

Beaufort County Zoning and Development Standards Ordinance

Article XVII. Transfer of Development Rights

Sec. 106-3298. Purpose

The purpose of the Transfer of Development Rights (TDR) program is to support County efforts to reduce development potential near the Marine Corps Air Station Beaufort (MCAS—Beaufort) and to redirect development potential to locations further from the Air Station, consistent with the Beaufort County Comprehensive Plan. This preferred development pattern is intended to reduce hazards associated with aircraft operations near MCAS—Beaufort in a way that respects the rights of property owners and utilizes a free market system to achieve planning objectives. The TDR program is also intended to work in concert with other regional, County, and local programs that promote good land use planning and to facilitate inter-jurisdictional cooperation between Beaufort County, the Lowcountry Council of Governments (LOGG), the City of Beaufort, and the Town of Port Royal.

Sec. 106-3299. Definitions

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Affordable Housing Units means dwelling units that comply with Article IX (Affordable Housing Incentives) of the Zoning and Development Standards Ordinance.

Air Installations Compatible Use Zone (AICUZ) means the area surrounding MCAS—Beaufort as identified in Appendix A1 (Airport Overlay District/MCAS – Beaufort)

AICUZ Buffer means the quarter-mile area surrounding the AICUZ.

Baseline Density means the maximum density allowed on a Receiving Area property under baseline zoning and applicable overlay districts without participation in the TDR program.

Baseline Zoning means the zoning in effect on a receiving area property as of the adoption of this article (insert date).

Cash In-lieu means the fee rate identified by Beaufort County that can be paid for increased density above Baseline zoning.

TDR Bank means an intermediary authorized by Beaufort County to act on its behalf in the TDR Program.

TDR Certificate means the official document issued by the County identifying the number of TDRs owned by the holder of the TDR certificate.

TDR Option means the option of a Receiving Area property owner to increase density above baseline zoning through participation in the TDR Program.

TDR Program means the rules and requirements of this article for the transfer of development rights from Sending Areas to Receiving Areas.

TDR Receiving Area means properties on which upzonings trigger the establishment of the TDR overlay district.

TDR Sending Area means areas within unincorporated Beaufort County that are eligible to sell TDRs.

Intermediary means any individual or group, other than a Sending Area landowner or Receiving Area developer, which buys and sells TDRs.

Sec. 106-3300. Voluntary Nature of Program

The participation of property owners in the TDR program is voluntary. Nothing in this article shall be interpreted as a requirement for Sending Area property owners to sell TDRs, for Receiving Areas property owners to purchase TDRs, or for any property owner or County resident to otherwise participate in the TDR program

Sec. 106-3301. Establishment of TDR Sending and Receiving Areas

(a) *Sending Areas.* TDR Sending Areas shall include all properties within unincorporated Beaufort County that are:

- (1) Located within the Airport Overlay District for MCAS-Beaufort; and
- (2) Zoned Rural (R), Rural Residential (RR), Rural - Transitional Overlay (R-TO), Rural Residential - Transitional Overlay (RR-TO), or Suburban (S).

(b) *Receiving Areas.*

- (1) TDR Receiving Areas shall include all properties within unincorporated Beaufort County that are located:
 - a. Outside of Airport Overlay District for MCAS-Beaufort and the AICUZ Buffer; and
 - b. Within the boundaries of Port Royal Island.
- (2) The cities of Beaufort and Port Royal may also participate in the TDR Program by designating TDR Receiving Areas and submitting a complimentary ordinance and interjurisdictional agreement

Sec. 106-3302. TDR Bank

(a) *Purpose.* The County may choose to contract with an outside agency, hereto referred to as a TDR Bank, to assist or manage TDR program administration, buying, holding, and selling TDRs as well as performing other functions as directed by the County Council. The purpose of the TDR Bank is to facilitate a well-functioning TDR market by performing these tasks. The County is ultimately responsible for managing and administering the TDR program and the TDR Bank.

(b) TDR Bank Description.

