

Presentation for:

New Partners for Smart Growth Conference

January 2010



Regional Growth and Conservation Transfer of Development Rights

Darren Greve
King County, WA

Ivan Miller
Puget Sound Regional Council

Skip Swenson
Cascade Land Conservancy

Agenda

- Context: A relevant introduction to the central Puget Sound region
- Why is regional conservation important in the central Puget Sound today?
- What is Transfer of Development Rights?
- TDR in the Central Puget Sound



Central Puget Sound

- King, Kitsap, Pierce & Snohomish counties
 - 82 cities
 - Ports
 - Tribes
 - State agencies
 - Transit agencies



The Big Picture

Farming, forestry and fishing have defined this region for over 100 years.



Strong Connections to the Land

Strong cultural and historical ties between community and land has created a binding respect for our landscapes



Habitat & Ecosystem Services



Importance for Economic Development

The screenshot shows the website for the Everett Area Chamber of Commerce. The main heading is "Business Relocation". Below it, there is a paragraph: "Companies seeking to expand or relocate are drawn to the Everett area for its beauty, as well as its technology communities, plentiful amenities, quality of life and reasonable real estate prices." To the right of this paragraph is a list of categories: "Export & Trade", "Education & Research", "Population", "Taxes", "Transportation", and "Utilities". Below the main text, there is a section titled "Just ask the Boeing Co." which states: "Everett is the proud home of the Boeing Co's 747, 767, 777 and 787 commercial jetliner programs. Boeing, its supplier companies and the technology centers that support them have made Everett an aerospace center of excellence." At the bottom, another paragraph reads: "The companies and work force that make up Snohomish County's aerospace community are a vital and valued part of the county's economic life. Parallel development of core technology communities - biotechnology, software development, telecommunications, computer design and..."

“Companies seeking to expand or relocate are drawn to the Everett area for its beauty, as well as its technology communities, plentiful amenities, quality of life and reasonable real estate prices.”

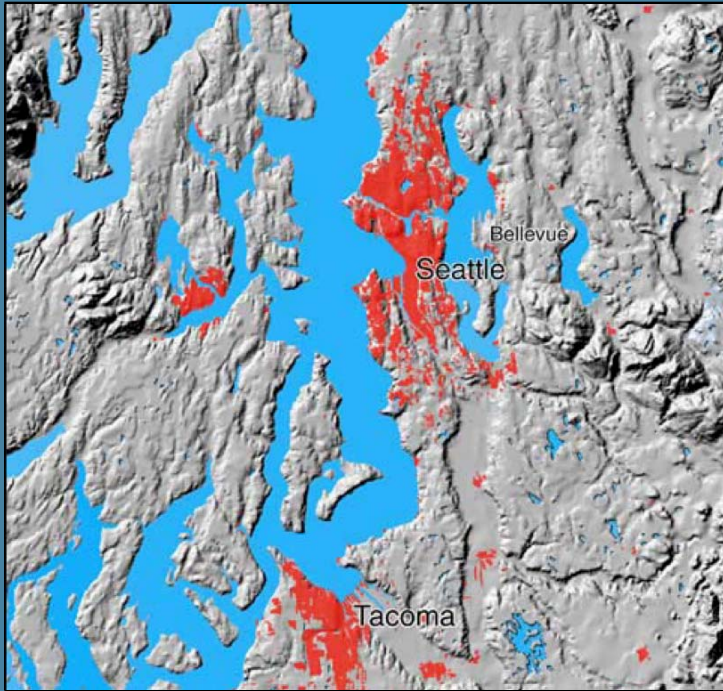
– *Everett Chamber of Commerce*

The screenshot shows the website for the Bellevue Chamber of Commerce. The main heading is "Welcome to the Bellevue Chamber". Below it, there is a "Mission Statement" section: "The Bellevue Chamber of Commerce fosters a healthy business environment by providing strategic leadership, advocacy, tools and resources for business success." To the right of this is a "Click For More Info" button. Below the mission statement is a "Young Execs" logo with the text "Building a strong foundation" and "Find out more about this Award Winning program that will help advance your career!". To the right of this is a "Bellevue, Washington" section with a photo of the city and the text: "Situated on 31 miles of rolling landscape between Lakes Washington and Sammamish, with the Cascade Mountain range to the east and the Olympics to the west, Bellevue is a picture postcard of heart-stopping vistas. Bellevue has earned its reputation as an ideal city, a microcosm of the best of the..."

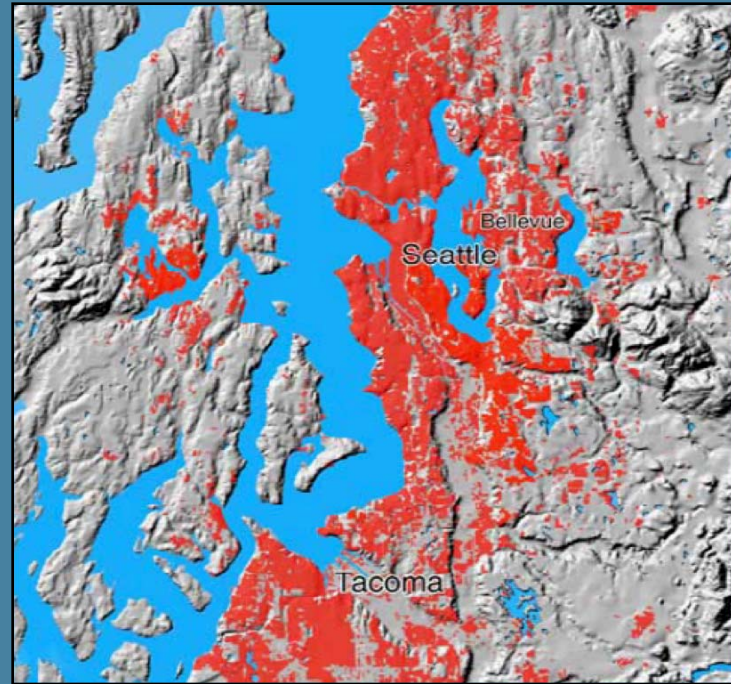
Bellevue is a “picture postcard of heart-stopping vistas.”

- *Bellevue Chamber of Commerce*

Growth Has Occurred



1950

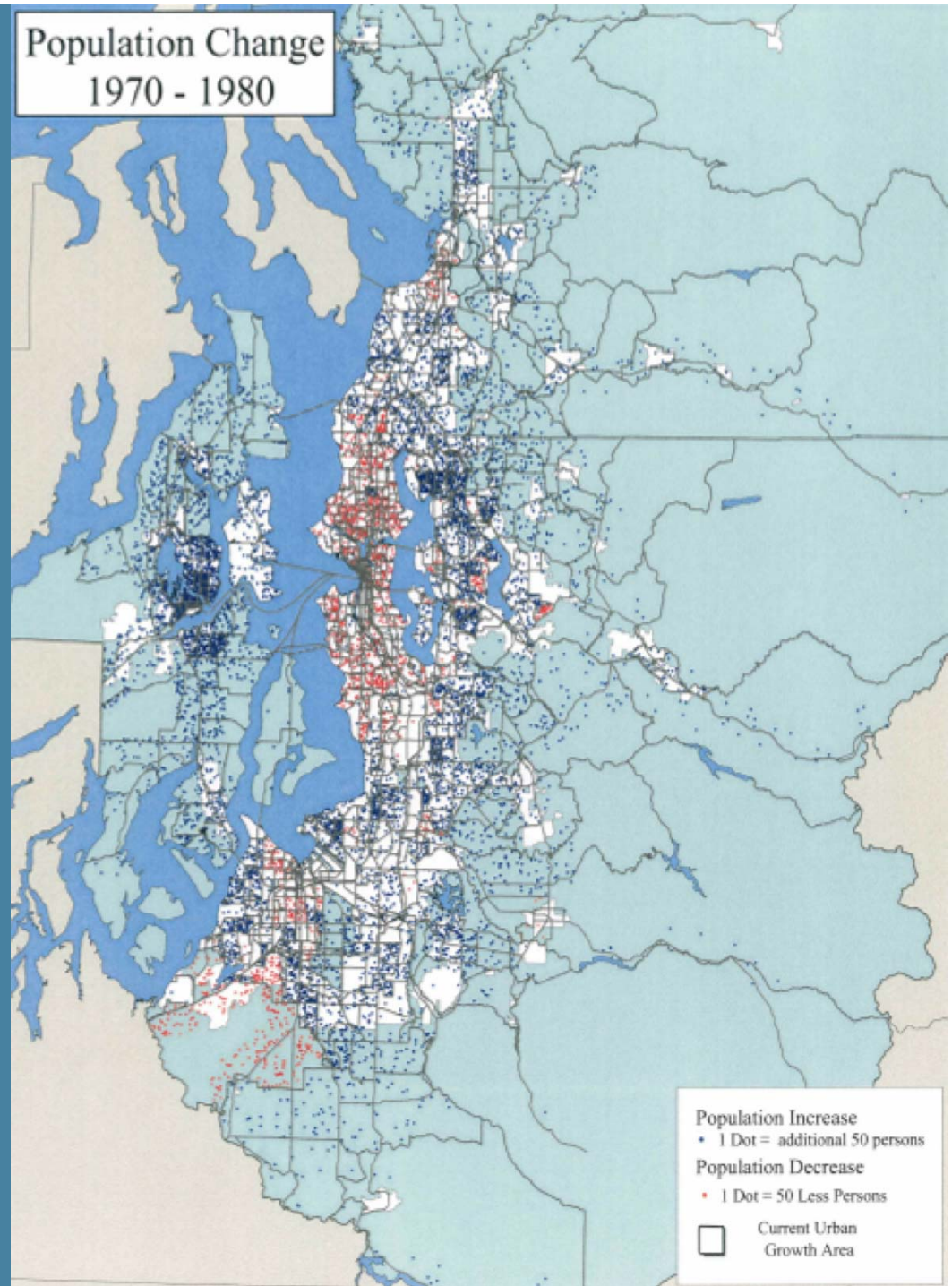


2000

Urban Growth

Urbanization spread in the 1970's and 80's

- Growth in new suburbs
- Central cities lose population



Growth Management Act (1990-1991)

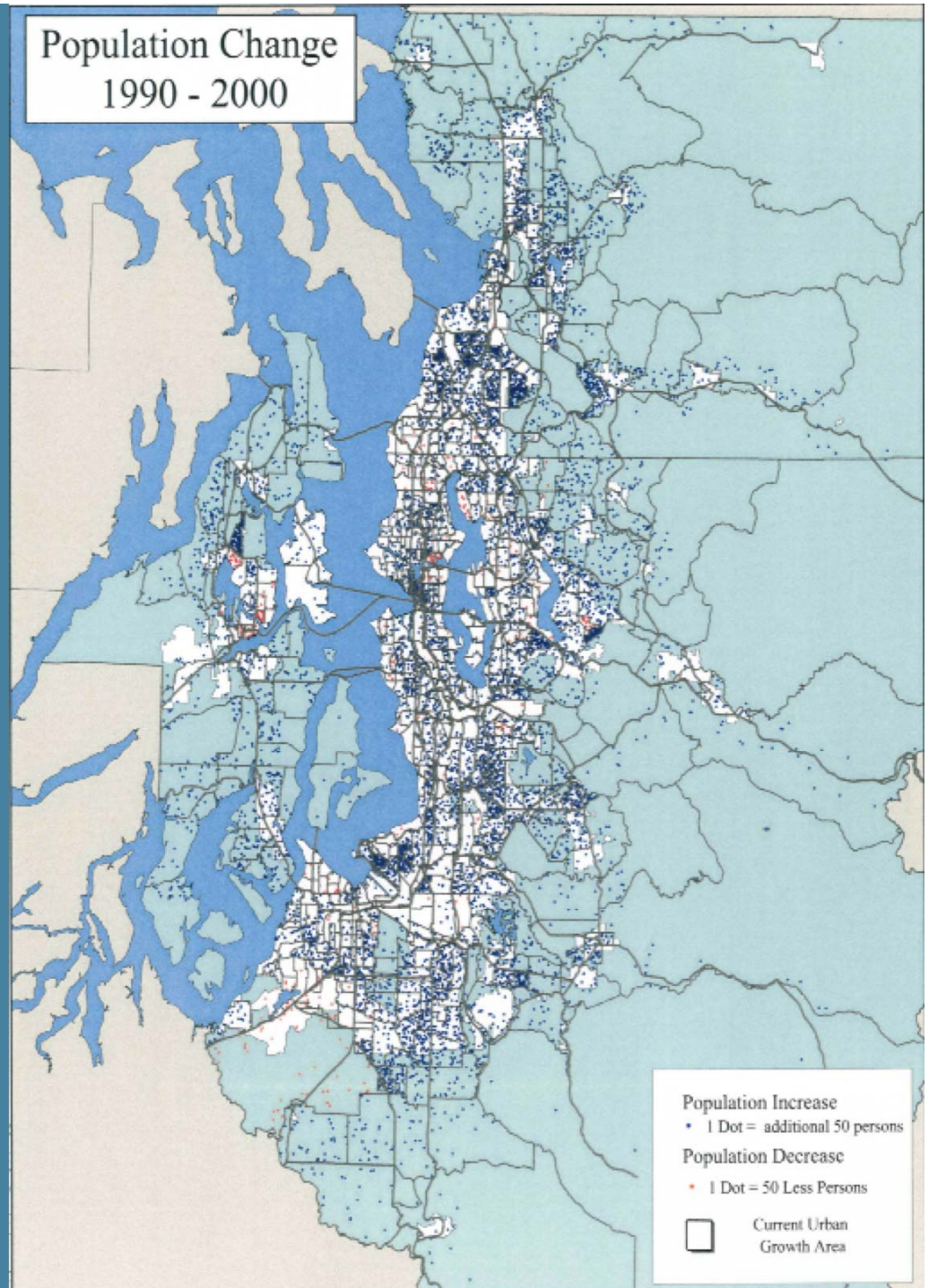
- Establish urban growth areas
- Protect resource lands & critical areas
- Coordinated planning required
- Bottom-up approach, with standard requirements
 - local comprehensive plans
 - development regulations

