
DEVELOPMENT & BUSINESS SERVICES

2023 ANNUAL REPORT



LYNNWOOD
WASHINGTON

Development & Business Services Mission:

Through outstanding public service, proactive planning, and strong partnerships, we foster development of a vibrant community where people and businesses thrive.

INTRODUCTION

The Development and Business Services (DBS) department was created in 2021 to improve efficiencies and increase transparencies across previously separated departments. This effort highlights the city's commitment to improving customer service and continuous process improvements to achieve organizational excellence. DBS is comprised of four divisions:

- **Community Planning**

The Community Planning Division is responsible for managing Lynnwood's land use development approval process; SEPA environmental review; the Lynnwood Growth Management Act (GMA) Compliant Comprehensive Plan; developing special area plans; maintaining and applying Zoning and Subdivision Codes; and staff support for the Planning Commission.

- **Economic Development**

Economic Development undertakes targeted activities, programs, and projects to improve Lynnwood's economic well-being and quality of life by fostering development; diversifying the economy; recruiting and retaining jobs; and building the local tax base. The Economic Development Division is responsible for facilitating private development; implementing the City Center Plan; managing Sound Transit Light Rail; business recruitment, retention, and expansion; and tourism promotion.

- **Permits and Inspections**

The Permit and Inspections Division includes Permit Services, Plan Review and Inspection Services, Development Engineering Services, Fire Prevention (South Snohomish County Fire and Rescue), and Code Enforcement. This division is responsible for the intake, review and issuance of all construction permits to ensure that construction in Lynnwood is safe, built according to the plans, and consistent with adopted State and local codes. Code Enforcement addresses a variety of nuisances and code violations that pose a threat to public safety, health, and neighborhood stability.

- **Administration**

The Administration Division includes the DBS Director and Administrative staff. The Director oversees all functions of DBS. The Administration Division provides budget preparation and oversight, business licenses services, and administrative support for all DBS divisions.

DBS responsibilities are focused on the orderly growth and development of our community. DBS staff prepared a Mission Statement and Strategic Goals that guide the department. This collaborative effort identified shared priorities for community vitality, sustainability, and resiliency. The DBS Mission Statement and Strategic Goals focuses DBS on Lynnwood's Community Vision; the priorities of the Lynnwood 2022-2026 Strategic Plan; and public service.

DBS Mission:

Through outstanding public service, proactive planning, and strong partnerships, we foster development of a vibrant community where people and businesses thrive.

DEVELOPMENT & BUSINESS SERVICES STRATEGIC PLAN GOALS:

1. Create a positive service culture for applicants.
2. Build systems, processes, and codes to work smarter and more efficiently.
3. Develop staff expertise and a culture to address Lynnwood's future growth.
4. Enhance quality of life through implementing the Lynnwood Comprehensive Plan.
5. Attract businesses and development partners to succeed in Lynnwood.

ORGANIZATIONAL AND PROCESS IMPROVEMENTS

DBS management and staff worked across departments to improve processes and increase efficiencies throughout the department. Significant time was invested to recruit and hire top talent in many open and completely new positions. Through extensive planning and review, DBS was able to fill several vacant positions and promote existing employees to other positions within the department. In 2023, Community Planning required external consulting to continue review of permit applications. Through strategic hiring, the external consulting support decreased throughout Spring 2023 and was no longer necessary by June 2023.

New Hires:

- Brian Kirk, Planner
- Brian Young, Code Enforcement Officer
- Catherine Kato, Planner
- Joe LaBlanche, Planner
- Sarah Cho, City Center Program Manager
- Yvette Schumacher, Senior Permit Technician

Promotions:

- Brett Emry, Senior Construction Inspector
- Catherine Kato, Senior Planner
- Melissa Sellers, Code Enforcement Lead
- Sam Ottow, Civil Engineer
- Shannon Lielke, Business License Specialist
- Zack Spencer, Planner

Retirement:

- Teri Minaker, 24 years of service with Lynnwood

PROFESSIONAL DEVELOPMENT

The Building Division completed the International Code Council (ICC) certified continuing education courses provided by Washington Association of Building Officials (WABO). Ryan Bush graduated from the Leadership Snohomish County signature program. Ben Wolters completed his certification for membership in the American Institute of Certified Planners (AICP).

PERMIT SOFTWARE

Throughout 2023, DBS staff worked closely with SmartGov to build and develop the new online permit software. SmartGov transitions all aspects of the permit application process to be 100% online. The SmartGov software covers all aspects of applications, permitting, document design, and reporting. Throughout the year, staff worked across departments to build the online application system and adjust our permit processing. In Q4, the department trained staff

and prepared materials to notify residents and existing applicants of the upcoming changes. The software is scheduled to officially launch in Q1 2024.

WEBSITE UPDATES

In anticipation of the new permitting software, staff reviewed and took inventory of existing DBS website content and permitting materials. Staff across multiple departments collaborated to update materials and developed a plan to publish new online content to support the launch of the SmartGov permit system.

