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## Troubled uptown condos auctioned off

By Kirsten Valle

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Slideshow



Attorney Porter Rhoton III conducted the auction of The Park condos Thursday at the Mecklenburg County Courthouse. The winning bid of \$17.9 million – the only bid – was offered by Tim Griffin, an attorney for the building's lender, BB Syndication Services Inc. of Wisconsin. (John D. Simmons - jsimmons@charl)

The crowd gathered minutes before noon Thursday in a quiet hallway at the Mecklenburg County Courthouse. Men in ties leaned against the walls, and a woman with long blond hair rocked a baby.

Then, a tall man in a charcoal suit announced he'd begin taking bids on The Park condo tower, the \$43 million uptown project that went into foreclosure last month.

An attorney for the project's lender spoke first, bidding \$17.9 million.

"Does anyone else care to place a bid?" the tall man asked. The crowd was silent. "Going once. Going twice. Sold."

And with that, before a crowd of about 100, The Park had been sold to its lender, BB Syndication Services Inc. of Wisconsin.

Work stopped this spring on the 21-story tower on Caldwell and Third streets, stranding condo buyers who'd invested thousands on deposits and upgrades.

The rare auction of a high-priced condo tower is the latest twist in the troubles hitting uptown's once-hot condo market. The slowing economy and credit crunch have made it more difficult to get loans, and rising construction costs have made projects more expensive to build.

210 Trade, the condo tower going up at the EpiCentre, has been stalled since February, part of a legal dispute between its developer and the EpiCentre's. Two other projects have been postponed this year: One Charlotte, near the Westin, and 300 South Tryon.

It's unclear what will become of The Park. After the auction, the lender's attorney, Tim Griffin of Poyner & Spruill, declined to speculate on what would happen next. Other potential buyers have 10 days to place a higher bid and buy the project. The lender could also sell its bid to a third party, such as a developer who could then finish the tower.

The tall man in the suit, trustee Porter Rhoton III, said only that such proceedings are "very unpredictable."

The Park is one of uptown's highest-profile condo projects, with longtime Charlotte engineer Pete Verna at the helm until he retired last year. It was named for its planned rooftop park, which was to include a pool, fitness center and putting green. Condos were priced as high as \$700,000.

In March, Verna told the Observer work had slowed but that the 106-unit tower was about 80percent complete. Nearly all the units had been sold.

According to court records, developer 222 South Caldwell Street Ltd. Partnership, part of Charlotte-based Verna & Associates, owes more than \$27million on its \$30.7million construction loan to BB Syndication. Verna & Associates officials did not return phone calls Thursday.

Many who came to the auction were contract holders at The Park. After the sale, some said they were unsure what would happen to the building and the money they've invested.

"It's all very frustrating," said Howard Mackie, 35, who bought a unit in 2004. "There's a lot of money on the line ... and there's a large number of people who have been wronged."

He hopes a developer will buy the project and finish it, he said.

Rich Davis of Cornelius worried that if the project didn't go forward, he and the other owners would lose their money. A clause in the contract authorized the developer to spend the deposits on construction costs once work began, he said.

Davis, 32, has put "six figures" into the project so far, including payments as recently as May or June on upgrades such as tile and bathroom fixtures, he said.

He said a group of about 40 contract holders plans to file a lawsuit to get their money back. Contractors and others who worked on the condo tower have also filed liens and lawsuits against the developer, claiming millions in damages.

Rita Miles, who has worked as an interior designer on the project for four years, collected the money for upgrades and turned it over to Verna & Associates. She said she didn't know the project would be foreclosed on and that she was as much "a victim as every unit owner."

"I hope (a developer) buys it," Miles said. "I hope the unit owners have the choice of what they want to do, whether they want to stay in or want their money back."

For now, some said, heading into the courthouse's sunlit lobby, they'll have a while longer to wait.

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**swtncgrl** wrote on 8/8/2008 8:51:36 AM:

Condo's uptown are a dime a dozen. I think our economy is too poor right now to be putting up PRICEY condos and this whole foreclosure says it all.

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