Seattle

Seattle Industrial & Maritime Strategy

Director's Report and Recommendation

March
2023

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Executive Summary

Following a multi-year planning process that consisted of extensive stakeholder engagement, neighborhood outreach, research and analysis, and an Environmental Impact Statement, we are pleased to transmit 5 ordinances that together implement major components of the Mayor's Industrial and Maritime Strategy.

Seattle's industrial and maritime policies are more than 35-years old, and during that time, the trends and technologies impacting industrial and maritime users have experienced significant change. To reflect those changes as part of a comprehensive strategy to strengthen and grow Seattle's industrial and maritime sectors for the future, we are recommending a holistic update of our industrial and maritime policies and zoning. Debates around industrial lands have spanned decades, and therefore the adoption of this legislation will be a major milestone. This action proactively addresses industrial lands as an early component of the Comprehensive Plan major update, allowing the One Seattle Planning process to focus on other pressing topics such as expansion of housing supply.

We believe the legislation will spur progress towards the following objectives:

- Increase the quantity of living wage jobs generated from industrial lands.
- Improve environmental health for people who live or work in or near industrial areas.
- Provide long-term predictability to stakeholders that will support renewed investment.
- Promote mutually reinforcing mixes of activities at the transitions between industrial areas and urban villages or residential neighborhoods.
- Support industrially compatible employment dense transit-oriented development at existing and future high-capacity transit stations.
- Increase access to workforce and affordable housing for employees in industrial and maritime sectors.
- Position Seattle's industrial areas to respond competitively to new processes and practices.
- Ensure available and adequate locations for components of regional and statewide supply chains and regional economic clusters.
- Increase space for prototyping, entrepreneurship, and business incubation.
- Strengthen economic resiliency with the capacity to produce products locally and ensure stable distribution networks.

A brief description of the five ordinance that make up this action is below:

1. An ordinance amending the Comprehensive Plan to establish an updated vision in revised text policies for industrial land use. This ordinance amends the Future Land Use Map (FLUM) to change map designations in the Ballard and Judkins Park areas from an industrial land use designation to a mixed-use land use designation. The ordinance amends the FLUM to change the boundaries of the Manufacturing and Industrial Centers to remove parts of Georgetown and South Park.
2. An ordinance creating a new Chapter 23.50A in the Seattle Municipal Code that establishes three new industrial zones and sets out development regulations for those

zones. This ordinance amends the commercial Chapter 23.47A adding new provisions for areas of Neighborhood Commercial zoning that will be applied to the Georgetown neighborhood. It amends other sections of the Land Use Code that are related to establishing the new Chapter 23.50A.

3. An ordinance removing provisions for the Industrial Commercial zone from existing Chapter 23.50 and relocating them to the new Chapter 23.50A. The Industrial Commercial zone remains a useful and relevant zone in line with proposed policies for some areas and therefore will be relocated to new Chapter 23.50A.
4. An ordinance applying the new industrial zone classifications to the official zone map.
5. An ordinance amending the City's noise ordinance to address challenges to ongoing industrial activity in the shoreline areas of the Ballard Interbay Northend Manufacturing Industrial Center (BINMIC) that are experiencing encroachment from nonindustrial activity.

Current zoning regulations for industrial areas found in SMC Chapter 23.50 will coexist with the proposed new SMC 23.50A, if adopted, for a period. OPCD proposes to retain, for approximately one year, the existing Chapter 23.50 industrial zones in parallel with the new Chapter 23.50A, so City Council may elect to retain existing zoning in locations that need further review before the new suite of industrial zones can be applied. Once mapping is complete, OPCD expects to prepare legislation that would repeal Chapter 23.50.

In the remainder of this Director's Report and Recommendation we provide: background on the Industrial Maritime Strategy, the process to arrive at this recommendation, a discussion of how the ordinances implement the strategy, and an overview of the technical aspects of the proposed Comprehensive Plan and zoning code changes.

Background

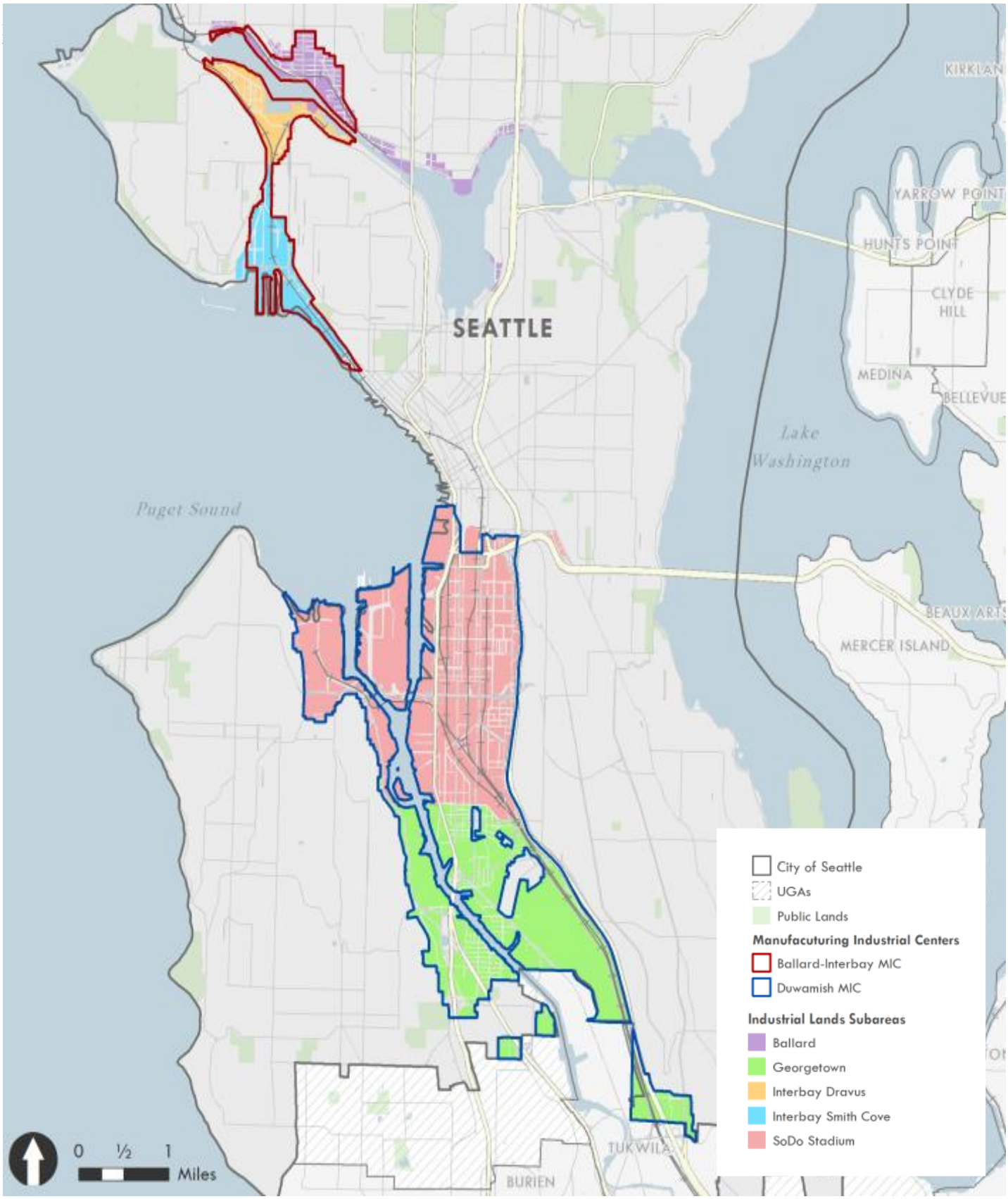
Most industrial land in Seattle is located within two Manufacturing Industrial Centers (MIC). Seattle's Greater Duwamish Manufacturing and Industrial Center (MIC) and the Ballard Interbay Northend Manufacturing Industrial Center (BINMIC) contain about 12 percent of Seattle's total land area. MICs are regional designations and are defined in the City's Comprehensive Plan as home to the city's thriving industrial businesses. There are only 11 MICs in the Puget Sound region, and they are important resources for retaining and attracting jobs and for a diversified economy. As regionally-designated Centers MICs are eligible to receive federal transportation funding through allocations by the Puget Sound Regional Council (PSRC).

Subareas within MICs with more local identities are commonly understood by community members. Subareas are considered for the purposes of analysis and local planning. A few small areas of existing industrial zoning located outside of MICs in locations such as along North Lake Union and in Judkins Park, are also a part of this action.

Seattle industrial areas employment is about 100,000, representing roughly 15% of total employment in the City. Historically, Seattle's industrial lands have captured about 6-11% of the city's employment growth. Although narratives suggest declines in industrial jobs, Seattle's industrial area employment grew at a compound annual rate of about 1.6% between 2010 and 2018. Some sectors like food-and-beverage production grew even faster, while maritime and logistics had slow and steady growth, and only aerospace and manufacturing sectors saw minor declines. (Seattle Maritime and Industrial Employment Trends. Community Attributes Inc., 2020)

Industrial and maritime jobs provide pathways to stable careers that are accessible to a broad swath of community members. Nearly two thirds of all jobs in industrial sectors are accessible without a traditional four-year college degree, and more than half of all jobs in the maritime sector are available with no formal education. Wages are competitive, with average annual earnings exceeding 70% of the Area Median Income for salaries in the construction, aerospace/aviation, and logistics sectors. A high number of jobs in logistics, maritime and manufacturing sectors remain unionized and provide high quality benefits. (Industrial Lands Employment Analysis Technical Memo. Community Attributes Inc., 2020)

While there is a lack of data to fully demonstrate the demographics of the industrial and maritime workforce, the available data does show that the largest geographic concentration for Seattle residents of workers on industrial lands are in southwest Seattle with an overall distribution across the region.



This map shows the area affected by the proposed legislation and subareas that are considered for the purposes of analysis and local planning.

Process

Industrial and Maritime Strategy Advisory Council

In 2019 the City convened an Industrial and Maritime Strategy Advisory Council to chart a blueprint for the future of industrial land in Seattle with a focus on providing equitable access to high-quality, family-wage jobs and entrepreneurship opportunities. The Advisory Council included representation from citywide stakeholders and stakeholders from four neighborhood subareas for: Ballard, Interbay, SODO/Stadium District, Georgetown/South Park. The groups represented a diverse range of interests including maritime and industrial businesses, labor, residents of adjacent neighborhoods, developers, a City Council member, and industry groups.

The Industrial and Maritime Strategy Council process lasted more than a year and a half and included various phases and levels of dialogue. The timeline below summarizes major steps. These steps were supplemented with individual outreach and dialogue between members of the strategy council, city staff, and the facilitator.

- November 2019. Project kickoff and guiding principles
- February 2020. Discuss policy alternatives and background data
- March-May 2020. Break due to COVID-19
- June 2020. Reconvene with a focus on a greater emphasis on equity and recovery
- Fall, 2020. Restorative economics training, BIPOC youth engagement
- November 2020. Listening session
- December 2020. Discuss detailed policy tables, written comments
- March 2021. Regroup and strategy framework
- April / May 2021. Strategy workshops and straw poll voting
- May 27, 2021. Final consensus recommended strategies

In May 2021 the Advisory Council recommended 11 broad strategy statements, which are shown on the following page. The consensus represented approval votes by over 85% of voting advisory group members on the package. Due to the significant amount of negotiation, dialogue and collaborative effort that went into reaching consensus, we emphasize in this report how closely the proposed legislation follows the consensus recommendations.

Investment Strategies

1. Workforce Investments to Support Access to Opportunity for BIPOC, Youth, and Women: Create, expand, and support initiatives that increase access to opportunity and economic prosperity for Black, Indigenous, and People of Color, youth, and women through manufacturing, maritime, and logistics careers.

2. Public Safety Partnership to Support Maritime and Industrial Areas: Work closely with local business and community organizations to develop and implement a proactive public safety response to elevated levels of crime within maritime and industrial lands.

3. Transportation Priorities to Improve the Movement of People and Goods: Improve the movement of people and goods and make transit and freight networks work for industrial and maritime users with better service and facilities; improved last mile connections for active transportation, transit, and freight, including large truck access to shoreline and railroad uses; and advocating for a tunnel alignment for Ballard and Interbay future light rail.

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.

11. Ongoing Stewardship Entities to Champion this Vision: Identify and grow ongoing stewardship entities with a complete range of stakeholders to champion the vision of the Industrial and Maritime Strategy, ensure its long-term implementation, and develop appropriate assessment metrics to help guide future policy decisions. In different neighborhoods, this could be an existing organization with a modified charter and/or a new organization.

This table is from the June 2021 Industrial and Maritime Strategy Advisory Council Report.

