

City of Seattle
Department of Planning and Development

Local Production Study



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Local Production Study: Summary of Findings

- > Local production uses, while a relatively small slice of the overall mix of industrial and commercial activities in the areas studied in terms of employment, revenue, and number of establishments appear to “graduate” to export-oriented producers over time – a segment with a greater impact on the regional economy.
- > While adjacency of commercial, residential or mixed-used development to local production uses *per se* has not been particularly problematic (with the opposite true in some cases), secondary impacts of such development have – including lack of or expensive parking, increased traffic, and rising rents.
- > Local production uses, as users of B2B services, distributors and suppliers, have a higher multiplier effect than other industrial activities – resulting in a disproportionately larger impact on the local economy.
- > Local industrial services, distribution & repair are a significant and important segment of the local and regional economy.
- > Local production uses are most primarily concerned with challenges associated with parking, traffic, rents, infrastructure and environmental regulation.
- > Flexibility of buildings and mixing of uses under one roof was cited repeatedly as an advantage to local production uses; however, older and obsolete facilities were also mentioned as challenges.
- > Artisanal businesses seem to appreciate building and neighborhood character, intensity, and heterogeneity / mix of uses more than traditional industrial users.

1 Scope & Timeline



1 Scope & Timeline

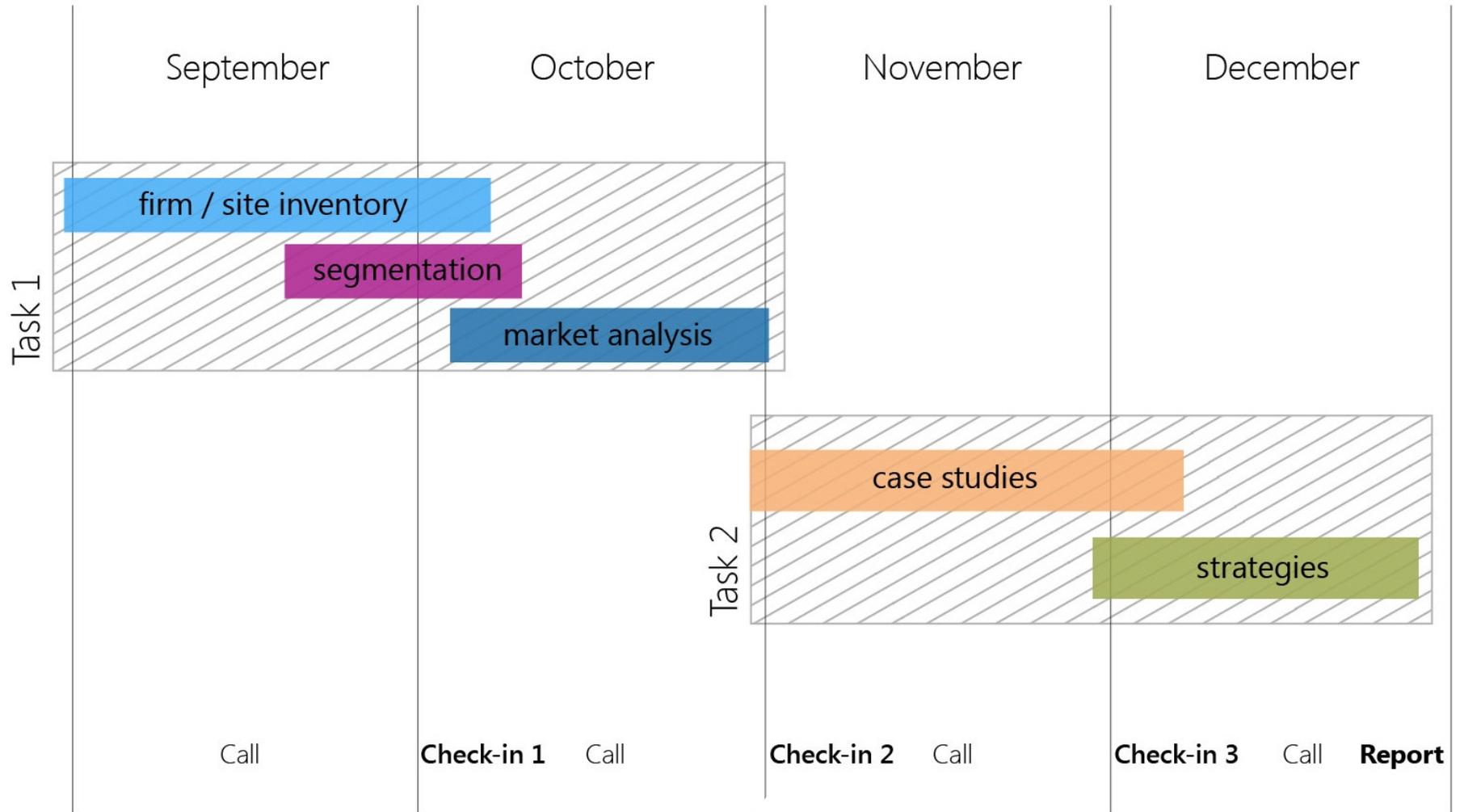
Task 1 – Existing Conditions Inventory

- 1.1 Inventory of Local Production Activities by Subarea
- 1.2 Segmentation of Inventoried Local Production Activities
- 1.3 Market and Demand Analysis of Local Production Concentrations by Subarea

Task 2 – Potential Incentives Review

- 2.1 ~~Proforma Feasibility Analysis~~ Case Studies
- 2.2 Development and Exposition of Local Production Strategies

1 Scope & Timeline



2 Methodology



Firm-Site Inventory Methodology

1. Definition of Industrial Activities
2. Areas of Study
3. Inventory & Data
4. Segmentation

Definition of Industrial Activities

NAICS Code	Industry Code Description	NAICS Code	Industry Code Description	NAICS Code	Industry Code Description
Agriculture, Forestry, Fishing & Hunting		Wholesale Trade		Professional, Scientific and Technical	
114	Fishing, Hunting & Trapping	423	Merchant Wholesalers (Durable)	541330	Engineering Services
115	Support Services for Agriculture / Forestry	424	Merchant Wholesalers (Non-durable)	54138	Testing Laboratories
Mining, Quarrying, Oil & Gas		425	Electronic Markets, Agents and Brokers	5417	Research & Development Services
212	Mining	Retail Trade		54185	Display Advertising
213	Support Activities for Mining	444190	Building Materials Dealers	541990	Other Professional Services (Select)
Utilities		4542	Vending Machine Operators	Administrative & support & waste management & remediation services	
221	Utilities	454311	Heating Oil Dealers	561612	Security Guards and Patrol
Construction		Transportation and Warehousing		56162	Security Systems
236	Construction of Buildings	481	Air Transportation	56171	Extermination and Pest Control
237	Heavy and Civil Engineering Construction	482	Rail Transportation	56172	Janitorial
238	Specialty Trade Contractors	483	Water Transportation	56173	Landscaping
Manufacturing		484	Truck Transportation	56174	Carpet and Upholstery Cleaning
311	Food	485	Transit and Ground Passenger Transportation	56179	Other Services to Buildings and Dwellings
312	Beverage and Tobacco Product	486	Pipeline Transportation	56191	Packaging and Labeling
313	Textile Mills	487	Scenic and Sightseeing Transportation	562	Waste Management and Remediation
314	Textile Product Mills	488	Support Activities for Transportation	Health Care and Social Assistance	
315	Apparel	491	Postal Service	62191	Ambulance Services
316	Leather and Allied Product	492	Couriers and Messengers	621991	Blood and Organ Banks
321	Wood Product	493	Warehousing and Storage	62421	Community Food Services
322	Paper	Information		Accommodation and Food Services	
323	Printing and Related Support	Publishing Industries (Except Digital Publishing 511210)		72232	Caterers
324	Petroleum and Coal Products	51211	Motion Picture and Video Production	72233	Mobile Food Services
325	Chemical	515	Broadcasting	Other Services	
326	Plastics and Rubber Products	517	Telecommunications	811	Automotive Repair & Maintenance (except 811191 & 811192)
327	Nonmetallic Mineral Product	Real Estate and Rental and Leasing		8113	Commercial and Ind. Equip Repair
331	Primary Metal	53113	Mini Warehouse and Self-Storage	811412	Appliance Repair and Maintenance
332	Fabricated Metal Product	53212	Truck Rental and Leasing	81233	Linen and Uniform Supply
333	Machinery	5324	Machinery/Equipment Rental and Leasing	812332	Industrial Launderers
334	Computer and Electronics				
	Electrical Equipment, Appliance, and Component				
335	Component				
336	Transportation Equipment				
337	Furniture and Related Product				
339	Miscellaneous				

2 Methodology



Areas of Study: Local Production Subareas

-  Parks & Open Space
-  Bodies of Water
-  Subarea Boundary

Source: Hoover's 2014; Community Attributes

Inventory & Data

1. Hoover's Selection
2. Screening for Duplicates
3. Parcel Matching
4. Quality Control
5. Subarea Assignment
6. Segmentation

2 Methodology

Segment 1a: Local Production: Artisanal / Craft Establishments

This study defines Local Production businesses as those engaged in the production or manufacture of products or goods, with a significant portion of sales or distribution to the local or regional market. Within this category are two subtypes - Artisanal / Craft (1a), and Other (1b). Artisanal / Craft businesses are a subset of Local Production distinguished by high-quality, small-scale, and individually- or hand-made goods. These products often substitute for those commonly imported or mass-produced. Businesses in this segment may also market or distribute goods to national or international markets through the internet, ultimately transitioning to export-oriented (Segment 3) businesses.

- > Craft food, beer, spirits (including Hilliards Brewery, Theo Chocolate, Distillery 206)
- > Furniture & interior fixtures (including Ballard Ornamental Ironworks, Meyer-Wells Furniture)
- > Boutique apparel & jewelry
- > Outdoor recreation equipment
- > Other (including sign manufacturing; specialty manufacturing)



Segment 1b: Local Production: Other Establishments

Other Local Production businesses encompass non-artisanal production, manufacturing, processing, and fabrication serving the local or regional economy. These Local Production activities are often business-to-business (B2B) in nature, serving other up-stream or down-stream producers and distributors (eg, metal coating and embroidery).

- > **Metal Coaters** (including the former Scott Galvanizing)
- > **Embroidery** (including 1st Impressions Embroidery)
- > **Machine Shops**
- > **Generic Food Processing** (including Kof Enterprises)
- > **Engraving & Heat Treating**



Segment 2: Local Industrial Services, Distribution and Repair

Businesses that provide distribution, storage, industrial service or repair, and wholesaling functions generally in support of the local or regional economy. Businesses are generally not engaged in exporting outside of the region, but may provide support services to businesses that do.

- > Construction & Building Materials
(including cement plants, eg Lakeside Industries, Fremont) / Specialty Contractors (Electricians, Plumbers, etc.)
- > Trucking
- > Wholesaling
- > Local Publishing & Printing
- > Industrial Services *(including Commercial Printing; Industrial Laundering; Equipment Rental, Repair, Maintenance; Catering)*
- > Self Storage
- > Automotive Repair



Segment 3: General / Export-Oriented Industrial

Businesses primarily engaged in production or manufacturing of products, or providing industrial services, to national or international markets and outside of the region. Businesses may also distribute goods or provide services locally, but this is not a primary focus or significant portion of their overall activity.

- > Pharmaceutical Manufacturing
- > Plastic, Rubber, Glass Manufacturing
(including Vaupell Industrial Plastics)
- > Pulp & Paper Products
- > Packaging Manufacturing
- > Chemical Manufacturing
- > Other Manufacturing (including GM Nameplate)
- > National Distribution
- > Maritime Cluster (including Trident, Ocean Beauty, Foss Maritime, Kvichak Marine; Sagstad Marina)
- > Aerospace Cluster (including Boeing)



3 Inventory Overview



Subarea Vital Statistics

Subarea	Total Establishments	Total Employment	Area (Acres)	Number of Parcels	Parcel Area (Acres)	Employment Density (Empl/Acre)
Ballard	594	7,454	351	533	252*	30*
Georgetown	810	10,622	784	932	513	21
I-90 / Mt. Baker	330	5,350	258	431	149	36
Interbay	523	7,750	902	362	791	10
Totals	2,257	31,176	2,295	2,258	1,705	18

** Excludes Boeing Field parcel*

Of the four industrial “neighborhoods” of Seattle that are the focus of this study, Georgetown is the most prominent in terms of employment and number of establishments, followed Ballard and Interbay with similar employment and establishments, and by I-90/Mt. Baker – the smallest of the four. Interbay is the largest in terms of land and parcel area.

While I-90/Mt. Baker is smallest in terms of employment and establishments, it has the greatest overall employment density of the four study areas – or “Subareas” – at 36 employees per acre, followed by Ballard with 30 employees per acre.

3 Inventory Overview

Commercial versus Industrial Activity by Subarea

Subarea	Industrial	% Total Estabs.	Industrial	% Total Employment	Commercial	% Total Estabs.	Commercial	% Total Employment
Ballard	329	55%	4,852	65%	265	45%	2,602	35%
Georgetown	444	55%	7,208	68%	366	45%	3,414	32%
I-90 / Mt. Baker	96	29%	1,969	37%	234	71%	3,381	63%
Interbay	239	46%	4,869	63%	284	54%	2,881	37%
Totals	1,108	49%	18,898	61%	1,149	51%	12,278	39%

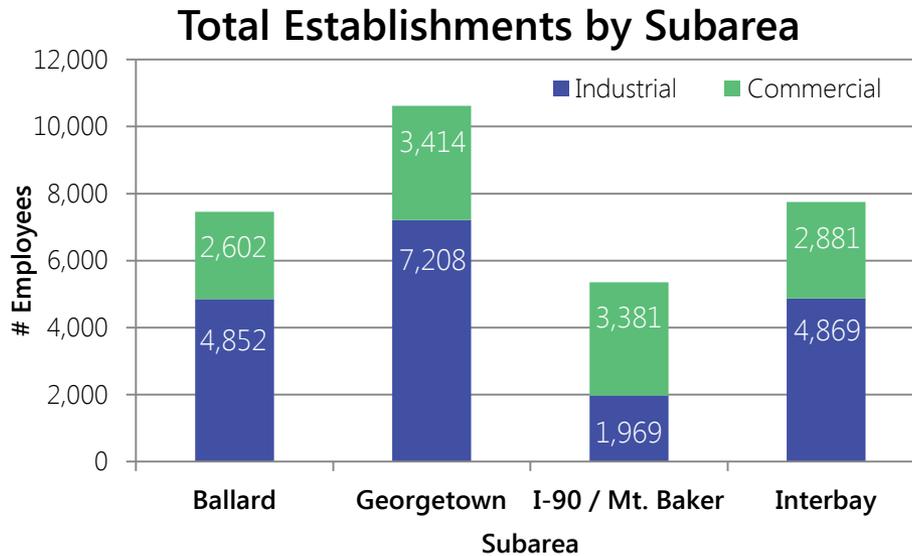
In terms of the mix between commercial and industrial employment, I-90/Mt. Baker is the outlier with a minority of industrial employment (37%); this is due, however, to the inclusion of commercially-zoned areas south of I-90 in the Subarea boundaries.

Georgetown has the highest percentage of industrial employment at 68%, and the greatest number of industrial firms (444) of the areas studied, followed by Ballard and Interbay.

Commercial establishments and employment in absolute terms are roughly similar across all four Subareas.

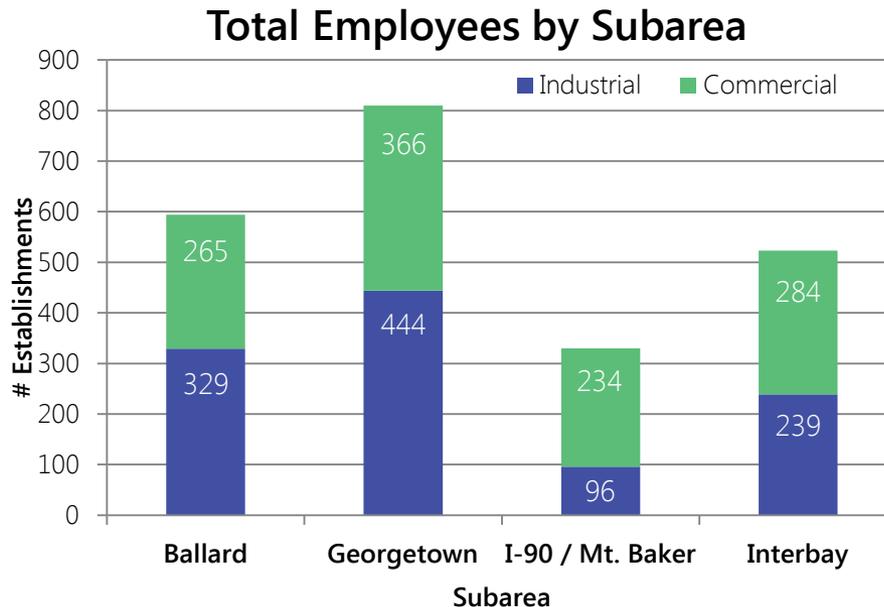
3 Inventory Overview

Commercial versus Industrial by Subarea



The graphs at left indicate the relative proportions of commercial to industrial employment – by both number of establishments and employment – across all four Subareas.

I-90/Mt. Baker is the outlier in terms of industrial employment and establishments, while Interbay and Ballard are similar in terms of both proportion and absolute numbers. Georgetown has the largest industrial and commercial employment of the areas studied, and like I-90/Mt. Baker, also includes non-industrially zoned lands within its study area boundary.



3 Inventory Overview

Establishments, Revenues & Employment by Zone

Zone	Establishments	Average Facility Size	Total Revenues	Total Employment
General Industrial 2	1073	6033	3,323,475,875	11815
General Industrial 1	286	9220	959,715,003	4596
Industrial Commercial	235	9750	3,602,475,829	3120
Industrial Buffer	187	6148	232,725,527	2226
Commercial 1	161	6782	192,693,336	2673
Neighborhood Commercial 3	84	3999	31,102,989	698
Commercial 2	71	5376	122,297,139	1524
Downtown Mixed Residential/Residential	67	3904	31,850,015	1202
Neighborhood Commercial 2	28	4427	14,109,159	193
Downtown Mixed Commercial	24	5583	49,535,501	272
Residential Single Family 5000	18	3784	2,340,000	32
Lowrise 2	16	2598	6,744,000	29
Lowrise 1	3	2567	191,702	5

Source: Hoover's 2014; City of Seattle, 2014; Community Attributes

Note: Establishment locations are approximate and may not correspond to actual zone. Facility size data for 148 establishments (6.5% of the total number inventoried) was not available.

Note: See slide 113 for descriptions of Seattle's industrial zones.

In the four local production centers studied, Seattle's General Industrial 2 (IG2) zone encompassed the greatest number of establishments inventoried by a large margin. Total revenues, too, for establishments located in this zone were significantly higher than all other zones with the notable exception of the Industrial Commercial (IC) zone, where a number of large office uses are located.

3 Inventory Overview

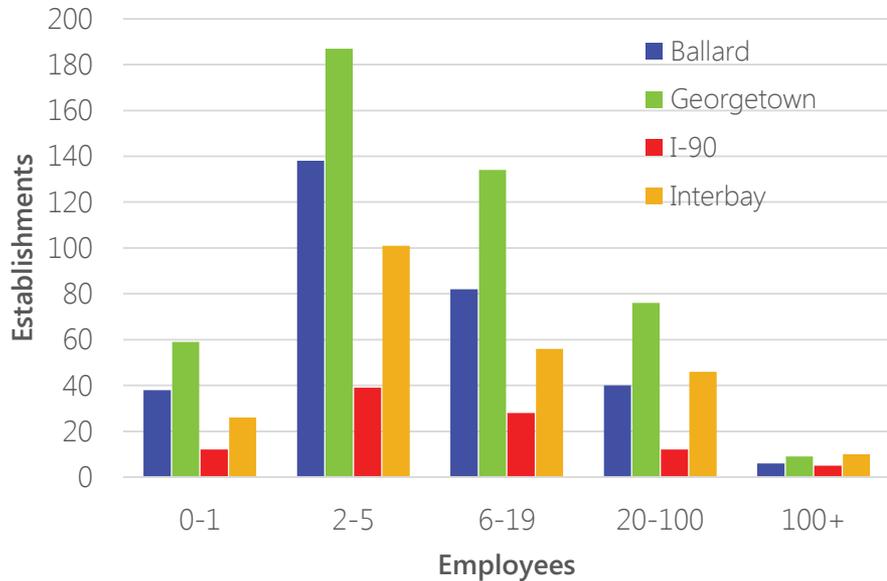
Top Employers (all Subareas)

Employer	Employees at Location	Subarea	Industrial?	Primary Industry
King County	900	I-90 / Mt. Baker	No	US Municipal Governments
The Boeing Company	831	Georgetown	Yes	Aerospace Products & Parts Manufacturing
Ardagh Glass Inc.	600	Georgetown	Yes	Converted Paper Products Manufacturing
Alpac Corporation	600	I-90 / Mt. Baker	Yes	Soft Drink Manufacturing Plastic & Rubber Product Manufacturing
Vaupell Industrial Plastics, Inc.	410	Ballard	Yes	Fabricated Metal Product Manufacturing
GM Nameplate Inc.	373	Interbay	Yes	Manufacturing
The Lighthouse for the Blind, Inc.	350	I-90 / Mt. Baker	No	Social Assistance
Trident Seafoods Corporation	350	Ballard	Yes	Commercial Fishing
Glacier Fish Company, LLC	350	Interbay	Yes	Commercial Fishing
Northwest Protective Service, Inc.	300	Georgetown	No	Armored Vehicle Services Arts, Entertainment & Recreation Sector
Moisture Festival	282	Ballard	No	Sector
Trident Seafoods Corporation	264	Ballard	Yes	Seafood Processing
Ocean Beauty Seafoods LLC	250	Interbay	Yes	Seafood Processing
Clipper Seafoods, Ltd.	200	Interbay	Yes	Seafood Processing
L.A. Deepening Constructors, Ajv	200	Georgetown	Yes	Commercial & Industrial Equipment Rental & Leasing
Seattle Community Colleges	200	Georgetown	No	Information Collection & Delivery
Swedish Health Services	200	Georgetown	No	Home Health Care Services Scientific Research & Development Services
The Allen Institute For Brain Science	170	Ballard	No	Services
The Hearst Corporation	165	Interbay	Yes	Newspaper Publishers

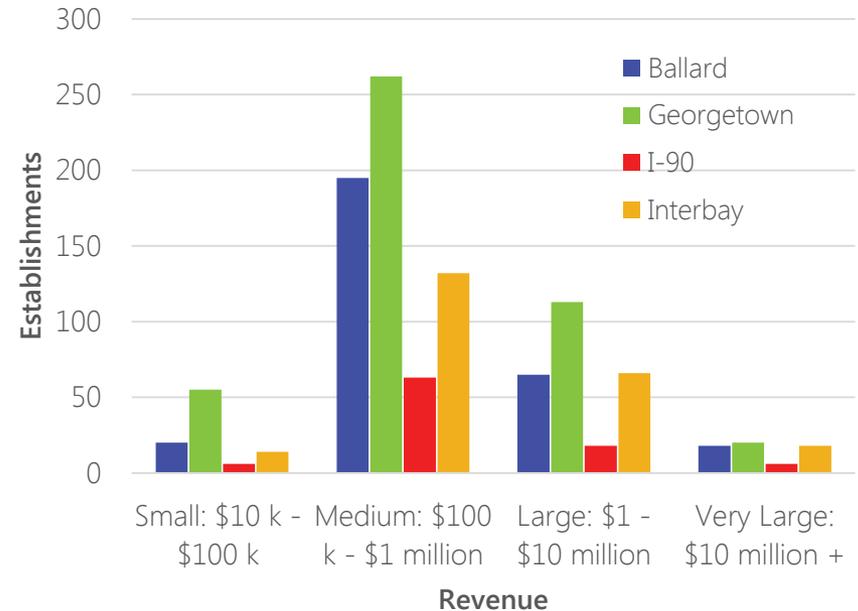
3 Inventory Overview

Establishments by Subarea

Establishments by Employment



Establishments by Revenue



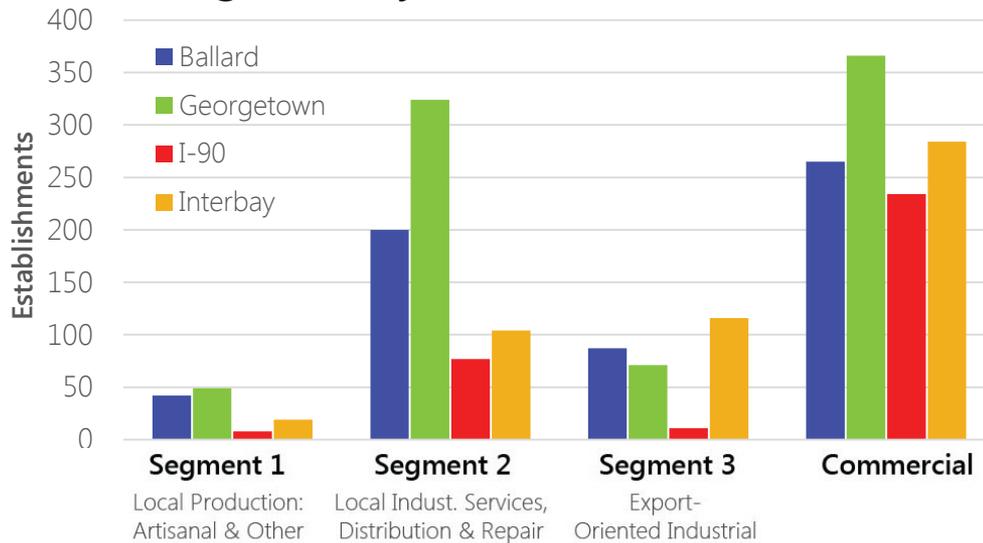
The pattern of establishment sizes is very similar across all four Subareas. Most establishments are small, with 2-19 employees. There are a significant number of sole proprietorships, but only a handful of large, 100+ employee establishments in the four study areas.

The pattern is similar in terms of company revenues reported by Subarea – most establishments report revenues in the mid-size range from \$100,000 to \$1 million per year.

3 Inventory Overview

Segments by Subarea

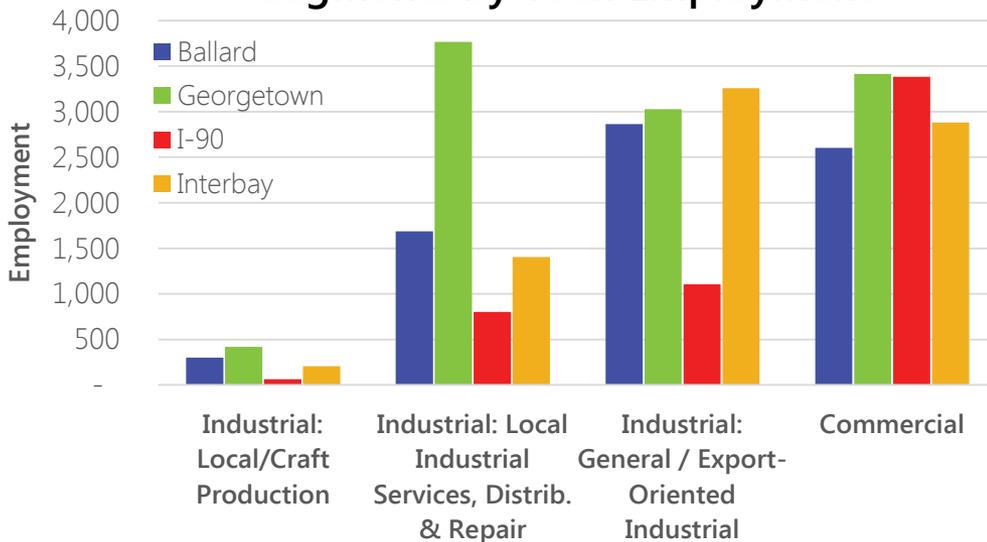
Segments by Number of Establishments



The graphs at left compare the relative magnitude of industrial and commercial segments by Subarea.

Three of the Subareas are dominated by Segment 2 (Local industrial services, distribution and repair) in terms of number establishments (including I-90/Mt. Baker which has more commercial presence than industrial). Interbay, however, has more Segment 3 establishments.

Segments by Total Employment



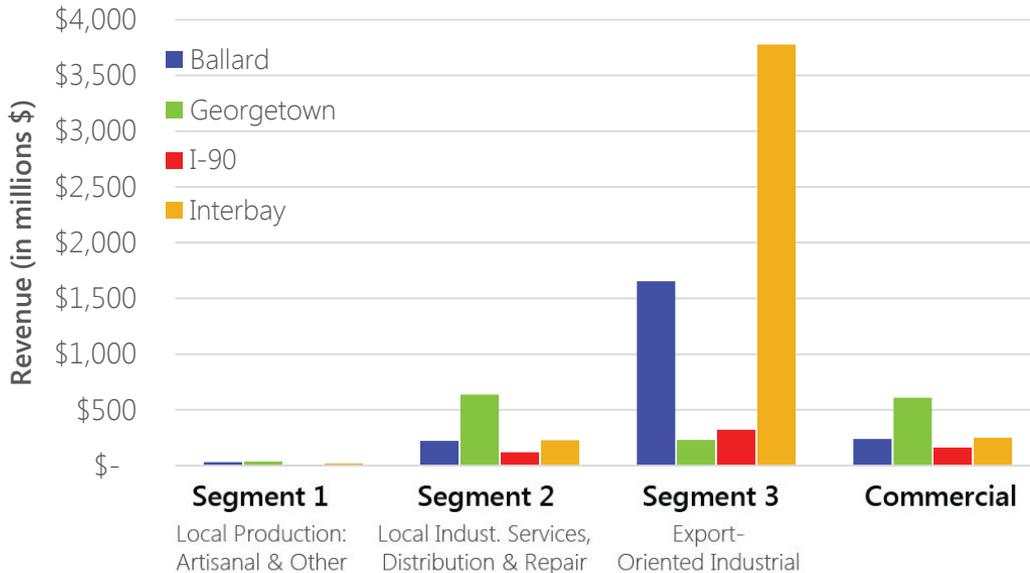
In terms of employment, however, all Subareas but Georgetown are led by Segment 3, with Georgetown led by Segment 2 employment.

Segment 1 employment and establishments are most significant in Georgetown and Ballard respectively.

