

King County

Transfer of Development Rights



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Presentation Outline

- 1. KC TDR Program – how it works**
- 2. TDR market activity & program accomplishments**
- 3. City – County TDR Partnerships**

TDR: What is it and how does it work ?

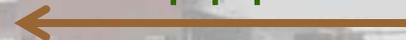
Sending site



Development rights



\$\$\$



Receiving site



 = existing zoning

 = transferred dwelling units

King County TDR Program Goal

- To direct development growth away from Rural and Resource lands and into Urban Areas
- Program is *voluntary*, incentive-based and market-driven

Program is zoning-based

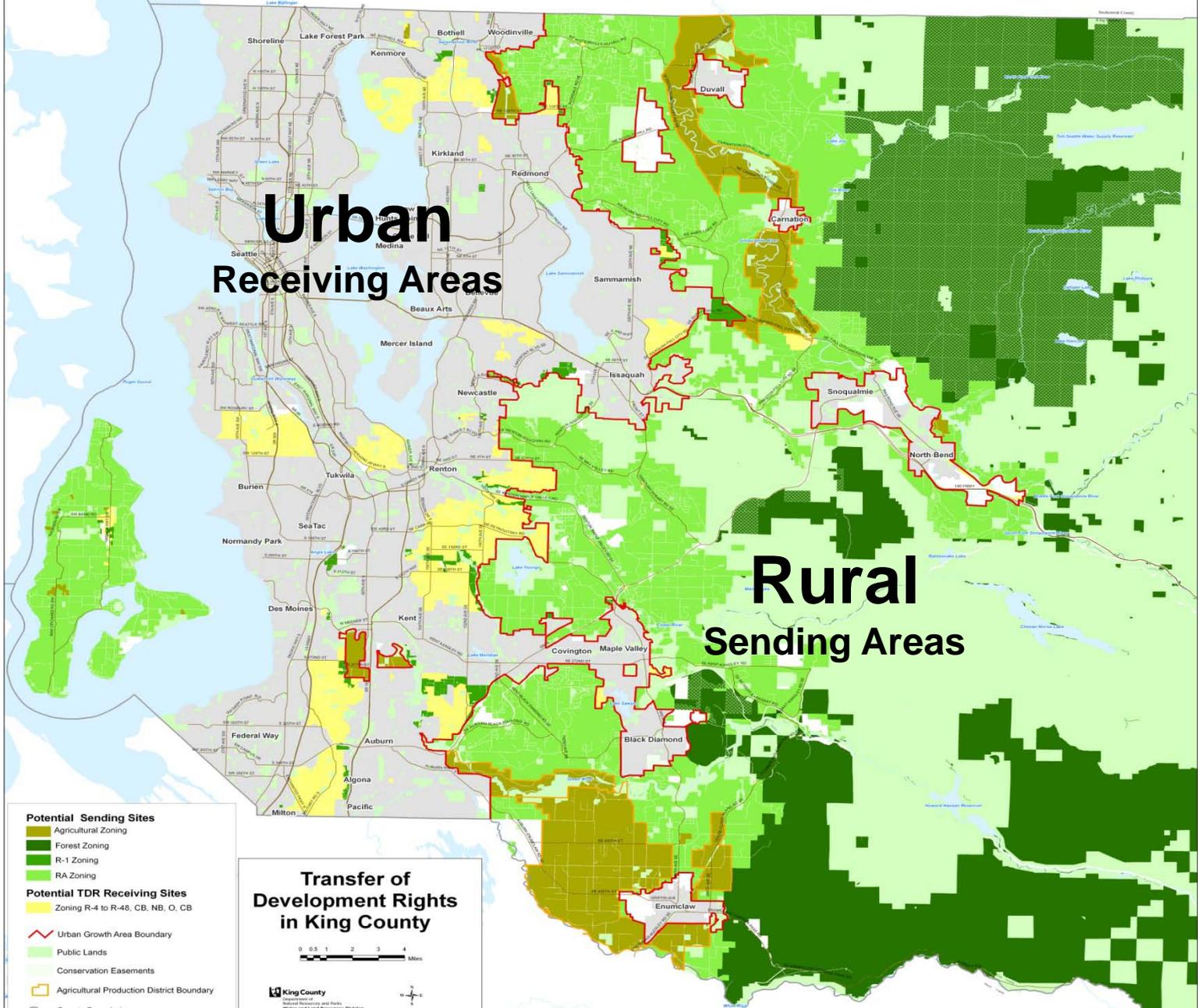
Sending Sites:

