

# THE Sea Pines

BY JOSEPH B. FRASER  
AS TOLD TO MARGARET GREER

STORY  
PART II

Joe Fraser's compelling tale of the Sea Pines Resort continues, as the young community grows and expands, as the town of Hilton Head comes into its own, and as dark clouds gather with the economic turmoil of the late 1980's.

IMAGES FROM HHM PHOTO ARCHIVES

**M**y mother always said that my brother Charles and I were very different boys: Charles was forever reading and studying and I spent more time in the outdoors. She also said that if Charles hadn't become a lawyer and developed Sea Pines Plantation, he probably would have been an artist. Regardless, we always had the full support of our parents in whatever we wanted to do. I have tried to do the same for my five children, encouraging them to do what they do best and helping them as best I can.

Fort Stewart (near Hinesville, Georgia) was expanding in the late '50s, and they gave purchase contracts to locals. I not only supplied them with lumber and plywood but I built houses for Fort Stewart military personnel. I was an officer in the Fraser Land Company, and Dad and I made monthly inspections on Hilton Head Island. Charles had moved there in 1953 and we would have monthly meetings with him. The Fraser Lumber Company made a lot of payrolls for Charles right up until the time he got his first loan from Traveler's Insurance Company, using parts of Sea Pines as collateral. When things began to pick up in land sales, I realized that I needed to move to Hilton Head and sell my business in Hinesville because I was commuting to the island every week and it just got to be too much.

**[CHARLES] HAD ALREADY GIVEN ME A LOT ON THE BEACH, BUT IF A BUYER CAME ALONG, HE WOULD SELL MY LOT AND GIVE ME ONE FURTHER UP THE BEACH... I GOT ALL THE WAY AROUND THE SOUTH END**

Only three builders did the early houses on Hilton Head: Robert Graves, Bobby Woods and Faris Highsmith. With the capability of building only four or five houses each a year, we realized we had to do something to keep up with the demand. I owned about 20% of the Fraser Land Company, and Charles had given me a note. So when I put my destiny in his hands and decided to do construction on the island, he tore up the note and gave me stock instead. He had already given me a lot on the beach, but if a buyer came along, he would sell my lot and give me another one farther down the beach; then he would sell that one and give me another one farther on down. Finally I got all the way around the south end of the island and back on Calibogue Cay. I figured I better come over and look after my lot. That was 1963. My title was vice president of design and construction.

From the beginning, oceanfront lots sold readily. Not many houses were air conditioned then, and everybody wanted to be on the ocean where they could get the breeze. They originated the T-road design and staggered lots so second row got a glimpse of the ocean; then those lots began to sell, too. In the beach lagoon area they came up with a "paddle-wheel" design where second row lots had a straight view and access to the ocean. All beach-oriented property began to move. Jim Self (Greenwood, South Carolina, textile tycoon) talked Charles into letting him build a golf course. Jim furnished the heavy machinery in return for land in the beach subdivisions and certain lifetime rights and privileges. The Ocean



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Course not only established Sea Pines as a true resort but also made hundreds of interior fairway lots available.

Of course, using land as collateral was eating away at future profits, but Charles saw only the present moment in his vast creation. He was beginning to be recognized in the media and the Urban Land Institute as one of the movers of the future. He was personable, young, expressive – all the makings of good copy. Articles in leading national magazines and newspapers piqued wide interest and a clientele other than the expected South Carolinians and Georgians. A New Yorker profile tapped the Northeast.

We talked about a master plan being flexible to meet the changing demographics and economics. Well, instead of the one planned golf course, Sea Pines had four. The designated land for an airstrip became grounds for Sea Pines Academy. Harbour Town's village rapidly grew – all before 1974. Other things were abandoned, such as the hunting preserve, because of lost revenue.

In the early '60s the first condominiums in Sea Pines were built, clustered along Lighthouse Road, and with these buildings the very nature of Sea Pines changed. Every sport was addressed. There was now something for everyone. Not just golf, but tennis, horseback riding, cycling, sightseeing boats. But in everything there was quality and it paid off. Sea Pines was no longer a "private residential community" but was catering to vacation rentals. New visitors meant new buyers and,

before long, Sea Pines was running out of new property for sale. Also, the company had been most generous in giving valuable commercial land along Pope Avenue and South Forest Beach Drive to churches of all denominations. In the middle of Sea Pines itself, 600 acres were reserved for outdoor recreation and a forest preserve. And, for the benefit of all islanders, we saw that land was reserved for a medical clinic with a doctor to run it (CVS on Pope Avenue occupies the site today).

