number of valuable public benefits through its partnership with the three public agencies, including a \$5 million pedestrian bridge over the railroad tracks, a public access easement on 1.1 acres of open space on the Helix site, and apprenticeship and permanent job opportunities for disadvantaged individuals. Each of these benefits is attributable to the decision to invest in the access improvements.

It is also important to note that this analysis is structured to provide the most conservative assessment of tax benefits from the Helix Project. *Previous studies estimated the direct tax benefit of all three phases of construction planned by Immunex while our estimates include only the construction now underway and certain to be completed.* No assumptions are made in this study about the timing or size of the tax benefit of future phases of construction. We have taken this approach because we recognize that Amgen, which acquired Immunex just three months ago, must assess the timing and scope of future development based its growth as a global biotechnology company.

The study is also conservative in that it does not attempt to estimate the *indirect* tax benefits that will be derived by local government as a result of retaining Immunex/Amgen in the city. These additional revenues would include sales taxes on purchases made by employees and other taxes generated by the activity of the company and its employees that would not have been realized by Seattle, King County and the Port had the company moved to Snohomish County.

## METHODOLOGY

The estimated tax benefits were developed in nominal terms, the simple sum of estimated tax collections over time, and in net present value terms, discounting future revenues at 3 percent per year, and increasing past revenues by 3 percent a year for the period from 1998 through 2001. The resulting net present value figures, stated in 2002 dollars, are used throughout the narrative

## MAJOR FINDINGS

*The study's primary finding is that the three local governments that participated in funding the access improvements will realize sufficient direct tax revenue from the Helix Project facilities now under construction to offset their \$14.9 million investment in the access improvements by 2026.*

*The study also found that substantial tax benefits are now flowing to the Seattle Public Schools and the State of Washington as a result of the project. In all, a total of \$ 25.6 million in direct tax revenue attributable to the Helix Project will be paid to state and local government during the first twenty years following completion of the Galer Street ramp. This exceeds the local public contribution of \$14.9 million by \$10.7 million or 72%.*

# Direct Tax Benefits of the Helix Project

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## ORIGIN OF THE PROJECT

In the early 1990s, the Board of Directors of Immunex decided to build a new facility to house the company's growing biotechnology research and development activity, as well as its corporate headquarters. The company had long since outgrown its original building in downtown Seattle, and with staff scattered in several buildings and a manufacturing plant in Snohomish County, the company was finding it difficult to efficiently manage its operations. After investigating alternative sites worldwide and evaluating operational issues and employee preferences, Immunex settled on two options:

- a corporate campus at Pier 88 on land the Port of Seattle would sell to the company, or
- a campus in Snohomish County that locate all company functions at a single site.

The Board indicated a preference for the Pier 88 site, but faced one major impediment: Pier 88 is situated on the seaward side of the main north/south rail lines leading into Seattle, and the only access to the site was a grade-level street which was frequently blocked by long trains headed for the Port of Seattle terminals on Harbor Island. With increasing international freight and plans for commuter rail on the horizon, the at-grade crossing could simply not accommodate the number of vehicle trips that would be generated by the Immunex development. Grade-separated access to the site was a prerequisite. This created a dilemma for the Board because the cost of building the access improvements made the Seattle location far more expensive than relocating to Snohomish County.

Aware of the choice facing the company, representatives of the Port, the City of Seattle, and King County began to consider the possibility of forming a partnership to provide funding for grade-separated access to the site and adjacent properties. These officials reasoned that the public investment in access would keep a growing company within the City, bring relatively unproductive property back onto the tax rolls and create new employment opportunities.

## Costs and Contributions

The initial design concept for improved access was to build an extension of the Magnolia viaduct running south into the Terminal 88 site. The first rough cost estimates for this version of the "Galer Street Flyover" ranged from \$9 million to \$15 million.

An economic analysis conducted for Cedar River Associates by Gibson Economics estimated that if the "Flyover" allowed Immunex to build the full three-phase project it envisioned, local and state governments would realize \$38.7 million in tax benefits over twenty years. The City's share of this total was estimated at nearly \$17 million; King County's share was estimated to be \$14.5 million; and the Port's estimated at just under \$2 million. In discussions with financial experts within the City government, these estimates were reduced slightly, to a total of \$32.6 million. Based on these estimates, the three governments initially agreed to contribute to the costs of providing access in proportion to the percentage of the local tax benefits they would each derive from Immunex's project.

