

The Pioneers of Timesharing

Part I: The U.S. Developers By Marge Lennon

First in a two-part series.

Entrepreneurs and leaders generally have similar character traits. With a relentless drive to build something new, these gifted, high-energy people are generally fueled by an overwhelming desire to excel, often taking risks along the way, but ultimately converting their initial idea into a successful enterprise.

This article has been created to chronicle the involvement of a handful of true pioneers whose early contributions and entrepreneurial spirit paved the way for today's US\$12 billion a year global timeshare industry. The industry they helped establish 40 years ago now employs thousands of people, generates revenue for over 5,000 resort communities in more than 100 countries and results in continuing happy vacation memories for millions of families each year.

Each of these timeshare pioneers has left their own unique imprint on the industry they helped invent, with many of their early ideas and concepts deeply woven into the tapestry of today's vacation ownership programs. The material that follows in this edition and the next will briefly review the industry's growth in the "early days" while focusing on a dozen or so trailblazers who courageously traversed virgin territory, clearing new pathways and leading the way for others to follow.

In recalling the early days of their businesses, most of these entrepreneurs admitted they were unencumbered by *what they didn't know*. Partially because of that, they continued to forge ahead, honestly believing there was no reason they could not accomplish their goals.

Timesharing was first introduced in 1963 at a ski resort in the French Alps, where the shared-use concept made vacations

at Europe's leading resort areas affordable for thousands of families. But American ingenuity is credited with initially nurturing the concept and first bringing it to the public's attention. By 1969, land sales had become big business in the United States and a trade association (the American Land Development Association, now known as the American Resort Development Association) was formed to assist in the burgeoning business. Richard Nixon was president at the time and a hotel room cost less than US\$13 a night.

Carl Berry. New legislation had been passed to correct problems of deceptive land sales practices. Washington, D.C. attorneys Gary Terry and Bill Ingersoll formed the American Land Development Association to become a

Bob Burns. Bob Burns had an entirely different approach in 1972, selling one-bedroom Kauai beachfront condominiums by the *month* for US\$2,950 on a 40-year land lease program. Sales were conducted via seminars requesting \$100 refundable deposits. Often 300 people would attend, closing as high as 50%. Later, he converted motel units into a 40-year right to use, selling two weeks for US\$1,250. In 1974, he formed Vacation Internationale (VI) with Bob Rigggenburg, selling a right-to-use vacation lease to his Northwest buyers who preferred Hawaiian vacations. (Since there were no existing timeshare laws or regulations, the partners sold use rights instead of a real estate interest.) Because the buyers preferred divergent seasonal vacations, VI created the

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voice for land developers. At about the same time, Carl Berry was planning to transition his San Francisco company from lots to condo sales. "We were trying to figure out how to sell our product," he recalls, "and came up with the idea of selling condominiums by the week. It took three years to take our idea from concept to reality." Berry called his product timesharing because his lenders did not understand the concept, but understood sharing time on computers. He then developed the first U.S. timeshare fee ownership program on Lake Tahoe, California. Today, Berry is credited as a driving force in the development of urban timesharing. He is CEO of Star Resort Group and an owner of the company, specializing in the development, sales and marketing of luxury fractional resorts.

first actual point system in the country 35 years ago – which has been widely replicated today by most major companies. Now 85, Bob has been nationally recognized for his contributions to the industry and remains an active skier and sportsman in Sun Valley, Idaho.

Keith Trowbridge. By 1974, Keith Trowbridge, Ph.D. had developed the first *purpose-built* timeshare resort in North America on exclusive Sanibel Island in Southwest Florida. Selling his Captran properties "by the slice," with a logo that resembled a slice of a pizza, he became one of the first major timeshare developers. By the time Keith had developed his third property, timesharing was the "darling" of the media as reporters and fellow developers were beating

In addition to the trailblazers mentioned in this story, there were many other timeshare pioneers who blazed a path for others to follow. They include George Donovan, former CEO of Fairfield Communities and Bluegreen Resorts; Perry Snyderman and Shelly Ginsburg, founders of Shell Vacations; attorney Rob Webb of Baker & Hostetler; and Deb Linden, CEO and founder of Island One Resorts in Orlando.



Keith Trowbridge



Allen G. Ten Broek



John Sweeney



Edwin H. "Ed" McMullen, Sr.



