

Amendment 3-A Manufacturing/Industrial Center Policies

Element: Urban Village and Land Use

Submitted by: DPD

Proposed Amendment: The proposal is to adopt two new policies relating to the two Manufacturing/industrial Centers (M/ICs).

The following new Policy is proposed for the Urban Village Element:

Do not remove land from a Manufacturing/Industrial Center unless:

- *The proposed use for that land is identified;*
- *There is insufficient appropriately-zoned land elsewhere in the city for the proposed use;*
- *The proposed use would not displace an existing industrial use; and*
- *The proposed use would not adversely affect nearby industrial operations.*

The following new Policy is proposed for the Land Use Element:

As a hybrid zone that permits a variety of commercial uses at moderate to high densities, the Industrial Commercial (IC) zone is not appropriate in the Manufacturing/Industrial Centers, where the City encourages retention of land for primarily industrial purposes. Do not rezone any additional land to IC in the Manufacturing/Industrial Centers.

Background: Resolution 31458 directed DPD to conduct and coordinate two studies called for by a memorandum of understanding among Seattle, King County, and ArenaCo. The recommendations presented here for item 3a reflect the results of one of those studies – the Duwamish M/IC Policy and Land Use Study (M/IC Study). The second study (Stadium Study) examined the area around the existing and proposed spectator sports facilities, and its recommendations are found in item 3b of this report.

Although the recommendations are presented separately, the two studies were considered together and conducted collaboratively. They share the policy direction of how to best balance preservation of industry's important regional economic contribution, maintenance of transportation infrastructure and the character of adjacent neighborhoods with the unique characteristics and value of the major entertainment facilities located in the Stadium District.

The M/IC Land Use Study focused on whether greater restrictions on non-industrial uses in the Duwamish Manufacturing/Industrial Center (MIC) and stronger restrictions on removal of land from the MIC were appropriate. DPD staff evaluated policies, land uses and zoning mechanisms, including a Port Overlay District, that could provide greater protection to maritime and industrial uses in Seattle.

Key findings from the Study include the following:

- 87 percent of Seattle’s industrial areas are zoned Industrial General 1 (IG1) or Industrial General 2 (IG2). 93 percent of the land in the Duwamish is zoned IG1 or IG2.
- The largest proportion of land in the Duwamish is in transportation, utilities and communication uses. Much of these uses serve vital public needs such as the Port of Seattle’s cargo operations and the King County airport. Downtown offices, retail and restaurants also depend on the freight logistical system for the supply chain that ensures timely delivery of goods.
- M/I Centers are the locus of 16 percent of Seattle’s jobs, \$6 billion a year in taxable retail sales, and \$37 million per year in Seattle-dedicated B&O taxes.
- Vacancy rates for industrial space in the Duwamish area have remained below 5% for most of the past 20 years, indicating a high industrial demand.
- There are many Port-related industrial business activities located throughout the Duwamish M/IC without a particular geographical concentration.
- Industrial Commercial (IC) zoning, which allows for more generous retail and office uses, has mainly resulted in large single-use office buildings in recent years. IC zoning is intended primarily for areas that can attract new businesses, near major institutions, and places where there is an existing concentration of research and development uses. Most of the IC zoned parcels in the Duwamish are in the Stadium Transition Overlay District. The land in this overlay constitutes most of the area that will be re-designated under the new category “Stadium District” on the Future Land Use Map (FLUM).
- Large office and retail uses, such as those allowed in the IC zone, tend to generate high volumes of vehicle traffic that pose conflicts with the freight movement that is critical to industrial businesses. In addition, office and retail uses can often afford higher prices for land than can industrial uses. When they locate near industrial activity they can drive up the market price for land which makes it more difficult for industrial uses to remain.

Analysis:

Based on these and other findings, the recommended amendments respond to the Resolution and the Memorandum of Understanding by: 1) requiring that proposals to remove land from a M/IC meet specific conditions that would demonstrate a need to remove the land and that the action would not have negative impacts on industrial operations in the M/ICs; and 2) no longer allowing land to be zoned IC within the M/ICs.

