

Director's Report and Recommendation

Repeal of Ordinance 127191

March 17, 2026

Background and Project Description:

CB 121171 would repeal Ordinance 127191 as the City's action to comply with the Growth Management Hearing Board under their order of November 10, 2025. Ordinance 127191 would have permitted residential uses within a portion of the Stadium Transition Area Overlay District.

On March 18, 2025, the Seattle City Council voted to approve Council Bill 120933, as amended by the City Council, which became Ordinance 127191. The Ordinance amended the development regulations that apply within the Stadium Transition Area Overlay District (STAOD) to allow limited residential use as a conditional and ancillary use within a portion of the Stadium District, and removed the general prohibition established in 2023 on such residential uses within the Stadium District. The Port of Seattle appealed the ordinance in a petition to the Growth Management Hearings Board (GMHB). The GMHB issued a Final Decision and Order on November 10, 2025, concluding, among other things, that the City had failed to follow proper procedures related to SEPA review, notification to the Department of Commerce, and public participation.

Repealing the ordinance would revert to the Land Use Code language adopted as part of the Industrial and Maritime Strategy, which prohibited residential uses in the STAOD that were allowed in other Urban Industrial zoned areas under SMC 23.50A.062.C.

Analysis:

The proposal is consistent with the One Seattle Comprehensive Plan, including the City's industrial land use policies; particularly policies LU-13.1 and LU-13.2:

LU 13.1 - Designate industrial zones generally where:

- *The primary functions are industrial activity and industrial-related commercial functions.*
- *The basic infrastructure needed to support industrial uses already exists.*
- *Areas are large enough to allow a full range of industrial activities to function successfully.*
- *Sufficient separation or special conditions exist to reduce the possibility of conflicts with development in adjacent less intensive areas.*

Finding: Consistent with LU 13.1, the zoning designation of industrial lands were last amended in 2023. This proposal does not amend the underlying zoning designation of any

industrial lands. Reverting to the prior 2023 language of the Land Use Code would be consistent with the objectives of this Policy LU 13.1 in the current Comprehensive Plan just as it was before the code provisions now proposed to be repealed.

LU 13.2 - Preserve industrial land for industrial uses, especially where industrial land is near rail- or water-transportation facilities to allow marine- and rail-related industries that rely on that transportation infrastructure to continue to function in the city.

Finding: Reverting the text of Chapter 23.74 SMC back to the code language adopted as part of the Industrial and Maritime Strategy is consistent with Policy LU 13.2 of the One Seattle Comprehensive Plan. The prior code language prohibited residential use in the STAOD, and reverting back to that language is consistent with the policy to preserve industrial land for industrial uses, especially in an area relatively close to rail- and water-transportation facilities that are important for supporting marine and rail-related industries that are economically important to the city and region.

Prior to Ordinance 127191, the ordinance supporting the Industrial and Maritime Strategy distinguished between the accommodation of residential uses in Urban Industrial zoned areas while prohibiting residential use in the STAOD in the Land Use Code regulations.

LU 13.3 – Ensure predictability and permanence for industrial activities in industrial areas by limiting changes in industrial land use designation. 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.

Finding: Because CB 121171 does not propose to reclassify any industrial land to a non-industrial land use category, LU 13.3 does not apply to the Bill and the Bill is consistent with LU 13.3.

LU 13.8 – Prohibit new residential development in industrial zones except for certain types of dwellings, such as caretaker units and, in urban industrial zones, dwellings for workers, that are related to the industrial area and that would not restrict or disrupt industrial activity. Within the Stadium Area Transition Overlay District, only allow residential uses east of First Avenue S and do not expand that area.

Finding: Reverting the text of Chapter 23.74 back to the code language adopted as part of the Industrial and Maritime Strategy is consistent with LU 13.8. LU 13.8 generally prohibits new residential development in industrial zones, and although there is an exception for urban industrial zones, including a portion of the STAOD, it would not be inconsistent with LU 13.8 for the text of Chapter 23.74 to once again revert back to code language prohibiting residential uses in the STAOD otherwise allowed under SMC 23.50A.062.C.

These factors, plus procedural shortcomings in the adoption process, support repeal of Ordinance 127191, and the outcome would be consistent with City policy.

Public Engagement and Notice:

A 30-day notice of public hearing was published in the Land Use Information Bulletin and the Daily Journal of Commerce. A public briefing was held at the Land Use and Sustainability Committee's March 4th meeting. A public hearing will occur on April 1, 2026. Notice to the Washington State Department of Commerce is being given for this repeal proposal, and these actions will fulfill public engagement and notice requirements.

Recommendation:

The Director recommends adoption of the proposed repeal ordinance to comply with the GMHB Final Decision and Order, so that Seattle remains in compliance with the Growth Management Act.