- (1) The TDR Bank is an intermediary specifically authorized by the County Council to perform functions assigned to it by agreement by the TDR Bank and the County Council. These functions may include the acquisition and sale of TDRs as well as TDR program promotion and facilitation.
- (2) The County Council is not required to form a TDR Bank. The County Council may instead elect to use County personnel to perform TDR Bank functions.
- (3) The establishment of a TDR Bank shall not preclude direct buyer-seller transactions of TDRs.

(c) *TDR Purchase Priorities.* The TDR Bank will prioritize the purchase of TDRs from small landowners over large landowners in the following way:

- (1) The TDR Bank will purchase TDR Certificates from Sending Area landowners based on the number of TDRs they hold, from smallest to largest. Landowners with one TDR will be bought out first, followed by landowners with two or more TDRs.
- (2) The TDR Bank will establish a time window during which it will accept letters of interest from Sending Area landowners. At the close of the time window, the TDR Bank will create a rank-order list of sellers whose TDR Certificates it will buy.
- (3) The TDR Bank will purchase TDR Certificates starting at the top of the list from landowners who have TDR Certificates. For example, if the landowner at the top of the list does not have a TDR Certificate, the TDR Bank will go down the list until it reaches a landowner with TDR Certificates.

(d) *TDR Bank Operation.* The duties and operating procedures of the TDR Bank, if established, shall be specified in an agreement between the TDR Bank and the County Council. These procedures shall reflect the TDR program goal of reducing development potential within Sending Areas.

Sec. 106-3303. Transfer of Development Rights (TDR) Overlay District

(a) *Purpose.* The purpose of the Transfer of Development Rights (TDR) overlay district is to allow Receiving Area properties to exceed Baseline Density through compliance with TDR program requirements.

(b) *Establishment of TDR Overlay Districts.* TDR overlay districts shall be established concurrently with the approval of any rezoning that increases residential density potential within a TDR Receiving Area. As part of the rezoning, the new zoning designation shall include a TDR overlay district suffix indicating the need to comply with TDR Program requirements in the event that the property owners choose to use the TDR Option and exceed Baseline Density.

(c) *Rezoning Procedure.*

- (1) Establishment of a TDR overlay district shall occur as part of the County's standard rezoning process and shall not require separate application or approval procedures. The approval or denial of a TDR overlay district shall be dependent upon the approval or denial of the requested zoning district.
- (2) The TDR overlay district does not affect County procedures for placing conditions on rezoning approvals to implement County plans and policies. The TDR program does not affect the authority of the County to initiate amendments to the Zoning and Development Standards Ordinance or County procedures for responding to rezoning applications submitted by property owners

Sec. 106-3304. TDR Certificates

(a) *General.* A TDR Sending Area property owner may choose not to participate in the TDR Program or, alternatively, may choose to participate by applying for a TDR Certificate.

(b) *TDR Certification Application Submittal, Review, and Issuance.*

- (1) To request a TDR Certificate, a property owner shall submit to the Planning Department an application that includes the information and materials required by the County for TDR Certificate applications, together with all required application fees.
- (2) The property owner shall submit to the Planning Department proof of clear title of ownership. The application shall include written approval of the TDR Certificate application from all holders of liens on the subject property.
- (3) TDR Certificate applications shall include draft easement language as required by Section 106-3306 (Sending Area Easements). At the property owner's option, this easement may preclude one, some, or all of the allowable TDRs not foregone by previous TDR easements or similar deed restrictions.

- (4) The Planning Department shall calculate the number of allowable TDRs for a Sending Area property using the methodology described in Section 106-3305 (Calculation of TDRs in Sending Areas).
- (5) Upon recordation of the easement, the Planning Director shall issue a TDR Certificate documenting the number of TDRs generated by the recorded easement, the serial numbers of all TDRs created by the easement, the Sending Area that generated these TDRs, the identity of the property owner/certificate holder, and any other documentation required by the Planning Director.

