



**Date:** April 13, 2021  
**To:** Industrial and Maritime Strategy Advisory Groups  
**From:** Seattle Office of Planning and Community Development (OPCD)  
**Subject:** No Significant Housing on Industrial & Maritime Lands

Mayor Durkan’s Industrial / Maritime Strategy seeks to strengthen and support Seattle’s maritime and industrial sectors and ensure the benefits of economic diversity and opportunity are equitably extended to Seattle community members. For the March 25 meeting, the City presented 11 key strategies that could serve as a framework for consensus agreement on a comprehensive set of recommendations to guide the City’s Industrial and Maritime Strategy. We ask for your endorsement of the package at roughly this level of detail. The City suggested as a guiding principle for housing and industrial and maritime lands:

- **No new significant residential uses on industrial and maritime lands, except for limited, industry-supportive housing in transitional zones.**

This memo provides supporting information for that potential guiding principle, including a summary of the existing regulations for housing in industrial areas and policy options for providing additional limited, industry-supportive housing in transition areas between industrial zones and existing residential zones and urban villages.

**EXISTING POLICIES AND REGULATIONS**

**Existing Comprehensive Plan Policies about Housing in MICs**

The Comprehensive Plan is the City’s formal plan for growth and all zoning must be consistent with the plan. Seattle’s existing policies for the City’s industrially zoned areas prohibit new residential development, with small exceptions, such as caretaker units, if they are related and do not restrict or disrupt industrial activity (LU 10.6); prohibit uses that attract large numbers of people to the industrial area (LU 10.16); and restrict or prohibit uses that may negatively affect the availability of land for or conflict with industrial activity (LU 10.26).

**Existing Seattle Zoning Code**

Zoning codes regulate development standards like allowed uses, floor area, and height. Residential uses are prohibited in all industrial zones, with three exceptions (See also Attachment 1 for code language):

- **Artists / Quarters Studios.** Allowed by conditional use\*, only in existing buildings, with criteria to certify the artist occupancy, and other locational criteria.
- **Caretakers’ Quarters.** Permitted as an accessory to an allowed use and size-limited to 800 sq ft of living area.
- **Residential Uses in a landmark structure or district.** Allowed by conditional use\*, with criteria for compatibility with neighboring uses, and historic district review.

\*A conditional use is a permitting procedure that requires the City to determine whether the proposal meets guiding criteria. A conditional use approval requires public notice, a published public comment, and appeals period. Appeals are to the City’s Hearing Examiner.

### **Existing Non-Conforming Housing**

Seattle's industrial zones contain some housing that was in place prior to the industrial area and zoning limitations, including pockets in northeast Ballard and near Georgetown and South Park. Housing that existed prior to the City's first zoning code in 1957 that has remained in existence is eligible for nonconforming status, which allows the units to be maintained and upgraded within the existing footprint, but the size and degree of nonconformity cannot increase.

### **Quantity of Existing Housing in Industrial Areas**

In total, the city's industrial zones contain about 400 existing housing units. The majority of those are existing non-conforming homes. There are only 39 existing caretakers' quarters, of which 20 are in the Duwamish MIC and 19 are in the BINMIC.

### **PROPOSAL FOR ADDRESSING HOUSING IN MARITIME AND INDUSTRIAL STRATEGY**

Mayor Durkan's Industrial / Maritime Strategy seeks to strengthen and support Seattle's maritime and industrial sectors and ensure the benefits of economic diversity and opportunity are equitably extended to Seattle community members. This proposal is responsive to the group's discussions of challenges and opportunities and can guide future conversations around the strategy statement. It is guided by the suggested strategy statement:

- **No new significant residential uses on industrial and maritime lands, except for limited, industry-supportive housing in transitional zones.**

### **Housing Challenges for the Industrial and Maritime Sectors**

- Manufacturing, maritime, and logistics workers and entrepreneurs struggle to find affordable homes near their jobs, which increases commute times, costs, and congestion that create barriers to entry and reduce the competitiveness of local businesses.
- Risks of exposure to environmental hazards increases with proximity to pollution sources like heavy manufacturing process, fueling operations, or freight corridors.
- Resident complaints imperil hard to modify industrial activities that are noisy, produce odors, or are otherwise incompatible with healthy long-term habitation.
- Personal vehicle trips can conflict with freight movement.

### **Potential Details for Implementing the Strategy Statement**

*The details provided are intended to provide additional context for the strategy statement and a basis for discussion among the advisory group. The City's potential implementation of this strategy would first focus on updating the City's Comprehensive Plan policy statements, which are broad statements describing the vision and policy intent for land use concepts. Any precise figures in this proposal (for example, a maximum cap of X number of housing units per acre) are primarily illustrative. They represent the City's attempt to provide an example of implementation of the group's discussions. Before making significant changes to zoning, a range of figures would be required to be studied more thoroughly. The City will conduct an Environmental Impact Statement (EIS), an approximately one year-long process, which will allow for more precise study, including additional public input, that will produce data and analysis about impacts to inform future decisions by the City Council and Mayor. Additional*

development feasibility analysis will accompany an EIS. The City is seeking the group's edits/approval of the strategy statement. Your feedback and discussions will heavily influence any potential edits to the City's Comprehensive Plan policies and will shape the contours of range of options studied in an EIS.

Geographic Limit for Limited Expansion: The proposal is applicable to areas of MICs adjacent to existing urban villages or residential populations, labeled "Neighborhood Industrial" zones. They include locations at the edges of Ballard, Georgetown, South Park, and near the stadium district. The proposal for limited housing has not been suggested for core portions of MICs near port facilities, the shoreline, railyards, etc. ("Maritime / Manufacturing / Logistics" zones) or where focusing dense employment near transit ("Industry and Innovation" zones).

