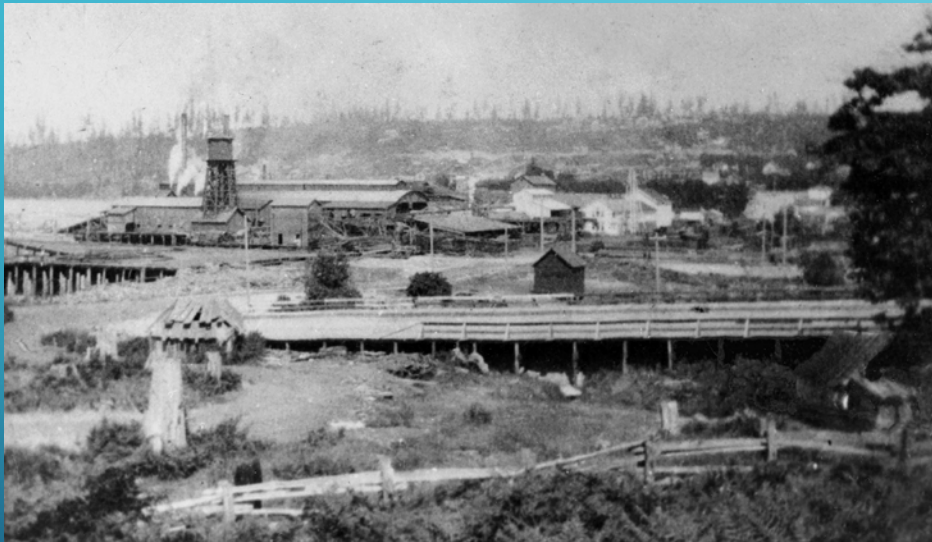




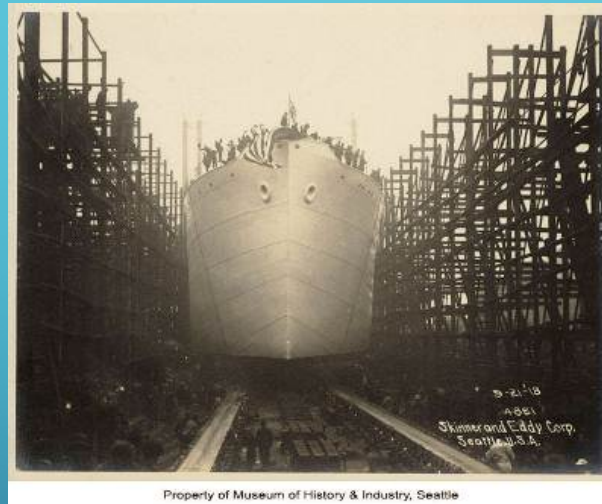
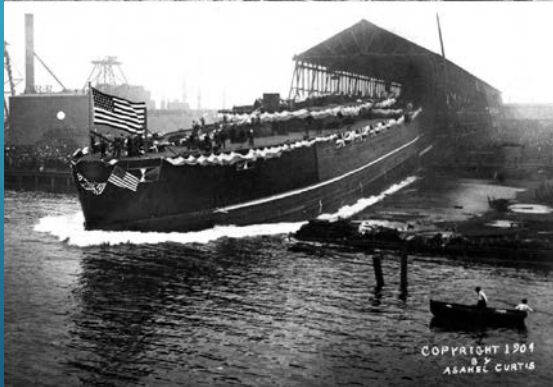
INDUSTRIAL LAND IN SEATTLE

