

Amendment A Version 1 to CB 121093 – Growth Monitoring in Manufacturing and Industrial Centers

Sponsor: Councilmember Lin

Require reporting on residential and employment growth in Manufacturing and Industrial Centers (MICs) and Review Conditional use Criteria for Residential Uses in MICs

Effect: This amendment would (1) require that the City include Manufacturing and Industrial Centers (MICs) in monitoring and reporting on residential and employment growth to inform applicable State Environmental Policy Act (SEPA) review thresholds, (2) establish the Council’s intent to review Administrative Conditional Use (ACU) criteria for approval of residential uses in Industrial and Maritime zones to protect Port of Seattle operations, and (3) request that the Office of Planning and Community Development and the Seattle Department of Construction and Inspections provide reporting to inform the review of ACU criteria.

In 2026, the Council will be considering subarea plans for both the Duwamish and Ballard Interbay-Northend Manufacturing and Industrial Centers (MICs). Additionally, the Council will be considering updates to new Industrial and Maritime zoning regulations that were initially passed through [Ordinance 126862](#) in 2023. Those regulations allow limited residential uses through an ACU approval.¹ ACU approvals are discretionary decisions by the SDCI Director that may be appealed to the City Hearing Examiner.

Amend Section 7 of CB 121093, as follows:

Section 7. Section 25.05.800 of the Seattle Municipal Code, last amended by Ordinance 127375, is amended as follows:

25.05.800 Categorical exemptions

The proposed actions contained in this Section 25.05.800 are categorically exempt from threshold determination and environmental impact statement requirements, subject to the rules and limitations on categorical exemptions contained in Section 25.05.305.

¹ See [Seattle Municipal Code Section 23.50A.062](#) for ACU criteria.

A. Minor new construction; flexible thresholds

2. The following types of construction are exempt, except when undertaken wholly or partly on lands covered by water:

a. The construction or location of residential or mixed-use development ~~((containing no more than the number of dwelling units identified in Table A for 25.05.800:))~~

citywide is categorically exempt from SEPA environmental review in all zones if:

1) The development is consistent with subsection 25.05.800.A.1;

2) Citywide residential growth has not exceeded the exemption limits established pursuant to subsection 25.05.800.A.2.i in reference to an adopted Comprehensive Plan. Or if the exemption limits established pursuant to subsection 25.05.800.A.2.i have been exceeded, a residential or mixed-use development's exemption from review shall be subject to a categorical exemption threshold of 200 dwelling units; and

3) The development does not exceed permissible use, density, or intensity limits established by the Land Use Code or other applicable codes of The City of Seattle.

((Table A for 25.05.800 Exemptions for residential uses			
Zone	Number of exempt dwelling units		
	Outside regional centers and urban centers	Within regional centers and urban centers where growth estimates have not been exceeded	Within regional centers and urban centers where growth estimates have been exceeded
NR and RSL	4	4	4
LR1	4	200+	20
LR2	6	200+	20

((Table A for 25.05.800 Exemptions for residential uses			
Zone	Number of exempt dwelling units		
	Outside regional centers and urban centers	Within regional centers and urban centers where growth estimates have not been exceeded	Within regional centers and urban centers where growth estimates have been exceeded
LR3	8	200⁺	20
NC1, NC2, NC3, C1, and C2	4	200⁺	20
MR, HR, and Seattle Mixed zones	20	200⁺	20
MPC-YT	NA	30⁺	20
Downtown zones	NA	250⁺	200
Industrial zones	4	4	4

~~Footnotes to Table A for 25.05.800
 NA = not applicable
 Regional centers and urban centers are identified in the Seattle Comprehensive Plan;
 + Pursuant to RCW 43.21C.229, new residential development or the residential portion of new mixed use development located in a regional center or in an urban center is categorically exempt from the State Environmental Policy Act, unless the Department has determined that residential growth within the regional center or urban center has exceeded exemption limits for the center that the Department has established pursuant to subsection 25.05.800.A.2.i.)~~

b. The construction of a barn, loafing shed, farm equipment storage building, produce storage or packing structure, or similar agricultural structure, covering 10,000 square feet or less, and to be used only by the property owner or the property owner's agent in the conduct of farming the property. This exemption does not apply to feed lots;

c. The construction of office, school, commercial, recreational, service, or storage buildings, ~~((containing no more than the gross floor area listed in Table B for 25.05.800:))~~ citywide, is categorically exempt from SEPA environmental review in all zones if:

- 1) The development is consistent with subsection 25.05.800.A.1;

2) For stand-alone non-residential use development, not including non-residential uses located within a mixed-use structure, the gross floor area does not exceed 65,000 gross square feet for non-retail commercial uses or 30,000 gross square feet for other uses;

3) Citywide employment growth has not exceeded the exemption limits established pursuant to subsection 25.05.800.A.2.i in reference to an adopted Comprehensive Plan. Or, if the exemption limits established pursuant to subsection 25.05.800.A.2.i have been exceeded, a development’s exemption from review shall be subject to a categorical exemption threshold of 30,000 gross square feet; and

4) The development does not exceed permissible use, density, or intensity limits established by the Seattle Municipal Code.

