

The Sailer Report: New York group buys more than 31,000 acres of land in St. Johns

By Scott Sailer
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Ruane, Cunniff & Goldfarb, the company that manages the Sequoia Fund, started buying the timberland in 2017.

A New York real estate investment group has quietly purchased more than 31,000 acres of timberland in St. Johns County, one of the fastest-growing counties in the country according to the latest population estimates from the U.S. Census Bureau.

Managing broker-dealer Ruane, Cunniff & Goldfarb LLC, an investment adviser known for managing the Sequoia Fund, bought the property since the end of 2017.

The property stretches from U.S. 1 west to County Road 13A South, and from County Road 214 south to the Flagler County line.

The fund and adviser have not returned calls or emails for comment.

Melissa Glasgow, St. Johns County director of economic development, said if a New York investment group is buying land, “they must see the long-term viability and potential for a return on investment.”

“This attention and investment certainly doesn’t hurt us, and the awareness of our area could lead to several types of projects, both large and small, in the foreseeable future,” she said.

A patient, long-term investor might want to buy timberland at a relatively low cost now and hold onto it until demand grows for housing and commercial development in future years. It then could sell it for more.

Ruane, Cunniff & Goldfarb says on ruanecunniff.com that it is an investment adviser that runs separately managed accounts using strategies similar to that of the Sequoia Fund.

The Sequoia Fund is a long-term equity strategy mutual fund founded in 1970 that focuses on the purchase of undervalued mid- and large-capitalization companies with growth potential.

Ruane, Cunniff & Goldfarb's latest St. Johns County purchase was 3,250.67 acres, mostly west of Interstate 95 and Florida 206, from Cumberland Street LLC and KG Development LLC in January. It paid \$23.25 million, or \$7,152 per acre.

Both LLC's were managed by Michael Braren of Ponte Vedra Beach. Cumberland Street LLC paid \$9.9 million for 2,657.71 acres of that land in 2013, \$3,725 per acre.

The investment fund sponsor paid more than \$129.91 million, averaging \$3,889.80 an acre, for the 31,123.47 acres.

It bought the land under several names: First Coast Land and Timber LLC, First Coast Elkton LLC, West Saint Augustine Land and Timber LLC, First Coast Osceola Lakes LLC, First Coast Land and Timber GS 1 LLC, First Coast Land and Timber GS 2 LLC, First Coast FSC Land and Timber LLC and Saint Augustine 206 Interchange LLC.

St. Johns County property appraiser records indicate most of the ownership is based at 9 W. 57th St. Suite 5000, New York City, the same address as Ruane, Cunniff & Goldfarb LLC.

It bought the land from Rayonier Atlantic Timber Co., Raydient LLC, Rayonier Forest Resources L.P., Rayonier Timber Co. No. 1 Inc., BBC Elkton LLC, Robinson Improvement Co., Osceola Lakes LLC, Toccoli Land Co. LLC, Meldrim Heritage Timberlands LLC, Parrish Family Trust, Cumberland Street LLC and KG Development LLC.

Alejandro Barbero, director of strategic development & communications for Rayonier, said in November he was unaware of the buyer's intentions for the property. The sale originated from an unsolicited offer.

Land purchases have been made through the use of timber consultants and a principal with a mailing address at a mailbox rental.

Most of the property has a designated land use of rural silviculture and agricultural.

More intensive development would require applications to the county for land use and zoning changes.

Glasgow said she was "not aware of any intentions or future plans for the property that was acquired. Nor am I aware of any formal development applications that have been filed with the county."

Michael Roberson, St. Johns County interim director of growth management, said he has not discussed development plans for the property.