



**RESOLUTION NO. 38539**

1 A RESOLUTION relating to conservation and development; adopting by  
2 reference the Washington State Department of Commerce interlocal  
3 terms and conditions for transferring development rights from counties to  
4 cities under the regional Transfer of Development Rights program for the  
5 central Puget Sound region, thereby allowing such transactions between  
6 the City and King and Snohomish counties.

7 WHEREAS zoning and development regulations do not adequately  
8 provide permanent protections for agricultural lands, historic buildings, open  
9 space, or affordable housing, and

10 WHEREAS the City supports farm and forest conservation efforts in the  
11 state, and seeks to work cooperatively with King, Pierce, and Snohomish  
12 Counties to encourage the conservation of such working lands, and

13 WHEREAS a Transfer of Development Rights ("TDR") program is a tool  
14 that exchanges permanent, recorded conservation easements over important  
15 lands and buildings in certain locations (known as "sending areas") for  
16 increases in density in other locations (known as "receiving areas"), and under  
17 which the market sets the dollar value of such exchanges and counties and  
18 cities formally authorize the necessary transactions, and

19 WHEREAS TDR programs are strongly supported by the State's Growth  
20 Management Act ("GMA"), recent supplemental legislation passed by the State,  
21 and federal grant funding for TDR programs, regional planning policies, the  
22 City's Comprehensive and Climate Action Plans, and the City's development  
23 regulations for Commercial Mixed-Use Centers and Downtown, and  
24  
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1           WHEREAS the City's participation in a regional TDR program would  
2 qualify the City to use tax increment financing for targeted infrastructure  
3 improvements, which was a key factor in the federal Environmental Protection  
4 Agency awarding the City a grant, in the amount of \$109,000, to develop and  
5 implement a TDR program, and  
6

7           WHEREAS, at the direction of the State Legislature, the Department of  
8 Commerce established a regional TDR program for the central Puget Sound  
9 region, the provisions of which are contained in Chapter 43.362 of the Revised  
10 Code of Washington ("RCW"), and  
11

12           WHEREAS, pursuant to Chapter 365-198 of the Washington  
13 Administrative Code ("WAC"), the Department of Commerce adopted interlocal  
14 terms and conditions for the transfer of development rights, and  
15

16           WHEREAS, pursuant to RCW 46.362.050, the City may adopt by  
17 reference Chapter 365-198 WAC in order to transfer development rights from  
18 any county in the central Puget Sound region to the City, as an alternative to  
19 entering into interlocal agreements for transfers of development rights, and  
20

21           WHEREAS this resolution will authorize the City to adopt by reference  
22 Sections 356-198-040 and 365-198-060 WAC, thereby providing a mechanism  
23 for the transfer of development rights from King and Snohomish Counties to the  
24 City, and  
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1           WHEREAS, on August 28, 2012, the proposed course of action was  
2 presented to the Economic Development Committee, and received a “do-pass”;

3 Now, Therefore,

4           BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

5           Section 1. That the City supports conservation through the transfer of  
6 development rights from farm and forest lands designated by King, Kitsap,  
7 Pierce, and Snohomish Counties (“Counties”) under their respective Transfer of  
8 Development Rights (“TDR”) programs consistent with the State’s Growth  
9 Management Act, and as provided in Chapter 43.362 of the Revised Code of  
10 Washington.  
11

12           Section 2. That the City hereby adopts by reference the interlocal terms  
13 and conditions as set forth in Sections 365-198-040 and 365-198-060 of the  
14 Washington Administrative Code (“WAC”), and establishes that “sending areas”  
15 and “receiving areas” shall be defined by Tacoma Municipal Code as opposed  
16 to Section 365-198-030 WAC for the purposes of the interlocal terms and  
17 conditions.  
18

19           Section 3. That the City Manager is hereby directed to cooperate with  
20 representatives from the Counties to accomplish the policies set forth in this  
21 resolution and to promote the development and overall effectiveness of the  
22 City’s TDR program.  
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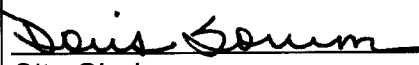
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Section 4. That the terms of this resolution shall become effective on the date that either King or Snohomish County first executes a similar TDR resolution.

