

Transfer of Development Credits

Reconciling Conservation and Development

AEPA Fall Forum
Red Deer, Alberta
November 8, 2012



INTRODUCTION



Mission:

The **Miistakis Institute** brings people and ideas together to promote healthy communities and landscapes. We study the landscape, so we can help people conserve it; and we celebrate innovative research by making it accessible to communities and decision-makers.

Our partners are leading edge scientists, like minded organizations, government agencies, industry and inspiring community leaders who work toward ecosystem health today and for the future.

Affiliated with the University of Calgary , the Miistakis Institute is an independent, non-profit charitable organization.

INTRODUCTION



The **Miistakis Institute's** program areas are:

- Citizen science
- Ecosystem services
- GIS for conservation
- Market based instruments
- Private land conservation
- Sustainable land use
- Transportation ecology
- Wildlife management

OUTLINE



- **Outline**

- Why a Transfer of Development Credits (TDC) program?
- What is a TDC program?
- Features of a TDC program?
- What can TDC's be used for?
- How are TDC programs started?
- How are TDC programs enabled?

OUTLINE



- **Outline (cont.)**
 - Who can establish a TDC program?
 - What is required?
 - How are landowners compensated in a TDC program?
 - How are landscapes evaluated?
 - Agriculture / Urban Fringe scenario
 - Alberta examples

TRANSFER OF DEVELOPMENT CREDITS



From “Transfer of Development Rights: A Flexible Option for Growth in Pennsylvania”,
Brandywine Conservancy

Why a TDC program?



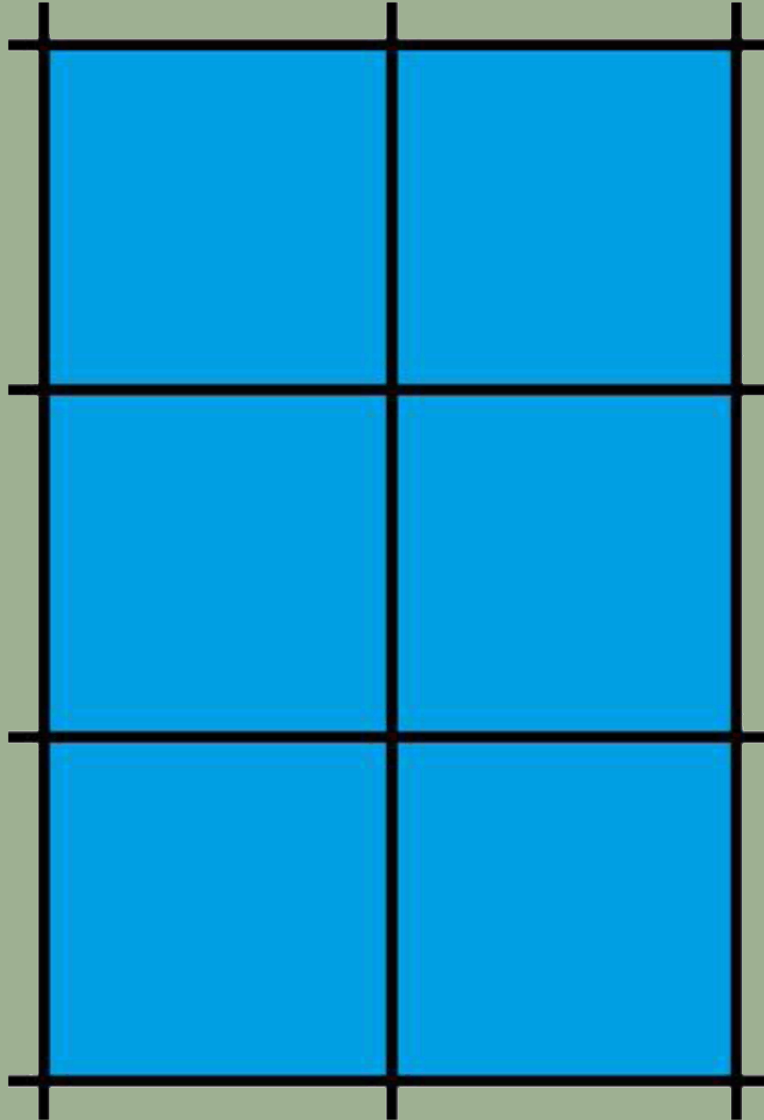
- **For communities facing rapid growth, rapid land conversion, and loss of valued landscapes**
- **Directs development away from areas where it is not appropriate to areas where it makes best sense**
- **Conserves valued landscapes at minimal public expense**

Why a TDC program?



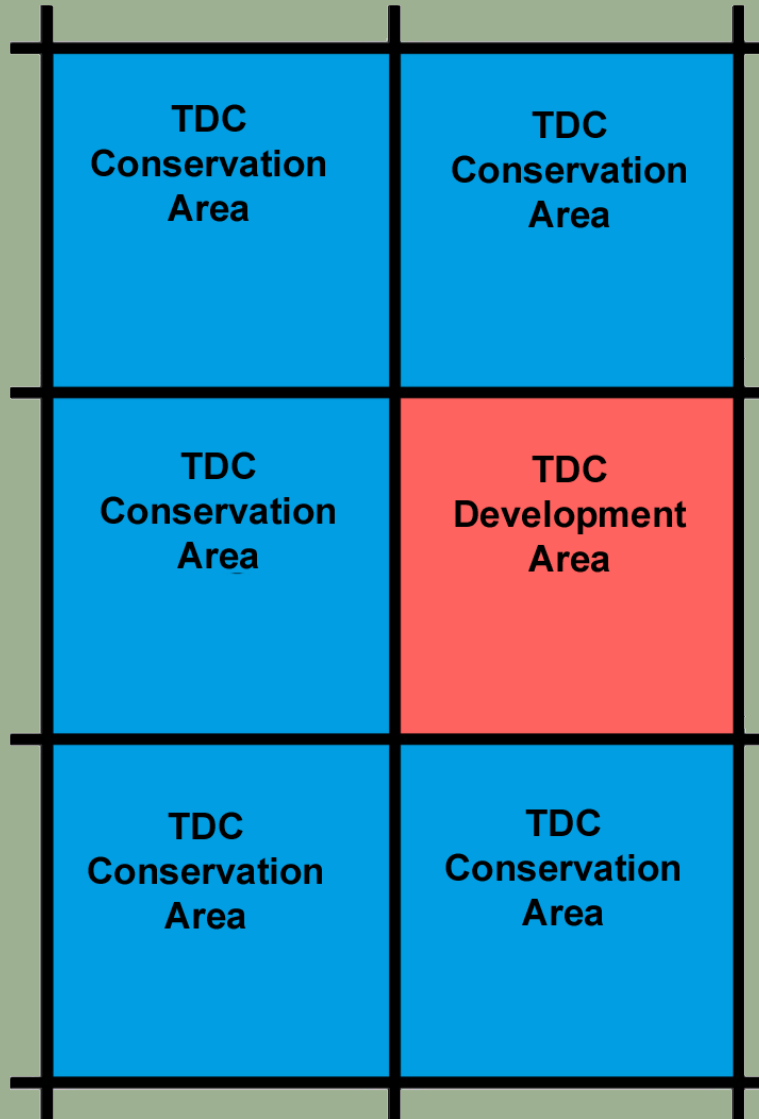
- **Avoids win-lose zoning scenarios, ensuring landowners suffer no serious property value reductions in zoning-only approaches**
- **Allows large groups of parcels to be conserved in contrast to parcel-by-parcel clustering techniques**

What is a TDC program?



Determine the area to which the TDC program will apply

What is a TDC program?