The City would accomplish this strategy within the limited areas by modifying two key provisions: artist / studio housing and caretakers' quarters:

Modification of Artist / Studio Housing: The proposal would build on the code's existing artist / studio housing provision where a residential unit can be physically combined and connected with space for artist production. Instead of limiting occupancy to artists, however, the classification would expand to include other types of residents engaged in production, such as brewing, machining, woodworking, sewing/textile production, baking/catering, etc. The proposal would allow new construction whereas artist quarters are only allowed in an existing building. Allowing new construction could result in purpose-built spaces with unique features to accommodate business owner tenants i.e., commercial kitchens, high-load electrical wiring, appropriate ventilation, and high ceiling clearances. The policy intent is creation of new space for small-scale industrial or maritime entrepreneurs that would be incentivized by the ability of developers to construct limited co-located residential space. The option would be permitted by conditional use with occupancy limitations (like existing artist studios), plus three additional restrictions:

- An occupant householder must have a business license for an industrial or arts use.
- 50% or greater of the unit area must be primarily for production/work space.
- Does not displace an existing industrial use, including requiring a minimum time after the expiration of a prior on-site industrial use before approval.

Additionally, the modification of the artist /studio housing within the transitional areas could be paired with eliminating future artist / studio housing in other industrial areas.

Modification of Caretakers' Quarters: In all industrial zones, the City currently allows caretakers' quarters that are limited to 800 sq. ft. and available for occupancy by one caretaker or watchperson per industrial use. This would be expanded to include an additional limited number of on-site employees of an industrial business. Residential units could be in a separate part of the building, such as an upper floor. Homes could be available to employees/business owners who work on-site and the 800 sq. ft. size limitation would be removed. The number of allowed residential units could be limited (i.e., 1 to X units per on-site business).

Upper Limit on residential density in a development: As a further backstop against development dominated by housing, the City could apply upper limits on the housing, including an upper residential density limit of 25-50 dwelling units per acre and an upper limit of 25-50% of a building's total floor area in residential use.

Housing Affordability Levels and Requirements: The City could combine an expansion of limited housing with housing affordability requirements:

- **MHA Option:** The current baseline for affordable housing in new development is the City's Mandatory Housing Affordability (MHA) program. 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, while no residential units are allowed in Industrial Commercial (IC) zones, MHA applies to commercial development in IC zones but no other industrial zones. MHA would require 5%-9% of floor area to be dedicated as affordable to households with incomes at or below 60% of Area Median Income (AMI), or developers could make an in-lieu payment of \$5 - \$16 per sq. ft. on all developed floor area in the building. MHA requires on-site housing to be affordable to very low-income households (below \$53,100 for a two-person household).
- **Tailored Affordability Option:** If occupants are business owners, makers, and industrial employees as outlined above, typical incomes might exceed 60% AMI. A higher income limit such as 80%AMI (\$69,500) or 100%AMI (\$86,900) could be considered. The City's Multi-Family Tax Exemption (MFTE) program extends to the 80%AMI level, but no other city rental housing program subsidizes housing over the 80%AMI level (excepting allowances for income growth after initial occupancy). There would be substantial administrative cost, monitoring demands, and legal vetting associated with a tailored affordability requirement detached from other existing programs. Therefore, if a higher-than-MHA income allowance is sought, using the existing program requirements of MFTE would be prudent. In the MFTE program 20% of residential units must be affordable to households earning 80% of AMI or below for a period of 12 years.

Oversight and Enforcement: A rigorous enforcement structure is in place for affordable housing occupancies by OH, including annual reporting on rent charged and occupant income. Occupancy limitations, however, are currently enforced during review as a condition of initial occupancy permit and further enforcement is on a compliant-based process. If limited housing occupancy is not adhered to, the City would issue a zoning violation, which typically entails a period for corrective action, followed by the imposition of daily civil penalties (fines). A possibility to increase enforcement would be for a MIC stewardship entity to take an active role in monitoring legitimate occupancy through its relationships in the community and report potential violations to SDCl.

Potential Pilot Area: The City could first test the effectiveness of a limited housing expansion by applying the concept in pilot areas. The City could identify sub-portions of proposed "Neighborhood Industrial" zones to try the described limited housing proposal. A pilot period duration (i.e. up to 8 years) could be identified. The City could monitor results, and either extend the pilot duration and geography or abandon the expanded allowance.

**Attachment 1:** Existing Zoning Criteria for Residential Uses Allowed in Industrial Zones by Exception



**Date:** April 13, 2021  
**To:** Industrial and Maritime Strategy Advisory Groups  
**From:** Seattle Office of Planning and Community Development (OPCD)  
**Subject:** Healthy Transitional Areas near Urban Villages

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Mayor Durkan's Industrial / Maritime Strategy seeks to strengthen and support Seattle's maritime and industrial sectors and ensure the benefits of economic diversity and opportunity are equitably extended to Seattle community members. For the March 25 meeting, the City presented 11 key strategies that could serve as a framework for consensus agreement on a comprehensive set of recommendations to guide the City's Industrial and Maritime Strategy. We ask for your endorsement of the package at roughly this level of detail. The City suggested as a guiding principle for healthy transitional areas near urban villages and residential populations:

- **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 or housing spaces.**

This memo provides supporting information for that potential guiding principle, describing the policy options that would increase opportunities for light industrial businesses at the confluences of industrial and residential areas.

### **PROPOSAL FOR HEALTHY TRANSITIONAL AREAS NEAR UBRAN VILLAGES**

As part of strengthening and supporting the industrial and maritime sectors, Mayor Durkan's principles for the Industrial / Maritime Strategy included a focus on developing proactive land use policies that are supportive of emerging industries and diverse entrepreneurship opportunities. This proposal is responsive to the group's discussions of the challenges and opportunities of evolving conditions in industrial areas close to urban villages.

#### **Transitional Area Challenges**

- Affordable spaces for small-scale manufacturers, entrepreneurs and artists are scarce.
- Active transportation modes like walking and biking that best facilitate residents' access to local producers are vulnerable to conflicts with freight movements when public infrastructure is inappropriately designed.
- Entrepreneurs and small manufacturers struggle to find affordable homes near their jobs.

