Open Space Conservation Tools and TDR

Growth Management Policy Board
April 1, 2021



Puget Sound Regional Council

Open Space Conservation and TDR

Discussion Overview

- Open space, VISION 2050, and developing a conservation toolkit
- Transfer of development rights (TDR) – how it works
- Regional TDR successes and opportunities
- Discussion

VISION 2050 - RGS-Action-4



Explore conservation programs to reduce development pressure in rural and resource areas

- Establish regional structure for transfer and purchase of development rights
- Develop toolkit of open space conservation strategies
- Facilitate city and urban development

Conservation Toolkit

Build on the Regional Open Space Conservation Plan, examples of tools include:

- Conservation Futures
- Ecosystems Services Markets
- Transfer of Development Rights
- Dozens of others



PSRC Open Space Conservation Work Program

- Develop conservation toolkit
  - Engage GMPB, counties, cities, and other stakeholders
  - Draft for review (fall 2021)
  - Final (early 2022)
- Provide and connect to technical assistance (ongoing)



TRANSFER OF DEVELOPMENT RIGHTS PROGRAM

KING COUNTY, WA

King County

Michael Murphy
TDR Program Manager
King County Water and Land Resources Division
Department of Natural Resources and Parks
January 2021

TDR Program Goals

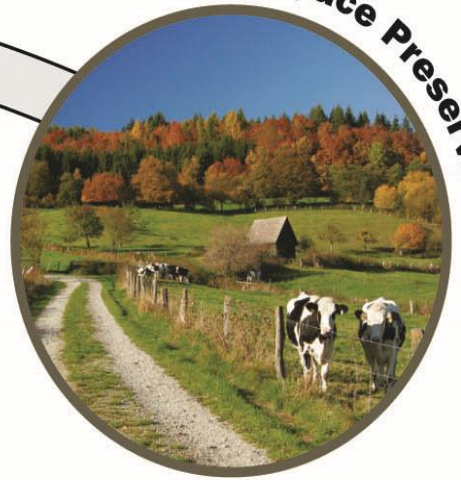
- Permanently protect open space in Rural and Resource zones
- Direct development and growth away from Rural and Resource lands and into Urban Areas
- Program is voluntary, incentive-based and market-driven



