

## Southeast Redmond Manufacturing and Industrial Center (SE-MIC)

# Strategy Guide

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# Executive Summary

The Southeast Redmond Manufacturing and Industrial Center (SE-MIC) Strategy Guide serves as a comprehensive roadmap to preserve, strengthen, and grow the City of Redmond's industrial core. Spanning 375 acres, the SE-MIC is a vital economic engine dedicated to manufacturing, industrial innovation, and high-wage employment. This Guide synthesizes technical market research and stakeholder insights into actionable strategies to ensure the district remains a resilient hub for both legacy businesses and emerging high-tech sectors.

## *Vision and Desired Uses*

*The SE-MIC is envisioned as a vibrant, mixed-use manufacturing and industrial hub where global tech leaders and emerging startups thrive alongside local artisans in a shared ecosystem of production. The district celebrates the intersection of high-precision innovation and creative craftsmanship, offering an environment that supports everything from satellite assembly to boutique manufacturing.*

To realize this vision, the City seeks to support an environment that accommodates a spectrum of industrial intensities, creative endeavors, and flexible building forms that meet the evolving needs of modern production, such as:

- **High-capacity innovation spaces:** High-performance facilities with heavy-load capacities and robust utilities tailored for advanced engineering and aerospace.
- **Flexible small-bay units:** 1,500–5,000 square foot flex units that provide a public-facing office combined with high-bay warehouse space for artisans and startups.
- **Collaborative maker-hubs:** Multi-tenant environments with shared infrastructure, such as industrial-grade 3D printing labs, to lower the barrier to entry for scaling locally.

## *Strategies at a Glance*

The Guide organizes its recommendations into four pillars to drive holistic development:

- **Land Use and Zoning:** Focusing on the preservation and growth of needed business spaces, the creation of flexible development standards, and continuing to protect existing firms for encroachment by incompatible uses.
- **Business Recruitment and Retention:** Centered on cultivating deep relationships with existing firms while promoting the SE-MIC as a premiere destination for new investment.
- **Infrastructure and Environment:** Prioritizing investments in transportation, utilities, modernization, and sustainability to support high-intensity industrial work.
- **Funding Mechanisms:** Exploring innovative fiscal tools, such as Tax Increment Financing (TIF) districts and public-private partnerships, to leverage private development and fund essential improvements.

The table below synthesizes the full suite of recommendations into a single, navigable matrix for a comprehensive look at the SE-MIC's future direction.

| Category                                                                                                                           | Strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Land Use and Zoning</b></p>                | <ul style="list-style-type: none"> <li>Strategy A: Preserve and expand the supply of “micro-industrial” spaces that incentivize small-to-mid-sized manufacturers and artisan producers to locate in the SE-MIC.</li> <li>Strategy B: Address the challenge of limited space for development/redevelopment in the SE-MIC.</li> </ul>                                                                                                                                                                                                                                                                                                                                           |
|  <p><b>Business Recruitment and Retention</b></p> | <ul style="list-style-type: none"> <li>Strategy A: Market the SE-MIC.</li> <li>Strategy B: Support the development of an Innovation Hub (incubator + co-located testing/prototyping) to attract early-stage companies in the space sector.</li> <li>Strategy C: Strengthen long-term viability and business retention in the SE-MIC.</li> <li>Strategy D: Support existing and future businesses in the SE-MIC by developing a broad base of diverse talent.</li> </ul>                                                                                                                                                                                                       |
|  <p><b>Infrastructure and Environment</b></p>   | <ul style="list-style-type: none"> <li>Strategy A: Provide last-mile transit connections.</li> <li>Strategy B: Align long-range utility planning with the SE-MIC's intensification goals, ensuring energy capacity stays ahead of industrial demand.</li> <li>Strategy C: Optimize district infrastructure in the SE-MIC to support high-intensity manufacturing and freight activity.</li> </ul>                                                                                                                                                                                                                                                                             |
|  <p><b>Funding Mechanisms</b></p>               | <ul style="list-style-type: none"> <li>Strategy A: Explore the feasibility of establishing a 'Limited-Term Increment Area' within the SE-MIC to front-load the costs of transformative public improvements.</li> <li>Strategy B: Leverage public-private partnerships to expand access to affordable, flexible industrial space and catalyze long-term investment in the SE-MIC.</li> <li>Explore the feasibility of condo/airspace floor area ownership within the SE-MIC to allow businesses long-term control of portions of industrial buildings, support multi-tenant flexibility, and ensure compliance with Floor Area Ratio (FAR) and zoning requirements.</li> </ul> |

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# Introduction

## Background and Purpose

The Southeast Redmond Manufacturing and Industrial Center (SE-MIC) is a 375-acre area in Southeast Redmond, primarily zoned for Industrial (I) and Manufacturing Park (MP) uses. The Redmond 2050 Comprehensive Plan identifies the center as a priority for manufacturing and industrial growth and investment and commits to protecting its manufacturing and industrial zoning from encroachment. The Comprehensive Plan has set a growth target of 2,600 new jobs for the SE-MIC by 2050 (9% of the citywide target).

The City of Redmond is committed to preserving and growing manufacturing and industrial land uses and associated jobs in the SE-MIC. The City has adopted policies and regulations that introduce additional use flexibility within the manufacturing-industrial framework (e.g., artisanal manufacturing, manufacturing and associated office use) and reduce encroachment pressure from uses that are generally incompatible with manufacturing and industrial land uses, such as stand-alone housing.

Additionally, in August 2025, the City applied for Countywide Industrial Center designation with King County. The designation would have several benefits as identified by the City:

- Signal to the market that this area is explicitly for manufacturing, industrial, warehousing, and other compatible uses while simultaneously encouraging reinvestment in the area.
- Preserve small, legacy businesses and living wage jobs, which are important for equity and inclusion and maintain a diverse economic base that is essential for long-term sustainability and resiliency.
- Increase the likelihood of external funding and the City’s ability to provide additional programmatic assistance to industries in this area as needed to stay and thrive in Redmond.
- Support regional policies to protect industrial zoning from encroachment given the limited supply of industrial land in the Puget Sound region, particularly shovel-ready sites.

Lastly, Redmond has developed a comprehensive suite of economic development strategies to strengthen the SE-MIC for both established legacy industries and emerging sectors. This Strategy Guide serves as a roadmap for the center, synthesizing technical findings from a multi-phase market study conducted by the City and BERK Consulting into actionable strategies. By providing a clear framework for infrastructure investment, business recruitment and retention programs, and streamlined regulatory pathways, the Guide ensures Redmond can meet employment growth targets for the SE-MIC. Ultimately, the Guide functions as a toolkit to help the City manage market shifts, ensuring that the SE-MIC remains a resilient engine of high-wage employment and industrial innovation.

