

# TRANSFER OF DEVELOPMENT RIGHTS FEASIBILITY STUDY

Adams County & City of Brighton



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

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# ECONOMIC & PLANNING SYSTEMS

## EXPERTISE



# STUDY TEAM

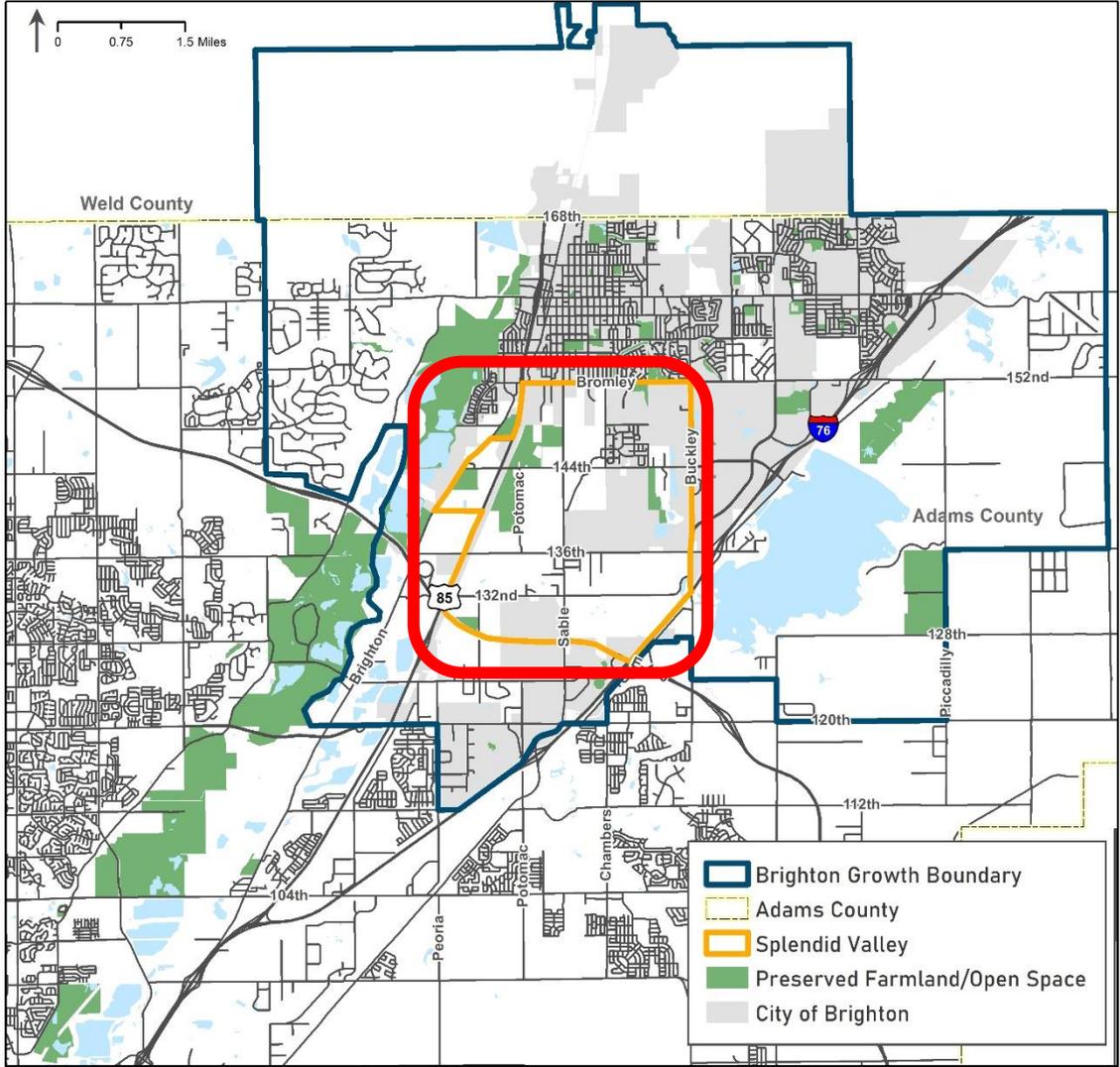
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- City of Brighton
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# OUTLINE