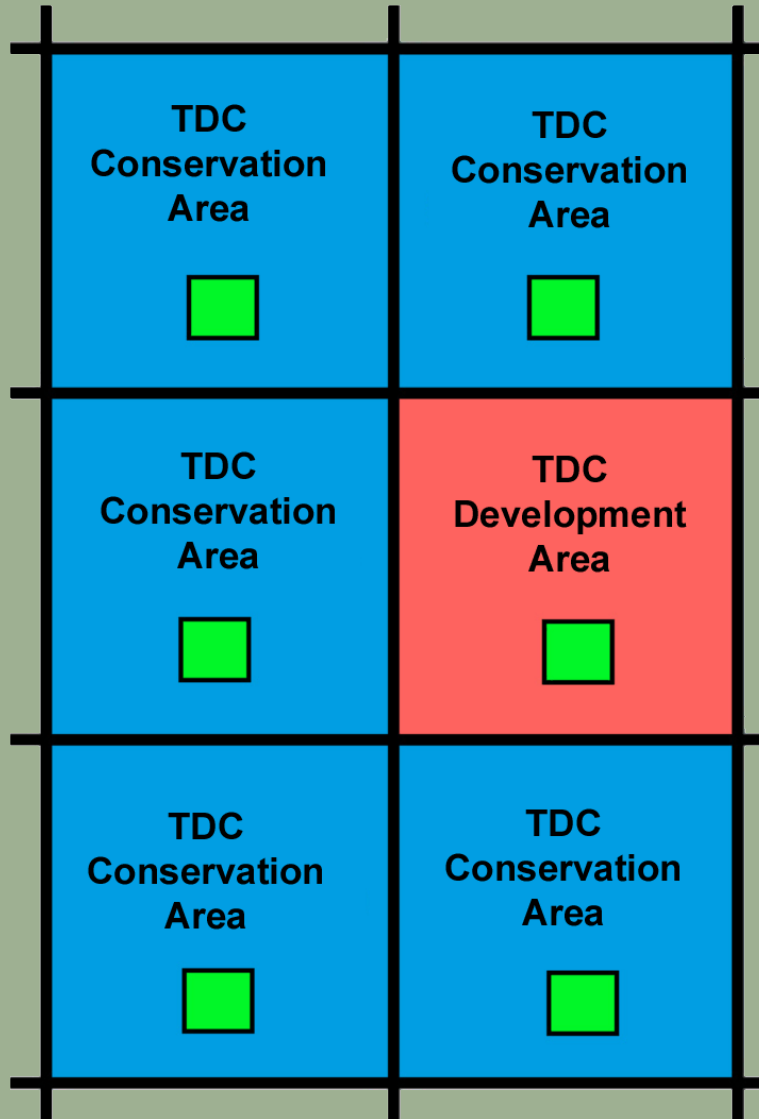


Designate
sending
(TDC Conservation)
Areas

and

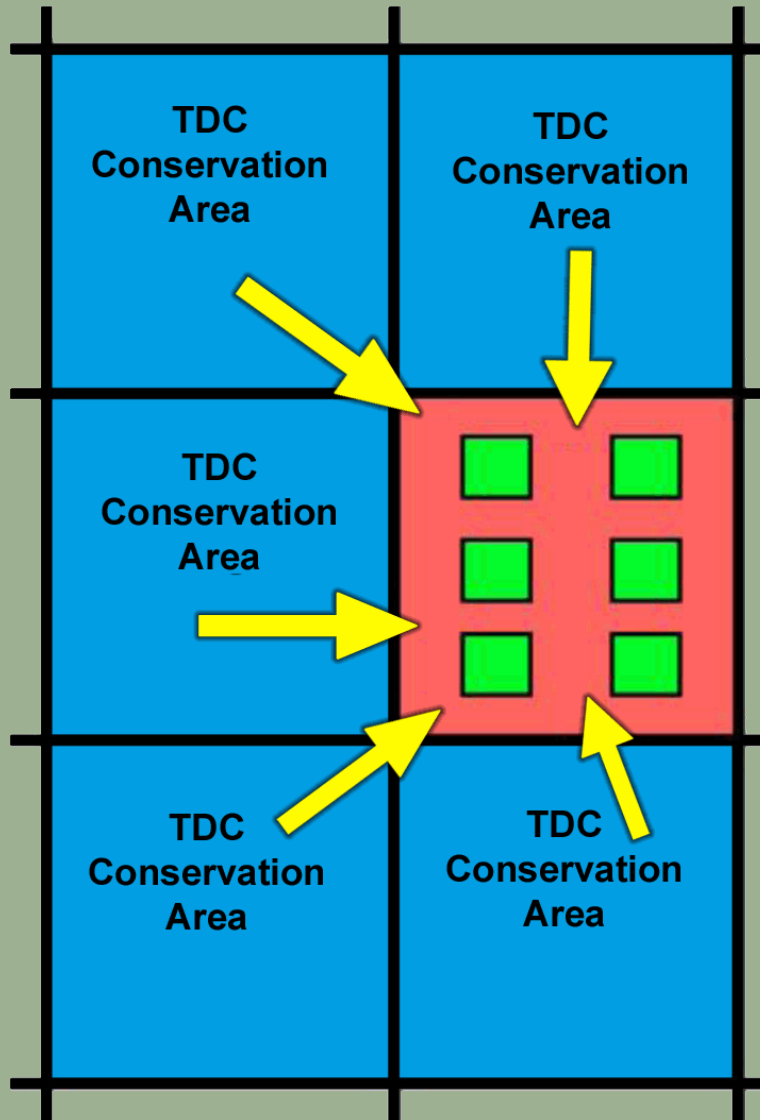
receiving
(TDC Development)
Areas

What is a TDC program?



Assign a
'development
credit' to each
parcel

What is a TDC program?



Developers
purchase 'credits'
from other parcels

Development potential
is extinguished on 'TDC
Conservation Area'
parcels

Features of a TDC program



- **Municipal planning tool for promoting land conservation in the face of significant land conversion pressure**
- **Supports a community vision**
- **Method for deed-restricting development (e.g., conservation easements)**
- **Market-based system for transferring credits; may be assisted (e.g., brokered)**

Features of a TDC program



- **Successful TDR programs are never lonely, never stagnant!**
- **Many ways for determining sending areas and receiving areas**
- **Credits may be based on development / conservation potential**
- **May be for a region, an entire county, multiple counties**

What can TDC's be used for?



- **Allowable purposes defined in ALSA**
 - Environment
 - Scenic values
 - Agriculture
 - Historic resources

How are TDC programs started?



- **Developers**
- **Conservationists**
- **Council / staff**
- **Landowners**

How are TDC programs enabled?

- **Alberta Land Stewardship Act**
- **Regulations (in development)**
- **Do NOT need a regional plan**



Who can establish a TDC program?



- **Municipal planning tool**
- **ALSA authorizes:**
 - Local authority
 - Two or more local authorities
 - Regional plan
- **Regulations would delegate authority to municipality**

What is required?



- **Alberta Land Stewardship Act**
 - Designate conservation lands and purpose(s)
 - Designate development area
 - State attributes of credits
 - Seek approval from Cabinet

What is required?



- **Regulations (proposed)**
 - Create TDC Bylaw
 - Amend plans as needed
 - Credits trade within program
 - Maintain records
 - Apply for approval after 3rd reading

How are landowners compensated?



- **Cash payment for development credits**
- **No set amount for credits**
- **Willing buyer / willing seller in a true market**

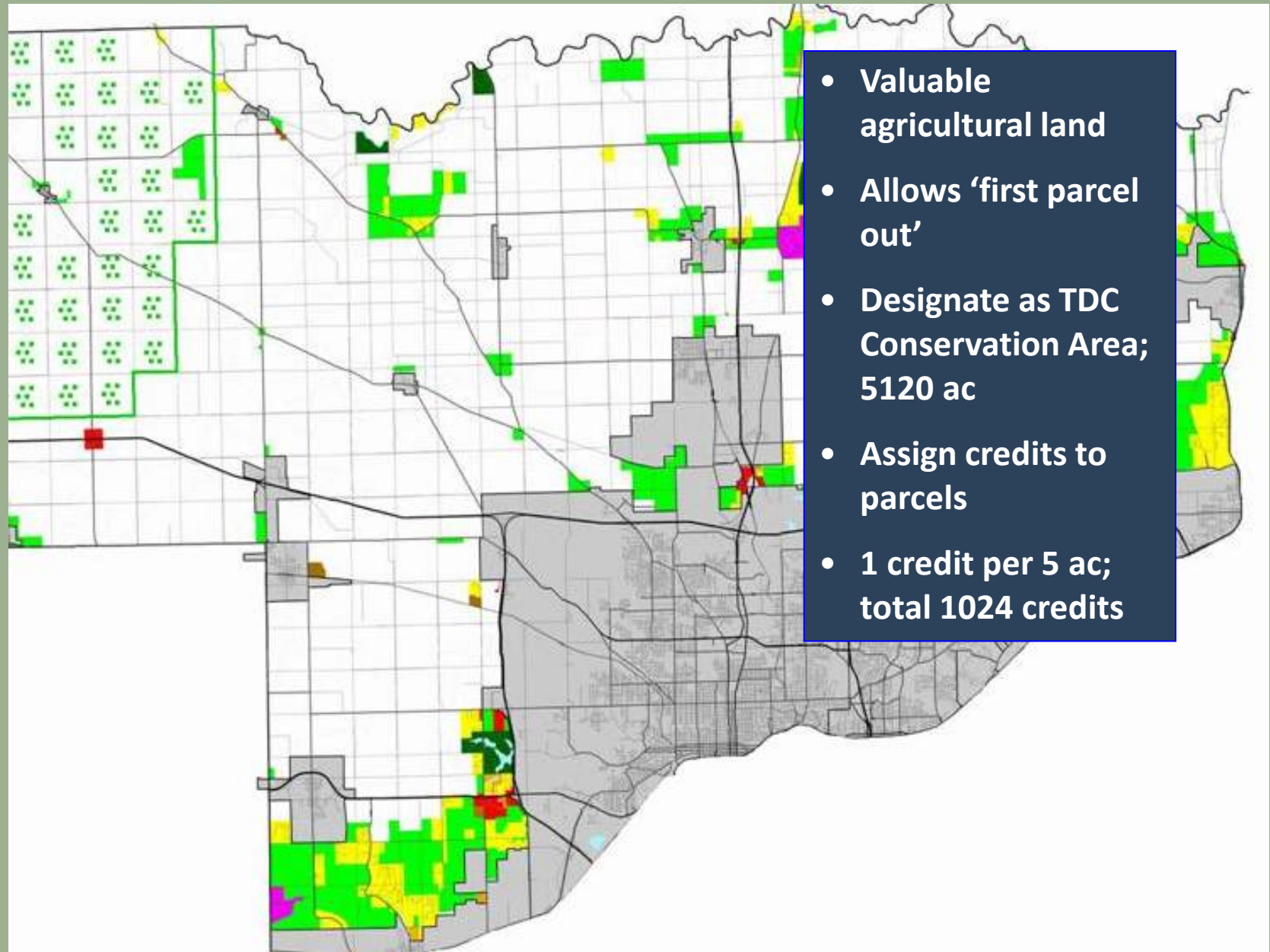
How are landscapes evaluated?



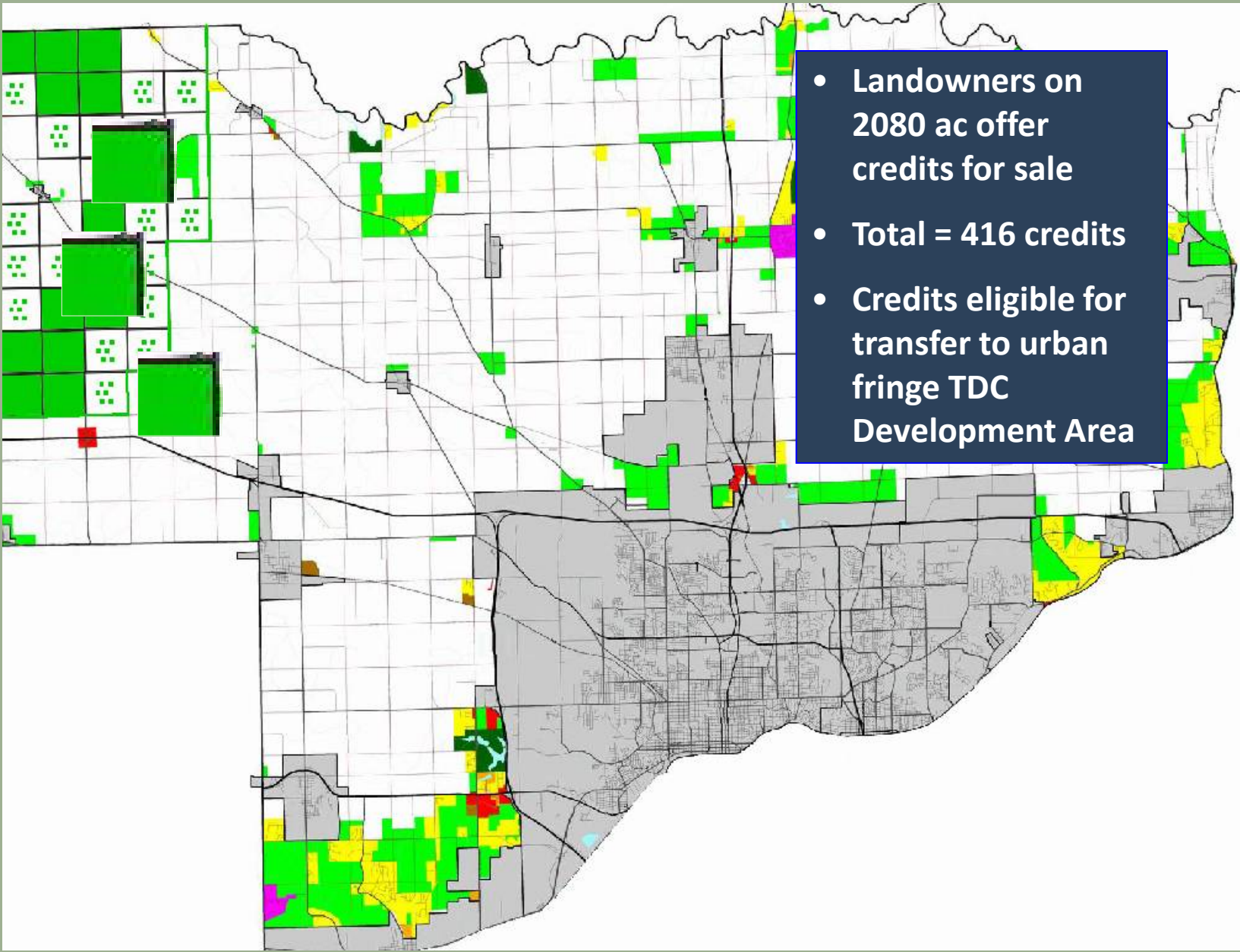
- **Landscape valuation may be complex or simple**
 - May be bonuses for key features (riparian, native grass, affordable housing)
 - May be 1 credit per 1 acre
 - Likely something in between