(c) *Sale and Tracking of TDRs.*

- (1) Once a Sending Area property owner receives a TDR Certificate, the property owner may sell or give one, some, or all of the TDRs documented in that TDR Certificate directly to the developer of a Receiving Site property or to any intermediary.
- (2) In accordance with procedures approved by the Planning Director, upon the sale or gift of any or all TDRs, the holder of a TDR Certificate shall notify the Planning Director, who will void the original TDR Certificate and issue one or more new TDR Certificates documenting the new owners of the TDRs.
- (3) The Planning Director shall maintain a TDR registry, publicly accessible via the internet, documenting current TDR Certificate holders and the serial numbers of the TDRs contained within all TDR Certificates. The Planning Director shall develop and implement procedures to ensure that the transfer process is accurate and transparent.

Sec. 106-3305. Calculation of TDRs in Sending Areas

(a) *Methodology.*

- (1) The Planning Department shall calculate the number of allowable TDRs for a TDR Sending Area property using the methodology for calculating residential use capacity of a parcel as outlined in Table 106-1815(1). The calculation shall be based on the baseline zoning classification, not on the limitations, if any, imposed by the airport overlay district.
- (2) When 50 percent or more of a parcel is located within a Sending Area, the calculation of maximum allowable TDRs shall be based on the entire land area of the parcel.
- (3) The maximum number of allowable TDRs shall be permitted minus any reduction in this calculation created by the recordation of previous TDR easements or similar deed restrictions.
- (4) The maximum permitted density shall be reduced by one TDR for each existing dwelling unit on the property. The Planning Director shall develop and implement procedures, if needed, to reduce the TDR allocation to reflect existing non-conforming or non-

residential improvements if the owner declines to remove these improvements from the sending site.

(b) *Fractional Development Rights.* Any fractional development right exceeding 0.5 shall be rounded up to the nearest whole number. Only whole TDRs shall be issued and sold.

(c) *Appeals.* The Planning Director's calculation of allowable TDRs may be appealed to the ZBOA in a manner consistent with Article III, Division 6 (Appeals).

Sec. 106-3306. Sending Area Easements.

(a) *Maximum Residential Density.* Owners of TDR Sending Area properties that choose to participate in the TDR program shall record an easement that reduces the permitted residential density by one, some, or all allowable TDRs on the property.

(b) *County Review.* The Planning Department and County Attorney shall review and approve easement language as part of its review of a TDR Certificate application as specified in Section 106-3304.

(c) *Required Language.* At a minimum, easements shall specify the following information:

- (1) Serial numbers for all allowable TDRs to be certified by the Planning Department for the parcel.
- (2) Written consent of all lien holders and other parties with an interest of record in the sending parcel.
- (3) If the County chooses, and at the request of the property owner, a reversibility clause can be included to allow for the removal of the easement if the property owner does not sell the associated TDR certificates, chooses to not participate in the TDR program, and returns all TDR certificates to the County Planning Department within an allotted time period. All TDR Certificates issued to a property partially within the TDR Sending Area as allowed by Section 106-3304 (TDR Certificates) may only be reversed together at the same time and shall not be unbundled.
- (4) A statement that the easement shall be binding on successors in ownership and shall run with the sending parcel in perpetuity.

(d) *Easement Monitoring and Enforcement.* The County shall be responsible for monitoring of easements or may select any qualified person or organization to maintain the easements on its behalf.

Sec. 106-3307. Development Options within TDR Overlay District

(a) *Baseline Development Option.* Owners of properties within a TDR overlay district may choose to not participate in the TDR Program and to develop the property at or below the

Baseline Density. Properties developed under this option shall be subject to the requirements of the baseline zoning district before the property was upzoned and received the TDR overlay district designation as well as all applicable development standards and procedures specified in this chapter.