## Planning Process

The development and preparation of this Strategy Guide involved numerous steps, including:

1. An Existing Conditions and Market Drivers report: The purpose of this report was to create a data-driven baseline for the SE-MIC by analyzing current economic, physical, and regulatory conditions. It evaluated regional and local market drivers - such as the rapid growth of the “Space District” and

advanced manufacturing - and determined the area's development capacity and infrastructure needs. The report also aimed to uncover opportunities for growth and provide the evidence-based insights needed to shape effective long-term land use and economic development strategies.

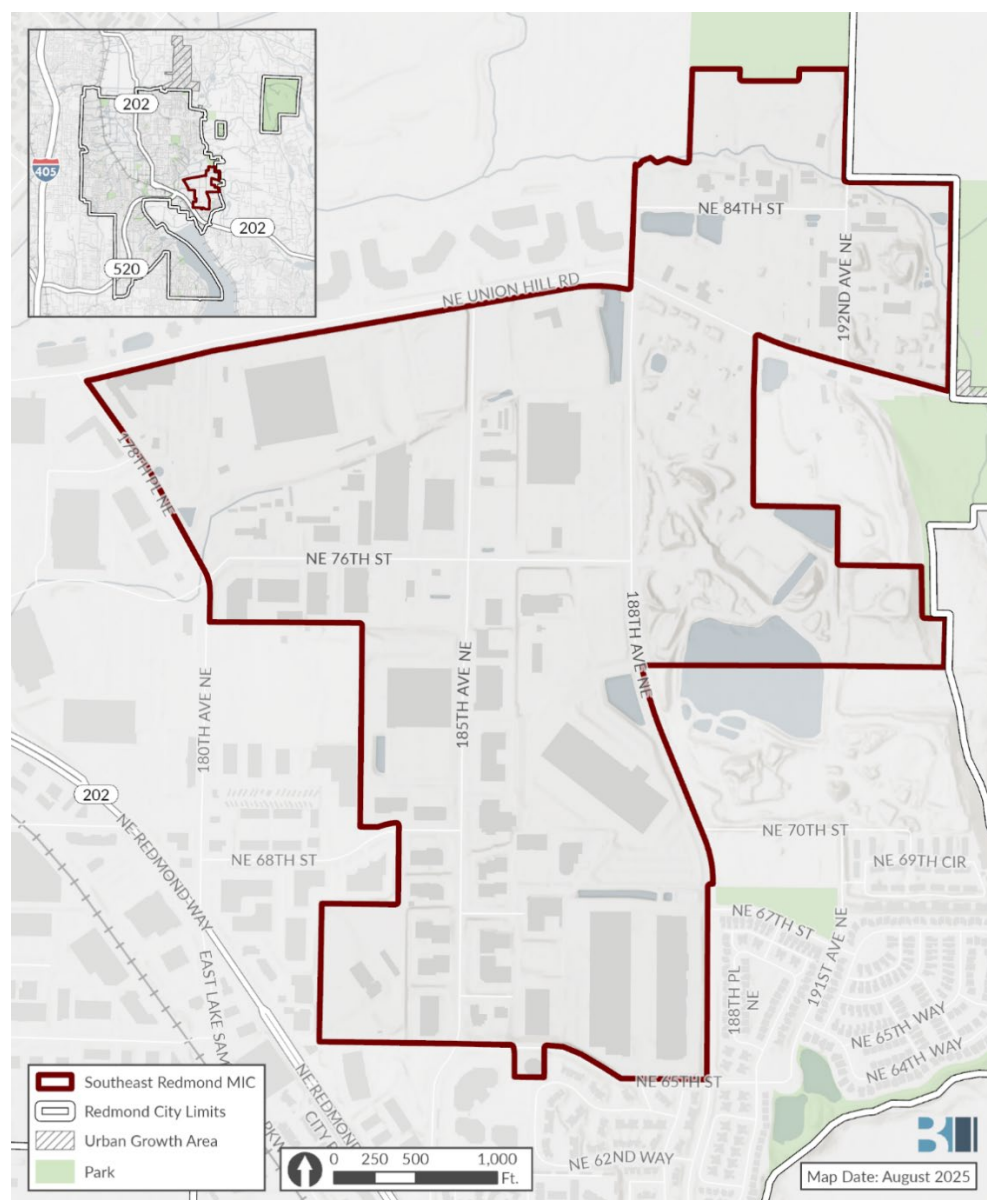
2. **Stakeholder Engagement:** Stakeholder engagement was conducted to supplement existing data and provide grounded perspectives on the SE-MIC, ensuring that the study's findings reflect the lived experiences and operational realities of the SE-MIC. The key stakeholders engaged included existing SE-MIC businesses and property owners, industrial real estate professionals, Redmond businesses at risk of displacement, businesses seeking industrial space, and economic development partners such as OneRedmond, Greater Seattle Partners, and Cleantech Alliance. Engagement consisted of 16 interviews and 2 focus groups. Outreach methods included widespread distribution across Redmond business channels and targeted invitations to 43 stakeholders or community-based organizations.
3. **Business Opportunities and Opportunity Sites Analysis:** The second phase of the project included an analysis of industries and clustering opportunities to assess their potential for locating or expanding in the SE-MIC and an analysis of five potential sites for development related to these business opportunities.

# Trends and Takeaways

This chapter synthesizes the key findings that informed the strategies in this Guide, focusing on economic and real estate market conditions in the SE-MIC, capacity, infrastructure, and core challenges and opportunities. The analysis can be read in full in [Appendix A](#) and [Appendix B](#).

The geographic boundaries of the SE-MIC as identified in Redmond 2050 are shown in [Exhibit 1](#). The center is generally bounded by 178th Place NE and Cedar Lawns Memorial Park to the west, NE 65th Street to the south, 188th Avenue NE and the Redmond city limit to the east, and NE Union Hill Road, Bear Creek and Evans Creek to the north.

**Exhibit 1. Southeast Redmond Manufacturing and Industrial Center Boundaries**



Sources: City of Redmond, 2025; BERK, 2025.

# Economic and Real Estate Market Conditions

In 2023, the SE-MIC had a total of 5,550 jobs, accounting for 5% of the City's total employment. While the SE-MIC saw robust pre-pandemic growth (3.2% per year on average between 2014 and 2019), it proved more vulnerable to the pandemic than the rest of the City and King County. Between 2019 and 2023, the SE-MIC experienced a 2.5% average annual contraction in employment, a sharp contrast to the modest gains seen citywide (0.8%) and countywide (0.7%), ultimately resulting in a trailing ten-year growth performance.