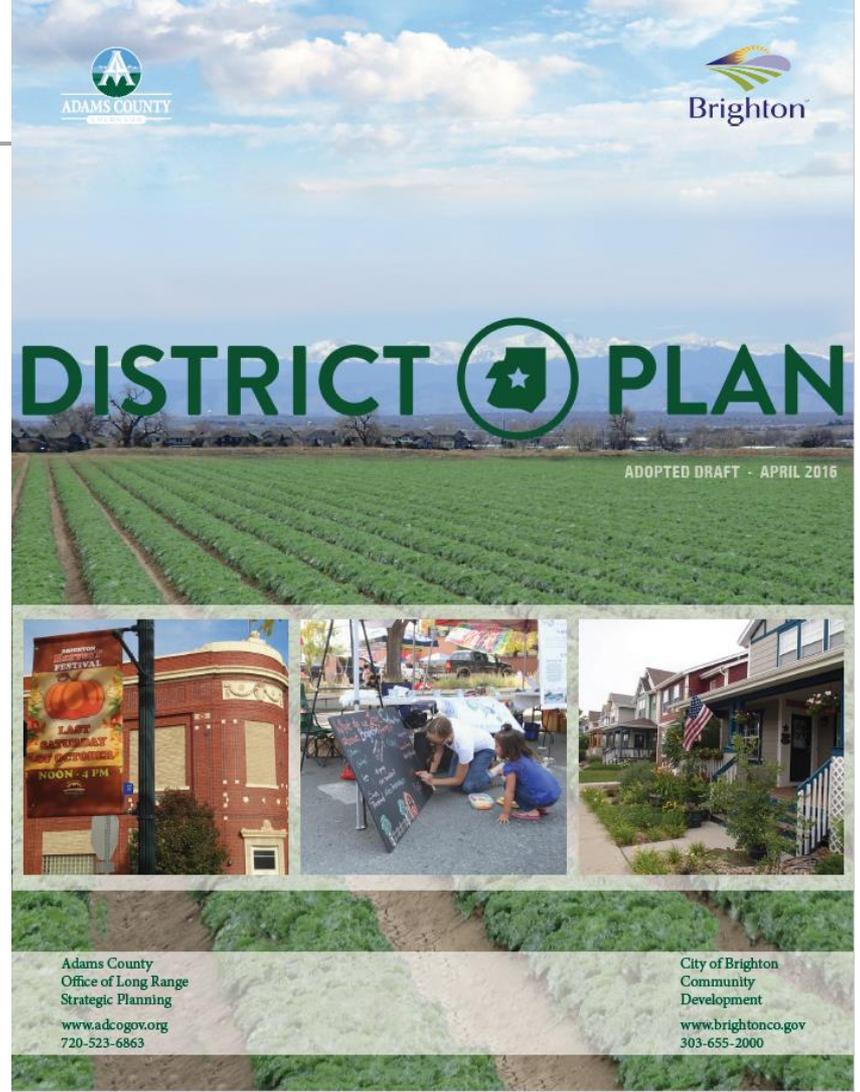
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- Historic Splendid Valley District Plan
- TDR Definitions
- Conditions needed for successful TDR
- Brighton area housing market conditions
- Sending area evaluation (Historic Splendid Valley)
- Receiving area evaluation
- Recommendations
  - TDR feasibility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



