

REGIONAL MANUFACTURING/INDUSTRIAL CENTER DESIGNATION REPORT

CITIES OF ARLINGTON AND MARYSVILLE MAY 30, 2019



Overview

On January 16, 2019, the cities of Arlington and Marysville submitted an application to PSRC for designation of the Cascade Industrial Center, a 4,019-acre, industrially-zoned area of the cities, as a regional Manufacturing/Industrial Center (MIC), pursuant to the designation procedures adopted by the PSRC Executive Board in June 2018. PSRC staff reviewed the request, along with additional information provided by the cities. This report documents the consistency with the manufacturing/industrial center designation criteria. A separate report regarding subarea plan certification has also been prepared ([available here](#)) and reviews the cities' subarea plan for consistency with VISION 2040 and the [Plan Review Manual](#).

Background

The proposed center is located in the cities of Arlington and Marysville in Snohomish County, east of Interstate 5 and the Tulalip Reservation. Approximately 2,291 acres of the industrial area are located within Arlington and 1,728 acres are located in the city of Marysville. The city-owned Arlington Municipal Airport is located within the center, and the center currently contains over 7,000 jobs. Nearly 80 percent of the existing employment in the center is industrial (manufacturing, construction, warehousing, transportation, and utilities). The cities have partnered to jointly plan for industrial growth in the area and have spent the past several years working together to conduct a market study of the area and prepare a subarea plan. The cities signed an interlocal agreement to pursue the center designation and have adopted policies that commit to continued joint planning efforts. Figure 1 demonstrates the location of the proposed center. If designated, the Cascade Industrial Center would be the second designated regional MIC in Snohomish County and the tenth regional MIC in the central Puget Sound region.

Designation Recommendation

Staff reviewed the Arlington-Marysville application and recommends the PSRC Growth Management Policy Board and Executive Board take the following action:

Approve the designation of the Cascade Industrial Center as a regional Manufacturing/Industrial Center, with the requirement that the city of Marysville complete anticipated zoning amendments to strictly limit commercial uses in the light industrial zoning district to fully meet the designation criteria for core industrial uses.

Centers Framework

Regional centers are a core component of VISION 2040's strategy for accommodating and managing growth in the central Puget Sound region. Manufacturing/industrial centers are identified as concentrations of employment that will accommodate a significant share of regional employment growth, promote efficient use of land and provision of infrastructure, and support the industrial and manufacturing sectors of the region's economy.

The Executive Board revised the Designation Procedures for New Centers in 2018 to address updated policy guidance adopted as part of the Regional Centers Framework update. The [Designation Procedures](#) are designed to ensure that the proposed center can accommodate significant growth, limit the number and distribution of centers, and provide consistency regarding the type, location, distribution, and development potential of new centers. The new framework identifies two types of regional manufacturing/industrial centers: Industrial Growth Centers and Industrial Employment Centers. Arlington and Marysville are applying for *Industrial Growth Center* designation.

