



North SODO

Jobs Strategy to Match Land Use and Transit

May 1, 2012

The Committee on Economic Resiliency and Regional Relations



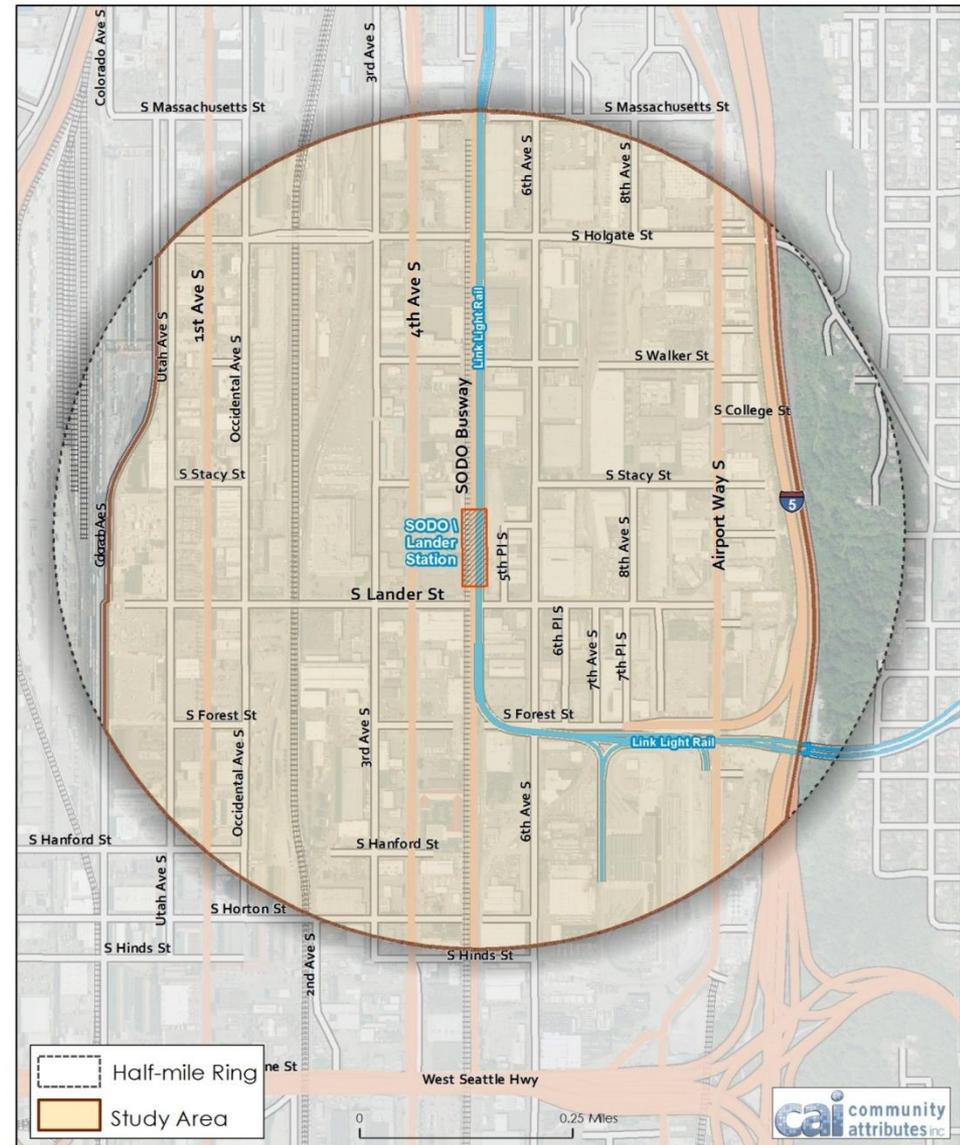
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Overview

- Neighborhood objectives
- Living wage jobs and land use
- Transit supportive density
- Employment profile
- SODO's comparative advantages
- Compatibility of existing uses
 - Retail
 - R&D
- Redevelopment potential
- Recommendations