3 Inventory Overview

Segments by Subarea

Segments by Total Revenue



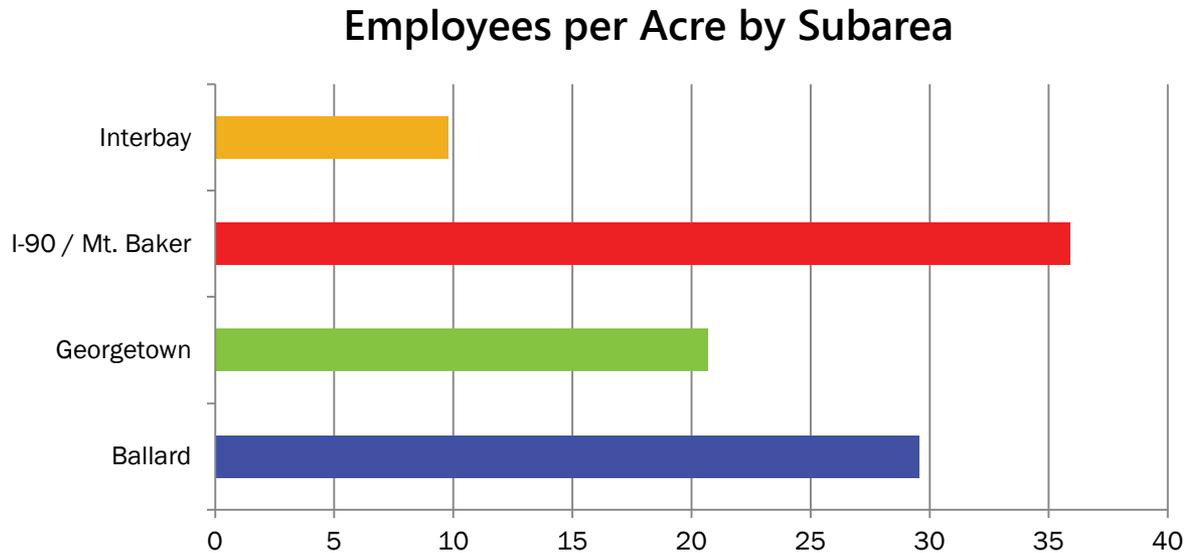
In terms of reported revenue by firm, Export-Oriented industrial – Segment 3 – is the leader for all Subareas but Georgetown.

The large Segment 3 revenue figure for Interbay includes Ocean Beauty Seafoods and the Dairy Export Company.

It should be noted that 31 of the 2,257 establishments inventoried did not report revenue figures. In addition, some establishments may be reporting revenues generated at other locations.

3 Inventory Overview

Subarea Employment Density



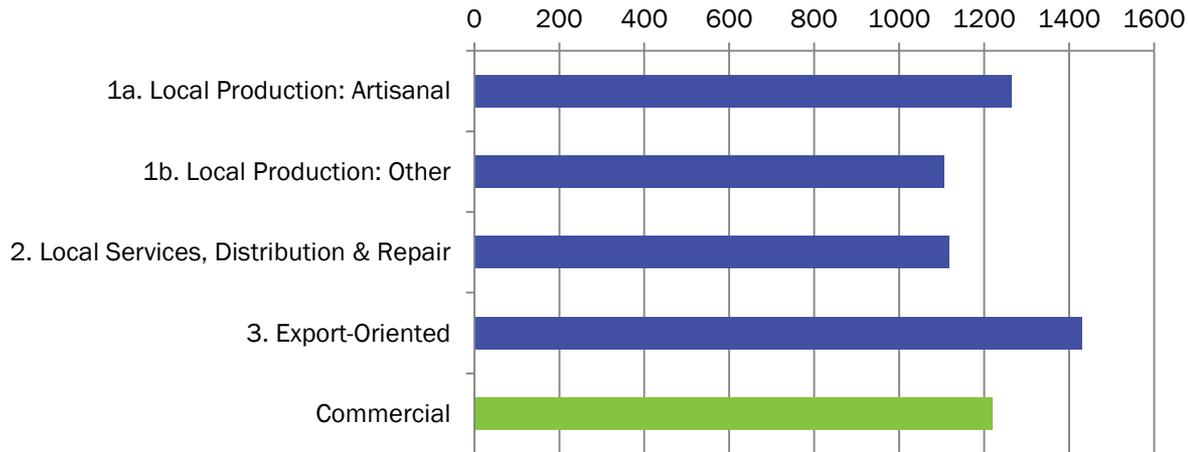
I-90/Mt. Baker has the highest overall (commercial and industrial combined) employment density.

Interbay's overall employment density, while likely skewed low due to large, low-employment tracts associated with the BNSF's Balmer Rail Yard, does nonetheless contain a number of very high-density commercial employment sites such as F5 Networks, Big Fish, and Classmates.com.

3 Inventory Overview

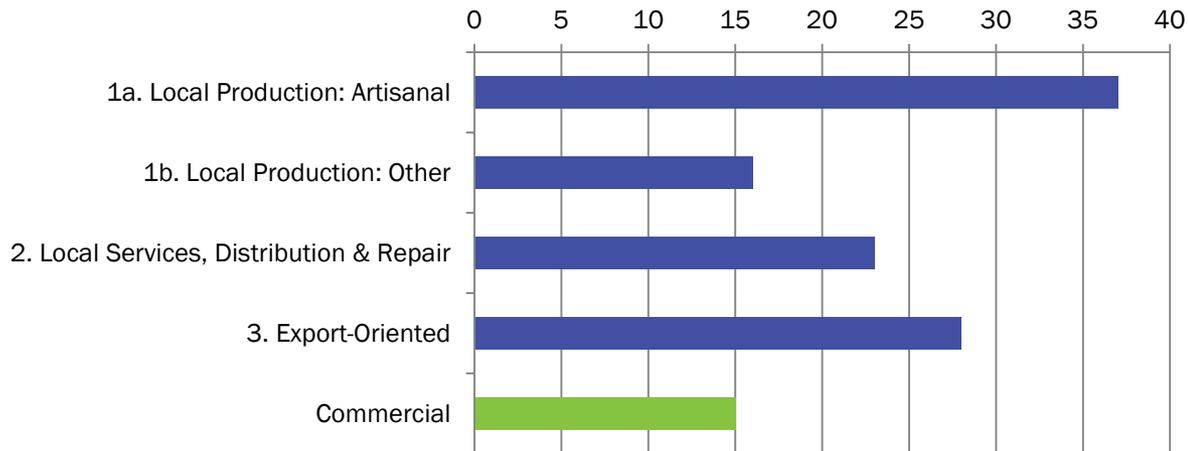
Tenure & Building Utilization by Segment

Building Square Feet per Employee



The most concentrated use of space across all Subareas appears in the Local Production and Local Services, Distribution & Repair Segments of industrial activities. By contrast, the Export-Oriented Industrial Segment is the least concentrated user of space.

Years at Current Location

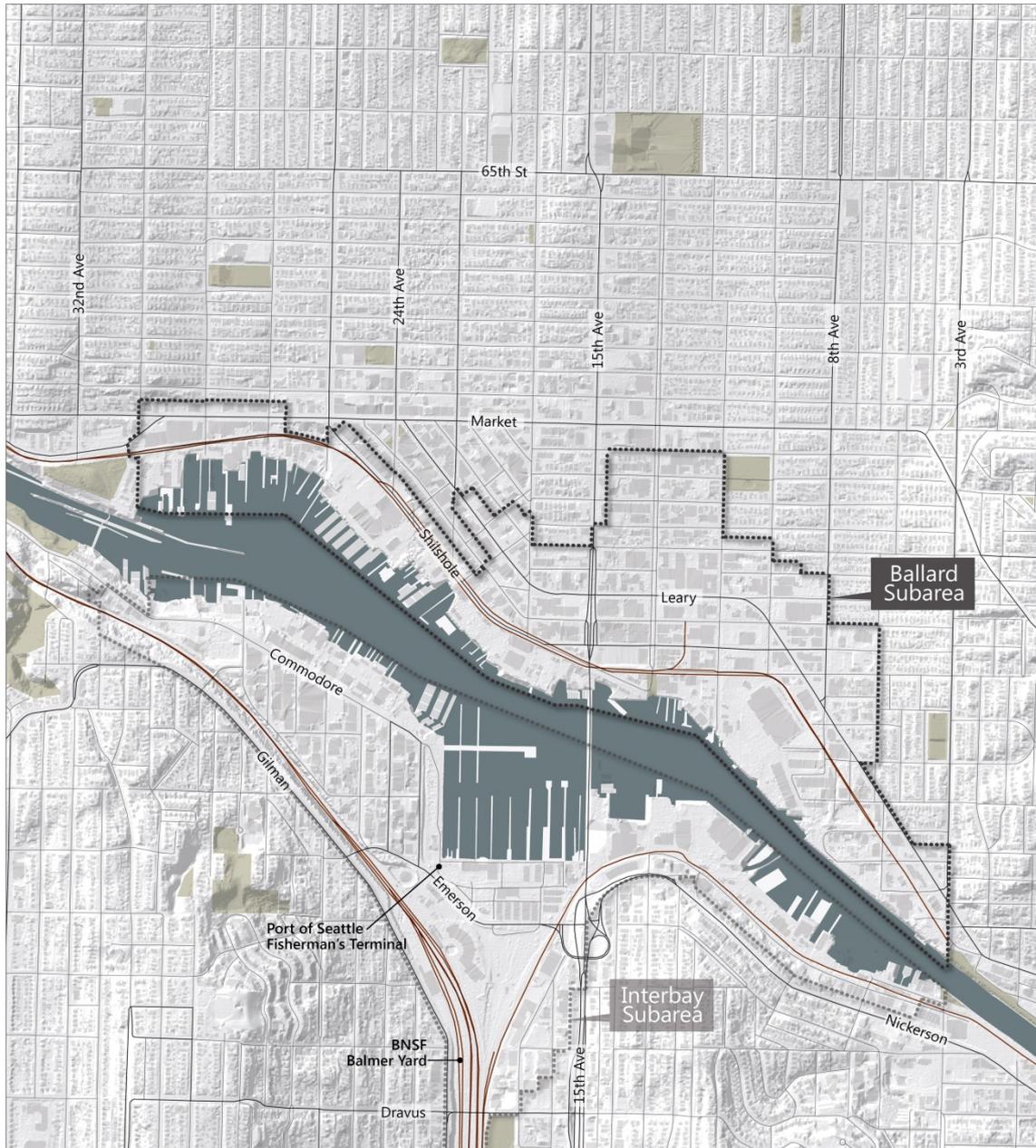


Artisanal activities revealed a surprisingly long tenure, followed by Export-Oriented Industrial. It appears that Artisanal firms may “graduate” to the Export-Oriented category over time. Commercial uses have shorter tenure overall.

4 Inventory by Subarea



4 Inventory by Subarea: BALLARD



Ballard Subarea

The Ballard Subarea includes 252 parcel acres encompassing the industrially-zoned areas along the Lake Washington Ship Canal, extending from the Chittenden Ship Locks east through downtown Ballard, to the Leary corridor ending at Third Avenue. There are approximately 590 establishments employing 7,450 people in commercial and industrial activities.

Local Production Inventory Ballard Subarea

-  Parks & Open Space
-  Bodies of Water
-  Subarea Boundary

Source: Hoover's 2014; Community Attributes

4 Inventory by Subarea: BALLARD

Top Industrial Employers

Trident Seafoods (HQ)

Commercial fishing and seafood processing



Vaupell Industrial Plastics (HQ)

Plastics for aerospace, defense, medical and commercial applications



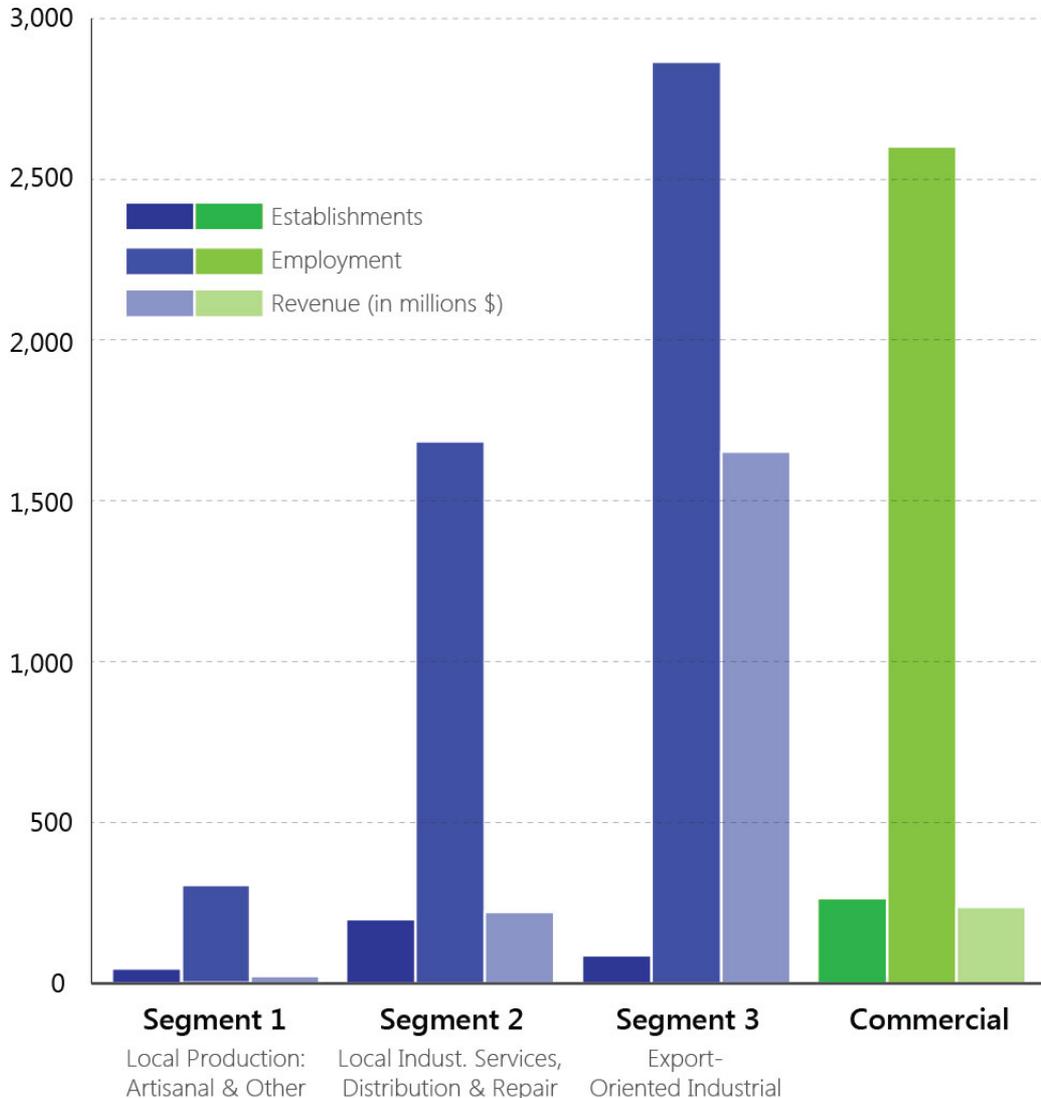
Stabbert Maritime (HQ)

Shipbuilding and repair



4 Inventory by Subarea: BALLARD

Establishments, Employment & Revenue by Segment

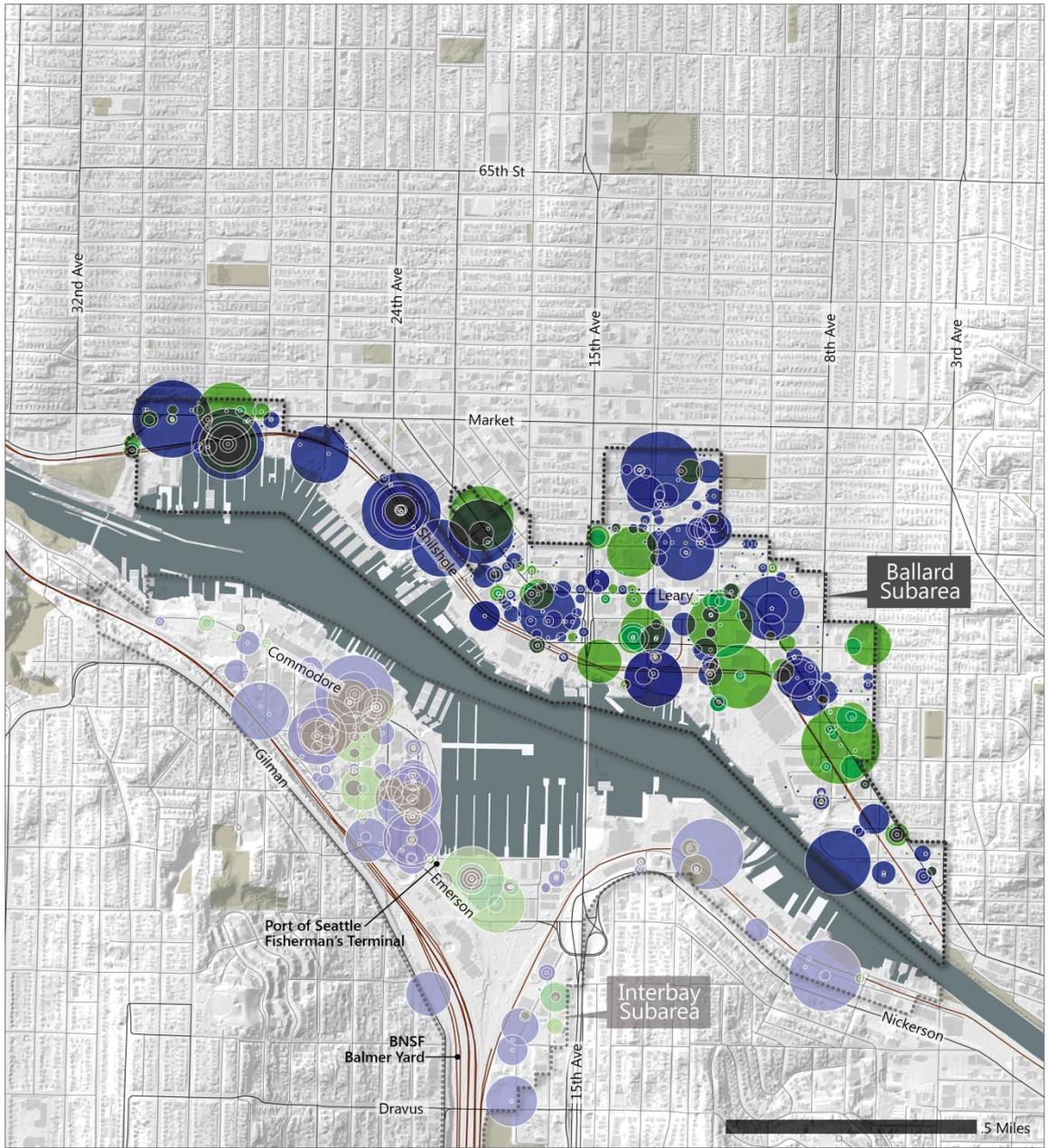


In the Ballard Subarea, business activity in terms of revenue and employment is dominated by Export-Oriented industrial activities. In terms of employment only, Commercial activities and Local Industrial Services, Distribution & Repair are also significant with 2,602 and 1,685 employees respectively.

While employment levels are similar for Segment 3 and Commercial activities, revenues generated are far higher for Segment 3 Industrial.

Local Production is a smaller presence in terms of all three categories, employing only 192 in Ballard.

4 Inventory by Subarea: BALLARD



Commercial & Industrial Establishment Locations

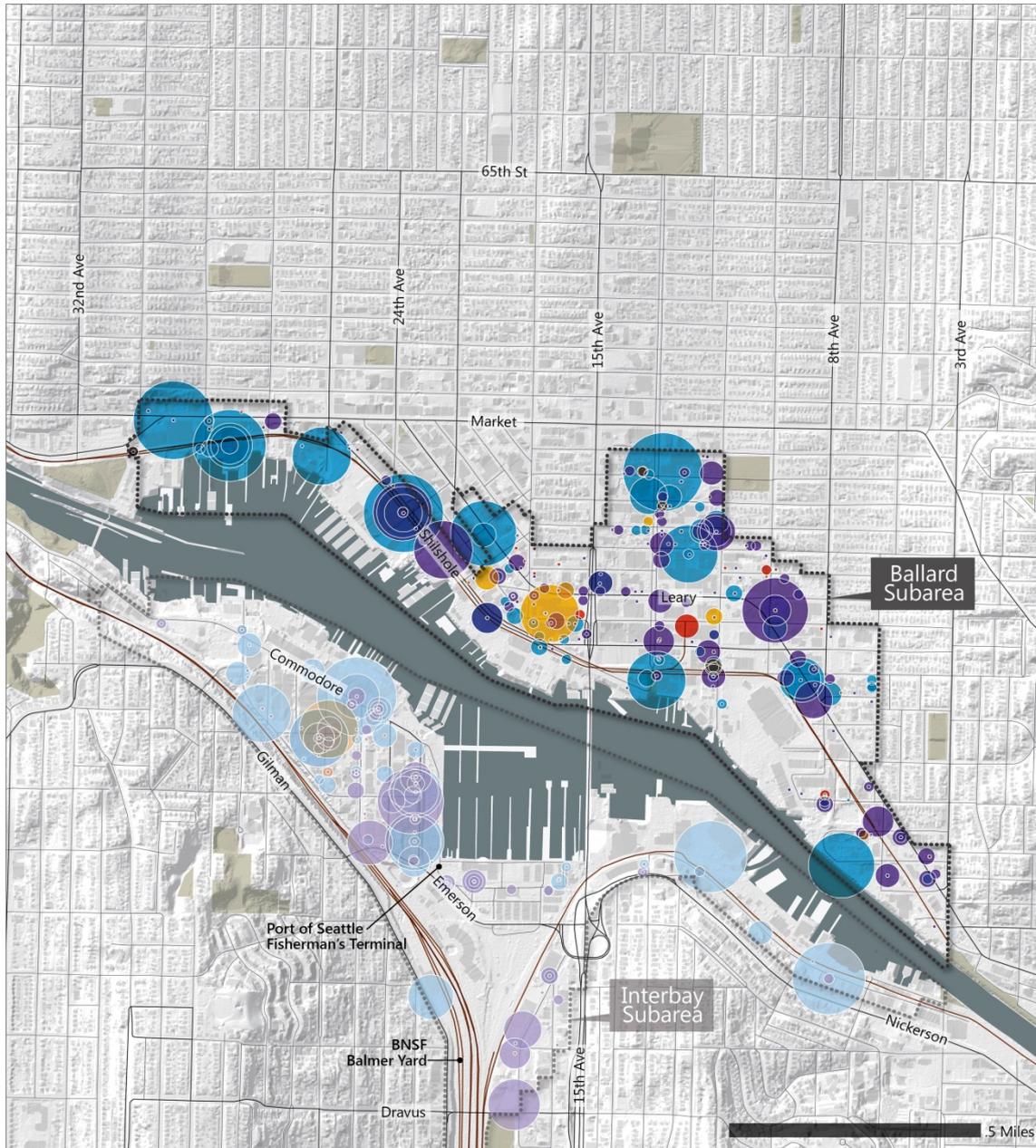
Local Production Inventory
**Ballard Subarea:
 Commercial & Industrial**



Source: Hoover's 2014; Community Attributes
 cai community attributes

4 Inventory by Subarea: BALLARD

Industrial Establishment Locations by Segment



Local Production Inventory

Ballard Subarea: Industrial Segments

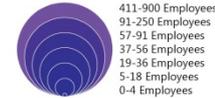
1a. Local Production: Artisanal-Craft Establishments



1b. Local Production: Other Establishments



2. Local Industrial Services, Distribution & Repair Establishments



3. Export-Oriented Industrial Establishments



Parks & Open Space

Bodies of Water

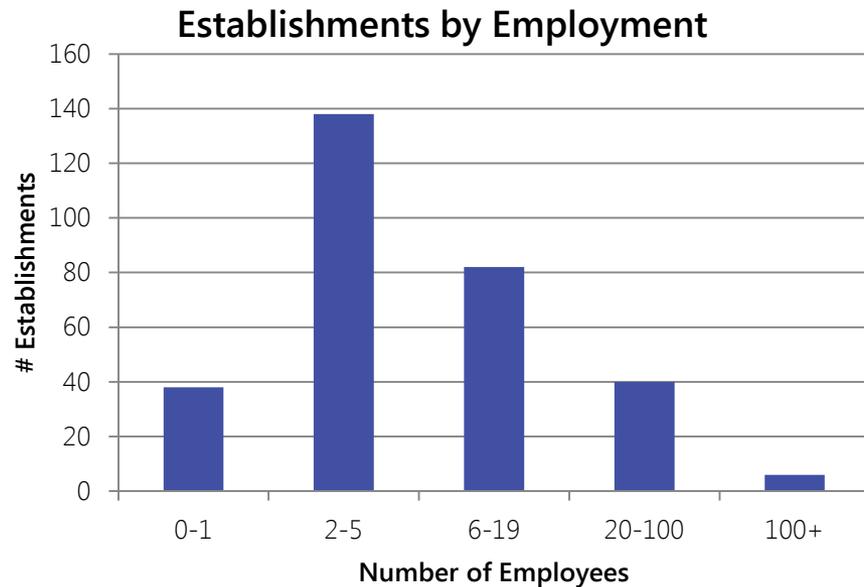
Subarea Boundary

Source: Hoover's 2014; Community Attributes

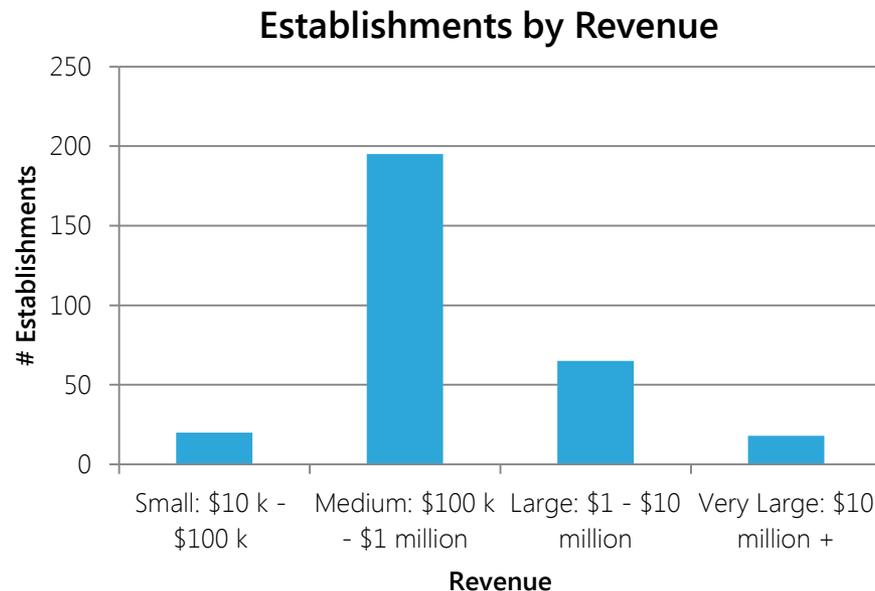
cai community attributes

4 Inventory by Subarea: BALLARD

Establishment Size Profiles



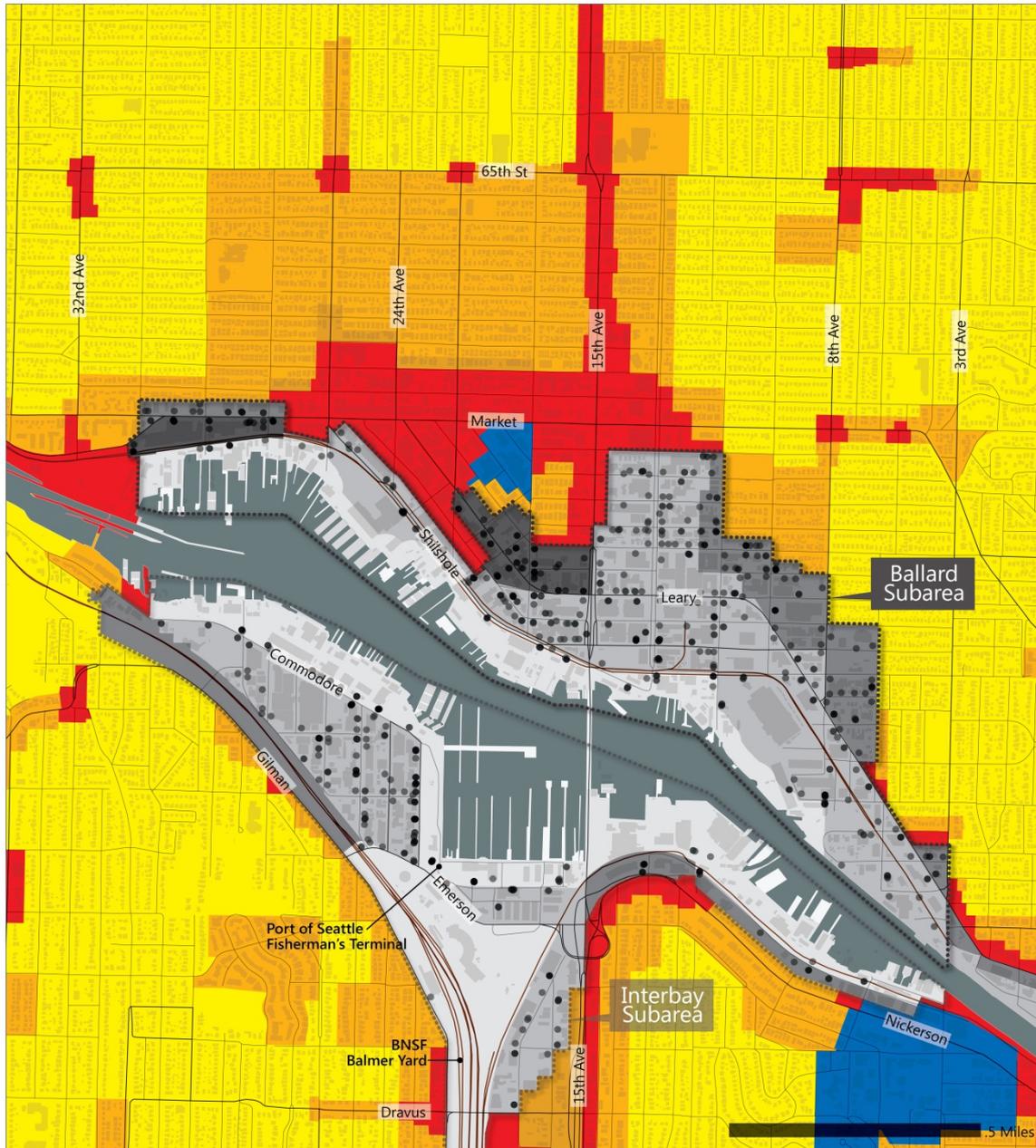
Most industrial establishments in Ballard are small employers, with 220 establishments employing 2 to 19 people. There are a significant number of sole proprietorships (37), but only a handful (6) of large, 100+ employee establishments.



