

An aerial photograph of a rural landscape, likely farmland, with a semi-transparent green overlay. The image shows various fields, roads, and some buildings. The text is centered over the image.

# **Farmland Conservation in a High-Growth Area: South Burlington's TDR Program**

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# **“We put the **D** in TDR!”**

- **High-growth area with goal of permanently conserving half of the 3500 acres in the Southeast Quadrant (SEQ) agricultural/residential district**
- **Focused priorities for conservation**
- **Infrastructure and zoning in place to support development in receiving areas**
- **High incremental value to individual development rights**

# Location and Context: South Burlington & Chittenden County

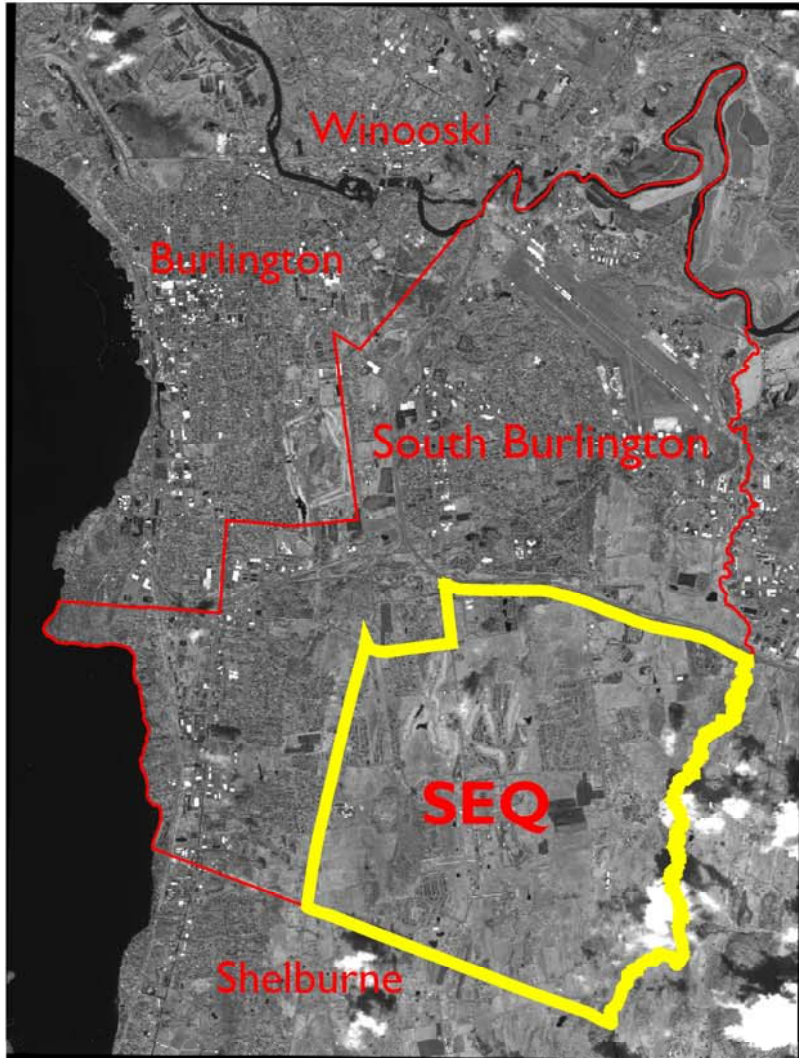


- 5th most populous City in Vermont; @18,000 residents (Burlington 39,000; Vermont, 634,000)
- 10,400 acres
- 2nd largest employment center with @18,000 covered jobs
- Fastest-growing in absolute terms; @105 new housing units/year
- Home of Burlington International Airport; capacity has doubled in 10 years to 800K passengers/yr.
- 60% of UVM property in town; much of it is agricultural



# **The Southeast Quadrant in South Burlington**

- **Zoning district of 3501 acres; currently @1,000 housing units with 700 approved or pending**
- **Full build-out of 4, 200 units expected @ 1.2 units/acre**
- **\*\*Largest and most visible area of working landscape in the immediate urban core of VT**
- **Substantial housing demand region-wide; exacerbated by 5 acre zoning in Shelburne, NIMBY in Burlington, annual growth caps in Williston, and lack of wastewater capacity everywhere else**
- **Schools, water/wastewater have growth capacity**





