

An aerial photograph of Sammamish, Washington, showing a mix of residential and commercial buildings, roads, and green spaces. A label 'Sammamish, WA' is visible in the upper right quadrant of the map. The map is overlaid with a semi-transparent blue filter.

# Transfer of Development Rights

**City Council Meeting  
February 13, 2017**

# Overview

What were working on

- Transfer of Development Rights
- King County / COS Interlocal
- TDR Regulations
- Q & A

# Transfer of Development Rights

# Transfer of Development Rights (TDR)

## What is it?

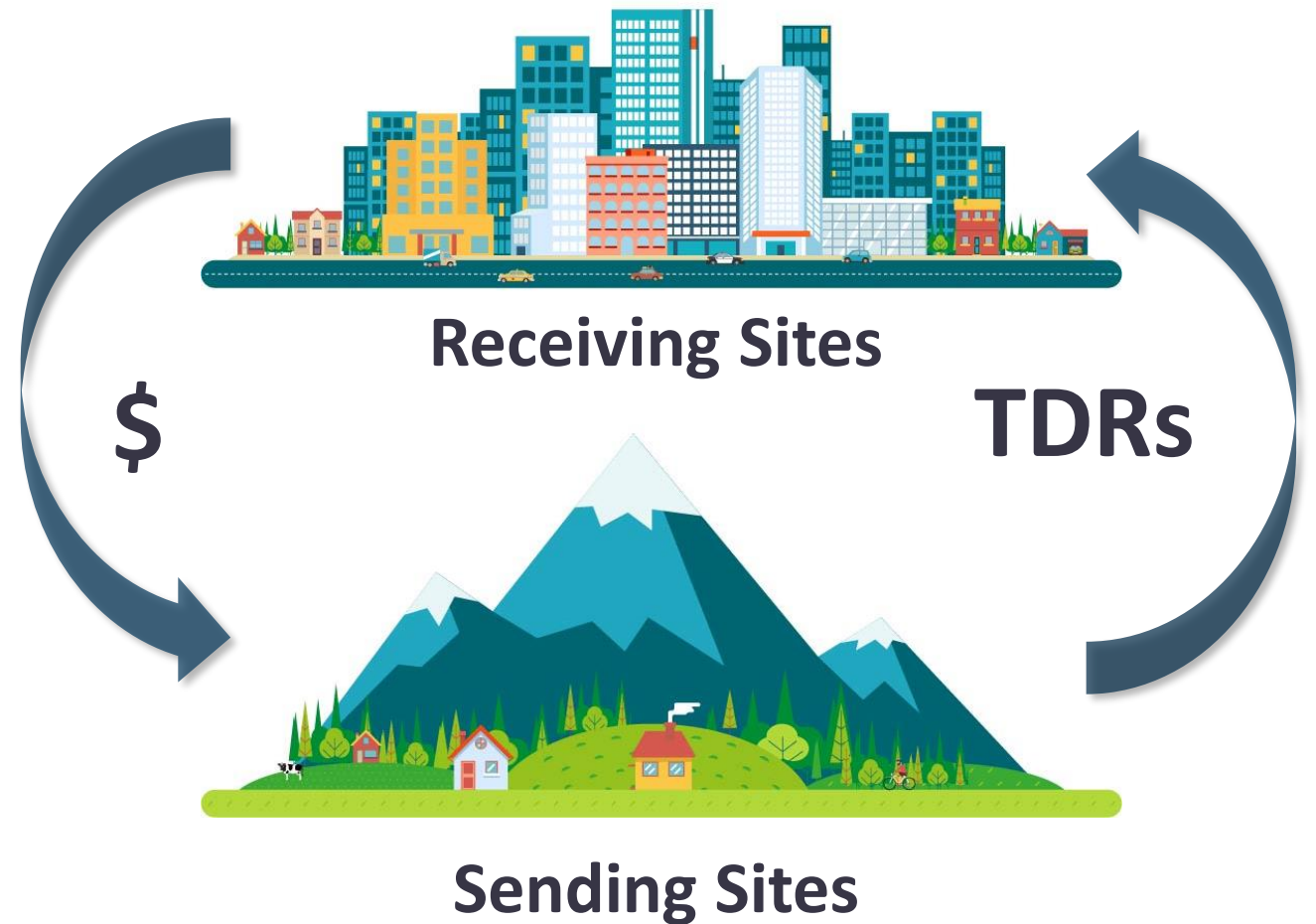
- Is a market-based tool
- Utilizes the demand associated with development to **CONSERVE** environmentally sensitive lands, open space and other lands with public benefits
- Is voluntary and flexible



# Transfer of Development Rights (TDR)

## How they work?

- Sending Sites
  - Supply (TDR credits)
- Receiving Sites
  - Demand (increased density)
- Marketplace
  - Where and how transactions occur



# Transfer of Development Rights (TDR)

## Sending Sites

- Development rights removed
- Receives \$ for transferring development rights
- Retains ownership of property
- Conservation easement



