



City of Seattle Seattle Planning Commission

Jerry Finrow, Chair
Barbara Wilson, Executive Director

SEATTLE PLANNING COMMISSION JUNE 14, 2007 APPROVED MEETING MINUTES

Commissioners in Attendance

Jerry Finrow – Chair, Linda Amato, Mahlon Clements, Tom Eanes, Chris Fiori, Mark Johnson, Martin Kaplan, Kay Knapton, Amalia Leighton, M. Michelle Mattox, Tony To

Commissioners Absent

Colie Hough-Beck, Marshall Foster, Kevin McDonald, Kirsten Pennington, Steve Sheehy

Commission Staff

Barbara Wilson-Director, Casey Mills, Planning Analyst, Robin Magonegil-Administrative Specialist

Guests

John Rahaim, DPD

In Attendance

Rebecca Herzfeld, Bob Morgan, Council Central Staff; Alexander White, Roger Valdez.

Please Note: Seattle Planning Commission meeting minutes are not an exact transcript but instead represent key points and the basis of the discussion.

CALL TO ORDER

The meeting was called to order at 3:04 pm by Chair Jerry Finrow.

COMMISSION BUSINESS

- Approve May 24, 2007 Minutes

ACTION: Commissioner Kay Knapton moved for the approval of the May 24, 2007 minutes. Commissioner Linda Amato seconded the motion. Commissioner Tom Eanes requested a friendly amendment to the minutes. He noted that when he stated that the limitation on FAR in industrial areas seems arbitrary, he meant that FAR limitations on industrial uses in industrial areas seemed arbitrary. The Commission accepted the amendment. The minutes were unanimously approved.

▪ **Chairs Report**

Executive Director, Barbara Wilson, thanked Jerry Finrow for his year of service as the Commission Chair. She commended Chair Finrow for his leadership. Chair Finrow noted several upcoming meetings and events

Chair Finrow called attention to that fact that several Commissioners attended a tour of the Seattle's industrial areas on Monday June 4. He noted that they toured the BINMIC area, Terminal 91, Terminal 18, went to Macmillan Piper and then through the Southern portion of the Duwamish.

Chair Finrow stated that a number of the Commissioners have met with DPD, DON, the Mayor's office and separately with Councilmember Clark to discuss preliminary ideas for updating and assessing the Neighborhood Plans. He added that the Plans are now at that mid way point and the City is beginning to look at assessing, refreshing, and updating these plans. Chair Finrow mentioned that the Commission will likely play a large role.

Commissioner Johnson stated that the main question people asked was what role the Commission would like to play in the process. He added that he thought the Commission should be out front introducing the process and encouraging neighborhoods to take ownership of the planning process. Commissioner Martin Kaplan stated the Commission's role might end up being as a intermediary with the Mayor's vision and Council's vision.

Chair Finrow stated that the Commission should also figure out what it wants to advocate for. He stated that single family residential homeowners often dominate the neighborhood planning process. Chair Finrow noted that the Commission could advocate for greater density and that the Commission could put together an action agenda for neighborhood planning.

Commissioner Linda Amato suggested creating an ad hoc committee devoted just to neighborhood planning. Ms. Wilson noted that Committee reorganizations had been done before. She added that DPD will not begin the updates until at least midyear next year so there was time to start organizing and engaging the public. Commissioner Kaplan suggested delivering ideas to the Council and Mayor earlier rather than later.

COMMISSION DISCUSSION

▪ **Planning Director Report** **- John Rahaim, Department of Planning and Development**

Planning Director John Rahaim thanked Chair Finrow for chairing the Tower Spacing Committee.

Mr. Rahaim discussed the housing incentive program, or Incentive Zoning. He stated that the City has had an incentive program downtown for many years but that a recent state law made it easier to employ such programs. Mr. Rahaim noted that the policy direction from the Mayor has been that the majority of incentive programs should go towards affordable housing with 60 percent as the baseline. He added that there will likely be unique programs for each urban center and Dravus, a program for all urban villages, and a program for all multifamily areas.

