

HISTORY

FROM SAND SPURS TO SLOOPS: A BRIEF HISTORY OF PALMETTO DUNES

HILTON HEAD ISLAND, SOUTH CAROLINA —It began in the mid-1960s, when several physicians and business executives from Greenwood, South Carolina entered into an innovative business venture with Charles Fraser. For \$1,000 an acre, the group bought a 2,000-acre no man's land on Hilton Head Island. The property would become Palmetto Dunes Resort.

Ten years earlier, the president of Greenwood Mills, Jim Self, Jr. had started investing in Hilton Head property, when no bridge existed and it took a very creative mind to picture what the island could offer. He and Charles Fraser, the modern-day founder of Hilton Head Island, partnered at Sea Pines to build the island's first golf course; the Ocean Course at Sea Pines.

By the mid-1970's, Greenwood was developing a project in Columbia, South Carolina with Environmental Resorts (ERI) — a firm whose principals included Bill Gregory, one of the first owners of Palmetto Dunes; and Charles Bates, an architect who lived in Palmetto Dunes who designed the original Hyatt Hotel.

They contacted the Self family about investing in another of their projects on Hilton Head — the Fazio Villas along the Fazio golf course. Bates was into the second phase of Fazio Villas and was somewhat bogged down, so he asked if Greenwood would take over the third phase of the project. And with that, Greenwood was back in the mix on Hilton Head.

Soon afterwards, executives at Greenwood were approached to buy Palmetto Dunes. John Davis, who served as President of Greenwood Development from 1982 to 1999, said that things moved quickly: He decided to sign a 90-day option on Palmetto Dunes in June 1979. A few months later in November, Greenwood Development closed the deal on acquiring Palmetto Dunes, and the land that would become Palmetto Hall and Shelter Cove. At closing, Greenwood Development became Hilton Head's second largest landowner.

With a significant presence now secured on Hilton Head, the company determined to create a deliberate and sound development framework for Palmetto Dunes. The community's legacy already was intact. Now, it was up to Greenwood Development to preserve it, and to advance it.

One giant advantage, already established, was the now famous lagoon system. It was unlike anything else on the island, and it provided a unique template for future neighborhoods and amenities.

Work had begun to save the Palmetto Dunes beachfront in 1970. Led by Dr. Per Bruun and with assistance from a British architect, a team of engineers and equipment operators constructed 11-foot high dunes using sand dredged for the lagoons. The scope of the project was mind-boggling. Massive pipes fed nearly 2 million cubic yards of sand from a 100-ton dredge out to the beach, where the dunes were bulldozed and shaped to the proper dimensions. Tidal gates were installed which today regularly flush the lagoons and control the tides.

"What we have at Palmetto Dunes is really a prototype for other coastal communities," said Dr. Bruun. "When we developed the lagoon system and built the dunes, there was very little beach at high tide. Palmetto Dunes was all forest, and full of snakes. The solution was the canal system — it was considered a radical way to handle things."

And it worked. Today, it is hard to imagine Palmetto Dunes without its 11 miles of navigable lagoons.

Greenwood Development moved its focus to the west side of Highway 278 in 1980, with another major dredging operation that fashioned the deep-water marina at Shelter Cove (and provided 600,000 cubic yards of new sand for the Palmetto Dunes beaches — a remarkable engineering achievement). The marina became the cornerstone for the company's next threshold — the mixed-use community. The company adapted its business plan to get the

Shelter Cove Marina area up and running quickly, selling several parcels to grow revenue and maintain its momentum following the completion of the Harbourside condominiums.

The strategy was solid. As Shelter Cove grew, the island gained much-needed retail and office environments, as well as a diverse selection of more than 700 residences.

The marina attracted boat owners and sailing enthusiasts from around the world. Even the famous statue of King Neptune became a destination, drawing visitors and occasionally curious glances.

“We had to adjust some things in the early 1990’s,” said Mr. Davis. The drastically revised tax laws crimped the investor market for rental property. This forced site plan changes throughout

Palmetto Dunes, scaling back multi-family homes in favor of single-family homes.

Evaluating the market conditions, Greenwood Development made the right adjustments and repositioned its product in the increasingly competitive Hilton Head marketplace. “As a result, we sold out much more quickly than we’d originally anticipated,” said Mr. Davis.

The years since 1979, when Greenwood Development acquired Palmetto Dunes, have brought growth and change, excitement and innovation, and many pleasant highlights along the way.

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About Palmetto Dunes Oceanfront Resort

Palmetto Dunes Oceanfront Resort is a 2,000-acre resort destination located in the middle of Hilton Head Island, S.C., bounded by 3 miles of Atlantic Ocean beach on one side and a sheltered Intracoastal Waterway marina on the other. Named No. 3 “Best Resort in the South” in Condé Nast Traveler’s Readers’ Choice Awards and to the top 25 World’s Best Family Getaways by Travel + Leisure, the resort features vacation home and villa rentals, three world-class golf courses, an award-winning tennis and pickleball center, an 11-mile inland salt-water lagoon system for kayaking and fishing, and Hilton Head Outfitters for bike rentals, canoes, kayaks, fishing, beach rentals and retail shopping. The Mediterranean-style Shelter Cove Harbour & Marina, Hilton Head Island’s largest deep-water marina, located right across from Palmetto Dunes, features waterfront shopping and dining and a wide variety of charters, including nature cruises, dolphin tours, fireworks tours and fishing. For information about activities or reservations, please call 877-567-6513 or visit www.palmettodunes.com.

Media Contacts

Martin Armes, (919) 608-7260, martinarmes@nc.rr.com

Brad King, (336) 306-9219, king@bradkingcommunications.com