

# Lien filed against Inner Harbor Ritz project

## Lead contractor says developer owes \$1.37 million on condos

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June 19, 2009

The lead contractor on the Ritz-Carlton Residences at the Inner Harbor is seeking a lien on the project after the developer missed payments totaling \$1.37 million.

Bovis Lend Lease Inc., the general contractor on the 192 luxury condominiums at the foot of Federal Hill, has petitioned for a lien against developer Midtown Baltimore LLC, according to documents filed this month in Baltimore Circuit Court.

As of early March, when work was finished, the developer owed Bovis \$1.37 million on the \$166 million contract, according to an application for payment filed in court.

Some subcontractors said they haven't been paid in months for their work, and several have notified the owner that they, too, plan to place liens on the project, which opened last year amid a plunging housing market that hurt luxury condo sales.

Jonathan Dickinson, a project executive for Bovis in Bethesda, acknowledged that the company had filed the petition but declined to comment further.

A statement e-mailed on behalf of the management team at Midtown Baltimore said it is not unusual for a contractor to file a lien petition to preserve the right to make such a claim under a state-mandated time frame while negotiations are under way.

"The developer enjoys a strong working relationship with Bovis Lend Lease and is working closely with them to complete the close-out process and to amicably settle any outstanding matters in a timely manner," the statement said.

The first residents moved in last summer at Ritz's first condominium-only project, which features valet attendants, doormen, a marble lobby, an on-site spa and health club, and gardens overlooking Baltimore's waterfront promenade. When the project held its grand opening just over a year ago, developers said they had 113 contracts on 192 condos, priced from the upper \$800,000s to \$5 million. But so far, only 21 of the 192 condos have sold, state tax records show.

Condominium sales have been hit hard during the housing downturn, with 102 sold in the Baltimore area in the first three months of the year, according to the latest market statistics available from **Delta Associates**. Yet, that number represents an improvement over the same period a year earlier, when only 13 condos sold in the region and contract cancellations piled up, said **William Rich**, a Delta vice president.

"A new project introduced in a downturn is that much more challenging to get some type of momentum

going as far as sales," Rich said of the Ritz project. In general, he said, condo developers this year "have not been pressuring buyers to go to settlement. They're trying to work with buyers to get financing in place because the mortgage market is difficult."

Subcontractors on the Ritz project say they have been frustrated by the lack of payments.

Ken Yeakley, managing member of K3 Management LLC, parent of Martinsburg, W.Va.-based C&R Professionals, said his company is owed \$20,000 for doors and windows, flooring, painting and drywall.

Some subcontractors, "haven't been paid for six or seven months. And we're always told two weeks," Yeakley said. "With Bovis, this is unheard of."

Court documents in support of Bovis' lien filing show that subcontractors P&P Contractors Inc., Thyssenkrupp Elevator Corp., Genys Corp. and Levantina have filed intentions to claim liens. The firms said in notices included in Bovis' filing that they are owed a total of \$1.3 million.

Brook Behner, chief estimator for Homewood General Contractors Inc. in Cockeysville, said he too has notified the project developer of his intent to claim a lien. The company is owed the final two payments, for bills sent in January and March, for carpentry work and installation of windows and patio doors. He declined to specify the amount owed but said, "It's a lot of money. I'm trying to work with them as long as I can until I risk giving up some rights."

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