Mr. Rahaim stated that the City is trying to ensure that there is equity in how it works and that they are also trying to make sure it produces enough housing to provide value and also creates an incentive for

developers. He added that in L1 and L2 zones, for example, it likely won't make sense, but in L3 and L4, it should. Mr. Rahaim noted that the City is looking at a graduated cost per story with more money the higher the buildings go. He stated that there will be focus groups with developers to discuss it and that one question involves whether money that's from one area is then spent in that area for affordable housing. Mr. Rahaim noted that so far it appears that urban centers will work that way but that multifamily areas present a problem.

Commissioner Kaplan stated that, in the white paper, the Commission urged that all affordable housing be onsite. Mr. Rahaim responded that the City is considering requiring that the units be built on site.

Commissioner Tom Eanes stated that one idea is to consider all station areas part of downtown in terms of where offsite housing can be built.

Mr. Rahaim stated that, in L3 and L4 zones, the city will not be increasing height substantially. He added that, instead they will switch to FAR and that they will also combine the two zones, with L3 heights being the baseline, and any higher being in the bonus area.

Chair Finrow noted that the affordability levels might be an issue as some are concerned that the levels are too high.

Mr. Rahaim replied that, affordable housing is in many ways a regional problem which makes it difficult for only Seattle to deal with. He added that the Office of Housing Director, Adrienne Quinn, is currently working with a regional group to deal with this.

Commissioner Chris Fiori stated that he thought it would be a better strategy to spend money on schools and parks to make it more attractive for people to live in smaller units. He added that he felt the best strategy was to get as much supply on the market as possible and that incentive zoning could potentially undermine this.

Commissioner Tony To noted that affordable housing has become a sustainability issue because the cost of housing is forcing people farther and farther out of Seattle and away from their jobs. He added that one big problem is that developers are not building condominiums or smaller units because of condo insurance's high cost. Commissioner To stated that incentive zoning could work as a good tool to encourage building to capacity rather than all the townhouses that are on the market right now.

Commissioner Kay Knapton noted that the problem with many of the new apartment developments is that they are designed to be converted to condominiums eventually.

Commissioner Eanes noted that as a commodity, housing will always be unevenly distributed and that the City should examine how much better it will make the problem through incentive zoning. He added that sometimes too much regulation makes housing less affordable.

Commissioner M. Michelle Mattox noted that developers often want to build mixed use buildings but they find it difficult to use the commercial space to fund more affordable dwelling units above the commercial space.

Commissioner Kaplan suggested minimum densities in order to help ease the supply end of what is in many ways a supply and demand issue. Mr. Rahaim responded that the City is currently examining L3 zones where the most under building is occurring and what strategies can help stop under building.

- **Discussion: Finalize Industrial Lands Strategy Observations**
- Commission Staff

Recusals & Disclosures: Commissioner Mark Johnson disclosed that he works for ESA Adolfson which prepared some of the information for the Industrial Lands Strategy. Commissioner Mahlon Clements disclosed that the firm he works for, Zimmer Gunsul Frasca Partnership deals with land in industrial areas. Commissioner Martin Kaplan, Martin Henry Kaplan, Architects disclosed that he also deals with land in industrial areas. Commissioner M. Michelle Mattox, disclosed that, her employer, Chiles & Company Inc., represents the Port of Seattle. Commissioner Tom Eanes works for Hewitt Architects and he recused himself and left the room as his firm is working on several projects in industrial areas.

Chair Finrow began the discussion on the observations for the Industrial Lands Strategy Commission Report. He asked the Commissioners to provide feedback as they were being discussed.

Commissioner Knapton stated that she felt a clause should be added to the first sentence of Observation #1, which reads providing clarity and certainty about Seattle's industrial lands is essential, stating why it is important to provide clarity and certainty about Seattle's industrial lands.