Exhibit 1. SODO Lander Station Study Area



Challenges exist to meet stated objectives

- Increase ridership at North SODO transit station
- Provide transit-supportive job density
- Support “conventional” industrial users and compatible land uses
- Capture job-generating economic development
- Foster development of living-wage jobs
 - Do not displace industrial, manufacturing, warehousing and Port/rail dependent enterprises

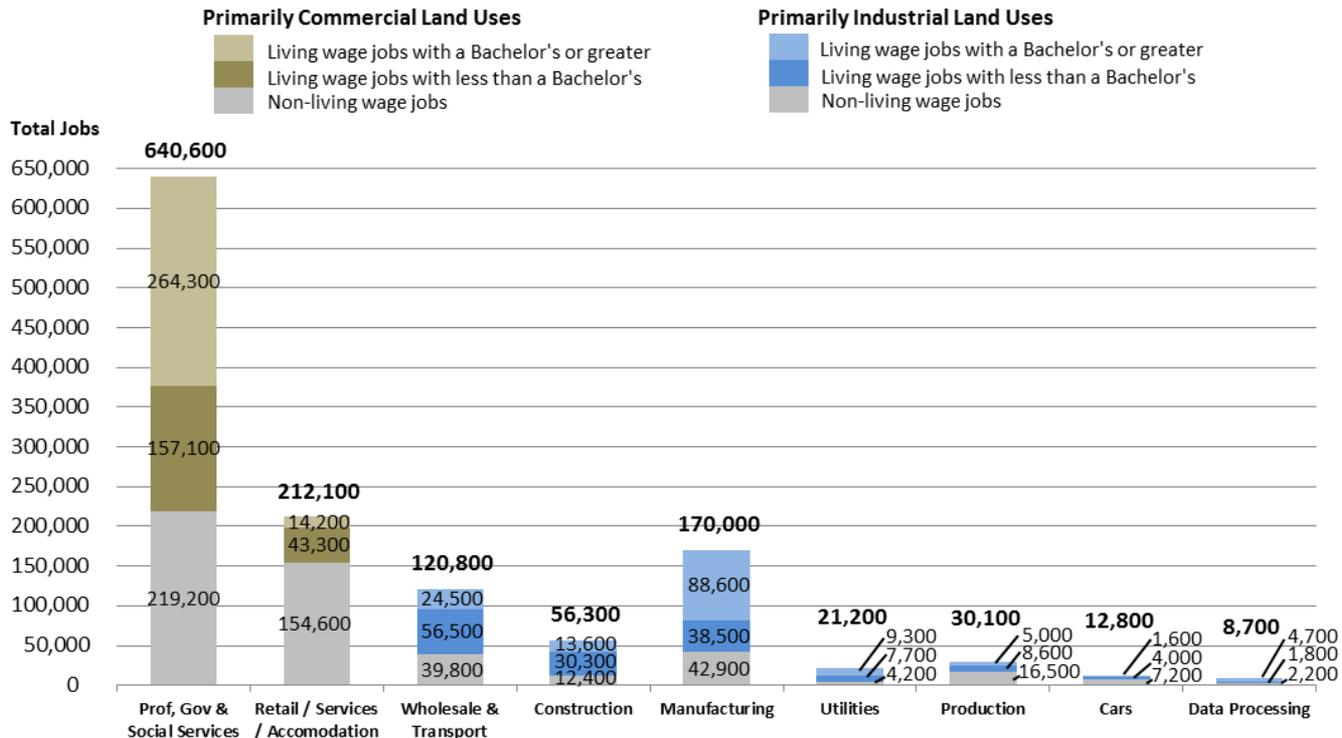
Living Wages: Definitions

- Many definitions exist, varies by family and household composition
 - We chose \$35,000 per job
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- The Workforce Development Council of Seattle King-County found a 2011 annual income of:
 - \$22,423 for single adult living alone
 - \$46,831 for a single adult with a preschool age dependent
 - \$62,678 for a single adult with a preschooler and a school-age child
 - Partnership for Learning commissioned a study on skill development and educational attainment necessary to earn a 'family-wage' job, synonymous with a living wage.
 - \$52,509 for a single adult with a preschool-age child and a school-age child (2006)