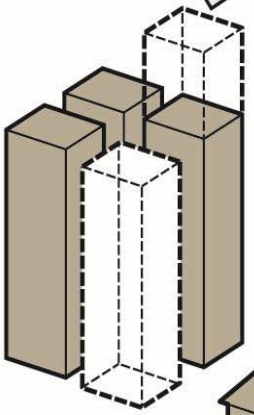
How TDR Works

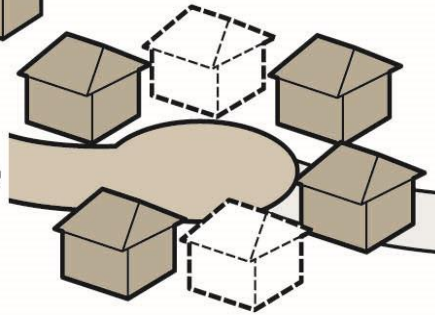
Development Rights

Open Space Preservation



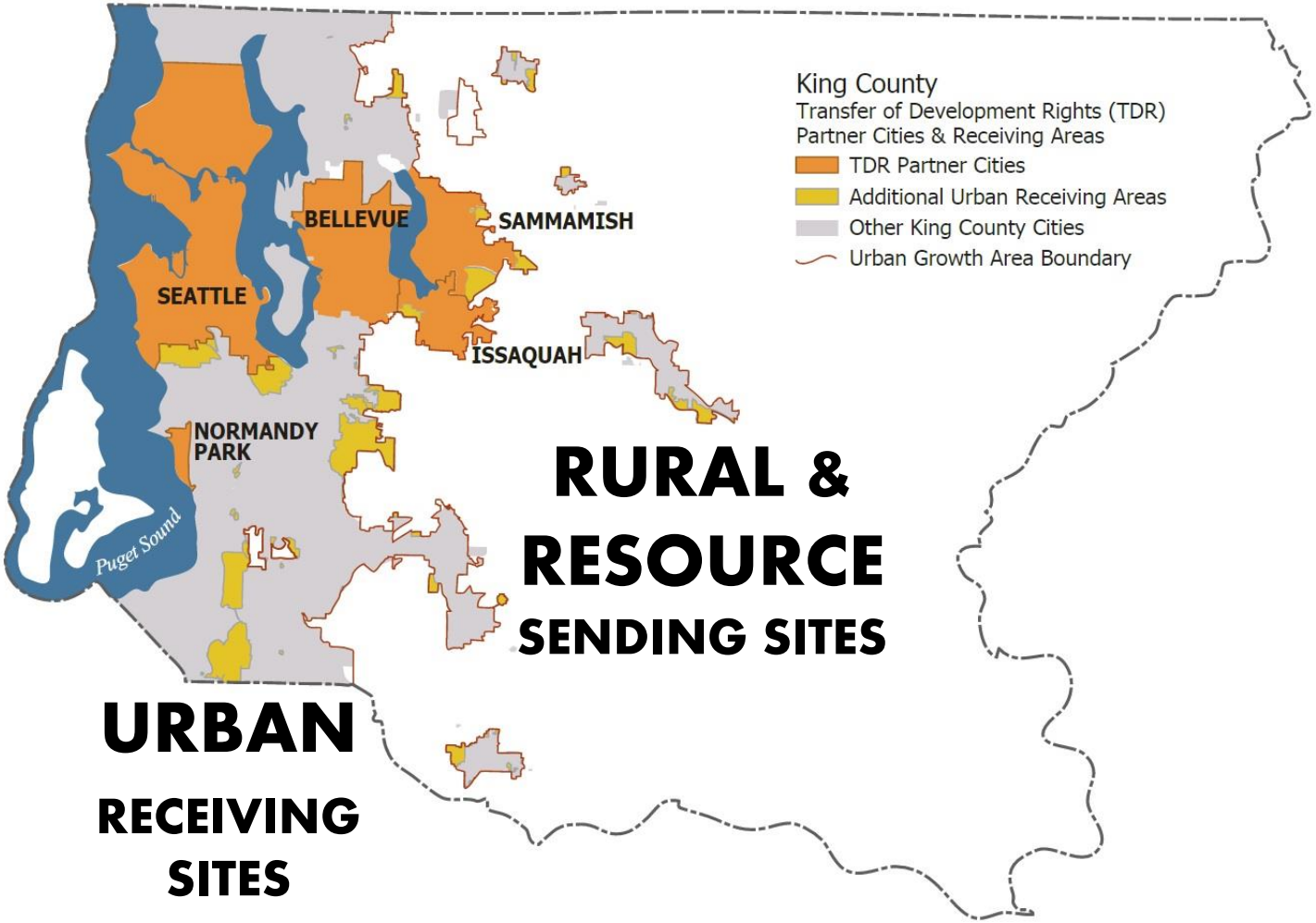
$ for conservation





Increase square footage, height or number of units

TDR AREAS IN KING COUNTY





KING COUNTY TDR BANK

- Purchases development rights based on easement value

  "Before value" with all rights intact

  –

  "After value" with easement encumbrances in place

  = Value of easement = $ offered to landowner

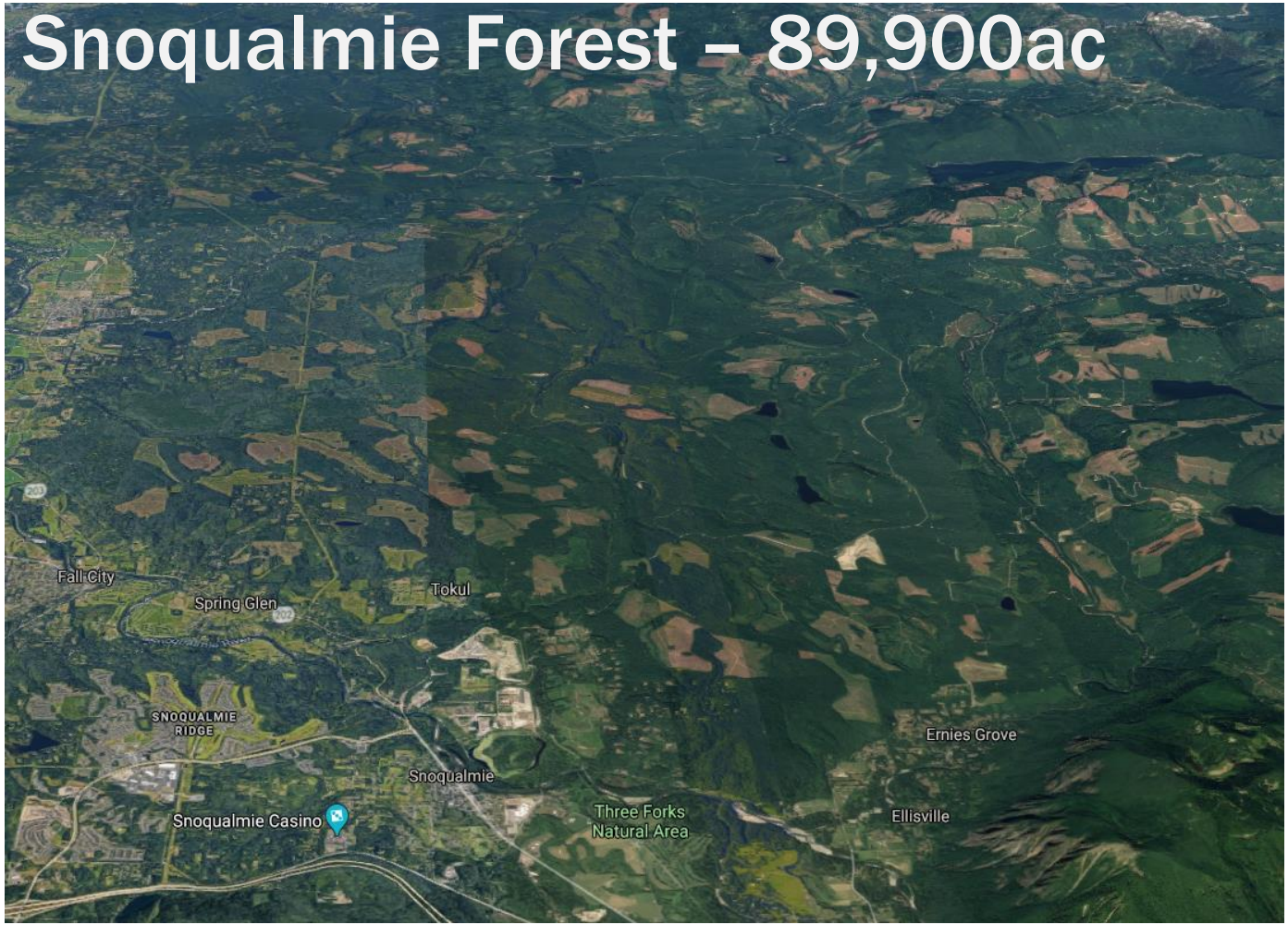
- Facilitates markets in cities (KC and Cities adopt ILAs)
- KC sells development rights to developers in cities
- KC uses proceeds to buy more development rights



TDR Bank is a Revolving Fund for Conservation

- TDR Bank $, Conservation Futures $, and other grants fund open space acquisitions
- Protection of property creates TDRs
- Revenue from sale of TDRs are reinvested in future open space protection, which creates more TDRs…

Snoqualmie Forest – 89,900ac



BANK Ex

2004:
KC purchased conservation easement for $22 million, creating 990 TDRs

2013-2020:
KC sold 861 TDRs to Seattle developers for $19.3 million.

2021-2022:
Pending contracts to sell remaining 129 TDRs for ~$3 million.

Land is protected forever.



PRIVATE TDR PROGRAM

- Landowner voluntarily grants a conservation easement to King County (No $ is paid for the easement)
- King County “certifies” resulting TDRs in landowner’s name
- King County facilitates transactions and helps match buyers and sellers.
- Private enrollments typically involve smaller single-family lots

Private TDR site near North Bend



In 2010:

- Landowner donated easement over seven parcels conserving 97 acres across the road from the Snoqualmie River.
- Landowner continues to own and steward the land.
- Six of the seven parcels will remain forested forever.
- Landowner can sell TDRs to developers at negotiated price.