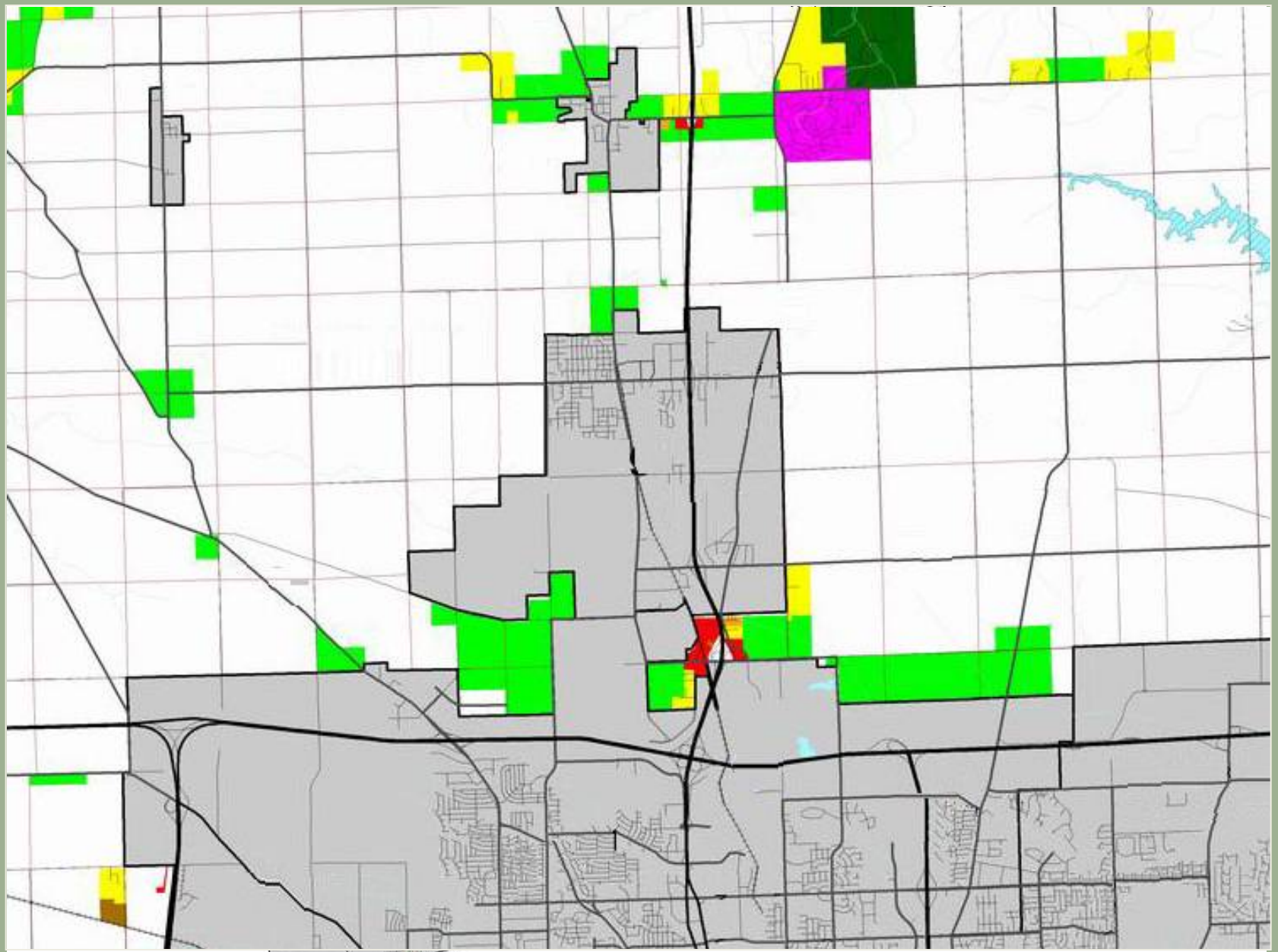
Agriculture / Urban Fringe scenario

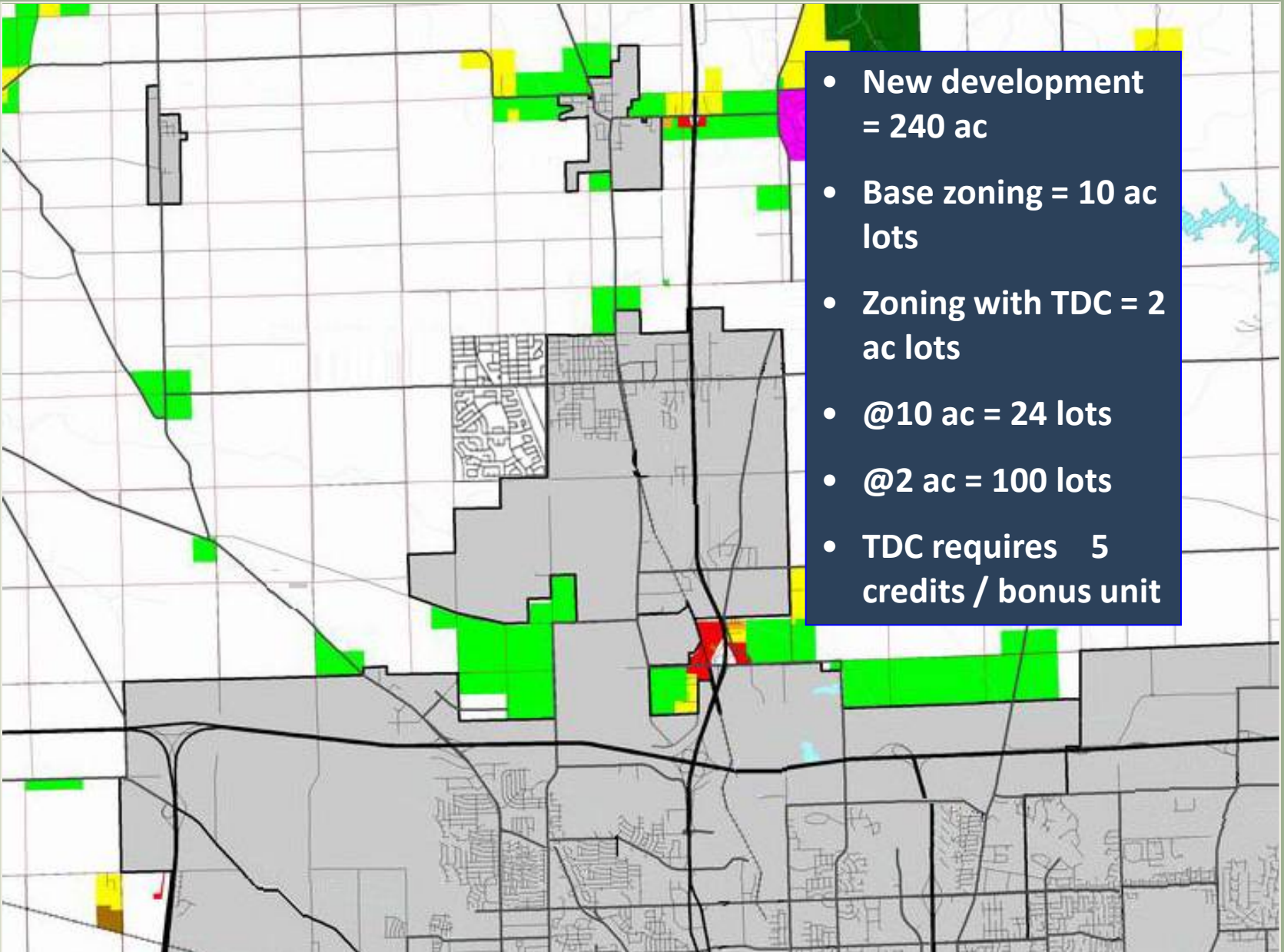




- Valuable agricultural land
- Allows 'first parcel out'
- Designate as TDC Conservation Area; 5120 ac
- Assign credits to parcels
- 1 credit per 5 ac; total 1024 credits

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- A map showing a grid of land parcels. Some parcels are highlighted in green, some in yellow, and a few in red. The map is overlaid with a grid of lines. A dark blue box with white text is in the upper right corner.
- Landowners on 2080 ac offer credits for sale
 - Total = 416 credits
 - Credits eligible for transfer to urban fringe TDC Development Area