Living Wage Jobs & Land Use

- Higher *percentages* of living wage jobs are found in all industrial sectors (Wholesale, Construction, Manufacturing, Utilities)
- Other sectors provide living wage jobs too, but the percentage of the total in industrial sectors is higher, even though volume is higher in Services

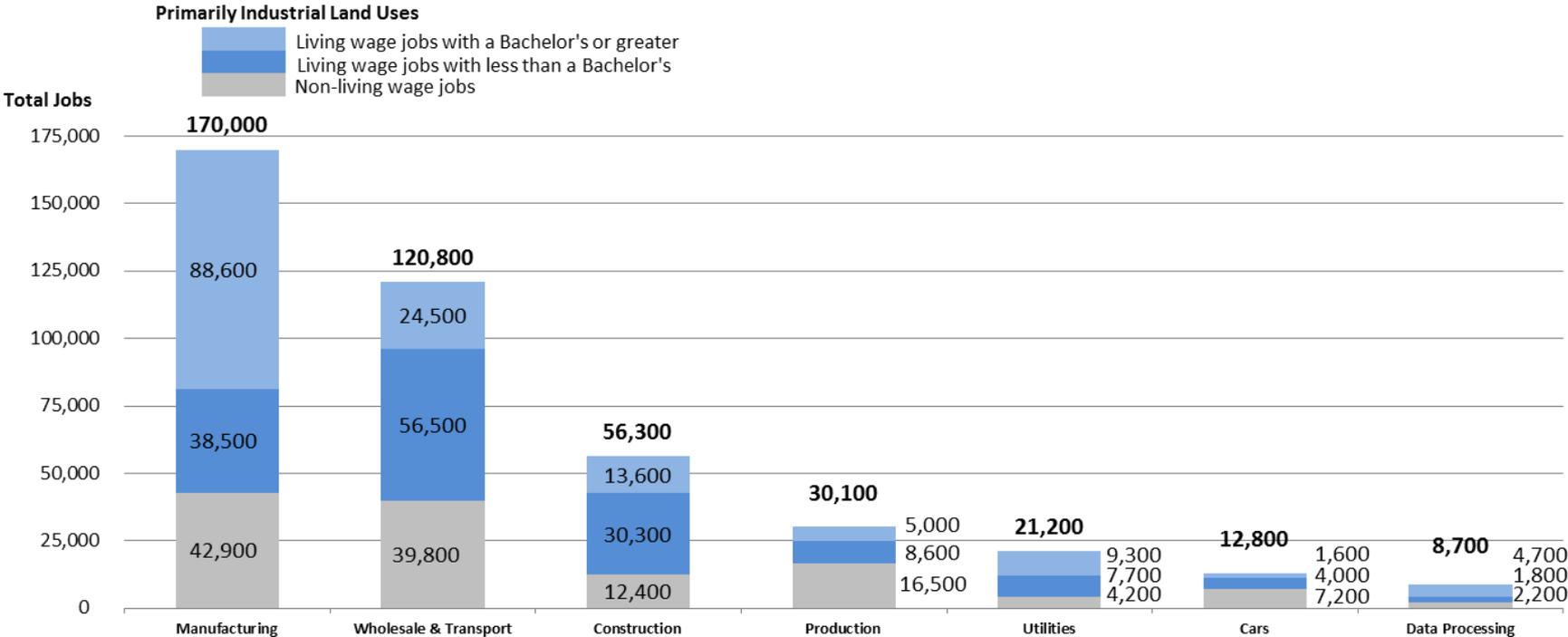
Exhibit 2. Land Use & Living Wage Jobs



Living Wage Jobs & Land Use

- Manufacturing, Wholesale & Transport, and Construction sectors represent more than 80% of all Industrial Jobs, and more than 85% of all living wage jobs
- Living wage jobs in Manufacturing require more education than other industrial sectors, with over 50% of jobs showing a Bachelor's degree or higher.