## Building the Bridge

As a part of the agreement, the City of Seattle assumed responsibility for construction and operation of the new flyover. In response to public opinion voiced during environmental review, the City changed the design concept. The new design envisioned a ramp that would originate east of Elliott Avenue and end on Terminal 88 west of the railroad tracks. This concept provided improved access to both Terminal 88 and Terminal 89 properties on a standalone ramp that did not tie into the aging Magnolia bridge structure. This ramp was more expensive than the initial design, but proved to be wise in light of the subsequent damage to the Magnolia Bridge caused by the Nisqually earthquake.

In light of the increased costs of the new design, the Port of Seattle and the City of Seattle agreed to increase their contributions. The Port's contribution rose from \$0.6 million to \$1.6 million. The City, as the lead agency, increased its investment to \$10.1 million, while King County decided to hold its funding at the \$3.2 million it had originally promised. Thus, the total local government investment proved to be \$14.9 million, with an additional \$4 million provided through federal ISTEA and EDA grants.

	Cost
City	10.1
County	3.2
Port	1.6
Local total	14.9
Federal	4.0
Total	18.9

## Changes at Immunex

In December 2001, Immunex's board voted to sell the company to Amgen, a global biotechnology company based in Thousand Oaks, California. Construction of the Helix Project – including corporate headquarters and research facilities – had been underway for a year. In light of the pending sale, the Board decided to review the construction plans and put a hold on certain of the facilities that would no longer be needed if the acquisition was approved by shareholders and federal regulators. As a result, work was halted on the headquarters facilities and certain other minor portions of the project.

Since Amgen had indicated that it intended to keep a major research and development operation at the site, construction of the research and development facilities continued on schedule. Amgen received final approval of the acquisition of Immunex on July 15, 2002, and again re-affirmed its commitment to complete the research portions of the project.



## PURPOSE OF THE STUDY

This report focuses on providing an updated analysis of the estimated state and local tax streams that will be generated by the completed research and development facilities now owned by Amgen. We believe the study is timely for several reasons:

1. Final bridge costs are now known, allowing a more accurate projection of costs and benefits.
2. The sale of Immunex to Amgen will result (at least for the near term) in a scaled down Helix Project that will generate less in property tax revenue than the three phase project originally envisioned by Immunex.
3. Passage of Initiative 727 reduces the potential property tax revenue relative to the projections in earlier studies.

In light of these changes, this study seeks to determine whether and when local government will realize sufficient revenue from the Helix Project to offset the local investment in improved access.

## TAX ANALYSIS

The tax revenues produced by the Helix Project are presented in this section. The total tax benefit for all local and state governments is presented first, after which the impacts on each jurisdiction are analyzed separately. Two metrics are offered in the charts below, nominal dollars and net present value. The nominal dollar calculations are just the sum of revenues projected for various years, ignoring the passage of time. The net present value calculations discount future revenues at 3 percent per year, a typical discount rate for inflation-free revenue projections. The net present value figures are used exclusively in the narrative in the belief that they provide a more accurate statement of the actual value of the tax benefits.

### The Property Tax

The property tax paid by every property owner in the county is shared among several different units of government, including the state, county, city, school district, and port, each of which creates a levy rate that becomes part of the total property tax obligation. King County assesses property owners annually, providing new assessment values in July. These new assessments are used to calculate tax obligations beginning the following calendar year.

Amgen received a new assessment in July 2002 that will increase the assessed value and tax obligations on the Helix site for 2003. That estimate is based on the premise that construction of the new research facilities were 50 percent complete upon the date of assessment. By July 2003, the project should be 80 percent complete, increasing the assessed value for the 2004 tax year, and in July 2004 the project should be 100 percent complete, resulting in a final assessment that will govern tax obligations for 2005 and beyond. The actual tax payments will depend on levy rates and future changes in assessed values. In this analysis an annual 1 percent increase in assessed value is assumed once the Helix Project is completed. The analysis also assumes that levy rates will remain at current

levels: approximately 10.662 mills per thousand dollars of assessed value. This millage is comprised of many different elements:

- The state levy of 2.98946 mills, primarily for the schools;
- The county portion, which includes a general county levy plus levies for the justice center, emergency medical services, conservation futures, and general obligation bonds. These levies total 1.699 mills;
- The port levy of 0.18956 mills;
- The city portion, which includes a general purpose levy and levies for a number of separate purposes including parks, the construction of facilities at Seattle Center, community centers, the Seattle Art Museum, low income housing, and library construction, totaling 3.323 mills; and
- The school district's share, which is comprised of two property tax levies, one for maintenance and operations expenses and a second for construction, totaling 2.45994 mills.

