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## Half-finished downtown Austin condo tower bankrupt

Project near Capitol planned since 2000 for sale now; \$10.3M price tag

Austin Business Journal - by [Jacob Dirr](#) ABJ Staff

The development partnership behind the La Vista on Lavaca condos, also known as **The Fondren Building**, has filed for bankruptcy and wants to sell what's left of the project it's been unable to finish for a decade.

**LaVista Partners LP** has tried to sell the project for \$10.3 million since at least May, and it's still being marketed.

The nine-story building was supposed to be a spot where movers and shakers could be near the Texas Capitol, smoke cigars and make deals. Instead, it's a concrete skeleton on the corner of Lavaca and 17th streets, standing like a monument to the recession and reminiscent of the ill-fated **Intel** shell downtown.

Project mastermind Mary Guerrero-McDonald of **Guerrero-McDonald & Associates Inc.** couldn't be reached for comment. The phone number listed on her firm's website is disconnected.

The building skeleton is designed for a restaurant, rooftop entertainment area, luxury residential condos and office condos, plus about 100 underground parking spaces, according to marketing material.

LaVista partnership manager Mac Pike said the Chapter 11 bankruptcy filing is meant to "flush out the real buyers" for the 89,800-square-foot shell.

Pike, a partner in the **Sutton Co.**, blamed the project's failure on circumstances in the market and within the partnership, but declined to elaborate.

He said he does not know Guerrero-McDonald's status.

Pike said the project's failure has nothing to do with its location or the concept, and he is excited to talk to anyone with an offer.

"We have always been transparent. It is a very good project. We know it will be successful," he said. "We have an extension on the site plan and also on the construction. We are in good shape."

The initial bankruptcy filing, which is incomplete, estimates there are more than 50 creditors. It states the partnership has less than \$10 million in estimated assets against more than \$10 million in estimated liabilities.

More than \$4.1 million in claims from five of the top 20 creditors are disputed, according to court records. About \$3.7 million is claimed by Dallas-based **Precept Builders** Inc. and an affiliate.

The Web address and phone number for Precept were not working on July 13. A former executive could not be reached.

Guerrero-McDonald, one of the original partners in the project, sold portions of the project to Pike, Austin real estate developer Jimmy Nassour and a third undisclosed partner, she said in 2008.

Guerrero-McDonald had previously partnered with Gene Fondren, a lobbyist for the **Texas Automobile Dealers Association** who suffered a stroke a few years ago.

The Fondren family is still owed \$200,000, according to court records. The family is not descendants of Walter Fondren Sr., founder of **Humble Oil**, which merged with John Rockefeller's **Standard Oil Co.** and later became **Exxon Corp.**, the family lawyer said.

Guerrero-McDonald is still a committee chairwoman at the **Austin Building Owners** and Managers Association, but the committee co-chair and BOMA's executive vice president said they do not have a contact number and did not know her firm's status.

In 2000, she told the **Austin Business Journal** she planned to build the condos for \$15 million and sell units for \$252,000 to \$637,500. In mid-2006, the project had not started, but Guerrero-McDonald said the tower would break ground that year; meanwhile, the project cost grew to \$25 million.

The project had also received a 10-year tax exemption through the city's Smart Growth program, she said at the time.

After two more years of inaction, the project's cost estimate rose to \$30 million and Guerrero-McDonald told the Austin Business Journal the project was moving forward with a new investment team that included Pike and Nassour. Nassour was traveling and could not be reached.

After completing the concrete skeleton, developers decided to cease construction in September, Pike said. A website [lavistaonlavaca.com](http://lavistaonlavaca.com) still boasts of high living. A 1,600-square-foot condo is listed for more than \$1.1 million, and prices go up to \$2 million.

The original architect for the building, Ponciano Morales, of **Morales and Associates**, said Pike told him Guerrero-McDonald lost control of the project in 2008, although she was still a partner.

"Somewhere along the line the funding dried up [and] everybody stopped us from working," said Morales, who has a \$32,500 claim for work on the project, which the partnership is disputing.

**Courtesy of JB Goodwin**