



September 12, 2008

To the Regional TDR Policy Advisory Committee:

Thank you for the opportunity to provide input as the PAC considers how best to craft a regional TDR framework for Washington state. In reviewing your materials and discussions, I write to offer comments in five areas.

**1. Allow local programs to thrive**

It is one of the PAC's mandates to "encourage and embrace" local TDR programs. This is especially important to Redmond. To date, Redmond has preserved over 400 acres through its local TDR program established over ten years ago. Nearly \$17 million-worth of TDRs have changed hands since the program's inception. It is very important to Redmond that a regional program not compromise the City's ability to continue to successfully operate its local program.

**2. Allow local governments to determine how TDRs can be used in local receiving areas**

TDRs can be used to advance public policy objectives related to land use, urban form, and transportation. Those objectives vary from city to city, and even within cities. Local governments will be able to generate more support for accepting TDRs if the TDRs are used to support local public policy objectives.

**3. Craft legislation for a successful program: a critical role for CTED**

One critical role for CTED with respect to TDRs is crafting legislation that leads to a successful regional TDR program. In particular, it would be valuable to cities and counties to complete interjurisdictional TDR transfers without having to complete an interlocal agreement; CTED could develop an alternative.

**4. Re-examine housing target idea**

One idea proposed by the Cascade Land Conservancy is to "accommodate 10% of new housing units through TDR". Facilitating the provision of adequate housing is very important in Redmond. Redmond is a city of over 85,000 jobs compared to about 51,000 residents. The City encourages housing, particularly in its urban centers of Downtown and Overlake, so that more people who work in Redmond have an opportunity to live here as well, reducing commuting and its attendant environmental and social impacts. To that end, Redmond has decided *not* to require TDRs for additional residential floor area (TDRs are still required for additional height). Requiring the provision of TDRs for new housing would not help Redmond achieve its housing goals.

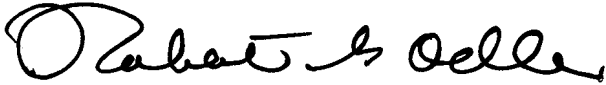
**5. Discard fee-in-lieu: it distorts marketplace, and delays and increases cost of preservation**

Redmond has considered the issue of fee-in-lieu in the past (for Redmond's local TDR program) and has consistently favored a market-driven approach instead. Just like other

property markets, the TDR market rises and falls. Offering a fee-in-lieu option signals to TDR purchasers that they can bypass a challenging market. It undermines TDR sellers by creating an implicit price ceiling. As CTED's consultant noted, fee-in-lieu delays actual conservation. Because of that delay, fee-in-lieu can increase the cost of conservation.

Thank you for your consideration and for the valuable discussion and work completed to date. We look forward to seeing the recommendations of the Policy Advisory Committee.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert G. Odle". The signature is fluid and cursive, with a large initial "O" and a distinct "G" and "O" in the middle.

Robert G. Odle  
Director of Planning and Community Development