The first amendment is to the Urban Village Element. That Element designates the M/IC boundary and includes the City’s goal of retaining industrial land for industrial uses, as well as identifying other areas within the city, such as urban villages, where commercial and residential uses are favored. Those locations are appropriate for new non-industrial uses so that they can gain the benefits of concentrating those uses together in close proximity. The City’s existing zoning, can accommodate large amounts of commercial growth outside of the M/ICs. Therefore, this first amendment requires a

non-industrial use to be sited outside the M/ICs, unless it can be demonstrated that there is not appropriately zoned land elsewhere in the city.

The Ballard M/IC boundary Amendment (Amendment #2) represents a removal of land from that M/IC, but it was not evaluated under the policy change proposed here because it was submitted prior to this policy being developed. Under the proposed criteria for removing land from a M/IC, it is likely that BINMIC change would be denied since no specific use has been proposed for the site to be removed.

A key direction for the M/IC Study was how to best use the tools of land use and zoning mechanisms, such as a Port overlay district, Comprehensive Plan policies and/or other City regulations to provide greater protection to maritime and industrial uses. DPD and the Advisory Committee considered and discussed the merits of a Port Overlay District, for example. A Port Overlay District was identified in the state legislation that required inclusion of the Port Element in the City of Seattle's Comprehensive Plan as a possible tool for preventing land use conflicts with port operations. In reviewing the locations of businesses that provide support services to the Port of Seattle, DPD determined that those businesses were located throughout the Duwamish M/IC and that there was no concentration of them in a smaller location, where more intense protections might be applied. It was therefore determined that whatever protective land use measures were proposed should apply in the entire M/IC, and not just within a smaller Port Overlay.

The second Duwamish / BINMIC amendment would add a new policy to the Land Use Element providing that the character of the IC zone is inconsistent with the City's policy of protecting industrial lands. The study's findings included a recognition that the IC zone has in recent years been used primarily for the development of large office buildings within the M/ICs. When the zone was originally adopted in the 1980s, it was envisioned as a zone that could accommodate high-tech uses, and it was mapped in only very limited locations in the city. It was initially applied in South Lake Union, where it has since been replaced by the Seattle Mixed zone. However, because the IC has a more generous size limit for office and retail uses than the IG or Industrial Buffer zones, it has become the location for relatively large buildings, such as those on 1st Ave. S, southwest of the baseball stadium.

The study's findings also noted that large office and retail uses generate can have negative effects on nearby industrial areas because of the traffic they generate. That traffic pattern, along with the effects of other uses typically accompanying new office development, can directly interfere with the critical freight mobility infrastructure that is necessary for the economic value added by the M/I Centers and the services they provide to downtown and other parts of the city and region. Moderate- to high-density office and large retail spaces can also affect the property value, or expectations of value, for nearby land, making it more difficult for industrial business to compete to purchase or rent in the vicinity. The proposed amendment to the Land Use Element therefore would prohibit new IC zoning in the M/I Centers as a further protection for industrial activity.

Recommendation: Amend the Plan to include the new policies shown above and in Attachment 3a.

Amendment 3-B Stadium District

Element: Land Use; FLUM

Submitted by: DPD

Proposed Amendment: The proposal is to add new goals and policies to the Land Use Element establishing a new category titled “Stadium District.” A modification is proposed to the FLUM to establish the new District.

Background: As described in the background discussion for Amendment **3a**, Resolution 31458 directed DPD to conduct and coordinate two studies called for by a memorandum of understanding among Seattle, King County, and ArenaCo. The scope of this separate Stadium Study was to consider policy and regulatory changes that would better orient the District to the needs of stadium patrons; improve pedestrian connections to and from the stadia; produce a pedestrian-friendly streetscape compatible with the historic and diverse character of adjacent neighborhoods; and preserve industrial uses in the Duwamish Manufacturing/Industrial Center (M/IC). This study was conducted in collaboration with a stakeholder advisory committee and the M/IC Study discussed above.