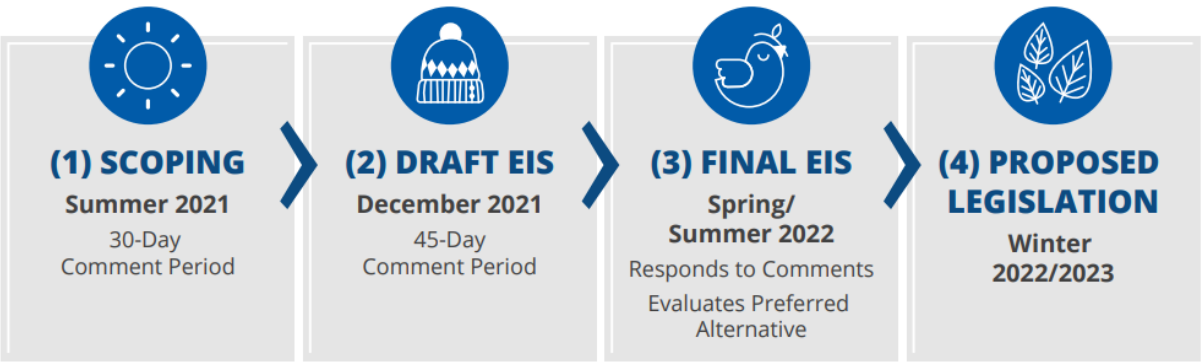
Other Focused Engagement

The relative accessibility and competitive wages provided by jobs in industrial and maritime sectors present the opportunity to benefit BIPOC community, women, and youth. The Strategy Council strongly recommended specific and proactive measures to ensure access and opportunities to a higher proportion of industrial and maritime sector jobs by BIPOC and women than it has ever had before. The City directly consulted over 116 BIPOC youth to share their lived experiences about exposure to industrial and maritime sectors.

The take-aways from the youth engagement include the youth describing a general lack of awareness of industrial and maritime careers and that youth were surprised by the diversity and number of careers and the higher wages within the maritime, manufacturing, and logistics sectors. We also heard that a clear stigma against career and technical education exists and that career decisions of youth are most influenced by their parents, as opposed to their teachers and counselors. Finally, we heard youth emphasize that environmentally friendly employers are important to their career decisions.

Environmental Impact Statement (EIS) Process

OPCD initiated an EIS process in July of 2021 to study the possible effects of implementing land use changes. The process provided community with meaningful opportunities to shape the proposal. The draft EIS included four alternatives, and the City extended the initial 45-day comment period to 60 days allowing more time for review and held public engagement events during the comment period. The City conducted a series of meetings with South Park and Georgetown community members in neighborhood locations and included comments from these communities through an additional extension to April 15, 2022. A final EIS was issued in September of 2022 that contains a Preferred Alternative. The Final EIS Preferred Alternative reflected substantial input from community, and analysis was supplemented in response to comments. (Findings from the environmental review are summarized later in this Director's Report, and in Appendix A.)



Online and Social Media Engagement

OPCD used social media and online tools to communicate directly to the public about policy issues and to increase general awareness of industrial and maritime land use issues. OPCD produced a series of video profiles highlighting industrial businesses, including woman and minority owned businesses. OPCD also highlighted news stories and articles on industrial and maritime strategy topics. The purpose

was to build community member awareness of industrial lands policy issues so more people could weigh in on proposals in a more informed way.

Other Engagement with Stakeholder Groups

In addition to formal engagement channels and meetings OPCD staff conducted regular check-ins with individuals and stakeholder groups who would be most affected by the proposed legislation. These meetings continued following completion of the Final EIS and during the formulation of this proposed legislation. Input by stakeholder groups helped to improve and refine proposed development standards. Meetings included dialogue with:

- Ballard brewers
- Ballard area property owners
- Georgetown Community Council
- Duwamish River Community Coalition
- Port of Seattle / Northwest Seaport Alliance
- Maritime labor organizations
- Service sector labor organizations
- Construction sector labor organizations
- Professional sports stadium boards
- Industrial trade groups
- Seattle Planning Commission
- Others

Implementation of the Consensus Strategies

Below we describe the direct connection between the consensus recommendations and components of the proposed land use legislation.

Consensus Strategy 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.

Competition for industrial land from nonindustrial uses destabilizes the vitality of industrial districts by introducing land use conflicts and driving speculative pressures that results in the displacement of industrial activity. Industrial land is priced lower than land for commercial and residential activity. Although Seattle's proximity to a deep-water port, rail and freight infrastructure, and a large workforce are locational advantages for some industrial uses, others can easily relocate to outlying areas free of land use conflicts at a price competitive or better than they can find in Seattle.

As a broader range of uses locates in industrial districts, land values rise meaning only those higher-value uses can afford to locate in these areas. This can be seen in Ballard where numerous grocery stores have displaced industrial businesses in the BINMIC, or where destination retail has been developed on land off West Armory Way in Interbay.

On a regular basis the City receives applications to remove land from our industrial areas for nonindustrial development resulting in a lack of predictability by industrial users contemplating investment/reinvestment in Seattle's industrial areas. The package of zoning amendments and Comprehensive Plan Amendments contains three specific provisions to strengthen protections for industrial land consistent with stakeholder recommendations:

- **Limit Annual Comprehensive Plan Amendments**: Removal of land from a Manufacturing Industrial Center (MIC) for non-industrial development requires an amendment to the City's Comprehensive Plan. Amendments to the City's Comprehensive Plan can occur in two ways – the annual amendment process and the major update process. The City can amend its Comprehensive Plan once a year through an annual amendment process. This process allows the public the opportunity to submit amendment proposals that are then considered by the City Council.

  The proposed legislation includes new Comprehensive Plan text policy 10.3 stating the city will not consider proposals for removal of land from a MIC designation except as a part of a comprehensive plan major update or a City led study. The major update to the

Comprehensive Plan occurs every 8-10 years. Limiting Comprehensive Plan amendments to major updates will lessen speculative pressure on industrial land by sending a clear market signal that removal of land from MICs will not happen frequently. This limitation also has the benefit of allowing the City to fully review changes to land in the MICs within the overall context of the City's industrial land needs.

- **Tighten Zoning Code Loopholes**: The proposed legislation would reduce existing size of use limits on nonindustrial (i.e., retail and office uses) and apply a new Floor Area Ratio limit of 0.4 for nonindustrial uses in the Maritime Manufacturing and Logistics zone. These changes will have the practical effect of discouraging new development of box retail stores, or standalone office buildings in the new industrial zones.
- **Prohibit Mini-Storage**: Like retail and commercial uses, mini-storage developments can pay a higher price for land than industrial users. While currently permitted, this use, unlike warehouses or storage yards for logistics businesses in MICs, does not support industrial activity and has little employment benefit. This proposal would prohibit new ministorage uses in all industrial zones.

Consensus Strategy 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.

Seattle's Manufacturing and Industrial Centers are the proposed location of up to five future Sound Transit light rail stations. Traditionally, land use policy around light rail stations seeks to leverage these generational investments with transit-oriented development characterized by a mix of residential and employment uses. Stakeholders evaluated how best to accommodate these stations while contributing to the continuing strength of Seattle's industrial areas and recommended a strategy that leverages these transit investments with high-density employment characterized by a mix of modern industrial space supported by a range of office and other commercial uses. The proposed amendments would create a new Industry and Innovation (II) zone that encourages new development in multi-story buildings that accommodates industrial businesses, mixed with other dense employment uses such as research, design, offices and technology. Precedents for the sort of flexible mixing of industrial and non-industrial uses that are envisioned in this proposal exist in Seattle and peer cities, including Portland, OR, New York City, and Vancouver BC.

Consensus Strategy 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.

- Transitions between industrial and nonindustrial zones in Seattle are currently managed through the application of the industrial buffer zone. The Stakeholder group, which included community representatives from South Park, Georgetown, and Ballard combined with supplemental outreach to the South Park and Georgetown communities identified four key challenges in these transitional areas:
  1.) Affordable spaces for small-scale manufacturers, entrepreneurs and artists are scarce.
  2.) Active transportation modes like walking and biking that best facilitate residents' access to local producers are vulnerable to conflicts with freight movement when public infrastructure is inappropriately designed.
  3.) Entrepreneurs and small manufacturers struggle to find affordable homes near their jobs.
  4.) High – impact industrial uses close to nonresidential areas result in unhealthy impacts to these communities, particularly in South Park and Georgetown.
- The proposed legislation would create a new zone, the Urban Industrial (UI) Zone, that addresses these challenges. The proposed Urban Industrial zone increases pedestrian safety and facilitates freight movement by requiring street improvements that include curbs, sidewalks, pedestrian scale lighting, and street trees for new buildings or expansions. Workforce housing needs are partially addressed through allowances for small amounts of workforce housing permitted as a conditional use. It should be noted that resolving the issue of housing scarcity and affordability for workers in industrial areas will not be solved by using industrial land for significant amounts of housing (see discussion below).

Consensus Strategy 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).

Current land use policy prohibits new housing in industrial areas with very minor allowances for artist studio, caretakers quarters, or housing that predated the City's industrial land use policy. These

limitations are in place because large concentrations of housing in industrial areas results in land use conflicts that compromise the economic viability of industrial areas and encourages speculative pressure to use industrial land for nonindustrial uses. Residents living in industrial areas are also sometimes exposed to impacts from industrial activity including light, noise, aesthetic impacts of outdoor storage.

For these reasons the City has traditionally prohibited housing development in industrial zones. Policies discouraging housing in industrial areas are consistent with the King County Countywide Planning Policies, and the Puget Sound Regional Council policies for designating Manufacturing and Industrial Centers.

This proposal retains the general policy of limiting new residential uses on industrial land with limited adjustments to allow some new housing opportunities to support artists, makers, or industry supportive housing. The proposal also includes some areas outside of MICs where industrial zoning would be replaced by new mixed-use zones.

Consensus Strategy 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.

The proposed Comprehensive Plan amendments include amendments to the Comprehensive Plan Future Land Use Map. Two of these amendments advance goals of the Georgetown and South Park communities consistent with the stakeholder recommendations. Both Georgetown and South Park experience impacts from adjacent industrial areas. The Georgetown community has a goal of becoming a more complete neighborhood similar to an urban village. The South Park community has a goal of increasing environmental health and making a better connection of residential communities to the Duwamish River.

Consensus Strategy 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.

The Washington National Guard Armory (Armory) site currently owned by the State of Washington is home to a National Guard readiness center. The site, however, consists primarily of fill material and is subject to severe liquefaction in the event of a major earthquake. The national guard is seeking relocation and the state will explore reuse of this site to partially finance the Guard's relocation. The State commissioned a study to evaluate alternative redevelopment scenarios including a residential/commercial, a residential/industrial, and an industrial alternative and passed enabling legislation in 2022 for a public development authority to facilitate relocation. To date the PDA is not yet formed.

The Armory site is approximately 25 acres in size and is zoned Industrial General 1 and is within the boundaries of the BINMIC. The Armory site represents an important redevelopment opportunity, not just because of its size and proximity to industrial infrastructure such as freight corridors and proximity to port facilities (T91 and Fisherman's Terminal), but also because of its proximity to potential future light rail stations that are within walking distance of the site. These factors combined (size, location, access to light rail) and the fact that it is under single ownership mean that redevelopment could advance the goals of the Industrial and Maritime Strategy in significant ways.

The Washington-Oregon Shippers Cooperative Association (WOSCA) site is currently owned by the Washington State Department of Transportation (WSDOT) and was used for construction and staging for SR99 replacement. The site is at the north end of the Greater Duwamish MIC, adjacent to Terminal 46 (T46) to the west and 1st Avenue to the east. The site will either be redeveloped or surplused by the State. The WOSCA site is approximately 4.2 acres in size and is currently zoned Industrial Commercial and within the Duwamish MIC.

The proposed legislation includes a new Comprehensive Plan policy that calls explicitly for detailed site-specific master planning of these two important publicly-owned properties, before major redevelopment with uses other than traditional industrial uses. (See discussion below).

Comprehensive Plan Policy Amendments

Comprehensive Plan amendments implementing the industrial maritime strategy include amendments to text policies to set a framework for the updated industrial zones, Future Land Use Map (FLUM) amendments to enable zoning changes, and other text policy changes to address specific aspects of the strategy. Specifically, the proposed Comprehensive Plan amendments include:

1. Two new goals – one that supports dense development around high-capacity transit stations and one that supports building healthier transitions between industrial and adjacent residential areas.
2. Policies that will transition the City to a new land use framework that will guide future development around transit stations, support emerging industries and trends, and protect and support the City's legacy industries and maritime sector that rely on location specific infrastructure (Port facilities, rail, freight routes).
3. A new policy that limits any FLUM amendment that takes land out of a Manufacturing Industrial Center (MIC) to either be adopted as part of a major update to the City's comprehensive plan or as the result of a comprehensive city-led study of industrial lands that evaluates changes to industrial land designations within the context of the overall policy objectives for and supply of the City's industrial land in MICs.
4. A new policy that signals the City's intent to consider any changes in land use on the Washington State National Guard Armory in Ballard Interbay Northend MIC (BINMIC) or the WOSCA site in the Greater Duwamish MIC (MIC) through a master planning process for redevelopment of these sites.

New Land Use Goal Statements

Two new Land Use goal statements are added to provide updated guidance and guide the City's overall approach to industrial land.

LU G10.1 Support compact, employment-dense nodes, where emerging industries can locate in formats that require greater flexibility in the range of on-site uses and activities and are more compact than traditional industrial operations.

LU G10.2 Develop transitions between industrial areas and adjacent neighborhoods that support healthy communities, reduce adverse environmental impacts, and minimize land use conflicts.

Proposed LU G10.1 is a recognition that changing conditions and emerging trends requires a new approach to industrial development in key locations. Changing conditions include future development of up to 5 Sound Transit light rail stations in the Manufacturing Industrial Centers. Emerging industrial trends point to a future where there will be greater demand for a broad range of design, research and development, and office type uses related to industrial sectors that can locate in multi-story buildings.

