NY Audubon to purchase Ocean Course for $27 million

By Hal Phillips
Charleston, S.C. — With a bid of $27,000,100, the Audubon Society of New York has entered the golf management business.

The not-for-profit organization based in Selkirk, N.Y., was the high, lone bidder for Pete Dye's Ocean Course on Kiawah Island, which had been developed by the failed Landmark Land Co. Audubon purchased the seaside masterpiece from Resolution Trust Co., the federal agency charged with selling off Landmark's former holdings. Federal bankruptcy court must still approve the sale.

Audubon was able to rustle up the $27 million through its alliance with two investors: VIT, an arm of Richmond, Va.-based AMF Companies; and Kiawah Resort Associates, the owners of undeveloped residential land on Kiawah Island.

VIT had already purchased the Kiawah Island resort complex — save the Ocean Course — from the RTC in July. Because of the course's environmental sensitivity, the RTC was obligated to allow qualified conservation groups to bid separately on the Ocean Course, as stipulated by the Coastal Barrier Improvement Act.

"It's our belief at N.Y. Audubon that in order to do long-term good, we have to merge environmental ethic with the business world," said N.Y. Audubon President Ron Dodson. "We recognize that we can't run down to the local bank and withdraw $27 million. It's not unusual for conservation groups to enter this kind of competition."

By Peter Blais

Kemper sees opportunity in ownership and management

Common wisdom these days holds that most of the profits are made in managing a golf course, while most of the risk is found in owning one.

That's why it's surprising to hear a management executive, particularly someone with the reputation of Kemper Sports Management's Douglas Schmidt, come down on the side of ownership over management.

"We're into owning, leasing and managing — in that order of preference," said the Northbrook, Ill.-based firm's president and chief operating officer. "With management contracts, if you do a great job, the owners eventually figure they don't need you. If you do a bad job, you don't deserve to be there.

"The only way to succeed is to be mediocre. None of the people here are interested in mediocrity."


The company leases Kemper Lakes Golf Club in Long Grove; Patriots Point Links in Mt. Pleasant, S.C.; and the Chicago Park District's six golf courses and two driving ranges.

"We've vastly improved Chicago's properties already," Schmidt said of the lease agreement the company signed in April. Kemper has so far removed many of the asphalt (that's right) tees at many of the courses, professionally edged bunker faces, invested thousands of dollars in lightweight mowing equipment and improved the irrigation system at 18-hole Jackson Park. "We'll look at the

Dodson, Lesnik to speak at Public Golf '93

Charleston, S.C. — Ron Dodson, president of the N.Y. Audubon Society, and Steve Lesnik, president and CEO of Kemper Sports Management, will both speak at Public Golf '93, sponsored by Golf Course News and scheduled for Nov. 14-17, here at Wild Dunes Resort.

Dodson — whose non-profit organization just purchased the Ocean Course on nearby Kiawah Island (see story above) — will discuss Audubon's Cooperative Wildlife Sanctuary Program for Golf Courses, which has created bird sanctuaries at 800 golf courses nationwide. The pro-active program, founded in 1990, has proved to be a significant environmental and public relations success.

Lesnik, whose firm manages 19 courses across the country (see story above), will lead a seminar dealing with alternative management strategies. Kemper recently secured the management contract for Desert Lakes.
With AMF backing, Audubon buys Ocean Course

Continued from page 27

into these types of alliances. We had to recognize the financial part-
nership had a significant interest in making its investment worth-
while.

According to Beverly Armstrong, vice chairman of VIT, the joint venture has not yet de-

The Audubon agreement with VIT calls for a two-year develop-
ment moratorium on and around the Ocean Course. During those 24 months, Audubon will con-
duct a thorough natural resource study to determine what plants and fauna call the site home. The
Audubon Society will also con-
tinue its ongoing relationship with the United States Golf Associa-
tion, which is conducting a $3 million study at Kiawah docu-
menting the environmental ef-

At the end of the two-year
study period, we’ll know better
about what will be done at the
site, if anything,” Dodson ex-
plained. “A conservation manage-
ment plan will then take effect,
with goals of protecting this sen-
sitive habitat, preserving the
course and creating a environmen-
tal handbook for all golf course
superintendents.”

N.Y. Audubon is no stranger
to golf course matters. In 1990, it
founded the The Audubon Coop-
erative Wildlife Sanctuary Pro-
gram for Golf Courses, which
encourages the creation of bird
sanctuaries on golf courses. There
are 800 superintendents already
involved in the program.

“Migratory birds don’t recog-
nize state lines and neither do
we,” Dodson continued. “We al-
ready have an involvement in the
industry and we recognize the
value of golf courses as open
space. We’ve been involved with
Pete Dye and the Ocean Course
from the beginning.”

Three other conservation
groups had displayed an interest
in the Ocean Course: The Low
Country Open Land Trust based
here; the North American Land
Trust of Chadds Ford, Pa.; and
the Lewis Ginter Botanical Gar-
dens of Richmond, Va. The latter
group had enjoyed the backing of
VIT, but the relationship disinte-
grated in the weeks before the
Sept. 14 sale.

“As we got further into the pro-
cess,” Armstrong explained,
“there appeared to be a legal prob-
lem with whether they [Ginter] could do it or not. We decided
to part company and were in-
troduced to the N.Y. Audubon
group.

“As it has turned out, it’s prob-
ably the most natural fit we could have hoped for.”

Public Golf ’93

Continued from page 27

tract for six Chicago Park
District courses.

Public Golf ’93 is a na-
tional two-day conference is
designed for managers,

Continued from page 27

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Continued from page 27

Continued from page 27

Continued from page 27

Continued from page 27

Continued from page 27

Continued from page 27

Continued from page 27

Continued from page 27

Continued from page 27

Continued from page 27