

The Future of Seattle's Industrial Lands



Seattle Planning Commission

Report • July 2007

Seattle Planning Commission



INTRODUCTION

p1

Seattle Planning Commission Role in Seattle's Industrial Lands Policy

Seattle Planning Commission Involvement in Creating an Industrial Lands Strategy

City's Effort to Create an Industrial Lands Strategy



STAKEHOLDER PROCESS AND OUTCOME

p3

Purpose of Stakeholder Involvement

Explanation of Stakeholder Involvement and Workshop Series



Seven Key Themes Identified by Stakeholders

p6

SEATTLE PLANNING COMMISSION OBSERVATIONS AND RECOMMENDATIONS

p10

Identifying the Fundamental Questions

Seattle Planning Commission Observations

p11

Seattle Planning Commission Recommendations

p14



CONCLUSION

p17

COVER ART:

Little Ship (T18), 2000

Mary Iverson

Oil on Canvas, 6" x 8" x 1"

Seattle City Light 1% for Art
Portable Works Collection

Paintings shown above are in the Seattle City Light 1% for Art Portable Works Collection. Each painting is by Mary Iverson and is featured later in this document.

Artist Statement:

My paintings feature a uniquely Seattle icon, the orange container cranes stationed at Seattle's waterfront. Part figure, part machine and part archetype, the crane is for me a symbol of personal strength. At the same time, my paintings of the cranes generate a universal appeal, as the cranes are such a prominent feature of our waterfront. These paintings were all executed on site, or en plein air. To get the feeling for the size, color and presence of the cranes, it was important for me to be painting on location, near the cranes, and experiencing all the activities on the shipping terminals.

INTRODUCTION

“Our vision of the future is one in which our city has thriving neighborhoods where residents and businesses work with the City to plan and produce projects that enhance the quality of life for those who live, work and play in Seattle.”

– Seattle Planning Commission

About the Commission

The Planning Commission, established by charter in 1946, is an independent voluntary 16 member advisory body appointed by the Mayor, City Council, and the Commission itself. This diverse group is made up of people who bring a wide array of valuable expertise and perspectives to important planning decisions in the City of Seattle. The role of the Commission is to advise the Mayor, City Council, and City departments on broad planning goals, policies, and plans for the physical development of Seattle. It reviews land use, transportation and neighborhood planning efforts using the framework of Seattle’s Comprehensive Plan and the long-range vision described in the Plan.

Seattle Planning Commission Role in Seattle’s Industrial Lands Policy

The Seattle Planning Commission is the steward of Seattle’s Comprehensive Plan, *Toward a Sustainable Seattle*, a 20-year policy plan designed to articulate a vision of how Seattle will grow. In general, the goals define a future outcome that the City is aiming for, and the policies provide guidance for more specific decisions that will be made over time.

Preserving designated industrial lands for industrial uses is an important goal identified in the City of Seattle’s Comprehensive Plan. The Plan recognizes that industrial zoned land provides a safe haven for industrial businesses where their operations are less likely to impinge on other, non-compatible uses. In recent years there have been multiple requests to change Comprehensive Plan policies and land use zoning designations for industrial properties. These requests reflect an increasing pressure to convert industrial lands to other uses. We have a growing concern about these requests and the desire of individual land owners to convert their industrial zoned land to non-industrial uses. We feel strongly that the City must not simply respond to each request on a case by case basis, but instead make rational decisions based on an informed and well-thought out strategy.

Seattle Planning Commission Involvement in Creating an Industrial Lands Strategy

In recognition of the trend toward increased requests to change the nature of industrial land, in 2004 the Mayor’s Office requested the Commission’s assistance in helping the City determine an overall approach for industrial lands. Also in 2004, we reviewed the *Ten-Year Comprehensive Plan Update*. During that process we called on the City to develop an industrial lands strategy that would consider the City’s overall objectives for maintaining and attracting industrial jobs and its role and opportunities within the regional context rather than on a case by case basis. We believe that an industrial lands strategy can provide overarching guidance to the City when responding to specific requests for zoning or land use changes in industrial areas.

Based on the Commission’s recommendation, City Council asked the Department of Planning and Development (DPD) in 2005 to complete a study that would help the Council make decisions about the proposed Comprehensive Plan amendments. The Department of Planning and Development (DPD) along with the Office of Economic Development and the Planning Commission completed the study in August 2005. In addition, we did independent research looking at how five other cities approached similar efforts to create an industrial lands strategy. We released the *Comparison of Industrial Land Strategies* report in November of 2005. We believed that the study and our report provided a strong compelling rationale to call for the City of Seattle to create a thoughtful ‘strategy’ regarding how best the City will structure land use to meet the needs of or make changes in the future to industrial and manufacturing land uses.

The Planning Commission and the Department of Planning and Development co-sponsored a four-part workshop series in the Spring of 2007.



INTRODUCTION (continued)

In late 2005 the Seattle City Council responded to the Commission's call for action by allocating funds for DPD, with assistance from the Commission, to create an Industrial Lands Strategy. Since that time we have been working very closely with DPD to assist them in their effort to create a strategy. The Commission has been particularly involved in the stakeholder involvement process.

City's Effort to Create an Industrial Lands Strategy

In 2006 the City Council adopted a supplemental budget, funding DPD to prepare an Industrial Lands Strategy to ensure adequate land to accommodate the expected future amount of industrial uses, and to provide criteria for evaluating future requests to reclassify industrial lands.

DPD began conducting research to identify the key issues facing industrial businesses in the city, to see how other cities have addressed similar issues, and to work with the community to develop approaches that can help Seattle meet its objectives for industrial land. DPD will have recommendations completed in time to inform City Council decisions on the 2007 Comprehensive Plan amendments, which include requests for changes to industrial land.

The Commission and DPD conducted an extensive process to engage stakeholders in a discussion about the future of Seattle's industrial lands.