The area around the professional baseball and football stadiums in Seattle is unique for the activities it supports – three major professional sports teams and an exhibition arena that hosts large numbers of visitors from the city, the region and beyond many times each year. A proposed basketball arena in the area, if developed, would heighten the identity of the area as a focused location of major sports and entertainment uses. Observations made in other cities’ stadium districts suggest that the area immediately around Seattle’s stadiums could benefit more directly from that the economic activity associated with the stadiums. The recommended policies for the new District intend to make the Stadium District a place that leverages the value of the entertainment venues to better serve the District and nearby communities.

Key findings from the Stadium Study include the following:

- The proposed Stadium District’s unique characteristics include the concentrated presence of spectator sports and other entertainment facilities, which strongly influence activity in the area, and the “pulse of activity” associated with events at these facilities creates a set of conditions not found in other neighborhoods. This unique character and the scale of the events warrant a fully articulated City policy direction.
- Currently, the area that would form the new Stadium District lies in both the Downtown Urban Center and the Duwamish M/IC , and the policies for these designations do not fully address the unique conditions associated with a concentration of large-scale sports and entertainment uses.
- Within the proposed Stadium District boundaries, 70 percent of the lands not within the right-of-way would be occupied by stadium facilities, if the proposed basketball arena were built. With the proposed basketball arena, there would more than 7 million annual visitors to events in the district for a total of 320 to 380 events.

- The Stadium District area is not characterized by the same type or scale of industrial uses as the rest of the Duwamish M/I Center.
- The proposed Stadium District is also a unique mobility “crossroads” for multiple transportation modes with infrastructure serving freight, commuter traffic, and events. All these place competing demands on the area’s street network. To address these multiple demands, regional and city plans have resulted in significant new infrastructure investments in the Duwamish M/IC, such as the replacement of the SR 99 Viaduct.
- A very limited number of “catalyst” sites in the Stadium District present opportunities where a change in allowed uses and associated investment will create benefits for the District and its adjacent neighborhoods.
- The proposed Stadium District has very close relationships with the three adjacent neighborhoods: Pioneer Square, Chinatown/International District, and the Duwamish M/IC. Land uses and policies for the Stadium District can complement goals and policies for the adjacent neighborhoods, such as the housing goals for Pioneer Square and the Chinatown/International District.
- There are specific opportunities within the Stadium District and nearby neighborhoods for a network of street improvements, potential new open spaces, and public realm improvements, which can better support patrons and crowds during event days and neighborhood uses and other activities during non-event times.

Analysis:

The City has previously considered adopting a specific policy direction and a tighter integration of this unique area. In 2000, a Stadium Transition Overlay District (“Overlay”) was created to recognize the significance of large sports facilities and the uses typically associated with them. The policy direction for that overlay district was articulated as follow:

“Within the overlay district, use provisions and development standards are designed to create a pedestrian connection with downtown; discourage encroachment on nearby industrial uses to the south; and create a pedestrian-friendly streetscape...”

The Overlay includes land from both the Downtown Urban Center (39 acres) and the Duwamish M/IC (56 acres). The Downtown Urban Center contains 952 acres of land and the Duwamish M/IC contains 4961 acres of land. Thus, the percentage of land removed from those two larger areas is four percent and one percent, respectively.

The proposal would allow two new land uses (lodging uses like hotels, and residential uses) in the Stadium District that are not now permitted in the Overlay. Lodging could accommodate out-of-town visitors to the stadiums and other entertainment venues located in the District. That use is currently prohibited in the Duwamish M/IC, including in the Overlay.

Residential uses, which are also prohibited in industrial zones, would be allowed in the proposed Stadium District, but only in two specific sites – the west side of 1st Ave, immediately south of Railroad Ave and another site east of the football stadium over the railroad tracks.

