

PLACES.

The Grand Hotel

How a Watch Hill landmark lost its luster: the battle for the Ocean House. BY BRONWEN HRUSKA

THEY CAME FROM New York, Philadelphia, Baltimore, Cincinnati, and St. Louis. They traveled up the coast via steamship, then boarded a trolley for the small Rhode Island beach town of Watch Hill. Finally they arrived at a canary-yellow mansion called the Ocean House. The elite captains of industry and other luminaries of the late 19th and early 20th centuries knew that this elegant hotel, overlooking a rolling green lawn and a blue expanse of Block Island Sound, was the real place to see and be seen during the summer—not pretentious Newport or stiff Long Branch.

FDR, Prescott Bush, and Mary Pickford and Douglas Fairbanks Jr. all spent gilded sojourns at the Ocean House at the peak of its prime, enjoying afternoon teas and masquerade balls. Entrepreneurs brought their families for the picture-postcard views, the croquet, and the sailing. Back in 1868, when the son of the town's lighthouse keeper built the hotel, he could never have imagined that his seaside inn would transform sleepy Watch Hill so thoroughly that in 1903 its owners would have to erect two boxy additions to accommodate the rush.

For more than half a century the Ocean House symbolized the cachet of Watch Hill itself. It even starred opposite Fairbanks in his 1916 film *American Aristocracy*. But the social-register families who first used the grand hotel returned to Watch Hill to build their own 15-room summer "cottages." Generations of the prominent families who lent their names to Busch Beer, Breck Shampoo, Harkness Oil, Fisher Body Automotive, and Simmons Mattresses summured in this mile-square town. In time the social hub became the private Misquamicut Club, and the Ocean House began its long, slow decline.

Watch Hill is less than three hours by car from the Upper East Side, and to this day it remains an out-

Splendidly set on Block Island Sound, the Ocean House was a quiet alternative for prominent families who didn't fancy Newport.



In its late 19th and early 20th century heyday, the hotel was the place to see and be seen: FDR, Prescott Bush, and Mary Pickford summured here.

of-the-spotlight retreat for New Yorkers who can afford its gracious century-old, three-story, stone-and-shingle homes, which generally sell for more than \$4 million each. Though the heirs to John Deere, Studebaker, and American Food Products spend their summers here, the new Watch Hill people tend to be more anonymous—a *Who's Who* of partners from New York's toniest law and finance firms. Nearby Newport is welcome to sell tickets to its mansions and build yet more tour-bus parking. Watch Hill people—less Calvin Klein and Botox, more Lilly Pulitzer and SPF 15—get litigious over their peace and quiet.

For the past five years, in fact, they've been waging a battle over the future of the Ocean House. Not since its heyday many decades ago have the wealthy taken such an avid interest in the hotel. But what was once a spectacle of luxury and privilege has since become a spectacular liability on a \$13.2 million piece of property.

FIRES AND HURRICANES HAVE destroyed almost every 19th-century hotel along the coast from New York to Boston. The Ocean House survived, but it hardly prospered. By the beginning of the last decade, the middle of the building had started to sag from water damage, and its trademark yellow paint was curling away from the clapboard. Inside, the musty upholstery and creaky wicker made more of an impression than the handcrafted moldings and the smoked-glass chandeliers. A fire in the '70s shut down a

third of the rooms; they never reopened. The Ocean House became known for Tuesday night bingo, five-dollar drafts, and sometimes great, often rotten local bands playing late into the night. Many of the younger Watch Hill summer residents liked the note of dissonance the hotel brought to the homogeneous community, but for those who lived next to it the Ocean House had become a nuisance.

The first real plan to turn the place around came in 1999. Fred Whittemore, a longtime Watch Hill resident and a former Morgan Stanley partner, offered \$10 million to buy the 100,000-square-foot behemoth from Stephen Brankert and his siblings, whose grandfather had purchased the Ocean House in 1938. Whittemore wanted to tear it down and replace it with a manageable 40-room hotel and spa with eight suites for sale. "My idea was to make it a co-op and have Watch Hill residents own pieces," he says. "No one in Watch Hill uses the Ocean House. I was trying to correct that."

But some of the residents didn't regard this as a problem that needed fixing. They considered the Ocean House an eyesore and a fire hazard and wanted the thing gone, period. Bill Griffin IV, the son of one of the community's longstanding members, and a handful of the hotel's neighbors took Whittemore to court. "His plans were dog meat," says Griffin, who owns the upscale Inn at Stonington, some 20 miles away. Whether he saw the Ocean House as competition or merely as a threat to his father's beach



Homes in Watch Hill sell for upward of \$4 million. The Ocean House—the big yellow building toward the top—sits on a lot valued at \$13.2 million.

house, he became a tenacious opponent.

Whittemore's personal style didn't help. One summer resident endearingly refers to him as Foghorn Fred; someone else describes his performance at town council meetings as *Godzilla Meets the Tsunami*. His biggest problem, however, was the zoning regulations, which didn't allow for the construction of a new hotel. For three years Whittemore continued to renew his \$250,000 option to buy, but eventually the project lost momentum.

