

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact:	CBO Contact:
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** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to land use and zoning; removing certain existing provisions for the Industrial Commercial zone; and amending Sections 23.42.126, 23.49.014, 23.50.002, 23.50.012, 23.50.014, 23.50.020, 23.50.027, 23.50.028, 23.50.034, 23.50.046, 23.69.022, and 23.74.010, and repealing Sections 23.50.026, 23.50.032, 23.50.033, 23.50.038, 23.50.039, 23.50.041, 23.50.053, and 23.50.055, of the Seattle Municipal Code.

Summary and Background of the Legislation:

This proposal is one of five proposed ordinances that together advance the land use recommendations of the Industrial and Maritime strategy. Together, they strengthen Seattle’s industrial and maritime sectors by updating zoning and development regulations to accommodate emerging trends, take advantage of new opportunities such as new light rail stations, provide stronger land use protections for legacy industries, and create healthier transitions between industrial and nonindustrial areas, particularly in the Georgetown, South Park, and Ballard neighborhoods.

This legislation removes provisions for the Industrial Commercial zone from SMC Chapter 23.50. Provisions for the IC zone, which will only be used outside of Manufacturing Industrial Centers (MICs), are included in the proposed SMC 23.50A legislation. Following rezoning of industrial land with new zone classifications in the proposed SMC 23.50A, legislation advancing the repeal of this Chapter (SMC 23.50) will be advanced in 2024. This legislation will be effective 90 days after enactment.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ___ Yes X No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes X No

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term, or long-term costs?

Yes. The training, implementation and technology costs involved with relocating the IC zone from Chapter 23.50 to 23.50A are included in the fiscal note for companion legislation amending SMC 23.50A.

Are there financial costs or other impacts of *not* implementing the legislation?

Yes. This proposal is a small piece of a larger effort to update industrial zoning in Seattle. The City has already invested significant resources over two years in the form of staff efforts that went into creating the proposal, and over \$400,000 in consulting funds for the Environmental Impact Statement (EIS) evaluating the land use changes. The proposed policy and land use code updates address the industrial areas of the City in advance of the Comprehensive Plan major update. If the proposed land use code and policy changes are not implemented, the City would likely have to explore allocating new resources to address industrial areas in the Comprehensive Plan major update. Industrial areas are not a part of that scope because they are addressed by this Industrial and Maritime Strategy process.

The industrial and maritime legislation package adds capacity that will create an estimated 2,000 housing units on industrial land outside the MICs that is being rezoned to a mixed-use zone, and approximately 880 housing units in the new Urban Industrial zones inside of MICs. The housing units outside of the MICs will be subject to a Mandatory Housing Affordability (MHA) requirement. These units will be allowed in new housing areas that would not occur in the absence of this legislation. The homes will generate an estimated \$19.5 million of MHA funds.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

Yes. This legislation affects the Seattle Department of Construction and Inspections (SDCI) as the department responsible for administering the industrial land use provisions. In addition, Seattle IT will be responsible for updating zoning maps and updating the Accela permitting system with new zoning categories.

b. Is a public hearing required for this legislation?

Yes.

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

Yes.

d. Does this legislation affect a piece of property?

This legislation is one of five bills that together establish a new land use framework for industrial land in the City of Seattle. This specific piece of legislation removes provisions from the IC zone. The IC zone and development standards are included in the proposed SMC 23.50A and following amendments to the zoning map, Chapter 23.50 will be repealed. This legislation affects all property that is within regionally designated Manufacturing Industrial Centers, and all land zoned IG1, IG2, IB, and IC.

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

The primary guiding principles for developing the Industrial and Maritime Strategy prioritize: 1) retention and creation of quality jobs that are available to people without a college degree or who have nontraditional educational paths; and 2) providing equitable access to these opportunities, particularly in BIPOC and other communities who have faced barriers to entry into these careers. The land use strategies advance the goal of industrial and maritime job retention and creation while other initiatives, particularly in the workforce training areas, are intended to improve equitable access. Updating zoning regulations to reflect emerging trends, and providing stronger protections from incompatible land use policies, will strengthen Seattle’s maritime and industrial sectors and their role in providing accessible quality jobs.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

OPCD prepared an EIS for the industrial and maritime proposal which found that due to the combination of existing requirements for industrial operating permits from the Puget Sound Clean Air Agency — and ongoing requirements for improvements in vehicle emissions control, fuel economy, technology improvements, and overall fuel mix — local emissions under the proposal will be lower than existing conditions over a 20-year time frame.

Maritime activities and their impact on the Puget Sound air shed, including the MICs, would continue similarly as they would today. With existing and planned regulatory requirements and local infrastructure improvements, these maritime emissions are expected to decrease over the next twenty years, even if cargo volumes and cruise ship visits increase.

- 2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle’s resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

The Industrial and Maritime Strategy EIS considered the potential for increases in greenhouse gas (GHG) emissions over the next 20 years and found that under all alternatives (including the no action alternative), GHG emissions are likely to increase; however, with mitigation this increase can be reduced. The EIS identified a range of mitigation actions that can be taken, including continued implementation of existing regulations and commitments to reduce GHG emissions, electrification of truck fleets, and electrical shore power. Mitigation measures are found in section 3.2.3 of the Industrial and Maritime Strategy EIS.

- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program’s desired goal(s)?**

This is not applicable to a land use proposal.