



City of Seattle
Office of Economic Development

Memo

Date: May 1, 2012

To: Councilmember Sally Clark
Councilmember Tom Rasmussen
Councilmember Richard Conlin
Councilmember Jean Godden

CC: David Yeaworth, Legislative Assistant to Councilmember Sally Clark

From: Steve Johnson, Office of Economic Development
Roque Deherrera, Office of Economic Development

Re: Industrial Development Pilot Program Update

Industrial Development Pilot Program

A regional partnership to incentive sustainable industrial development and job creation

Background

The Puget Sound Region and King County are uniquely positioned to improve their status as a world leader in the design, manufacturing, and export of locally made products and services. Success of the region's manufacturing and maritime industry sectors is essential in retaining and creating living-wage industrial jobs, and in maintaining a diverse regional economy.

The Seattle-King County area is home to the nation's 9th largest industrial base, representing 12% of all private sector jobs. In Seattle alone, manufacturing and maritime businesses support more than 90,000 jobs, generate \$6 billion per year in taxable retail sales, and contribute over \$37 million per year in B&O taxes. Industrial businesses have been resilient during the economic downturn, but need support to remain globally competitive.

Industrial Development Districts Program

The City of Seattle is partnering with King County and the Port of Seattle to develop a regional program to incentivize new, sustainable industrial investment. The program elements are as follows:

1. County-wide Mapping Tool – OED will work with King County to develop a mapping tool for industrial areas in King County. This analysis will survey available data (e.g. employment data, industrial studies, master plans, surveys, land use information, utility information, maps, etc.) and establish a basic understanding of the present land use, economic activities, infrastructure facilities, and environmental conditions of industrial areas in the County. This GIS database and mapping tool will help to

engage specific industries and economic development professionals countywide to better play a matchmaking role for industrial firms.

- a. Work with internal stakeholders in the City of Seattle and King County to develop list of potential data sources for inclusion in the GIS database;
 - b. Coordinate, develop, and format data so King County can create the GIS database; and
 - c. King County GIS Center creates web-based, County-wide mapping tool.
2. Regulatory Landscape Review and Industrial Firm Interviews – OED retained Public Works LLC to research and catalogue the regulatory areas and constraints that most directly impact the growth of manufacturing and maritime firms. This research will consist of two inter-related components:
- a. *Industrial Firm Interviews* – Conduct interviews with representatives of 12 industrial firms and/or property owners. These interviews will provide the basis for a qualitative assessment of the broad regulatory environment faced by the targeted industries (e.g. land use, environmental requirements, etc.) and highlight specific examples of regulatory challenges to the development and growth of the Seattle area’s industrial and manufacturing sector.
 - b. *Regulatory Inventory* – Identify and compile a regulatory “inventory” of state and local laws, policies, and regulations affecting industrial businesses, including shoreline industrial development and operations on waterfront Manufacturing and Industrial Center (MIC) zones.
3. Solicit Pilot Industrial Development Projects – City of Seattle, King County, and other municipal partners within King County will solicit development proposals that result in increased economic benefit (e.g., jobs, revenue, efficiencies, etc.) and equal or better environmental performance than would otherwise be required within our Manufacturing and Industrial Centers.
- a. *Pilot Projects* – Pilot Projects will be required to identify what incentives are needed for them to be successful. Selected projects will be fully supported by the city and county. Potential incentives could include changes in policy; zoning and other regulatory changes; fast, coordinated permitting; and financial incentives.
 - b. *Technical Advisory Committee* – A broad-based group, including industry, labor, environmental, and economic development stakeholders, will review responses to the RFC and aid the City of Seattle and King County in their decision to choose Pilot Projects.