Proposed LU G10.2 recognizes that neighborhoods near industrial areas experience impacts from industrial activity that other neighborhoods do not. This goal represents the idea that better transitions between residential areas and industrial areas are necessary to equitably balance the right to a healthy community while simultaneously maintaining the City's support for its industrial areas. The goal pivots away from a mindset of buffering and separation, and towards a symbiotic relationship at the transition between neighborhoods and industrial areas.

Updated Industrial Zoning Framework

The proposed amendments include policies to establish a vision for an updated industrial land use framework. These text policies describe the intent and rationale for new zone classifications. In the near term, these policy changes are additive to existing policies about industrial land use, and do not create any inconsistencies with existing industrial land use policies.

LU 10.7 Use the following industrial zoning classifications for industrial land in Manufacturing Industrial Centers:

- Maritime, Manufacturing and Logistics: This zone would be intended to support the city's maritime, manufacturing, logistics and other established or legacy industrial clusters. Areas that have significant industrial activity, accessibility to major industrial infrastructure investments, or locational needs (Port facilities, shipyards, freight rail, and shoreline access) may be considered for the maritime, manufacturing, and logistics zone.
- Industry and Innovation: This zone would be intended to promote employment dense nodes where emerging industries can locate and leverage investments in high-capacity transit. These industrial transit-oriented districts may be characterized by emerging industries and high-density industrial employment that combine a greater mix of production, research and design, and office uses found in multi-story buildings, compared to traditional industrial activities. Areas in MICs that are generally within one-half mile of high-capacity transit stations may be considered for the industry and innovation zone.
- Urban Industrial Zone: This designation would be intended to encourage a vibrant mix of uses and relatively affordable, small-scale industrial, makers, and arts spaces. Areas located at transitions from industrial to commercial and residential areas traditionally zoned for buffer purposes may be considered for the urban industrial zone.

In general, the Maritime, Manufacturing and Logistics (MML) Zone consolidates the existing IG1 and IG2 zones and affords industrial activity in this zone stronger policy protections and supports maritime industrial cluster industries and legacy industries.

In most instances, the Industry and Innovation (II) Zone replaces the existing Industrial-Commercial (IC) zone and in some cases Industrial Buffer (IB) zone. The zone would be applied in some additional locations close to frequent transit. This zone is intended to leverage major transit investments to create employment-dense transit oriented industrial nodes. This zone allows multi-story buildings with a greater mix of production, research and design, and office uses than is present in traditional industrial operations through an incentive structure to ensure high density employment. This zone will be located

within proximities of .5 miles of a high-capacity transit station and have limited parking. The following proposed new policies provide guidance for this zone concept:

LU 10.19 In the industry and innovation zone, consider development regulations that are compatible with employment-dense transit-oriented development. Seek to establish minimum density standards to ensure employment density at a level necessary to leverage transit investments.

LU 10.20 In the Industry and Innovation zone, consider development standards for designated industrial portions of buildings that require development that meets the needs of industrial businesses including load-bearing floors, freight elevators, and adequate freight facilities.

LU 10.21 In the industry and innovation zone, consider an incentive system whereby new development may access increased development capacity by including designated space for industrial uses within the structure.

In most cases, the Urban Industrial (UI) zone replaces the existing IB zone and/or portions of the IC zone. This zone provides stronger transitional areas between industrial areas and urban villages or other mixed-use neighborhoods. These areas have seen an increase in patronage from adjacent neighborhoods, with existing or potential businesses that draw from adjacent residential areas such as tasting rooms and retail showrooms. Establishing an industrial zone that supports this activity provides opportunities for small scale manufacturers, entrepreneurs, and artists to create a transitional area that is compatible with industrial activity and adjacent neighborhoods. The following proposed policies provide guidance for the new zone:

LU 10.23 In the urban industrial zone, consider allowing a range of ancillary non-industrial uses. Recognize that industrial businesses in this zone have a need for ample space for such uses as tasting rooms and retail facilities that directly support the industrial activity of the business.

LU 10.24 In the urban industrial zone, consider establishing buffer standards to ease the transition from industrial areas to urban villages and other non-industrial parts of Seattle.

Stronger Policy Protection for Industrial Land

In recent years, several annual amendment proposals have sought to remove land from manufacturing industrial centers. Industrial land is finite in supply and consideration of any one proposal to remove land from an MIC should occur through a comprehensive review of the city's industrial land use needs. The proposed Comprehensive Plan amendments include a new policy to establish higher thresholds for when such an amendment can be considered. This policy will send a clear market signal that will deter the type of speculation that deters investments in industrial activity.

LU 10.3 Ensure predictability and permanence for industrial activities in industrial areas by limiting removal of land from a designated manufacturing / industrial center. There should be no reclassification of industrial land to a non-industrial land use category except as part of a City-initiated comprehensive study and review of industrial land use policies or as part of a major update to the Comprehensive Plan.

Interbay Armory and the WOSCA site

The proposed amendments include a policy to establish the City's preferred approach to future redevelopment of these sites that are both within designated Manufacturing Industrial Centers.

LU 10.25 Recognize the unique development opportunities that the Washington National Guard Armory in the BINMIC and the WOSCA site in the Duwamish MIC represent. Work with the State of Washington or other future owners of these sites to develop a comprehensive industrial redevelopment plan that maximizes public benefits and reflects its location within a manufacturing / industrial center. This plan should include features such as green infrastructure, district energy and waste management programs, and workforce equity commitments.

Future Land Use Map (FLUM) Amendments

This proposal includes FLUM amendments that affect land use in four different neighborhoods. In two cases land is being removed from the Greater Duwamish MIC and redesignated for mixed-use commercial development and in the other two cases land outside of either of the MICs that is currently designated for industrial use is being reclassified to mixed use commercial.

Land in Georgetown will be removed from the Greater Duwamish MIC and designated as mixed-use commercial. The area removed includes the Georgetown Playfield and the land that is bound roughly by Corson Avenue South, South Harney Street, and the rail right-of-way on the north side of Airport Way S.

Land in South Park will be removed from the MIC and designated as Residential Urban Village. The two areas in South Park proposed for removal from the MIC are at the north and south edges of urban village adjacent to the Duwamish River, and both include or are next to a public open space.

Land in Judkins Park that is generally bounded by I-90 on the south and west, S. Dearborn Street to the north, and Rainier Ave S. to the west would be redesignated from industrial to mixed use commercial. The area is very close to the Judkins Park light rail station, and contains few remaining industrial uses.

Land in west Ballard generally bounded by NW Market Street on the south, the alley between NW 56th Street and NW Market Street to the north, 30th Ave NW to the west and approximately 26th Ave NW to the east will be redesignated from industrial to mixed use commercial. The strip of land is adjacent to significant mixed-use development along NW Market Street and contains few remaining industrial uses.

New Industrial Zones

The proposed ordinance creates a new SMC Chapter 23.50A that establishes three new industrial zones consistent with the strategies discussed above. The new Chapter 23.50A also retains provisions for the Industrial Commercial Zone**.** The summary below focuses on the key aspects that control development and on topics where the zones would differ from the existing industrial zoning framework.

Structural Changes That Apply to All New Industrial Zones

New Industrial / Nonindustrial Use Identification. To clarify uses that are "industrial" or "non-industrial" a new column in the allowable uses table would indicate whether each use (i.e. Light Manufacturing, General Retail etc.) qualifies as industrial. The industrial classification is used for the purposes of determining base (industrial) and bonus (non-industrial) development in the Industry and Innovation zone, and for determining principal industrial uses in the Urban Industrial zone.

New Information and Computer Technology (ICT) definition. A new use definition would be added to SMC Chapter 23.84A definitions. It would distinguish a subset of uses from within the broad office category that would isolate knowledge creation and innovation activities related to technology and computing. Uses in this new category are expected to provide a high proportion of basic economic activity according to economic base theory. The new definition distinguishes ICT uses from other office uses that are in service of the local economy such as accounting offices, law offices, real estate offices, etc. ICT use would be given special consideration in the proposed Industry and Innovation zone.

Prohibit Mini Storage Warehouses: In recent years, mini storage facilities have been an increasingly common use in industrial areas. Mini storage is different from warehouses and distribution centers that are part of logistics chains and support industrial and maritime sectors. Mini storage facilities are for private storage that is unrelated to industrial activity. In addition, these facilities have very low employment but can pay a higher price for industrial land. Under the proposal, mini storage would not be an allowed use in any industrial zone.

Non-Conforming Use Provisions: The new zoning framework adjusts development standards including stricter maximum size of use limits, and an incentive system for nonindustrial development in the Industry and Innovation zoned areas. Some existing businesses may not fully conform to the new standards. To provide broad leeway for existing uses to continue, a new non-conforming to development standards subsection is included in the Chapter. Existing industrial uses that were legally established would be allowed to continue and to expand if fifty percent or more of their floor area is in an industrial use, without being nonconforming certain development standard. Additionally, by an administrative conditional use, uses that exceed the maximum size of use limit but were legally established, would be able to a.) convert to another use that exceeds the maximum size of use limit b.) expand into a whole building or adjacent space, or c.) expand by up to 20 percent. The intent is to provide flexibility for existing industrial uses, while requiring new development to meet the intention of the new code.

The following sections summarize the purpose, and key standards for each of the three new Chapter 23.50A industrial zones.

Maritime Manufacturing and Logistics (MML)

Function and Purpose: An existing industrial area with a concentration of core industrial and maritime uses including manufacturing, warehousing, shipping, and logistics activities and is well served with truck, rail, and maritime or freight infrastructure. The MML zone is intended to provide long term predictability to landowners, business owners and investors that the area will remain an industrial area. The zone is intended to reduce speculative development pressure.

Development standards seek to limit unintended types of nonindustrial development such as big box retail and mini storage uses, which have been constructed in Industrial General 1 (IG1) and Industrial General 2 (IG2) zones in recent years. In general, the MML zone will consolidate and replace the existing IG1 and IG2 zones.

Locational Criteria: The Maritime Manufacturing and Logistics (MML) zone designation is most appropriate in areas generally characterized by the following:

- Areas within Seattle's Manufacturing/Industrial Centers (MICs);
- Areas with proximity to rail and/or freight infrastructure;
- Areas with proximity to the shoreline, deep-water ports, and water bodies;
- Areas around existing clusters of industrial or maritime suppliers and services; and
- Areas that are generally flat.

Proportion of MIC Land in This Zone:

- Proportion of BINMIC land in the MML zone is 76%.
- Proportion of Greater Duwamish MIC land in the MML zone is 93%.

Key Development Standards:

Permitted and Prohibited Uses: Similar to the existing IG zones, a broad range of heavy and light manufacturing uses would be permitted. Industrial uses would be permitted outright with no maximum size of use limits and few additional restrictions. A broad range of warehousing / distribution, marine and logistics transportation uses, utility uses, outdoor storage and warehouse uses (except for mini storage), laboratory, and research and development uses, food processing and craft work, and automotive uses would all be permitted outright.

A variety of non-industrial uses would also be permitted outright as a principal use but would be subject to strict maximum size of use limits and FAR sub-limits described below. These uses include commercial sales and services, office, lodging, entertainment, and Information Computer Technology (ICT).

Floor Area Ratio: The maximum floor area ratio (FAR) limit would be 2.5, which is the same as the existing IG1 and IG2 zones. This allows ample development capacity for most industrial uses including associated ancillary functions. Because most maritime, manufacturing and logistics uses all require unbuilt space for loading, truck access and circulation or layout, it is uncommon for industrial uses to approach a buildout with multiple stories that approaches the 2.5 FAR maximum.

The MML zone would introduce a new FAR sublimit of 0.4 for non-industrial uses. The 0.4 FAR maximum would be for uses not classified as industrial in the new column of the allowable uses table. The FAR sublimit is added to deter the type of piecemealing of lots to avoid maximum size of use limits that has been observed in recent decades. The proposed FAR limit would disincentivize subdivision of large sites into multiple small sites to achieve numerous parcels that each contain a use at the maximum size limit. (See also Appendix B – Non-Industrial Development Analysis.)

Height Limit. None for industrial uses. 45 feet for others. Same as existing IG zones.

Maximum Size of Use Limits. Large-sized non-industrial uses such as retail and offices do not have a connection to industrial and maritime uses, are not compatible with proposed Maritime, Manufacturing and Logistics zones, and their presence detracts from the policy intent for Manufacturing Industrial Centers. Examples of large-sized retail uses include grocery stores, pet stores, home décor stores, office supply stores, and multi-purpose box retailers such as Fred Meyer or Walmart, or stand-alone office structures.