Exhibit 2. Total Employment Compound Annual Growth Rate (CAGR)

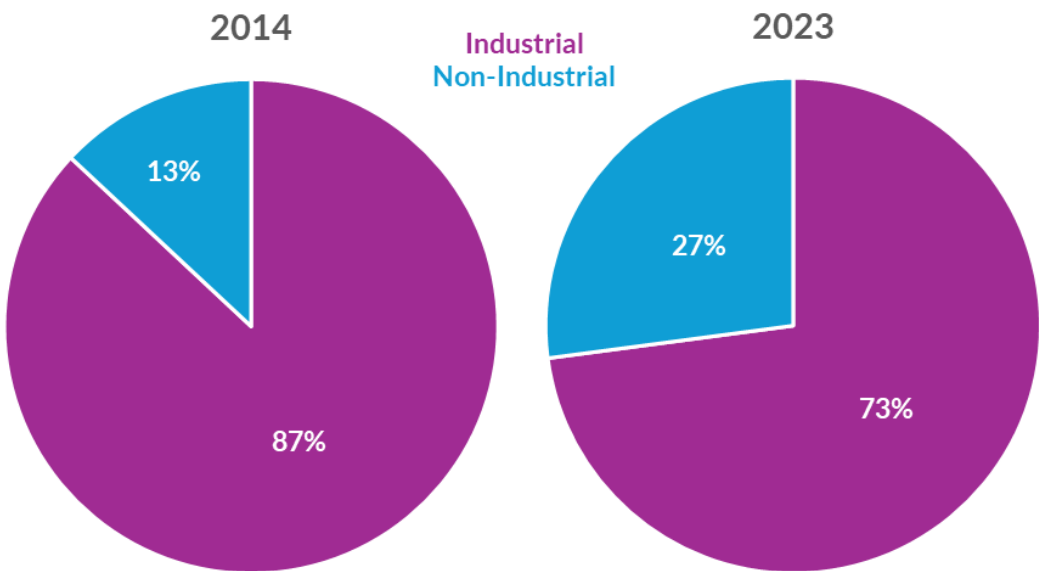
| Period    | SE-MIC | City of Redmond | King County |
|-----------|--------|-----------------|-------------|
| 2014-2019 | 3.2%   | 2.5%            | 3.1%        |
| 2019-2023 | -2.5%  | 0.8%            | 0.7%        |
| 2014-2023 | 0.6%   | 1.7%            | 2.0%        |

Sources: Puget Sound Regional Council, 2023; BERK, 2025.

The SE-MIC maintains a dedicated industrial focus - industrial employment accounts for 73% of all jobs in the center. However, this share decreased from 87% in 2014, primarily due to a reduction in manufacturing jobs. The number of manufacturing jobs in the SE-MIC declined by 1,090 jobs between 2014 and 2023. The industry now accounts for only 29% of jobs, down from 52% in 2014.

Growth in the SE-MIC has been driven by Transportation, Distribution, and Logistics (TDL) and Retail. The center holds roughly 40% of the entire City's TDL jobs. Retail in the SE-MIC grew at a staggering 17.4% annually between 2014 and 2023, a direct contrast to citywide and countywide retail declines.

Exhibit 3. Total Industrial and Non-Industrial Employment Shares, 2014 and 2023



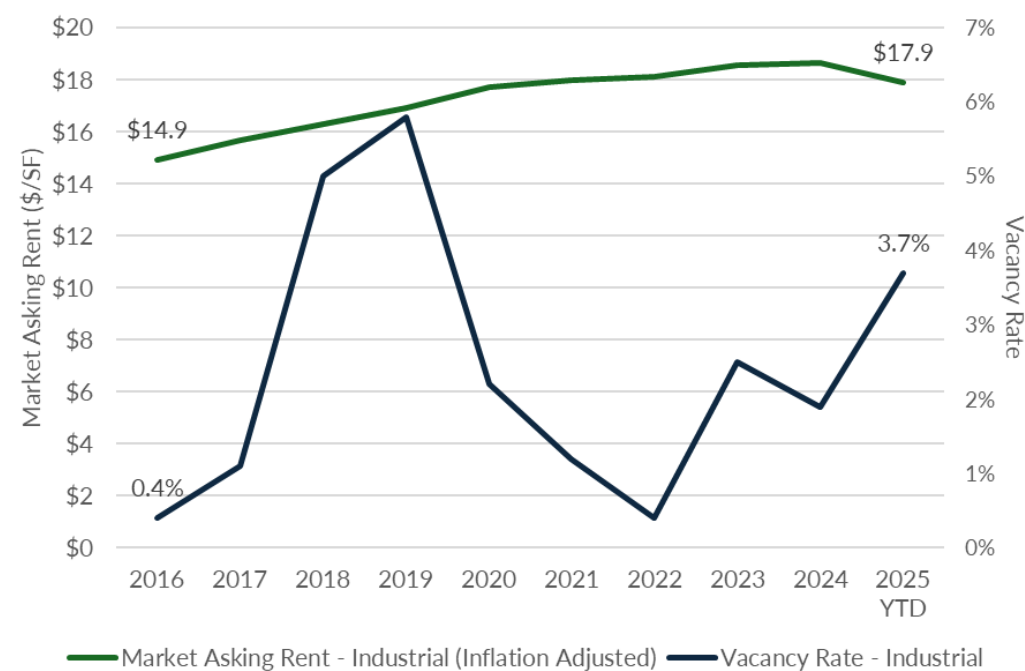
Sources: Puget Sound Regional Council, 2023; BERK, 2025.

Only a small share (roughly 6%) of SE-MIC workers live in Redmond, with most commuting from elsewhere in King County and beyond. Just over half of the workers (51%) live elsewhere in King County, with significant numbers also commuting from Snohomish (21%) and Pierce (7%) counties.

Redmond’s industrial inventory (4.3 million square feet) has been largely stagnant for a decade (-0.2% change), with minimal new construction and negative net absorption, even as rents continue to rise. In contrast, comparison submarkets like Woodinville (+10%) and Everett (+22%) have added significant space.

Industrial rents have shown a steady increase since 2016, reaching \$17.9 per square foot in 2025, but the vacancy rate has been volatile, reaching a high of 5.8% in 2019 from 0.4% in 2016, and currently sitting at 3.7%. Redmond’s industrial rents are lower than Bellevue, Kirkland, and Issaquah but higher compared to Everett, Woodinville, and Edmonds/ Lynnwood.

**Exhibit 4. Redmond Industrial Market Asking Rent and Vacancy Rate**



Sources: CoStar, 2025; BERK, 2025.

Although Redmond has the Eastside's largest inventory of flex space, the market is experiencing a notable slowdown and a high vacancy rate, mirroring a broader lack of growth across the region. Redmond’s vacancy rate for flex space has seen significant fluctuation over the last seven years and ended the period at 10.2% in 2025 - more than triple the 2.9% rate seen in 2018. Despite this increase in vacancy, asking rents remained relatively “sticky”. After rising from \$21.1 in 2016 to a high of \$23.8 in 2021, inflation-adjusted rents have only moderated slightly to \$22.2 in 2025. This could be due to various reasons, such as supply-demand mismatch, landlords offering concessions over rent cuts, landlords resisting to lower “headline” rents because property valuations are tied to rental income, or a lag between market-wide rent adjustments and real-time shifts in demand as leases typically span 5 to 10 years.