## Other Taxes

In addition to the property taxes generated by the project, there is a smaller revenue stream generated by the sales taxes paid on certain portions of the construction. Although a state law adopted in the mid 1990's allows a deferral of sales taxes on the construction of research facilities, a portion of the Helix Project was judged to be not eligible for this deferral and subject to the sales tax, and we have included that revenue stream in the analysis. The current total sales tax rate is 8.8 percent. The state, county, and city shares of this tax stream as follows:

- 6.5 percent is paid to the state;
- 0.85 percent is paid to the city; and
- 1.45 percent is paid to the county, including portions earmarked for Metro bus service, other transportation measures and criminal justice

A third tax paid by Immunex is a gross receipts tax to the city for royalty income on several pieces of intellectual property. Assuming that all of these tax rates remain unchanged in the future, the tax streams attributable to Amgen's Helix Project can be estimated for each unit of government.

## TAX BENEFITS

### Local and State Government as a Whole

The broadest measure of direct tax benefits is the net impact on state and local government as a whole. This chart shows the total estimated direct tax benefits derived from the Helix project between 1998 and 2028. Collectively, the revenue derived by state and local governments surpasses the local public investment in the access improvements in 2013.

	Cumulative Nominal Total	Discounted Cumulative Tax Receipt
1998	0.162	0.183
1999	0.376	0.416
2000	0.584	0.637
2001	0.787	0.846
2002	1.180	1.239
2003	2.235	2.283
2004	3.860	3.770
2005	5.543	5.265
2006	7.225	6.716
2007	8.924	8.139
2008	10.640	9.535
2009	12.374	10.903
2010	14.124	12.245
2011	15.892	13.561
2012	17.678	14.851
2013	19.482	16.116
2014	21.304	17.356
2015	23.144	18.573
2016	25.002	19.801
2017	26.879	21.006
2018	28.775	22.187
2019	30.689	23.346
2020	32.623	24.482
2021	34.576	25.595

## HOW THE TAX BENEFITS WILL BE SHARED AMONG THE JURISDICTIONS

Because various jurisdictions contributed different amounts to the construction of the ramp, the net tax benefit is greater for some agencies than for others. The charts on the following pages display the differing tax benefits for each jurisdiction, and the narrative provides an assessment of whether and when the jurisdiction recoups its investment.

### City of Seattle

The city is the biggest investor in the ramp, contributing \$10.1 million. As project manager and owner, the City assumed most of the financial risk, and increased its contribution significantly when the new design was chosen. Nevertheless, the study estimates that the City will realize a positive return in net present value terms by 2028 solely from the revenue directly attributable to the Helix Project. This chart illustrates the City's projected revenue stream.

	Cumulative Nominal Total	Discounted Cumulative Tax Receipt
1998	0.051	0.057
1999	0.117	0.130
2000	0.182	0.199
2001	0.245	0.264
2002	0.327	0.345
2003	0.615	0.616
2004	1.080	1.042
2005	2.121	2.001
2006	2.646	2.453
2007	3.175	2.896
2008	3.710	3.331
2009	4.250	3.758
2010	4.796	4.176
2011	5.347	4.586
2012	5.903	4.988
2013	6.466	5.382
2014	7.033	5.769
2015	7.607	6.148
2016	8.186	6.520
2017	8.771	6.874
2018	9.362	7.221
2019	9.959	7.561
2020	10.561	7.895
2021	11.170	8.222
2022	11.785	8.543
2023	12.406	8.858
2024	13.033	9.166
2025	13.666	9.469
2026	14.306	9.765
2027	14.952	10.056
2028	15.605	10.341

## King County

As a smaller contributor, King County recoups its \$3.2 million investment in the ramp in net present value terms by 2017, as illustrated in this chart of revenues. Through 2021, the County will receive \$4.0 million.