# Transfer of Development Rights (TDR)

## Receiving Sites

- Purchases TDR
- Increased density incentive

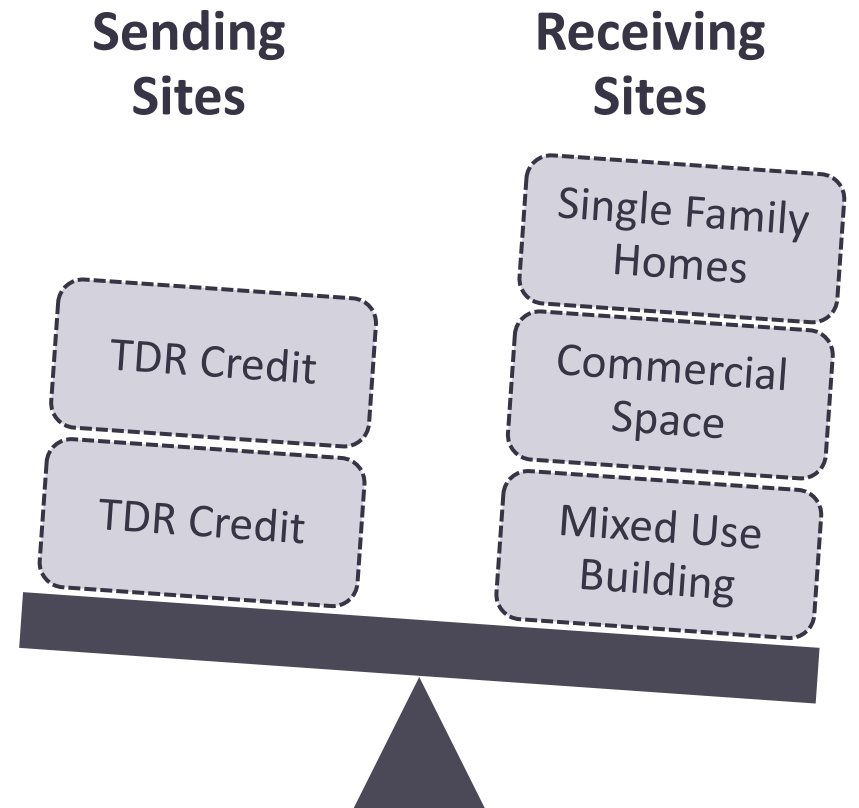


# Transfer of Development Rights (TDR)

## Marketplace

### The market price of TDRs is set by five factors:

- Strength of local and regional real estate markets
- Location where TDRs can be used for additional density and the geographic land areas from where TDRs can be purchased
- Price developers are willing to pay for an increment of density provided by a TDR
- Price at which individual rural landowners are willing to sell their transferable development rights
- Amount of TDRs readily available in a TDR Program





# Transfer of Development Rights (TDR)

## Benefits of a TDR program?

- Land is permanently preserved and remains in private ownership
- Promotes compact development
- Development growth is focused into urban areas and away from critical rural and resource areas

