

TDR Purchase Policy

Whereas, the Township desires to establish policy guidelines and procedures with regard to the Township's potential purchase of development rights (DR's) created under Chapter 27, Part 12 of the Township Code titled, "Transferable Development Rights," (TDR's), and

Whereas, purchasing under the TDR program requires balancing several factors identified in the Land Preservation Plan, including: the Township's total financial capacity to meet all preservation priorities; the Township's financial commitment to utilizing this method as compared to other preservation methods; the Township's impact on the private TDR market; the impact on TDR availability for the receiving zone; and the added complexity of establishing another preservation option, and

Whereas, the purchase of TDR's can add a flexible preservation option beyond that of other programs, and

Whereas, the Township's Land Preservation Plan identifies purchasing TDR's as a valid tool for preservation,

Therefore, the Township establishes the following policy guidelines and procedures.

1. As a matter of general policy, the Township authorizes purchasing DR's established under the Township's TDR program on a case-by-case basis.
2. TDR's may only be purchased from land: (1) identified on the Agricultural Priorities Map contained in Appendix B of the Township's Land Preservation Plan, (2) otherwise eligible to certify TDR's per the Township Code, and (3) not otherwise restricted from future development.
3. TDR's should generally be purchased under two scenarios:
 - Ideally from land which is unable to sell their development rights through either of the County-based agricultural preservation programs. Such landowners shall make application to an established County agricultural preservation program. If the farm has applied but is not eligible for funding under these programs, County Representatives and consultants will be ask for input on the farms application and potential future eligibility prior to being eligible for sale of rights via TDR to the Township.
 - As an exception to the above, by vote of the Board of Supervisors, if an applicant certifies in writing his choice to not participate in a County based program and the reasons thereof. In the event the Board votes an exception, the following additional guidelines shall apply:

Exhibit 1

- An appraisal must be conducted to determine the value of development rights for the subject property, and thus the price for each TDR purchased. The price paid for the TDR's shall be computed as identified in item 5, below. Either party disputing the appraised value may, at its sole expense, gain a second appraisal. If the second appraisal establishes a number less than 5% at variance with the original appraisal, the Township may offer the higher of the two with no additional action. If the variance is greater than 5%, a third appraiser shall be chosen by lottery whose findings shall constitute the maximum offer legally available to the Township.

4. The total amount of funding allotted for TDR purchases shall be 25% of the Township's anticipated borrowing capacity identified when the first TDR purchase is completed.

5. The amount paid for a single TDR shall be computed by dividing the total number of TDR's certified into the product of the tract's "net tract area" (in acres, as defined by the Township Zoning Ordinance) and the accepted appraised value for the land, as identified in item 3, above.

Formula for Determining TDR Value for Township purchase

$$\text{TDR sales price} = \frac{[\text{Net Tract Area (in acres)}] \times [\text{Accepted appraisal/acre}]}{(\text{TDRs certified})}$$

6. The Township's purchase of any TDR's from a property shall require the recording of a deed of transferable development rights as required by §27-1203.D of the Township Code.

7. As a matter of policy, the Township may purchase all TDRs certified for a given property, but encourages property owners interested in selling TDRs to the Township to retain sufficient DRs for future family use.

8. TDR's purchased by the Township shall be banked for sale at a later date by auction. The decision to originate an auction shall be taken by the Board of Supervisors at least 90 days prior to the auction date. The floor price of a DR sold at auction shall be the cost of the DR plus the proportionate share of closing and transaction costs.

9. Landowners may combine funding sources from any non-governmental agency to achieve up to full market value (as computed in item #5, above), so long as such combination is made known to the Township in writing at least 30 days prior to the Board of Supervisors vote on approving the purchase.

Exhibit 1

10. Costs associated with concluding a TDR purchase transaction shall be divided equally by seller and buyer(s).