Executive Summary
Cache County TDR Feasibility Study

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North Logan - Cache County Sensitive Lands and TDR Study
# Cache County Executive Summary:

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I-Background
Cache County, partnered with North Logan City, Logan City, and Wellsville has begun the process of studying the feasibility of a transfer of development rights (TDR) program. This study is part of an overall effort by the County to preserve economically important agricultural lands. This document, is one of three documents completed as part of the North Logan/Cache County TDR & Sensitive Lands Study. A North Logan City Sensitive Lands Plan, and a TDR Guidebook were also completed as part of this study and are both referenced by this document. The North Logan Sensitive Lands Plan is the preliminary and specific research that the City is utilizing as it considers adoption of a “formal” TDR program. The TDR guidebook uses the North Logan Sensitive Lands Plan and this document, the Cache County Executive Summary, as a case study that presents how TDR can be used by communities wishing to achieve land use preservation goals.

A TDR program, used in conjunction with other appropriate land use tools, provides developers the option to buy development rights to increase the intensity of development at a location deemed appropriate by the community. These rights are purchased from the owners of property at another location who opt to not develop their land. Community-important sensitive lands, farmland, historic landmarks, and other valuable assets are preserved through an easement or other legal restriction on the land. A TDR program, if structured properly, can be a very useful tool for meeting land use preservation goals.

*Note: Please refer to the TDR guidebook for further information on the mechanics of TDR*

Although it hasn’t been used extensively in Utah in the past, TDR has proven to be an effective tool for meeting land use preservation goals across the country. North Logan City, a partner in this study, has opted to fully develop a program to be considered for adoption. The North Logan program has been structured to preserve community sensitive hillside lands within the City’s jurisdiction. Much research has been completed on similar programs, which has been used to structure the North Logan TDR program.

*Note: Although there is much data available about other programs, the North Logan Program has been fully structured from scratch. It is essential that the economics and politics of each community be considered in structuring the TDR program. Additionally, each program should be adapted to the specific preservation goals of the community.*

Cache County, while very interested in the potential of TDR for assisting with agricultural lands preservation, has not yet committed to fully developing a TDR program. The Cache County portion of the study instead considers the feasibility of such a program, utilizing the research that has been compiled for North Logan City. Although the County, and its partnering communities in this study, have some fundamental differences from North Logan City, North Logan’s geographical location within the valley makes it a useful point of reference in studying a program(s) in the County.
As Cache County further pursues a TDR program, it will be necessary for further research to be completed in support of final program details. Many details of the North Logan City program are listed in this document. These details may prove to be transferable to a County program; however, they should not simply be copied as the basis for a County program. The same level of detailed research that was completed for North Logan City should also be completed by the County.

Cache County has already determined that it intends agricultural preservation to be its primary preservation goal. This, coupled with progress on the LESA program, puts the County in a strong position for determining details of TDR sending areas. With these steps complete, the next steps (detailed later in this document) will ensure the proper program details are in place.

The TDR Guidebook, written as part of the overall TDR study, provides a recommended approach for developing the details of a TDR program. North Logan City has progressed through the majority of these steps. Cache County, on the other hand, has only preliminarily begun the process of working through the recommended steps. The following approach is a modified version of the approach found as a case study in the TDR guidebook. It has been enhanced to include references to specific research that has been compiled for North Logan City and Cache County (including the partnering communities.)

II-Process

The following process is based on the steps recommended for the implementation of a TDR program, as described in the TDR Guidebook.

Step One: Establish TDR Advisory Board

The advisory board for the Cache County portion of the study includes representatives from Logan City, Wellsville, and Cache County. Representation is included from the Agricultural Advisory Board.

- Don Hartle, Wellsville City Manager
- Ruth Maugham, Mayor of Wellsville
- Loyal Green, Wellsville Planning Chair
- Lamar Cleme, County Planning Comm.
- Bill Oblock, Agricultural Advisory Board
- Jay Nielson, Logan City Community Development Director
- Lorene Greenhalgh, Cache County

Those who were involved in the project in an advisory role were invited to assist in determining a number of the baseline conditions used to study feasibility in the County. It was determined early on in the process that specific parcels of property should not be studied for feasibility. Rather, hypothetical scenarios were established to study general feasibility patterns in Cache Valley. In contrast, analysis completed in North Logan City used specific parcels of property to determine actual market value analysis for use in constructing the TDR program.
Step Two: Public Participation
Little public participation beyond the participation of the TDR advisory board has been held in direct conjunction with the scope of this project. However, a number of studies have been completed that indicate the economic importance of the agriculture industry in Cache County. As the top agricultural producing county in the State of Utah, a large percentage of the local economy is supported by the availability of prime farmlands and accessible water. Additionally, as the home of Utah State University, the State land grant institution, Cache County is home to a number of facilities devoted to research and development in the agriculture industry. This information, along with long standing public sentiment to retain rural character, is the basis by which TDR is being studied for farmland preservation.

If Cache County chooses to pursue a TDR program further, it is highly recommended that a comprehensive public participation process be established that ensures a high level of cooperation between stakeholders and county officials.

Step Three-Develop Preservation Plan
No official preservation or sensitive lands plan has been developed as part of this feasibility study. Rather, using general public sentiment, potential preservation areas have been identified for study. These areas, making up the sending areas in the hypothetical TDR scenarios discussed later, are primarily rural in nature. However, they are located in areas that may soon have development pressure, contain significant farmlands, support critical wildlife, or provide access to recreational areas.

Step Four-Develop TDR Scenarios
General hypothetical TDR scenarios have been developed based on overall public sentiment. These scenarios explore potential TDR transfers in a number of areas of the county. These scenarios are useful for beginning the process of analyzing market and economic feasibility. Selection of these scenarios was confirmed by representatives of the TDR advisory board. Specifically, each community provided input as to where potential sending and receiving zones might be located. Again, not formally designated, these study areas are considered hypothetical.

Additionally, as the County further pursues a TDR program, a discussion of varying TDR categories should take place. TDR sending categories describe the various ways that land could be preserved if a landowner chooses to participate in the TDR program. Examples of these are provided later in this document.

5- Study Scenario Feasibility
With the assistance of a professional real estate appraiser, preliminary estimates of scenario feasibility have been established.

The TDR scenarios have in part been determined by analyzing existing natural features and land use patterns. An effort has been made to pick sending areas that may see a TDR transaction take place in the future. These may be areas of prime farmland, wildlife habitat, etc. In the case of TDR receiving areas, attention has been paid to
existing land uses and existing zoning. For example, vacant lots that exist near other high density development may become a receiving area.

**III-Sample Feasibility Study**  
(*TDR Scenarios*)

Although not developed to the detail that would be necessary to support development of a TDR ordinance, the following potential sending and receiving areas begin to outline transactions that may take place. It is feasible that a transaction could occur from any of the preservation areas (sending) to any of the receiving areas. However, if there is a sending area near a community that is participating in the program, it may be more appropriate for the development rights to be accepted by this community rather than one farther away in the valley.

The selection of these hypothetical scenarios was confirmed by the TDR advisory committee. They were chosen to study the feasibility of a number transferring development rights in a number of different areas. If the County wishes to continue pursuing these scenarios to create an actual TDR program, those providing market and economic analysis could proceed with information similar to that provided in Appendix D.

*Note: The information listed here should not be considered as final analysis. Although this information is based on actual preliminary studies, it is based on information collected through the North Logan City Sensitive Lands Study, supplemented with preliminary County-wide research.*

**Identified Preservation Goals:**
Not Ranked by priority:

**Wellsville Area**
A-Farmlands West of City  
- Prime Farmlands  
- Flood Plains  
B-Foothills West of City  
- Recreation  
- Wildlife Habitat  
C-Farmlands Along Highway  
- Prime Farmlands  
- Rural Character(View Corridors)

**Mendon Area**
A-Foothills North/West of Town  
- Prime Farmlands  
- Flood Plains  
B-Lowlands East of Town  
- Prime Farmlands  
- Critical Wetlands  
- Flood plains  
- Wildlife Habitat
U.S. 91 Corridor,  
Smithfield to Idaho  
A-Surrounding Farmlands  
Prime Farmlands  

Accessible Water  
Development Pressure  
Rural Character  

Identified Receiving Areas:  
Only North Logan City areas ranked by priority:  

**Wellsville City**  
A-Downtown Core  
B-Strip Commercial Node, Highway 89  

**Logan City Receiving**  
A-Downtown Urban Core  
- Infill Development  
- RDA Projects  
- Downtown Fringe Area  
- North/South of Historic Core  
- Downtown to 1000 West/Industrial Areas  

**North Logan City Receiving** (Detail below provided from North Logan TDR Study)  
A-Infill Commercial/Mixed Use (P 1-4)  
- Community Mixed Use: Current Zoning: Professional Business TDR Receiving: Additional ??/Acre Commercial or Standalone  
- Live-Work TDR Zone: Current Zoning: General Commercial TDR Receiving: Additional ??/Acre Commercial or Standalone  
- Neighborhood Mixed: Current Zoning: Community Commercial TDR Receiving: Additional ??/Acre Commercial or Standalone  

B-Infill Mixed Residential (P 5,6)  
- Multiple Family Residential: Current Zoning: 4/Acre TDR Receiving: Additional ??/Acre  
- Townhouse TDR Zone: Current Zoning: 4/Acre TDR Receiving: Additional ??/Acre  
- Garden Court TDR: Current Zoning: 4/Acre TDR Receiving: Additional ??/Acre  

C-Low -Density Mixed Residential  
- Cluster Conservation Area & Lower Foothills Area(foothills with lower preservation priority) (P 7,8) Current Zoning: 1/Acre  
  Receiving: Additional 8/Acre (restricted to large parcels) Minimum10,000sf lots at periphery to buffer surrounding areas  

Actual units per acre (??) to be determined by extended economic analysis and sentiment of the community. Although there will be an upper development limit that will economically feasible, typically most communities will set TDR receiving limits to that which is politically acceptable.
This information, coupled with TDR categories similar to those being considered by North Logan City, were provided to Phil Cook and Associates for market and economic analysis, provided as Appendix D. Appendix D utilizes North Logan Data (Appendix A, B & C) as base information.

In addition to the simple scenarios listed above, North Logan City developed a “TDR Impact Statement,” which can be found as part of the North Logan case study in the TDR Guidebook. This document is a step further in the analysis of a TDR program. It lists the number of acres that the community wishes to preserve in each sending area. It further depicts the increase of density that would be required in receiving areas in order to preserve the entire sending area. This type of analysis is useful in determining how many acres or sending and receiving to include in the final TDR program. It is important to balance the number of acres in both the sending and receiving areas in order to ensure a balanced TDR market will exist. For example, if there are too many sending acres available, those trying to sell TDRs may glut the market. If there are too few acres of sending area available, developers may not be able to find any TDRs to purchase.

IV Conclusions:
Cache County preliminary appraisal results (Appendix E) indicate that in general land values in most areas of Cache County, including partnering communities, will be less than land values in North Logan City. This type of comparison is to be expected especially where there is no availability of sewer and water infrastructure. Additionally, as expected, in areas where land values are lower than in North Logan City development rights will also be worth less. While further study will be necessary to confirm preliminary analysis, in general, the further one travels from Logan City/Utah State University, the less a development right would be worth. Values also decrease as distance from infrastructure increases. This type of analysis is mirrored in the LESA study that provides variable values depending on distance from infrastructure.

While Appendix E provides further detail on the market conditions of the valley, it can be suggested that since overall land values are lower, the price that a developer is willing to pay to purchase a development right will drop. This drop in value is most likely similar to the drop in value for a TDR. Again, while further research is necessary, it appears that a market for TDR will exist in the County and outlying rural communities. Simply, the overall values of the transactions will be lower. The variable is knowing whether a transaction will actually take place (if it will be profitable for each party). This depends on what the base zoning is in the sending and receiving areas. As in North Logan, it will simply be a matter of adjusting the transfer ratio (see Appendix F for a discussion of setting transfer ratios) to ensure that the program will have the proper incentives in place.

Based on preliminary appraisal results, it appears that TDR could work in Cache Valley. It should be economically feasible for development rights to be transferred into municipal areas from unincorporated areas of Cache County (both rural and urban communities). However, it is not yet clear whether this option will be politically feasible in some communities. Further study will be needed to determine the TDR transfer ratios and other pertinent program details. This is critical as development rights are
most likely worth less in the rural areas of the County. The goal would be to adjust transfer ratios to ensure that development rights throughout the valley (including within municipalities) have generally the same value. Following are some steps that will need to be taken (or questions that may come up) in considering a TDR program in Cache County. In most cases, each of these steps is based primarily on determining what the value of a TDR is, in order to set an appropriate transfer ratio.

**Determining Sending Areas:**

It is recommended that Cache County does not necessarily need to pursue a "formal TDR program." This means that, although all the components necessary to ensure a program will be successful need to be in place, not all require formal adoption. Much of the program could be administered through existing land use regulatory techniques and through interlocal cooperation agreements. Additionally, some components suggested by the TDR Guidebook could be handled in a differing form.

