City of Seattle
Seattle Planning Commission

Rick Mohler and Jamie Stroble, Co-Chairs
Vanessa Murdock, Executive Director

SEATTLE PLANNING COMMISSION
Thursday, January 26, 2023
Approved Meeting Minutes

Commissioners Present:	Mark Braseth, McCaela Daffern, Roque Deherrera, David Goldberg, Matt Hutchins, Rose Lew Tsai-Le Whitson, Rick Mohler, Radhika Nair, Dalton Owens, Julio Sanchez, Jamie Stroble, Kelabe Tewolde
Commissioners Absent:	Patience Malaba, Alanna Peterson, Dhyana Quintanar, Lauren Squires
Commission Staff:	Vanessa Murdock, Executive Director; John Hoey, Senior Policy Analyst; Olivia Baker, Planning Analyst; Robin Magonegil, Commission Coordinator

Seattle Planning Commission meeting minutes are not an exact transcript and represent key points and the basis of discussion.

Referenced Documents discussed at the meeting can be viewed here:
https://www.seattle.gov/planningcommission/meetings

Chair's Report & Minutes Approval
Co-Chair Jamie Stroble called the meeting to order at 7:38 am and announced several upcoming Commission meetings. Co-Chair Stroble offered the following land acknowledgement:

> *'On behalf of the Seattle Planning Commission, we'd like to actively recognize that we are on Indigenous land, the traditional and current territories of the Coast Salish people who have lived on and stewarded these lands since the beginning of time and continue to do so today.*
> *We acknowledge the role that traditional western-centric planning practices have played in harming, displacing, and attempting to erase Native communities. We commit to identifying racist practices and strive to center restorative land stewardship rather than unsustainable and extractive use of the land.'*

Co-Chair Stroble noted that this meeting is a hybrid meeting with Commissioners participating remotely while staff are participating in the Boards and Commissions Room at Seattle City Hall. She asked fellow Commissioners to review the Color Brave Space norms and asked for volunteers to select one or more of the norms to read aloud. She reminded Commissioners that they have collectively agreed to abide by these norms.

ACTION: Co-Chair Rick Mohler moved to approve the January 12, 2023 meeting minutes. Commissioner Roque Deherrera seconded the motion. The motion to approve the minutes passed.

Announcements
Vanessa Murdock, Seattle Planning Executive Director, reviewed the format of the meeting. She noted that public comment could be submitted in writing via email at least eight hours before the start of the meeting or provided in person by members of the public attending the meeting at City Hall.

Update: Seattle City Council Land Use Committee
City Councilmember Dan Strauss, Chair

Councilmember Strauss provided an overview of the upcoming workplan for the Land Use Committee, including tree legislation, reforms to the Design Review process, the Industrial and Maritime Strategy, the major update to the Comprehensive Plan, and the Seattle Transportation Plan. He recognized that Seattle has grown twice as fast as anticipated and therefore it is important to plan for adding more people and vibrancy to our city. He stated that the Seattle Transportation Plan aims to integrate all the existing modal plans and noted that he recently had a productive conversation about the potential for freight trucks using bus lanes. Councilmember Strauss expressed appreciation for the work of the Planning Commission and stated that he looked forward to hearing how the Commissioners would like to engage in the work of his committee. He suggested that receiving letters from the Commission and meeting with Commission staff are helpful. Ms. Murdock stated that the Commission is tracking and will be commenting on the Comprehensive Plan, Seattle Transportation Plan, the associated Draft Environmental Impact Statements for those plans, and Comprehensive Plan amendments related to the Industrial and Maritime Strategy.

