

Approved: June 3, 2009 Effective: June 18, 2009

SNOHOMISH COUNTY COUNCIL SNOHOMISH COUNTY, WASHINGTON

ORDINANCE NO. 09-059

RELATING TO THE TRANSFER OF DEVELOPMENT RIGHTS, AMENDING SNOHOMISH COUNTY CODE (SCC) TO ADD A NEW CHAPTER 30.35B, DESIGNATION OF SENDING AREAS BY COUNCIL MOTION

WHEREAS, pursuant to the Growth Management Act (GMA), chapter 36.70A RCW, the Snohomish County Council has adopted the Snohomish County GMA Comprehensive Plan (GMACP) – General Policy Plan (GPP) for the unincorporated areas of Snohomish County; and

WHEREAS, the GPP establishes goals, objectives and policies that provide a framework for Transfer of Development Rights (TDR) and Purchase of Development Rights (PDR) programs; and

WHEREAS, Amended Ordinance No. 04-123, adopted December 15, 2004, authorized the establishment and implementation of a voluntary and incentive-based Transfer of Development Rights (TDR) program to encourage the preservation of agricultural lands and concentration of population growth in urban areas; and

WHEREAS, the Snohomish County Council adopted Amended Ordinance No. 08-051 on June 3, 2008, revising Goal LU 14 to provide greater flexibility in the transfer of development rights by providing, among other things, methods other than amending the Future Land Use (FLU) Map for designating natural resource lands under the TDR program as sending and receiving sites; and

WHEREAS, GPP LU Policy 14.A.1 (c.), states that natural resource lands targeted for conservation through the TDR program may be designated by interlocal agreement, development agreement or code amendment; and

WHEREAS, GPP LU Policy 14.A.8, states that the "TDR Receiving Area Overlay may only be applied to areas located within the Rural Urban Transition Area concurrent with the addition of such areas to an adjacent urban growth area (UGA) or to other areas agreed to by interlocal agreement, development agreement, or code amendment;" and

WHEREAS, these policies allowing the use of interlocal agreement, development agreement, or code amendment to designate sending areas are intended to provide the county greater program flexibility, and allow timely response to changing market

conditions so that the transfer of credits can operate on free market principles for the purpose of permanently conserving specified watershed, habitat, open space and natural resource lands; and

WHEREAS, the existing chapter 30.35A SCC requires that sending areas be designated by a change to the Future Land Use (FLU) map through and a zoning overlay, which is a lengthy process; and

WHEREAS, in order to fully implement the TDR policies contained in the GGP

WHEREAS, in order to fully implement the TDR policies contained in the GGP, the county has developed code amendments establishing a new process that allows the County Council to designate TDR sending areas by motion; and

WHEREAS, a public hearing was held before the Snohomish County Planning Commission on April 28<sup>th</sup>, 2009; and

WHEREAS, the planning commission considered the entire record, including public testimony, and on April 28, 2009, voted to recommend Ordinance No. 09-059 and

WHEREAS, the Snohomish County Council held a public hearing on June 3, 2009, to consider the entire record, including the planning commission's recommendation, and to hear public testimony on Ordinance No. 09-059; and

WHEREAS, the county council deliberated on the planning commission recommendation and public testimony on June 3, 2009.

NOW, THEREFORE, BE IT ORDAINED:

**Section 1.** The Snohomish County Council adopts and incorporates the foregoing recitals as findings and adopts and incorporates the following additional findings by as if set forth in full:

**Section 2.** The Snohomish County Council makes the following additional findings of fact:

The county council hereby adopts and incorporates by reference the findings and conclusions adopted and the legislative records developed in adopting Amended Ordinance No. 05-141, Amended Ordinance No. 05-142, Amended Ordinance No. 06-046, and Ordinance No. 08-051

Section 3. The Snohomish County Council makes the following conclusions:

A. The amendments adopted by this ordinance are consistent with and further the goals, objectives, policies, and requirements of the GMACP.