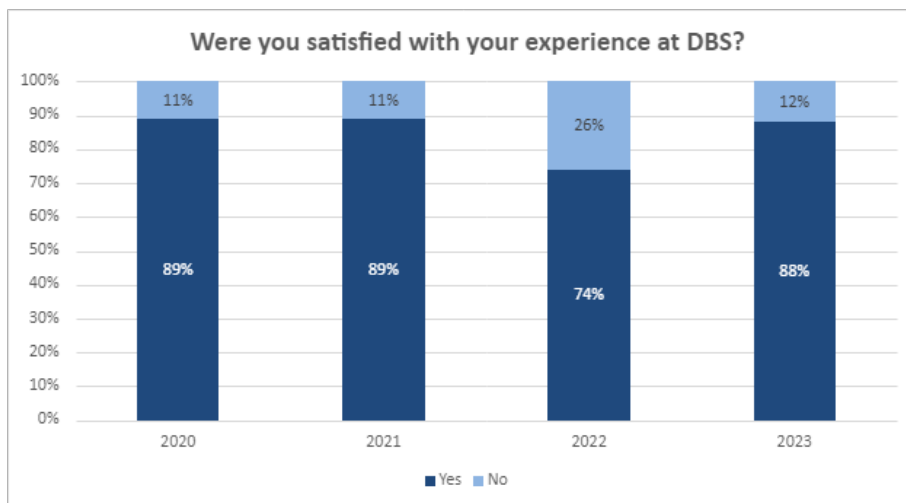
FEE STUDY

After an extensive fee study, City Council adopted an increase to DBS fees in 2023. The fee study identified that DBS achieved 92% cost recovery in 2020. By adopting the ordinance approving amendments to the 2024 fee schedule, DBS will achieve full cost recovery for services associated with project review, permits and inspections.

DEVELOPMENT ENGINEERING

In 2023, DBS Development and Engineering team issued 251 franchise permits, 48 tree permits, and 68 side sewer repair permits.

DBS CUSTOMER SATISFACTION SURVEY



DBS continues to monitor customer satisfaction with DBS services through an online survey. The survey results help inform DBS process improvements, letting us know what we are doing well and where we need to improve. In 2023, DBS customer satisfaction improved to 88%.

DEVELOPMENT ACTIVITY

DBS is responsible for planning and projects that support Lynnwood's Community Vision and Strategic Plan. Development activity in 2023 remained steady and many existing projects continued or were near completion. Development projects are throughout Lynnwood, including the Regional Growth Center, Highway 99, and the College District.

REGIONAL GROWTH CENTER

Lynnwood's Regional Growth Center, as designated by the Puget Sound Regional Council, is located along I-5 between Alderwood Mall and Sound Transit's future City Center light rail station. Lynnwood is preparing for future population growth and development in the Regional Growth Center through land use planning, zoning, and investments in infrastructure improvements. DBS has initiated planning with Sound Transit for the extension of light rail north to Everett.

SHAKE SHACK

In September 2023, Lynnwood celebrated the opening of Shake Shack located at the Alderwood mall. The newly constructed building included the first-ever Shake Shack equipped with a drive-thru in Washington State.



CITY CENTER

Lynnwood's City Center is envisioned to become a vibrant commercial center and an appealing place to live, work and play.



EMBER

Located at the corner of 40th Ave W and 198th St SW, Ember continued construction of an 8-story mixed-used development with 359 housing units and 10,000 square feet of commercial space on the first floor within two buildings. Amenities include a central courtyard and a multi-level parking garage. The project is scheduled to open in Spring 2024.

COMMUNITY JUSTICE CENTER

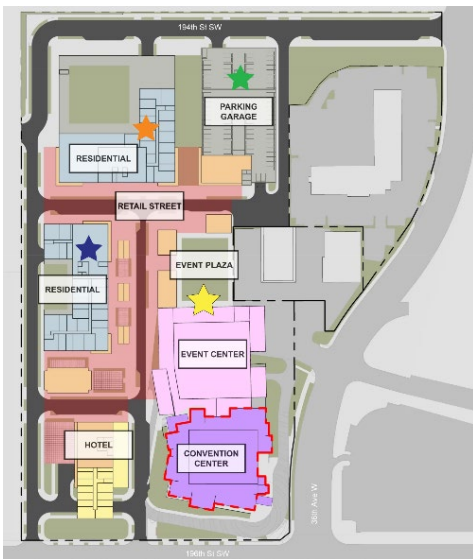
DBS worked collaboratively with the Lynnwood Police department and their design team on the permitting and inspection of the Community Justice Center project. This project includes a 66,414 square foot justice center that will house a new police station, jail, offices, court facilities, a 9,910 square foot Community Recovery Center, and a 70,450 square foot two-level parking structure. This project is currently under construction and estimated completion is in 2024.





NORTHLINE VILLAGE

Northline Village by Merlone Geier Partners is located directly north of the Lynnwood City Center Light Rail Station. This 18-acre transit-oriented development represents private investment in City Center of over \$700 million. This past year, Merlone Geier installed new sewer and water utility lines along 200th Street SW, demolished a large vacant building in preparation for future development, and coordinated with WSDOT for a new signal at 198th Street SW and 44th Avenue West. City staff and consultants facilitated coordination between Merlone Geier and Sound Transit on plans to reconstruct 200th Street SW.