For example, instead of developing a formal sensitive lands plan or preservation plan, the LESA program that is already being considered could function to help determine sending areas. This program will be utilized locate resources such as prime soils, habitat, floodplains, steep slopes etc, in contrast to a formal sensitive lands map. It will simply be necessary to determine what LESA score will make a parcel or parcels eligible to be included as a sending zone. Once it is determined that a parcel is eligible to be a sending site, it can simply be re-zoned as a TDR-S (overlay sending zone). This zone would contain the specific details (transfer ratio, etc) that are necessary to ensure the program functions properly.

Although there are pros and cons to this approach, requiring a re-zone allows the County to have discretion as to which areas are allowed to be designated sending zones. To simplify the process for potential program participants, it may be more effective to zone sending areas in advance based on LESA criteria. This avoids individual re-zoning applications and encourages prospective TDR program participants.

The County must also determine what categories (further described in letters to Phil Cook & Associates, Appendices A & D) of sending areas will be available. For example, North Logan City allows sending from the following situations. These categories are designated as part of the TDR sending overlay zone (TDR-S) described in the TDR ordinance.

*Note: The number of development rights assigned to each category was determined by specific market and economic analysis. An explanation of how transfer ratios were determined can be found in Appendix F.*

(1) Three development rights per acre of buildable land where fee title to the land is transferred to North Logan City, another government entity, or a qualified charitable organization.
(2) Two development rights per acre of buildable land where the property owner retains fee title to the land and the land is subject to a conservation easement

(3) One development right per five acres of unbuildable land where fee title to the land is transferred to North Logan City, another government entity, or a qualified charitable organization

(4) One development right per seven acres of unbuildable land where the property owner retains fee title to the land and the land is subject to a conservation easement

The County may choose to use similar categories, or may choose to develop other categories. Once it is determined which categories to consider, it is suggested that a document or letter be developed, similar to that found in Appendices A and D that will provide direction to those completing market and economic analysis. This letter should also specifically explain the TDR scenarios that have been developed (where sending and receiving is likely to occur).

Note: These categories should be applicable to all or most of the TDR scenarios that are developed for study in an area. Sample hypothetical scenarios were listed previously for the County. If the categories developed are not applicable to each sending area, it may be necessary to develop more than one TDR sending zone.

Determining Receiving Areas/Transferring Across Jurisdictional Boundaries:
It has been assumed that there are no areas within Cache County’s jurisdiction that are appropriate for accepting development rights. Although the County could choose to do so at any time, receiving development rights would most likely require the County to develop a full TDR program. It is recommended in this study that the County not adopt a formal program; rather existing land use tools and programs should be used to achieve agricultural lands preservation goals (listed in previous sections). As such, it is assumed that all receiving areas will be in North Logan City, Logan City, Wellsville, or another city. It will be the responsibility of each municipality to determine where receiving zones would be appropriate. North Logan City is currently working through this process. How receiving areas are designated depends on how the program is structured. However, it is typically appropriate for a community to designate receiving areas on the city general plan.

Receiving areas are typically located in areas that are already acceptable for higher intensity development, such as existing commercial or multi-family area. This is because it usually politically feasible to use these areas as receiving zones. Additionally, these areas typically have the proper infrastructure in place to allow for increased density, both utility and transportation corridors. Communities should consider their infrastructure and transportation plans in locating receiving areas, especially if TDR is to be used to help with urban renewal or rehabilitation projects.

It should be noted that receiving areas can also be areas zoned for large lots, with additional development rights merely decreasing the lot size by a small amount. Additionally, some communities designate undeveloped areas as receiving zones. The goal may be to bring new housing opportunities, or new industry to an area. Or, new
transportation corridors may be planned that make an area suitable for new development.

How development rights are transferred into receiving areas will be governed by each municipality’s TDR ordinance, and by an interlocal agreement. TDR ordinances typically describe how receiving areas will function, and may have different regulations for development rights received from other jurisdictions such as the County. An interlocal agreement will need to be established between the County and each municipality that will accept development rights. A sample interlocal agreement is found in Appendix G.

Sometimes communities may be hesitant to accept development rights from other jurisdictions. They may see little benefit to having more development in their community, and less in another. One technique that helps communities overcome this issue is an interlocal agreement that limits areas from which a city will accept development rights. In this manner the County and each municipality can choose to “team up” to preserve a specific area that may be of significance to both the County and the City. A sending area is designated in the County (for example, it may be the culinary watershed for a city), and the city agrees to accept development rights in order to preserve the watershed, but will not accept others.

**Determining TDR Values:**

As Cache County is in the process of developing a LESA program it is recommended that a TDR program be tied to the implementation of the LESA. For example, it may not be necessary for the County to adopt an official TDR program for sending development rights. The process of determining where sending zones may occur could take place through a LESA evaluation, rather than a formal land use or preservation study. The County will need to adopt a sending overlay zone that can be applied to sending areas. This zone should be located only in areas where sending is appropriate, and will dictate the transfer ratio of the transaction. Another necessary requirement would be that the County properly record any deed restriction, or easement, that remains after development rights are transferred. An interlocal cooperation agreement will dictate how the development rights are transferred.

Additionally, it is recommended that any community wishing to adopt a TDR sending program ensure that existing base zoning is applied appropriately. Rural zoning should match the development potential and preservation goals of an area. For example, if high density development is not possible due to limitations on water and sewer services, land should only be zoned for the development that is possible. Zoning in excess of development capacity may cause landowners to have false expectations for the development of their property. Additionally, if a TDR program is implemented, landowners may have a false expectation of value causing a TDR program to fail.

As TDR values will differ depending on which area of the County they are sent from, it will be necessary for any community willing to accept TDRs to develop proper transfer ratios. The per-acre development value of sending areas is less in Cache County and outlying communities than in North Logan. But the value of a TDR can remain roughly the same whether it comes from Cache County or North Logan by adjusting the number
of TDRs (transfer ratio) that a sending area owner can sell per acre preserved or per housing unit foregone, as demonstrated below.

The North Logan TDR program suggests the following categories for sending areas:
(1) Three development rights per acre of buildable land where fee title to the land is transferred to North Logan City, another government entity, or a qualified charitable organization

(2) Two development rights per acre of buildable land where the property owner retains fee title to the land and the land is subject to a conservation easement

(3) One development right per five acres of unbuildable land where fee title to the land is transferred to North Logan City, another government entity, or a qualified charitable organization

(4) One development right per seven acres of unbuildable land where the property owner retains fee title to the land and the land is subject to a conservation easement

For illustration purposes, this example assumes category 2, where the County would only allow a TDR to be sold if a full conservation easement is placed on the property. Additional ratios would exist for trail easements, transferring fee title, etc. This example also bases values on the value of $5500 developed for North Logan’s TDR Program. While the actual price of a TDR will be negotiated by buyer and seller, this number is an estimate of what each TDR will sell for in North Logan City. If this example was to take place in the County, the TDR value may be adjusted to a lower figure ($2000-4000), as suggested by market analysis (Appendix E) for the County.

In North Logan, a conservation easement is considered to be worth 67% of transferring fee title (under category 2). This example assumes the same for the County.

The goal is to allow Cache County TDRs to be transferred in to North Logan (or other receiving areas) without making them any cheaper than TDRs from the North Logan sending area. The following table depicts two ways of expressing possible TDR allocations for these assumptions. Column "f" expresses the acres that need to be put under easement to create one TDR. Column "g" expresses the number of TDRs created for each lot that would be allowed by the zoning but which the owner foregoes by recording an easement.
**Table: TDR Allocation by Acres under Easement Per Zoning Category**

<table>
<thead>
<tr>
<th>a) Minimum Lot Size Required By Zone</th>
<th>b) Full Market Value Per Acre</th>
<th>c) Assumed Development Value Portion of Full Value</th>
<th>d) Assumed Development Value Per Acre</th>
<th>e) Assumed Development Value of Foregone Minimum Lot (a X d)</th>
<th>f) Proposed Allocation- acres per TDR (a divided by g)</th>
<th>g) Proposed Allocation - TDRs per Foregone Minimum Lot (e divided by $5,500 and rounded)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$5,000</td>
<td>67%</td>
<td>$3,350</td>
<td>$3,350</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>$3,000</td>
<td>67%</td>
<td>$2,000</td>
<td>$10,000</td>
<td>2.5</td>
<td>2</td>
</tr>
<tr>
<td>10</td>
<td>$2,000</td>
<td>67%</td>
<td>$1,340</td>
<td>$13,400</td>
<td>3.33</td>
<td>3</td>
</tr>
<tr>
<td>20</td>
<td>$1,500</td>
<td>67%</td>
<td>$1,000</td>
<td>$20,000</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>40</td>
<td>$1,000</td>
<td>67%</td>
<td>$670</td>
<td>$26,800</td>
<td>8</td>
<td>5</td>
</tr>
</tbody>
</table>

* Increased to fit into progression

**Will there be a TDR market in outlying rural communities?**

Market analysis (see Appendix E) estimates that developers of potential receiving areas in and near Wellsville (a rural community) may pay between $2000 and $4,000 per TDR. This figure doesn’t necessarily translate into an indication of demand. However, it may signal a need to have a different unit allowance per TDR in Wellsville than in other receiving areas. For example, a $5,500 TDR may allow a developer in a Logan or North Logan receiving area one extra multiple family dwelling unit. But, by ordinance, a TDR could allow two extra multiple family units above the TDR threshold in Wellsville. So sending area owners in North Logan and Cache County would still get $5,500 per TDR but because of the two multiple-family units for one TDR provision, they would be paying roughly $2,750 for each extra multiple family dwelling unit, which is within the $2,000 to $4,000 range estimated in marker research.

Many may feel there is low market demand in areas such as Wellsville. This may reflect a difficulty envisioning near-term demand for multi-family residential. However, there may be more demand for single-family residential in the near future. Single family subdivision developers may pay at least $2,750 per house to exceed a low baseline level. Assume, for example, that there is an area under County jurisdiction adjacent to Wellsville zoned for five-acre minimum lots. If a five-acre minimum lot became the baseline, developers should be able to pay $2,750 and maybe even $5,500 for each bonus unit per acre. (Value of five acre parcel at midpoint, ($6,000 per acre), of $30,000 increases to $50,000 when five one-acre units are allowed. Developers could afford $20,000, ($5,000 each for the four extra units allowed), if they are required then to buy one TDR for each of the four single-family units above the baseline.

*Note: One acre zoning is not being advocated; rather, it is used as an example to show that there may be demand for using TDR to increase single family housing density in areas of large lot zoning.*
Will Developers in Urban areas buy cheaper TDRs from County Sending Areas?
This question assumes that the allocation ratio will be the same in North Logan as in the County. As proposed above, the allocation ratio doesn't have to be the same. Sending area owners in North Logan could get $11,000 for selling two TDRs per preserved acre (or foregone house) and sending area owners in Cache County would get $5,500 in the comparable one-acre zone for selling one TDR representing one preserved acre or foregone house. Said another way, the allocation can attempt to allocate TDRs so that the TDR always reflects the target value of $5,500. Looking at it from the developers point of view, if a developer opts to preserve one acre in Cache County, he pays only $5,500 but he only gets one TDR. He pays $11,000 for an acre in North Logan but he gets two TDRs.

Note: the ratios depicted here, while based on specific research for North Logan City, are for illustration purposes only. Further study is necessary to determine what ratios would be appropriate based on the market conditions of the outlying areas. Rather, it is argued that the TDR allocation (or transfer ratio) can be adjusted so that the diminished value represented by a TDR is approximately the same no matter where the TDR comes from. This illustrates the importance of understanding the market and economic conditions of an area to be studied. Without appropriate information, setting acceptable transfer ratios is extremely difficult.

Will County Senders Look For TDR Buyers in Logan rather than in Wellsville?
Not if the receiving area allowances reflect estimated profit differences between these two communities. As discussed above, it has been estimated that the value of an extra multiple-family residential unit in Wellsville is roughly half that of the value of an extra multiple-family residential unit in Logan. So, if developers are required to obtain one TDR per bonus multiple-family unit in both cities, developers in Logan would be able to pay more. But if Wellsville allows two bonus multiple-family residential units per TDR and Logan allows only one bonus multiple-family residential unit per TDR, sending area landowners should be able to obtain the targeted TDR value of $5,500 from developers in either city.

Bear in mind that the example above is a numerical response. Obviously there are also policy and political considerations. For example, low-density advocates in Wellsville might try to portray a two-unit-per-TDR provision as an inducement to build higher density development. That would not be true if the numbers are right since the Wellsville multiple-family residential developers are only paying what they can afford. But, lets say the low-density advocates succeed in getting the Wellsville City Council to insist on the same units-per-TDR allowance used in Logan. Under that scenario, sending area landowners would be likely to get a better deal from developers in Logan.

