

Friday, October 31, 2008

## New developer anticipated to assume Pleiades condos

Meeting held with neighborhood group

**Austin Business Journal - by [Kate Harrington](#) ABJ Staff**

From the look of the Pleiades Condominium development on Enfield Road, the project appears to be frozen in time.

But 14 months after work stalled on the condo project at West Lynn Street and Enfield, there is movement behind the scenes that's given neighbors hope that the project may make progress.

A new developer has the project under contract and is expected to close soon, says Jean Stevens, a member of the zoning committee for the Old West Austin Neighborhood Association. Stevens, who declined to name the prospective buyer, says the developer met recently with the neighborhood association to gauge the group's feelings about the project and told the association he plans to repair damage to it and complete it as rental units.

First State Bank, which provided the financing for Pleiades to its former developer, Bolter Corp., foreclosed on the property in the last few months and owns a portion of the property, says Boone Almanza, a lawyer who represented the project's initial designer-builder, Qmet Building Co. LLC.

First State Bank officials couldn't be reached for comment.

Almanza says he's heard some entities are interested in Pleiades, but he doesn't know any details.

"It's our understanding that they have some suitors who are looking at the project and looking at plans drawn up by my clients," Almanza says. "The question is people trying to get financing in this environment."

The dispute between Qmet and Bolter Corp. contributed to the delay in work last summer.

Bolter Corp. hired Qmet in late 2005 to design and build Pleiades, and construction began in March 2006.

In a suit filed by Bolter Corp. against Qmet in late 2007, the plaintiff alleged Qmet engaged in theft and fraud. A countersuit filed by Almanza early this year claimed Bolter Corp. wanted to change the project from apartments to condos, agreeing to pay for design changes, but began to have trouble paying by April 2007.

Qmet filed a lien on the Pleiades project in December 2007, Almanza says, but that lien was extinguished when the bank foreclosed. The original suit is still pending, but nothing new has occurred and Bolter hasn't pursued its claims, he says.

"Bolter, with its inability to pay the money owed to Qmet, has effectively put Qmet out of business," he says. "They owed us about \$500,000."

Richard South of Wright and Greenhill PC, the lawyer who represented Bolter Corp. in the original suit, could not be reached for comment.

Dan McNabb, division manager for the city of Austin's building inspections department, says permits for the project expired Aug. 5, and no new permit applications have been filed.

**Courtesy of JB Goodwin**