

Note: The following includes a set of primary findings of a tour group led by the Kankakee County Farm Bureau (FB) to the Cypress Creek National Wildlife Refuge, along with a corresponding set of clarifications offered by the U.S. Fish and Wildlife Service. The findings were posted on the website of the Village of Hopkins Park (<http://hopkinspark-il.gov/blog/category/Mayors-Newsletter>).

FB: Here are a few main points that stood out to me:

1. The Refuge Revenue Sharing Act of 1935 outlines how payments would be made to local governments in compensation for their loss of property tax revenue. The formula which would usually bring the biggest return to the community would be a payment equal to 3/4 or 1% of the land's assessed value. What we learned: When US Fish & Wildlife Service acquires land, they remove any structures on the land such as any barns, grain bins, sheds, homes, etc. That means the assessed value of the land is now a fraction of what it once was assessed as, especially if the land becomes a swamp.

Furthermore, we learned that for this Cypress Creek US Fish & Wildlife Service Refuge, US Fish & Wildlife Service has not made a Refuge Revenue Sharing Act payment for five years. And, the payments they made years ago were not the full payments they owed the community. So, these payments are not guaranteed.

USFWS clarification: At Cypress Creek the typical practice has been to remove buildings from acquired lands and then restore the farm land to forest or other wildlife habitat. These actions may decrease the assessed value of the land.

At Cypress Creek the Service has made Refuge Revenue Sharing payments to the local counties in each of the last 5 years (2012 – 2016). These have totaled between \$45 and \$50 thousand annually during this period.

FB: The US Fish & Wildlife Service sells the community on the economic growth and development that the refuge would bring as the result of tourism. When touring the southern Illinois refuge, there were no visible signs of any economic development or tourism activities as a result of the refuge. There was one canoe rental facility near the refuge, but that went out of business years ago. Many areas of the refuge appeared to be closed to the public.

It appeared that the impact to the community's economy was negative. We were told there used to be five farm implement dealers in the area, now there is one. The hardware store closed and the grocery store closed. Schools are losing student population. The tax burdens for those who remain in the area have increased.

USFWS clarification: *Detecting visible signs of economic impact of a refuge may be difficult because of the many pathways through which visitor dollars flow through a local economy and the many factors besides a refuge that influence the local economy. In 2013 the Service published a study of economic benefits to local communities of National Wildlife Refuge visitation (Erin Carver and James Caudill. 2013. Banking on Nature, <https://www.fws.gov/refuges/about/bankingonnature.html>). Visitation and expenditures were estimated for Cypress Creek NWR for the year 2011. Total visitation was estimated at 25,300, generating an estimated \$494,600 in total expenditures and \$96,500 in total tax revenue. Please see the report for a full explanation of methodology and conclusions.*

With respect to the canoe rental, there was a canoe rental business that closed several years ago, but it has been replaced by another (<http://www.whitecranecanoes.com/>).

Cypress Creek NWR includes 16,010 acres. Four hundred acres were donated to the refuge, and the remaining 16,010 were purchased from willing sellers. Approximately 15,000 acres (over 90%) are open to the public for the following types of recreation: hunting, fishing, birdwatching and other types of wildlife watching, hiking, boating, photography. About 1,000 acres around the Bellrose Waterfowl Reserve east of Ullin, IL are closed to recreational use since it is managed as a sanctuary for ducks, geese and other water birds.

FB: *Deer hunting was big in the area, now there isn't as much. There are some areas that allow certain restricted hunting, but there is no vehicle access to those areas. Everything must be carried in by foot and carried out by foot which means if you were to shoot a deer, you must drag it out a mile or more to your vehicle.*

USFWS clarification: *Approximately 15,000 acres (93%) of Cypress Creek NWR are open to deer hunting and the refuge hosts many deer hunters. Many of these are out-of-state hunters, which bring new dollars into the local economy. While there are some areas with limited access, there are thousands of acres with good road access and over 20 refuge parking lots, many which are primarily for hunters. The refuge issues special use permits for hunters with limited abilities who have a Standing Vehicle Permit from the state which allows them to use ATVs on additional refuge roads and trails.*

FB: A fire in the refuge is a concern with a local school near the refuge. The local fire departments were told not to attempt to control a fire if one should happen but instead contact the forestry service which is hours away.

USFWS clarification: *Cypress Creek NWR works cooperatively with local fire departments. The refuge currently has Wildfire Protection Agreements with 5 local communities. These are 5-year agreements that provide for payment of departments when they respond to a fire on the refuge. The refuge has had good support from local fire departments from the start.*

Similarly, Cypress Creek NWR regularly issues special use permits to utilities (Ameren, Southern Illinois Electric Cooperative, etc.) so they can maintain their rights-of-way. This usually involves mowing, trimming, and herbicide removal of vegetation.

FB: US Fish & Wildlife Service initially proposed the Cypress Creek refuge to be 12,000 acres. They changed their plan years ago to state they seek to acquire 35,000 acres. They currently hold 16,000 acres. The name of the refuge was changed about 10 years ago to be called a "wetland refuge" which has different implications. Conducting maintenance on their river (the Cashe River) is challenging and drainage to the river has been stopped.

There was to be 10% of the land in the refuge to be reserved for agriculture. However, there are very limiting restrictions on the agricultural practices allowed on that land. And, they allow farming on less than 300 acres currently with the schedule of having no farmed land by 2019.

A land owner pays no capital gains taxes if they sell to US Fish & Wildlife Service which gives the US Fish & Wildlife Service an advantage in acquiring land.

USFWS clarification: *The original size of Cypress Creek NWR was authorized at 35,000 acres. This was set in 1990 and has not changed since then.*

The reference to a name change to a "wetland refuge" about 10 years ago is not clear. The name of Cypress Creek NWR has not changed since it was established in 1990.

Conducting maintenance on the Cache River is challenging but the refuge does work with the Big Creek Drainage District. If landowners are being affected by blockages occurring on the refuge, they should contact the refuge so the FWS can try to remedy the problem.

The Farming Program goals are addressed in the Refuge's Habitat Management Plan; the refuge currently has about 600 acres of lands being farmed with a goal of having 200 acres of farm land by 2019.

We are not tax law experts, but we do not believe landowners who sell land to the FWS are exempt from 'capital gains'. When the FWS offers to purchase land from a landowner, the offer must be at the fair market value which is determined by independent government appraisers done to "yellow book" standards. If a landowner chooses to sell land to the FWS below the fair market value as determined by an appraisal – this is called a bargain sale which has some tax deduction benefits to the seller.