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## Portland Press Herald Maine Sunday Telegram

### Proposed Scarborough condo conversion policy irks hoteliers

It's a little late to be imposing rules, they say.

By ALLISON ROSS Staff Writer

August 6, 2007



Gregory Rec/Staff Photographer

Nick Truman wants to convert his Lighthouse Inn at Pine Point to condos without having to jump through new hoops.

SCARBOROUGH □— The owners of three hotels in the Pine Point section of town think the time has come to convert their properties into condominium developments, but some in the town think the community should have more say about the proposals.

The Town Council will consider an ordinance that would clarify what properties need municipal approval for condominium conversion and set up a process for considering those applications.

It's a step that many coastal communities in Maine and other states have taken, as hotel owners increasingly have sought to make more money or get out of the hotel business by selling as owner-occupied housing the property they had been renting out.

"Now we're seeing more and more forms of these types of property changing to condominium ownership," said Jonathan Lockman, planning director for the Southern Maine Regional Planning Commission.

As waterfront land values have increased, towns along Maine's southern coast have seen a corresponding interest in condominium real estate.

That's because expensive beach real estate makes condominiums a more affordable option than free-standing houses, said Michael Starn, communications director for the Maine Municipal Association.

In Scarborough, the Lighthouse Inn, The Dunes, and the Sun and Sand Motel want to move from a business with a central reservation system, operated by a single proprietor, to condominium ownership.

All of those businesses have been around for many years and are considered nonconforming uses. They are grandfathered into what became residential zones.

Both The Dunes and the Sun and Sand Motel currently operate as year-round units. They say they will continue to do so under new ownership, but as a residential instead of a commercial use.

Meanwhile, The Lighthouse Inn proposes to keep its 22-unit property seasonal, and the change in ownership won't affect the property's use in any way, said Nick Truman, one of the owners.

Realizing that the town has no precedent for dealing with the conversion of nonconforming hotels and motels, the town staff decided to draft an ordinance.

The proposal, which the Planning Board is reviewing, is meant to determine whether the change of ownership would constitute a change of use, and lays out guidelines for the process that owners must go through if they want to sell their rooms.

Town Planner Dan Bacon said the aim is not to prohibit conversions, but to establish an approach that ensures the property will not become even more nonconforming, and that all planning and zoning requirements are met.

The inn owners and motel owners say the proposed ordinance is unfair.

Among other things, the owners say they should not be held to a higher standard than owners who previously had turned their properties into condominiums. They argue that no additional regulation is needed.

"Is some oversight needed? Sure, but it should be fair and consistent with other properties who have sold their units in the past," said Nick Truman, one of the owners of the Lighthouse Inn. He added that there's never been proof of any problem with previous condominium conversions.

"It's an attempt to create a solution to a problem that doesn't exist," said David Aranovitch, owner of The Dunes. "The town has a long history of the town allowing change of ownership. It's been a very successful policy, and no problem has ever been reported from these other places turning into condos."

In the past couple of decades, several nonconforming hotels and motels have converted quietly to condominiums.

However, recent growth and rising real estate values on the waterfront put the issue on the town's radar. Also, neighborhood opposition in 2005 to Lighthouse Inn's previous proposal to convert to a six-unit condominium focused attention on condominium conversion in Scarborough.

Hotel owners argue that the conversion of their commercial-use properties into condominiums will make the property more conforming to current residential zoning by offering a less transient population.

A group calling itself the Pine Point Residents Group argues that the change will increase traffic and pollution, while requiring additional public services such as firefighting.

Representatives of the group did not return telephone calls seeking comment.

"You'd think it wouldn't make a difference if something was a 'condotel' or a regular hotel, because it's just a change of ownership," said Lockman, the regional planning director, "but it does, in a subtle way, because often it changes the use of the room."

He added that many towns enact ordinances to ensure that the character of the community is preserved with the addition of a condominium to a neighborhood.

For example, Ogunquit began seeing a large movement of inns wanting to convert starting in late 2004, and responded with an ordinance in November 2005, said Paul Lempicki, Ogunquit's land use director.

Wells, with more than 1,000 "condotel" units, has strict rules governing both motels and "condotels." Straying outside the rules is seen as a change of use.

The proposed Scarborough ordinance still has a long way to go before it could be implemented. After the Planning Board reviews the proposal, it will go back to the Town Council.

A public hearing is scheduled for Aug. 17, and the council is expected to vote during a second meeting about the ordinance in September.

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