

Resilience at the Intersection of Growth, Conservation, and Infrastructure Funding

APA Washington Conference
October 9, 2025



Puget Sound Regional Council



Introduction to TDR & Advancing LCLIP

Morgan Shook
ECONORTHWEST



Washington State
Department of
Commerce

Cities and Conservation

- Ecosystem Services Cities Rely On
- Pressure at the Urban-Rural Edge
- A High-Quality Region Attracts People and Businesses

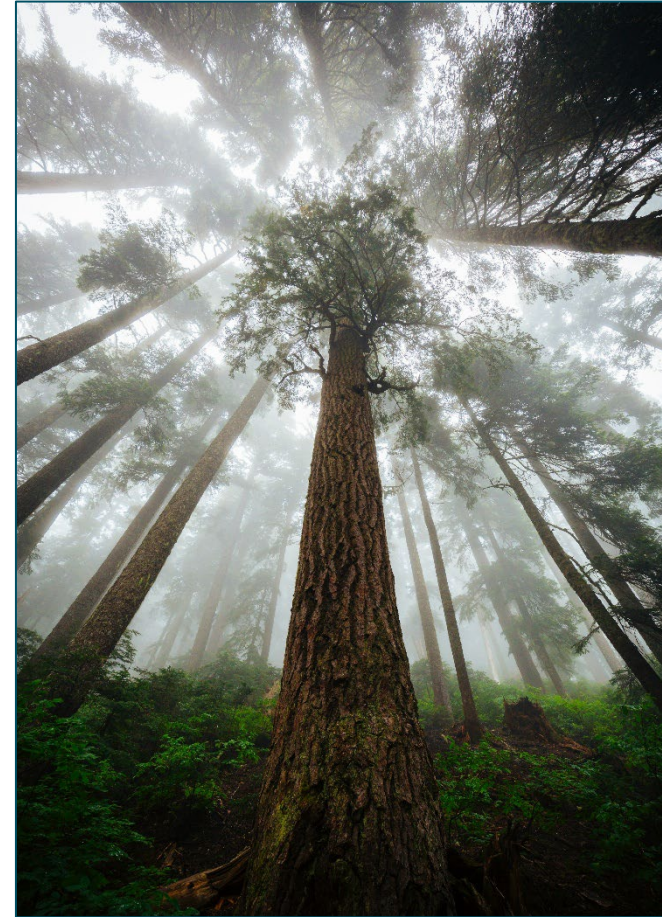


Photo by Dave Hoefler



TDR: A planning tool to manage land use by transferring the right to develop from one area to another.

Development



Timber rights

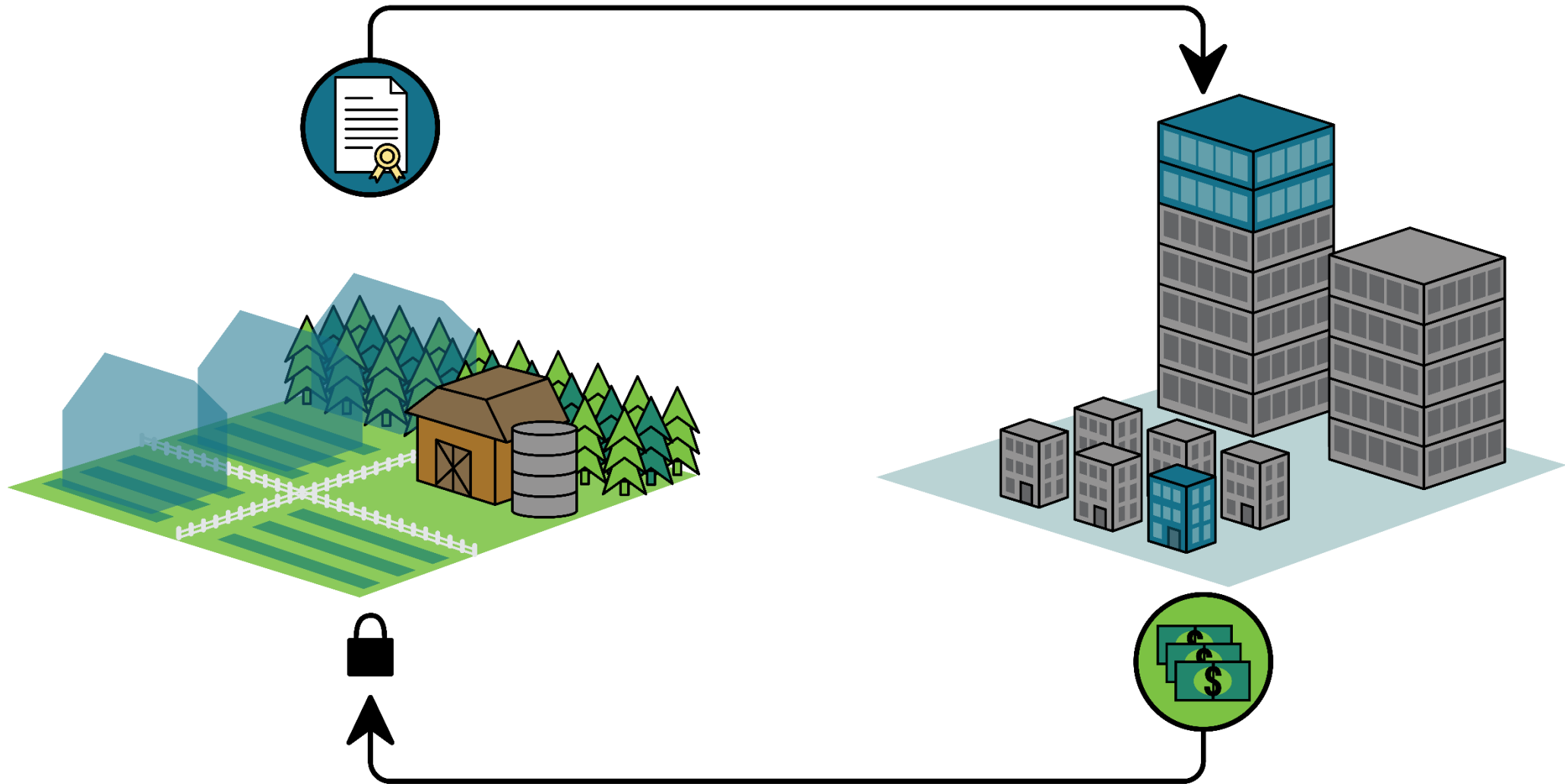
Access

Agriculture

Physical ground

Property Rights

HOW TRANSFER OF DEVELOPMENT RIGHTS WORKS





State Authorization

RCW 36.70A.090 (Innovative techniques)

RCW 36.70A.070 (Variety of Rural Densities)

RCW 36.70A.060 (Forestry/Ag in UGA)

RCW 43.362 (Regional TDR Program)

RCW 39.109 (LCCLIP)



Program Elements: Sending Sites

Program Structure

- Internal vs. Interjurisdictional?
- Inclusive vs. Restrictive?
- Financial & Market Factors
 - Financially Reasonable?
 - Conservation Contiguity?
- Policy Alignment
 - Nexus with Receiving Areas?
 - Geographic vs. Criteria-Based?



