



Transfer of Development Rights

Workshop and Discussion

Roadmap

What is a Transfer of Development Rights (TDR) Program?

What are some examples of how to structure TDRs?

What are best practices for TDRs?

What are current conditions in Edmond?

So what?

What is a TDR program?

Summary

A Transfer of Development Rights, or TDR, program, is a method by which cities, counties, or states can encourage development in certain places while preserving land and natural resources elsewhere.

TDRs allow landowners in environmentally sensitive or naturally desirable areas experiencing development pressure to sell their development rights to others with land primed for growth.

This means that environmental resources and assets can be protected via market mechanisms rather than restrictive policies, and those same mechanisms can promote overall growth within a city rather than stifling it.

Benefits

Benefits to developers include their ability to achieve additional density in multiple ways through the purchase of rural development rights.

Rural landowners benefit from profits of the sale, and may have reduced property taxes after the transfer.

The City, and its residents, can avoid preservation costs associated with direct purchase and management of rural land.

By encouraging density at the appropriate locations, the City and its residents also reduce the costs of connecting and maintaining infrastructure far from the urban core.

How are TDRs structured?



How are TDRs structured?

Case Study: King County, Washington

- Protected over 145,000 acres of rural land from 1998 to 2022
- Purchased TDRs enable developers to build additional houses, floor area, or larger ADUs that exceed the density allowed by zoning
- Program requires enrollment efforts on the part of both buyers and sellers, who utilize a formal TDR Exchange to list their TDRs for sale and seek available TDRs to purchase
- Eligible Sending Sites must be within one of several low-density, rural zoning districts, and provide a public benefit such as critical wildlife habitat or trail connections



Examples of sprawl and encroachment on natural assets by development pressure



How are TDRs structured?

Case Study: Montgomery County, Maryland

- Property owners grant a perpetual easement to the County severing development rights from the associated property
- Early in the program, the County maintained a Fund to provide a safety net to rural landowners with a desire to sell, and to assure that demand for TDRs existed until plans and zones were adopted designating sufficient receiving areas
- Receiving Sites are established through a TDR “overlay zone”- a zoning district that modifies the development standards of any underlying zones
- The County maintains certain TDRs, but exercises policies to prevent competition with private landowners seeking to sell their TDRs



Examples of areas better primed for development and welcoming of development pressure



What are best practices for TDRs?

- Review and update base zoning and development codes for maximum ease and clarity in handling development involving TDRs
- Allow TDR participation judiciously – whether through Zoning overlays or eligibility requirements, not everywhere should be a Sending or Receiving Site
- Ensure language governing TDR sales is fully elective to avoid claims of Takings
- Ensure administrative capacity to handle TDR sales and record keeping, and the acquisition or maintenance of any TDRs by the city
- Maintain a dialogue with residents near Receiving Sites to promote public support for densification



Current conditions in Edmond

Desires to create a pedestrian-friendly, multimodal Downtown and encourage infill development, in tandem with major anticipated growth in naturally beautiful areas around Lake Arcadia, yield likely candidates for Sending and Receiving Sites in a TDR Program.

One pitfall may be a lack of precedent for an intra-municipal TDR program, as most involve counties or states in addition to municipalities.

Action 2.1: Update the zoning, subdivision, and drainage ordinances to accommodate the preferred scenario development pattern.

The zoning and subdivision ordinances, and to a slightly lesser extent the drainage ordinance, regulate how and where development occurs throughout the city. The East Edmond 2050 planning process and the resulting preferred scenario contain several new “place types” and a vision that many parts of Edmond remain natural open spaces. This result is very difficult to create using the current development codes. A comprehensive update to these regulations must at a minimum include or incorporate the following tools:

- more refined design standards,
- a form-based or hybrid approach,
- a unified development code,
- a transfer of development rights (TDR) program, and,
- a system for assigning density bonuses.

Action 2.2: Establish criteria for density bonuses.

Density bonuses accommodate increases in the maximum allowable density in specific locations so long as the proposed development includes features, characteristics, and other components that directly benefit and support the community.

East Edmond 2050's TDR goals

Action 2.3: Incorporate the use of transfer of development rights (TDR).

TDR is a process in which designated “sending areas” are kept mostly undeveloped while other designated “receiving areas” can be developed more intensely, often for infill or redevelopment projects.

So what?

What base zones need to be prepared for possible TDR inclusion?



Would it be preferable to execute this program through overlay zones? Permitted uses within base zones? A programmatic, eligibility-driven approach?



What groups need to be engaged to make this work? Who needs to be brought into the fold for Receiving Sites, and how can Edmond promote the value of this program to property owners in Sending Sites?



What districts, neighborhoods, and defined regions of Edmond should be eligible for a TDR program?



Does Edmond want to purchase and maintain a quantity of TDRs itself, or leave them all to the market?





Mapping Exercise

*Transfer of Development
Rights*