At the curve at South Beach from Painted Bunting Road on down, there were no trees, just dunes. To sell lots, we realized, you need trees. A reforestation program provided pine saplings at a dollar each. Those fast-growing pines now provide South Beach with plenty

of trees. In cutting roads down there, we came across the earthworks of Fort Braddock which had been used as a lookout for British ships during the Revolutionary War and later as a gun emplacement when Union forces occupied the north end of the island in the Civil War. I'm thinking they used the small lake called (on old maps) Horse's Hole to water their horses. The lake is now called Audubon Pond. Charles was always thinking of a more salable-sounding name for things: villa for apartment, lagoon for drainage ditch.

In the 1970s, we bought the northeast end of the island for over \$8 million. It was historic land, the site of the large Pope and Drayton plantations and we called it Hilton Head Plantation. From the opening day the sales were phenomenal and, with the advent of the Model Home Program, the

## SEA PINES WAS NO LONGER A "PRIVATE RESIDENTIAL COMMUNITY"... BEFORE LONG, SEA PINES WAS RUNNING OUT OF NEW PROPERTY FOR SALE.

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development quickly became its own village.


Feeling that Sea Pines was close to completion, Charles had already displayed a growing restlessness. He had tried to develop 3,000 acres on Cumberland Island (Georgia) and all of Bald Head Island (North Carolina). In both cases he was defeated by either environmental or legislative pressures from the respective states. In North Carolina, the attack was led by Island Packet owner and Sea Pines resident Jonathan Daniels, whose family also owned the Raleigh News and Observer. However, Charles successfully developed Amelia Island near Jacksonville.



*Archival photos show the old sign for the Sea Pines Welcome Center, left, and the gate, above, before the advent of the guard house.*



What truly triggered a financial crisis for Sea Pines was the investment in Puerto Rico's Palmas del Mar in 1970 at an initial price of \$8.5 million. Eventually, the cost would reach \$13 million with "intractable problems." It was not only the unexpected culture clash but also the times. During the good times between 1968 and 1974 employment in Sea Pines Company had increased ten fold. Charles hired 11 fresh Harvard MBAs in 1973. He was even written up in Time magazine for the feat. But here sat 11 smart young men with not enough to do. John Curry described them in an interview as "an army of young warriors who had never fought a battle." Charles was never a "money" man; his strong point



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An early shot of a meeting of Sea Pines Associates.

was ideas. He had a Just-Do-It philosophy. Results were more important to him than mere money.

In 1974, the national economy plunged and interest rates soared. There was an energy crisis and gasoline prices reached almost \$2 a gallon. Sound familiar? Resort second homes suffered. The interest clock kept ticking but real estate sales plummeted. In some cases, interest rates doubled. With creditors pounding on the gates, we literally withdrew from all outside projects and stayed home. There was a gigantic firing of employees one weekend. One particularly disgruntled ex-employee left a homemade sign at the bridge, “Last one off the island, please turn out the lights.” A financial crisis was lurking behind the palm trees.

The year before, the Association of Sea Pines Property Owners (ASPPO)

had been created and property owners had a forum for communication with Sea Pines Company officers. The membership was comprised of experienced and successful business people who had individual ideas of what Sea Pines should be. And they questioned a lot of things.

My brother was tired. I think if he could have just been an innovator, making land more beautiful for people to enjoy and not fretting about where the money to make the interest payments was coming from, it would have been refreshing to him rather than wearing him down.

**ENTER BOBBY GINN, A SELF-PROCLAIMED  
DEAL MAKER. HE ALSO SAID HE WAS  
BORN ON THE “CHAINSAW END OF THE  
LUMBER BUSINESS...”**

Sea Pines and Hilton Head Plantation changed ownership three times between 1980 and 1986. Something happened all over the United States in the mid-80s. The movie Wall Street had its protagonist Michael Douglas deliver a speech in praise of greed. It pretty much summed up the philosophy of that generation.