Program Elements: Receiving Sites

Growth Alignment

- Are sites designated growth areas?
- Is additional capacity needed?

Regulatory Fit

- Is zoning compatible?
- Geographic vs. criteria-based?

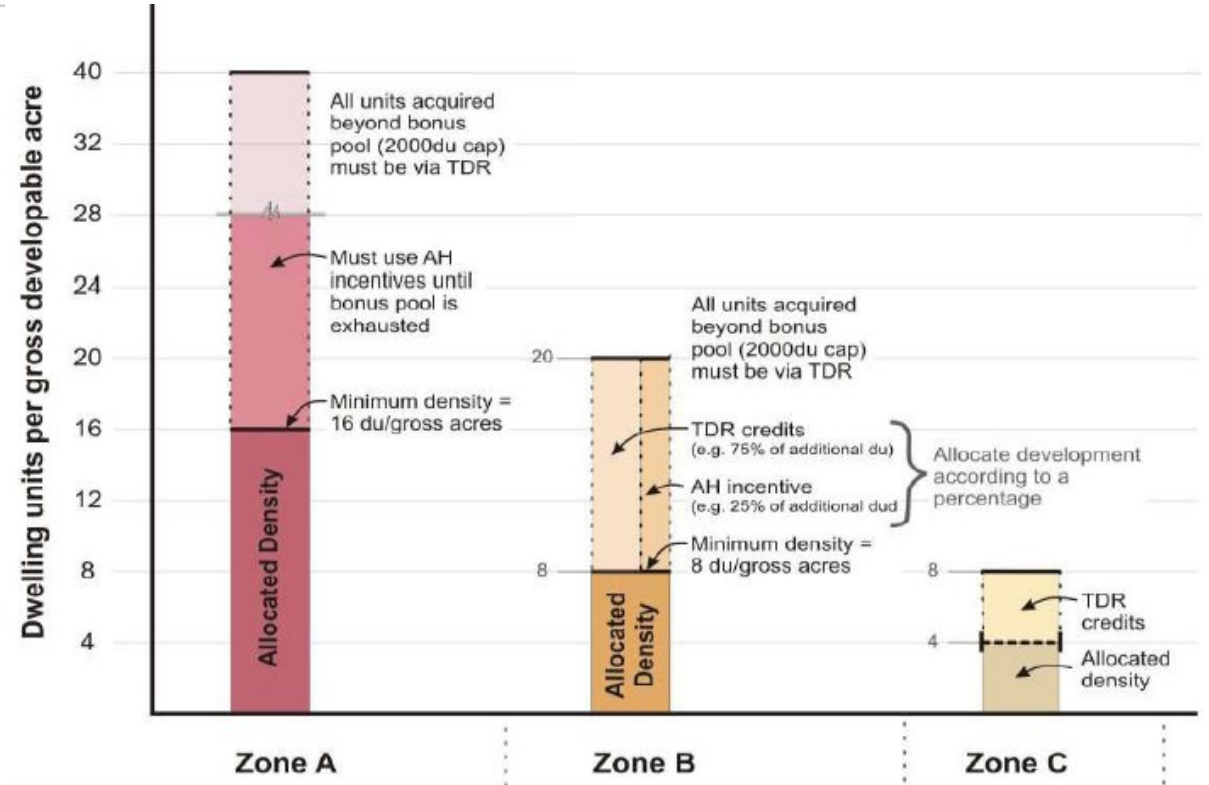
Political and Community Support

- Is there political will?

Program Elements

Development Incentives may include:

- Increased capacity (units, FAR, height, square feet)
- Reduced requirements
- Access to programs



Program Elements

Exchange Rates

- Critical: Rates must reflect market realities
- Should support program goals
- Market studies are recommended

Scenario 2: Exchange rate is 1:2 (1 development right = 2 receiving site units)