- 86 B. Designating sending areas by council motion is necessary to respond in a timely 87 manner to conserve certain significant watershed, habitat, open space and natural 88 resource sites.
- C. The creation of chapter 30.35B SCC adopted by this ordinance is necessary to implement the TDR program, as envisioned in the comprehensive plan.
- D. The amendments adopted by this ordinance satisfy the procedural and substantive requirements of and are consistent with the GMA and chapter 30.73 SCC.
- E. The public meetings and hearings before the planning commission and the county council, and related public notices, satisfy the public participation goals and requirements of the GMA, including RCW 36.70A.020(11), RCW 36.70A.035 and RCW 36.70A.140, as well as the requirements of chapter 30.73 SCC.
- 97 F. The proposed amendments to chapter 30.35 SCC as set forth in this ordinance are in the best interest of the county and protect the public health, safety and welfare.
- 99 G. A Determination of Non-Significance (DNS) was issued on March 25<sup>th</sup>, 2009, and satisfies the requirements of the State Environmental Policy Act (SEPA) (Ch. 43.21C RCW) with respect to this ordinance.
- H. All requirements of SEPA and chapter 30.61 SCC with respect to this non-project action have been satisfied.
  - **Section 4.** The Snohomish County Council bases its findings and conclusions on the entire record of the planning commission and the county council, including all testimony and exhibits. Any finding which should be deemed a conclusion, and any conclusion which should be deemed a finding, is hereby adopted as such.

**Section 5.** A new chapter is added to subtitle 30.35 of the Snohomish County Code to read:

# Chapter 30.35B DESIGNATION OF TRANSFER OF DEVELOPMENT RIGHTS SENDING AREAS BY COUNCIL MOTION

30.35B.010 Designation of Transfer of Development Rights (TDR) Sending Areas by Council Motion—purpose and applicability.

(1) Purpose. The purpose of this chapter is to create a process that allows the county by council motion to identify certain open space, natural and resource areas in unincorporated Snohomish County as TDR sending areas. The county may take timely action to conserve watershed, habitat, open space and resource areas for the use and enjoyment of future generations by allowing the transfer of development rights from lands with significant conservation values to lands considered more appropriate for

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123 124 development. Subject to the requirements of this chapter, the transfer of development rights from sites located within TDR sending areas to sites located within TDR receiving areas is allowed in order to:

- (a) permanently preserve watershed, habitat, open space, and natural resource and lands with countywide public benefit;
  - (b) provide flexibility and better use of land and building techniques;

- (c) help preserve watershed, habitat, open space and natural resource lands of significance;
- (d) implement the County-wide Planning Policies, and GPP TDR goals, objectives, and policies, and the provisions of this chapter.
- (2) Applicability. The requirements of this chapter do not apply to the processing or issuance of building permits or other development approvals. This chapter supplements county land use regulations and resource land protection efforts by establishing requirements for:
- (a) determining the number of certified development rights that a sending site is eligible to transfer based on the overall developable area of the site which is intended to provide an incentive for use of the TDR program;
- (b) issuing TDR certificates reflecting the number certified development rights that a sending site is eligible to transfer;
- (c) conveying TDR certificates and recording conservation easements that restrict development on sending sites;
  - (d) qualifying TDR sending sites in accordance with the comprehensive plan.

### 30.35B.020 Designation of Transfer of Development Rights (TDR) sending areas by council motion overview.

- (1) Designation of sending areas. Upon a completed application the County Council, may by motion designate a site as a TDR sending area, if they find the area to be designated is has significant conservation, watershed, habitat, open space or natural resource values.
- (2) Issuance and conveyance of TDR certificates. Subject to the requirements of this chapter, sending site owners may obtain from the department serially numbered TDR certificates reflecting the number of certified development rights that may be transferred from the sending site owner to a purchaser, and which may thereafter be freely transferred from purchaser to purchaser until ultimately applied to a receiving site located within a receiving area. The number of certified development rights credited to a sending site is determined based on the overall developable area of the sending site. TDR certificates may be applied to receiving sites pursuant to the requirements of this chapter or applicable city regulations.
- (3) Grant of TDR conservation easement. TDR certificates from a site designated a sending area pursuant to requirements of chapter 30.35B SCC may be issued in exchange for a conservation easement granted to the county pursuant to the requirements of this chapter. The TDR conservation easement is used to conserve, watershed, habitat, open space and natural resource use, on the sending site for which TDR certificates are certified.

