



## The Man who would Buy Babcock

One might think that a developer with the grit to take on a project as massive as Babcock Ranch would have a high profile, but Sydney Kitson has managed to fly under the radar for most of his development career.

Not to say that he and his colleagues haven't been movers and shakers: Kitson comes to the Babcock project as the head of a limited liability company with a solid track record of residential developments and club-management operations around Florida and the world. Yet, until taking on Babcock, he's largely dodged the spotlight since his NFL career ended in the early 1980s. And that may be intentional.

"I would rather be off the radar screen and doing my thing," he admits. "But when you have a project like Babcock, you can't do that."

Babcock Ranch is a distinctly high-profile project. It has raised eyebrows throughout the state, and the proposed deal involves players up to the governor.

Kitson proposes to buy the nearly 91,000-acre property and sell about 74,000 acres to the state—the state's largest conservation acquisition in history. The remaining 17,000 acres would be developed into an entire town, including 19,500 homes and 6 million square feet of commercial space. The deal requires support from both Lee and Charlotte counties, which the property straddles, as well as the state, which would ante up some \$300 million, using most of the state kitty for acquiring conservation lands plus another \$100 the Legislature would have to approve, as well as \$40 million from Lee County. Allowing a developer to own and sell water to the public (a water utility exists on Babcock) raised further alarms, until Kitson agreed to sell the water rights to the counties.

Kitson is forthright, friendly and fixes his blue eyes on people he's speaking with, giving them his full attention; most people seem to like him, even if they oppose his proposals for the Babcock property. Lee County Commissioner Bob Janes, a founder of the Babcock Preservation Partnership, has spent considerable energy opposing development of the property, yet he describes Kitson as "absolutely a real gentleman ... a trustworthy fellow." But, Janes adds, "Not many people know who he is. He's kind of an unknown."

In the 1990s, Kitson and his partners bought the financially troubled Ibis Golf and Country Club in West Palm Beach for \$41 million and turned it around. He sits on the board of the adjacent Grassy Waters Preserve. And he's a member of the national Urban Land Institute—whose members are expected to adhere to a code of ethics and best practices in land use and development—and of the ULI's Southeast Florida district council. But a check with West Palm Beach officials, a long-time area realtor and others didn't produce anyone who knows much about him or his company.

"He's not one of the higher profile developers in the area," says Joanne Davis, community planner for 1000 Friends of Florida, a nonprofit growth watchdog.

Owners of Babcock property knew nothing about him, either, "'til we got to know him. He brought his credentials with him," says Drayton Farr, general counsel for Babcock Florida Company and longtime friend and attorney of the Babcock family.

## Tackling Challenges

Since proposing to buy and develop the Babcock property, Kitson has moved into the public eye, and his public relations machine has been busy producing materials and lining up engagements to explain the project and its potential impacts. On an early-October day, he has back-to-back meetings scheduled: Lee County Board of County Commissioners, Johnson Engineering Co. and media interviews, including a meeting with The News-Press editorial board. But he strides into the Veranda restaurant looking relaxed and confident. Polite and friendly, he unveils his background:

Born Sydney William Kitson in September 1958, he grew up in New Providence, N.J., with two sisters in a close-knit family. He was especially close to his father, Sydney Edward Kitson, a metallurgist who sold coatings for aircraft engines, who passed away about a year ago. His mother, a substitute teacher at the high school that Syd attended, now deals in Oriental carpets. Although West Palm Beach is now his primary residence, Kitson still has a home in New Providence.

“A lot of my inspiration for what I’m doing right now is from that town, because it’s a small town with a great school system, which is something I feel strongly about,” he says.

His son has one more year at the same high school his father went to, and then hopes to follow his sister to Wake Forest University. That’s where their father played football and met their mother before he was drafted in 1980 by the Green Bay Packers. These days, Syd Kitson’s six-foot, five-inch frame is slender, looking more like the runner that he has become.