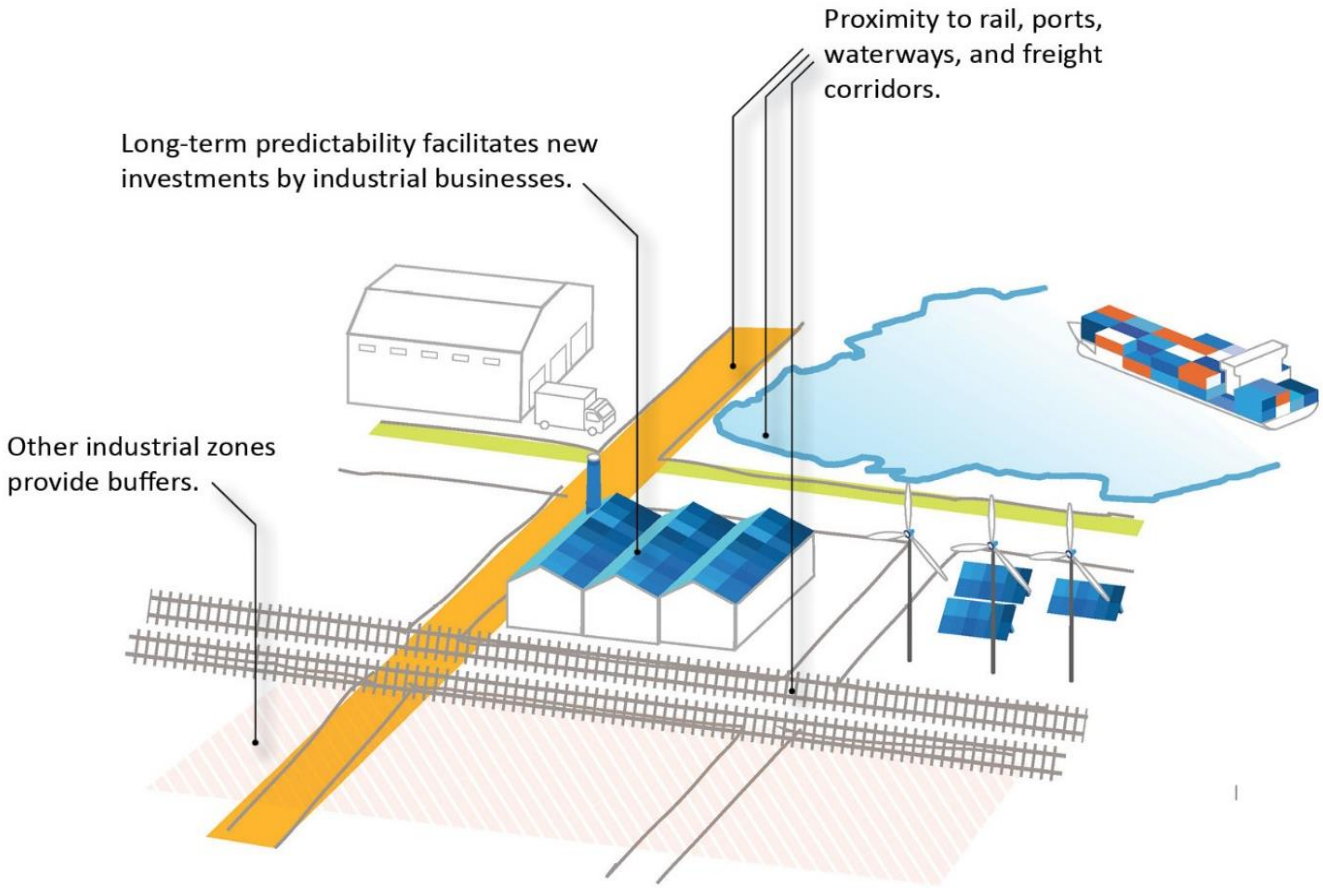
OPCD conducted an analysis to determine the approximate extent of sites and locations where unintended development of retail, office and mini storage has occurred in industrial zones, and found clusters in areas including the Interbay/Armory Way corridor, Ballard, and the Airport Way corridor in SODO. (See Appendix B).

To address the pattern of development described above, the proposed legislation would reduce maximum size of use limits in the new MML zone, for several land use categories. Levels of reduction are set to continue allowing the uses while reducing pressures and incentives for proliferation. The reductions are shown in the table below compared to the existing IG zones. The current 25,000 sq. ft. size limit for Sales and Service in the IG2 zone is conducive to formula development of grocery stores and retail box stores. Reduction to a proposed 7,500 sq. ft. maximum size would result in smaller sizes than formula retail developments. Formula office floor space sizes are usually in the 25,000 or greater range.

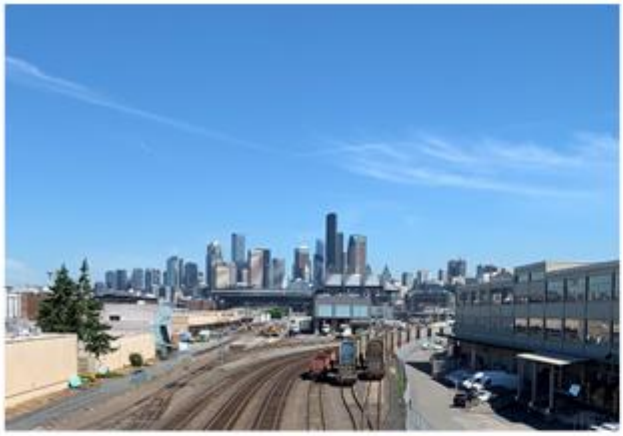
	Maximum Size of Use Limit		
Use subject to size limits	**MML**	**IG1**	**IG2**
Animal shelters and kennels (2)	10,000 sq. ft.	10,000 sq. ft	10,000 sq. ft.
Drinking establishments (3)	3,000 sq. ft.	3,000 sq. ft.	3,000 sq. ft.
Entertainment	10,000 sq. ft.	10,000 sq. ft.	10,000 sq. ft.
Lodging uses	N/A	10,000 sq. ft.	10,000 sq. ft.
Medical services	10,000 sq. ft.	10,000 sq. ft.	10,000 sq. ft.
Office	10,000 sq. ft.	10,000 sq. ft.	25,000 sq. ft.
Restaurants	3,000 sq. ft.	5,000 sq. ft.	5,000 sq. ft.
Retail sales, major durables	10,000 sq. ft.	10,000 sq. ft.	25,000 sq. ft.
Sales and services, automotive	10,000 sq. ft.	10,000 sq. ft.	25,000 sq. ft.
Sales and services, general	7,500 sq. ft.	10,000 sq. ft.	25,000 sq. ft.

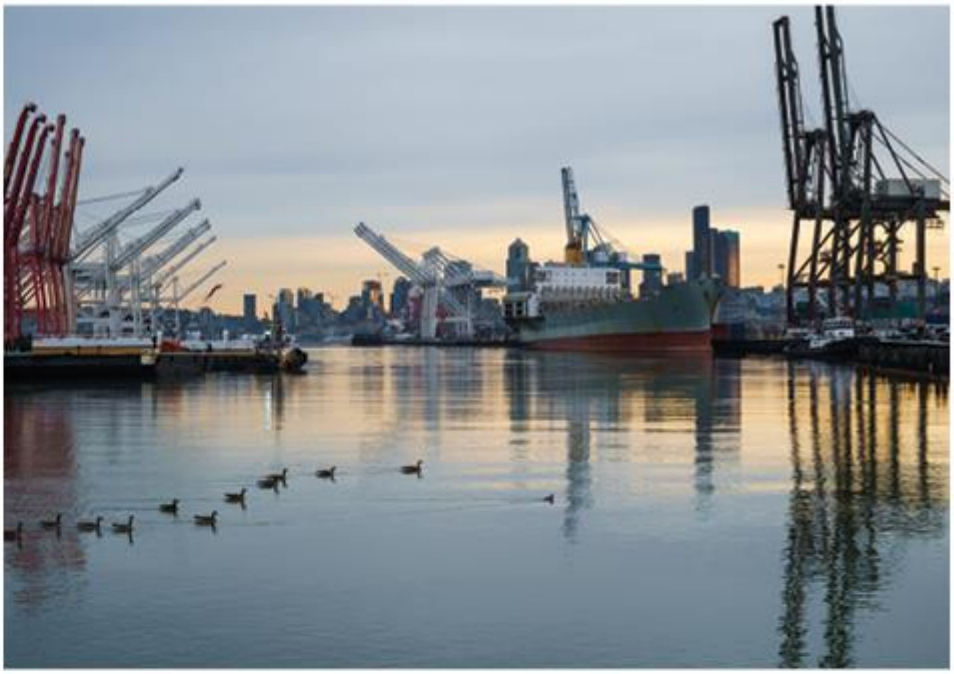
New Heavy Manufacturing Conditional Use Performance Criteria. The proposed legislation includes new conditional use criteria for heavy manufacturing uses. For the first time, any new heavy manufacturing use in the MML zone would need to obtain a conditional use permit if it is located within 1,500 linear feet of residentially zoned *and* residential developed lot, or neighborhood commercial zone. This limit will not apply to land separated from residential zoning by Interstate 5. While the existing IG zones had these conditional use protections in place for limited areas adjacent to Queen Anne and Interbay, the proposed legislation extends the protections for all residential neighborhoods most notably for areas near Georgetown and South Park. To be approve the heavy manufacturing use would have to meet criteria including:

- In an enclosed building
- Hours of operation do not impact residential areas
- Truck service must be directed away from residential streets
- Shall not produce sustained noises or vibration



The diagram is a conceptual depiction of the locational criteria and general intention for the Maritime, Manufacturing and Logistics zone.





Maritime, Manufacturing and Logistics (MML) Zone

All photo credits City of Seattle. Montage: Top to bottom, left to right: Logistics operations including rail and truck movement of goods are an important function and major land use. B. Container port operations provide functions of regional and statewide significance. C. Significant employment is offered in exporting industries such as food processing and aerospace. D. Land is available for the expansion of new sectors that are expected to grow including green energy and the space industry. E. Provide long term predictability for legacy industrial operations and anchor businesses that provide critical supports to other companies. F. An ecosystem of specialized knowledge and skills is present in sectors such as maritime. G. Necessary heavy operations can locate in areas where their impacts would be minimized, away from residential populations.

Industry and Innovation (II)

Function and Purpose: The purpose of the II zone is to create a transit-oriented area characterized by modern industrial buildings that supports a mix of economic innovation and emerging industries, and commercial development with high employment density. The zone would encourage new development in multi-story buildings that accommodates dense employment uses such as research, design, offices and technology. The zone is intended to spur the creation of new high-quality light industrial space, in an amount that is equal to or greater than the amount of industrial space that exists today. The Industry and Innovation zone would address the following challenges in locations near existing or future light rail stations in industrial areas:

- Current zoning and development has not and would not create enough density near light rail to support a transit-oriented land use pattern or high transit ridership.
- Redevelopment costs in eligible locations are very expensive due to potential environmental clean ups and infrastructure needs.
- The City's current industrial zone that allows mixed commercial development (Industrial Commercial) has been dominated by new office developments without any industrial uses.

Locational Criteria: Industry and Innovation (II) zone designation is most appropriate in areas generally characterized by the following:

- Areas in Seattle's Manufacturing/Industrial Centers (MICs).
- Areas within an approximately one-half mile distance from existing or future light rail stations.
- Areas with a high potential to attract new investment in buildings and infrastructure that supports dense, knowledge-based employment.

Proportion of MIC Land in This Zone:

- The proportion of land in the BINMIC in the Industry and Innovation zone is 19%.
- The proportion of land in the Greater Duwamish MIC in the Industry and Innovation zone is 3%.

Key Development Standards:

Incentive-Based System: An incentive-based system is fundamental to the proposed II zone. Developers would earn "bonus" development to build non-industrial spaces for uses like offices, only if an amount of dedicated bona-fide industrial space is included. A developer could provide industrial space at a ground floor or in a separate structure. The new industrial space would be required to be occupied by one of the qualifying industrial uses indicated in the new column of the allowed uses table. Upper floors of a building or a separate structure on a site could be occupied by other nonindustrial allowed uses. In addition to the use restriction on the dedicated industrial space, it would have minimum requirements for construction as bona-fide industrial space (see below). The inclusion of bona-fide industrial space would comprise a Tier I of potential bonus floor area.

An additional Tier II of bonus development could be accessed in one of two ways after the Tier I maximum FAR limit is reached. The developer would qualify for the Tier II increment of FAR if at least 50 percent of the structure is constructed using mass timber construction methods; or if they use Transfer of Development Rights for upgrading a vulnerable unreinforced masonry structure (URM).

Floor Area Ratio: The maximum FARs in the II zone enact the system of a base maximum and extra floor area that can be gained. For any development electing to participate in the incentive system, a minimum amount of industrial space floor area would be required, and this amount qualifies for the bonus. For each sq. ft. of industrial space provided, the development would gain the ability to construct 5 sq. ft. of non-industrial space. For example, in the II 160 zone, when the developer provides the first 0.5 FAR of industrial space they gain access to 2.5 FAR of non-industrial space. Additional bonus non-industrial space could be generated up to the Tier I maximum at the 5:1 ratio. An example in the II 160 zone would be a building that provides 1 FAR of industrial space, generating 5 FAR of nonindustrial space, to reach the maximum Tier I FAR limit of 6. The table below shows base and bonus FAR limits for the proposed II zones and compares them to FAR limits under the existing industrial zones.

Compared with exiting IG zones, the proposal would substantially increase the maximum development capacity, increasing allowed floor area by two to three times. The bonus floor area could include non-industrial uses that are not allowed or are strictly size-limited under the existing IG zone. The II zone would also increase development capacity compared to the existing Industrial Commercial (IC) zones where it is applied. (See discussion below).

FAR limits Proposed Industry and Innovation (II) Zones			
Zone	Minimum Industrial Use FAR	Maximum FAR with Tier I	Maximum FAR with Tier II
II 85	2.75	4.5	NA
II 125	.5	5.25	5.75
II 160	.5	6	6.5
II 85-240	2	4	6
Comparison: FAR limits Existing Industrial Zones			
Zone	Maximum FAR		Maximum FAR with Bonuses
IG1, IG2, IB	2.5		N/A
IC 85 Zones (Except 85-175)	2.75		N/A
IC 85-175	2.5		4.0

Developers would have the option not to participate in the bonus development system. In this case, the development could provide all industrial space up to a maximum FAR that is similar to under existing IG zoning. The table below shows limits for the proposed II zones and compares them to FAR limits under the existing industrial zones.

