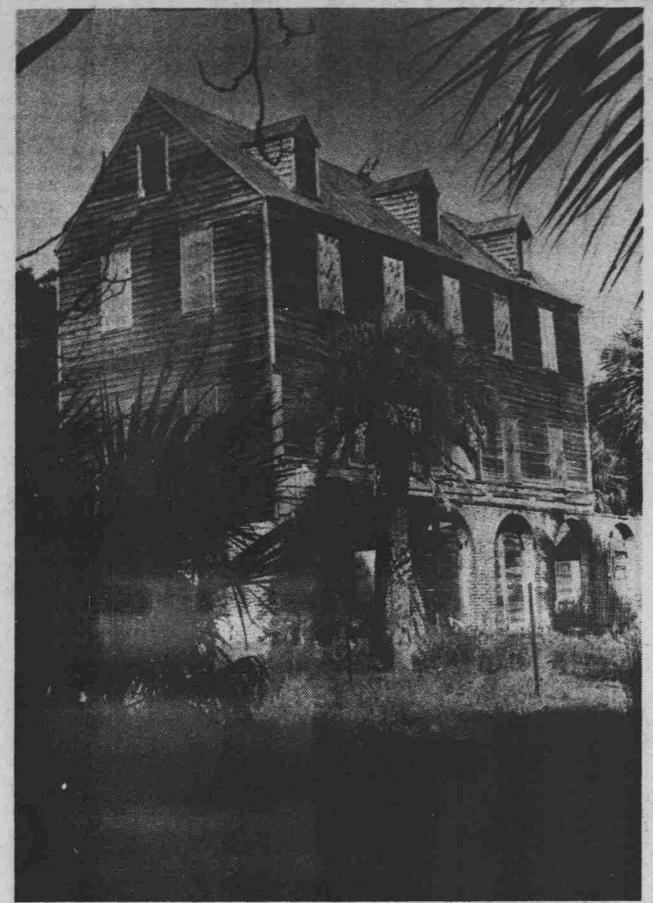
Kiawah Island:

Sheikdom of Kuwait invests \$17 million off South Carolina coast



A weathered plantation house, built in the 18th century by South Carolina Governor Arnoldus Vanderhorst, stands alone on the interior of Kiawah Island. It will soon, however, be surrounded by condominiums, beach houses, golf courses and tennis courts. The developers of the island plan to restore the Vanderhorst mansion and transform it into a museum.

From paradise to playground

lumberman from Aiken, S.C., bought a coastal island near Charleston for \$125,000. The isle was a semi-tropical paradise, shaded by palmettoes and moss-hung, live oaks. The land paid for itself in timber.

Last February, Royal's widow and six children sold the barrier island to the sheikdom of Kuwait for \$17 million. To the wealthy Kuwaitis, the 10-mile long island was not a paradise, but an investment. They immeidately began plans to transform it into a lush seaside resort.

Although the names are new, the plot of the Kiawah story is a familiar one along the Carolina coastline. Rising real-estate taxes have made it practically impossible for private owners to maintain large tracts of idle coastland, and one by one, the coastal islands have been surrendered to large development companies.

Kiawah is one of the last remaining refuges for the variety of exotic wildlife that previously flourished along this country's southern Atlantic shores. Disturbed by an occasional bird-watcher or fisherman, deer, racoons and wild pigs wander freely through its wind-pruned forests. The island's most precious inhabitants are the brown pelicans that fish for sea bass in the surrounding waters and the loggerhead turtles that nest on its beaches.

Unfortunately, these animals are seeing their last days of privacy. Construction crews have already begun their invasion, and as soon as a re-zoning request is granted by the Charleston County Council, a site is being cleared for the island's first resort facility-the Kiawah Inn.

The sale of Kiawah is only the latest in a succession of island sellouts that has included Baldhead Island, Seabrook Island, Pawley's Island, Hilton Head and others.

Dr. Richard Porcher, a biology professor at The Citadel in Charleston who is working

Twenty-five years ago, C.C. Royal, a on a state-sponsored study of the South Carolina coast, has calculated that more than half of the state's coastline has already been developed, and another third is either planned for development or privately

"Only 17 per cent of the coast has been preserved for future generations," Porcher said. "This is an unfair and unwise proportion."

Porcher is on the conservation committee of Charleston's chapter of the Audubon Society, and plans to appear before the county council in an attempt to block the petition to re-zone Kiawah Island from agricultural use to planned development.

The re-zoning petition will most likely be granted. "I'm afraid most of them (the county council) at this point are tending towards the development," Porcher said.

Porcher feels the state government will also be unsympathetic with the conservationists' cause. "The political structure of the state is all for the development of Kiawah," he said. "We'll get no help from them whatsoever."

Apparently few people in the area aside from the traditional preservationist crusaders-the Audubon Society and Sierra Club-are protesting the development. Most are indifferent, and many welcome the investment and the job opportunities that will be created as a result of construction.

There are currently 21 houses, belonging to personal friends of the late C.C. Royal, on Kiawah. Most owners have acquiesced to the invasion of their isolated island.