Commissioner Fiori stated that Observation #4, which reads, industrial land is a limited resource and commodity, should include a clause identifying the fact that the term 'limited resource' is a relative term.

Commissioner Johnson stated that Observation #5, which reads, a variety of factors are putting increasing pressure on industrial lands, should include the fact that one reason for the pressure on industrial lands is that certain developers are looking for places to build single-use, corporate-campus type structures and can't find opportunities to do so other than in industrial areas.

Commissioner Leighton stated that Observation #7, which reads, there is a need for investment in industrial lands-related infrastructure, should include the concept of preservation of industrial-lands related infrastructure as well as investment in this infrastructure.

Chair Finrow suggested Commissioners that had comments e-mail specific language to Ms. Wilson or Casey Mills and they will add these changes to the observations.

Chair Finrow suggested that they move on to the recommendations.

Ms. Wilson introduced the issue by stating that, while she understood that there might not be consensus on all the current recommendations, they represent an attempt to document the previous discussions on the issue. She added that recommendations are different than observations in that they recommend specific policy changes, not overarching observations that came out of the outreach and research process. Ms. Wilson stated that in terms of how specific the recommendations should be, the Commission could follow the practice they used when reviewing Adult Cabarets, which was providing a table of other cities practices rather than recommending specific numbers for policy changes.

Chair Finrow noted that he considered the observations approved, and then read the list of recommendations.

▪ **Discussion: Industrial Lands Strategy Commission Recommendations**
- Commission Staff

Commissioner Clements noted that Recommendation # 1, which includes the statement, Seattle's industrial areas should be retained and strengthened, had a problem, in that without the qualifier 'all', it might not be a strong policy statement. Such a qualifier would make a big difference concerning the recommendation.

Commissioner Johnson noted that in Recommendation # 2, which includes the statement, Seattle should tighten its land use practices by not allowing such things as conditional uses, contract rezones and special purpose overlays, the Commission needs to get specific about exactly what a 'contract rezone' means. It could be more specific in terms of what types of uses are not allowed, rather than just a general statement.

Commissioner Knapton suggested Recommendation # 1, which includes the statement, ...the retention of industrial land adds significantly to our family wage job base, provides significant tax revenue and has been essential to providing stability to our economy, should include the need for Seattle to be competitive with other markets. She added that industrial businesses can leave Seattle for other locations.

Commissioner Johnson suggested some criteria for when an area could potentially be rezoned from industrial uses to non-industrial uses, such as ensuring that the new use would provide the same amount of jobs at the same wage level as the previous use.

Commissioner Clements suggested some overarching framework for the recommendations, including the reasoning behind wanting to protect industrial businesses. He added that there are a variety of reasons to choose from, including environmental, family wage jobs, to be able to make goods for the area, etc. Chair Finrow agreed and stated that this statement could be placed in a preamble to the recommendations.

Commissioner Leighton suggested linking Recommendation # 1, which states Seattle's industrial areas should be retained and strengthened, with Recommendation #4, which states create 'Industrial Sanctuaries' that better define allowable uses and a focus for the area.

Commissioner Knapton suggested that the recommendations can be confusing, as they state that zoning changes should occur in industrial areas, yet suggest zoning changes such as creating industrial sanctuaries. She suggested this be clarified.

Commissioner Fiori suggested placing the recommendations in the format of an outline, with strengthening and retaining industrial lands as the main point, then land use, transportation and investment strategies as the sub points.

Commissioner To noted that while Seattle may want to preserve industrial lands now, this might change if the vacancy rates rise considerably. He added that the fact that industrial jobs are available to those without a college education is another important element of why to preserve those jobs.

Commissioner Amato suggested adding language referring to the sense of place industrial lands provide as a reason to preserve them.