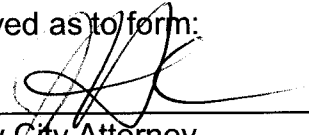
Adopted SEP 18 2012

  
\_\_\_\_\_  
Mayor

Attest:

  
\_\_\_\_\_  
City Clerk

Approved as to form:

  
\_\_\_\_\_  
Deputy City Attorney



REQUEST FOR **RECEIVED**  
 ORDINANCE  RESOLUTION

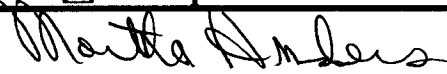
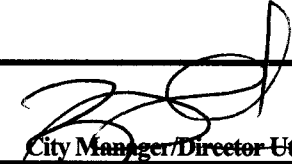
Request #: 13328  
Ord./Res. #: 38539

AUG 28 2012

1. DATE: August 28, 2012

CITY CLERK'S OFFICE

2. SPONSORED BY: COUNCIL MEMBER(S): N/A

<b>3a. REQUESTING</b> DEPARTMENT/DIVISION/PROGRAM Community & Economic Development/Comprehensive Planning	<b>4a. CONTACT (for questions):</b> Ian Munce	<b>PHONE:</b> 253-573-2478
<b>3b. "DO PASS" FROM Economic Development Committee</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> To Committee as information only <input type="checkbox"/> Did not go before a Committee	<b>4b. Person Presenting:</b> Ian Munce	<b>PHONE:</b> 253-573-2478
<b>3c. DID THIS ITEM GO BEFORE THE PUBLIC UTILITY BOARD?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> Not required	<b>4c. ATTORNEY:</b> Jeff Capell	<b>PHONE:</b> 253-591-5638
 Department Director/Utility Division	N/A Budget Officer/Finance Director	 City Manager/Director Utilities

5. REQUESTED COUNCIL DATE: September 18, 2012

(If a specific council meeting date is required, explain why; i.e., grant application deadline, contract expiration date, required contract execution date, public notice or hearing required, etc.)

Compliance with Grant terms and conditions

6. SUMMARY AGENDA TITLE: (A concise sentence, as it will appear on the Council agenda.)

Implementing a Transfer of Development Rights Program between the City and King and Snohomish Counties.

7. BACKGROUND INFORMATION/GENERAL DISCUSSION: (Why is this request necessary? Are there legal requirements? What are the viable alternatives? Who has been involved in the process?)

Zoning and development regulations simply do not provide permanent protections for agricultural lands, historic buildings, open space, and affordable housing. Transfers of Development rights (TDR) is a tool that exchanges permanent, recorded conservation easements over important lands and buildings in one location(s) ("sending areas") for increases in density in another location(s) ("receiving areas"). Counties and cities authorize the transaction(s) but the market sets the dollar value(s) of the exchanges.

The State Growth Management Act and recent supplemental legislation strongly support the use of TDRs. This support is reflected in federal grant funding for TDR programs, regional planning policies, the City's Comprehensive Plan policies, and the City's Development Regulations for its Commercial Mixed-Use Centers and Downtown. More specifically, the City's participation in a regional TDR program qualifies the City to use tax increment financing (TIF) for targeted infrastructure improvements.

It is within this context that the City was awarded a \$109,000 grant from the federal Environmental Protection Agency to develop and implement a TDR program. This project was introduced to City Council at a July 19, 2011 Study Session and a progress report was given to the Economic Development Committee (EDC) on February 29, 2012. The EDC expressed particular concern about the economic viability of a TDR program in the current economy and the Study focused heavily on this topic.

**REQUEST (CONT)**

**CITY CLERK USE ONLY**

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The Study concludes that: the City's current zoning incentives for Commercial Mixed-Use Centers and Downtown to receive TDRs are of sufficient scale and scope to support a large-scale TDR program; the zoning incentives can, with relatively minor adjustments, be adjusted to produce an effective TDR program; focusing on the regional TDR program established by State statute will over the medium and long term allow the City to qualify for Tax Increment Financing (TIF); and, TDR implementation can best be addressed over the short term by Council actions that will facilitate demonstration projects.

The proposed ordinance would allow demonstration projects to move forward in King County and Snohomish County. This topic was on the agenda of the August 28, 2012, Economic Development Committee, and the Committee gave it a "do pass."

**8. LIST ALL MATERIAL AVAILABLE AS BACKUP INFORMATION FOR THE REQUEST AND INDICATE WHERE FILED:**

<b>Source Documents/Backup Material</b>	<b>Location of Document</b>
Transfer of Development Rights Program Market Study for the City of Tacoma, August 17, 2012	www.cityoftacoma.org/planning (click on "Transfer of Development Rights)

**9. WHICH OF THE CITY'S STRATEGIC GOALS DOES THIS ITEM SUPPORT? (CHECK THE GOAL THAT BEST APPLIES)**

- A.  A SAFE, CLEAN AND ATTRACTIVE COMMUNITY
- B.  A DIVERSE, PRODUCTIVE AND SUSTAINABLE ECONOMY
- C.  A HIGH-PERFORMING, OPEN AND ENGAGED GOVERNMENT

**10. SUSTAINABILITY: Does this request meet the City's Sustainability Priorities? (check all that apply)**

- Environment*: improve regional and local ecological well-being.
- Equity*: promote meeting basic needs and equitable access to opportunities for all city residents.
- Culture*: improve the cultural and quality of life for all citizens.
- Economy*: contribute to economic development and serve as a responsible steward of public resources.