A RETROSPECTIVE FOR THE PLANNING COMMISSION
APRIL 12, 2018

EARLY RESOURCE EXTRACTION



EARLY 20TH CENTURY - MANUFACTURING



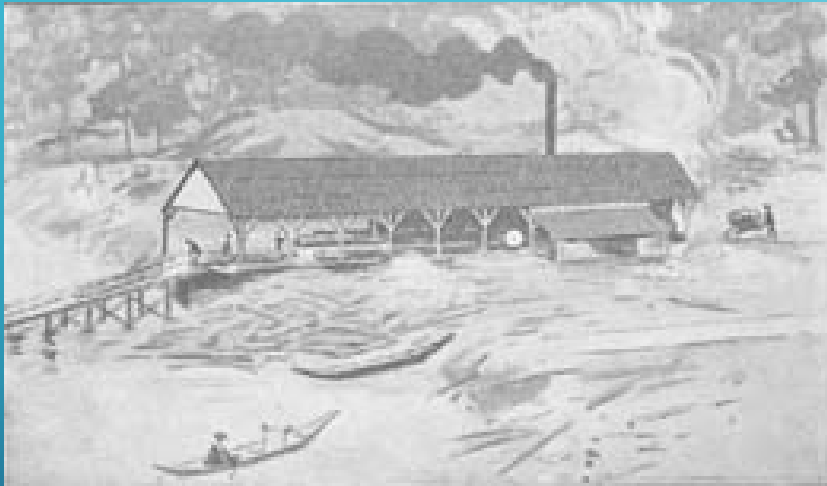
21ST CENTURY RESOURCE AND MANUFACTURING



INTERNATIONAL AND DOMESTIC TRADE



EVOLUTION OF SEATTLE'S INDUSTRIAL LAND

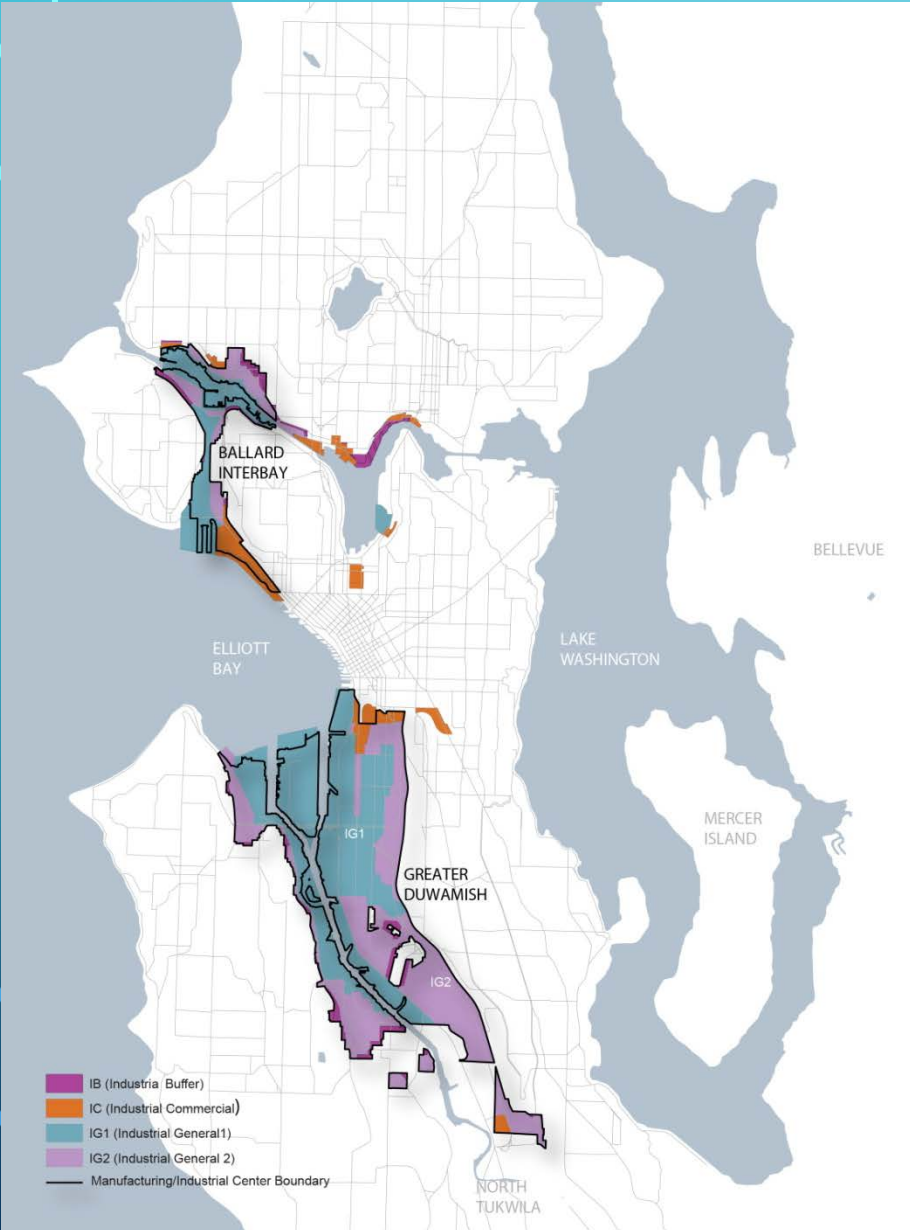


Yesler Mill, 1852

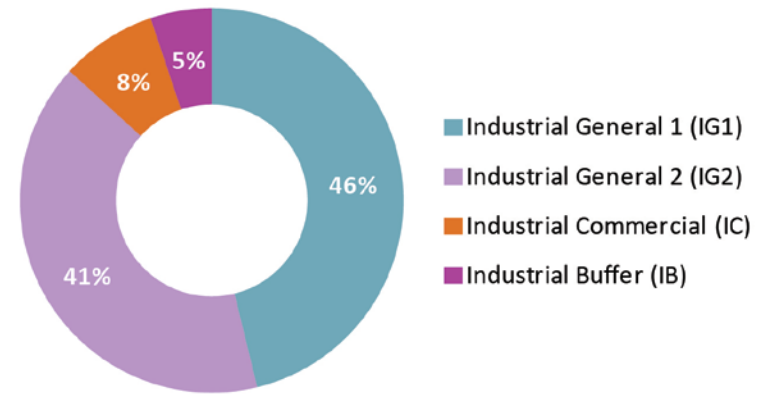
Replaced by “Magic Mouse”



INDUSTRIAL ZONING



Gross Acres of Zoning



POLICY GUIDANCE

Comp Plan says:

- Promote the use of industrial land for industrial purposes.
- Promote high value-added economic development by supporting growth in the industrial and manufacturing employment base.
