

NATIONAL PERSPECTIVES

Betting the Ranch In Southwest Florida

By FRED A. BERNSTEIN

IF your name is Babcock, call your lawyer. The heirs of Edward Vose Babcock, a former mayor of Pittsburgh who bought a Florida ranch in 1914, are about to sell the land — 143 square miles near Fort Myers — for more than \$500 million. The heirs will get their money tomorrow.

A group led by Syd Kitson, a former professional football player from New Providence, N.J., is to buy the ranch in a deal that is, by many measures, the largest in Florida history.

Last year Mr. Kitson heard from a lawyer that the ranch (including some 5,000 head of cattle) might be on the market. Until then, he said, “the closest I had ever been to cowboys was playing for Dallas.” (After five seasons as an offensive guard for the Green Bay Packers, Mr. Kitson, who is 6 feet 5 inches tall, spent half a season with the Dallas Cowboys.)

In 2005, the State of Florida offered the Babcocks \$455 million for the 91,000-acre ranch, which it hoped to turn into a nature preserve. Mr. Kitson won’t say exactly how much he is paying, only that it is “significantly more than the state’s last offer.” His partner in the deal is the Morgan Stanley Real Estate Fund, an arm of the New York investment bank.

Kitson & Partners plans to build 19,500 homes, creating a community of nearly 50,000 people. “How many people get to build a new city?” he asked during a telephone interview last week. “This is how I’m going to change the world.”

Until now, the land has been known mainly to tourists who take 90-minute rides on bus-size “dune buggies” through its pine forests and swamps. The Florida panther, the Florida black bear and the crested caracara are all found on the property.

Mr. Kitson was elated at having persuaded the Florida chapter of the Sierra Club to drop an 11th-hour challenge that threatened

the transaction. The state will still get its nature preserve. At the closing, Florida and one of its counties will pay Kitson & Partners \$351.5 million for 74,000 acres (about 80 percent of the ranch), which Mr. Kitson will manage until the state takes over in 10 years. The plan was a priority of Gov. Jeb Bush, who called creating the preserve “a high point” of his seven years in office.

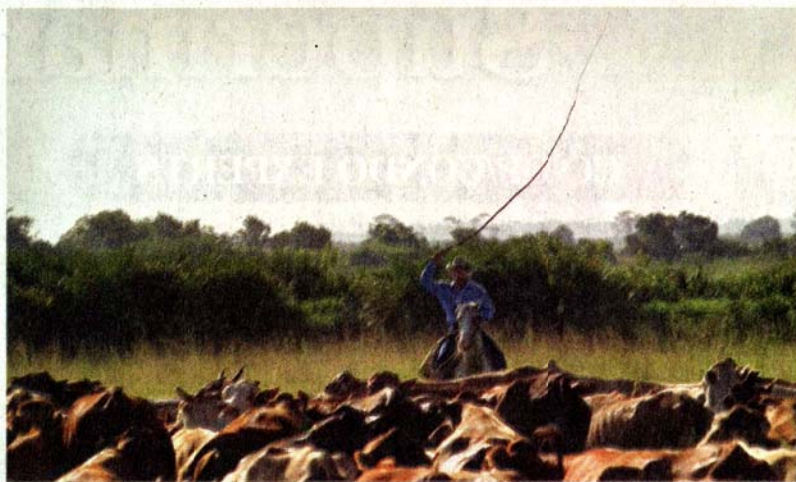
But not everyone agrees that the deal is a good thing for the state. Ellen Peterson, an environmentalist who opposes the development, called the Babcock deal “a tragedy for southwest Florida.” In addition to being “the most beautiful land left,” she said, the ranch links “wildlife corridors all the way from the central part of the state to the coast.”

Environmental groups have lost fights before, said Ms. Peterson, “but this is the first time I cried.”

Ruby Daniels, who is 67 and has lived near the Babcock Ranch her entire life, said: “A culture is about to vanish. People who love the rural lifestyle feel powerless right now.” Asked what should have been done, she said, “The state should have tried harder to acquire the entire ranch.”

Although designs for the new town are months or years away, Mr. Kitson paints a picture of a self-contained community with six million square feet of stores, offices and schools serving everyone from bus drivers to billionaires. The houses will fit into a footprint of 17,000 acres — less than a fifth of Babcock Ranch — and will be tailored to bikers and walkers. “Children will be able to ride their bikes to school without going near traffic,” he said.