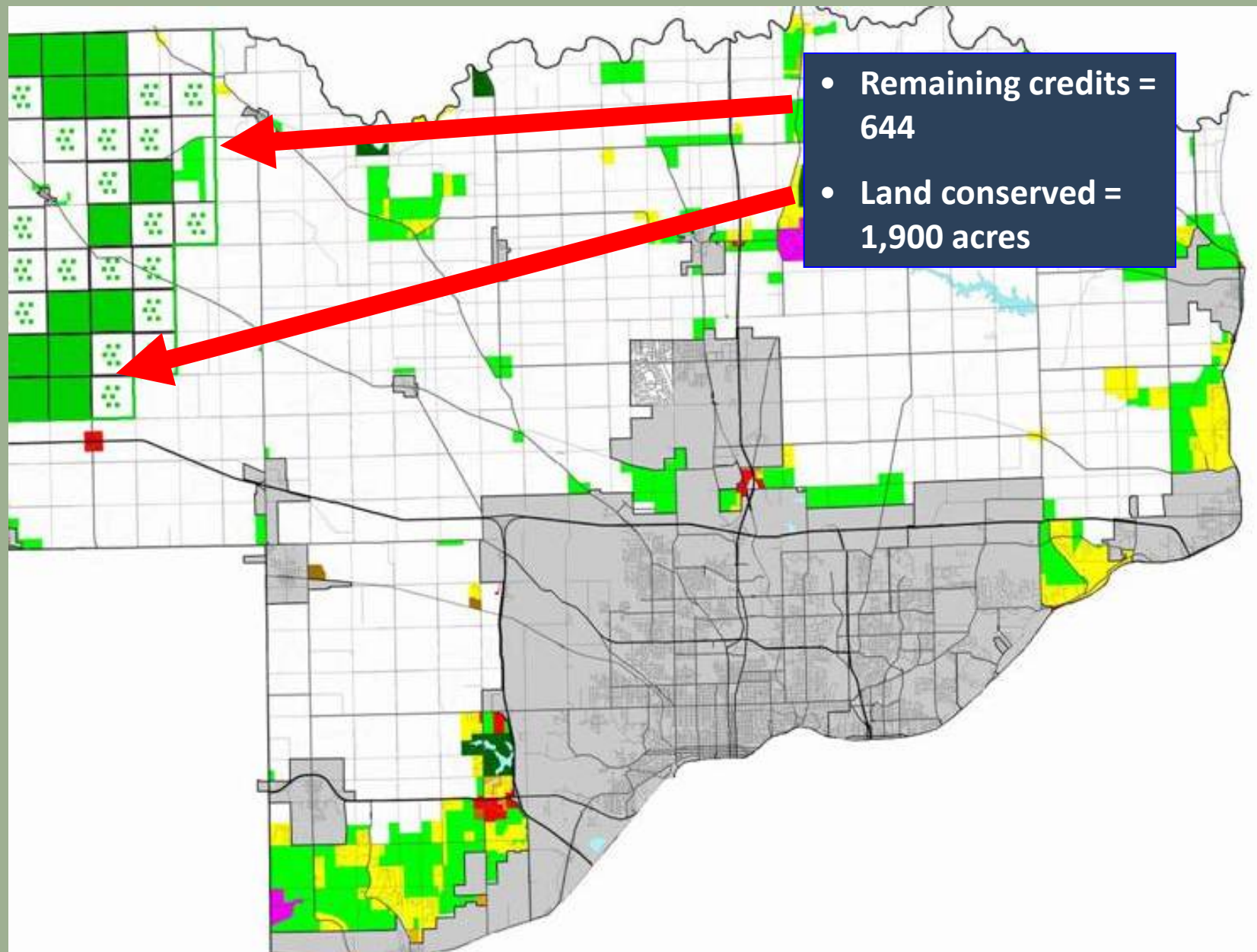


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- New development = 240 ac
 - Base zoning = 10 ac lots
 - Zoning with TDC = 2 ac lots
 - @10 ac = 24 lots
 - @2 ac = 100 lots
 - TDC requires 5 credits / bonus unit

\$3,000 / credit



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- Urban fringe
 - Within urban growth area
 - Rationalization of development standards
 - Inclusion in the urban area



Alberta Examples



- **MD of Bighorn**
 - **Established program in 2007 (pre-ALSA); made policy changes**
 - **Started with one landowner (multiple parcels)**
 - **Currently one policy area, one ASP; market drop stalled activity**
 - **Currently exploring application across the MD; re-writing MDP**
 - **Drafted TDC Bylaw; waiting for TDC Reg.**

Alberta Examples



- **Beaver Hills Initiative (BHI)**
 - **ARC market-based instrument (MBI) feasibility study**
 - **Launched TDC pilot study; focused on Strathcona County / Beaver County**
 - **Research concluding Dec 2012 (potential for market in sending/receiving areas; admin models; landowner / developer consultation**
 - **Strathcona considering ways to use**