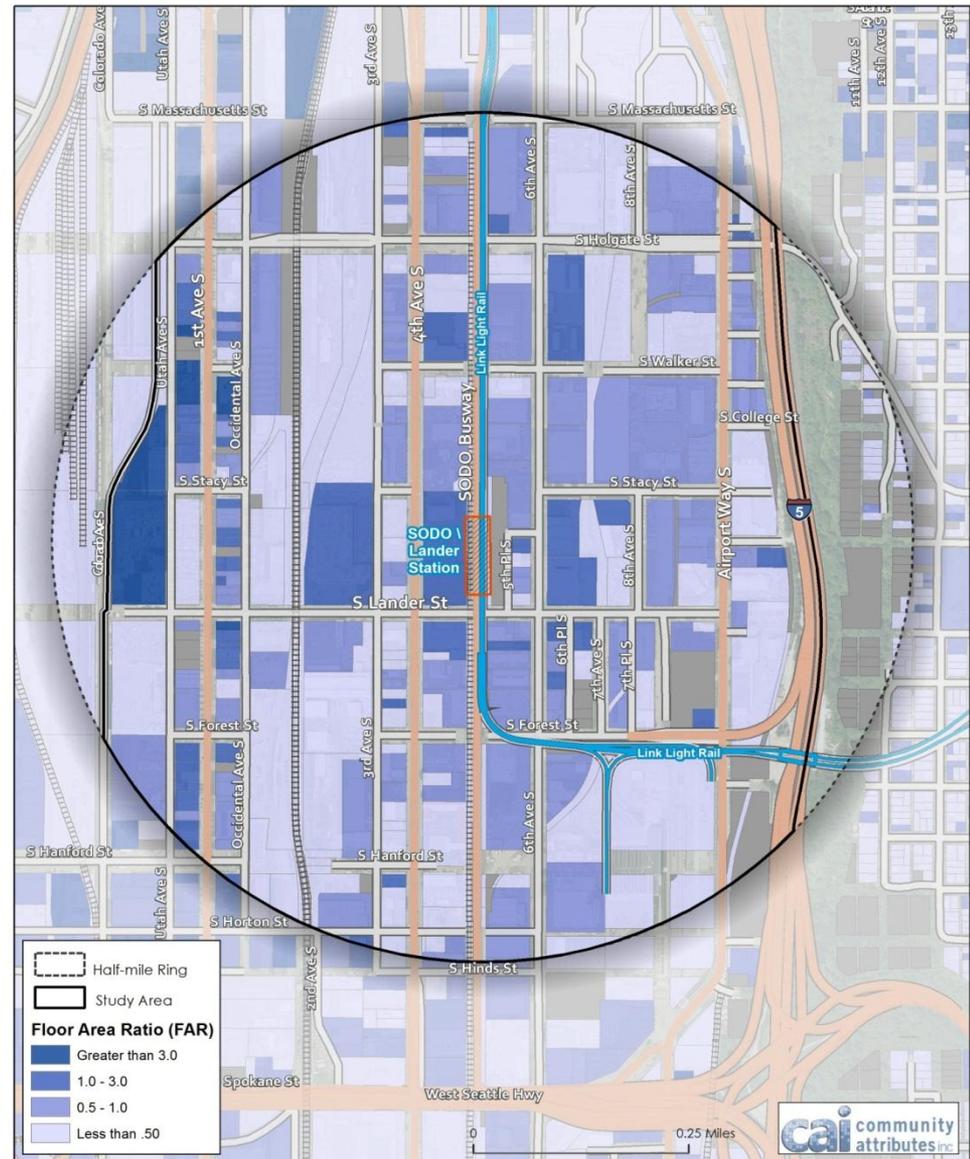
Exhibit 2. Living Wage Jobs in Industrial Sectors