<u>Commission Discussion</u>

- Commissioners thanked Councilmember Strauss for his comments and expressed enthusiasm that he is tracking development of the Seattle Transportation Plan. They expressed concern that this planning effort appears to be proceeding separately from the Comprehensive Plan update process. Commissioners encouraged Councilmember Strauss to review their recent Repurposing the Right-of-Way issue brief. They asked him whether the Seattle Transportation Plan will be reviewed by the City Council's Transportation Committee and/or the Land Use Committee, and how the differences between the Seattle Transportation Plan and the major update to the Comprehensive Plan can be reconciled. Councilmember Strauss stated that he will talk to the Chair of the Transportation Committee about review of the Seattle Transportation Plan. He stated that the most important considerations are how to create greenways and provide space for everyone on Seattle's narrow streets. There will be collisions and deaths when we try to push everyone into the same space. It is important that we have bike lanes, transit lanes, and general-purpose lanes. He stated that he is tracking this planning effort very closely and thanked the Commissioners for their comments about the connection to the Comprehensive Plan update.
- Commissioners expressed support for reforms to the Design Review process and stated that exempting affordable housing is an important step.
- Commissioners recognized that there has been significant support for Alternative 5 during the Comprehensive Plan outreach process. They asked Councilmember Strauss if he is tracking that process and how he anticipates the City Council to respond to public support for a bold growth strategy alternative. Councilmember Strauss stated that he is closely tracking the public outreach process and noted that he has been impressed with the level of public participation. He stated that

it will be important over the next few months to track public sentiment and help people understand that we underestimated the growth targets in the last Comprehensive Plan by half. As a result, for example, people who grew up in Ballard cannot afford to live in Ballard. He stated that the planning process will get more tangible when the draft Comprehensive Plan and Environmental Impact Statement are published in May.

- Commissioners stated that this is the most consequential major update to the Comprehensive Plan in Seattle's history. The City will need to take bold action to address critical issues such as housing affordability and climate change. The Planning Commission's four issue briefs from 2022 outline its positions on many factors to be considered during the major update process. Commissioners stated that we cannot afford to underestimate the city's growth again.
- Commissioners noted that the tone of the conversations at in-person community engagement events is significantly different from six years ago when the City was considering Mandatory Housing Affordability. Councilmember Strauss stated that he is concerned that only the most enthusiastic land use activists are participating in community engagement at this point, as opposed to the general public. He acknowledged that land use policy generates a lot of emotional attachment, as these issues shape our lives and how we feel about our communities. He stated that watching infill development where he grew up has been very challenging for him, although he recognizes that the changes have increased vibrancy tenfold. There was a period of time where the Ballard neighborhood only felt the detrimental impacts of change. Ballard had incentive zoning before the rest of the city. Residents are finally recognizing the benefits.
- Commissioners stated that the City must take extremely bold action in planning for the anticipated growth. We not only need to plan for a total number of people but for different income levels. Commissioners encouraged Councilmember Strauss to ask tough question about strategies for those most in need. He noted that an individual speaking at a recent community engagement event misrepresented affordable housing as only for those who are poor. Many do not recognize that affordable housing is for everyday people including teachers and nurses.
- Commissioners stated that those who are not able to afford market rate rents such as social workers and non-profit professionals are the people who contribute to our city in many different ways. We need to make more options for affordable housing available.
- Commissioners expressed appreciation to the City Council for increasing the Comprehensive Plan community engagement budget to allow partnering directly with community-based organizations who have been traditionally underrepresented in the planning process. Commissioners inquired how the results of this engagement and the contributions of these communities will be represented in the Comprehensive Plan. Councilmember Strauss stated that he wished the City Council could have put more money in to this form of engagement. They increased the budget because the Council is aware that there are a lot of people who are very familiar with how to participate in this type of planning process, but there are many others who do not.
- Commissioners expressed enthusiasm for the availability of digital community engagement, including social media and online community meetings, during this Comprehensive Plan update. It can be daunting for some to attend in person events. Online platforms help to give those a voice and increase everyone's ability to participate.

The Commissioners thanked Councilmember Strauss for his briefing.

Preliminary Discussion: Industrial and Maritime Strategy Comment Letter

John Hoey, Seattle Planning Commission staff, provided a brief overview of the Commission's February 2022 comment letter on the Industrial and Maritime Strategy Draft Environmental Impact Statement (DEIS). Comments included the following topics:

- Equity and Environmental Justice
- Land and Shoreline Use
- Housing
- Transportation
- Biological Resources and Resiliency
- Environmental Health and Compatibility

Mr. Hoey stated that a Final Environmental Impact Statement (FEIS) was published in September 2022. Jim Holmes from the Office of Planning and Community Development provided an overview of the FEIS to the Planning Commission's Land Use and Transportation Committee in October 2022. Mr. Holmes provided an updated overview of the FEIS as well as proposed legislation and Comprehensive Plan amendments related to the Industrial and Maritime Strategy at the January 12, 2023 Planning Commission meeting. The Planning Commission has not yet seen the proposed Comprehensive Plan amendments but will be providing a comment letter. The objective of today's preliminary discussion is to identify any issues the Commissioners would like to address in that comment letter.