# **Agricultural Profile: bad news**

- **Dairying in decline**
  - 220 head in 2000,  
@40 replacement heifers today
- **Six large farm-to-subdivision conversions since 1980; @1,045 units**
- **Other residential on more marginal lands**



# **Agricultural Profile: good news**

- **Significant demand for hay from area horse farms; numerous good parcels**
- **South Village project includes 35-acre restored organic CSA project**
- **Lands contiguous to town of Shelburne have high potential for urban/niche agriculture; attractive for VLT “future farms” project**



# **TDR Program, Version I: 1992-2004**

## **More or less a clustering ordinance**

- 1. Base density of 1.2 dwelling units/gross acre applied to entire SEQ**
- 2. “Developable” and “restricted” areas designated**
- 3. “Developable” areas buildable at 4 du/acre if sufficient land area controlled by developer to “send” the additional 2.8 units/acre**
- 4. Projects completed within single-ownership land holdings; no “transfers” *per se***

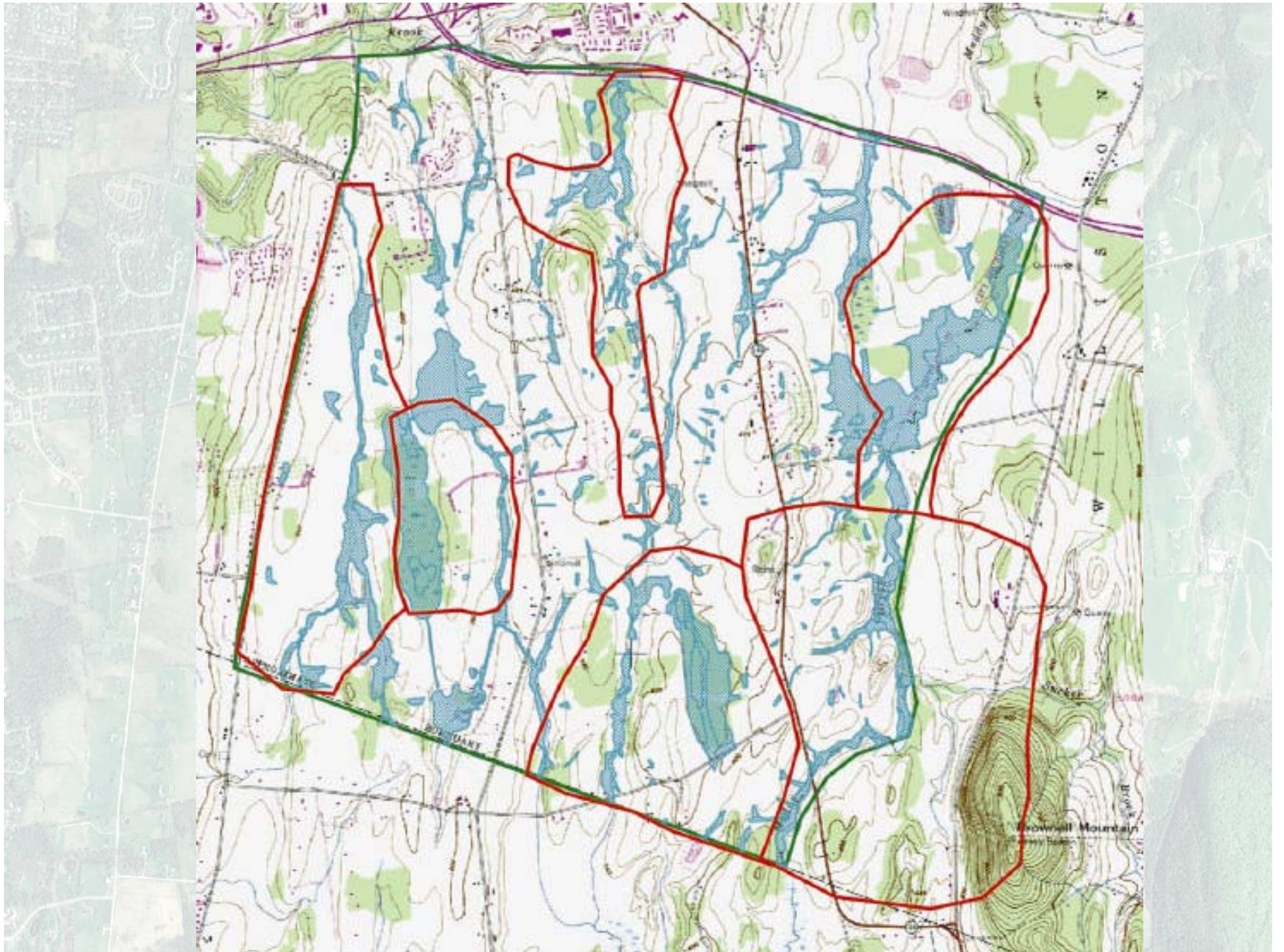


- **Dorset Farms: 183 total acres/200 du/134 acres open**
- **Cider Mill I: 124 total acres/149 du/82 acres open**
- **Stonehouse Village: 49 total acres/59 du/32 acres open**