Professional football wasn’t the best-paying opportunity Kitson had with his degree in

economics. “I interviewed with Proctor & Gamble, and they actually offered me more money than the Green Bay Packers did. But when I was drafted by Green Bay, playing in the NFL was a dream for me. There was no doubt that was going to be the first part of my life,” he says. That dream lasted about five and a half years as offensive guard, mostly with the Packers and for a short time with the Dallas Cowboys.

“It’s something I’m very proud of,” says Kitson. “The first time I ran onto Lambeau Field was one of the great experiences of my life.”

But even in college, he knew real estate development would be his next career.

“A lot of alumni would hand me their card and say, ‘Give me a call if you want to understand what it is that I do.’ Well, I’d call everybody,” he says. “Football was a very fleeting thing, and at the time I didn’t know whether I’d get in the NFL or not. And in those days, the NFL wasn’t a great long-term career anyway, because there wasn’t very much money in it.”

One alumnus was a developer who showed him how an investment in renovating a house had blossomed into subdivisions and office buildings.

“He had created these things that people were living in and how proud he was of what he had done. And I remember thinking, ‘This is something I think I’d really like to do, something you could really create that would last beyond your life.’ That was the beginning for me.”



*“I would rather be off the radar screen, but with a project like Babcock, you can’t do that.”  
- Syd Kitson. Photo by Alex Stafford.*

When Kitson started his own company in 1986, “all you had to do was have a couple of dollars and a piece of land and you could make money. It was just a very hot market,” he says. Then came tax-shelter changes that affected the market, and then the 1987 Black Monday stock market crash. “And then along with that we had this huge liquidity crisis because all the [Savings & Loans] went bankrupt. There were a series of events there that were just devastating to everybody in the real estate business,” says Kitson.

“My conservativeness was formulated from my experience in those years. There is no such thing as a sure thing. I learned you need to look at things from every possibility and make sure you understand what the risks are.”

Kitson had his own company for the first six years, and then in 1992 joined Gale, Wentworth & Dillon, whose parent company was The Gale Co. Stan Gale is still a friend and current silent partner.

“They are one of the largest private commercial real estate companies in the New York/New Jersey metropolitan area,” says Kitson. When the company started a residential division, Kitson joined. “From ’92 to 2000, we did some very large projects. Gale, Wentworth & Dillon was involved in a project called The Hills in [Bedminster,] N.J., which is 5,000 units.”

But available property was disappearing in that region and Kitson wanted out of the building business to concentrate on development. He started making regular trips to Florida.

“There was just a lot of opportunity down here. I wanted to come down here and some of the other partners were not as interested,” says Kitson. That was also about the time he met current partner Richard Brockway.

A childhood friend of Gale and longtime entrepreneur with experience in Long Island real estate, Brockway had sold his television production company and was retiring at age 44 to Florida when Gale asked him to meet with Kitson.

“[Brockway’s] been an incredible partner,” says Kitson. “He’s the vice chairman of the company, but he calls himself my consigliere.”

“I’m the guy who sees everything, listens to everything and then sits down with Syd and talks it over, and then we come up with a strategy,” Brockway says. “I can give him that advice that nobody else will give him.”

With backing from Morgan Stanley Real Estate Fund—the company’s “primary financial partner for Florida properties”—Gale, Wentworth & Dillon took over Grande Champion, a golf-course community with about 700 houses in Daytona Beach. It then turned to Ibis Golf and Country Club, a financially troubled community in West Palm Beach owned by Michigan National Bank.

“They bought it and came in and basically revitalized the whole community,” says Brockway.

“We had a market study done, then took a look at what type of products, what type of price points would be best suited for that location,” says Kitson. The community was situated beside Grassy Waters Preserve, and Kitson joined its board of directors.

“We formed a partnership with them to make that part of our community, which was very successful,” he says.

