



City of Seattle Seattle Planning Commission

Jerry Finrow, Chair
Barbara Wilson, Executive Director

SEATTLE PLANNING COMMISSION MAY 10, 2007 APPROVED MEETING MINUTES

Commissioners in Attendance

Jerry Finrow – Chair, Mahlon Clements, Tom Eanes, Chris Fiori, Marshall Foster, Colie Hough-Beck, Mark Johnson, Martin Kaplan, Kay Knapton, Amalia Leighton, M. Michelle Mattox, Kevin McDonald, Kirsten Pennington

Commissioners Absent

Linda Amato, Steve Sheehy, Tony To

Commission Staff

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

Guests

Rick Hooper, Office of Housing; Tom Hauger and Scott Dvorak, DPD

In Attendance

Bob Derry, Kari Lyn-Frank, Dan Stonington, Ching Chan, Mia Thompson, Aaron Mathers

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

CALL TO ORDER

The meeting was called to order at 3:08 pm by Commissioner Martin Kaplan. Commissioner Kaplan acted as Chair due to the absence of the Chair Jerry Finrow and Vice-Chair Tony To.

COMMISSION BUSINESS

- Approve April 12 & April 26, 2007 Minutes
- Re-approve corrected March 22, 2007 Minutes.

ACTION: Commissioner Kay Knapton moved for the approval of the April 12, 2007 minutes. Commissioner Amalia Leighton seconded the motion. The minutes were unanimously approved.

ACTION: Commissioner Kay Knapton moved for the re-approval of the March 22, 2007 minutes. Commissioner Mark Johnson seconded the motion. The minutes were unanimously approved.

ACTION: Commissioner Kay Knapton moved for the approval of the April 26, 2007 minutes. Commissioner Mark Johnson proposed an amendment to the minutes. Commissioner Johnson noted several changes he would like to make to the minutes in order to clarify a statement he made. Commissioner Kay Knapton accepted the proposed amendment. Commissioner Kirsten Pennington seconded the motion. The minutes were unanimously approved.

▪ **Chairs Report**

Executive Director Barbara Wilson went over the upcoming meetings. She noted that Tuesday, May 15 will be the next Executive Committee meeting and all Commissioners are welcome to attend. Ms. Wilson added that in addition to the usual commission business the agenda will include more work to refine the Commission's Industrial Lands themes and observations and the Committee will prep for a debrief with DPD, OED and the mayor's office.

Ms. Wilson noted that the Planning Commission Annual Retreat will be Thursday, May 17, 2007 from 1:30-5:30 p.m. at a Port conference room at Fisherman's terminal. She added that directions and details will be sent to Commissioners soon and that the Commission will be meeting afterwards for a post retreat happy hour at the Highliner Pub where we will be joined by former Commissioners George Blomberg, Valerie Kinast and Hilda Blanco. Ms. Wilson mentioned that all Commissioners should plan to attend the retreat.

Ms. Wilson noted that the 4th and final Industrial Lands Strategy Workshop will be held on Thursday, May 31st, 4:30-6:30 p.m. in the Bertha Landes room upstairs. She added that at this meeting the Commission will present their preliminary themes from what we heard from the stakeholder involvement process and some of their preliminary observations. Ms. Wilson stated that DPD staff will present some of its preliminary thinking about the Strategy and that Stakeholders will have an opportunity to respond to both presentations.

Ms. Wilson noted that she and Chair Finrow will attend the UDP committee meeting on May 23 to brief the committee on the Commission's recommendations on Councilmember Steinbrueck's proposed legislation regarding adult cabarets.

Ms. Wilson stated that DPD has offered to take Commissioners on a tour of Seattle's industrial areas including a look at Port operations. Ms. Wilson asked the Commission who was interested in such a tour. Nearly everyone raised their hand. Ms. Wilson said she will start planning the tour.

Ms. Wilson stated that she understood that many Commissioners were getting lobbied about certain issues and that the City's Ethics Code does not prevent Commissioners from being lobbied. She added that the Commissioners cannot take gifts, even if it is just a cup of coffee. She continued that Commissioners are not obligated to disclose every conversation they have and that transparency of

decision-making is the most important thing to keep in mind. She reminded people that it's always good to err on the side of disclosure. Ms. Wilson noted that when conversations or meetings occur that it is important to inform the Commission Chair or the Executive Director.

COMMISSION DISCUSSION

- **Multifamily Tax Exemption Program**
- Rick Hooper, Office of Housing

Commissioner Kaplan called for any disclosures or recusals.

Recusal & Disclosures: Commissioners Tom Eanes, Chris Fiori and Martin Kaplan all disclosed that their firms; Hewitt Architects, Heartland, and Martin Henry Kaplan Architects, may have clients in the future who may benefit from this program.

Rick Hooper stated that he had already briefed the Commission on the facts of the program. He added that right now is the time City Council asks for a yearly update from the Office of Housing on the program and that this is the time to propose changes to the program.