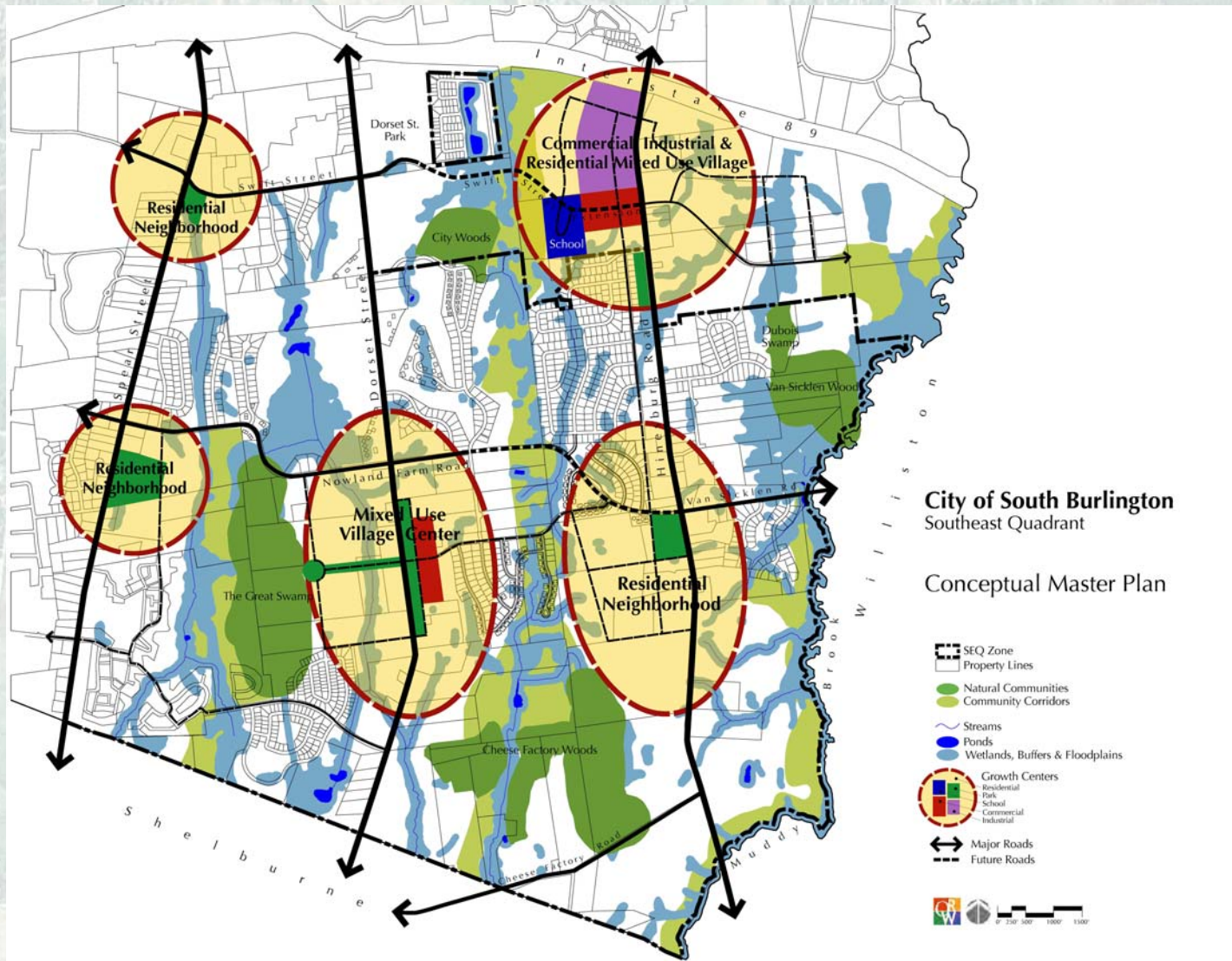


# **2000-2005: Rethinking the Land**

- **2001, Open Space Strategy**
  - **Emphasized connectivity and preserving contiguous lands with resource values**
  - **Concerned with wildlife habitat and natural community values as well as agriculture**
- **2004, Ecological Assessment**
  - **Mapped natural communities, edge habitats, successional forest areas**
  - **Defined five “working areas” for conservation**