LYNNWOOD EVENT CENTER MASTER PLAN

The Lynnwood Public Facilities District advanced a preliminary master plan for their property (formally known as the Lynnwood Convention Center). Rebranded as "The District", the master plan envisions expansion of the Lynnwood Event Center; a mix of residential, retail, and hospitality uses; community amenities; and a parking garage. In 2023, DBS participated in the master planning process by providing regular guidance and feedback on development options, utility and transportation design and requirements, and permitting approaches. We began holding monthly meetings with the Event Center and consultants to resolve the many technical challenges and begin drafting a development agreement to guide future development of this unique public asset.

KOZ DEVELOPMENT

In July, city leaders, DBS staff, and Koz Development gathered to break ground on the new workforce housing project. This project, located directly across from the future Lynnwood City Center Station, creates transit-oriented housing opportunities for all. Koz will include 199 units of affordable housing and is scheduled to open in 2024.



JD'S MARKET RELOCATION

As part of Sound Transit's relocation support, DBS worked with Sound Transit and JD's Market to advance the permits and inspections for opening their new location on 198th Street SW. This effort required significant coordination to ensure the renovated building at the new location supports the City Center vision and preserves this local international grocer.

44TH AVENUE WEST UNDERPASS IMPROVEMENT PROJECT

The 44th Avenue West Underpass Improvement Project will provide a shared use path connecting the Interurban Trail and Lynnwood City Center Station to South Snohomish County, including the Puget Sound Regional Council's designated Lynnwood Regional Growth Center. The new shared path will be located on the east side of 44th Avenue West and vastly improve pedestrian and bicycle access between the Lynnwood Transit Station, businesses and residents on the other side of I-5. Staff are currently in the early design phase of the project.



ALEXAN ACCESS @ ALDERWOOD

In 2023, we celebrated the grand opening of the Alexan Access multi-family housing project. Located at the former Edmonds School District bus barn site on Alderwood Mall Blvd, this project included four buildings on 9.1 acres. The project includes 383 apartment units, 3,375 square feet of retail, 566 parking spaces and a new pedestrian connection to 33rd Avenue West. This project won the Multi-Family Residential Suburban Development of the Year award from National Association of Industrial Office Properties (NAIOP) Washington State chapter.

SOUND TRANSIT

LYNNWOOD LINK LIGHT RAIL EXTENSION (ST2)



Construction of the Lynnwood Link Extension continues to advance. In April 2023, Sound Transit opened the parking garage adjacent to the Lynnwood City Center Station. The first part of the project to open, this garage provides more than 1,600 parking spaces available in a five-story structure. The Lynnwood Link line is anticipated to open in the fall of 2024.

DBS participated in Sound Transit's competitive selection of a developer for surplus land next to the Lynnwood City Center Station. This surplus followed Sound Transit's 80/80/80 program promoting surplus property to be used for affordable housing. Ultimately, Housing Hope was selected as the future developer of the site that will include daylighting Meiska Creek up to 200th Street SW. The proposed project will include 167 units of affordable housing across two buildings.

SOUND TRANSIT (ST3)

DBS has continued to lead Lynnwood's planning and coordination with Sound Transit for the ST 3 funded Everett Link Extension (EVLE) from Lynnwood to Everett and the I-405 Bus Rapid Transit (BRT) STRIDE project from Lynnwood to Bellevue.

- **Everett Link Extension:** DBS coordinated the City’s participation in planning, scoping, and environmental review of a future light rail station at West Alderwood in the vicinity of Alderwood mall. This effort includes the review of alternative guideway routes and station locations.
- **I-405 Bus Rapid Transit (BRT) STRIDE:** DBS coordinated review of improvements including bus only ramps at I-5 and 196th St SW, and improvements needed for STRIDE bus service at the Lynnwood Transit Center. This project will provide express bus service to Bellevue and Burien beginning in 2027.

HIGHWAY 99

Lynnwood’s Highway 99 corridor is identified in the Lynnwood Comprehensive Plan as a key activity center for accommodating a large portion of projected employment and population growth. Through the Highway 99 Subarea Plan, adopted in 2011, the area will evolve from an auto-oriented commercial strip to a multi-modal, multi-use corridor featuring strategically placed mixed-use centers connected by a diversity of commercial uses.

PORSCHE SEATTLE NORTH: The new Porsche dealership officially opened in Lynnwood in August 2023. This opening adds a new luxury brand auto dealer to the Highway 99 corridor.



SWICKARD BMW: Another luxury dealer, BMW, is beginning construction on a new dealership at the former Harley Davidson property at 118th ST SW and Highway 99. DBS assisted with permitting to start this project. The Community Planning team completed all land use approvals including rezoning and design review of the dealership.

HARRIS FORD-LINCOLN OF LYNNWOOD: Lynnwood executed a development agreement with Harris Ford to enable the expansion of the dealership. This project improved pedestrian and traffic safety with improvements to Highway 99 and 200th St. W. The dealership expansion and renovation were completed in 2023 and traffic safety improvements will be completed in 2024.