Mr. Hooper noted that the Multifamily Tax Exemption is one of the few tools that can stimulate additional housing at the same time it can provide housing to workers that is affordable to them.

Mr. Hooper mentioned that the target of the program is workers making between \$40,000 and \$70,000 a year. He added that, while there are many other programs for homeless people or extremely low-income people, there is not much available for workers making this amount of money.

Mr. Hooper referred to a handout that showed that the groups that lived in the City were either of the lower income levels or the higher but, for the most part, were not the middle income levels.

Mr. Hooper stated that most people agree they don't want to see a city of just the rich and the poor and that the recent storm also showed why it's important to have workers live nearby, as many employees couldn't get to the city quick enough to do the important work needed to assist those affected by the storm.

Mr. Hooper noted that this program provides a tax exemption for up to 12 years and the state law says cities must choose target areas. He added that the program is not being used very often by developers and that the reason is tied to it being less and less of an incentive for developers.

Mr. Hooper stated that the new state law, HB 1910, replaced a 10 year exemption with a 12 or 8 year exemption. He added that the 8 year exemption does not have to have any affordability component, but the 12 year must include at least 20 percent affordable units. Mr. Hooper noted that high cost areas were given more flexibility in terms of what income groups the program targets.

Chair Jerry Finrow joined the meeting at this point and replaced Commissioner Martin Kaplan who had been acting as Chair.

Mr. Hooper noted that the program currently is available for those providing rents that are affordable to those making lower than 80 percent of median income. He noted that the market has changed a

great deal and units are far more expensive. Mr. Hooper stated that in order to make the program more attractive to developers, the Office of Housing has suggested this income limit rise to 120 percent of median income. He mentioned that many people will likely have concerns about this but if developers do not see this program as an incentive then it will not do any good.

Mr. Hooper then referred to a map of all the city's urban villages. He stated that currently the program only covers about half of them but it could cover all of them.

Chair Finrow stated that the Commission is very sympathetic to Mr. Hooper and the Office of Housing's efforts. He offered to come to Council to assist Mr. Hooper in the effort of convincing the Council that it is an important program that needs to be altered to work.

Commissioner Marshall Foster stated that the HNUC Committee has been working on an Affordable Housing Action Agenda and suggested they look at the program and potentially advocate for it, including changes to its scale and focus.

Commissioner Tom Eanes asked if the Office of Housing had worked with developers on the program. Mr. Hooper replied that they had. He said developers are sympathetic to the goal of providing housing but need the program to make economic sense to them before they would utilize it.

Commissioner Eanes stated that one problem is that by the time the building is built, the agreement doesn't work anymore, because costs have risen so rapidly in the mean time.

Commissioner Amalia Leighton suggested the concept of 'shell' homes, with some of the amenities of other units, to fulfill the affordability requirement. Mr. Hooper said there had been interest in doing this and that they were currently searching for a developer to do a pilot project for this proposal.

Commissioner Kaplan suggested that, if the City could broaden the program to more areas, more developers might be able to use it.

Commissioner Fiori stated that if you raise the affordability requirements, it might result in the unintended consequences of driving the market up further in terms of the cost of housing. He suggested caution when using housing cost trends and urged Mr. Hooper to view the inflation of housing with a long-term perspective.

- **Briefing: Background on Seattle's current industrial zoning and review of DPD's March 2007 Reports**
- Tom Hauger and Scott Dvorak, Department of Planning and Development

Chair Finrow called for any recusals or disclosures.

Recusal & Disclosures: Commissioners Marshall Foster, Tom Eanes, and Mahlon Clements all disclosed that their firms; Mithun, Hewitt Architects, and Zimmer Gunsul and Frasca, have worked or may in the future work with clients who may consider uses that were not currently permitted in industrial areas.

Chair Finrow noted that the Commission had been growing increasingly concerned with the number of requests to convert industrial lands to other uses. He added that this caused the Commission to advocate for funding to take a more comprehensive look at the issue.

Ms. Wilson stated that the Commission has co-hosted three public events. She stated that the next steps include documenting what occurred at the workshops and working more closely with DPD to finalize their final report on the ILS which should be complete by August 1.

Tom Hauger reviewed the way in which the Growth Management Act defines an industrial area and stated that the GMA requires jurisdictions to take some steps to protect such lands. He noted that the Comprehensive Plan governs all industrial lands. Mr. Hauger referred to a sheet summarizing what the Comp Plan says about industrial lands, which states that the City wants to preserve such lands, especially those with rail and transit access and to stop conflicting uses in these areas.

Chair Finrow noted that much of the discussion was not just about chewing away at the edges of industrial lands but also what uses are allowed in those zones.

Mr. Hauger went over the two manufacturing-industrial centers which provide critical mass for industrial zones and adequate buffers between uses. He then went over the different industrial zones in the city and their intentions, including IG1, IG2, Industrial Buffer, and Industrial Commercial. Mr. Hauger focused on the size of use limits for each area and pointed out that the Duwamish MIC has a lower size of use limit due to the creation of a neighborhood plan that prohibits certain uses and lowers size of use limits. Mr. Hauger then went over the 5 proposed Comp Plan amendments that propose converting some industrial land to other uses.