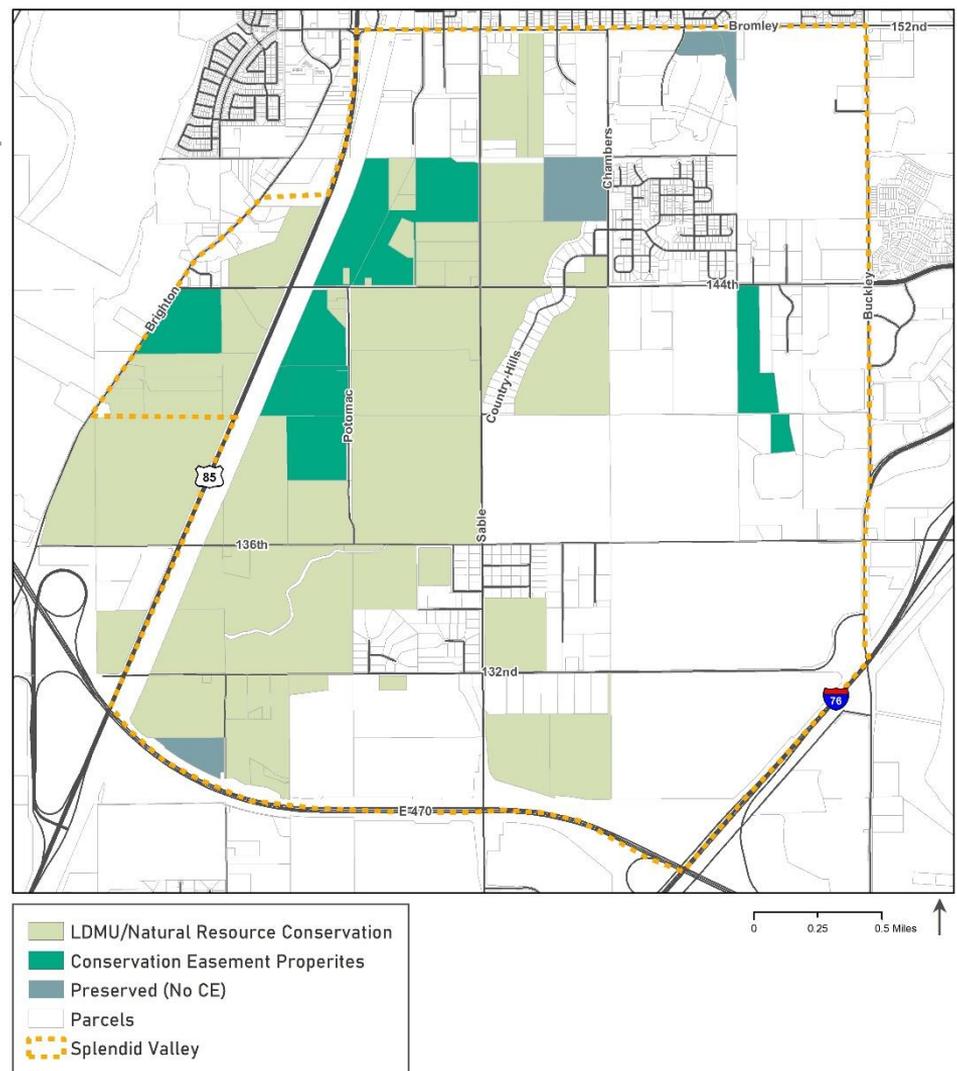
# DISTRICT PLAN

- 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

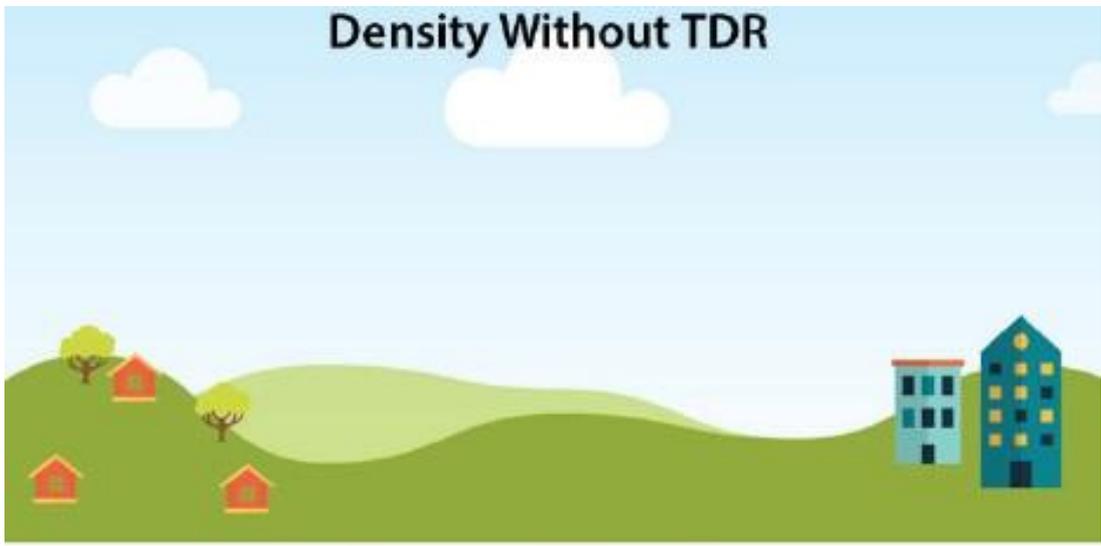


# PRESERVED LAND

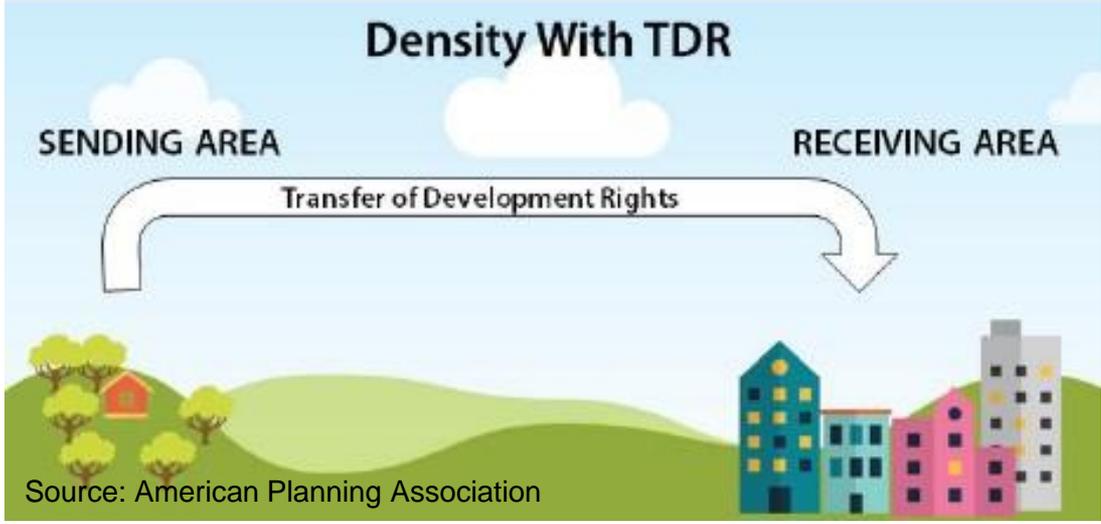
- In Splendid Valley
  - 1,900 acres of valuable resource lands
  - 366 acres (+/-) preserved through acquisitions and conservation easements



# Density Without TDR



# Density With TDR



Source: American Planning Association

# TDR PROGRAM ELEMENTS

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## **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.

# CONDITIONS NEEDED FOR SUCCESSFUL TDR

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# DEMAND FOR BONUS DENSITY

