

TRANSFER OF DEVELOPMENT RIGHTS FEASIBILITY STUDY

Adams County & City of Brighton



Economic & Planning Systems, Inc.
The Economics of Land Use

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EXPERTISE



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STUDY TEAM

- Economic & Planning Systems
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 - Brian Duffany, Project Manager
 - Sarah Dunmire, Land Use Analyst
- City of Brighton
 - Holly Prather, AICP, Community Development Director
 - Shannon McDowell, Long Range Planner
 - Anneli Berube, Agriculture Innovation Specialist (joint City-County position)
- Adams County
 - Jill Jennings Golich, Director CEDD
 - Libby Tart, AICP, Senior Long Range Planner, CEDD

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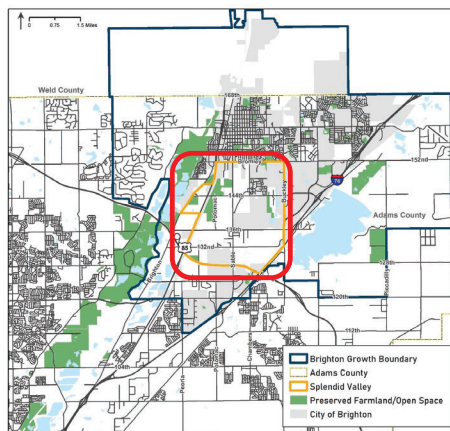
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OUTLINE

- Historic Splendid Valley District Plan
- TDR Definitions
- Conditions needed for successful TDR
- Brighton area housing market conditions
- Sending area evaluation (Historic Splendid Valley)
- Receiving area evaluation
- Recommendations
 - TDR feasibility
 - Other preservation tools/options

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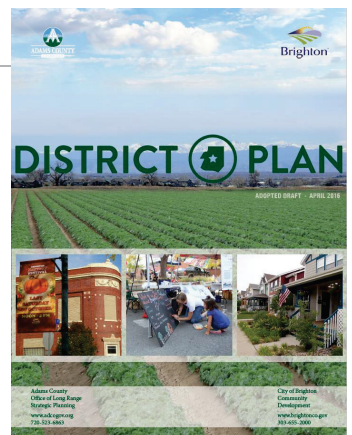
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DISTRICT PLAN

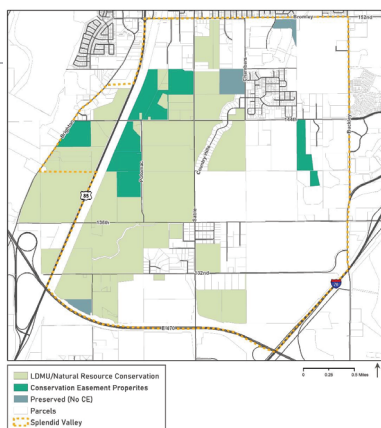
- Adopted by City and County as part of Comprehensive Plans
- Establishes future land use designations
- Guides zoning and development decisions
- Balance agricultural heritage and land in active agriculture with
 - Property owner flexibility
 - Agricultural economic development
 - Preservation goals
- Recommended City and County evaluate TDR as a land preservation tool

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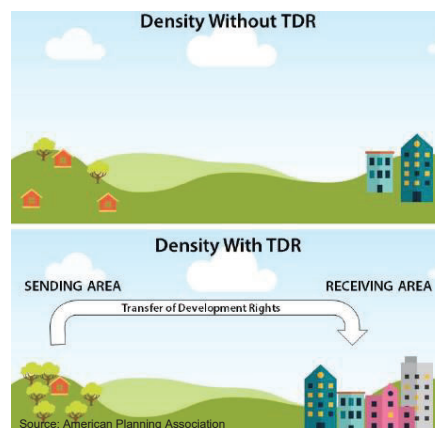


PRESERVED LAND

- In Splendid Valley
 - 1,900 acres of valuable resource lands
 - 366 acres (+/-) preserved through acquisitions and conservation easements



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TDR PROGRAM ELEMENTS

Sending Area

Where development rights are sold (transferred from)

Receiving Area

Where development rights are purchased (transferred to)

TDR Allocation Rate

Development rights per acre in sending area

Transfer Ratio

Bonus units per development right (1:1, 2:1, 3:1...)