(b) *TDR Development Option.* In addition to the requirements imposed by the underlying zoning district, developers who choose to exceed Baseline Density within a TDR overlay district shall satisfy TDR requirements in the following ways:

- (1) One TDR shall be retired for every three dwelling units of residential development in excess of baseline density.
- (2) One TDR shall be retired for every 5,000 additional square feet of commercial development beyond the maximum permitted by the baseline zoning.
- (3) Developers have the option of paying cash in lieu of each TDR that otherwise would be required in an amount specified in the County Fee Schedule.

Sec. 106-3308. Exceptions to the TDR Requirement.

(a) *Affordable Housing Projects.* Affordable Housing Units shall not be counted when calculating the extent to which a proposed development project exceeds baseline density.

(b) *Commercial Density.* The County may approve an additional 250 square feet of commercial development for each proposed residential unit that is part of a traditional neighborhood development without the use of TDRs. This exception is intended to promote mixed-use, traditional neighborhood developments in a manner consistent with the goals of the TDR program.

(c) *Industrial Development.* Industrial development shall be excluded from the TDR requirement. However, in order to be excluded from the TDR requirement, industrial development must be proposed in such a way that its floor area can be easily calculated separately from any other uses.

Sec. 106-3309. TDR Compliance

(a) *Purchase Price.* All TDR Certificate purchase prices shall be open to negotiation between the buyer and seller, except that public funds shall not be used to purchase TDRs for an amount greater than their market value. The TDR Bank shall publicly post and update the dates and sale prices of all TDR Certificate transactions.

(b) *Timing of Compliance.* A Receiving Area property owner shall transmit TDR Certificates containing the required number of TDRs, or make a cash payment in lieu of TDRs, before final subdivision plat approval of a project involving land division or prior to final development plan approval for a project that does not involve land division.

Sec. 106-3310. Development Project Procedures

(a) *Identification of TDRs.* Project applicants that propose to exceed baseline density in a TDR overlay district shall acknowledge in all official development applications the number of TDRs that must be retired prior to final project approval.

(b) *Final Approval.* The Development Review Team shall grant final approval of a project utilizing TDRs for additional development only after the applicant has transmitted TDR Certificates containing the required number of TDRs to the Planning Department or has made the required cash in lieu payment. The serial numbers of all TDRs to be retired for Receiving Area projects shall be recorded on the final plat or the development permit.

Sec. 106-3311. In-Lieu Payment Option

(a) *General.* The developer of a property in the TDR overlay district who chooses to exceed Baseline Density may satisfy TDR requirements through a cash in-lieu payment rather than, or in combination with, the retirement of TDRs.

(b) *Fee Amount.*

(1) The fee amount shall be established by the County Council.

(2) The Planning Director shall submit an annual report on the TDR program to the Rural and Critical Lands Board, the Beaufort County Planning Commission, and County Council. The annual report shall include recommendations on potential changes to the cash-in-lieu amount. This recommendation shall reflect changes in the assessed value of Sending Area properties, actual TDR sales prices experiences, and general real estate trends.

(c) *Use of Revenue.*

(1) Revenue from cash in-lieu payments shall be applied exclusively to the TDR program unless the potential supply of TDRs has been depleted and/or Sending Area landowners decline to sell their TDRs at full market value. In this event, the County Council may choose to expand the TDR program by adopting additional TDR Sending Areas.

(2) Other than TDR acquisition, revenue from cash in-lieu payments shall only be used for costs incurred in administering the TDR program, including but not limited to facilitating TDR transactions, preparing/recording TDR easements, monitoring/enforcing easements, and maintaining records.

(3) The County Council may authorize County staff to use cash-in-lieu proceeds in accordance with procedures adopted by the Council. Alternatively, if the County Council chooses to enter into an agreement creating a TDR Bank, the Council may transmit cash in-lieu proceeds to the TDR Bank for the purposes specified by agreement between the Council and the TDR Bank. This agreement may direct the TDR Bank to combine the cash in-lieu proceeds to create a general TDR acquisition fund. All TDRs purchased with

such a general TDR acquisition fund shall be offered for sale to Receiving Area developers.

- (4) The TDR program may operate with federal or other land preservation programs.