# Development Capacity and Infrastructure

The SE-MIC is predominantly zoned for core industrial uses, with 96% of its land area of 359 acres dedicated to Manufacturing Park and Industrial zones.<sup>1</sup> The current land use shows that 70% of the acreage is used for industrial purposes, while commercial, government, and vacant lands account for the rest. More than half of existing parcels in the SE-MIC are less than two and a half acres, and a quarter are between two and a half and five acres in size, with only a few large lots (over 20 acres) occupied by anchors like Heidelberg Materials.

The Redmond 2050 Comprehensive Plan sets a growth target of 2,600 new jobs for the SE-MIC between 2019 and 2050. The land capacity analysis conducted for this study estimated that as of 2025, the SE-MIC can accommodate approximately 2,100 to 2,300 additional jobs. Recent data shows a decline of 580 jobs between 2019 and 2023, which may suggest the center may be behind its planned growth trajectory.

The SE-MIC offers significant logistical advantages, including robust access to State Route 520, a designated freight network, and proximity to the new Link light rail. However, peak hour congestion at key intersections within the center (e.g., 180th Avenue NE and Redmond Way), limited direct access to Interstate 5 and Interstate 90, and last-mile transit gaps could constrain both freight efficiency and workforce access. Utilities generally support typical industrial users, but power capacity could limit higher load uses such as data centers without additional upgrades. The SE-MIC also sits atop a critical aquifer supplying 40% of Redmond's drinking water, meaning new developments face stricter environmental standards regarding runoff and contamination control.

## Opportunities and Challenges

The analysis and engagement conducted for the Existing Conditions and Market Drivers report revealed several potential business opportunities for the SE-MIC, which were assessed in more detail to determine their potential for locating or expanding in the center. These included:

- Advanced high-tech manufacturing: targeting space and clean technology (clean tech) sectors,
- Small-scale and artisanal manufacturing, and
- Support services and community amenities: such as a trade school, childcare facilities, and indoor recreation facilities.

Throughout this process, the City carefully considered the importance of non-industrial amenities, like indoor recreation facilities and a trade school, which are valued by the community and the local workforce. However, the business opportunities assessment ultimately highlighted how vital it is to protect the SE-MIC's core mission as a dedicated home for industrial and manufacturing. By keeping the center focused on industrial and manufacturing growth, the City can better safeguard the unique space needed for high-wage jobs and local innovation. While these helpful community services may be better

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<sup>1</sup> These zones allow for sectors that require significant areas for storage of materials and equipment (both indoors and outdoors), and that are better suited for locations outside of Downtown and Overlake due to site requirements, noise impacts, transportation needs, or other considerations. The intent of the Manufacturing Park zone is to allow manufacturing, research and development, light industry, wholesale, assembly and distribution businesses, and essential public facilities. The purpose of the Industry (I) zone is to provide locations for manufacturing, industrial uses, mineral and resource extraction and processing, wholesale trade and distribution, and associated warehouse and storage activities.

sited for locations just outside the center's borders, they remain a key part of the broader vision to support the people who work within the SE-MIC and help the center thrive.

### *Advanced high-tech manufacturing*

The SE-MIC is strategically positioned to capture growth in advanced high-tech manufacturing, particularly within the space and clean tech sectors, and support both large-scale production and emerging innovation hubs. Redmond has a robust and growing commercial space sector and is a globally recognized cluster for commercial space innovation officially formalized in 2023 with the creation of the "Redmond Space District". Clean energy was identified as one of the fastest-growing clusters in Redmond between 2012 and 2022, with a 7.2% average annual growth rate in employment.<sup>2</sup> The Redmond Economic Development Strategic Plan explicitly identifies commercial space and clean tech as target sectors for future growth and economic diversification.

The space needs of these sectors are largely centered on co-located production, research and development, and prototyping facilities. Both sectors share a critical need for robust infrastructure, specifically high-capacity, reliable power grids with on-site battery storage and backup systems to protect sensitive equipment and continuous operations. Additionally, emerging startups in these fields often prefer a 90:10 ratio of manufacturing or lab space to office space, typically seeking "graduate space" nearby that allows them to scale locally as they grow.

Opportunities in advanced high-tech manufacturing for the SE-MIC include:

- Space incubators with co-located prototyping/ testing space that supports early-stage growth and reduces barriers for space startups. An example model involves creating a physical incubator space for 10–12 emerging companies and co-locating shared prototyping and testing facilities.
- Software/ data cluster. The area is highly suited to attract the software and data-side of the space industry, including companies focused on advanced algorithms, imagery analysis, and autonomous systems.
- Fusion energy supply chain. As Washington State emerges as a global leader in fusion energy, there is a strategic opportunity to attract the supply chain into Redmond, specifically manufacturing priority components like semiconductors, capacitors, and high-field magnets.
- Decarbonizing the built environment. Opportunities exist for manufacturing smart building sensors, high-efficiency HVAC controls, and advanced low-carbon construction materials.
- Other clean tech opportunities leveraging synergies with the existing ecosystem of space, aerospace, and technology. These include businesses developing next-generation battery storage, high-efficiency solar arrays, and advanced power-management systems, manufacturers of components for electric vertical takeoff and landing (eVTOL) aircraft and hydrogen fuel-cell systems, and companies focused on digital solutions and smart grid technology.

### *Small-scale and artisanal manufacturing*

Small-scale and artisanal manufacturing can encompass everything from breweries, furniture makers, textiles, and local food production; it can also include consumer product designing, prototyping, and 3D

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<sup>2</sup> Redmond Economic Development Strategic Plan, City of Redmond, 2024.

printing. Small-scale and artisanal manufacturing in the SE-MIC can offer a dual benefit: growing local entrepreneurship and small businesses and diversifying the city's economic sectors. The City has adopted policies that increase flexibility for uses like artisanal manufacturing in the SE-MIC, making it easier for smaller production businesses to operate within the industrial framework while protecting them from incompatible uses like housing.

The "sweet spot" for small-scale manufacturers, including artisans, brewers, and woodworkers, is dedicated industrial/production space in the 1,500–5,000 square foot range. These units are scarce in Redmond – industrial and flex space of this size (under 5,000 square feet) represents less than 1% of the total citywide inventory.<sup>3</sup> This is due to a combination of stagnant industrial development and a market preference for large-format projects, which developers view as a more efficient use of capital. Consequently, the limited new inventory often comes with prohibitive rental costs and lacks the specific configurations required by small-scale manufacturing businesses.