Commissioner Johnson stated he was interested in the BINMIC since it seemed to be going through rapid transition. Scott Dvorak stated that there had been a net gain of 10 percent of industrial lands in the area. He added that this figure just referred to the number of permits filed and not the acreage of each area that was converted to another use.

Mr. Hauger stated that research and development is permitted in all four industrial zones.

Mr. Dvorak then reviewed a document providing an overview of the research done by DPD on industrial lands in Seattle. He reviewed the amount of industrial land in the city, the vacancy rate there, employment projections (which show a significant increase in jobs in the industrial sector), the wages in these sectors, the length of time current businesses had been in their locations, the amount of land being converted from industrial to non-industrial and vice versa, the degree to which industrial businesses served the local population, and the results of surveys done by consultants of some industrial business owners.

Commissioner Kaplan requested clarification on how the vacancy rates were derived. Mr. Hauger stated it was vacancy of buildings, not land.

Commissioner Foster suggested that DPD have some discussions with the Port and other larger industrial business owners due to the survey skewing a bit towards smaller business owners. Mr. Hauger stated they were already conducting focus groups to try and achieve this.

Mr. Dvorak reviewed what characteristics industrial business owners seek when looking for a location, specific attributes of the seven sub-areas in the industrial areas defined by DPD and the differences between these areas.

Commissioner Colie Hough-Beck requested that DPD try to define exactly what uses businesses were changing to when they were rezoned from industrial to non-industrial or vice versa.

Commissioner Finrow requested that Mr. Hauger speculate on whether there was enough industrial zoned land in Seattle. Mr. Hauger stated that, according to job projections that show growth in the industrial sectors, Seattle may have enough now but if it starts to lose significant amounts, there will be no way to accommodate this jobs growth.

Commissioner Mahlon Clements stated that there were different ways to define 'enough,' including enough to maintain high wages, enough to allow the City to function well, and the enough to keep residential areas healthy, with big enough buffers between industrial and residential.

Commissioner Kaplan stated that a lot of the growth Mr. Hauger is referring to won't happen because land cost and values are rising too rapidly.

Ms. Wilson stated that the Commission was charged with documenting the public outreach process of the Industrial Lands Strategy and for providing Commission observations and recommendations. Ms. Wilson reviewed a rough outline of what the final report would look like and a timeline for finishing the document. She also reviewed themes from all three workshops and the overall themes of all three events. Ms. Wilson asked if the Commission felt more should be added or if anything should be changed or omitted and for their overall comments.

Commissioner Eanes stated that #5 (defining what an 'industrial business' is often a difficult endeavor. The current definition needs to be clearer, and a nuanced approach should be taken when developing this definition) should be placed first on the list of observations. He requested more information from DPD regarding the amount of land being converted to other uses to more accurately determine the pressure on industrial lands.

Commissioner Hough-Beck stated that there should be a point about learning from other cities and that it's not just about losing the land it is about losing businesses overseas and elsewhere. She suggested including the point that many industrial businesses today are not 'dirty' in the traditional sense that people think about such businesses.

Commissioner Johnson stated that there should be a point about considering industrial lands in a global context and that many of the trends for industrial jobs and businesses are not just generated by the region.

Chair Finrow stated that if there was a recasting of the way industrial lands is used, it should not be piecemeal, but planned. He added that the City should either plan to maintain its industrial lands, or do some good, thorough planning to create a community with whatever the industrial land is being changed to. He cited Portland, Vancouver, B.C. and San Francisco as examples of areas that have decided to give up their industrial land and put it to different uses. Chair Finrow noted that the most important decision is how do we plan the future of these areas and whether we preserve them or not.

Commissioner Fiori stated that if the City is to maintain areas as industrial, there needs to be public investment to make sure these areas function well and if the use is changed, that there needs to be investment as well, to make sure these areas work well for all the new workers. He added that if change comes piecemeal it will create the best of situations for nobody.

Commissioner Kaplan stated that the Commission should be looking at what types of new businesses need to come in and looking at older types of buildings and why they might no longer be in use.

Commissioner Foster pointed out that Portland had already set up industrial sanctuary zones before they began the River and Pearl District planning processes. He stated that at the same time the Commission considers other uses, it needs to get serious about controls to create the right context for industrial investment. Commissioner Foster added that these controls could be tied to the type of infrastructure needed for different types of businesses.

Mr. Hauger stated that in some ways, DPD already did this, as IG1 is more for industrial uses along waterways and rail, and IG2 is for businesses further away than that.

Commissioner Kay Knapton stated that light rail is coming to industrial areas and that arguments have been made to create a community around them. She suggested that maybe that community is industrial, and used by industrial workers as well as others.

PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

Chair Jerry Finrow adjourned the meeting at 5:30 pm.