In 2006 DPD began extensive background analysis, research, survey work and public involvement to help better inform Seattle's Industrial Lands Strategy. They produced and released four reports earlier this year including:

[Seattle's Industrial Lands Background](#)

[Report](#) features information including the existing framework of industrial policies in Seattle, statistics about land use and facilities in industrial zoned areas, detailed profiles of seven industrial neighborhoods, a summary of survey findings highlighting the perspectives of industrial business owners, and historical and projected employment information.

[Industrial Lands Survey: Survey of Business](#)

[Owners](#) provides the results of a survey of 100 industrial businesses about their operations and the opportunities they have and the challenges they face in Seattle.

[Industrial Lands Survey: Investigation of Comparable Cities](#)

provides information on how eight North American cities are currently handling the unique industrial issues in each of those cities.

[Industrial Lands Survey: Perspectives on the Benefits and Challenges of Business Opportunities in Seattle's Industrial Lands](#)

provides more detailed information than what was gathered in the larger Survey of Business Owners. This focused study was designed to gather more specific information from a targeted group of industrial business owners.

In addition to cosponsoring our stakeholder workshop series DPD also held special focus groups and met with several constituency groups in order to ensure that they were hearing a broad and diverse set of perspectives.

STAKEHOLDER PROCESS AND OUTCOMES

Purpose of Stakeholder Involvement

The Planning Commission sought to engage the public and industrial lands stakeholders as an important component of the Industrial Lands Strategy. This engagement was meant to achieve the following:

- Engage the public and stakeholders in a discussion about the future of Seattle's industrial lands
- Obtain input about the state of industrial lands and current trends affecting those lands from stakeholders closely involved with these areas
- Ensure adequate public review of the Industrial Lands Strategy process
- Educate the public about strategies for approaching industrial lands taken by other major cities and the results of the Department of Planning and Development's (DPD's) research element of the Industrial Lands Strategy
- Document public and stakeholder concerns and suggestions for the future of Seattle's industrial lands

Explanation of Stakeholder Involvement

The Planning Commission and DPD co-hosted a four part workshop series seeking input from the public and stakeholders about the Industrial Lands Strategy. These events included:

Event One – Lessons from Other Cities

To open the workshop series the Planning Commission organized a panel discussion was held with leading industrial lands experts from Chicago, Portland, and Vancouver, BC on March 29, 2007. The panelists discussed the challenges and issues facing these cities with regard to industrial land and how they have attempted to resolve those issues through land use and zoning strategies.



City staff take Event One panelists on a tour of Seattle's industrial areas, including Fisherman's Terminal.

Panelists included:

Nora L. Curry, City of Chicago, Director of Industrial Initiatives and Policy, Department of Planning and Development;

Christina DeMarco, Greater Vancouver Regional District, Regional Development Division Manager, Policy and Planning Department, and;

Steve Kountz, City of Portland, Senior Economic Planner, Bureau of Planning.

Stakeholders were able to ask the panelists questions and make comments about their experiences and how strategies used in other cities might be applied in Seattle.

Event Two – Conversations about Industrial Lands: Challenges and Opportunities

The second workshop was held on April 10, 2007. At this event we held a roundtable discussion with industrial lands stakeholders about the current challenges and opportunities related to preserving industrial land for industrial uses. The event was facilitated by Commissioner Linda Amato, and covered the topics of transportation and freight mobility and land constraints and conversions.



At Event Two, Commissioner Linda Amato leads a round table discussion with stakeholders focused on transportation, freight mobility and land constraints.

STAKEHOLDER PROCESS AND OUTCOMES

Below: Commissioner Chris Fiori leads stakeholders in a roundtable discussion about the future of Seattle's industry at Event Three.

Right and at bottom of page: additional photos from Event Three.



Event Three – Conversations about Industrial Lands: The Future of Industry in Seattle

On April 24, 2007 we held another roundtable discussion with stakeholders about the future of Seattle's industry. Issues including changes in the global marketplace, how to allow for flexibility and new opportunities, and emerging industries were explored. The event was facilitated by Commissioner Chris Fiori and topics included regional perspectives, the future of the port, new and emerging industrial business. In addition, we asked several individuals to make opening remarks relevant to the topics to be discussed in this workshop. The participants heard opening remarks from Eric Schinfeld, Economic Policy Analyst, Puget Sound Regional Council; Phil Lutes, Deputy Managing Director at the Port of Seattle – Seaport Division; and Philipp Schmidt-Pathmann, President, Waste Recovery Seattle International.

Event Four – Alternatives for Moving Forward

The fourth and final workshop, held on May 31, 2007, was a forum at which we presented preliminary key themes from the stakeholder involvement process and DPD shared their preliminary thinking about the Industrial Lands Strategy. The key themes provide a documentation of the outreach process and an objective overview of what we heard from stakeholders. The event included an opportunity for participants to provide input on the Commission's observations and DPD's thoughts on the study. The event was facilitated by Commission Chair Jerry Finrow, who presented Commission observations and facilitated participant discussion to make sure the Commission 'got it right'. In addition, DPD staff presented early thoughts on the Industrial Lands Strategy. The event included an opportunity for participants to provide input on the Commission's observations and DPD's thoughts on the study.