- “RA” (Rural Area)
- “A” (Agriculture)
- “F” (Forest)
- “R-1” (Urban Separator)

Receiving Sites:

- Urban Growth Area (UGA)
- Unincorporated Urban
“R - 4” – “R - 48”
- Cities

TDR Sending & Receiving Areas



**Urban
Receiving Areas**

**Rural
Sending Areas**

- Potential Sending Sites**
- Agricultural Zoning
 - Forest Zoning
 - R-1 Zoning
 - RA Zoning
- Potential TDR Receiving Sites**
- Zoning R-4 to R-48, CB, NB, O, CB
- Urban Growth Area Boundary
- Public Lands
- Conservation Easements
- Agricultural Production District Boundary
- County Boundaries

**Transfer of
Development Rights
in King County**



King County's TDR Market

Supply-Side Incentives:

- Landowners allocated TDR credits based on zoning.
 - 1 TDR / 5 acres (RA and A zones)
 - 1 TDR / 80 acres in F zone
- Program allows landowners to retain some future development rights



King County's TDR Market

Demand-Side Incentives:

- 1 TDR = **2** additional units above base density on a receiving site; or as negotiated with partner cities
- “By Right” density allowance
- Developers can exceed base density by 50% with TDR purchases
 - e.g. 6 units per acre can go to 9



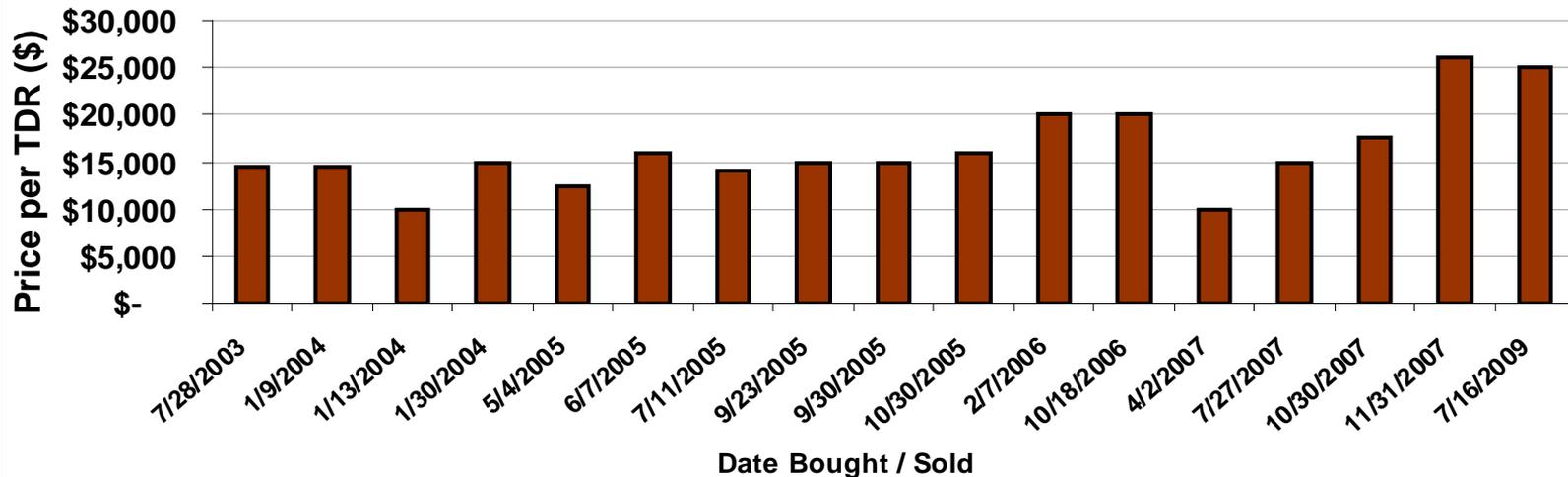
TDR Price

Private Rural TDR Credit Purchase prices

1 rural TDR = 2 additional urban units

Current market Price = \$26,000

(\$4.9 million market and growing...)



