

**Potential TDR Receiving Areas - For Discussion Purposes Only**

In each case described below, there would need to be demand for the type of development identified, and the developer’s potential economic gain from purchasing the development rights would need to exceed the cost by enough to motivate the transaction to occur. So while there is a cost to the developer, there would need to be an even greater economic benefit in order to create an incentive to purchase development rights. The market and economic analysis that will begin in the near future will help to determine whether and where there is adequate market demand, and whether there is adequate “willingness to pay” for some of the increased development opportunities identified below to make them viable for TDR transactions.

<b>Potential Receiving Area</b>	<b>Comments</b>
<b>City of Burlington – Commercial Core</b>	Burlington has agreed to consider requiring purchase of development rights in order to access certain increased development and redevelopment opportunities within its I-5/Retail Core area. Incentives might include additional height, reduced parking, or other new ideas that come out of the city’s planning process. The city already allows increased residential development opportunities in its downtown, business and commercial districts and some residential districts through purchase of Agricultural Heritage Density Credits, with revenues provided to the County’s Farmland Legacy Program for purchase of development rights from surrounding Ag-NRL.
<b>Bayview Ridge UGA – Residential</b>	The Bayview Ridge Subarea Plan allows for residential development at 4 units/acre in the Bayview Ridge Residential district, which may be increased to 6 units/acre with the purchase of density credits (similar to the Burlington density credit program). Skagit County has developed a draft planned unit development code and design standards for commercial, industrial and residential development within the Bayview Ridge urban growth area. Proposed code language contemplates the use of bonus development densities for affordable housing incentives; environmental [building] certification incentives; and, if adopted, a transfer of development rights incentive program to protect and conserve farmland. By meeting affordable housing, environmental [building] certification, and transfer of development rights incentive program requirements, a developer will be able to obtain an additional 2 dwelling units per acre for use in the Bayview Ridge Community Center (a mixed use zone) or the Residential zoning district.

<b>Rural upzones</b>	Several counties require purchase of TDRs when rural land is redesignated or “upzoned” to a higher density, including Pierce, Kittitas, and Snohomish. Generally, the requested upzone must be approved by the County on its own merits consistent with the Comprehensive Plan and Growth Management Act. If approved, the owner or developer must purchase development rights to access the increased development potential allowed by the upzone. The Skagit County Commissioners have expressed interest in exploring this concept in Skagit County.
<b>CaRD bonus density</b>	The purchase of development rights could be required in order to obtain bonus densities in certain rural development situations. Skagit County Code allows a density bonus on Rural Reserve (RRv) and RRc-NRL land when it is developed through the CaRD (Conservation and Reserve Development) process, which requires lots to be limited to one acre in size and clustered. Allowed density in RRv is 1 unit/10 acres with standard development, or 2 units/10 acres through CaRD. Density in RRc-NRL is 1 unit/40 acres with standard development, or 4 units/40 acres (or 1 unit/10 acres) through CaRD. During the 2005 Comprehensive Plan Update, some organizations and individuals urged the elimination of the CaRD density bonus, particularly on Rural Resource-NRL (RRc-NRL), which is a designated natural resource land. A less extreme measure would be to require the purchase of development rights to access density bonuses. On the other hand, some have argued that Rural Reserve land is probably some of the most suitable land to accommodate rural development because it is typically out of the floodplain and by definition not a natural resource land. Requiring development right purchases to access density bonuses in Rural Resource would make CaRD development there more expensive.
<b>Increase in Accessory Dwelling Unit (ADU) size</b>	King County allows expansion of an Accessory Dwelling Unit (ADU) from 1,000 sq ft to 1,500 sq ft with the purchase of development rights. Skagit County allows ADUs in all residential zones up to a maximum size of 900 sq ft. ADU size could be allowed to increase with the purchase of development rights.
<b>Rural area lot coverage</b>	As part of the 2005 Comprehensive Plan update, the Planning Commission (particularly member Carol Ehlers) raised concerns about the 35% maximum lot coverage allowed in the Rural Intermediate and Rural Reserve zones, particularly on larger lots. For instance, a 10 acre Rural Reserve lot could have lot coverage of 3.5 acres, or 152,460 sq ft – the size of the Burlington Costco. (Lot coverage is defined as the percentage of area of that lot that may have buildings on it). Lot coverage allowed “by right” could be reduced on larger lots, with development right purchases required to expand up to 35%.
<b>UGA expansions</b>	Several counties require purchase of development rights as part of UGA expansion requests and approvals. Examples include Snohomish and Pierce counties. (Kirk will research details prior to February 14 Advisory Committee meeting). This would need to be negotiated with the cities.

<b>Municipalities other than Burlington</b>	Skagit County has no interest or ability to require cities and towns to participate in a TDR program. The county is interested in having discussions with interested cities about possible opportunities, obstacles, or incentives for participation in TDR, now or in the future.
<b>Anacortes</b>	Brief discussions held with planning and economic development director Ryan Larsen and two city council members, one or both of whom may attend the February 14 discussion on potential receiving areas. No specific commitment to participate in a TDR program at this point.
<b>LaConner</b>	Town administrator/planning director John Doyle is a member of the TDR advisory committee, due to interest in the topic. Town is implementing smaller lot and mixed use development in town limits. No specific commitment to participate in a TDR program at this point.
<b>Mount Vernon</b>	Planning and economic development director Jana Hanson is a member of the TDR advisory committee. City has TDR program that has facilitated transfers from ag land within UGA to city residential neighborhoods. Down housing market and changes to TDR program due to concerns over resulting higher density residential development have dried up transactions in recent years. City is very interested in encouraging downtown redevelopment and commercial development/redevelopment, is concerned that TDR participation at this time would create an economic disincentive for the desired development.
<b>Sedro-Woolley</b>	City's planning resources are very limited at this time. No discussions held with Sedro-Woolley to date.
<b>Industrial Land (no jurisdiction specified)</b>	Industrial Land is rarely used as a TDR receiving area as price is often a major factor in a company's selection of industrial development locations. However, Warwick Township, Lancaster County, Pennsylvania, established a TDR receiving area in the Campus Industrial Zone, a 163-acre site within the township. "The program's baseline is 10 percent lot coverage – in other words, no TDRs are required to cover up to 10 percent of a lot in this zone. To exceed that baseline, developers must buy one TDR for each four thousand additional square feet of lot coverage above baseline, up to a maximum coverage of 70 percent." (Source: <i>The TDR Handbook</i> ) The Warwick program has preserved 20 farms with a total of 1,318 acres, with some of the development rights purchased with public dollars and others through market transactions. The book does not indicate what contribution industrial development within the Campus Industrial Zone has made to those purchases. Kirk will try to find out by February 14.