Contact Information



MIISTAKIS
INSTITUTE

Guy Greenaway

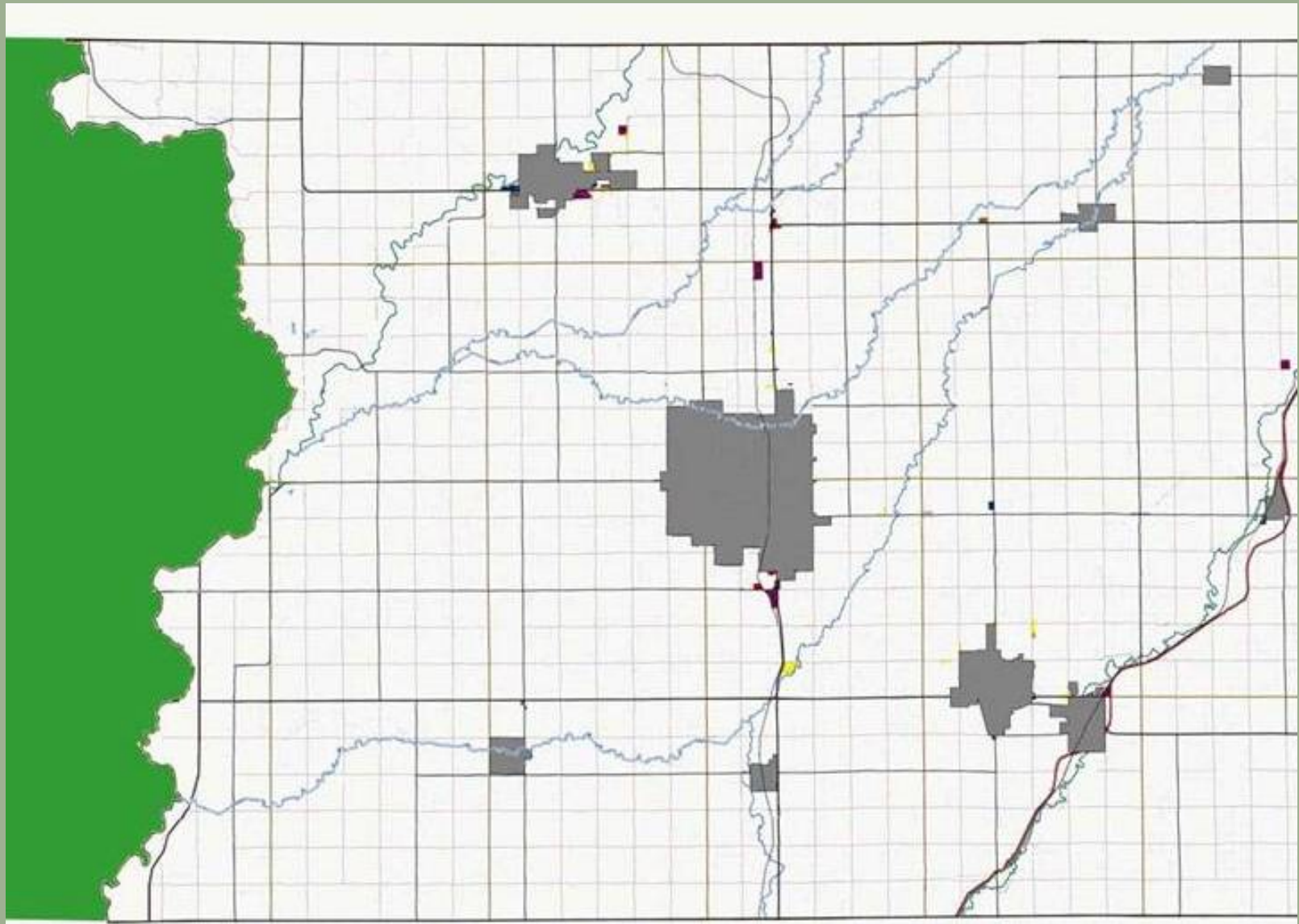
Phone: 403-220-8968

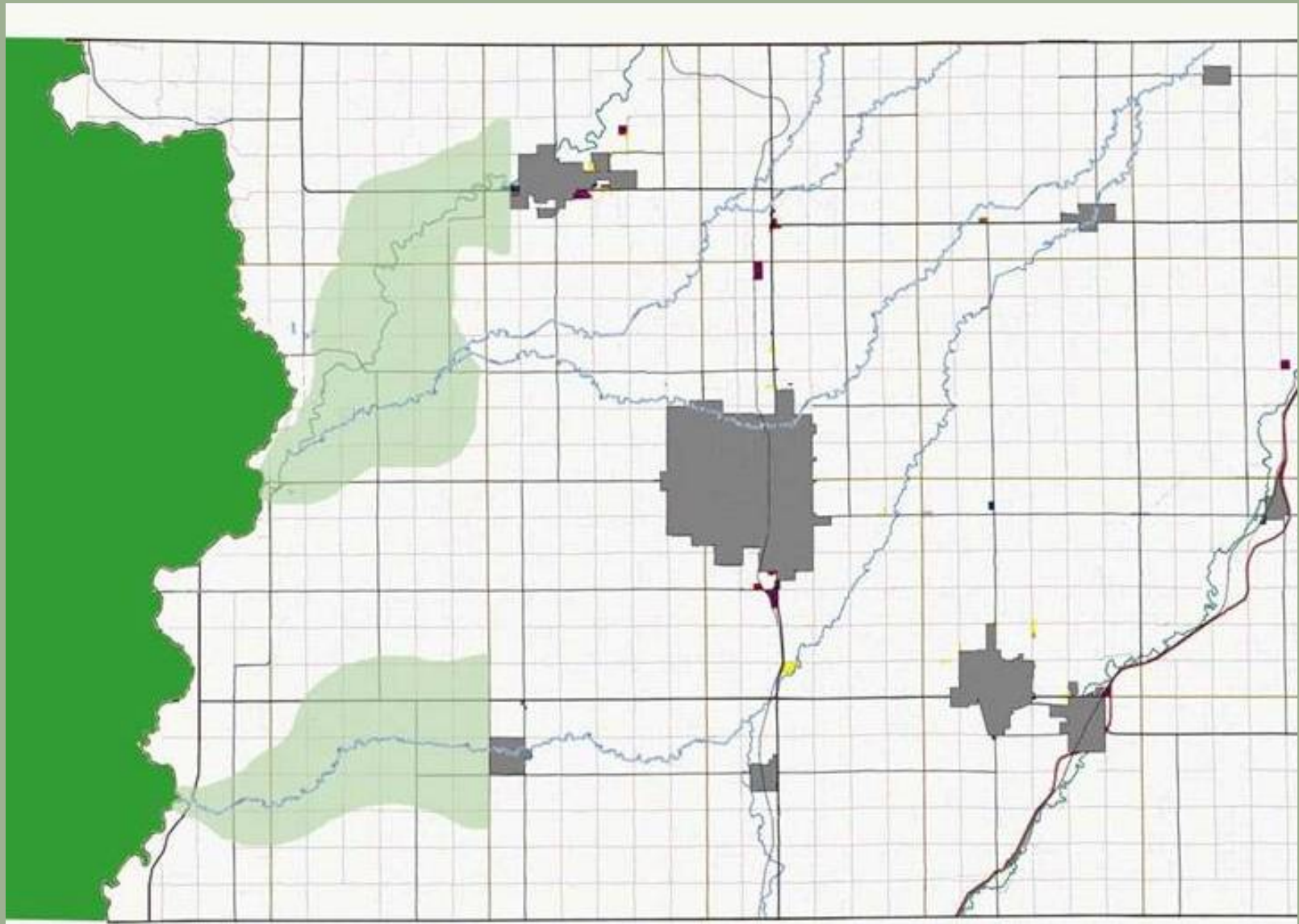
Email: guy@rockies.ca

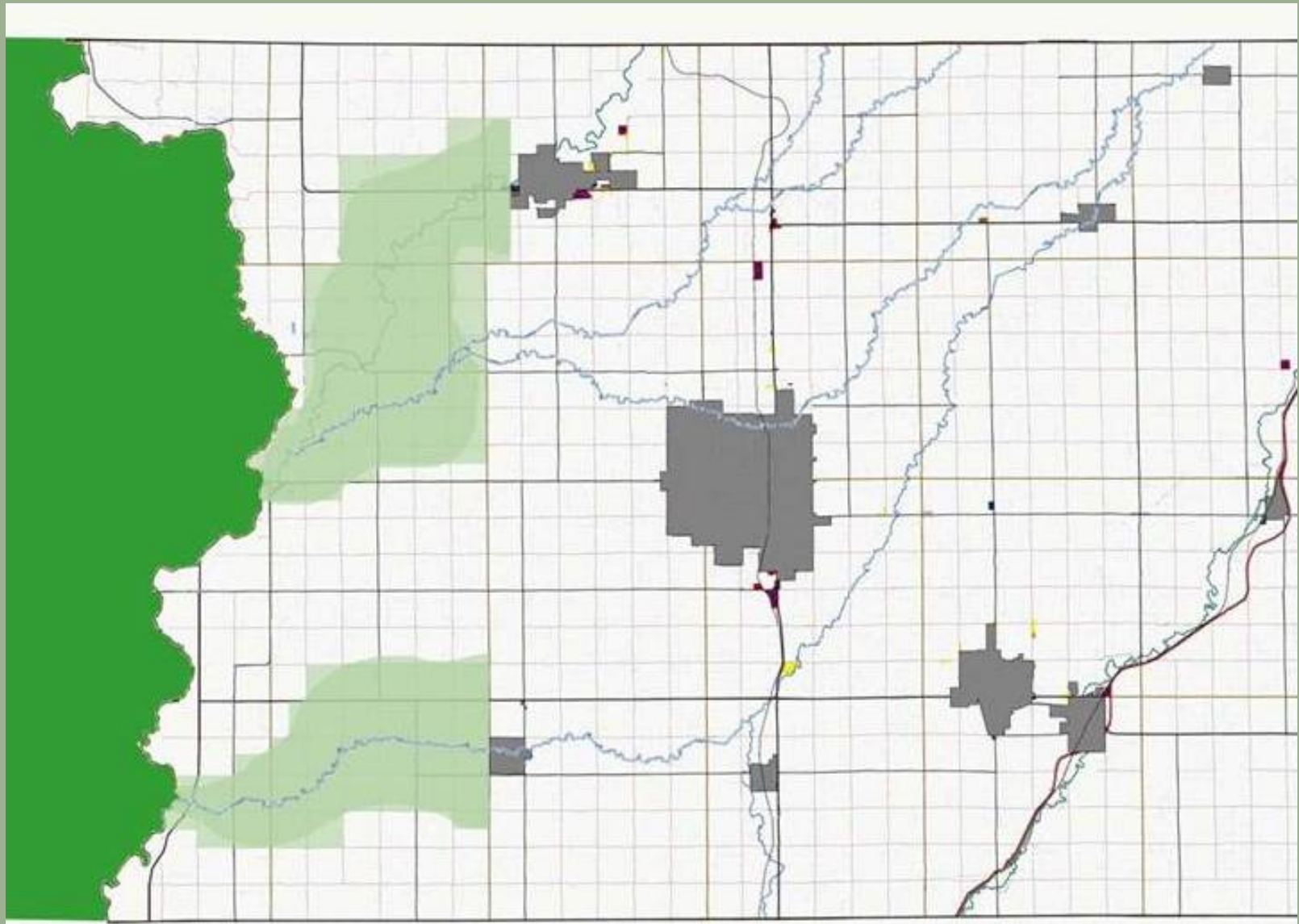
Web: www.rockies.ca

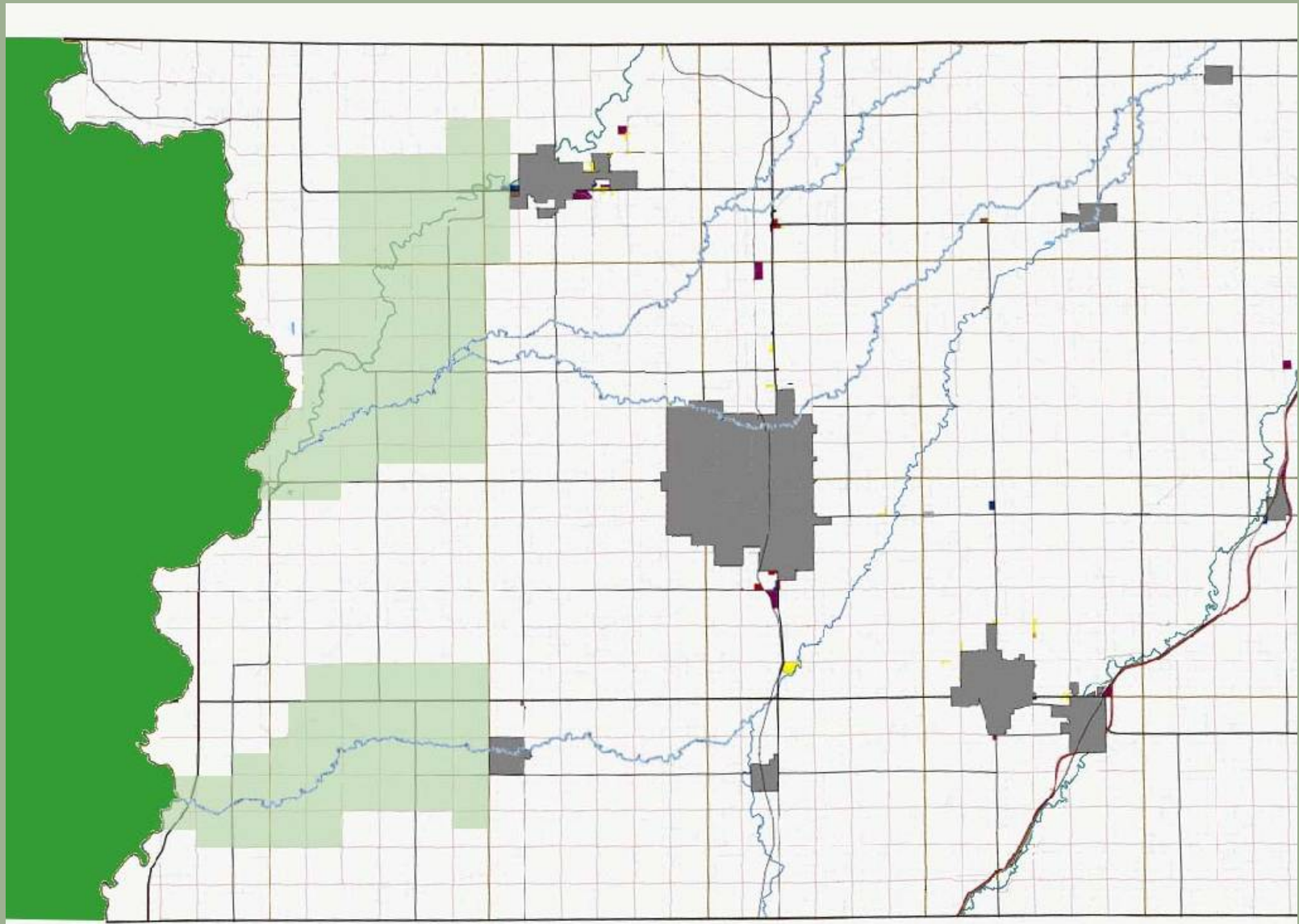
Headwaters / New Hamlet scenario

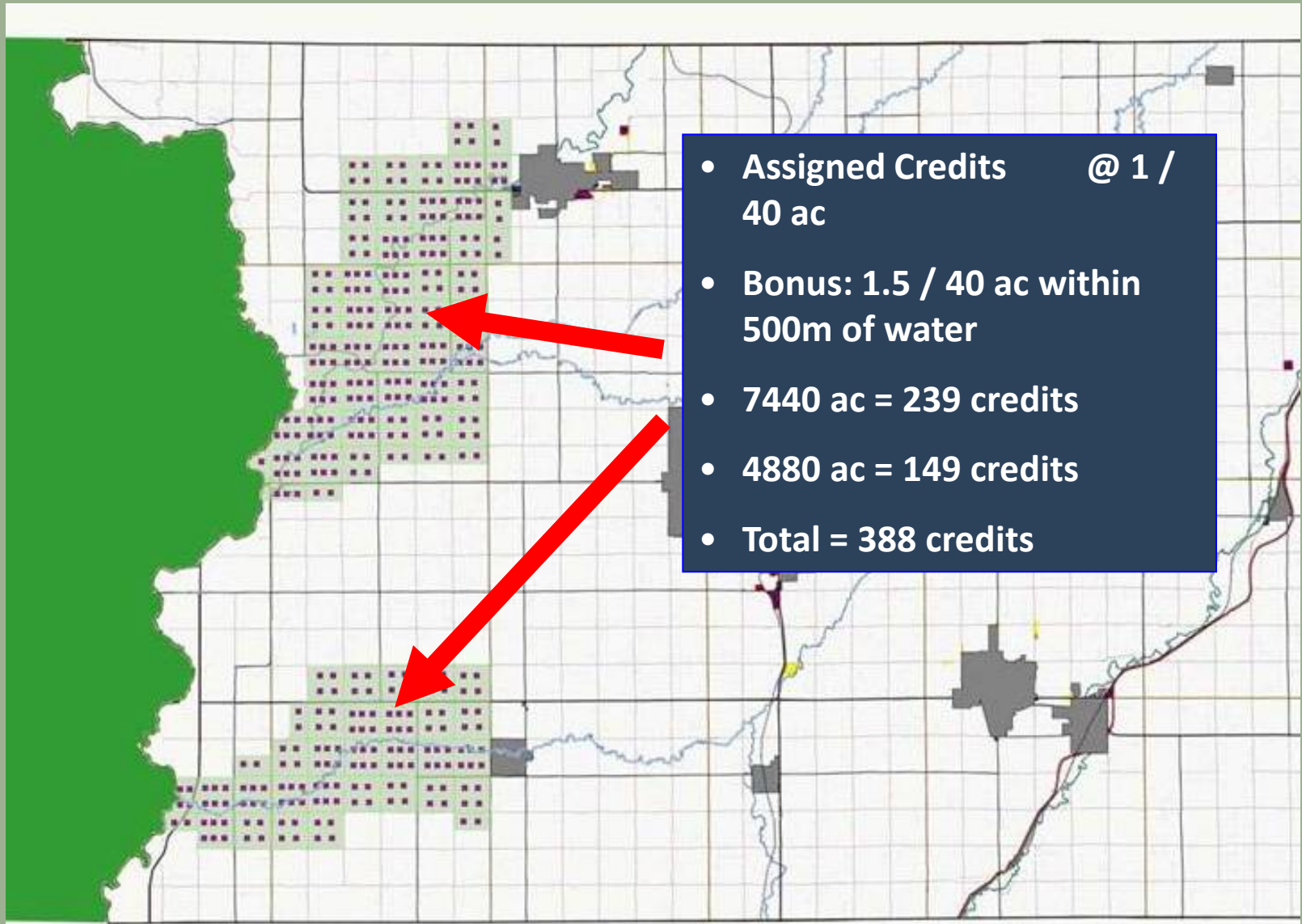


