

## RESIDENTIAL DEVELOPMENT

## SURGE

Condo developers are transforming Bay County's beachfront.

By Charlotte Crane

**F**our years ago, developer Bob Blackerby came to Panama City Beach, eyed Bay County's waterfront and began buying up land — some \$40 million worth. He helped launch a 646-unit beachfront condominium, opened a restaurant and started drafting plans for more projects on another 41 acres — all upscale developments.

What's happening, he says, is similar to surges of development years ago along Florida's southeast coast. What's more: "Baby Boomers today have more money than any retirement age group before. And there isn't enough beachfront left."

Developers by the dozens at Panama City Beach may be trying to ensure Baby Boomers get their share. They're transforming 17.5 miles of developable beachfront from its traditional lineup of aging mom-and-pop hotels, snack huts and bikini bars to a next generation of high-rises.

Some 31 condominium projects with about 10,000 units are under way or

planned, most 22 stories or higher. In the first half of this fiscal year, developers in the city of Panama City Beach, which alone has about half of the developable beachfront, took out permits for multifamily construction valued at \$200 million. The value represented is 48% higher than for the entire previous year — when multifamily permit values had already exploded by 1,320% from the year before.

"There may have been another time in history like this, but I haven't seen it," says attorney and beach business owner L. Charles Hilton, who built his first hotel on the beach in 1967 and now has four. "I've never seen a time in history when so many people want to come to one little place to get a piece of heaven."

He recently sold one hotel for a condominium site and is thinking of doing a similar conversion himself.

Longtime hotelier Steve Bachman also recently closed his two-story Gulf View hotel — to make way for a condominium — posting a sign out front saying, "Thanks for 23 great years." Many guests begged him not to sell, he says. But "the timing was right. You can't stop progress."

With the new accommodations, the city is expecting a new breed of tourist — one with more money to spend, notes Bob Warren, president/CEO of the Panama City Beach Convention & Visitors Bureau. "We estimate we will end up with 8,000 more rental units. We will have to figure out how to fill those."

Other beach projects, such as upscale Pier Park being built by St. Joe Co., and city-planned streetscape improvements also could boost tourism.

But some beach residents are already complaining about increased density, says Lee Sullivan, Panama City Beach police chief for 20 years and now mayor. He's not overly sympathetic: "All this redevelopment is property already built on. Close to 50% of the beach is reserved for the public. Fifty-fifty is plenty." □



**NEW LOOK:** High-rises are replacing mom-and-pop hotels along the beachfront.