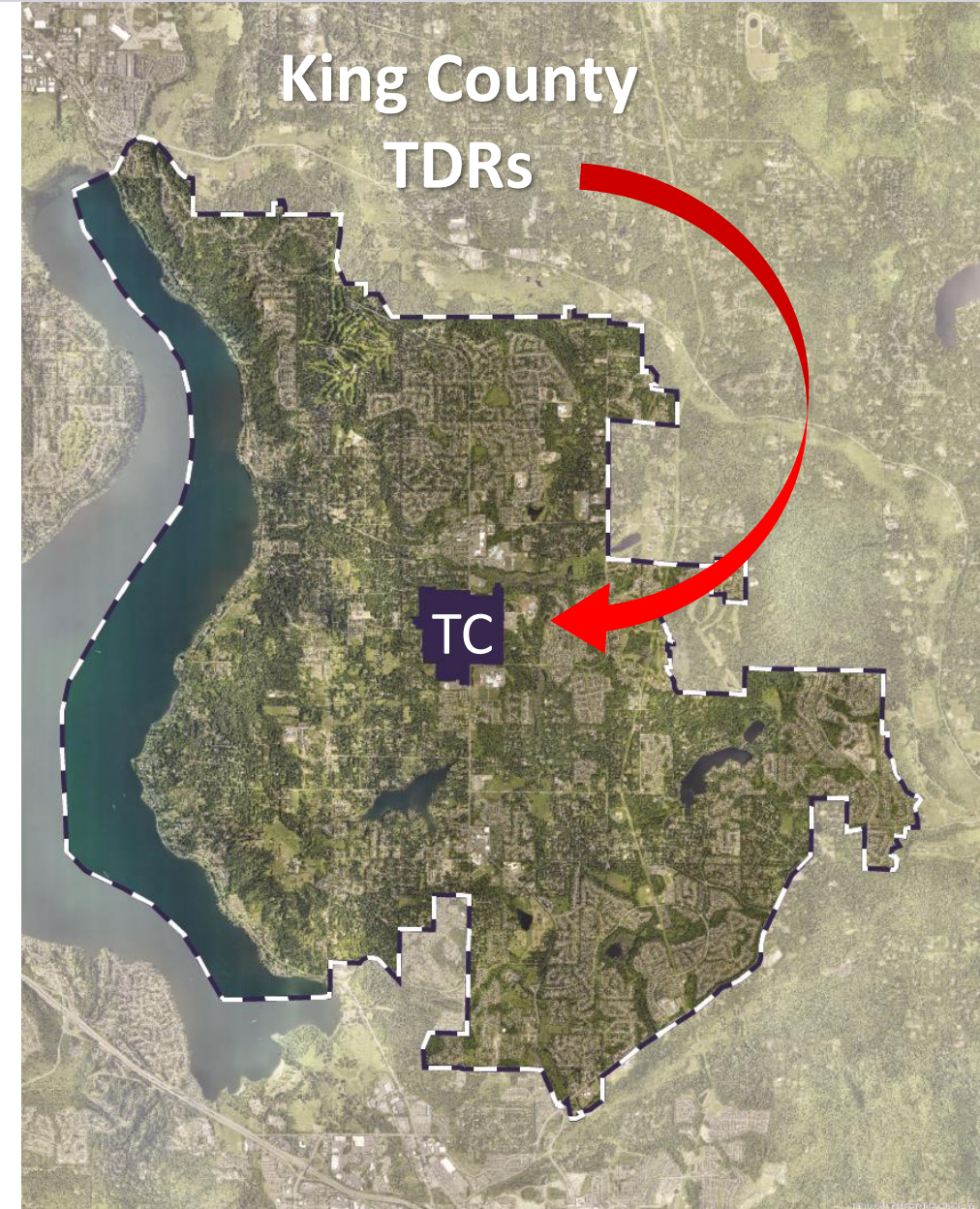


# King County / City of Sammamish Interlocal Agreement

# King County / City of Sammamish Interlocal

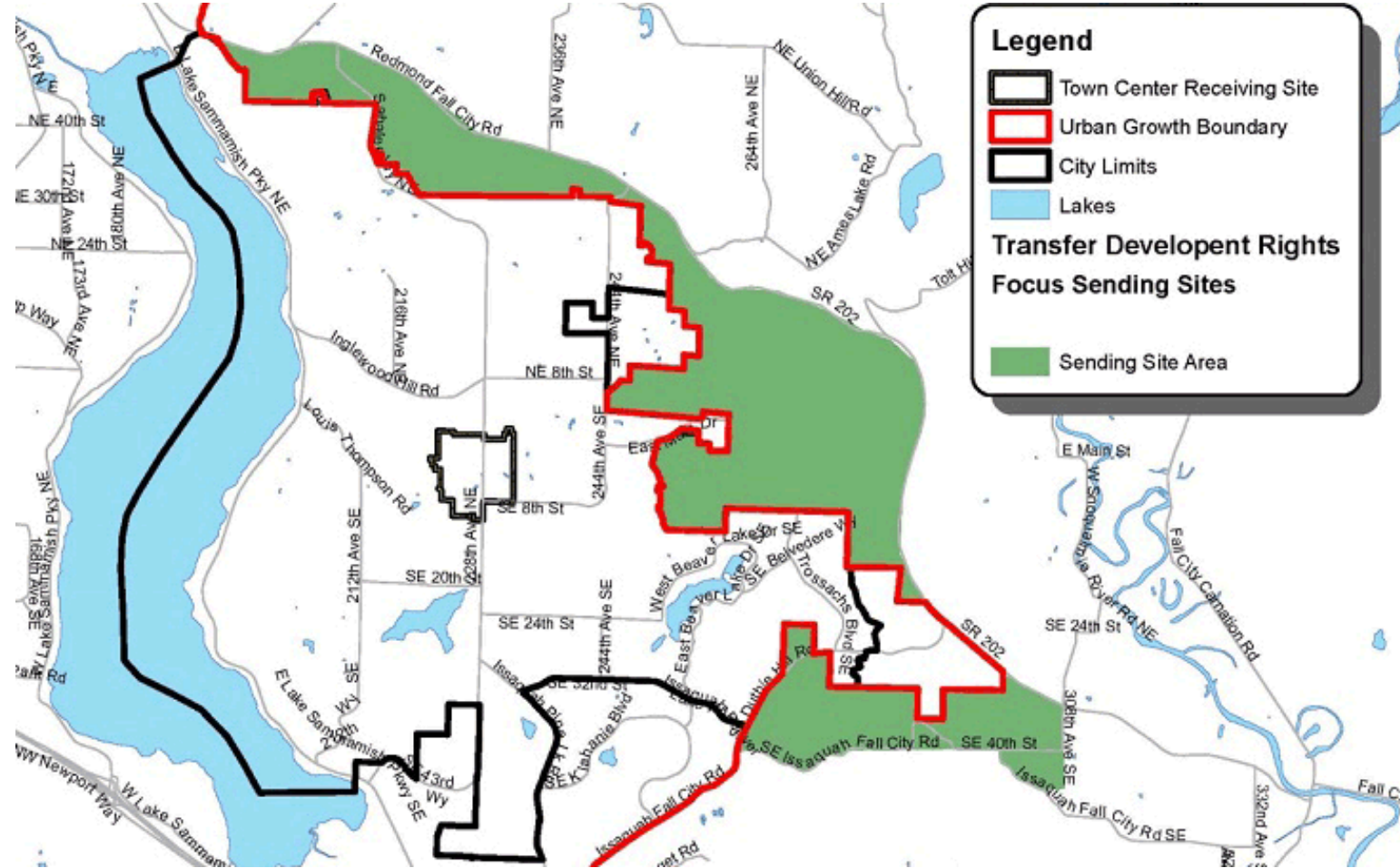
## Purpose

The program establishes a **MARKETPLACE** for unincorporated TDR credits to generate on-going preservation of rural and resource lands deemed important to the City, while investing in City amenities.