The pattern is similar in terms of firm revenues – more industrial establishments in Ballard (195) report revenues in the mid-size range (from \$100,000 to \$1 million per year) than the combined total of Small, Large, and Very Large revenue-generating establishments.

*Note: Industrial activities only; 1 establishment with 0 employment
Source: Hoover's 2014; Community Attributes*

4 Inventory by Subarea: BALLARD



Ballard Zoning

Note: locations of establishments are approximate and based on geo-coded street addresses.

See slide 113 for descriptions of Seattle's industrial zones.

Local Production Inventory Ballard Zoning

Specific Industrial Zoning

- General Industrial 1
- General Industrial 2
- Industrial Buffer
- Industrial Commercial

Generalized Zoning

- Downtown
- Major Institutions
- Master Planned Community
- Multi-Family
- Neighborhood/Commercial
- Residential/Commercial
- Single Family

- Inventoried Establishment*
- Parks & Open Space
- Bodies of Water
- Subarea Boundary

*Note: Darker dots indicate multiple establishments
Source: City of Seattle; Community Attributes

4 Inventory by Subarea: BALLARD

Top Industries (by Number of Establishments)

Primary Industry	Establishments	Revenues (Millions USD)	Employment
Automotive Repair & Maintenance Services	29	12.05	136
Wholesale Sector	24	24.07	134
Plumbing & HVAC Contractors	12	23.31	191
Residential Construction Contractors	11	4.30	41
Industrial Equipment Wholesalers	10	52.48	78
Painting & Wall Covering Contractors	8	6.39	85
Commercial Equipment Repair & Maintenance	7	5.54	60
Commercial Printing	7	22.19	150
Furniture Manufacturing	7	2.37	25
Specialty Contractors	7	4.80	46
Commercial Fishing	6	1274.74	363
Warehousing & Storage	6	0.91	15
Electrical Contractors	5	2.81	33
Electrical Products Wholesalers	5	1.61	23
Electrical, Plumbing & Hardware Wholesalers	5	11.00	88
Food Wholesalers	5	5.35	30
Machinery Manufacturing	5	44.15	274
Shipbuilding & Repairing	5	36.70	322
Transportation Services Sector	5	18.66	122

Note: Industrial activities only; revenue data for some establishments not available

Source: Hoover's 2014; Community Attributes

4 Inventory by Subarea: BALLARD

Top Industries (by Revenues)

Primary Industry	Establishments	Revenues (Millions USD)	Employment
Commercial Fishing	6	1274.74	363
Plastic & Rubber Product Manufacturing	1	92	410
Industrial Equipment Wholesalers	10	52.48	78
Machinery Manufacturing	5	44.15	274
Shipbuilding & Repairing	5	36.7	322
Petroleum & Petroleum Products Wholesalers	1	32	7
Wholesale Sector	24	24.065162	134
Plumbing & HVAC Contractors	12	23.307	191
Collectibles, Giftware & Commemorative Products Manufacturing	2	23.1	78
Commercial Printing	7	22.19	150
Architectural & Structural Metals Manufacturing	4	18.93	111
Transportation Services Sector	5	18.66	122
Seafood Processing	3	16	654
Office Furniture, Fixtures & Equipment Manufacturing	2	14.31	18
Fuel Oil Dealers	1	13.5	50
Automotive Repair & Maintenance Services	29	12.053758	136
Building Material Dealers	4	11.354	83
Electrical, Plumbing & Hardware Wholesalers	5	11	88
Lumber & Plywood Product Manufacturing	2	10.5	89
Petroleum & Coal Products Manufacturing	1	10.1	37

Note: Industrial activities only; revenue data for some establishments not available

Source: Hoover's 2014; Community Attributes

4 Inventory by Subarea: BALLARD

Top Industries (by Employment)

Primary Industry	Establishments	Revenues (Millions USD)	Employment
Seafood Processing	3	16	654
Plastic & Rubber Product Manufacturing	1	92	410
Commercial Fishing	6	1274.74	363
Shipbuilding & Repairing	5	36.7	322
Machinery Manufacturing	5	44.15	274
Plumbing & HVAC Contractors	12	23.307	191
Commercial Printing	7	22.19	150
Automotive Repair & Maintenance Services	29	12.053758	136
Wholesale Sector	24	24.065162	134
Transportation Services Sector	5	18.66	122
Architectural & Structural Metals Manufacturing	4	18.93	111
Lumber & Plywood Product Manufacturing	2	10.5	89
Electrical, Plumbing & Hardware Wholesalers	5	11	88
Painting & Wall Covering Contractors	8	6.392438	85
Building Material Dealers	4	11.354	83
Industrial Equipment Wholesalers	10	52.48	78
Collectibles, Giftware & Commemorative Products Manufacturing	2	23.1	78
Electronic Connector Manufacturing	1	8.3	60
Commercial Equipment Repair & Maintenance	7	5.54	60
Fuel Oil Dealers	1	13.5	50

Note: Industrial activities only; revenue data for some establishments not available

Source: Hoover's 2014; Community Attributes

4 Inventory by Subarea: INTERBAY



Interbay Subarea

The Interbay Subarea includes 791 parcel acres encompassing industrially zoned lands along the southern shore of the Lake Washington Ship Canal, including the Port of Seattle's Fishermen's Terminal, south through BNSF's Balmer Yard to Terminal 90-91, and southeast along Elliott Avenue. There are approximately 520 establishments employing 7,750 people in commercial and industrial activities.

Local Production Inventory Interbay Subarea

- Parks & Open Space
- Bodies of Water
- Subarea Boundary

Source: Hoover's 2014; Community Attributes
cai community attributes

4 Inventory by Subarea: INTERBAY

GM Nameplate (HQ)

Fabricated metal product manufacturing



Glacier Fish Company

Commercial fishing and seafood processing



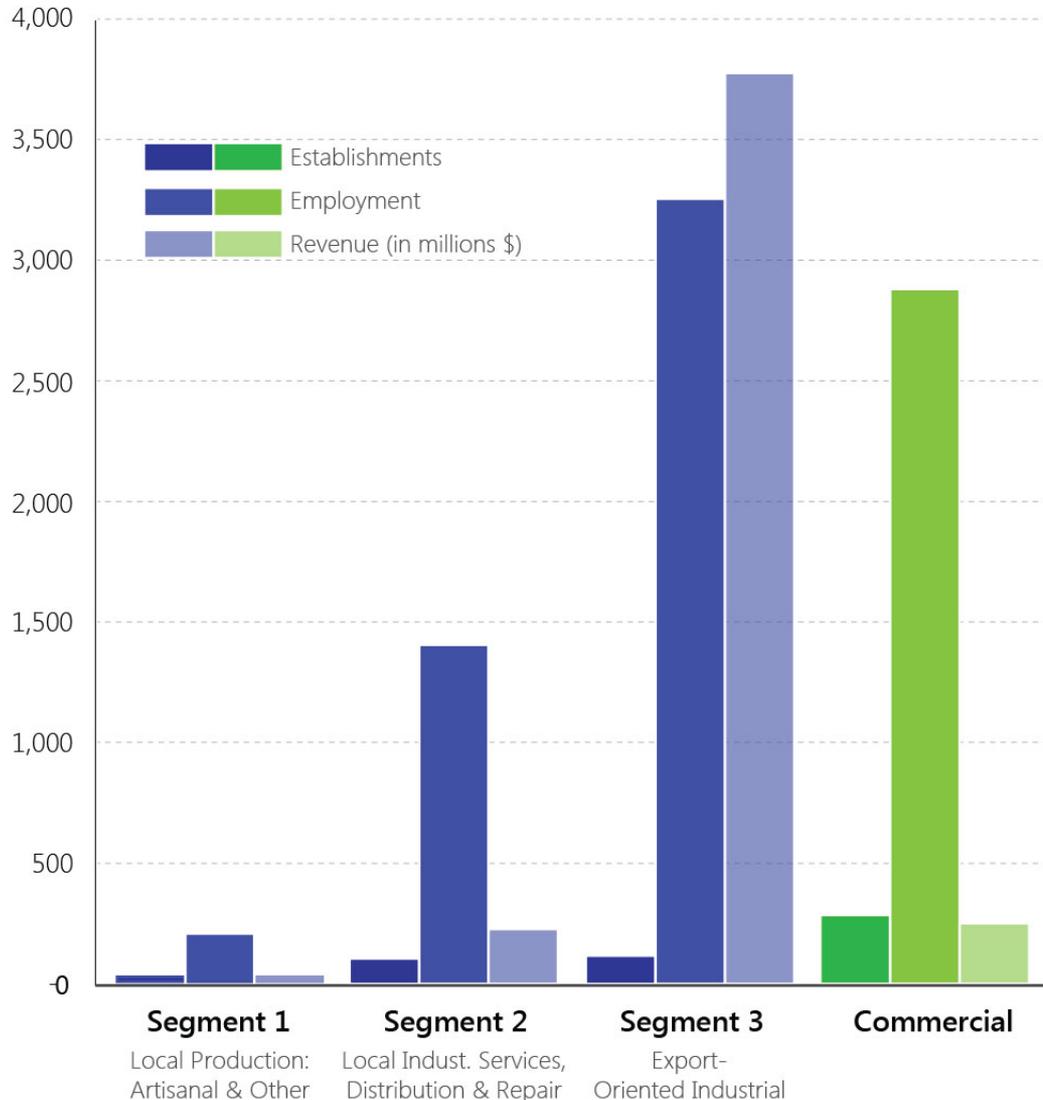
Ocean Beauty Seafoods (HQ)

Commercial fishing and seafood processing



4 Inventory by Subarea: INTERBAY

Establishments, Employment & Revenue by Segment

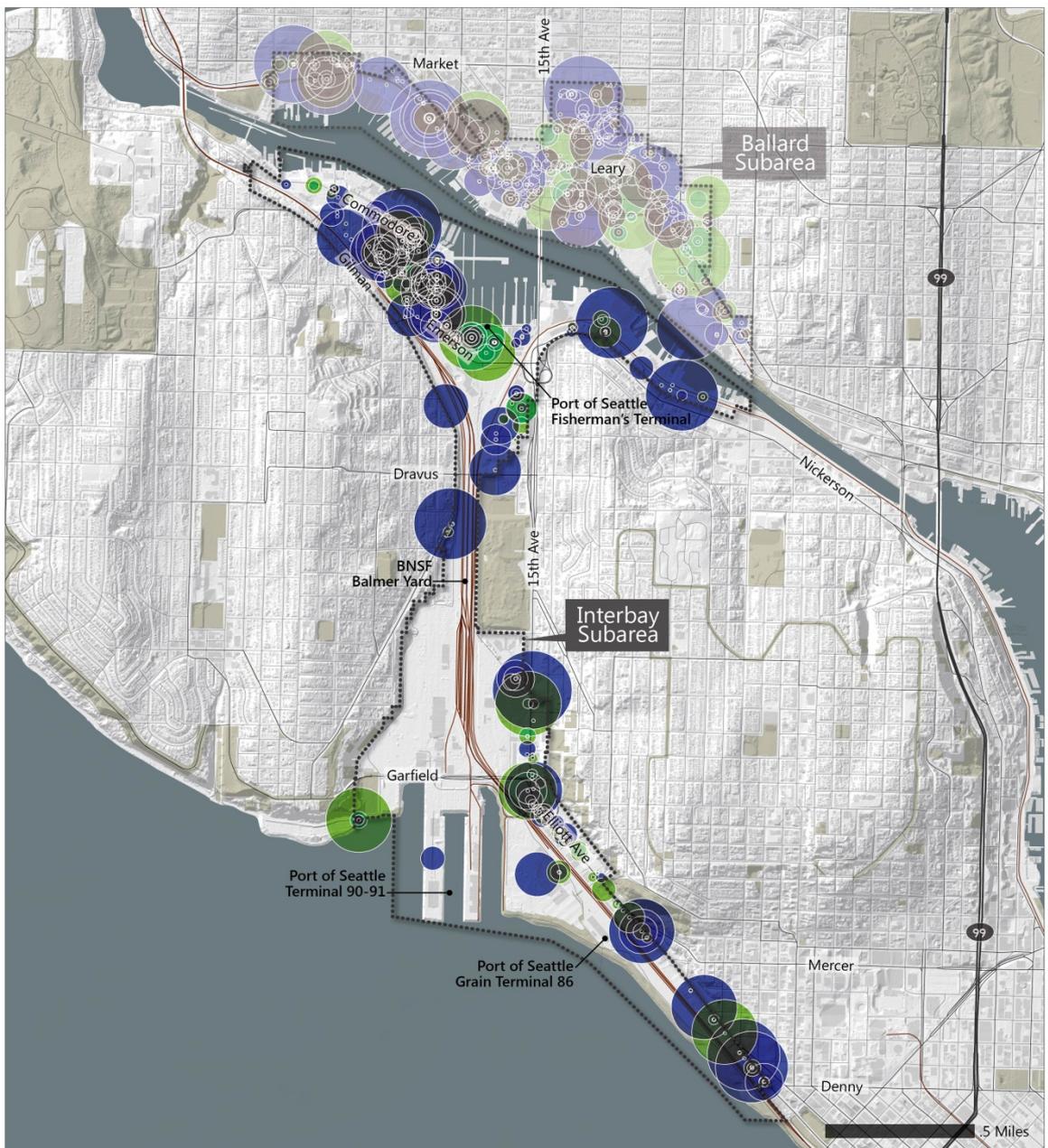


In the Interbay Subarea, business activity in terms of employment is dominated by both Export-Oriented industrial and Commercial activities which employ 2,880 and 3,260 respectively.

While employment levels are similar for Segment 3 and Commercial activities, revenues generated are far higher for Segment 3 industrial than any other Segment.

Local Production is a smaller presence in terms of all three categories, employing only 156 at 10 establishments in Interbay.

4 Inventory by Subarea: INTERBAY



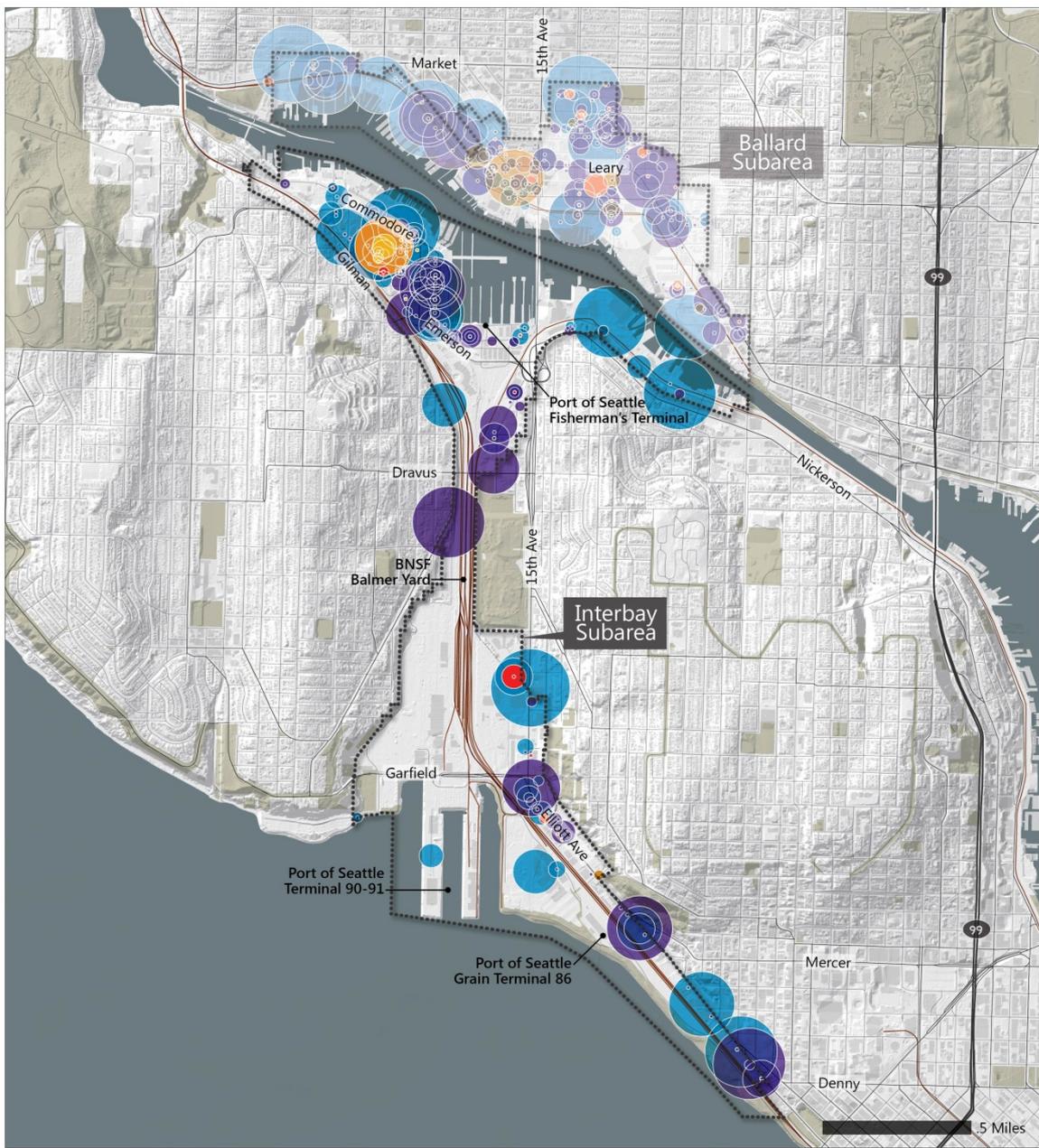
Commercial & Industrial Establishment Locations

Local Production Inventory
**Ballard Subarea:
 Commercial & Industrial**



Source: Hoover's 2014; Community Attributes
 cai community attributes

4 Inventory by Subarea: INTERBAY



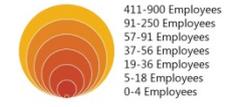
Industrial Establishment Locations by Segment

Local Production Inventory Ballard Subarea: Industrial Segments

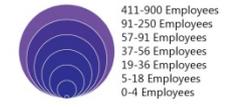
1a. Local Production: Artisanal-Craft Establishments



1b. Local Production: Other Establishments



2. Local Industrial Services, Distribution & Repair Establishments

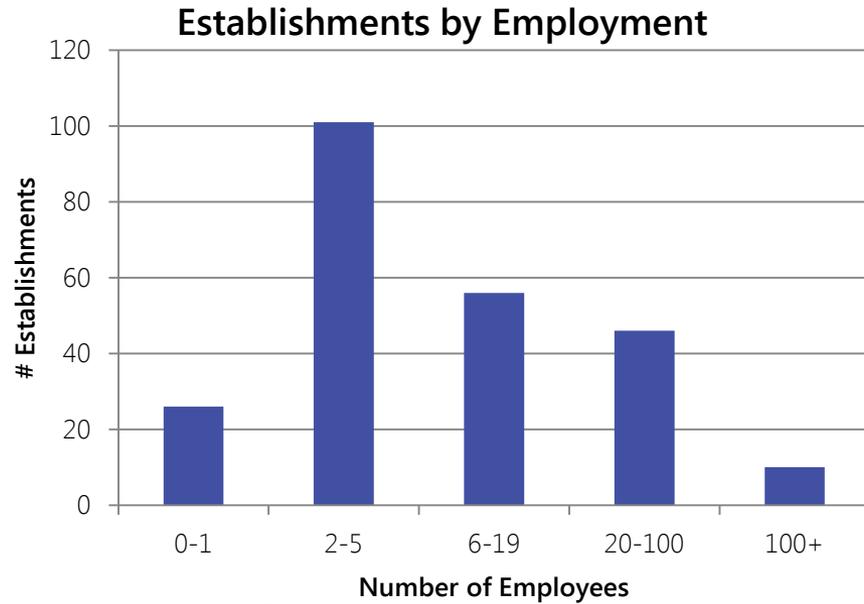


3. Export-Oriented Industrial Establishments

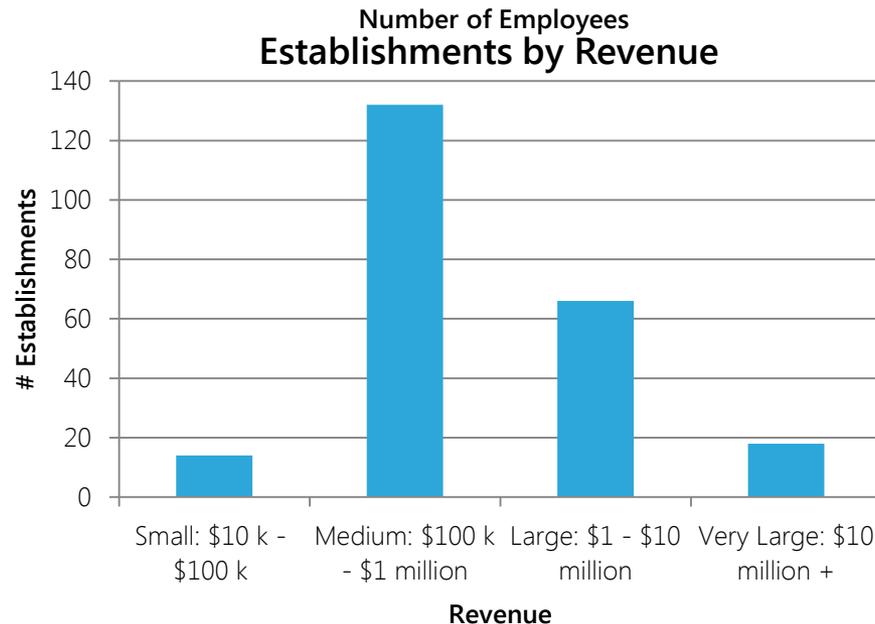


4 Inventory by Subarea: INTERBAY

Establishment Size Profiles



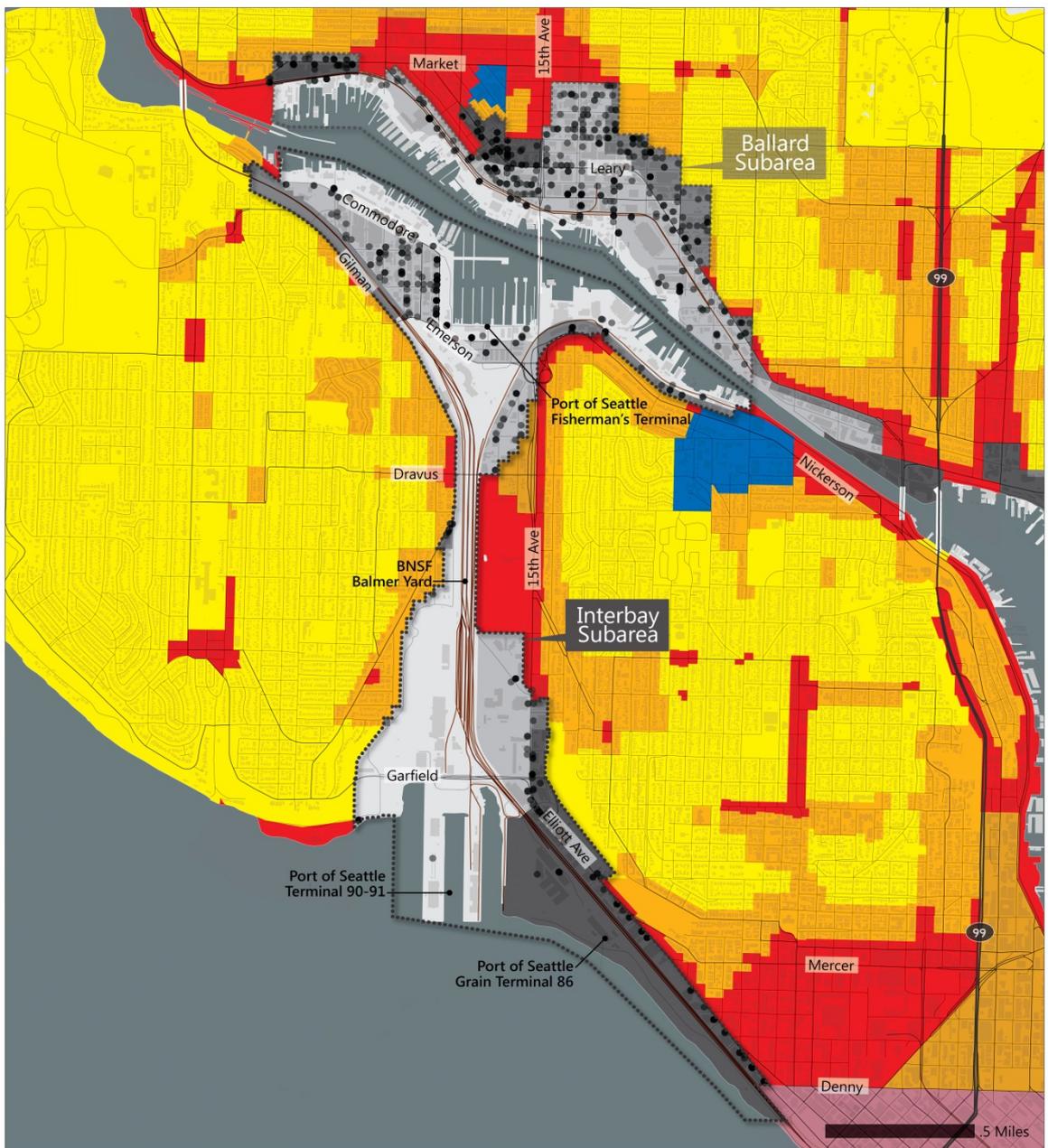
As in Ballard, most industrial establishments in Interbay are small- to mid-size employers (157 employing from 2-19 people). There are still a significant number of sole proprietorships (26), and only 10 large, 100+ employee establishments.



The pattern is similar in terms of firm revenues – most industrial establishments in Interbay report revenues in the mid-size range (from \$100,000 to \$1 million per year).

Note: Industrial activities only; 2 establishment with 0 employment
Source: Hoover's 2014; Community Attributes

4 Inventory by Subarea: INTERBAY



Interbay Zoning

Note: locations of establishments are approximate and based on geo-coded street addresses.

See slide 113 for descriptions of Seattle's industrial zones.

Local Production Inventory Interbay Zoning

- Specific Industrial Zoning**
- General Industrial 1
 - General Industrial 2
 - Industrial Buffer
 - Industrial Commercial
- Generalized Zoning**
- Downtown
 - Major Institutions
 - Master Planned Community
 - Multi-Family
 - Neighborhood/Commercial
 - Residential/Commercial
 - Single Family
- Inventoried Establishment*
 - Parks & Open Space
 - Bodies of Water
 - Subarea Boundary

*Note: Darker dots indicate multiple establishments
Source: City of Seattle; Community Attributes

4 Inventory by Subarea: INTERBAY

Top Industries (by Number of Establishments)

Primary Industry	Establishments	Revenues (Millions USD)	Employment
Food Wholesalers	18	134.61	216
Wholesale Sector	16	1484.816145	120
Commercial Equipment Repair & Maintenance	11	12.47	118
Seafood Processing	11	550.957	778
Commercial Fishing	10	45.334	507
Electrical Contractors	9	41.707312	235
Specialty Contractors	8	20.74	200
Automotive Repair & Maintenance Services	7	2.076	24
Industrial Equipment Wholesalers	6	12.785	52
Commercial & Heavy Construction Contractors	6	7.209	58
Commercial Printing	5	6.547	49
Pharmaceutical Manufacturing	5	1.79	297
Transportation Services Sector	4	0.591	12
Residential Construction Contractors	4	1.547	14
Engineering Services	4	2.455	27
Shipbuilding & Repairing	4	3.87	34
Sporting Goods Manufacturing	4	6.6	59
Construction Machinery Manufacturing	4	9.731	109
Boat Building	3	0.92	13
Textile Manufacturing	3	1.432	16

Note: Industrial activities only; revenue data for some establishments not available

Source: Hoover's 2014; Community Attributes

4 Inventory by Subarea: INTERBAY

Top Industries (by Revenues)

Primary Industry	Establishments	Revenues (Millions USD)	Employment
Wholesale Sector	16	1484.816145	120
Routing & Switching Equipment Manufacturing	1	1481.314	123
Seafood Processing	11	550.957	778
Food Wholesalers	18	134.61	216
Commercial Fishing	10	45.334	507
Electrical Contractors	9	41.707312	235
Building Material Dealers	3	33.59	71
Electrical, Plumbing & Hardware Wholesalers	2	26.359926	80
Specialty Contractors	8	20.74	200
Aquaculture	2	16.368	82
Industrial Equipment Wholesalers	6	12.785	52
Commercial Equipment Repair & Maintenance	11	12.47	118
Men's Clothing Manufacturing	2	12	20
Radio Broadcasting & Programming	2	11.7	125
Agriculture & Forestry Sector	1	10.616836	47
Construction Machinery Manufacturing	4	9.731	109
Coffee & Tea Manufacturing	2	7.3	35
Commercial & Heavy Construction Contractors	6	7.209	58
Lumber Wholesalers	2	7.18	31
Sporting Goods Manufacturing	4	6.6	59

*Note: Industrial activities only; revenue data for some establishments not available
Source: Hoover's 2014; Community Attributes*

4 Inventory by Subarea: INTERBAY

Top Industries (by Employment)

Primary Industry	Establishments	Revenues (Millions USD)	Employment
Seafood Processing	11	550.957	778
Commercial Fishing	10	45.334	507
Fabricated Metal Product Manufacturing	2	0	376
Pharmaceutical Manufacturing	5	1.79	297
Electrical Contractors	9	41.707312	235
Food Wholesalers	18	134.61	216
Specialty Contractors	8	20.74	200
Newspaper Publishers	2	0.35	172
Radio Broadcasting & Programming	2	11.7	125
Routing & Switching Equipment Manufacturing	1	1481.314	123
Wholesale Sector	16	1484.816145	120
Commercial Equipment Repair & Maintenance	11	12.47	118
Construction Machinery Manufacturing	4	9.731	109
Aquaculture	2	16.368	82
Electrical, Plumbing & Hardware Wholesalers	2	26.359926	80
Electrical Products Manufacturing	1	5.8	75
Building Material Dealers	3	33.59	71
Sporting Goods Manufacturing	4	6.6	59
Commercial & Heavy Construction Contractors	6	7.209	58
Biotechnology Research Services	1	0.510054	56

Note: Industrial activities only; revenue data for some establishments not available

Source: Hoover's 2014; Community Attributes

4 Inventory by Subarea: I-90 / MT. BAKER



I-90/Mt. Baker Subarea

The I-90/Mt. Baker Subarea includes 149 parcel acres encompassing industrially zoned land immediately north of I-90 and east of I-5, as well as mixed industrial and commercially zoned land along the Rainier Boulevard corridor south of I-90 around the Mt. Baker light rail station. There are approximately 330 establishments employing 5,350 people in commercial and industrial activities.