Landowner has several development rights to sell for \$30,000 each



Two additional units will increase the developer's profit by \$50,000

\$50,000
additional profit

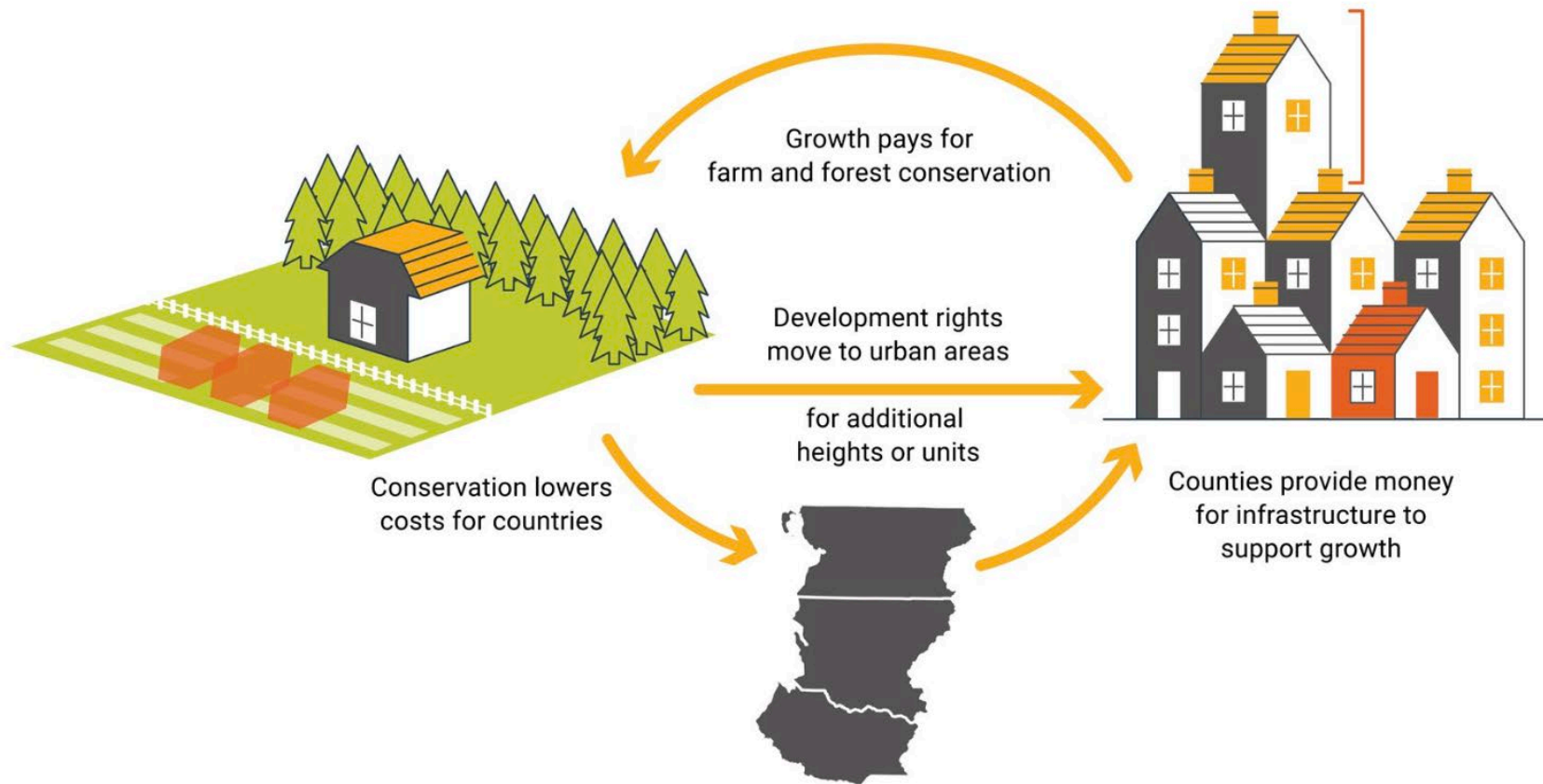


\$30,000
development right cost

What is LCLIP?

- The Landscape Conservation and Local Infrastructure Program (LCLIP)
- LCLIP combines Transfer of Development Rights (TDR) with tax increment financing to fund local infrastructure while conserving rural lands
- Created in 2011: Chapter 39.108 RCW

What is LCLIP?



Source: Forterra

TIF in Washington

LCLIP

- Large district
- County regular levy
- Infrastructure
- Up to 25 years

TIF

- Small District
- Some regular levies
- Infrastructure and affordable housing
- Up to 25 years

How LCLIP Works



Cities commit to using TDR credits.



Developers use those credits to build in designated areas.

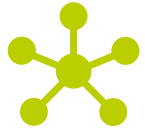


County assessor measures incremental valuations.



County shares property tax revenue with the city to fund infrastructure.

Key Elements of LCLIP



Local Infrastructure
Project Area (LIPA)



TDR credit
placement



Incremental tax
revenue and city
ratio



Revenue sharing
from the county



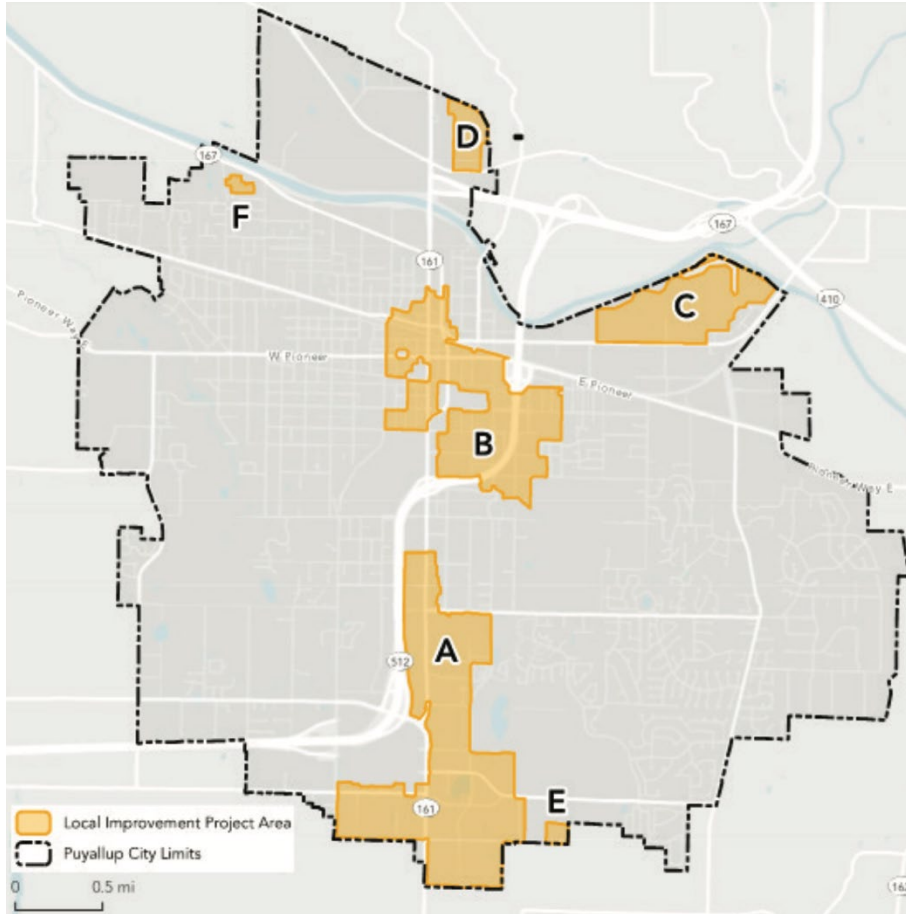
Performance
thresholds

What is a LIPA?

A Local Infrastructure Project Area (LIPA) is where increased development occurs (also where measured base and incremental value happen).

- Contiguous, cover no more than 25% of the city's total assessed value.
- Multiple LIPA's.
- Must be aligned with city growth plans.
- All infrastructure projects must be in the LIPA.

What is a LIPA?



Zone	Total Assessed Value	Share
CBD	\$81,079,400	1.2%
CBD-CORE	\$77,564,840	1.2%
LMX	\$41,062,100	0.6%
RM-10	\$98,549,100	1.5%
RM-20	\$762,972,255	11.5%
RM-CORE	\$208,694,310	3.2%
UCX	\$287,927,700	4.4%
Sum of Zones	\$1,557,849,705	23.6%
City Total	\$6,607,199,525	100.0%

What Can LCLIP Fund?

- **Transportation Infrastructure:**
 - Roads, streets, and bridges.
 - Sidewalks, bike paths, and pedestrian pathways.
 - Public transit facilities, such as park-and-ride lots and transit hubs.
- **Utility Systems:**
 - Water and sewer systems, including treatment facilities.
 - Stormwater and drainage management systems.
 - Electric, gas, and fiber optic utility infrastructure.
- **Public Spaces and Amenities:**
 - Parks, recreational areas, and open spaces.
 - Environmental remediation projects.
 - Landscaping, streetlights, and streetscaping for urban beautification.
- **Affordable Housing Support:**
 - Facilities and infrastructure that support the development of affordable housing, such as utility connections and transportation access (but not the construction of affordable housing directly).
- **Historic Preservation:**
 - Activities that conserve historic properties, provided they align with local preservation goals.
- **LCLIP funds cannot be used for:**
 - The direct acquisition of TDR credits.
 - Projects outside the designated LIPA boundaries.
 - Non-infrastructure-related expenses, such as administrative costs or operational subsidies.

TDR Credits in Action



City designs incentive structure.



Developers buy TDR credits from rural landowners.

