

# 2 historic buildings are sold

■ Highgate closes deals for Littlefield, Scarbrough buildings

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Highgate Holdings, a company that owns hundreds of millions of dollars worth of real estate in the United States and Canada, has completed the purchases of the historic Littlefield and Scarbrough buildings at Sixth Street and Congress Avenue for undisclosed amounts.

In less than a year, Highgate has become the largest downtown property owner in Austin, with a portfolio that includes three of the city's most historic buildings. Highgate officials hope these buildings can serve as a catalyst for ongoing redevelopment of downtown.

"We have a great opportunity to add life to those buildings," said Highgate's Austin partner Tom Stacy, former chairman of the Downtown Austin Alliance. "We're very committed to downtown."

Highgate entered the Austin market in April 1996 with the acquisition of the 990,000-square-foot Austin Centre at 701 Brazos St. for \$62.7 million.

This April, Highgate bought the long-vacant Stephen F. Austin Hotel from Raleigh Enterprises of Los Angeles on the northeast corner of Seventh Street and Congress Avenue. The company is in the midst of a \$15 million renovation of the 73-year-old hotel and plans to reopen it by late summer.

With the acquisitions of the Scarbrough building from the Scarbrough heirs and the Littlefield properties from CarrAmerica Realty Corp., the company will have more than 1.5 million square feet in Austin's downtown.

In addition to the historic Littlefield Building, on the northeast corner of Sixth Street and Congress Avenue, the acquisition included Littlefield Mall and Littlefield Quarters. The nine-story, 107,200-square-foot Littlefield Building was Austin's first skyscraper when Col. George Littlefield built it in 1910.

The eight-story Scarbrough building, on the southwest corner of Sixth and Congress, was built by E.M. Scarbrough in 1910 to house his department store. The Scarbrough department store vacated

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the 100,000-square-foot location in 1983 after it opened new locations in the suburbs.

A \$5 million renovation turned it into an office building.

The building, which occupies half a block, once was among the tallest structures in Austin. In the 1930s, it became the first air-conditioned retail store west of the Mississippi.

Highgate plans a major renovation for the Scarbrough building that will turn vacant space into loft apartments, offices or retail-restaurant space.

Stacy has been a major factor in Highgate's recent downtown acquisition. He has been one of the most active proponents for downtown's redevelopment. T. Stacy & Associates, Stacy's real estate company, purchased 823 Congress Ave. in 1994.

"Not only did I see a business opportunity, but I found that this is where I really enjoy being," Stacy said. "There's a sense of community you don't find anywhere else — a sense that draws people in."

The company, which is looking for other opportunities in Austin's central business district, has its sights set on the Perry-Brooks Building, according to real estate sources. The 123,000-square-foot building is at 720 Brazos St.

By selling the Littlefield properties, CarrAmerica will be able to concentrate on its specialty: suburban office buildings. Also this month, CarrAmerica swapped the

downtown Norwood Tower to the LBJ Holding Co. for the 157,000-square-foot Tower of the Hills at RM 620 and U.S. 183.

Norwood Tower, a 120,000-square-foot building at 114 W. Seventh St., houses such tenants as Austin Ventures, the City of

Austin Law Department and the George, Donaldson & Ford law firm.

Jeff Stone, senior director of Cushman & Wakefield, marketed the downtown properties for Carr America, a real estate investment trust based in Washington, D.C.

Fred Higgins of Commercial Industrial Properties represented the owners of the Scarbrough Building in the transaction.