Landmark Change



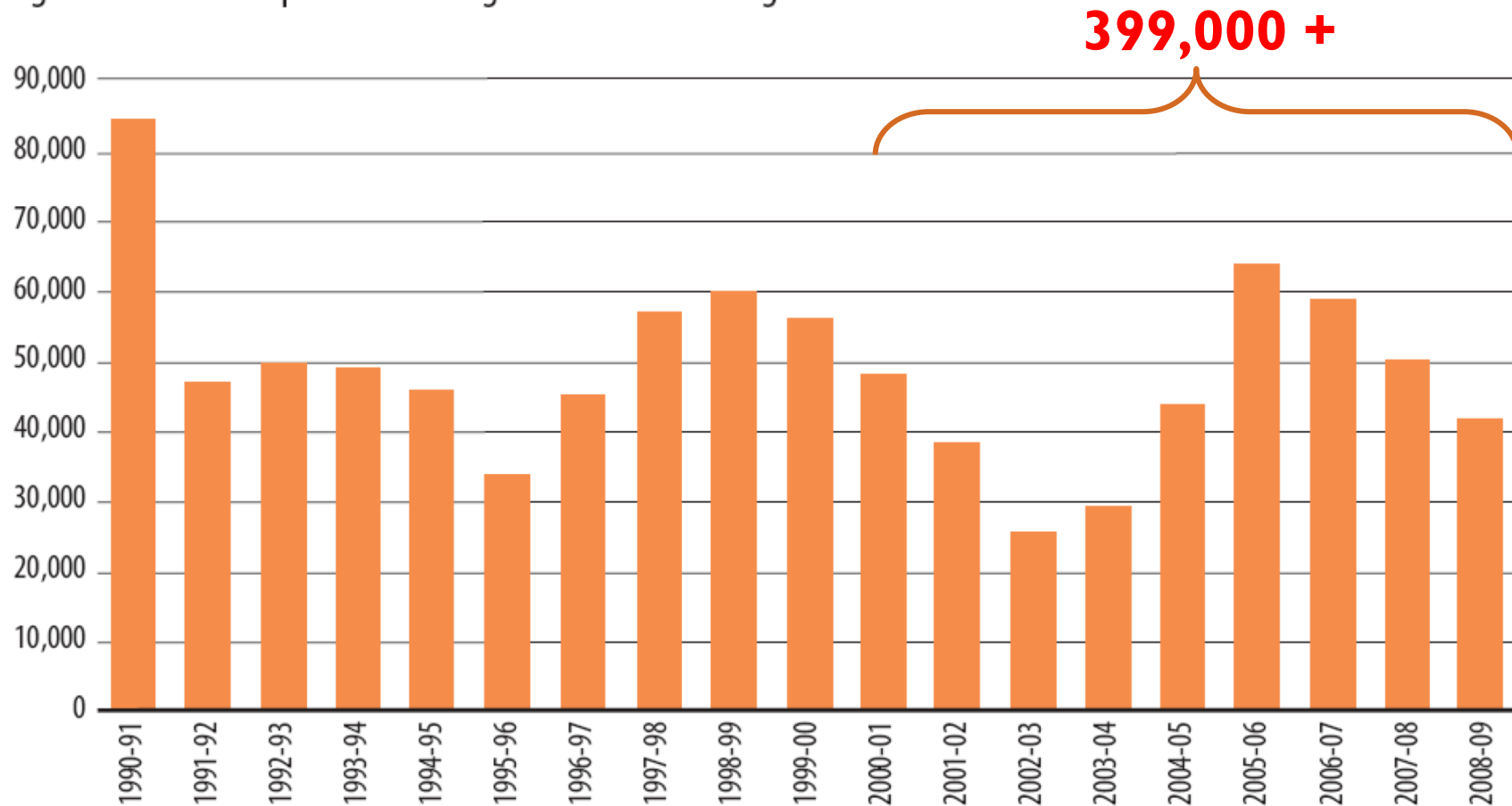
Under GMA: Focused Growth

- Core cities grew by 100,000 people
- Majority of growth in urban areas
 - 87% of population growth
 - 96% of employment growth
 - 82% of new housing



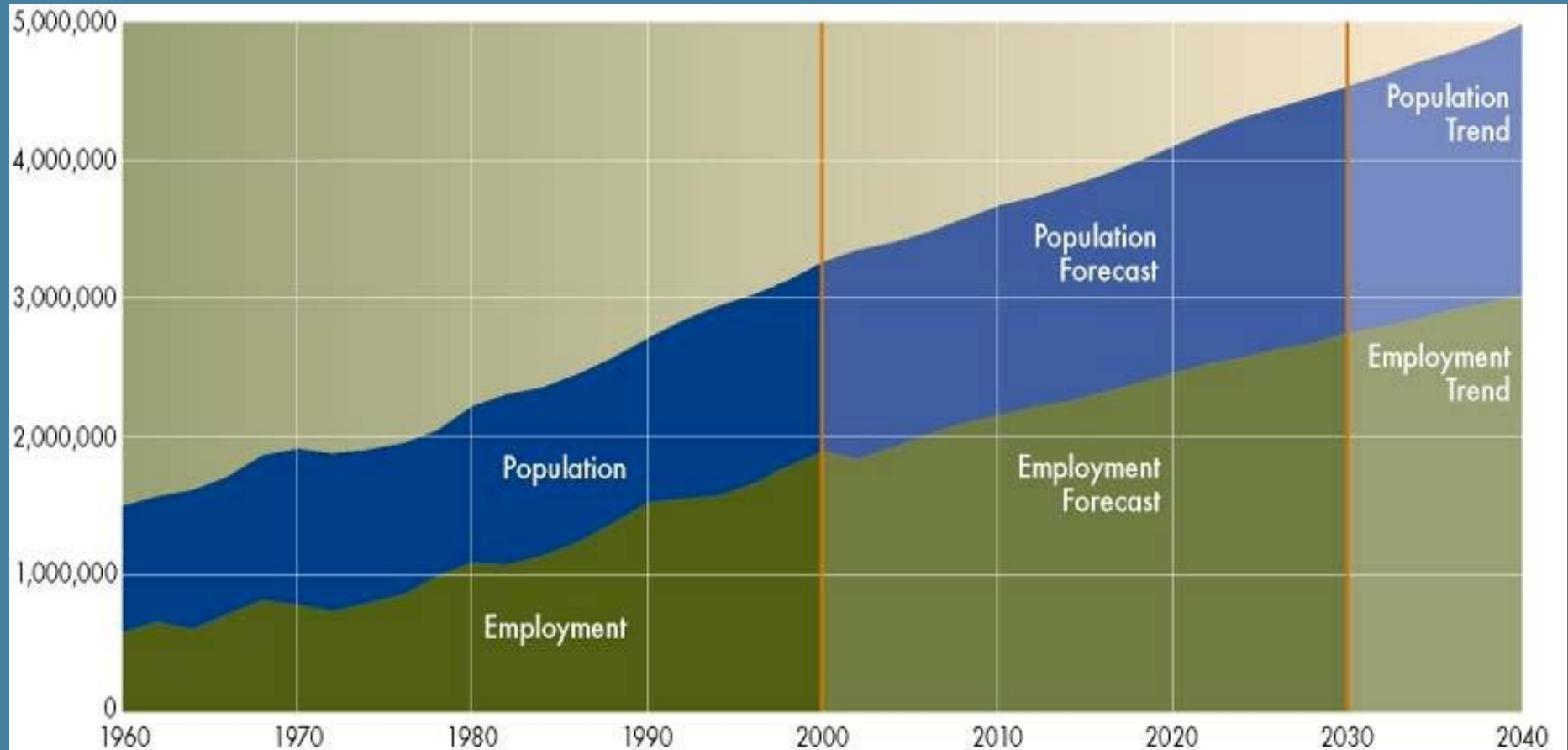
A New Century: Continued Growth

Figure 1. Annual Population Change in the Central Puget Sound



Source: U.S. Census Bureau, Washington State Office of Financial Management

Further growth Is Expected



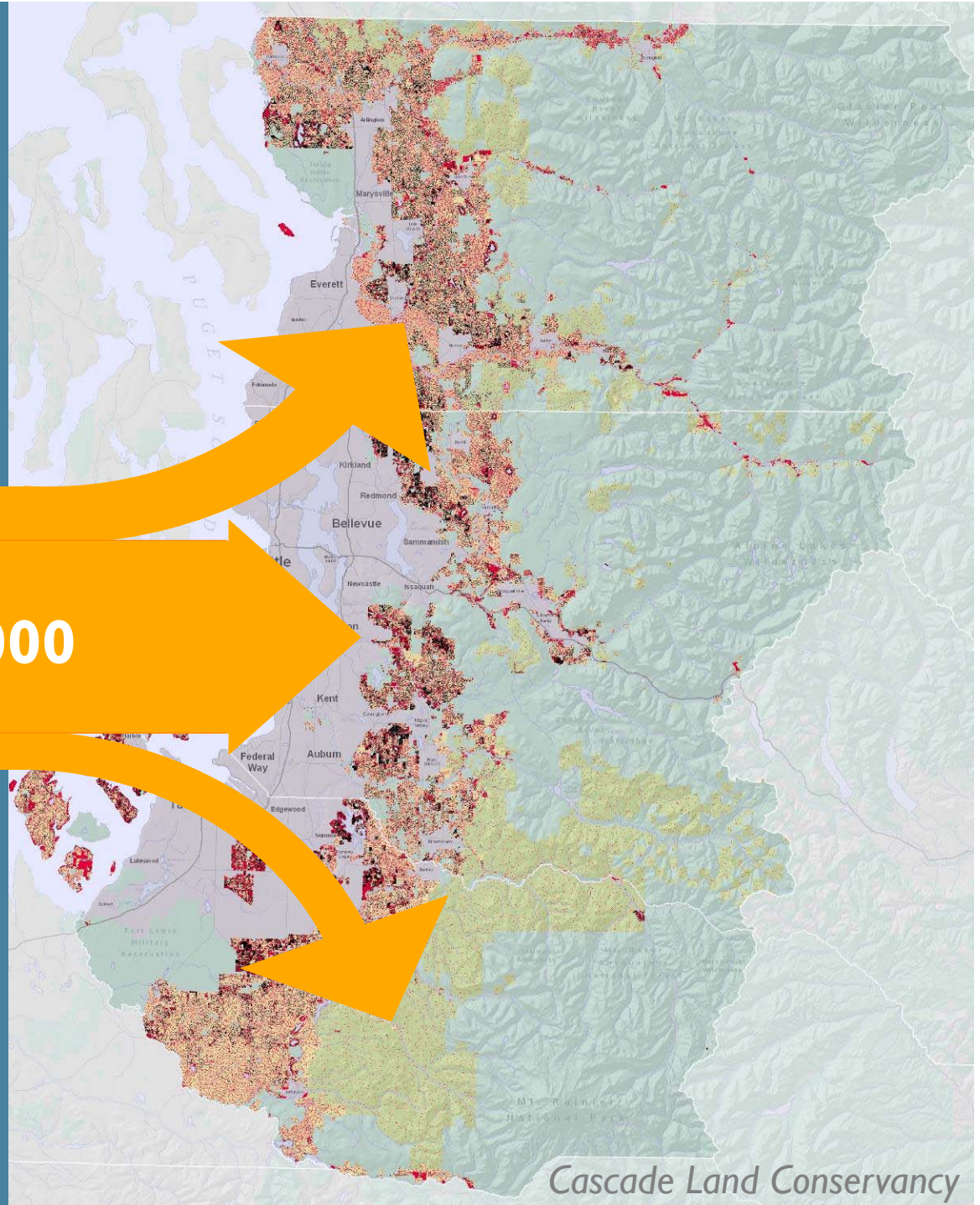
Where Growth is Planned



RURAL 115,000

URBAN 1,597,000

FOREST & FARM ?????

