



City of Seattle

Department of Planning and Development

Diane M. Sugimura, Director

DATE: June 13, 2014

TO: Councilmember Mike O'Brien, Chair, PLUS
Councilmember Tim Burgess, Vice Chair
Councilmember Nick Licata
Councilmember Sally J. Clark

FROM: Susan McLain (4-0432), Tom Hauger, DPD (4-8380), Geoffrey Wentlandt (4-3586)

SUBJECT: Quarterly Industrial Land Update for the June 17 PLUS Committee

As part of the 2014 annual amendment process for the Comprehensive Plan, DPD recommended two amendments related to Manufacturing/industrial Centers:

- 1) establish new criteria for reviewing future applications to remove land from the city's manufacturing/ industrial centers (M/ICs); and
- 2) prohibit future rezones from General Industrial (IG) to the Industrial Commercial (IC) zone in the M/ICs.

The PLUS committee said they would like to see further outreach to stakeholders potentially affected before enacting the recommendations. This outreach should occur before June 2015 when the annual amendments are expected to be adopted along with the major Comprehensive Plan 2035 update. DPD committed to providing quarterly updates on outreach and studies relating to these recommended amendments.

Our understanding is that DPD's outreach would be undertaken to ensure that stakeholders have the opportunity to comment on the proposed Comprehensive Plan policy changes. Consistent with other policy issues, it is unlikely we will resolve each issue to the satisfaction of all stakeholders. Addressing these issues in advance of the Comprehensive Plan amendments may include the following approaches:

- retain existing IG, IB and IC zoning,
- Consider whether or not some specific geographic areas should be exempt from the prohibition until further study,
- Consider whether or not some specific properties should be rezoned to IC.

DPD has identified several areas of land that may be affected by this policy and therefore require further stakeholder engagement and study: within the BINMIC near the Ballard Hub Urban Village, within the BINMIC near the Interbay study area, and within the general Georgetown vicinity. In addition, we are undertaking citywide study of specific industrial lands issues to inform policy decisions.

Thank you for the opportunity to provide the second update to the PLUS committee on this topic.



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Ballard Urban Design Framework

Preliminary land use recommendations: estimated first quarter 2015

We are engaged in active planning for the Ballard Hub Urban Village. We expect to develop preliminary land use recommendations, including potential zoning changes, during the first quarter of 2015. We are working with a diverse group of stakeholders, and we are meeting separately with industrial interests throughout the duration of the project. We have held one community-wide meeting, and we have conducted dozens of meetings with community groups. The project is being undertaken in collaboration with the Office of Economic Development, Department of Transportation and Seattle Parks, and is informed by Seattle Public Utilities, other City departments and Sound Transit. We will study industrially-zoned lands near the 15th Avenue NW corridor, but we are not expecting significant recommendations to rezone IG zoned areas.

Envisioning Interbay

Draft land use recommendations: estimated second quarter 2015

Throughout 2013, DPD staff undertook analysis of land in the Interbay area and conducted extensive outreach to discuss possible zoning changes. A key decision involves the large Armory site, owned by the Washington National Guard. The site is currently zoned General Industrial (IG). There is significant interest in future reuse of the site, and the National Guard has indicated a preference to relocate at a future time. DPD's 2013 recommendation was to make no land use regulatory change, but to invite proposals for a contract rezone at a future time as an appropriate process to negotiate site specific improvements, mixes of uses, and amenities for the large unique site.

Other topics included preliminary recommendations by DPD staff in 2013 to modify certain land use designations in areas near both Dravus St. and W. Armory Way from Industrial General zoning to Industrial Commercial or a new zoning approach that is not yet developed. This zoning approach could allow greater flexibility of uses while continuing to encourage industrial uses. Further development of the new approach is being studied now (See Local Production below), but is not currently available.

At the conclusion of the 2013 Envisioning Interbay work, one small land use change was carried forward in the 2013-14 Comprehensive Plan amendment docket: proposed removal of one parcel of land from the M/IC to better reflect existing uses on the site of a QFC Grocery Store. The proposed Industrial Lands Comprehensive Plan policies to prohibit new designation of IC zoning in M/ICs could potentially impact options for lands within Interbay.