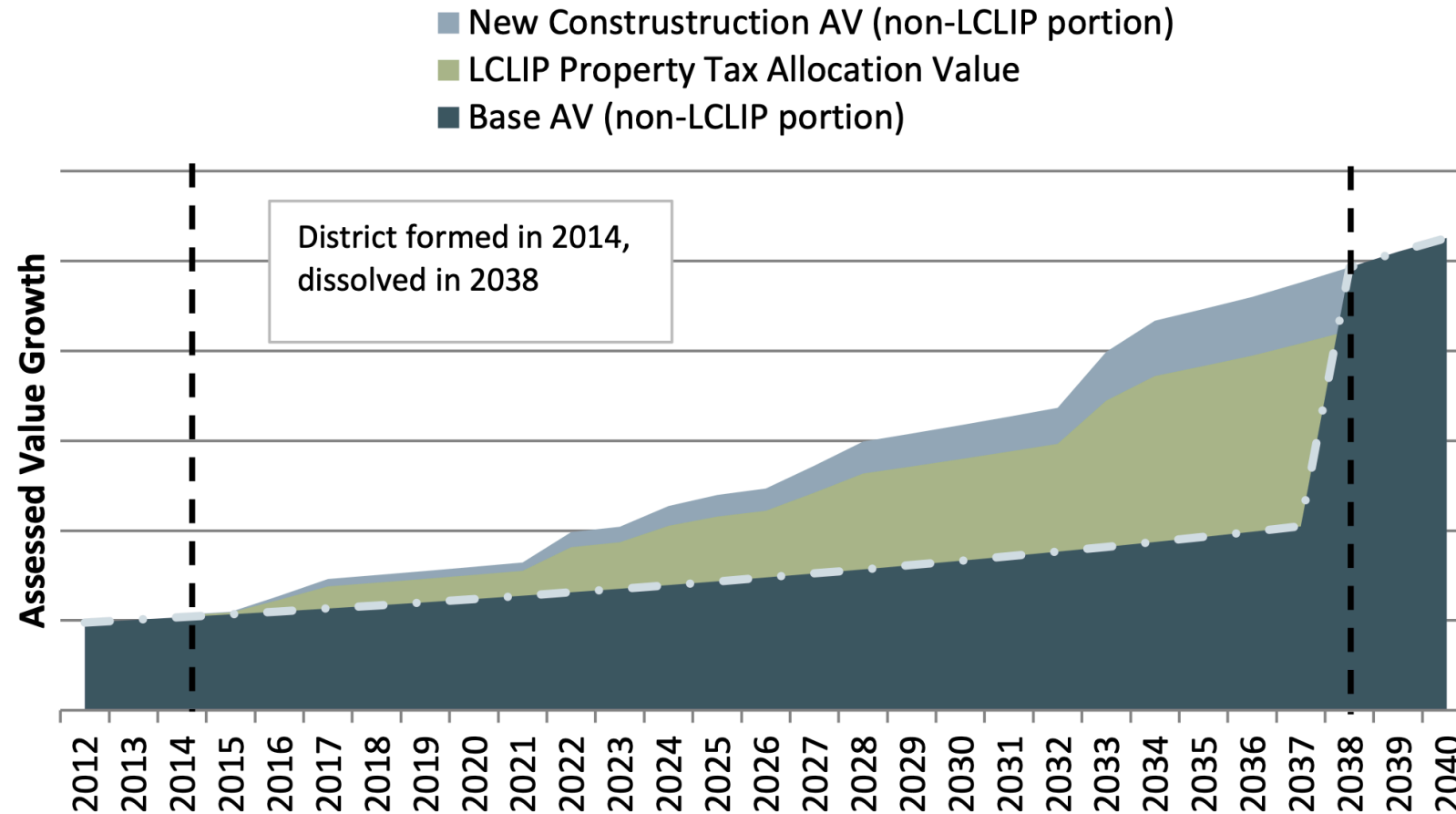


The credits allow them to build more intensively in the LIPA.

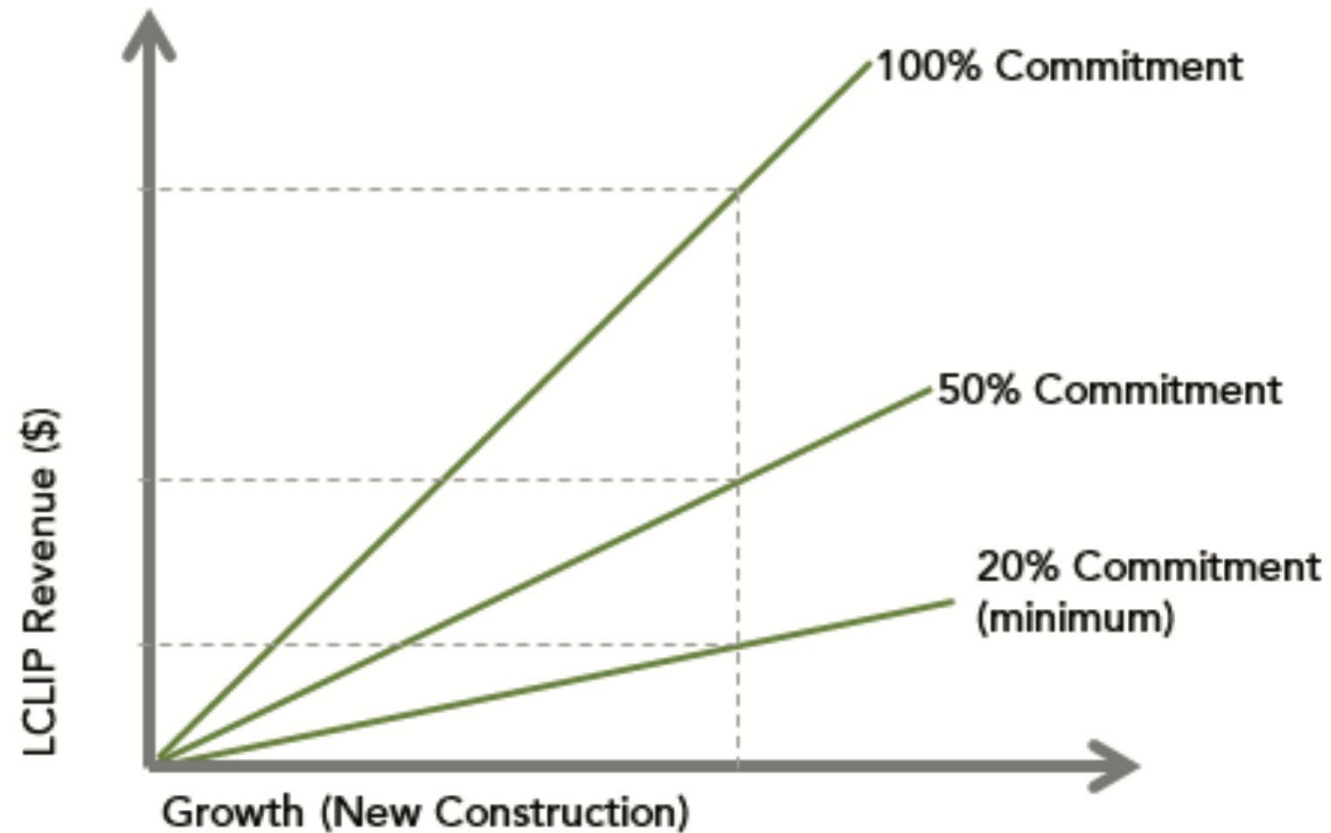


The city tracks credit use to certify progress.