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- 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

# STRICT SENDING AREA LAND USE REGULATIONS

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- 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

# CLEAR RECEIVING AREAS AND CERTAINTY

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- 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

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- 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

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

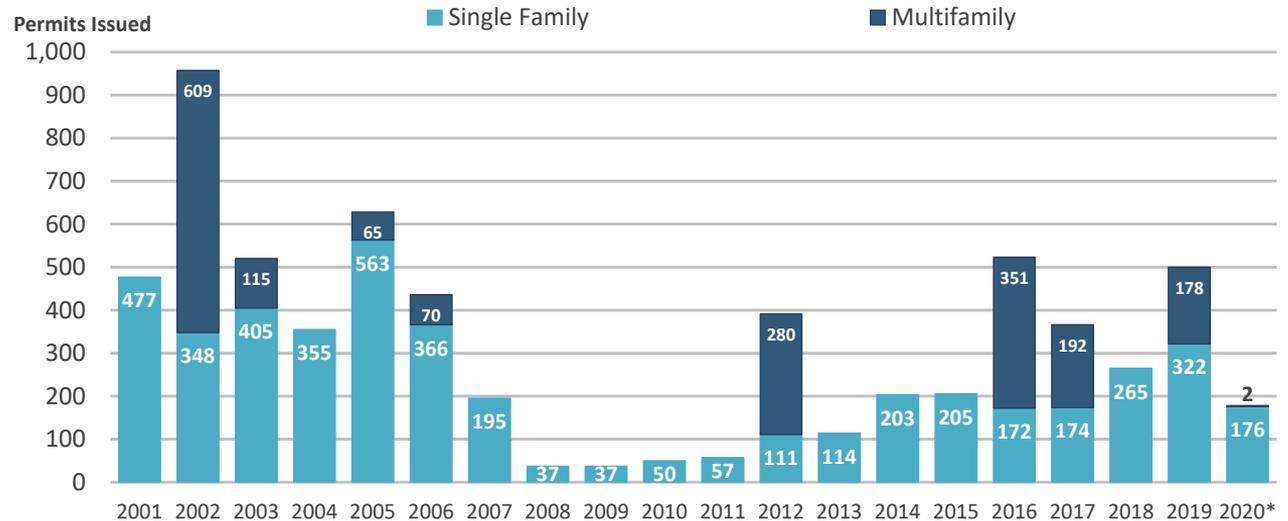
# HOUSING MARKET

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# BRIGHTON RESIDENTIAL BUILDING PERMITS