Local Production Inventory I-90/Mt. Baker Subarea

-  Parks & Open Space
-  Bodies of Water
-  Subarea Boundary

Source: Hoover's 2014; Community Attributes
 community attributes

4 Inventory by Subarea: I-90 / MT. BAKER

Top Industrial Employers

Darigold (HQ)

Dairy product processing



Pepsi (HQ)

Soft drink manufacturer



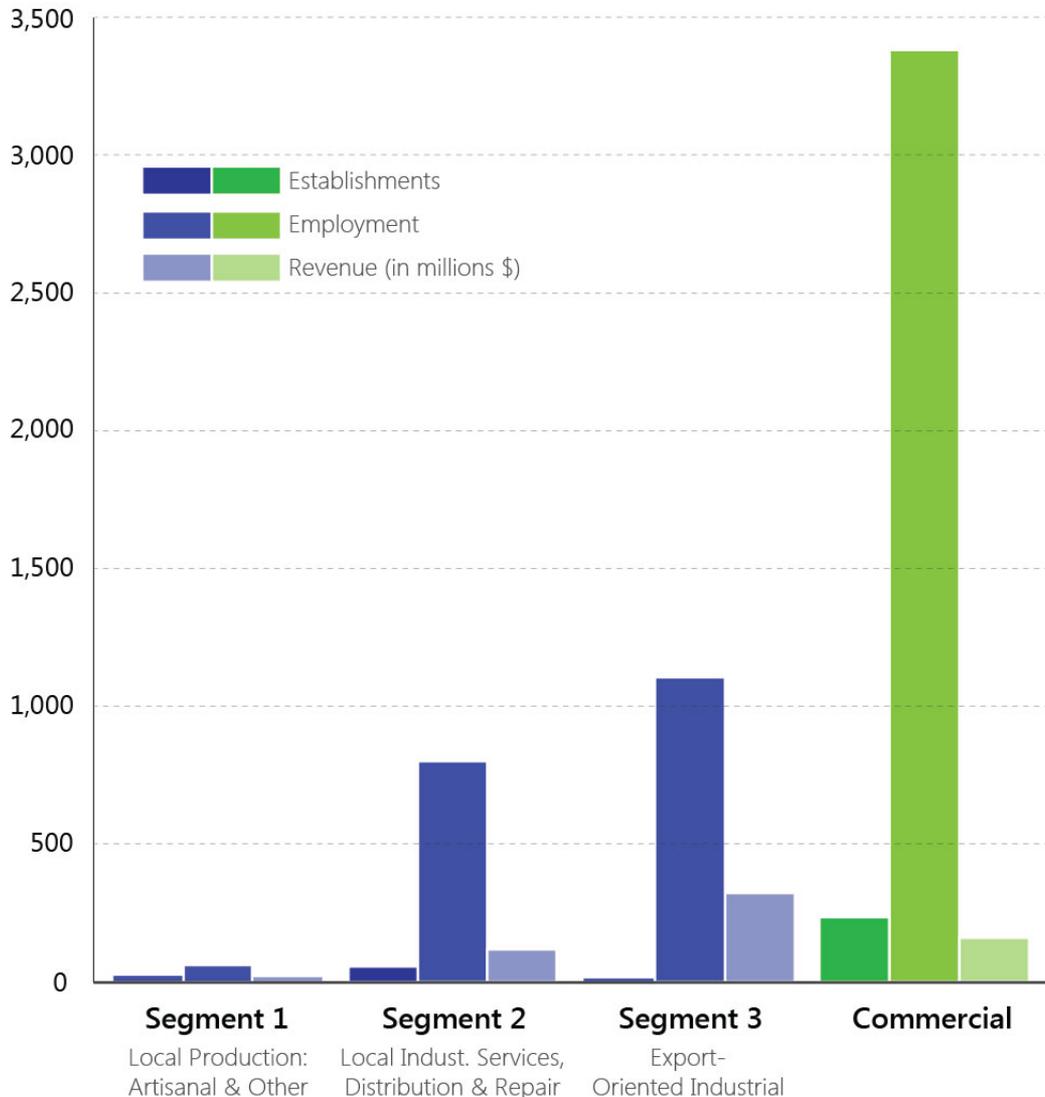
SME Inc. of Seattle (HQ)

Electrical Contractor



4 Inventory by Subarea: I-90 / MT. BAKER

Establishments, Employment & Revenue by Segment

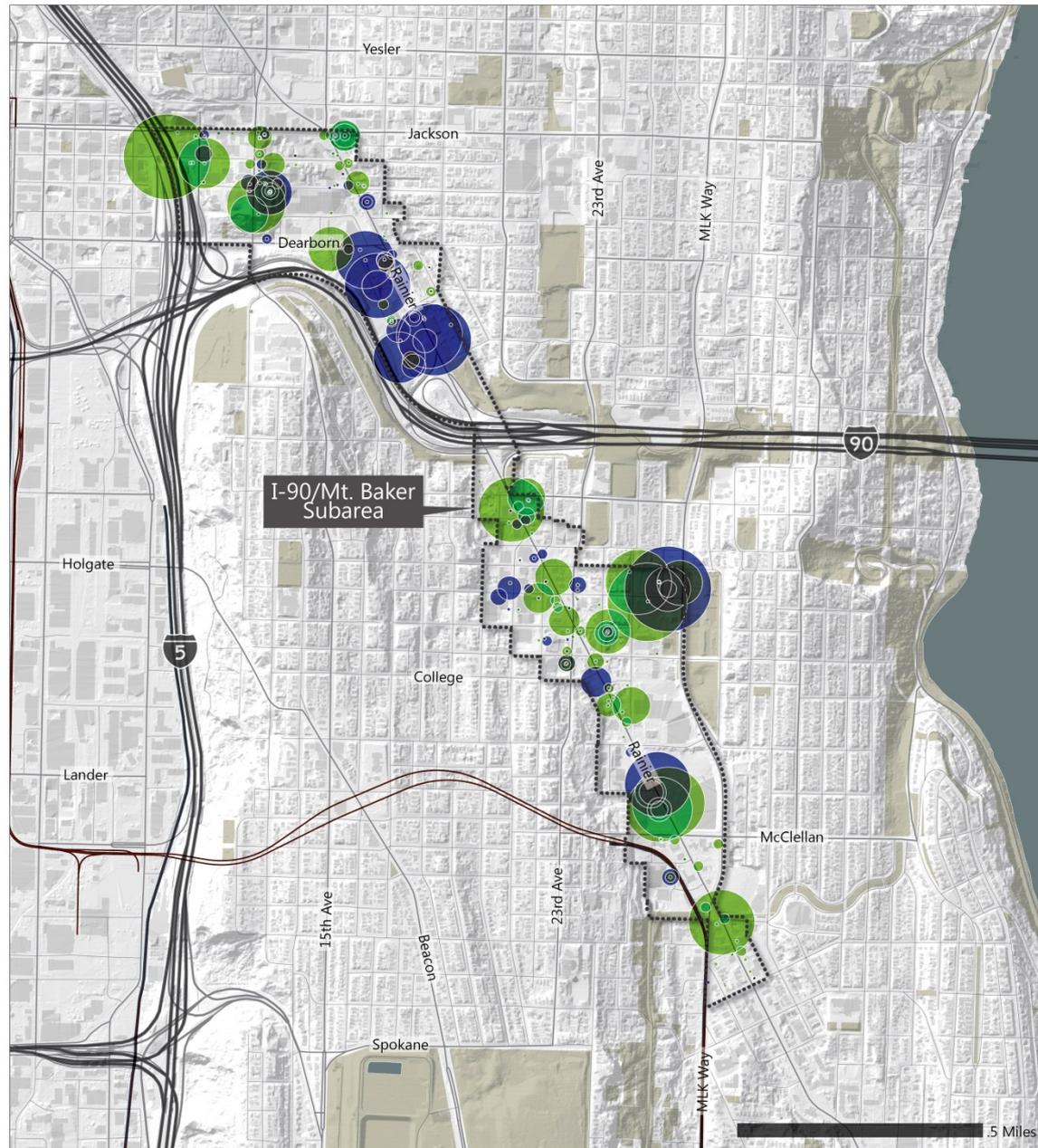


In the I-90/Mt. Baker Subarea, business activity in terms of employment is dominated by Commercial activities which employ 3,380 versus the 1,970 employed in all industrial activities combined. (The reason for this is the inclusion of non-industrially zoned lands in the Subarea boundaries which nevertheless contain industrial establishments.)

While employment levels are highest for Commercial activities, revenues generated are higher for the industrial Segments.

Local Production is still a small presence in terms of all three categories, employing only 62 at eight establishments in I-90/Mt. Baker.

4 Inventory by Subarea: I-90 / MT. BAKER



Commercial & Industrial Establishment Locations

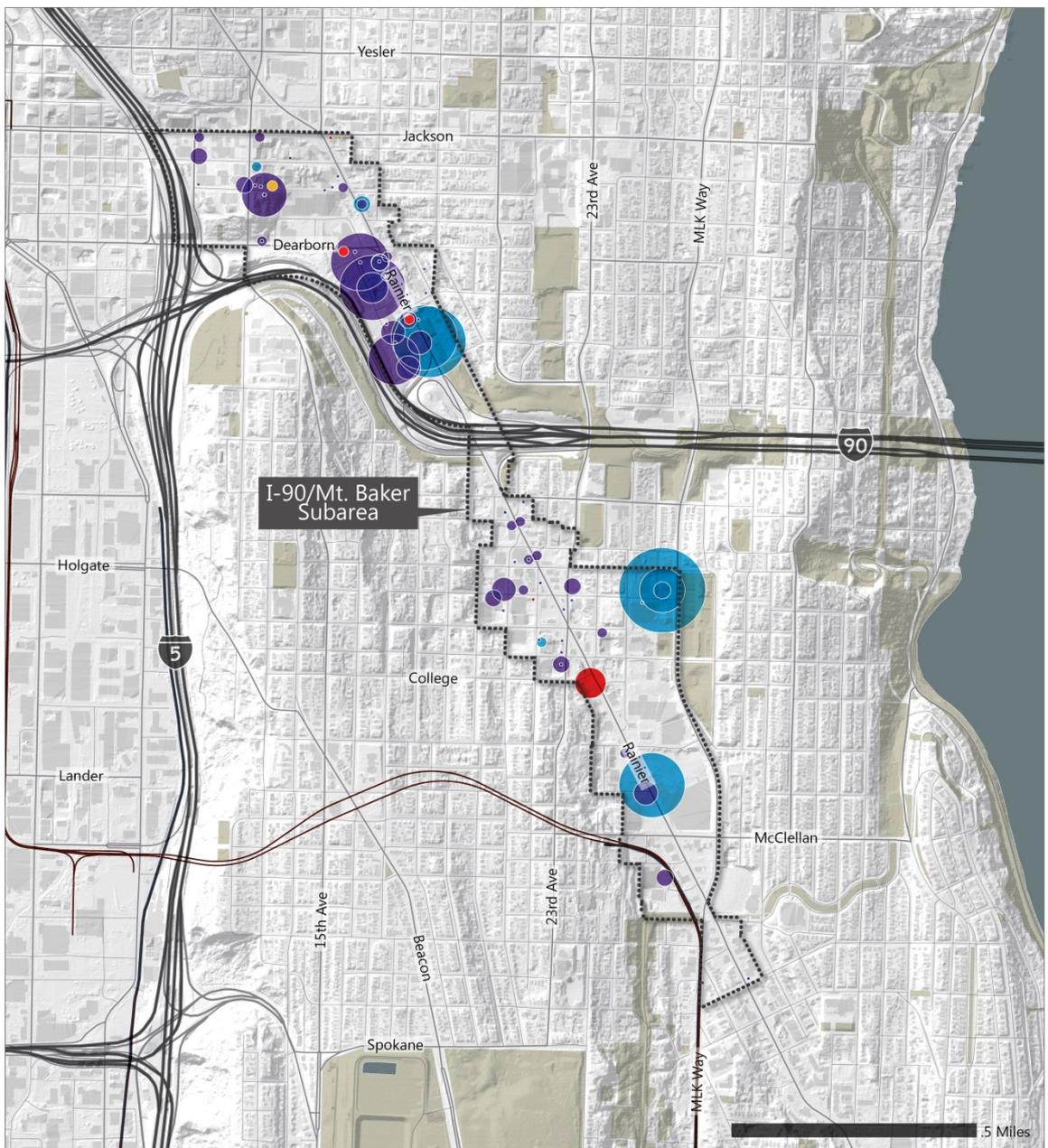
Local Production Inventory

Ballard Subarea: Commercial & Industrial



Source: Hoover's 2014; Community Attributes

4 Inventory by Subarea: I-90 / MT. BAKER



Industrial Establishment Locations by Segment

Local Production Inventory Ballard Subarea: Industrial Segments

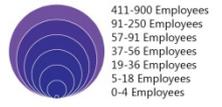
1a. Local Production: Artisanal-Craft Establishments



1b. Local Production: Other Establishments



2. Local Industrial Services, Distribution & Repair Establishments



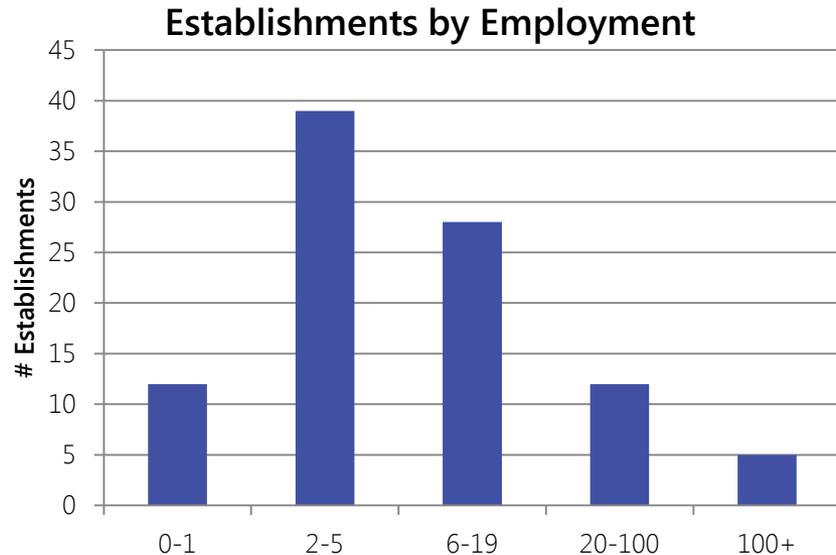
3. Export-Oriented Industrial Establishments



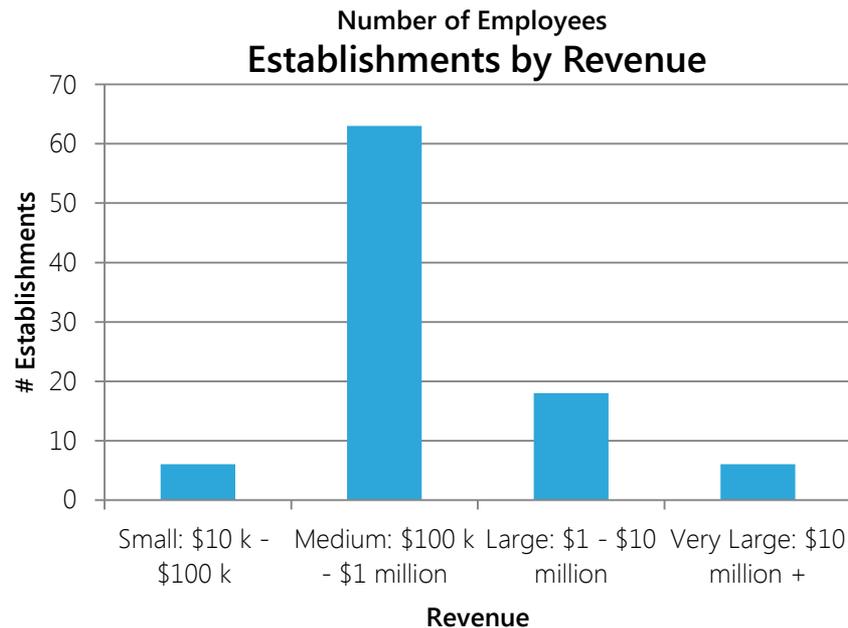
- Parks & Open Space
- Bodies of Water
- Subarea Boundary

4 Inventory by Subarea: I-90 / MT. BAKER

Establishment Size Profiles



Again, most industrial establishments in I-90/Mt. Baker are small- to mid-size employers (67 employing from 2-19 people). There are still a significant number of sole proprietorships (12), and only 5 large, 100+ employee establishments.

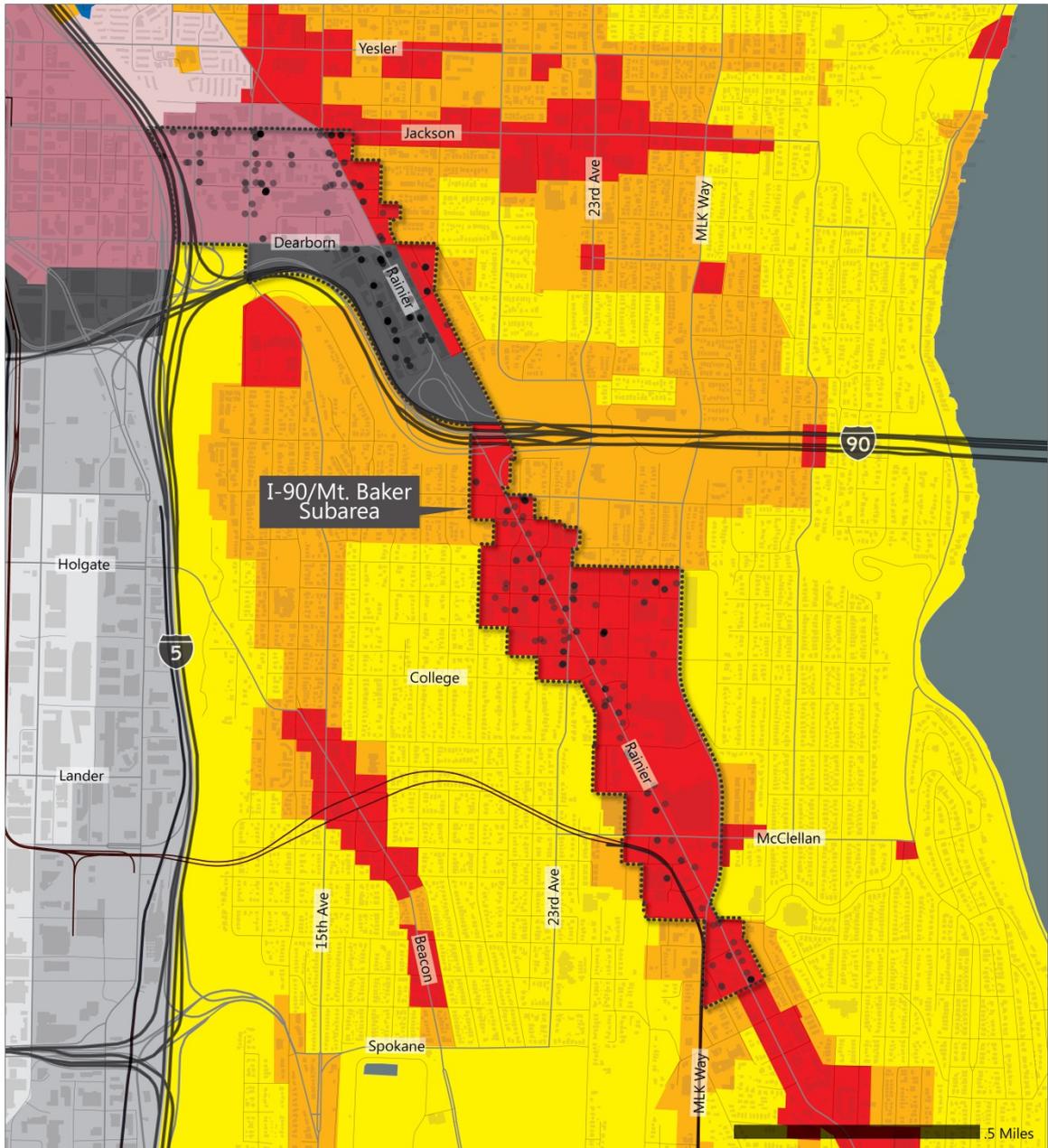


The pattern repeats in terms of firm revenues with most industrial establishments in I-90/Mt. Baker reporting revenues in the medium range (from \$100,000 to \$1 million per year). Very Large revenue-generating firms comprise a much smaller percentage (6%) than in Ballard and Interbay (16% each).

Note: Industrial activities only

Source: Hoover's 2014; Community Attributes

4 Inventory by Subarea: I-90 / MT. BAKER



I-90/Mt. Baker Zoning

Note: locations of establishments are approximate and based on geo-coded street addresses.

See slide 113 for descriptions of Seattle's industrial zones.

Local Production Inventory I-90/Mt. Baker Zoning

- Specific Industrial Zoning**
 - General Industrial 1
 - General Industrial 2
 - Industrial Buffer
 - Industrial Commercial
- Generalized Zoning**
 - Downtown
 - Major Institutions
 - Master Planned Community
 - Multi-Family
 - Neighborhood/Commercial
 - Residential/Commercial
 - Single Family
- Inventoried Establishment*
- Parks & Open Space
- Bodies of Water
- Subarea Boundary

*Note: Darker dots indicate multiple establishments
Source: City of Seattle; Community Attributes

4 Inventory by Subarea: I-90 / MT. BAKER

Top Industries (by Number of Establishments)

Primary Industry	Establishments	Revenues (Millions USD)	Employment
Wholesale Sector	13	6.35	53
Automotive Repair & Maintenance Services	10	3.39	42
Commercial & Heavy Construction Contractors	7	29.100651	81
Food Wholesalers	6	8.8	67
Electrical Contractors	4	27.3	207
Electrical, Plumbing & Hardware Wholesalers	3	12.12	22
Plumbing & HVAC Contractors	3	0.761	27
Janitorial & Carpet Cleaning Services	3	0.643	29
Security Services	2	0.126	2
Concrete & Masonry Contractors	2	2.72	2
Transportation Services Sector	2	0.158	3
Trucking	2	0.22	4
Highway, Street, & Bridge Construction Contractors	2	0.28	4
Truck Rental & Leasing	2	0.13	8
Glass & Glass Product Manufacturing	2	1.1	14
Newspaper Publishers	2	3.31	35
Landscaping Services	2	4.64	63
Dairy Products Manufacturing	2	254	292
Soft Drink Manufacturing	2	62.9	715

Note: Industrial activities only; revenue data for some establishments not available

Source: Hoover's 2014; Community Attributes

4 Inventory by Subarea: I-90 / MT. BAKER

Top Industries (by Revenues)

Primary Industry	Establishments	Revenues (Millions USD)	Employment
Dairy Products Manufacturing	2	254	292
Soft Drink Manufacturing	2	62.9	715
Commercial & Heavy Construction Contractors	7	29.100651	81
Electrical Contractors	4	27.3	207
Commercial & Industrial Equipment Rental & Leasing	1	13	80
Electrical, Plumbing & Hardware Wholesalers	3	12.12	22
Food Wholesalers	6	8.8	67
Wholesale Sector	13	6.35	53
Landscaping Services	2	4.64	63
Power Line & Telecommunications Infrastructure Construction Contractors	1	3.4	20
Automotive Repair & Maintenance Services	10	3.39	42
Newspaper Publishers	2	3.31	35
Concrete & Masonry Contractors	2	2.72	2
Lumber Wholesalers	1	2.2	9
Photographic & Optical Equipment/Supplies Manufacturing	1	1.9	15
Bakery Product Manufacturing	1	1.6	35
Glass & Glass Product Manufacturing	2	1.1	14
Food Manufacturing	1	0.9	10
Fabricated Metal Product Manufacturing	1	0.8	5

*Note: Industrial activities only; revenue data for some establishments not available
Source: Hoover's 2014; Community Attributes*

4 Inventory by Subarea: I-90 / MT. BAKER

Top Industries (by Employment)

Primary Industry	Establishments	Revenues (Millions USD)	Employment
Soft Drink Manufacturing	2	62.9	715
Dairy Products Manufacturing	2	254	292
Electrical Contractors	4	27.3	207
Commercial & Heavy Construction Contractors	7	29.100651	81
Commercial & Industrial Equipment Rental & Leasing	1	13	80
Food Wholesalers	6	8.8	67
Landscaping Services	2	4.64	63
Wholesale Sector	13	6.35	53
Nonalcoholic Beverage Manufacturing	1	0	50
Automotive Repair & Maintenance Services	10	3.39	42
Newspaper Publishers	2	3.31	35
Bakery Product Manufacturing	1	1.6	35
Janitorial & Carpet Cleaning Services	3	0.643	29
Plumbing & HVAC Contractors	3	0.761	27
Electrical, Plumbing & Hardware Wholesalers	3	12.12	22
Power Line & Telecommunications Infrastructure Construction Contractors	1	3.4	20
Exterminating & Pest Control Services	1	0	20
Photographic & Optical Equipment/Supplies Manufacturing	1	1.9	15
Glass & Glass Product Manufacturing	2	1.1	14

Note: Industrial activities only; revenue data for some establishments not available

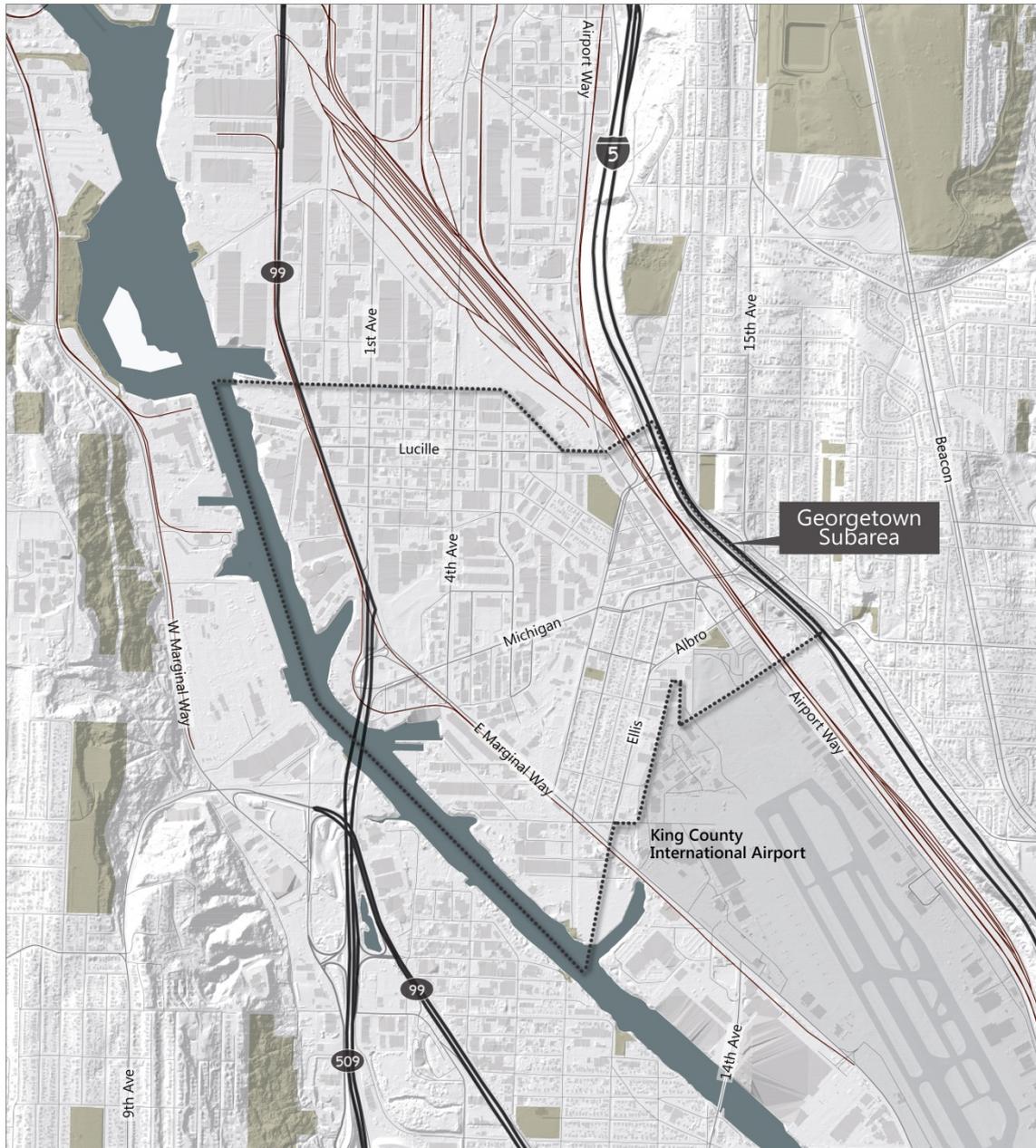
Source: Hoover's 2014; Community Attributes

4 Inventory by Subarea: GEORGETOWN

Georgetown Subarea

The Georgetown Subarea includes 513 parcel acres encompassing the neighborhood of Georgetown and the surrounding industrially zoned lands that abut it directly, bounded by I-5 to the east, King County Airport (Boeing Field) to the south, the Duwamish canal to the west, and Dawson Street on the north.