Transit Supportive Density

- Two types of densities: *building* density and *jobs* density
- Industrial land use is generally not associated with either high density building or high density employment
- Higher employment densities drive transit station usage
- High employment densities are most often in Professional, Technical and Service jobs
- High-tech, research-oriented jobs can also provide high densities, but are in greater demand elsewhere in the city
- Research space that would work best in SODO and support transit would include concepts like McKinstry's InnovationCenter

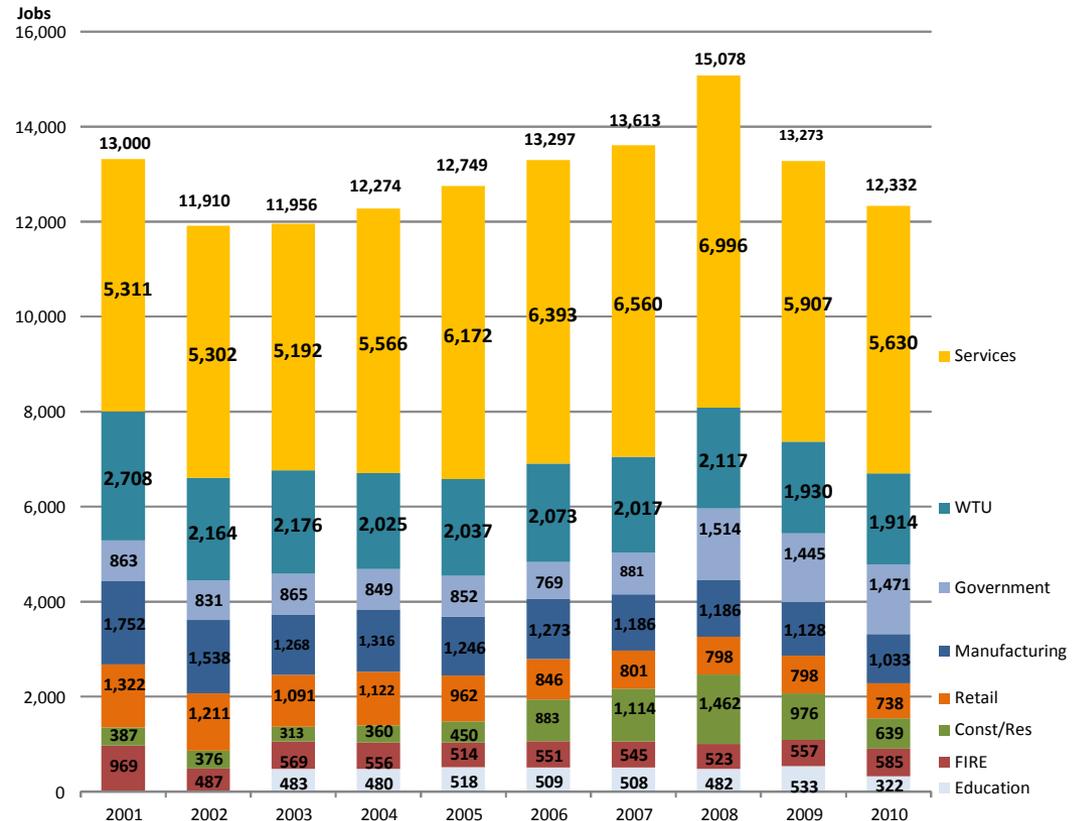
Exhibit 3. Existing FAR



Employment Profile

- Jobs in North SODO grew steadily from 2002 through 2008, and declined with the recession
- All sectors had growth and decline during the 10 year period
- Note that these economic sectors may not align closely with building or land uses
 - Services grew by 34% from 2003 to 2008 and then declined by 20% from 2008 to 2010
 - Wholesale jobs declined slightly throughout (down by 12%)
 - Manufacturing jobs declined from 2003 to 2010 (33%)
 - Retail jobs declined by 33%
 - Construction grew rapidly from 2003 to 2008 (4.6 times) and declined rapidly from 2008 to 2010 (65% decline)