Example of Valuation Measurement



Example of City Allocation Ratio



Planning Tool

TDR Revenue and Growth Planning Tool

Commerce developed this [interactive TDR revenue projection tool](#) to help local jurisdictions explore how TDR could shape growth and affect revenue in Local Infrastructure Planning Areas (LIPA).

This tool is for illustrative purposes and may help educate and inform planners, community members, and decision makers on TDR and LCLIP related policy choices.

1 City: Where is your LIPA located?
Arlington

Your partner county is: Snohomish County

2 Allocated share of development rights from PSRD: 279

3 Incremental population by 2050: 15,381
Incremental employment by 2050: 14,834

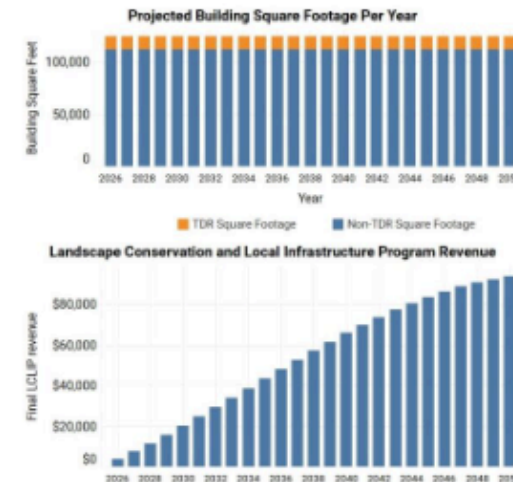
4 Growth in LIPA (%): How much future growth will your LIPA take on?
(If you do not know, a good benchmark might be 40% to 70%)
25.00%

5 Development intensity: How intense will development be added?
Moderate intensity

6 TDR Use (%): What share of new buildings will use Transfer of Development Rights?
(If you do not know, a good benchmark might be 10 to 20%)
95.00%

7 Development speed: How quickly will new construction happen?
Even development each year

8 TDR Price Level:
Higher



[Link](#)

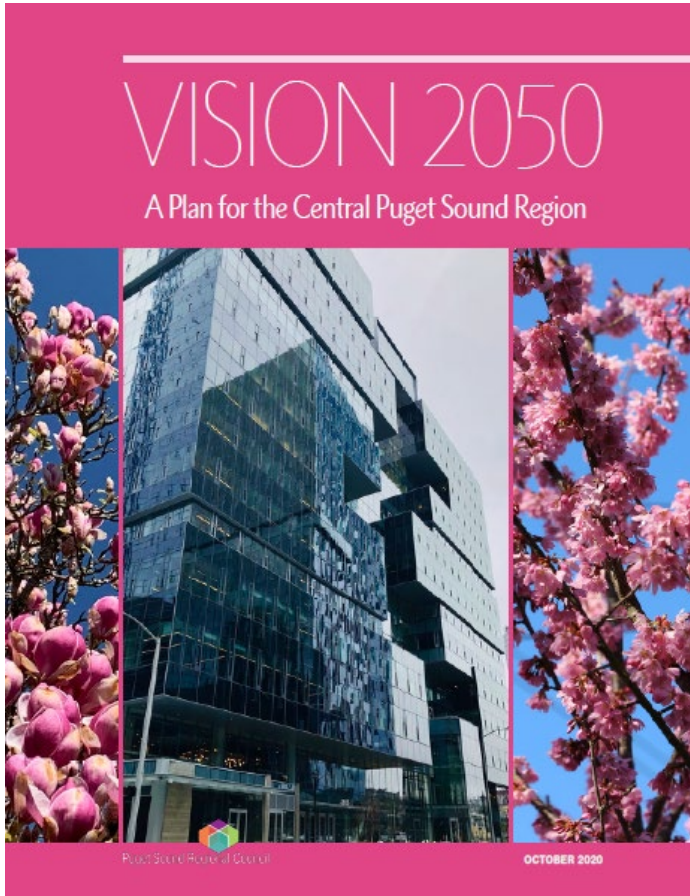
Central Puget Sound Region



- 4.5 million people
- 4 counties: King, Pierce, Snohomish, and Kitsap
- 82 cities and towns
- Urban and rural
- 6,300 square miles
- 1,000 square miles in urban growth areas



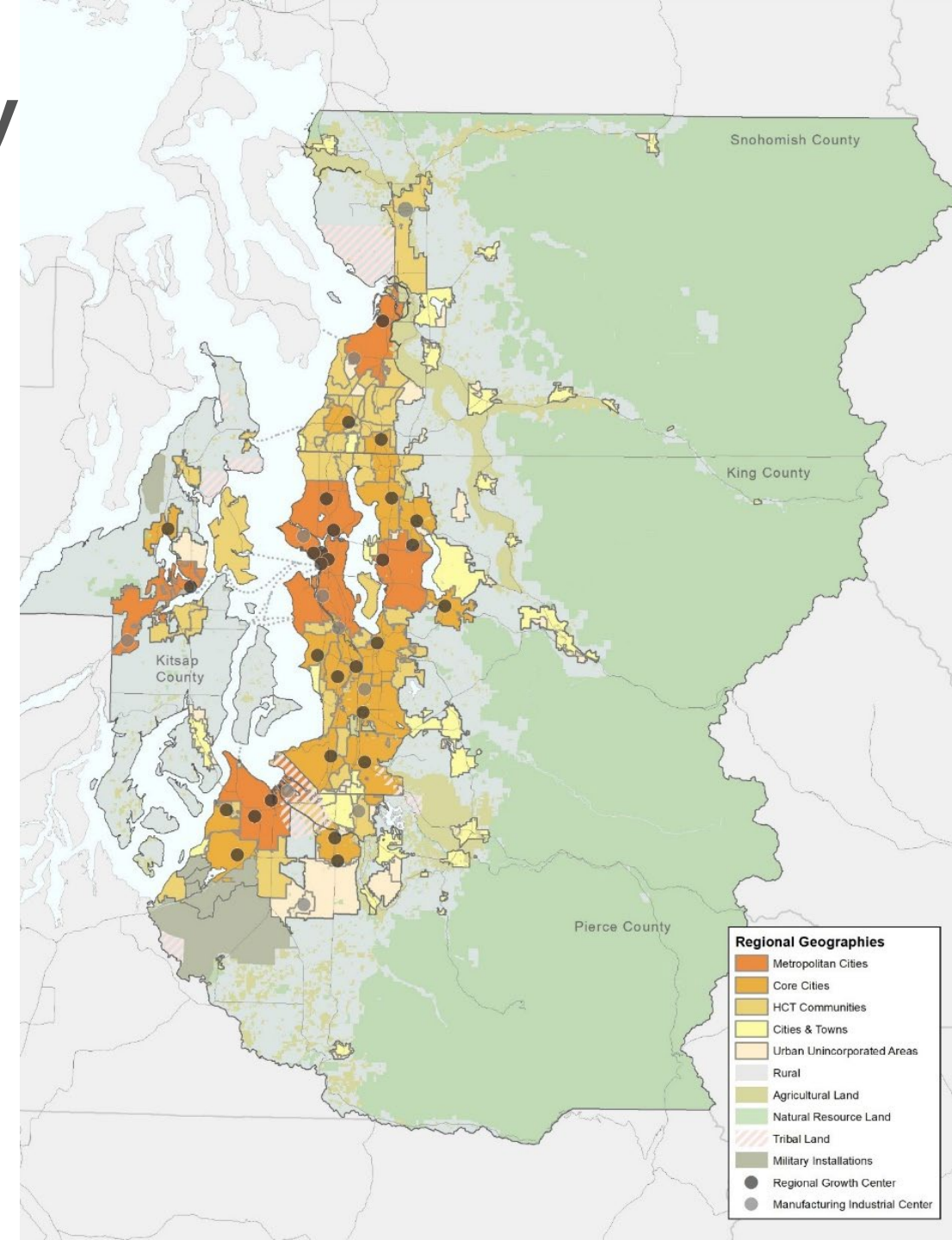
VISION 2050: The Region's Plan for Growth