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(4) Application of certified development rights to receiving areas. Subject to the requirements of this chapter or applicable city regulations, certified development rights, as reflected by properly issued TDR certificates, may be used to obtain development incentives within designated TDR receiving areas.

# 30.35B.030 Transfer of development rights (TDR)—designation of sending area sites by council motion.

- (1) The County Council may by motion designate certain sites as sending areas when it is in the public interest to transfer development rights to preserve land with significant watershed, habitat, open space, and natural resource values.
- (2) To be designated a sending area under chapter 30.35B SCC, the site must meet the following minimum requirements:
- (a) Sending site must follow established lot lines. The boundaries of a sending site must follow established lot lines and cannot include less than the entire portion of a lot, as defined in Title 30 SCC.
- (b) Private ownership required. The sending site must be owned by a private individual or entity, and may not be owned by municipal corporations, special purpose districts, or government bodies.
- (c) Code compliance required. If the sending site is the subject of code enforcement action by the county, the person responsible upon whom a notice for a violation has been served pursuant to chapter 30.85 SCC must resolve these violations, including any required abatement, restoration, or payment of civil penalties, before development rights for the sending site may be certified or transferred by a sending site landowner. This requirement may be waived at the discretion of the director where a proposal is in the public interest, provided that any outstanding code violations do not materially affect the conservation value of the sending site and the person responsible for code compliance is making a good faith effort to resolve the violations. Waivers granted pursuant to this subsection are solely for the purpose of TDR sending site eligibility and do not constitute a waiver of any county land use regulations or affect ongoing or future code enforcement actions related to the sending site.
- (d) Forest practices compliance required. For lots on which the entire lot or a portion of the lot has been cleared or graded pursuant to a Class II, III or IV special forest practices permit as defined by RCW 76.09.050 within the six years prior to application for certification or transfer of development rights, the applicant must provide an affidavit of compliance with the reforestation requirements of RCW 76.09.070, WAC 222-34-010 and any additional reforestation conditions of their forest practice permit. Lots that are subject to a six-year moratorium on development applications pursuant to RCW 76.09.060 shall not be qualified as TDR sending sites until such moratoria have expired or been lifted.

#### 30.35B.040 Transfer of development rights (TDR) — sending site calculations.

(1) Calculation for transfer purposes only. The determination of the number of certified development rights that a sending site is eligible to transfer pursuant to this ORDINANCE NO. 09-059
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section, including the determination of TDR net area pursuant to this section, shall be valid for transfer purposes only and shall not entitle the sending site landowner to building permits or other development approvals.

- (2) Number of certified development rights. The number of certified development rights that a sending site is eligible to transfer shall be determined by calculating the number of residences that could be allowed on the sending site area under the zoning and development code regulations that apply to the sending site.
- (3) TDR net area. For purposes of determining the number of certified development rights that a sending site can transfer pursuant to subsection (2) of this section, the sending site net area shall equal the area of the sending site area minus the following:
- (a) The number of existing and proposed residential dwelling units or other residential, commercial, or industrial structures, if any, on the sending site multiplied by the minimum lot area, as determined pursuant to the bulk matrix at SCC 30.23.030(1), for the applicable zone in which the sending site is located.
- (b) Any portion of the sending site that is already subject to a conservation easement or other recorded encumbrance restricting development on the sending site.
- (4) The applicant for the TDR credits shall submit on a form provided by the county, a calculation for the number of credits that may be certified, subject to review and approval by the director.
- (5) TDR calculation final. Except as otherwise provided by SCC 30.35B.050(3)(e), the determination of the number of certified development rights that a sending site is eligible to transfer to a receiving site pursuant to subsection 1 of this section shall not be revised due to subsequent rezones or other changes to the sending site.

