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City can sell coastal development rights

By JODIE TILLMAN

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NEW PORT RICHEY -Three years ago, Jutta Shaikh approached city officials with a problem: She wanted to redevelop her Ramada Inn into waterfront condominiums, but could not get the property approved for residential use.

That's because the U.S. 19 motel is located in the "coastal high-hazard area." State law requires cities to limit the number of people living in such areas, meaning commercial properties such as the Ramada Inn can't simply be rezoned for condos or homes.

So officials devised an unusual program that allows the city to relinquish its rights to develop residential units on publicly owned land and sell those rights to private property owners. The City Council approved an ordinance Tuesday evening that outlines how the program would work.

But now it's unclear whether the Ramada Inn project - which prompted the ordinance, nearly three years of work by city officials and \$31,000 in consultant fees to potentially shift units from a \$1.5-million piece of city property - will get built.

Even though the Ramada Inn property has enviable water access along the Pithlachascotee River, motel lawyer Roland Waller said his clients now face the prospect of a less-profitable condo market. He said the owners also feel the ordinance demands too much of developers - including that they line up financing - before they are guaranteed the building rights.

"I think the concept is great, but the devil is in the details," he said Tuesday, adding his clients "have kind of lost their appetite at this point."

City planner Lisa Fierce said the intent is to protect the city, which has a limited number of development rights - about 300 units - to sell. Waller said the Ramada owners were originally interested in 110 units.

Before the city gives up these rights, Fierce said, officials want to make sure the developers who buy them have the financing to see the project through.

Under the ordinance passed Tuesday, the city will sever the development rights to properties it owns within the coastal high-hazard area. The sales price for each potential unit would be based on the amount the city paid for the land.

The largest city-owned property within the coastal high-hazard area is an undeveloped 10-acre tract near Gulf Harbors. The city bought it in 2005 for \$1.5-million, partly with an eye toward selling the development rights.

Based on the tract's density, the price tag for buying the right to develop one unit from that property would cost about \$5,000, plus the consumer price index, said City Manager Scott Miller.

In addition to staff time spent on the project, the city also hired Tallahassee's CPG Consulting. Since September 2005, the city has paid CPG nearly \$31,000 for its work on this program, said finance director Rick Snyder.

City Council member Ginny Miller said she expects other property owners along U.S. 19, especially the older motels, will consider the program as the market improves. If the Ramada Inn project moves along, she said, it would help even more.

The city has long talked about cleaning up the U.S. 19 strip, particularly the transient motels that so often require police attention. This program, she said, could give those motel owners an incentive to redevelop.

"If the Ramada is redeveloped, it's going to spur a lot of things," said Miller. "It really could change a lot of things along U.S. 19."

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