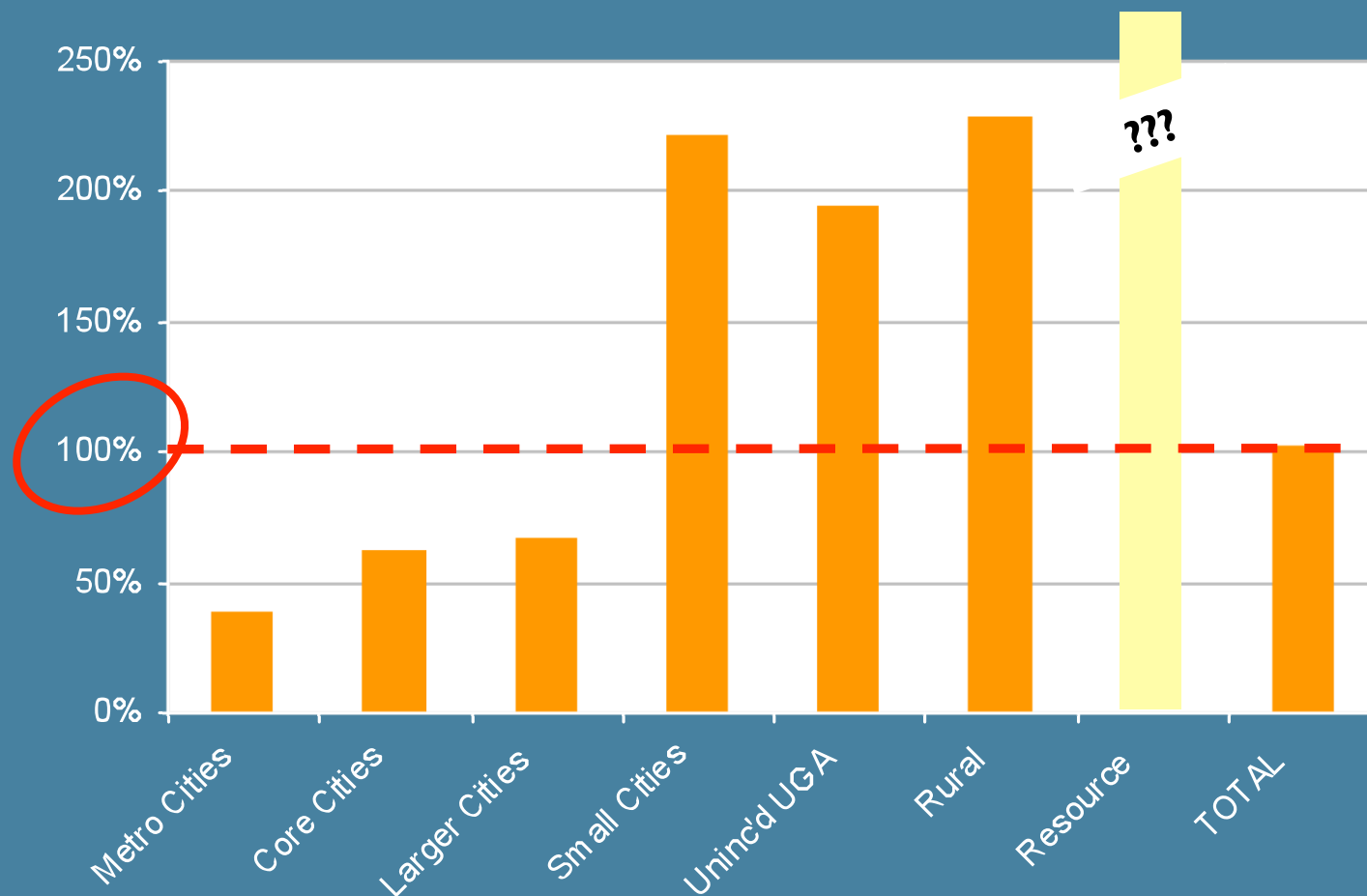


Based on the PSRC *VISION 2040*
Regional Growth Strategy

Cascade Land Conservancy

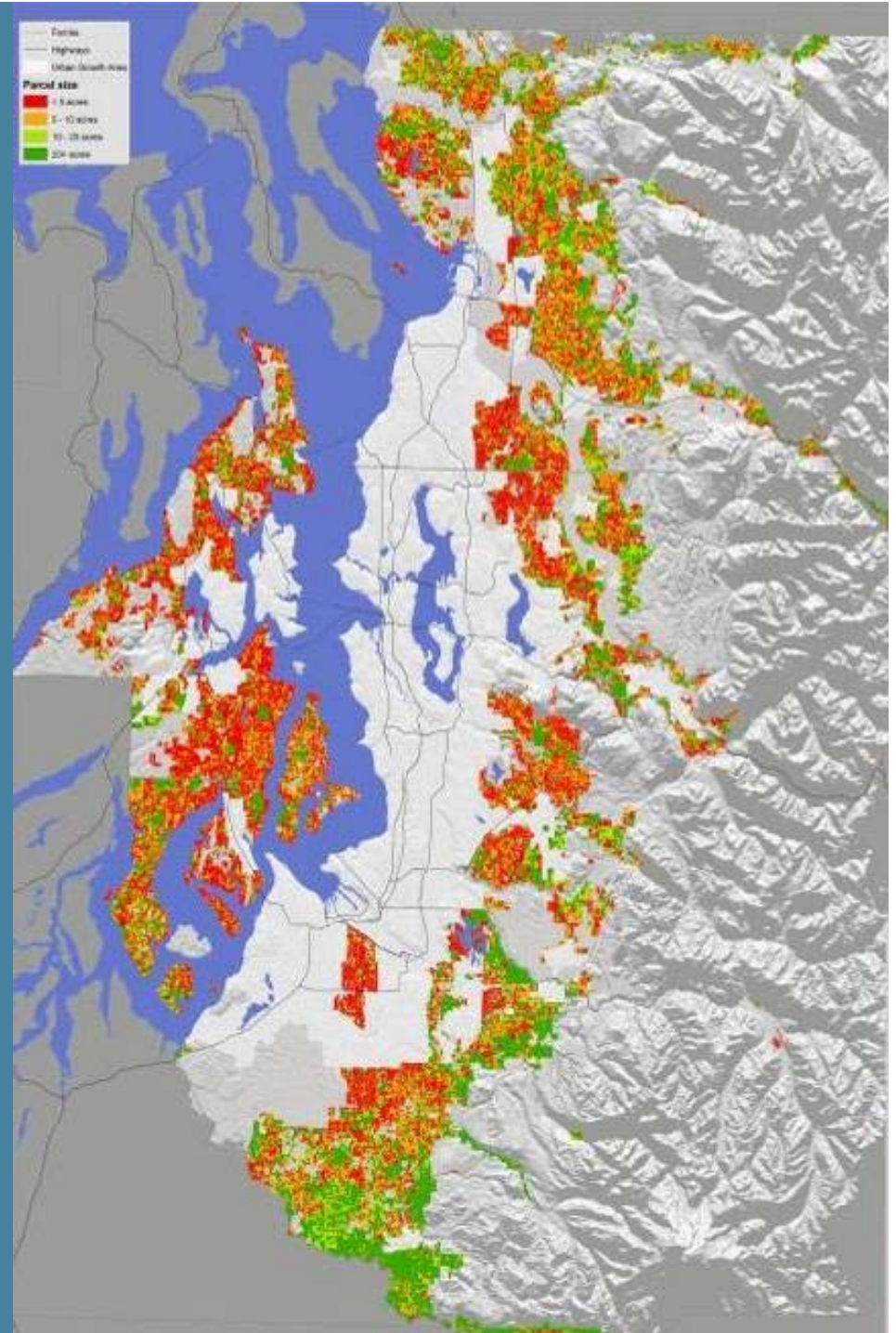
Regional Growth Trends 2000-2007

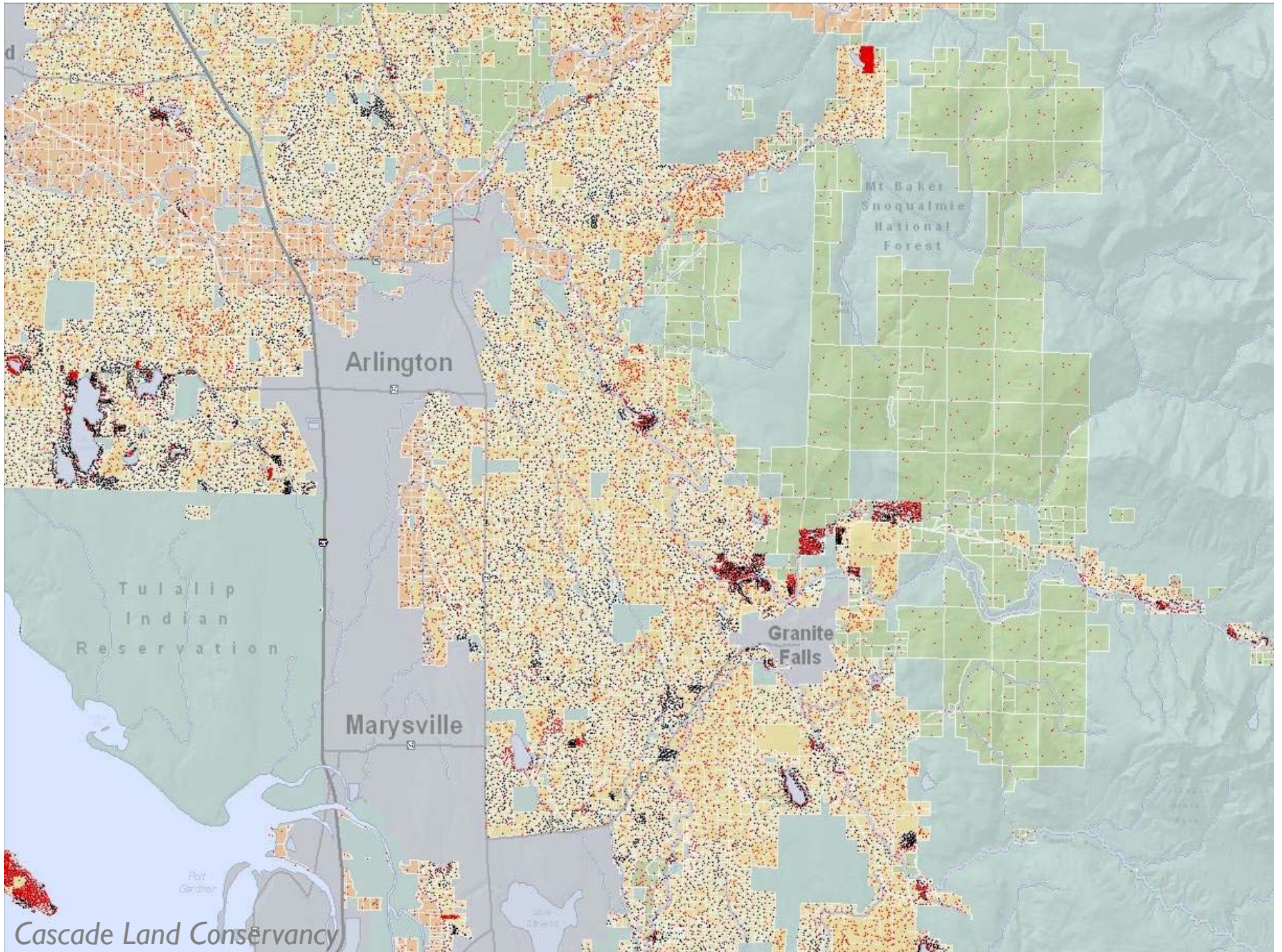
2000-2007 Growth as Percentage of Regional Growth
Strategy Expectations - King, Pierce, Snohomish, Kitsap