Floor Area Ratio (FAR) limits **Industry and Innovation Zones – All Industrial Development** **(Not Participating in the Incentive System)**	
Zone designation	FAR limit
II 85	2.75
II 125	2.5
II 160	2.5

IC	2.75
II 85-240	2.5
Comparison: FAR limits Existing Industrial Zones	
Zone	Maximum FAR
IG1, IG2, IB	2.5
IC 85 Zones (Except 85-175)	2.75
IC 85-175	2.5

Bona-Fide Industrial Space: Portions of a building qualifying as industrial space could only be occupied by industrial uses. Additionally, the space would have to meet the following development standards for construction as bona-fide industrial space.

- Load bearing floors with 250 lbs. per sq. ft. minimum capacity for ground level floors on grade, and load bearing floors with 125 lbs. per sq. ft. minimum capacity for floors above grade.
- Floor-to ceiling clearances of at least 16 feet.
- Constructed to comply with a Seattle Building Code Group occupancy classifications for an industrial use, except for ancillary support spaces that are secondary to the industrial use and occupy less than 25 percent of the industrial use floor area.
- Serviced directly by a loading dock or a freight elevator with a minimum capacity of 8,000 lbs.

Information Computer Technology (ICT): In the II zone only, ICT would be considered an eligible industrial use that could occupy the industrial portion of a structure. This is proposed because ICT uses are productive economic uses that often have dense employment and generate secondary multiplier effects in the economy. In today's technology rich context, ICT uses are a corollary to industrial uses with heavy physical processes of past eras. ICT uses are often a component of traditional industrial enterprises, when ICT activity includes design or engineering for a physical process. In the II zone, ICT would have a slightly lower bonus ratio than other industrial uses. For every 1 sq. ft. of ICT use the developer would gain 4 sq. ft. of non-industrial space capacity (instead of 5).

Application to Previously IC Zoned Land: Some areas proposed for the II zone would be changed from an existing Industrial Commercial (IC) zone. These areas are primarily in the Elliott Avenue corridor, and the area south of the Chinatown/International District. The existing IC zone already allows substantial development with non-industrial uses such as office. To account for the base condition, the proposed II zone in these areas would have a base FAR limit equal to the existing limit of the IC zone. An additional increment above this amount could be accessed according to the incentive bonus system for inclusion of industrial space (Tier I). As a result, areas previously zoned IC would gain an incentive to include bona-fide industrial space in future development.

The area of existing IC 85-170 zoning bounded by I-90 to the southeast, the Chinatown/International District to the north, and railroad tracks to the west is unique. This variant of the IC zone already allows bonus development over a base level if a development participates in the city's Mandatory Housing Affordability (MHA) program. Under the proposal, this area would be amended to a new IC 85-240 zone that would grant an additional increment of development capacity in an incentive structure, while maintaining existing development rights. The tiered bonus system would allow up to an additional 2 FAR over the existing maximum of 4, in a development that includes dedicated industrial space according to the ratio. Under the existing IC 85-170 zone, maximum development can be achieved without any industrial space. This area is notable, because it is being considered for a future light rail station in one of the alignment options being reviewed by the Sound Transit Board.

Transportation Demand Management and Parking: To encourage access by transit and other non-motorized modes the proposal would include no minimum parking requirements. In addition, there would be a maximum parking quantity limit of one space per 1,000 square feet of gross floor area. The parking maximum would be equivalent to most zones in downtown. When a development is proposed that is expected to generate 50 or more employee single-occupant vehicle (SOV) trips in any one p.m. hour, the applicant would be required to prepare and implement a Transportation Management Program (TMP) that meets standards set out for TMPs in SDCI and SDOT Director's Rules. Currently, there is required parking, no parking maximum, and no TMP required in IC zones.

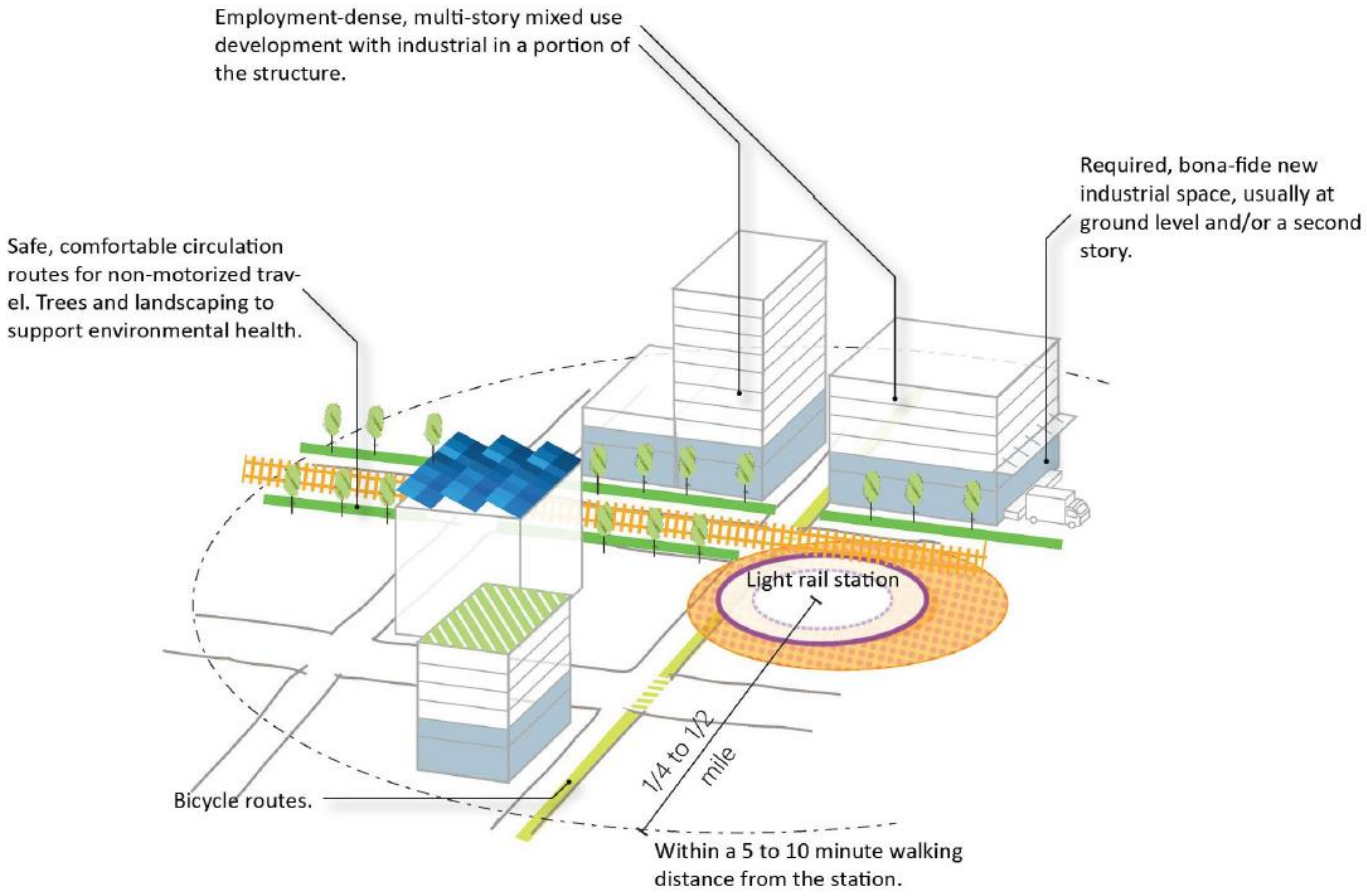
Street Improvement Standards: II development standards would require a much higher level of street improvements with development compared to the existing industrial zones. Developers would be required to provide safe, pedestrian friendly frontages with curb, sidewalks, pedestrian-scaled lighting and improved drainage systems. Additionally, development in the SODO area would be encouraged to improve the frontage of the SODO trail. Existing conditions in the areas are often lacking much of the infrastructure needed to support a pedestrian and bicycle friendly environment.

Mandatory Housing Affordability (MHA): The City's Mandatory Housing Affordability (MHA) program is often applied at the time of upzones. In areas where MHA applies, new development must either include a percentage of affordable homes or make an in-lieu payment to the City's Office of Housing (OH). Currently, no residential units are allowed in Industrial Commercial (IC) zones and no housing would be allowed in the employment-focused Industry and Innovation zone. MHA currently applies to commercial development in IC zones but not to any other industrial zones. MHA would require developers to make an in-lieu payment of $5 - $16 per sq. ft. on all developed floor area in the building.

The legislation does not recommend applying the MHA requirement to the proposed II zones (with the exception of the II 85-240 zone where there is already an MHA requirement), because the primary public benefit provided by development in the II zone is the generation of new bona-fide industrial space that will provide quality employment opportunities. Transit oriented development in the areas of II zoning would require substantial upgrades to infrastructure and sometimes it would require environmental remediation—also public benefits. Feasibility analysis finds that for some time development feasibility would be marginal at best. Addition of the cost of MHA could further delay the potential for cleaner, transit-oriented environments in II zoned areas.

Offsite performance: The proposed legislation includes a provision for off-site performance of bona-fide industrial space within the same MIC. Bonus nonindustrial floor area would be gained according to

the same ratio, but the industrial building could be a new stand-alone industrial structure elsewhere in the same MIC, including in the Maritime, Manufacturing and Logistics zone. The intention of including this option is to encourage investment in quality new industrial space throughout the MIC. The off-site performance would have to be in a new structure that is completed before the bonus II zone development.



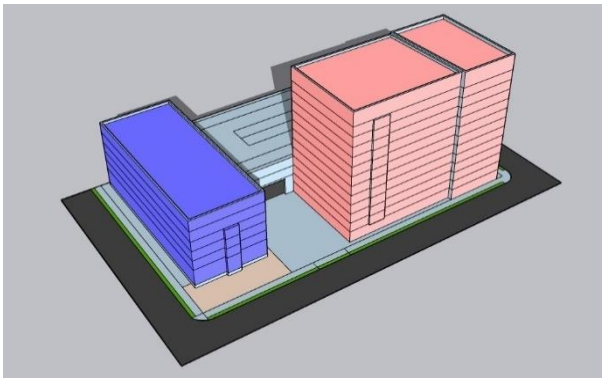
The diagram is a conceptual depiction of the locational criteria and general intention for the Industry and Innovation zone.

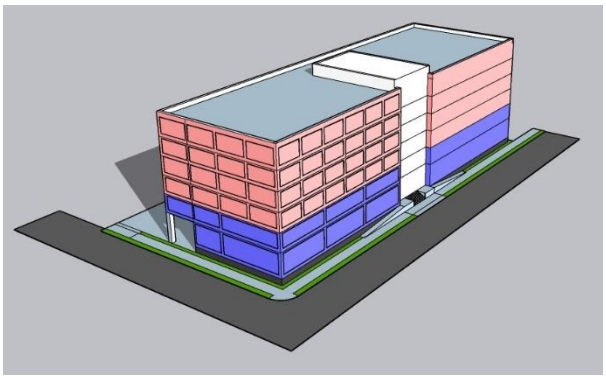
Industry and Innovation (II) Zone

Photo credits City of Seattle except as noted. Top to bottom and left to right. A. Provides space for prototyping activities that are design-oriented but require light industrial space for production and testing. B. Provides space for innovative technology-oriented companies to expand, such as First Mode - a producer of large electrical engines for trucks and industrial equipment located in SODO. (Photo credit Steve Ringman, Seattle Times) C. The West Woodland building is an example of a multi-story light industrial building in Ballard. D. New multi-story light industrial buildings are increasingly possible such as the New York building located in Portland, OR. E. Supports innovative companies that build on expertise and talent in the region such as Pure Watercraft, an electric boat motor company currently based in North Lake Union. (Photo credit: Pure Watercraft company website). F. The zone would be focused wtihin 1/2 mile walking distance of existing or future light rail stations.

This rendering, created by SODO area property owners displays the potential character of development and associated trail and pedestrian improvements near the SODO/Lander St. light rail station. Lower floors of buildings would be occupied by industrial uses and constructed to bona fide industrial space standards.

These models indicate the general scale and composition of potential development in the II zone using the incentive system. Space in purple would be required industrial space, and space in pink would be bonus space. Example A (left) shows two separate structures on a large full-block site, and Example B t(right) shows a mixed structure on a moderately sized half-block site.





Urban Industrial (UI)

Function and Purpose: The purpose of the Urban Industrial (UI) zone is to foster vibrant districts that support a mix of local manufacturing, production, arts, and a sense of place. This zone advances the stakeholder strategy of creating healthy transitions between core industrial areas and nonindustrial areas. This is a zone that due to its proximity to nonindustrial areas and businesses could draw customers from adjacent neighborhoods. It includes provisions for safe movement of pedestrians and freight.

Locational Criteria: Urban Industrial (UI) zone designation is most appropriate in areas generally characterized by the following:

- Areas at the transition between core industrial areas in Maritime Manufacturing and Logistics zones and non-industrially zoned areas or urban villages or centers;
- Areas generally within designated Manufacturing/Industrial Centers (MICs), although the UI zone could be located in limited instances outside of MICs.
- Areas in MICs characterized by small parcel sizes and a variety of small existing industrial and non-industrial structures.