Exhibit 4. Covered Employment in Study Area, 2001-2010



SODO Comparative Advantages

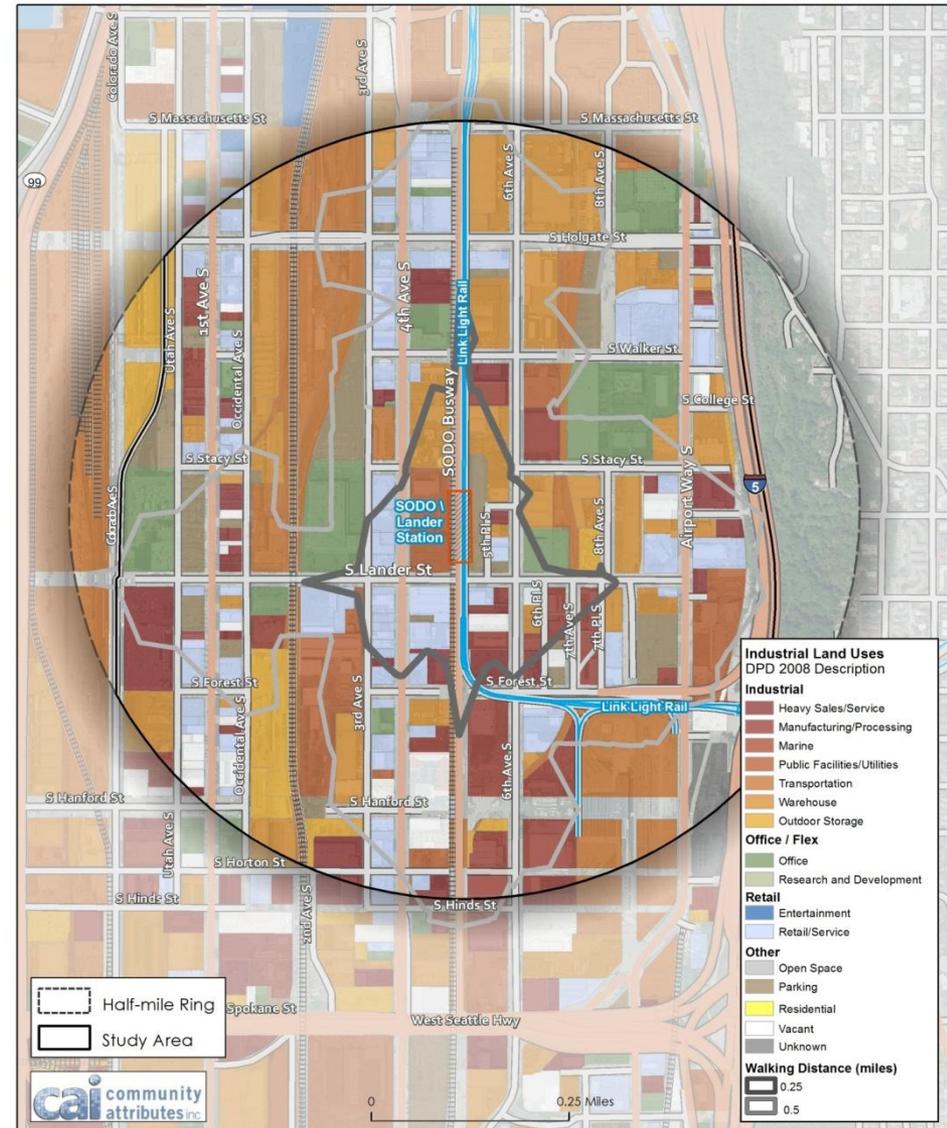
- In addition to the living wage jobs provided, industrially zoned land in SODO supports the local and regional economy
 - Potential to provide exports that grow the economy
 - Important to local distribution networks
- Industrial businesses value SODO industrial land
 - Ability to produce products in the city in an area where noxious impacts are allowed and regulated
 - Proximity to the Port of Seattle
 - Proximity to regional distribution networks
 - Proximity to labor markets