Source: PSRC

The potential for rural growth is significant



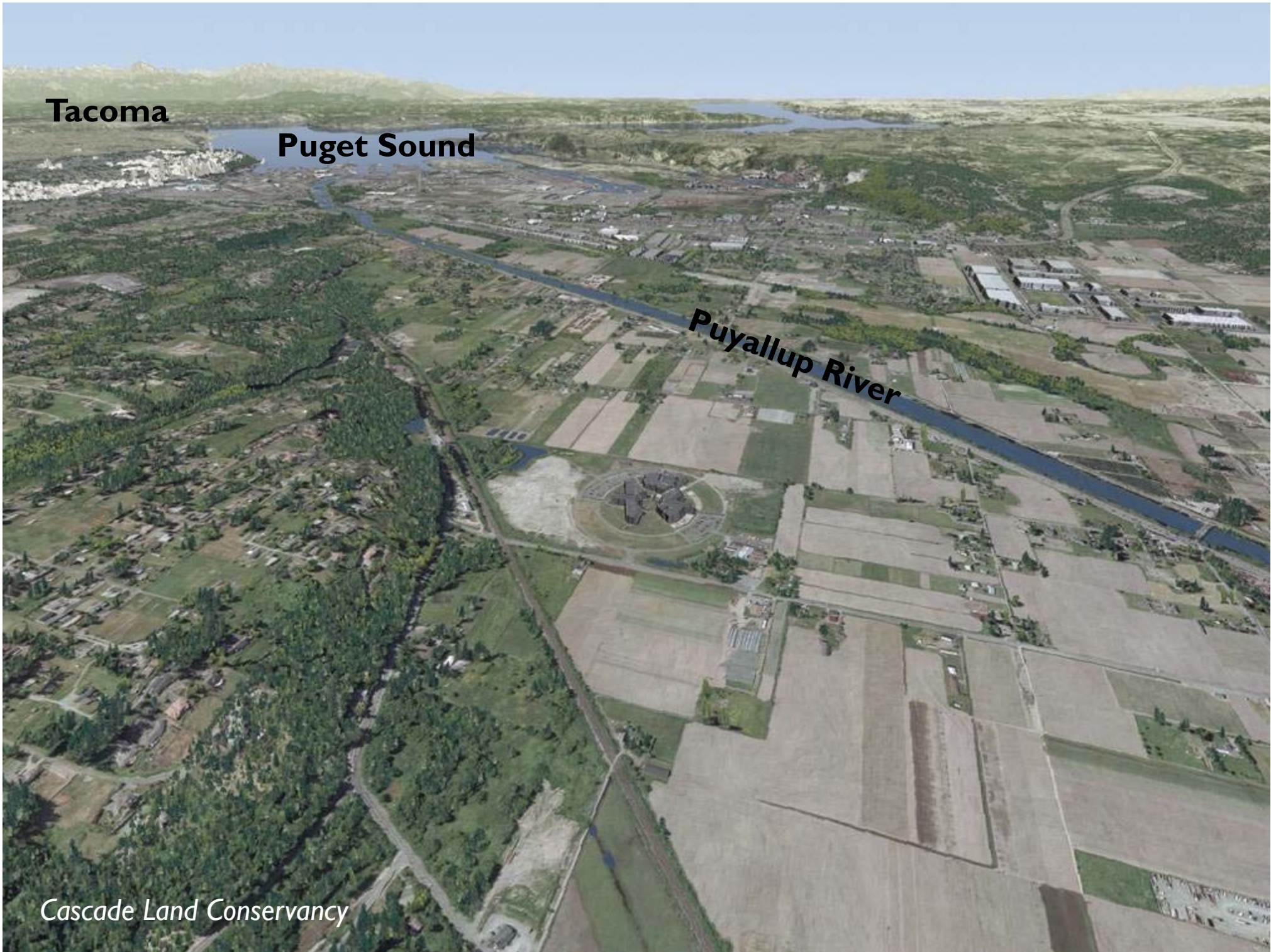


Tacoma

Puget Sound

Puyallup River

Cascade Land Conservancy

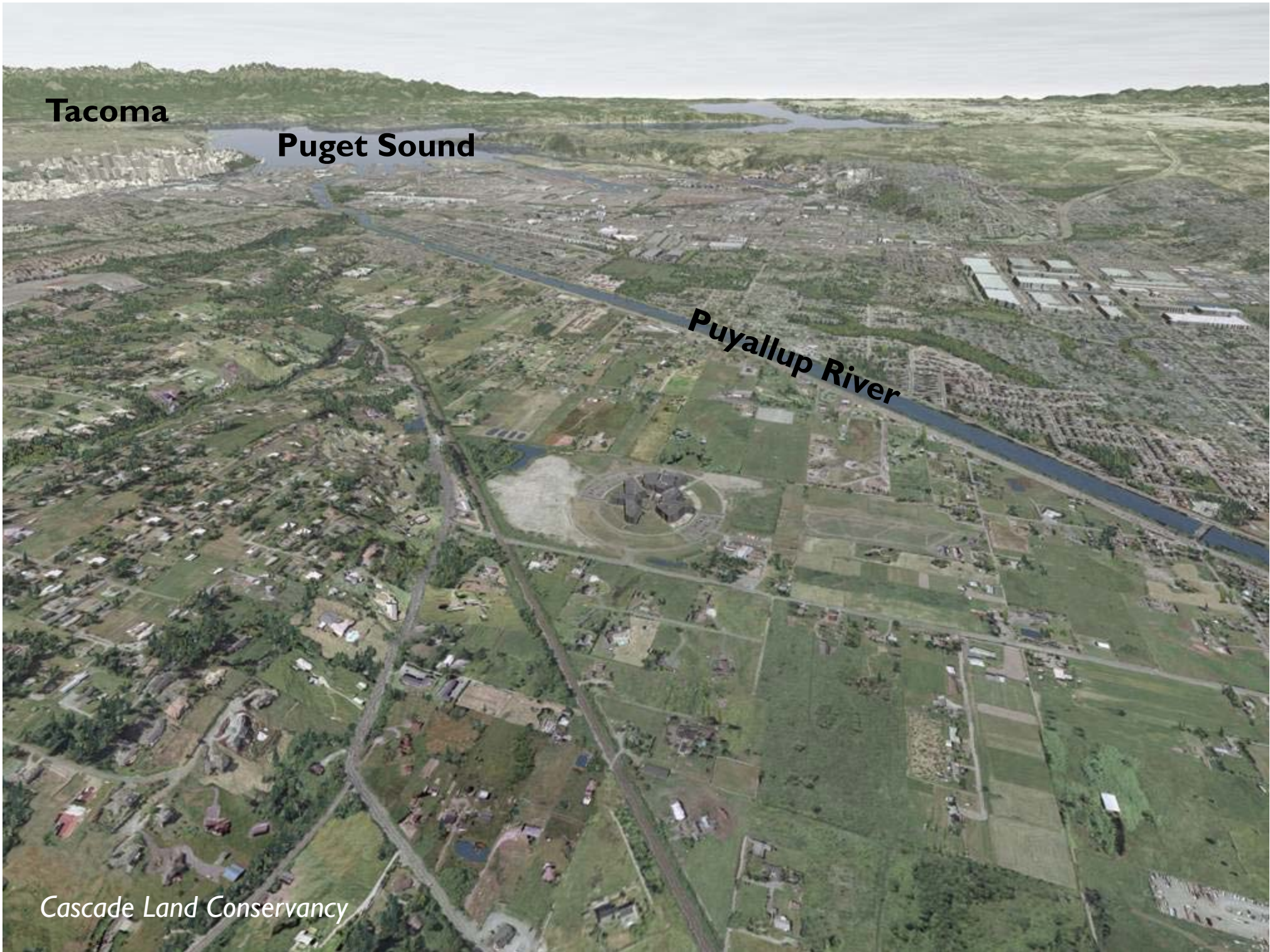


Tacoma

Puget Sound

Puyallup River

Cascade Land Conservancy

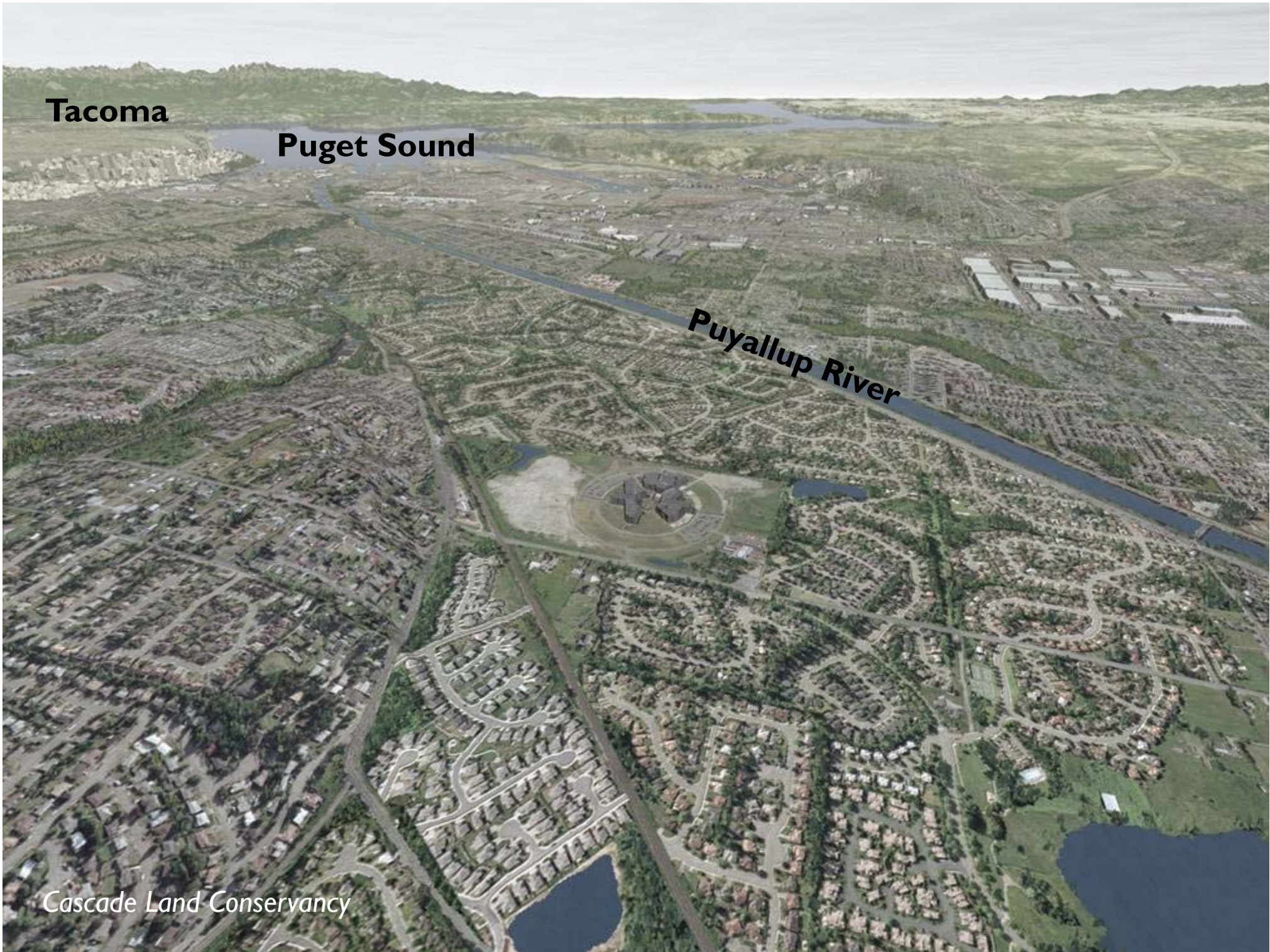


Tacoma

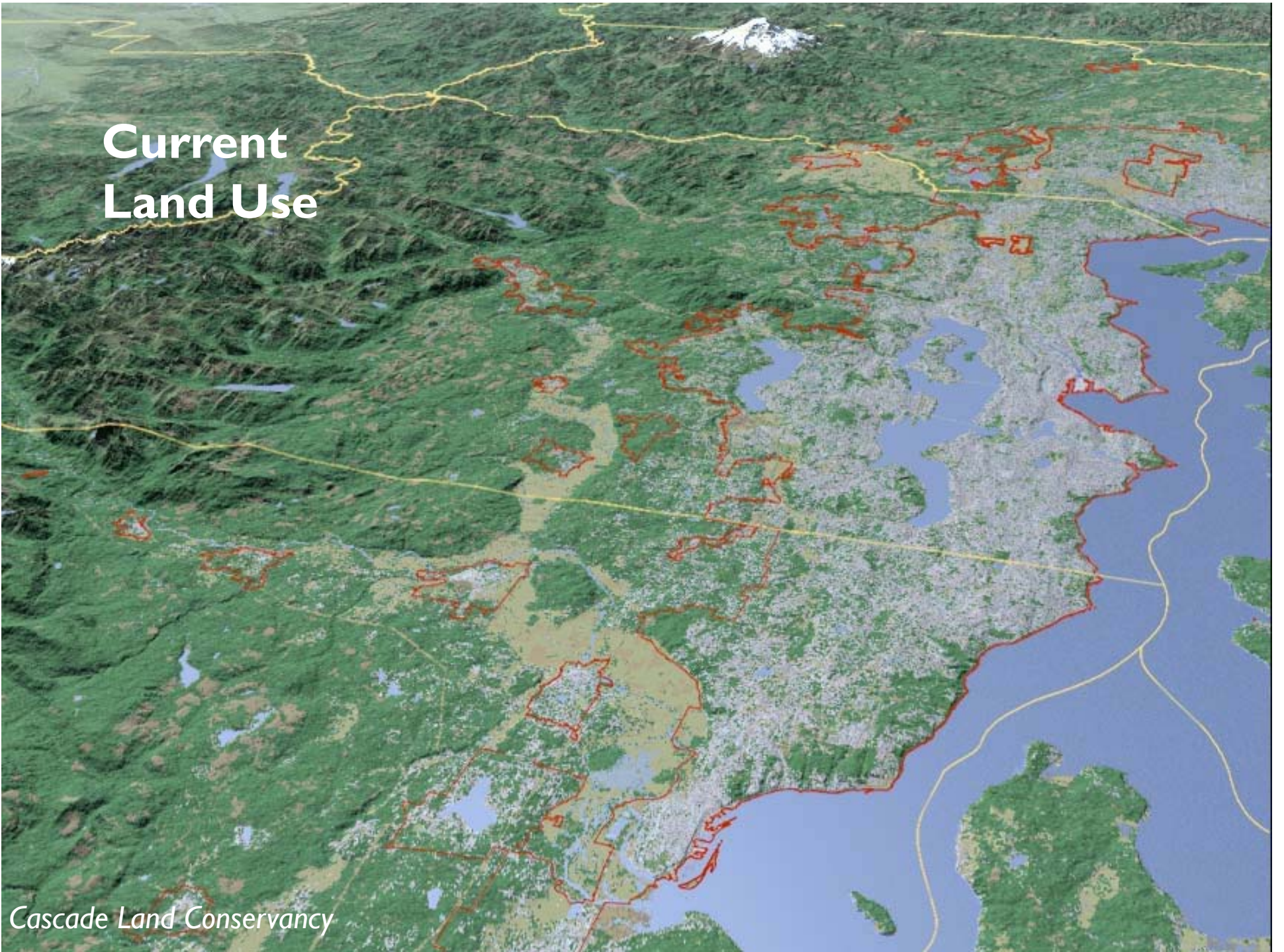
Puget Sound

Puyallup River

Cascade Land Conservancy

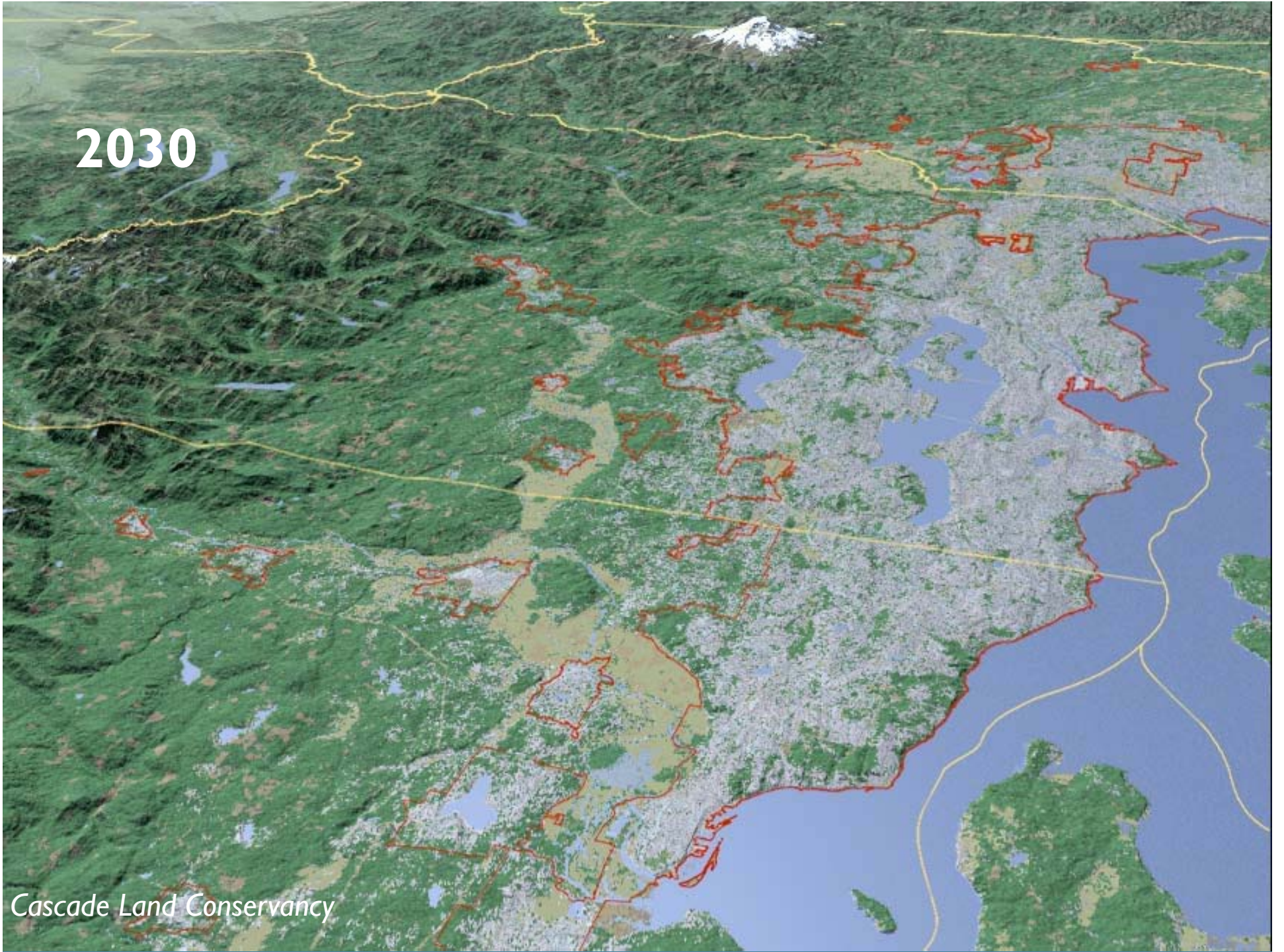


Current Land Use



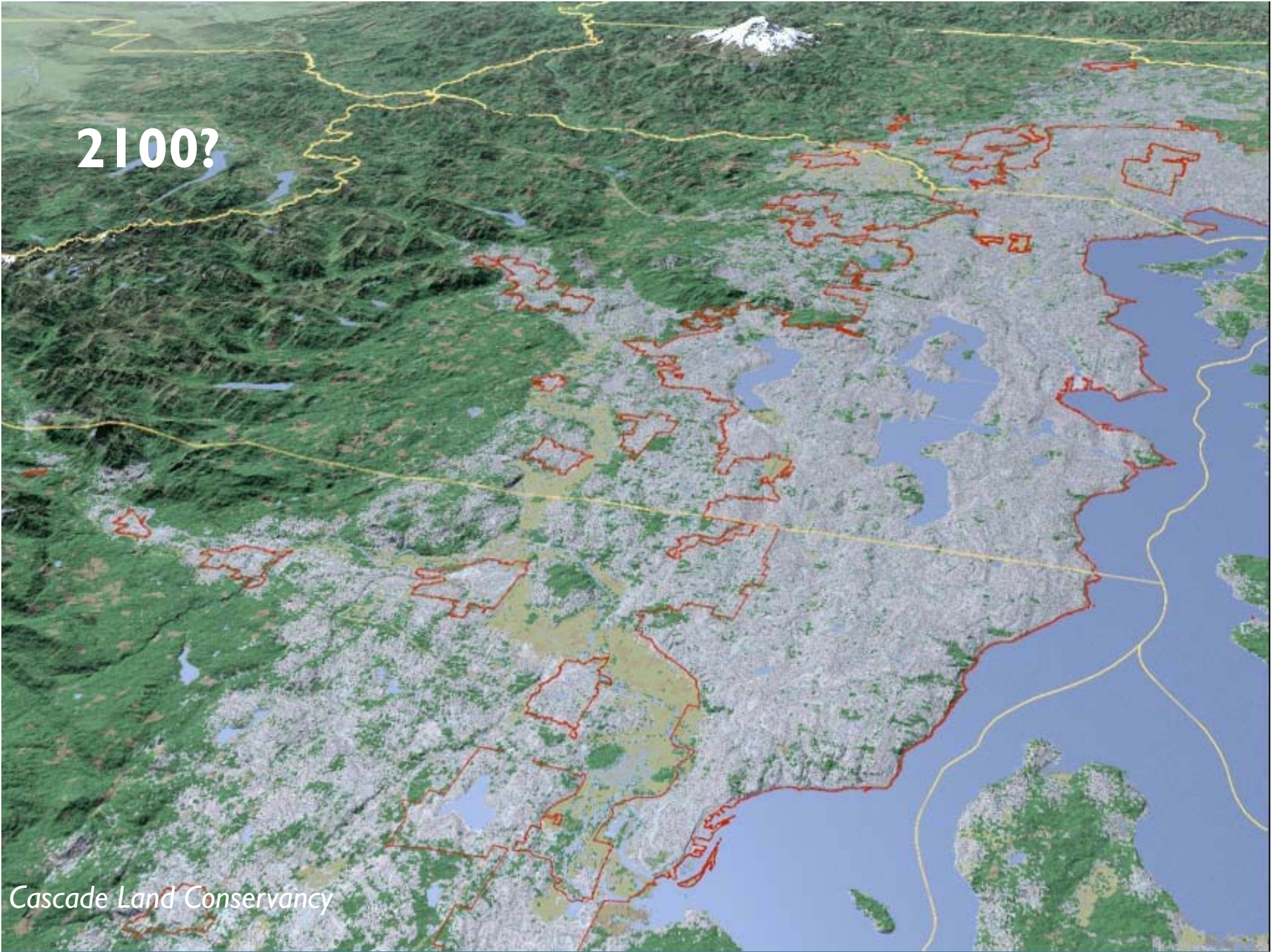
2030

Cascade Land Conservancy



2100?

Cascade Land Conservancy



or 2100?

