Carol Gerwin, "Saving Cape Cod," CommonWealth, 1999.

THERE ONCE WAS A MAN FROM NANTUCKET...

William Klein found his community under siege in the late 1970s and early '80s. Nantucket, the posh island getaway of the rich and famous, was being subdivided at the alarming rate of 500 lots a year, with 100 to 200 houses being built. Some 342 real estate brokers made the island their home. But perhaps most shocking was that the public owned only one mile of the island's 80 miles of shore front. A local private, nonprofit land trust called the Nantucket Conservation Foundation was able to snatch up some of the most critical areas on the public's behalf, but the group simply could not afford to buy everything in danger.

"So there we were watching the community kind of slip away from us," recalls Klein, who witnessed the ominous developments from his perch as the town's first planning director. "People were beginning to worry that its shorelands and moorlands were going to be covered with suburban sprawl." The town had pages and pages of building restrictions — zoning bylaws, subdivision regulations, the historic district commission's architectural rules — but they clearly were not doing the job. The problem, Klein says, was that all were limited by the "just compensation clause" of the U.S. Constitution, which the courts have interpreted to mean that cities and towns may not enact land-use restrictions that have the effect of a government "land-taking" without pay.

Eventually Klein realized that being serious about land preservation meant the town would have to start buying land itself — in effect compensating people for not developing. He remembers looking at a map and determining it would take about $100 million to save what was vulnerable — an amount the town of 6,000 year-round residents obviously did not have.

So Klein took two established ideas and joined them in a brand-new system to protect the island. From Pennsylvania, where he had worked as a planning consultant, he borrowed the concept of a tax on real estate sales, known as a real estate transfer tax. Pennsylvania townships had used transfer taxes to generate revenue for general operating expenses; Klein figured they might as well be used to buy land. Then he looked at the traditional notion of land-banking — buying land while it's affordable and saving it, or "banking it," for future use — and adapted it to the needs of Nantucket. Rather than holding property so the town could build, for example, a sewer plant years down the road, the town could ban development there and preserve it as open space. Klein remembers the brainstorm that led to the nation's first land bank as "the Reese's Peanut Butter Cup" solution: "It was... putting the two ingredients together. Instead of chocolate and peanut butter, this was a real estate transfer tax and land-banking."

Klein filled in the details and shopped the proposal around to all the people he thought would be likely to line up for or against it — preservationists, realtors, home builders. The discussion lasted two years, resulting in 20 public hearings, hundreds of phone calls, and a 28-page booklet called "Goals and Objectives for Balanced Growth." Just one page was dedicated to the land bank proposal; the rest addressed affordable housing, economic development, transportation, environmental quality, utilities, and infrastructure. "We were trying to convince the building and real estate community that...we were a balanced group, not just a bunch of no-growth preservationists," Klein says.

The leg work paid off. By the time the land bank proposal came up for a town meeting vote in April 1983, any opposition had vanished. The vote was 446 to 1.

The measure still needed legislative approval and the governor's O.K. But despite the radical nature of the request — if it succeeded, it would be the first time a Massachusetts municipality had been given a new taxing authority since the creation of property taxes and auto excise taxes — Klein wasn't too worried. The wisdom was evident, he says. The plan allowed the town to tie the solution directly to the problem — the highly speculative real estate market that was consuming precious open space would create the source of funding for its protection. "The more speculation and land purchasing there was, the more money [would be] made by the land bank," Klein says.

And if the intellectual approach didn't work, the emotional one surely would. Then-Gov. Michael Dukakis had honeymooned on Nantucket, so he already had "warm and fuzzy feelings" about the island, Klein says. And the legislators? For them, islanders painted a disturbing picture of residents of other states buying up Nantucket land: "If the Legislature didn't give us this special power, we'd come back in 20 years and see all of our beaches privately restricted, and Massachusetts residents would be huddled on that one mile of [public] shore front while out-of-staters were sipping their martinis on the other 79 miles. That was a very bad image, especially during the baseball season, when the Red Sox and the Yankees were at it."

The land bank, funded by a 2 percent transfer tax paid by the buyer, was operational by February 1984. Some $1.6 million was raised in year one. Last year, revenues rose to a record high of almost $8 million, says Eric Savetsky, the current director. And the grand total so far? About $57 million by early May. An elected commission with absolute authority decides how to spend the money. The town now owns 1,900 acres, or about six to seven percent of the island, Savetsky says.

Today Klein, who was Nantucket's planning director for 17 years until 1991, is director of research for the American Planning Association in Chicago. But he still summers on Nantucket. The bad news, he says, is that despite the land bank's success, the island continues to develop rapidly, with "trophy houses" proliferating on coveted parcels with beautiful views. But there is good news, he adds: About 38 percent of the island has been preserved so far, between the land bank and private groups, and there is an excellent chance of eventually preserving half.