

## **SUMMARY and FISCAL NOTE\***

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

### **1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to land use and zoning; updating industrial zones to implement the Industrial and Maritime Strategy; amending Sections 23.30.010, 23.34.096, 23.41.004, 23.47A.009, 23.53.006, 23.53.010, 23.53.020, 23.54.015, 23.58B.040, 23.58B.050, 23.74.002, 23.74.006, 23.74.008, 23.74.009, 23.74.010, 23.84A.018, 23.84A.025, and 23.84A.040 of, and adding new Sections 23.34.097, 23.34.098, and 23.34.099 and a new Chapter 23.50A to, the Seattle Municipal Code.

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

This proposed ordinance creates a new Chapter 23.50A in the Seattle Municipal Code providing for the establishment of three new industrial zones and associated development standards and relocating the standards for the existing IC zone. The legislation will be effective 90 days after enactment.

### **2. CAPITAL IMPROVEMENT PROGRAM**

**Does this legislation create, fund, or amend a CIP Project?**      ☐ Yes ☒ No

### **3. SUMMARY OF FINANCIAL IMPLICATIONS**

**Does this legislation amend the Adopted Budget?**      ☐ Yes ☒ No

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

Yes. There will be short term administrative and technology-related costs to the Seattle Department of Construction and Inspections (SDCI) and Seattle Information Technology for administering initial implementation of the zoning changes.

**Training for SDCI Permit Review Staff.** SDCI permit review staff will need training to learn the details of the new development standards and allocate time to discuss consistent interpretation of how new regulations will be applied. Training to implement this legislation will occur in a series of sessions convened in partnership with OPCD staff. The costs for this training and preparation (approx. \$5,000) will be absorbed by SDCI and covered by permit fees and is considered an ordinary part of SDCI business.

**Other SDCI Implementation Costs.** In addition to staff training, SDCI will incur costs associated with community outreach and education that includes website updates, development of a new Tip(s) and Directors Rule, postage and mailers, as well as language translation services for website and outreach content. The implementation costs (approx. \$3,000) will be absorbed by SDCI and covered by permit fees and is considered an ordinary part of SDCI business.

**Technology Costs to SDCI and Seattle IT for Integrating New Zones in Accela & GIS.** SDCI and Seattle IT staff will need to devote time to updating the Accela system and GIS maps to add new zones and make zoning map changes. The following table outlines the estimated costs of the technology changes needed to implement this legislation. This cost cannot be absorbed by SDCI; therefore, SDCI plans to include a proposed appropriation increase from SDCI's Construction and Inspections Fund (48100) in either the mid-year 2023 supplemental budget or the 2024 Proposed Budget.

TECHNOLOGY		Hours (BSA/Testing /Etc)	Hourly Rate (\$)	Total
Accela	Update the DC record to accommodate additional IZ benefits, adding line to custom list	14	Varied	876.00
Accela	May need to tie incentives back to another dev site (similar to housing performance)	80	Varied	5,054.00
Accela	Add new MUP component? New Type II	80	Varied	5,054.00
Accela	Accela updates for new or updated uses - add custom lists under proposed and existing uses	16	Varied	999.00
Portal	Update to reflect new zones (automatically updates when GIS database updated)	7	Varied	421.00
Help Articles /Zendesk	Need to update	15	Varied	971.00
1-Year Post Deploy Clean Up		10	Varied	621.00

Accela/GIS	<i>GIS Database Updates and Accela Map Services Updates</i>	160	115.00	<b>18,400.00</b>
GIS	<i>Geocortex, ArcGIS Online, ArcGIS Open Data, SDCI Zoning Map</i>	130	115.00	<b>14,950.00</b>
Future: future mapping changes after one year period	<i>GIS Database Updates and Accela Map Services Updates</i>	160	115.00	<b>18,400.00</b>
Future: future mapping changes after one year period	<i>Map Publishing (Geocortex, ArcGIS Online, ArcGIS Enterprise Portal, Open Data, SDCI Zoning Map Books)</i>	130	115.00	<b>14,950.00</b>
Subtotal				<b>\$80,696.00</b>

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

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

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

## **4. OTHER IMPLICATIONS**

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

Yes. This legislation affects SDCI as the department responsible for administering the industrial land use provisions. In addition, Seattle IT will be responsible for updating zoning maps and updating the Accela permitting system with new zoning categories. The significant IT efforts needed to implement these zoning changes necessitate an extended effective date of 90 days, as reflected in the transmitted ordinance.

**b. Is a public hearing required for this legislation?**

Yes.

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

Yes.

**d. Does this legislation affect a piece of property?**

Yes. This legislation is one of five bills that together establish a new land use framework for industrial land in the City of Seattle. This specific piece of legislation creates three new industrial zones that will be applied to many properties currently in industrial zones. This legislation affects property that is zoned IG1, IG2, IB, and IC and within Manufacturing Industrial Centers.

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

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

The proposal also improves environmental health in neighborhood areas at the edges of industrial land including Georgetown and South Park. These areas have a larger percentage of BIPOC populations than the city as a whole. Improvements including higher standards for tree planting, green factor, new sidewalks and pedestrian lighting will benefit community members of color.

**f. Climate Change Implications**

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

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

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

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

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

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

This is not applicable to a land use proposal.