<u>Commission Discussion</u>

- Commissioners expressed concern with some of the details of the proposed Industry and Innovation zone, including the floor area ratio for buildings in that zone and the ability to transfer development rights to build industrial space elsewhere within the same manufacturing/industrial center (M/IC). The proposal may not preserve industrial uses and could result in a significant number of tall buildings with non-industrial uses. Commissioners stated that industrial and maritime stakeholders may agree with this proposal because they are the landowners and would benefit from future development. The proposed densities may create a job center, but the resulting development may not resemble traditional industrial land but rather recently upzoned areas such as the University District. Commissioners also expressed concern that new development in the Stadium District will be dominated by hotels.
- Commissioners stated that prices per square foot of building space are critical for the success of industrial firms.
- Commissioners expressed concern with the potential consequences of the proposed land use strategy, specifically stating that current industrial areas in SODO and the Stadium District will be transformed into mixed-use districts.
- Commissioners stated that the proposal includes 86% of existing industrial land to be in the Maritime, Manufacturing, and Logistics zone, which is the most protective and similar to current conditions. Only 6% of existing industrial land is proposed to be in the Industry and Innovation Zone. The Duwamish M/IC is approximately 5,000 acres. Only 6% may be converted to higher density uses.
- Commissioners stated that the latest information presented by Mr. Holmes was consistent with previous briefings during development of the Industrial and Maritime Strategy. The transfer of development rights information was new, but previous briefings have described the potential benefits of commercial and office space above industrial uses. This strategy will subsidize the

industrial uses. One concern is that the ground floor of these buildings will be designed to accommodate industrial uses but there is no guarantee that the use will be industrial.

- Commissioners stated that this proposal is the result of decades of compromise between stakeholders, some interested in industrial preservation and others wanting to develop at higher densities. Commercial and office space above industrial uses will help subsidize not only construction but rents. The most significant question is about enforcement of the industrial use.
- Commissioners expressed concern with the long-term enforcement and viability of these projects. There has been discussion of using cross-laminated timber as an incentive for development of these projects, but this technology is not yet quite viable for large-scale use.
- Commissioners stated that the FEIS preferred alternative did not reflect the Planning Commission's comments about the balance of industrial jobs between the Duwamish and Ballard/Interbay M/ICs. The FEIS also did not sufficiently address the Commission's comments about environmental mitigation for sea level rise and flooding in the Duwamish M/IC.

Public Comment

The following public comment was submitted via e-mail and read by Ms. Murdock:

Dear Commission Members,

Over the past 25 years, we've worked to invest and improve Seattle's industrial property resources. Our view is long-term. We believe the businesses and people we serve matter and that our service to others includes enhancing and inspiring our community. The following words to the Planning Commission are in that spirit and if we overlap your individual knowledge or perspectives we apologize.

For this letter, we are not addressing maritime lands, which are largely unaffected by the proposed land use legislation. Our focus is on the broad categories of industry and production in which our specific experience provides some general perspective on why zoning reform is necessary.

First, the good news…Modern Production is growing in the U.S. as innovation and global markets create new jobs and change industries, relationships, and places to produce.

Forty years of trends are changing as cross-border trade in manufactured goods decreases while trade in services increases and the opportunity for local, distributed production is emerging to complement centralized manufacturing.

Globalization includes offshoring production to countries where wages are very, very low. However, wages are no longer the driving force in global trade flows. Trade within regions like the EU-28 or Asia–Pacific is growing faster than international long-haul trade. In place of low wages, R&D innovation and investment in intangible assets are increasingly important to virtually every industry.

Regionalization is increasing dramatically for practical reasons. China is purchasing what it produces. By 2030, emerging-market consumers may account for more than half of global demand. Foreign and domestic companies producing in these countries will sell to those domestic consumers.

Trade services may be harder to measure than manufactured goods. Still, the U.S. appears to be running a substantial surplus in the exports of business services, transportation services, tourism, and education. The list will grow to include many personal services, including remote healthcare. Even now, 30 percent of the created value of an automobile comes from the services that go into it. The R&D and design, the accounting and legal, the engineering distribution and logistics, the marketing and sales are all value-added services linked to the manufactured product. Boeing has long been an example of how engineering and computing services are integral to production.