2001 – MAY 2020

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

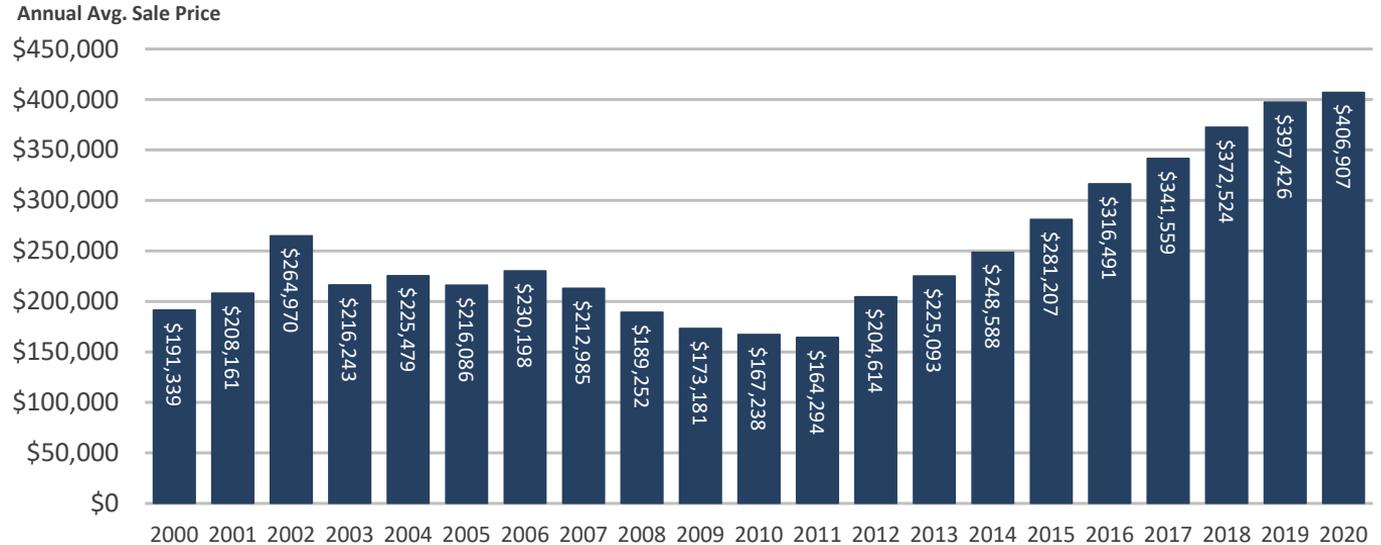


Source: City of Brighton; Economic & Planning Systems

# BRIGHTON RESIDENTIAL PRICE TREND

2000–2020 YTD

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



Source: Adams County Assessor; Economic & Planning Systems

# NEW CONSTRUCTION PRICING

2015–2019

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

Home Sales	Total	% Total
Less than \$200,000	11	2.6%
\$200,000 - \$250,000	3	0.7%
\$250,000 - \$300,000	5	1.2%
\$300,000 - \$350,000	35	8.2%
\$350,000 - \$400,000	83	19.4%
\$400,000 - \$450,000	143	33.4%
\$450,000 - \$500,000	86	20.1%
\$500,000 - \$550,000	35	8.2%
\$550,000 - \$600,000	22	5.1%
Greater than \$600,000	5	1.2%
<b>Total</b>	<b>428</b>	<b>100.0%</b>
Low	\$40,000	
High	\$685,500	
Mean	\$421,906	
Median	\$425,500	