# King County / City of Sammamish Interlocal

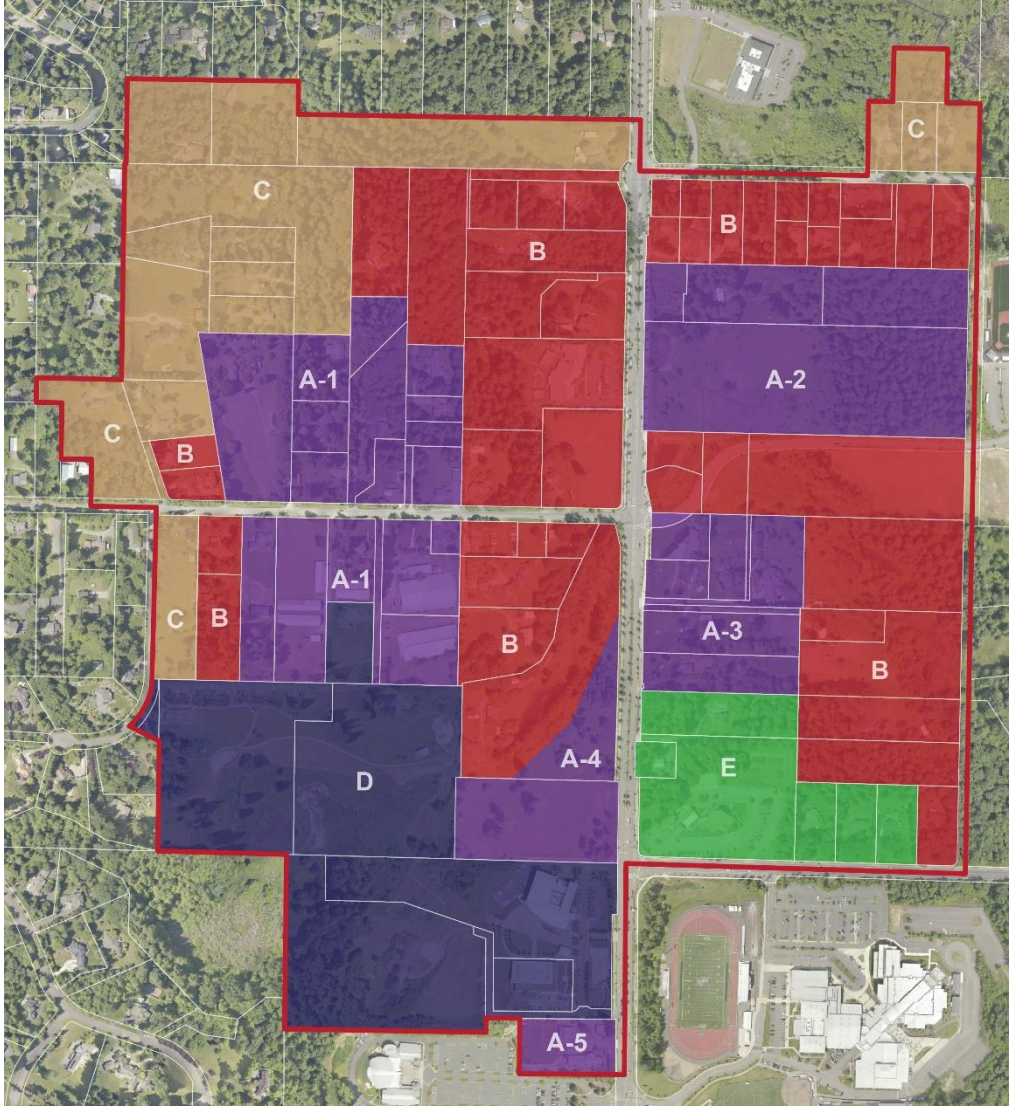
## Emerald Necklace



ILA Sending Site Area

# King County / City of Sammamish Interlocal

## Town Center



Receiving Site Area

# King County / City of Sammamish Interlocal

## Incentive Table

|                                      |            | <b>SENDING ZONE</b>                        |  |
|--------------------------------------|------------|--|--|
|                                      |            | Unincorporated King County<br>1 TDR Credit |  |
| <b>RECEIVING ZONE</b><br>Town Center | Commercial | 3,560 SF                                   |  |
|                                      | TC – C     | 2 du                                       |  |
|                                      | TC – B     | 3 du                                       |  |
|                                      | TC - A     | 5 du                                       |  |

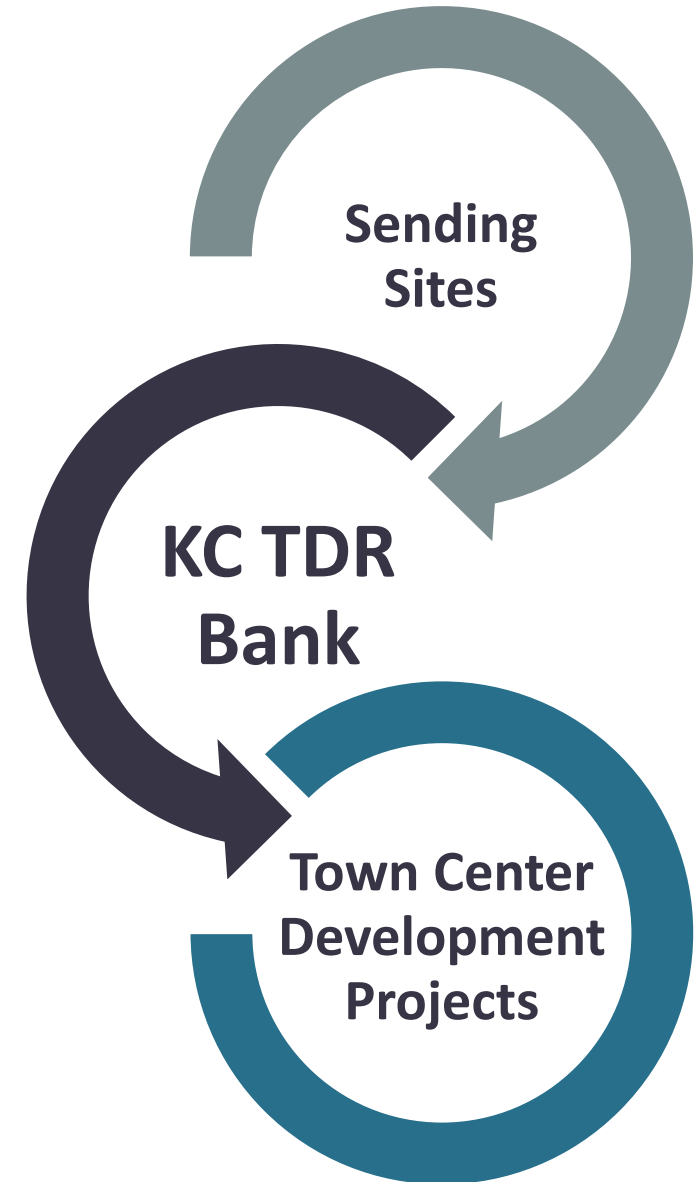
**75 TDR Credits Available**

# King County / City of Sammamish Interlocal

## King County TDR Bank

The King County Bank plays an important role in facilitating the City-County TDR credit market by;

- Buying TDR credits from willing landowners in the sending site area
- Holding the TDR credits
- Selling the TDR credits to willing buyers (developers)



# King County / City of Sammamish Interlocal

## Mitigation Funds

King County will provide funding for certain amenities to mitigate for impacts associated with increased development in the Town Center Receiving Area

- Phase I
- Phase II





# King County / City of Sammamish Interlocal

## Phase I - \$375,000

Creation and acquisition of public open space and / or parks inside the City

- \$226,287 was used to purchase property from King County Roads Division
- Evans Creek Preserve Sahalee Parking Lot
- \$148,713 remains in Phase I funds