- Restrict or prohibit uses that may negatively affect the availability, character, or function of industrial areas.

LAND USE CODE CHANGE - 2007

- Reduced maximum size of retail and office uses to 25,000 and 10,000 sq. ft.
- Previous maximum sizes had been as high as 100,000 sq. ft.



WHY DOES THE CITY CARE?

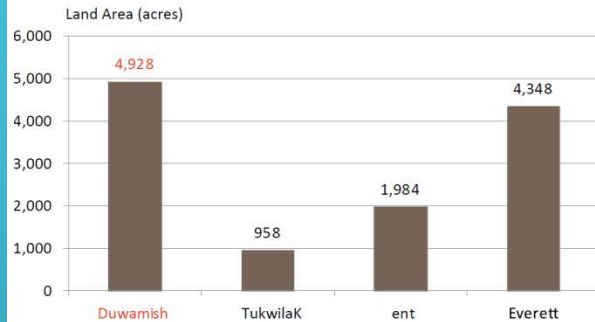
- Growth Management
- Healthy Economy
- Efficient infrastructure
- Revenue



REGION

The Duwamish Manufacturing and Industrial Center (MIC) is the oldest and largest single member of a regional cluster of manufacturing and industrial uses located in eight designated centers spread across the Puget Sound region. These centers function as a regional industrial ecosystem and complement and compete with each other.