~~((Table B for 25.05.800 Exemptions for nonresidential uses~~

Zone	Exempt area of use (square feet of gross floor area)		
	Outside regional centers and urban centers	Within regional centers and urban centers where growth estimates have not been exceeded	Within regional centers and urban centers where growth estimates have been exceeded
NR, RSL, and LR1	4,000	4,000	4,000
LR2 and LR3	4,000	12,000 ¹ or 30,000 ²	12,000
MR, HR, NC1, NC2, and NC3	4,000	12,000 ¹ or 30,000 ²	12,000
C1, C2, and Seattle Mixed zones	12,000	12,000 ¹ or 30,000 ²	12,000
Industrial zones	12,000	12,000	12,000
MPC YF	NA	12,000	12,000
Downtown zones	NA	30,000	30,000

((Table B for 25.05.800 Exemptions for nonresidential uses			
Zone	Exempt area of use (square feet of gross floor area)		
	Outside regional centers and urban centers	Within regional centers and urban centers where growth estimates have not been exceeded	Within regional centers and urban centers where growth estimates have been exceeded
Footnotes to Table B for 25.05.800 NA = not applicable Regional centers and urban centers are identified in the Seattle Comprehensive Plan. ¹ - New nonresidential development that is not part of a mixed-use development and that does not exceed 12,000 square feet in size is categorically exempt from the State Environmental Policy Act (SEPA). ² Pursuant to RCW 43.21C.229, new nonresidential development that does not exceed 30,000 square feet and that is part of a mixed-use development located in a regional center or in an urban center is categorically exempt from SEPA, unless the Department has determined that employment growth within the regional center or urban center has exceeded exemption limits for the center that the Department has established pursuant to subsection 25.05.800.A.2.i.)			

d. The construction of ~~((a))~~ flexible-use parking ~~((lot))~~ designed for ~~((40))~~ 20 or fewer automobiles, as well as the addition of spaces to existing lots up to a total of ~~((40))~~ 20 spaces, in all zones other than Industrial and Maritime zones;

e. The construction of flexible-use parking designed for 90 or fewer automobiles, as well as the addition of spaces to existing lots up to a total of 90 spaces, in Industrial and Maritime zones;

f. Any fill or excavation of ~~((500))~~ 1,000 cubic yards or less throughout the total lifetime of the fill or excavation; and any excavation, fill, or grading necessary for an exempt project in subsections 25.05.800.A.2.a, 25.05.800.A.2.b, 25.05.800.A.2.c, or 25.05.800.A.2.d shall be exempt;

g. ~~((Mixed use construction, including but not limited to projects combining residential and commercial uses, is exempt if each use, if considered separately, is exempt under the criteria of subsections 25.05.800.A.2.a through 25.05.800.A.2.d, unless the uses in combination may have a probable significant adverse environmental impact in the judgment of an agency with jurisdiction (see subsection 25.05.305.A.2.b)))~~ Reserved;

h. In zones not specifically identified in this subsection 25.05.800.A, the standards for the most similar zone addressed by this subsection 25.05.800.A apply;

i. For the purposes of this subsection 25.05.800.A, "mixed-use development" means development having two or more principal uses, ~~((one of which is))~~ combining a non-residential use with a residential use ((comprising 50 percent or more of the gross floor area)) with at least one dwelling unit, not including caretaker's quarters or live-work units;

j. To implement the requirements of ~~((Table A for 25.05.800 and Table B for 25.05.800))~~ subsections 25.05.800.A.2.a and 25.05.800.A.2.c, the Director shall establish implementation guidance by rule for how growth is measured against exemption limits and how changes to thresholds will occur if exemption limits are reached. The residential exemption limits shall consist of the residential growth ~~((estimates established in))~~ amount planned citywide by the most currently adopted Seattle Comprehensive Plan ((for a given area,)) minus a "cushion" of ~~((ten))~~ one-half percent to ((assure)) ensure that development does not exceed the planned-for growth ((estimates)) without SEPA review. The non-residential exemption limits shall consist of the non-residential employment growth planned citywide by the most currently adopted Seattle Comprehensive Plan, minus a "cushion" of one percent to assure that non-residential development does not exceed the planned-for growth without SEPA review; and

k. The Director shall monitor residential and employment growth and periodically publish a determination of growth citywide and for each regional, ~~and~~ urban, and ~~manufacturing and industrial~~ center. Residential growth shall include, but need not be limited to, net new units that have been built and net new units in projects that have received a building permit but have not received a certificate of occupancy. Per implementation guidance established by rule, if the Director determines that citywide exemption limits have been reached (~~for a regional center or an urban center~~), subsequent development will be subject to the lower thresholds as set forth in (~~Table A for 25.05.800 and Table B for 25.05.800~~) subsections 25.05.800.A.2.a.2 and 25.05.800.A.2.c. 3.

Add a new Section 8 to CB 121093, as follows:

Section 8. In 2026 the Council will be considering modifications to Industrial and Maritime zone regulations and subarea plans for the Duwamish and Ballard Interbay-Northend Manufacturing and Industrial Centers (MICs). The Council intends to consider new and alternative criteria for administrative conditional use approval of residential uses in the MICs. The Council requests that the Office of Planning and Community Development and the Seattle Department of Construction and Inspections Report to the Land Use and Sustainability Committee by June 30, 2026, on permit applications for residential uses in Industrial and Maritime zones, if any, since passage of Ordinance 126862 in 2023. The report should identify conditions applied to the administrative conditional uses approvals, public comment received on the applications, and any recommended changes to conditional use criteria to address potential impacts to Port of Seattle Operations and drayage and other industrial uses.

Ketil Freeman
Land Use and Sustainability Committee
February 6, 2026
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[Renumber Remaining Sections]