- Growth in **centers** and near **transit**
- Protect a network of **open space**
- Restore the health of **Puget Sound**
- Significantly reduce greenhouse gas **emissions**
- Increase **housing** choices and affordability
- Provide **opportunities** for all
- Sustain a strong **economy**
- Keep the region **moving**
- Act **collaboratively** and support **local efforts**

Regional Growth Strategy

- Most growth in **larger cities**
- 65% of region's population growth and 75% of employment growth in **regional growth centers** and **station areas**
- Lower growth allocations for **rural areas**
- No growth allocations for **working lands**
- Includes **policy on TDR**



We strengthen communities



HOUSING AND
HOMELESSNESS



INFRASTRUCTURE AND
BROADBAND



SMALL BUSINESS
ASSISTANCE



ENERGY



PLANNING AND TECH
ASSISTANCE



COMMUNITY SERVICES



CRIME VICTIMS AND
PUBLIC SAFETY



ECONOMIC
DEVELOPMENT



Facilitate the implementation and adoption of Transfer of Development Rights and Land Conservation and Local Infrastructure Programs across the Puget Sound region, enhancing urban growth while preserving rural lands and generating infrastructure funding.





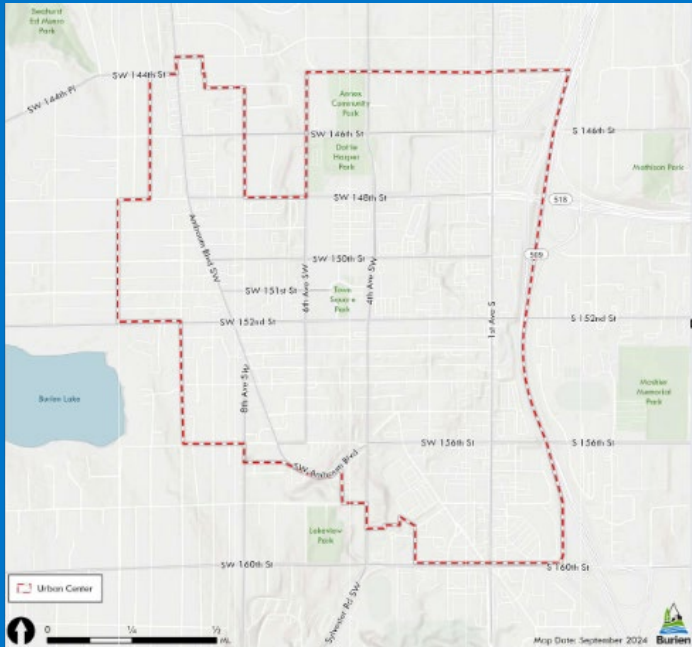
Alignment with
State Priorities



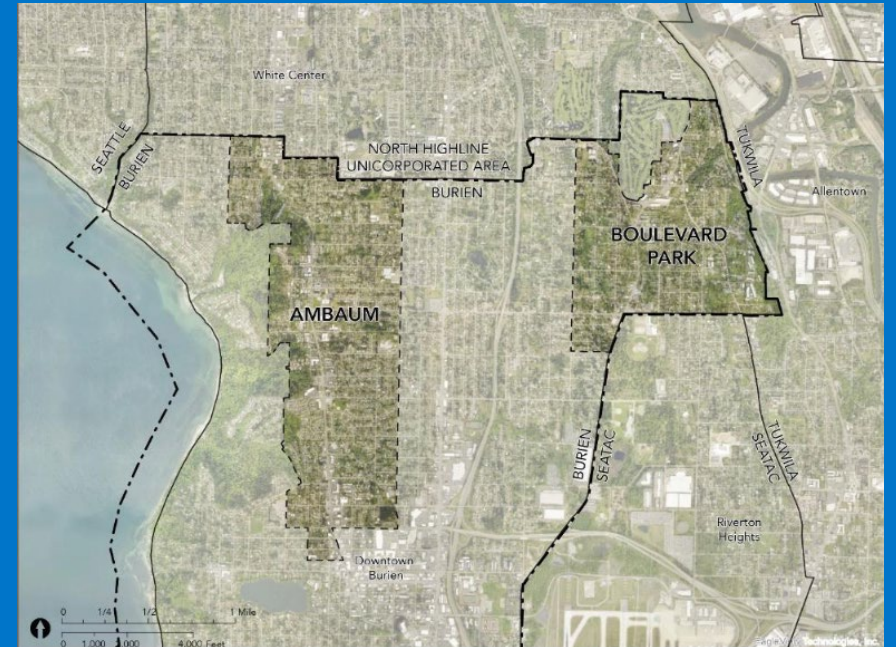
Burien

- 54,000 Residents
- 1993 Incorporation
- 1 in 3 Households speaks a language other than English
- 11 square miles of total land area

LCLIP / TDR Feasibility



Burien Urban Center



Ambaum and Boulevard Park

Elements of Feasibility Study

- TDR Feasibility Assessment & Policy Development
- Infrastructure Financing and LCLIP Revenue Analysis
- Identification of Viable TDR and Implementation Strategy





Transfer of Development Rights: The Power of Partnerships



King County

Nick Bratton
TDR Program Manager
King County Water and Land Resources Division
Department of Natural Resources and Parks