"We've always felt that eventually the island would be developed," said Dr. Richard Sosnowski, a native of Charleston. who co-owns a beach house with his father and brother. "We just hope that as much of the natural state of the island will be preserved as possible."

Sosnowski and his neighbors may take some consolation from their lost privacy: after development, the resale value of their property will be greatly enhanced.

Dr. Samuel Hunt, a psychiatrist from New Haven, Conn., is the only property owner visibly protesting the development. "Kiawah is one of the few remaining islands on the Eastern seaboard," he said. "It is a priceless natural resource. It should not be developed

Construction machinery has already invaded Klawah and sits idle along the dirt roads waiting for the re-zoning proposal to be passed by the Charleston County Council. The first building constructed will be the plush Klawah Inn.

for the benefit of a few wealthy people. It ought to be preserved without development for future generations."

Before the Kuwait transaction, the gate on the dirt road keading to Kiawah was padlocked, and keys were distributed only to the C.C. Royal family, a small handful of property owners and a few of their friends.

"If the preservationists had their way, the island would be locked up and totally preserved. There would be no people," Frank Brumley, general manager of the Kiawah Beach Company said. Kiawah Beach is the organization overseeing the development of the island for Kuwait. A public beach is included in the company's planned complex of high-cost condominiums and beach-front and fairway-view lots. "Charleston Company needs a good, quality, environmentally wellbalanced beach-front recreation area," People are certainly not a new species to

Kiawah. The island was first settled in the

latter part of the 18th century by Arnoldus Vanderhorst, who later became governor of South Carolina.

Kiawah Island

Kiawah remained a Vanderhorst family possession until it was bought by C.C. Royal

In 1961, a bill was introduced in the U.S. Senate proposing the Kiawah land be considered for acquisition and conversion into a public recreation area. Royal, with the help of South Carolina Governor Ernest Hollings and U.S. Senator Strom Thurmond, fought the proposed acquisition. "They'll have to pitch me into the Atlantic Ocean," Royal told the Charleston News and Courier at the time.

Royal remained dry and the acquisition attempt was defeated

With Kiawah's price tag now at \$17 million, the federal government seems to have lost interest in acquisition; and the island is destined to become a playground for extravagant tourists.

Environmentally-balanced development? "We totally control the exterior of the Jim Tufts, a young North Carolinian, is a was established to protect the eggs, which zealous outdoorsman and a member of the normally become the prey of raccoons and house, as well as where the house is placed on the lot," Brumley said. "We have the right to disapprove the design of a house purely on Brumley hopes the development will have aesthetics." Several of the handful of houses a minimal impact on the turtles. "Out of 10

conservationist Sierra Club. He is also a dedicated employee of the Kiawah Beach Company, an organization planning the development of Kiawah Island

in South Carolina. Tufts sees no real conflict between his personal interests as a conservationist and his profession as a developer. "These areas are going to be developed," he said, "and I

properly." Kiawah Beach, owned and financed by Kuwait, is a recently formed extension of

Sea Pines Company, a multi-million dollar

concern, responsible for the development of

the Sea Pines Plantation at Hilton Head,

S.C., and Amelia Island near Jacksonville,

Fla. The company prides itself on

construction of comfortable, low-density

resorts in a natural environment. "They are

Frank Brumley, vice-president and

general manager of the Kiawah Company,

stresses his organization's concern for the

environment. "What our company does

best," he said, "is blend into the natural

superficial attempt to appease an ecology-

conscious public. His company has

contracted an environmental research

corporation to make an extensive study of

the island, its vegetation and wildlife. "We

will put the development in the areas that are

least sensitive and totally preserve those that

funded a study of the rare loggerhead turtles

Over the past summer, the company also

are more sensitive."

Brumley's claims seem to be more than a

the best in the country," Tufts said.

Thinking the developers are

environmentally and socially

responsible 'is like saying it is

better to have a genteel person

want to help see to it that they are developed

miles of beach front, there are only seven miles that we consider developable. It happens, and damn lucky for us, that the area that is least developable is the area of the highest nesting impact of the turtles."

Residents undisturbed

The company also plans to establish rookeries to insure the survival of the rare

Brumley, who was in charge of the Amelia Island development in Florida before the

Kiawah concern was established last April,

suggests the Sea Pines Plantation at Hilton

Head as a general model for the Kiawah

development. He stresses, however, that the

resort area, like the island itself, will be

The development is planned for a 15-year

period and will include beachfront

condominiums, single-family fairway-view

lots, several plush inns, golf courses, tennis

courts and other recreational facilities. The

architecture will be designed to complement

the natural environment, and no structure

Much to his contractors' distress. Brumley

intends to insure that as few trees are cut

down as possible. Many will be re-located,

and eventually a tree nursery will be

established somewhere on the island.

will be higher than five stories.

already on the island are somewhat obnoxious to the tastes of Brumley's 40-man organization and have been sighted for eventual reworking.

Brumley readily admits the development may damage the island's ecological balance. "There's going to be a change," he said. "There's got to be. You can't insert that number of people on the island and expect not to have some adverse effect on the

ecology. It's our job and responsibility to

Brumley also acknowledges that low

density, environmentally oriented

development inherently means high prices.

