

**Land banking** involves the purchase of land now for future uses. In the case of open space planning, land banking involves acquisition of land prior to development of an area, or in preparation for needing to mitigate future development impacts. For example land banking can be used to develop a greenbelt, to preserve areas of shoreline, or to protect ecologically valuable land such as wetland.

Pre buying open space parcels in rural areas can provide considerable savings to a jurisdiction over trying to purchase land when an area is already being developed. In some cases, income can be earned from the land until it is developed as open space by leasing it, such as to a farmer.

A particular kind of land banking is wetland banking for mitigation purposes. Either private or public entities purchase existing wetlands or site for a wetland and do a large scale restoration project. When other sites in the area are developed that have small wetlands, the developer can purchase credits from the bank to compensate for impacting the wetland on their site. Federal guidelines were established for this kind of program in 1995 and the Washington State Department of Ecology has developed a local program with one pilot in Snohomish County.

The advantages of this approach is that a mitigation is already up and running prior to a developer affecting a wetland on their site and the banks are usually ecologically more successful than lots of small wetland projects on the sites being developed. Wetland banking provides some regulatory flexibility that could increase compliance. Because private investors can set up wetland banks and sell credits, wetland banking can be an entrepreneurial way to satisfy local regulations.

Critics of wetland banking are concerned that it is difficult to determine what lands are of equal ecological value to the site being developed and it continues to allow for destruction of existing biologically functional sites. If a land bank should fail, or just be poorly designed, it could have significantly more impact than if on-site mitigation were always required.

## **The Seattle Shoreline Alternative Mitigation Plan**

is a type of land banking that will change the way that the city implements its Shoreline Master Program for the shoreline between the Hiram Chittenden Locks and the Montlake Cut. Currently, shoreline sites must provide on-site shoreline mitigation and public access and there is concern that this limit commercial opportunities along a waterfront area where the city wants that kind of development. It could also be more ecologically functional to purchase and restore selected areas of the shoreline and sell credits to other sites to compensate for development.

## **References**

[www.investorwords.com](http://www.investorwords.com)

Washington State Department of Ecology Wetland Mitigation Banking Program  
<http://www.ecy.wa.gov/programs/sea/wetmitig/index.html>

Seattle Shoreline Alternative Master Plan  
[http://www.seattle.gov/dpd/Planning/Shoreline\\_Alternative\\_Mitigation\\_Plan/](http://www.seattle.gov/dpd/Planning/Shoreline_Alternative_Mitigation_Plan/)

Michniewicz, Claudia M. *Urban land banking*. Chicago, 1979