	Cumulative Nominal Total	Discounted Cumulative Tax Receipt
1998	0.026	0.029
1999	0.060	0.066
2000	0.093	0.102
2001	0.125	0.135
2002	0.180	0.190
2003	0.341	0.341
2004	0.592	0.571
2005	0.860	0.809
2006	1.128	1.041
2007	1.399	1.267
2008	1.673	1.490
2009	1.949	1.708
2010	2.228	1.922
2011	2.510	2.131
2012	2.794	2.337
2013	3.082	2.538
2014	3.372	2.736
2015	3.665	2.930
2016	3.961	3.120
2017	4.260	3.306
2018	4.562	3.489
2018	4.867	3.668
2018	5.176	3.844
2021	5.487	4.016

## Port of Seattle

The Port of Seattle sold the property to Immunex for \$6 million, and subsequently invested \$1.6 million in the flyover ramp to further its mission of promoting economic development in the region. The Port did not expect to recoup its investment solely from the direct taxes derived from the Helix Project, and the study confirms their prediction. The Port does not reach a breakeven point under the assumptions used in this analysis and remains a net donor to the ramp by the end of the analysis period. By 2021 the Port's tax revenues due to the Helix Project sum to \$505,000 in net present value from the Helix project. However it should be pointed out that the improved access provided by the flyover serves other Port-owned properties as well as Pier 88, and has the potential to significantly improve freight mobility for the Port's clients.

	Cumulative Nominal Total	Discounted Cumulative Tax Receipt
1998	0.003	0.003
1999	0.007	0.007
2000	0.010	0.011
2001	0.014	0.015
2002	0.017	0.019
2003	0.033	0.033
2004	0.058	0.056
2005	0.156	0.148
2006	0.186	0.173
2007	0.216	0.198
2008	0.246	0.223
2009	0.277	0.247
2010	0.308	0.271
2011	0.339	0.294
2012	0.371	0.317
2013	0.403	0.340
2014	0.435	0.361
2015	0.467	0.383
2016	0.500	0.404
2017	0.533	0.425
2018	0.567	0.444
2018	0.601	0.465
2020	0.635	0.485
2021	0.670	0.505

## Seattle School District

The Seattle School District did not participate in funding the Galer Street Flyover, but the taxpayers of the District are among the largest and most immediate beneficiaries of the project. Because the Helix Project is inside city limits, it is subject to excess levies by the school district for maintenance and operations, and for construction. These levies supplement the funds provided by the state for basic education. Assuming these levies remain in place at their current rates, the Helix Project will yield a total of \$5.79 million in net present value for the Seattle Public Schools through 2021.

	Cumulative Nominal Total	Discounted Cumulative Tax Receipt
1998	0.037	0.042
1999	0.087	0.096
2000	0.135	0.147
2001	0.182	0.195
2002	0.228	0.242
2003	0.428	0.430
2004	0.759	0.733
2005	1.215	1.143
2006	1.603	1.477
2007	1.995	1.806
2008	2.391	2.128
2009	2.791	2.443
2010	3.195	2.753
2011	3.603	3.057
2012	4.015	3.354
2013	4.431	3.646
2014	4.851	3.932
2015	5.276	4.213
2016	5.705	4.488
2017	6.138	4.758
2018	6.575	5.023
2019	7.017	5.282
2020	7.463	5.537
2021	7.914	5.786

## State of Washington

The state did not participate in financing the bridge, but it will receive taxes due to the Helix Project. Through 2021, the state's tax revenues from the Helix Project will be \$7.42 in net present value. It is important to acknowledge, however, that the state differs from the other jurisdictions in the study because it would also have realized most of these revenues if the company had relocated its Seattle operations to Snohomish County. On the other hand, it could be argued that Immunex's investment in the Helix facilities was a major factor in Amgen's decision to retain such a major research presence in Washington at all, in which case all of the State's revenues would be attributable to the access improvements.

In either case, almost all of the revenues to the state in this scenario come from property taxes and go into the state's basic education fund for distribution to local school districts.

