



**Mayor's Recommended Industrial Land Proposal
Frequently Asked Questions
October 4, 2007**

What are the Mayor's recommendations?

The Mayor has sent an ordinance to Council that would set lower limits on the maximum size of office or retail uses that can be built in the IG1, IG2 and IB zones. For the IG1 and IG2 zones, the new limit for both office and retail would be 10,000 square feet. For the IB zone, the new limit would be 30,000 square feet for those uses. Currently, the IG1 zone allows retail uses up to 30,000 square feet and office uses up to 50,000 square feet, while the IG2 and IB zones allow retail up to 75,000 square feet and offices up to 100,000 square feet. For comparison, the building containing the Safeway store at Market and 15th Ave. NW in Ballard is a little over 75,000 square feet in area.

Why set 10,000 square feet as the new limit?

The Comprehensive Plan says that the City's goal is to use industrial land for industrial purposes. However, by allowing up to 75,000 or 100,000 square feet of commercial uses there now is a mis-alignment between the goal and the regulations. The recommended limit of 10,000 square feet is closer to limits set in other cities that have successfully protected industrial areas. Portland, for example, limits office and retail uses to 3,000 square feet, while Vancouver does not allow these uses in industrial areas, unless they are accessory to an industrial use. A review of Seattle's industrial zones showed that only about 18% of the retail and office uses in those zones exceed 10,000 square feet in area.

Will these changes affect existing retail or office uses?

Existing uses would be allowed to continue, even if they exceed the new limits. If they already exceed the limits they would be allowed to expand under specified circumstances.

Can an industrial use have office or retail activity that is larger than 10,000 square feet?

Yes. In most cases, the industrial use would be considered the "principal" use and the office or retail space would be considered an "accessory" use, a use that is clearly incidental to the principal use. An accessory use that serves an industrial use would not be held to the size limit, whether retail or office use. For example, the offices that support a sand and gravel operation would not be limited to 10,000 square feet.

Does an accessory use have to be in the same building or on the same lot?

Usually, accessory uses are on the same lot, if not in the same building as the principal use. However, the City knows that sometimes firms occupy multiple lots, possibly even across the street; so an accessory use can be something that is within a reasonable distance of the principal use, in some cases up to one mile away.

What's the rush to make these changes?

The City has been reviewing this issue for a number of years. The Planning Commission has noticed for several years the number of requests to allow a more commercial use of industrial zones. In 2005, DPD and the Planning Commission jointly prepared a background report describing the current conditions in industrial areas and estimating the future need for industrial land. In 2006, the City Council provided funding to DPD to develop recommendations about the city's industrial lands. DPD began by updating and expanding information in the 2005 report and by hiring a consultant to survey about 100 industrial businesses. DPD and the Planning Commission also co-sponsored four public workshops earlier this year to gather perspectives and opinions about the state of industrial land.

Is the City fighting the inevitable – that industrial businesses will move to where there is more and cheaper land?

The majority of Seattle industrial firms who responded to our survey indicated that their current location in Seattle is their ideal location. Many firms place a high value on being near the Port's facilities, the railroad or the highway connections that exist in Seattle's industrial areas. Also, for many industrial businesses, a Seattle location puts them close to their suppliers and customers. The continued low vacancy rates for buildings in Seattle's industrial areas indicate a high demand for businesses to locate here. Some firms do move from Seattle to the Kent Valley, but often because Seattle does not have enough vacant industrial land to accommodate businesses that are ready to expand. The lack of available industrial land in Seattle is another sign of the health of Seattle's industrial economy.

What effect will these changes have on real estate values in industrial areas?

It is not possible to predict changes in real estate values. However, when the City of Chicago revised its industrial lands policy, establishing Planned Manufacturing Districts to significantly limit non-industrial uses were, there was no negative effect on land values. Nora Curry, Chicago's Director of Industrial Initiatives and Policy reports the following:

“The City of Chicago's Planned Manufacturing District (PMD) zoning designation is designed to stabilize land use and end real estate speculation in industrial areas. PMDs are put in place in areas that are already zoned for industrial uses and create predictable environments where industrial companies can invest and expand. In general, the land values in the City's 14 PMDs have remained the same or increased significantly since the PMDs were designated due to continued strong industrial demand, limited land supply and new industrial developments that have made these areas more desirable.”

Would the new legislation limit research and development uses in industrial zones?

No. The legislation does not impose new limits on R&D labs. These uses are currently allowed a floor area ratio of up to 2.5. That means that the buildings can have 2.5 times the area of the lot; for instance a 10,000 square foot lot could have a 25,000 research and development lab, the same as today.

Isn't the Starbucks Building larger than 10,000 square feet? What if they want to expand?

The Starbucks Building contains much more than 10,000 square feet of office space, and Starbucks may want to expand their office use in that location. The City is exploring ways to allow a very narrow exception to zoning that would allow this existing and valued employer to grow in place without disrupting industrial businesses in the area. The Mayor has proposed a Comprehensive Plan policy amendment, which the City Council will consider later this year, that would allow offices uses to expand beyond the maximum office limit in a small geographic area that includes the Starbucks building. The Mayor will send legislation to City Council later this year or in early 2008 that will address this issue in the Land Use Code, but only through a mechanism that links the expansion to benefits for industrial uses in the Duwamish Manufacturing and Industrial Center.

Do the new restrictions in non-industrial uses apply to land on the north side of Lake Union?

The proposed regulations retain current limits for office use in that area, and a limit of 50,000 square feet for other non-industrial uses.