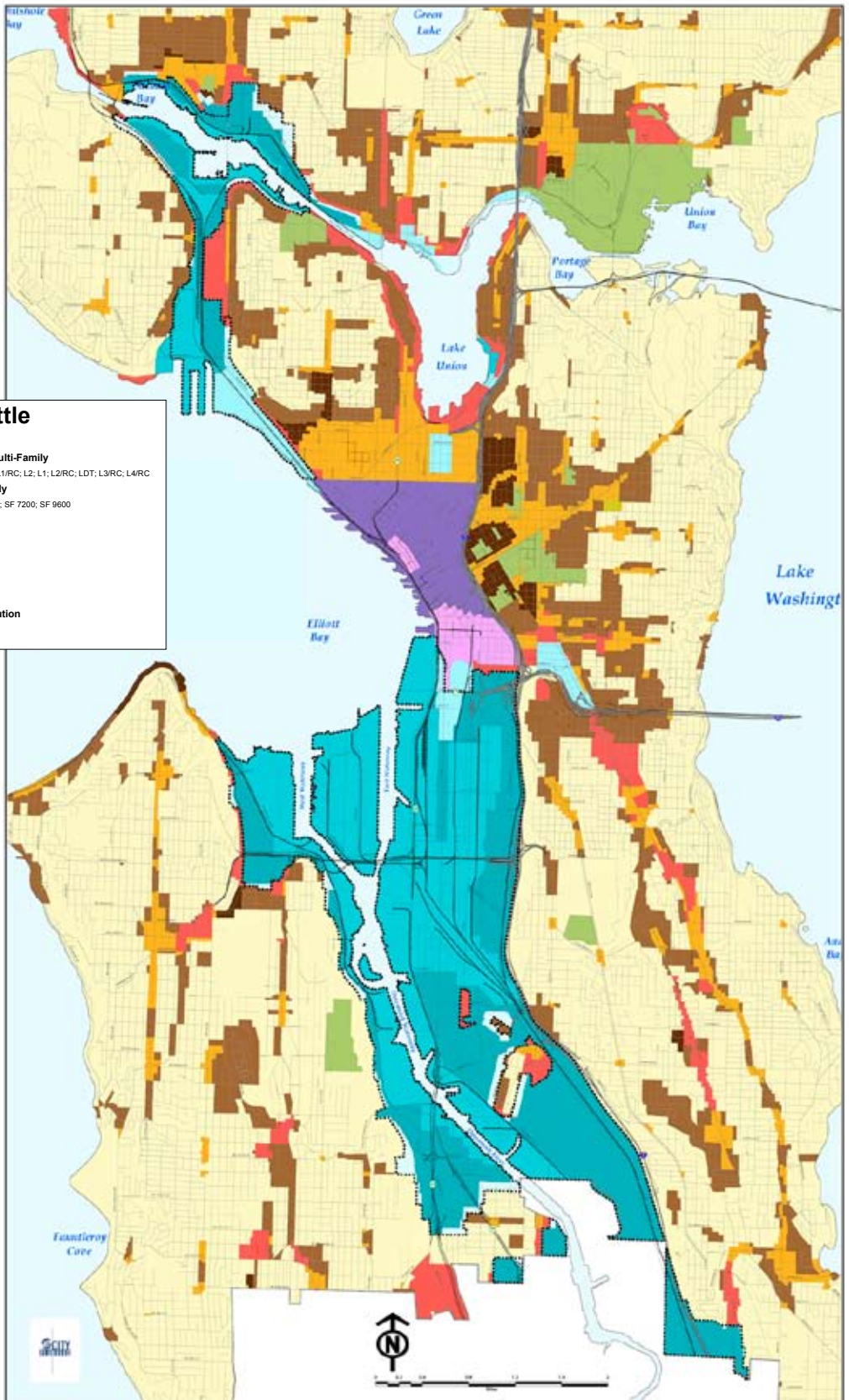


Seattle Zoning Map

Areas zoned industrial make up 5,142 acres of land or 12% of the total land area.

Industrial Areas of Seattle

Manufacturing / Industrial Center Dotted line	Low-Rise Multi-Family L4; L3; L1/RC; L2; L1; L2/RC; LDT; L3/RC; L4/RC
Zoning	Single Family
Downtown DH2; DH1; DOC2; DOC1; DMC; DMR; DRC	SF 5000; SF 7200; SF 9600
IDM; IDR; PMM; PSM	Industrial
Commercial C1; C2	IB
Neighborhood Commercial SM; SMR; NC3; NC2; NC1; NCR	IC
High-Density Multi-Family HR; MR; MR/RC	IG1
	IG2
	Major Institution
	MIO





Little Ship #2, 2000
Mary Iverson
Oil on Canvas, 7" x 5" x 1"
Seattle City Light 1% for Art
Portable Works Collection

Seven Key Themes Identified by Stakeholders

The Planning Commission documented all of the comments made at the workshops and received additional comments in writing from stakeholders during and after the stakeholder involvement process. The Commission also took public comment at three Commission meetings after the workshop series convened. The Commission developed seven key overarching themes that emerged from the entire event series.

The key themes are meant to provide an objective overview of the input we heard at the public events, as well as serve to provide documentation of the process. For each of the seven key themes, more detailed sub-points are provided.

1 **There was broad consensus by stakeholders that defining what is meant by 'industrial business' is often a difficult endeavor. Stakeholders suggested that the current definition needs to be clearer, and a nuanced approach should be taken when developing this definition.**

- Businesses change rapidly over time, as new industries develop and older industries recede.
- Many of Seattle's regulations regarding industrial lands were created during a different era, and certain types of new businesses exist today that, while not currently allowed in industrial zones, could potentially utilize industrially zoned lands.
- Many modern 'industrial' businesses are no longer the polluting, noisy type of business many people believe they are.
- When considering what areas should be considered 'industrial', a nuanced approach should be used, as there are certain areas where primarily non-industrial businesses are located in industrial zones.
- Other cities have struggled to provide enough flexibility in their zoning regulations to allow for innovation in industry and attract new businesses, while maintaining strict enough regulations to keep undesired uses out of industrial zones.



Seven Key Themes Identified by Stakeholders

2 Participants in the outreach process noted that there is a lack of certainty and clarity concerning what criteria the City of Seattle uses to rezone industrial land to non-industrial uses. They suggested that the City should consider ways to create more certainty and provide more predictability for industrial businesses that want to make long term investments, and there should be a clear public policy rationale for whatever criteria are developed.