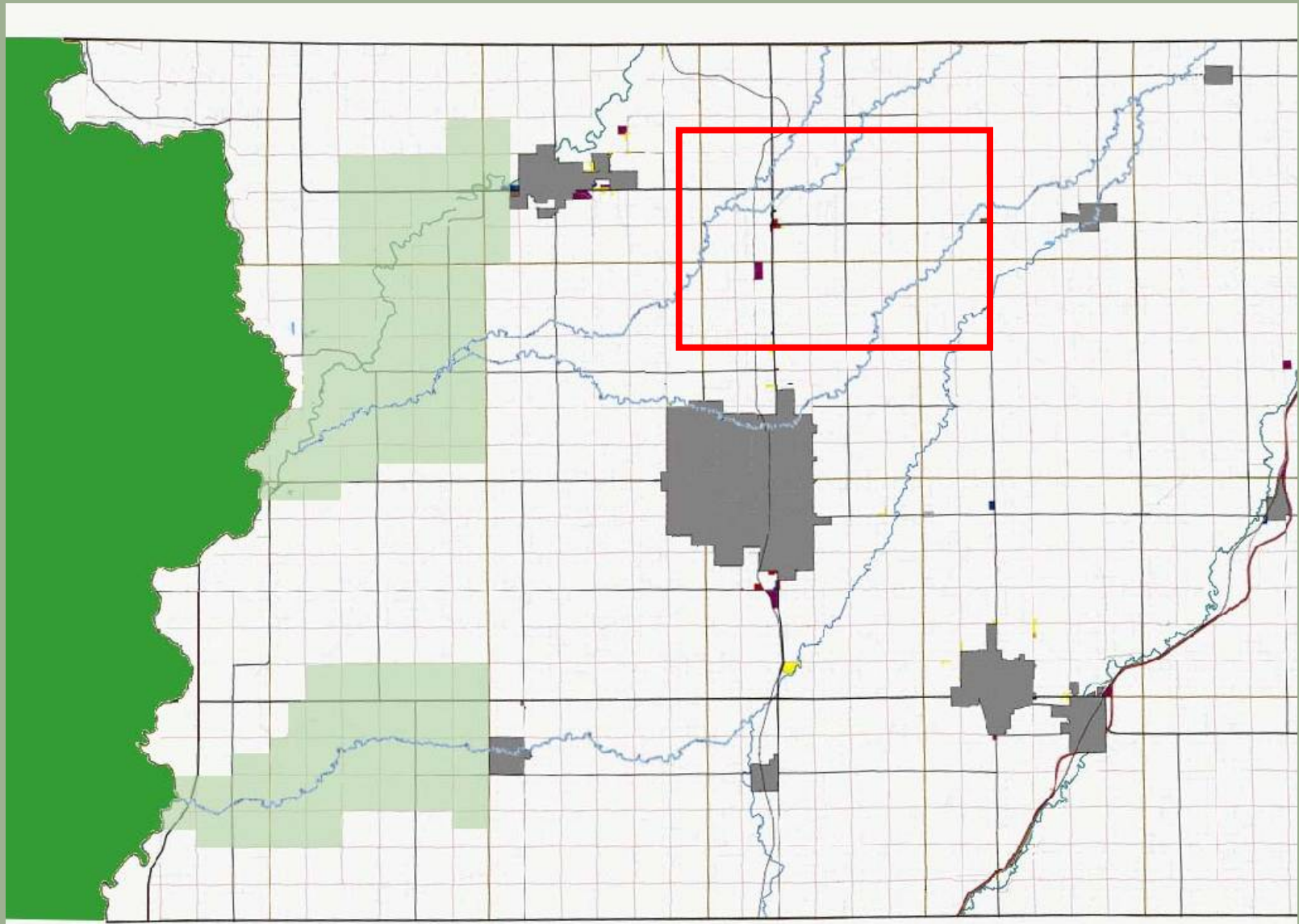


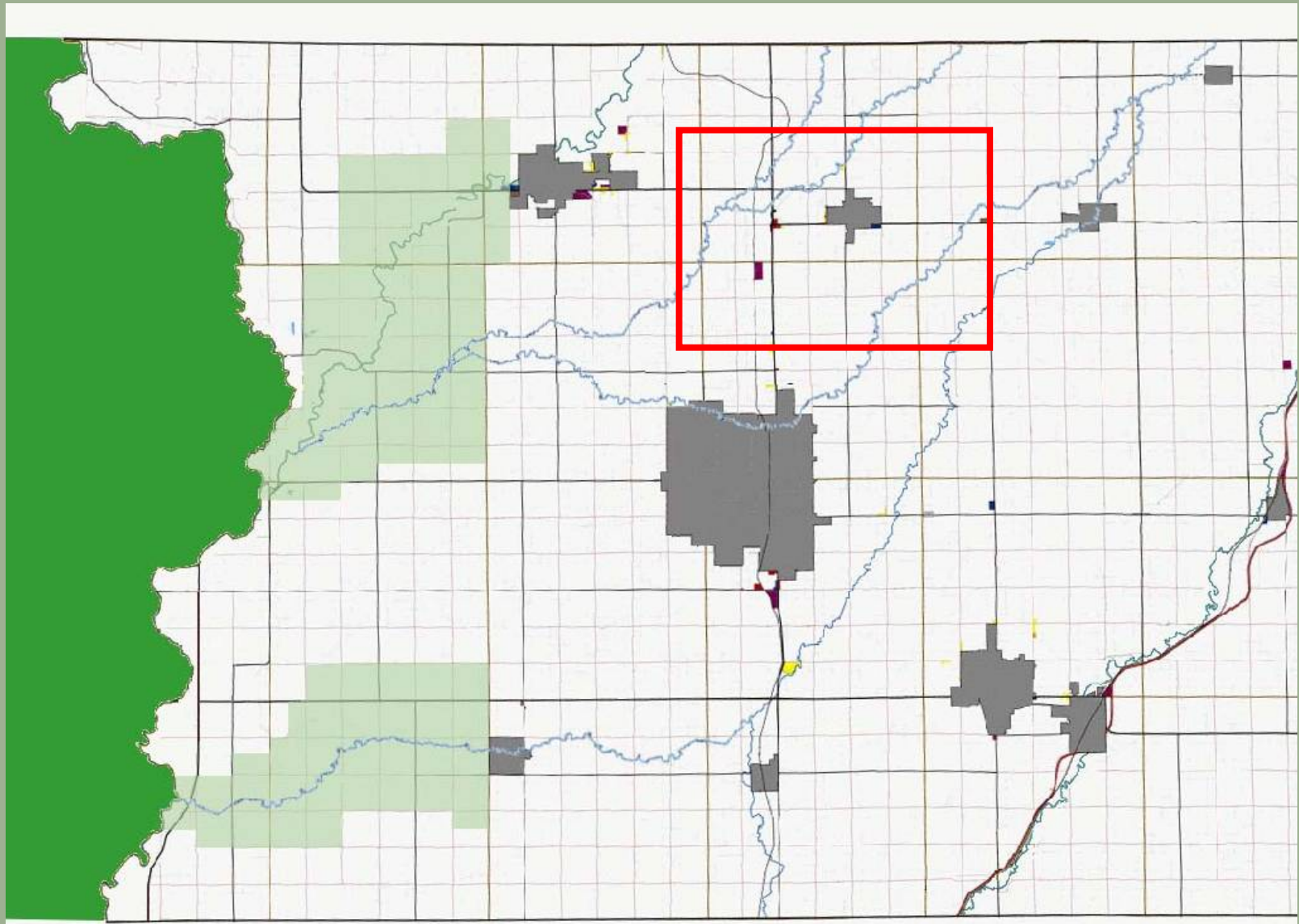


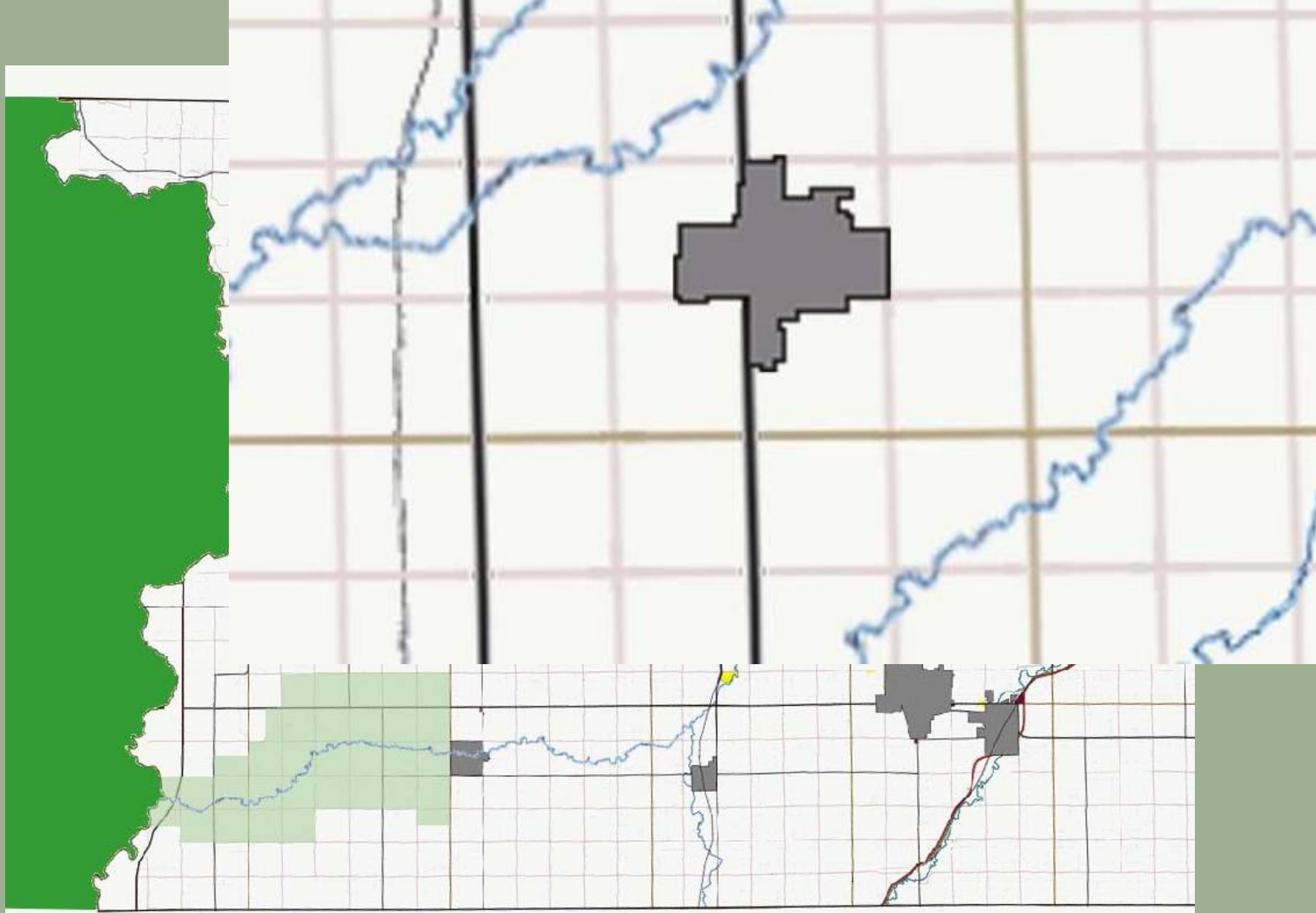


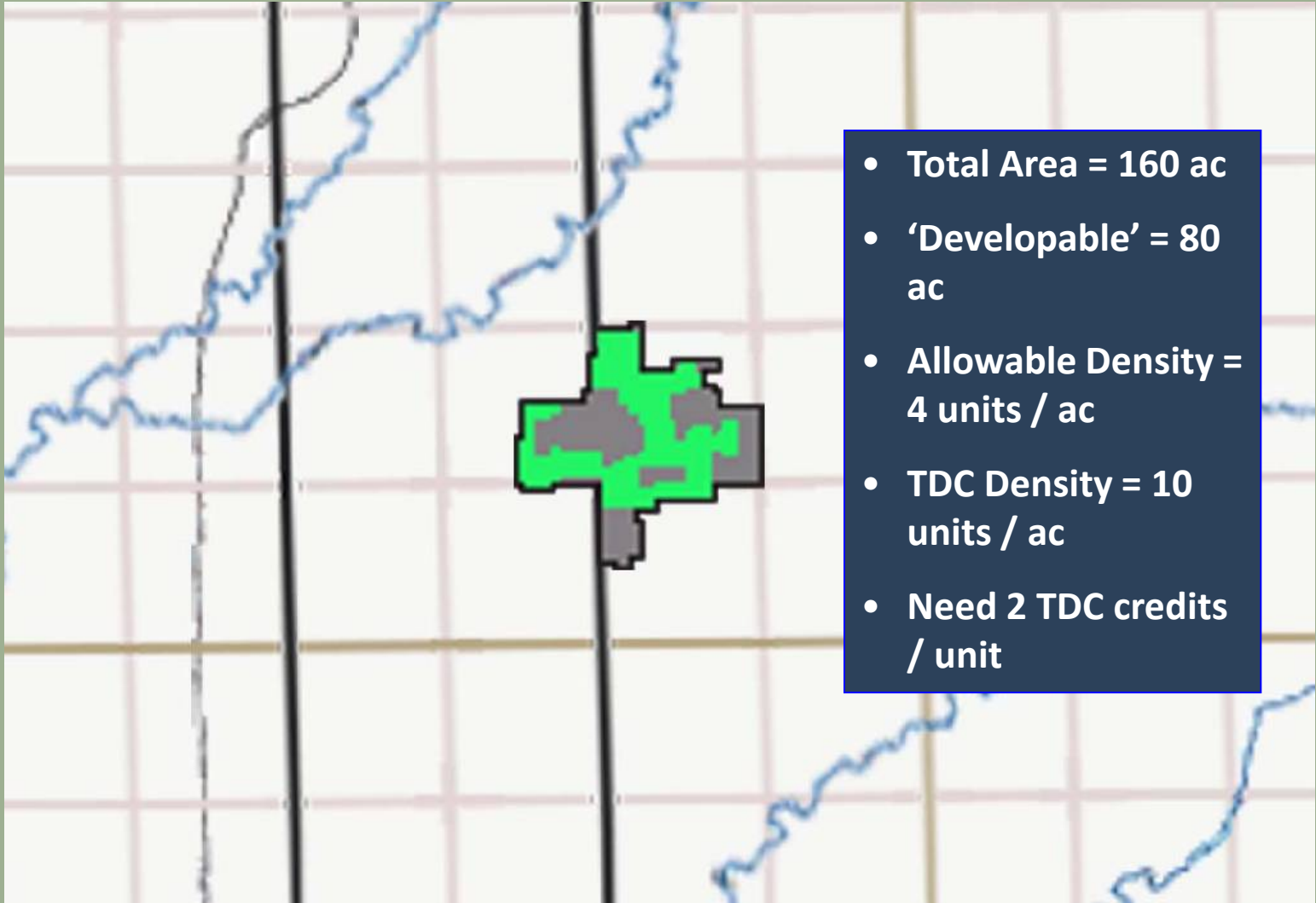


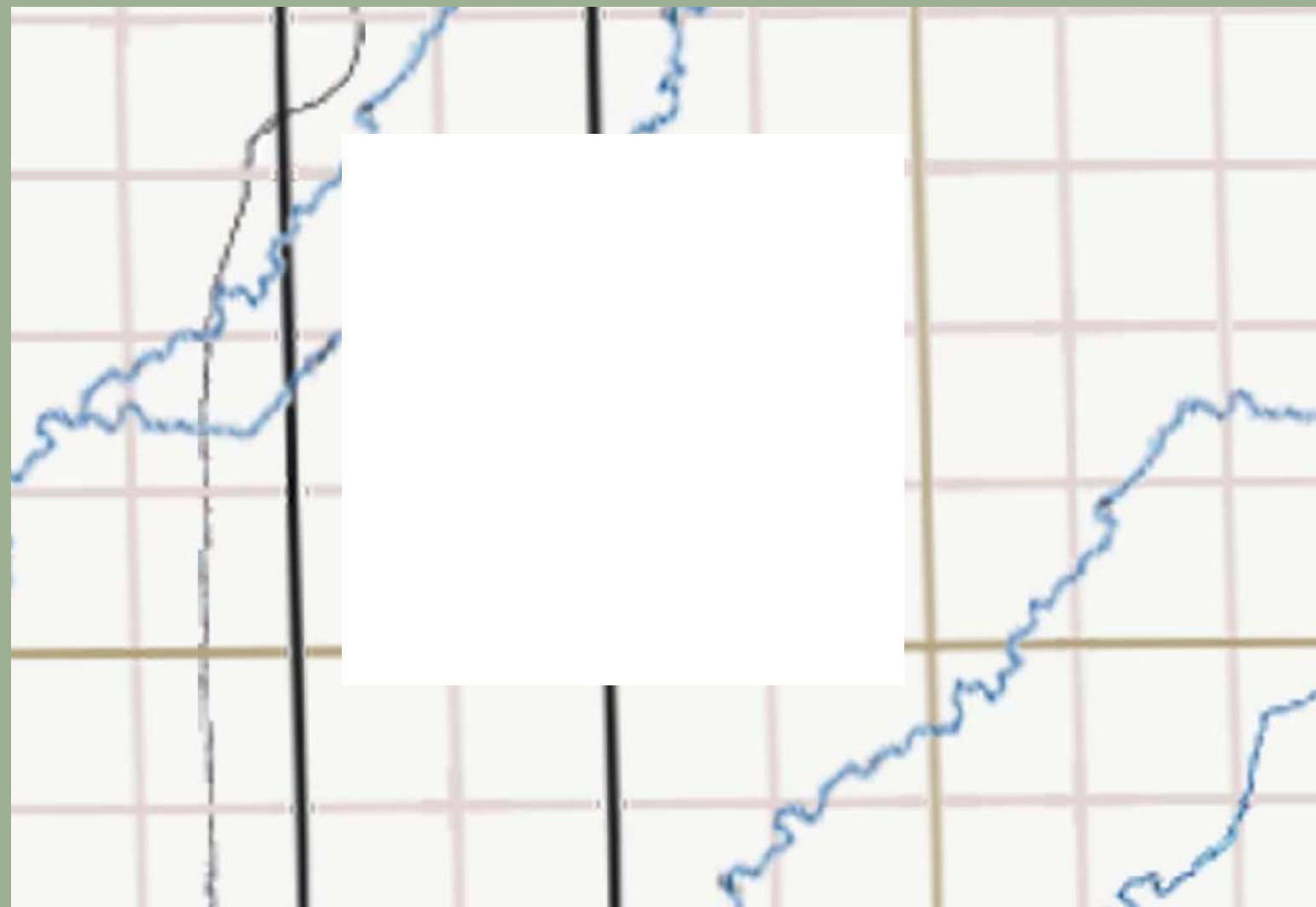


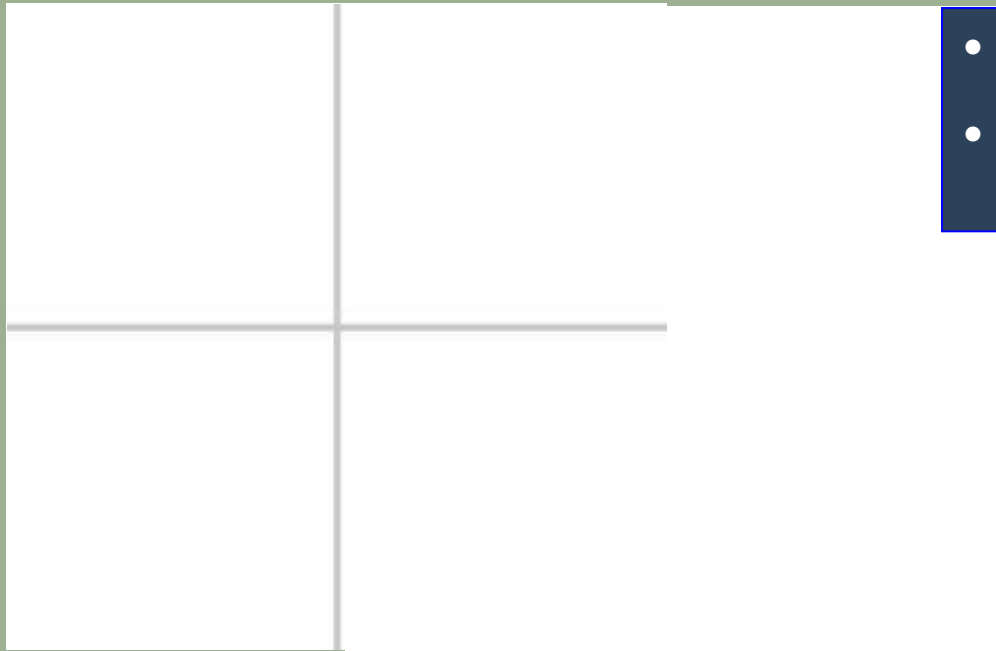








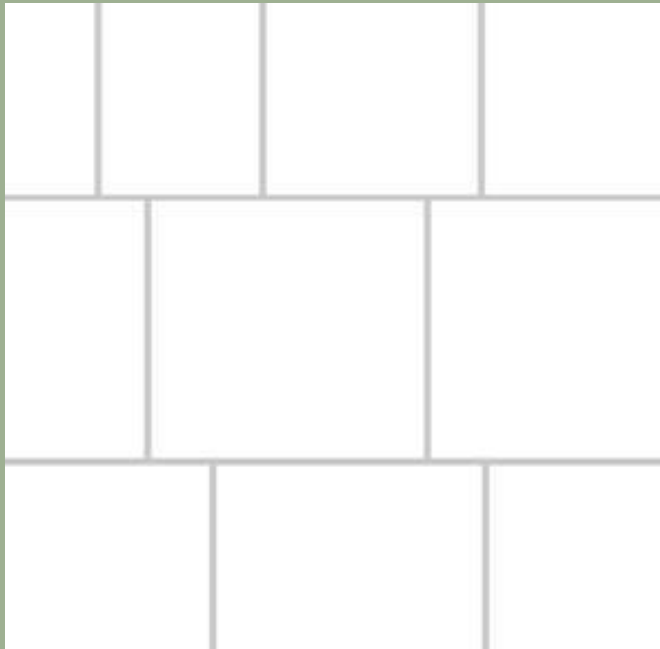




- 4 units / acre
- Units sell for \$500,000 each