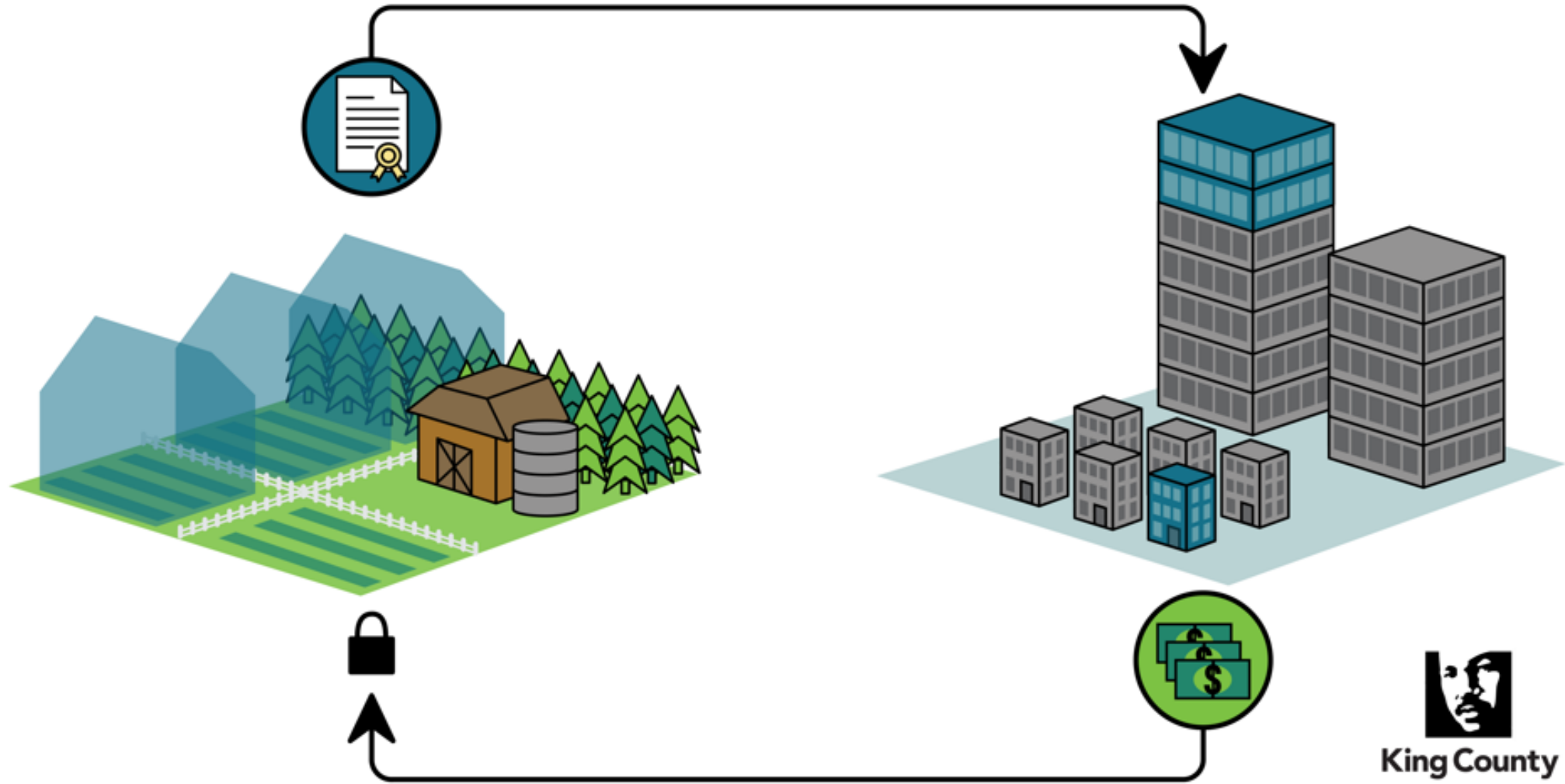


TDR Program Goals

- Permanently protect open space
- Direct new residential and commercial development into Urban Areas, and away from Rural and Resource lands
- Program is voluntary, incentive-based and market-driven



HOW TRANSFER OF DEVELOPMENT RIGHTS WORKS



Benefits of TDR

Counties

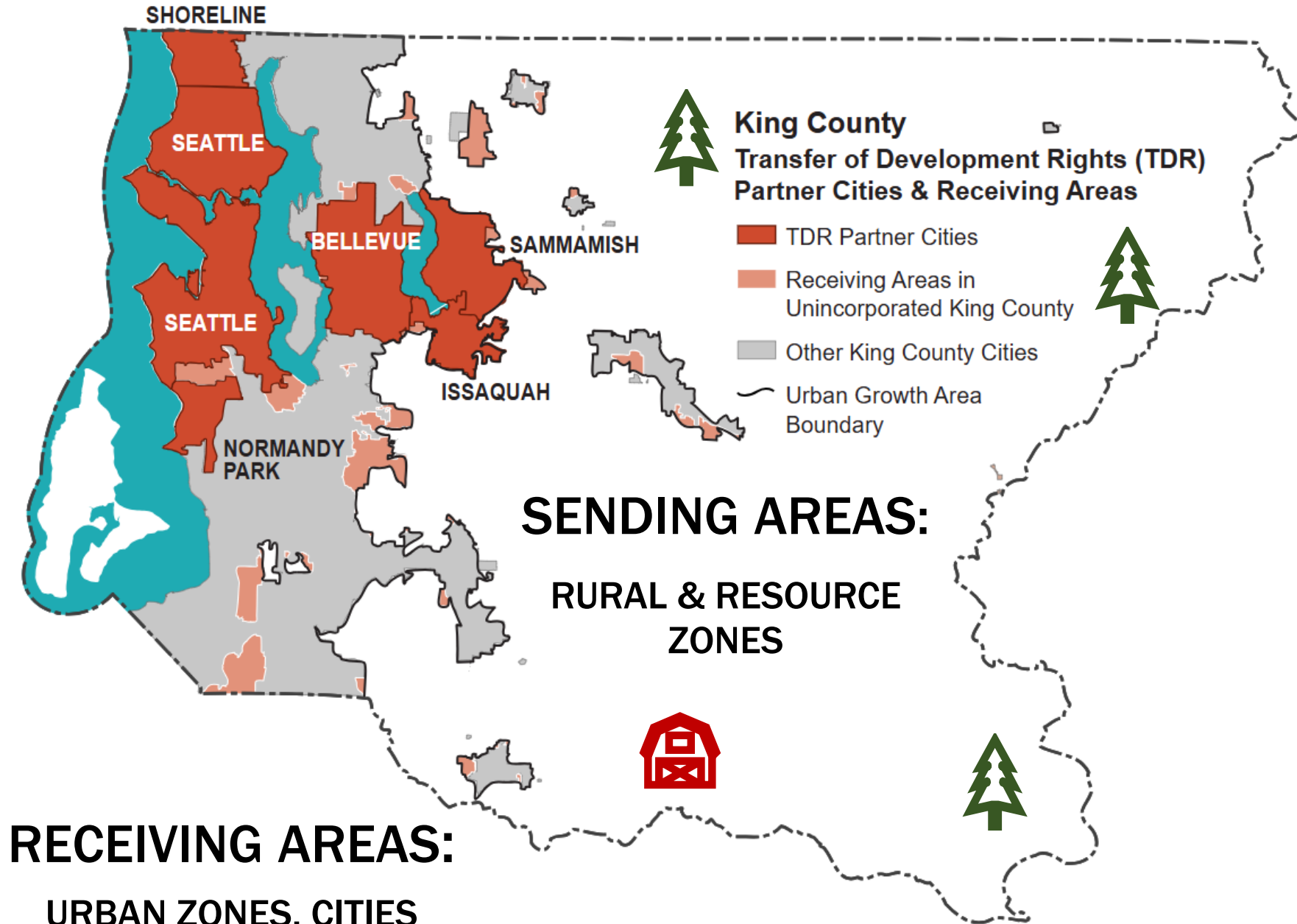
- Market-based conservation
- Supports growth goals
- Reduced cost of rural services

