

Leave a Legacy: Consider a Conservation Easement for Your Golf Course

Golf courses are among some of the most beautiful open spaces in northeastern Illinois. Rolling terrain, water features, vistas, trees and other naturalistic features are at least part of the allure of golf. In a region where land development occurs at a stunning rate, these open spaces are all the more important “breathing” spaces.



Mistwood Golf Course in Romeoville features a 65-acre lake that is near a heron rookery, which made it a desirable candidate for an easement. Today, roughly 180 acres of the course are protected by an easement.

ASK THE "EXPERT"

Nancy Kaszak Executive Director, Corlands

Some golf courses are permanently protecting their land from development. Conservation easements make it possible.

A conservation easement is a written legal agreement between a golf course owner—or any landowner—and a government agency or nonprofit organization that permanently limits development of the land. It enables the owner to protect the environmental value of the land while continuing to own it. Even if the property is sold or passed to heirs, the conservation easement remains effective.

Every conservation easement is unique, responding to the particular needs of the landowner and the conservation goals for the property. A course's clubhouse, maintenance buildings and other

facilities may be exempt from the easement, for instance, to allow the owner to modify or expand them. What's more, an easement may be a narrow buffer of a few acres, or it may be several hundred acres, encompassing the bulk of a golf course.

Certain organizations are qualified to accept conservation easements and are referred to as "grantees." A nonprofit conservation organization can be an easement grantee. So can various government agencies. While a nonprofit organization must be devoted to conservation purposes to qualify as the grantee of a conservation easement, a public agency need not. It can be a county, township, village, city, forest preserve district, park district or other unit of government.

Conservation easements are an increasingly popular tool for saving open space. Superintendents are in a unique position to advocate that a golf course owner or municipality consider granting an easement on the property. Along with permanently protecting a course's natural beauty, easements can provide a wealth of other benefits as well.

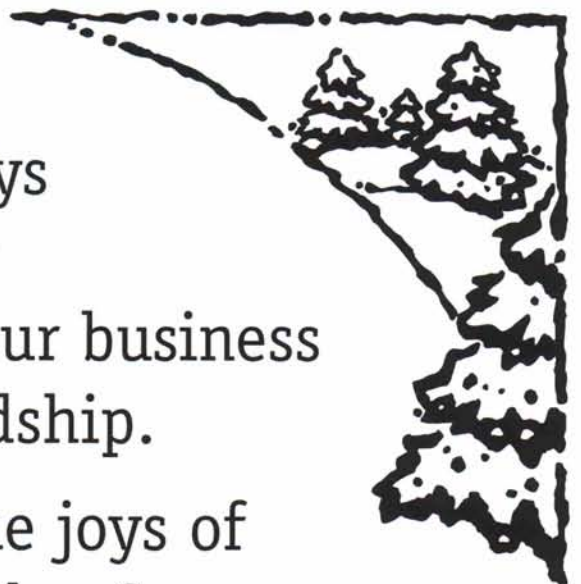
Tax Benefits

By granting a conservation easement, golf course owners may qualify for a variety of tax incentives. Easements that are donated and meet certain Internal Revenue Service criteria are considered charitable gifts that are deductible from income taxes. Because easements reduce the fair market value of the land by removing the devel-

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opment rights on it, they may qualify owners to receive substantial property tax reductions. This may also reduce estate taxes when the golf course is transferred to heirs. Owners can even grant conservation easements in their wills, with the same results.

Aside from the tax savings are some intangible benefits, too. By placing a conservation easement on a golf course, an owner sends a message to members or customers, as well as the community at large, that the golf course and its open spaces are here to stay. People who play the course know they will always be able to enjoy it—not return one day to find townhomes in place of tees.

Further, for those who relish and want to preserve the beauty of a golf course, a conservation easement provides the satisfaction that those natural amenities will be protected for generations to come.