#### **Potential Details for Implementing the Strategy Statement**

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about impacts to inform future decisions by the City Council and Mayor. Additional development feasibility analysis will accompany an EIS. The City is seeking the group's edits/approval of the strategy statement. Your feedback and discussions will heavily influence any potential edits to the City's Comprehensive Plan policies and will shape the contours of range of options studied in an EIS.

The proposal seeks to create better, integrated, and healthier transitions at the edges between industrial areas and neighboring urban village and mixed-use areas. The proposal is guided by the suggested strategy statement:

- **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 or housing spaces.**

Geographic Application: It would be applied to existing Industrial Buffer (IB) zones and areas of MICs adjacent to existing urban villages or residential populations, referred to as "Neighborhood Industrial" zones.

Size of Use Limits: This proposal seeks to limit stand-alone incompatible land uses and encourage development of smaller and potentially more affordable industrial spaces for small scale manufacturers. This includes decreasing maximum size of use limits to 10,000 - 20,000 sq. ft. for stand-alone retail, office, and other non-industrial uses. Currently the IB zone allows office uses up to 100,000 sq. ft. and most retail uses up to 75,000 sq. ft.; however, would allow larger sizes for office and retail uses when ancillary to an on-site industrial use (allowing for 60% of floor area from 49% currently). Examples would include large retail spaces for businesses with on-site manufacturing or prototyping, or large tasting room areas if on-site with a brewery or distillery.

Development Standards: The proposal would adjust development standards to make them more urban and change the focus from buffering and separation to thoughtful integration. These changes would include increased Floor Area Ratios to support denser development and investment, increasing the FAR limit by 50% from 2.5 to 3.75; eliminating suburban-style landscaping requirements and setbacks; decreased stepped upper-level setbacks that make multi-story development impractical on small sites.

Landscaping and Pedestrian Improvement Requirements: Add requirements to make sidewalk improvements to reduce pedestrian/freight conflicts, including pedestrian lighting and urban streetscape tree planting.

Uses: Permitted uses would be those found in the existing Industrial Buffer zone with some changes in size of use limits (reducing them for stand-alone office and retail) and ancillary uses (increasing allowance for industrial uses).

Limited Expansion of Industry Supportive Housing: A separate memo details a potential limited expansion of housing that could be appropriate for some locations in MICs. The most appropriate location to apply the limited expansion of housing would be in transition areas near to urban villages (see No Significant Housing memo).



**Date:** April 13, 2021  
**To:** Industrial and Maritime Strategy Advisory Groups  
**From:** Seattle Office of Planning and Community Development (OPCD)  
**Subject:** High Density Industrial Development

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Mayor Durkan's Industrial / Maritime Strategy seeks to strengthen and support Seattle's maritime and industrial sectors and ensure the benefits of economic diversity and opportunity are equitably extended to Seattle community members. For the March 25 meeting, the City presented 11 key strategies that could serve as a framework for consensus agreement on a comprehensive set of recommendations to guide the City's Industrial and Maritime Strategy. We ask for your endorsement of the package at roughly this level of detail. The City suggested as a guiding principle for dense 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.**

This memo provides supporting information for that potential guiding principle, describing the policy options that would allow dense industrial and employment focused development in Manufacturing / Industrial Centers (MICs).

### **PROPOSAL FOR HIGH DENSITY INDUSTRIAL DEVELOPMENT IN MARITIME AND INDUSTRIAL STRATEGY**

As part of strengthening and supporting the industrial and maritime sectors, Mayor Durkan's principles for the Industrial / Maritime Strategy included a focus on developing proactive land use policies that ensure innovation and industrial jobs are a robust part of the city's future. This proposal is responsive to the group's discussions of the challenges and opportunities of modern high density industrial development, particularly focused on areas where the City's MICs are near areas with significant commercial development and near current or future light rail stations.

#### **High Density Industrial Challenges**

- Current zoning and development have not created enough employment density near light rail to support significant transit use, which creates political pressures to maximize the return on taxpayer transit investments by applying traditional transit orientated design principles (mixed uses, including significant residential) that would likely displace industrial and maritime users.
- Redevelopment costs are very expensive for a variety of reasons including potential environmental clean ups and infrastructure needs.
- Many traditional industrial uses are land intensive and difficult to adapt to vertical development, the developments that can bear the high costs are most frequently non-industrial in nature, which has resulted in the City's industrial zone that allows mixed commercial development (Industrial Commercial) being dominated by new office developments instead of industrial or maritime uses.

## **Potential Details for Implementing the Strategy Statement**

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The proposal would create a zone to encourage new development in multi-story buildings that accommodates industrial businesses, mixed with other dense employment uses such as research, design, offices and technology. This proposal is guided by the suggested strategy statement:

- **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.**

Geographic Application: It would be applied within the MICs roughly .25 to .5 miles of Sound Transit (a 5- to 10-minute walking distance) and within existing Industrial Commercial (IC) zoning, referred to as "Industry and Innovation" zones.

Incentive-Based System: The zone would employ an incentive system whereby a developer 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. Typically, the ground floor, and potentially a second floor would be dedicated for new industrial space that must be occupied by an industrial use, and upper floors (approximately 4) could be occupied by other allowed uses. Dedicated industrial space would have minimum requirements, such as minimum floor to ceiling heights, freight elevator access, load bearing floors, high-capacity electrical service etc.

Comparison to Existing IG Zone: Compared with current IG zones, the proposal would substantially increase the maximum development capacity, increasing allowed floor area by two to three times. To build to the maximum, however, a developer would be required to include an amount of new dedicated industrial space roughly equal to the maximum amount of industrial space that could be newly developed under the existing IG zone. In recent practice though, few industrial developments reach the maximum development capacity, so building to the maximum under this incentive would see a net increase in industrial space development. The "bonus" floor area could include non-industrial uses that are not allowed or are strictly size-limited under the existing IG zone (See Attachment 1 for additional detail).



