

May 11, 2023

MEMORANDUM

To: Land Use Committee
From: Lish Whitson, Analyst
Subject: Industrial Maritime Legislation

On Monday, May 15, the Land Use Committee will continue its discussion of legislation intended to update and modernize the City of Seattle’s industrial land use policies and regulations. The Committee will hear from the Seattle Planning Commission and Central Staff on issues for Council consideration they have identified in the legislation. The five bills¹ to implement the Seattle Industrial and Maritime Land Use Strategy are:

[CB 120568](#) The 2023 Comprehensive Plan amendment ordinance. This bill amends the Land Use element of the Comprehensive Plan to add new goals and update the policies related to industrial areas. The Future Land Use Map and other maps in the plan are amended to remove industrial designations from areas near South Park, Georgetown, and Judkins Park. All future industrial land use decisions would need to be consistent with these policies.

[CB 120567](#) Land Use Code amendments to implement the changes in the Comprehensive Plan Ordinance. This bill creates a new Seattle Municipal Code (SMC) Chapter 23.50A in the Land Use Code, which includes zoning provisions for three new industrial zones: Maritime, Manufacturing, and Logistics (MML); Industrial Innovation (II); and Urban Industrial (UI). The bill also incorporates the existing Industrial Commercial (IC) zone into Chapter 23.50A.

[CB 120569](#) Zoning Map amendments to rezone industrial areas from the existing industrial zoning designations to the new industrial zones created by CB 120567. The map amendments also rezone limited areas in Ballard, South Park, Georgetown, and Judkins Park from industrial to commercial and multifamily zoning districts.

[CB 120571](#) Noise code amendments to allow for higher noise levels in commercial and multifamily districts near the Ballard shoreline.

[CB 120570](#) Land Use code amendments to remove provisions related to the Industrial Commercial zone from the existing industrial Chapter 23.50. If CB 120567 is adopted, this bill should be adopted alongside it.

¹ For more detail regarding the content of each of these bills, please see the Office of Planning and Community Development’s [Director’s Report](#) on the package of bills, and their [presentation](#) at the May 10 Land Use Committee meeting.

This memorandum provides a description of industrial land use policy in Seattle and identifies a few issues for Councilmembers to consider to further mitigate the impacts of the proposed legislation.

Industrial and Maritime Uses and Land Use Policy

Industrial and maritime land uses are characterized by unique needs and impacts that have led them to be separated from other uses, particularly residential uses. Industrial uses generally include:

- Maritime: water-dependent businesses including shipping and fishing;
- Manufacturing: the production of goods;
- Logistics: the movement and storage of things;
- Support: wholesale businesses and industries like construction that support activities in throughout Seattle and region; and
- Utility and public uses: when similar to the activities above, or not appropriate in other areas, for example bus bases (similar to logistics) and the Port of Seattle (supporting maritime activities).

These uses all need large, generally flat parcels, with streets wide enough to accommodate the movement of large vehicles. Many of these uses require access to regional, national, or international transportation facilities, such as ports, interstate highways, rail lines, or airports.

These uses serve important roles in the city's and region's economy. They often provide pay family wage union jobs that are available to workers without college degrees. And they help to support businesses throughout the region. However, often, they are not able to economically compete with residential, retail and offices for the amount of space they need in other parts of the city.

These uses often have impacts that make them poor neighbors to residences and other types of businesses. Industrial processes can include higher-than-normal levels of noise, light and glare, vibrations, odors, or pollutants. Industrial land often is contaminated and needs to be remediated before it is safe for residents. Streets in industrial areas are designed to facilitate truck movement and the street network in these areas often has incomplete pedestrian and bicycle facilities. The trucks and trains required to carry both raw materials and finished goods to and from industrial businesses are more dangerous to pedestrians, bicyclists, and other vulnerable people.

People living near industrial areas on average have shorter lives and worse health outcomes than people living farther from the industrial areas.² These impacts are felt most strongly by low-income and Black, indigenous, and people of color (BIPOC) communities along the Duwamish River. In the words of the Duwamish River Community Coalition:

The Duwamish Valley neighbors are exposed to multiple environmental justice concerns and include a high percentage of susceptible or vulnerable populations. In addition, they have historically lacked access to, and influence on, decision-makers that shape the future of their communities as other, more affluent, communities in the region have.³

Many of Seattle's industrial areas are in areas with environmental constraints. The Duwamish River valley and the south end of Interbay are among the areas most likely to be inundated as sea levels rise. Flooding occurs along the Duwamish and impacts both nearby residents and businesses. Much of Seattle's industrial-zoned land is located on historic landfills, both formal and informal and is subject to liquefaction during earthquakes. The waterways that run through and serve the industrial areas are also critical habitat for fish and other aquatic creatures.

