

Group to buy, renovate historic downtown site

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Highgate Holdings, which recently purchased the Stephen F. Austin Hotel, plans to buy the historic Scarbrough Building at Sixth Street and Congress Avenue.

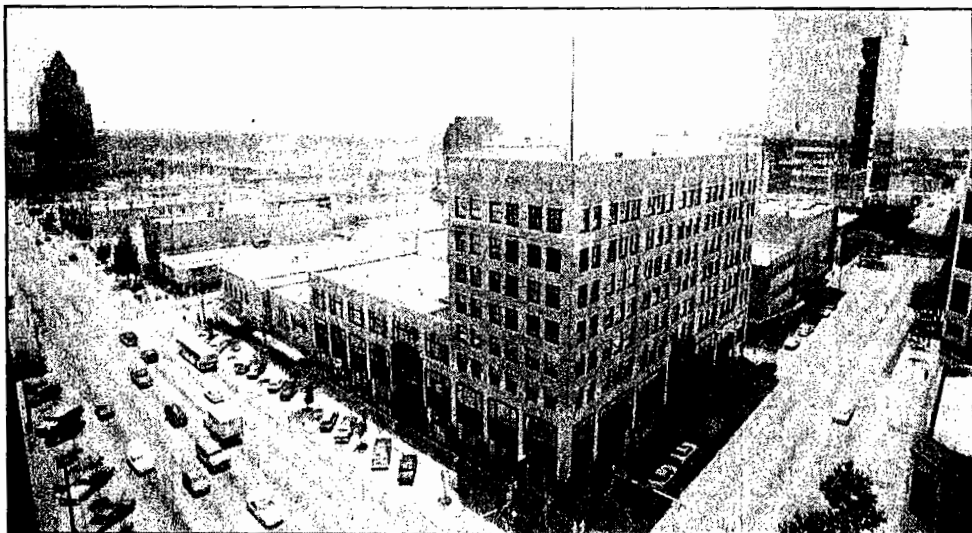
Highgate hopes to complete the purchase within 45 days, said Tom Stacy, president of T. Stacy & Associates Inc. and Highgate's local partner. The purchase price has not been disclosed. The original asking price was \$4.85 million.

Stacy said that Highgate's plans for the former department store include loft apartments, a restaurant, jazz club and an art gallery.

Built by E.M. Scarbrough to house his department store, the building has been at the center of downtown Austin for 87 years. His descendants are the sellers.

The Scarbrough Building, which occupies half a block, was once among the tallest structures in town. In the 1930s, it became the first air-conditioned retail store west of the Mississippi. During that period it also was updated with art deco styling, and the three-

See Scarbrough, D3



David Kennedy/1994 file photo

The building, built about 1910, is at the southwest corner of Congress Avenue, at left, and Sixth Street.

Scarbrough Building changing hands

Continued from D1
story section was added.

Until January 1983, it housed what was then the only department store downtown, the 100,000-square-foot main location of Scarbroughs. The Scarbroughs chain left downtown after it opened new locations in suburban malls. At the time it closed, its manager said the store cost too much to maintain

and attracted too little in sales to be profitable.

A \$5 million renovation turned it into an office building, which is fully leased. Tenants include ABC Bank and Charles Schwab & Co.

Highgate is owned by the Khimji family, which has holdings in Dallas and Vancouver, Canada. The Khimji family entered the Austin market in

March 1996 when they purchased Austin Centre, a downtown Austin hotel-office building, for \$62.7 million.

In April, Highgate bought the long-vacant Stephen F. Austin Hotel, which it plans to turn into a 187-room luxury boutique hotel.

The family owns hotels with a total of 4,000 rooms in North America.