Easing Into an Easement

A conservation easement is indeed a practical and flexible tool

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for preserving the open spaces of your golf course while potentially reaping significant tax benefits. But the decision to grant an easement is nothing to rush into. Golf course owners must be 100% certain they want a conservation easement on their property. They must be sure they can live up to the terms of the easement agreement. In many ways, entering into a conservation easement agreement is like entering into a marriage: it is best to proceed wholeheartedly and with the future in mind.

Let's say an owner has done the appropriate soul-searching and decides to explore the possibility of placing a conservation easement on the golf course. The first thing to do is call CorLands, a 22-year-old nonprofit organization that has worked with landowners since its inception to use conservation easements and other methods to protect open space. At no charge, CorLands can provide basic information about easements and direct you to other appropriate resources. The only cost is your time.

If, after you've familiarized the owner with the nuts and bolts of conservation easements, he or she wants to dig deeper into the process, it is time to consult an attorney and accountant. Be sure, though, to work only with professionals who are familiar with conservation easements and the laws governing them. Many are not, thus limiting their ability to provide the best guidance.

While an owner learns about easements and evaluates their ability to meet his or her goals, the agency that will potentially accept the easement on the golf course will assess the property's natural amenities. This is because there must be a conservation value associated with the property for it to

qualify for an easement. Is the land part of a stream corridor? Is it adjacent to a forest preserve? Answers to these and other questions will help determine if the land is a good candidate for a conservation easement.

Now The Details

You've helped the owner research the nuts and bolts of easements. You've consulted the appropriate professionals. There's a commitment to placing a conservation easement on the golf course. And the property is a good candidate for an easement. Now it's time for the easement document.

Remember, all conservation easements are unique. The easement document should be as specific to the golf course as possible. This will particularly be reflected in the "restricted uses" section of the document, where the owner and the grantee organization will specify which activities and uses will not be permitted in the various areas of the property. This section should be as unambiguous as possible, to avoid possible future disagreements between the golf course and the grantee—simply because the terms of the easement are unclear. This section should be so clear in its intent that someone unfamiliar with conservation easements should be able to read it and understand it.

While it is possible to amend a conservation easement after it has been granted, it is best to avoid doing so. Staying out of trouble with the IRS is the top reason. If an owner receives property tax benefits from an easement, and later modifies it in a way that changes the value of the land, the tax implications can be complicated. All the more incentive to get the easement right the first time.

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What to Expect

Once the decision to grant a conservation easement is made, the easement process typically takes anywhere from six months to a year. Some of that time includes familiarizing the owner with the benefits and responsibilities of granting an easement. Once an owner is informed and committed to granting an easement—and the property is found to be a good candidate for one—preparing the easement document can usually be accomplished in 60 days.

You can expect that the grantee will need to inspect the areas protected by a conservation easement on a regular basis to ensure that the terms of the agreement are being met. A representative from the grantee organization will need access to those areas somewhere between

one and four times a year. The organization should provide a written report indicating what it finds during its inspections.

If the grantee is a nonprofit organization, the golf course will likely be asked for a contribution to help offset the costs it must incur to perform the long-term monitoring and defense of the easement. Generally, units of government that accept easements do not ask for such contributions, which means they may not have the funds to protect the easement over the long term.

Whether the grantee is a nonprofit organization or a unit of local government, expect it to be familiar with the needs of a golf course and to be flexible in accommodating those needs. For instance, CorLands has held a conservation easement on the 320-acre Merit Club since

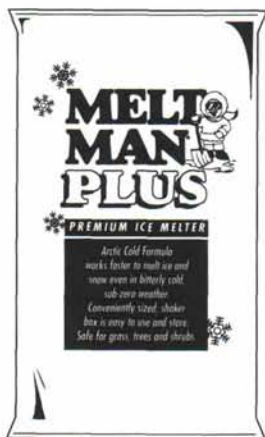
1993. When the club hosted the U.S. Women's Open this summer, it needed to erect viewing stands and other temporary structures in some of the easement's restricted-use areas for the event. After discussions with the golf course owner and staff, CorLands concluded the temporary structures fit within the approved use of the land.