To attract small-scale manufacturing businesses, the SE-MIC would need to provide specific building forms that are currently in short supply regionally:

- **Local Food Infrastructure:** There is significant unmet demand for commercial kitchens and value-added food processing facilities. Providing shared commissary kitchens with specialized equipment is a major competitive advantage.
- **Small-Bay Flex Units:** Manufacturers need "split" spaces that offer a clean retail or office frontage for customers combined with a functional high-bay warehouse for production.
- **Public-Facing Studios:** Shared studio models allow visitors to see craftspeople at work, supporting both the creative economy and local tourism.

## *Support services and community amenities*

### Indoor recreation facilities

While not traditional industrial activities, indoor recreation facilities, such as climbing gyms and gymnastics centers, are compatible with the SE-MIC due to their specific spatial requirements. These uses require the same "big box" building characteristics found in manufacturing, including large open bays, high ceiling clearances, and expansive structures to accommodate specialized equipment.

Some of these existing facilities in Redmond are currently at risk of displacement from neighborhoods like Marymoor Village due to escalating costs, development pressures, and zoning changes. The SE-MIC would provide an opportunity to retain these community assets by offering stable, industrial-zoned alternatives. Potential opportunities include:

- Climbing and bouldering gyms to fill the gap left by the closure of a long-standing facility in Redmond, capitalizing on the segment's rapid national growth.
- A modern pool/aquatic center to address the regional shortage of updated facilities that can serve a diverse, growing population across the Eastside.
- Other specialty providers, such as large gymnastics centers and dance schools, that are currently unable to find affordable or suitable large-space locations in the region.

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<sup>3</sup> CoStar, 2025.

Despite the alignment in space needs, existing space for indoor recreation facilities in the center is currently limited. The SE-MIC has very few truly vacant parcels, and strong demand from high-tech and manufacturing sectors has pushed lease rates to levels that are significantly higher than other regional industrial areas, making it difficult for specialty recreation providers to secure affordable sites.

### Trade schools

Establishing a specialized trade or technical institution in Redmond aligns with regional workforce trends and the specific needs of the City's high-tech industrial clusters. This creates the following opportunities:

- Filling the “institutional gap”. Redmond currently lacks a dedicated higher education or technical trades institution. This creates a strategic opening to attract a satellite campus or program specifically designed to support the SE-MIC.
- Building industry-specific workforce pipelines. A Redmond-based program could focus on the "middle-skill" jobs required by the space and clean tech sectors – roles that require technical training but not necessarily a four-year degree.
- Supporting the small-scale manufacturing business ecosystem. Similar to the Center for Innovation and Entrepreneurship at the Edmonds College or the Lacey MakerSpace located on the campus of Saint Martin’s University, a Redmond trade school could house a public-facing makerspace or innovation hub. This would allow small-scale artisans and startups in the SE-MIC to prototype new products without the massive overhead of buying their own industrial machinery.

However, much like recreational facilities, a trade school does not require a physical footprint within the SE-MIC to be effective. While the school would directly serve the center's businesses by upskilling the local labor force, it could be strategically located in adjacent mixed-use or commercial zones. This "off-site" approach allows the institution to benefit from proximity to student amenities while preserving the SE-MIC’s limited and high-value industrial land for core production and manufacturing activities that cannot be sited elsewhere.

### Childcare center

The specific opportunity for a childcare center in Redmond is to address a persistent childcare access desert<sup>4</sup> by developing new licensed capacity, especially for facilities offering flexible, nonstandard hours. This type of care is needed by the SE-MIC's industrial and manufacturing workforce, and its provision would serve as a powerful competitive advantage for local employers seeking to recruit and retain staff.

Allowing the co-location of childcare centers with compatible MP/I uses, provided those uses do not pose health or safety risks, creates the following opportunities:

- Expanding access to affordable, proximate childcare for SE-MIC workers. On-site or nearby childcare would reduce travel time, improve work-life balance, and increase workforce participation, particularly among parents of young children.
- Supporting workforce recruitment and retention. Employers that can offer convenient childcare access gain a competitive advantage in attracting and retaining skilled labor.

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<sup>4</sup> *Extreme Child Care Access Deserts & Uptake Estimates*, Washington State Department of Children, Youth, and Families, <https://www.dcyf.wa.gov/practice/oiaa/reports/early-learning-dashboards/eccad>, 2026.

- Enabling flexible work schedules. Co-located facilities could support extended hours, drop-in care, and shift-based scheduling tailored to industrial work patterns.
- Promoting inclusive workplaces. Reliable childcare enables greater participation in the workforce by women, single parents, and caregivers, strengthening equity and long-term economic stability in the SE-MIC.
- Encouraging efficient and compatible land use where appropriate. Allowing childcare centers as an accessory use within industrial buildings, or as part of multi-tenant industrial developments, supports more efficient use of limited industrial land while integrating workforce-supportive amenities into employment centers.
- Supporting purpose-built, facility design. Accessory childcare spaces can be designed with dedicated ventilation systems, controlled access points, play areas, and sound buffering to ensure safe and healthy environments for children within industrial contexts.

Due to health, safety, and environmental considerations, it is important that childcare centers are carefully sited and buffered from incompatible industrial operations, high-emission activities, and high-volume freight corridors in the SE-MIC. When located within industrial buildings as an accessory use, facilities should be strategically placed in low-impact portions of the structure, such as upper floors, interior courtyards, or perimeter-facing wings with direct access to daylight and open space.

## Key Challenges

- **Limited Space:** The SE-MIC has very few truly vacant parcels, and those that do exist are typically small, irregular in shape, or constrained in ways that limit industrial development. The SE-MIC currently contains three sites larger than 20 acres that could support campus-scale industrial development due to their freight access and internal space flexibility. However, many of these parcels are currently occupied by long-term operators such as bulk materials suppliers and package distribution facilities that are unlikely to relocate in the near future.
- **High Cost:** The high cost of land and lease rates in Redmond makes the SE-MIC significantly more expensive than competing industrial areas in Kent, Everett, Woodinville, or Maltby.
- **Space Mismatch:** Developers favor large-format industrial spaces (50,000+ square feet). This creates a critical shortage of the small, affordable "sweet spot" spaces (1,500–5,000 square feet) needed by many businesses, including artisan and small-scale manufacturers, forcing them to compete with larger, higher-paying industrial and tech tenants.