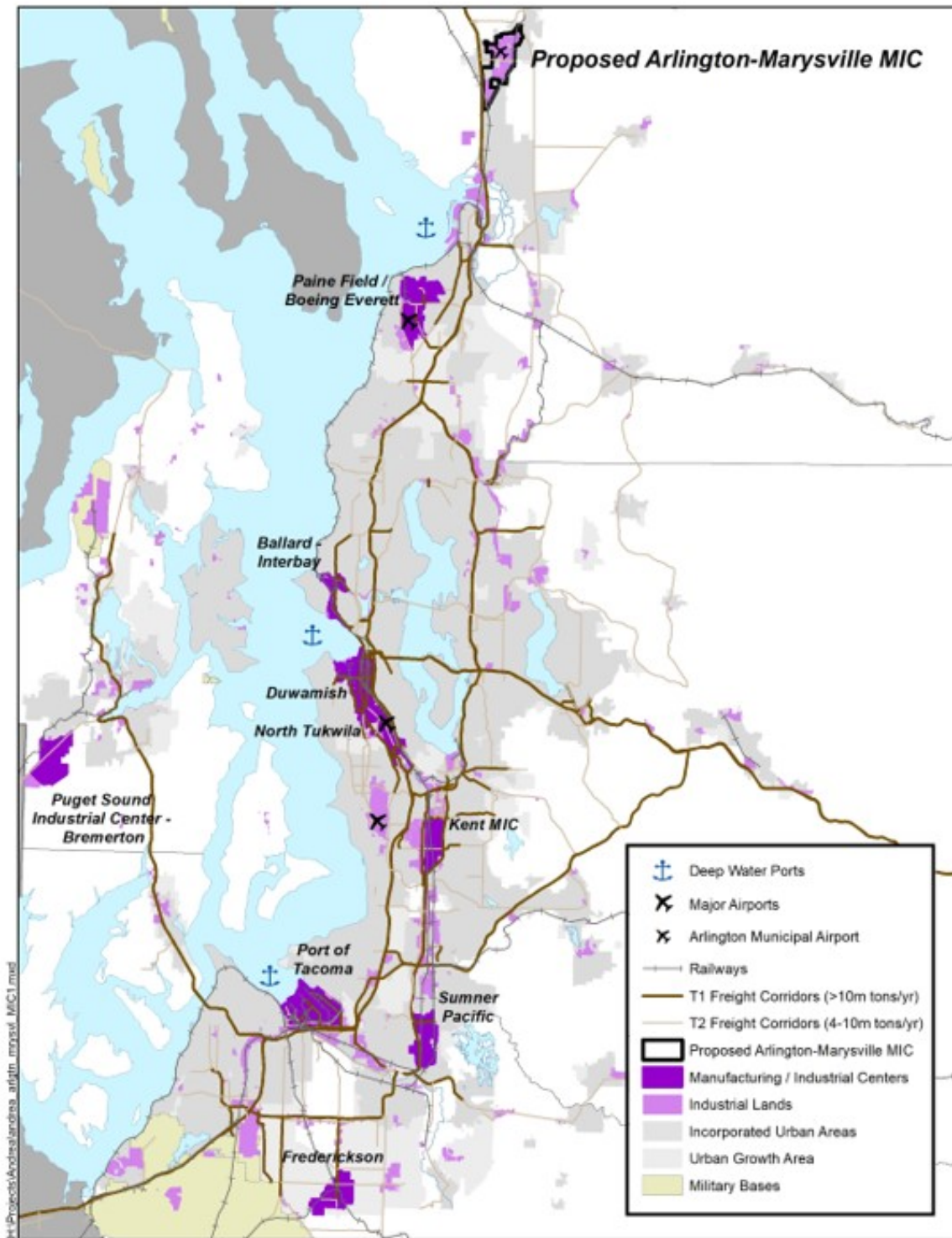
Designation criteria, including the VISION 2040 and centers planning expectations, are intended to be met by applicants. Each application is evaluated using the information and responses to the criteria provided by the applicant. The Regional Centers Framework requires that a subarea plan be completed and adopted prior to submittal of a regional center designation application. The subarea plan is evaluated, concurrent with the designation process for consistency with the adopted Plan Review Process.

PSRC staff evaluated the application and subarea plan from the cities of Arlington and Marysville.

- Section A of this report describes the designation eligibility.
- Section B describes the designation criteria.

A separate [plan certification report](#) documents review of the Cascade Industrial Center subarea plan. Drafts of both reports were provided to the cities for review and comment.

Figure 1. Proposed Arlington-Marysville Regional Manufacturing/ Industrial Center



A. Eligibility Requirements

To be considered for designation as a manufacturing/industrial center, applicants must meet basic eligibility requirements. The following summarizes how the Cascade Industrial Center, located in the cities of Arlington and Marysville, addresses the eligibility requirements:

1. Local and Countywide Commitment

The cities must demonstrate that the center is a local priority and that a commitment to making local investments in infrastructure and transportation has been made, as well as a commitment to protecting and preserving industrial uses, strategies and incentives to encourage industrial uses in the center, and established partnerships with relevant parties to ensure success of the center.

The cities demonstrated a commitment to supporting the manufacturing/industrial center. The City of Arlington owns and manages the Arlington Municipal Airport, located within the MIC, and has historically zoned the area surrounding the airport for industrial uses. In 2008, the City of Marysville zoned the 675-acre area known as Smokey Point for light industrial uses. Both cities, through local, state and federal funds and private partnerships, have funded several infrastructure and public utility projects. Some of these projects include the widening of Smokey Point Boulevard to five lanes; construction of the 156th Street NE overpass over I-5; extension of 156th Street NE east from Smokey Point Boulevard to serve a portion of the MIC; construction of two regional stormwater ponds; construction of a new Snohomish County Public Utilities District (PUD) substation in the MIC; and installation of cable fiber by Comcast.