Kemmons Wilson

down his door to see how it was done. He later franchised his resorts to Canada and the Caribbean, selling some of the early properties for less than US\$2,000 a week. "From the beginning," says Keith, "we thought the concept through from start to finish and always approached it as a total concept – sales, management, rentals and even resales."

Before the company closed in 1984 and its interests sold to Captran alumni Kenn Keim (now deceased) and RDI – later sold to Bluegreen – there were 35 resorts flying the Captran banner. Today Keith operates Executive Quest, Inc., an executive search company for the timeshare industry.

Allen G. Ten Broek. In close geographic proximity to Keith, developers Allen Ten Broek and partner Bob Taylor founded The Mariner Group in Florida in 1972. They initially became involved with ALDA as land developers, building condominiums, residential communities and the exclusive South Seas Plantation on Captiva Island, Florida. They opened their first interval resort in 1976 and ultimately developed 16 Southwest Florida properties serving 20,000 owners. In 1991, AI teamed up with Ed McMullen to form a company that became Hilton Grand Vacations Company, selling their shares in 1996. Since then, AI has helped develop a Caribbean property, Old Bahama Bay located on Grand Bahama Island.

John Sweeney. Now President of Global Resorts, Inc., John Sweeney is a 35-year veteran of the vacation resort industry with experience as a consultant to over 500 timeshare projects in 47 states and 32 foreign countries. He has worked with 26 hotel brands worldwide and has provided guidance to scores of international and domestic hotels and mixed-use projects integrated with gaming operations. He entered the timeshare business in 1974 in Ocean City, Maryland, marketing and selling two of the industry's early projects. He was the first marketer to offer year-round sales in Cape Cod and prove that indoor amenities could

broaden timeshare offerings. His career as a lead consultant also encompassed early urban timesharing in New Orleans and at the Manhattan Club in New York City. He served as a senior executive with Marriott Vacation Club International in its formative years and later was a lead consultant in the launch of Hilton's first Las Vegas project, also guiding Four Seasons in their foray into the timeshare industry in 1995. In addition to directing Global Resorts, John is a founding member and past Chairman of the International Advisory Board for the UNLV Harrah College of Hotel Administration in Las Vegas, where he teaches as adjunct faculty.

Edwin H. "Ed" McMullen, Sr. Following a career in insurance, banking and other industries, Ed, with Robert A. Miller, founded American Resorts in 1976, developing four timeshare resorts on Hilton Head Island, S.C. Prior to American Resorts, Ed had learned initially about timesharing from his bank's relationship with Captran (Keith Trowbridge

In 2004, E.H. McMullen & Assoc. became involved in the development of a mixed-use resort in Destin, Florida, named Emerald Grande, which included a significant and successful luxury fractional component. In 2009, Ed and his sons branded a new company as McMullen Development, with plans to enter the real estate-based retirement market.

Kemmons Wilson. Kemmons Wilson, now deceased, founded Holiday Inns in 1952, with the first Inn opening in Memphis. During his 27 years of leadership, his company amassed 1,759 Inns in 50 countries. Intrigued by the timesharing concept, in 1981 the legendary hotelier acquired 357-acres of land to build Orange Lake Country Club near Orlando. With as many as 12,000 people staying on property in any given week, today it is the largest single-site resort in the world with over 1,400 acres available and planned for additional development. The company is now led by Kemmon's son, Spence Wilson.

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and Kenn Keim) and was intrigued by the concept. In 1984, the Marriott Corporation purchased the assets of American Resorts, forming the foundation of Marriott Vacation Club International (MVCI). Ed continued as Executive Vice President of MVCI until 1990, when he resigned to pursue the formation of Grand Vacations, a joint venture between Ed and his sons Ed, Jr. and Malcolm and the Mariner Group including AI Ten Broek and Bob Taylor. In November 1991, Grand Vacations formed and branded a relationship with Hilton Hotels Corporation, creating Hilton Grand Vacations Company (HGVC). In 1996, Hilton Hotels Corp. bought out the partners' interests in HGVC. In January 1997, Ed and his sons formed a joint venture with the Shell Group to create the Shell Vacations Club.

Marge Lennon is also a timesharing "Old Timer" and has been a publicist for the industry since 1978. She would love to tell your story! Contact her at +239-482-3891 or via e-mail: Marge@LennonCommunications.com.

In addition to the trailblazers mentioned in this story, there were many other timeshare pioneers who blazed a path for others to follow. While it is impossible to name them all, in the next issue we'll look at those involved with the industry's maturation and globalization.