Because of these benefits, challenges, and impacts, the City and the region have identified Manufacturing/Industrial Centers (MICs) as areas where industrial uses are the preferred uses, and where residential uses are generally prohibited. Seattle has two MICs: the Greater Duwamish MIC and the Ballard-Interbay-Northend MIC (BINMIC).

The MICs are designated at the regional, county and city level. They must comply with requirements in the Puget Sound Regional Council's (PSRC) [Vision 2050](#) plan. This includes [review](#) by PSRC's Growth Management Policy Board of major changes to the boundaries of these centers,⁴ and [requirements](#) for plans for the centers. Because of updated requirements from the PSRC, the City must update its industrial policies.

² See for example the 2013 Health Impact Assessment for the Proposed Cleanup Plan for the Lower Duwamish Waterway Superfund Site prepared by the University of Washington School of Public Health ([Health Impact Assessment: Duwamish Cleanup Plan | Environmental & Occupational Health Sciences \(washington.edu\)](#)) which found that residents of the 98108 zip code, had an average life expectancy at birth that was 8 years lower than the City average (73.3 years vs. 81.5 years), and had a childhood asthma hospitalization rate that was 130% higher than King County as a whole. This data is mirrored in other studies, see for example: [Residential Proximity to Environmental Hazards and Adverse Health Outcomes - PMC \(nih.gov\)](#).

³ From [Why is our work important? — Duwamish River Community Coalition \(drcc.org\)](#), accessed May 9, 2023. As of 2021, the population of Census tract 112, containing South Park, was 29% foreign-born, 25 percent Latino, and more than 66 percent people of color, including Asian, Pacific Islander, Hispanic, African American, and Native American. In that census tract, 35 percent of children and 22 percent of adults were in households with incomes below the poverty level. Fourteen percent of residents had no health insurance coverage. (American Community Survey, 2016-2021).

⁴ A major change is defined as more than 10% of the area of a center.

The proposed bills respond to these requirements, but more directly respond to the [recommendations](#) of the Industrial and Maritime Strategy Council released in 2021. In particular, the bills respond to Strategies 4 through 10:

Investment Strategies

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4. Environmental Justice and Climate Action: Address environmental inequities and protect industrial-adjacent communities from environmental harms, transition to a climate pollution free freight network, and prepare for a changing climate.

Land Use Strategies

5. Stronger Protections for Industrially Zoned Land: Strengthen protections for industrially zoned lands within Seattle by establishing higher thresholds to remove industrial land designations and closing loopholes that have allowed significant non-industrial development within industrially zoned lands.
6. High Density Industrial Development: Encourage modern industrial development that supports high-density employment near transit stations and near existing industrial-commercial areas by creating density bonuses for employment uses (i.e., office, R&D, etc.) if coupled with industrial uses in the same project.
7. Healthy Transitional Areas near Urban Villages: Foster increased employment and entrepreneurship opportunities with a vibrant mix of affordable, small-scale places for light industry, makers, and creative arts, as well as industry supporting ancillary retail.
8. No New Residential Uses: No new residential uses on industrial and maritime lands. Limited adjustments to existing allowances in transitional zones to support industry and arts entrepreneurship opportunities. Any limited adjustments to existing allowances in transitional zones would be determined after additional study of potential impacts, including an Environmental Impact Statement (EIS).
9. Georgetown and South Park Neighborhood Goals: Remove a few small, focused locations from industrial zoning in Georgetown and South Park and convert them to mixed use zoning to achieve neighborhood goals

Action Strategies

10. Master Planning for WOSCA and Armory Sites: Recognizing the time limitations of this process and the specialized nature of these sites, partner with agencies of the State of Washington, Department of Transportation (WOSCA), and Department of Commerce (Armory), or future owners on a master planning process for industrial redevelopment specifically designed for each site based on the guiding principles of this workgroup.

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Issues for Council Consideration

The proposed package of bills is intended to balance competing interests regarding the future of industrial lands in Seattle. It generally implements the strategies recommended by the Industrial and Maritime Strategy Council. However, Central Staff has identified a few issues that Councilmembers may want to consider as they weigh this legislation.