The cities have signed an interlocal agreement that agrees to pursue regional designation. They have adopted policies that support continued joint planning efforts, building on the work done to date. They have also established a partnership with the Economic Alliance Snohomish County, Snohomish County, Port of Everett, Community Transit, and local businesses to oversee planning in the MIC.

The cities have adopted an Airport Protection Overlay Zoning District that limits nonresidential development, prohibits certain emissions impacts, and restricts special functions such as outdoor gatherings and institutional development within the MIC in the areas surrounding the airport (approximately 89 percent of the MIC land area). Additional zoning requirements adopted by both cities reduce potential impacts of the industrial uses through site design requirements and preserve the industrial and manufacturing uses.

The center must be identified as a candidate for regional designation in the local jurisdictions' comprehensive plans and countywide planning policies.

The application meets this requirement. The Arlington 2017 Comprehensive Plan states, "The City should work to obtain a joint Arlington-Marysville Manufacturing Industrial Center (AMMIC) designation from the PSRC, through collaboration with the City of Marysville, Snohomish County and the PSRC." (Economic Development Policy 8.4) The plan also contains policies to support subarea planning in the center (Land Use Policy 5.3) and "support the development and growth of the Arlington-Marysville AMMIC by supporting a concentrated manufacturing and industrial base and by planning for future growth and infrastructure improvements." (Land Use Policy 12.6)

The Marysville 2015 Comprehensive Plan states that the city should, “Pursue the designation of the Marysville-Smokey Point MIC jointly with the City of Arlington in the Snohomish County Countywide Planning Policies and regional designation by Puget Sound Regional Council.” (Land Use Policy 18)

In June 2014, the Snohomish County countywide planning policies were amended to include Economic Development Policy 16, which identifies the Arlington-Marysville Manufacturing/Industrial Center as a candidate regional center.

The cities must adopt an ordinance or resolution that requests PSRC to designate the center and authorizes city staff to submit a completed application.

The City of Arlington adopted resolution 2018-007 on April 2, 2018, and the City of Marysville adopted resolution 2439 on March 26, 2018. Both resolutions request regional designation of the proposed center and authorize staff to submit an application to PSRC.

2. Planning

The cities must complete a center plan that meets guidance in the Manufacturing/Industrial Plan Checklist in PSRC’s Plan Review Manual prior to applying. When applicable, the plan should be developed in consultation with public ports and other affected governmental entities.

The application meets this requirement, as the cities jointly prepared a subarea plan for the center, and both cities adopted the plan in January 2019. An advisory group comprised of representatives from the Port of Everett, Community Transit, Economic Alliance of Snohomish County, Snohomish Public Health, and Arlington Municipal Airport assisted in the subarea planning process. A separate [plan certification report](#) has been prepared and describes how the subarea plan is consistent with VISION 2040.

3. Jurisdiction and Location

Manufacturing/industrial centers should be located within a city, with few exceptions.

The application meets this requirement, as the proposed center is located in the urban growth area, within the cities of Arlington (57% by area) and Marysville (43% by area) (see Figure 1). The MIC is wholly incorporated, with the exception of the Navy Support Complex for Naval Station Everett, which is unincorporated Snohomish County.

The distribution of centers throughout the region, including by county, and whether new center locations would be advantageous for overall regional growth objectives, should be considered. Centers should be distributed in locations consistent with the regional vision, and in areas that do not place additional development pressure on rural and resource lands. Environmental factors may be considered in designating new centers.

The application meets this requirement. The proposed center would be the second MIC designated in Snohomish County and the tenth center regionwide. The proposed center is located at the north end of the region’s contiguous urban growth area, adjacent to rural Snohomish County, and is consistent with regional growth objectives, as it provides local job growth and opportunities for residents in northern Snohomish County. The subarea plan identifies watershed resources and wetlands located within the MIC and stormwater policies aim to protect water quality. Creeks designated as fish and wildlife habitat

conservation areas within the study area are also identified, and policies support their restoration as development occurs.

4. Existing Conditions

The cities must demonstrate that the existing infrastructure and utilities can support additional growth.