Cascade Land Conservancy



The Cascade Agenda

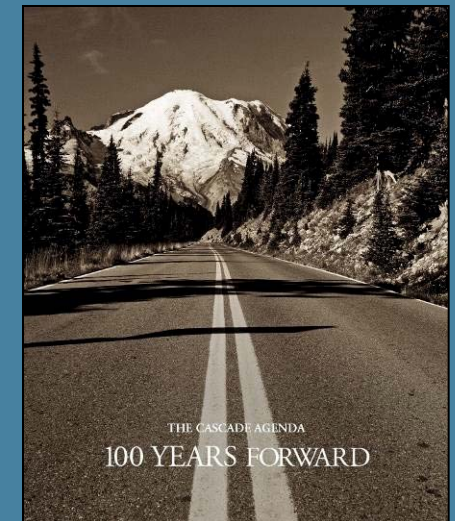
Turning Challenge into Opportunity

Saving our landscapes for the next century

- 1 million acres of working lands
- 265,000 acres parks, natural areas and shorelines

Sustaining Communities for the next century

- Transforming, revitalizing our cities & towns
- Maintaining a rural community

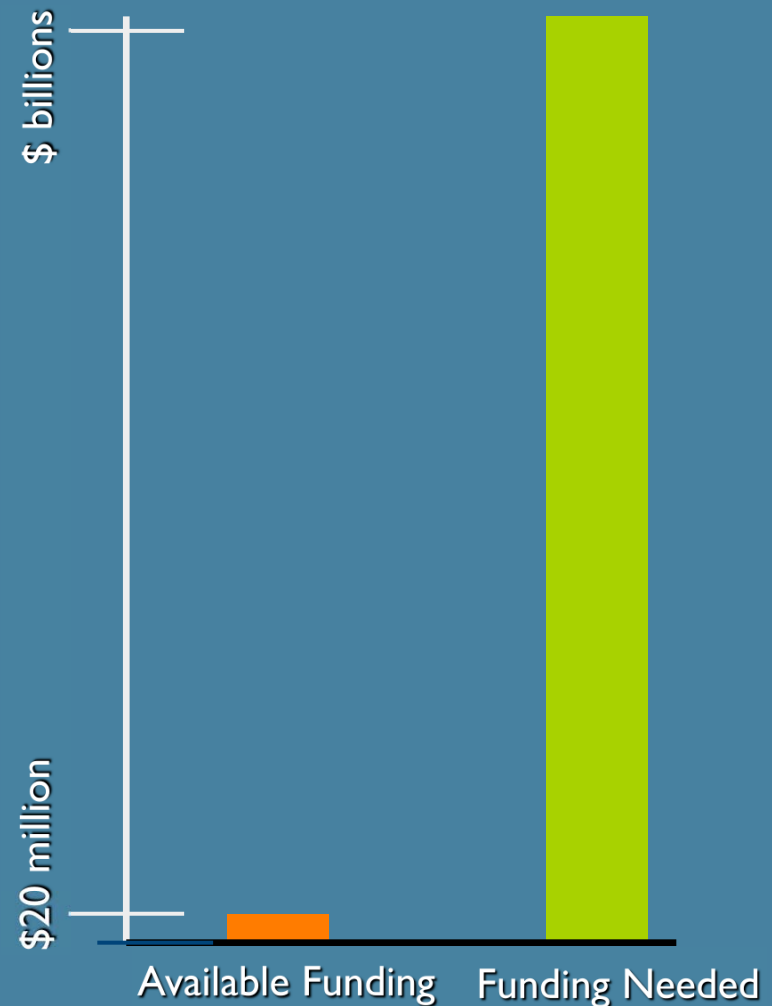


The Bottom Line

1.3M acres =
\$ Billions

*Achieving Regional Conservation
Requires:*

- Value Added Conservation Tools
- New Financing Resources
- Alignment of Market and Regulatory Forces