Comparison to Existing IC Zone: Compared to existing IC zones, the proposal would approximately double maximum development capacity. But to build the maximum, a developer would have to include new dedicated industrial space according to a ratio with "bonus" non-industrial space. This is important because today the existing IC zone allows development to the maximum envelope without inclusion of any industrial space. Therefore, if the potential upzone is realized, it would only be through a net increase in industrial space development (See Attachment 1).

Application to the Existing Industrial Commercial 85-170 Zone: The area bounded by I-90 to the southeast, the Chinatown/International District to the north, and railroad tracks to the west has unique IC 85-170 zoning. 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, these areas could be granted an additional increment of development capacity in an incentive structure, while maintaining existing development rights. The tiered bonus system could allow up to an additional 50% of floor area in a development that includes dedicated industrial space according to a ratio (See Attachment 1). Under the existing IC 85-170 zone, maximum development can be achieved without any industrial space.

Allowable Uses: The paragraphs above use general terms "industrial" and "non-industrial" development. In practice the City's zoning code defines specific uses and allows or prohibits them in certain zones. The code defines uses (i.e. heavy manufacturing, light manufacturing, warehousing, food processing etc.) and deems the uses permitted in industrial zones (like IG) and prohibited in other zones (like Single Family Residential). The code defines other uses (i.e. office, general retail, entertainment uses etc.) and deems them prohibited (or imposes a maximum size limit on them) in industrial zones. Under the proposal, space for some uses would only be allowed as a "bonus" contingent on inclusion of space dedicated for uses considered industrial (See Attachment 1 for examples).

Enforcement of Occupancy by Industrial Uses: The City verifies that spaces are occupied by uses allowed in a zone. If occupancy of a required industrial space by an industrial use was not adhered to, the City could issue a zoning violation, which typically entails a period for corrective action, followed by the imposition of daily civil penalties (fines). Enforcement is on a complaint-based system. A possibility to increase enforcement would be for a MIC stewardship entity to take an active role in monitoring legitimate occupancy through its relationships in the community and report potential violations.

Precedents/Examples: There are precedents for the sort of flexible mixing of industrial and non-industrial uses that is envisioned in this proposal in Seattle and peer cities, including the [New York Building](#) in Portland, OR, and the [West Woodland Building](#) in Seattle. Additionally, a direct precedent for the incentive-based zoning structure to encourage flexible mixing is found in the City of Vancouver BC. In 2017 Vancouver implemented a similar bonus system in the False Creek Flats district after an industrial areas study. Development since in the zone has been strong. Examples of buildings being produced include the [Evolution Block](#), [The Maker Exchange](#), [the George](#), and [Ironworks](#).

## **Attachment 1. Potential Zone Details**



**Date:** April 13, 2021  
**To:** Industrial and Maritime Strategy Advisory Groups  
**From:** Seattle Office of Planning and Community Development (OPCD)  
**Subject:** Stronger Protections for Industrially Zoned Land

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Mayor Durkan's Industrial / Maritime Strategy seeks to strengthen and support Seattle's maritime and industrial sectors and ensure the benefits of economic diversity and opportunity are equitably extended to Seattle community members. For the March 25 meeting, the City presented 11 key strategies that could serve as a framework for consensus agreement on a comprehensive set of recommendations to guide the City's Industrial and Maritime Strategy. We ask for your endorsement of the package at roughly this level of detail. The City suggested as a guiding principle for strengthening 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.**

This memo provides supporting information for that potential guiding principle, describing the policy options that would provide additional protections against annual threats to remove industrial land designations and close loopholes that have allowed non-industrial development to encroach on industrial users.

### **PROPOSAL FOR STRONGER PROTECTIONS FOR INDUSTRIALLY ZONED LAND**

As part of strengthening and supporting the industrial and maritime sectors, Mayor Durkan's principles for the Industrial / Maritime Strategy included a focus on developing proactive land use policies that preserve the economic diversity and opportunity created in Seattle's industrial and maritime lands. This proposal is responsive to the group's discussions of challenges and opportunities of protecting industrial and maritime users from encroachment of non-compatible uses, particularly within Seattle's Manufacturing/Industrial Centers (MICs) or near the shoreline or deep-water port, rail and freight infrastructure, and clusters of suppliers and services.

#### **Protecting Industrially Zoned Land Challenges**

- Nearly annual attempts at piecemeal land removal from industrial and maritime areas erodes the stability necessary to best facilitate long-term investments in the future of industry.
- Loopholes in zoning allow box retail, mini-storage, and other non-industrial uses to proliferate in industrial areas, creating conflicts among non-compatible users.
- Speculative pressures increase land prices and create significant uncertainties that undermine the competitiveness of manufacturing, maritime, and logistics uses.

#### **Potential Details for Implementing Strategy Statement**

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non-industrial developments) are primarily illustrative. They represent the City's attempt to provide an example of implementation of the group's discussions. Before making significant changes to zoning, a range of figures would be required to be studied more thoroughly. The City will conduct an Environmental Impact Statement (EIS), an approximately one year-long process, which will allow for more precise study, including additional public input, that will produce data and analysis about impacts to inform future decisions by the City Council and Mayor. Additional development feasibility analysis will accompany an EIS. The City is seeking the group's edits/approval of the strategy statement. Your feedback and discussions will heavily influence any potential edits to the City's Comprehensive Plan policies and will shape the contours of range of options studied in an EIS.

The proposal would create additional procedural protections for removing industrial land designations and tighten restrictions on non-industrial developments in core industrial areas. The proposal is guided by the suggested strategy statement:

- **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.**

Geographic Application: The procedural protections against removal of an industrial zone designation and the prohibition of new mini-storage would apply to all industrial zones within the City's MICs. Tightening zoning code loopholes would be primarily applied to the City's existing Industrial General 1 (IG1) and Industrial General 2 (IG2), referred to as "Maritime, Manufacturing, and Logistics (MML)" zones and to a lesser degree the neighborhood industrial zone.