Before Mr. Kitson came along, “the Babcocks tried like the devil to sell to the state,” said E. Thom Rumberger, a Tallahassee lawyer for a coalition of what he called “sensible environmental groups” that worked with Mr. Kitson. But the state never met the Babcocks’ asking price. Then, too, the Babcocks wanted to sell shares in their Babcock Florida Company, rather than the acreage



Photographs by Phillippe Diedrich for The New York Times

WHERE THE CATTLE ROAM

Part of the Babcock Ranch will be turned into a nature preserve. The plan was a priority of Gov. Jeb Bush, at center in left photo, and the investor Syd Kitson, in white shirt and dark tie behind him.

itself, to reduce their tax liability. The state, several lawyers said, was unable to structure a deal that way.

When negotiations with the state broke down last year, Mr. Kitson, who is 46, stepped in. He has extensive holdings in Florida and New Jersey (where he manages the Cherry Valley Country Club, near Princeton). But he had never done anything resembling Babcock Ranch, a deal that required him to satisfy the more than three dozen members of the Babcock family, the state, two counties and numerous environmental groups (whose national, state and local arms weren’t always in agreement). When he announced his intention to close the deal last year, he said, “a lot of people

thought I was off-balance.”

In July 2005, he reached an agreement with the Babcocks, in part by offering to pay a federal tax bill that he estimates at more than \$200 million. He was given until midnight on July 31, 2006, to close the deal.

With the clock ticking, Mr. Kitson began reaching out to anyone who could stand in his way. He held frequent “visioning sessions” — meetings at which community members were invited to offer ideas for Babcock Ranch. And he made sure that videos of the sessions were posted on his Web site, babcockranchflorida.com. “We wanted everyone to see what we were doing,” said his spokeswoman, Lisa Hall.

The coalition of environmental groups —

Audubon of Florida, 1000 Friends of Florida, the Everglades Foundation, the Everglades Trust and the Florida Wildlife Federation — began negotiations with Mr. Kitson over issues ranging from hunting permits to sewage treatment, according to their lawyer, Mr. Rumberger. It was when the groups announced their support of the deal that the Florida Legislature appropriated the money for the purchase.

Then, in late June, with about a month to go before the scheduled closing, the Florida Sierra Club appealed to Charlotte County (one of two counties straddled by the ranch) to block the transfer, which it said violated Florida law by “promoting urban sprawl and endangering wildlife.” A hearing would have started last Monday, almost certainly dashing Mr. Kitson’s hopes of closing by July 31. “The deal was in real danger,” Mr. Kitson said.

Mr. Rumberger, the environmental lawyer, said, “I cannot tell you how close that came to jeopardizing the deal.”

If his deal had fallen through, Mr. Kitson said, the Babcocks might have sold the entire parcel to developers of 10-acre “ranchettes.”

Mr. Rumberger agreed. “Very reluctantly,” he said, his clients announced their opposition to the Sierra Club appeal, and “began to put a lot of pressure on Sierra, locally, statewide and nationally.” He added, “Sierra would have lost the case, but it would have been too late for the state to acquire this 74,000-acre gem for the public.”

Frank Jackalone, the Sierra Club’s senior regional representative, said his organization had wanted its case to go to trial, but decided to negotiate with Mr. Kitson after “drawing a tough judge.” Still, he said, he wishes the land would be left undeveloped. If the state had offered \$30 million more, in 2005, it could have acquired the entire parcel, Mr. Jackalone said.

To get the Sierra Club to drop its challenge, Mr. Kitson made several concessions. The biggest, he and Mr. Jackalone say, was agreeing to move a commercial center, to be called Old Babcock Village, from the north part of the ranch to the south, leaving an important wildlife corridor undisturbed.

Most of the development, Mr. Kitson said, would not be on pristine acreage but on land already affected by mining and agriculture. He also agreed to provide low-flow sinks and toilets in the houses, reduce speed limits at night to protect wildlife, and restrict use of pesticides and fertilizers.

But Mr. Kitson said he had planned to do those things anyway. “I think I’m more of an environmentalist than 90 percent of the environmentalists out there,” he said, noting that he spends weekends with his family on a lake in the Catskills, in New York State.

“This is a chance to do it, and to do it right,” he said of plans for the new city. “It’s a once-in-many-lifetimes opportunity.”