Compatibility of Existing Uses

R&D

- R&D is currently allowed with minimal restrictions
- Currently laboratory uses are more drawn to other parts of the city
- Particular industries/uses that combine engineering and industrial innovation may fit SODO better
- The definition of R&D may need clarification

Exhibit 5. Study Area Uses



Redevelopment Potential

- Approximately 40% of the properties within the study area have improvement values less than \$100,000, representing lower physical barriers to redevelopment
- Improvement values may be low despite significant economic activity taking place on the site
 - Especially true in industrial areas

Exhibit 6. Ease of Redevelopment, 2011

<i>Redevelopment Potential</i>	Land Area (acres)				Total
	<i>High</i>	<i>Medium/High</i>	<i>Medium/Low</i>	<i>Low</i>	
<i>Land Use Category</i>	Imp Value <\$100,000	Imp Value \$100,000 to \$1,000,000	Imp Value \$1,000,000 to \$2,000,000	Imp Value \$2,000,000 to \$1,000,000 to \$2,000,000	
Heavy Sales/Service	0.37	10.02	7.58	3.62	21.59
Manufacturing/Processing	0.50	10.23	11.40	7.27	29.39
Office	-	0.26	2.90	31.22	34.38
Outdoor Storage	23.79	-	-	-	23.79
Parking	18.15	-	-	6.71	24.86
Public Facilities/Utilities	8.99	0.21	0.81	6.99	16.99
Retail/Service	8.06	25.65	9.54	2.37	45.62
Transportation	70.44	2.31	-	22.81	95.56
Vacant	2.85	5.74	4.22	-	12.81
Warehouse	11.39	16.51	11.97	17.83	57.70
Total	144.52	70.94	48.40	98.82	362.68
Percentage of Study Area	40%	20%	13%	27%	100%

Other Cities' Experiences

- Most cities' industrial lands strategies are in response to market trends and result in transitions away from industrial uses
- Minneapolis
 - Created criteria to protect industrial land, e.g. size of property, access to transportation and rail
 - Industrial users were not major employers
 - Light rail runs through a primarily residential area, anchored by grain facilities
 - Favored a transition to residential
- Baltimore
 - Balanced redevelopment pressure by creating strict criteria based on access to deep water
 - Shallow harbor areas allowed more flexibility
- Vancouver
 - Mixed use industrial provisions apply to small areas
 - Compatibility matrix
 - Favors transition toward nonindustrial
- Chicago
 - Economic development plan for distressed area
 - TOD, cargo and green manufacturing priorities
 - Significant transportation assets
 - Vacant land near transit stations, industrially zoned

Recommendations for Consideration

Land Use

- Consider an industrial mixed-use overlay for areas close-in to the station to allow flexibility for additional office while allowing existing industrial uses.
- No regulatory changes are necessary at this time to allow R&D.
- To promote particular R&D or other industries that best suit SODO, the City's economic development and recruitment strategy may further define and promote desired industries.
- Consider adjusting code to only allow retail to front 1st or 4th Avenues. Currently, retail is allowed anywhere in the industrial zone.

Infrastructure/Transit/Circulation

- Consider a TOD master plan to address employment density, circulation, street and pedestrian improvements, etc.
- Consider impacts of increased density to traffic and infrastructure.
- Partner with SoundTransit and SODO employers to promote transit.

Recommendations for Consideration (cont.)

Economic Development

- Align R&D zoning definition with the City's jobs and industry strategies.
- Consider conversions of buildings that may be appropriate for office uses.
- Identify existing available Flex/Tech/R&D space and market available sites and buildings through Interactive mapping tools underway.
- Partner with the IDD Pilot Program to market desired concepts and shape SODO's image.

Education

- Partner with education, industry and workforce development to provide training for living wage jobs.
- Align educational programs with long-term industry needs.