- There appears to be a disconnect between the Comprehensive Plan's policies regarding industrial lands, which advocate for preservation of industrial lands, and the City's actual practices regarding issuing permits for non-industrial uses in industrial zones. Clear criteria for rezones need to be developed.
- Industrial zoning currently provides a place for 24-hour, noisy operations that are critical to the city's economy. Criteria that would accommodate more flexible uses would need to explain why these other uses could not be accommodated in other areas of the city and the effect of new uses on existing businesses.

3 Pressure on industrial lands, a phenomenon not unique to Seattle, is a major concern for many industrial business owners. Some participants noted that this pressure is pushing land costs up, forcing businesses out of Seattle or limiting their opportunities to expand, and prompting the increasing number of requests for the conversion of industrial lands to non-industrial uses.

- Demand for industrial lands in Seattle is strong, with very low vacancy rates. However, the effect land cost has on the overall cost of doing business in Seattle will impact the ability to maintain Seattle's industrial sectors.
- Seattle, along with Chicago, Portland and Vancouver, B.C., have struggled with maintaining industrial lands for industrial uses due to widespread speculation on zoning changes in industrial areas. This has caused difficulty for industrial businesses trying to locate or expand in the city.
- Many businesses are leaving Seattle for cheaper land and labor, which is available in surrounding areas in the region or overseas.

4 Other major cities have deemed industrial lands integral to their future success and have taken significant steps to ensure that success.

- In Chicago, Portland and Vancouver, B.C., policymakers have concluded that industrial lands are important public resources that should be preserved.
- Other cities' reasons include industrial businesses providing high-paying jobs that do not require a college education and can often last someone's entire career, producing additional jobs in related industries, and helping diversify their city's economy.
- Other major cities have instituted zoning areas with strict regulations designed to protect and foster their industrial businesses, which emphasize the need for preservation not just of industrial lands, but of the businesses in them that could be lost to other markets. These zoning areas stabilize land use, thus giving industrial business owners certainty and predictability when they're making land use decisions, thus promoting investment in their properties.
- Common elements of these policies include creating guidelines eliminating or strictly limiting the potential for land in certain industrial zones to be rezoned and limiting the type and size of non-industrial uses in industrial areas.

Seven Key Themes Identified by Stakeholders

5 Different groups of stakeholders have different goals and interests. While many industrial businesses emphasize preservation or expansion of industrial land for industrial uses, many industrial land owners believe significant rezoning should occur. However, land owners exist that also operate businesses on their land who also advocate for preservation or expansion. There is consensus among all stakeholders, however, that none of the land currently zoned industrial should be considered for residential development.

- It is important to understand the differences between industrial tenants, land owners, and land owners who also operate businesses on their property, and what is driving each of their interests.
- Industrial land owners are concerned that their land prices as a percentage have gone up less than other areas of the city.
- There is also a concern about the amount of land recently purchased by public agencies for public uses, which is creating increased competition for land.
- Artists that use land zoned industrial for their crafts, including wood building, ceramics, and metalworking, value industrially zoned land and would like to see more land zoned industrial.
- The overall lack of available land may call for the City being more creative in looking at increasing FAR and creating more flexibility in the zoning code, which may help attract other industries. However, many industrial business tenants believe that allowing residential uses in to the industrial areas would be a death sentence to industrial business. This is true even for new R&D industrial businesses that need the same kinds of protections industrial zoning provides to be able to conduct noisy activities at all hours.
- To some industrial businesses, the creep of non-industrial uses into industrial lands is a great concern. Non-industrial businesses often complain about pollution, noise, light and traffic once they are in industrial areas, and are capable of litigation over their complaints.
- Overall, zoning changes in industrial areas could create both opportunity and conflict. Increasing the allowable uses and density in industrial areas could dramatically increase the amount of jobs in the area. However, many of the new businesses who want to move into industrial-zoned areas want corporate campuses, which can potentially be incompatible with industrial uses.
- As the City moves forward with future decisions regarding large scale requests for rezones of industrial land to non-industrial uses, it should be aware of the potential there is for setting a precedent with these decisions. Many stakeholders believe future decisions made regarding such rezones should be balanced, fair and equal.



Seven Key Themes Identified by Stakeholders

6

The stakeholder outreach process identified investment in transportation infrastructure as one of the best ways to support industrial businesses. Suggested strategies include improving freight mobility by protecting rail, lessening traffic congestion, making improvements to the street grid, and reviewing parking policies.

- The Port of Seattle container shipping business could significantly expand, creating economic benefits for the region if the infrastructure is in place to capitalize on this opportunity. Rail capacity will require significant expansion in the coming years if Seattle expects to take full advantage of trade with Asia.
- The introduction of other uses into industrial areas has created significant traffic congestion. Products in industrial areas need to be moved by trucks and that is getting more difficult because of road congestion, causing delays that are costly to business.
- Trucking and freight mobility requires good sightlines, wider lanes, improvements to the size and length of the street grid and a revisiting of roadway geometrics. In addition some significant challenges exist when pedestrian and bicycle facilities or street trees are introduced into these areas, causing conflicts with freight movement.
- More flexibility is needed for parking regulations in industrial areas to help serve the broadening needs of industrial businesses.
- Other transportation issues that need to be addressed include potential dislocation due to changes to the Viaduct and increased investment in mass transit for the workforce.

7

Participants recommended that it is important to consider Seattle and its infrastructure in a global and regional context.