The cities demonstrated that the manufacturing/industrial center meets this requirement. Water and sewer services are provided by the respective cities and the plan demonstrates adequate capacity exists to serve planned growth. The Snohomish County PUD has partnered with the cities to provide additional electrical capacity to the MIC. Comcast is constructing a higher speed internet network to serve the area. In Arlington, most infrastructure is in place, and the city has begun planning for service on vacant or underutilized areas. Marysville has planned a series of projects through 2035 that will ensure infrastructure is in place, as development occurs in the MIC over time. In the more immediate future, they have invested in two stormwater collection systems to enable development to move forward and address stormwater collection in the MIC.

Access to relevant transportation infrastructure, including freight, must exist.

Transportation infrastructure supports this manufacturing/industrial center. The MIC is accessible by multiple transportation modes. State routes 99, 531, and 530 connect the MIC directly to Interstate-5. Road improvement projects such as interchange improvements and the road loop system in design to connect 160th, 51st, 152nd, and 156th streets within the MIC improve connectivity within and beyond the MIC. Air transportation is readily available through the publicly-owned and operated Class D Arlington Municipal Airport. Rail transportation exists as a pair of Burlington-Northern Santa Fe mainline subdivisions – the Bellingham and the Sumas – diverge at the southern end of the MIC and traverse the entire area. Two Community Transit bus routes run on the western side of the MIC and connect to a park and ride lot in Arlington. The 201 route is planned to be a SWIFT bus rapid transit route in the future, and a study is currently underway by the City of Marysville to identify station locations for this route.

The center must have an economic impact, and the size and shape of the manufacturing/industrial center must be justified.

The application meets this requirement. Industrial activities generate direct economic impacts through jobs, wages, and revenues. According to a 2015 Brookings Report, manufacturing jobs, specifically, have a job multiplier effect of 2.4, meaning that each manufacturing industry job creates 2.4 domestic jobs (0.6 local jobs and 1.8 non-local domestic jobs). This compares with a 0.8 multiplier for non-advanced industries.¹ The large concentration of industrial jobs (over 7,000) in the MIC have an economic impact in Snohomish County, especially when considering that half of the jobs are manufacturing and have a high multiplier effect. The cities conducted a market study in 2016, which found that job growth within the MIC is expected to occur at a compound annual growth rate of 3.7 percent.

¹ Governing, 2015. <https://www.governing.com/topics/mgmt/gov-advanced-industry-jobs-in-metro-areas-report.html>

The MIC is 4,019 acres in size. The Arlington boundaries were created around the Arlington Municipal Airport, in support of the airport and industries located there and abutting the downtown central business district to the north. The Marysville boundaries were created with Interstate-5 as the western boundary and the Burlington-Northern Santa Fe railroad to the east. The larger parcels of land in Marysville were deemed appropriate for industrial uses because of their location between Interstate-5 and the railroad. More importantly, this area is south of the airport, where residential uses are incompatible with airport uses.

B. Designation Criteria

In addition to fulfilling the eligibility requirements listed above, applicants for manufacturing/industrial center designation must demonstrate conformity with the designation criteria. The following summarizes how the Cascade Industrial Center, located in the cities of Arlington and Marysville, meets the criteria for Industrial Growth Center designation:

1. Compatibility with VISION 2040

The proposed regional center is consistent with and supportive of VISION 2040 policies for centers. The proposed center has the capacity to accommodate significant industrial and manufacturing employment growth, and the cities have established goals and policies to support that growth (Arlington: land use goal 12 and policies 12.6 and 12.7, and economic development policy 2.1; Marysville: land use policy 175 and economic development policy 12). The cities have adopted policies limiting incompatible uses within and adjacent to the center (Arlington: economic development policy 8.1; Marysville: land use policy 178).

Both cities' comprehensive plans include numerous policies that support the provision of adequate infrastructure to the center (Arlington: economic development policy 8.1; Marysville: economic development policy 11 and public facilities and services policy 1). Both cities also have policies that give funding priority to transportation improvements that serve the MIC (Arlington: transportation policy 14.1; Marysville: transportation policy 14).

A [plan certification report](#) has been prepared for the subarea plan that further describes how adopted policies address VISION 2040.