Proportion of MIC Land in This Zone:

- The proportion of land in the BINMIC in the Urban Industrial zone is 5%.
- The proportion of land in the Greater Duwamish MIC in the Urban Industrial zone is 4%.

Key Development Standards:

Ancillary Uses. Many of the types of industrial uses that would be found in this zone have a greater proportion of public facing functions than traditional industrial uses. Examples include breweries or distilleries which conduct industrial processes on site but also have tap and tasting rooms that are important components of their business. Traditionally, known as accessory uses, these uses are considered secondary to the primary use and should not generally exceed 50% of the business floor area. In the Urban Industrial zone, these uses will be called Ancillary uses which will be allowed to occupy up to 80% of the floor area if it is subordinate to the industrial use.

Size of Use Limits. Consistent with existing Comprehensive Plan policies to preserve industrial land for industrial uses and the stakeholder strategy to provide stronger protections for industrial land, the size of use limits for nonindustrial uses in the UI zone are stricter than the most comparable existing zone the Industrial Buffer (IB) zone. These size of use limits do not apply to ancillary uses, discussed above.

	Maximum Size of Use Limit	
Use subject to size limits	IB	UI
Animal shelters and kennels	75,000	10,000 sq. ft.
Drinking establishments	N.S.L.	3,000 sq. ft.
Entertainment	75,000 sq. ft.	25,000 sq. ft.
Lodging uses	75,000 sq. ft.	25,000 sq. ft.
Medical services	75,000 sq. ft.	15,000 sq. ft.
Office	100,000 sq. ft.	15,000 sq. ft.
Restaurants	N.S.L	3,000 sq. ft.
Retail sales, major durables	75,000 sq. ft.	15,000 sq. ft.
Sales and services, automotive	75,000 sq. ft	75,000 sq. ft.
Sales and services, general	75,000 sq. ft.	7,500 Sq.ft.

Workforce Housing. Small amounts of workforce housing are allowed through a conditional use process. The intent is not to generate significant amounts of housing, but to provide housing that might be affordable to local workers in these industrial areas. Key conditions that must be met to develop workforce housing include:

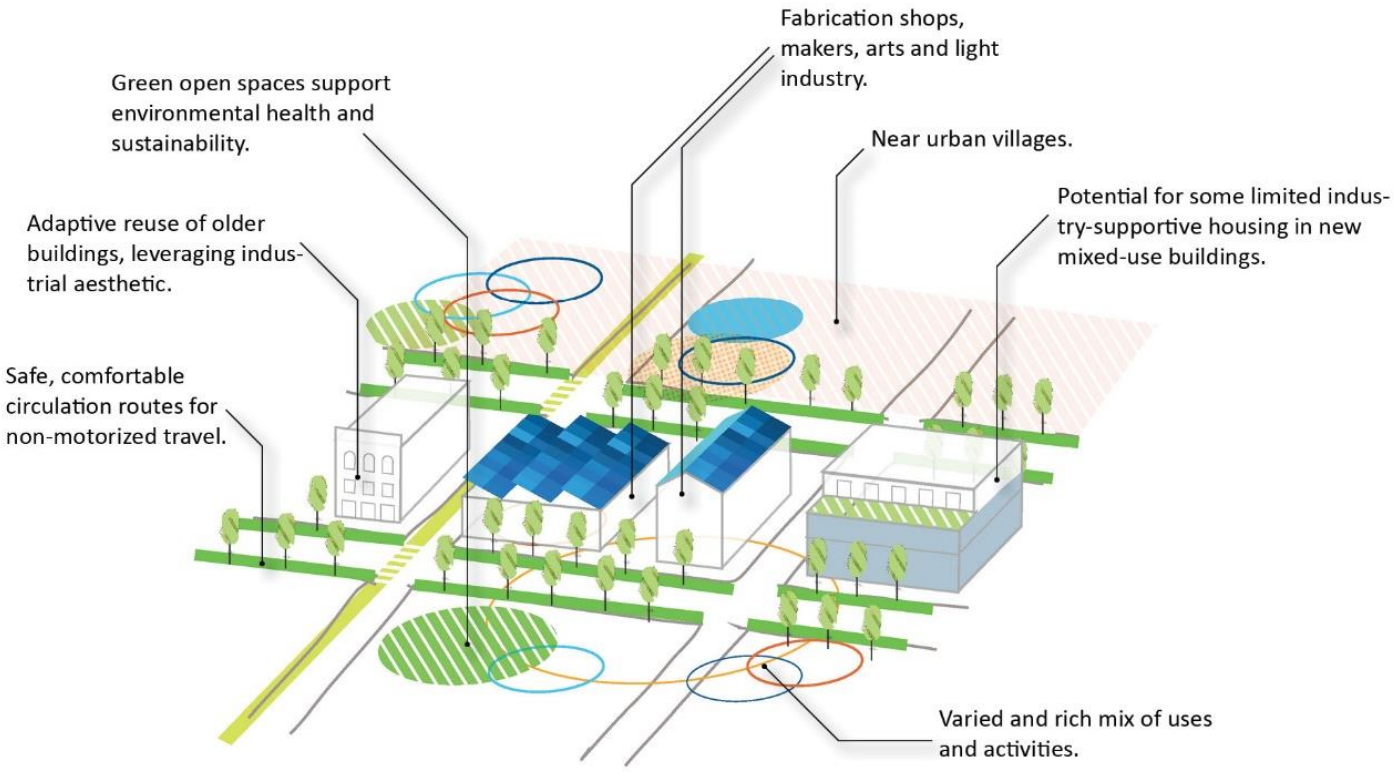
- The number of units may not exceed 50 dwelling units per acre.
- The housing is not located within 200 feet of a shoreline.
- The housing is not located within 200 feet of a major truck street.
- All dwelling units shall have sound-insulating windows sufficient to maintain an interior sound level of 60dB or below.
- The housing shall be located and designed to reduce conflict with adjacent existing industrial businesses.
- The owner must sign an acknowledgement accepting the industrial character of the neighborhood and agree that permitted industrial uses do not constitute a nuisance or other inappropriate or unlawful use of the land.
- The housing is part of a mixed-use development that includes nonresidential uses permitted in the UI zone and that the residential component does not exceed 50% of the floor area of the mixed-use project.
- The residential uses must be live-work or qualify as caretakers quarters for a business on the same site (no one business may have more than three units); or the units are workforce housing. Workforce housing means they are at an affordable rent or sales price for a period of 75 years to occupants making below 60 percent of median income for

SEDUs, 80 percent of median income for studio and one-bedroom units, and 90 percent of median income for two-bedroom and larger units.

- In total, it is estimated that 880 units of housing would result in the Urban Industrial zoned areas throughout the city over an approximate 20 year time horizon. The industry supportive housing would be located primarily in Georgetown, South Park, the northeast corner of Ballard, and in the Interbay/Dravus area. (See Outcomes and Effects section below.)
- The proposed standards are calibrated to ensure that any housing would be combined in a mixed-use development with other light industrial or other allowed uses. The standards would not produce the type of dense multi-family housing typical in an urban village. For example the 50 DU/acre limit would result in approximately 60-75 apartments on a full city block development, with the remainder of the development containing other uses. Limits are intended to moderate the potential for compatibility impacts with respect to industrial uses, and the potential to create development pressure that could displace industrial uses economically.

Safe pedestrian/freight movement. Urban Industrial zones are expected to see a greater mixing of freight and pedestrian activity. For this reason, as projects are developed in these areas, they will be required to provide full street improvements that are similar to commercial or urban village areas. These improvements include construction of curbs, sidewalks, pedestrian scaled lighting, and planting of street trees for any new project or expansion of 4,000 square feet or greater. These improvements are intended to minimize conflicts between freight and pedestrian movement while providing mobility for both modes. It should also be noted that over the next year OPCD will work with SDOT on developing a street type to be included in Streets Illustrated for this zone that will offer design guidance as projects are developed.

Landscaping Requirements. In addition to new street improvement requirements landscape requirements will enhance the transition from core industrial areas to nonindustrial areas. New landscape requirements expand existing street tree requirements and apply green factor requirements to new projects, and provide for vegetated walls or fences to soften or screen outdoor storage areas.



The diagram is a depiction of the locational criteria, and general intent for the Urban Industrial zone.

Urban Industrial (UI) Zone

All photo credits City of Seattle. A. Urban Industrial zoned areas would contain clusters of brewery and distillery operations and development standards support those uses. B. Equinox Studios is an example of a company that provides a variety of small spaces for makers, artisans, and light industrial uses. C. Maker spaces can fit compatibly into an urban environment. D. The zone standards would seek to improve environmental health with higher requirements for landscaping and pedestrian and bicycle infrastructure. E. Artist and maker spaces close to urban villages provide opportunities for residents to benefit from local businesses.

Industrial Commercial (IC)

The proposal would retain existing development standards of the Chapter 23.50 Industrial Commercial zone. An abbreviated summary is provided here.

Function and Purpose: The purpose of the Industrial Commercial zone is to promote development of businesses which incorporate a mix of industrial and commercial activities including light manufacturing and research and development while accommodating a wide range of other employment activities. While intended to achieve a broad mix of uses, large office developments have dominated this zone.

Locational Criteria: This proposal would modify the existing locational criteria minimally. Existing locational criteria of 23.34.096 would be retained, however a criterion to limit application of the IC zone to areas outside of Manufacturing Industrial Centers would be added. Existing IC zoned land within MICs would be reclassified into the Industry and Innovation zone.

Key Development Standards:

Maximum Size of Use Limits. The Industrial Commercial zone size of use limits are lax when compared to size of use limits in other industrial zones.

Industrial Commercial Zone Maximum Size of Use Limit	
Use subject to size limits	
Animal shelters and kennels	75,000
Drinking establishments	N.S.L.
Entertainment	75,000 sq. ft.
Lodging uses	75,000 sq. ft.
Medical services	75,000 sq. ft.
Office	100,000 sq. ft.
Restaurants	N.S.L
Retail sales, major durables	75,000 sq. ft.
Sales and services, automotive	75,000 sq. ft
Sales and services, general	75,000 sq. ft.

Maximum FAR. Maximum Far in IC zones is 2.5.

Height Limits: The maximum structure height for all uses ranges from 30 feet to 85 feet.

New Mixed-Use Zones

New mixed-use zones would be added in several areas as discussed above in the Comprehensive Plan amendments section. Zoning that would be applied is described below. In all cases these zone changes would encourage mixed use development with a substantial amount of housing. Altogether these areas would be estimated to produce approximately 2,000 new homes over a 20-year time period.

South Park. The two areas in South Park proposed for removal from the MIC are at the north and south edges of urban village adjacent to the Duwamish River, and both include or are next to a public open space. Both of the areas would be changed to a Neighborhood Commercial 3 zone with a 55 foot height limit (NC3-55). An MHA suffix of (M) would be applied. The height limit and intensity of the NC3-55 zone is equal to other areas of commercial zoning in the commercial and mixed-use parts of the South Park urban village.

Judkins Park. Land in Judkins Park that is generally bounded by I-90 on the south and west, S. Dearborn Street to the north, and Rainier Ave S. to the west would be rezoned to a Neighborhood Commercial 3

zone with a 75-foot height limit. An MHA suffix of (M2) would be applied. The height limit and intensity of the NC3-75 zone is equal to and matches the zoning directly across of Rainier Ave. S.

West Ballard. Land in west Ballard generally bounded by NW Market Street on the south, the alley between NW 56th Street and NW Market Street to the north, 30th Ave NW to the west and approximately 26th Ave NW to the east will be rezoned to a Neighborhood Commercial 3 zone with a 75-foot height limit. An MHA suffix of (M2) would be applied. The height limit and intensity of the NC3-75 zone is equal to and matches the zoning directly east of the proposed area along Market St.

Georgetown. Land in Georgetown including the Georgetown Playfield and the land that is bound roughly by Corson Avenue South, South Harney Street, and the rail right-of-way on the north side of Airport Way S. would be rezoned to a Neighborhood Commercial 3 zone with a 55-foot height limit (NC3-55). An MHA suffix of (M) would be applied. The height limit and intensity of the NC3-55 zone is equal to and matches the zoning directly south of the proposed area.

The proposed zoning for Georgetown would include several features to address specific conditions and community preferences in the area. SMC Chapter 23.47A.009 Standards Applicable to Specific Areas would be amended to include a new subsection for Georgetown:

- **Arts space, or community club or center.** An additional increment of up to 1.0 FAR is permitted above the maximum FAR limit of the zone if development includes an arts facility operated by a for-profit or not-for-profit operator.
- **Historic preservation.** An additional increment of up to 1.0 FAR is permitted above the maximum FAR limit if the development rehabilitates a historic landmark.
- **Height limit increase.** The height limit is increased by 10 feet for any development that gains additional floor area for arts space, community center, or historic landmark preservation.

Other Zoning Amendments

The proposed legislation to implement the Industrial and Maritime Strategy includes three other proposed amendments to existing ordinances.

Noise Ordinance (SMC 23.08). Seattle's Noise Ordinance contains rules to minimize Seattle residents' exposure to excessive noise. Under the City's noise ordinance we screen commercial projects during plan or permit review for potential permanent and recurring noise issues associated with operating a facility. We require mitigation measures for both temporary and permanent major noise generators.