- 4 units / acre
- Units sell for \$500,000 each
- 1 acre = \$2,000,000



- 10 units / acre
- Units sell for \$300,000 each

\$10,000 / credit



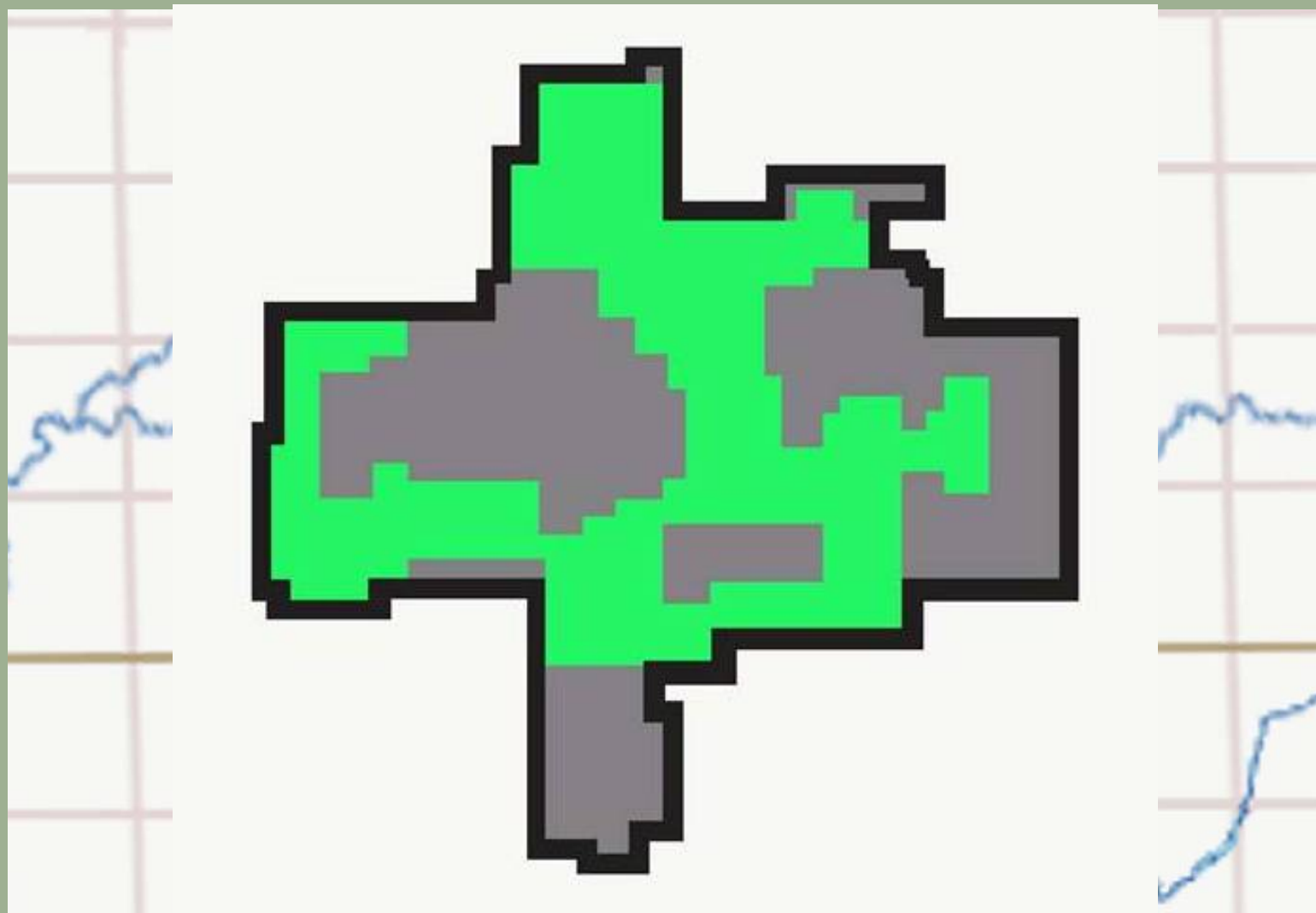
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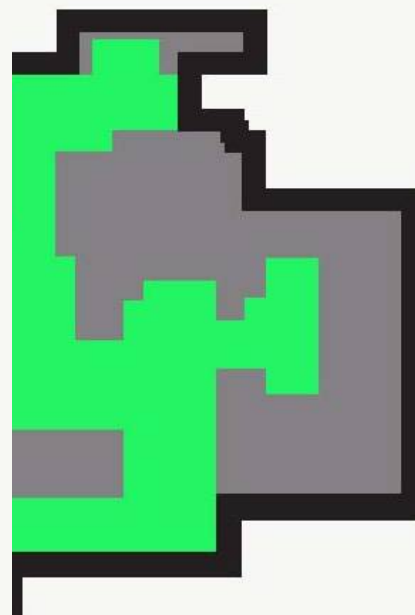
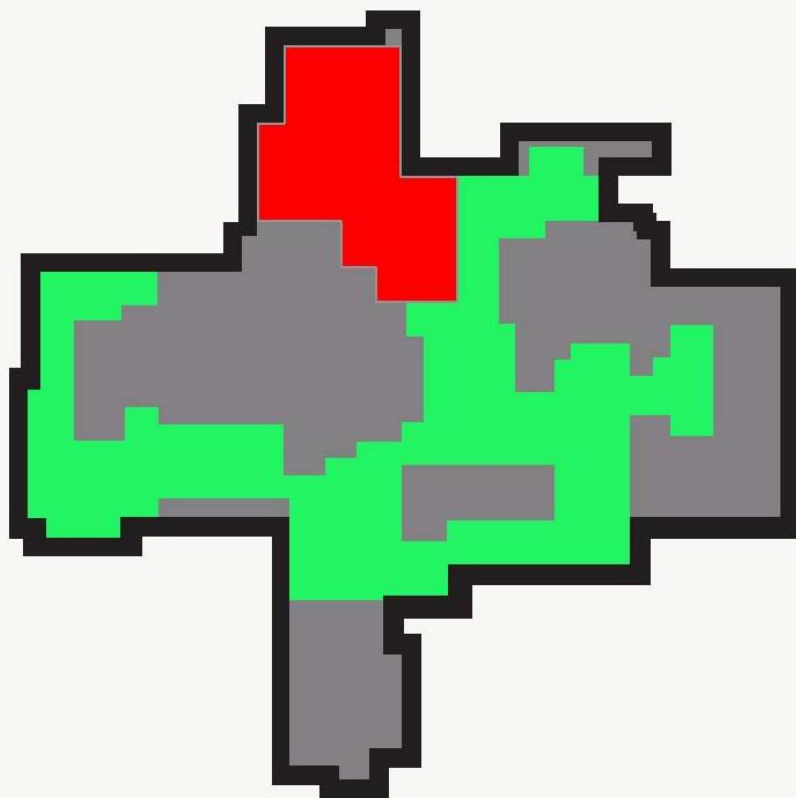


- 4 units / acre
- 1 acre = \$2,000,000