2. Size

The manufacturing/industrial centers meets the size criterion. The proposed center is 4,019 acres in size, meeting the minimum size requirement of 2,000 acres. Approximately 2,291

VISION 2040

Goal: The region will continue to maintain and support viable regional manufacturing/industrial centers to accommodate manufacturing, industrial, or advanced technology uses

MPP-DP-8 Focus a significant share of employment growth in designated regional manufacturing/industrial centers.

MPP-DP-9 Provide a regional framework for designating and evaluating regional manufacturing/industrial centers.

MPP-DP-10 Give funding priority – both for transportation infrastructure and for economic development – to support designated regional manufacturing/industrial centers consistent with the regional vision. Regional funds are prioritized to regional manufacturing/industrial centers. County-level and local funding are also appropriate to prioritize to these regional centers.

For a complete summary of centers-related provisions in VISION 2040 and other PSRC documents, see Appendix B of the [Regional Centers Monitoring Report](#)

acres are located in the City of Arlington, and 1,728 acres are located in the City of Marysville.

3. Activity Levels

i. Existing Levels of Activities

New Industrial Growth Centers must have a minimum of at least 4,000 existing jobs.

The proposed center included 7,773 jobs in 2017, according to PSRC analysis of Covered Employment Data. The majority of those jobs are in the manufacturing, construction, warehousing, transportation, and utilities sectors.

ii. Target Levels of Activity

New Industrial Growth Centers must be planning for at least 10,000 jobs.

The combined Arlington and Marysville 2040 employment growth target for the center is 20,000 jobs.

Industrial Growth Center	Minimum Criteria	Arlington-Marysville
Existing employment	4,000	7,773 (2017)
Employment growth target	10,000	20,000 (2040)
Employment capacity	10,000	24,800-32,700

iii. Zoned Development Capacity

The center must have sufficient zoned development capacity to adequately accommodate targeted levels of growth. Because it is not time-bound, zoned capacity can allow higher levels of development and a more compact and mature urban form in regional centers.

The current zoned development capacity for the proposed center is estimated to be 24,800-32,700. This is sufficient to accommodate the center's 2040 growth target.

4. Mix of Employment

At least 50 percent of the employment must be industrial employment.

The application meets this criterion. As of 2016, approximately 80 percent of the existing jobs were in industrial sectors (manufacturing, construction, warehousing, transportation, and utilities).

5. Transit

If the center is within a transit service district, the center must have existing or planned frequent, local, express, or flexible transit service. If the center is outside a transit service district, documented strategies to reduce commute impacts through transportation demand management (TDM) strategies must be in place and consistent with the Regional Transportation Plan's Regional TDM Action Plan.

The proposed center is served by transit. Two Community Transit bus routes (201 and 202) serve Arlington, Marysville, and the MIC. Both routes offer service every 15 minutes. Community Transit is planning for SWIFT bus rapid transit (BRT) service for the existing 201 route, which would increase the frequency to every 8-10 minutes. Planning is currently underway for this BRT route. Both cities partner with Community Transit and local businesses in the MIC as part of their Commuter Reduction program.

6. Zoning

At least 75 percent of the land area must be zoned for core industrial uses. Examples of zoning designations dominated by traditional industrial land uses are manufacturing, transportation, warehousing, and freight terminals. Commercial uses within core industrial zones shall be strictly limited. Strategies to retain industrial uses must be in place.

More than 75 percent of the land area is zoned for industrial uses meeting the minimum zoning requirement; however, to fully meet the criterion Marysville is preparing code amendments to strictly limit commercial uses. 81 percent of the MIC is currently zoned for industrial uses (40 percent is zoned light industrial; 22 percent is zoned general industrial; and 19 percent is zoned Aviation Flight Line which only allows aviation-related uses). In addition to industrial and manufacturing uses, Marysville's light industrial zoning currently allows some potentially incompatible commercial uses, such as department stores, drug stores, hotels/motels, and restaurants. The designation criteria require the city to complete a subarea plan prior to designation that supports industrial uses and restricts commercial uses, and the adopted subarea plan is consistent with this requirement. The subarea planning requirement does not directly address the timing of related code amendments or other implementation steps, and the city has indicated (see the letter from Marysville, Exhibit A of this report) its intent to complete zoning amendments to strictly limit commercial uses within the next 18 months. Once these code amendments are adopted, the application will fully meet this criterion. If the city does not complete the zoning amendments within the next 18 months, the Growth Management Policy Board will initiate review of the regional center designation.