Georgetown Land Use Review

Formal community process initiated: before August 2014

Preliminary land use recommendations: first quarter 2015

DPD is initiating planning with the Georgetown community to review land use issues and address possible urban design considerations. DPD will review the possible impact of proposed Comprehensive Plan amendments on the neighborhood. We are conducting the study in part to fulfill Council Resolution 31026 which directs DPD to engage with Georgetown stakeholders, including residents. DPD will work with a small advisory group and hold community-wide meetings. Other possible objectives of the study include considerations to: support the vitality of the small business district, integrate existing residential areas, and support continued freight mobility and industrial activity in the

area. Staff is meeting people and identifying issues of concern as part of the project scoping process. We expect to formally launch the project this summer.

Local Production Study

Data collection and outreach: June through December 2014

Findings and recommendations: February 2015

DPD staff is currently negotiating a scope of work for a study on the topic of Local Production that will address industrial and industrial-adjacent areas outside the Duwamish M/IC and Ballard M/IC. The focus is on light industrial uses variously referred to as: urban manufacturing; production, distribution and repair; local production; or craftwork. The term “Local Production” is used here to identify these uses.

The project will include outreach to land and business owners in industry segments such as food/beverage production, apparel-making etc. The purpose of the study is to document space needs and challenges facing Local Production industry segments and to propose possible zoning changes. The work would help inform possible land use and zoning actions related to the Industrial Commercial (IC), Industrial Buffer (IB) and other zones.

DPD staff is discussing the work with the Office of Economic development to explore partnership opportunities. We are in contact with organizers of the proposed Made in Seattle non-profit organization (offshoot of the Seattle Good Business Network) which is conducting outreach to the same industry segments. DPD will attend the Made in Seattle kickoff on June 30th.

Auto Dealership Study

Study underway

Since we last reported to you, DPD hired Community Attributes, Inc. to examine the potential for sites along Airport Way to attract additional car dealerships and the effects more dealerships could have on the Duwamish M/IC. The study identified 13.6 acres that could be considered prime sites for dealerships along Airport Way. This location could be attractive to dealerships because of the proximity to downtown and I-5, as well as the visibility from the freeway.

The study concludes that while car dealerships generate significant sales tax revenue for the City, dealerships that are likely to locate on Airport Way could already be located elsewhere in the city. This is partly due to the fact that car manufacturers restrict dealers that sell the same make from locating within least eight miles of one another. Still, Airport Way could serve as a relocation site for dealerships whose current sites become subject to redevelopment. Dealerships would likely have higher assessed property values than industrial uses.

Other Related Engagement:

Maritime and Manufacturing Summit

In May, the Mayor worked with industry representatives and other partners to host a Maritime and Manufacturing Summit in support of growing Seattle’s maritime, manufacturing, and logistics industries

as part of balancing the needs of the growing City. Among the concerns raised in the land use/regulatory discussion at the summit were “land use pressures on industrial lands” and “land purchased by developers in SODO raising land values and creating pressure to convert that land to other uses.” Some participants called for supporting the proposed Comprehensive Plan amendments that are aimed at protecting industrial land and for a “zero loss” of industrial land policy.

Comprehensive Plan Recommendations Outreach Activities

- The Comprehensive Plan recommendations were transmitted to over 14,000 followers on Twitter and Facebook in November.
- As previously reported, DPD staff made a presentation to the North Seattle Industrial Association about these recommendations in February 2014.
- In May 2014, DPD sent information about the recommendations to over 320 participants in the “Envisioning Interbay” listserv.
- June 2014, DPD staff presented these recommendations to Ballard Partnership for Smart Growth, a group of people representing a variety of businesses, non-profit organizations and residents. Additionally, the Ballard UDF team has been meeting with industrial interests.
- DPD staff has been meeting with individuals in Georgetown, as we prepare for a wider community process there.