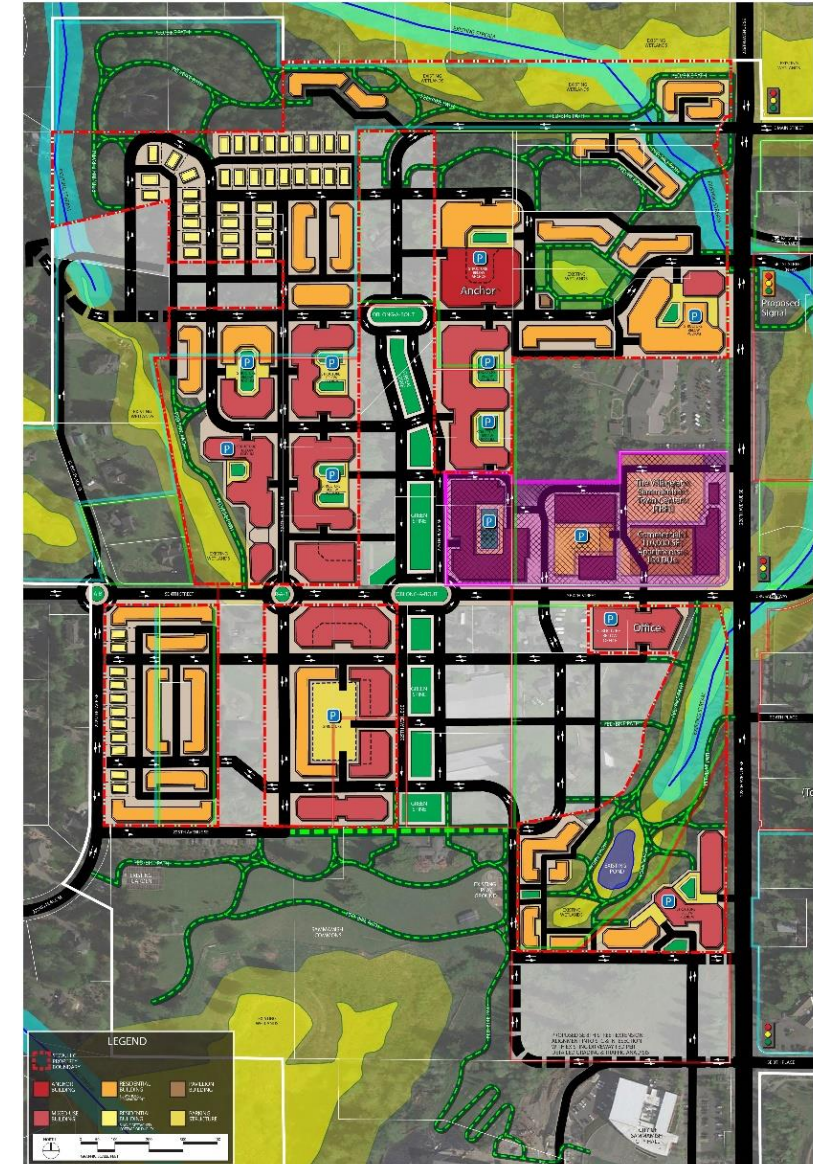
# King County / City of Sammamish Interlocal

## Phase II: 25% of the TDR Sale Price

### STCA Development

|                              |                     |
|------------------------------|---------------------|
| TDR Credit:                  | 20 credits          |
| Cost:                        | \$80,000/per credit |
| <hr/>                        |                     |
| Purchase and Sale Agreement: | \$1,600,000         |

**City Receives \$400,000**



# King County / City of Sammamish Interlocal

## Mitigation Funds

Mitigation Funds must be used for

- Parks, open space, gardens, gateways, natural corridor addition
- Wildlife habitat
- Salmon habitat and aquatic resources
- Scenic resources
- Historic or cultural resources
- Urban passive-use natural areas/greenbelt
- Passive Recreation opportunity in area with unmet needs



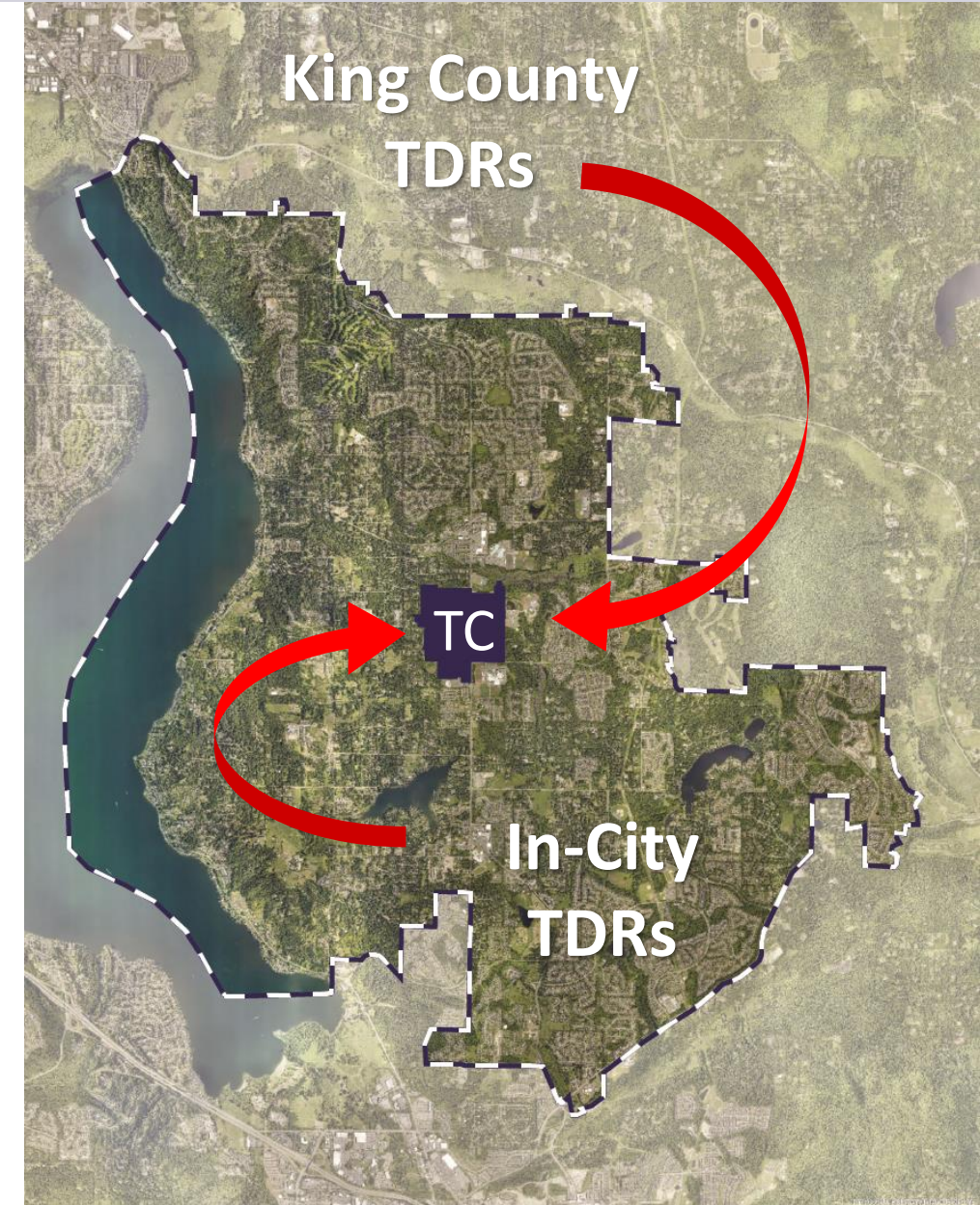
# City of Sammamish TDR Regulations

# 21.A.80 Transfer of Development Rights

## Regulations

Adopted in 2011

- Provides an incentive process for property owners to preserve lands with a public benefit
- Provides administrative review process to ensure that TDR credits are evaluated and administered in a fair and timely manner
- Regulations references the ILA and incorporates incentives