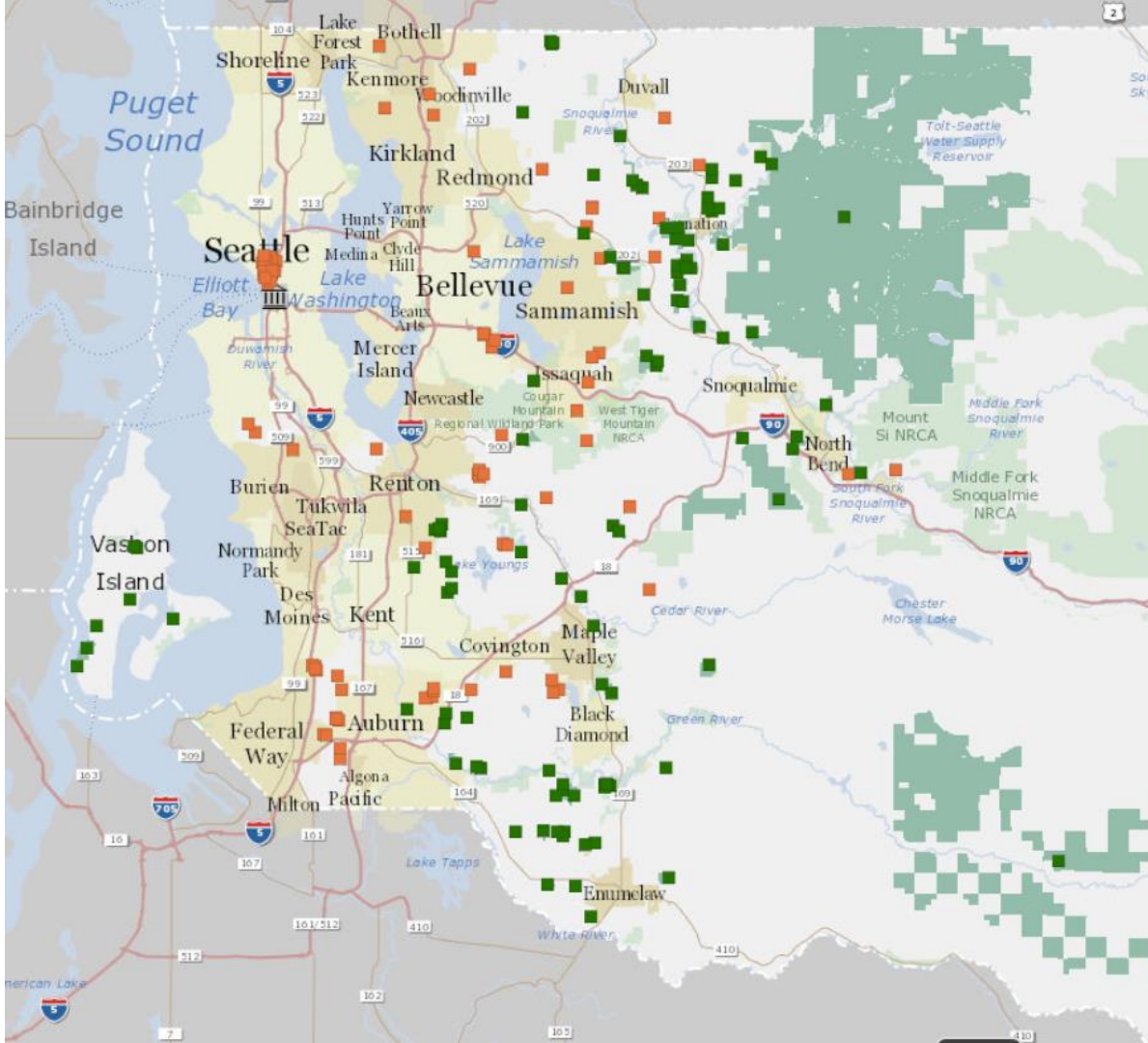
TDR Sites in King County

- 116 Sending Sites
  - 80 Bank sites (69%)
  - 36 Private sites (31%)

- Permanent protection of 144,900 acres
  - 98,400ac Bank (68%)
  - 46,500ac Private (32%)

- 112 Receiving Sites
  - 38 Bank sites (34% of sites)
  - 1300+ Bank TDRs (65% of TDRs)
  - 64 Private sites (66% of sites)
  - 700+ TDRs*(35% of TDRs)

*TDRs used at private receiving sites may be "Rural" or "Urban."
Simply: 1 Rural TDR = 2 Urban TDRs.