In 1982, we found Vacation Resorts, owned by Heizer Corporation, who paid \$10 million for Sea Pines Company and also agreed to pay Charles for consulting. About the same time, the Hacks and their stockholders sold to Oxford First. Then, Oxford sold to a subsidiary of Marathon Petroleum

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*Bobby Ginn, right, with Earl Hewlitt and General Howard Davis (standing)*

Company, who also bought land to begin Wexford Plantation – which brought us the first stucco. Then, in 1983, U.S. Steel bought Marathon and wanted to divest all the real estate holdings, making Hilton Head Company again available.

**E**nter Bobby Ginn, a self-proclaimed deal maker. He also said he was born on the “chainsaw end of the lumber business,” a reference to his South Carolina family cutting the timber rather than owning the lumber company. Ginn began to weave his tangled

financing web. To try and simplify what happened, Ginn put together a deal where, if he bought Sea Pines, which was floundering under increasing debts run up by Heizer Corporation, he could leverage Sea Pines’ carry-over losses against profits Ginn anticipated from sales of assets of the Hilton Head Company.

He sold this idea to two Florida Savings and Loan associations. When the complicated deal was complete, Bobby Ginn owned Sea Pines, Port Royal, Shipyard, Wexford and Indigo Run. And he was by far the largest employer on the island.

Here’s an example of the way Ginn operated: Marathon Oil had donated land on (Hwy.) 278 for a town center, and the president of Marathon on Hilton Head had appointed a planning committee. Knowing the popularity of having a performing arts center, a museum, a town hall (the island was incorporated in 1983) in one park-like location, Ginn promised Indigo Run’s center would be bigger and better than anything offered by Marathon. He increased the acreage to include a campus for the joining of Sea Pines Academy and Bluffton Academy.

I was on that planning committee, along with David Ames, Don Bennett, and Margaret Greer and we had plans drawn and approved with Ginn’s smiling presence occasionally encouraging us on. After one-and-a-half years of planning, he let us know it couldn’t happen. He had long since triple-mortgaged the land in question.

A bumper sticker “Honk if Bobby owes you” needed no explanation. He wasn’t meeting his payrolls. The local radio station announced when employees could safely cash their pay checks. All the island’s economy was greatly affected. Charles (Fraser) told a newspaper, “Suppliers would not deliver golf balls to the pro shops.” Like quicksand, the more the struggle,



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the deeper he sank. When Charles filed suit against Ginn for non-payments, Ginn agreed to sell his company to Rolyat Holding Corporation, also from Florida. The financing came from Philip Schwab, the largest preferred stock holder in one of the S&L companies which had originally furnished money for Ginn. The house of cards kept getting higher. Rolyat is Taylor spelled backwards and was run by Luke Taylor. Everybody was suspicious of everybody else.

## SCHWAB SENT IN A NEW MANAGEMENT TEAM AND THIS TEAM, EMPLOYEES CLAIM, CARRIED AROUND REVOLVERS AND SHOTGUNS.

Schwab sent in a new management team and this team, employees claim, carried around revolvers and shotguns. Sea Pines residents were up in arms themselves when Luke Taylor took their bronze alligator (from the Plantation Club) to his poolside at his North Palm Beach home. Paintings were missing from the Hilton Head Inn (later, the alligator and all but one of the paintings were recovered).

Federal Judge Sol Blatt of Charleston declared the companies in involuntary bankruptcy and

appointed John Curry as trustee and John West as legal advisor. Sol and John West were old friends. One had led the other to own property on Hilton Head; so there was a personal interest in what happened to the island. The team worked hard and well to calm deeply troubled waters. Although many thought they should have, no one went to jail. Bobby Ginn went north to Charleston's Wild Dunes. I understand he is now working in Florida. Luke Taylor had

plans to return to law practice. Company assets were sold off, and Sea Pines residents formed Sea Pines Associates to own the existing resort properties and Community Services Associates (CSA) was formed to own all common property including roads and open space.

*Ed. Note - Be sure to catch the conclusion of The Sea Pines Story in our June issue. Special thanks to Erin Magrisi, David Warren and Thomas Norby of Sea Pines for their assistance with our story.*

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