Greetings and Happy New Year!

As 2013 gets well under way, EDAB is looking forward to a prosperous 12 months. This issue of EDAB e-news focuses on land use and preservation throughout the County. EDAB continues to make recommendations on smart growth management and sound land use. As the building industry begins to recover, the cycle of growth will strengthen. By creating a business-friendly environment for companies who will bring jobs, the result will be more residential housing needs and more land use. Yet, if one of our priorities is agriculture, we need to support the farmers and find ways to preserve their lands.

Our highlight article provides some food for thought on these challenges and more. You'll find some Fast Facts on available land, and read about how a local business uses land wisely in "Business Spotlight."

EDAB wishes you and yours a happy, healthy New Year!

Sincerely,

Eric McLauchlin
Chairman
EDAB

Preservation, Planning and Progress: A Balancing Act

Like a tightrope walker whose every step must be both precise and delicate, growth management in a community requires a sure-footedness that will result in a balance for everyone. Preserving agriculture and historic sites, jump-starting housing and creating a business-friendly environment for companies who will, in turn, provide jobs, are all part of the balancing act of maintaining a vibrant community.

The preservation of agriculture and support of farming is among the priorities for our County. Yet, how do we support the landowner's right to preserve, build or sell the land as he or she sees fit? How do we balance conservation and development on both sides of the scale?

One of the ways is a Transfer of Development Rights, or TDR, provision, which Harford County instated in 1982. We are currently one of nine Maryland counties with such a program. The basic premise of allowing landowners to sell developmental rights of low-density areas to purchasers in higher density areas is sound, but the administration of such a program is complicated by its nature. An effective TDR program compensates property owners whose development rights have been limited due to zoning, and it also allows preservation of the land. It can reduce zoning variances, provide private funding and make development more predictable.

For example, the TDR program in Montgomery County, MD has been cited as one of the best in the nation for its successful development in and around Metro stations and its preservation of over 49,000 acres. The program allows the land owners to sell a portion of their rights but maintain a fee interest in the property, which brings them working capital for farming. In addition, developers using TDR receive incentives like expedited approval and higher density.
As Harford County grows, the acquisition and use of land will change - requiring revisions in the TDR program. It begs the question: What constitutes a good TDR program?

Many related studies have been done, and while they can be used as guidelines, ultimately, each county is different. As we attempt to manage growth with land use plans and policies in Harford County, there remains the possibility that a well-implemented TDR program can help foster residential development. It can provide incentives for increasing residential densities and directing growth to desired areas. This creates an immediate effect on homebuilders. With residential building permits finally on the upswing, developers are anticipating using more land and could plan for TDRs.

Whether or not a TDR program can foster commercial development is less clear. Consider the effects of a TDR program on the County's growth and on businesses that will bring jobs, which will, in turn, increase demand for residential developments. Harford County has 2,644 acres of vacant commercially-zoned land and 3,348 acres of vacant industrially-zoned land, with a high percentage inside the development envelope. Based on projected growth plans, the land is sufficient to meet needs well into the future. If TDRs become a requirement for commercial development and are either unavailable or out of sync with a developer's square footage requirements, the commercial building industry could grind to a halt. Ideally, the introduction of TDR changes will have a grandfathering clause, so that developers can begin planned projects and avoid the possibility of carrying their investments and financing indefinitely, or carry them to another county.

Rather than creating compulsory use of TDRs, resulting in more restrictive land use, a good TDR program protects agricultural and historic lands and fully utilizes the development envelope. Not administered by government - state, local or otherwise - many sound TDR programs are monitored by a third party. They establish a "bank" of development rights with a specified value, and offer a place where developers, purchasers and builders can go to locate TDRs.

Questions to consider in revising the TDR program include:
• Are TDRs bought or contracted?
• When does a TDR become "used" - upon project approval or when building starts?
• What will be the cost to the county tax base for TDRs?