This type of scenario suggests that regional cooperation will be important in a inter-jurisdictional TDR program. Interlocal cooperation agreements (See appendix G for an example) will be necessary between each jurisdiction that intends to participate in the TDR program. It is important that each jurisdiction discuss the goals that the TDR program is intended to meet. It may be appropriate to allow a “better deal” in some communities if that helps reach a goal. Otherwise, it may be more appropriate to structure the ratios to ensure equitable trades between each jurisdiction.
Additional Program Details:
There are a number of administrative details that Cache County will need to consider in adopting a TDR program. These have been considered by North Logan City as it prepares to adopt a program. Section VI provides an overview of North Logan’s program and some of the details that are being considered. Issues of distributing and tracking TDR Certificates, and properly recording easements are just a few details that will need to be worked out. The County may, through interlocal agreement, be able to rely on municipalities for completing some of these administrative tasks. Any community that has a full TDR program should already have mechanisms in place to handle these important details. Although sometimes staff intensive, municipalities may be better able to handle the administrative aspects of a TDR Program. Again, it is the interlocal agreement that becomes the mechanism in determining how these details are handled.
V-Recommendations
Following are the steps we recommend the County take as part of an ongoing process of developing a TDR program with the intent of preserving agricultural lands. The further analysis recommended will help to answer some of the questions posed in previous sections.

- **Continue discussions with North Logan City, Wellsville and other interested cities regarding the viability of transferring development rights within and between participating jurisdictions.** North Logan is now considering whether to adopt a recommended TDR program for transfers within the City. Following is a summary of the North Logan program. If adopted, the program could be adapted to allow development rights to be transferred from the County to the City.

- **Use the Land Evaluation and Site Assessment (LESA) process to determine what land should be included in a TDR sending or receiving area.** North Logan prepared a Sensitive Lands Plan to determine where sending and receiving should be located. The LESA process is another viable way to determine what land is worthy of preservation. Relevant parts of the North Logan City TDR ordinance could be readily adapted to refer to the LESA process.

- **Complete further analysis to establish sending and receiving area ratios that are consistent with local market economics.** Although a preliminary analysis has been completed by Phil Cook (see Appendix E), a more detailed investigation should be completed if the County decides to go forward with the TDR program. Insuring that sending and receiving area ratios are consistent with local market economics is vital to program success.

- **Develop interlocal agreements with participating communities.** Interlocal agreements (see Appendix G) are a very flexible device. They may be tailored to suit objectives that apply to limited individual areas, or they may be adopted on a countywide basis. Interlocal agreements could be adopted which allow a County TDR program to proceed on an incremental, area-by-area, basis.

- **Adopt TDR sending overlay zones and pertinent zoning text amendments to make program mechanics work.** The following North Logan City program summary describes how the proposed TDR program would work in North Logan City. This program could be readily adapted to meet County objectives. Essentially, the County would need to adopt text amendments establishing program mechanics. This would include rezoning procedures and ratios for sending areas. An interlocal agreement would provide that North Logan (or some other receiving jurisdiction) administer program mechanics.
VI-North Logan TDR Program Summary

Following is a summary of a transferable development rights program under consideration by North Logan City, as of October, 2003.

- TDR provisions will be included within the City's Land Use (zoning) Ordinance.
- Necessary definitions will be included with other Land Use Ordinance definitions.
- Sending and receiving sites will be established as "TDR overlay" zones, adopted using the same procedures that apply to any other zone.
  - Sending sites will be denominated as "TDR-S" overlay zones and receiving sites as "TDR-R" overlay zones.
  - TDR-S (sending site) overlay zones are proposed to be created now, that is, when the TDR program is adopted.
    - Sending sites will be those areas identified in the Sensitive Lands Plan produced by Cooper Roberts or as identified in the North Logan General Plan. *Appropriate General Plan amendments must be adopted to support the proposed TDR program.*
    - Interested persons may apply for rezoning to a TDR-S overlay zone to create additional sending sites.
  - TDR-R (receiving site) overlay zones are proposed to be created later, in response to rezoning applications from interested persons.
    - Receiving sites will be based on potential receiving areas identified in the Sensitive Lands Plan or as adopted as part of the General Plan.
    - A proposed site plan or subdivision plat must be submitted and considered concurrently with a TDR-R rezone application to assure a proposed project which uses TDRs is consistent with General Plan policies and ordinance requirements.
  - TDR transfer rates for sending and receiving areas, established in the ordinance, are based on local real estate economics.
- A sending site landowner who wishes to participate in the TDR program may apply for and receive one TDR Certificate per available dwelling unit. The number of Certificates (dwelling units) available for a particular lot or parcel of land is the number of dwelling units that could be constructed on a
sending site under the existing zoning of the land multiplied by the applicable sending site transfer rate. Development rights which have been already used will be excluded from this calculation.

- At the discretion of the landowner, TDR Certificates may be issued for all, or a portion, of available development rights.

- To get a TDR Certificate a landowner must record a conservation easement against the land from which development rights are transferred. The easement will prohibit use of the development rights on such land.

- A TDR Certificate may be sold for whatever value a buyer and seller agree upon.

- A receiving site landowner or developer who wishes to add dwelling units to a receiving site must surrender one TDR Certificate for each additional dwelling unit allowed above and beyond the density allowed by the base zone of the receiving site.

- The TDR ordinance also establishes:
  - Development standards for receiving sites, and
  - Requirements for conservation easements.

TDR program parameters may be adjusted as deemed appropriate by the City, including TDR transfer rates. However, any change in transfer rates must be carefully considered to assure the program has economic viability. Assuming the City elects to go forward with the TDR program, the following additional actions also must be taken:

- Adopt amendments to the City’s General Plan which shows the policy basis for the TDR program and land areas suitable as sending and receiving sites. These amendments could adopted simultaneously with enactment of the TDR ordinance.

- Establish administrative record keeping requirements and procedures for TDR Certificates. Consideration should be given to consulting with the County Recorder and Tax Assessor to assure they understand the program.
VII Appendices
The information contained in these appendices provided as background information as to how recommendations were made for both North Logan City and Cache County. Recommendations made for Cache County rely heavily on data collected for the North Logan portion of this study. As such, it is included for review. It should be noted that the North Logan analysis has greater detail than that found in much of the Cache County Analysis. This is due to North Logan's decision to proceed towards adopting a full “formal” TDR program.
Appendix A:
North Logan Market Analysis Document:

The following document was provided to Phil Cook and Associates. Phil Cook, a consultant to the project team, was responsible for analyzing specific areas of North Logan City in support of creating a TDR program for both North Logan City. This particular document provides Phil Cook with the necessary background information, and program elements that needed to be explored. This information includes specific areas, as indicated on the North Logan City Sensitive Lands Plan, to be considered for sending and receiving. The information below refers to mapping that was prepared for North Logan City, but that is not included in this document.

This document is provided as part of the Cache County Executive Summary as much of the market and economic analysis that was completed for the County is based on information gathered for the North Logan portion of the study. Although this document may not provide much direct information about Cache County, it helps to lay a groundwork for the proper market and economic analysis that still needs to be completed by Cache County.

In this document, as in other letters to Phil Cook & Associates, upper development limits are listed for analysis. These are not intended to be actual allowed development density for the community. Each community must set its own upper limit. Rather, these figures are listed for analysis purposes only. In most instances the upper limit in each community will be based on how many units can be built while still accounting for necessary parking requirements with structured parking.

Note: The following information is based on guidance from the North Logan TDR Advisory Board. This board assisted in determining which areas should be considered for sending and receiving areas. Additionally, public comment from the original Envision Utah visioning workshops was heavily considered in developing the following analysis request to Phil Cook and Associates.
March 12, 2003

Phil Cook
J. Philip Cook & Associates
5107 South 900 East, Suite 200
Salt Lake City, UT 84117

Dear Phil:

This letter is intended to provide guidance for your work on the North Logan, Utah TDR Study. For now, we are assuming that North Logan receiving areas would only be able to use TDRs from North Logan sending areas, although that could change later on in the study. As you recall, the sending area is land in the foothills, now zoned Residential Estate -1 and R-1-12. At first, we intend to investigate several areas for their potential to be rezoned to new TDR receiving zones. Potential receiving zones that ultimately prove infeasible will be dropped. If the remaining receiving zones appear capable of generating more demand than is needed to accommodate the North Logan sending areas, we might then look at the possibility of letting one or more of these receiving zones accept TDRs from sending areas under Cache County jurisdiction. But we can deal with that issue later.

**Sending Areas**

**RE-1 Zone** - About 800 acres of foothills appear to be undeveloped in the Residential Estate 1 (RE-1) zone. Nominally, this zone has a minimum lot size of one acre or a maximum density of one unit per acre. That minimum lot size can go as low as 15,000 square feet and maximum density as high as 1.25 units per acre when developers go beyond the basic 25 percent open space requirement. According to an example in the code, a 20-acre parcel in the RE-1 could have 25 lots by setting aside fifty percent of the parcel as open space. By our calculations, the 25 lots would be about 15,000 square feet in size. If this density materially affects the value of the sending area land, please use your best judgement in predicting how developers will respond to this incentive. Bear in mind that Non-Buildable Areas can be used to satisfy the threshold 25 percent open space requirement but they cannot be used as "extra open space" to exceed the basic density of one unit per acre. Non-Buildable land includes any areas in which construction is prohibited due to steep slopes (see definition below), natural drainage corridors, canal channels, wetlands or other constraints that create potential threats to life, limb or property. A "steep slope" is a 30 percent or steeper slope that traverses a horizontal distance of sixty feet regardless of lot lines, plateaus etc.

1) **Buildable RE-1 Land** - Please provide an estimate of the per acre value of buildable RE-1 zoned land for the following types of acquisition. If you prefer, you can estimate value just for fee simple purchase and estimate a percentage of that for the other two categories.
Fee Simple Acquisition (Full Market Value)

Acquisition of Development Rights With Public Trail Access
Three types of non-development uses come to mind. 1) Rangeland. 2) Wildlife Habitat - For example, a governmental agency or conservation organization could buy portions of this land for habitat preservation and sell the development rights through the TDR program. 3) Larger lots - Some developers or property owners might want to buy land just to increase lot size and offset the costs by selling TDRs.

Acquisition of Development Rights Without Public Trail Access - This is identical to the second bullet except the landowner would retain title but not allow public access.

2) Less Desirable But Buildable RE-1 Land -
Please provide an estimate of the per acre value of less-desirable but buildable RE-1 zoned land for the same three acquisition categories listed above.

Fee Simple Acquisition (Full Market Value)
Acquisition of Development Rights With Public Trail Access
Acquisition of Development Rights Without Public Trail Access

This second value category is only needed if the sending RE-1 land in the foothills actually includes parts that, although buildable, are less desirable and/or less valuable for any number of reasons. 1) The views in some locations may be less spectacular than in others. (Although, in this sending area, most lots might have either views of the valley or the mountains, which may be equally valuable?) Possibly the valley views from behind the pole line are inferior? 2) Perhaps development costs skyrocket above a certain elevation, causing a meaningful reduction in land value? This too may or may not be true. For example, some Citizen Advisory Committee members believe that building above the pole line is prohibitively expensive since developers must create pumping stations, water tanks etc. However, one subdivision already exists above the pole line. In other words, if your analysis concludes that there are no meaningfully different value categories of buildable land here, please just report that.

R-1-12 Zone - About 200 acres of foothills appear to be undeveloped in the R-1-12 zone. This zone has a nominal minimum lot size of 12,000 square feet. But, like the RE-1 zone, density can increase by preserving more than the baseline open space requirement. In the RE-1, that baseline open space requirement is 25 percent; in the R-1-12 zone, it is ten percent. Specifically, minimum lot size can go to 10,000 square feet when extra open space is set aside. Similar to an example in the subdivision code, a 20-acre parcel in the R-1-12 zone could have more than 4.0 lots per acre rather than the baseline 3.25 lots per acre by preserving half the site as open space. If this density materially affects the value of the sending area land, please use your best judgement in predicting how developers will respond to this incentive. As in the RE-1 Zone, Non-Buildable Areas can be used to satisfy the threshold 10 percent open space requirement but the preservation of Non-Buildable land as open space cannot be used to exceed the baseline density of 3.25 units per acre.

Please do the same three acquisition categories as in the RE-1 for the same three
potential types of land in this zone, based on the same considerations mentioned above.

1) Buildable R-1-12 Land
2) Less Desirable But Buildable R-1-12 Land
3) Non Buildable R-1-12 Land

Non Buildable Land - This category will be challenged. But, just as the wetlands in Davis County could be buildable if the rules change, the steeply sloped portions of this sending area could also become potential building sites. For example, perhaps several decades from now, flatter land for high-end lots may be scarce and future City Councils could be under pressure to "open up the hillsides". We anticipate that this value will be lower, hopefully much lower than the buildable areas. Consequently, the City might be able to preserve a considerable amount of land for relatively few TDRs. Again, please organize your per acre value estimates into three acquisition categories.

Fee Simple Acquisition (Full Market Value)
Acquisition of Development Rights With Public Trail Access
Acquisition of Development Rights Without Public Trail Access

Receiving Areas
Residential in Commercial Zones - The next three categories of potential receiving areas would all allow residential in commercial zones only if developers buy TDRs. None of these current commercial zones allow residential. The three zones are different in terms of location, the type of commercial allowed and the maximum density of the residential allowed via TDR. So, residential units might have different values for developers. Then again the differences might not be meaningful, in which case, it would be better to have a uniform density increase per TDR based on your estimates.