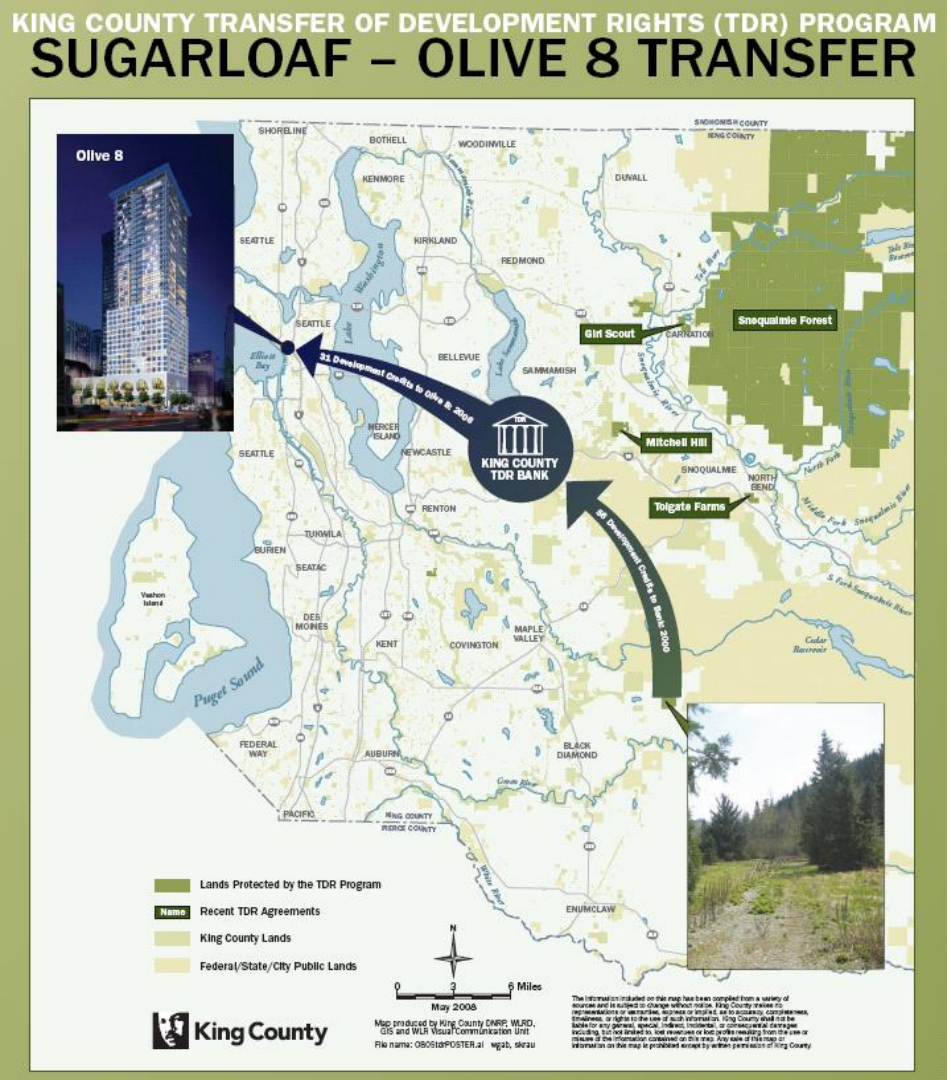
Must-haves for a TDR program to work

SUPPLY. Unprotected open space and political will for permanent conservation.

DEMAND. Zoning codes in "receiving areas" that enable (or require) developers to purchase TDRs to achieve higher density.

RIGHT ECONOMICS. Prices paid to rural landowners and paid by developers must be right to incentivize participation.

SIMPLICITY. The process must be simple enough to use.



City-county partnerships are essential for regional TDR to work.