# Translated to a Land Use Plan: Vision for denser, more connected neighborhoods

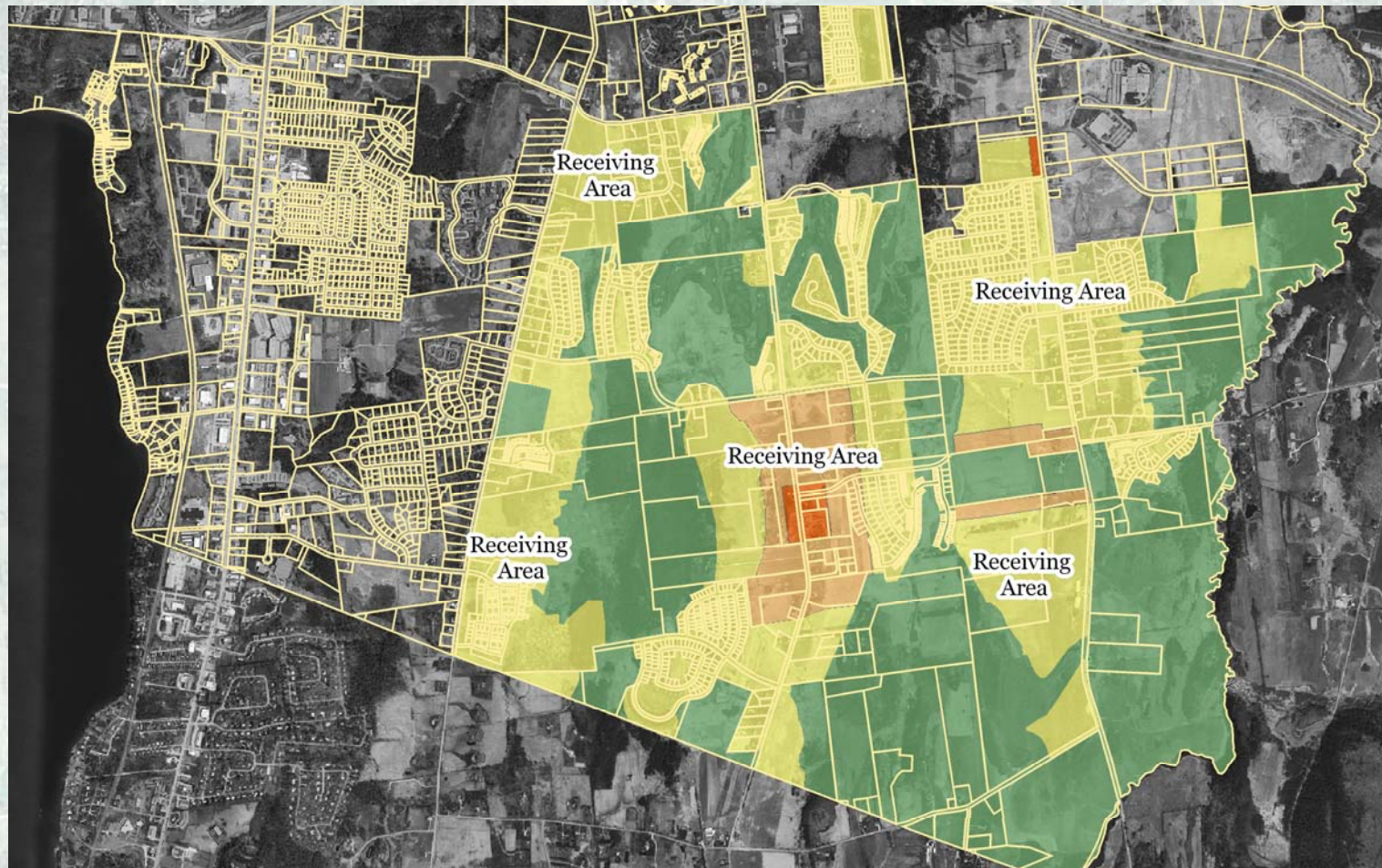


# The new TDR version: 2005-now

- **Rezoning:** Created clearly defined sending (“NRP”) and receiving (VR/NR/VC/NRT) districts within the SEQ.
- **Overall Density:** Maintained the 1.2 du/acre to maintain peace with landowners and overall expected buildout
- **Development Density:** Density in receiving areas kept minimum of 4 du/ac, but added bonus for affordable housing and two areas at 8 du/ac
- **Sending/NRP density:** Drastically reduced to 1 unit per 10 acres; parcels under 15 acres with an existing single-family house have **NO** further subdivision or development potential – sale of TDRs only