Community Mixed Use Zone (CMU)- This zone would replace all or portions of the existing CG (General Commercial) zoning. The rezoning might occur only at key nodes or on both sides of Main Street for its entire length. The current CG Zone does not allow residential. The CMU would rearrange the uses currently allowed in the CG zones to ensure that potentially disruptive activities are allowed only by CUP. By CUP, it would also allow developers to locate multiple-family residential in the zone either freestanding or over ground-floor commercial, but only by TDR. The maximum density could be decided by the City, but for planning purposes, assume a maximum density of 60 units per acre.

Task: How much might developers be willing to pay for the ability to build each unit of residential, up to 60 units per acre, in this area, either in a free-standing or vertically-mixed design?

Live - Work Zone - This would be a new zoning district that replaces all or some of the existing Commercial General (CG) zone on the west side of 200 East and Professional Zone (PB) on the east side of 200 East from 1800 North to 2500 North. The current PB Zone does not allow residential. The Live-Work Zone would allow low-intensity
commercial uses without the need to buy TDRs. TDRs would be needed in order to build free standing residential or residential over ground-floor commercial. The maximum density could be decided by the City, but for planning purposes, assume a maximum density of 30 units per acre.

Task: How much might developers be willing to pay for the ability to build each unit of residential, up to 30 units per acre, in this area, either in a free-standing or vertically-mixed design?

Neighborhood Mixed Use - This would be a new zoning district that replaces portions of the existing Community Commercial (CC) zone. The current CC Zone does not allow residential. This could occur in several places, but for now assume the southwest corner of 1800 N and 400E. Potentially problematic uses would be allowed only by CUP. Residential would be allowed by CUP and only when developers buy TDRs. The residential could be free standing or over ground floor commercial. Maximum density could be decided by the City, but for planning purposes, assume a maximum density of 15 units per acre.

Task: How much might developers be willing to pay for the ability to build each unit of residential, up to 15 units per acre, in this area, either in a free-standing or vertically-mixed design?

Multiple Family Residential Zone - This would be an all-residential zone that replaces existing R-1-12 zoning in the area roughly bounded by 1800 N, the canal, 2400 N and the eastern edge of the proposed Live-Work zone. Without TDRs, developers would be allowed a maximum density of four units per acre. Maximum density could be decided by the City, but for planning purposes, assume a maximum density of 30 units per acre.

Task: How much might developers be willing to pay for the ability to build each unit of residential over the TDR threshold of four units per acre?

Townhouse Zone - This would be an all-residential zone that replaces existing R-1-12 zoning in the area roughly bounded by 1800 N, 800 E, 2400 N and the canal. Without TDRs, developers would be allowed a maximum density of four units per acre. Maximum density could be decided by the City, but for planning purposes, assume a maximum density of 15 units per acre.

Task: How much might developers be willing to pay for the ability to build each unit of residential over the TDR threshold of four units per acre?

Garden Court Zone - This would be an all-residential zone that the city could use in several locations. But for now, assume that it would be used to selectively replace R-1-12 zoning on larger undeveloped parcels roughly east of 800 E and South of 2300 N. This zone would allow a maximum density of four dwelling units per acre without TDR. With TDR, density could go to approximately eight units per acre in a design that replaces traditional backyards with a common, open space area.
Task: How much might developers be willing to pay for the ability to build each unit of residential over the TDR threshold of four units per acre?

Low-Density Mixed Residential
This new zone would replace the RE-1 zoning in the area that the draft plan depicts as "Farming", bounded by 2300 N, the canal at the western edge of the area planned as foothill open space, 1600 E, the northern City Limits and the western canal. Developers would be able to achieve two units per acre without TDR. With TDR, density could be increased to an average density of ten units per acre on larger parcels. These parcels might locate homes on 10,000 sf lots at the periphery of the development site with densities of up to 15 units per acre in the interior that take advantage of a development focal point.

Task: How much might developers be willing to pay for the ability to build each unit of residential over the TDR threshold of two units per acre?

CONCLUSION
Please let us know if you have any questions. Otherwise, have fun!

Sincerely,

J. Kelly Gillman, ASLA, APA
Landscape Architect, Planner
Cooper Roberts Simonsen Architects

Rick Pruetz, AICP
Landscape Architect, Planner
Cooper Roberts Simonsen Architects
Appendix B:
North Logan Feasibility Statement (Sending Data)
The following information was provided by Phil Cook & Associates. It describes the feasibility of the information provided in Appendix A. In particular it described the market analysis that was completed in the proposed sending areas in North Logan City. This data is used as a starting point for analysis completed for Cache County (Appendices D & E).

Note: This document does not formally provide answers to every task provided in Appendix A. Some of this data was collected “informally” by discussions with Phil Cook & Associates, Neil Lindberg, the TDR Advisory Committee, City Staff, etc. In these instance, formal documentation was not provided, rather “informal” information was used. In some instanced this informal information is referred to as “assumptions” by those not directly involved with specific conversations.
Re: North Logan TDR program.

Dear Kelly:

With respect to the above - referenced project, and in consideration of an upcoming community meeting, we have prepared some preliminary findings and estimates with respect to the Sending Area land values. It is stressed that this information is preliminary, and is to serve as a general guideline. Additional analysis will and needs to be completed before value estimates can be concluded with greater certainty.

As you indicated, our greatest focus to date has been on the sending area lands. Specifically you asked us to provide values for the following land categories:

**RE-1 Zoned Land**
1. Buildable Lands
2. Less Desirable But Buildable Lands
3. Unbuildable Lands

**R-1-12 Zoned Land**
1. Buildable Lands
2. Less Desirable But Buildable Lands
3. Unbuildable Lands

Over the past several weeks, we have gathered data from many sources including local appraisers, government officials, real estate agents/brokers, real estate developers, and land owners. The following list is a summary of land sales that are comparable for use in our above stated tasks.
It is noted that the above data is not a complete representation of data gathered, but is specifically data that has been confirmed. Additional data sets as well as analysis techniques are being considered and implemented, but require additional confirmation and review prior to our dissemination. A hypothetical subdivision analysis has been used to provide additional support of land values.

The preliminary analysis of the above summarized land sales data has provided us with a reasonable sense of land values on buildable lands. However, addressing the issue of land values that fall into the category of “less desirable” lands is more difficult. Estimated value for these types of land is largely a function of the specific constraints existing on the land, as well as how “less desirable” is interpreted. Your instruction indicates that this land category is loosely defined by areas above the “pole line” where slopes and development cost issues may be a factor on value.

With respect to slope issues, our initial estimates would indicate that while lands with greater slopes (provided they are still buildable lands and are in compliance with the development code) will have added costs for cut and fill of roadways, the higher elevation lands with more expansive views typically sell for a higher price. It could be argued that these two factors largely offset, and slope by itself is not the main issue.

The main constraints affecting development of some areas on the upper bench lands appears to be centered around two primary development issues:

1. Lack of pressurized water above a certain elevation
2. Earthquake faultline issues
To provide pressurized water to the upper elevations of the bench land would require new water tanks to be built higher on the hill. According to Jeff Jorgensen, North Logan City Administrator, the construction of these water tanks, and who would be required to pay for them, are the primary questions. Jorgensen said it is possible the city would construct or help construct said water tanks, but the entire situation is still undecided. If the cost to construct new water tanks would have to be incurred by developers, this would significantly impact land value.

The earthquake fault line issue is also unclear and in dispute. Several experts have provided opinions as to fault line locations in specific areas of the bench, but reportedly a significantly intrusive and expensive process would need to be undertaken to really know the extent of the situation and risk.

Without specific assumptions relative to these two issues, these upper elevation bench lands become highly speculative, and valuation becomes extremely difficult and subjective. As a result of this uncertainty, the value of the “unbuildable” lands, which are above the “less desirable” lands is largely a function of what happens to the lands below them. It is understood that “unbuildable” lands can be used in conjunction with subdivision developments to satisfy open space requirements; therefore, if development is likely to occur on the lands adjacent to the “unbuildable” lands, a higher value could be commanded.

There appears to be very limited data in the market that is comparable to the lands we have classified as “less desirable” and “unbuildable”. On this basis, our primary basis of reference is a comparison to the land value in the adjacent “buildable” areas, and a consideration of the likely costs and risk involved in overcoming the development constraints. A value estimate range is indicated by applying a discount for these factors.

Based on the information and processes undertaken and discussed above, our preliminary findings would suggest that the following ranges in land values could be used as a guide.

**RE-1 Zoned Land**

1. Buildable Lands $17,000 to $25,000 per acre
2. Less Desirable But Buildable Lands 25 - 50% discount from above values
3. Unbuildable Lands $1,000 to $5,000 per acre

**R-1-12 Zoned Land**

1. Buildable Lands $28,000 to $35,000 per acre
2. Less Desirable But Buildable Lands 25 - 50% discount from above values
3. Unbuildable Lands $1,000 to $5,000 per acre

We again reiterate that these estimates are preliminary findings, and further analysis is in process. Also, the discounts applied to the “less desirable” lands are subject to change provided new information becomes available with respect to the development constraints.
We trust this is sufficient to accomplish its intended function. If you have any additional comments, please do not hesitate to call.

Sincerely,

J. Philip Cook, MAI, CRE                                      Darrin W. Liddell, MAI, CCIM
Appendix C:

North Logan Feasibility Statement (Receiving Data):

The following information was provided by Phil Cook & Associates. It describes the feasibility of the information provided in Appendix A. In particular it described the market analysis that was completed in the proposed receiving areas in North Logan City. Portions of this data is used as a starting point for analysis completed for Cache County (Appendices D & E).

Note: This document does not formally provide answers to every task provided in Appendix A. Some of this data was collected “informally” by discussions with Phil Cook & Associates, Neil Lindberg, the TDR Advisory Committee, City Staff, etc. In these instanced, formal documentation was not provided, rather “informal” information was used. In some instanced this informal information is referred to as “assumptions” by those not directly involved with specific conversations.
Re: North Logan TDR program.

Dear Kelly:

With respect to the above-referenced project, and in continuance of analysis previously made, we have prepared some additional analysis with respect to the proposed North Logan receiving areas and associated TDR values and demand. As per your guidance, it is stressed that the presentation of this information and the following analysis is a general overview format, and is intended to serve as a general guideline.

We previously provided a letter dated April 24, 2003 which outlined sending area land values in various categories. In continuance of this analysis and in accordance to the original engagement letter, you have asked us to provide the following analysis with respect to receiving areas:

**Community Mixed Use Zone (CMU)**
- Replaces existing CG zoning in certain areas
- Current zoning does not allow residential
- Assume maximum residential density of 60 units per acre with TDR purchases.

**Task:** How much might developers be willing to pay for each additional unit of density in this zone, either in a free-standing or vertically-mixed design?

**Live - Work Zone**
- Replaces existing CG and PB zoning in certain areas
- Current zoneings do not allow residential
- Assume maximum residential density of 30 units per acre with TDR purchases.

**Task:** How much might developers be willing to pay for each additional unit of density in these zones, either in a free-standing or vertically-mixed design?

**Neighborhood Mixed Use**
- Replaces existing CC zoning in certain areas
- Current zoning does not allow residential
- Assume maximum residential density of 15 units per acre with TDR purchases.

**Task:** How much might developers be willing to pay for each additional unit of density in this zone, either in a free-standing or vertically-mixed design?

**Multiple Family Residential Zone**
• Replaces existing R-1-12 zoning in certain areas
• Both Existing and proposed zoning allow for a maximum density of roughly four units per acre
• Assume maximum residential density of 15 units per acre with TDR purchases.

Task: How much might developers be willing to pay for each additional unit of density in this zone over the existing four units per acre threshold.

Townhouse Zone
• Replaces existing R-1-12 zoning in certain areas
• Both Existing and proposed zoning allow for a maximum density of roughly four units per acre
• Assume maximum residential density of 15 units per acre with TDR purchases.

Task: How much might developers be willing to pay for each additional unit of density in this zone over the existing four units per acre threshold.

Garden Court Zone
• Replaces existing R-1-12 zoning in certain areas
• Both Existing and proposed zoning allow for a maximum density of roughly four units per acre
• Assume maximum residential density of eight units per acre with TDR purchases.

Task: How much might developers be willing to pay for each additional unit of density in this zone over the existing four units per acre threshold.

Low - Density Mixed Residential Zone
• Replaces existing RE-1 zoning in certain areas
• Existing zoning allows maximum density of one units per acre
• Proposed zone would allow maximum density of two units per acre without TDR purchase.
• Assume maximum residential density of 10 units per acre with TDR purchases. This area would promote a mix of areas with lower and higher density, with the overall density maximum of 10 units per acre.

Task: How much might developers be willing to pay for each additional unit of density in this zone over the existing two units per acre threshold.

The primary objective of this assignment is to establish the incremental TDR unit values as they relate to the above defined receiving areas in North Logan. To establish the value of a TDR unit in North Logan City to developers, we have taken two approaches. We have gathered and analyzed a significant amount of data pertaining to the correlation between land values and zoning density. We have also conducted an extensive survey of local market participants to gauge demand and pricing perception relative to the proposed TDR units.

