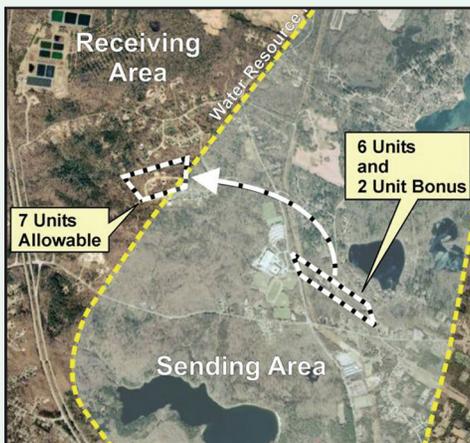


Financial Considerations

TDR provides several financial benefits to local governments, private developers, and the general community. First of all, limiting development in outlying open space or agricultural areas will reduce municipal infrastructure costs that would result from large scale subdivision development. Preservation of these areas therefore decreases the local tax burden required to keep pace with sprawl. Because this technique does not limit the overall development potential within a community, the act of preserving land does not translate into a loss for the community's tax base. A detailed financial analysis should be performed by a real estate professional to determine a viable monetary relationship between the sending and receiving areas in a TDR program.



For More Information:

Massachusetts Smart Growth Toolkit
<http://www.mass.gov/envir/sgtk.htm>

Recent materials from Rick Pruetz about TDR
<http://www.beyondtakingsandgivings.com/tdr.htm>

A study produced for the South County Watershed Technical Assistance Project by the Rhode Island Department of Environmental Management. It is one of several reports about creative land use techniques to accommodate growth while minimizing environmental impacts.
<http://www.dem.ri.gov/programs/bpoladm/suswshed/pdfs/tdrreprt.pdf>

Article from the Lincoln Institute of Land Policy providing a conceptual overview as well as some details regarding TDR case law.
<http://www.lincolnst.edu/pubs/pub-detail.asp?id=424>

MASSACHUSETTS SMART GROWTH

Toolkit



Transfer of Development Rights (TDR)

TDR is a regulatory strategy that harnesses private market forces to accomplish two smart growth objectives.



First, the on-site development potential of sensitive areas in a community is reduced with the objective of preserving existing resource or open space lands. Second, the development potential from these resource areas is transferred to other districts in a community that are better suited to increased densities. In essence, development rights are transferred from one district (the “sending district”) to another (the “receiving district”).

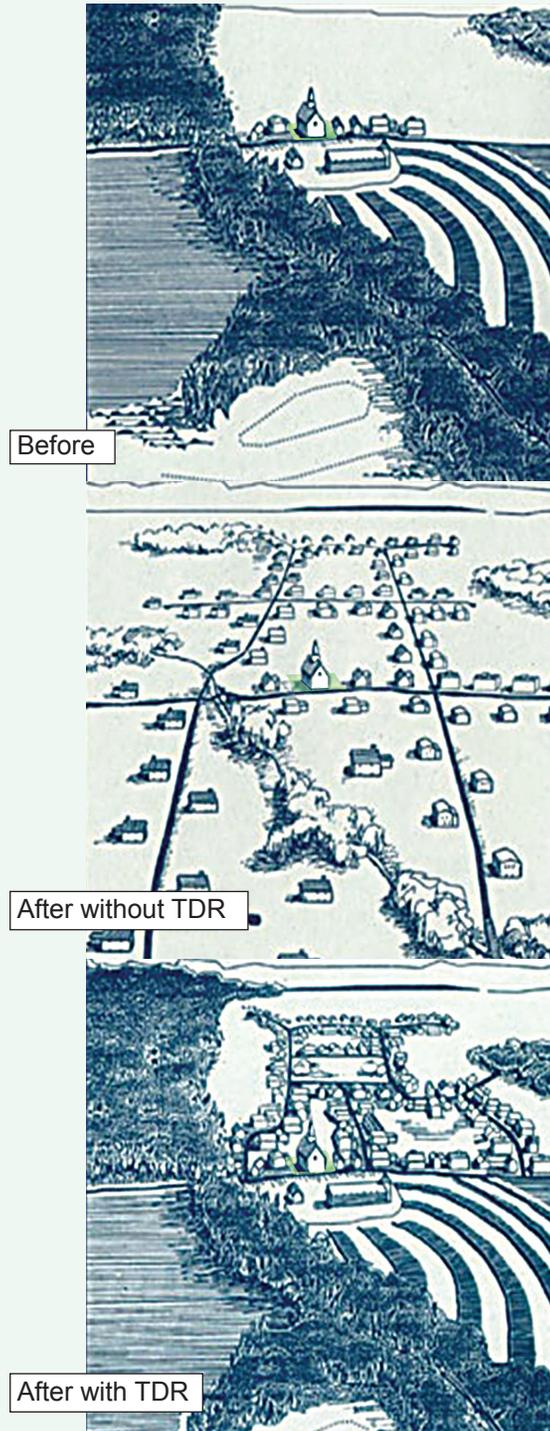
The Problem

In highly valued areas of forest or farmland, low-density residential zoning allows for wide tracts of land to be developed as sprawl. Conversely, in areas that have emerged as potential community centers, existing zoning may not allow for density levels appropriate to a vibrant commercial or mixed-use district. Traditional planning techniques to address these situations have often pointed to costly or otherwise impractical techniques such as large land acquisitions in open space areas or whole-scale rezoning of downtown centers without fully understanding what future economic opportunities may arise.

TDR Program Description

TDR represents an innovative way to direct growth away from lands that should be preserved to areas well suited to higher density development.

The approach begins with planning processes that will identify specific preservation areas as “sending areas” and specific development districts as “receiving areas”. Once these areas are identified, zoning bylaw/ordinance amendments can be adopted which authorize landowners in the sending areas to sell their development rights to landowners in the receiving areas. In return for the purchase, landowners in the sending area place a conservation restriction on their property, which is generally recorded on the property deed. Developers who buy development rights can build higher density housing or higher intensities of commercial use in the receiving area.



Potential Sending Areas

- Prime Agricultural Lands
- Chapter 61 parcels
- Large Tracts of Unprotected Open Space
- Aquifer Protection Overlays
- Areas of Critical Environmental Concern
- Habitat for Rare and Endangered Species
- Watersheds to Sensitive Surface Waters
- Historic Districts or Structures



Potential Receiving Areas

- Village Centers
- Transportation Nodes
- Commercial or Industrial Districts
- Areas Served by Infrastructure
 - Centralized Water Supply
 - Centralized Sewer System
 - Public Transportation Routes