UNITED PARCEL SERVICE (UPS)

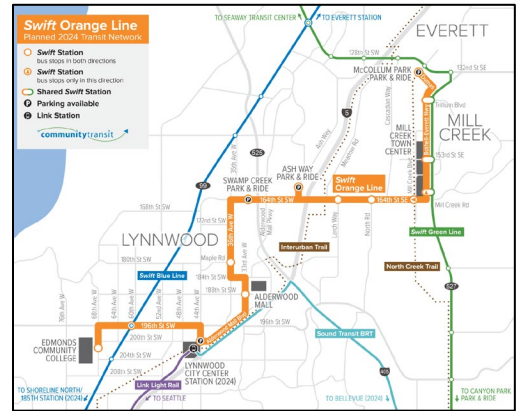
In 2023, UPS made significant progress cleaning up illegal dumping and coordinating with Lynnwood Police Department to remove encampments on the site. UPS also partially completed the grade and filling of the site before pausing construction to evaluate next steps to address greater than expected environmental cleanup from the previous auto yard on the site and additional stormwater improvements needed. DBS is continuing to support UPS’s evaluation.

COLLEGE DISTRICT

Lynnwood’s College District Subarea Plan was adopted in 2002 and includes the Edmonds College Campus and adjacent neighborhoods. Lynnwood envisions the entire College District as one cohesive place which blends college activities, multi-family residential and community-oriented commercial facilities as one complete district. The College District Plan strives to strengthen the college’s presence and visibility along the edge of the neighborhood and improve vehicular, transit, and pedestrian access and circulation.

EDMONDS COLLEGE TRANSIT CENTER / COMMUNITY TRANSIT SWIFT ORANGE LINE TERMINUS STATION

The Swift Orange Line Bus Rapid Transit (BRT) terminus at Edmonds College includes the Swift BRT station and passenger drop-off, four local bus stops with layover area, and associated landscaping, lighting, and signage. DBS approved permits for the Orange Line including construction of the new transit station. The new rapid transit will connect Edmonds College to McCollum Park & Ride with a stop at Sound Transit’s Lynnwood City Center Station. The project opens in Spring 2024 ahead of the light rail opening later in the year.



TRITON LEARNING COMMONS



Edmonds College proposed a 48,622 square foot addition of Lynnwood Hall to support students, including classrooms, study areas, library, and offices. The project ‘Triton Learning Commons’ is a 3-story addition adding to the north of Lynnwood Hall as infill space of existing covered exterior walkways on the 1st and 2nd Floor. The project also seeks to improve the landscaping area north of Lynnwood Hall. DBS assisted with plan design review and lot combination to support this project.

CITYWIDE DEVELOPMENT

NOVO ON 52nd



The former Whispering Pines Apartments site on 52nd Ave West was redeveloped into a multi-family housing project including 242 income-restricted affordable housing units. This project included 26,000 square feet of amenities with 399 parking stalls. The project officially opened in 2023.

HOUSING HOPE SCRIBER PLACE

Housing Hope Scriber Place is a 52-unit multi-family affordable housing development, which will serve homeless students and their families primarily within the Edmonds School District. Families will receive supportive services under a resident services delivery model, where Housing Hope's family support coaches will work with residents to create plans that help the respective families engage in activities that strengthen their households and increase their ability to be self-sufficient. The housing will be available to families with incomes below 50% of Average Median Income in Snohomish County.



COMMUNITY PLANNING

ACADIA & ESSENTIAL PUBLIC FACILITIES CODE AMENDMENT

Supported review of Opioid Treatment Centers regarding new state legislation including the use of a moratorium to pause reviews of applications. City Council adopted revisions aligning with SB 5536 and community feedback.

HASCO REZONE

Completed the 2023 Comprehensive Plan Amendment including rezone of HASCO properties of Timberglen and Pinewood. This rezone approval supports HASCO's future of expanding affordable housing in Lynnwood.

MULTICARE CODE AMENDMENT & APPEAL RESOLUTION

The former Staples building was considered for a new emerging trend of off-campus emergency departments. Multicare filed an appeal to the City to resolve the zoning code's absent language addressing the land use. Community Planning brought forward a code amendment to the City Council which resolved the appeal and permits this new medical service for Lynnwood.

LITIGATION

The City has been in litigation regarding a subdivision called Newman Short Plat on 63rd Avenue West for several years. The recent case required significant effort by staff conducting research and extensive review to determine the history of land use terminology from the 1970s as well as land use review methodologies dating back over 50 years ago. This recent case was decided in favor of the City of Lynnwood.

LONG-RANGE PLANNING

COMPREHENSIVE PLAN UPDATE

DBS, Community Planning, initiated preparation of the Lynnwood Comprehensive Plan Update. The Washington State Growth Management Act (GMA) requires all jurisdictions in Pierce, King, and Snohomish County to update their comprehensive plans and development regulations by December 31, 2024. These updates serve to ensure that local government plans and regulations remain consistent with the GMA. The City Center / Regional Growth Center; South Lynnwood Neighborhood Subarea Plan; and the Housing Action Plan will contribute to the 2024 Comprehensive Plan.