A market data search and investigation was made concerning recent land sales having multifamily zoning or development potential, similar to that proposed in the subject
receiving areas. These sales are summarized in the following table, and individual data sheets are found in the addenda.

![Graph](image)

The above data is plotted on scatter plots with density (units per acre) represented on the x-axis, and price per square foot of land represented on the y-axis. A linear regression equation was calculated from the plotted data points on the graph. This equation is shown in the lower right hand corner of the above graphs, and is represented visually by the linear trendline on the graphs. It is recognized that this is a small sample size but the information does help in establishing a trend.

\[ y = 553.1x - 3060.6 \]

The objective of analyzing this data is to ascertain the incremental value increase resulting from density variances. This incremental change in value is referred to as a “TDR” (Transfer of Development Right). One TDR represents one unit of density increase/decrease. From the linear regression previously illustrated, the TDR value relationship is calculated. This is shown in the following table.
## LOGAN AREA MULTIFAMILY LAND SALES SUMMARY

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<th>Sale Date</th>
<th>Address</th>
<th>Total Price</th>
<th>Size (Acres)</th>
<th>Density (Units/Acre)</th>
<th>Zoning</th>
<th>Price/Unit</th>
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<td>1700 North 400 West, Logan</td>
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<td>MFH</td>
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<td>$58,677</td>
</tr>
<tr>
<td>Under Contract</td>
<td>1550 North 400 East, North Logan</td>
<td>$765,000</td>
<td>5.58</td>
<td>20</td>
<td>Multi-family**</td>
<td>$6,317</td>
<td>$126,344</td>
</tr>
</tbody>
</table>

*The intended use for this sale was independent living at 41 units per acre density.
**This was not multi-family land, but was purchased contingent on getting a rezone to allow development of a 112 multi-family apartment.

## DAVID COUNTY MULTI-FAMILY LAND DENSITY/VALUE RELATIONSHIPS

<table>
<thead>
<tr>
<th>Units/Acre</th>
<th>Price/Acre</th>
<th>Per Unit Change (TDR Value)</th>
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<td>6</td>
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<td>$ -</td>
</tr>
<tr>
<td>8</td>
<td>$39,362</td>
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<td>10</td>
<td>$53,332</td>
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<tr>
<td>12</td>
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<td>24</td>
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<tr>
<td>26</td>
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<tr>
<td>28</td>
<td>$179,062</td>
<td>$ 6,985</td>
</tr>
<tr>
<td>30</td>
<td>$193,032</td>
<td>$ 6,985</td>
</tr>
</tbody>
</table>
The above data indicate that the incremental value of a TDR unit is roughly $5,531, assuming from the relatively limited data that the relationship is linear. The pricing of a TDR however would have to be slightly lower than the actual perceived market value, so as to make developers willing to undertake some of the paperwork and processes required under the proposed TDR program. Therefore, a value of say $5,000 per TDR unit, roughly 10 percent below the indicated market price, would likely be an reasonable discount to entice developers.

Since the data available from the Logan area is somewhat limited, additional data from Davis County, a nearby county located along the Wasatch Front between Logan and Salt Lake City, was analyzed.

A fairly large set of multi-family land sales data from Davis County was analyzed, and like the Logan data is plotted on the following graph and table.
The data from Davis County indicates a higher incremental TDR value; however, this is likely a function of the different area along the Wasatch Front, and the distinct multi-family land dynamics in that specific market area. This Davis County data is far greater in number, and does offer support for the previously assumed linear relationship of density and land values.

We have also surveyed market perception relative to the proposed TDR units. This survey included discussions with several local real estate developers and land owners. Additional input relative to TDR demand and pricing has been gathered from appraisers, government officials, and real estate agents/brokers.

Most land owners and developers supported the findings of roughly $5,000 per unit of density. The most quantifiable conversation was with Blake Parker, a local land owner, developer, and real estate broker. Parker is the broker on the Land Sale #6 previously presented, which is the most recent multi-family land transaction in the area. It is in North Logan, and is by far the best land sale comparable available.

As a land owner and developer himself, Parker offered the following rough guidelines relative to density and land value. Parker indicated that he would pay roughly $25,000 for land with 4 units per acre (i.e. R-1-12 zoned land). He also indicated that he would pay roughly $80,000 for land with 12 units per acre (i.e. 4-plex development, three per acre). These are indications for low and medium density multi-family land. High density land values is best indicated by Land Sale #6, which is 20 units per acre.
These rough guidelines were plotted, and the following is a graphical representation of these indications.

As previously done with the Logan and Davis County data, the above trendline equation is used to calculate a land value schedule for different land densities. The incremental value differences in this schedule imply the per unit TDR value. The following is the schedule indicate by Parker’s estimates.
This schedule indicates a slightly higher per unit TDR value of $6,334. In addition, Parker indicated that the discount to motivate a developer to purchase TDRs would be minimal, assuming that the program were entirely in place, and the developer would be granted development approval for the higher density without potential public input and approval uncertainties.

Conclusion

Therefore, the Logan area multi-family land data indicates a TDR value of $5,531, the large sampling of Davis County multi-family land data indicates $6,334 per TDR, and the opinions and data from Blake Parker indicate $6,334 per TDR. It is noted that in the Logan area data, Land Sale #4, which was a 42 unit per acre independent living center use that was never built. This use is a special and use and the very high density is atypical. If this
sale were not included in the data set, the trendline would be steeper, indicating a TDR value higher than $5,531. This supports a market perceived TDR value indication of above $6,000.

Another factor not yet addressed are the different maximum densities as set forth in the proposed zones detailed at the beginning of this letter. The data supports the above incremental TDR values for all multi-family densities up to roughly 30 units per acre. Once density of roughly 30 units per acre is reached, surface parking becomes a major constraint. Construction of multi-level parking facilities are often required for densities above 30 units per acre, and such an investment is very expensive and is clearly not economically feasible in the Logan area. It is noted that Land Sale #4 indicated 42 units per acre was approved; however, that was a special use with lower parking demands, and ultimately never was constructed.

On this basis, we feel the maximum supportable multi-family density in North Logan, as dictated by the market and by physical development constraints, is 30 units per acre. The TDR value indications do not support a distinction in incremental TDR values within the range of four units per acre up to 30 units per acre. This is evidenced by the almost perfectly linear relationship in Mr. Parker’s value indication analysis.

Given this information, we feel a TDR value of $5,500 would be reasonable, and would be at a level adequate to support considerable interest and motivation in the program. Again the incremental per unit TDR conclusion of $5,500 is applicable to multi-family land with density ranging from four to 30 units per acre. No incremental TDR value is supported for land density of over 30 units per acre.

We again reiterate that these estimates are intended to serve as general guidelines for larger development areas in North Logan, not specific parcel valuations. We trust this is sufficient to accomplish its intended function. If you have any additional comments, please do not hesitate to call.

Sincerely,

J. Philip Cook, MAI, CRE

Darrin W. Liddell, MAI, CCIM
Appendix D: 
Cache County Market Analysis Document:

The following document was provided to Phil Cook and Associates. Phil Cook, a consultant to the project team, was responsible for analyzing the feasibility of creating a TDR program for Cache County (including the partnering communities). This particular document provides Phil Cook with the necessary background information, and program elements that needed to be explored. The information in this document refers to the sending and receiving areas that were discussed and recommended by the TDR advisory committee. These areas are designated on Map 17 in Appendix H.

In this document, as in other letters to Phil Cook & Associates, upper development limits are listed for analysis. These are not intended to be actual allowed development density for the community. Each community must set its own upper limit. Rather, these figure are listed for analysis purposes only. In most instances the upper limit in each community will be based on how many units can be built while still accounting for necessary parking requirements with structured parking.

Note: Although this letter provides considerable detail to Phil Cook, similar to that provided in the letter provided for the North Logan City analysis (see Appendix A), extensive research is not provided by Phil Cook in response to this letter (as in Appendix C & D). Rather recommendations general in nature are provided (Appendix E;) This letter is included to suggest how Cache County may proceed with specific market and economic analysis.

Note: The information provided in this document was very general in nature. Later research led to revisions in the analysis techniques. Some of these revisions are indicated in the following letter.
SUBJECT: GUIDANCE FOR LAND ESTIMATES OF POTENTIAL SENDING & RECEIVING AREAS IN CACHE COUNTY, LOGAN AND WELLSVILLE

Dear Phil/David:

This letter is intended to provide guidance for your work estimating values for potential TDR sending and receiving sites in Cache County, Logan and Wellsville, Utah. It is similar to your companion assignment for the City of North Logan, Utah TDR Study. However, this assignment is a little more complicated because we are dealing with three different jurisdictions. In this program, we are assuming that the potential receiving areas in the cities of Logan and Wellsville would accept TDRs transferred from sending areas under Cache County jurisdiction. In addition, two potential sending area in the Wellsville area include land within the City Limits of Wellsville; we assume that TDRs from inside Wellsville could be transferred only to receiving site inside Wellsville.

As with the North Logan work, we initially intend to investigate several areas for their potential to be rezoned to new TDR receiving zones. Potential receiving zones that ultimately prove infeasible will be dropped. New ones may be added and/or baseline/bonus density components might be changed. But hopefully the estimates of value that you provide in response to this letter will establish a basic understanding of value changes that we can use in these later permutations.

Sending Areas:
Potential Sending areas have been identified in the County near Wellsville City, Mendon City, and along the US 91 Corridor North of Smithfield. There has also been some sending potential identified within Wellsville City. The scenarios, corresponding to the included mapping by the indicated lettering, are described in more detail below.

Descriptions:

Sending Areas Under County Jurisdiction
Value for Two Easement Types
At this point in time, we believe that Cache County is not interested in holding title to any sending area properties. However, the County might be interested in trail easements as well as agricultural easements on sending area sites. Consequently, unlike North Logan, please provide value estimates for only the following two types of easements.

Agricultural Easement With Public Trail Access
This category assumes an easement that allows conservation, farming and open space uses and activities plus public access to part of the land for trail purposes.

**Agricultural Easement Without Public Trail Access**
This is identical to the first bullet except the easement would not allow public access.

**Development Capability**
In North Logan, two zoning districts created two distinct subareas within the total sending area. The Cache County zoning code is more complicated. If I understand it correctly, all the sending areas under Cache County jurisdiction have one zone, Open Space. We suspect that development is actually controlled by the County Plan. The Plan Appendix explains five categories of residential density.

*Revision: Assumptions originally made in the above statement are incorrect.*
*(Development is not controlled by the general plan, rather actual development is a function of proximity to available infrastructure such as water and sewer.)*

<table>
<thead>
<tr>
<th>Category</th>
<th>Density</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very High</td>
<td>One unit per acre</td>
</tr>
<tr>
<td>High</td>
<td>One Unit per five acres</td>
</tr>
<tr>
<td>Medium</td>
<td>One unit per ten acres</td>
</tr>
<tr>
<td>Low</td>
<td>One unit per 20 acres</td>
</tr>
<tr>
<td>Very Low</td>
<td>One unit per 40 acres</td>
</tr>
</tbody>
</table>

What land gets designated for each of these densities depends on how the land ranks under a dozen "proximity to infrastructure" factors and a dozen physical factors such as flood plain, slope, wetlands, habitat and farmland. This creates a mosaic of densities rather than the orderly blocks of densities typically found in plans and zoning codes. We have attached the County's map produced by these calculations. (LU-1 "Residential Density Ranges.") We are assuming that the County relies on this map when it approves development. Consequently, please compare it with your sales data. If you see that Map LU1 is reasonably good at predicting land/development value, lets build the TDR allocation formula around it. In its simplest form, your value estimates might look like the following table for each potential sending area. (As you see, I have added some hypothetical numbers in here just to demonstrate how this table might look.)

*Revision: (Reference to LU-1 in this section, and throughout this document is incorrect. Rather, after the completion of this letter, mapping was generated by CRSA that assisted Phil Cook & Associates with portions of the analysis.)*

If you find that the values are actually comparable for all the potential sending areas, there might only be one table for all the sending areas. Bear in mind that this table might or might not be a good predictor of full market value. Some highly productive farmland theoretically could have a higher full market value than this table is able to predict since it is designed to reflect development capability.

**Buildable/Unbuildable Land**
As you recall, the North Logan zoning code was relatively clear in identifying lands that are not buildable. You were able to value these separately from buildable lands. The Cache County Plan suggests that certain physical characteristics don't put a parcel into the unbuildable category. For example, the suitability table seems to say that steep slopes, wetlands and even water don't render your property unbuildable but simply lower your development suitability score, putting you into a lower density category. If I have this right, it may not be necessary to distinguish between buildable and non-buildable land. By allocating TDRs based strictly on the density map, LU1, we could assign some value to land with environmental constraints without having to respond to questions about why TDRs are being allocated to land with presumably no development potential. In other words, this section is my suggestion that you not try to come up with different categories of buildable and non-buildable as long as you are finding the the table approach discussed above is reasonably reflecting development values.