# SEQ Zoning Map:

**Green = sending, yellow/orange = receiving**



# SEQ TDRs and Acreage:

	<b>Gross Acres</b>	<b>Base density (1.2)</b>	<b>Potential buildout (theoretical)</b>	<b>Net TDRs out/in</b>
<b>NRP - Sending</b>	<b>1,668</b>	<b>2,001</b>	<b>35</b>	<b>-1,966</b>
<b>Neighborhood Residential (4)</b>	<b>1,631</b>	<b>1,957</b>	<b>*6,524</b>	<b>+4,567</b>
<b>Village Residential (8)</b>	<b>180</b>	<b>216</b>	<b>*1,440</b>	<b>+1,224</b>
<b>Village Commercial (8)</b>	<b>21</b>	<b>25</b>	<b>*83</b>	<b>+58</b>

# **Fundamental Changes in the Real Estate Market from 1992-2005:**

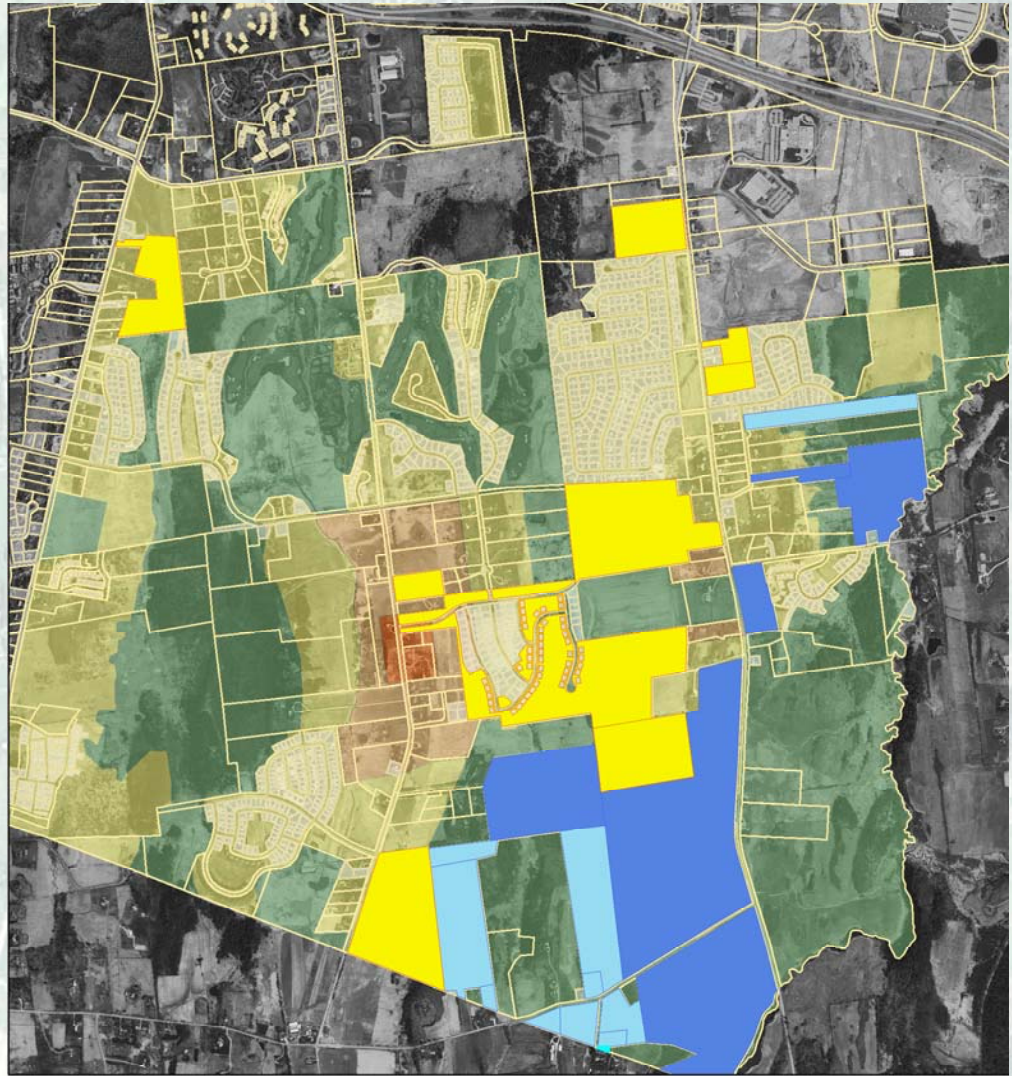
## **Market and City accept smaller lots and houses:**