Prohibit Mini-Storage: Like retail and commercial uses, mini-storage projects 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 mini-storage in the MICs.

Limit Annual Comprehensive Plan Amendments: Removal of land from a 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 major update to the Comprehensive Plan occurs every 8 years. Unlike the annual amendment process, the major update is based on new 20-year population and employment projections. 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.

Council Approval of Amendments: As a companion policy to limit removal of land from MICs to major updates of the Comprehensive Plan, this policy proposal would raise the City Council threshold required to approve such amendments. Currently land can be removed from MICs through the annual amendment process or the major update process with a simple majority of 5 votes. This proposal would increase the number of votes required to 7.

Tighten Zoning Code Loopholes: This proposal would limit non-ancillary retail and office uses in the new MML zone to a maximum size of 3,500 square feet or a Floor Area Ratio of .35, whichever is greater. Today, in the IG1 and IG2 zones these uses are limited at 10,000 and 25,000 sq. ft. respectively. In the new "Neighborhood Industrial" zone, the maximum size of use limitations for stand-alone retail and office would be reduced to between 10,000 and 20,000 sq. ft. Today in the City's existing Industrial Buffer zones, these uses are limited at 75,000 and 100,000 sq. ft. respectively. Current allowances for office and retail uses that are a part of an industrial activity or for office uses in existing Industrial Commercial or future "Industry and Innovation" zones will not be subject to this provision.



**Date:** April 13, 2020  
**To:** Industrial and Maritime Strategy Advisory Groups  
**From:** Seattle Office of Economic Development  
**Subject:** Workforce Investments to Support Access to Opportunity for People of Color & Women

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Mayor Durkan's Industrial / Maritime Strategy seeks to strengthen and support Seattle's maritime and industrial sectors and ensure the benefits of economic diversity and opportunity are equitably extended to Seattle community members. For the March 25 meeting, the City presented 11 key strategies that could serve as a framework for consensus agreement on a comprehensive set of recommendations to guide the City's Industrial and Maritime Strategy. We ask for your endorsement of the package at roughly this level of detail. The City suggested as a guiding principle for workforce opportunity:

- **Create, expand, and support initiatives that increase the opportunity and economic prosperity for people of color and women through manufacturing, maritime, and logistics careers.**

This memo provides supporting information for that potential guiding principle, describing the policy options that would improve equity in access to opportunity in maritime, manufacturing, and logistics careers.

### **PROPOSAL FOR WORKFORCE INVESTMENTS TO SUPPORT ACCESS TO OPPORTUNITY**

As part of strengthening and supporting the industrial and maritime sectors, Mayor Durkan's principles for the Industrial / Maritime Strategy included a focus promoting equitable access to high quality, family-wage jobs and entrepreneurship for Black, Indigenous, and People of Color and women. This proposal is responsive to the group's discussions of the challenges and opportunities of targeting investments to improve access to opportunity.

### **Manufacturing and Maritime Industry Leadership Tables**

#### **WHY? PROBLEM STATEMENT**

- Maritime, Manufacturing, and Logistics (MML) industries must have a continued venue to have ongoing and meaningful conversations to identify issues, concerns, and solutions.
- This strategy was recommended in 2016 by the Seattle Metropolitan Chamber's Regional Seattle Partnerships industry specific focus groups on Manufacturing and Maritime. This strategy is also in the 2021-2022 Port of Seattle Strategic plan for WFD.

#### **WHAT & HOW**

- *The recommendation is to support/collaborate with Seattle King County Workforce Development Council in the development of regional industry lead and public supported Maritime, Manufacturing and Logistics (MML) Leadership Tables.*
  - Process model = [Next Generation Sector Partnership Community of Practice \(nextgensectorpartnerships.com\)](http://nextgensectorpartnerships.com)
  - Example HILT (Healthcare Industry Leadership Table) [www.seekinghilt.com](http://www.seekinghilt.com).

- These leadership tables are designed to support all of the issues, opportunities and the development of strategies and actions in the neighborhood and city-wide visions for Seattle's industrial and maritime lands.

## **1. PROMOTION OF THE MARITIME, MANUFACTURING & LOGISTICS INDUSTRIES**

### **WHY? PROBLEM STATEMENT**

- Industrial & maritime employers report difficulty finding skilled and reliable workers, especially from traditionally underrepresented groups. There is lack of awareness about the quality and high pay of job opportunities in MML sectors. There are social and cultural stigmas that steer talented young people away from jobs in industrial / maritime sectors.

### **WHAT & HOW?**

- *The recommendation is to propose an industry led and public supported Promotion / Information Campaign.*
  - Coordinate the MICs / BIAs, neighborhood and other professional organizations to convene, develop and execute a MML marketing and information campaign. This process could develop its story and promote the MML industries through websites, newsletters and public meetings. Economic and workforce development and communications efforts could involve market research, media relations, and presentations before local and regional agencies and with K-12.
  - Content based on stakeholder and BIPOC youth engagement feedback including:
    - Broaden the narrative to highlight how MML companies are technologically advanced, are STEM focused, and on par or better financially than careers requiring a 4-year degree to recruit youth and that there is a strong varied of careers
    - Develop campaign for parents including communities' centers, PTAs and churches.
    - Highlight and market current Seattle Public Schools and Seattle College Programs
- City of Seattle's support to this industry led process:
  - OED will support/develop and co-convene the regional MML Leadership Tables. They will recruit industry to participate in development, execution and outreach of the marketing campaign elements through Department of Neighborhoods and Only in Seattle. The City will encourage other government agencies to participate. The city could also develop an employer recognition program acknowledging MML employers who are making positive shifts or efforts in workforce diversity & inclusion, environmental equity, affordable workforce housing, transportation innovation, etc.

