

Time to talk about Seattle's industrial land

Premium content from Puget Sound Business Journal by Vince O'Halloran and Jordan Royer, Guest Columnists

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The good news about the proposed new arena in Seattle's industrial area is that it's sparking a separate and much needed debate about the future of Seattle's industrial land, and whether the good paying maritime and industrial jobs will continue to be a part of our regional economy or become a thing of the past.

Seattle and Tacoma together are one of the world's premier centers for waterborne commerce, economic assets of statewide significance. The ports didn't just happen. Billions of taxpayer dollars were invested over many years to build up the marine and transportation system to make it what it is today. Some 200,000 direct and indirect jobs supported by the ports touch everyone in the state — from a hay farmer in Ellensburg who exports his crop, to the government inspector in Seattle checking documentation. And the port industry contributes \$457.5 million in state and local taxes annually.

For generations, tens of thousands of people have worked at good paying jobs unloading and loading cargo, building and repairing ships, making parts and tools from steel, stocking warehouses, and moving trucks and railcars.

Industrial jobs employ lots of people, pay high wages, contribute significantly to the city's tax base, and provide diversification to the economy.

Surprisingly, all of this job-creating activity in Seattle occurs on only 12 percent of the city's land base. Most of the land zoned for industrial uses is in two clusters: the Duwamish area south of downtown (where the new arena is proposed), and the Ballard-Interbay area.

The biggest threat to the industrial jobs in these areas is conversion of the properties to nonindustrial uses — a bite at a time.

State legislators and the governor recognized this threat more than two years ago and amended the state Growth Management Act to address it, requiring cities to adopt policies to protect maritime and industrial lands.

“Container port services are increasingly challenged by the conversion of industrial properties to nonindustrial uses, leading to competing and incompatible uses that hinder port operations, restrict efficient movement of freight, and limit the opportunity for improvements to existing port-related facilities,” according to House Bill 1959, as enacted.

Likewise, Seattle's mayor's office issued a report on industrial lands in 2007 that warned:

“Continued conversion of industrial land to nonindustrial uses threatens to destabilize the balance that exists in Seattle’s industrial area between the cost of doing business, proximity to customers and the synergy of business relationships.”

Another threat to industrial jobs, of course, is traffic congestion — and the point is called out in the Puget Sound Regional Council’s just-released draft Regional Economic Strategy:

“Another barrier to expansion of maritime activities is increasing competition for freight mobility infrastructure, especially road infrastructure in the region’s urban areas. Similarly, maritime industry representatives are concerned about preserving the region’s industrial land.”

The city’s so-called “stadium district” overlay around the stadiums isn’t intended to create a zone to attract more stadiums, it is intended to protect the industrial lands south of the existing stadiums.

Encroaching land uses aren’t the only threats. The ports have plenty of other threats on the horizon.

The international freight-moving industry in Seattle and Tacoma is already under extreme competitive pressures as a result of changes in trade routes, vessel capacity and development of new gateways. Efficient operations are crucial to Seattle’s continued viability as a major international port city. Most cargo crossing the docks in Seattle is discretionary. Exporters and importers choose to route cargo through ports based on cost and time. If shipping cargo through Seattle costs more and takes longer, shippers will choose other ports.

So let’s have an informed public discussion about the proposed arena, whether it’s a good or bad idea, and also with full recognition that siting it in the Duwamish industrial area involves choices between competing land uses.

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