In addition, the land owners should be able to find accurate, consistent information about the cost and value of TDRs as it relates to their land. Send and receive zones should be clearly mapped out for the community, along with the pricing process. In Montgomery County's program, prices of TDRs are negotiated between the developer and the land owner. At the program's inception in the early 1980s, the TDRs sold inexpensively at $3,000 each. Today, they are selling at $45,000+ per credit.

For Harford County, as we begin to use TDRs more effectively, we must evaluate our development needs, the existing land and the acquisition process. With well-thought-out programs and reasonable incentives, we can maintain the balancing act that will both preserve and progress Harford County.

Sources:
*Examples of TDR Programs Nationwide - Courtesy of: New Jersey Highlands Water Protection and Planning Council
Transfer of Development Rights Programs: Using the Market for Compensation and Preservation by Jason Hanley-Fordle, George Honlay, Katherine Lieberknecht, Remington Stone

*Transfer of Development Rights in U.S. Communities: Evaluating Program Design, Implementation, and Outcomes,* by Margaret Walls, Resources for the Future and Virginia McConnell, University of Maryland-Baltimore County and Resources for the Future, September 2007 at:

Business Spotlight: Ward Properties

The development of some of the County's highest profile business and retail centers has been the work of Ward Properties. From the Bel Air South Professional Center and Old Emmorton Commons to the Box Hill Corporate Center and the Boulevard at Box Hill, Ward Properties has developed cost-effective professional office and premium retail space upwards of one million square feet in the last decade alone.

Their efforts have attracted retailers who have contributed significantly to the prosperity of the County, through jobs and shopping choices. These premier retailers include Wegman's, J.C. Penney, Panera Bread and Spa on the Boulevard, to name a few.

Initially started as a manager of investment properties, Ward Properties opened in Harford County in 1986. The company has grown to support a staff of financial administrators, property managers and maintenance personnel, under the guidance of Jim Martin, president.

Ward Properties won the Preservation and Appearance Award in 2001 for the renovation of Brevin's nursing home into a medical office building in Havre de Grace. They also boast the development of DuClaw, the County's only brewpub, and the Arena Club, one of the County's...
premier athletic facilities, among their buildings.

Knowing the local market and delivering the required product within budget are the two keys to Ward Properties' success, according to company leaders. Located in Edgewood, Ward Properties has the successful growth of Harford County in mind. The company works both on speculative projects (built before tenants are secured) and those designed specifically for an incoming tenant. Bob Ward, principal, is also chairman of Bob Ward Homes, a major residential builder in Harford County.

By the Numbers - Land Use Fast Facts

- Current build-out rate for Harford County growth is 1,100 new residential units per year, based on current population trends and history.
- The 2012 Master Land Use Plan estimates a capacity of approximately 24,179 residential units within the Development Envelope, categorized as follows: 4,635 plan-approved dwelling units, 11,683 potential dwelling units from underdeveloped land, 5,096 potential dwelling units from the municipalities of Aberdeen, Bel Air and Havre de Grace, and 2,765 potential residential mixed use dwelling units.
- There are 8,618 units available in rural areas outside the Development Envelope, zoned as 6,643 agricultural, 1,570 rural residential and 405 village residential.
- Harford County has 19.1 million square feet of existing commercial space, with 6.7 million square feet located in Aberdeen, Bel Air and Havre de Grace. About 9.8 million square feet is used for retail.
- There are 2,644 acres of vacant land zoned for commercial use, providing a total of 24.8 million potential square feet of additional commercial space.
- Industrial development potential covers 3,348 acres available, and 83 percent of these are within the Development Envelope and an additional 155 acres are within one of the County's municipalities.

Sources: Harford County Master Plan and Land Use Element Plan 2012

David R. Craig, Harford County Executive

The Harford County Economic Development Advisory Board consists of a number of subcommittees - including technology, workforce development, finance, tourism, and land use - dedicated to the positive growth and Economic Development of Harford County.

Forward email