There are approximately 810 establishments employing 10,620 people in commercial and industrial activities.



Local Production Inventory Georgetown Subarea

- Parks & Open Space
- Bodies of Water
- Subarea Boundary

4 Inventory by Subarea: GEORGETOWN

Top Industrial Employers

Boeing

Aerospace products and parts manufacturing



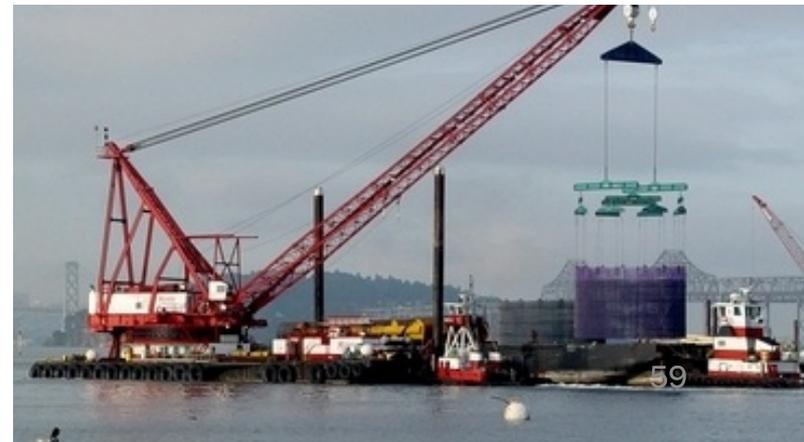
Ardagh Glass, Inc. (formerly Verallia)

Glass container manufacturing



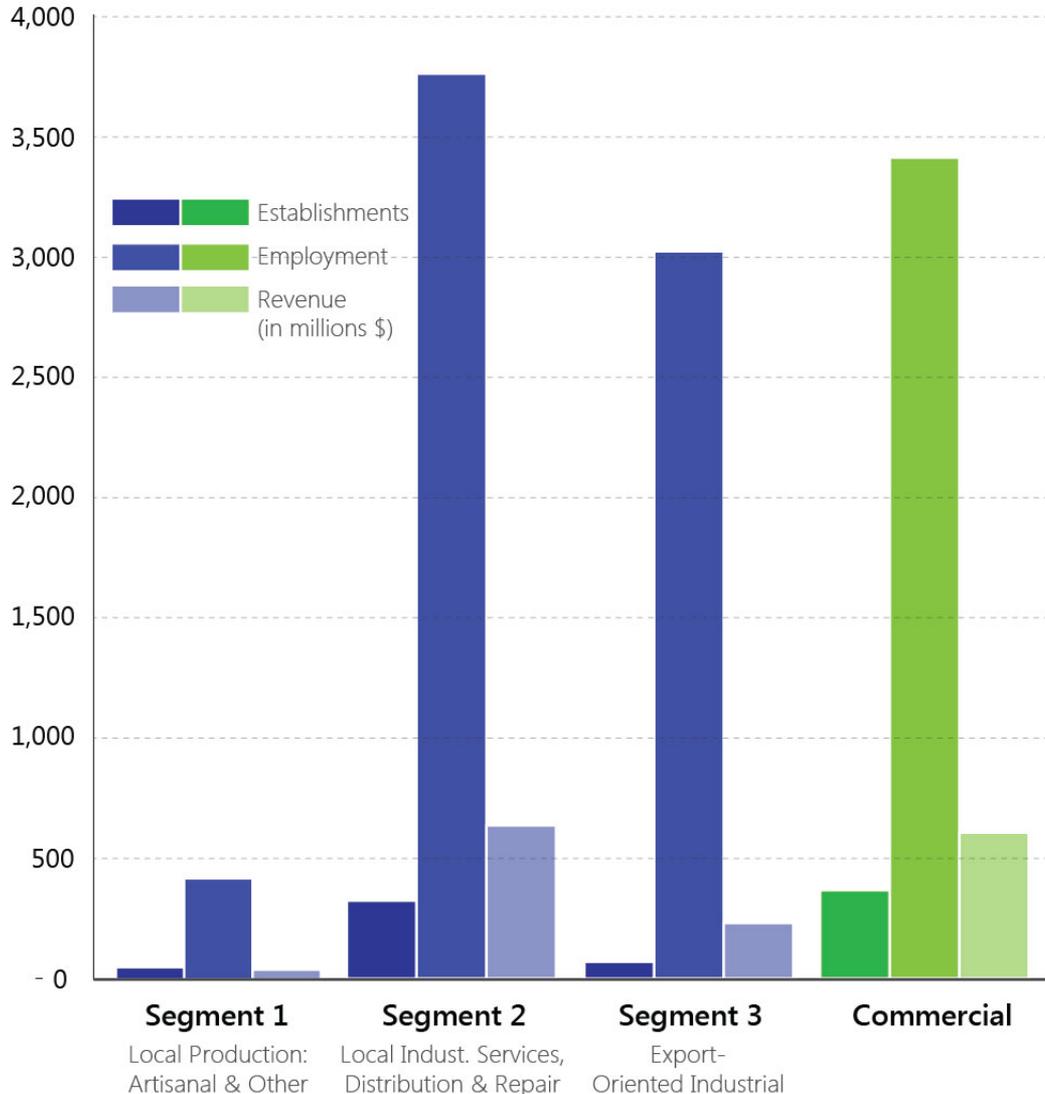
Manson Construction Co. (HQ)

Heavy civil marine construction and dredging



4 Inventory by Subarea: GEORGETOWN

Establishments, Employment & Revenue by Segment

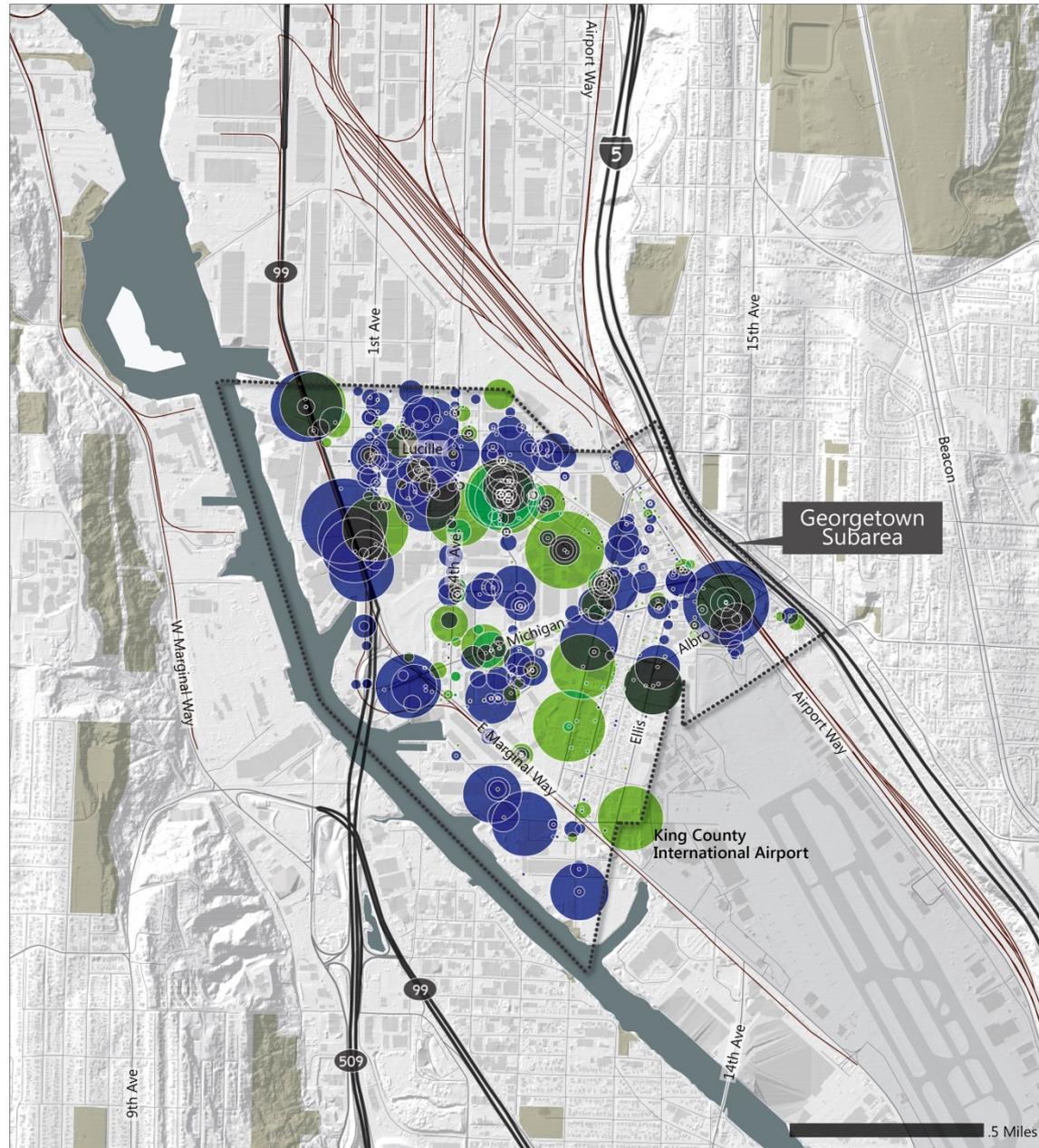


In the Georgetown Subarea, business activity in terms of employment is dominated by Segment 2 & 3 industrial and Commercial activities which employ 3,760, 3,025 and 3,410 respectively. (As in I-90/Mt. Baker, the Subarea includes non-industrially zoned land, accounting for increased commercial employment.)

Reported revenues for Georgetown firms – both industrial and commercial – were lower overall than in the other three Subareas.

Local Production is a more significant presence in Georgetown, employing 418 at 49 establishments.

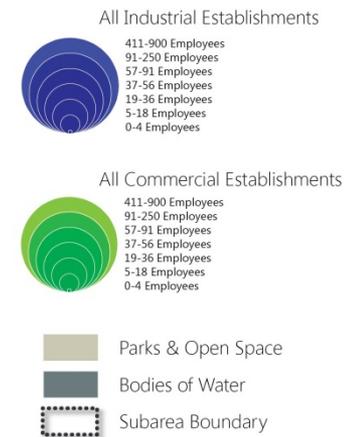
4 Inventory by Subarea: GEORGETOWN



Commercial & Industrial Establishment Locations

Local Production Inventory

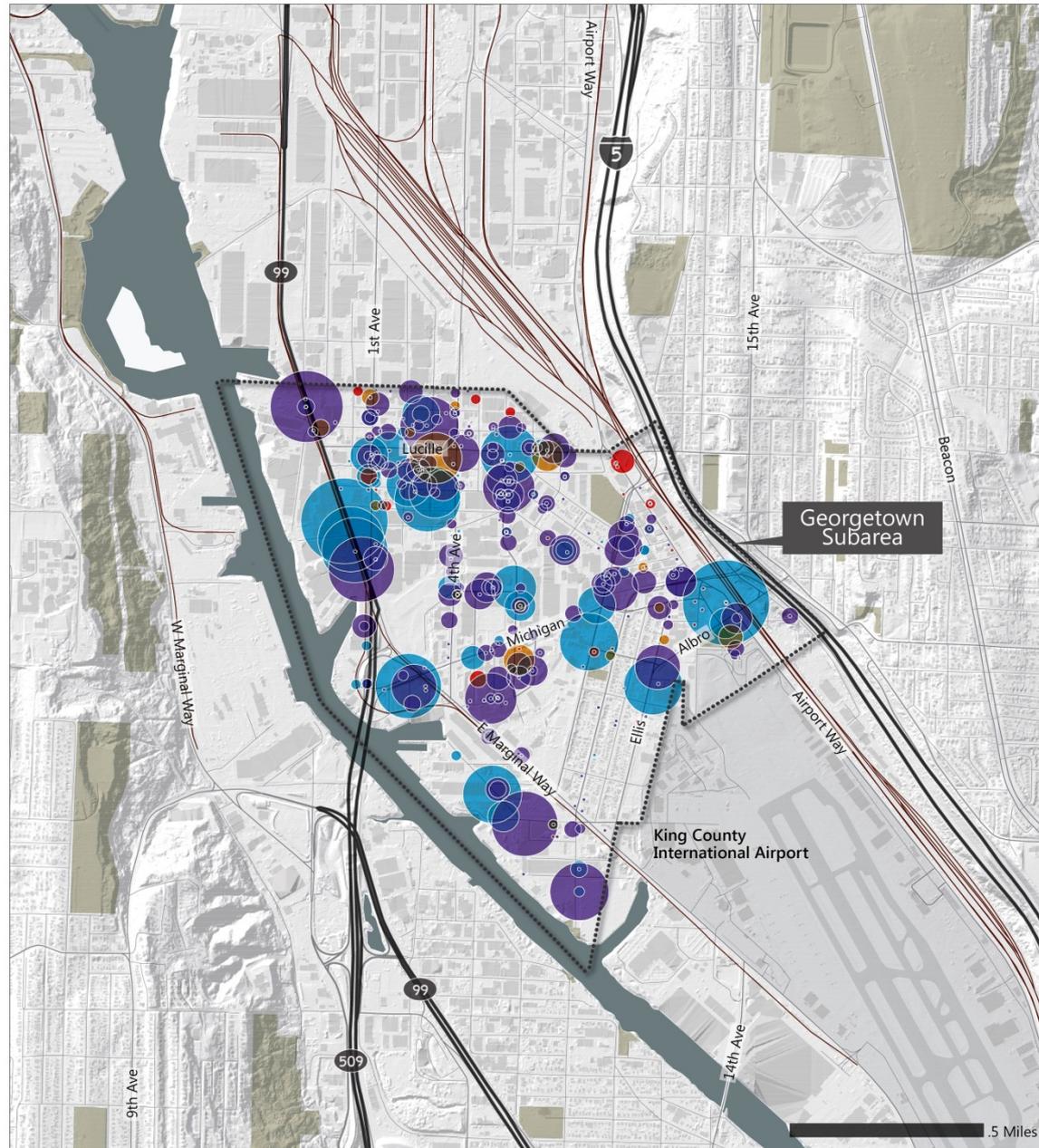
Ballard Subarea: Commercial & Industrial



Source: Hoover's 2014; Community Attributes

4 Inventory by Subarea: GEORGETOWN

Industrial Establishment Locations by Segment



Local Production Inventory

Ballard Subarea: Industrial Segments

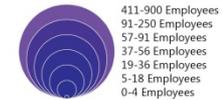
1a. Local Production: Artisanal-Craft Establishments



1b. Local Production: Other Establishments



2. Local Industrial Services, Distribution & Repair Establishments



3. Export-Oriented Industrial Establishments



Parks & Open Space

Bodies of Water

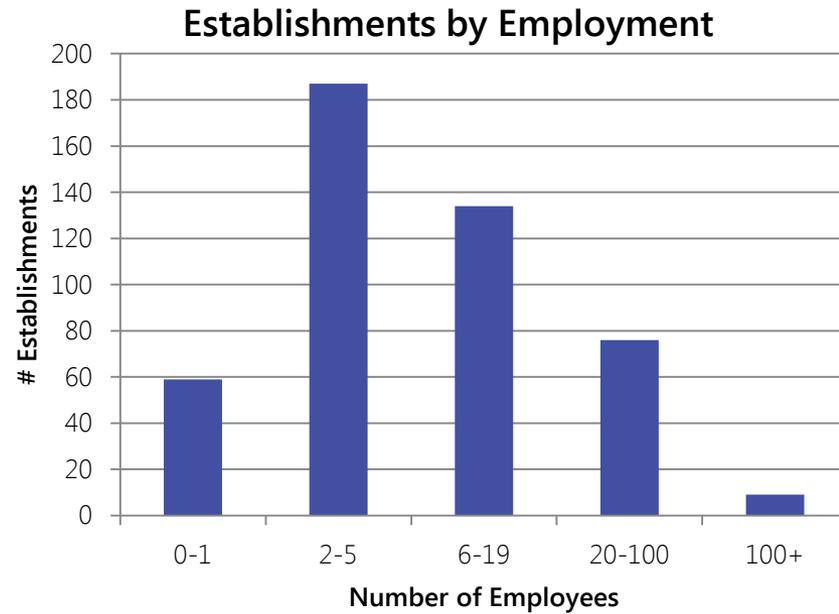
Subarea Boundary

Source: Hoover's 2014; Community Attributes

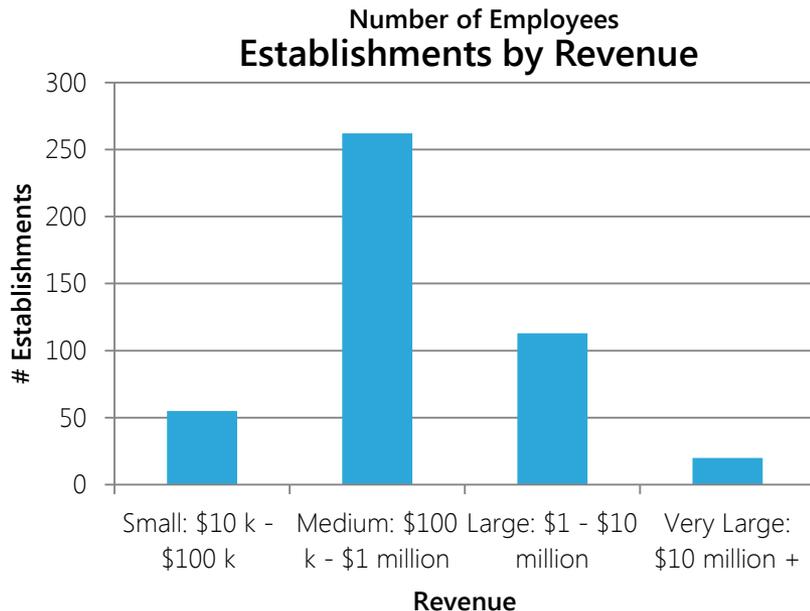
cai community attributes

4 Inventory by Subarea: GEORGETOWN

Establishment Size Profiles



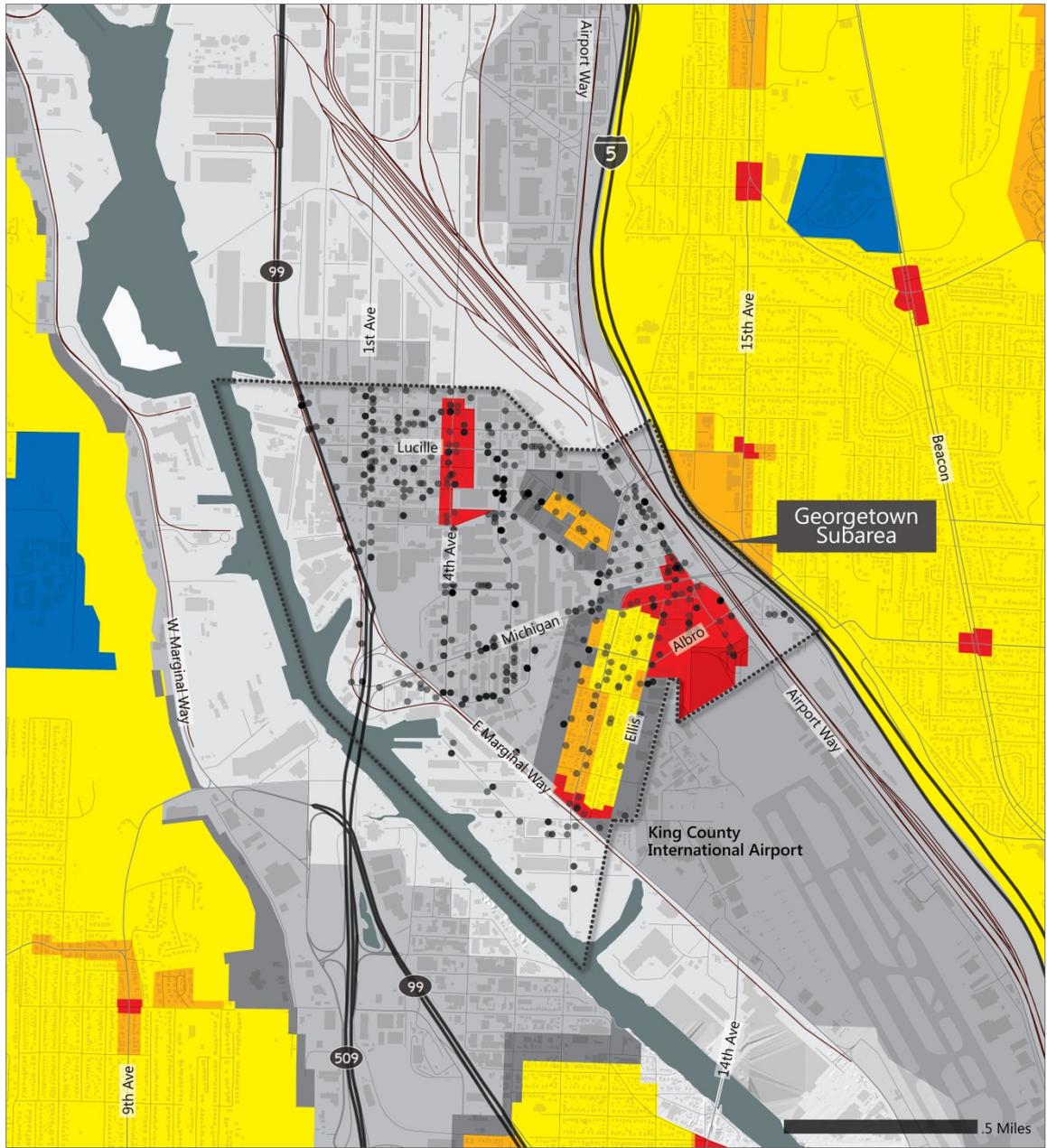
Most industrial establishments in Georgetown are small- to mid-size employers (321 employing from 2-19 people). There are a large number of sole proprietorships (57), and 9 large, 100+ employee establishments.



Most industrial establishments in Georgetown report revenues in the medium range (from \$100,000 to \$1 million per year). Very Large revenue-generating firms comprise an even smaller percentage (4%) than in Ballard and Interbay (16% each), and in I-90/Mt. Baker (6%).

Note: Industrial activities only; 2 establishments with 0 employment
Source: Hoover's 2014; Community Attributes

4 Inventory by Subarea: GEORGETOWN



Georgetown Zoning

Note: locations of establishments are approximate and based on geo-coded street addresses.

See slide 113 for descriptions of Seattle's industrial zones.

Local Production Inventory Georgetown Zoning

- Specific Industrial Zoning
 - General Industrial 1
 - General Industrial 2
 - Industrial Buffer
 - Industrial Commercial
- Generalized Zoning
 - Downtown
 - Major Institutions
 - Master Planned Community
 - Multi-Family
 - Neighborhood/Commercial
 - Residential/Commercial
 - Single Family
- Inventoried Establishment*
- Parks & Open Space
- Bodies of Water
- Subarea Boundary

*Note: Darker dots indicate multiple establishments
Source: City of Seattle; Community Attributes

4 Inventory by Subarea: GEORGETOWN

Top Industries (by Number of Establishments)

Primary Industry	Establishments	Revenues (Millions USD)	Employment
Wholesale Sector	119	226.206	1194
Specialty Contractors	17	14.677	132
Commercial & Heavy Construction Contractors	16	97.189999	533
Automotive Repair & Maintenance Services	15	5.049	55
Food Wholesalers	15	35.52	193
Commercial Printing	12	9.638766	115
Architectural & Structural Metals Manufacturing	9	10.33	79
Residential Construction Contractors	8	9.127	79
Electrical, Plumbing & Hardware Wholesalers	8	25.74	102
Industrial Equipment Wholesalers	8	45.23	133
Bakery Product Manufacturing	7	0.885	32
Plumbing & HVAC Contractors	7	6.958043	36
Industrial Supply Wholesalers	7	6.16	65
Trucking	6	0.77	13
Transportation Services Sector	6	0.261	32
Electrical Products Wholesalers	6	10.661782	55
Building Material Dealers	6	3.85	63
Janitorial & Carpet Cleaning Services	6	1.976	66
Electrical Contractors	6	35.77	233
Commercial & Industrial Equipment Rental & Leasing	6	27.55	244

*Note: Industrial activities only; revenue data for some establishments not available
Source: Hoover's 2014; Community Attributes*

4 Inventory by Subarea: GEORGETOWN

Top Industries (by Revenues)

Primary Industry	Establishments	Revenues (Millions USD)	Employment
Wholesale Sector	119	226.206	1194
Commercial & Heavy Construction Contractors	16	97.189999	533
Industrial Equipment Wholesalers	8	45.23	133
Fabricated Metal Product Manufacturing	3	43.8	218
Recyclable Material Wholesalers	3	36.97	103
Electrical Contractors	6	35.77	233
Food Wholesalers	15	35.52	193
Ambulance Services	1	34.941701	200
Lumber & Plywood Product Manufacturing	2	34.1	61
Highway, Street, & Bridge Construction Contractors	3	32.09	17
Commercial & Industrial Equipment Rental & Leasing	6	27.55	244
Electrical, Plumbing & Hardware Wholesalers	8	25.74	102
Machinery Manufacturing	3	21.9	120
Chemical Wholesalers	4	19.66	43
Plastic & Rubber Product Manufacturing	2	16.4	79
Specialty Contractors	17	14.677	132
Concrete & Masonry Contractors	4	13.77	35
Electrical Products Wholesalers	6	10.661782	55
Architectural & Structural Metals Manufacturing	9	10.33	79
Construction Machinery Manufacturing	2	10	60

Note: Industrial activities only; revenue data for some establishments not available

Source: Hoover's 2014; Community Attributes

4 Inventory by Subarea: GEORGETOWN

Top Industries (by Employment)

Primary Industry	Establishments	Revenues (Millions USD)	Employment
Wholesale Sector	119	226.206	1194
Aerospace Products & Parts Manufacturing	1	0	831
Converted Paper Products Manufacturing	2	0.8	607
Commercial & Heavy Construction Contractors	16	97.189999	533
Commercial & Industrial Equipment Rental & Leasing	6	27.55	244
Electrical Contractors	6	35.77	233
Fabricated Metal Product Manufacturing	3	43.8	218
Ambulance Services	1	34.941701	200
Food Wholesalers	15	35.52	193
Nonmetallic Mineral Product Manufacturing	3	1.6	148
Industrial Equipment Wholesalers	8	45.23	133
Specialty Contractors	17	14.677	132
Machinery Manufacturing	3	21.9	120
Commercial Printing	12	9.638766	115
Timber Operations	1	0	114
Recyclable Material Wholesalers	3	36.97	103
Electrical, Plumbing & Hardware Wholesalers	8	25.74	102
Grain Milling	1	0	88
Airport Operations	2	0.17	81
Bus Transportation Services	1	0	80

Note: Industrial activities only; revenue data for some establishments not available

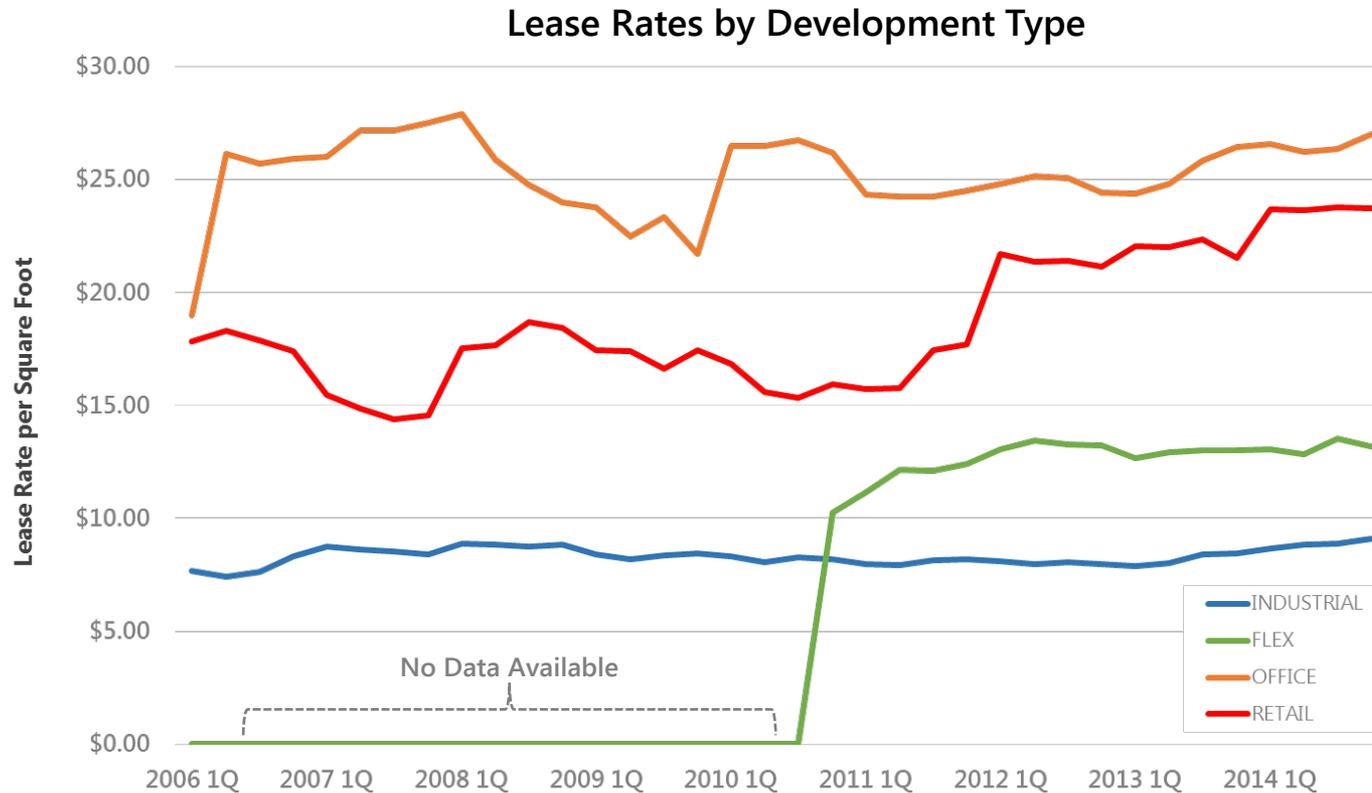
Source: Hoover's 2014; Community Attributes

5 Market Analysis



5 Market Analysis

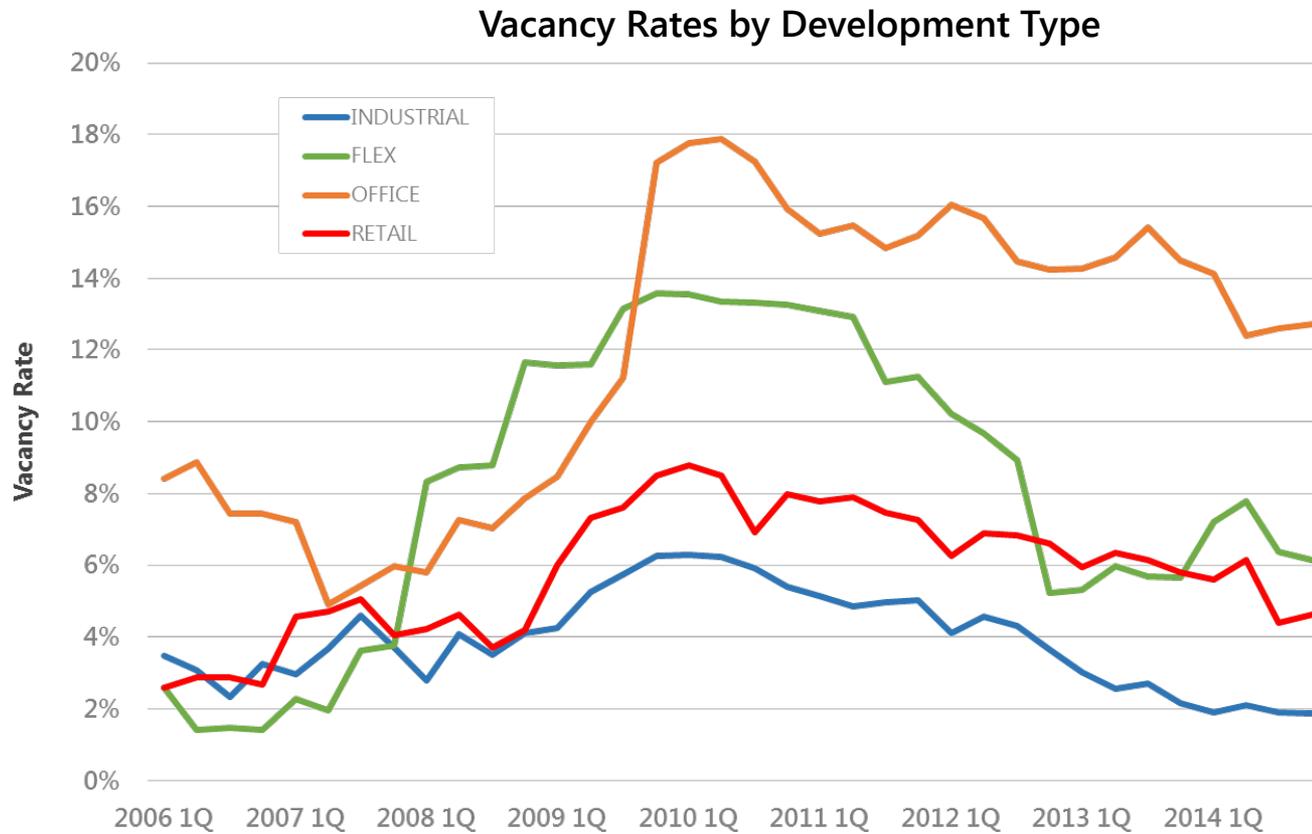
Summary Analytics – Lease Rates (All Subareas)



Office and Retail uses pay significantly higher lease rates, on average, across the selected subareas. Flex space appears to command a premium over industrial rents, which are the lowest of the four development types. However, industrial lease rates appear to be more stable than other uses, which show some volatility over time.