Desirability
Finally, in North Logan, you tried to make distinctions between desirable and less-desirable land for development purposes. In North Logan, that proved to be difficult. I recall that you decided to say that the extra costs of building higher on the hill might be offset by the desirability of the better views higher up the hill. That kind of offset runs counter to the table approach that I am advocating. (A hillside lot would get a lower suitability score for slope without any compensating increase in value for the potential for better views.) Nevertheless, in the interest of keeping this simple, please see if the table approach works without making special adjustments for desirability such as view lots. However, you may conclude that desirability factors, like view, actually make a meaningful difference that is not reflected in the table approach. If so, please create sending area sub areas with their own value tables that approximate the higher or lower value of the subarea due to factors not captured by an area-wide application of the table approach.

Conclusion
For the potential sending areas under County jurisdiction, please see if the Residential Density Map (LU1) is an appropriate basis for categorizing development value as shown in the table above. If you see a fatal flaw in this method, please let me know immediately. Similarly, if you start using this method and it doesn't reasonably reflect your sales data, please stop and we will make the necessary course corrections.

Sending Areas under Wellsville Jurisdiction
Portions of potential Sending Areas A and C in the Wellsville area are within the City Limits of Wellsville and zoned RA-1 (Residential-Agricultural 1). The RA-1 allows single-family residential dwellings and related uses at a nominal density of one unit per acre. However, the actual density is determined by removing sensitive lands (except agriculture and scenic areas) from total parcel size and allowing 0.86 units of net acreage. I could not find a definition of the remaining sensitive lands but let's assume they are the same list as the physical factors in the County program: wetlands, floodplains, water bodies, habitat, slopes and liquefaction zones. It doesn't appear that there is a predominance of these sensitive lands in the two potential sending areas in the RA-1 zone, so actual achievable density is probably close to 0.86 units per acre.
Receiving Areas
Potential receiving areas, other than the North Logan sites have been identified in the cities of Wellsville & Logan. The scenarios, corresponding to the included mapping by the indicated lettering, are described in more detail below.

Descriptions:
Wellsville Receiving Zones
Potential receiving areas A and B in Wellsville are now primarily zoned RA-1, RA 1/2, R-1-12, RA-5 and CH. Please estimate the increase in value that might be experienced if developers elect to use the TDR option in the following hypothetical zones.

Community Mixed Use Zone (CMU)-
We see this as a zone that could apply to any development across the street from Wellsville's main square. The City may also see it as appropriate in other areas as well. The threshold density would be four residential units per acre or commercial development with a maximum height of 2.5 stories (CN). When developers buy TDRs they would be allowed to build freestanding residential, freestanding commercial, live-work or residential over commercial projects. The maximum density would be decided by the City, but for planning purposes, assume a maximum density of 30 units per acre. This zone would maintain the CN's current requirement that commercial uses need a CUP

Task: How much might developers be willing to pay for the ability to build each unit of bonus residential, up to 30 units per acre, in this area, either in a free-standing or vertically-mixed design?

Townhouse Zone -
This would be an all-residential zone that replaces the existing R-1-12 zoning in those areas deemed most appropriate by the City. Without TDRs, developers would be allowed a maximum density of four units per acre. Maximum density could be decided by the City, but for planning purposes, assume a maximum density of 15 units per acre.

Task: How much might developers be willing to pay for the ability to build each unit of residential over the TDR threshold of four units per acre?

Low -Density Mixed Residential
This new zone could replace the current RA 1/2, RA-1 and RA-5 zoning in the potential receiving area (and perhaps other areas.) Developers would be able to achieve two units per acre without TDR. With TDR, density could be increased. The City could decide the appropriate maximum density. For this exercise, please assume an average density of ten units per acre. Developments using this zone could locate homes on single-family lots at the periphery of the development site with densities of up to 15 units per acre in the interior that take advantage of a development focal point.

Task: How much might developers be willing to pay for the ability to build each unit of residential over the TDR threshold of two units per acre?

Neighborhood Mixed Use -
This would be a new zoning district that the City could elect to use in that portion of potential receiving area B currently zoned CH, Highway Commercial, if the area is not committed to an all-commercial development pattern and if the City finds this area suitable for mixed-use development. As is now the case in the CH zone, under the NMU zone, all uses would require a CUP. Developers would be allowed residential only by buying TDRs. The residential could be free standing or over ground floor commercial. Maximum density could be decided by the City, but for planning purposes, assume a maximum density of 15 units per acre.

Task: How much might developers be willing to pay for the ability to build each unit of residential, up to 15 units per acre, in this area, either in a free-standing or vertically-mixed design?

CH TDR Receiving -
If the City determines that the portion of potential receiving area B zoned CH should remain entirely non-residential, it could still use TDR by changing the zoning of this area to CH TDR-Receiving. In the CH-TDR-R zone, non-residential uses would be allowed without a TDR requirement up to a maximum floor area ratio of FAR 0.3 and lot coverage of 0.6. (Lot coverage means the percent of the lot covered by buildings, parking lots and driveways.) The code would state that one TDR would be required to exceed these limits for a specified number of square feet of floor area or lot coverage (whichever measure would yield the greater TDR requirement.) Arbitrary bonus figures included in the task description below are for estimation purposes. This figure would ultimately be adjusted to approximate the per bonus unit value estimated for residential receiving areas.

Task: How much might developers be willing to pay for the ability to build an extra 1,000 square feet of floor area or an extra 2,000 square feet of lot coverage above the assumed thresholds stated above? (I see this as a portion, perhaps half, the cost of the amount of land that a developer would otherwise have to buy to achieve the desired floor area or lot coverage.)

Multiple Family Residential Zone -
Finally, perhaps the City believes that some of the portion of potential receiving area B zoned CH should not be commercial at all, either as mixed-use (NMU) or all-commercial (CH-TDR-R). Furthermore, the City might find a portion of this area appropriate for multiple-family residential. If so, the City could adopt an all-residential zone that replaces a portion of the current CH zone. Maximum density could be decided by the City, but for planning purposes, assume a maximum density of 30 units per acre.

Task: How much might developers be willing to pay for the ability to build each unit of residential over the TDR threshold of four units per acre?

Logan
In Logan, potential receiving area A is now primarily zoned CG, CC, SFR, MFM and MFH. Potential receiving area B is now zoned primarily IND, MFM, CG and SFR. Please estimate the increase in value that might be experienced if developers elect to use the TDR option in the following hypothetical zones.
CG TDR-Receiving (CG-TDR-R) -
We see the possibility to increase density within the CG zone both on Main Street in potential receiving area A and along State Highway 30 in potential receiving area B. The CG zone already allows residential by CUP in conformance with the City's MFM zone. The maximum density in the MFM is 11 units per acre. The CG-TDR-R could establish the baseline at 11 units per acre but allow developers to achieve additional density via TDR. The maximum density would be decided by the City, but for planning purposes, assume a maximum density of 60 units per acre.

Task: How much might developers be willing to pay for the ability to build each unit of bonus residential, up to 60 units per acre, in these areas in a vertically-mixed design with ground-floor commercial?

CC TDR-Receiving (CC-TDR-R) -
Similar to the CG zone, the CC zone could become a TDR-receiving zone at the location indicated for potential receiving area A on the map. The CC zone already allows residential by CUP consistent with the MFH zone, which has a maximum density of 14 units per acre. The CC-TDR-R could establish the baseline at 14 units per acre but allow developers to achieve additional density via TDR. The maximum density would be decided by the City, but for planning purposes, assume a maximum density of 30 units per acre.

Task: How much might developers be willing to pay for the ability to build each unit of bonus residential, up to 30 units per acre, in these areas in a vertically-mixed design with ground-floor commercial?

Multiple Family Residential Zones MFM-TDR-R and MFH-TDR-R
As with the commercial zones discussed above, the City could allow higher densities by TDR within the multiple-family residential zones of potential receiving areas A and B. The existing MFM zone has a maximum density of 11 units per acre. This could become the baseline under the MFM-TDR-R zone, but developers would be allowed to achieve additional density via TDR. The maximum density would be decided by the City, but for planning purposes, assume a maximum density of 30 units per acre.

Task: How much might developers be willing to pay for the ability to build each unit of bonus residential, up to 30 units per acre, in areas currently zoned MFM in receiving area A and B?

The existing MFH zone has a maximum density of 14 units per acre. A new MFH-TDR-R zone could establish the baseline at 14 units per acre but allow developers to achieve additional density via TDR. The maximum density would be decided by the City, but for planning purposes, assume a maximum density of 60 units per acre.

Task: How much might developers be willing to pay for the ability to build each unit of bonus residential, up to 60 units per acre, in areas currently zoned MFH in receiving areas A and B?
Townhouse Zone -
This would be an all-residential zone that the City could apply to selected parts of potential receiving areas A and B that are currently zoned SFR but appropriate for higher density given proximity to commercial zones and arterial roadways. The baseline could be the current maximum density of the SFR, seven units per acre. Maximum density could be decided by the City, but for planning purposes, assume a maximum density of 15 units per acre.

Task: How much might developers be willing to pay for the ability to build each unit of residential over the TDR threshold of seven units per acre in appropriate portions of potential receiving areas A and B currently zoned SFR?

Low-Density Mixed Residential
This new zone could be applied to larger undeveloped areas currently zoned IND or SFR in potential receiving area B. (Due to compatibility issues, the City might want to begin this kind of zoning code change at the periphery of the current IND zone and change entire quarter sections at a time.) Developers would be able to achieve two units per acre without TDR. With TDR, the City could allow maximum densities in the multiple-family residential ranges if compatibility and infrastructure issues could be addressed. But for this exercise, please assume an average density of ten units per acre. Developments in this zone could be designed so that single-family residential lots are on the periphery of the development site with densities of up to 15 units per acre (or more) in the interior that take advantage of a development focal point. Based on future City planning, this zone could be applied to areas being annexed to the City as well as land already in the City and currently zoned IND.

Task: How much might developers be willing to pay for the ability to build each unit of residential over the TDR threshold of two units per acre?

CONCLUSION
Please let us know if you have any questions. Enjoy!
Sincerely,

J. Kelly Gillman, ASLA, APA  Rick Pruetz, AICP
Landscape Architect, Planner  Cooper Roberts Simonsen Architects
Appendix E:  
Cache County Feasibility Statement:  
The following information was provided by Phil Cook & Associates.  It provides analysis and recommendation on the feasibility of implementing a TDR program in Cache Valley, response to information provided in Appendix D.  The information listed below does not provide the same level of detail as letter written in response to analysis requested for North Logan Study.  It proved to be difficult for specific data to be collected about the hypothetical sending and receiving scenarios listed below.  Rather, general recommendations and conclusions are provided.  These recommendations are used to support the conclusion that a TDR program would be feasible in Cache County.  Again, the North Logan TDR feasibility studies are referenced as it represents the best specific data available.

Note: This document does not formally provide answers to every task provided in Appendix F.  Some of this data was collected “informally” by discussions with Phil Cook & Associates, Neil Lindberg, the TDR Advisory Committee, City Staff, etc.  In these instances, formal documentation was not provided, rather “informal” information was used.  In some instances this informal information is referred to as “assumptions” by those not directly involved with specific conversations.
Re: North Logan TDR program.

Dear Kelly:

With respect to the above-referenced project, and in continuance of analysis previously made, we have prepared some additional analysis with respect to the potential TDR sending and receiving sites in Cache County, Logan and Wellsville, Utah. As stated in your email sent June 24, 2003, you indicated that you are "looking for general information....and we don't anticipate that you will have time or budget to conduct much additional research"

In accordance with your letter dated May 3, 2003, it is understood that you would like value estimates for potential TDR sending and receiving sites in Cache County, Logan and Wellsville, Utah. As per your guidance, it is stressed that the presentation of this information and the following analysis is a general overview format, and is intended to serve as a general guideline.

We previously provided a letter dated April 24, 2003 which outlined sending area land values in various categories. We later provided a second letter dated June 13, 2003 in which we provided some additional analysis with respect to the proposed North Logan receiving areas and associated TDR values and demand. In continuous of this analysis and in accordance to the original engagement letter, you have asked us to provide the following analysis, which has been generalized and simplified in many cases as per your instruction.

Sending Area Value Estimate Ranges (All Sending Areas)

There are many factors which affect value of lands within the sending areas. To simplify the process, and in light of your requested level of analysis, we have analyzed land values as broken into five general categories. These categories are a function of varying levels of potential density. The requested density/land type categories are as follows:

- Very High: One Unit per Acre
- High: One Unit per Five Acres
- Medium: One Unit per Ten Acres
- Low: One Unit per 20 Acres
- Very Low: One Unit per 40 Acres
Most of the available land sales data in the market are for lands that have density of one unit per acre or more. Nevertheless, all available data was compiled and plotted on the following graph.

The above graphs, and the imputation of our experience and market input, provides a rough indication of the following value ranges for the five land categories in the sending areas.

