

## **Knox County TDR program (DRAFT 5/26)**

### **Potential opportunities**

1. A TDR program could offer a means to conserve various resources that some communities and interests see as valuable assets, including:
  - farms, particularly larger networks of contiguous agricultural land in the Rural Areas (outlined in the Growth Policy Plan)
  - ridges, particularly those formed by extremely steep slopes with narrow ridge lines (for example, the complex of the upper portions of McAnnally Ridge and remaining sections of House Mountain)
  - selected watersheds (for example, portions of the French Broad and Beaver Creek watersheds).
  - historic and archeological resources, particularly rural ones such as farm houses and outbuildings where their setting and context to the surrounding landscape is significant.
  
2. The General Plan and Growth Policy Plan, when updated, could include the framework for areas to conserve. Many of the resources that were outlined above (farms, ridges, etc.) are within the Growth Plan's Rural-designated area. In terms common to a transfer of development rights, these are the potential "sending areas."
  
3. Another potential opportunity to address in the General Plan and Growth Policy Plan is to foster more intensive development and redevelopment in areas that have or can be programmed for sufficient infrastructure (for example, good roads and sewer systems). Such areas, which are referred to as "receiving areas," can most readily sustain growth, thus avoiding sprawl. They are the locations on the county's landscape that are most capable of accommodating future population growth and economic development.
  
4. Decisions to sell development rights and the timing associated with those decisions is voluntary. The development side of the equation is also voluntary; developers/land owners in the receiving areas can decide whether or not they want to participate in the program.
  
5. Compensation for down zoning of Agricultural (A) land would be possible. Not all Agricultural (A) land should be considered for down zoning, probably only land which has prime and locally important agricultural soil. Like other American communities, two types of agricultural zoning could be considered here in Knox County: one for rural residential settings, another for prime farm-related lands. TDR could be used in the latter case.
  
6. Property tax implications:
  - a. Because the development rights are being sold and transferred, there may be little or no loss in tax generation in comparison to purchasing a resource in fee as a public

open space or in purchasing the development rights of a farm where no more intense development happens elsewhere.

b. Unless the County wanted to have a start-up fund to purchase development rights in starting a TDR bank, no tax dollars would have to be allocated for funding (in other words, the TDR can, as in the case of Montgomery County, MD be tied to conventional transfers of property and recorded by deed).

7. TDR could be another tool in realizing the objectives of a sector plan, directing growth away from areas that the community wants protected while allowing higher intensity growth in areas that citizens agree could more easily accommodate development.

8. The intensity of development in a receiving area can be set as part of a sector plan, based upon the land capability and infrastructure to sustain development. On the low intensity end of the scale, some communities have created walkable villages and hamlets in rural areas, while protecting farm resources. Toward the other end, particularly at points of major transportation systems, housing density and office/commercial intensity could be higher.

### **Obstacles (the hurdles to overcome)**

1. An extensive public education program would be necessary to enable residents, developers and decision makers to understand the details associated with a TDR program.

2. Because potential receiving areas and sending areas are not likely to be balanced equally throughout the county, perceptions may have to be overcome that one area is not benefiting or being unduly impacted by the program. This might be overcome by having a policy that the development rights from sending areas in one sector have to be used in the receiving area(s) in that sector. (Market conditions, see below, could affect this policy.)

3. A general rezoning that would entail down-zoning Agricultural (A) properties in a potential receiving area would likely be needed. Historically, Knox County has not undertaken general rezonings and, even with the compensation that would be forthcoming under a TDR program, careful explanation of the program would be needed.

4. Presently, there may not be sufficient development pressure in many areas of unincorporated Knox County that would be needed to successfully implement a TDR program. In other words, a market must exist whereby developers would be willing to purchase additional development rights. Changes in policy may be needed to create incentives to purchase development rights (for example, establishing a base density for low density residential development whereby if higher density is desired, development rights must be purchased from the farm or other sending area interest).

The impact of how densities are assigned to residential districts would have to be revisited and require possible sector plan and zoning code changes.

5. Historically, there does not appear to be the political resolve and commitment needed to develop a successful TDR program. A key to the success of a TDR program is to have the legislative body to strictly adhere to adopted plans without enabling re-zonings that are contrary to a plan.

6. The incorporated areas of Knoxville and Farragut are not included in this analysis, (some members of the task force felt that they should be included). Some land within Knoxville or Farragut or areas within their Urban Growth Boundary may make good receiving areas since they already contain infrastructure (examples include roads, sewer, parks, and schools) and are located at strategic points in the landscape (interchange areas). A multi-jurisdictional agreement/mechanism may be needed to have a TDR program that transcends two or three political entities.

7. The administration of the program could be complex and would likely involve staffing resources that are not necessarily in place. An approach to use existing property transfer systems (recording deeds for development rights and conservation easements) may be less cumbersome and costly than the creation of TDR bank in which development rights are bought and sold via the bank.

8. Receiving area interests would have to be brought into the process to discuss a variety of factors: how much additional density is being proposed, would it be used for higher intensity in office or commercial uses, and what would be the infrastructure improvements to support the changes?