## **2. MAKE INCREASED INVESTMENTS IN TRAINING AND PIPELINES FOR CURRENT & FUTURE MML CAREERS**

### **WHY? PROBLEM STATEMENT**

- MML employers need access to a well-trained workforce. Our region needs to get the data to identify the current and forecasted workforce needs of MML. This data should include identifying if we have the correct local and regional educational programs providing the correct skills to have access to a well-trained workforce. The BIPOC community is disproportionately in low paying service jobs. We need to identify the

barriers of BIPOC individuals to these jobs to create solutions since the MML industry has lower educational barriers to entry and provides a family wage.

#### WHAT & HOW?

- *The recommendation is to increase funding in 2022 and beyond to support the MML pipelines.*
  - Support displaced BIPOC and Women workers due to COVID to find careers in MML by cross walking similar skill sets to the skills in MML.
  - Collect data on the Workforce Supply vs. Demand in MML including: 1) What is the supply of workforce needed to replace aging workforce and to support growth? 2) What specific current and future skills are needed? 3) What are the barriers for BIPOC and Women? 4) What is the output of local educational programs to support MML careers? And 5) As a result of this data collection, invest in the existing MML workforce pipeline that are working and develop new pipelines as necessary.
  - Explore replicating public and private programs that work or programs in place that are not being supported.
  - Make it easier for MML employers to participate in Career Connected Learning and Work-Based Learning (Apprenticeships, internships, mentoring and OJT) with templates, manuals, coaching and incentives for employers.
  - Work with and actively engage with Public School System to educate and direct youth towards MML industry such as the Maritime related skills centers, CORE Plus Maritime Programs, the new Maritime High School and earlier familiarization about MML in K-6.

### **3. IMPROVE EQUITY IN INDUSTRIAL ECONOMIC OPPORTUNITIES**

#### **WHY? PROBLEM STATEMENT**

- There is a need to actively diversify MML industries in multiple ways. 1) To develop stronger support for sustainable pathways for BIPOC and women. There are strong barriers to BIPOC and women. These barriers need to be clearly identified and move towards removing or lessen them. 2) Near urban villages, the MIC workforce must reflect its local community and we must ensure there is a sustainable pipeline for these residents 3) To encourage, promote and support entrepreneurship. One size does not fit all. What and how we support a large business is different than what and how we support small or micro-businesses. 4) To Incentivize diversity for micro to medium sized businesses.

#### **WHAT & HOW?**

- *The recommendation is to increase the funding for the development and execution of retention strategies within MML employers.*
  - Equity and Inclusive training and wraparound services to reduce or eliminate barriers to MML careers or education.
  - Support employers to develop a BIPOC specific employer toolkit including an asset inventory, hiring, training plans, resources for retainment, succession planning and advancement planning.

- Recruiting existing BIPOC and women in the industry to act as mentors to new employees or entrepreneurs in MML.
- Develop something like Community Work Agreements to recruit employees from specific zip codes. Example. City of Seattle's Priority Hire Program.
- Increase funding to programs who already serve BIPOC youth and displaced workers to get interested in MML.
- Collaborate with other diversity and inclusion efforts of other regional agencies, like WDC, Port of Seattle, King County, etc.
- Support and encourage entrepreneurship from BIPOC and women by educating small businesses on the resources available through the Office of Economic Development. Increase funding to build on the current resources or adding funding to have business 101 trainings or workshops. Explore duplicating the start-up hub model for small businesses in MML.



**Attachment 1:**  
**Existing Seattle Municipal Code (SMC)**  
**Zoning Criteria for Residential Uses Allowed in Industrial Zones by Exception**

***Artist's studio / dwelling conditional use criteria (SMC 23.50.014.B.1)***

Artist's studio/dwellings in an existing structure may be permitted as a conditional use in General Industrial 1 (IG1), General Industrial 2 (IG2), Industrial Buffer (IB) and Industrial Commercial (IC) zones, except as provided in the Shoreline District, [Chapter 23.60A](#), upon showing that the occupant is a bona fide working artist, and subject to the following criteria:

- a. Artist's studio/dwellings shall generally be discouraged along arterials such as freeways, state routes and freight lines;
- b. Artist's studio/dwellings shall not be allowed in areas where existing industrial uses may cause environmental or safety problems;
- c. Artist's studio/dwellings shall not be located where they may restrict or disrupt industrial activity;
- d. The nature of the artist's work shall be such that there is a genuine need for the space; and
- e. The owner(s) of a building seeking a conditional use for artist's studio/dwellings must sign and record a covenant and equitable servitude, on a form acceptable to the Director, that acknowledges that the owner(s) and occupants of the building accept the industrial character of the neighborhood and agree that existing or permitted industrial uses do not constitute a nuisance or other inappropriate or unlawful use of land. Such covenant and equitable servitude must state that it is binding on the owner(s)' successors, heirs, and assigns, including any lessees of the artist's studio/dwellings.

***Residential uses in historic buildings conditional use criteria (SMC 23.50.014.B.4)***

A residential use not otherwise permitted in the zone may be permitted as a conditional use in General Industrial 1 (IG1), General Industrial 2 (IG2), Industrial Buffer (IB) and Industrial Commercial (IC) zones within a structure designated as a Landmark, pursuant to the Seattle Municipal Code, [Chapter 25.12](#), Landmarks Preservation, or within a structure in a Landmark District, pursuant to the Seattle Municipal Code, [Chapters 25.16](#), Ballard Avenue Landmark District, or [Chapter 25.28](#), Pioneer Square Historical District, subject to the following criteria:

- a. The use shall be compatible with the historic or landmark character of the structure. The Director shall request a determination regarding compatibility by the respective Board having jurisdiction over the structure or lot;
- b. The residential use shall not restrict or disrupt industrial activity in the zone, and;
- c. The surrounding uses would not be detrimental to occupants of the Landmark structure.

***Definition for Caretaker's Quarters (23.84A.032 - "R")***

Caretakers quarters is defined as "Caretaker's quarters means a use accessory to a non-residential use consisting of a dwelling unit not exceeding 800 square feet of living area and occupied by a caretaker or watchperson." To date the code has been interpreted to limit the number of caretaker's quarters to one per principal allowed use.