The noise ordinance:

- Sets limits for exterior sound levels in residential, commercial, and industrial districts.
- Specifies required quiet hours and hours during which construction and maintenance are allowed (see below).
- Establishes guidelines for granting variances from our ordinance.

The noise ordinance establishes dB(A) limits for receiving sites based on the use of the receiving site. In the case of residential receiving sites, for example, noise generated by industrial sources cannot exceed a dB(A) of 60 at receiving residential uses. The use is determined by zone, so residential uses in commercial zones are subject to the noise limit for commercial receiving uses. In the northwest section of the BIMIC residential projects have been developed or are being developed that directly abut core shoreline industrial uses. These residential uses, in commercial mixed-use zones pose challenges to shoreline industrial uses that have existed at this location for decades. The proposed amendment amends the Noise Ordinance to establish a limit of 70 dB(A)(Leq) for sound sources that originate on a property that is in the BINMIC and is within 200 feet of a shoreline for residential and commercial receiving areas.

IC Replacement Ordinance. The IC replacement ordinance removes provisions from the IC zone from the current SMC Chapter 23.50 – Industrial Zoning. Provisions for the IC zone would be included in the proposed Chapter 23.50A. If Council adopts Chapter 23.50A and then subsequently adopts the zoning map ordinance without amendments (discussed below) then it would also repeal the existing Chapter 23.50. If Council chooses to adopt some of the zoning map changes now but hold others until next year following more work with local stakeholders, then Chapter 23.50 would be repealed at the time that final action was taken on the zoning maps.

Zoning Map Ordinance. This ordinance contains map changes only and it would apply the new industrial zones throughout Seattle's industrial lands and apply mixed use commercial zones on some industrial land outside of the MICs or removed from the MICs through the accompanying proposed amendments to the Comprehensive Plan Future Land Use Map. The proposed mapping ordinance addresses all land currently in an industrial zoning designation in the city.

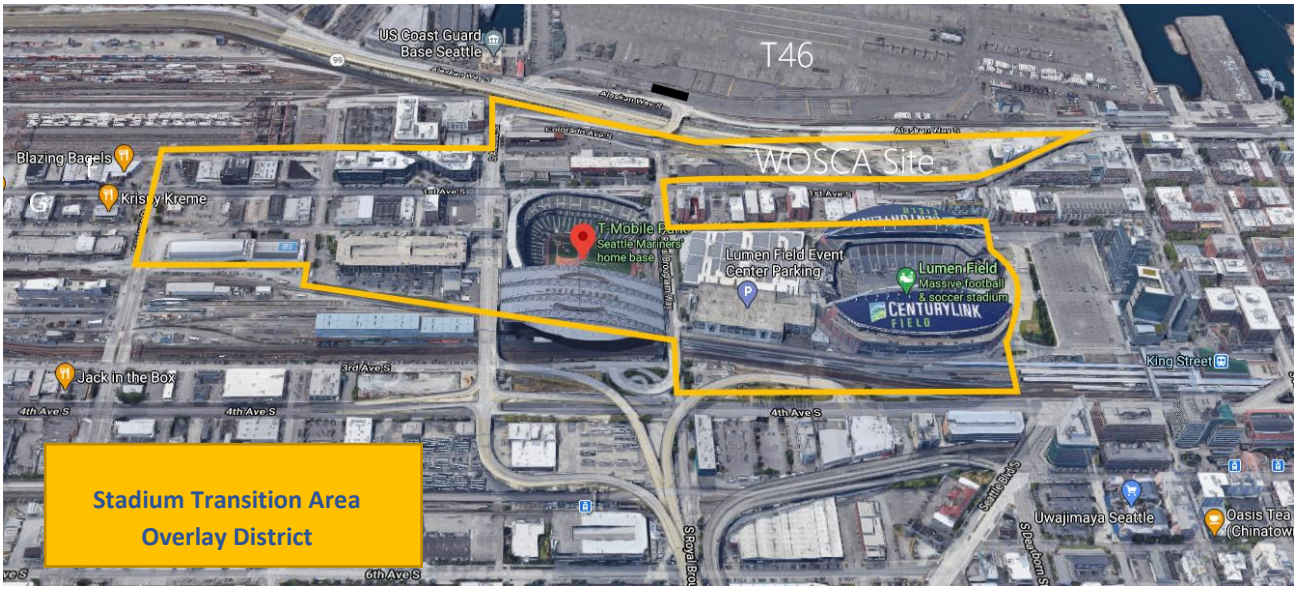
Stadium Area

Conditions near the professional sports stadiums at the north edge of the Duwamish MIC are unique. The existing Land Use Code contains a Stadium Transition Area Overlay District (STAOD). The proposed legislation would retain the STAOD and make several modifications and updates to it to reflect current conditions and aspirations for the stadium area.

Background: In June of 2000 and to address the effects of a new baseball stadium south of the Kingdome, the City of Seattle created the Stadium Transition Area Overlay District in June of 2000 (Seattle Municipal Code (SMC Chapter 23.74), Ordinance 119972). The "Purpose, intent and description of the overlay district" section of the code provides a good summary:

The Stadium Transition Area centers on large sports facilities and allows uses complementary to them. It is intended to contribute to a safer pedestrian environment for those attending events and permits a mix of uses, supporting the pedestrian-oriented character of the area as well as the surrounding industrial zone, while minimizing conflicts with industrial uses. Within the overlay district, use provisions and development standards are designed to create a pedestrian connection with downtown; discourage encroachment on nearby industrial uses to the south; and create a pedestrian-friendly streetscape. Allowing a mix of uses, including office development, is intended to encourage

redevelopment and to maintain the health and vibrancy of the area during times when the sports facilities are not in operation.



Stadium District Concept: In 2011 and 2012 the two volunteer public boards that manage the public's investment in T-Mobile Park (baseball) and CenturyLink Field and Event Center (Football and Soccer), together with the professional sports teams the venues host, prepared a Stadium District Concept Plan. The plan was a concept for what the entities believe to be the essential elements of a successful stadium district. The boards noted trends in other cities including Baltimore, Denver, and San Diego, for districts surrounding stadiums that are well-integrated with the stadium and include a wealth of complimentary and vibrant activities and a strong sense of place. The Concept Plan states core values and guiding principles adopted by both boards. It was distributed for public comment and requested to be considered by the city for formal adoption or recognition.

Stadium District stakeholders including the professional sports teams and the boards that oversee the stadiums continue to advocate for a more complete and vibrant stadium district area. They seek to upgrade amenities and experiences for visitors inside of and outside of the stadium facilities. They consider some amount of housing in and near the stadium district as an important component of a vision to create a more complete neighborhood.

Mayor Harrell and the Office of Planning and Community Development support aspects of the stadium district concept. OPCD has prepared past studies considering land use, mobility and placemaking strategies to help the district meet the needs of a wide variety of users, stakeholders, visitors, and businesses. We believe it is in the public interest to explore ways to improve the vibrancy of the area for more than just events, and to consider how activities near the stadiums can help support goals for adjacent neighborhoods. We believe these goals can be achieved while simultaneously strengthening industrial uses in the Duwamish Manufacturing Industrial Center.

Proposed Stadium Transition Area Overlay Updates: The legislation proposes several updates to the STAOD that would support goals and aspirations for a stadium district. The underlying zone for the area

would be the Urban Industrial zone. A district with a variety of small businesses and makers combined with businesses supporting events at the stadiums and entertainment venues would be supported by the UI zone. The proposed legislation includes the following features amending stadium overlay regulations:

- **Allow lodging outright:** Currently, lodging (hotels) are prohibited by the overlay. Removing the prohibition would allow a small number of new hotels to be developed in the area. Hotels are appropriate because visitors to events may wish to stay close to the stadiums and therefore the hotel use has a direct linkage to the event activity. Stays close to events support convenient walking to the facilities and may alleviate the need for some car trips.
- **Increase FAR Limit to 4.5.** Currently the FAR limit in the STAOD is 3.25. The increase would allow more economical buildout to an urban, 6 story scale corresponding to an 85' height limit. This scale of development would be compatible with surrounding existing structures. A dense mix of uses enabled by the increased FAR would be appropriate.
- **Maximum Size of Use Flexibility for Restaurant, Retail and Office Uses**. Compared to the UI zone elsewhere, uses that have a synergy with events would have larger size of use limits as shown in the table below. To encourage the inclusion of light industrial and maker space along with event-related businesses, if a development provides 0.4 FAR of bona fide industrial space it would be exempt from the maximum size of use limit completely.

Maximum size of use limits in the Stadium Transition Area Overlay District Compared to the Urban Industrial Zone Elsewhere

Uses subject to maximum size limits	STAOD	UI Zone Elsewhere
Animal shelters and kennels	10,000 sq. ft.	10,000 sq. ft.
Drinking establishments	No Limit	3,000 sq. ft.
Entertainment*	25,000 sq. ft.	25,000 sq. ft. (4)
Lodging uses	No Limit	25,000 sq. ft.
Medical services	75,000 sq. ft.	25,000 sq. ft.
Office	75,000 sq. ft.	15,000 sq ft.
Restaurants	No Limit	3,000 sq. Ft.
Retail sales, major durables	20,000 sq. ft.	15,000 sq. ft.
Sales and services, automotive	20,000 sq. ft.	75,000 sq. ft.
Sales and services, general	20,000 sq. ft.	7,500 sq. ft.

In the STAOD the maximum size of use limits shown above would be waived if a development provides at least 0.4 FAR of bona fide industrial use space.

- **Remove Requirement for Design Review.** Currently design review is required in the STAOD, and this is one of the only instances where design review is required in an industrial zone. The legislation proposes to remove the design review requirement to streamline the process for investment in new structures in the STAOD. The proposed development standards include prescriptive design-oriented regulations. Landowners have demonstrated an interest in providing a high-quality visitor-oriented environment. Removal of design review here will also have the effect of freeing up capacity for design review to move quickly for other types of projects.

Housing in the Stadium Area: Allowing housing in the stadium area is a topic of strong and divided opinions. As noted above stadium area stakeholders, and adjacent neighborhood groups in Chinatown/ID and Pioneer Square have advocated for allowing housing to support a more complete neighborhood with activity at hours outside of event times.

OPCD's analysis in the EIS and other studies reviewed the potential for some limited amount of housing in the stadium area overlay district. The Final EIS Preferred Alternative included a limited amount of industry supportive housing in the stadium area, consistent with the recommended approach for the Urban Industrial zone regulations in other parts of the city. (See UI zone section above). We estimated that over a 20-year time horizon a total of 400 – 600 housing units would be generated in the overlay if the UI zone housing provisions were applied. The housing would be in very limited locations. These would be:

- The half-block to the west of the Mariner's parking garage between Occidental Ave. S. and First Ave.;
- The block bounded by S. Holgate St., 1st Ave. S, the rail tracks, and S. Massachusetts St., and the current location of the Van Gogh immersive exhibit; and
- The block west of Dave Niehaus Way S. that contains the Mariners' Hatback Bar & Grill.

Under the proposed UI housing regulations, the housing would have to be combined with other mixed use development and would be clustered on sub-portions of the above mentioned sites. OPCD's independent analysis leads us to believes that some limited amount of housing would be compatible with the surrounding use pattern and would not cause additional adverse impacts on nearby industrial activities outside of the STAOD if carefully implemented. The siting and design of any housing, including the pedestrian environment would be important. Application of the conditional use criteria requiring soundproofing of windows, and tenant acknowledgements of the industrial environment would help mitigate potential negative effects. While stadium district advocates strongly support a housing allowance, it is also the case that no individual property owners are ready at the current time to proceed with a permit application for development that includes housing.

Other major stakeholders including the Port of Seattle and Northwest Seaport Alliance and the International Longshore and Warehouse Union (ILWU) expressed significant concerns about any

housing in the stadium district. Terminal 46 is directly west of the stadium district across highway 99. Concerns include the potential for residents to lodge noise or light and glare complaints against waterfront terminal activities, and the potential for residents moving through the area to increase pedestrian safety obstacles on local streets. These stakeholders also are concerned about the precedent of allowing any new housing in an industrial zone in general proximity to waterfront container port operations. Considerable deference to labor and institutional stakeholders with direct experience with the intricacies involved in the operation of marine terminals is warranted.

In consideration of all these factors and the totality of the information, the proposed legislation does not allow housing in the stadium overlay at this time. A specific provision in the overlay regulations would prohibit any new housing in the STAOD.