# 21.A.80 Transfer of Development Rights

## Regulations

### Code outlines

- Qualification requirements
- Certification process
- Restrictions and limitations
- TDR transfer process



# 21.A.80 Transfer of Development Rights

## Regulations

The code does not establish a TDR Bank

**A TDR Bank provides the mechanism to;**

- Purchase TDR credits from a willing seller (sending site)
- Sell TDR credits to a willing developer (receiving site)
- Uses the proceeds to purchase land as part of a conversation effort (revolving fund)



# Managing TDR Credits

## What would be the benefit of a City TDR Bank

Establishing a program would provide an opportunity for the City to purchase and manage TDR credits and establish conservation easements in coordination with a strategic plan to support the preservation of the City's natural resources, wildlife corridors and tree canopy.





# 21.A.80 Transfer of Development Rights

## Incentive Table

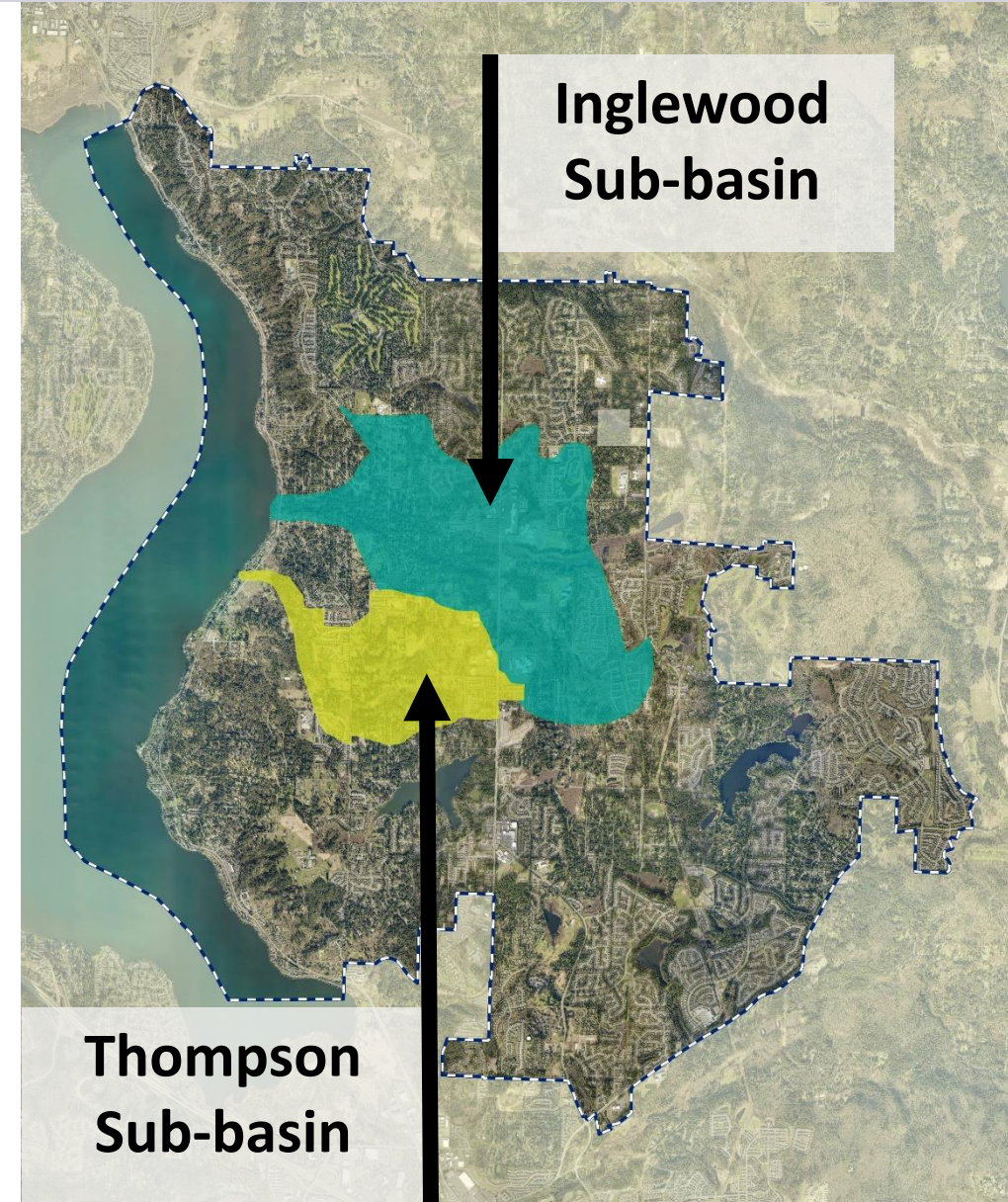
| <b>RECEIVING ZONE</b><br><b>Town Center</b> | <b>SENDING ZONE</b><br><b>City of Sammamish</b> |          |          | <b>SENDING ZONE</b><br><b>Unincorporated King County</b> |          |
|---|---|----------|----------|--|----------|
|   |   | R-1      | R-4      | R-6  | KC LANDS |
|   | Commercial                                      | 7,716 SF | 3,560 SF | 2,600 SF   | 3,560 SF |
|   | TC – C  | 4 du     | 2 du     | 1 du   | 2 du     |
|   | TC – B  | 7 du     | 3 du     | 2 du   | 3 du     |
|   | TC – A  |          |          |  | 5 du     |

# 21.A.80 Transfer of Development Rights

## In-City Sending Sites

Properties located within the following areas;