**Describe how this request supports the above sustainability priorities.**

A TDR program is a tool that is available to advance each of these priorities. It is proposed to be used in the City: to protect regional and local lands of ecological importance, to operate citywide, to protect historic buildings, and to provide public benefits in exchange for increased density.

REQUEST (CONT)

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11. IF THIS CONTRACT IS FOR AN AMOUNT OF \$200,000 OR LESS, EXPLAIN WHY IT NEEDS LEGISLATIVE APPROVAL:  
N/A

12. FINANCIAL IMPACT:     EXPENDITURE             REVENUE

- A.  NO IMPACT (NO FISCAL NOTE)
- B.  YES, OVER \$100,000, Fiscal Note Attached
- C.  YES, UNDER \$100,000, (NO FISCAL NOTE)  
Provide funding source information below:

FUNDING SOURCE: (Enter amount of funding from each source)

Fund Number & Name:	State \$	City \$	Other \$	Total Amount
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If an expenditure, is it budgeted?     Yes     No    Where? Cost Center:  
Acct #:







**TO:** J.C. Broadnax, City Manager  
**FROM:** (RN) Ricardo Noguera, Director, Community & Economic Development Department  
**SUBJECT:** Implementing a Transfer of Development Rights Program within the City  
**DATE:** September 11, 2012

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### SUMMARY

The purpose of this memorandum is to seek approval from the City Council for a set of actions that will allow Transfer of Development Rights (TDR) transactions to occur within the City of Tacoma, a set of actions that received a “do pass” from the Economic Development Committee on August 28, 2012. This item is being brought forward at this time pursuant to a grant agreement with King County and the federal Environmental Protection Agency and a research study (“Study”) that was conducted as a part of this grant agreement; this Study can be found at [www.cityoftacoma.org/planning](http://www.cityoftacoma.org/planning) (and under Hot Topics, click on “Transfer of Development Rights (TDR)”).

### BACKGROUND

Zoning and development regulations simply do not provide permanent protections for agricultural lands, historic buildings, open space, and affordable housing. Transfers of Development Rights (TDR) is a tool that exchanges permanent, recorded conservation easements over important lands and buildings in one location(s) (“sending areas”) for increases in density in another location(s) (“receiving areas”). Counties and cities authorize the transaction(s), but the market sets the dollar value(s) of the exchanges.

The State Growth Management Act and recent supplemental legislation strongly support the use of TDRs. This support is reflected in federal grant funding for TDR programs, regional planning policies, the City’s Comprehensive Plan policies, and the City’s Development Regulations for its Commercial Mixed-Use Centers and Downtown. More specifically, the City’s participation in a regional TDR program qualifies the City to use tax increment financing (TIF) for targeted infrastructure improvements.

It is within this context that the City was awarded a \$109,000 grant from the federal Environmental Protection Agency to develop and implement a TDR program. This project was introduced to City Council at a July 19, 2011, Study Session and a progress report was given to the Economic Development Committee (EDC) on February 29, 2012. The EDC expressed particular concern about the economic viability of a TDR program in the current economy and the Study focused heavily on this topic.

The Study concludes that the City’s current zoning incentives for Commercial Mixed-Use Centers and Downtown to receive TDRs is of sufficient scale and scope to support a large-scale TDR program; the zoning incentives can, with relatively minor adjustments, be adjusted to produce an effective TDR program; focusing on the regional TDR program established by State statute will, over the medium and long term, allow the City to qualify for Tax Increment Financing (TIF); and TDR implementation can best be addressed over the short term by Council actions that will facilitate demonstration projects.

Under the staff recommendation the potential fiscal impacts can be analyzed on a case by case basis as each demonstration project is moved forward.

**ACTION REQUEST**

On September 18, the City Council will consider three pieces of legislation that will allow TDR transactions to occur within the City of Tacoma: (1) an ordinance putting the TDR Administrative Provisions in place, (2) a resolution allowing TDR transactions to occur between the City of Tacoma and King County and between the City of Tacoma and Snohomish County); and, (3) a resolution approving an Interlocal Agreement that would allow TDR transactions to occur between the City of Tacoma and Pierce County.

Resolution No. 38539

Adopted: SEP 18 2012

Maker of Motion: \_\_\_\_\_

Seconded: \_\_\_\_\_

Voice Vote:

MEMBERS	AYES	NAYS	<sup>Refused</sup> <del>ABSTAIN</del>	ABSENT
Mr. Boe	✓			
Mr. Campbell	✓			
Mr. Fey	✓			
Mr. Ibsen	✓			
Mr. Lonergan	✓			
Mr. Mello	✓			
Ms. Walker	✓			
Ms. Woodards	✓			
Mayor Strickland			✓	

Roll Call Vote:

MEMBERS	AYES	NAYS	ABSTAIN	ABSENT
Mr. Boe				
Mr. Campbell				
Mr. Fey				
Mr. Ibsen				
Mr. Lonergan				
Mr. Mello				
Ms. Walker				
Ms. Woodards				
Mayor Strickland				