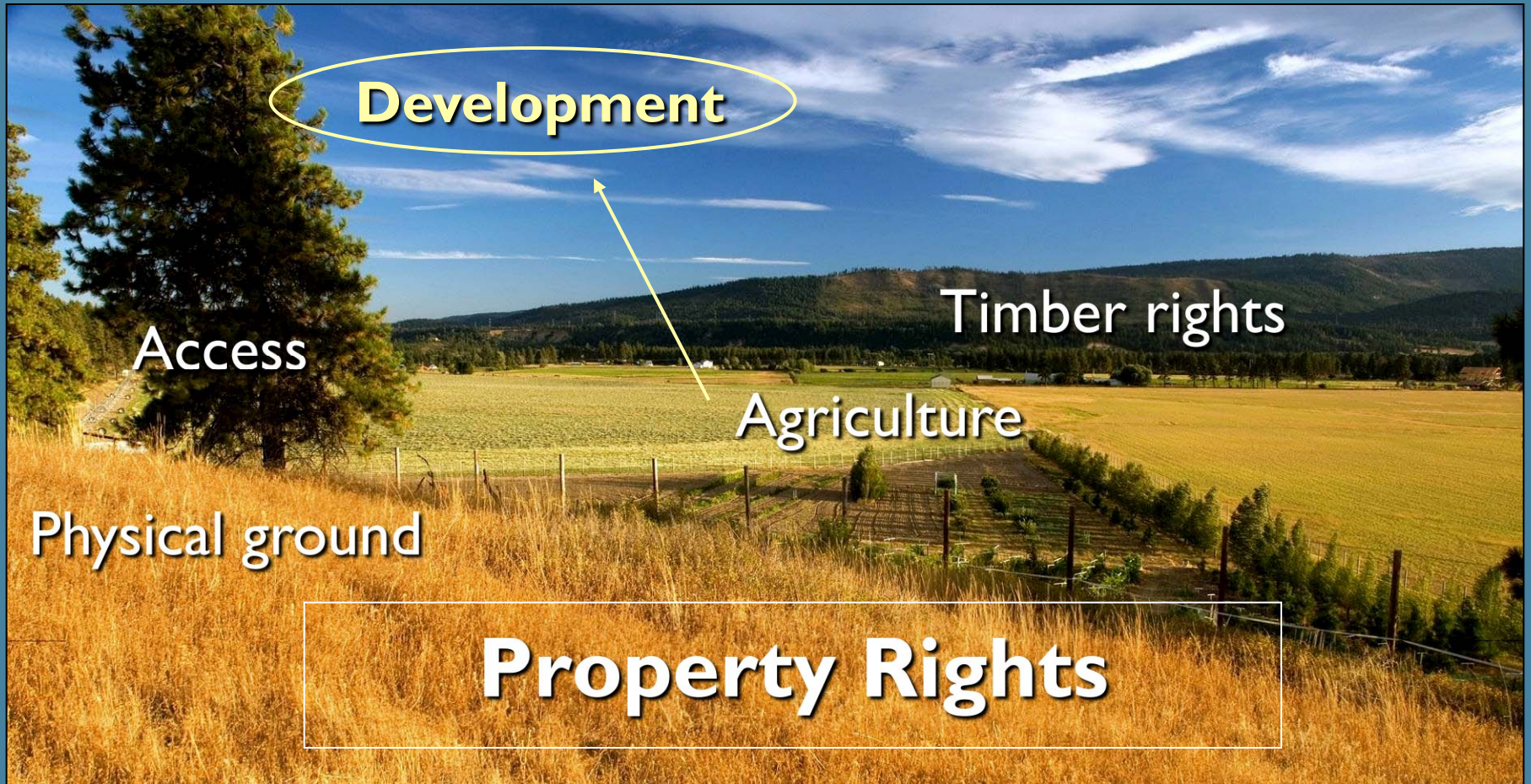


What is TDR?

Transfer of Development Rights (TDR) is

- A market-based real estate tool
- Connects conservation with growth
- Is flexible and can be applied to address local conditions

Basis for TDR



The Basic Ingredients

1. Sending Sites

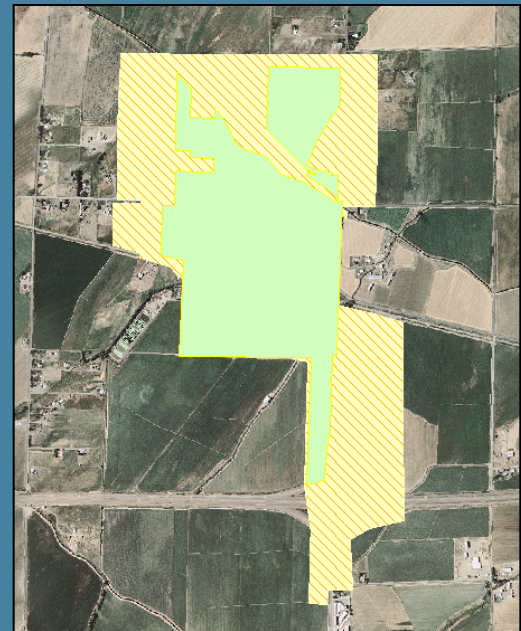
- Supply of development rights

2. Receiving Sites

- Demand for development rights

3. The Marketplace

- Where and how transactions occur



TDR in the Region

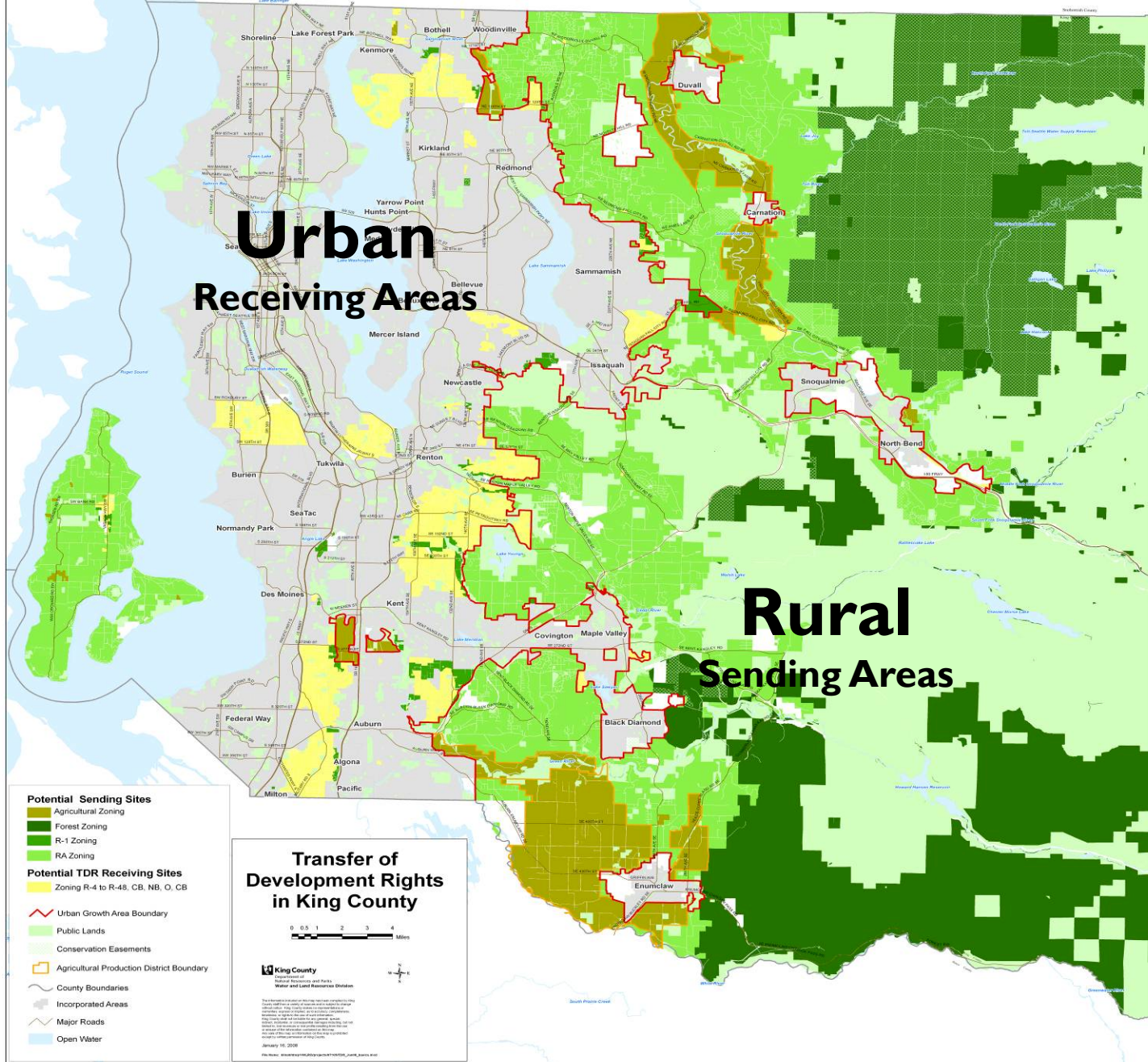
- King County
- Kitsap County
- Pierce County
- Snohomish County
- Bellevue
- Black Diamond
- Issaquah
- Redmond
- Seattle*
- Tacoma

*Formerly

King County TDR

- Program is 10 years old
- GOAL: To direct development growth away from Rural and Resource lands and into Urban Areas
- Program is voluntary, incentive-based and market-driven

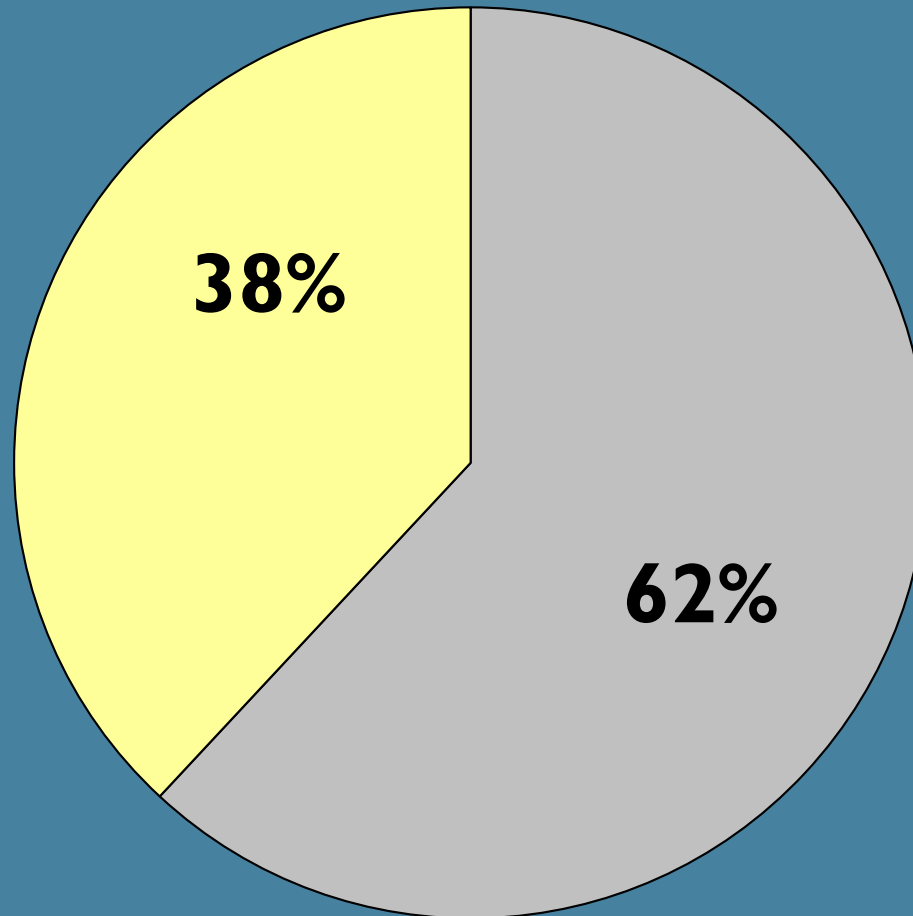
TDR Sending & Receiving Areas



King County TDR Receiving Sites

■ Unincorporated Urban

■ Cities



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

King County TDR Accomplishments

- 141,400 Acres Preserved via Public (TDR Bank) & Private transactions
- \$6.75 Million traded in the Private Market

King County Private TDR Market

- 10 transactions per year (2003 - 2007)
 - Av. of 108 TDR credits bought/sold each year
- 1,070 TDRs issued to private Sending Site landowners to sell
- 475 total TDRs bought / sold in the Private Market
- 330 TDRs used for housing in Receiving Sites

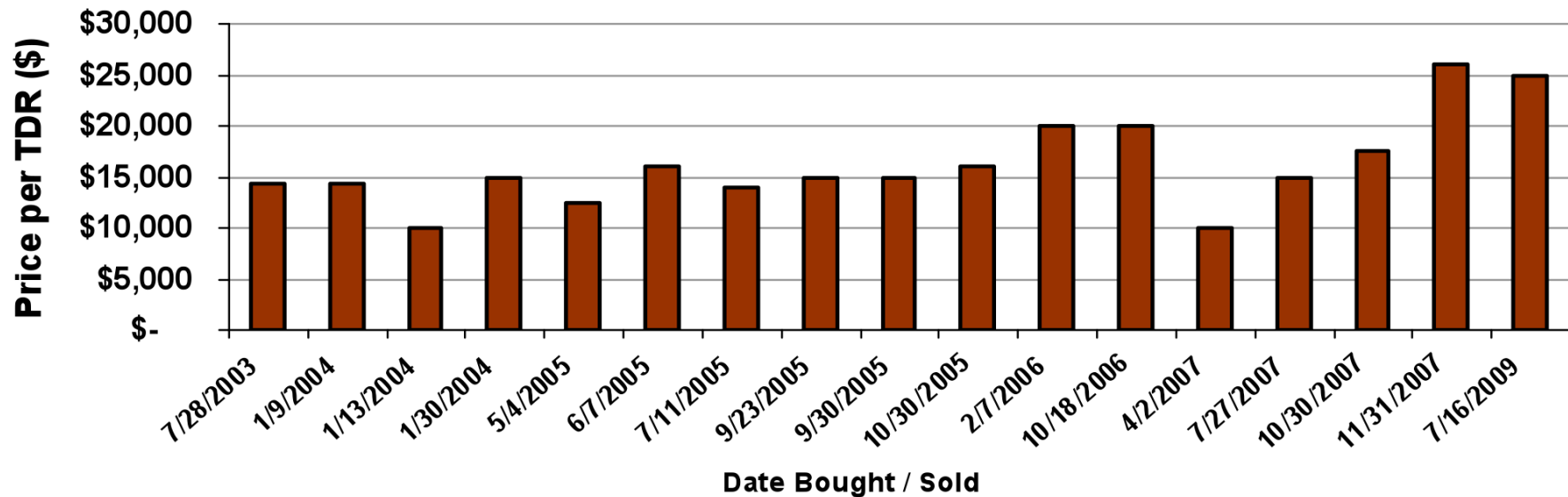
TDR Prices

Private Rural TDR Credit Purchase prices

1 rural TDR = 2 additional urban units

Current market Price = \$26,000

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



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?