Chair Finrow suggested slackening the language in Recommendation # 2, which includes the statement; Seattle should tighten its land use practices by not allowing such things as conditional uses, contract rezones and special purpose overlays. These practices have led to speculation and rising land cost. This will have a significant impact in stopping speculation and stabilizing industrial zoned areas in the city, referring to not allowing contract rezones, conditional uses or special purpose overlays.

Commissioner Kaplan suggested taking out the term ‘stopping speculation,’ and instead using ‘stabilizing industrial lands.’ He also suggested removing the language referring to stopping or limiting contract rezones, etc. as they might be good tools for the city to use sometimes.

Commissioner Johnson suggested connecting language about banning contract rezones, etc. with the creation of industrial sanctuaries. This ban could potential last ten years in the areas where industrial sanctuaries have been created.

Chair Finrow suggested combining Recommendations 2, which states it is crucial for the City to provide clarity about its intentions regarding industrial lands, and 3, which states create ‘Industrial Sanctuaries’ that better define allowable uses and a focus for the area.

Commissioner Amato suggested defining what an industrial sanctuary is.

Commissioner Kaplan stated that the presentations of other cities showed industrial sanctuaries were well-defined areas of land. The difficult aspect of creating such sanctuaries is what pieces of land are allowed in and which aren’t.

Chair Finrow stated Recommendations 4, which states the allowance of excessive amounts of retail in industrial zones has greatly undermined the integrity of Seattle’s industrial base, and 5, which states in addition, the allowance of excessive amount of commercial in industrial zones has greatly undermined the integrity of Seattle’s industrial lands could be combined. He added that language could be added here that stated that the Commission recognizes the importance of some retail uses that serve the employees working in industrial areas.

Commissioner Kaplan suggested using the term ‘reduces’ instead of ‘undermines’ in Recommendation # 5, which includes the statement, in addition, the allowance of excessive amount of commercial in industrial zones has greatly undermined the integrity of Seattle’s industrial. He added that it was his belief that Recommendations 6 and 7 seemed to conflict.

Commissioner Johnson stated that what he heard was, not that the problem is that some land owners don’t have enough flexibility in IC zones, but that it is that they don’t have enough flexibility in IG1 and IG2 or that they simply want IG1 and IG2 all changed to IC.

Chair Finrow noted that many stakeholders wanted increased FAR. Ms. Wilson added that there are impacts to greater FAR, including changes to the function of the zone in which the changes are allowed. Commissioner Kaplan noted that many industrial businesses don’t want increased FAR because it provides no tangible benefit to their business.

Commissioner Johnson suggested that the Commission suggested examining an increase in FAR in IC zones but a decrease or maintaining of FAR in IG1 and IG2. The Commissioners agreed with this suggestion.

Chair Finrow noted that Recommendation # 8, which reads, create an industrial investment strategy to accompany the industrial areas that makes sense for the different focus areas, could include examples of the investments that could be in the investment strategy, such as transit infrastructure.

Commissioner Kaplan stated that regarding Recommendation# 9, which reads, we recommend that the City provide ongoing monitoring of both vacancy rates in industrial lands, which includes a detailed and in-depth analysis of these vacancy rates, and of the success of Seattle's industrial lands policies, the question is how often a review would occur of vacancy rates and what sort of implementation strategies would this review inspire. Chair Finrow noted that what Recommendation # 9 was referring to in particular was getting better data regarding the city's current vacancy rates.

Commissioner Knapton suggested that Recommendation #10, which reads, increase enforcement of uses to ensure that only industrial uses are occurring in industrial zones, simply state that the City should enforce industrial uses in industrial zones. She added that Recommendation #11, which includes the statement, freight mobility and the movement of cargo should be a significant priority in local and regional transportation investments, include the concept that the city should increase investment in transportation infrastructure. Commissioner Knapton noted that this could be the definitive statement that begins this recommendation.

PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

Chair Jerry Finrow adjourned the meeting at 5:26 pm.