Dense Employment – TOD  
Attachment 1. Potential zone details.  
April 15, 2021.

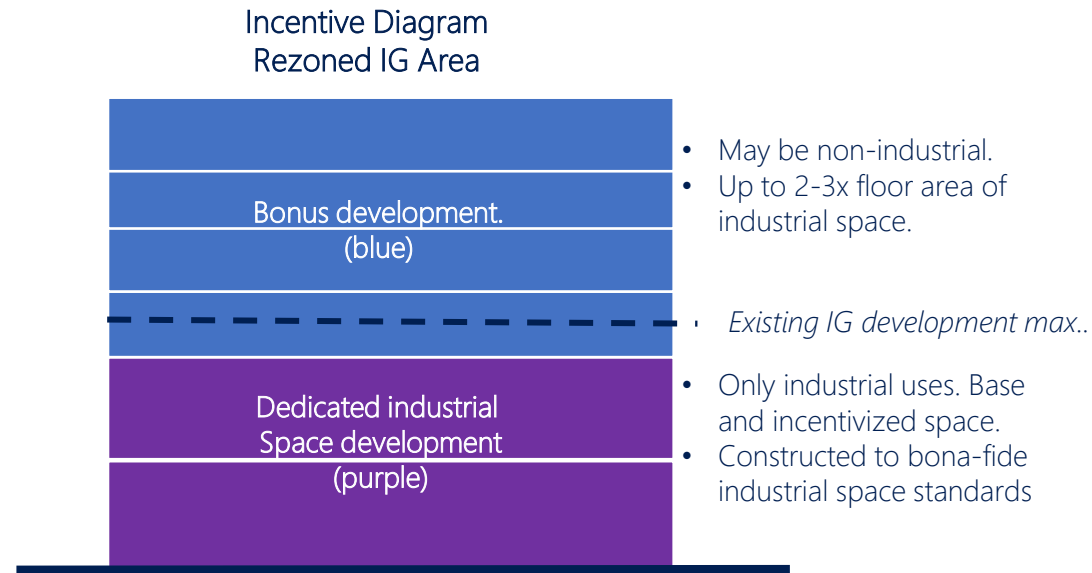


Proposed Incentive-Based Approach	Existing Industrial Commercial	Existing Industrial General
<p><b>Base and Bonus Limits</b> Development of floor area up to the base amount must be built and dedicated for industrial uses. Development exceeding the base is allowed through a ratio whereby 2-3 square feet of non-industrial high-value use space may be built for each additional square foot of dedicated industrial space that is built. There is a total Maximum FAR limit on all development.</p> <p><b>FAR Limit industrial-only development:</b> 2.5. <b>Bonus.</b> 2-3 additional sq. ft. of floor area for each 1 sq. ft. of industrial space over a base amount (0.5 - 1.0 FAR) of industrial development. <b>Total maximum FAR Limit:</b> 4-6 (depends on location)</p> <p>Industrial development must be in the same building (i.e. first two floors), or in a separate building on the same site. A close-to-maximum development would be about 1/3 industrial, and 2/3 non-industrial.</p>	<p><b>Max. Floor Area Ratio</b> Most IC zones: 2.75 IC in stadium overlay: 3.25</p> <p>IC 85-175 zone:</p> <ul style="list-style-type: none"> <li>• Base: 2.0</li> <li>• Max w/ bonus: 4.0</li> </ul> <p><b>Max Size of Use Limits (Most areas)</b> Office: No limit Restaurant: No limit Retail: No limit</p>	<p><b>Max. Floor Area Ratio</b> All IG zones: 2.5</p> <p><b>Max Size of Use Limits</b> Office IG1: 10,000 sq ft Office IG2: 25,000 sq ft</p> <p>Restaurant IG1: 5,000 sq ft Restaurant IG2: 5,000 sq ft</p> <p>Retail IG1: 10,000 sq ft Retail IG2: 25,000 sq ft</p>
<p><b>Height Limit</b> 120'-140' suggested for most areas. Max buildings in the 6 – 10 story range expected. IC 85-170' zoned area unchanged.</p>	<p><b>Height Limit</b> Most IC areas: 65' – 85' IC 85-175: 175' with bonus</p>	<p><b>Height Limit</b> Most IG zones: 45,65 or 85</p>
<p><b>Building Performance Standards</b> Ground floor minimum height requirement of ~24 to loading. <b>All industrially-designated portions</b> of the building must be: Serviced by freight elevator Have load-bearing floors Minimum floor-ceiling heights of 16'</p>	<p><b>Building Performance Standards</b> No minimum requirements for performance.</p>	
<p><b>Transportation / Parking</b> Parking maximums Stringent Transportation Demand Management (TDM) required</p>	<p><b>Transportation / Parking</b> Parking minimums by use</p>	



## In existing Industrial General (IG) zoned areas within ½ or ¼ mile of light rail (SODO)

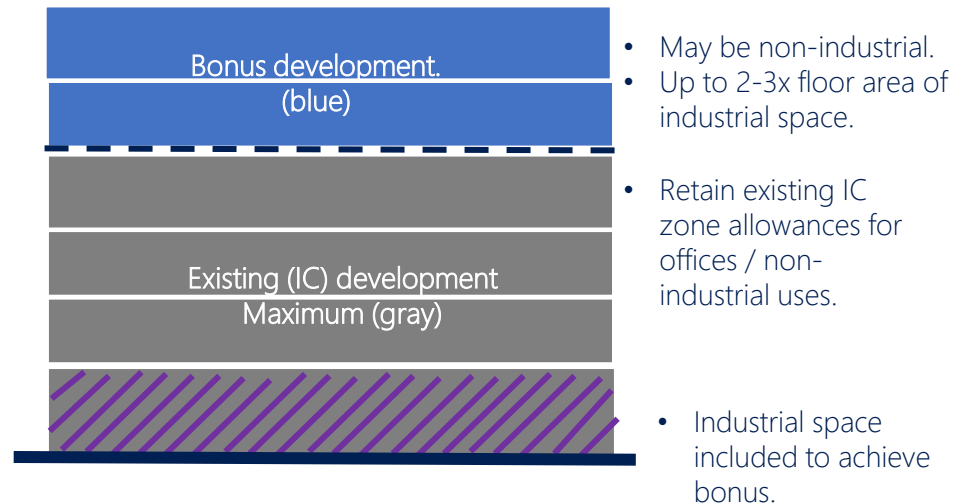
- *Current challenge:* Low-density land near future light rail stations.
- Increase the maximum floor area ratio (FAR) from 2.5 to as high as 6, if bonus conditions are met
- Incentive allows 2-3 square feet non-industrial space for every 1 square foot of dedicated industrial space
- *Example areas:* Lander St. station area, future Dravus St. station area.