# Vision and Strategies

## Vision Statement

*The SE-MIC is envisioned as a vibrant, mixed-use manufacturing and industrial hub where global tech leaders and emerging startups thrive alongside local artisans in a shared ecosystem of production. The district celebrates the intersection of high-precision innovation and creative craftsmanship, offering an environment that supports everything from satellite assembly to boutique manufacturing.*

### *Desired Uses and Spaces*

To achieve this vision, the City seeks to support an environment that accommodates a spectrum of industrial intensities and creative endeavors and flexible building forms that meet the evolving needs of modern production, such as:

- High-capacity innovation spaces: high-performance facilities designed for advanced engineering, large-scale technical assembly, and research. These spaces are characterized by high ceilings, heavy-load floor capacities, and robust utility infrastructure, such as high-capacity power grids with redundancy. This form is essential for sectors ranging from aerospace and satellite assembly to clean-energy prototyping.
- Flexible small-bay industrial units: flex units, typically in the 1,500–5,000 square foot range. These units are designed with a split configuration – a clean, public-facing frontage for customers or offices, paired with a functional, high-bay warehouse in the rear for production. This form provides critical inventory for artisans, boutique manufacturers, and startups that require a professional presence alongside industrial functionality.
- Collaborative maker-hubs and shared infrastructure: multi-tenant environments that foster "collision" between different types of makers. This includes hybrid maker-hubs where emerging startups and artisans can scale their operations by sharing expensive infrastructure, such as industrial-grade 3D printing labs or shared loading docks. These spaces reduce the barrier to entry for small-scale makers and high-tech startups alike, allowing them to scale locally as they grow.

### *Strategic Alignment*

This Strategy Guide acts as a bridge between high-level citywide goals and district-level implementation, and it is aligned with the following:

- Redmond 2050 Comprehensive Plan: The Guide supports the Economic Vitality Element goals to foster a sustainable and resilient economy and a diverse workforce and business community and the Land Use Element goal to maintain a strong economy and diverse job base. Strong industrial and manufacturing sectors complement Redmond's high-tech dominance, contributing to overall economic resilience.
- Redmond Economic Development Strategic Plan (EDSP): The Guide operationalizes several EDSP goals and strategies in the SE-MIC, such as incentivizing the creation of needed flexible spaces for retail, manufacturing, creative uses, and recreation uses; encouraging development of co-working,

maker spaces, commercial kitchens, and other small business and entrepreneurial space needs in Redmond; and monitoring and supporting expansion in high-growth, emerging clusters like clean tech.

## Strategies

Realizing the SE-MIC vision will require the City and its partners to deploy several different strategies, while remaining responsive and adaptable to fluctuating market conditions and economic shifts. Rather than focusing solely on specific industry clusters, the strategies are largely form-based, focusing on the physical and operational needs of businesses that are common across various sectors. They are informed by extensive research, landscape assessments, and stakeholder engagement conducted as part of the SE-MIC market study.

The strategies are organized into four core pillars to ensure a holistic approach to development:

- **Land Use and Zoning:** Focusing on the preservation and growth of needed business spaces, the creation of flexible development standards, and continuing to protect existing firms for encroachment by incompatible uses.
- **Business Recruitment and Retention:** Cultivating deep relationships with existing firms while promoting the SE-MIC as a premiere destination for new investment.
- **Infrastructure and Environment:** Prioritizing investments in transportation, utilities, modernization, and sustainability to support high-intensity industrial work.
- **Funding Mechanisms:** Exploring innovative fiscal tools, such as Tax Increment Financing (TIF) districts and public-private partnerships, to leverage private development and fund essential improvements.



# Land Use and Zoning

## Implementation Considerations

### Key Partners:

- City of Redmond Planning, Development Services, and Economic Development Departments
- Private industrial and mixed-use developers
- Property owners

### Timeline:

 Short-term  
(0-3 years)

 Mid-term  
(3-5 years)

 Long-term  
(5+ years)

### Level of Effort:

- *Low*
- *Medium*
- *High*

Land use and zoning strategies focus on the preservation and growth of needed business spaces, the creation of flexible development standards, and continuing to protect existing firms from encroachment by incompatible uses.

**Strategy A: Preserve and expand the supply of “micro-industrial” spaces that incentivize small-to-mid-sized manufacturers and artisan producers to locate in the SE-MIC.**

*Rationale: The growth of tech, e-commerce, and other high-demand industries has driven up the price of industrial land and rent in Redmond and the region. Rent and land costs make it difficult for small and mid-sized businesses to compete for space with large tech tenants. This creates an affordability issue, with many at risk of being priced out of the city. Additionally, growth and redevelopment into non-industrial uses in Redmond reduces the overall inventory of industrial space, which is critical to many small businesses, leading to displacement.*

### Actions:

-  Promote adaptive reuse and preservation of older industrial building stock and rehabilitation of older flex buildings to maintain lower-cost spaces. (*Low*)
-  Consider implementing a specific zoning overlay to recognize and encourage a cluster of creative, craft-based manufacturers (distilleries, artisan producers) to establish a branded maker district. (*Medium*)

Specific requirements and characteristics of a maker district may include:

- Accommodation of small-scale, production-oriented craft manufacturing uses.
- Provision of flexible industrial or maker spaces suitable for small-batch production and shared facilities.
- Allowance for ancillary on-site retail, tasting rooms, or showrooms directly related to on-site production.
- Design and frontage requirements that emphasize visible production and reinforce a cohesive maker district identity.
- Performance-based standards (noise, odor, vibrations etc.)
- Requirements or incentives to support long-term affordability and retention of locally owned creative manufacturers.

-  Create incentives for developers to include small industrial or flex bays in new industrial and manufacturing developments (e.g., impact fee waivers/reductions, zoning incentives such as increased building height or density). Tie incentives to minimum terms of affordability (e.g., 20-30 years) and production-oriented design standards. (*High*)



# Land Use and Zoning

## Implementation Considerations

### Key Partners:

- City of Redmond Planning, Development Services, and Economic Development Departments
- Private industrial and mixed-use developers
- Property owners

### Timeline:

-  Short-term (0-3 years)
-  Mid-term (3-5 years)
-  Long-term (5+ years)

### Level of Effort:

- Low
- Medium
- High



- Require replacement of small-scale industrial square footage within the SE-MIC when redevelopment displaces existing industrial uses. *(High)*

## Strategy B: Address the challenge of limited space for development/redevelopment in the SE-MIC.

*Rationale: Future growth in the SE-MIC is limited by a dual challenge: a lack of vacant land and the underutilization of some of its largest parcels. The City must address how to maximize productivity within a constrained and 'immobile' real estate inventory. Growth should prioritize employment intensity, industrial functionality, and long-term affordability rather than purely increasing density.*