Allowing lodging and residential uses helps stabilize local businesses and contributes to the success of the District as a neighborhood that serves more than serving sports and event patrons. Allowing these uses can also contribute to the vitality of Pioneer Square and the International District, providing “eyes on the street” for existing and proposed public spaces in the District. Lodging and residential uses would continue to be prohibited in the M/ICs.

Other amendments include statements about height limits and coordinated parking and traffic management strategies. While residential and lodging uses can play a vital role in the collaborative success of the Stadium District and its adjacent neighborhoods, the Stadium Study recommends careful siting and development standards to ensure success and to minimize potential conflicts with adjacent industrial uses. While residential uses would generate some additional traffic on streets in the District, the number of trips is not expected to be significantly greater than the number that currently allowed commercial uses would generate.

Similarly, in the transportation portion of the analysis, predominant concerns were how to minimize conflicts between the unique characteristics of the Stadium District (such as the swell of attendees on a limited number of dates per year) and the needs of the adjacent industrial uses, such as freight access through and adjacent to the District. Thus, other recommended policies encourage the sports and event facilities to develop coordinated transportation management strategies to minimize traffic impacts and the demand for event parking and to encourage patrons of the events to use transit and non-motorized travel modes. Transportation management plans could also help reduce the potential impacts that more commercial uses, lodging and residential uses would have in the area.

The policies also recognize that the City would continue allowing the entertainment venues to meet their special needs, such as event staging, nighttime operations, and the accommodation of event-related buses and trucks.

The proposed adoption of unique policies to guide the Stadium District constitutes three major actions:

- Identifying a new Stadium District, to be designated on the FLUM generally bounded by S. Holgate St. on the south, Utah Ave. on the west, Railroad Ave on the north and 4th Ave and rail tracks on the east, and as shown on the attached map.
- Defining new allowed uses in that District
- Adopting policies to guide possible future City activities, including zoning, in the District

The analysis and findings support DPD’s recommendation for new Comprehensive Plan policies and a new Future Land Use Map (FLUM) designation of “Stadium District.” These amendments recognize the District’s unique qualities as described above and provide guidance for the future of the District. The amendments better enable the City to capture the value of the unique character of this District, while maintaining the adjacent industrial land for industrial uses. The proposed amendments also complement goals and policies for adjacent neighborhoods.

Recommendation: Amend the Land Use Element and the FLUM as proposed and as shown in Amendment 3-B and 3-C.

Conclusion:

The recommendations from the two studies are complementary. Considered as a package, the recommendations will help maintain the success of the Stadium District's entertainment activities, respect the character of adjacent neighborhoods and recognize the vital economic significance of existing industrial uses.

The policies in Amendment 3a are directly tailored to protect industrial lands by prohibiting any further removal of land from the M/ICs. Allowing additional land from the Duwamish M/I C beyond that identified in these recommended amendments to be transferred to the Stadium District in the future would impair the critical economic roles that Port of Seattle and industrial operations play for the City and the region.

Most of the IC zoned parcels in the Duwamish M/IC are located in the Stadium District area. Uses allowed in the IC zone are generally supportive of the policy direction underlying creation of the Stadium District and recognizing the character and needs of adjacent neighborhoods. However, the Duwamish study also restricts any future IC zoning within in the M/ICs, recognizing that IC uses tend to create a transportation and development pattern inconsistent with protection of industrial lands. Thus, these Duwamish amendments work to simultaneously strengthen the Duwamish M/IC and the Stadium District.

The policy direction of the Stadium Amendments is complementary, working towards the strength of the greater area and the City and region. The Stadium amendments focus on recognizing the unique characteristics and special economic contribution that a vital Stadium District can play. The District can be an asset not just for sports facilities but for adjacent neighborhoods and for the City and region. The Stadium policies call, however, for a careful and measured approach to meeting design, permitting and mobility challenges. Meeting those challenges means optimizing the value of both the Stadium District and the adjacent industrial uses, especially the Port of Seattle's cargo terminals.