### 30.35B.050 Transfer of development rights (TDR)—certification of development rights and issuance of TDR certificates.

- (1) TDR certification process. Subject to the requirements of this section, sending site landowners may obtain TDR certificates which can be transferred pursuant to SCC 30.35B.070. The required process for obtaining TDR certificates includes the application process in subsection (2) of this section and the certification process in subsection:
- (2) Application for TDR certificates. In order to obtain TDR certificates pursuant to subsection 1 of this section, the sending site owner(s) must submit an application for TDR certificates. The applicant for the TDR credits will submit on a form provided by the county, a calculation for the number of credits that may be certified and will be subject to review and approval by the director. The department shall use the application to determine whether the sending site meets the requirements of SCC 30.35B.030 and, if so, the number of certified development rights that the sending site is eligible to transfer pursuant to SCC 30.35B.040. The application shall include all of the following:
- (a) Legal description and parcel numbers of the sending site for which TDR certificates are sought.
- (b) The following documents, which shall be used as the basis for determining net area pursuant to SCC 30.35A.050(2):
- (i) If the sending site consists of one or more undivided tax parcels, the applicant(s) ORDINANCE NO. 09-059
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shall provide either official records from the Snohomish County Assessor or a survey that has been prepared and stamped by a surveyor licensed in the state of Washington.

- (ii) If the sending site consists of lots within one or more tax parcels, the applicant(s) shall provide a survey that has been prepared and stamped by a surveyor licensed in the state of Washington.
- (iii) If one or more single family dwellings or other residential, commercial, or industrial structures exist on the sending site, the applicant(s) shall submit a site map showing the location of each dwelling.
- (iv) If the applicant(s) propose to build one or more single family dwellings, or other structures permitted by the sending site zoning, following the issuance of TDR certificates for the sending site, the applicant(s) shall submit a general site plan showing the number of dwellings and their location, as well as any proposed subdivision.
- (c) A title report issued no longer than 30 days prior to the date of application confirming that the ownership interest(s) in the sending site are in the name(s) of the person(s) whose signature(s) appear on the application for TDR certificates and that there are no existing conservation easements on the sending site.
- (d) A declaration by the applicant(s) describing the status of ongoing code enforcement actions, if any, relating to the sending site and the steps taken by the applicant to resolve the violations.
- (e) A declaration by the applicant(s) stating all liens, if any, that are recorded against the sending site.
  - (f) A review fee pursuant to SCC 30.86.135.
- (g) When the information required by subsection 2 of this section is inadequate or unavailable, the department may require additional documentation from the applicant or rely on information contained in the county geographic information system or other county records.
  - (3) Certification of TDR certificates

- (a) Following application for TDR certificates by the sending site, staff shall verify the credit calculations prior to submitting the request to the county council for action.
- (b) The department may issue a TDR certificate letter of intent. The letter shall contain a determination of the number of development rights calculated for the sending site pursuant to SCC 30.35B.040 and an agreement by the department to issue a corresponding number of TDR certificates in exchange for a sending site conservation easement granted to the county by the sending site owner pursuant to SCC 30.35B.060. The sending site owner may use the TDR certificate letter of intent to market sending site development rights to potential purchasers, but the certificate letter of intent shall have no value and cannot be transferred or used to obtain increased development rights within receiving areas.
- (c) The county council may designate the site as a sending area by motion, if they find the area to be designated has significant conservation values.
- (d) A conservation easement for the sending site shall be approved and accepted by the County prior to issuing any TDR certificates.
- (e) As provided by the TDR certificate letter of intent, the department shall issue serially numbered TDR certificates to the sending site owner upon acceptance of a conservation easement pursuant to the requirements of this section and SCC

30.35B.060; provided, however, that the department shall have 14 days from the date the conservation easement is offered by the sending site owner in which to conduct, at its discretion, a review of the sending site permit file and/or a site inspection. If, based on such a review, the department determines that conditions on the sending site are materially different than those documented in the information provided to the department pursuant to subsection 2 of this section, the department shall reject the conservation easement and the TDR certificate letter of intent shall be null and void. Where a TDR certificate has been determined to be null and void pursuant to this subsection, a sending site owner may reapply for TDR certificates and such reapplications shall be subject to the requirements of this section.