The Ocean House opened its doors to guests for the last time in 2003; the next summer it wouldn't pass the tough new fire regulations adopted in the wake of the nightclub fire in West Warwick. The Brankerts were getting desperate to make a deal that could actually close.

By the beginning of 2004, the Ocean House had a new buyer: Rick Girouard, a New Canaan developer who secured a purchase-and-sale agreement for close to the \$13.2 million asking price and wasted no time applying for a demolition permit. He planned to divide the land into five two-acre lots and put a luxury home on each one, which he would sell for \$3 million to \$5 million.

People from as far away as Bradford, Hartford, and Providence went ballistic over the out-of-town developer's proposal. They'd frolicked at the Ocean House on family vacations, danced in the bar to Johnny and the East Coast Rockers, toasted their future spouses and gotten wasted on the patio. It was a piece of their history.

But it was the opinion of Westerly, six miles away, that mattered. The fact is, Watch Hill isn't technically a town: it's a fire district of Westerly, an industrial town of 23,000 where Watch Hill residents go to renew their driver's license, see the doctor, or buy anything other than T-shirts, ice cream, and antiques. Westerly gets 30 percent of its taxes from the summer residents, so five pricey McMansions would have pulled in some serious cash—far more than a single hotel.

But the Ocean House was a special case. Over in Avondale, just outside Watch Hill, a year-round resident named Paula Ruisi created a Web site, gathered 700 signatures, and made up canary-yellow *SAVE THE OCEAN HOUSE* baseball caps and bumper stickers. Bill Haase, the Westerly town planner, prevailed on the town council to call a public meeting. On the day it was held, TV cameras crammed the chamber; community members overflowed into the hallways and down the stairs. "You can't underestimate the power of a New England town meeting," Haase says. "By the end of that meeting, the directive to the council was: figure out how to save the Ocean House."

Enter Chuck Royce, of the Royce Funds in New York. Over the past few years Royce had been quietly restoring old buildings in Watch Hill, Avondale, and Westerly. When he heard what Girouard was planning for the landmark hotel, he says, "I just couldn't stand it. To me it's probably the most important piece of property from Boston to New

York.” He won’t discuss the details, but he allegedly offered Girouard more than a million dollars to step aside.

“He deserves a lot of credit,” says Royce. “At the end of the day he was extremely cooperative.” Royce planned to save the Ocean House with a face-lift that insiders put in the \$50 million range, creating an “oceanfront historic hotel” with all the 21st-century amenities, including a high-end restaurant, an indoor swimming pool, and shops. Like the newly conceived Plaza, the Ocean House would be reborn as a “hotelminium,” with 20 hotel rooms, 40 for-sale suites, and up to five ocean-view cottages that would go for several million dollars each. But Royce had learned from his predecessors’ mistakes. He would proceed if and only if he was able to get the zoning regulations changed.

Royce sat down with important people in Westerly and with the hotel’s neighbors and got their promises of support in the crucial October town-council zoning vote. He hired the Westerly attorney who had rewritten much of the town’s zoning policy in the ’90s. He agreed to bring in historical-preservation agencies to determine the architectural details he needed to protect. The town-council meeting on October 15 was a sea of canary-yellow caps, and the council passed Royce’s zoning amendment unanimously.

But Bill Griffin, the hotel’s implacable foe, sat conspicuously hatless front and center. “Chuck is a great guy,” Griffin says; as it turns out, the two are partners in several real-estate deals. “But I’m opposed to the process that went down. The town has given him carte blanche to do whatever he wants. And that building’s gonna get torn down.”

Sure enough, the detail no one is talking about is a very clear clause in the variance that states Royce can “rebuild, replace, renovate, or replicate” the Ocean House. That’s a big *or*. But who knows what the structural engineers will find behind those 137-year-old walls? Tearing it down and rebuilding it might be the only way to save it.

But whether the Ocean House is restored around its original frame or re-created in perfect detail, it will be nothing like the scruffy place the Brankerts ran. Rumors circulated this winter that Ralph Lauren had toured the property and was interested in managing the new luxury resort. “Is it true? Probably,” says Mark Weber, the real-estate agent who finally closed the sale, on March 30. “I mean, Watch Hill is often described as the polo set. So that would make sense.”

So the Ocean House has come full circle: once again it’s poised to transform Watch Hill, this time opening the door to the kind of high-end condos Watch Hill has been fighting off for years. Weber, who grew up there, says he’s done the math and the only realistic way to recoup such a staggering investment is to operate the hotel year-round: “I’m not saying it’s bad, necessarily. But this town is going to become a commercial destination resort, which is what people here have always been afraid of. It’s forever going to change the makeup of Watch Hill.” ■

Fire, water damage, and decay turned the Ocean House from a spectacle of luxury and privilege into a spectacular liability.