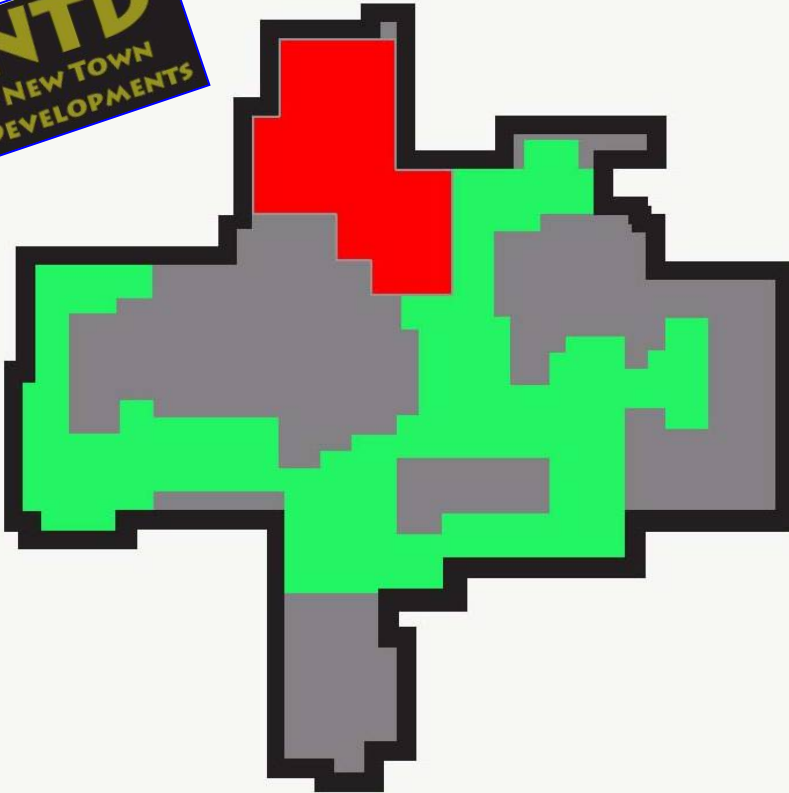
- 10 units / acre
- 1 acre = \$2,800,000







- 10 acres in New Town
- 4 units / acre
- 40 units @ \$500,000 each
- Total = \$20,000,000



- 10 acres in New Town
- 10 units / acre
- 100 units @ \$300,000 each
- Total = \$30,000,000
- Less 200 credits @ \$10,000 each = \$2,000,000
- Total = \$28,000,000