Cities

- Flexible \$ for capital facilities
- Supports growth goals
- More resilient communities

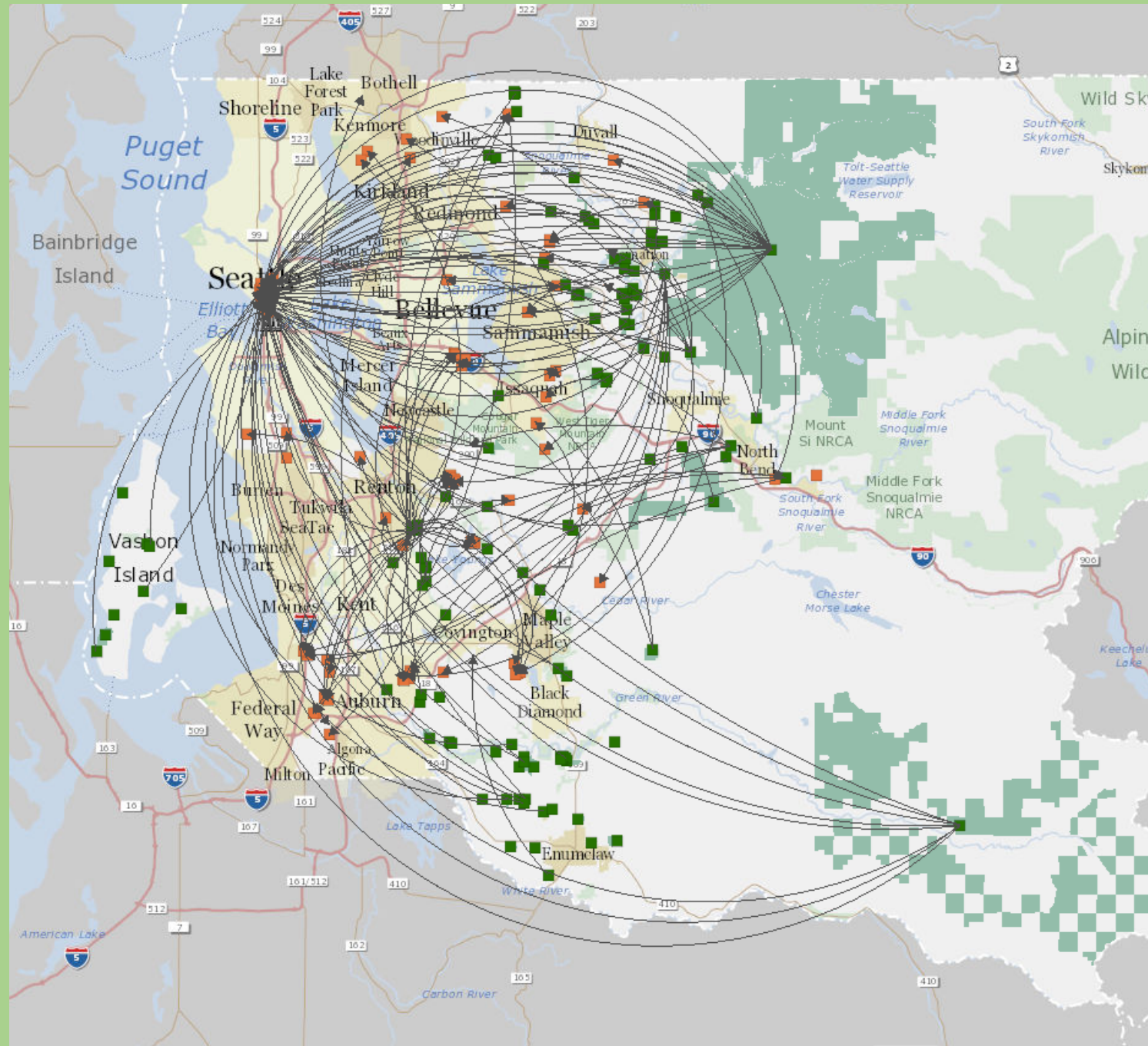


TDR in King County



TDR Activity in King County

- Program established in 2001
- 200+ sending sites conserved
- 148,000+ acres conserved
- 140 receiving sites
- Total market value \$60 million



Ingredients for Success

SUPPLY: open space and willing landowners.

DEMAND: need for growth > capacity.

ECONOMICS: prices paid to rural landowners and paid by developers must incentivize participation.

SIMPLICITY: the process must be easy to use.

POLICY ALIGNMENT: regulations offer right incentives and zoning for using TDR.

POLITICAL WILL: elected officials committed to decisions that support program goals.

City TDR Partnerships

- Seattle (LCLIP)
- Sammamish
- Normandy Park
- Shoreline
- Bellevue
- Issaquah



- Interlocal agreements are vehicle for partnerships with cities.
- King County offers alternative revenue sharing approach.
- Additional city partnerships are important to long term success.

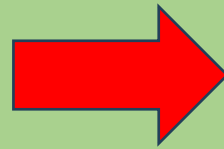
Large Scale Example: Rainier Square, Seattle

- 201 TDR credits purchased
- Added 12 stories to building
- Conserved 14,000 acres of forest land and two farms



Small Scale Example: Hibbford Glen, unincorporated urban King County

- 4 TDR credits purchased
- Added 8 building lots
- Conserved Girl Scout camp





Takeaways

- TDR can work in any community that is growing.
- Partnerships between cities and counties are essential to achieving growth management and conservation goals.
- Financial incentives for cities are important.

www.kingcounty.gov/tdr

A photograph of a dense forest with a wooden boardwalk. The boardwalk is made of light-colored wood and has a simple railing. It winds through a forest where the trees are covered in moss and lichen. A large, moss-covered log lies on the ground to the right of the boardwalk. In the background, a person can be seen walking on the boardwalk. The overall atmosphere is serene and natural.

Questions?

Morgan Shook - shook@econw.com

Erika Harris - eharris@psrc.org

Angela San Filippo - angela.sanfilippo@commerce.wa.gov

Liz Stead - lizs@burienwa.gov

Nick Bratton - nbratton@kingcounty.gov