State General Fund (Sales Tax)			State School Fund		
	Cumulative Nominal Total	Discounted Cumulative Tax Receipt		Cumulative Nominal Total	Discounted Cumulative Tax Receipt
			1998	0.046	0.051
2002	0.141	0.141	1999	0.105	0.117
2003	0.282	0.274	2000	0.164	0.179
2004	0.423	0.402	2001	0.221	0.237
			2002	0.277	0.294
			2003	0.520	0.522
			2004	0.922	0.890
			2005	1.462	1.375
			2006	1.934	1.781
			2007	2.410	2.180
			2008	2.891	2.572
			2009	3.377	2.955
			2010	3.868	3.332
			2011	4.364	3.700
			2012	4.865	4.062
			2013	5.370	4.417
			2014	5.881	4.765
			2015	6.397	5.106
			2016	6.918	5.440
			2017	7.444	5.768
			2018	7.976	6.090
			2019	8.513	6.405
			2020	9.055	6.714
			2021	9.603	7.018



# Comparison With Earlier Projections

The direct tax benefits to the contributing jurisdictions are substantially below earlier projections for several reasons:

1. Earlier estimates were based on completion of all three phases of construction envisioned by Immunex in 1994, with a total estimated value of \$450 million. This study counts only those revenues that will be generated from construction that is now underway and certain to be completed. This difference in assumptions is the single biggest factor in reducing the revenue projections.
2. In earlier estimates the value of phase one of the project was projected to be \$208 million. As actually constructed, the first phase will have an assessed value of \$157 million.
3. A third important factor is the passage of Initiative 727 which limits the growth of property taxes to 1% per year unless there is a public vote to raise them. The earlier estimates had assumed rates of growth that were consistent with historical patterns, which generated greater revenue. This factor accounts for approximately 15% of the difference between past studies and our projections.

It is important to point out that these are conservative assumptions, and they are subject to change. Should Amgen decide to construct additional facilities at the Helix site, the revenue attributable to the project would increase proportionately. Similarly, if the voters should modify or eliminate I-727, revenues could again increase at rates greater than those in our estimates.

In addition, it is important to recognize that the access improvements serve several other properties other than the Helix site, and it would be reasonable to include the increase in tax benefits from those properties in calculating return on the public's investment in the Galer Street Flyover. If those revenues were included, the timetable for achieving a positive return would move forward considerably.

This table summarizes the differences in the 1994 and 2002 estimates of revenue through 20 years:

	<u>1994 Estimate</u>	<u>2002 Update</u>
	Based on 3 phases of construction started at 5-year intervals	
	Phase 1 value: \$208 million	Revised Phase 1 only
Jurisdiction	Value of all 3 phases: \$450 million	Phase 1 value: \$157 million
City of Seattle	\$16.9 million	\$ 8.2 million
King County	\$14.6 million	\$ 4.0 million
Port of Seattle	\$ 2.0 million	\$ .5 million
State of Washington	\$ 5.2 million	\$ 7.4 million
Seattle Public Schools	Not included	\$ 5.8 million
Total Revenue	\$38.7 million	\$25.9 million



## Other Costs and Benefits

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The City of Seattle, as construction manager and owner of the Galer Street flyover ramp, has assumed responsibility for maintaining the ramp, providing police and fire protection, and utility services, at the formerly undeveloped Pier 88 site. The costs of these services have not been estimated in this analysis. These are the only additional costs due to the Helix Project. However, there are many additional benefits:

### **IMPROVED WATERFRONT ACCESS AND SAFETY**

By constructing a grade separated crossing for vehicles across Elliott Avenue and the railroad tracks, the City has provided public access to a Elliott Bay Park and it's public fishing pier and Myrtle Edwards park, as well as access to Pier 88 and Terminal 89, 90, and 91 properties occupied by several businesses. The grade-separated crossing improves safety, since drivers or pedestrians will no longer have to cross the tracks. This investment also has the potential to eliminate the need for the at grade crossing at Galer Street which would increase freight and commuter rail mobility.

As part of the agreement, Amgen included a pedestrian bridge in the Helix Project, providing a separate crossing for pedestrians and bicyclists. That bridge is currently being fabricated and will be installed in coming months. This pedestrian bridge will provide further access and safety benefit to City residents who want to reach the waterfront park. The cost of the bridge is estimated to be \$5 million, which is being paid by the company.

In addition, Amgen has dedicated a public access easement to 1.1 acres of open space on its site, and agreed to maintain this landscaped area in perpetuity. By enhancing Myrtle Edwards Park, this easement provides a public benefit at a private cost.