- Thompson sub-basin
- Inglewood sub-basin

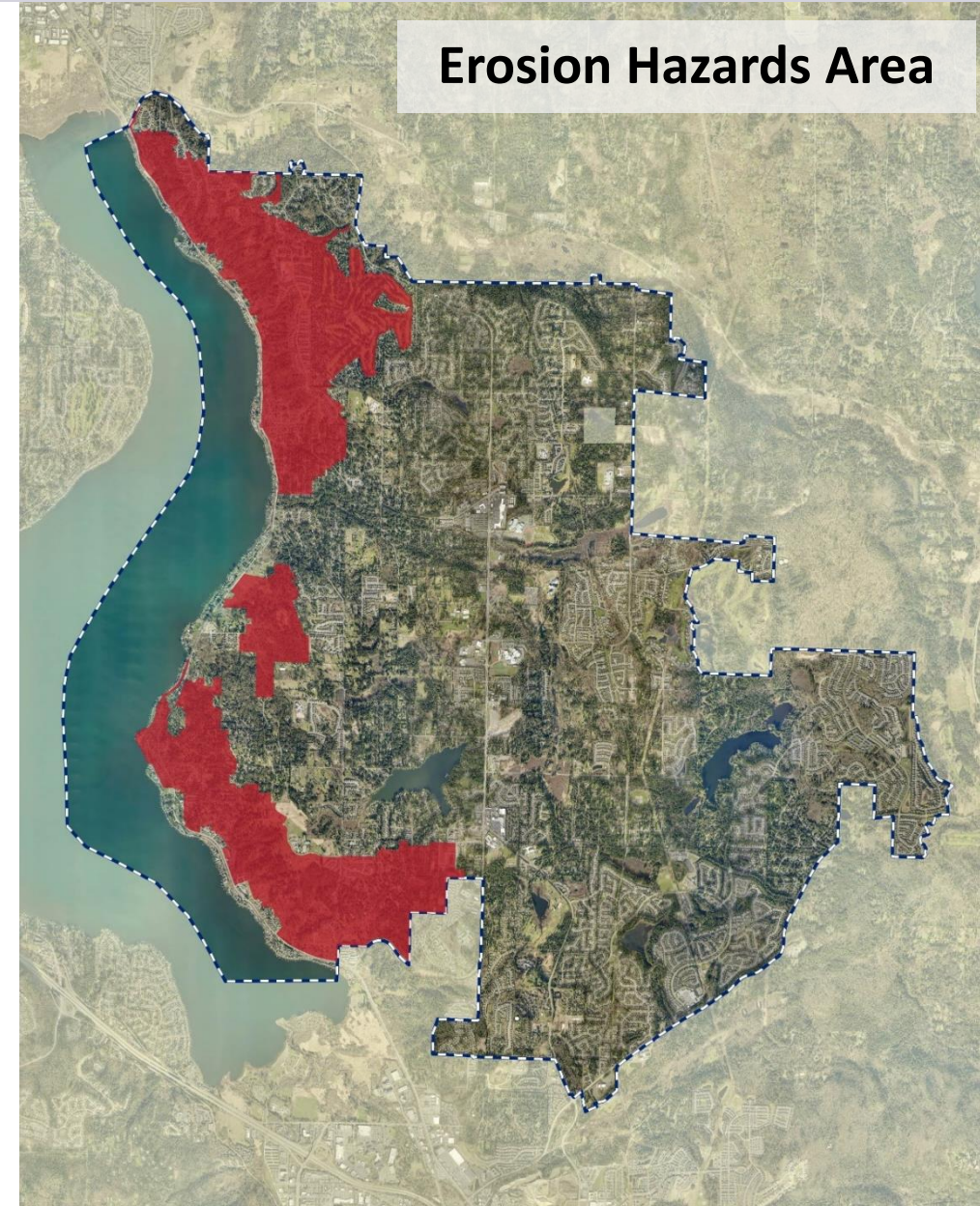


# 21.A.80 Transfer of Development Rights

## In-City Sending Sites

Properties located within the following areas;

- Thompson sub-basin
- Inglewood sub-basin
- Erosion hazards special district overlay