### Actions:



- Increase allowable FAR and building heights where appropriate to support more intensive employment uses. *(Medium)*
-  Allow the co-location of dedicated childcare facilities within or adjacent to manufacturing buildings or sites, provided that the Manufacturing Park or Industrial (MP/I) activities do not pose health or safety risks to children. *(Low)*
-  Focus development efforts on underutilized parcels and those that are physically constrained. *(Low)*
-  Encourage or require shared loading docks, freight access, waste handling, and utility infrastructure in multi-tenant industrial and mixed-use developments. *(Medium)*
-  Provide incentives (e.g., density bonuses, financial assistance) for adjacent landowners to combine their smaller, irregular parcels into larger, more viable development sites. *(High)*
-  Create a pre-cleared redevelopment pathway for priority sites, including environmental review, design standards, and pre-approved utility templates that identify required industrial-capacity power, water, and sewer connections, to shorten timelines for infill industrial projects. *(High)*
-  Encourage multi-level mixed-use industrial development. Study best practices from peer cities where vertical industrial has been successfully integrated into urban employment districts. *(Medium)*



# Business Recruitment and Retention

## Implementation Considerations

### Key Partners:

- City of Redmond Planning, Development Services, and Economic Development Departments
- OneRedmond
- Actuate Ventures
- SE-MIC businesses
- Regional colleges and trade schools
- Greater Seattle Partners

### Timeline:

 Short-term  
(0-3 years)

 Mid-term  
(3-5 years)

 Long-term  
(5+ years)

### Level of Effort:

- Low
- Medium
- High

Business recruitment and retention strategies are centered on cultivating deep relationships with existing firms while promoting the SE-MIC as a premiere destination for new investment.

### Strategy A: Market the SE-MIC.

*Rationale: A dedicated marketing strategy puts the SE-MIC on the map for high-value firms that may not realize Redmond has the specialized power, zoning, and innovative and entrepreneurial ecosystem they require and would otherwise overlook smaller industrial centers in favor of "brand name" hubs like the Kent Valley. By actively marketing the district, Redmond can also ensure that its most limited resource - industrial land - is occupied by businesses that provide the highest return on investment in terms of wages, taxes, and innovation.*

#### Actions:

-  Create a cohesive brand identity that highlights the district's unique strengths. *(Medium)*
-  Work with Greater Seattle Partners to ensure the SE-MIC is prominently included in regional site selection materials and presented to qualified site selection prospects. *(Low)*
-  Highlight the benefits of the King County Countywide Industrial Center designation, including the City's long-term zoning protections for the SE-MIC. *(Low)*
-  Create a high-impact Investment Prospectus document that can serve as the "leave-behind" for developers and site selectors. *(Medium)*
-  Produce short "success stories" or case studies featuring existing SE-MIC tenants. *(Low)*
-  Develop a dedicated SE-MIC micro website to promote the district, with an interactive capacity map highlighting available parcels, utility load capacities, freight connections, and other site amenities. *(High)*

### Strategy B: Support the development of an Innovation Hub (incubator + co-located testing/prototyping) to attract early-stage companies in the space sector.

*Rationale: Developing an innovation hub would help capture high-growth startups, lower the barrier to entry for innovation, allowing more diverse and agile companies to enter the Redmond ecosystem, act as a "proving ground" for the local supply chain, and ensure the long-term productivity of industrial land.*



# Business Recruitment and Retention

## Implementation Considerations

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- SE-MIC businesses
- Regional colleges and trade schools
- Greater Seattle Partners

### Timeline:

 Short-term  
(0-3 years)

 Mid-term  
(3-5 years)

 Long-term  
(5+ years)

### Level of Effort:

- Low
- Medium
- High

### Actions:

-  Collaborate with Actuate Ventures, which is seeking industrial property in Redmond for an innovation hub, by providing land and real estate facilitation and regulatory support (permitting fast-track, zoning flexibility etc.). (Medium)

## Strategy C: Strengthen long-term viability and business retention in the SE-MIC.

*Rationale: Even with supportive zoning, existing businesses in the SE-MIC face displacement pressure from rising rents, infrastructure limitations, and redevelopment uncertainty. Proactive land use and redevelopment policies are needed to retain legacy businesses, reduce displacement risk, and support long-term reinvestment.*

### Actions:

-  Support the formation of a SE-MIC Business Advisory Council or organization to represent SE-MIC businesses, facilitate collaboration with the City, and ensure continuity and coordination in marketing, infrastructure planning, and redevelopment efforts of the center. (Medium)
-  Offer pre-application assistance for small businesses navigating redevelopment or expansion. (Low)
-  Explore waived or reduced permitting and application fees for displaced small businesses relocating in the SE-MIC. (Medium)
-  Establish industrial preservation and retention policies (e.g., long-term ground lease or land banking strategies for critical industrial sites). (High)

## Strategy D: Support existing and future businesses in the SE-MIC by developing a broad base of diverse talent.

*Rationale: For the SE-MIC industries to thrive and meet the City's target of 2,600 new jobs by 2050, a specialized, skilled workforce is essential. Traditional educational models often struggle to keep pace with the niche requirements of aerospace and clean tech sectors.*

### Actions:

-  Work directly with SE-MIC employers to identify required technical skills and certifications. (Low)
-  Develop a "Redmond Talent Prospectus" to demonstrate to regional educational partners that there is a data-backed, sustained demand for a Redmond-based satellite campus. (Medium)



# Business Recruitment and Retention

## Implementation Considerations

### Key Partners:

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- Actuate Ventures
- SE-MIC businesses
- Regional colleges and trade schools
- Greater Seattle Partners

### Timeline:

 Short-term  
(0-3 years)

 Mid-term  
(3-5 years)

 Long-term  
(5+ years)

### Level of Effort:

- *Low*
- *Medium*
- *High*

-  Leverage the existing “living labs” in the SE-MIC through formal partnerships to allow a potential trade school to operate with a smaller physical footprint. (*Medium*)
-  Explore TIF or public-private funding for “front-end” infrastructure required for a vocational school. (*High*)



# Infrastructure and Environment

## Implementation Considerations

### Key Partners:

- City of Redmond Planning, Development Services, Economic Development, Public Works and Transportation Departments
- Local transit providers and micromobility providers (e.g., Sound Transit, Lime)
- Puget Sound Energy (PSE)

### Timeline:

-  Short-term (0-3 years)
-  Mid-term (3-5 years)
-  Long-term (5+ years)

### Level of Effort:

- Low
- Medium
- High

Infrastructure and environment strategies prioritize investments in transportation, utilities, modernization, and sustainability to support high-intensity industrial work.

### Strategy A: Provide last-mile transit connections.

*Rationale: Proximity to the light rail station is seen as a major asset by potential tenants of the SE-MIC. However, stakeholders noted the need to better connect light rail users to businesses in the SE-MIC, as the last part of the commute is not accounted for and is a 30-minute walk to the center. Expanding transit access to the SE-MIC can support workforce attraction, particularly for workers who cannot afford local housing, and enhance connectivity for workers commuting to and from the area.*

#### Actions:

-  Improve bus integration with light rail. Align bus routes and infrastructure to directly serve the new East Link stations (like Marymoor Village Station) from the SE-MIC. *(Medium)*
-  Partner with operators like Lime to ensure ample e-bikes and e-scooters near the SE-MIC and light rail stations. *(Low)*
-  Install designated parking hubs for micromobility at key transit stops and large employers within the SE-MIC. *(Low)*
-  Implement on-demand micro transit. Consider demand-responsive shuttle services (like the planned Redmond On-Demand Microtransit) to bridge gaps between the SE-MIC and main transit lines. *(Medium)*
-  Continue to implement infrastructure improvements that promote active transportation options like walking and cycling in the SE-MIC. *(High)*

### Strategy B: Align long-range utility planning with the SE-MIC's intensification goals, ensuring energy capacity stays ahead of industrial demand.