Pricing

Price of a development right. Set by market in TDR. Set by local jurisdiction in a PDR program.

Program Administration

Recording and tracking of TDRs sold, purchased, and available for use.

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CONDITIONS NEEDED FOR SUCCESSFUL TDR

DEMAND FOR BONUS DENSITY

- Is there market demand for new development?
 - TDR depends on development happening
- Is there demand for development resulting from bonus density?
 - Single family: smaller lots, more units per acre
 - Multifamily: more units per acre, taller buildings

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STRICT SENDING AREA LAND USE REGULATIONS

- What provides more financial incentive: developing property or selling TDRs?
- If land use/zoning allows too much development, there is no economic motivation to participate in a TDR program.
- Need
 - Low density zoning
 - Low density future land use
 - Low likelihood of rezoning

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CLEAR RECEIVING AREAS AND CERTAINTY

- Receiving areas are clearly designated and adopted in comprehensive plans and zoning regulations
- Administrative approval; minimize discretionary review processes
 - Minimize time and risk to developer (purchaser of TDRs)

FEW ALTERNATIVES TO ACHIEVE HIGHER DENSITY

- Is the market in receiving areas constrained by low density zoning/land use?
 - If so, creates a motivation to seek more density
 - If market demands higher density than allowed by right, there is motivation to use TDR
- Are there other, easier ways to get the desired density?
 - If so, there is little motivation to seek additional density through TDR

FINANCIAL FEASIBILITY/INCENTIVE

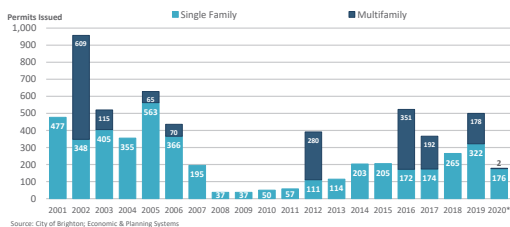
- Will purchasing TDRs and building at higher densities create additional profit?
 - There needs to be an economic motivation for the TDR purchaser

HOUSING MARKET

BRIGHTON RESIDENTIAL BUILDING PERMITS

2001 – MAY 2020

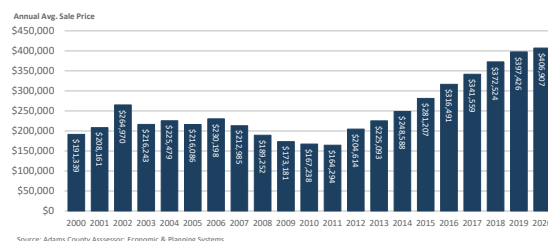
- Single Family Average: 232
- Multifamily Average: 93
- Avg. 2012–2019
 - SFR: 196
 - MF: 125



BRIGHTON RESIDENTIAL PRICE TREND

2000–2020 YTD

- Current average price \$400,000
- Increasing every year since 2011



NEW CONSTRUCTION PRICING

2015-2019

- \$350,000-\$500,000 is about 75% of the market
- \$150-\$250 per sq. ft.

Home Sales	Total	% Total	Price per Sq. Ft.	Total	% Total
Less than \$200,000	11	2.6%	Less than \$100	10	2.3%
\$200,000 - \$250,000	3	0.7%	\$50 - \$100	4	0.9%
\$250,000 - \$300,000	5	1.2%	\$100 - \$150	45	10.5%
\$300,000 - \$350,000	35	8.2%	\$150 - \$200	201	47.0%
\$350,000 - \$400,000	63	14.4%	\$200 - \$250	120	28.0%
\$400,000 - \$450,000	143	33.4%	\$250 - \$300	46	10.7%
\$450,000 - \$500,000	86	20.1%	Greater than \$300	2	0.5%
\$500,000 - \$550,000	35	8.2%	Total	428	100.0%
\$550,000 - \$600,000	22	5.1%	Low	\$15	
Greater than \$600,000	5	1.2%	High	\$308	
Total	428	100.0%	Average	\$191	
Low	\$40,000		Median	\$189	
High	\$685,500				
Mean	\$421,906				
Median	\$425,500				

