



Transfer of Development Credits (TDC) Program: A Beaver Hills Initiative Area Project

Background

Located in central Alberta, the Beaver Hills/Cooking Lake Moraine is a geophysical feature that was created by glaciation more than 10,000 years ago. It is an extensively treed, upland area consisting of rolling to hummocky terrain rich in native wetlands and aspen dominated Boreal mixed wood forest habitat. There are several federal and provincial protected areas located entirely within the Beaver Hills, including Elk Island National Park, the Ministik Bird Sanctuary, the Cooking Lake–Blackfoot Recreational Area, Miquelon Lake Provincial Park and a number of smaller provincial natural areas. Nearby, there are other ecologically significant areas that are ecologically linked to the Beaver Hills including Beaverhill Lake, a designated RAMSAR site (a Wetland of International Importance).

Rapid growth in population and increased economic activity in Alberta's Capital Region is placing unprecedented pressure on the Beaver Hills landscape. The Beaver Hills Initiative (BHI) started in 2002 and evolved from a need to address land use pressures in close proximity to the boundaries of Elk Island National Park. This required the cooperation and coordinated efforts of a multitude of land managers from all levels of government and the five counties (Strathcona, Leduc, Beaver, Lamont, and Camrose) which have jurisdiction over land use in the BHI area. The goal of the BHI is to facilitate collaborative land management efforts between land managers and stakeholders in the Beaverhills/Cooking Lake Moraine area. The BHI values the region for its natural beauty and quality of life, and supports co-operative efforts to sustain the quality of water, land, air, natural resources and community development.

About TDC Programs

Traditionally, municipalities have relied on zoning to achieve land use objectives. Transfer of Development Credits (TDC) programs support zoning by allowing landowners in areas designated for conservation to sell credits to developers in areas targeted for growth.

Landowners receive the financial benefit of development for their conserved land while growth is accommodated in target areas. Since TDC programs are completely voluntary, their success depends on ensuring that the price for credits is high enough to make it worthwhile for landowners in the sending areas to forgo development while at the same time ensuring that developers are willing to pay for development.

TDC programs identify areas where increased development is desirable, and areas where it is less appropriate. Fundamentally, a TDC program has four basic components:

1. Sending area – the area which is targeted for increased conservation (from which development potential will be 'sent').
2. Receiving area – the area which is targeted for increased development (which will 'receive' the transferred development potential).
3. Transfer system – a system which facilitates the valuation and transfer of development potential through credits from one parcel to another.
4. Program administrator – an oversight body that develops and maintains the principles of the program and use of the tool.

About the Project

In 2007, Alberta Innovates Technology Futures (formerly Alberta Research Council) completed a feasibility study for implementing a Transfer of Development Credits (TDC) program in the Beaver Hills/Cooking Lake Moraine. The study concluded that many of the factors for success of a TDC program, including goals and objectives supported by a land management plan were present in the BHI, and that a TDC program was a viable option for conserving valuable cultural and ecological resources in the area. For more information and a copy of the study visit <http://www.ducks.ca/province/ab/partners/beaver/tdc/pdf/tdc-feasibility.pdf>.

With approximately 50% of its land base located within the Beaver Hills/Cooking Lake Moraine, Strathcona County, in partnership with the Beaver Hills Initiative (BHI) has launched a pilot project to initiate discussions with stakeholders and test TDC program options within the Beaver Hills area. The Project is being developed by Alberta Innovates Technology Futures, Miistakis Institute, the Land Stewardship Centre of Canada, Agriculture and Agri-food Canada, and Alberta Tourism, Parks, and Recreation.

The Project will establish a market-based model for TDC's that allow conservation of the area's natural capital by expanding and creating sustainable business opportunities. The vision of the Project is that market based instruments will help balance economic development with the conservation of valuable natural assets of the Beaver Hills/Cooking Lake Moraine.

Project Objectives

The three main objectives of the Project are to:

- Test a market based approach that Strathcona County and other municipalities in the BHI area could use to provide rural landowners with economic incentives to manage for the value of natural capital on their lands.
- Create new business opportunities for agriculture and rural tourism that are based on natural capital and sustainable rural landscapes.
- Provide leadership and develop institutional capacity to increase the adoption of TDC's and similar market based programs for land stewardship by rural municipalities across the province.

Project Approach

The five main steps in the TDC pilot for Strathcona County include:

1. Determining the need and/or desirability for a TDC program through preparatory work, conducting background studies and reviewing current municipal development plans and land-use bylaws.
2. Initiating public consultation, especially with landowners, developers and conservation organizations to gain an understanding of attitudes towards land-use and TDC program options in the community, and to provide an opportunity for two-way communication to raise awareness and establish expectations for the TDC initiative.

3. Identifying potential TDC sending areas (the area targeted for increased conservation; the area that development potential will be sent to) and receiving areas (the area targeted for increased development; the area that will receive the transferred development potential) within Strathcona County to which the program will apply.
4. Identifying mechanisms that can be used to limit development potential on conservation parcels such as conservation easements, restrictive covenants and the Historic Resources Act.
5. Creating a transfer of development credit system which details transfer ratios, valuation and potential banking mechanisms for credits.

Anticipated Outcomes

There are several potential outcomes and benefits to Strathcona County and the Beaver Hills Initiative partners from the development and implementation of this pilot TDC program. They include increased conservation of cultural, recreational and heritage values on rural landscapes and capitalizing on opportunities for smart growth and reduced sprawl. By sharing learnings and methodologies the Project will pave the way for other municipalities in Alberta and across Canada to adopt similar market-based tools to promote sustainable rural development.

Learn More

For more information on this Project and to learn more about TDC programs, please contact:

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