Growing Interest

The Merit Club conservation easement was part of the inspiration for an easement that the owners of Mistwood Golf Course granted to the Forest Preserve District of Will County, with CorLands serving as an advisor. Mistwood is an 18-hole, par-72 golf course comprising more than 200 acres in Romeoville. It features a 65-acre lake that is near a heron rookery,

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Our business is high-tech and an evolving science. Thanks go out to Dr. Randy Kane, Paul Vermuelen, the staff in Champaign and all the industry turf doctors who guide us. Where we would be without their counsel and their research? Our relations have never been better with affiliated organizations such as the CDGA. Their new Midwest Golf House is scheduled to open in the spring; what an opportunity for our Association to be a part of it. Our partnership with the ITF has never been as good. When you are picking up your badge at the NCTE, remember to thank someone for bringing the trade show and all the education to our doorstep.

I would be remiss not to mention the GCSAA. Talk about a growing group! The number of services they provide is mind-boggling and in my opinion, at a serious discount. They have provided valuable leadership to our chapter and we're fortunate to have a voice on their board from our own backyard. I don't know if many could have forecasted the programs, issues and agendas GCSAA has taken on in the past several years.

I've got my own list of people to personally thank. To all of the Board members I have served with—the Board meetings are something I look forward to. An admitted break away from the daily routine at times, it has been an edu-

cation to see things through others' eyes and hear insights beyond what I could perceive myself. Knowing my day was coming (maybe I was just finally starting to pay attention), has helped me recognize the effort required to fill this new responsibility. Thanks, in particular, to Bob and Don for being such excellent examples to me. I appreciate that and look forward to Don's continued input in the year ahead. Thanks also to Greg Thalmann, who is stepping down after several years on the board. The soon-to-be-realized MAGCS scholarship was a product of his efforts.

A big thank you to my assistants, Bryan Widmer and Damon Soderberg, and the entire staff at Bryn Mawr for keeping my head above water. Our membership praises their efforts and supports me in serving our Association. Thank you to the many mentors I have had: Dennis Buck, Pete Wilson, Scott Azinger, Mike Sauls, Tom Brodeur, John Ebel and Danny Quast. They all trusted me with responsibilities way before I believed I was ready. They were never too busy to answer questions, provide insight or recognize my efforts. To my best friend in the business, Kerry Blatteau, for helping me secure my first job after school, urging me to run for the Board several years ago and for routinely humbling me on the golf course.

I grew up in the small town of Dwight, Illinois, and after an unpredictable weekend at the state golf tournament, the village welcomed home a young group of champions as if they had just won the war. The members at the local country club (DCC) treated the junior golfer as an equal. They let me experience the great game of golf and nearly a dozen "Dwightites" from my generation are now in the business. A humbling golf season as a freshman in college confirmed that making a living with a soil probe, rather than a sand wedge, would probably be best for me.

Thank you to my parents for supporting me my whole life. They motored me from Quincy to Chicago as a junior player, well before I was even remotely average. I was excused from farming duties, and left to spend my days working and playing at DCC. To my wife Pam and daughter Bailey, who keep life in perspective and quite frankly, make things like *Poa annua* and green committees seem pretty insignificant. Everyday, I look forward to walking in the door at home. The good Lord has blessed me and I hope I can fulfill this new responsibility in a way that pleases Him. Happy holidays to you and your families! May the Spirit of the season be with you, not just now, but throughout the entire year.



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which made it a desirable candidate for an easement. Today, roughly 180 acres of the course are protected by an easement.

"After we bought the property, CorLands called us and introduced us to the savings and tax benefits," said Brett Baarstad, owner and general manager of the course. "It goes right to the bottom line. The

benefits and tax savings are really substantial. You think that in order to get savings like that, you have to do quite a bit of work, but it was really very simple.

"Our thinking is that we're in the golf business to stay and we want this to stay a golf course. It's a beautiful piece of property with quite a bit of floodplain that is worked into the design . . .

Protecting the area was a big concern of the forest preserve district.

"We still get all the wildlife out there as when we started out . . . It's a win-win for everybody."

Questions about conservation easements? Call Nancy Kaszak at CorLands: 312-427-4256, ext. 238.

