

Golf course developer abandons plans to buy Oregon state park land



By [Kelly House | The Oregonian/OregonLive](#)

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Golf course developer Mike Keiser has abandoned plans to build a golf course on state park land on the southern Oregon coast.

Keiser announced his new direction in a statement issued Wednesday through KemperSports to Golf Course Industry magazine.

The Oregonian/Oregonlive reported Monday that [new requirements attached to Keiser's plan](#) to purchase 280 acres of the Bandon State Natural Area left the deal with an uncertain future.

In his statement, Keiser cited the new requirements from the federal Bureau of Land Management as well as a lack of water on the park property as reasons for his change of heart.

"This project had great promise for boosting the local economy and providing employment opportunities and job training," he said, according to the magazine article. "And, the golf experience would have rivaled that which is present at Bandon Dunes Resort 15 miles to the north. So it is with great regret that I make this announcement."

The announcement marks the demise of a complicated and controversial deal that also would have been unprecedented in Oregon. Until Keiser made his offer, the state had never considered shedding active state park land at the behest of a private entity.

The Oregon State Parks Commission agreed in 2014 to give Keiser a chunk of the 878-acre park in exchange for \$2.5 million, 216 acres of land elsewhere on the coast and money to control an invasive plant known as gorse.

Proponents of Keiser's plan lauded its potential to boost the economy in Coos County, where unemployment remains high. Critics argued it set a dangerous precedent that public land is for sale, if the price is right.

"My take on the news is that Mr. Keiser is making the appropriate decision," said Cameron La Follete, executive director of the Oregon Coast Alliance and a key critic of

the proposed land deal. "Bandon State Natural Area belongs to the people of the state of Oregon, and it should continue to do so, and now it will continue to do so."

Former Oregon Gov. John Kitzhaber's involvement in the decision to sell the land also raised eyebrows among some. It's extremely rare for state parks land deals to attract the governor's interest. But under unusual pressure from Kitzhaber, the parks commission voted 4-2 to accept Keiser's offer despite lacking the legal right to sell the land.

The Bureau of Land Management gifted much of Bandon State Natural Area to the state in 1968 under the condition that it never be used as anything but a park.

The Parks Department and Keiser's company, Bandon Biota, had been pursuing a process to work around that restriction when the bureau notified parks officials earlier this month what it would take to do so.

In addition to paying an estimated \$450,000 to the federal government, Keiser would need to comply with requirements that directly conflicted with his business plan for the property.

He had promised to employ local workers, including teen caddies, and vowed to let locals golf at a discounted price. Out-of-stater visitors would pay much steeper resort rates.

Many of the caddies, Keiser said, would receive college scholarships funded in part with profits from the course.

The Bureau of Land Management's new requirements would have made those promises impossible to fulfill. All profits from the course would need to go back into its operation, and fees there would need to be comparable to those at other nonprofit golf courses operating on federal land.

In his statement Wednesday, Keiser vowed to "continue to be devoted to the Oregon south coast area."

Public scrutiny of the deal had resurged in recent weeks, after Parks Department officials discovered Keiser's workers had entered the park, felled trees and blazed several roads through the dunes, then sunk cement-lined test holes in the ground. They did it all without notifying department officials.

The Parks Department's sales contract allowed only "non-intrusive testings" on the site before Keiser took ownership of the property. Even then, the work was to be mandated by government regulation.

The department's workers are investigating the damage wreaked during the construction project. They are expected to release their findings within days.

Some commissioners had begun to question aspects of the deal.

Commissioner Wendy Veliz said she grew concerned in June, when the commission [approved a deadline extension on the sale](#) after Bandon Biota fell behind schedule. The well-digging and road-building raised "more red flags," she said.

Cal Mukumoto, chairman of the parks commission, said Wednesday the canceled sale is "not going to be the end of the world for us."

Keiser had already made two nonrefundable offers to the parks system as part of the deal. The state will not have to repay the \$450,000 he spent to help the department buy property in Lincoln County, nor the \$120,000 he has put toward controlling invasive coastal plant known as gorse.

"As far as getting an overwhelming value, I still think the parks department, on balance, got that," Mukumoto said. "As far as the controversy it created, maybe not."

Much of the debate over the sale centered on the Parks Department's policy that any land deal initiated by an outside party must provide "overwhelming" benefit for the parks system and its users.

By the time parks commissioners approved Keiser's offer, he had sweetened it several times in hopes of meeting the bar. Still, critics argued the offer wasn't impressive enough to be considered overwhelming.

Veliz has asked Parks Director Lisa Sumption to organize a workshop for commissioners to establish stronger criteria for what constitutes an overwhelming benefit.

"Eventually, someone will come forward and want to start this process with us again," Veliz said. "Whether that happens a year from now or five of 10, it would be helpful to have a better process that Oregonians feel is fair and understandable."

The fate of the two properties Keiser had hoped to give the Parks Department as part of the land transaction is unclear.

La Follette, the Oregon Coast Alliance director, hopes they still end up in state ownership.

"He has always said this exchange was an effort to give back to the people of Oregon for all they've done for him and his resort," she said. "If he truly wants to make a philanthropic gesture, the very finest thing he could do is donate those two parcels."

In his statement, Keiser said he would look for another location to operate the same programs. He owns enough land adjacent to the park to support a course. Any course site would also need access to enough water to run sprinkler systems and fulfill indoor plumbing needs.

Mukumoto said the outcome of the department's deal with Keiser wouldn't make him shy away from pursuing an offer from another private buyer in the future, but "only if they can prove to me we're getting like four times the value of our property."

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