<table>
<thead>
<tr>
<th>Category</th>
<th>Density</th>
<th>Price Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very High</td>
<td>One Unit per Acre</td>
<td>$5,000 to $15,000 per Acre</td>
</tr>
<tr>
<td>High</td>
<td>One Unit per Five Acres</td>
<td>$3,000 to $  9,000 per Acre</td>
</tr>
<tr>
<td>Medium</td>
<td>One Unit per Ten Acres</td>
<td>$2,000 to $  4,000 per Acre</td>
</tr>
<tr>
<td>Low</td>
<td>One Unit per 20 Acres</td>
<td>$1,500 to $  3,000 per Acre</td>
</tr>
<tr>
<td>Very Low</td>
<td>One Unit per 40 Acres</td>
<td>$1,000 to $  2,500 per Acre</td>
</tr>
</tbody>
</table>
Receiving Area Value Estimate Ranges (All Sending Areas)

The primary objective of within the receiving areas is to establish the incremental TDR unit values as they relate to increases in density, whether commercial or residential. To establish the value of a TDR unit in the various areas associated with the larger Cache County TDR program, we reference information previously detailed in our previous letters. While our findings were directed to the North Logan area specifically, our further reasoning and research with respect to the greater county-wide TDR program indicates that the end result is similar.

In the information provided us regarding the county-wide sending and receiving areas, there are two primary receiving areas identified, in addition to the North Logan receiving areas we have previously considered. These two additional county-wide receiving areas are identified as follows:

1) Logan City Receiving Areas
2) Wellsville Receiving Areas

As you know, we previously gathered and analyzed a significant amount of data pertaining to the correlation between land values and zoning density. We conducted an extensive survey of local market participants to gauge demand and pricing perception relative to the proposed TDR units. These findings are again incorporated into our analysis with respect to the two additional county-wide receiving areas numbered above. These findings and discussion are reviewed again below.

**Summary of Previous Receiving Area TDR Value Findings**

A market data search and investigation was made concerning recent land sales having multifamily zoning or development potential, similar to that proposed in the identified receiving areas in North Logan. This data was plotted on scatter plots with density (units per acre) represented on the x-axis, and price per square foot of land represented on the y-axis. A linear regression equation was calculated from the plotted data points on the graph.
From the linear regression above, the TDR value relationship is calculated. This is shown in the following table.

<table>
<thead>
<tr>
<th>Units/Acre</th>
<th>Price/Acre</th>
<th>Per Unit Change (TDR Value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>$30,125</td>
<td>$ -</td>
</tr>
<tr>
<td>8</td>
<td>$41,187</td>
<td>$5,531</td>
</tr>
<tr>
<td>10</td>
<td>$52,249</td>
<td>$5,531</td>
</tr>
<tr>
<td>12</td>
<td>$63,311</td>
<td>$5,531</td>
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<tr>
<td>14</td>
<td>$74,373</td>
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<td>16</td>
<td>$85,435</td>
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<td>$5,531</td>
</tr>
<tr>
<td>20</td>
<td>$107,559</td>
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<td>$5,531</td>
</tr>
<tr>
<td>24</td>
<td>$129,683</td>
<td>$5,531</td>
</tr>
<tr>
<td>26</td>
<td>$140,745</td>
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<tr>
<td>28</td>
<td>$151,807</td>
<td>$5,531</td>
</tr>
<tr>
<td>30</td>
<td>$162,869</td>
<td>$5,531</td>
</tr>
<tr>
<td>32</td>
<td>$173,931</td>
<td>$5,531</td>
</tr>
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<td>$184,993</td>
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<td>36</td>
<td>$196,055</td>
<td>$5,531</td>
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<tr>
<td>38</td>
<td>$207,117</td>
<td>$5,531</td>
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<tr>
<td>40</td>
<td>$218,179</td>
<td>$5,531</td>
</tr>
<tr>
<td>42</td>
<td>$229,241</td>
<td>$5,531</td>
</tr>
</tbody>
</table>

The above data indicate that the incremental value of a TDR unit is roughly $5,531, assuming from the relatively limited data that the relationship is linear. The pricing of a TDR however would have to be slightly lower than the actual perceived market value, so
as to make developers willing to undertake some of the paperwork and processes required under the proposed TDR program. Therefore, a value of say $5,000 per TDR unit, roughly 10 percent below the indicated market price, would likely be an reasonable discount to entice developers.

Since the data available from the Logan area is somewhat limited, additional data from Davis County, a nearby county located along the Wasatch Front between Logan and Salt Lake City, was analyzed.

A fairly large set of multi-family land sales data from Davis County was analyzed, and like the Logan data is plotted on the following graph and table.
We have also surveyed market perception relative to the proposed TDR units. This survey included discussions with several local real estate developers and land owners. Additional input relative to TDR demand and pricing has been gathered from appraisers, government officials, and real estate agents/brokers.

The following indications are from a land owner and developer active in the Logan area market. These rough guidelines were plotted, and the following is a graphical representation of these indications.

<table>
<thead>
<tr>
<th>Units/Acre</th>
<th>Price/Acre</th>
<th>Per Unit Change (TDR Value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>$25,392</td>
<td>$</td>
</tr>
<tr>
<td>8</td>
<td>$39,362</td>
<td>$6,985</td>
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<tr>
<td>10</td>
<td>$53,332</td>
<td>$6,985</td>
</tr>
<tr>
<td>12</td>
<td>$67,302</td>
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<td>14</td>
<td>$81,272</td>
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<tr>
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<td>$95,242</td>
<td>$6,985</td>
</tr>
<tr>
<td>18</td>
<td>$109,212</td>
<td>$6,985</td>
</tr>
<tr>
<td>20</td>
<td>$123,182</td>
<td>$6,985</td>
</tr>
<tr>
<td>22</td>
<td>$137,152</td>
<td>$6,985</td>
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<tr>
<td>24</td>
<td>$151,122</td>
<td>$6,985</td>
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</tr>
<tr>
<td>30</td>
<td>$193,032</td>
<td>$6,985</td>
</tr>
</tbody>
</table>
As previously done with the Logan and Davis County data, the above trendline equation is used to calculate a land value schedule for different land densities. The incremental value differences in this schedule imply the per unit TDR value. The following is the schedule indicate by Parker's estimates.
This schedule indicates a slightly higher per unit TDR value of $6,334.

**Conclusion**

The above analysis and information supported a concluded value estimate of $5,500 per TDR. This would be reasonable, and would be at a level adequate to support considerable interest and motivation in the program. Again the incremental per unit TDR conclusion of $5,500 is applicable to multi-family land with density ranging from four to 30 units per acre.

The above summarize market data research which supported our estimates of $5,500 per TDR is fully applicable to the receiving areas identified in Logan City. We feel that the $5,500 per TDR estimate is a reasonable conclusion for the identified receiving areas in or near Logan City. However, we **do not** feel this estimate applies to the Wellsville receiving areas.
With respect to the identified receiving areas near Wellsville, a full survey and researching of any quantifiable data specifically pertaining to the Wellsville receiving area was not done, as this level of analysis is beyond the scope of the assignment and inconsistent with your instruction and budget constraints. On this basis, a more general discussion based on available data and experience is made to provide a reasonable range.

We determined in our previous research in North Logan that current market demand for purchase of TDR’s from a TDR program was essentially limited to demand for increased density relative to multi-family land. We found no support for significant support of TDR’s to increase commercial related densities. Available commercial land, and the scarcity of such, is not currently at a level that creates any significant constraint in the marketplace which would support the purchase of TDR’s for commercial density increases, at least not at or near the $5,500 as dictated by the multi-family demand. This likewise applies to the Wellsville area receiving sites. In the North Logan and Logan areas, potential TDR demand is largely driven by the large student base attending Utah State University. Therefore, as proximity to Utah State grows more distant, we strongly feel the incremental value and overall demand for TDR’s will decrease.

On this basis, we feel that the value range for TDR’s in the Wellsville area would likely range from $2,000 to $4,000 per TDR. Again, these are general estimates based on non-specific market data and general experience. Further, this price level is not tied to a specific level of demand per year for such TDR’s, and we would expect annual demand to be low to moderate.

Conclusion

We again reiterate that these estimates are intended to serve as general guidelines for larger development areas in North Logan, not specific parcel valuations. We trust this is sufficient to accomplish its intended function. If you have any additional comments, please do not hesitate to call.

Sincerely,

J. Philip Cook, MAI, CRE

Darrin W. Liddell, MAI, CCIM
Appendix F:
North Logan Ratio Analysis

The North Logan Ratio Analysis is included in this document to illustrate how Cache County may determine the proper transfer ratio as it moves forward with a potential TDR program. It was written to explain the rationale for the TDR allocation in the DRAFT North Logan TDR Ordinance. While further specific market and economics analysis will be necessary for proper ratios to be set, the numbers used in the North Logan portion of the study are sufficient to demonstrate the concept. The numbers used in this ratio analysis are derived from the documents provided by Phil Cook and Associates (Appendices B,C, E).

Note: This document refers to assumptions that were made due to data not provided by Phil Cook & Associates. This data was not formally provided as was other in the previous appendices. Rather conversations with Phil Cook & Associates, Neil Lindberg, the TDR Advisory Committee, City Staff, etc were held in lieu of formal documentation being provided. These decision were communicated to Rick Preutz “informally” and this referred to as assumptions.
This document is designed to explain the rationale for the TDR allocation in the DRAFT North Logan TDR Ordinance. There are four allocation varieties in the ordinance.

**Background**
There are four allocation varieties in the ordinance that has been prepared for North Logan City.

1) Three TDRs per acre of buildable land where fee title is transferred to North Logan City, another government entity or a qualified charitable organization.

2) Two TDRs per buildable acre where the owner retains fee title and records a conservation easement.

3) One TDR per five acres of unbuildable land where fee title is transferred to North Logan City, another government entity or a qualified charitable organization.

4) One TDR per seven acres of unbuildable land where the owner retains fee title and records a conservation easement.

**Process**
Phil Cook and Associates estimated (Appendix B) that developers should be willing to pay $5,500 per TDR when one TDR allows developers to achieve one dwelling above the baseline density in North Logan’s receiving areas. Then, we considered the number of TDRs that sending area property owners should be allowed to sell per acre in order to approximate full market value when owners transfer title (Types 1 and 3) or when owners retain title but record conservation easements (Types 2 and 4).

Furthermore, Phil Cook and Associates estimates (Appendix B) only value for fee title transfer as follows.

**RE-1 Zoned Land**
1. Buildable Lands $17,000 to $25,000 per acre
2. Less Desirable But Buildable 25 - 50 percent discount of above
3. Unbuildable Lands $1,000 to $5,000 per acre

**RE-1-12 Zoned Land**
1. Buildable Lands $28,000 to $35,000 per acre
2. Less Desirable But Buildable 25 - 50 percent discount of above
3. Unbuildable Lands $1,000 to $5,000 per acre

We used the low end of the RE-1 Zoned Land estimate to determine the Type 1 allocation of three TDRs per acre of buildable land where fee title is transferred to North Logan City, another government entity or a qualified charitable organization. That’s because three TDRs at $5,500 per TDR ($16,500) approximates the $17,000 per acre at the low end of the range estimated by Phil Cook and Associates (Appendix B).
We did not use the category of "Less Desirable But Buildable" because there seems to be no consensus about how to define this category. For example, land above the pole line might have better views because of their higher elevations or worse views because of the transmission lines themselves.

We also used the low end of the range for the unbuildable land, $1,000 per acre. In other words, a property owner would receive $5,500 for transferring title to five acres of unbuildable land. This is slightly more than the $5,000 total value of these five acres assuming the low-end value of $1,000 per acre.

Since Phil Cook did not estimate the value of conservation easements, we made the assumption that an easement was worth two-thirds of full market value. Consequently, the ability to sell two TDRs ($11,000) for recording a conservation easement on one acre of buildable land would approximate the value of that easement assuming the easement value is two thirds of total land value, $11,333 (0.66 X $17,000).

Similarly, we assumed that a conservation easement on unbuildable land would be two thirds of the full market value of unbuildable land or $666 ($1,000 x 0.66). One TDR, at an assumed value of $5,500, per seven acres would be slightly more than this estimated value of $4,662 ($666 per acre x 7 acres.)

**Comments**

Clearly the allocations in the draft ordinance incorporate several judgment calls. North Logan should understand that the allocation rates can be adjusted for any number of reasons. Following are some examples.

**Low End of Value Range** - The allocation rates are based on the low end of Phil Cook's range of estimated market value. This will appeal to sending area property owners who see the advantage of liquidating development value without going through the time, expense and uncertainty of development, particularly in a hillside area where development is costly and possibly infeasible. However, if the City is convinced that extra incentives are needed to motivate property owners, it could try to target the midpoint of the value range. For example, to approximate $21,000 per acre in value (the midpoint of the range) the City might choose an allocation rate of four TDRs per acre, which would yield $22,000 in TDR sales revenue ($5,500 X 4). If the City wanted to provide maximum motivation by approximating the high end of the value range, $25,000, it might allocate five TDRs per acre (5 x $5,500 = $27,500.) However, the City should bear in mind that as the allocation rate goes higher, less land is preserved for every TDR used at a receiving area, slowing the pace of preservation.