CB 120568 Comprehensive Plan Amendments

Topic	Discussion
<p><i>Restriction on changes to industrial areas</i></p> <p>The Comprehensive Plan amendment ordinance includes a new policy limiting changes to industrial areas to 1) major updates to the Comprehensive Plan or 2) a City-sponsored planning process.</p> <p>A separate policy would provide specific direction regarding future changes to two State-owned properties: the Washington National Guard Armory in Interbay, and the WOSCA site in SODO.</p>	<p>Resolution 31807 lays out the City’s process and criteria for considering changes to the Comprehensive Plan. If these amendments are adopted, the Council should update the Resolution to reflect the direction provided by these new policies. The Council may also want to consider adding a restriction on future changes to industrial areas in the rezone criteria in the Land Use Code, Chapter 23.34, which guide site-specific rezones.</p>

CB 120567 Chapter 23.50A

Topic	Discussion
<p>FAR increases for Commercial uses</p> <p>The proposed bill would significantly increase the amount of permitted FAR for non-industrial uses in the UI and II zones.</p> <p>In the UI zone, commercial uses that are ancillary to an industrial use are allowed to occupy up to 80 percent of a structure with no maximum size limit, with a maximum FAR limit of 3 or 4.5, up from the 2.5 FAR limit in the existing Industrial Buffer (IB) zone.</p> <p>The II-85 zone would have a maximum FAR limit of 4.5, the II-125 zone would have a maximum FAR limit of 5.75, and the II-160 zone would have a maximum FAR limit of 6.5 FAR. There would be no maximum size limit for commercial uses in these zones that are part of a project that participates in the bonus program. The II zone would generally replace General Industrial (IG) and Industrial Commercial (IC) zones that have FAR limits of 2.5 and 2.75, respectively.</p>	<p>Should these FAR increases be coupled with requirements for participation in Mandatory Housing Affordability program for commercial uses as has been the case with other significant upzones? For the UI zone, generally these commercial uses would need to be ancillary to an industrial use. For the II zone, the commercial uses would need to participate in the II bonus program and be part of a project that supports the creation of new industrial space.</p>

Topic	Discussion
<p>II Zone <u>FAR bonuses</u> The II zone would implement strategy 6 by allowing higher density office development through a Floor Area Ratio (FAR) bonus program.</p> <p>In the II-85 zone, in order to achieve the maximum FAR of 4.5, the project would need to provide on- or off-site industrial spaces.</p> <p>In the II-125 and II-160 zones, in order to achieve the maximum FAR of 5.75 or 6.5 FAR, projects would need to (1) provide on- or off-site industrial uses; and (2) either use mass-timber construction or acquire transferrable development rights from a vulnerable masonry structure.</p>	<p>Strategy 6 describes this approach as “creating density bonuses for employment uses (i.e., office, R&D, etc.) if coupled with industrial uses in the same project.” The proposed bill would allow these industrial uses to be located off-site if they are within the same MIC.</p> <p>The proposed bill classifies Information Computer Technology (ICT) as an industrial use in the II zone only. A project could qualify for the bonus by only providing office space for the technology sector. Under height limit provisions that allow for unlimited height for structures in industrial use in II zones, no height limit would apply to such a structure, unless it were under a flight path.</p> <p>ICT uses can easily be accommodated in office space in other parts of the city and do not have the same space needs or impacts as other industrial uses. The effect of this approach may be to reduce the effectiveness of the II bonus in terms of creating new space for more intensive industrial uses that are not appropriate in other parts of the City.</p> <p>The proposed bill provides different bonus ratios for ICT uses compared to other industrial uses. Projects providing ICT space would be granted four additional square feet of non-industrial space for each square foot of ICT space, and five square feet for each for each square foot of non-ICT industrial space. The proposed code is not clear regarding what would occur if an ICT use seeks to move into to a space that was built with the non-ICT industrial space bonus.</p>