- Industrial businesses vary in how they relate to the rest of the region and to other locations in the global market. Many trends affecting industrial businesses in Seattle are caused by trends in the global market place, and Seattle must compete with these other markets to maintain its industrial businesses.
- Regionally, some uses may be able to move to the Green River Valley, but many maritime uses can't just move to Kent. The Port of Seattle has little ability to move elsewhere and provides an important resource to the City's economy.
- The city should understand how letting go of industrial land would, among other things, impact the overall operations of the Port, the city's revenue and the continued ability to provide family wage jobs.
- Maintaining and potentially expanding the Port's resources, as well as maintaining uses adjacent to and near Port uses that utilize the Port's infrastructure in some way, are important goals to consider. However, it should be made clear what the Port's goals are for the future and how much area needs to be preserved for its potential expansion.
- The City is required to view industrial lands in a regional context by the Growth Management Act, and should ensure it is achieving the goals set out by the Act.



SEATTLE PLANNING COMMISSION OBSERVATIONS AND RECOMMENDATIONS



Crane Study #3 (Sun), 2000
Mary Iverson
Oil on Canvas, 6" x 8" x 1"
Seattle City Light 1% for Art
Portable Works Collection

Identifying the Fundamental Questions

After reviewing the key themes that came out of the stakeholder involvement process, the Commission has developed what we believe are the fundamental questions facing Seattle regarding industrial lands. These fundamental questions are intended to help define where the debate is and where the city should focus its efforts in creating a strategy.

- Is all industrially-zoned land in Seattle sacred? If not, how do we avoid a haphazard piecemeal approach to changes?
- How can the City best balance sustainability and promotion of industrial businesses with flexibility and opportunities for other uses? What is the appropriate definition of an industrial use in the 21st Century?
- What is the appropriate public policy rational for maintaining industrial land? What would be an appropriate public policy rational for rezoning industrial land?
- What are the advantages for the City in maintaining land that is zoned for industrial uses? What are the industries that need specially zoned land that is separated from commercial, retail and especially residential? What are those industries value to the city?
- How can the City best provide certainty and clarity concerning the future of industrial lands for current business and land owners? Are there useful zoning and land use changes that could create more clarity and certainty and help protect the benefits of industrial zoning?
- What are the goals and expectations we have for our industrial lands? What are the benefits we want to preserve (health and safety, family wage jobs, city revenue, economic diversity)?
- What strategies for approaching industrial lands in other cities have worked best and what are the best strategies for Seattle? What steps can Seattle take to improve infrastructure in industrial areas?
- What are Seattle's competitive advantages in the regional marketplace? What are Seattle's competitive advantages in the global marketplace? How can these advantages best be maintained and strengthened? What are the critical assets for industrial business and how do we sustain and maintain them?

Seattle Planning Commission Observations

Drawing on their close examination of issues regarding Seattle's industrial lands over the past several years, as well as the input they received from stakeholders during the public involvement process, the Commission developed a series of observations. These observations are not meant as recommendations on what policy decisions the City

should make regarding industrial lands. Instead, they represent the Commission's attempt to synthesize all of the information they have reviewed and draw some objective conclusions about the current state of Seattle's industrial lands.

1 Providing clarity and certainty about Seattle's industrial lands is essential to stabilizing speculation and land costs.

- The Industrial Lands Strategy should result in providing certainty with regards to the city's policy on industrial lands. Other cities have found that speculation and land costs have stabilized once clear policies are provided. Some of these cities are moving towards preservation, others towards housing, but none are going at it haphazardly, as Seattle is.
- A clear definition of industrial is needed. There are questions that remain about the ability to include research and development in industrial areas or whether if there's no production should these uses be allowed outright in industrial areas. It will be important to understand the potential conflicts between 'new' industry and traditional heavy industry.
- There appears to be little controversy about maintaining the strong industrial nature in the majority of areas zoned industrial. A vast majority of

the current land owners do not believe that residential is appropriate in industrial areas nor that current industrial areas should be rezoned to another zoning category that allows residential.

- The geographical areas that elicit the most controversy amongst stakeholders are the areas immediately south of downtown, north of Spokane Street and the areas outside the Manufacturing/Industrial Center (MIC). These are the places where the majority of speculation is happening and also where the majority of requests for changes have occurred.
- Current Floor Area Ratio (FAR) and height restrictions should be reexamined. Adjustment of these restrictions could promote more investment and growth in industrial areas. Care should be taken, however, to examine potential unintended consequences from such adjustments.

2 Industry in Seattle is thriving and vibrant.

- The extremely low vacancy rates in industrial areas indicated that industry in Seattle is thriving and vibrant. When considering action regarding industrial land, it will be important to consider 'protecting' or 'growing' Seattle's industrial lands, rather than speaking in terms such as 'preserving' industrial land. The term 'preservation' conjures up a vision of saving a dying aspect of the city, which is not accurate.
- Seattle is a competitor for industrial business in the regional and global market, and has the opportunity

to enhance its competitive advantages. Increasing trade with other regions could present an opportunity for increased growth in Seattle's industrial sector, including expansion of existing businesses and attraction of new businesses.

- Seattle's unique position in regard to transportation options is largely responsible for the vibrancy of its industrial sector. The intersection of access to water, rail, I-90 and I-5 is an invaluable asset for industrial businesses, and is what keeps many of them in Seattle

Seattle Planning Commission Observations

3 There is a strong public interest in maintaining, and even growing, industrial sector jobs in Seattle.

- Basic industries constitute about 25 percent of the total employment in the city.
- Industrial jobs provide high-paying, family-wages jobs that are especially valuable to those without a college education. These jobs increase the diversity of the city.
- Seattle has extremely valuable resources in terms of port and transportation infrastructure that cannot be found elsewhere.

4 Industrial land is a limited resource and commodity.

- Studies appear to indicate that there is not excess capacity in the region to meet future land use demand for industrial businesses.
- Once land is converted from industrial uses, it rarely returns to industrial uses. Profitability drives this as commercial and residential uses generate more revenue for land owners than industrial uses.
- Seattle is at the center of a land-constrained region where industrially zoned land is in particularly short supply when viewed in relation to other uses. Residential and commercial office uses, for example, both have identified capacity for 20 years or more of growth at targeted densities across the county, according to buildable lands studies and countywide planning policies.

