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TDR/TDC Programs in the US & Alberta

BEST PRACTICE REVIEW



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EXECUTIVE SUMMARY

While there is substantial interest in land conservation in Alberta, many programs so far have not achieved their full potential. Our research suggests that there is a need and an opportunity, for a market-based conservation tool that achieves conservation goals while also providing financial benefit to landowners, to be included in local governments planning tool boxes.

Transferrable Development Credits (TDC) programs can direct development away from agriculturally and/or ecologically significant lands and toward more appropriate locations. Under a TDC program the development potential of a parcel can be sold to another landowner, allowing higher density development in one area while reducing development pressure on the original parcel.

The following review examines four American programs (known as Transfer of Development Rights, or TDRs) to identify components that contributed to their success. A number of pilot programs initiated in Alberta were also reviewed in order to provide insight as to how this tool can be better leveraged and implemented in the future.



BOULDER COUNTY, CO

Since 1993, Boulder County has used a program that included open space sales tax and purchase of development rights in addition to TDRs.

Program Overview:

- The Boulder County TDR program seeks to conserve agricultural land, open space, and environmental resources
- New subdivisions require development credits
- 5% of these credits are given as non-residential

Why it succeeded:

- Draft applications pre-screened for viability, streamlining the process for those participating in the TDR program
- Additional receiving sites can be added based on performance factors
- Leverages other conservation tools



LARIMER COUNTY, CO

The Larimer County program was introduced in 1998 and successfully incentivized market demand for credits. The main goal was to maintain separation between the major urban centres of Fort Collins and Loveland.

Program Overview:

- Aimed to conserve ecologically sensitive land and maintain separation between urban centres
- One defined sending area, one specific receiving area
- Receiving areas automatically annexed from county into city

Why it succeeded:

- Bonuses applied at both sale and purchase of TDCs
- It was a small project, and the receiving area was one urban subdivision of 700 homes
- Guarantee of urban servicing and land value through annexation



MONTGOMERY COUNTY, MD

The county's main goal was to stop the steady drain of agricultural lands. This was done through the immense downzoning of rural agricultural land and a TDR program to compensate farmers for the loss of land value from the downzoning while at the same time permanently conserving agricultural land.

Program Overview

- Down-zoned everything in sending areas to limit potential and create supply of credits
- TDCs granted as compensation for down-zoning
- Conserved 48,000 acres (75 Sections) in 20 years

Why it succeeded:

- Elected officials made unpopular decision to down-zone
- Whole parcels were conserved upon sale of first credit
- Created strong demand for credits with twice as much receiving area as sending



CALVERT COUNTY, MD

Calvert County recognized the need for conservation to preserve rural character and to protect environmental and cultural resources. The goal was to permanently preserve 40,000 acres of prime farm and forestland through County, State and Federal land preservation programs. The program was adopted in 1978.

Program Overview:

- Preserved agriculture and forest lands
- Land placed under permanent easement upon sale of first credit
- Receiving areas in town centre, residential, and country residential districts

Why it succeeded:

- Has conserved a total of 12,220 acres to date
- County incentivized program start-up by purchasing credits
- Used in conjunction with other conservation tools



WHEATLAND COUNTY, AB

The Subdivision Application Transfer (SCAT) program was started up to advocate measures to conserve agricultural land within the county. The program was short lived and no longer exists in the county, however the MDP opens the door for a future TDC credits program, based on the previous MDP's SCAT program.

Program Overview:

- Clustered rural development to protect agricultural land
- Informal agreement between landowners & County administration
- Pre-dated ALSA, so little guidance from provincial legislation

What went wrong:

- No official regulations were ever passed or even drafted
- No record of credits sold or bought, relied on relationships between landowners and County
- No permanent enforcement of conservation i.e. easements or covenants



CYPRESS COUNTY, AB

Cypress County sought to preserve high quality agricultural and native rangeland from fragmentation within a specific area. A TDC program was proposed in 2003, but was removed from the Area Structure Plan (ASP) due to council uncertainty about Program use and implementation.

Program Overview:

- Aimed to protect boundary with Cypress Hills Provincial Park
- Sending & receiving areas both within Fringe Area ASP
- TDC policies removed by Council from ASP at first reading, it passed without them

What went wrong:

- Council apprehension over novelty and perceived complexity of TDC policies
- Council believed usual ASP policy was sufficient for conservation goals
- Lack of clear procedures for implementation of TDCs



BEAVERHILLS INITIATIVE, AB

The Beaver Hills Initiative sought to preserve the health of the environment and aquifer spanning several Alberta counties and focusing on Elk Island National Park. Establishing approving sending and receiving areas at an interjurisdictional level proved too challenging to obtain program approval.

Program Overview:

- Multi-jurisdictional agreement to protect national park
- Only exploratory phase completed, project stall soon after
- Was being developed at the same time as ALSA, leading to confusion

What went wrong:

- Too ambitious – tried to conserve too large an area
- New council during process, and high staff turnover
- MDPs and regional growth plan not aligned – there was no density incentive for developers



MD OF BIGHORN, AB

The MD of Bighorn sought to limit the development footprint, reduce land fragmentation, and preserve rural quality of life. While the program has successfully conserved land and stood up to legal challenge, uptake has been limited and only one landowner has participated to date.

Program Overview:

- Transfer of subdivision density between one landowners two holdings
- Require and ASP to outline sending and receiving areas
- Has been completed and survived appeal from adjacent landowner

Current Status:

- In effect since 2007
- Formal TDC program awaiting provincial approval
- Has conserved a total of 1,218 acres

CONCLUSION

Many of the most successful TDCs start with relatively straightforward programs that are expanded and customized over time. While programs vary widely, one common theme was that the use of a variety of conservation tools alongside TDCs tends to contribute to success.

Several Alberta municipalities and counties have expressed interest in using TDC programs but few of them have reached approval and implementation.

Our review reveals that successful programs need a champion to support them and dedicated resources to maintain the program and oversee implementation following the initial approval.