### **INCREASED DEVELOPMENT POTENTIAL**

By providing much improved access to Pier 88 and Terminal 89, and an alternate route into Terminals 90 and 91, the flyover ramp enhances the development potential of these sites considerably. These lands are currently owned by Amgen (Pier 89) and the Port of Seattle. Amgen will evaluate its long-term needs for Pier 89 properties and the Port has new development plans for Terminals 90 and 91. There is a very good possibility of future development on these sites that could yield additional tax benefits with little or no additional public infrastructure cost.

## **A MAGNET FOR OTHER HIGH TECH FIRMS**

The Amgen research and technology center at Pier 88 is likely to draw other high tech businesses into the city over time. There is an emerging high tech corridor along Elliott Avenue with several biotech and Internet businesses occupying space in new developments south of Pier 88. It is quite conceivable that these businesses would not have chosen these locations without the Amgen development, and that the example set by all of these firms will draw others into the region over time. Concentrated development in regional clusters brings not just tax benefits from redevelopment of dilapidated light industrial properties, but opportunities for efficient infrastructure development that the City can realize over time. Water, sewer, electric power, and transportation infrastructure investment patterns could be favorably affected by concentrated employment of high wage technology industries in this area.

## **GROWTH MANAGEMENT ADVANTAGES**

If the flyover ramp had not been built, Immunex's board had decided to move the company's entire operation to a site in Bothell in Snohomish County. If this alternative scenario had been realized, some 600-700 employees would have been relocated to an area at the edge of the region's urban growth boundary. This would have had a substantial impact on the region's ability to manage growth, and placed added pressures on the transportation system.

## **IMPACT ON LOCAL BUSINESSES**

In addition to those regional impacts, there would have been very real losses in the immediate area surrounding Immunex's (now Amgen's) current facilities. The business of nearby restaurants and shops would have declined to some degree, as employees shifted their lunchtime and after work spending to Bothell retailers. A portion of this workforce might have relocated their residences into Snohomish County, or new hires would have been more likely to locate in Snohomish County than in Seattle over time. In addition, the company likely purchases some supplies such as office laboratory supplies from local vendors. If the company had moved to Bothell, suppliers in Bothell or Lynnwood might have taken some of this business away from Seattle companies.

No quantitative estimates of the tax revenue impacts resulting from these factors have been constructed since they would be very speculative. However, a study for the Technology Alliance indicates that the indirect benefits of high tech employers such as Immunex are quite large in total. The estimated multiplier effect of each high tech job is 3.55, compared to an average of 2.86 jobs in all industries. Labor income in technology-based industries averaged \$61,330 in 2000, compared to a state average of \$32,748, or 87% above the average for all industries.<sup>1</sup> Thus, if just 10 percent of Amgen's workforce relocated as a consequence of a move to Snohomish, the City could have lost upwards of 213 total jobs. The estimated payroll impact would have included a loss of \$3.7 million at Immunex, and just under \$7 million considering the full multiplier impact.

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<sup>1</sup> *The Economic Impact of Technology-Based Industries in Washington: State in 2000*. Technology Alliance, Seattle, WA, June 2002 ([http://www.technology-alliance.com/publications/EconomicImpactExecSummary\\_00.htm](http://www.technology-alliance.com/publications/EconomicImpactExecSummary_00.htm)).

## **PROPERTY TAX REVENUE GENERATED BY AMGEN PROPERTIES ON PIER 89**

In addition to the Helix site, Immunex acquired all the privately held properties on the adjacent Pier 89. Since these properties are also served by the access improvements, they have escalated in value because of that investment. The revenue streams from those properties yield an additional \$3.5 million through 2021, even without additional development. The distribution of those revenues is displayed in the Appendix.

