

MEMORANDUM

To: Mayor, County Commission, Planning Commission, Advance Knox

From: Josh Sanderson, Smithbilt Homes

Re: Introduction of a Development Rights Transfer Ordinance

Date: February 9, 2026

I wanted to share an ordinance concept for discussion that would give Knox County another tool to manage growth while respecting private property rights.

The ordinance would allow landowners to voluntarily sell or transfer unused development rights they already possess to another parcel of land where those rights can be more appropriately used. In simple terms, it allows development rights to move, not increase.

This approach does not change zoning, force participation, or add new development rights. All transfers would be voluntary, reviewed administratively, and recorded so they permanently reduce development rights on the sending property and apply them to the receiving property.

From the County's perspective, this creates a market-based way to direct growth toward areas with existing infrastructure and services, while easing pressure on land that may be better suited for lower-intensity or long-term use. The County would continue to control which areas are eligible to receive transferred development rights, and all existing zoning, subdivision, and infrastructure standards would still apply.

From a landowner's perspective, this recognizes development rights as a form of property value and gives owners flexibility without requiring them to fully develop land that may not be practical or desirable to build out.

This memo is intended to start a conversation about adding this ordinance to the Unified Development Ordinance.

I would be glad to discuss how this tool could fit within Knox County's UDO.

Sincerely,



Josh Sanderson

Attachment A

Example Scenario: How a Development Rights Transfer Could Work

Ms. Doubtfire recently lost her husband and inherited the family farm in Pardin Valley. The property has been in the family for decades, but she is not a farmer and has no plans or resources to work the land herself. If nothing is done, the property will eventually grow up and become difficult to maintain.

The farm is surrounded by other properties and is zoned in a way that makes it attractive for development. Because of that, Ms. Doubtfire has received multiple offers from developers who are interested in purchasing the land outright. The money would help her pay outstanding bills, support her children, and provide some long-term financial security for her family.

At the same time, Ms. Doubtfire feels conflicted. Her neighbors have asked her not to sell the land for development, and she personally does not want to see the farm turned into another subdivision. She feels caught between doing what is best for her family financially and preserving the character of the land and community she cares about.

Under the proposed Development Rights Transfer Ordinance, Ms. Doubtfire would have another option.

Rather than selling the land itself, she could choose to sell the unused development rights associated with her property to a developer. Those development rights could then be applied to a different tract of land that is already owned by a developer and already identified by the County as appropriate for growth and development.

In this scenario:

- Ms. Doubtfire receives financial compensation that helps her family and children without selling the farm.
- The farm remains undeveloped, preserving the rural character valued by the surrounding neighbors.
- Development is directed to a location where infrastructure and services already exist.
- The County avoids adding another developed parcel in Pardin Valley while still respecting private property rights.

This example illustrates how a voluntary, market-based transfer of development rights can create flexibility for landowners, reduce community conflict, and help guide growth to more appropriate locations without changing zoning or forcing outcomes.

Attachment B

EXAMPLE KNOX COUNTY ORDINANCE

Residential Transfer of Development Rights

Section 1. Purpose and Intent

The purpose of this ordinance is to allow landowners in Knox County to voluntarily transfer unused development rights from one parcel of land to another parcel within Knox County, subject to administrative review and infrastructure capacity.

This ordinance is intended to:

1. Recognize development rights as a transferable property right.
 2. Preserve private property rights through voluntary, market-based transactions.
 3. Encourage residential growth in areas with adequate public infrastructure.
 4. Reduce development pressure on rural, agricultural, or low-intensity residential areas.
 5. Maintain consistency with the Knox County Zoning Ordinance, Comprehensive Plan, and adopted growth policies.
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Section 2. Applicability

1. This ordinance applies **only to residential development density**.
 2. Commercial, industrial, institutional, and mixed-use floor area shall not be eligible for transfer under this ordinance but these zones are eligible for receiving.
 3. This ordinance applies only to parcels located within **unincorporated Knox County**, unless otherwise approved by interlocal agreement.
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Section 3. Definitions

Residential Entitled Density

The maximum number of residential dwelling units permitted on a parcel under current zoning, approved concept plans, preliminary plats, or other vested residential entitlements recognized by Knox County.

Sending Parcel

A parcel of land within Knox County from which unused development rights are density is voluntarily transferred.

Receiving Parcel

A parcel of land within Knox County to which transferred development rights is applied.

Density Transfer

The voluntary conveyance of development rights from a Sending Parcel to a Receiving Parcel.

Transfer Certificate

A recorded legal instrument documenting the transfer of development rights between parcels.

Section 4. Transferability of Residential Development Rights

1. Residential entitled density shall be considered a transferable development right, separate from the land itself.
 2. A landowner may sell, assign, or transfer all or a portion of the unused residential entitled density from a Sending Parcel to a Receiving Parcel.
 3. Participation in density transfers is voluntary and shall not be required as a condition of subdivision or development approval.
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Section 5. Eligible Sending Parcels

A Sending Parcel shall:

1. Be a legally created parcel under Knox County regulations.
 2. Be zoned for residential use.
 3. Possess unused residential entitled density.
 4. Not be subject to deed restrictions, conservation easements, or development agreements that prohibit residential density transfer.
 5. Permanently forgo the transferred residential density upon approval and recordation.
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Section 6. Eligible Receiving Parcels

A Receiving Parcel shall:

1. Be zoned for residential use.
 2. Be located within zoning districts designated by Knox County as eligible to receive transferred residential density.
 3. Demonstrate adequate infrastructure capacity, including roads, water, sewer, schools, and emergency services.
 4. Comply with all applicable subdivision and development standards, except for base residential density as modified by this ordinance.
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Section 7. Review and Approval Process

1. Applications for residential density transfer shall be reviewed administratively by the **Knox County Planning Director or designee**.
 2. The applicant shall submit:
 - Legal descriptions of both the Sending Parcel and Receiving Parcel.
 - Documentation of existing residential entitled density.
 - A proposed Transfer Certificate.
 3. Approval shall be granted if the application:
 - Complies with this ordinance.
 - Is consistent with the Knox County Comprehensive Plan.
 - Does not create adverse impacts to public infrastructure or services.
 4. No rezoning, variance, or special use approval shall be required solely due to a residential density transfer.
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Section 8. Recording and Enforcement

1. Upon approval, a Transfer Certificate shall be recorded with the **Knox County Register of Deeds**.
2. The Transfer Certificate shall:

- Permanently reduce the allowable residential density on the Sending Parcel.
 - Permanently increase the allowable residential density on the Receiving Parcel.
3. Transferred residential density shall run with the land and bind all future owners.
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Section 9. Limitations

1. Residential density transferred under this ordinance shall be used only for dwelling units.
 2. Transferred density shall not be converted to non-residential use.
 3. Density transfers shall not exempt any development from applicable design standards, subdivision regulations, or infrastructure requirements.
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Section 10. No Taking or Compensation

Nothing in this ordinance shall be construed to reduce existing residential entitlements or require compensation. All density transfers are voluntary and supplemental to existing zoning rights.

Section 11. Severability

If any provision of this ordinance is found invalid, such invalidity shall not affect the remaining provisions.

2024 Tennessee Code

Title 13 - PUBLIC PLANNING AND HOUSING (§§ 13-1-101 — 13-30-121)

Chapter 7 - ZONING (§§ 13-7-101 — 13-7-606)

Part 1 - COUNTY ZONING (§§ 13-7-101 — 13-7-119)

Section 13-7-101 - Grant of zoning power