#### 30.35B.060 Transfer of development rights (TDR) \_ conservation easement.

- (1) TDR conservation easement required. No TDR certificates shall be issued pursuant to SCC 30.35B.050 unless a conservation easement is accepted by the director pursuant to the requirements of this section.
- (2) Acceptance and recording of TDR conservation easement. Subject to the restrictions of SCC 30.35A.050(3)(e), the director shall accept and sign on behalf of the county a conservation easement offered by a sending site owner in exchange for TDR certificates following issuance of a TDR certificate letter of intent; provided, however, that the easement meets the requirements set forth in subsection 3 of this section. Following acceptance of a conservation easement by the director, the department shall record the easement with the county auditor.
- (3) Requirements for TDR conservation easement. The conservation easement shall be on a form approved by the prosecuting attorney and shall be reviewed and approved by the department, subject to the requirements of this section. The easement shall contain, at a minimum, all of the following:
  - (a) A legal description of the sending site.
- (b) The serial numbers of the TDR certificates to be issued by the department on the sending site that is the subject of the conservation easement.
- (c) A covenant prohibiting any subdivision of the sending site except for subdivisions, if any, that were proposed in the documentation submitted to the department pursuant to SCC 30.35A.050(2)(b)(iv).
- (d) A covenant prohibiting all uses that impair or diminish the functions or use of watershed, habitat, open space or resource areas being conserved and the construction of any new residential structures.
- (e) A covenant that all provisions of the conservation easement shall run with the land and bind the sending site in perpetuity, and may be enforced by the county.
- (f) A statement that nothing in the restrictions shall be construed to convey to the public a right of access or use of the property and that the owner of the property, his or her heirs, successors and assigns shall retain exclusive rights to such access or use subject to the terms of the conservation easement.
- (g) Additional provisions that are reasonably necessary for the enforcement and administration of the conservation easement as determined by the director, including a covenant granting the county a right of entry, subject to reasonable advance notice, to

 conduct brief inspections for the sole purpose of determining compliance with the requirements of the easement.

# 30.35B.070 Transfer of development rights (TDR) \_ conveyance of certified development rights.

- (1) Conveyance of certified development rights authorized. Subject to the requirements of this section, TDR certificates issued pursuant to SCC 30.35B.050 may be sold or otherwise conveyed and held indefinitely before certified development rights are applied to a receiving site pursuant to SCC 30.35B.080 through SCC 30.35B.120.
- (2) Deed of transferable development rights required. TDR certificates issued pursuant to SCC 30.35B.050 shall be sold or otherwise conveyed only by means of a deed of transferable development rights meeting the requirements of this section.
- (3) Recording of deed and notice of transfer. At the time a TDR certificate is conveyed, the parties shall record the deed of transferable development rights documenting the conveyance. The department shall review and approve the deed of transferable development rights, subject to the requirements of this section, prior to its recording. Costs associated with the recordation shall be paid by the seller.
- (4) Contents of deed. The deed of transferable development rights required by subsection 3 of this section shall specify the number of certified development rights sold or otherwise conveyed and shall be on a form provided by the department and approved the prosecuting attorney. The deed of transferable development rights must include:
  - (a) A legal description and map of the sending site.
  - (b) The names of the transferor and the transferee.
- (c) A covenant that the transferor grants and assigns to the transferee a specified number of certified development rights from the sending site.
- (d) Proof of ownership of the sending site by the transferor or, if the transferor is not the owner of the sending site, a declaration that the transferor has either:
- (i) sold the sending site but retained the TDR certificates issued for the sending site pursuant to SCC 30.35B.050; or
- (ii) obtained TDR certificates previously conveyed by an original deed of transferable development rights, which shall be identified by date of execution, the names of the original transferor and transferee, and the volume and page where it was recorded with the auditor.
- (e) A covenant by which the transferor acknowledges no further use or right of use with respect to the certified development rights being conveyed.
- (f) Certification of the number of certified development rights on the sending site and copies of the TDR certificates issued by the department for the sending site pursuant to SCC 30.35B.050.
- (g) Proof of payment to the state of any required excise taxes and payment to the county of recording fees for the transaction.
- (h) Proof of the execution and recordation of a conservation easement on the sending site, as required by SCC 30.35B.060.