So, when we think of industry and manufacturing in the context of zoning, we're increasingly talking about services and the people who provide them. The changing nature of work raises the question, where do people want to work? They have a choice and choosing has turned the office market on end. Addressing these same human considerations is required to distinguish Seattle in the development of Modern Production.

A key reason is automation. Machines in all types of manufacturing are doing production. Automation changes labor costs and skills metrics, including what is produced, where, and for whom. The technical skills to run and maintain the machines, the energy and electricity costs, and the quality of local infrastructure and logistics are now requirements.

The point is that industry & manufacturing are moving from a place apart to becoming connected to the quality of life, education, housing, and health care people seek. As a part of planning for desired characteristics of urban land use, staying within growth bounds, protecting our environment, managing a high quality of life, and generating economic prosperity, we will often need to accommodate vs. separate various uses. Planning for the compatibility of previously incompatible activities, such as those now incorporated into the Wallingford North Transfer Station, should be part of current planning.

Historically planning has been impeded by perception, scarcity, and vision. We've been shortsighted in the first, mistaken in the second, and unwilling to affect the third.

In the past 20 years, Seattle's private industrial building stock has declined by 20 million square feet. We had 60 million square feet, and it's now approximately 40 million. Box retail and office development have not materially impacted industrial lands. The most significant change came from City, County, and State agencies & utilities, the growth of Metro, Sound Transit, and the creation of the Stadium venues. The land transfers occurred in the SODO area, which still lacks needed grade-level infrastructure. Notably, the Interbay & Ballard industrial areas represent a more immediate opportunity for industrial land adaptation.

As lands were taken out of the private sector and repurposed to benefit the broader community, reinvestment in industry & manufacturing continued a long decline. The resulting legacy industrial properties had little reason for investment in regeneration provided no allowed use justified development. Usually, a decrease in economic utility reflects a similar loss of property value as with the rust belt property of the east coast. However, circumstances in Seattle rose beyond expectations. Becoming wealthy and famous with an enviable depth of enterprises brought emerging regional, national, and global real estate buyers to what was largely a local market. These new owners competed to place capital, pushing the

perceived value of a typical industrial property beyond its rational economic worth. A simple test of this is to ask a long-time, perhaps generational property owner if they would pay to acquire their property for the assumed market value of the last few years. Overlapping conditions conspired to create a perception of scarcity and inflate the market. Vacancies are now increasing but whether property values will decline or stagnate is too soon to know. Adaptation occurring in other cities is both possible and desirable here. To do so requires stimulating via zoning on lands that currently average .5 FAR. Ironically, Seattle's industrial lands are generally fallow economically but still expensive. A past city policy reasoned that the uses and density should be restricted to save blue-collar jobs by suppressing values. The perception was flawed, and demonstrated how when there's no vision, something will still happen.

We think City staff are weaving through a difficult political context that continues to limit options. The Final EIS removes old hurdles and opens the door to some economic regeneration of a portion of what's possible. Considering real change takes time, perhaps the current proposal could be treated as a first step toward a vision yet to be determined.

The solutions are complicated and not all one thing or another. Two or three decades ago, supplier relationships halfway around the world were at arm's length, even based on mutual distrust. Now, companies are collaborating with their suppliers, setting up integrated digital platforms to improve efficiencies and communications. Trust remains an issue, especially for IP. These relationships need people to know each other, have clarity, agree, and even collaborate on product design and manufacturing processes.

Seattle has abundant and underutilized land for modern industry developed with a sense of community. In the big picture, warehouses are too expensive, and containers pass through 80% to somewhere else. The term Gateway is appropriate.

When we think about a vision, we need to consider the same folks choosing to work at home, in the suburb, in another state or country. We're so fortunate that many people desiring to work in modern industry and manufacturing are already in our region. We should prove they should stay while we create entry-level positions to hold the generation of talent that's emerging. The City should be encouraged to think about flexible land purposes and be open to innovative use and construction. Vancouver, B.C., overregulated, causing unnecessary delays, confusion over definitions, and increased costs. The fundamental objective should be to provide opportunities for affordable living in a safe community environment near valued work and natural resources. The effort begun by the City is a beginning that should anticipate ongoing updates to adjust and build upon opportunities.

Thank you for the good work you do and your consideration.

Respectfully,
Jeffrey Thompson

The meeting was adjourned at 9:00 am.