5 A variety of factors are putting increasing pressure on industrial lands

- The presence of non-industrial uses in industrial areas raises the economic value of that land and the expected value of adjacent industrial land, leading to either prohibitively high rents for industrial businesses or the desire by the owner to sell and cash out. Increasing land speculation has a similar effect. Both trends are having a negative impact on local industrial businesses.
- Factors contributing to the increasing conversion pressure include proximity to downtown, low vacancy rates in non-industrial zones, current land use code which permits large scale non-industrial uses, the ability of newer businesses to invest more heavily in their property and operations, and increased acquisition of industrial land by governmental entities, often for conversion to non-industrial uses.
- The growing number of Comprehensive Plan amendments related to the rezoning of industrial land to non-industrial uses, along with other factors, indicates the pressure on industrial lands will continue if no changes are made.
- Industrial lands near downtown are reportedly attractive to new and growing regional employers in 'creative industries' like software and other technology development. Some of these businesses are attracted to industrial zoned land because it offers opportunities for low-scale, single company campus-type development with large floorplates, while still having proximity to downtown amenities and a central location.

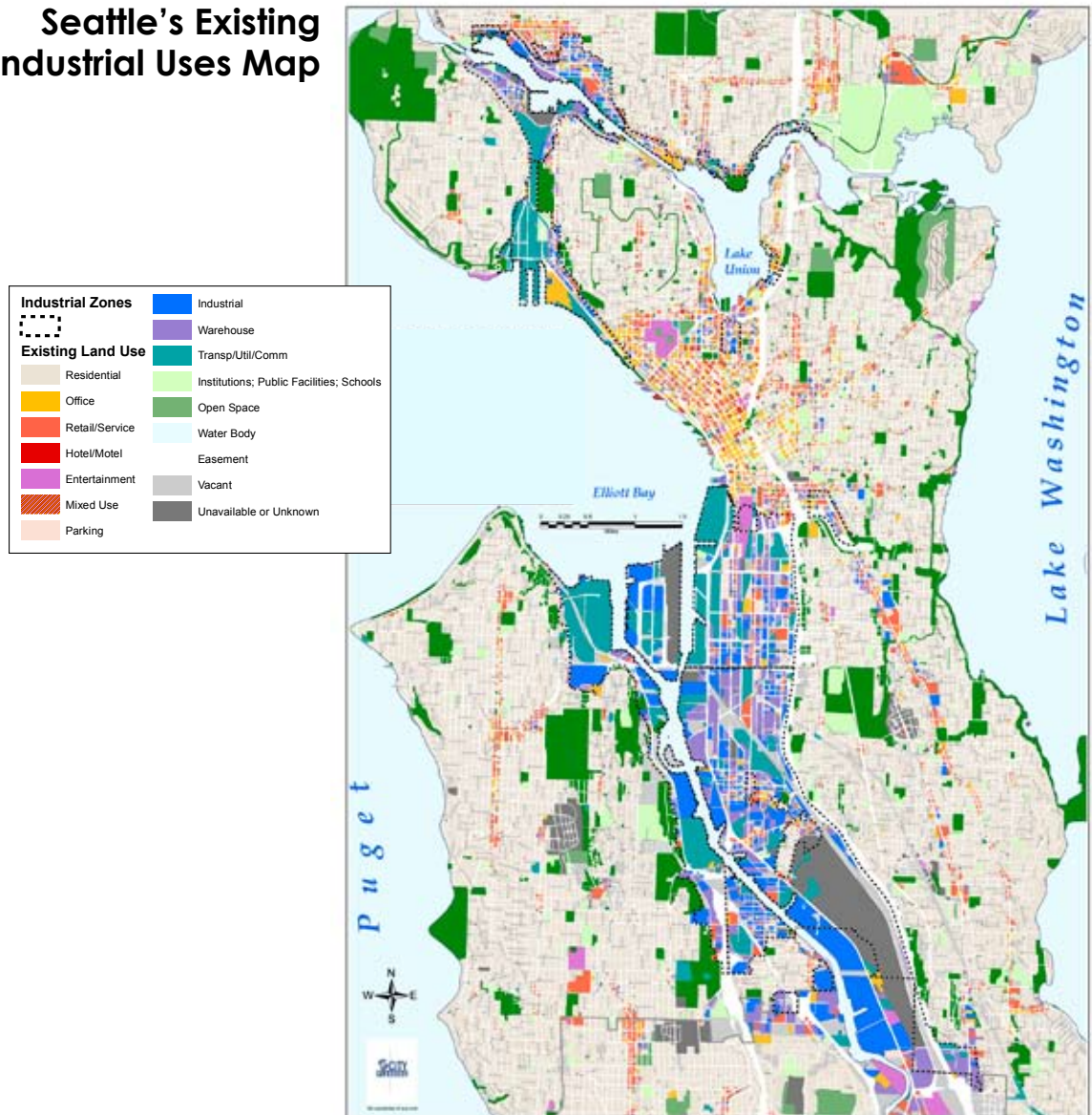
6 Industrial businesses have unique and special needs.

- Non-industrial neighbors are impacted by the noise, dust, odor and trucks associated with nearby industrial uses which can lead to restrictions on industrial operations. This indicates that use and zoning in areas surrounding industrial lands can be important factors.
- Converting industrial areas to commercial or residential uses would require substantial investments in infrastructure. Industrial areas are characterized by poor roads and drainage, lack of sidewalks and inadequate access for commuter traffic that commercial or residential uses would generate.
- Manufacturing and industrial and marine-related businesses generally require large tracts of lower cost land with access to freight transportation, heavy use utility infrastructure and some separation from non-industrial uses.
- Water-dependant businesses are very important to Seattle's industrial sector, and require a variety of infrastructure needs that other businesses do not.