A shopping center was added “to make it more self-sustaining,” he says. They also added neighborhoods and changed the master plan to provide more open space. “We feel that people are not as interested in being on a golf course,” he says. “They’re more interested in preserve and water views, so we made those changes also.”

The company’s success in turning around Ibis spurred David Kinsey, a planner in New Jersey and visiting lecturer at Princeton University, to invite Kitson to address his graduate-level Land Use Policy and Planning course.

He met Kitson in the late '80s in hearings dealing with affordable housing, a long-standing conflict that has pitted some affluent New Jersey municipalities against developers. Kinsey served as special master in mediation between municipalities and groups of developers that included Kitson.

“The sessions were challenging, but he was appropriately patient and eager to participate in trying to find common ground, and that’s important,” says Kinsey.

## **New Directions**

After Gale, Wentworth & Dillon bought out Ibis, Kitson took his consigliere’s advice to start his own company.

“With Morgan Stanley, Kitson & Partners bought Ibis from the Blackstone Group and the Gale Wentworth & Dillon side of the business,” says Brockway.

The company became Gale & Kitson, and then Kitson & Partners. In 2000, the company took its current shape with partners Brockway, Tom Hoban, who had been with Morgan Stanley, and Chuck DeSanti, a consultant who was referred to Kitson by Morgan Stanley connections.

All are equity stakeholders, says Brockway. “We’re managing partners, but we all co-invest in projects as well.”

The company has about 20 senior personnel, 30 corporate employees, and Kitson figures more than 1,000 total employees, depending on current projects. Neither Kitson nor Brockway will discuss the private company’s financials.

Here’s how Kitson describes his job: “You build houses, you build communities, you own and operate golf courses, you build golf courses, you manage pro shops, banquet facilities, food and beverage facilities, recreational facilities, we have a sales and marketing team. There are just so many aspects to this business, and quite frankly that’s why I like it so much. If you get bored easily, you should definitely get into this.”

Kitson has largely phased out homebuilding, although “we build all the infrastructure,” he says.

In addition to developing communities, Kitson & Partners helps golf courses and private clubs worldwide boost bottom lines. “We’re turnaround specialists,” says Brockway.

Beyond Ibis and Grande Champion, Kitson & Partners—with differing investors—claims several other projects at various stages, including Posner Park near Orlando and Bear Brook Golf Club in New Jersey.

**Big Enough for Babcock?**

None of them comes close to rivaling the company’s plans for the Babcock property.

“Babcock is bigger for anybody in the business. There are very few who have the opportunity to be involved in a project this size,” says Kitson.

Although Babcock Florida Co. reportedly had many suitors, two factors swayed it to Kitson: “We liked very much that he had the same idea of development and protection of the land, and we liked [the] financial support he had,” says attorney Farr. With Morgan Stanley behind the company, “He’s got a mighty powerful backer.”

But Kitson’s lack of experience with projects the size of Babcock concerns Janes. “The fact that he’s not done a town or anything that large ... it all depends on how long his backers want to wait to get a return. We’ve had several new town concepts in Lee County and none of them have worked.” Even after 25 years of development, the Gateway project has not been completed and has run into financial trouble at several junctures, he points out.

Davis, of 1000 Friends of Florida, might not know anything about Kitson, but she certainly has heard of the Babcock proposal. "It's really nuts to keep developing the state like this," she says. "Florida seriously needs to look at growth management."

Opponents also worry that Kitson will sell the property as soon as the development permits are secured. "A lot of folks wonder whether he isn't just going to flip it," says Janes. "In other words, once he gets everything, he'll just sell it out to anybody who knows how to develop a new town. And that could be the family's desire, too. I don't know."

Brockway insists that's not Kitson's style. "This is a very long-term deal," he says of the Babcock project. "I remember one commissioner asking early on, 'Are you going to get this done and then flip it?' Syd said, 'This is something that's a legacy. It reflects on me, my company and my family. I'm going to be involved in it from start to finish.' And he means that."