## In existing Industrial Commercial (IC) zoned areas

- *Current challenge:* Current IC development is dominated by 100% office uses.
- Increase the current FAR maximum if incentive conditions are met to as high as 6.
- Bonus development can be achieved by including industrial space (without decreasing existing development capacity).
- *Example areas:* Elliott Ave. corridor, existing IC 85-175 zoned area.

Incentive Diagram  
Rezoned IC Area





## West Woodland Business Center

- 1125 NW 53rd St.
- Caters to companies looking for a blend of retail, assembly, and office space.
- 71,460 sq. ft. over 4 floors
- 20' floor height—1st. 15' 2nd-3rd. 12'-4th.
- Grade level loading
- Freight passenger elevator servicing upper floors
- Divisible down to 5,000 sq. Ft.
- Ballard-based Rad Power Bikes going global with e-bike expansion – My Ballard





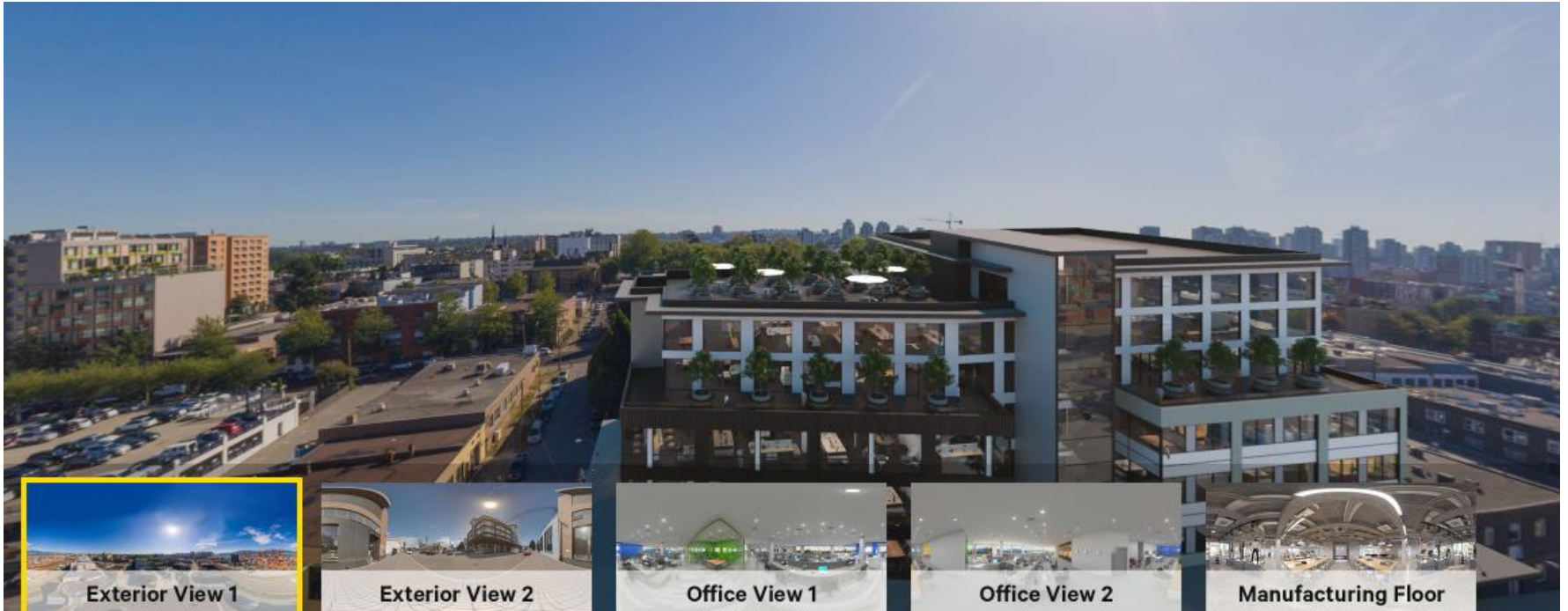
## Evolution Block, Vancouver, BC



- 104,000 sq ft of space in four stories.
- High ceiling ground level with loading docks
- Customizable warehouse space from 1,500 – 30,000 sq ft
- Auto body repair shop tenant on first floor
- Freight elevators throughout
- Common and rooftop amenity spaces



# Maker Exchange, Vancouver, BC



- 151,000 sq ft of leasable space in seven stories
- 12,000 – 25,000 sq ft floor plates
- Floors dedicated for manufacturing uses
- Common and rooftop amenity spaces





## The New York, Portland, OR



- 120,000 sq ft in six stories on a 24,000 sq ft lot (FAR 5.0)
- Flexible space for 1 – 14 tenants per floor
- Separate elevator banks for freight and people
- Ground floor loading docks



# Ironworks, Vancouver, BC

IRONWORKS

OPPORTUNITY

BUILDING NEIGHBOURHOOD NEWS TEAM CONTACT



- Two separate buildings with central landscaped courtyard
- Common loading dock, plus individual loading for each ground floor tenant
- Office, showroom and warehouse/flex spaces
- Commercial condominium units (more common in Canada)



City of Seattle