



Comparison Chart for Landowner Options in Minnesota Wetland Banking Program

	Easement Purchase	Purchase Agreement (RFP)	Private Banking
Generally, what is the difference between these three options?	State of Minnesota pays landowner in return for obtaining an easement and restoring wetlands. The State owns all generated wetland credits.	State of Minnesota agrees to purchase wetland credits generated from a wetland restoration project completed by the landowner. Credits are purchased by the State at an agreed upon price as they are generated.	Landowner develops wetland credits through the normal private wetland banking process. Credits are the property of the landowner to use and sell.
How are projects identified?	SWCD works with landowner to apply for an easement with BWSR during the open enrollment period.	Landowner identifies project, develops a concept plan and submits proposal to BWSR during the open RFP period.	Landowner identifies a project, develops a plan and applies to their Local government Unit for plan approval anytime.
Who develops the bank plan application?	State	Landowner	Landowner
Who implements the wetland restoration plan?	State	Landowner	Landowner
Who pays for implementing the restoration plan?	State	Landowner with some upfront money for project implementation from the State upon plan approval.	Landowner
Do I have to hire a consultant to prepare the bank plan?	No, the State develops the bank application and implementation/construction plans for the project.	Yes, a consultant is generally required to develop the application and implementation/construction plans for the project.	Yes, a consultant is generally required to develop the application and implementation/construction plans for the project.
What determines how much money I get?	The landowner is paid a set amount per acre of land within the easement area. Payment rates are based on land use history and project location. Rates are known at time of application.	The landowner proposes to the State a price per wetland credit generated by their proposed project. If accepted, the State will purchase those credits as they are generated at the agreed upon price.	The landowner negotiates credit prices individually with each credit user.
When do I get paid?	Once selected for the program, full payment is made upon recording of the easement, typically within 12 to 18 months.	Once an agreement for wetlands credits is executed, an initial payment is typically made upon recording of the required easement (typically within 12 to 18 months). Other payments are made as credits are generated over a typical five-year period.	Payment for wetland credits is negotiated between the landowner and credit users as they are developed and sold. Typical market forces (supply and demand) will influence payment amounts and timing of sales.
What are my monitoring responsibilities after credits are generated?	Landowner has no monitoring responsibilities after the State implements the plan and generates credits. The State does all required monitoring.	The landowner is responsible for five years of monitoring (typical) after which time the State takes over long-term monitoring of the easement.	The landowner is responsible for five years of monitoring (typical) after which time the State takes over long-term monitoring of the easement.
Risk/Reward?	Because there are no costs to the landowner, the financial risk is low. The reward in terms of payment per acre of land is likely lower than the other two options.	There is a moderate financial risk to the landowner as they will have to provide most of the upfront costs to develop a bank application and implement the project. However, if the plan is successful, there is a guaranteed buyer of the credits (State) at an agreed upon credit price offered by the landowner.	This is generally the highest risk for the landowner as they will have to develop and implement the plan, but will not recoup their investment until credits are sold to buyers on the open market. The reward is potentially high depending on market forces (supply and demand).