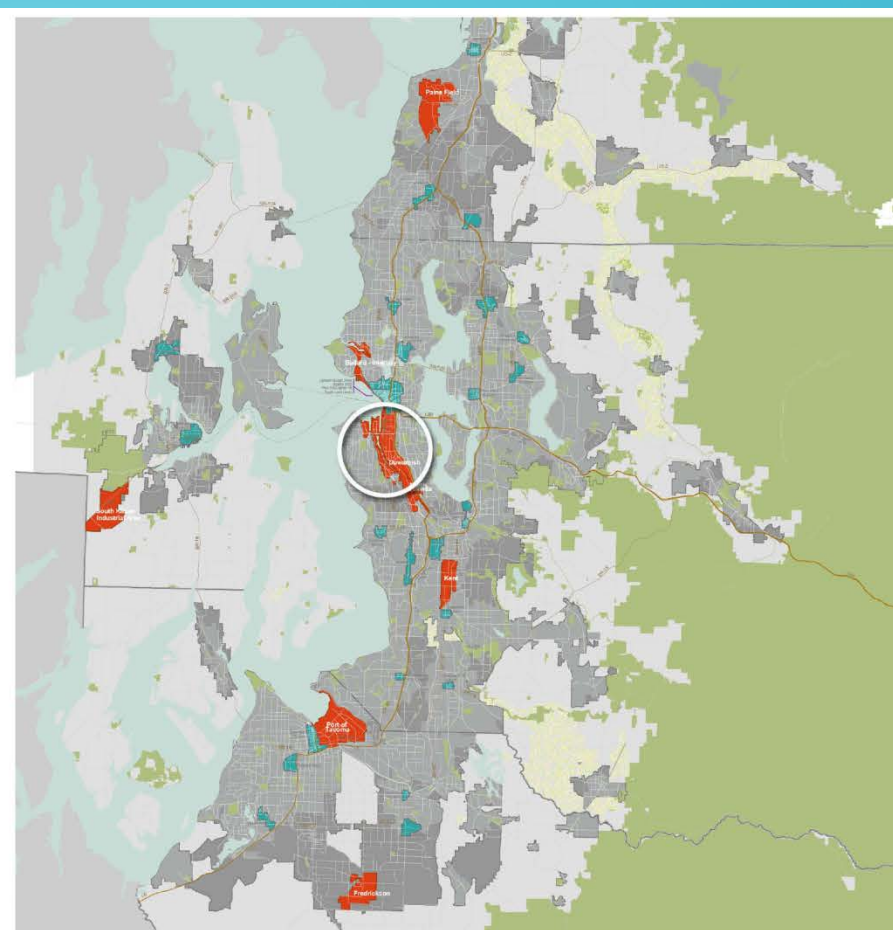
The Duwamish MIC is the northeastern end of an industrial corridor that extends from downtown Seattle south to Kent Valley. Comprised of approximately 4,928 acres of marine and industrial lands, the Duwamish MIC is a unique regional resource and economic engine.



Within the Puget Sound region, the Kent Valley has been the strongest industrial market with significant new development recently built and in the pipeline, primarily due to its supply of large vacant parcels suitable for expansion or acquisition for industrial use.

Nevertheless, the Duwamish MIC provides the largest concentration of family wage jobs in the Puget Sound region, generating enormous tax and export revenues. In 2010 this area included more than 50,000 jobs within its boundaries. The regional vacancy rate for industrial space is 6.44% but vacancy rates of Seattle area industrial space have remained below 5.00% over the past two years. The current vacancy rate is approximately 3.85% which is the lowest the market has seen in recent history.

There are differences in distribution of jobs among the MICs in the region. Jobs in the Duwamish are evenly split between manufacturing, warehousing/utilities and services.