(i) The signature of the department staff member(s) who have reviewed the deed for completeness.

30.35B.080 Reserved.

30.35B.090 Reserved.

30,35B.100 Reserved.

30.35B.110 Reserved.

## 30.35B.115 Transfer of development rights (TDR) - application of TDR certificates to receiving sites and extinguishment of TDR certificates.

- (1) Application to a TDR receiving site. TDR certificates shall be considered applied to a receiving site when a final decision has been made approving the receiving site development activity for which the TDR certificates are provided.
- (2) Effect of applying TDR certificates to a receiving site. TDR certificates that have been applied to a receiving site pursuant to subsection 1 of this section shall be considered void by the county and may not be applied to receiving sites pursuant to this chapter; provided, however, that if a decision approving a receiving site development activity is appealed, the TDR certificates provided in connection with that approval shall not be considered void under this section unless the decision approving the development activity is affirmed following the exhaustion of all administrative and judicial appeals.
- (3) TDR extinguishment document required. Upon application to a receiving site pursuant to subsection 1 of this section, the applicant receiving approval of a receiving site development activity shall provide a TDR extinguishment document to the department. The TDR extinguishment document shall be on a form provided by the department and shall include the serial number of each TDR certificate that has been applied to a receiving site and the legal description of the receiving site to which the certificate(s) have been applied.

30.35B.120 Reserved.

### 30.35B.125 Transfer of development rights (TDR) - interlocal agreements for incorporated TDR receiving areas.

(1) Authorization. Subject to final approval by the county council, the county executive is authorized to negotiate and execute interlocal agreements with cities providing for the use of TDR certificates issued pursuant to this chapter in connection with development approvals within incorporated TDR receiving areas designated or zoned by a city. Execution of such agreements by the county shall be subject to the applicable requirements of this chapter and the comprehensive plan.

(2) Substantive requirements. Interlocal agreements executed by the county pursuant to subsection 1 of this section shall provide for the use of TDR certificates issued by the

county pursuant to SCC 30.35B.050 in connection with development applications within TDR receiving areas following annexation. Such agreements shall also contain additional provisions necessary to implement the comprehensive plan, including a process by which the city shall provide TDR certificates and an associated TDR extinguishment document to the county following transfer of the TDR certificates to an incorporated receiving site consistent with the requirements of SCC 30.35B.115.

Section 6. Severability and Savings. If any section, sentence, clause or phrase of this ordinance shall be held to be invalid or unconstitutional by the Growth Management Hearings Board (Board), or a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance. Provided, however, that if any section, sentence, clause or phrase of this ordinance is held to be invalid by the Board or court of competent jurisdiction, then the section, sentence, clause or phrase in effect prior to the effective date of this ordinance shall be in full force and effect for that individual section, sentence, clause or phrase as if this ordinance had never been adopted.

PASSED this 3<sup>rd</sup> day of June, 2009.

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ATTEST:

heila Miallis en رے 465 Asst. Clerk of the Council

468 469 470 **APPROVED EMERGENCY** 

VETOED

**Deputy Executive** Aaron Reardon

**Snohomish County Executive** 

SNOHOMISH COUNTY COUNCIL

MARK SOINE

Snohomish County, Washington

ATTEST:

Approved as to form only:

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