TDR Administrative Procedures

What is the TDR Program?

The City of Tacoma’s TDR Program allows eligible property owners to transfer their rights to development of their property (in the form of a TDR Certificate) to owners of property more suited to development. The outcome fosters growth in areas where density is desired and conservation of areas in which development is not. A TDR transaction benefits all parties involved. The seller, who may sell their development rights for monetary gain or other financial considerations, as well as the buyer, who is able to use TDRs to gain more development potential than zoning would otherwise allow (i.e. greater building height, etc.). The public at large also benefits from transactions of TDR’s in the preservation of open space habitat areas, and historic sites.

Enrolling in the TDR Program

Enrollment in the TDR program is a three stage process:

1. You (the landowner) decide to transfer development rights, meet with staff, then submit an Application for Issuance of Development Rights. Sending Site Criteria can be found in TMC 1.37. Please contact the Planning and Development Services Department for help determining sending site eligibility.

2. The City of Tacoma will review your application materials and supporting documents (i.e. deed or title report, general diagram of the proposed property) and then will qualify your property as a sending site eligible to transfer development rights.

3. The City will draft a conservation easement to be agreed upon and signed by the owner and a public notary and recorded. A Certificate of TDRs will then be granted to the owner which may be sold at any time. TDRs may not be sold until a conservation easement is in place.

Tacoma Habitat Lands

Lands providing high habitat and natural value located within, or in proximity to, designated Habitat Corridors in the Comprehensive Plan, and lands providing exceptional habitat and natural value located within the City and outside of the designated Habitat Corridors, are eligible as Sending Areas.

For Tacoma Habitat Sending Areas, the following TDR credits allocation applies:
1. For residential zones: One TDR for each forgone dwelling allowed by the property’s current zoning.

*In determining development potential for this purpose, the TDR Manager shall make a reasonable estimate of the number of dwelling units or square feet of floor area buildable on the sending area under its current zoning restrictions and all other applicable land use and environmental controls (e.g. applicable setback or wetland regulations). The net development potential will be used, typically assuming that 25 percent of the total area would be utilized for roads and infrastructure. The TDR Manager may further reduce this estimate, up to an additional 25 percent, if specific site characteristics substantially limit development potential (including steep slopes, critical areas, or the absence of access or utilities in the vicinity).*

*For example: 1 acre site in the R2 District (5,000 sf minimum lot size) with partial steep slopes: 43,560 sf – 25% = 32,670 sf; 32,670 sf – 10% (development constraints) = 29,403 sf; 29,403 / 5,000 = 5.88 or 6 Sending Area Credits*

2. For nonresidential or multifamily zones: one TDR for each 8,000 square feet of potential but foregone floor area allowed by the property’s current zoning.

*Development bonus: For Tacoma Habitat Sending Areas: One TDR allows 15,000 square feet of bonus floor area.*

**Tacoma Landmarks**

Designated Tacoma Landmarks are also eligible TDR Sending Areas. For Tacoma Landmark Sending Areas, the following TDR credits allocation applies:

The transferable floor area from Tacoma-designated landmarks shall be the maximum square feet of floor area achievable within the area’s zoning and other applicable codes minus the floor area of the designated landmark.

1. Designated Tacoma landmarks DCC-Downtown and DCC-City Hall: one TDR shall be allocated per 600 square feet of foregone or unused potential floor area allowed by the property’s current zoning.
2. Designated Tacoma Landmarks not within DCC-Downtown and DCC-City Hall: one TDR shall be allocated per 1,200 square feet of foregone or unused potential floor area allowed by the property's current zoning.

**Development bonus:** For Tacoma Landmark Sending Areas: One TDR allows 10,000 square feet of bonus floor area.

**Unincorporated King County and Pierce County - Bonus Development Allowed by TDR**

Sending areas in unincorporated Pierce County: one TDR allows 5,000 square feet of bonus floor area.

Sending areas in unincorporated King County: one TDR allows 10,000 square feet of bonus floor area.

**Open Space Fund Contributions – Bonus Development Allowed**

In addition to, or as an alternative to acquiring TDRs, a developer can achieve one (1) square foot of bonus floor area for every two dollars ($2.00) deposited into the City’s Open Space Fund. Revenue accrued for TDRs must be used for TDR purchases from In-city and/or Regional TDRs.

**Enrollment Process**

1. Meet with staff
2. Complete application
   a. Application form
   b. Site plan, or diagram, of property and proposed Sending Area
   c. Title report
   d. Draft legal description of the proposed sending area
   e. Any other exhibits required by staff
   f. Applicable fee
3. City review
   a. Application review
   b. Staff site visit
   c. Determine eligibility and number of credits
4. City produces “Qualification Report” summarizing eligibility, any conditions and credits available
5. City produces “Present Conditions Report” to serve as the benchmark for ongoing monitoring
6. City drafts Conservation Easement, reviewed by applicant
7. Landowner meets any required conditions and signs and notarizes Conservation Easement
8. City signs Conservation Easement, to be recorded by the applicant; at the same time, the TDR Certificate is issued

**TDR Credit Transactions**

1. TDR Credit holder may sell TDR Credits, or a portion thereof, to any party
2. Upon sale, TDR Credit holder must provide City with original Certificate and documentation of legal sale
3. City marks the Certificate or reissues new Certificate(s) upon each sale (whether partial or full value)
4. City maintains a master record of TDR Credits available

**Using Credits for Development in Receiving Areas**

1. TDR ratios laid out in TMC 1.37, 13.06 and 13.06A determine development bonuses available
2. City collects Certificate; or, annotates or reissues Certificate upon partial sale