5 Market Analysis

Summary Analytics – Vacancy Rates (All Subareas)

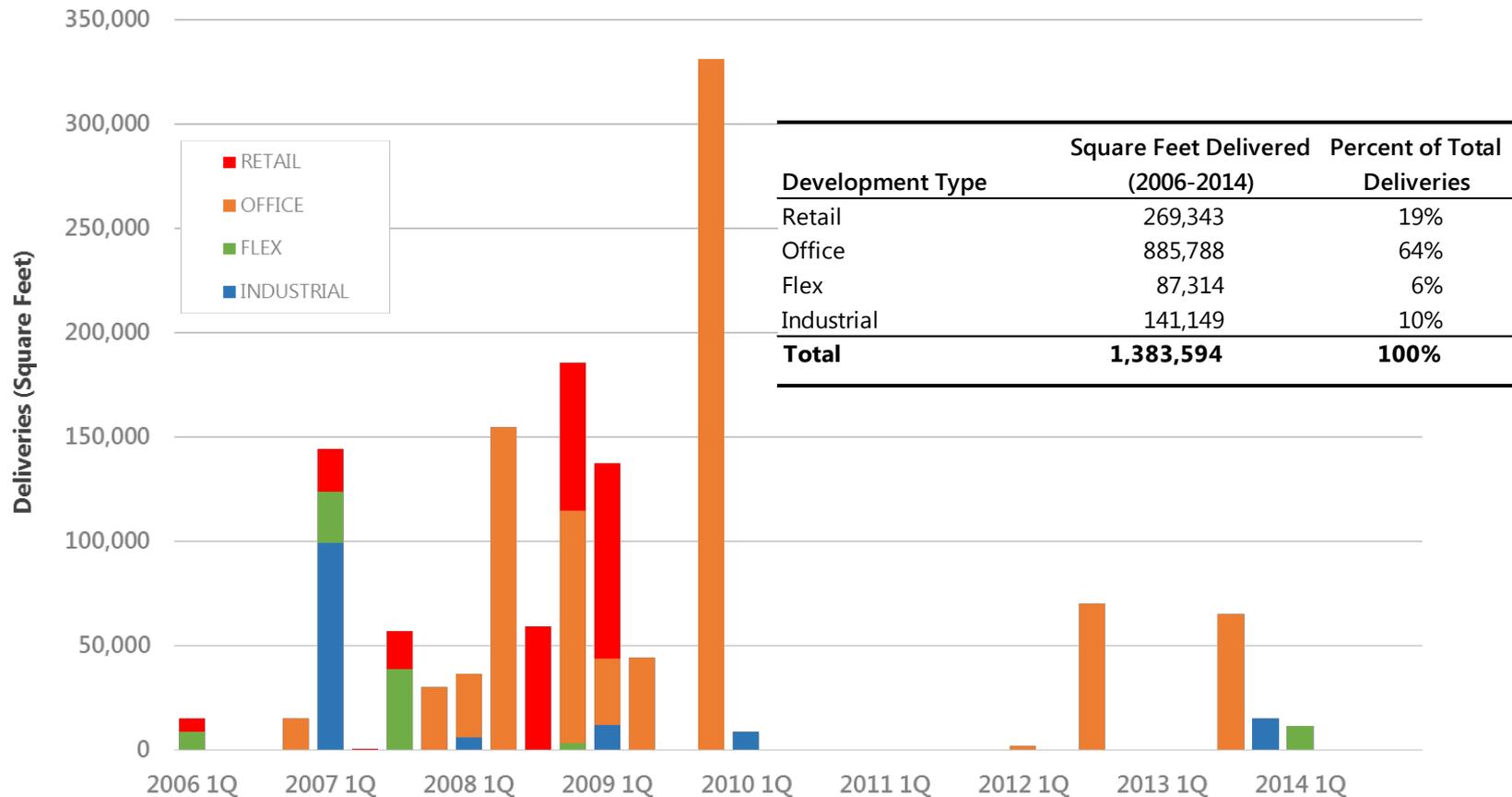


Vacancy rates for all four development types peaked in late 2009 or early 2010, at the height of the recession. For most uses, vacancy rates increased by a factor of three or four from their pre-recession low in 2006 or 2007, but Flex uses were hit disproportionately hard, with vacancy rates climbing from 1.41% to 13.56% during this span.

5 Market Analysis

Summary Analytics – Deliveries (All Subareas)

Total Deliveries (Square Feet) by Development Type

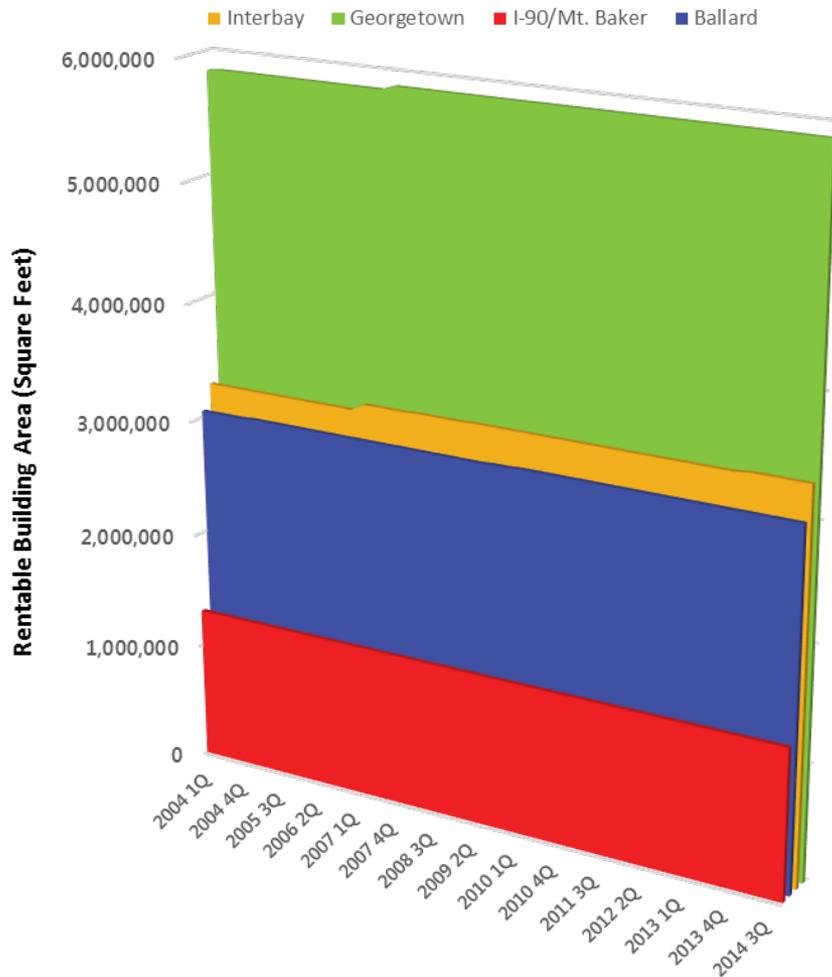


As would be expected, a general slowing of development activity during and after the recession severely limited deliveries. This applied to all development types, though a couple of office projects have been developed post-recession.

5 Market Analysis

Industrial Development Type

Industrial Building Area by Subarea



Transaction Summary (12/2013-12/2014)

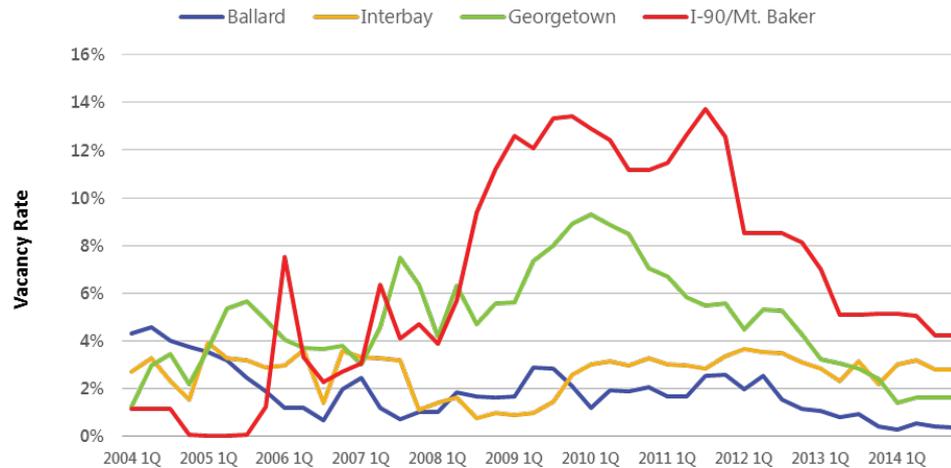
Number of Property Sales: 35
 Number of Lease Executions: 41
 Average Lease Size (SF): 4,802
 Largest Sales (by Price):

Property Address	Subarea	Sale Date	Price
801 NW 48th St	Ballard	7/24/2014	\$10,250,000
2001 W Garfield St	Interbay	11/13/2013	\$8,454,587
361 W Ewing St	Interbay	11/1/2013	\$3,720,000
2400 W Commodore Way	Interbay	7/29/2014	\$3,550,000
300 S Bennett St	Georgetown	2/20/2014	\$2,050,000

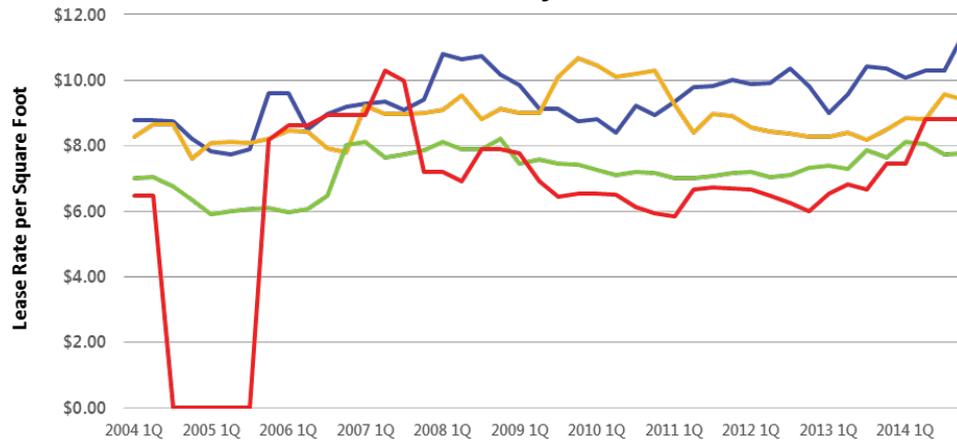
5 Market Analysis

Industrial Development Type ...continued

Vacancy Rate by Subarea



Lease Rate by Subarea



Industrial Development Type Summary:

The I-90/Mt. Baker subarea has the least robust industrial sector, with the lowest rentable building area, the highest vacancy rates and relatively low lease rates.

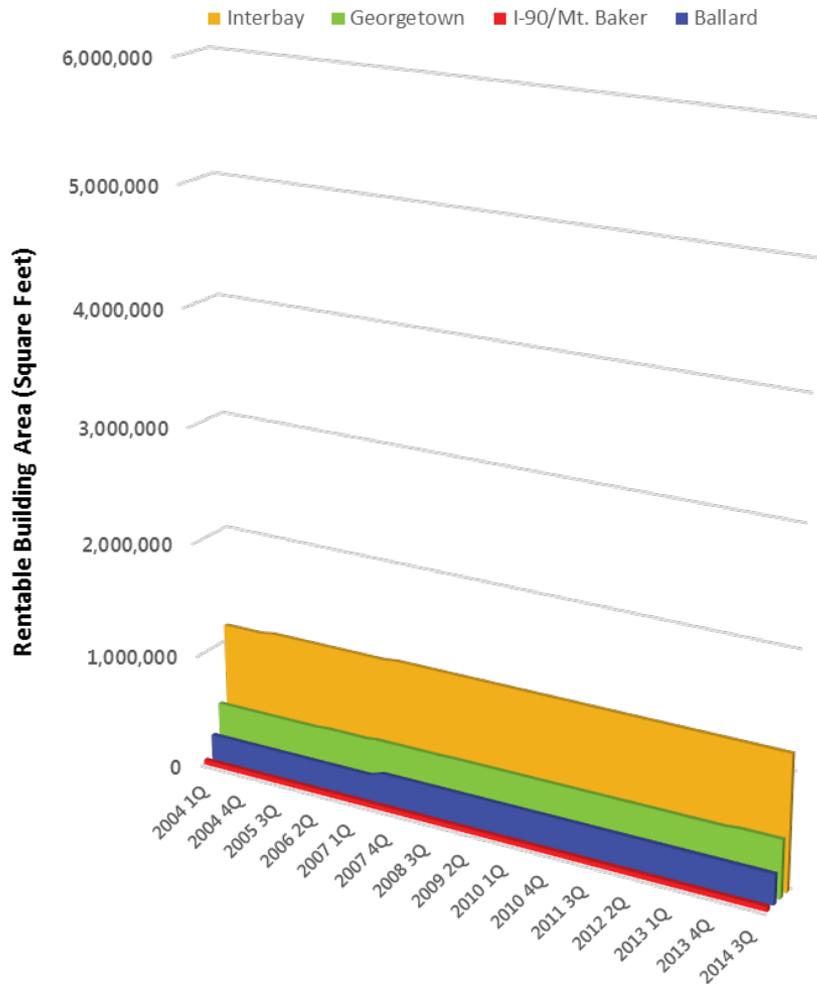
Georgetown has substantially more industrial building area than Ballard and Interbay, but all three of these subareas appear to be desirable to industrial users, as evidenced by their low (<3%) vacancy rates.

Lease rates are significantly higher in Ballard than in any of the other subareas; this is likely due to significant ongoing redevelopment, which creates upward pressure for land prices and rental rates.

5 Market Analysis

Flex Development Type

Flex Building Area by Subarea



Transaction Summary (12/2013-12/2014)

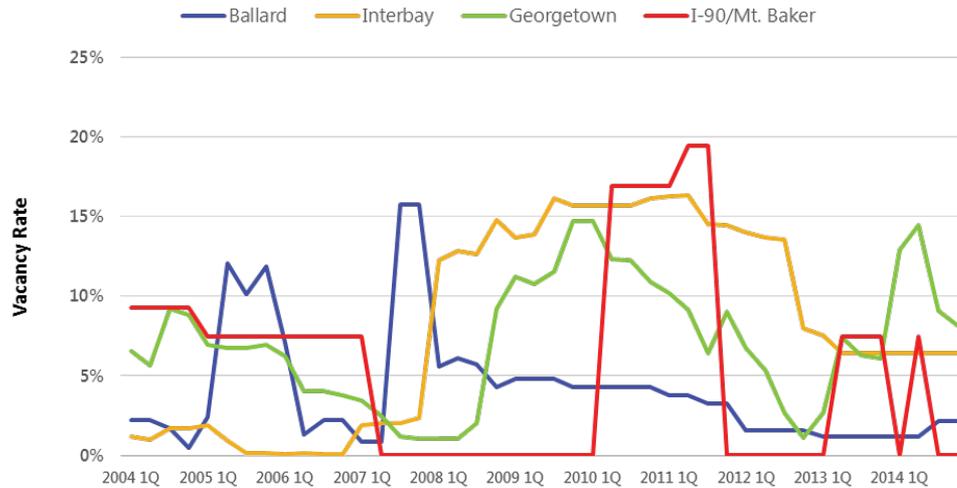
Number of Property Sales: 4
 Number of Lease Executions: 17
 Average Lease Size (SF): 2,799
 Largest Sales (by Price):

Property Address	Subarea	Sale Date	Price
5506 6th Ave S	Georgetown	12/30/2013	\$4,590,000
940 S Harney St	Georgetown	1/29/2014	\$1,875,000
1222-1226 S Angelo St	Georgetown	9/12/2014	\$1,695,000

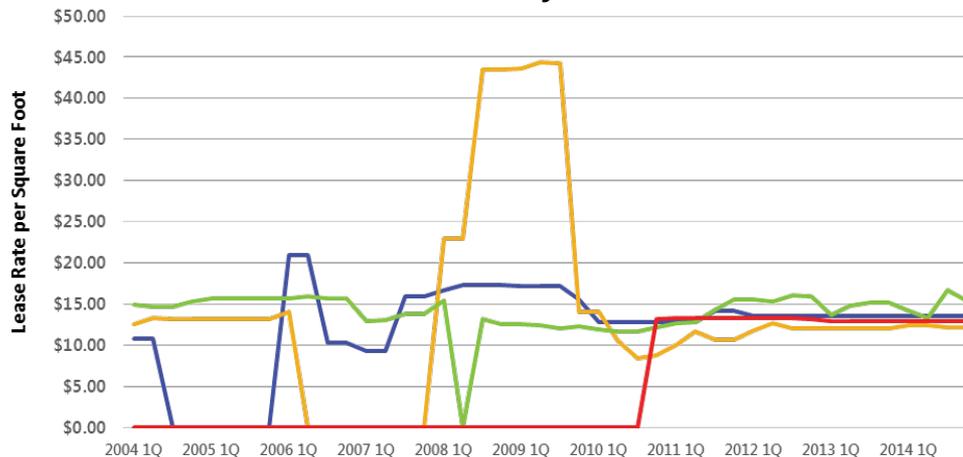
5 Market Analysis

Flex Development Type ...continued

Vacancy Rate by Subarea



Lease Rate by Subarea



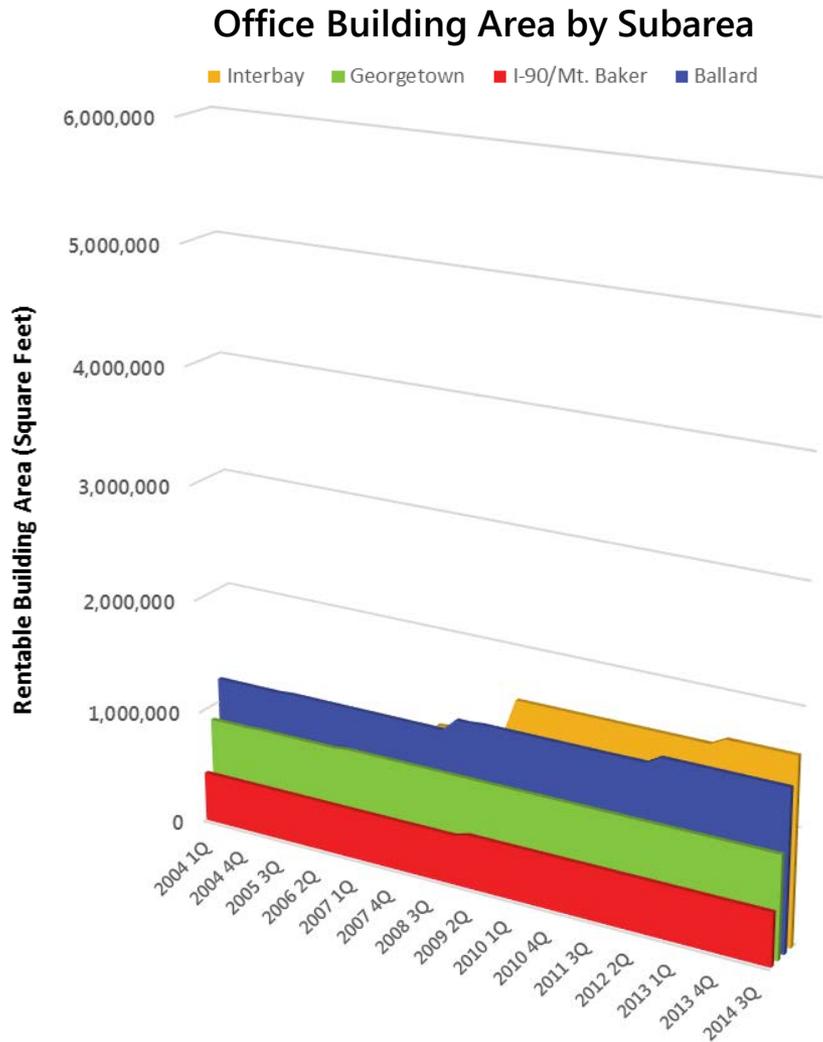
Flex Development Type Summary:

The “flex” sector is the smallest sector in most subareas, though the sector has a significant representation in Interbay in the form of the former Amgen campus. Flex users tend to be larger than users in other sectors; the relatively large size of the average tenant creates some volatility in the data shown, since the relocation of one large tenant can have a significant impact on average lease and vacancy rates across a subarea.

Nevertheless, flex space across the subareas seems to command rents of about \$13-\$15 per square foot, which is higher than industrial uses but lower than office and retail.

5 Market Analysis

Office Development Type



Transaction Summary (12/2013-12/2014)

Number of Property Sales: 13

Number of Lease Executions: 59

Average Lease Size (SF): 2,959

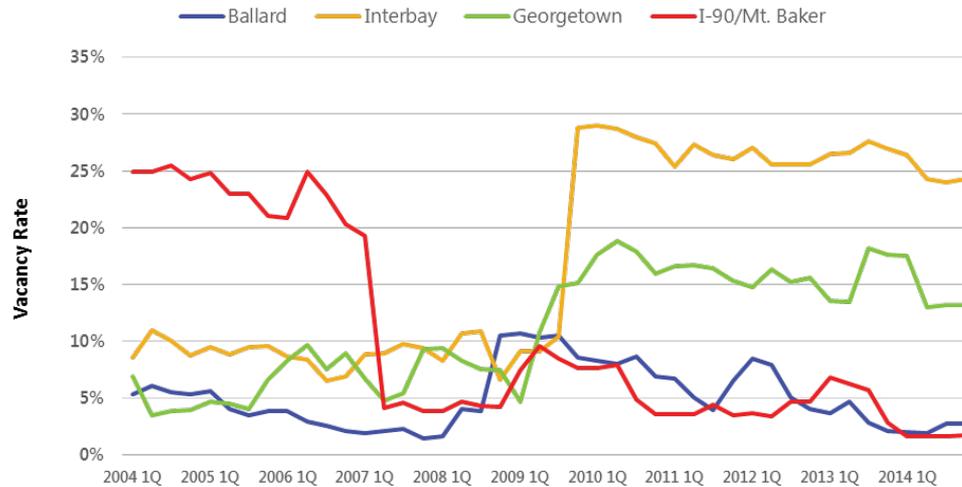
Largest Sales (by Price):

Property Address	Subarea	Sale Date	Price
4241 21st Ave W	Interbay	1/16/2014	\$2,450,000
901 Rainier Ave S	I-90/Mt. Baker	10/23/2013	\$2,080,000
815 Rainier Ave S	I-90/Mt. Baker	3/30/2014	\$1,500,000

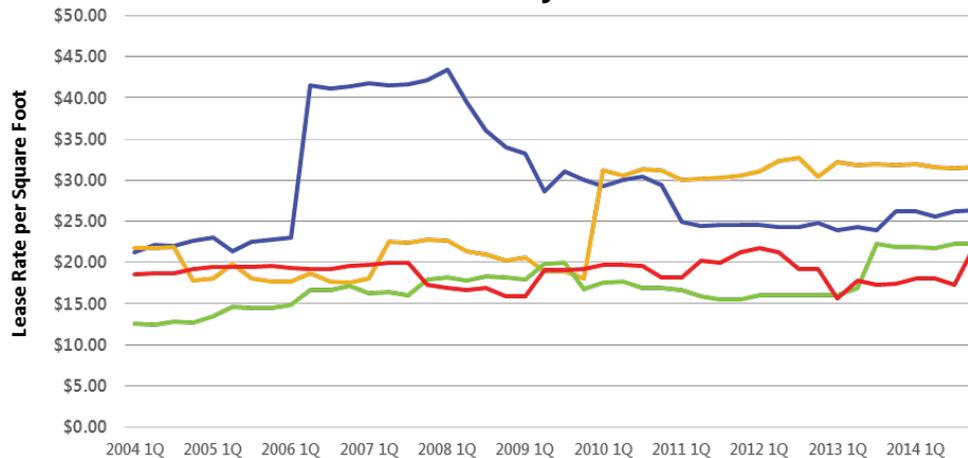
5 Market Analysis

Office Development Type ...continued

Vacancy Rate by Subarea



Lease Rate by Subarea



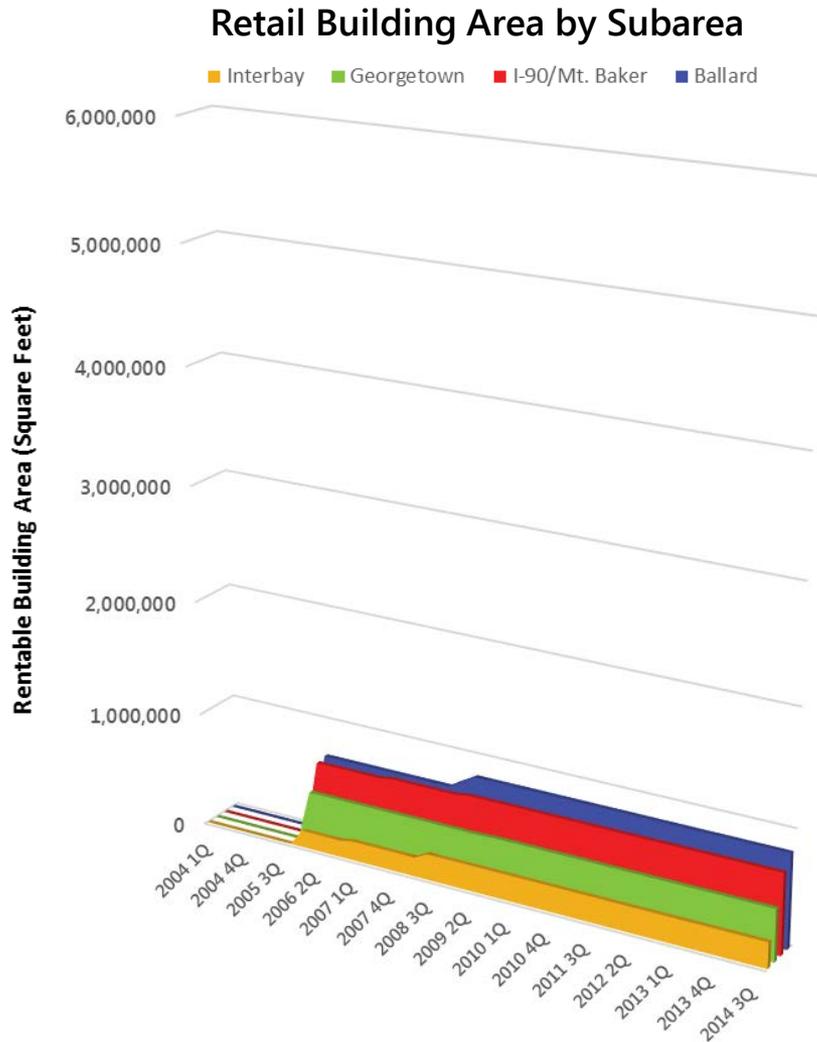
Office Development Type Summary:

Vacancy rates for office developments vary widely by subarea. They appear especially high in Interbay, though the dramatic increase in rentable building area in 2009-2010 is coordinated with a spike in vacancy, suggesting that new development came online and has been slowly absorbed. If this is case, vacancy in Interbay may begin to trend down as the space is absorbed.