- 1. “footprint” lots – no land, just house – allowed in zoning and promoted by developers**
- 2. Eliminated lot frontage requirement: enabled carriage houses on narrow, deep lots, less land consumption**
- 3. Dealt with fire chief, Act 250 resistance to 10’ side yard separations**
- 4. Greatly reduced roadway design widths**
- 5. Strong political and community support for recreation path system, community parks**
- 6. One-cent tax for land conservation approved by voters in 1998.**

# **Fundamental Changes in the Real Estate Market from 1992-2005:**

- **Strong market pressure for more housing units in South Burlington**
  1. **Limitations in Burlington, Williston, Shelburne make buildable land in SB much more valuable – permitted SF lot sells for up to \$200,000 by 2006.**
  2. **Builders willing to pay a premium for ability to build one extra unit in SB: cost of impact fees less than other towns (\$7,000 vs. \$18,000 in Shelburne/Williston)**
  3. **Less resistance to density; successful projects elsewhere in town at 7, 12 and 15 du/acre make boards, buyers more comfortable**

**Active  
Transactions:**  
**Blue = TDRs  
sold**  
**Light blue =  
TDR sale in  
progress**  
**Yellow = active  
receiving sites**





# **Market Analysis of the New TDR Program**

- 1. What is the value of a development right?**
- 2. Is the cost of one development right priced appropriately so that builders will be willing to pay, and owners of NRP properties will find it worthwhile to sell?**

# Establishing TDR Values

- **“Before and After” conservation appraisal of 40 acre parcel by City yielded a value of \$16,042/TDR**
- **By *dumb luck*, a unique transaction between the Airport and a developer yielded a value of \$14,020/TDR**
- **Bid to City to purchase 48 TDRs was \$15,200**
  - **Median new home price in SEQ: \$380,000-\$405,000**
  - **Land cost/acre: \$85,000 - \$125,000**

# Why is this working?

- This range of values per TDR is consistent with the premium that builders are willing to pay to go from the base density of 1.2 units to 4 to 8 units per acre
- This is also a sufficient return per unit to encourage landowners in the sending area to look for deals
- The marginal cost of building a unit in surrounding communities is still much higher than it is in SB
- **Surplus of RECEIVING sites/allowances, not sending!!!!**
- Other municipal services – schools, recreation paths, parks – support high house values, which support TDR-based conservation

# **What does the City do to make this work?**

- 1. The City is an active purchaser of development rights and will hold the rights until a contract is executed to sell and “attach”**
  - Ends uncertainty on timing for larger builders and projects**
  - One-cent tax and an early purchase CRUCIAL to establishing protocol, value, and credibility of TDRs**
- 2. The City actively brokers relationships among buyers and sellers**
- 3. The City Attorney created a set of standard documents for TDR transactions to reduce legal costs incurred by buyers and especially sellers**
- 4. The City actively explains and advocates for purchases and sales of TDRs among builders and landowners**
- 5. Development Review Board understands and supports density when projects in receiving areas are proposed**