**Appealing to Owners of R-1-12 Land** - Phil Cook estimated much higher value for land zoned R-1-12. The draft ordinance does not attempt to approximate this value range of $28,000 to $35,000 per acre. The allocation rates in the draft ordinance may appeal to owners of R-1-12 properties who prefer not to undergo the cost and uncertainty of development. But it may not motivate others. The draft ordinance is based on the assumption that allocating five or six TDRs per acre to R-1-12 land could lead to prioritization of R-1-12 land when the RE-1 is assumed to be the primary focus of the
preservation effort. Nevertheless, if North Logan is equally concerned about preserving R-1-12 land as RE-1 land, it could create a separate allocation schedule for land zoned R-1-12. Specifically, it could increase the R-1-12 allocation to five, six or even seven TDRs per acre. Again, the City should bear in mind that as the allocation rate goes higher, less land is preserved for every TDR used at a receiving area, slowing the pace of preservation.

Assumed Easement Value - As explained above, we had to assume that easements were worth two-thirds of total land value. Based on further work by Phil Cook, or other information, the City might conclude that easements represent a higher percentage of total value. If we assumed that easements were 90 percent of total land value, the number of TDRs allowed for conservation easements might be the number of TDRs calculated under the total land allocation times 0.9.
Appendix G:
Model Interlocal Cooperation Agreement (ICA)
for Transferable Development Rights

The following document was prepared by Neil Lindberg, a land use attorney and consultant to the project team. This model ICA is based on the specific ordinance that was prepared for North Logan City as part of their efforts to implement a TDR Program. Data collected in previous research (all previous appendices and discussion with TDR Advisory Board, city staff, etc.) provides the basis on which this model ICA is written.

Note: Although much of this ICA may be fairly standard language used in other ICAs, details on TDR transactions should not be used by other communities without completing research similar to that completed in the previous appendices.

Note: This model ICA is also found in the TDR Guidebook, along with a model TDR ordinance designed for the adoption of a full formal TDR program.
THIS INTERLOCAL COOPERATION AGREEMENT (hereinafter “Agreement”) is entered into as of the ___ day of ________, 200_, by and between the City of ___________, Utah (hereinafter “City”), a municipal corporation and political subdivision of the State of Utah, with its principal offices at ______________, Utah, and ___________ County (hereinafter “County”), with its principal offices at: ______________________.

RECITALS:

A. The Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code, 1953, as amended, (the "Act") authorizes public agencies, including a city, town, county, school district, special district, or other political subdivisions of the State of Utah as defined therein, to enter into mutually advantageous agreements for joint or cooperative action as may be authorized by law.

B. The purpose of the Act is (1) to permit local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and under forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and (2) to provide the benefit of economy of scale, economic development, and utilization of natural resources for the overall promotion of the general welfare of the state.

C. Any power, privilege, or authority exercised or capable of exercise by a Utah public agency may be exercised and enjoyed jointly with any other Utah public agency having the power, privilege, or authority.

D. To provide for the health, safety, and welfare, and promote the prosperity, improve the morals, peace and good order, comfort, convenience, and aesthetics for present and future inhabitants and businesses, to protect the tax base, secure economy in governmental expenditures, foster the state's agricultural and other industries, protect both urban and nonurban development, and to protect property values, the Municipal and County Land Use Development and Management Acts, respectively Title 10, Chapter 9 and Title 17, Chapter 27, Utah Code, 1953, as amended, authorize City and County to enact all ordinances, resolutions, and rules that they consider necessary for the use and development of land within the City or County, as the case may be, including ordinances, resolutions, and rules governing uses, density, open spaces, structures, buildings, energy-efficiency, light and air, air quality, transportation and public or alternative transportation, infrastructure, public facilities, vegetation, and trees and landscaping, unless those ordinances, resolutions, or rules are expressly prohibited by law.

E. An objective of County's General Plan, among others, is to preserve
certain land areas for agricultural use and open space.

F. Transferring development rights from "sending areas" intended to be preserved to "receiving areas" suitable for development is a method of achieving this objective.

G. City's General Plan identifies receiving areas suitable for new or additional development due to their proximity to existing or planned development and infrastructure; and,

H. City and County have each adopted necessary ordinances and/or resolutions authorizing the transfer of development rights within their respective jurisdictions.

I. City and County, through their respective governing bodies, have voluntarily determined that the best interests and welfare of the public within their respective jurisdictions will be served by this Agreement which authorizes the transfer of development rights from County to City as provided herein.

J. The governing bodies of City and County have by resolution approved this Interlocal Cooperation Agreement to provide for the joint and cooperative action described herein.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing recitals, mutual covenants and agreements of the parties contained herein, and for other good and valuable consideration, City and the County agree as follows:

1. Purpose. This Interlocal Cooperation Agreement has been established and entered into between City and County for purpose of allowing the transfer of land development rights from a "sending" site in County to a "receiving" site City as provided in this Agreement and applicable ordinances of City and County.

2. Effective Date. This Agreement shall be effective when the Agreement has been (i) approved by as provided in Section 11-13-202.5, Utah Code Annotated, 1953, as amended; (ii) executed by a duly authorized official of each the parties; and (iii) filed with the City Recorder of City and with the Clerk of County.

3. Duration. Upon becoming effective this Agreement shall have an initial term of ten (10) years unless sooner terminated or extended as provided in this section.

   A. Termination. This Agreement shall terminate and shall have no further force or effect upon the happening of any of the following:

      (1) Either party gives the other party sixty (60) days written notice
of its intent to terminate the Agreement, followed thereafter by written notice of termination to the other party.

(2) City or County, as the case may be, repeals its TDR ordinances or regulations.

(3) City or County’s TDR ordinances or regulations are held by a court of competent jurisdiction to be invalid in a final judgment no longer subject to appeal.

(4) Either party materially defaults in its performance of the party’s obligations under this Agreement and, after thirty (30) days written notice thereof from the other party, does not remedy such default.

B. **Extension.** After the initial term of this Agreement, this Agreement shall automatically be extended for successive ten (10) year terms unless sooner terminated as provided in Subsection A of this paragraph. Provided, however, that this Agreement shall not extend for more than fifty (50) years as provided in Section 11-13-17, Utah Code Annotated, 1953, as amended.

4. **Administrative Entity.** City and County do not contemplate nor intend to establish a separate legal entity under the terms of this Agreement.

5. **Administrator.** Pursuant to Section 11-13-207 of the Utah Code Annotated, 1953, as amended, the parties agree that City shall act as the administrator of this Agreement. This Agreement does not anticipate nor provide for any organizational changes in City or County.

6. **Manner of Financing.** This Agreement and the joint and cooperative action authorized by this Agreement shall not receive separate financing, nor shall a separate budget be required. Each party shall be responsible for its own obligations under this Agreement.

7. **Disposition of Real and Personal Property.** City and County do not contemplate nor intend to acquire or dispose of real or personal property under the terms of this Agreement. Each party shall be responsible for its own real and personal property and may acquire, hold, or dispose such property as provided by applicable law.

8. **Applicable Ordinances.** City and County have each adopted necessary ordinances and/or resolutions necessary to allow the transfer of development rights within their respective jurisdictions. City and County acknowledge such ordinances are consistent with the intent and purpose of this Agreement. City and County may amend their respective ordinances to modify the terms and conditions under which development rights may be transferred and applied with in their respective jurisdictions.
9. City Responsibilities. City shall adopt administrative measures to implement the TDR program envisioned by this Agreement. Such measures shall include at least the following:

A. **TDR Forms.** After receiving comments from County, as provided in Section 10 of this Agreement, prepare standard forms for each of the following: TDR certificate, deed transferring development rights to purchaser, complete or partial mortgage release, conservation easement for sending site, option agreement to purchase TDRs, and promissory note for deferred purchase money acquisition of TDRs.

B. **TDR Interest Database.** Create and maintain a database listing property owners, developers, and others who have expressed an interest in selling or purchasing TDRs within the area encompassed by City and County.

C. **TDR Certificates.** Accept and process applications for TDR certificates pursuant to City ordinances, including the issuance of TDR certificates for sending and/or receiving areas within City jurisdiction.

D. **TDR Registry.** Create and maintain a registry to document TDR certificates issued, transferred, and redeemed.

E. **Conservation Easements.** Record conservation easements for property from which TDRs are generated.

F. **County Notice.** Notify County when TDR certificates for land within County's jurisdiction are redeemed in conjunction with approval for a development project located on a receiving site.

G. **Annual Report.** Issue an annual report, after consulting with County, which shows the number of TDRs conveyed, transferred, and redeemed to date.

10. County Responsibilities. County shall adopt administrative procedures to implement the TDR program envisioned by this Agreement. Such procedures shall, at a minimum, include the following:

A. **TDR Certificates.** Accept and process applications for TDR certificates pursuant to County ordinances, including the issuance of TDR certificates for sending and/or receiving areas within City jurisdiction.

B. **City Notice.** Notify City of TDR certificates issued by County.

C. **TDR Forms.** Within ___ days after the execution of this Agreement, review and comment to City regarding the TDR forms described in Paragraph 9, Subsection A, of this Agreement.
11. Indemnification. Each party to this Agreement shall indemnify and save harmless the other party for damages, claims, suits, and actions arising out of a party’s own actions or omissions or the acts or omissions of its officers, agents, or employees in connection with this Agreement. It is expressly agreed that the obligation to indemnify is limited to the dollar amounts set forth in the Governmental Immunity Act, Section 63-30-34 of the Utah Code Annotated, 1953, as amended.

12. Costs of Enforcement. If either party files legal action to enforce any Agreement contained herein or for breach of any covenant or condition, the party in default shall pay the other reasonable attorney’s fees, and all costs associated with the proper enforcement of the Agreement, including those associated with an appeal to a higher court.

13. Notice. Any written notice which must or may be given relating to this Agreement shall be sufficient if mailed postage prepaid, registered or certified mail, in the United States mail addressed to a party at the addresses given below or at such other address as a party may specify in a notice which complies with this paragraph.

   City: __________________
       __________________

   County: ________________
       ________________


   A. Entire Agreement. This Agreement contains the entire agreement between the parties. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied upon by the parties to it.

   B. Amendment of Agreement. This Agreement may be modified only by a writing signed by the parties.

   C. Construction of Agreement. This Agreement shall be construed so as to effectuate its public purpose of allowing transfers of development rights as set forth herein to promote the health, safety, and welfare of the citizens of City and County.

   D. Governing Law. All questions with respect to the construction of this Agreement and all rights and liabilities of the parties shall be governed by the laws of the State of Utah.

   E. Severability. If any term or provision of this Agreement or the application thereof shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and shall be enforced to the extent permitted by law. To the
extent permitted by applicable law, the parties hereby waive any provision of law which would render any of the terms of this Agreement unenforceable.

F. **Headings for Convenience.** All headings and captions used herein are for convenience only and are of no meaning in the interpretation or effect of this Agreement.

G. **Time of Performance.** Time shall be of the essence with respect to the duties imposed on the parties under this Agreement. Unless a time limit is specified for the performance of such duties each party shall commence and perform its duties in a diligent manner in order to complete the same as soon as reasonably practicable.

H. **No Third-party Beneficiaries.** This Agreement is made and entered into for the sole protection and benefit of the parties hereto. No other person or entity shall have any right of action or interest in this Agreement based upon any provision set forth herein.

I. **No Waiver.** Failure of a party hereto to exercise any right under this Agreement shall not be deemed a waiver of such right and shall not be construed to be a modification of this agreement.

[signature page follows]
IN WITNESS WHEREOF, this Agreement has been executed by City and County as of the date first written above.

Attest: CITY OF ____________, a political subdivision of the State of Utah

____________________________________
By:

____________________________________
City Recorder Mayor

Approved as to form and compatibility with the laws of the State of Utah

By:
City Attorney

Attest: COUNTY OF ____________, a political subdivision of the State of Utah

____________________________________
By:

____________________________________
County Clerk

Approved as to form and compatibility with the laws of the State of Utah

By:
County Attorney
APPENDIX H:
Cache County Project Mapping

The mapping found in this document was produced as part of the study to determine the feasibility of a TDR program in Cache County. Mapping was also produced in communities participating in the study, Wellsville, Logan, and North Logan. Additionally, mapping was produced in portion of the county that have been studied as hypothetical sending or receiving areas.

- Map One: North Logan Zoning
  - Map Two: Wellsville City Zoning
  - Map Three: Logan City Zoning

- Map Four: North Logan City Land-use
  - Map Five: Wellsville Land-use
  - Map Six: Logan Land-use

- Map Seven: Wellsville Features
  - Map Eight: Mendon Area Features
  - Map Nine: US 91 Corridor Features
  - Map Ten: Cache Valley Features Map

- Map Eleven: Wellsville City Sending
  - Map Twelve: Mendon Area Sending
  - Map Thirteen: US 91 Corridor Sending

- Map Fourteen: Wellsville City Receiving
  - Map Fifteen: Logan City Receiving
  - Map Sixteen: Cache Valley Zoning Map
  - Map Seventeen: Cache Valley Sending and Receiving Composite