

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
STAFF BRIEFING

Item No. 7a
Date of Meeting August 23, 2016

DATE: August 10, 2016
TO: Port of Seattle Commission
FROM: Ted Fick, Chief Executive Officer
SUBJECT: Protecting and Enhancing Industrial Lands, Draft Principles

SYNOPSIS

This memo and related presentation is intended to give commissioners and other interested stakeholders an overview of the City of Seattle's process to update industrial lands policies in their comprehensive plan. In addition, it offers draft principles for the commissioners to consider and offer feedback to staff.

BACKGROUND

History

Pressure to change uses on industrial lands within urban city-limits is a common issue throughout the US and beyond. It is well understood that when industrial lands gentrify, the potential increase for incompatible uses put industrial operations at risk. It is essential for Port of Seattle and Northwest Seaport Alliance (NWSA) to actively drive the community discussion on this topic.

Seattle has struggled with this debate for years with the previous two mayoral administrations having conducted some sort of stakeholder process looking at land-use on and around industrial lands. The current administration intends to update industrial land-use policies during the 2017 comprehensive plan update following a stakeholder process, now known as the Industrial Lands Advisory Panel.

Industrial Lands Advisory Panel

The Port of Seattle and NWSA were invited to participate on the panel. Any proposed changes resulting from the stakeholder process will be forwarded to the City Council for consideration early next year.

Currently, the 2016 plan, known as Seattle 2035, is working its way through the City Council. The Mayor directed any policy or map revisions affecting industrial lands that were spelled out in earlier drafts of Seattle 2035 to be removed.

The first meeting of the panel was on July 28, including only the industrial stakeholder side of the panel. The non-industrial stakeholder, including developers, met on the following day. At each of those meeting, several panelists were identified to participate in

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a smaller working group that will develop a scope of work for an economic impact study that will be a part of this process. In addition, the City outlined their perspective of the “problem and opportunity statement” related to this topic:

As referenced in the Seattle 2035 comprehensive plan, within the next twenty years Seattle will have 120,000 more people, 70,000 more housing units and 115,000 more jobs. As we look to the future, we are committed to supporting our residents as well as the growth of our diverse, evolving economy. The city is also committed to sustainability, which means that our growth will come with an increase in density. That commitment, in combination with our growth over the last several decades, has applied pressure on existing uses to share the limited land area in our geographically constrained city. We recognize the value of the industrial and maritime sectors as an essential part of our city’s economy; the comprehensive plan describes “industrial zones are an important source of living wage jobs and make the local economic base more stable.” These sectors are also evolving and, as we continue to grow our economy in diverse ways, we must balance the pressures these uses have on one another.

As Seattle looks ahead to the next twenty years, we must manage our growth while preserving economic diversity. Implications range from right of way mobility and infrastructure to housing, retail, and support services. As such, responsible growth management will entail:

- *Providing for economic diversity and leveraging our core strengths;*
- *Acknowledging and preparing for the evolution of existing sectors to help them thrive;*
- *Balancing the demands of existing sectors and new sectors, including all associated uses; and*
- *Prioritizing our values of growth, including livability, sustainability, density, and preservation across diverse income levels and classes, today and for the future.*

The City scheduled the working group to convene on August 18 and all panel members to meet on August 25.

NEXT STEPS

Below is a list of seven draft principles for commissioners’ consideration. Staff will discuss options for further review and adoption.

As there are multiple efforts underway that may impact industrial lands, these principles will have use in multiple venues, including, but not limited to Sound Transit 3, implementation of recommendations from the state legislature’s joint maritime task force and Seattle waterfront planning.

Draft Principles

- 1. Require transportation policy and planning that supports land-use needs**

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- a. This new effort must take a holistic approach and consider the direct impact of land-use on transportation and include those findings in any policy conclusions.
- b. Throughout this process, any future passenger train development around the maintenance yard and its potential impact on east-west road capacity must be considered.
- c. The railroad will be a critical partner with respect to transportation matters and as a large industrial land owner.

2. Maintain no net loss in industrial lands to support the industrial job base

- a. We must ensure that adequate land is protected to support current POS and NWSA activities and allow for planned growth.
- b. We will seek policy solutions that protect water-dependent uses, such as fishing and marine cargo.
- c. Other sectors may also require specific property needs, such as industrial suppliers and service providers that rely on close proximity and/or reliable access to certain locations such as Sea-Tac Airport, Fishermen's Terminal and the Olympic Pipeline. We will ensure this dependency is considered as well.

3. Encourage the creation of incentives to promote industrial investment in job growth

- a. We will pursue mechanisms that promote industrial uses while accounting for the highest and best use dynamic.
- b. Some examples of possible incentives might include:
 - i. Attract industrial tenants that can operate on the upper floors of existing industrial buildings.
 - ii. Invite industrial uses on the vacant portions of partially-developed parcels.
 - iii. Encourage small-scale manufacturing.

4. Formally recognize industrial lands as essential public facilities

- a. The state legislature's Joint Task Force on the Economic Resilience of Maritime and Manufacturing in Washington included a recommendation to "develop a legislative 'state economic resilience' rating and map... rating system will describe for these local officials the state-wide economic impacts of port districts, maritime and manufacturing industries, and industrial lands located within their jurisdictions..." We will encourage this approach at the city level and seek input from key state legislators.

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- b. Advocate buffer zones that provide a transition between incompatible land-uses (e.g. residential adjacent to heavy industrial operations).

5. Seek changes to relevant code to reflect industrial land use policy

- a. Many of the City's land use policies are presently very strong; however, the code is not. The City's process must include code changes that are consistent with stated policy language
- b. Code is important because permits for individual development projects are reviewed against code, not policy.
- c. A key consideration is existing loopholes in the code restrictions on nonindustrial uses.

6. Prevent sprawl to protect from negative environmental impacts

- a. This principle acknowledges a key tenant of the State's Growth Management Act.
- b. When industrial uses are displaced outward from current concentration of rail, freight roads, docks, power distribution, water supply, waste water supply, and population centers (employees), most of these utilities and other components need to be brought out to the new location. Each aspect of infrastructure has an environmental impact.

7. Support efforts to expand industrial training and related workforce development

- a. Programs such as Core-Plus provide a comprehensive curriculum and career direction for young people with practical analytical skills and mechanical aptitudes.
- b. With a shrinking pipeline of talent ready to step into various jobs that support port-related industries, it is important to ensure that young people have access to the opportunities that will lead to those careers.

ATTACHMENTS TO THIS BRIEFING

- Computer slide presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- None