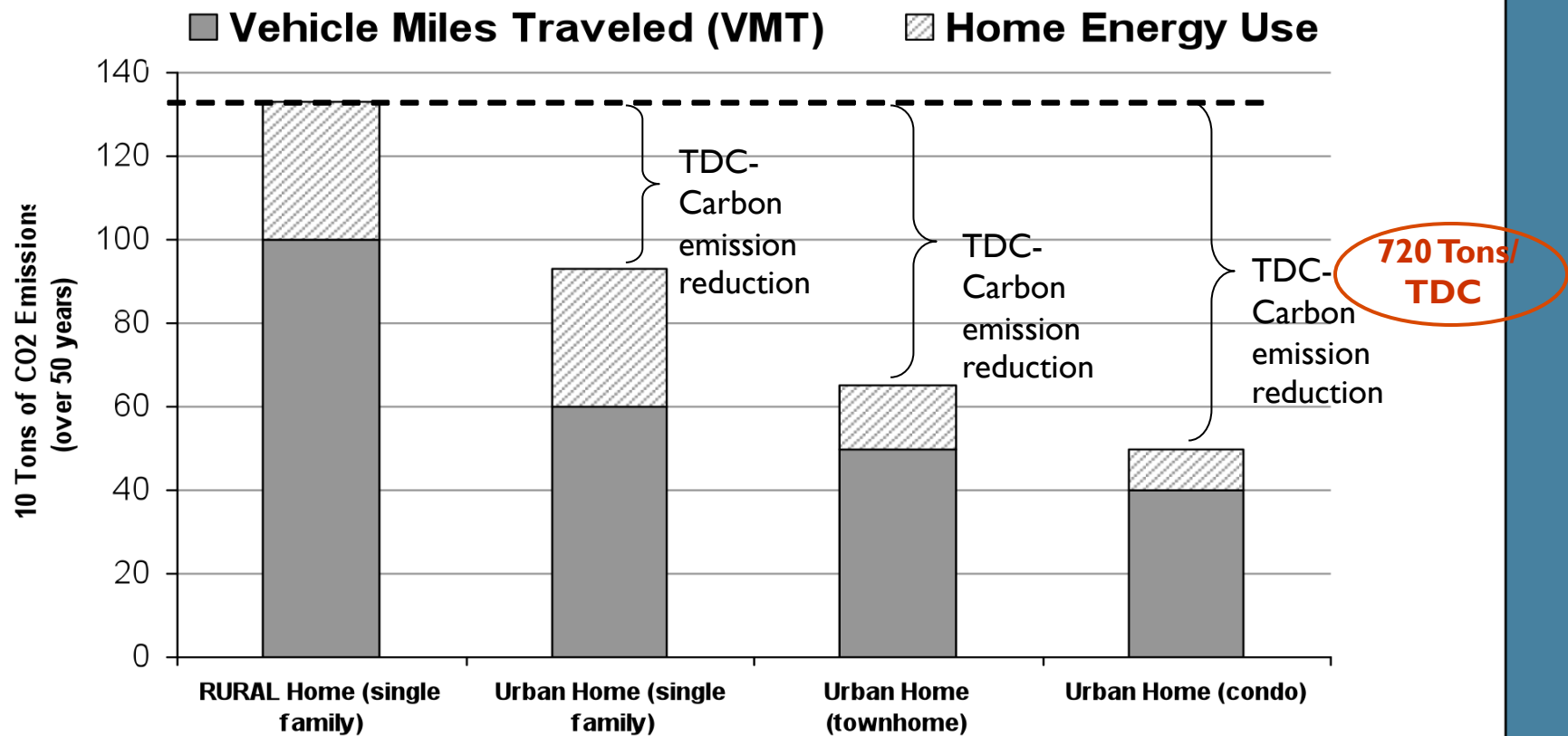
City – County TDR Partnerships

1. Preserve County Open Space lands *important to Cities and the Region*
2. “Link” economic redevelopment to land preservation
3. Assist cities with “Amenity Funding” when accepting rural TDR credits
4. Reduce transportation-related GHG emissions to help meet climate change policy goals

GHG Reductions

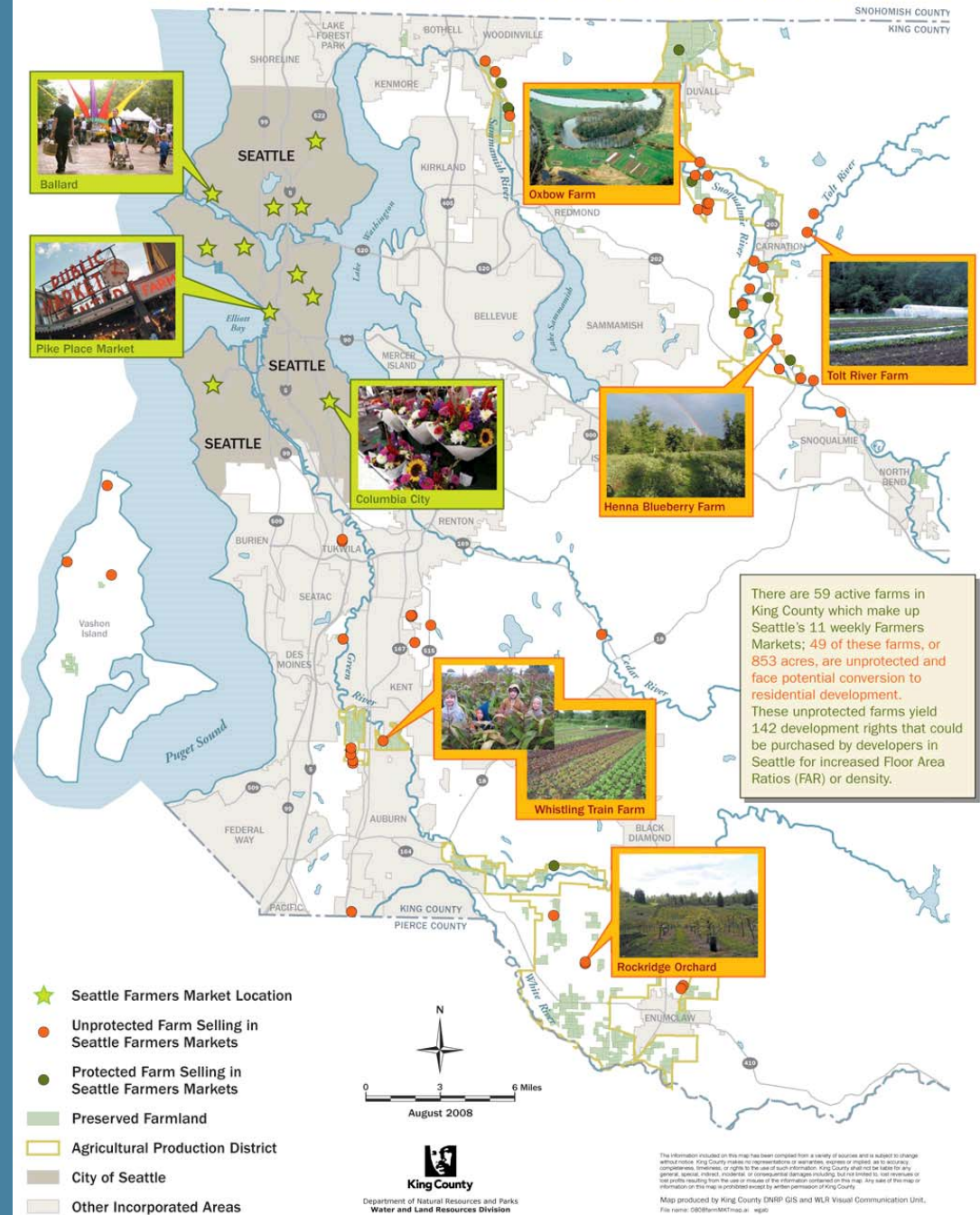
Carbon Impact of TDCs

1 TDC used in urban development = 1 less single family home in rural area



Local Food

SEATTLE'S FARMERS MARKETS AN OPPORTUNITY FOR FARMLAND PROTECTION VIA TDR



City – County TDR Partnerships

1. City of Seattle (2001)
2. City of Issaquah (2000 & 2007)
3. City of Bellevue (2009)
4. Future partners ...
 - 39 cities in King County
 - need to achieve a critical mass of partner cities to create a truly regional TDR market place

Case Study: Seattle & King County

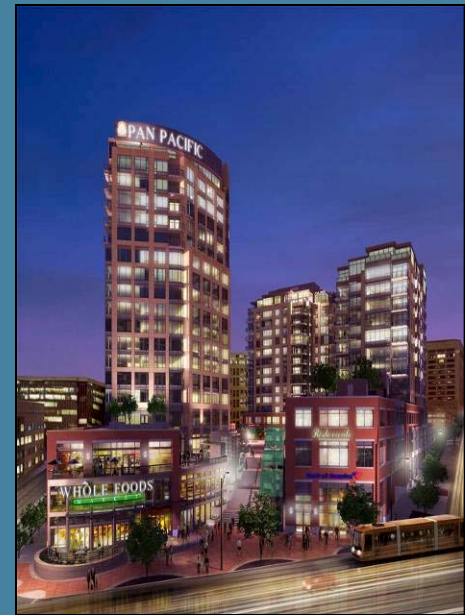
Olive 8



Aspira



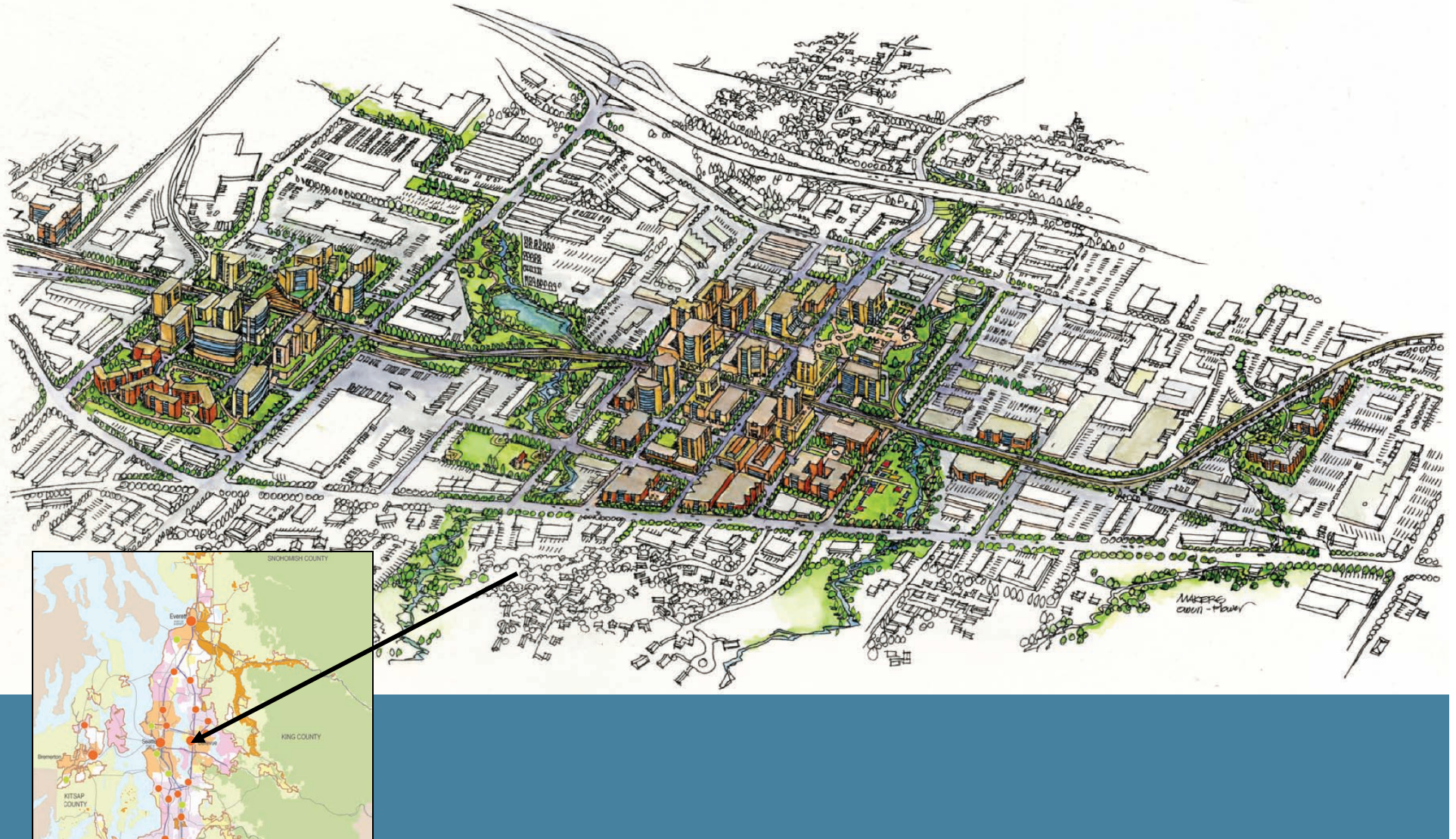
Westlake



An aerial photograph of a city, likely Bellevue, Washington, showing a dense urban area with a multi-lane highway curving through it. In the background, a large body of water is visible under a clear sky. The text 'Case Study: Bellevue & King County' is overlaid on the left side of the image.