Source: Adams County Assessor; Economic & Planning Systems

Price per Sq. Ft.	Total	% Total
Less than \$100	10	2.3%
\$50 - \$100	4	0.9%
\$100 - \$150	45	10.5%
\$150 - \$200	201	47.0%
\$200 - \$250	120	28.0%
\$250 - \$300	46	10.7%
Greater than \$300	2	0.5%
<b>Total</b>	<b>428</b>	<b>100.0%</b>
Low	\$15	
High	\$308	
Average	\$191	
Median	\$189	

Source: 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.
<b>Brighton</b>												
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
<b>GMA</b>												
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

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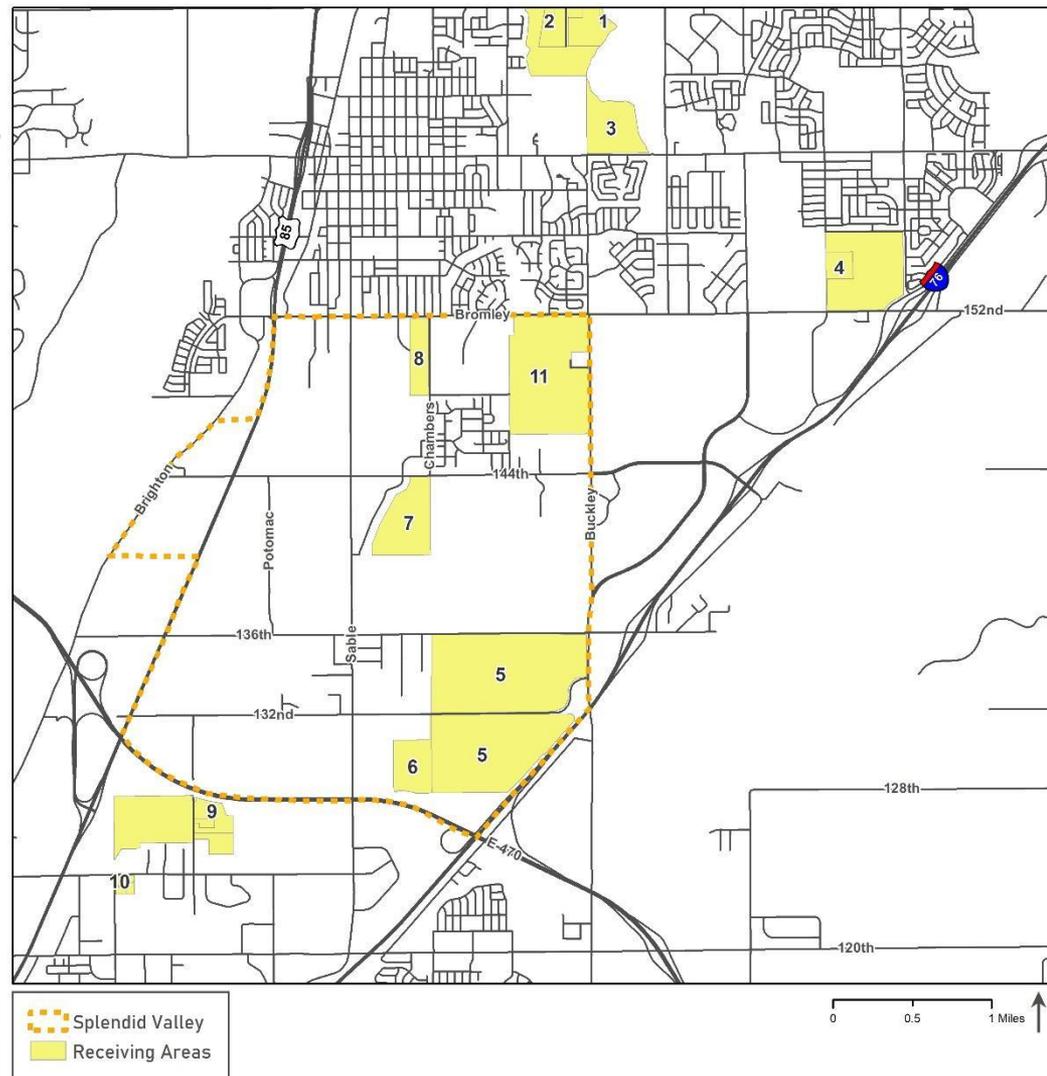
# SENDING AREA LAND USE EVALUATION

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

# RECEIVING AREAS

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



# RECEIVING AREAS ZONING

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- 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

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## TDR CONCLUSIONS

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- 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

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- 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

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- 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

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