Jobs

Totals by MIC

Duwamish
53,444

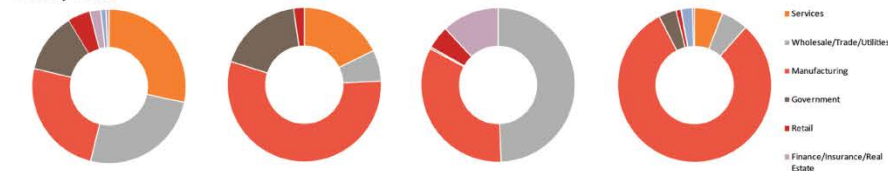
Tukwila
13,181

Kent
12,446

Everett
42,411



Jobs by Sector



Source of numbers: PSRC

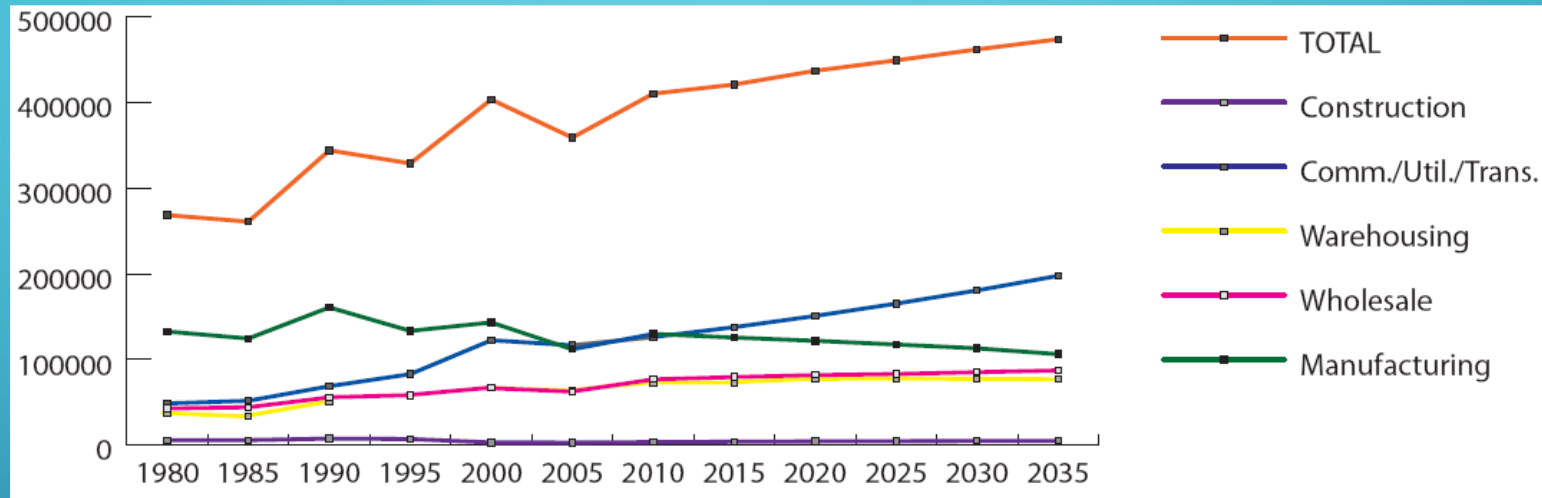
<http://www.psrc.org/about/boards/gmpb/gmpb-presentations/>
and Collier Puget Sound Region Research and Forecast Report, Q3 2012, Industrial

HEALTHY ECONOMY

Economic Diversity Contributes to Resilience



HEALTHY ECONOMY



- About 1/6 of city employment
- Industrial wages are ~20% above citywide average
- >70% require high school or less education