In 2022, DBS launched "Big Ideas Month" to collect thoughts, ideas, and concepts for Lynnwood in 2044. This effort was expanded in 2023 to be "Imagine Lynnwood" and worked specifically with the community to ensure that the thoughts and ideas were accurately represented. Imagine Lynnwood included over 500 responses to a questionnaire that was advertised at many community events and through social media. This baseline of community feedback will directly influence the policy development in 2024.

HOUSING ACTION PLAN



The Housing Action Plan was adopted by City Council on May 24, 2021. Subsequently, DBS received a grant from the Washington State Department of Commerce for Housing Action Plan Implementation. This implementation effort continued through 2022 with review of Lynnwood's regulatory framework and creation of a Unified Development Code (UDC). The UDC serves to restructure development regulations to make Lynnwood's development code less complex and more user friendly; and identifies process improvements, streamlining opportunities and/or code changes for Council consideration.

BUSINESS OUTREACH

LYNNWOOD REGIONAL JOB FAIR

DBS partnered with Lynnwood Chamber of Commerce, Edmonds College and WorkSource to host our annual Lynnwood Regional Job Fair on April 11, 2023. The event brought together 84 local and regional employers looking to interview and fill jobs on-site. The event was our most successful event to date with nearly 600 job seekers attending during the three-hour job fair. Attendance from job seekers increased by 39% from our previous event in October 2022. DBS will continue to work with our partners to host the job fair in 2024.



PARTNERSHIPS

DBS continues to build strong partnerships with other local, regional, and state organizations to support Lynnwood's goals for growth and development, business attraction and support, transportation improvements and tourism.

- American Planning Association
- Economic Alliance Snohomish County
- Edmonds College
- Lynnwood Chamber of Commerce
- Lynnwood Event Center
- Lynnwood Public Facilities District
- Puget Sound Regional Council
- Small Business Development Center
- Snohomish County Tourism
- Urban Land Institute
- Washington Economic Development Association
- Washington State Hospitality Association
- Washington State Tourism

LEGISLATIVE UPDATES

Washington State Legislature passed numerous bills throughout 2023 which DBS tracked for implementation. This includes significant changes required for Middle Housing (HB1110), Accessory Dwelling Units (HB1337), Permit Tracking (SB 5290), Drug Possession & Essential Public Facilities (SB5536), among others. Most of these changes are being implemented by DBS either through the Unified Development Code supporting streamlining our housing regulations and the permit software implementation of SmartGov.

GRANT FUNDING

Throughout 2023, Community Planning has been administering funds on three grants supporting long range planning efforts. This includes previous awards for the Housing Action Plan Implementation (HAPI) which will support the Unified Development Code; Transit Oriented Development Implementation (TODI) which supports the City Center – Alderwood Subarea Plan; and Periodic Update Grant (PUG) for the Imagine Lynnwood Comprehensive Plan.

TOURISM PROMOTION

TOURISM MARKETING REQUEST FOR PROPOSAL

In early 2023, DBS distributed a Request for Proposals to seek a new partner for tourism marketing services. The key component of the proposal included building a new tourism website. We received six qualified proposals and narrowed it down to three finalists. Each finalist was interviewed by a panel that included members of the Lodging Tax Advisory Committee (LTAC), city staff, and partners. The panel selected Searle Creative as the winner of the proposal and earned the tourism contract including marketing and web services for the 2023-2024 fiscal year. LTAC was very impressed that Searle could provide a variety of services including a new website all within our budget constraints.

EXPLORE LYNNWOOD REBRAND AND NEW WEBSITE



In July 2023, the new website for Lynnwood tourism launched as ExploreLynnwood.com. The new website provided an opportunity to rebrand the tourism program to closely align with the City's existing brand. The fully redesigned website provides users with more information and an easier to navigate user experience. The website now provides more information such as events, places to stay, and more. Custom itineraries were developed to target different audience types that visit the website. Additionally, custom landing pages for each hotel, restaurants, and attractions were developed.

The website received 17% more visits compared to last year (71,944 total visits in 2023). The updated website was also responsible for lowering the bounce rate by 18%. This rate calculates how quickly a visitor leaves your website once landing. This is usually due to bad content, load times, or an unusable design. The new website now keeps users on the website and they visit more pages.

LYNNWOOD TOURISM PHOTO & VIDEO SHOOT

While building the new website a photography and film crew visited Lynnwood for three days during the summer to capture authentic footage of the city, parks, local businesses and lodging partners. We captured 13 locations across the City. The new photo and video assets were used throughout the website and on social media. In early 2024, a destination marketing video promoting our assets and accessibility will be released.



MARKETING & SOCIAL MEDIA

With all our new assets, our marketing and social media plan focused on custom content highlighting authentic stories and local businesses. We transitioned our Instagram to focus on more video-style content which increased total Instagram followers by 82%. Our social media garnered over 1.5 million impressions by testing new strategies including giveaways and influencer partnerships. We continued to develop monthly marketing newsletters delivered to nearly 5K users. In partnership with the Lynnwood Event Center, we launched the Hotel Industry Newsletter which provides industry news and updates to our partners and industry employees.