7 There is a need for investment and preservation in industrial lands-related infrastructure.

- Many industrial businesses require substantial transportation infrastructure for freight mobility, including wide turning radii, easy and quick access to major transportation corridors, and access to rail and port infrastructure. These businesses also require investment in public transit options for their employees. Improvements to this infrastructure could increase the viability of these businesses. The future of the Viaduct will have a great effect on freight mobility, and will need to be considered.
- Many of the facilities used by industrial businesses are aging, and need re-investment. This re-investment may be difficult for these businesses due to the low-margin nature of their operations and a lack of capital.
- Investment in the remediation of contaminated sites in industrial lands will be necessary to ensure these sites and Seattle's industrial lands in general are fully utilized.

Seattle's Existing Industrial Uses Map



Seattle Planning Commission Recommendations



Little Ship (T18), 2000
Mary Iverson
Oil on Canvas, 6" x 8" x 1"
Seattle City Light 1% for Art
Portable Works Collection

“Industrial zoned land is a vital civic asset. Because Seattle’s industrial businesses are critical to our city’s overall economic health and global competitiveness the City should strengthen its industrial policies. The retention of industrial land contributes significantly to Seattle’s family wage job base, provides significant tax revenue to the city and is essential in providing stability to our economy. We are a growing city with lots of competition for scarce land. This competition has created the need for quick action to protect and provide certainty for industrial land. Seattle’s industrial zoned land provides a sanctuary to industrial business in a tight land market and once converted is not likely to be replaced. The industrial sector contributes to the City’s diverse economy, which protects us from economic downturns and preserves our quality of life. In the past, the industrial sector has served as a counterbalance to the cyclical nature of other industries. This sector also provides the mainstay of middle income jobs to individuals without higher education. These factors should be highly valued when we consider ‘highest and best use’ of our scarce land.” – Seattle Planning Commission, July 2, 2007

The Planning Commission has been carefully reviewing Seattle’s policies regarding industrial zoned land for many years. In addition we have conducted and reviewed research and analysis on the current market and employment trends. We also conducted extensive stakeholder outreach.

We used all of this information to conduct our independent analysis and as such we have concluded the following:

1 Generally, the policies outlined in Seattle’s Comprehensive Plan continue to be relevant and appropriate framework guidelines for the treatment of Seattle’s industrial areas and illustrate the City’s historical support for the unique needs of industrial business. However, the City should look for additional ways to strengthen and expand Comprehensive Plan policies to reinforce their commitment to protecting industrial areas in the City.

2 The City should align its zoning and land use policy to ensure the integrity of Seattle's vibrant industrial businesses.

- In order to preserve and foster Seattle's industrial businesses, the city should not reduce the geographic area of its General Industrial 1 (IG1) and General Industrial 2 (IG2) zones. It should reexamine the land use code restrictions in these zones, however, in the manner documented below. Industrial Commercial (IC) may need some adjustment, both in terms of geographic area and land use code restrictions. When examining IC zones, the City should look again at the constraints in these zones to ensure the City's policies regarding retail and office uses are focused on creating employment centers. The City should ensure enough flexibility exists to foster employment centers that can exist and thrive in IC zones.
- The allowance of excessive amounts of retail and commercial uses in industrial zones has compromised the integrity of Seattle's industrial base. We recommend that the City significantly restrict the amount of retail and commercial uses that are allowed in industrial zoned areas. Small retail uses are important to the functioning of the industrial areas; by limiting the size of these uses, we expect that new retail uses will be those that primarily support the industrial area. These size limitations may vary between IG and IC zones, such as creating stricter size limitations in IG zones than in IC zones, to best foster the intended uses for each zone. For example, Portland's "industrial sanctuary" zones limit retail and office primary uses to up to 3,000 square feet outright and 25,000 square feet or 1:1 Floor Area Ratio with a conditional use. In order to obtain a conditional use, the use "needs to be located in the industrial area or building because industrial firms or their employees constitute the primary market of the proposed use." In Chicago, general retail sales uses are limited to 3,000 square feet, and must be accessory sales of goods produced on-site. Generally, office uses are limited to 9,000 square feet, a reuse of an existing building, or as an accessory to the allowed industrial use.
- Residential uses should continue to be expressly prohibited in industrial zones. In Seattle's land use code, residential uses are currently allowed in Single Family zones, Multifamily zones, most commercial zones and in the Seattle Mixed zone. Single Family and Multifamily zones comprise close to 80 percent of Seattle's total land acreage. Consistent with the Comprehensive Plan, residential uses should continue to be encouraged and focused in a way consistent with Seattle's Urban Village Strategy, focusing the bulk of residential growth in Urban Centers that are served by infrastructure.
- The City should carefully and clearly define what constitutes an industrial use in order to provide more clarity for land owners, potential developers and new businesses that may want to locate in Seattle.
- Public agencies should be discouraged from locating inappropriate uses that disrupt the industrial nature of these areas.

3 The City should implement a variety of land use and zoning strategies to stabilize and provide clarity regarding industrial lands.

- Seattle should tighten its land use practices by putting limits on conditional uses and special purpose overlays that change the nature of industrial areas.
- The City should treat land in Seattle's MIC as an area that requires additional sanctuary from uses that degrade and compromise industrial uses. Seattle should consider applying some of the strategies used by cities regarding 'industrial sanctuaries' to Seattle's MICs.
- Contract rezones should be severely limited and only allowed in special circumstances when there is a well-documented public policy rationale for doing so. The city should outline clear and understandable criteria for meeting a high threshold.
- In order to provide certainty and stability to the industrial areas the City should refrain from entertaining requests to rezone major portions of industrial land.
- The City should increase enforcement of uses to ensure that only industrial uses are occurring in industrial zones.