TDR *Private* Market Activity

- **10 transactions per year** *(av. last 5 years)*
 - Av. of 108 TDRs bought/sold each year
 - Av of 3 TDR credits bought/sold per transaction
 - TDR is – for the most part – attracting small density increases in smaller projects (i.e. short plats and plats)
- **1,090 TDRs issued to private Sending Site landowners to sell**
- **330 TDRs used for housing on Receiving Sites:**
 - 204 credits used in 26 County receiving sites
 - 126 credits used in 5 City receiving sites

TDR Program Accomplishments

- **141,400 Acres Preserved** *via Private & Public (TDR Bank) transactions*
 - **47,500 acres preserved** via the Private TDR Market
- **\$6.75 Million** traded in the Private Market
- **475 Total TDRs** bought / sold in the Private Market

King County's Role in the TDR Market

Facilitator & Broker

- **Oversee all private transactions**
- **Track all TDR sale prices**
- **Clearing House of information**
- **“Market-Maker” – bringing buyers and sellers together**



- **Buy TDRs**
- **Hold TDRs**
- **Sell TDRs**
- **Stabilize the Market**
- **City - County partnerships**
- **Public / Private Partnerships**

City – County TDR Partnerships

GOAL: Partner with cities to relocate development away from Rural / Resource lands and into Urban areas

Why should this be of Interest to Cities?

City – County TDR Partnerships

1. Preserve Rural lands *important to a city*
2. “Link” economic redevelopment in a city to land preservation
3. Financially assist cities with “Amenity Funding” when in-city development projects use rural TDRs for increased density

City – County TDR Partnerships

- 1. City of Seattle (2001)**
- 2. City of Issaquah (2000 & 2007)**
- 3. City of Bellevue (2009)**
- 4. Future potential partner cities ...**