DATAFY VISITOR ANALYTICS DASHBOARD

DBS received a grant through Snohomish County Lodging Tax Advisory Committee (LTAC) to purchase the Datafy Visitor Analytics Dashboard for one final year. Datafy uses geolocation data from visitor cell phones at geofenced points of interest to identify where visitors are coming from, how long they are staying, and what places they visit. DBS tracked multiple points of interest including city boundaries, hotels, Alderwood Mall and retail area, Event Center, and Paine Field. In 2023, visitor trips increased by 4%, and June, July, and August received the highest volume of visitors. The top visiting markets included Portland Oregon, Spokane, Yakima, Los Angeles, and San Francisco areas.

OUTREACH EFFORTS

To increase collaboration among our hotels, partners, LTAC, and staff, we hosted a Hotelier Networking Lunch in September 2023. In partnership with the Lynnwood Event Center, we created an event that let hotel management and sales staff network and learn from our partners. This was the first time since the pandemic that we were able to bring together this group to network. There were 30 people attending, representing 8 Lynnwood hotels and one from Edmonds. The luncheon including a presentation and overview of the city's tourism program, updates from the Lynnwood Event Center including their master plan and room night tracking tool.

DBS executed a plan to connect with all Lynnwood hotel staff to fill vacant positions on the Lodging Tax Advisory Committee (LTAC). In 2023, City Council appointed three new committee members. There is only one vacant position remaining to fill.

LYNNWOOD'S BEST BITES CAMPAIGN

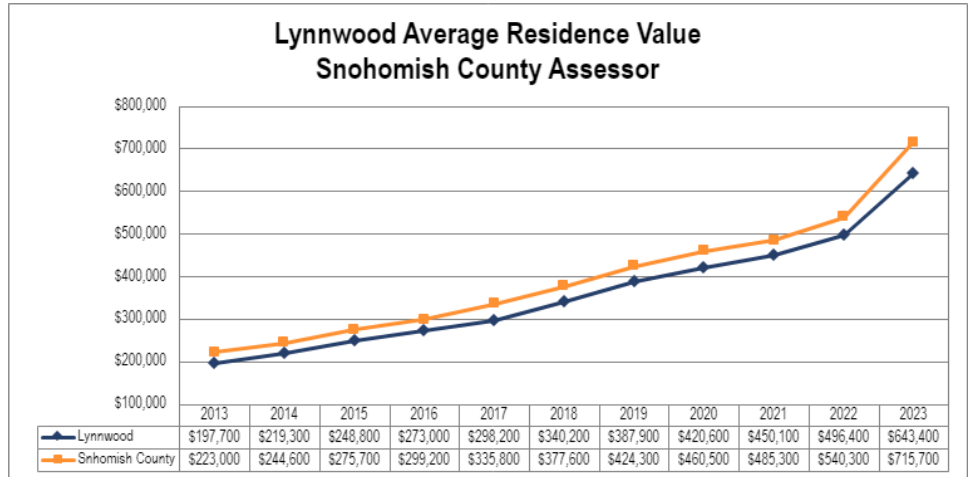


Lynnwood received a grant from the Snohomish County Lodging Tax Advisory Committee (LTAC) to create a dining campaign targeted to our overnight visitors. The goal of the campaign was to highlight local restaurants and encourage those staying in our hotels to dine locally. We used the grant to purchase the Bandwango software which created an interactive passport program encouraging users to “check in” and earn discounts from participating businesses. There were 19 participating restaurants and nearly half offered some form of discount. Adoption of the tool was low but we were seeing usage from visitors from different areas including British Columbia.

METRICS REPORT

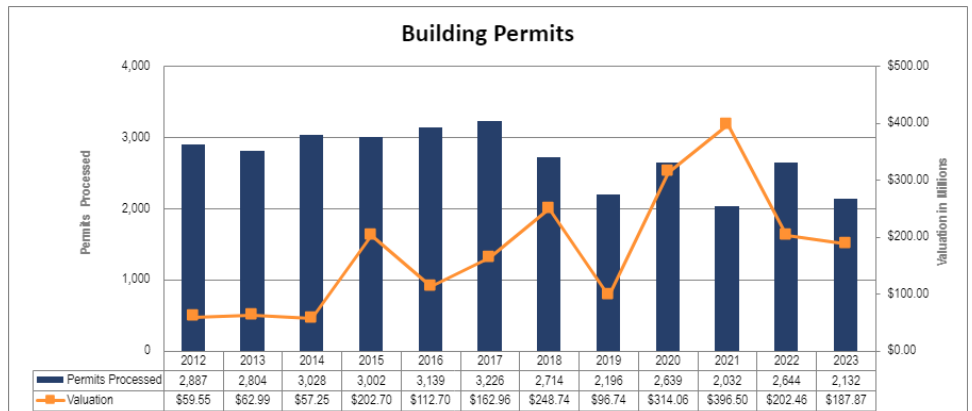
HOME VALUE

The average home value, according to the Snohomish County Assessor’s office, has been steadily increasing since 2013. The average value of a Lynnwood residence increased 29.6% between 2022 and 2023. This is nearly triple the increase between 2021 and 2022. The average value of a home in Lynnwood in 2023 was \$643,400, which is \$72,300 below the County average of \$715,700.