Seattle Planning Commission Recommendations

4 Any adjustments to Seattle’s industrial lands strategy should be based on well documented data which accurately measure the success of its industrial land policies.

- The City should conduct ongoing monitoring and measurement of vacancy and utilization rates on industrial lands. Periodic reports should be created and analyzed to confirm issues and opportunities related to how these lands are utilized, and the results from such studies shall assist DPD, the Seattle Planning Commission, and the Executive in analyzing and acting upon any related Comprehensive Plan amendments.
- The city should continue to track wage and employment information regarding industrial jobs, to determine if industrial policies are working to preserve family-wage jobs, including jobs that do not require a college education.

5 Seattle’s port and transportation infrastructure puts it at a distinct competitive advantage. These resources should be protected, and infrastructure investment plans should be developed for Seattle’s industrial areas.

- Seattle is an important seaport for international trade and cargo shipping. This sector of Seattle’s economy is vital and should be specifically protected from uses that will negatively impact the efficient movement of freight and Seattle’s competitiveness in the global economy.
- The City should create an industrial infrastructure strategy to accompany the Industrial Lands Strategy that will build on the industrial needs and focus of the industrial areas.
- Investment in transportation infrastructure that supports industrial business and its workforce is essential. As jobs and housing growth continues, the transportation network is becoming more constrained. Freight mobility and the movement of cargo should be a significant priority in local and regional transportation investments. Single occupancy vehicle trips through and to the industrial areas should be discouraged. Transportation agencies should work closely with major employers to take advantage of existing public transit amenities that serve the worker in these areas to minimize the adverse impacts of increased traffic in industrial areas.

6 The City should examine the current capacity for research and development (R&D) businesses in land currently zoned Commercial, Seattle Mixed, and Industrial Commercial before rezoning lands to accommodate these uses. Sufficient capacity may already exist for these businesses, and creating new land for these uses may not be necessary.

- The City should clearly articulate the difference between R&D that has a valid and compelling need to be located in an industrial area versus those that act more as a typical office use. Only R&D that has a clear and compelling reason to be in industrial areas should be permitted and should be focused in land zoned IC.
- The City should specifically consider where best to accommodate the needs of ‘cleaner and quieter’ industrial businesses such as high tech R&D and biotech. High tech R&D and other ‘new’ industrial businesses are currently allowed in land zoned Commercial, Seattle Mixed, and Industrial Commercial where infrastructure exists and conflicts with other industrial users can be minimized.
- After examining current capacity, the City could consider allowing greater flexibility including density, Floor Area Ratio and heights in areas currently zoned IC, Seattle Mixed or Commercial to accommodate the different needs of the ‘cleaner and quieter’ industrial businesses that have a specific need to be in industrial zoning.

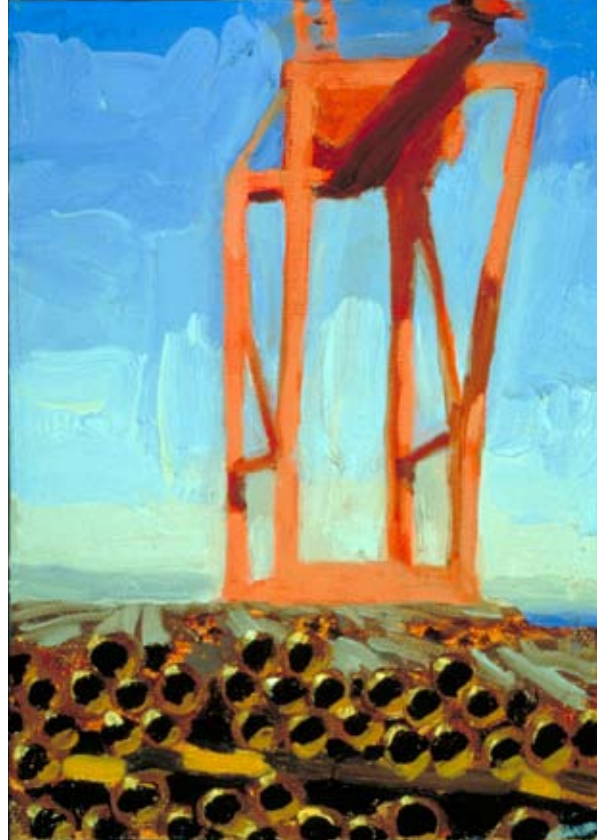
CONCLUSION

We hope that this document will be of assistance as the City finalizes its Industrial Lands Strategy. The Commission will continue to be involved in reviewing the final proposal and will assist Council as they review the proposal. We hope we can continue to be a resource for policymakers as they grapple with this complex and important issue.

With this document, the Commission has attempted to create a framework to guide the manner in which the City handles future decisions regarding the vital resources that are Seattle's industrial lands. We hope it will serve as such a guide for long after its completion.

Our intent is to advocate for an Industrial Lands Strategy that will provide more clarity and certainty about industrial areas and the City's continued commitment to industry in Seattle. The Commission strongly believes that decision-making concerning Seattle industrial zoning should be based on an informed and well-thought out strategy.

The Commission would like to take this opportunity to thank the Mayor's office, the Urban Development and Planning Committee of the Seattle City Council, the Department of Planning and Development, and the Office of Economic Development for their hard work and assistance in creating a Strategy. We would also like to thank industrial businesses and land owners, stakeholders and members of the public who attended workshops, provided written comments or made comments at public meetings. We have sincerely appreciated the opportunity to assist the City of Seattle in reviewing its industrial lands policies and making recommendations for the future of Seattle's industrial lands.



Crane Study #4 (Pipes), 2000
Mary Iverson
Oil on Canvas, 7" x 5" x 1"
Seattle City Light 1% for Art
Portable Works Collection

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