Case Study:
Bellevue & King County

Bellevue's Bel-Red Corridor



TDR: State Legislative Backdrop

1990's - 2008

- RCW 36.70A.090 (Innovative techniques)
- RCW 36.70A.070 (Variety of Rural Densities)
- RCW 36.70A.060 (Forestry/Ag in UGA)

May 2009

- **RCW 43.362 (Regional TDR program)**

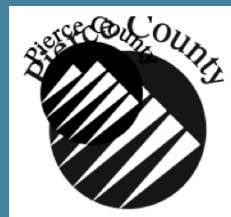
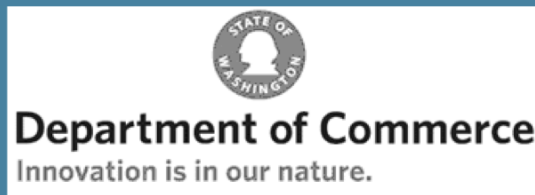
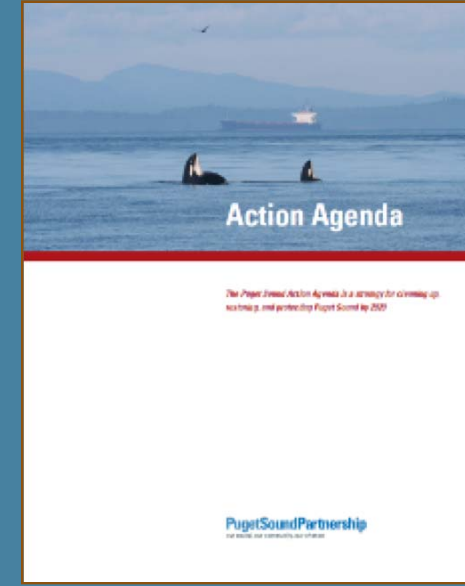
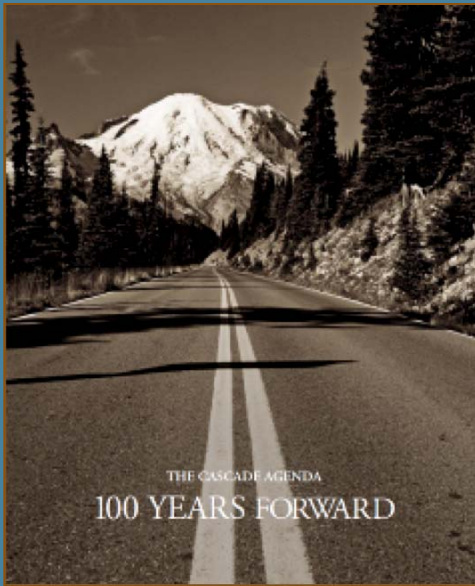
Regional TDR Marketplace

- 2007: HBI 636 passes, authorizing exploration for a regional TDR program
- 2008: Convening of a Policy Advisory Committee, research conducted
- 2009: HBI 172 passes, creating a regional TDR program (43.362 RCW) in central Puget Sound

Regional TDR Marketplace

- Affects the PSRC Region
 - Encourages working and natural landscapes conservation
 - Encourages transfers into urban areas
- Provides technical assistance
- Implementation funded by an EPA grant

Partnerships and Shared Goals



TDR Landscape



Cities



Unincorporated UGA



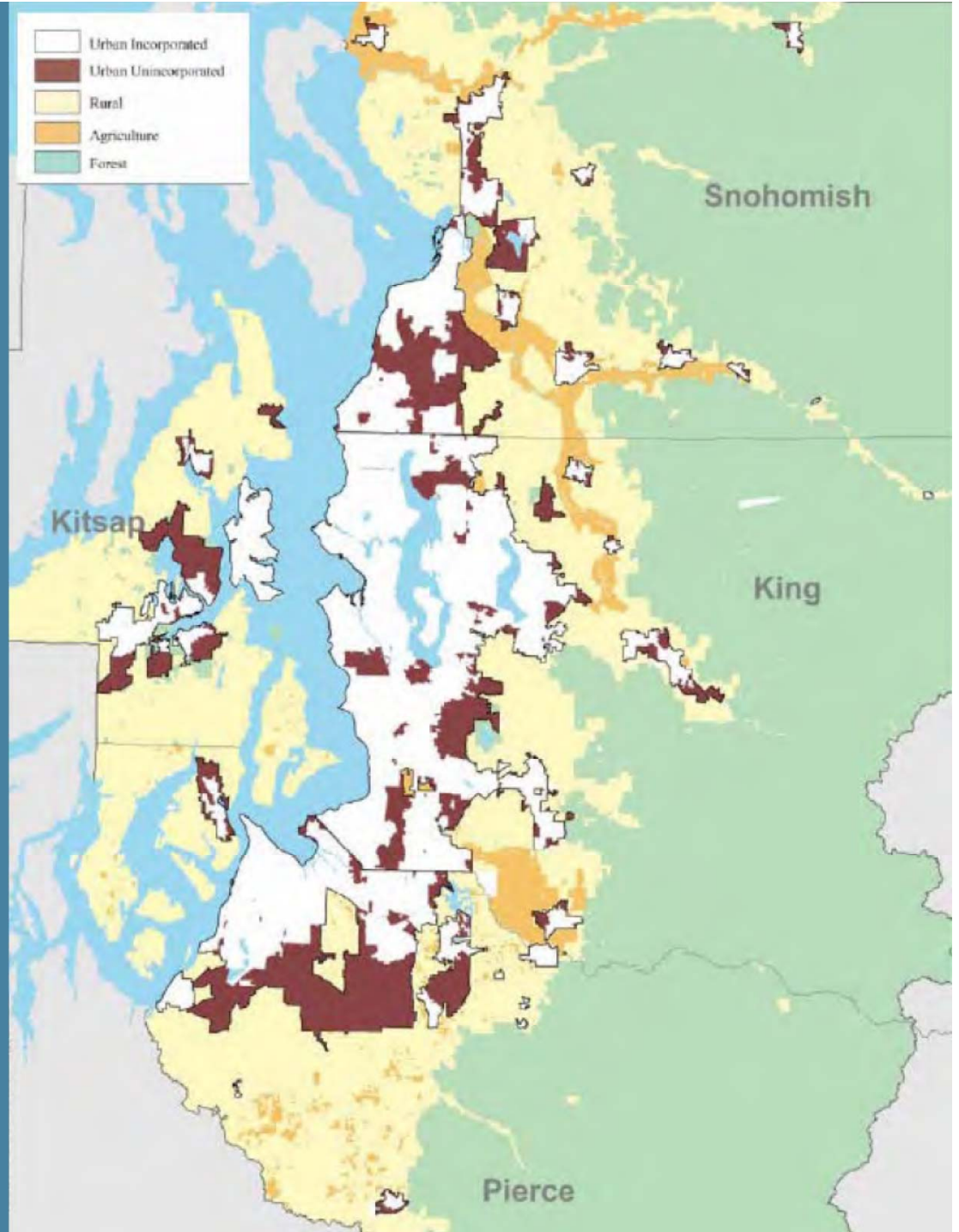
Rural



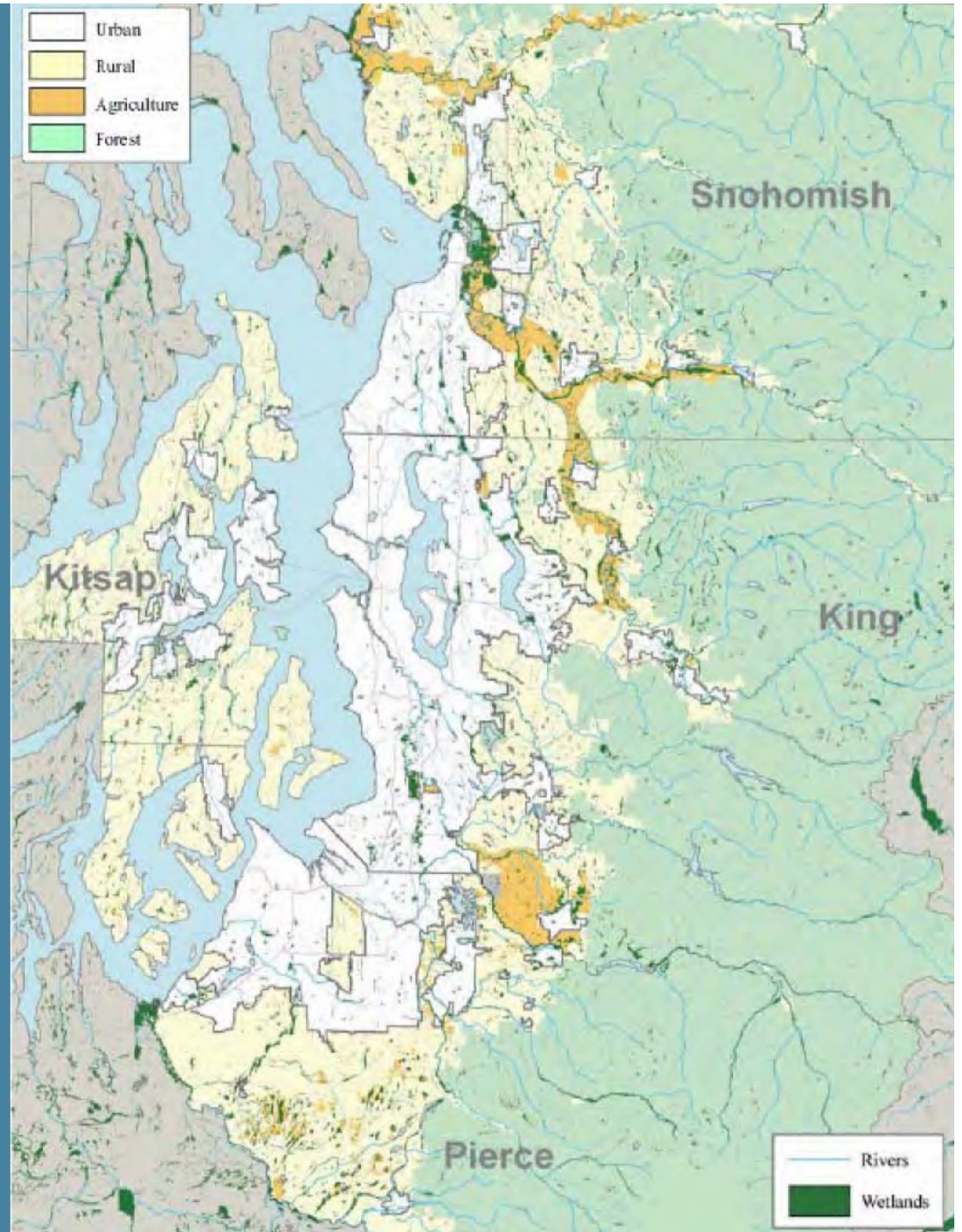
Agriculture



Forest / Open Space



TDR Landscape Waterways



Implementation

- Technical materials
- Alternative interlocal TDR rule
- Significant outreach to stakeholders
 - Presentations
 - Workshops
 - Meetings
- Recruitment of new cities

Moving forward:

New grant funding opportunities

- Grants to cities accepting regional TDR
 - Available for planning, policies, or infrastructure
- Counties and cities pursuing new funding
 - Proposals for comprehensive inter-jurisdictional partnerships based around TDR
- New access to existing funding
 - TDR eligible for existing funding sources

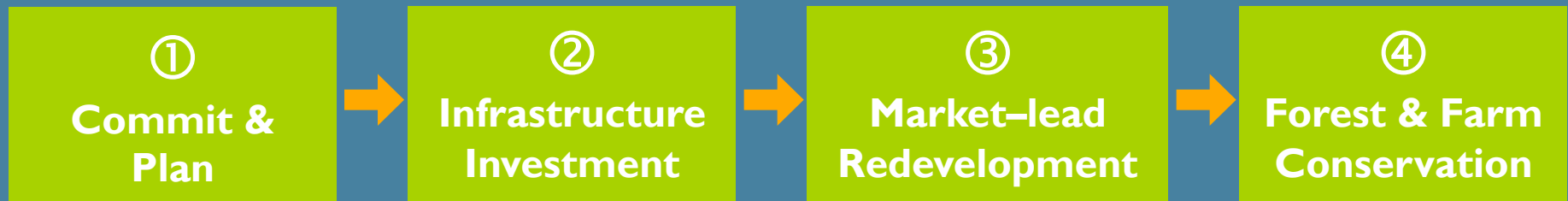
Moving Forward: New financing opportunities

Case Study:

HB2850 / SB6602

Local Conservation Financing

Address sprawl & urban infrastructure needs *together*
– link infrastructure financing to TDR



The regional vision for TDR?

2100.

Cascade Land Conservancy



Thank you

Darren Greve

TDR Program Manager

King County, WA

(206) 263-0435

darren.greve@kingcounty.gov

Ivan Miller

Principal Planner

Puget Sound Regional Council

(206) 464-7459

imiller@psrc.org

Skip Swenson

TDR Policy Director

Cascade Land Conservancy

(206) 905-6935

skips@cascadeland.org