Sammamish

Maple Valley

Black Diamond

Normandy Park

Redmond

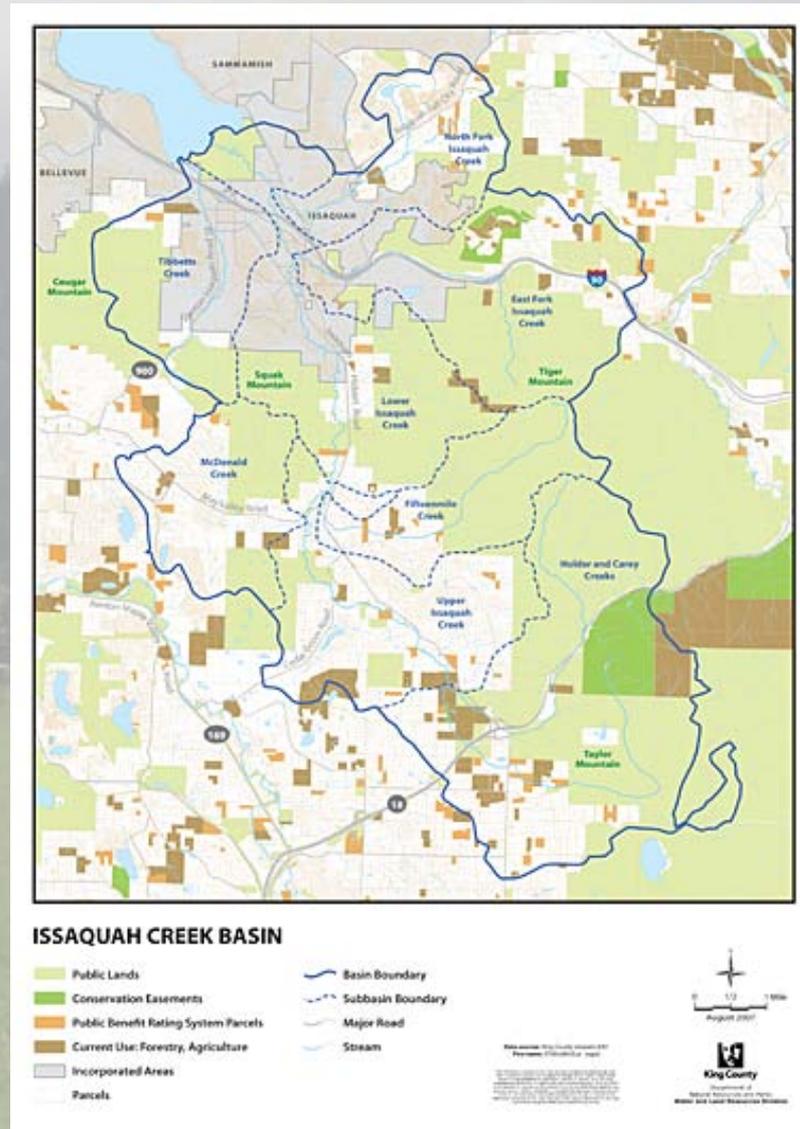
Tacoma

Issaquah – King County TDR Agreement (2000)

- Issaquah Highlands
- Developer: Port Blakely Communities
- 63 TDRs Purchased (2001)
 - 1 TDR = 8,000 sf Office for...
 - Microsoft Office Campus
- TDRs from the 313 acre Hooker Children's Trust property



Issaquah – King County TDR Agreement (2007)



Seattle – King County

Denny Triangle TDR Interlocal Agreement

- Denny Triangle designated as a receiving site for Rural TDRs (*from the Cedar River watershed - City's water supply*)
- County paid City \$500,000 for “Green Streets”
- City allowed a 30% increase in height via TDR for residential and non-residential uses
 - Each TDR = 2,000 sf of additional commercial office / residential space

Olive 8



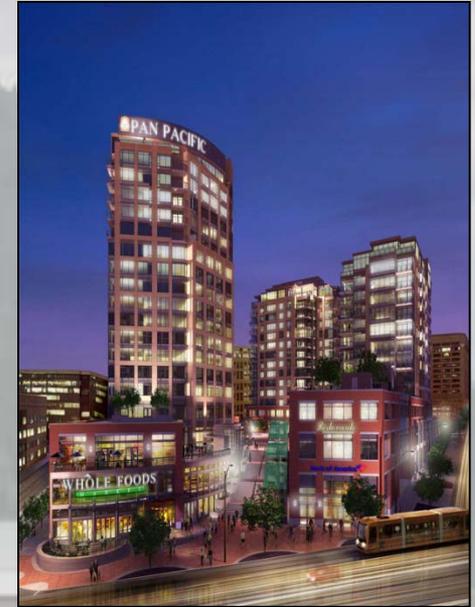
- Hotel / Condo - LEED certified
 - 39 floors
 - 346 room Hyatt (17 floors)
 - 230 Condos (top 22 floors)
 - Cost: \$162 million
- 31 TDRs Purchased (2006)
 - 62,000 added sf
 - \$30,000 / TDR (i.e. \$15 / sf)

Aspira



- 37 Story Apartment Building
 - 326 units
 - mix of market rate & affordable units
- 18 TDRs Purchased (2007)
 - 32,000 added sf
 - \$22,000 / TDR

Westlake



- 550,000 sf Mixed Use Project
 - 261 condos & Townhomes in two 11 story towers
 - 296,000 sf Office
 - Pan Pacific Hotel (160 rooms)
 - Whole Foods (47,000 sf)
 - 39,000 sf shops / restaurants
- 19 PRIVATE TDRs Purchased (2004 & 2005)
 - 38,000 added sf
 - \$15,000 / TDR

Denny Triangle TDR Agreement

- In total 68 TDRs were bought and transferred into the City from 3 separate properties
- 880 acres of rural farm and forest land protected along Cedar and Tolt Rivers via developer TDR purchases

Tolt River:

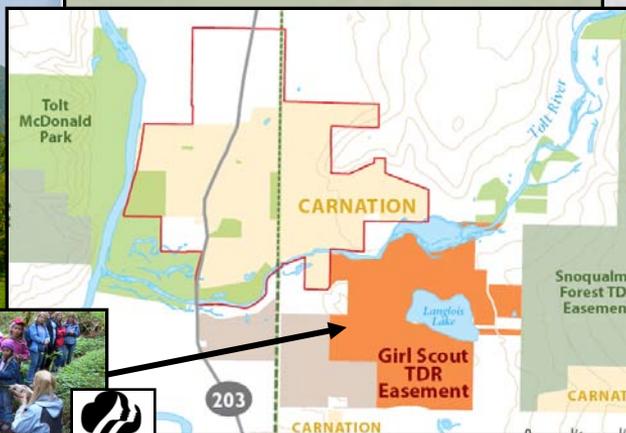
Cedar River:

2. Carnation Girl Scout

Camp – 438 acres

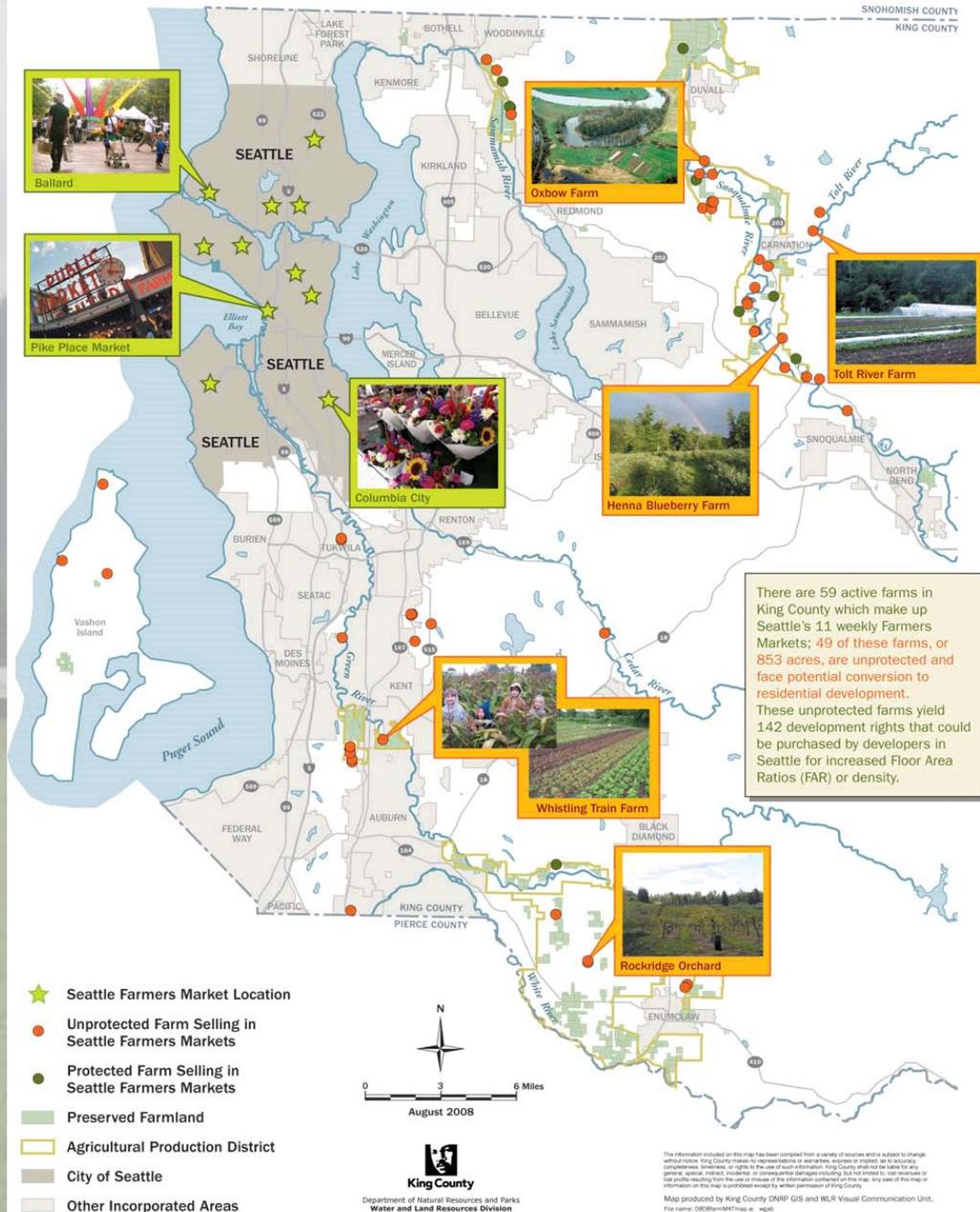
3. Sugarloaf Mountain – 284 acres

1. Tollgate Farm – 161 acres



SEATTLE'S FARMERS MARKETS

AN OPPORTUNITY FOR FARMLAND PROTECTION VIA TDR



There are 59 active farms in King County which make up Seattle's 11 weekly Farmers Markets; 49 of these farms, or 853 acres, are unprotected and face potential conversion to residential development. These unprotected farms yield 142 development rights that could be purchased by developers in Seattle for increased Floor Area Ratios (FAR) or density.