Topic	Discussion
<p>Housing in and near Industrial zones</p> <p>The proposed bills increase housing in and near industrial zones in two ways: (1) by allowing housing as a conditional use in UI zones, and (2) by rezoning some industrial areas to commercial or multifamily zones. Because of the impacts residential and industrial uses can have on each other, these changes should be considered carefully.</p> <p>Some of the conditions that maintain the industrial character of the UI zone include:</p> <ul style="list-style-type: none"> • Limiting residential uses to 50 percent of a project; • Limiting residential density to 50 dwelling units per acre; • Prohibiting multifamily uses within 200 feet of designated major truck streets and shorelines; • Restricting the residential use to live/work units, caretakers’ quarters, or affordable units;⁵ and • Requiring statements that owners and residents acknowledge that the housing is in an industrial area and accepting the character of the neighborhood. <p>Future residents in these units would be protected from impacts from industrial activity by requiring the installation of sound-insulating windows and landscaping requirements that would newly be applied to these districts.</p> <p>A similar requirement for noise attenuation is placed on property in Georgetown that is being rezoned from industrial to Neighborhood Commercial in Georgetown. It is not applied in other areas where similar rezones are proposed.</p>	<p>If Councilmembers want to further limit the impacts of harmful industrial uses and industrial activity on future residents in these areas, there are additional requirements they could add:</p> <ul style="list-style-type: none"> • Limiting housing near rail yards, interstates, and airports, all of which can have significant air quality, noise and vibration impacts on nearby residences; • Requiring noise attenuation for future housing units in all of these areas; • Requiring air conditioning and non-operable windows in future housing units to improve indoor air quality; • Increasing landscaping and tree requirements in the MML zone, which has limited street tree requirements and no landscaping requirements; • Requiring new industrial buildings to be set back from lot lines that are shared with all zones where residential development is permitted; • Prohibiting high impact uses near zones where residential uses are permitted; or • Requiring sidewalks be built alongside new construction near areas where residential uses are permitted.

⁵ A minimum of 50 percent of units in the project would need to be affordable at the following levels depending on the number of bedrooms: Small Efficiency Dwelling Units (SEDUs) – 60 percent of area median income (AMI); studio and one-bedroom units – 80 percent AMI; two or more bedroom units – 90 percent AMI.

CB 120571 Noise Code

Topic	Discussion
This bill would allow for higher noise levels in residential and commercial zones near the BINMIC shoreline than are permitted in other residential and commercial areas.	The impacts of this bill on new housing could be mitigated by requiring the type of noise attenuation that is proposed to be required in Georgetown in residential and commercial areas near the BINMIC shoreline, such as the western section of the Ballard Urban Village.

Key Considerations for Amendments

As Councilmembers consider amendments, please keep in mind constraints on Council changes that are embedded in the Washington State Growth Management Act (GMA), State Environmental Policy Act (SEPA), and the City's land use regulations.

Under the GMA, land use bills must be consistent with the policies of Seattle's Comprehensive Plan. Before proposing an amendment to the land use code amendment ordinance or rezone ordinance, please consider whether the change will be consistent with the Comprehensive Plan policies related to industrial lands. In addition to the policies included in CB 120568, there are additional goals and policies for each of the MICs that should be considered. Other policies throughout the plan may also constrain the Council's policy choices.

In addition, the GMA requires consistency between local and regional plans. As regionally-designated centers, the City's MICs must follow the policies for Manufacturing and Industrial Centers contained in PSRC's Vision 2050 and King County's Countywide Planning Policies. Amendments that would conflict with those policies should not be adopted.

The Office of Planning and Community Development (OPCD) has published an [environmental impact statement](#) (EIS) that analyzed the impacts of this proposal. Under SEPA, the Council may not consider changes to the proposal that have not been analyzed. This means that if a Councilmember wants to propose an amendment that is outside the range of alternatives studied under the EIS, additional environmental review may be required prior to Council action on the final bill. We will work with you to help identify the level of review that may be required depending on how much the amendment differs from the alternatives and potential mitigation measures studied under the FEIS.

Finally, SMC 23.34.007 states that all rezones must be guided by rezone criteria contained in SMC Chapter 23.34. The criteria in that chapter are weighed and balanced and should be considered by the Council in considering any changes zoning designations, including height limits. This Chapter is proposed to be amended by CB 120567, and the Council should consider the new criteria in that bill alongside existing criteria in Chapter 23.34.

Next Steps

Chair Strauss has requested that Councilmembers send their ideas for potential amendments to me by the end of the day Wednesday, May 17. I will compile a summary of proposed amendments to be published on May 22 so that members of the public will have a sense of the range of changes that Councilmembers are considering prior to May 24th public hearing. The Committee will consider amendments and may vote on the legislation at a special meeting scheduled for the week of June 5.

cc: Esther Handy, Director
Aly Pennucci, Deputy Director
Yolanda Ho, Supervising Analyst