

Land Use & Climate Change Advisory Committee

Potential Recommendation: Developer Incentives to Encourage Compact Development in Urban Areas

Encouraging more focused compact development in urban growth areas will result in a reduction of greenhouse gas emissions, a reduction in per capita vehicle miles traveled, help to reduce our state's dependence on foreign oil, and help to conserve resource lands.

Idea:

By providing incentives to developers in areas targeted for compact development, the types of desired development will occur more quickly than would otherwise occur. In addition, the type of development that occurs would encourage development that has less of an impact to climate than would otherwise have been likely to occur.

Intent of the Idea:

Developer incentives would bring about the desired changes in land use and transportation patterns than might otherwise occur.

Intended Outcome/Purpose:

A local government could identify developer incentives that they believe will be the most beneficial to meet their specific needs. Items that could be considered include

- Reduce or eliminate parking requirements in urban centers or targeted areas
- Allow less expensive types of construction for mixed-use in-fill projects or ensure that height and/or bonus density incentives are permitted under current building code (Is Type 1 construction supported by the market?)
- Provide exemptions from certain development fees in targeted areas
- Reduce impact fees for high-density in-fill projects within Urban Growth Areas
- Provide tax incentives for voluntary carbon emission reductions
- Establish voluntary Climate Benefit Districts in targeted areas (this is an idea currently being developed by interested professionals at Foster Pepper LLC and Mithun Urban Planners and Architects)
- Use maximum exemption levels permitted in SEPA for categorical exemptions in Urban Growth Areas or areas targeted for compact development. (WAC 197-11-305, -800(1)(c), -800(1)(a) and (2)) <http://apps.leg.wa.gov/WAC/default.aspx?cite=197-11-800>

Of course, the question that needs to be asked is whether or not any incentives require statutory changes. Modifying the type of construction allowed, for instance when you want to allow for residential development above retail or office space, would require modifications to statute and the international building code. The other option would be, as a local government offering height increases and/or density bonuses, to ensure that the height increases permitted would result in a tangible benefit to the development community and the “bonus” is something that can be constructed in light of the codes and costs associated with the changed type of construction required. For example, can the market support type 1 construction? If not, the “incentive” will not be a realistic one for the development community.

With the exception of construction types permitted, and the possible exception of Climate Benefit Districts, it does not appear that statutory changes would be required for a local government to utilize the developer incentives listed above.

Draft Language:

CTED could, in partnership with Ecology, AWC, and WSAC, develop technical guidance about how developer incentives could be used by local governments to encourage compact development in centers or other targeted areas. This guidance could include a “menu” of potential incentives and the “pros and cons” of each. Model language for potential use in plans or codes could be included.

CTED could, potentially in partnership with the Municipal Services Research Center, make available plans and codes that have adopted these measures, to serve as examples to other jurisdictions who may be considering adopting similar provisions for their jurisdiction.

Excerpt from WAC 197-11-800

(c) Cities, towns or counties may raise the exempt levels to the maximum specified below by implementing ordinance or resolution. Such levels shall be specified in the agency's SEPA procedures (WAC [197-11-904](#)) and sent to the department of ecology. A newly established exempt level shall be supported by local conditions, including zoning or other land use plans or regulations. An agency may adopt a system of several exempt levels (such as different levels for different geographic areas). The maximum exempt level for the exemptions in (1)(b) of this section shall be, respectively:

- (i) 20 dwelling units.
- (ii) 30,000 square feet.
- (iii) 12,000 square feet; 40 automobiles.
- (iv) 40 automobiles.
- (v) 500 cubic yards.