- Cities can create demand for county TDRs.
- Counties can provide “amenities” to cities to benefit receiving communities.



THANK YOU!

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Regional TDR

History, Success, and Opportunity

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TDR PROGRAMS IN PSRC REGION

Cities (14):

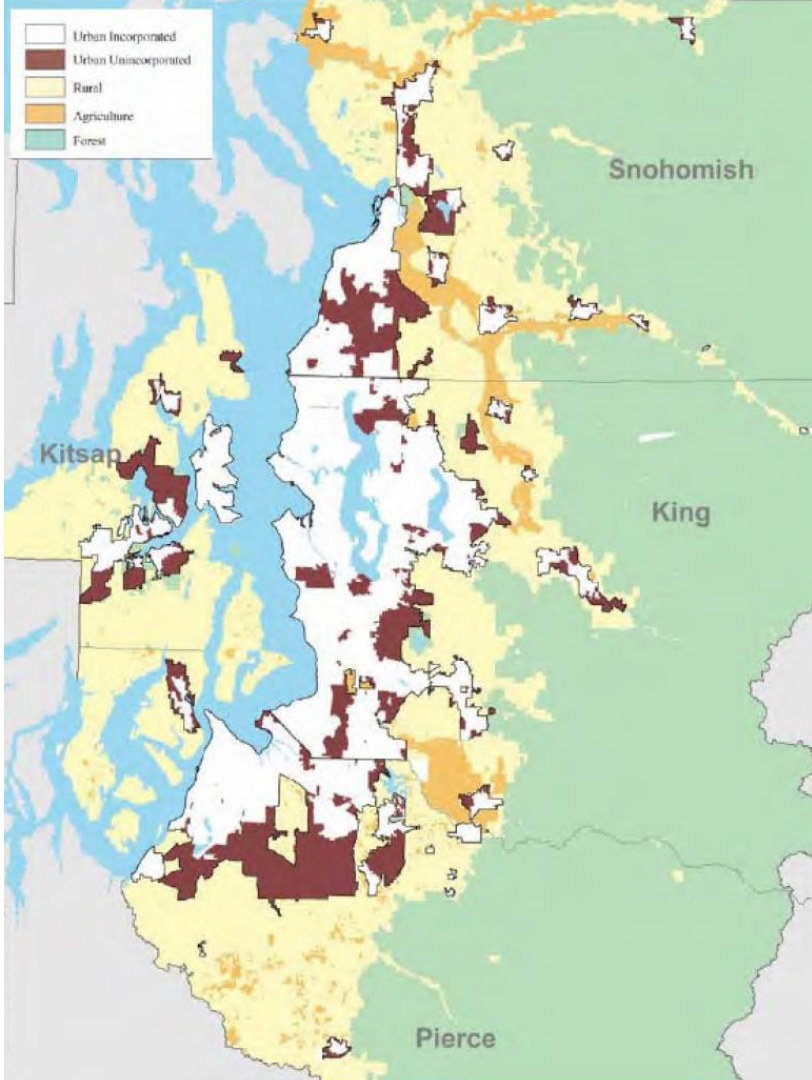
- **Tacoma**
- **Sammamish**
- **Shoreline**
- **Issaquah**
- Bellevue
- **Black Diamond**
- Normandy Park
- North Bend (in-city)
- Redmond (in-city)
- **Everett**
- **Snohomish**
- **Mountlake Terrace**
- **Arlington**
- **Bainbridge Island**

Counties:

- **Pierce**
- King
- **Snohomish**
- **Kitsap**

Regional:

- **TDR marketplace**
- **LCLIP**



WHAT'S WORKING

Program framework is in place across three scales:

- All four counties have programs
- City participation
- Regional marketplace

Marketplace support

- Facilitation (public & private)
- Policy support

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WHAT'S WORKING

Snohomish County
- Expanded scale
- Multiple acquisitions and sales
- Innovative program

Pierce County
- Functioning bank
- ILA and transactions in Tacoma
- Puyallup pursuing a program

Kitsap County
- Newest program
- Bainbridge Island pursuing program updates
- Silverdale UGA expansion

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THE DAILY Herald

supporters
Muhlstein, A3

WEDNESDAY, 05.30.2018 • EVERETT, WASHINGTON • WWW.HERALDNET.COM • $1.00 (HIGHER IN OUTLYING AREAS)

Farmlands safe from sprawl

But conservationists say more can be done to promote the program

Arlington hay farmer Andrew Albert, like many farmers, leases a lot of the land he farms. He can't match the price developers are able to pay for rural lands.

