



City of Seattle

Department of Planning and Development

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February 4, 2014

TO: Councilmember Mike O'Brien, Chair
Planning, Land Use and Sustainability Committee

FROM: Tom Hauger, DPD

SUBJECT: Recommended Industrial Amendments to Comprehensive Plan

Background

The Memorandum of Understanding (MOU) among the City, King County and ArenaCo called on the City to conduct a MIC Policy and Land Use Study. The purpose of that study was to "(e)valuate the necessary policies, land uses, and zoning mechanisms, such as a Port Overlay District, to protect maritime and industrial uses and reinforce the role of the MIC as a manufacturing and industrial sanctuary." The MOU says that the study should be completed and provide recommendations to the Mayor and City Council no later than December 31, 2014.

In 2013, DPD worked with the Port of Seattle, SDOT and OED to staff an Advisory Committee that consisted of industrial business owners, organized labor, property owners and Planning Commission representatives. Goal of the Advisory Committee was to 1) identify land use policies and regulations that caused problems for industrial operations and 2) develop recommendations to address those problems.

The industrial policy recommendations that are before the Council now are a direct result of that Advisory Committee. Most members of the Advisory Committee did not, however, endorse the recommendation to remove the Stadium Area from the Duwamish Manufacturing/ Industrial Center.

The material below summarizes some of the information the Advisory Committee reviewed, which helped inform the recommended Comp Plan amendments.

Policy Context

Vision 2040

Focus a significant share of employment growth in designated regional manufacturing/industrial centers.



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Manufacturing/ Industrial Centers are locations of intensive employment with facilities having large spaces for the assembly of goods and areas suitable for outdoor storage.

Areas in which manufacturing and industrial land uses are concentrated, which cannot easily be mixed with other activities. Housing is not appropriate in these locations.

King County Countywide Planning Policies

DP-35 Adopt in city comprehensive plans a map and employment growth targets for each Manufacturing/ Industrial Center and adopt policies and regulations for the Center to . . . (s)trictly limit residential uses and discourage land uses that are not compatible with manufacturing and industrial uses, such as by imposing low maximum size limits on offices and retail uses that are not accessory to an industrial use;

Seattle's Comprehensive Plan

UV21 Promote manufacturing and industrial employment growth, including manufacturing uses, advanced technology industries, and a wide range of industrial-related commercial functions, such as warehouse and distribution activities, in manufacturing/ industrial centers.

UV24 Limit in manufacturing/industrial areas those commercial or residential uses that are unrelated to the industrial function, that occur at intensities posing short- and long-term conflicts for industrial uses, or that threaten to convert significant amounts of industrial land to non-industrial uses.

Regulatory Framework

- Seattle has four industrial zoning classifications: General Industrial 1 (IG1), General Industrial 2 (IG2), Industrial Buffer (IB) and Industrial Commercial (IC)
- IG1 allows the most intensive industrial uses.
- IG1 and IG2 combine to cover about 90% of industrial land
- Size of use limits restrict the amount of office and retail uses that can be built on lots in IG1, IG2 and IB zones.
- Frequent requests in annual Comp Plan amendment process to remove land from M/ICs – north and south of the Ballard Bridge along 15th Ave., in south Downtown

Real Estate Facts

- Over 40% of Seattle's Industrial land is publicly owned
- 70 million square feet of leasable industrial space
- As of 3rd quarter 2013, Colliers real estate research shows a 4% vacancy in Seattle's industrial areas
- Most common sector found in both M/ICs is transportation/communication/utilities
- Second most common use in Duwamish is manufacturing; second in BINMIC is warehouse

Economy

- Approximately 58,000 employees in the Duwamish M/IC and 15,000 in BINMIC
- Wages in 2008 for transportation and manufacturing sectors in Seattle averaged \$66,000 vs. \$58,000 for the city as a whole.

Issues Identified by Advisory Committee

- Concerned about existing traffic congestion's effect on industrial and Port operations
- Recognized a value in having a variety of complementary commercial uses in the industrial areas
- Concerned that large commercial uses will increase safety problems, traffic congestion, land values and industrial rents
- Agree with current prohibition against residential uses
- Concerned about further loss of industrial land

Recommended Comp Plan Amendments

The previous administration recommended two new policies to address the land use issues identified in the Manufacturing/Industrial Centers – one in the Urban Village Element, and one in the Land Use Element.

New Urban Village Policy

Do not remove land from a Manufacturing/Industrial Center unless:

- The proposed use for that land is identified;
- There is insufficient appropriately-zoned land elsewhere in the city for the proposed use;
- The proposed use would not displace an existing industrial use; and
- The proposed use would not adversely affect nearby industrial operations.

This policy would provide clear criteria for making future decisions about reducing the amount of land in the M/ICs. This policy reinforces the Comp Plan's urban village strategy of concentrating office, retail and residential growth in walkable urban neighborhoods. It also recognizes the existing significant zoning capacity in the City's designated urban centers and urban villages.

New Land Use Policy

As a hybrid zone that permits a variety of commercial uses at moderate to high densities, the Industrial Commercial zone is not appropriate in the Manufacturing/Industrial Centers, where

the City encourages retention of land for primarily industrial purposes. Do not rezone any additional land to Industrial Commercial (IC) in the Manufacturing/Industrial Centers.

Most recent development in the IC zone has produced single-purpose office buildings, and the Code currently allows much higher amounts of office use in this zone than in the other Industrial zones. Large office uses are disruptive to industrial areas because of the traffic and gentrifying effects they introduce. One way to address that would be to adopt lower size limits for office in the IC zone, but that would limit the City's ability to identify employment-only zones for these types of uses outside of the M/ICs. Because the M/ICs are the industrial areas where the City wants to direct and maintain the most intensive industrial uses, preventing use of this zone in those areas helps achieve that objective, while still allowing the IC zone to be applied in other locations.