There is tighter clustering of lease rates, as most subareas generate office rents between \$20-\$30 per square foot. Where these rents are particularly high, there may be greater incentives to convert industrial land to office uses, especially if the zoning already allows such a change.

5 Market Analysis

Retail Development Type



Transaction Summary (12/2013-12/2014)

Number of Property Sales: 12

Number of Lease Executions: 9

Average Lease Size (SF): 5,017

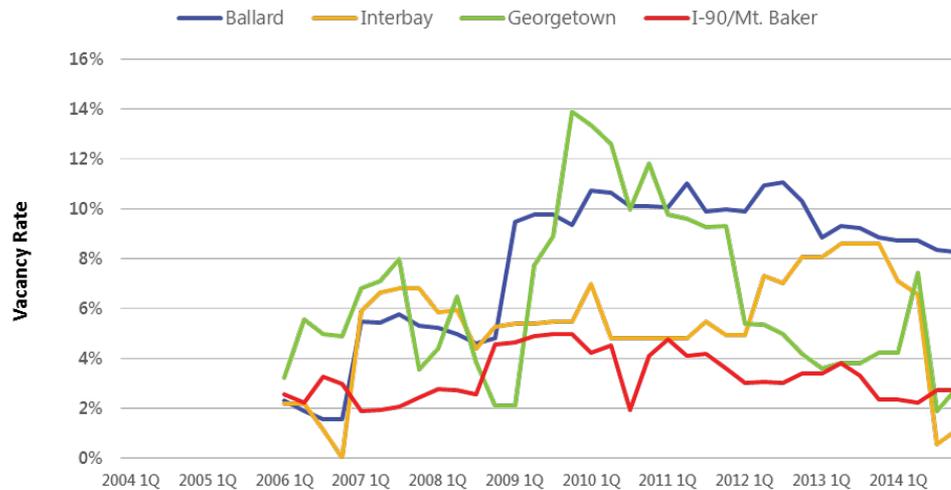
Largest Sales (by Price):

Property Address	Subarea	Sale Date	Price
437 N 34th St	Ballard	3/31/2014	\$11,600,000
2805 Rainier Ave S	I-90/Mt. Baker	4/4/2014	\$3,054,000
2840 NW Market St	Ballard	8/20/2014	\$1,835,000

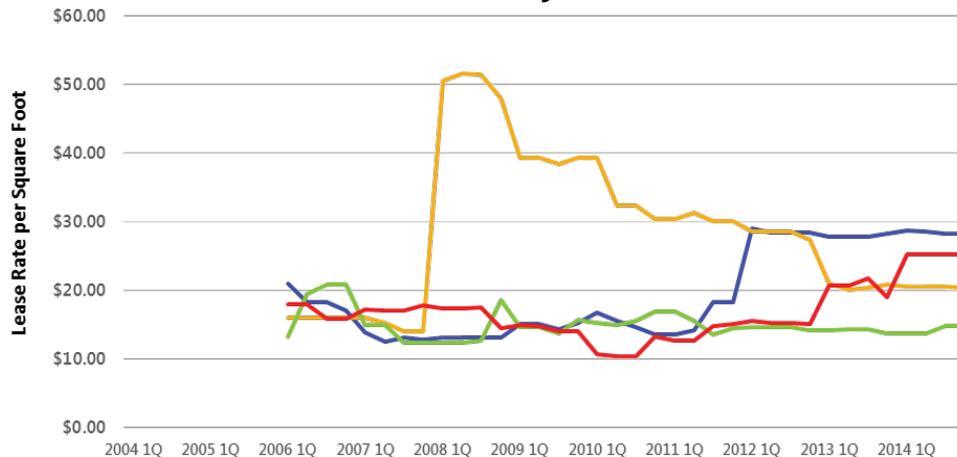
5 Market Analysis

Retail Development Type ...continued

Vacancy Rate by Subarea



Lease Rate by Subarea



Retail Development Type Summary:

Retail vacancy rates are highest in Ballard, which may suggest that the supply of retail space is sufficient to accommodate demand. All other subareas have relatively low retail vacancy, at 3% or less. At the same time, lease rates are higher in Ballard than in the other subareas. Lower lease rates for retail uses outside of Ballard suggest these subareas are not hubs for high-end retail. By the same token, Ballard may be a destination retail location while other subareas are more local-serving.

6 Case Studies



6 Case Studies

Overview

- 1. Scott Galvanizing** **Year Founded:** 1940 **Employees:** 20 **Sector:** Metal Coating
Case Excerpt: After 50 years in Ballard, Scott Galvanizing chose to end its lease and build a new 28,500 SF facility on a vacant 3.5 acre site in Arlington, WA (6010 199th St. N.E.).
- 2. Hisaye / Glassworks** **Year Founded:** 1990 **Employees:** 4 **Sector:** Architectural Art Glass
Case Excerpt: The business chose its current location based on the affordable rents, the availability of parking and the overall vibe of the building. The large number of multi-family housing planned and development around the business was a matter of growing concern.
- 3. 12th Avenue Iron** **Year Founded:** 2006 **Employees:** 6 **Sector:** Custom Forging & Design
Case Excerpt: The business moved from its former location on Capitol Hill since rents were increasing and parking costs were going up significantly (employees were paying close to \$800 a month for parking).
- 4. Green Dolphin Ent.** **Year Founded:** 1980 **Employees:** 1 **Sector:** Custom Furniture Mfg.
Case Excerpt: This small business moved from an older building in Fremont to its current space for amenities such as central heating and larger access doors. Rents are higher in the new space but the owner is able to operate more efficiently and make up the cost differential.
- 5. Status Ceramics** **Year Founded:** 1986 **Employees:** 8 **Sector:** Clay Product Mfg.
Case Excerpt: The business chose its current location based on proximity to its distributor, low cost and the presence of other similar manufacturers in the Seattle Design Center.

6 Case Studies

Overview

6. Touchfire **Year Founded:** 2010 **Employees:** 3 **Sector:** Computer Equipment Mfg.

Case Excerpt: The company develops prototypes in Seattle, using local talent and resources, such as CNC machines and 3D printers, then works with its partners in China to produce items at a mass scale.

7. DataPro **Year Founded:** 1985 **Employees:** 20 **Sector:** Computer Equipment Mfg.

Case Excerpt: They chose to stay in Ballard so that the owner and most employees could continue to walk to work. Having a highly skilled workforce is important to the business and retaining its employees was critical.

8. Prism Designs **Year Founded:** 1992 **Employees:** 7 **Sector:** Toy & Game Manufacturing

Case Excerpt: The business is a warehouse/distribution service selling products it designs but are manufactured overseas. The business chose its current location based on the cost of doing business, since it now owns the building it is located in.

9. Meyer Wells **Year Founded:** 2006 **Employees:** 26 **Sector:** Furniture Manufacturing

Case Excerpt: While in Seattle, the company sourced its supplies from companies in the area; with its relocation south, it has shifted its sourcing accordingly. The company would prefer to be in or near Seattle as long as they could find a single location with an office, workshop, showroom and lumber mill.

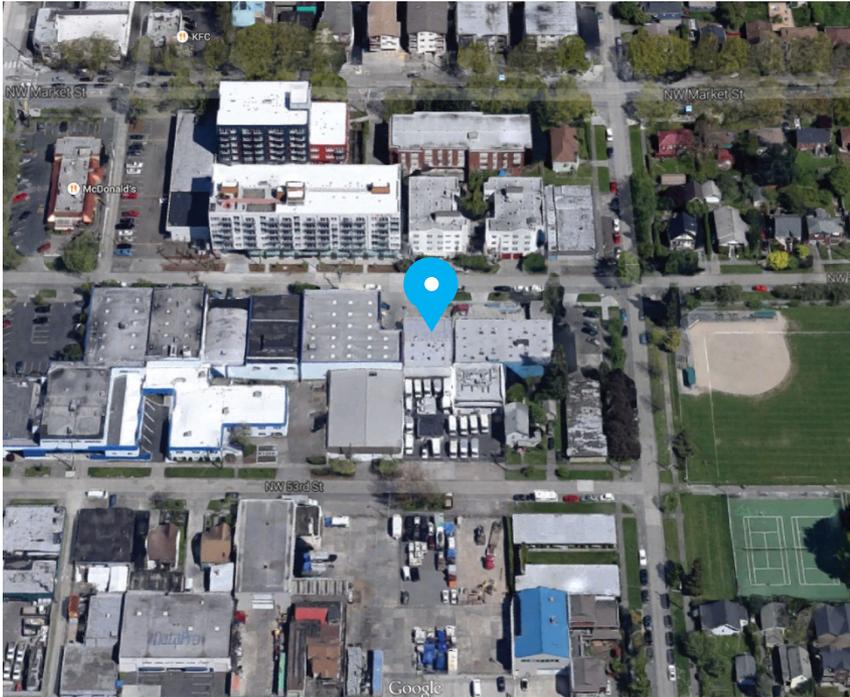
10. Classic Art Foundry **Year Founded:** 2012 **Employees:** 2 **Sector:** Metal Service Centers

Case Excerpt: The business chose its current location/building based on a large space being available. It was previously in a smaller space in Magnolia (Interbay).

6 Case Studies

Touchfire

Facility:



Source: Google Earth, 2014

Industry: Computer Equipment Mfg.

Subarea: Ballard

Segment: Export-Oriented Industrial

Address: 1117 NW 54th Street

Revenues: \$1,000,000

Employees: 3

Founded: 2010

Person Interviewed: Steven Isaacs, Co-founder

Date Published: January 13, 2015

6 Case Studies

Touchfire



Summary:

Touchfire is a three-employee business located at 1117 NW 54th Street in the Ballard subarea. The company makes keyboards, covers and other accessories for Apple's iPad. The founders initially funded their business through a Kickstarter campaign that raised over \$200,000 in 2011. They chose their current location, which they share with a sign making company (Studio 3 Signs), based on cost, space and proximity to its founders' homes. Proximity to workforce, customer base or the presence of foot traffic did not factor into their choice of location.

In early 2014, the business moved into its 2,000 SF leased space that has an office mezzanine level with a warehousing area below. They previously operated out of one of the founder's Redmond apartment but required a larger area to receive shipments of their products, which are manufactured in China. The company develops prototypes in Seattle, using local talent and resources, such as CNC machines and 3D printers, then works with its partners in China to produce items at a mass scale.

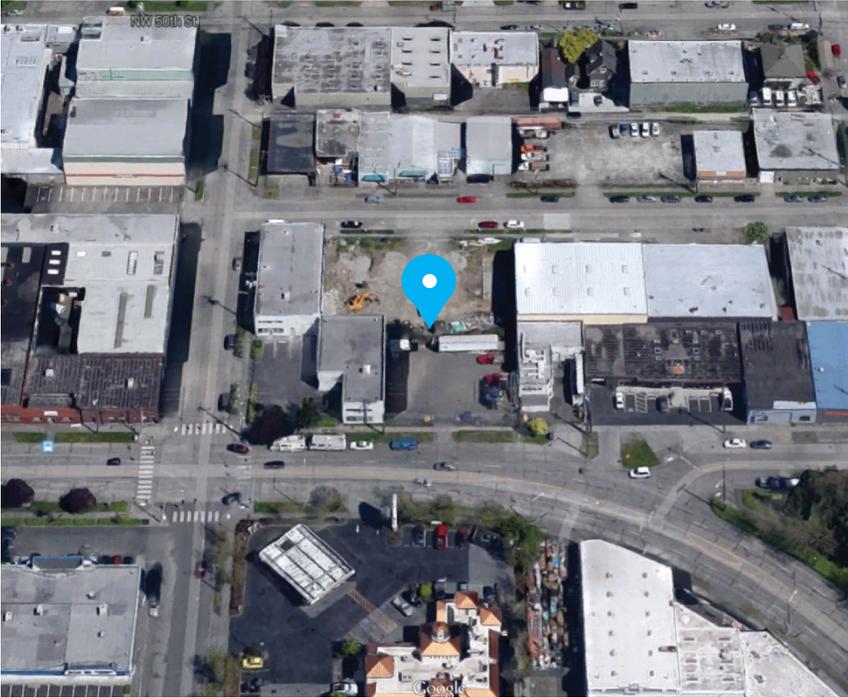
The company first manufactured its products in Los Angeles after finding it unfeasible to have them made in Seattle. Manufacturers in Seattle lacked the equipment and capacity to produce the components their products require, whereas LA's multitude of manufacturers and access to the Port of Long Beach provided the company with everything it needed. Eventually, they outsourced their manufacturing because China was more cost-effective and has a robust supply chain for consumer electronics. They use their Ballard location to receive products from China and then ship them to customers worldwide as a strategy for maintaining good customer service.

While looking for this space, the company found it challenging to find a small, reasonably-priced warehousing facility in other areas of the city. They were not aware of the city's various industrial areas during their search and felt that the City could do more to promote them. Space in their area seems to be readily available, so they do not think it would be a problem to stay in Ballard. They like their building because it has many windows and expect to stay there for the foreseeable future, though having a loading dock would be helpful. Since they often run out of inventory, their current space is just the right size for their purposes. The business would like to be able to manufacture more of their parts in Seattle in the future and continues to explore this possibility.

6 Case Studies

DataPro

Facility:



Source: Google Earth, 2014

Industry: Computer Peripheral
Equipment Mfg.

Subarea: Ballard

Segment: Export-Oriented Industrial

Address: 933 NW 49th Street

Revenues: \$3,300,000

Employees: 20

Founded: 1985

Person Interviewed: James Sherman, Owner

Date Published: January 8, 2015

6 Case Studies

DataPro



DataPro

Summary:

DataPro International is an approximately 20-employee business located at 933 NW 49th Street in the Ballard subarea. The company started making custom wall plates and panel-mount cables in the owner's garage in 1986. In 2013, the company began construction of an 11,738 SF headquarters building on three vacant parcels that the owner purchased in Ballard 2012. It moved from its leased space at 1144 NW 52nd Street into the new facility in fall of 2014.

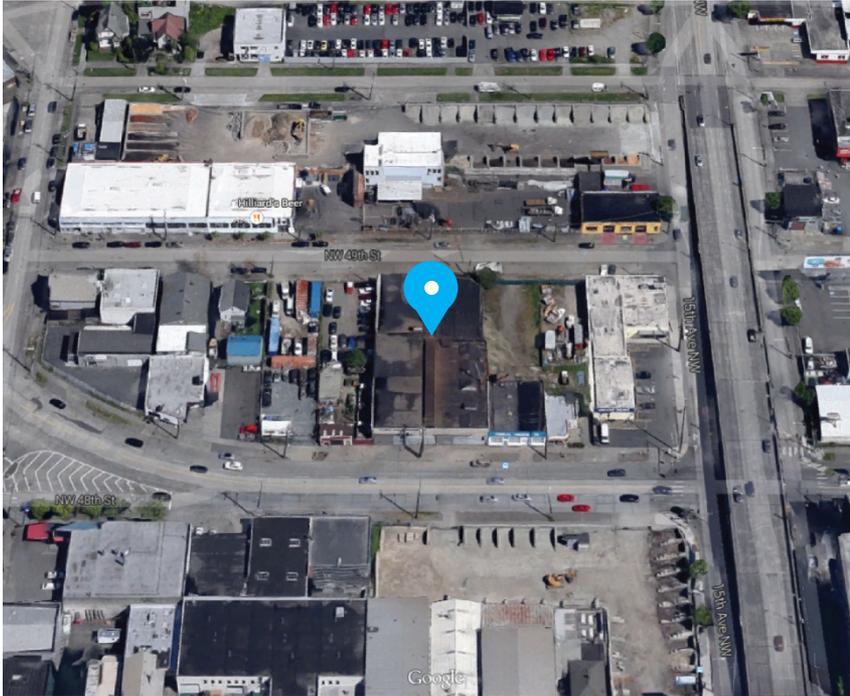
They chose to stay in Ballard so that the owner and most employees could continue to walk to work. Having a highly skilled workforce is important to the business and retaining its employees was critical. Its customers are scattered throughout the world, so proximity to customers was not a significant factor in deciding where to locate. Since they made a significant investment in buying land and building their own facility, they are likely to stay in the same location for the foreseeable future.

The company expressed some frustration about working with the City regarding permitting policies and services and business regulations in general, though no details were provided. Also, the lack of coverage in the immediate neighborhood by the police department was mentioned as a problem.



Scott Galvanizing Co. Inc. (recently relocated to Arlington)

Facility:



Source: Google Earth, 2014

Industry:	Metal Coating
Subarea:	Ballard (formerly)
Segment:	Local Production - Other
Address:	1520 NW Leary Way (formerly)
Revenues:	\$1,400,000
Employees:	20
Founded:	1940
Source Interview:	Puget Sound Business Journal
Date Published:	Oct. 14th, 2013

Scott Galvanizing Co. Inc.



Above: Scott Galvanizing's former Ballard facility



Above: Scott Galvanizing's new Arlington facility

Summary:

After 50 years in Ballard, Scott Galvanizing chose to end its lease and build a new 28,500 SF facility on a vacant 3.5 acre site in Arlington, WA (6010 199th St. N.E.). The approximately \$10 million project, which opened in early 2014, is twice the size of its former Ballard location.

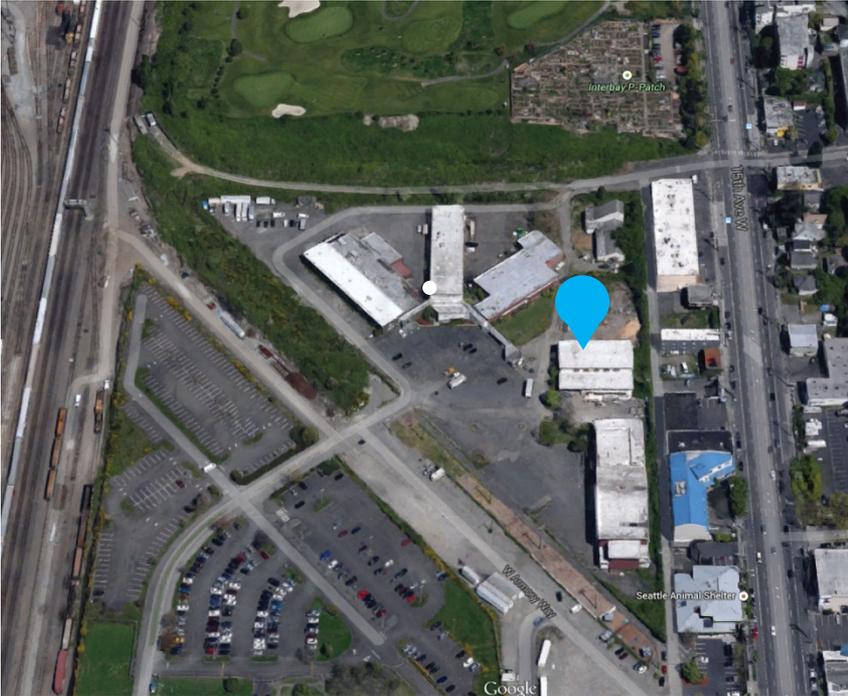
The company cited the recent growth in retail and residential development in the neighborhood, lack of parking and increasingly stringent environmental regulations as its reasons for relocating to Snohomish County. Its primary challenge involved preventing runoff from zinc-coated items in the facility's outdoor storage yard. They attempted to address the problem, but the company felt the City, specifically Seattle Public Utilities, preferred for them to leave rather than work with them. Instead of retrofitting their old facility, they decided to invest in a completely new, state-of-the-art facility in hopes of preventing future regulatory problems. The company initially looked at properties in the south end, but they were too expensive, resulting in the move north.

The departure of Scott Galvanizing leaves only one other large-scale galvanizing company, on the Duwamish River, located within Seattle city limits. Though the loss will impact Ballard's shipbuilding industry, forcing those businesses to transport their products farther for galvanizing services, most of Scott Galvanizing's customers are not local and will not be affected by the change. The company stated that it expected to retain most of its current workers, as most of them live up north, double its employment to between 50 and 60 and expand its processing capacity by five to 10 times.

6 Case Studies

Prism Designs, Inc.

Facility:



Source: Google Earth, 2014

Industry: Toy & Game Manufacturing

Subarea: Interbay

Segment: Local Production - Artisanal

Address: 4214 24th Ave West

Revenues: \$860,000

Employees: 7

Founded: 1992

Person Interviewed: Sandy Streeper, Employee

Date Published: January 13th, 2015

6 Case Studies

Prism Designs, Inc.



Summary:

Prism Designs Inc. is a seven-employee kite design and distribution business located at 4214 24th Ave West in the Interbay subarea. The business is a warehouse/distribution service selling products it designs but are manufactured overseas. The business chose its current location based on the cost of doing business, since it now owns the building it is located in. Proximity to workforce, customer base or the presence of foot traffic did not factor into their choice of location.

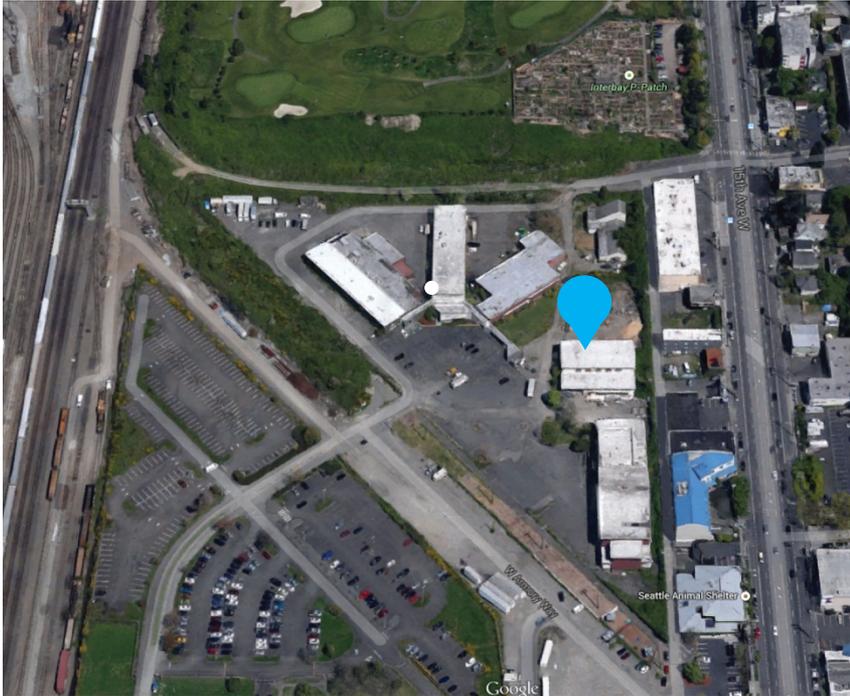
The business owns the building it is located in and rents out spaces to an auto-restoration service and a manufacturer of scuba equipment. The company was founded in 1992 and moved to Interbay from Fremont in 2002.

The building has a loading dock and can be easily accessed by shipping companies like UPS and FedEx. Parking is also available on site. Overall, they are happy in their current location in Interbay and plan to remain in the area for the foreseeable future.

6 Case Studies

Meyer Wells (recently consolidated from Interbay to Sumner)

Facility:



Source: Google Earth, 2014

Industry: Furniture Manufacturing

Subarea: Interbay (formerly)

Segment: Local Production - Artisanal

Address: 1600 W. Armory Way (formerly)

Revenues: \$2,900,000

Employees: 26

Founded: 2006

Person Interviewed: John Wells, Owner

Date Published: January 9th, 2015

6 Case Studies

Meyer Wells



Summary:

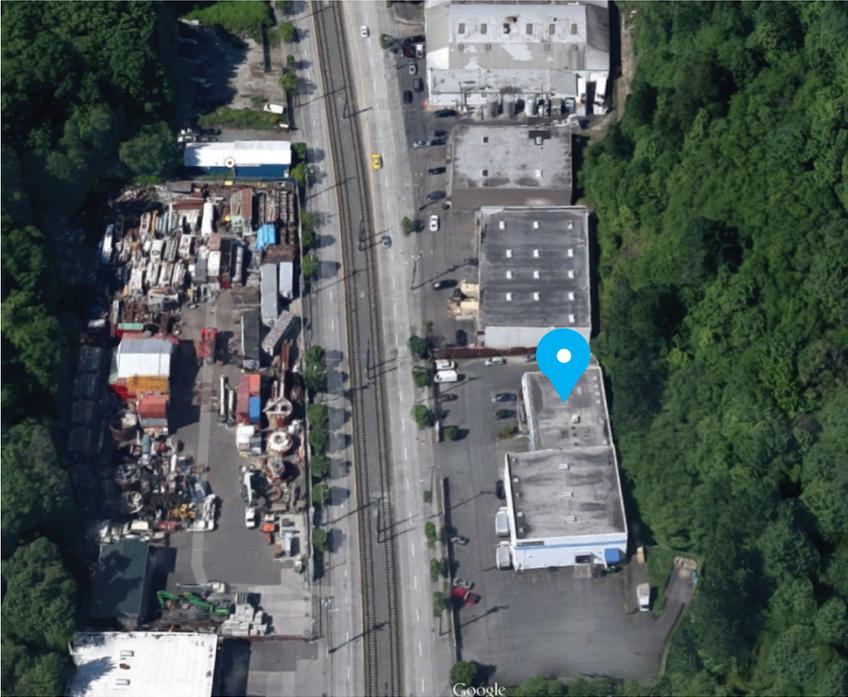
Meyer Wells is an approximately 20-employee business formerly located at 1600 W. Armory Way in the Interbay subarea. The company started crafting furniture from reclaimed wood in its Seattle facility in 2006 and opened another manufacturing plant in Sumner in 2010. It also has a saw mill and lumber yard in Graham that is part of an owner's property. Last year, the business consolidated operations into its 30,000 SF Sumner factory, closing its Seattle workshop. When the owners first signed their lease, they were aware of the zoning changes and knew that the facility would eventually be redeveloped, so the decision to move all manufacturing operations to Sumner was part of a larger strategy to reduce costs and increase efficiency.

While in Seattle, the company sourced its supplies from companies in the area; with its relocation south, it has shifted its sourcing accordingly. They were able to retain all of their Seattle employees and are providing additional compensation to those who now have a longer commute. The company would prefer to be in or near Seattle as long as they could find a single location with an office, workshop, showroom and lumber mill. As most of their customers are in the Seattle area, they plan to open a sales office downtown sometime in 2015. Given that the move alone would likely cost around half a million dollars, the probability of the company returning to Seattle is low.

The company considered their previous location in Interbay to be excellent and had no issues with conflicting adjacent uses. In their earlier years, the proximity to local manufacturers for supplies, such as hardware, was extremely important. They now have most supplies delivered. The Sumner plant is located in a business park, a much different environment than its original space.

Classic Art Foundry (relocated to Duwamish)

Facility:



Source: Google Earth, 2014

Industry: Metal Service Centers

Subarea: Interbay (formerly)

Segment: Local Production – Artisanal

Address: 9688 Martin Luther King Junior Way

Revenues: \$200,000

Employees: 2

Founded: 2012

Person Interviewed: Ion Onutan, Owner

Date Published: Jan. 12th, 2015

6 Case Studies

Classic Art Foundry



Summary:

Classic Art Foundry is a three-employee business located at 9688 Martin Luther King Junior Way South in Seattle.

The business chose its current location/building based on a larger space being available. It was previously in a smaller space in Magnolia. Access to transportation was another but lower priority factor. Proximity to workforce, customer base, other similar uses, or the presence of foot traffic did not factor into their choice of location.

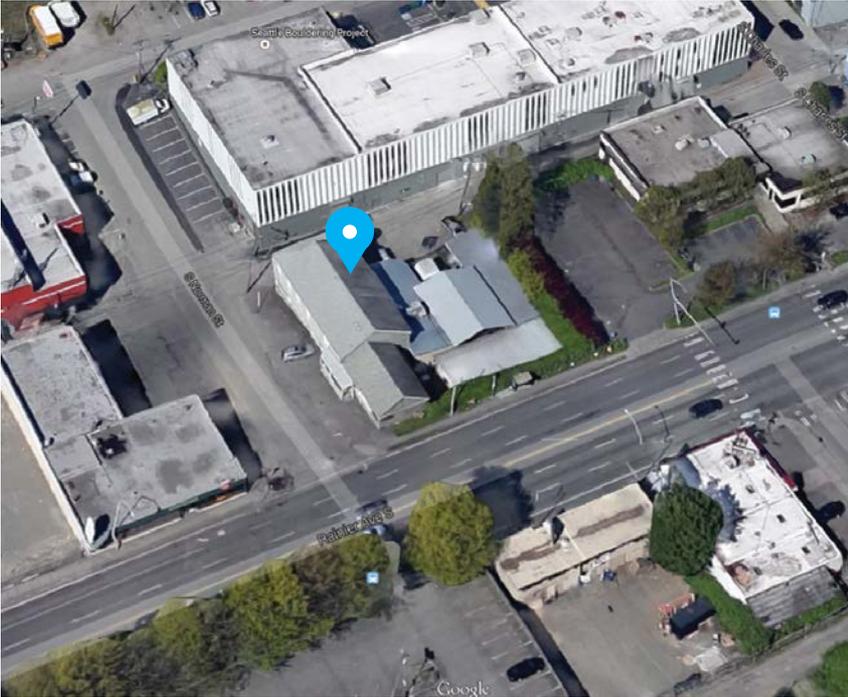
The business rents its current 10,000 SF space. In addition to the large floor area, the main feature the business values in the building is the presence of a loading dock. It expects to remain in its current location for the foreseeable future and has enough space to expand in place. Moving artwork is such a labor-intensive process that the owner prefers to not move at all if possible.

No challenges with adjacent uses were reported.