By Lizz Giordano
Herald Writer

done to bolster the program that contains sprawl. Like many farmers, Albert

It also lets farmers tap into some of the value of the land without surrendering it to devel-

loss of area made in income, while protecting acres of rural farmland.

Kitsap Sun

NEWS

Change in zoning will allow old gravel mine near Silverdale to become housing



TUESDAY MAY 2 2017 $1.50

THE NEWS TRIBUNE
THE NEWSPAPER FOR THE SOUTH SOUND

COMMENTARY

Build an apartment building, save a farm — at same time

The historic Reise Farm, at the intersection of Military Road and the Orting Highway, will be kept as a farm because of the transfer of development rights to the new Stadium Apartments.

RAIN LIKELY
High, 50. Low, 42. > A18
seattletimes.com/weather

$2.00

The Seattle Times
WINNER OF 11 PULITZER PRIZES
INDEPENDENT AND LOCALLY OWNED FOR MORE THAN 124 YEARS

Re-envisioning Bel-Red

Originally published February 13, 2009 at 12:00 am | *Updated February 13, 2009 at 2:01 am*

Bellevue is on the verge of giving the go-ahead for the region's first big development designed from scratch around light-rail stations.

LANDSCAPE CONSERVATION & LOCAL INFRA-STRUCTURE PROGRAM (RCW 39.108)

What is it?

- Financial incentive for cities using TDR
- Accesses revenues for infrastructure
- Available to 35 cities in Snohomish, King, and Pierce Counties

Features

- Focuses on farms and forests
- Requires Cross-county TDR transfers

Outcomes

- Supports GMA and VISION2050
- Potential to conserve 650,000 acres



IMPROVING REGIONAL TDR

Counties:

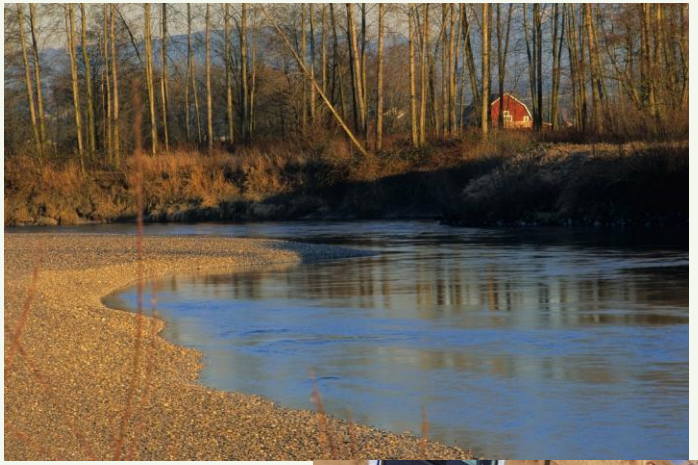
- Expand opportunities for use (policy)
- Encourage cities to adopt programs
- Mechanical refinements

Cities:

- Include TDR as part of rezones
- Evaluate opportunities using LCLIP

PSRC/State:

- Resources for program design & use
- Improve value proposition





TECHNICAL ASSISTANCE

Counties:

- Partner with cities, market support

PSRC/State:

- Forum for collaboration, informational resources

Forterra:

- Program design
- Community engagement
- Research and experience
- Achieving multiple priorities







Contact

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Conservation and TDR Resources

- PSRC Open Space webpage: www.psrc.org/open-space
- Commerce TDR webpage: www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/development-rights/
- TDR program staff in each county
- Forterra: forterra.org/subpage/transfer-of-development-rights

Discussion Questions

- What open space conservation strategies should the toolkit focus on? Are there strategies that have worked well for your jurisdiction?
- What barriers are preventing participation a TDR program? Or implementation of an established program?
- Where can PSRC improve support for open space conservation and TDR? Where is a regional role appropriate?



Thank you

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Puget Sound Regional Council