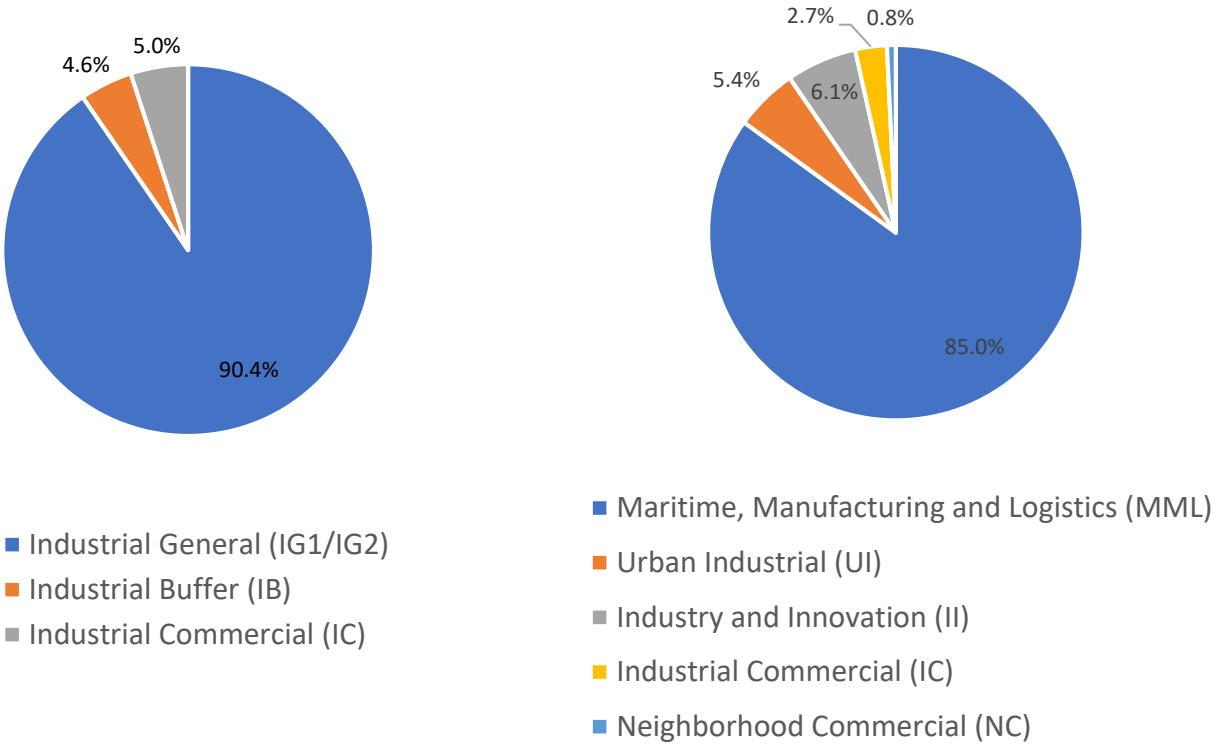
Projected Outcomes and Effects

Overall Zoning and Land Use Changes

The following summarizes the aggregate effects of the proposed legislation in several key metrics. Additional detail and source studies can be found in the Final EIS and in associated studies prepared during the process to arrive at this proposal.

Zoned Area

The legislation updates zoning wholistically for the City's industrial areas. The graphic below compares the total quantity of zoned land under the City's existing industrial zoning framework as compared to the proposed legislation.



Land Use and Activity Patterns

In general, if the proposed legislation is implemented, we project the following shifts.

- Maintenance of the maritime and industrial base.
- Denser employment including new industrial space, near future light rail station in II zoned areas.
- Decreased rate of conversion to stand-alone office and retail uses in MML zoned areas.
- Continued additions of distribution and warehouse facilities.
- Increased development of mixed-use, flex, and light industrial uses in UI zoned areas.
- Introduction of some new industry-supportive housing.
- Additional new housing in areas removed from the Greater Duwamish MIC.
- Stronger Georgetown and South Park neighborhoods

Employment and Economic Effects

The overall amount of employment activity and the general composition is an important outcome.

Total Employment

The City's analysis includes an estimate of the employment projections for an approximate 20-year time horizon with no action, and under the proposed legislation.

Total Employment in Proposal Area		
2019	2044 Projection	
Existing	No Action	Proposed Legislation
98,500	122,000	134,000
Increase:	+ 23,500	+35,500

To put these amounts in context, the City of Seattle is planning for total citywide job growth of 169,500 jobs over the 20-year planning horizon of the One Seattle Comprehensive Plan major update. Projected employment growth of 35,500 would represent roughly 20% of total citywide job growth. This would be a moderate shift of total employment growth compared to past planning horizons into industrial areas.

Industrial Employment

It is also important to consider how much of the employment would be in industrial jobs. Results of the estimation and projections are below.

Changes in Industrial Employment in Proposal Area			
	2019	2044 Projection	
	Estimate	No Action	Proposed Legislation
Total Industrial Employment	54,500	66,400	70,850
Total Share Industrial Employment	55.3%	54.4%	52.8%

Over time, total industrial employment would increase under both the proposed action and with no action; however, under the proposed legislation, the total number is more than it would be without the changes, but the share of industrial employment would drop slightly. This reflects the increase in new bona fide industrial space that would be added under the proposal combined with the denser employment in nonindustrial uses that would also be in TOD areas. Under the proposed legislation we estimate that both MICs would maintain a percentage of industrial employment that exceeds the 50% threshold of the Puget Sound Regional Council's criteria for MIC designation.

Housing

The proposal would result in housing production in two general areas. Most of the housing production would be in new mixed-use areas that would be rezoned from an industrial zone outside of the MIC (Ballard, Judkins Park), or areas removed from MICs where new mixed-use zoning would be applied (Georgetown and South Park). These locations are estimated to yield over 2,000 units of housing as shown in the table below. The City's Mandatory Housing Affordability (MHA) program would apply. The rezones would have an MHA suffix of (M2) in Judkins Park and Ballard and these are MHA medium cost areas, while Georgetown and South Park would have an MHA suffix of (M) and are MHA low-cost areas. Applying general assumptions, the housing is expected to yield about $19.8M for affordable housing.

A smaller amount of housing would be expected in the Urban Industrial zones within the MIC. This housing would be located in places such as near the Design Center in Georgetown, north of the South Park Urban Village, and in the northeast corner of Ballard. This housing would conform to the limiting criteria for industry-supportive housing in an industrial zone. The housing would either be caretaker quarters / makers studios, or 50% affordable at a workforce level. The total amount of the housing in the Urban Industrial zone is estimated at 880 units. MHA would not apply to these industry-supportive housing units.

In total the proposed action would yield approximately 3,000 new homes that would not be built in the absence of the legislation.

Estimated Additional Housing Units in Proposal Area	
New Mixed-Use Areas	
Ballard	565
Judkins Park	625
Georgetown	570
South Park	295
Subtotal	2,055
Urban Industrial Zones – (Ballard, Georgetown, and South Park)	
Urban Industrial Zones	880
Total	2,935

Environmental Health and Community Development

In addition to the quantifiable metrics that would stem from the proposal there would be several more qualitative outcomes that can be expected.

- **Increased landscaping, greenery, tree planting.** New standards primarily in the Urban Industrial zone would add vegetation in the areas at the transition between core industrial areas and residential neighborhoods over time as development occurs. These features can improve local air quality, reduce urban heat island effects, and generally improve the quality of the experience for those who live or work in the area.
- **Improved walkability and multi-modal connections.** New standards in the Urban Industrial zone and the Industry and Innovation zones would make significant improvements by adding sidewalk, pedestrian lighting, urban storefronts and facades, and trail or bicycle network upgrades. Locations closest to light rail stations especially would be transformed into transit-oriented environments.
- **Improved drainage and preparedness for sea level rise.** New development especially in the Urban Industrial and Industry and Innovation zones would upgrade local

stormwater drainage systems and would be better designed to withstand more frequent flooding and rising sea levels.

- **Improved cohesiveness in the Georgetown neighborhood.** The land use action would link existing residential areas of Georgetown together with a mixed use neighborhood district that includes new housing. The action would provide a more contiguous and legible Georgetown neighborhood area that has been envisioned by residents for a long time.
- **Improved connectedness of the South Park neighborhood to the Duwamish River.** The land use action would better connect the South Park urban village area to the riverfront. Two mixed use areas directly adjacent to open space resources on the River would strengthen the physical, visual, and perceptual linkage between South Park and its waterfront.

Environmental Review

Washington's State Environmental Policy Act (SEPA) requires environmental review when a city makes changes to land use policies or zoning. OPCD prepared an EIS that analyzed how the proposed changes could affect the built and natural environment in industrial areas and adjacent communities over a 22-year period. This process allows thoughtful implementation of strategies to mitigate any adverse impacts and provides information to the public and policy makers before any decisions are made. A Final EIS on the proposed land use policy and zoning changes was issued on September 29, 2022, and received no appeals. The EIS carefully reviewed for potential adverse impacts of the proposed changes in the following topic areas:

Soils / Geology	Noise	Historic, Archaeological & Cultural Resources
Air Quality & GHG	Light & Glare	Open Space & Recreation
Water Resources	Land & Shoreline	Public Services
Plants & Animals	Housing	Utilities
Contamination	Transportation	Equity & Environmental Justice Considerations

The Draft EIS analyzed four alternatives, to review various ways of implementing the proposed land use concepts to study the best ways to achieve the City's objectives. This included a No Action Alternative to serve as the baseline for comparison for the potential impacts of the three Action Alternatives. The Final EIS added a Preferred Alternative that responded to extensive community comment and input on the Draft EIS. The FEIS Preferred Alternative is very similar to the contents of this proposed legislation.

The FEIS identified several areas of environmental impact. In most cases the level of adverse impact would be minor or moderate and would be addressed by identified mitigation measures. For several elements of the environmental conditions would improve over time. Potential significant adverse impact related to pedestrian and bicycle safety was identified and should be an area of focus corresponding with implementation of this proposed land use legislation. (See Appendix A). Environmental review consistent with State SEPA regulations is complete, and the City Council may act on the proposed legislation.

Future Considerations

Future steps to fully implement the Industrial and Maritime Strategy include implementation of non-land use strategies, updating the Manufacturing and Industrial Centers Plans, and fine-tuning application of the new industrial zones.

Implementation of other Strategies

The Stakeholder recommendations include the following strategies that aren't directly related to land use:

- **Transportation.** Improve the movement of people and goods to make transit and freight networks work for industrial and maritime users with better service and facilities; improved last mile connections for active transportation, transit, and freight, including large truck access to shoreline and railroad uses; and advocating for a tunnel alignment for Ballard and Interbay future light rail.

  Implementation actions for this strategy will require coordination across agencies including SDOT, WSDOT, Sound Transit and Metro. Currently SDOT is developing the Seattle Transportation Plan which can advance the recommended transportation strategy through its work with the freight community to assess needs, opportunities, and new vision for the safe movement of freight, people, and goods through Seattle industrial areas. OPCD will work with SDOT over the next year to develop street concepts for the new Industry and Innovation and Urban Industrial zones as they update Streets Illustrated.

- **Workforce Development.** Implementation of workforce development strategies are being led by the Office of Economic Development and its partners through a variety of programs. These programs include:
  - Partnership with Seattle Maritime Academy and at least one BIPoC led CBO.
  - WA Maritime Blue Youth Maritime Collaborative
  - "Port Jobs", training in aerospace for incumbent workers at SEA
  - "Mass Timber" institute, in development with stakeholders

These efforts place an emphasis on promoting opportunities for BIPoC youth and young adults to access missing middle jobs to address City's affordability crisis. Other workforce development efforts locally are being led by Port of Seattle in partnership with WA Maritime Blue, Polytech, and Urban League.

Updated Centers Plans

Seattle's two Manufacturing Industrial Centers, the BINMIC and the Greater Duwamish MIC are designated as such by the Puget Sound Regional Council. This designation is valuable in part because that designation increases their competitiveness for federal transportation funding. By 2025 the City will need to recertify the MIC designations for both areas. This proposal, if adopted, satisfies several critical criteria for MIC redesignation – more than 75% of land is in a core industrial zone and more than 50% of employment is in industrial jobs. As part of recertification, the City will need to update the Centers Plans for both MICs by 2025. These plans establish local goals and policies addressing transportation, economic development, environment, and other areas as determined through the planning process. OPCD anticipates working with stakeholders in both MICs to update these plans over the course of 2024.

Fine Tune Zoning

The proposed legislation offers the City Council a choice regarding timing of implementation of the new industrial zoning framework. City Council could choose to rezone all industrial land with the new zones established by the proposed Chapter 23.50A or retain the existing zoning in select locations pending further community engagement. Community engagement would occur through the Centers planning process, discussed above, and would result in a second set of rezone recommendations in 2024. The proposed rezone legislation currently rezones all industrial land and its adoption would require no further action to implement the new land use framework. In considering the rezone legislation City Council may:

- Adopt the rezone legislation in its entirety and repeal the existing Chapter 23.50 as it would no longer have application to any land in Seattle; or
- Adopt most of the rezone legislation and refine application of the new zones over the next year through the Centers Planning process. In this case, Council should retain Chapter 23.50 for a period to allow for existing zones to continue to exist in select locations until a final round of rezones occurs in 2024.

Director's Recommendation

The OPCD Director makes the following findings based on the information contained in this report and related studies about the expected outcomes from the proposed policy and zoning changes over an approximate 20-year period.

The proposed action would advance the City towards the objectives stated in the Executive Summary, which are focused on strengthening economic development and resilience, improving access to employment opportunity, and improving environmental health.

All required environmental review is complete. Many environmental conditions would improve if the action is adopted and any minor adverse impacts would be considerably outweighed by the public benefits of approving the proposal.

The proposed action is based on extensive public process and stakeholder input that occurred over multiple years. Based on public and stakeholder input, the proposal represents a balancing of varied perspectives and interests.

Approval of the action would provide predictability about the City's industrial lands policy and would resolve debates that led to inaction after previous efforts.

The action would be consistent with all regional and local policies governing Manufacturing Industrial Centers.

Therefore, the OPCD Director recommends that City Council approve the five linked ordinances described in this report to implement components of the Industrial and Maritime Strategy.

Appendices List

The following documents are attached as appendices.

- A. Environmental Impact Statement Summary Folio
- B. Non-Industrial Development Analysis