BUILDING AND DEVELOPMENT ACTIVITY

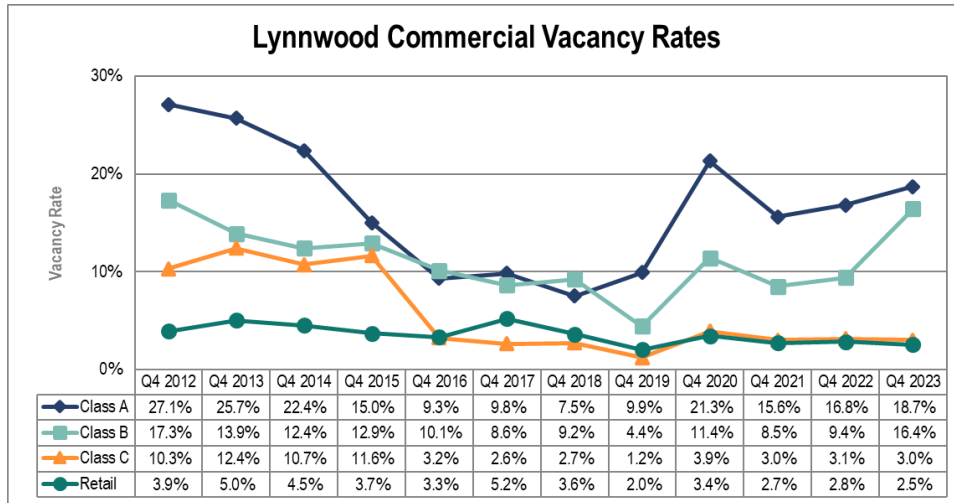
The number of building permits issued each year reflects the activities of the development community, future tax revenues, and potential jobs. In 2023, 2,132 building permits were issued with a valuation of just over \$187 million. The total number of permits decreased in 2023 by 19%. The total valuation of projects decreased by only 7% from 2021.



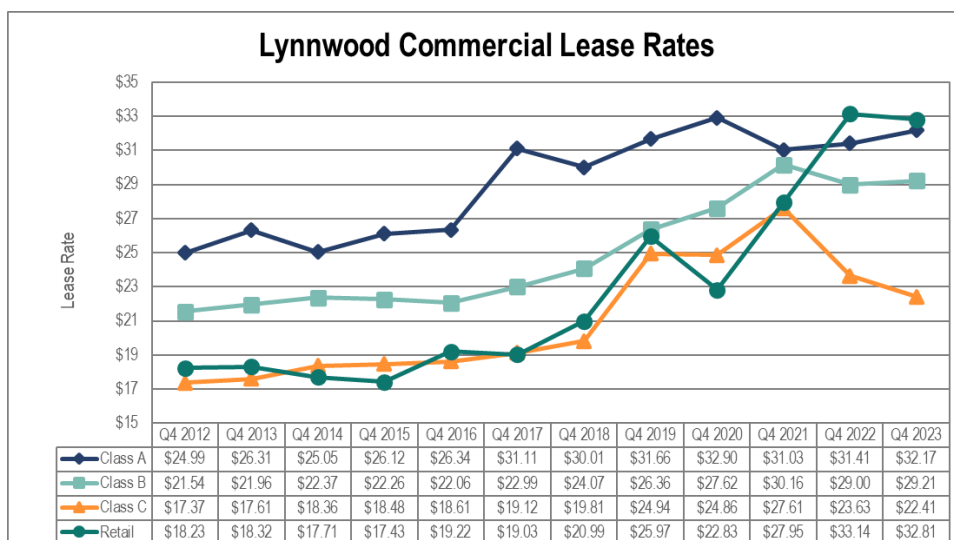
COMMERCIAL VACANCY AND LEASE RATES

Commercial vacancy rates help forecast new development, job growth and the desirability of doing business in Lynnwood. Office buildings are classified as Class A, B or C, depending on the quality of the structure and available amenities.

In 2023, vacancy rates in Lynnwood increased slightly in all areas compared to 2022 except for retail vacancies. The Class A vacancy rates were 18.7% in Q4 2023, up from 16.8% in 2022. Class B vacancy rates were 16.4% in Q4 2023, up from 9.4% in 2022. This is the largest increase across all class types. Class C vacancy rates were 3.0% in Q4 2023, a small decrease from 3.1% in 2022. Retail vacancy rates were 2.5%, a slight decrease from 2.8% in 2022. The lingering impacts of the pandemic and changes in office needs highlight the big difference in vacancy rates, especially with Class B office space.