Source: Adams County Assessor; Economic & Planning Systems

SINGLE FAMILY DETACHED LOT SIZES

- For homes built in 2019, average lot size was 7,800 sq. ft.
- Some projects building 6,000-6,500 lots
- Smaller lots reduce linear infrastructure costs

Residential Lots	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2019 Change	Avg.
Brighton												
Acres	0.21	0.24	0.22	0.22	0.19	0.18	0.18	0.19	0.19	0.18	0.03	0.20
Sq. Ft.	9,148	10,454	9,583	9,583	8,276	7,841	7,841	8,276	8,276	7,841	1,307	8,712
GMA												
Acres	1.55	1.30	1.34	1.26	1.25	1.16	1.41	1.32	1.51	1.33	0.22	1.34
Sq. Ft.	67,518	56,628	58,370	54,886	54,450	50,530	61,420	57,499	65,776	57,935	9,583	58,501

Source: Adams County Assessor; Economic & Planning Systems

SENDING AND RECEIVING AREAS

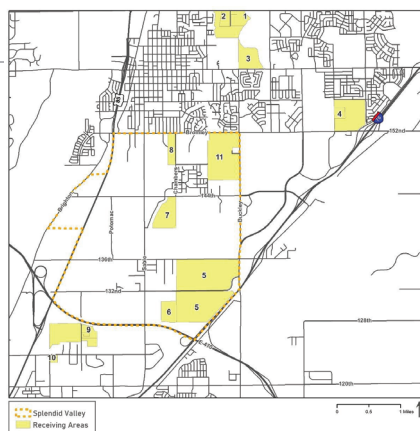
SENDING AREA LAND USE EVALUATION

- Sending area land use regulations are more restrictive than majority of market demand

Jurisdiction	Zoning or Land Use	Market Demand
Adams County	<ul style="list-style-type: none"> • A-1 2.5 acre lots • A-2 10 acre lots • A-3 35 acre lots 	<ul style="list-style-type: none"> • 5,000-8,000 sq. ft. lots • 0.11-0.18 acres
City of Brighton	<ul style="list-style-type: none"> • Cluster development • Integrate agriculture • Similar to County cluster zoning (1 unit per 17.5 acres) 	

RECEIVING AREAS

- Potential receiving areas are non-contiguous sites
- A broader contiguous area could not be identified



RECEIVING AREAS ZONING

- Current zoning
 - Low Density Residential: 0.5 to 5.0 units/acre
 - Medium Density Residential: 5 to 12 units/acre
 - High Density Residential: 12 or more units/acre
- Flexibility in existing zoning
- Zoning is largely consistent with market demand
- Unlikely to be demand for additional density on these sites
- Receiving areas are the limiting condition for TDR

RECOMMENDATIONS

TDR CONCLUSIONS

- A TDR program is not recommended in Brighton
- While HSV works as a sending area, no viable receiving areas could be identified

FUNDING AND PARTNERSHIPS

- Partnerships
 - The Conservation Fund
 - Continue exploring other land trusts and philanthropic partnerships
- Existing funding sources
 - Adams County 0.25% open space, parks, and recreation sales tax
 - City 0.75% parks and recreation capital fund sales tax
 - Matching funds for grants (GOCO)
 - Competition with other funding priorities
- New funding sources
 - Consider a modest voter-approved mill levy
 - 1.000 mills = \$320,000/year; 3.000 mills = \$1.0 million/year

OTHER TOOLS

- Density Transfer Fee
 - Gunnison County and Town of Berthoud
 - Fee paid for open space reduction or up-zoning
 - Funds are used exclusively for land conservation
 - Elected officials' discretion on spending
 - Eliminates complexity of TDR program
- Farmland Mitigation Program
 - Require mitigation when agricultural land is developed
 - Purchase land or conservation easement
 - Pay fee-in-lieu
 - More "stick" than "carrot"
- Fee revenue also provides matching funds for grants

QUESTIONS