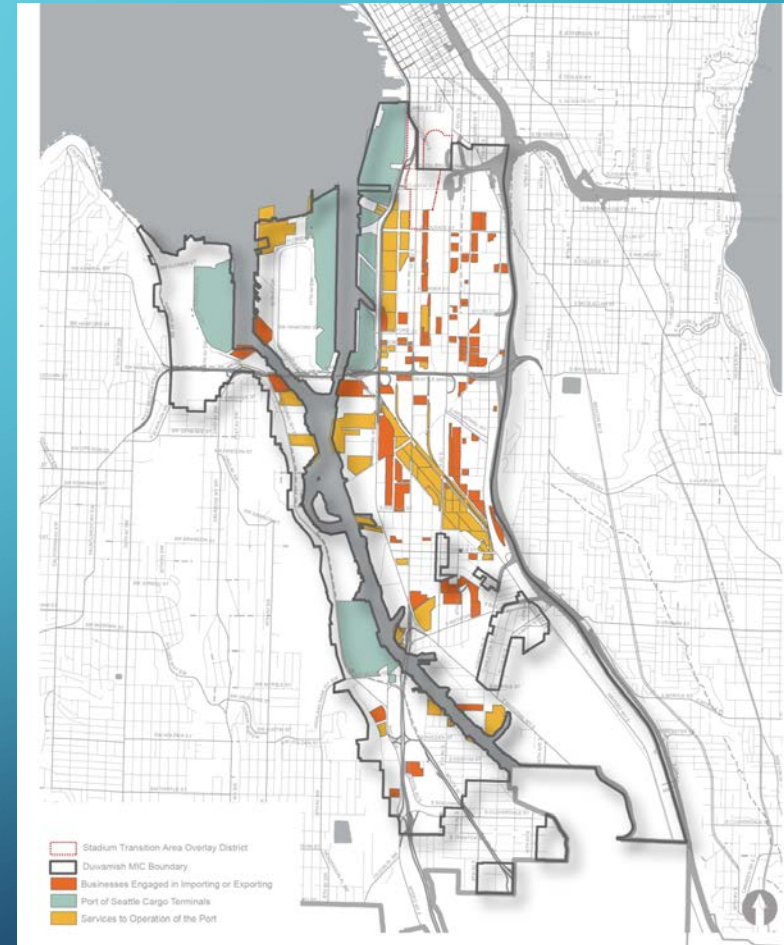
HEALTHY ECONOMY

- 12% of City zoned Industrial
- 26% of firms in current location < 5 years
- 27% of firms in current location > 30 years
- Industrial vacancy rate currently under 2% and consistently lower than other sectors



INFRASTRUCTURE INVESTMENT

- Over \$800 million in container terminal upgrades
- 4.2 million bushel grain terminal
- State highway connecting container terminals to I-5 and I-90
- 3 separate rail yards



CITY REVENUE

- 33% of City sales tax
- 32% of City B & O tax
- 87% of utility tax
- 18% of property tax



ENVIRONMENTAL CONCERNS

- Poor infrastructure, especially for non-industrial activities
- Contamination from previous uses
- Sea-level rise

WHY THINK ABOUT CHANGING INDUSTRIAL LAND?

- Growth needs land
- Desire for less expensive buildable land
- Frequent requests to redesignate industrial land on FLUM
- Speculation
- Take advantage of light rail stations

PREVIOUSLY PROPOSED COMP PLAN POLICY 1

Criteria for reviewing requests to remove land from a M/IC:

- Specify the use for the land
- Demonstrate there is no other land in the city suitable for that use
- Proposed use would not replace an industrial use
- Proposed use would not interfere with nearby industrial operations

PREVIOUSLY PROPOSED POLICY 2

Prohibit future use of Industrial/
Commercial (IC) zone in M/ICs



MAYOR'S INDUSTRIAL LANDS ADVISORY PANEL

- 28 members
- Equally divided between 2 camps – industry supporters and redevelopment advocates
- Working group of 8 – 4 from each camp + staff from OED, DCI, OPCD, SDOT, OSE, DON
- Full Panel has met about 6 times, working group sometimes every 2 weeks
- Working group has developed draft recommendations

ADVISORY PANEL DRAFT CONCEPTS - OPCD

- “SODO Concept” – gives an incentive of large amount of office space in exchange for providing ~1.0 FAR of new industrial space in limited portion of Duwamish MIC
- I2C2 – study effectiveness of IB, IC, C1 and C2 zones citywide and consider changes, consolidation, remapping
- Area studies in Interbay, East Ballard and Georgetown
- Adopt protective policies into Comp Plan or adjust FLUM process for land in MICs

ADVISORY PANEL DRAFT CONCEPTS – OTHER DEPARTMENTS

- Platting and size-of-use regulations (SDCI)
- Revise noise ordinance to favor industrial businesses (SDCI)
- Increase funding for workforce training (OED)
- Revive support for industrial businesses (OED/SDCI)

OPCD UPCOMING INDUSTRIAL WORK

- I2C2 beginning 2018
- Subarea studies for Interbay, Ballard and G'town begin 2019
- Feasibility study and EIS for SODO Concept under consideration

ADDITIONAL RESOURCES

Numerous Studies prepared by:

- Seattle OED, DPD, City Council
- Port of Seattle
- Puget Sound Regional Council
- Washington Maritime Federation
- Urban Land Institute
- Others

QUESTIONS ?



Tom Hauger, OPCD