*Rationale: The SE-MIC is home to a unique cluster of advanced manufacturing and technology firms whose operations depend on high energy loads and uninterrupted power reliability. To maintain the SE-MIC's competitive edge, the City must ensure the energy grid stays synchronized with the sophisticated needs of these anchors as they grow and expand and can also support the energy-intensive operations of clean tech and other target industry companies that may locate in the center. Additionally, as companies in the SE-MIC work toward corporate sustainability goals and the electrification of industrial fleets, the demand for smart-grid infrastructure and electric vehicle charging capacity will grow.*



# Infrastructure and Environment

## Implementation Considerations

### Key Partners:

- City of Redmond Planning, Development Services, Economic Development, Public Works and Transportation Departments
- Local transit providers and micromobility providers (e.g., Sound Transit, Lime)
- Puget Sound Energy (PSE)

### Timeline:

-  Short-term  
(0-3 years)
-  Mid-term  
(3-5 years)
-  Long-term  
(5+ years)

### Level of Effort:

- Low
- Medium
- High

### Actions:

-  Maintain an active partnership with Puget Sound Energy to monitor the energy needs of SE-MIC anchors and ensure the local grid provides the high-capacity, reliable power required for advanced manufacturing. *(Low)*
-  Evaluate the feasibility of using TIF to help fund specific, high-cost public energy improvements—such as smart-grid upgrades or substation enhancements—that support district-wide growth and sustainability. *(Medium)*

### Strategy C: Optimize district infrastructure in the SE-MIC to support high-intensity manufacturing and freight activity.

*Rationale: High-intensity manufacturing in the SE-MIC depends on efficient, reliable, and well-coordinated transportation and logistics systems. As industrial activity intensifies, freight movement, truck access, and loading operations place increasing demands on local streets and infrastructure. Without targeted planning, these activities can create conflicts with less intensive uses such as artisanal/small-scale manufacturing and nearby residential neighborhoods, reduce operational efficiency, and undermine the district's competitiveness. Proactively aligning transportation and freight infrastructure with industrial needs will help sustain productivity, minimize community impacts, and reinforce the SE-MIC's role as a regional employment and production center.*

### Actions:

-  Update the Transportation Master Plan Freight Network to prioritize truck circulation, loading access, and freight mobility within the SE-MIC, ensuring these routes do not conflict with abutting residential areas. *(Medium)*
-  Improve wayfinding, curb management, and loading zone design to reduce congestion and unsafe truck movements. *(High)*
-  Coordinate and promote infrastructure upgrades (power, broadband, water) with major employers and logistics operators to ensure facilities meet evolving operational needs. *(Medium)*



# Funding Mechanisms

## Implementation Considerations

### Key Partners:

- City of Redmond Planning, Development Services, Economic Development, Public Works and Transportation Departments

### Timeline:

-  Short-term (0-3 years)
-  Mid-term (3-5 years)
-  Long-term (5+ years)

### Level of Effort:

- Low
- Medium
- High

Business recruitment and retention strategies explore innovative fiscal tools, such as TIF districts and public-private partnerships, to leverage private development and fund essential improvements.

**Strategy A: Explore the feasibility of establishing a 'Limited-Term Increment Area' within the SE-MIC to front-load the costs of transformative public improvements.**

*Rationale: Unlike traditional TIF used for revitalization, Redmond's application would be strategic and focus exclusively on district-scale energy, transit, and environmental infrastructure that unlocks higher-density employment and ensures the SE-MIC's regional and global competitiveness in space, clean tech, and technology sectors.*

### Actions:

-  Conduct a study to determine whether TIF would be a viable revenue tool for the SE-MIC. *(Medium)*

**Strategy B: Leverage public-private partnerships to expand access to affordable, flexible industrial space and catalyze long-term investment in the SE-MIC.**

*Rationale: Strategic partnerships between the City, private developers, property owners, and institutional stakeholders can help reduce development risk, stabilize operating costs, and align private investment with public objectives in the SE-MIC.*

### Actions:

-  Develop standardized public-private partnership frameworks for SE-MIC projects that establish affordability targets, community-benefit requirements, and performance benchmarks. *(Medium)*
-  Coordinate public-private investments with district-scale infrastructure improvements, including freight access, energy systems, and broadband, to enhance project feasibility. *(Low)*
-  Pilot shared production, light-manufacturing, and incubator spaces that combine public support with private-sector management and programming. *(High)*
-  Evaluate opportunities for the City to acquire, master lease, or partner on industrial properties within the SE-MIC that can be offered at below-market or stabilized rents to small and local manufacturers and makers. *(High)*



## Funding Mechanisms

### Implementation Considerations

#### Key Partners:

- City of Redmond Planning, Development Services, Economic Development, Public Works and Transportation Departments

#### Timeline:

 Short-term  
(0-3 years)

 Mid-term  
(3-5 years)

 Long-term  
(5+ years)

#### Level of Effort:

- *Low*
- *Medium*
- *High*

**Strategy C:** Explore the feasibility of condo/ airspace floor area ownership within the SE-MIC to allow businesses long-term control of portions of industrial buildings, support multi-tenant flexibility, and ensure compliance with FAR and zoning requirements.

*Rationale: Allowing condo or airspace-style ownership of floor area could give businesses long-term control over their operational environments while enabling more flexible and efficient use of industrial land. This approach can attract high-value tenants seeking stability, customization, and the ability to invest in their facilities, while still complying with overall FAR limits and maintaining coordinated site planning.*

#### Actions:

-  Engage with developers, prospective tenants, and legal experts to understand market demand and operational implications. (*Medium*)
-  Identify potential legal, structural, and financial considerations for implementing condo/ airspace ownership in the SE-MIC. (*Medium*)
-  Evaluate examples from other industrial districts or mixed-use developments that have successfully used condo/ airspace FAR. (*Low*)
-  Consider modifications to zoning or design guidelines to facilitate condo/ airspace ownership while ensuring compliance with FAR and shared infrastructure requirements. (*High*)

# Appendices

Two appendices are included on the following pages:

- Appendix A: Existing Conditions and Market Drivers
- Appendix B: Business Opportunities and Site-Specific Analysis