6 Case Studies

Hisaye Inc. / Glassworks

Facility:



Source: Google Earth, 2014

Industry: Architectural Art Glass

Subarea: I-90/Mt. Baker

Segment: Local Production - Artisanal

Address: 927 Rainier Ave South

Revenues: \$400,000

Employees: 4

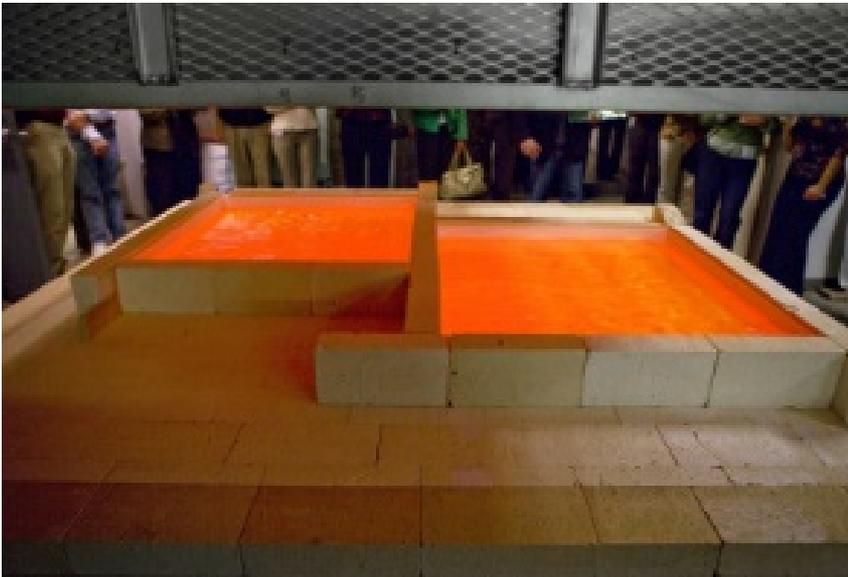
Founded: 1990

Person Interviewed: Tish Oye, Owner

Date Interviewed: Dec. 17th, 2014

6 Case Studies

Hisaye Inc. / Glassworks



Summary:

Glassworks Inc/ Hisaye is a four-employee business located at 927 Rainier Avenue South in Seattle.

The business chose its current location based on the affordable rents, the availability of parking and the overall vibe of the building. Access to transportation was another but lower priority factor. Proximity to workforce, customer base, other similar uses, or the presence of foot traffic did not factor into their choice of location.

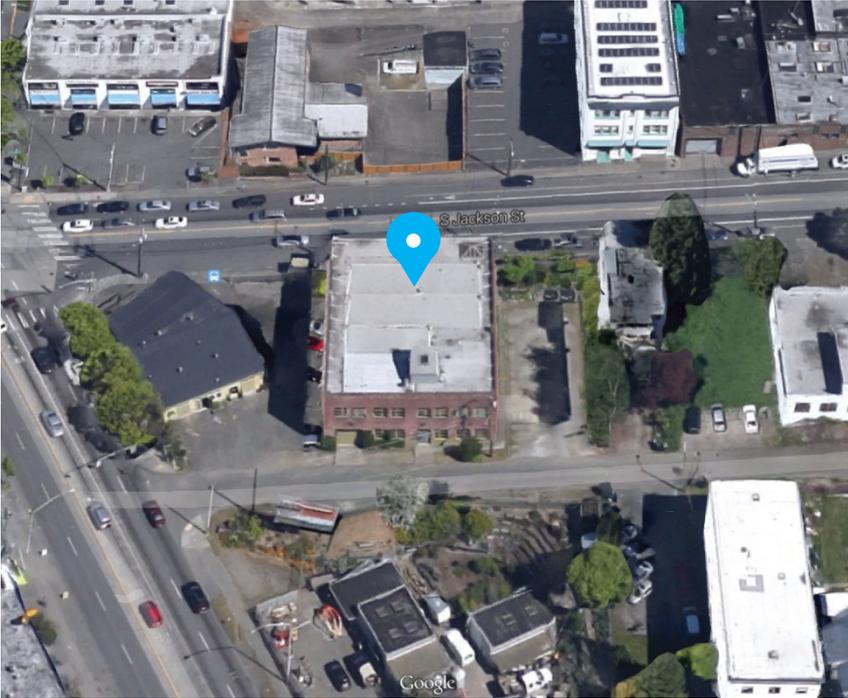
The business owns its current 8500 SF space. It was designed as an office building but the owner was able to renovate it to suit their needs. In addition to the large floor area, the main feature the business values in the building is the mix of uses – they have a manufacturing space as well as a showroom. It expects to remain in their current location for the foreseeable future and has enough space to expand in place.

Increasing traffic that makes it harder to get things in and out efficiently was cited as an ongoing issue. No challenges with adjacent uses were reported though the large number of multi-family housing planned and in development around the business was seen as a matter of growing concern.

6 Case Studies

Green Dolphin Enterprises

Facility:



Source: Google Earth, 2014

Industry: Custom Furniture Manufacturing

Subarea: I-90/Mt. Baker

Segment: Local Production - Artisanal

Address: 1419 South Jackson Street

Revenues: \$60,000

Employees: 1

Founded: 1980

Person Interviewed: Tom Whitaker, Owner

Date Interviewed: Dec. 17th, 2014

Green Dolphin Enterprises



Summary:

Green Dolphin Enterprises is a single-employee business located in the Rainier Oven Building on 1419 South Jackson Street in Seattle. It specializes in custom residential and commercial furniture, cabinetry and fine woodworking, as well as boat building, repair and alteration.

This small business moved from an older building in Fremont to its current space for amenities such as central heating and larger access doors. Rents are higher in the new space but the owner is able to operate more efficiently and make up the cost differential. Access to transportation was another but lower priority factor. The business chose to remain in Seattle to be close to suppliers in Georgetown. Some of these suppliers have since moved from Georgetown to Kent Valley or even further south but the current Central District location's easy transportation access has helped maintain efficient connections. The owner lives in Ballard and continues to access resources in Ballard such as Ballard Industrial as well.

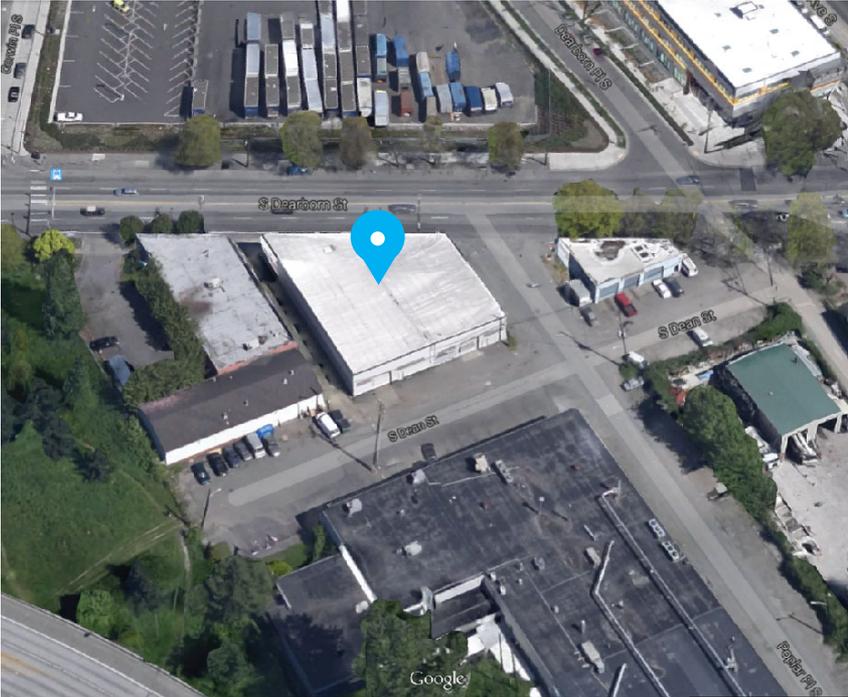
The business rents its 1600 SF space. The building has an interesting mix of uses with office spaces for non-profit and architect, as well as maker spaces for an artist and a custom drapery business. It also includes residential uses; the landlord lives in the building. The business has sufficient room to expand, and has no plans to move in the foreseeable future.

The business is happy in its current location, and no land use challenges or policy changes were cited during the interview.

6 Case Studies

12th Ave. Iron

Facility:



Source: Google Earth, 2014

- Industry:** Custom Forging & Design
- Subarea:** I-90/Mt. Baker
- Segment:** Local Production - Artisanal
- Address:** 1423 South Dearborn Street
- Revenues:** \$800,000
- Employees:** 6
- Founded:** 2006
- Person Interviewed:** Mark Christianson
- Date Interviewed:** Dec. 16th, 2014

6 Case Studies

12th Avenue Iron



Summary:

12th Avenue Iron is a six-employee business located at 1423 South Dearborn Street in Seattle.

The business moved from its former location on Capitol Hill since rents were increasing and parking costs were going up significantly (employees were paying close to \$800 a month for parking). This was the main driver of their location change. Access to transportation was another but lower priority factor. Proximity to workforce, customer base, other similar uses, presence of foot traffic or urban design features such as the vibe of the building did not factor into their choice of location.

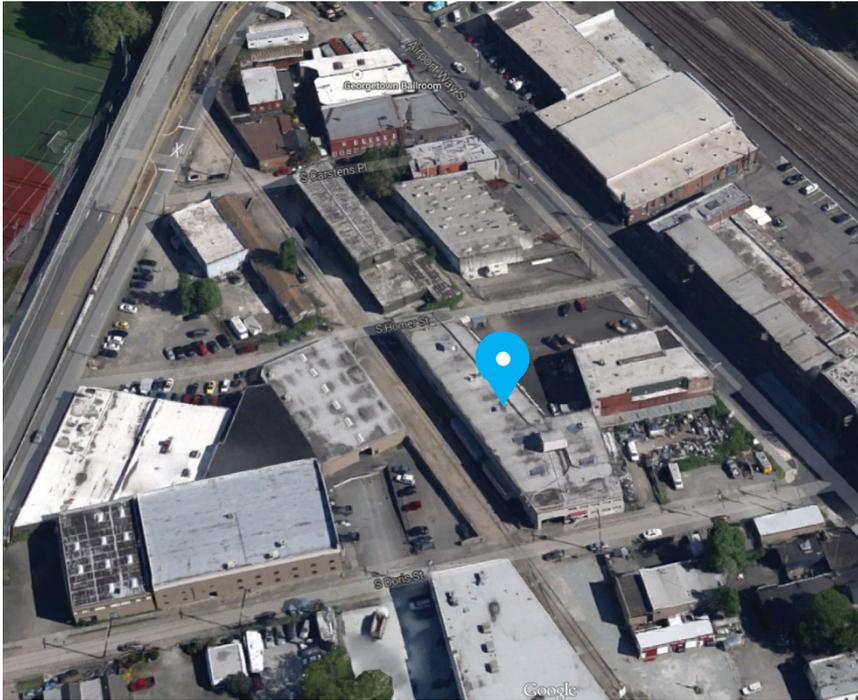
They rent their current 10,000 SF space but plan to buy the building in the near future. The current space has high ceilings and enough room for staging and fabrication tables. They expect to remain in their current location for the foreseeable future since the rents are affordable and there is plentiful parking available. The costs of moving a metal shop are too high for them to consider moving, but if they were to move, their preferred location would be South Park.

The business is happy in their current location, and no land use challenges or policy changes were cited during the interview.

6 Case Studies

Status Ceramics

Facility:



Source: Google Earth, 2014

Industry:	Clay Product Manufacturing
Subarea:	Georgetown
Segment:	Export-Oriented (formerly Local Production)
Address:	927 South Homer Street
Revenues:	\$350,000
Employees:	8
Founded:	1986
Person Interviewed:	Richard Scott, Owner
Date Published:	Jan. 7 th , 2015

Status Ceramics



Summary:

Status Ceramics is a seven-employee business located at 927 S. Homer Street in the Georgetown subarea. The company was founded in 1986 on Bainbridge Island. The business chose its current location based on proximity to its distributor, low cost and the presence of other similar manufacturers in the Seattle Design Center. Proximity to workforce, customer base or the presence of foot traffic did not factor into their choice of location.

The business subleases its current 8,000 SF space from Monarch Trading Corporation. They were previously located across the street at a facility that was half the size and moved a couple of years ago to expand production. They have a seven year lease, with an option to extend it another five years, and will likely stay in the same location for at least the entirety of the lease period. If it could acquire additional equipment, however, it would seek to relocate to a larger facility. The company does not believe it would be able to stay in the same area because it took them at least six months to find their current location.

Though the space is adequate, building conditions are less than ideal, causing them to incur additional costs to heat individual workstations. The access road to their facility is in complete disrepair, making it difficult for truck traffic. Additionally, a Greek yogurt business obstructs traffic flow by leaving garbage on the road and having customers that park in the path. Parking in general is problematic, especially adjacent to the railroad tracks. The company would like to see parking more clearly defined so as to reduce conflicts with freight mobility. Overall, they greatly enjoy being in Georgetown and would like to be able to remain in the area as they aim to grow their business.

7 Strategic Themes



Key Questions for the future of local production in Seattle:

1. **What are the needs of industrial businesses in the four Seattle study areas?**
2. **What are the primary challenges for industrial businesses in the study areas?**
3. **Do industrial businesses in the study areas prefer a Seattle location; if so, why?**
4. **Why have industrial businesses left the study areas, and what has been the impact?**

In Conclusion...

What policies or incentives could help strengthen local production activities in the study areas?

Key Questions for the future of local production in Seattle

1. What are the needs of industrial businesses in the four Seattle study areas?

The following elements were encountered in Case Study interviews and research regarding the needs of industrial businesses in the four Seattle local production study areas:

- > Affordable rents (-Hisaye, Status Ceramics, 12th Avenue Iron)
- > Available and affordable parking (-Prism Designs, Hisaye, Status Ceramics, 12th Ave. Iron)
- > Proximity to workforce (-TouchFire)
- > Access to transportation (-12th Avenue Iron)
- > Adequate infrastructure (especially streets, street lighting, and broadband internet)
- > Mix or flexibility of spaces under one roof (eg, office, workshop, showroom and mill in same building -Meyer Wells)
- > Presence of like businesses (industry agglomeration; -Status Ceramics)
- > Especially artisanal: use of “maker spaces” or “fab labs” for prototyping and product development
- > Especially artisanal: proximity to founders’ homes (mentioned as a factor with startups)
- > Urban character (specifically, a distaste for business park environments)
- > Loading docks, high-clearance ceilings, on-site parking, windows, central heating

Key Questions for the future of local production in Seattle

2. What are the primary challenges for industrial businesses in the study areas?

The following elements were encountered in Case Study interviews and research regarding the primary challenges for industrial businesses in the four Seattle local production study areas:

- > Lack of parking, or expensive parking (-12th Avenue Iron)
- > Lack of parking enforcement (-Status Ceramics)
- > Increased traffic (related to mixed-use development; -Hisaye)
- > Concern / anticipation about future adjacency conflicts (versus actual conflicts; -Hisaye)
- > Old or obsolete buildings & facilities (-Status Ceramics)
- > Lack of suitable buildings or sites for expansion (-Classic Art Foundry, Status Ceramics)
- > Stringent environmental regulations (-Scott Galvanizing)
- > Unwillingness of Seattle regulators to work with businesses on compliance solutions (-DataPro & Scott Galvanizing)
- > Condition of streets and roads in industrial areas (-Status Ceramics)
- > Many suppliers have moved from the Duwamish or Ballard to the Kent Valley (-Green Dolphin)
- > Lack of police patrol in neighborhood (-DataPro)

Key Questions for the future of local production in Seattle

3. Do industrial businesses in the study areas prefer a Seattle location; if so, why?

The following elements were encountered in Case Study interviews and research regarding a City of Seattle location in the four Seattle local production study areas. The preference of a Seattle location was split and seemed linked to the level on contact necessary with other businesses, suppliers, or local urban markets:

- > Links to a great diversity of suppliers (such as hardware suppliers for Green Dolphin furniture makers)
- > Significant facility and equipment investments that are difficult to move or replicate (-DataPro)
- > Short commute & transit options for area workers (-Touchfire)
- > Presence of educated or skilled employees in the Seattle area (-DataPro)
- > Urban character (versus suburban or business park character; Meyer Wells strongly preferred Interbay to Sumner business park location)
- > Presence of similar or up- and down-stream manufacturers and fabricators (such as Status Ceramics in Georgetown's Seattle Design Center)
- > Availability of older building typologies and a location suitable for a mix of activities (versus a homogenous or isolated business park location)
- > Two businesses – Touchfire & Prism Designs, prefer to design, distribute and service from Seattle only, doing their manufacturing overseas due to cost; shipping and servicing locally allows for good service and delivery times

Key Questions for the future of local production in Seattle

4. Why have industrial businesses left the study areas, and what has been the impact?

The following elements were encountered in Case Study interviews and research regarding leaving one of the four Seattle local production study areas:

- > Rezoning (-Meyer Wells, Interbay)
- > Lack of or expensive parking (12th Avenue Iron moving from Capitol Hill)
- > Rising rents
- > Increased traffic
- > Environmental regulation & enforcement (-Scott Galvanizing)
- > Lack of suitable buildings or sites for expansion (-Status Ceramics, Classic Art Foundry)
- > Retail and Residential Development (-Scott Galvanizing)

Impacts to the local Seattle economy and industrial “food-chain” related to re-locations out of Seattle that were mentioned in interviews included:

- > Loss of an integral service, product, or process for up- or down-stream producers (Scott Galvanizing was one of only two galvanizers in Seattle and their re-location has affected many in the ship-building and metal fabrication industries in Ballard and Interbay)
- > Business that used to source with local suppliers – primarily local producers – now use non-Seattle suppliers, weakening other local industrial segments

What policies or incentives could help strengthen local production activities centered in Ballard, Interbay, I-90/Mt. Baker & Georgetown?

- > The original intent of IC zones as a mix of commercial and industrial businesses is being compromised by excessive single-use office development. Consider implementing maximum size limits for office uses in Seattle IC zones.
- > Re-evaluate whether parcel-based size limits are the best way to regulate the impact of non-industrial uses in industrial districts. Large parcels can be sub-divided into multiple smaller lots to avoid size limits.
- > Size limits on non-industrial uses in industrial zones do not apply if these uses are accessory to a principal use that is not restricted. Consider regulation of both principal and accessory non-industrial uses, and consider limits on expansion of non-industrial accessory uses after project completion.
- > Spillover impacts – including increased traffic and reduced parking availability – from new commercial, residential and mixed-used development adjacent to industrial districts is putting pressure on the continued viability of industrial businesses. Strengthen the IB zone as a tool to buffer industrial districts from neighboring commercial and residential districts by increasing limits on non-industrial uses.
- > Spot-rezoning of industrial sites in Seattle is undermining the integrity of some industrial areas. Consider adding to the criteria required to re-zone industrially-zoned parcels in Seattle. Additional criteria could include consideration of the impact of the re-zone on parking and traffic in the wider industrial area, or that the impact on surrounding parcels or the district as a whole. Other criteria could include demonstration that the use cannot be accommodated elsewhere.
- > Many local production uses have become indistinguishable from commercial uses with regards to impact and character. Consider permitting or conditionally permitting more local production uses in select NC & SM zones where not currently permitted.

What policies or incentives could help strengthen local production activities centered in Ballard, Interbay, I-90/Mt. Baker & Georgetown?

- > Industrial districts in Seattle are currently under pressure from light industrial uses such as auto repair that were formally accommodated in Commercial zones but are not allowed or limited in some Neighborhood Commercial zones. Consider permitting a broader range of limited light industrial uses, including auto repair and wholesaling, in NC and SM zones.
- > Along designated principal pedestrian streets, one or more specific uses are required along 80 percent of the street-level street-facing facade. Where possible, allow local production uses that have few impacts and an active street presence on these streets.
- > While limited commercial development is allowed in industrial zones in Seattle in order to serve industrial workers, many of these uses actually serve nearby residential neighborhoods and adversely impact parking and traffic levels in the industrial area. Consider limits on expansion of such uses as already exist and evaluate mechanisms to better target non-industrial uses serving the industrial district.
- > Research and Development uses currently allowed in Seattle's industrial zones may be exploited for conventional office development. Consider a more narrow definition of allowable Research and Development that is less vulnerable to interpretation and more consistent in its interpretation.
- > Develop materials that powerfully articulate the value that industrial businesses bring to neighborhoods like Ballard, Interbay, Mt. Baker, and Georgetown – and to the City as a whole.
- > Evaluate the feasibility of incentive zoning that provides density bonuses for mixed-used projects in industrial zones that elect to include an industrial component.

7 Strategic Themes

Other policies, programs or incentives can help strengthen local production activities centered in Seattle, in partnership with other City departments and/or outside organizations. These include:

- > Manufacturing-aware cities often provide incubation spaces – production space as well as investment capital. Entrepreneurial and maker communities often produce small ideas that graduate to large companies (Under Armour in Baltimore’s Tide Point area is one example.)
- > Work on industrial business retention and expansion. Industrial firms have specific land-use needs and challenges (New York Industrial Retention Network is an example.)
- > Assistance with branding, and marketing assistance and outreach (walking tours have been effectively used in Philadelphia’s Navy Yard to tell the story of a community’s industrial history.)
- > Connect educators with industrial businesses to ensure training programs produce the workers businesses want.
- > Prioritize arterial and local street repair within industrial areas.
- > Clearly define parking within Seattle’s industrial areas.
- > Consider subsidized municipal parking lots or structures for urban industrial districts .
- > Increase police patrols and repair street lighting to improve security in industrial areas.
- > Provide assistance for small businesses that are growing in place in Seattle’s industrial areas.
- > Provide or facilitate loans and financing for capital equipment purchases and expansion.
- > Improve assistance for environmental regulation compliance in industrial areas.
- > Create an Industrial SpaceFinder for the City of Seattle.
- > Provide maps, fact sheets and other resources for industrial users in Seattle.



Seattle's Industrial Zoning Categories

IG1 General Industrial 1 (IG1)

Typical Land Uses

General and heavy manufacturing, commercial uses, subject to some limits, high impact uses as a conditional use, institutional uses as existing buildings, entertainment uses other than adult, transportation and utility services, and salvage and recycling uses.

Height

No maximum height limit; except retail, office, entertainment, research and development, and institution uses which are limited to 30', 45', 65', 85' as designated on the Official Land Use Map.

Maximum size of use

Retail sales and service and entertainment uses: 10,000 square feet.
Office uses: 10,000 square feet.
Some exceptions apply to maximum size of use limits (23.50.027.B).



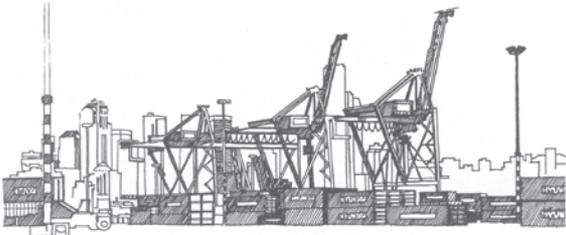
FAR

2.5

Setbacks

A setback may be required in order to meet street improvement requirements. Screening and landscaping may be required.

The intent of the IG1 zone is to protect marine and rail-related industrial areas from an inappropriate level of unrelated retail and commercial uses by limiting these uses to a density or size limit lower than that allowed for industrial uses.



IG2 General Industrial 2 (IG2)

Typical Land Uses

Same as IG1

Height

Same as IG1

Maximum size of use limits

Lodging and entertainment uses: 10,000 square feet.

Office and retail uses: 25,000 square feet. Some exceptions apply to maximum size of use limits (23.50.027.B).

FAR

2.5

Setbacks

A setback may be required in order to make street improvements. Screening and landscaping may be required.

The intent of the IG2 zone is to allow a broad range of uses where the industrial function of an area is less established than in IG1 zones, and where additional commercial activity could improve employment opportunities and the physical condition of the area, without conflicting with industrial activity.

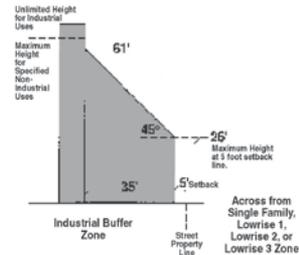


IB Industrial Buffer (IB)

Typical Land Uses

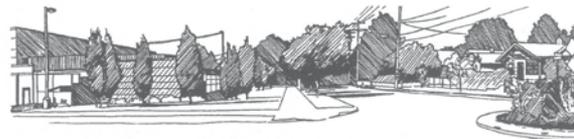
Light and general manufacturing, commercial use subject to some limits, some transportation services, entertainment uses other than adult, institutions generally in existing buildings, salvage and recycling uses.

Height Same as IG1 and 2, except that on lots across a street from SF or Lowrise zones the following limits apply:



The intent of the Industrial Buffer is to provide an appropriate transition between industrial areas and adjacent residential zones, or commercial zones having a residential orientation and/or a pedestrian character.

Similar but modified rules apply when across an alley from or abutting SF or Lowrise zones, or abutting MR, HR, and Commercial zones.



IC Industrial Commercial (IC)

Typical Land Uses

Light and general manufacturing, commercial uses, transportation facilities, entertainment other than adult, institutions generally in existing buildings, utilities, and salvage and recycling uses.

Height

The maximum structure height for all uses is 30', 45', 65', or 85' as designated on the Official Land Use Map. Along the central waterfront special limitations apply.

Maximum size of use

Retail sales and service and entertainment uses: 75,000 square feet.

Office uses: no maximum size limit. The total area of all the foregoing uses on a lot may not exceed two and one half times the area of the lot, or three times the size of the lot in the South Lake Union area. Some exceptions apply to maximum size of use limits. (23.50.027B)

FAR

2.5, except in South Lake Union where FAR is variable depending on the height limit (Table A for 23.50.028).

Setbacks

Same as IG1 and IG2, plus

When abutting a residentially zoned lot, setback varies with the height of the structure and when street trees are

required. No openings permitted within 5' of residential zoned lot.

Screening and Landscaping

Street trees; screening and landscaping required for blank facades, parking and loading, outdoor sales, rental and storage, drive-in businesses.

Major Odor Sources Uses which involve designated odor-emitting processes may be called a major odor source. A major odor source may be required to take measures to reduce odorous emissions and airborne pollutants.

Light and Glare Exterior lighting must be shielded away from residential zones. Facade materials which may result in glare may be required to be modified.

Maximum size of use Retail sales and service and entertainment uses: 75,000 square feet.
Office uses: 100,000 square feet. The total area of all the foregoing uses on a lot may not exceed two and one-half times the area of the lot. Some exceptions apply to maximum size of use limits (23.50.027B).

FAR 2.5

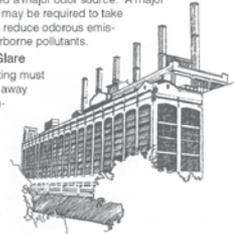
Setbacks Same as IG1 and IG2, plus

- 5' from street property lines when across from SF or Lowrise zones (see diagram)
- 5' for parking and loading facilities and storage and recycling collection facilities when across a street from MR, HR, or RC zones, or across an alley from any residential zone
- 5' for parking lots and structures or drive-in businesses when any lot line abuts a residential zone
- 15' for outdoor loading, recycling collection or storage facilities when any lot line abuts a residential zone
- 50' from any lot in a residential zone for outdoor manufacturing, recycling or refuse compacting
- 5' for all windows or openings that face an abutting residentially zoned lot, unless the opening is translucent or perpendicular to lot line or screened

Major Odor Sources Uses which involve designated odor-emitting processes may be called a major odor source. A major odor source may be required to take measures to reduce odorous emissions and airborne pollutants.

Light and Glare

Exterior lighting must be shielded away from residential zones. Facade materials which may result in glare may be required to be modified.



Allowed Industrial Uses

A.AGRICULTURAL USES

A.2.Aquaculture

A.3.Community Garden

A.5.Urban Farm

C.COMMERCIAL USES

C.1.Animal Shelters and Kennels

C.2.Eating and drinking establishments

C.3.Entertainment Uses

C.3.a. Cabarets, adult

C.3.d.Sports and recreation, indoor

C.3.e.Sports and recreation, outdoor

C.3.f.Theaters and spectator sports facilities

C.3.f.i.Lecture and meeting halls

C.3.f.ii.Motion picture theaters

C.3.f.iii.Performing arts theaters

C.3.f.iv.Spectator sports facilities

C.4.Food processing and craft work

C.5.Laboratories, Research and development

C.6.Lodging uses

C.7.Medical services (3)

C.8.Offices

C.9.Sales and services, automotive

C.10.Sales and services, general

C.11.Sales and services, heavy

C.12.Sales and services, marine

E.INSTITUTIONS

E.2.Child care centers

E.3.Colleges

E.4.Community centers and Family support centers

E.5.Community clubs

E.6.Hospitals

E.7.Institutes for advanced study

E.9.Major institutions subject to the provisions of Chapter 23.69

E.10.Museums

E.11.Private Clubs

E.12.Religious facilities

E.13.Schools, elementary or secondary

E.14.Vocational or fine arts schools

G.MANUFACTURING USES

G.1.Manufacturing, light

G.2.Manufacturing, general

G.3.Manufacturing, heavy

H.PARKS AND OPEN SPACE

I.PUBLIC FACILITIES

I.3.Other public facilities

J.RESIDENTIAL USES

J.2.Artist's studio/dwellings

J.3.Caretaker's quarters

J.4.Residential use, except artist's studio/dwellings and caretaker's quarters, in a landmark structure or landmark district

K.STORAGE USES

K.1.Mini-warehouses

K.2.Storage, outdoor

K.3.Warehouses

L.TRANSPORTATION FACILITIES

L.1.Cargo terminals

L.2.Parking and moorage

L.2.a.Boat moorage

L.2.b.Dry boat storage

L.2.c.Parking, principal use, except as listed below

L.2.c.i.Park and Pool Lots

L.2.c.ii.Park and Ride Lots

L.2.d.Towing services

L.3.Passenger terminals

L.4.Rail Transit Facilities

L.5.Transportation facilities, air

L.5.a.Airports (land-based)

L.5.b.Airports (water-based)

L.5.c.Heliports

L.5.d.Helistops

L.6.Vehicle storage and maintenance

L.6.a.Bus bases

L.6.b.Railroad switchyards

L.6.c.Railroad switchyards with a mechanized hump

L.6.d.Transportation services, personal

M.UTILITY USES

M.1.Communication Utilities, major

M.2.Communication Utilities, minor

M.3.Power Plants

M.4.Recycling

M.5.Sewage Treatment Plants

M.6.Solid waste management

M.6.a.Salvage yards

M.6.b.Solid waste transfer stations

M.6.c.Solid waste incineration facilities

M.7.Utility Services Uses