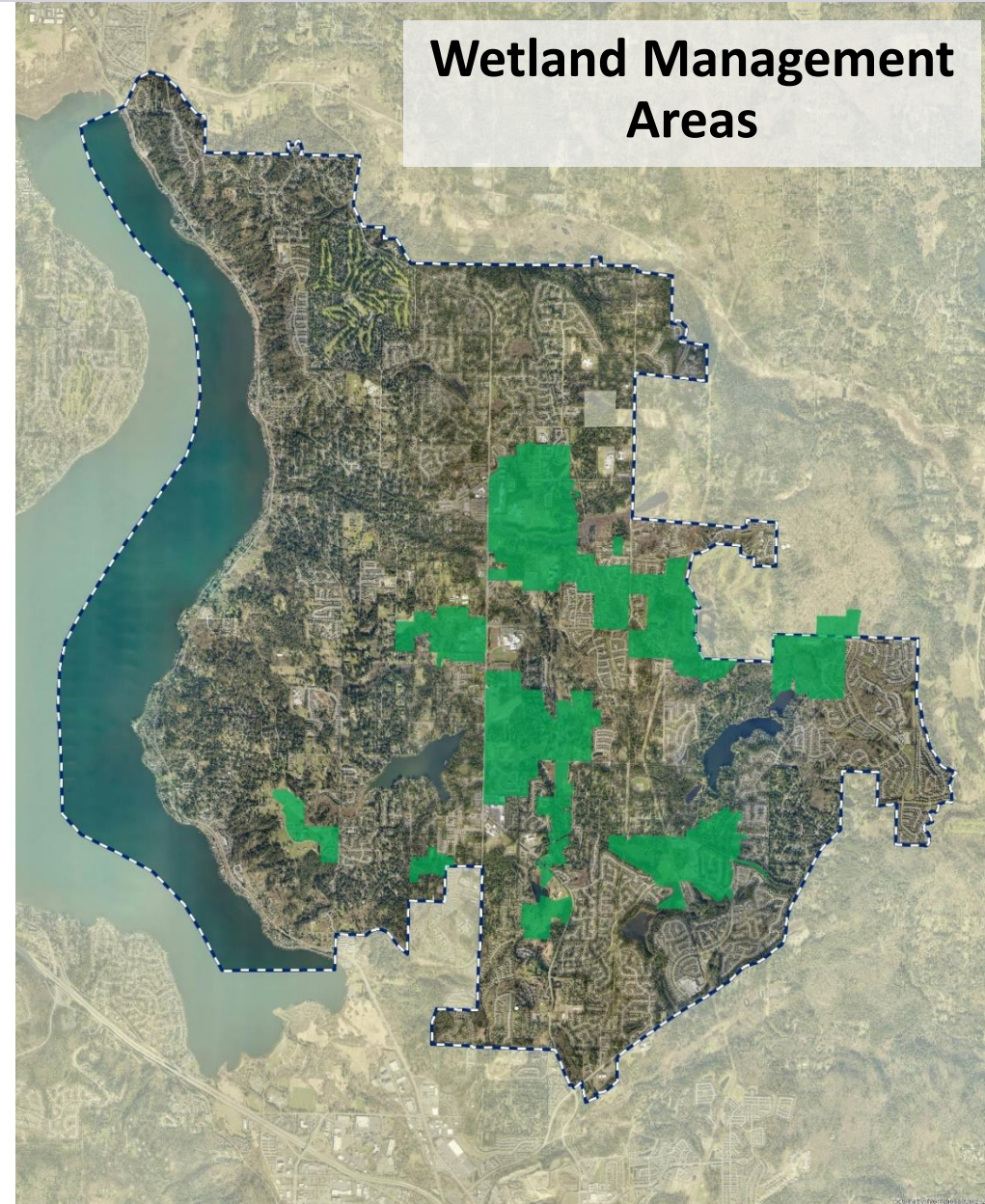


# 21.A.80 Transfer of Development Rights

## In-City Sending Sites

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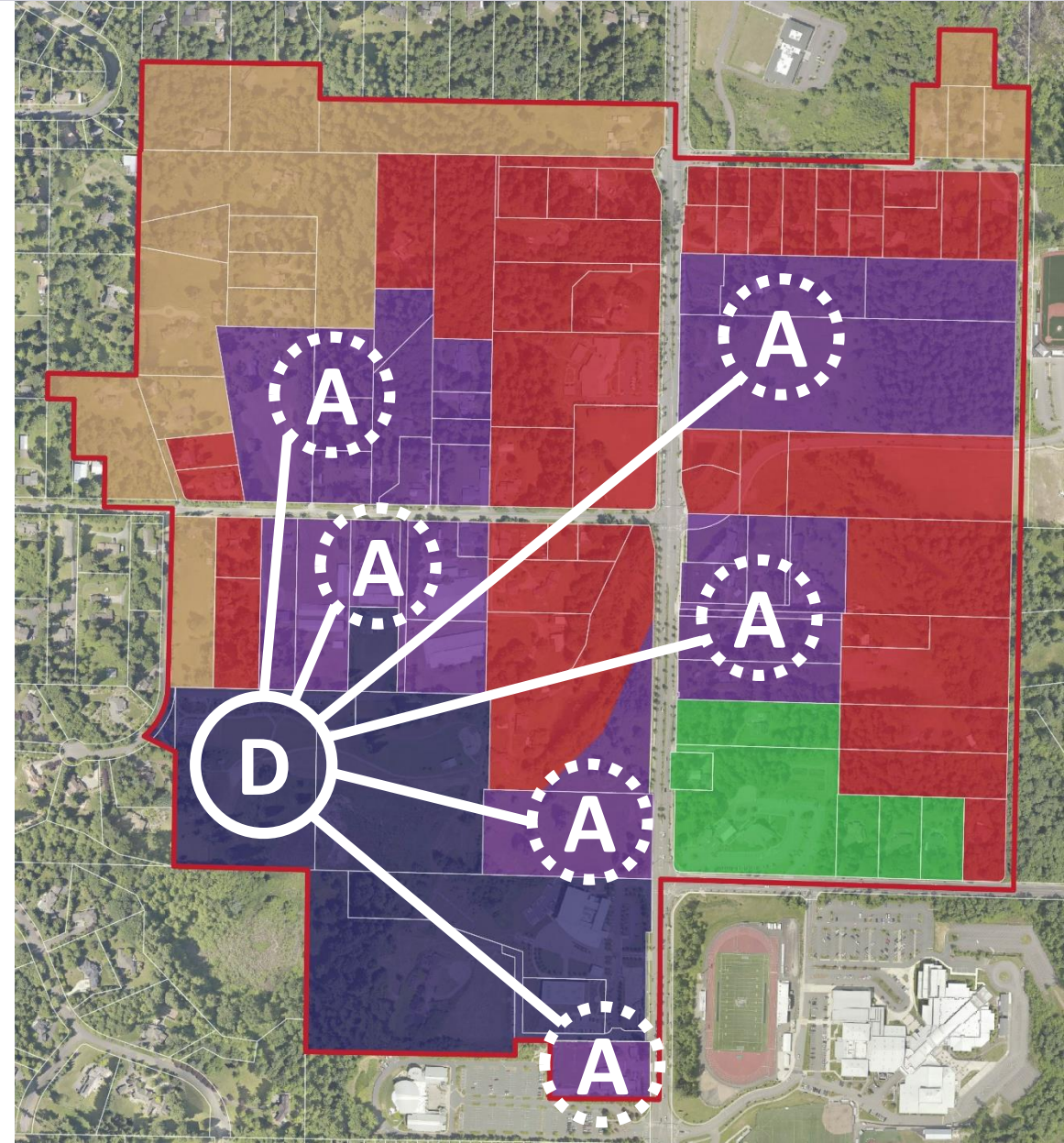
- Thompson sub-basin
- Inglewood sub-basin
- Erosion hazards special district overlay
- Wetland management areas special district overlay



# 21.A.80 Transfer of Development Rights

## Town Center Density Transfers

- Dwelling units may be transferred from the TC-D zone into the TC-A zones (1:1 ratio)
- 240 du available



# Council Direction

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## How should staff proceed...

- Explore establishing a City TDR Bank to buy, hold and sell TDR credits from **intra-city sending site** to **intra-city receiving sites?**
- Explore establishing a City TDR Bank to buy, hold and sell TDR credits from **intra-city sending site** to **another city receiving sites?**