Additional zoning in the subarea plan encourages high-tech research and development facilities, through an Airport Business Park zoning designation. Ninety-four percent of the MIC land area is in the Arlington Airport Protection Overlay Zoning District. This special zoning district is divided into separate districts, based on flight zones and proximity to the airport. Performance standards limit lighting, building heights, and other development features that could impede airport safety.

7. Role

Evidence must demonstrate that the center will play a regional role.

The application meets this criterion. The cities of Arlington and Marysville have been working with Snohomish County, PSRC, and other regional stakeholders for many years to develop the MIC into a regional employment center. With access to rail, air, and ground transportation, the MIC has the potential to continue to grow as a manufacturing and industrial center to serve local and regional residents. The MIC has the capacity for over 20,000 jobs, and the cities view the MIC as an opportunity for growing businesses in the central Puget Sound region to relocate and expand without moving out of the region. The

cities also view their joint planning efforts as evidence of their commitment to the region and its partners.

Conclusion and Next Steps

Staff reviewed the application and finds that the proposed center meets minimum eligibility requirements for center designation, and with additional zoning amendments, will fully meet the designation criteria. As stated above, the designation criteria require Marysville's light industrial zone to strictly limit commercial uses. Once Marysville adopts zoning code amendments, the application will fully meet this criterion. If the city does not complete the zoning amendments within the next 18 months, the Growth Management Policy Board will initiate review of the regional center designation.

Next steps for the cities, to maintain consistency with VISION and the adopted Regional Centers Framework, include:

- PSRC will work with the cities in the VISION 2050 planning process, understanding that PSRC anticipates adopting VISION 2050 in spring 2020.
- Following the adoption of VISION 2050, work with Snohomish County and other cities and towns in the county to adopt population and employment targets for 2050 to ensure the cities' employment targets include the anticipated growth within the MIC.
- Updating local comprehensive plans to be consistent with VISION 2050 and the updated countywide planning policies and growth targets. Growth targets for the MIC should be coordinated between the cities and should directly relate to the growth targets and planning horizon identified in the cities' comprehensive plans.
- Specifically related to the Cascade Industrial Center subarea plan, the cities should address the comments noted in the certification report. When updating local plans, PSRC is available to review drafts prior to adoption. This helps streamline the plan certification process, following adoption of local comprehensive plans.
- Working with PSRC in 2025 as centers and center plans are reviewed, in accordance with the adopted Regional Centers Framework. PSRC may provide additional comments or guidance for center planning as part of this work.



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May 20, 2019

Mr. Paul Inghram, AICP
Growth Management Director
Puget Sound Regional Council
1011 Western Ave. Suite 500
Seattle, WA 98104

Subject: Core Industrial Zoning within the Arlington Marysville Manufacturing Industrial Center

Dear Paul:

The City of Marysville ("City") wants to thank the PSRC staff for your guidance throughout our pursuit of Industrial Growth Center designation of the Arlington Marysville Manufacturing Industrial Center (AMMIC). Arlington and Marysville have worked together to accomplish this recognition and look forward to the Executive Committee action in June.

In response to PSRC staff comments, City commits to reviewing the permitted uses within the Marysville AMMIC for land zoned for Core Industrial Uses. We would meet the criteria: "Commercial uses within core industrial zones shall be strictly limited". We are proud of our accomplishments to date in the AMMIC where 80% of the jobs produced have been industrial/manufacturing jobs uses. We established a goal in our subarea plan to continue to produce and support 80% industrial/manufacturing jobs within the AMMIC. This is well above the 50% minimum set in the Center Framework criteria for Industrial Growth Centers. The City also zoned 80% of the land for industrial uses which is above the 75% minimum in the Industrial Growth Center criteria. Even within the remaining 20% land currently zoned General Commercial, light manufacturing is an allowed use. This has resulted in additional job production in those areas, including an aerospace composite manufacturer, a distribution center operated by a Fortune 50 business, and 310,000 square feet of industrial buildings.

We are committed to increasing manufacturing and job production and taking appropriate steps to facilitate this goal. We are committed to strictly limiting commercial uses within core industrial zones within the AMMIC. The proposed schedule we have established is to have this accomplished with Council action in September 2019.

Sincerely

A handwritten signature in black ink, appearing to read "G. Hirashima", written over a horizontal line.

Gloria Hirashima, ICMA-CM, AICP
Chief Administrative Officer