The projected cost of a two-bedroom

condomimium is \$60,000 or more, and

interior, wooded, third-acre lots will be no

Brumley does not, however, see the island

as being an enclave for the rich. The more

luxurious condominiums and high-priced

lots, he admits, will be fairly exclusive, but

the inns and the lower-priced condominiums

will be within financial reach of middle-

Many Charlestonians, including the

island property owners, are glad the island

will be developed under the guidance of the

minimize that impact.

less than \$15,000.

income families.

Stories and photos Alan Murray

Insight

Wealth awes tiny country

rape you than a brutal person. Kuwait is an Arab nation in the northwest corner of the Persian Gulf, slightly smaller than the state of New Jersey. It Either way, it's still rape.'—the is a desert country with no rivers, and aside from oil, sand is its most abundant resource. The need for beach property only protesting property owner certainly wasn't a factor in the country's purchase of Kiawah on Kiawah Island.

The purchase, in fact, was not the result of any particular need, but rather an overabundance of capital. The country's oil exports are expected to bring the government \$10 billion in revenues this year.

At present production, Kuwait's oil reserves will be totally depleted within a century. The government has attempted to reduce production in order to conserve oil, but pressures from oil companies and oil-consuming nations have made production cutbacks all but impossible. U.S. Treasury Secretary William Simon visited Kuwait and other oilproducing Arab states in July to discourage production cutbacks. It would be in their interest, he told them, to expand production, see prices decrease some, and invest oil revenues in the United States.

This year, Kuwait has approximately \$6 billion which must be invested abroad. The Kuwait Investment Company, owned jointly by the government and the ruling family of Kuwait, is responsible for the monumental task of wisely investing the oil income. The United States is the company's prefered nation for investment, primarily because financial transactions are faster in the United States.

"It takes our Swiss bankers months to invest what we can move through the American market in an hour," Khaled Abu Al-Saud told U.S. News and World Report last May. Al-Saud is the Palestinian Arab who heads the Kuwait Investment Company.

Kuwait has already spent over \$100 million in this country. Its other investments include half-ownership in Atlanta's Hilton Center, a 27 per cent share in an Idaho cattle feeder lot and property in California's San Remo

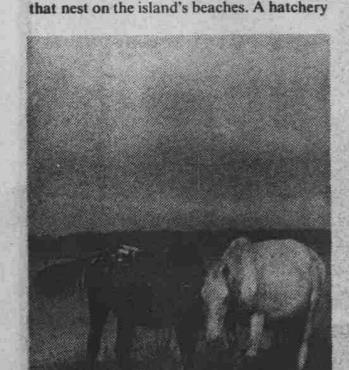
Richard Williamson, a Columbia, S.C. native, is the Kuwaitis' financial advisor and lives in the Arab country nine months a year. Williamson, a former Merrill-Lynch employee, was bullish on Kiawah and was instrumental in negotiating the island's sale.

Contrary to the rumors of an influx of camels and oil wells circulating the Charleston area, the Kuwaitis have no intention of endowing their island resort with an Arabesque motif. "Needless to say they are proud of their own culture, but they don't plan to transfer any of them to Kiawah," said Frank Brumley, senior vice president and general manager of the Kiawah Beach Company.

"They are a very sensitive people," said Brumley, who recently visited the tiny Arab country. "The ones that we've been involved with were educated in American universities and are very articulate people who are very much concerned with the impact they make on the United States. They know if they ruin the environment on Kiawah through the zoning process, it will kill their opportunity to do it again."

Brumley estimates that the total development of the island, covering a 16 to 18 year period, will cost Kuwait at least \$250 to \$300 million.

Unlike most real estate developers, Kuwait has no desire or need for short-term returns on its investment. They are interested solely in long-term profits. As a result, Kiawah Beach will have the time and flexibility needed for proper planning and construction.



a near obsession with Kiawah Beach. The design of houses built by owners of singlefamily lots will be subject to the discretion of a brutal person. Either way, it's still rape." the developers.

Blending, a concept which appears to be environmentally and socially responsible antithetical to most seaside developments, is Sea Pines Company. But one property owner, Dr. Sam Hunt, disagrees. "That," he said, "is like saying it is better to have a genteel person rape you than

> For years, Klawah has been a haven for wildlife of all sorts. Herons, egrets and ibises fly over the island's semi-tropical forests, alligators sun-bathe beside its marshes and horses graze in its fields. The Kiawah Beach Company, developers of the Island, plan to preserve the animals and their habitats as best as possible, but their large scale construction will undoubtedly upset the Isle's fragile eco-system.

> Unlike the residents of N.C.'s coastline who are fighting valiantly to prevent the development of the Jockey's Ridge area, South Carolinians are for the most part acquiescing to the gradual encroachment of their entire coast by resort developers. Local protest to the Klawah development has been minimal, and the proposal to re-zone the island from agricultural use to planned development is expected to be passed unchallenged by the Charleston County Council.