Commercial lease rates in Q4 2023 remained steady across all class types and retail. Rates increased for Class A and Class B office space. While Class C and Retail spaces decreased slightly. Class A lease rates were \$32.17 in Q4 2023, 2.4% increase from 2022. Class B lease rates were \$29.21 in 2023, a \$0.7% increase from 2022. Class C lease rates were \$22.41 in 2023, decreasing from \$23.63 in 2022. Retail space lease rates for Q4 2022 were \$32.18, a 1% decrease over 2022.



LODGING METRICS

DBS, Economic Development, manages the Lynnwood Tourism Program. Tourism benefits Lynnwood through economic vitality created by visitor spending on lodging, food, entertainment, shopping, and transportation. Tourism also creates employment opportunities and supports Lynnwood businesses that provide supplies and services.

The chart below details Lynnwood’s lodging trends since 2011. In 2023, all lodging metrics remained steady compared to last year and were much closer to pre-pandemic levels. Annual occupancy rates increased slightly to 67.2% but were still 8% lower than 2019.

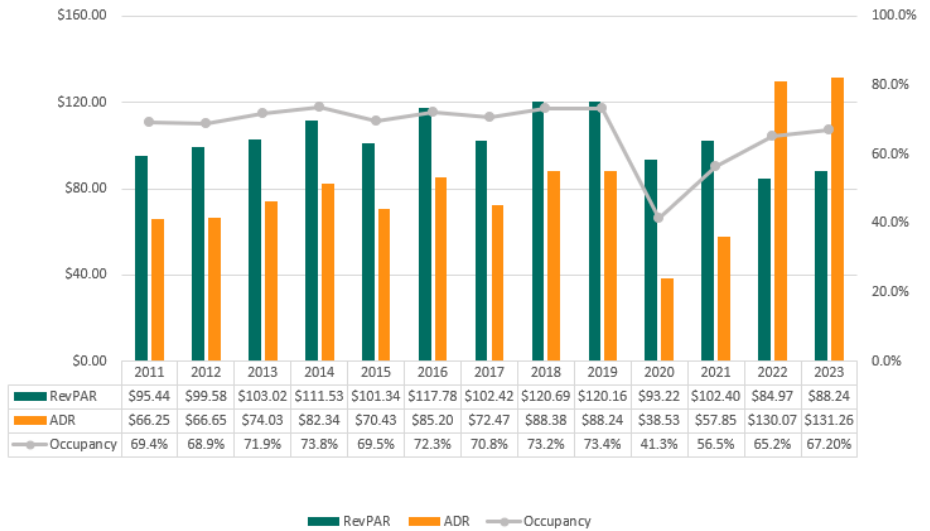
The occupancy rate in 2023 was 67.2% moving from 65.2% in the previous year. The Average Daily Rate (ADR) also remained steady, moving from \$130.07 in 2022 to \$131.26 in 2023. This is 49% above pre-COVID levels. Revenue per Available Room (RevPAR) increased 4% from last year, moving from \$84.97 in 2022 to \$88.24 in 2023.

Lodging tax in Washington state is 4%. Two percent is distributed to Snohomish County and 2% is distributed to Lynnwood as the local jurisdiction in which the lodging tax is collected. In 2023, Lynnwood generated \$1,742,502 in lodging tax, and received a lodging tax distribution of \$871,251, an increase of 6% compared to 2022. Lodging tax distributions also surpassed pre-pandemic levels by 6% highlighting the near full rebound of the tourism industry in 2023.

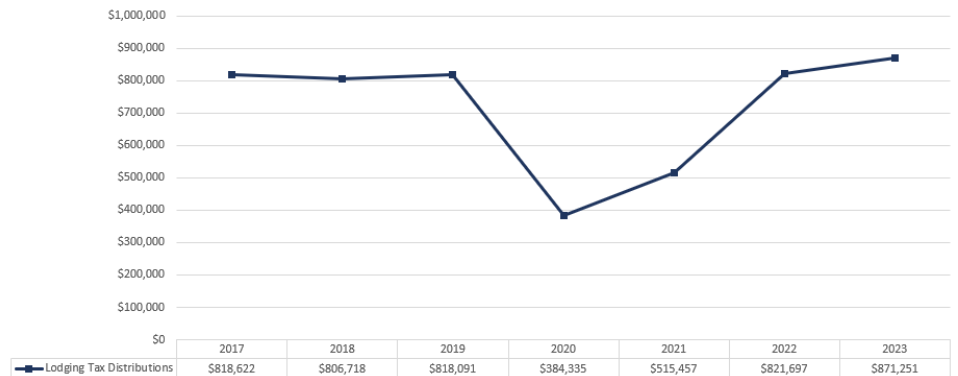
LYNNWOOD TOURISM WEBSITE METRICS

[ExploreLynnwood.com](https://www.explorelynnwood.com) received the most visits ever for the second year in a row. In 2023 the website received 71,944 total visits. This represented a 17% increase from 2022 and a 93% increase from 2021. Social media drove the most new visitors to the website over the year. Other than the homepage, the Restaurants and Things To Do pages were the most viewed. The top locations for visitors included Seattle, Vancouver BC, Everett, Portland OR, and Los Angeles CA.

Year-Over-Year Lodging Trends



Lodging Tax Distributions



Total Annual Website Visits

