

# **GALLATIN COUNTY TRANSFER OF DEVELOPMENT RIGHTS FEASIBILITY COMMITTEE**

## **Final Recommendations TDR Feasibility Committee**

April 26, 2005

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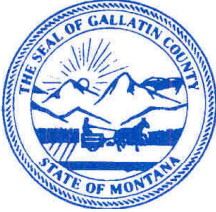
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**BACKGROUND:** During the winter of 2003-2004, the Gallatin County Commission appointed 11 individuals to serve on the Gallatin County Transfer of Development (TDR) Feasibility Committee. The Committee worked over the past year and a half to help determine the feasibility and success potential associated with increasing transfer of development rights programs throughout the County. During its research, the Committee consulted with Rick Pruetz author of *Beyond Takings and Givings* (Arje Press, 2003); land use consultant Jim Carter of Bear West who is assisting the County with an update of the Gallatin County/Bozeman Area Zoning District; Clark Wheeler, land use appraiser with Norman Wheeler & Associates; and City of Bozeman officials.

In order to share information with County residents about TDR programs, the Committee hosted a community work session with Rick Pruetz on February 24, 2004; and shared its preliminary findings and sought community input at a public presentation in Bozeman on November 18, 2004 and a luncheon on January 27, 2005 at the Bank of Churchill.

The Committee believes that an expanded TDR program would be feasible and beneficial in Gallatin County in light of our County's rapid growth, our residents' interest in open space conservation, and the voluntary incentive-based strengths of TDR programs. While concluding its task, the Committee prepared the following list of recommendations. It is the Committee's hope that the Gallatin County Commissioners consider the recommendations and take active steps to expand the use of Transfer of Development Right(s) programs in Gallatin County.



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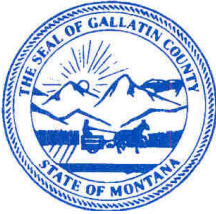
## **RECOMMENDATIONS**

### **General Recommendations**

1. The majority of Committee members believe the County Commission needs to take a bold stance on TDR utilization. There is fear that an expanded TDR program will “fall through the cracks” if the Commission doesn’t take action now.
2. The Committee believes the Commission should provide appropriate funding for implementing and administering current and future TDR programs.
3. The Committee believes that the natural resources that County residents have expressed an interest in conserving, e.g., prime agricultural land, riparian and wetland resources, and critical wildlife habitat are identified in the County Growth Policy and accompanying maps. The challenge is finding receiving areas to which development from those important natural resource areas can be directed.

### **Opportunities in Zoned Portions of the County**

1. Gallatin County’s “donut” jurisdictions (Bozeman, Belgrade, Manhattan and Three Forks) present opportunities, because the “donuts” are where increased urbanization should occur. These “donut” areas could serve as our biggest reservoir for receiving areas.
  - a) Identify receiving areas in “donuts”. These receiving areas would most likely be located in “nodes” where city utilities, transportation, etc. would be extended.
  - b) The County Commission should formally adopt TDR programs in the Bozeman, Manhattan, Belgrade and Three Forks “donuts”. Take advantage of the ongoing update of the Gallatin County/Bozeman Area Plan, Map and Regulations. Ensure that the updated Plan and Regulations provide TDR opportunities. (The TDR program in the Bozeman “donut” can occur without City participation, however the Committee recommends that the County continues to encourage City of Bozeman participation.)
  - c) The Commission should also pursue inter-local agreements with corresponding municipalities to utilize TDR programs through municipal annexations. (Incentives need to be built into a program involving municipalities.)
  - d) Cities (and Gallatin County) could allow use of TDRs to split existing parcels, encouraging infill or densification in appropriate areas.



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2. Encourage both inter- and intra-district transfers involving the “donut(s)” (some committee members are hesitant to include inter-district transfers). (Existing zoning districts, like Springhill, may see benefit in participating as a sending area but *not* receiving area.)

### **Opportunities in Unzoned Portions of the County**

1. The County Commission should require the use of TDRs as an option in new zoning districts. The County should provide a model TDR regulation for ease of use with new zoning districts. The process and the accompanying regulations need to be simple.
2. Promote the Dry Creek Demonstration Project as an example of how inter-district transfers could work within a “donut” or other appropriate district.
3. The Committee recognizes that county-wide zoning would provide a more comprehensive foundation for implementing a TDR program, however the Committee also recognizes the political challenges associated with implementing county-wide zoning. The Committee believes that the conservation potentials offered by an expanded county-wide TDR program could provide an incentive for residents to initiate zoning districts.

### **Additional Research Needed**

1. Additional research is needed to determine approximate development right valuations to help determine appropriate receiving area ratios before implementing an expanded program. This is because the program needs to be based on an accurate supply/demand model to be successful.
2. A voluntary fee or cash-in-lieu program should be further analyzed. The predictability, fixed cost, and ease of use of such approaches may be attractive to the development community. However, the risk to undercutting a broader market-based TDR program by such approaches would need to be evaluated.
3. A number of Committee members expressed interest in exploring the ability to “buy back” development rights in sending areas in future years if County policy indicated that was desirable.