# Appendix

## REVENUES GENERATED BY TERMINAL 89 PROPERTIES OWNED BY AMGEN

All State & Local Governments			City of Seattle			King County		
Cumulative Nominal Total	Discounted Cumulative Tax Receipt		Cumulative Nominal Total	Discounted Cumulative Tax Receipt		Cumulative Nominal Total	Discounted Cumulative Tax Receipt	
1998	0.000	0.000	1998	0.000	0.000	1998	0.000	0.000
1999	0.000	0.000	1999	0.000	0.000	1999	0.000	0.000
2000	0.000	0.000	2000	0.000	0.000	2000	0.000	0.000
2001	0.000	0.000	2001	0.000	0.000	2001	0.000	0.000
2002	0.000	0.000	2002	0.000	0.000	2002	0.000	0.000
2003	0.237	0.223	2003	0.074	0.070	2003	0.038	0.036
2004	0.474	0.440	2004	0.148	0.137	2004	0.075	0.035
2005	0.711	0.650	2005	0.221	0.203	2005	0.113	0.034
2006	0.947	0.855	2006	0.295	0.266	2006	0.151	0.033
2007	1.187	1.055	2007	0.370	0.329	2007	0.189	0.032
2008	1.428	1.252	2008	0.445	0.390	2008	0.228	0.031
2009	1.672	1.444	2009	0.521	0.450	2009	0.266	0.031
2010	1.919	1.633	2010	0.598	0.509	2010	0.306	0.030
2011	2.168	1.818	2011	0.676	0.567	2011	0.345	0.030
2012	2.419	2.000	2012	0.754	0.623	2012	0.385	0.029
2013	2.673	2.178	2013	0.833	0.679	2013	0.426	0.028
2014	2.930	2.353	2014	0.913	0.733	2014	0.467	0.028
2015	3.189	2.524	2015	0.994	0.787	2015	0.508	0.027
2016	3.450	2.692	2016	1.061	0.830	2016	0.550	0.027
2017	3.714	2.857	2017	1.128	0.872	2017	0.592	0.026
2018	3.981	3.018	2018	1.196	0.913	2018	0.634	0.026
2019	4.251	3.176	2019	1.263	0.952	2018	0.677	0.025
2020	4.523	3.332	2020	1.330	0.990	2018	0.721	0.026
2021	4.798	3.484	2021	1.398	1.028			
			2022	1.465	1.064			
			2023	1.532	1.099			
			2024	1.600	1.133			
			2025	1.667	1.166			
			2026	1.734	1.198			
			2027	1.802	1.230			
			2028	1.869	1.260			

Port of Seattle			Seattle Public Schools			Washington State		
Cumulative Nominal Total	Discounted Cumulative Tax Receipt		Cumulative Nominal Total	Discounted Cumulative Tax Receipt		Cumulative Nominal Total	Discounted Cumulative Tax Receipt	
1998	0.000	0.000	1998	0.000	0.000	1998	0.000	0.000
1999	0.000	0.000	1999	0.000	0.000	1999	0.000	0.000
2000	0.000	0.000	2000	0.000	0.000	2000	0.000	0.000
2001	0.000	0.000	2001	0.000	0.000	2001	0.000	0.000
2002	0.000	0.000	2002	0.000	0.000	2002	0.000	0.000
2003	0.004	0.004	2003	0.055	0.052	2003	0.066	0.063
2004	0.008	0.004	2004	0.109	0.050	2004	0.133	0.061
2005	0.013	0.004	2005	0.164	0.049	2005	0.199	0.059
2006	0.017	0.004	2006	0.219	0.047	2006	0.266	0.057
2007	0.021	0.004	2007	0.274	0.046	2007	0.333	0.056
2008	0.025	0.003	2008	0.330	0.045	2008	0.400	0.055
2009	0.030	0.003	2009	0.386	0.044	2009	0.469	0.054
2010	0.034	0.003	2010	0.443	0.044	2010	0.538	0.053
2011	0.038	0.003	2011	0.500	0.043	2011	0.608	0.052
2012	0.043	0.003	2012	0.558	0.042	2012	0.678	0.051
2013	0.047	0.003	2013	0.617	0.041	2013	0.749	0.050
2014	0.052	0.003	2014	0.676	0.040	2014	0.821	0.049
2015	0.056	0.003	2015	0.736	0.040	2015	0.894	0.048
2016	0.061	0.003	2016	0.796	0.039	2016	0.967	0.047
2017	0.066	0.003	2017	0.857	0.038	2017	1.041	0.046
2018	0.070	0.003	2018	0.919	0.037	2018	1.116	0.045
2018	0.075	0.003	2019	0.981	0.037	2019	1.192	0.044
2020	0.080	0.003	2020	1.044	0.036	2020	1.268	0.044
2021	0.085	0.003	2021	1.107	0.035	2021	1.345	0.043