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Bellevue – King County

Bel-Red TDR Interlocal Agreement

- **Bel-Red Subarea designated as a receiving site for rural TDRs** (*900 acre industrial area re-zoned to mixed use transit-oriented development*)
- **County paid City \$750,000 to help the City purchase a property to develop an urban “pocket park” in the Bel-Red Subarea**
- **City agreed to allow rural TDRs to be a component of Bel-Red Incentive Zoning to increase development FAR**

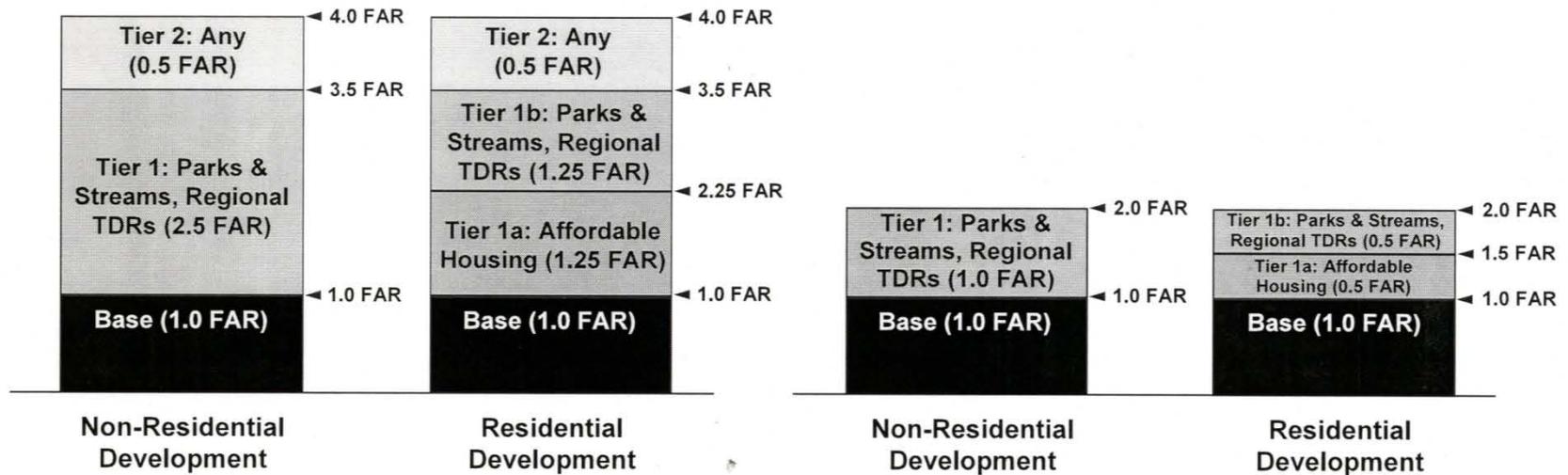
Bel-Red TDR Interlocal Agreement

Within Nodes

(MO-1, OR-1, OR-2,
RC-1, RC-2, RC-3)

Outside Nodes

(R and CR Zones Only)



Note: Tier 1 bonus(es) must be fulfilled prior to pursuing Tier 2 bonus. Where applicable, Tier 1a bonus must be fulfilled prior to pursuing Tier 1b bonus.

Future County – City TDR Agreements

- 1. County offers *up-front* amenity \$ to cities**
- 2. Cities agree to accept a certain # of rural TDRs in exchange for increased development capacity**
- 3. Cities work with County to identify which rural properties they have a compelling interest to see protected**
- 4. City-County revenue-share opportunity from sale of TDR credits – brings a city to additional amenity funds for in-city infrastructure.**

King County

Transfer of Development Rights



Distribution of TDRs Used on Receiving Sites in Urban King County (329 Total TDRs Used)

