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Scarborough lures tech firm

Historic downtown building will allow firm to consolidate

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An Austin research and development firm is moving from the suburbs to the Central Business District.

Systems and Processes Engineering Corp. is moving this month into the Scarborough, an art deco office building at 522 Congress Ave. The research and development firm has leased 32,000 square feet in the historic building.

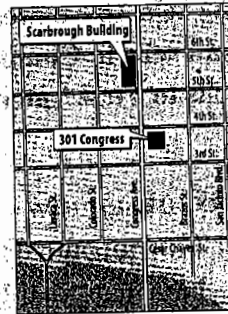
"We like the high energy that's down in Central Austin," says President and CEO Randy Noster, who founded SPEC in 1986. "Sixth and Congress, and the whole area we're in, is a very vibrant area."

SPEC is consolidating its information systems, semiconductor products, and sensors and sensor integration units into a single space with the lease, Noster says. The units were previously separated into a 13,000-square-foot building at 401 Camp Craft Road and rented space in the Escalade office complex on Loop 360 at Westbank.

With SPEC united in a single building downtown, Noster says, the company's out-of-town clients can avoid

renting a car on visits because hotels, restaurants and other necessities and amenities are

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within walking distance of the office.

"We're planning on really enjoying downtown Austin," he says. "We are completely self-contained."

SPEC will likely spend more time entertaining clients as the company continues to expand its research and development and government roots into the commercial products sector.

Jim Silva, SPEC's chief operating officer, says the firm began as a research and development company and has done a significant amount of work for government agencies. At the moment, SPEC is developing a fiber optic-based sensor system to measure temperatures on NASA's next space shuttle.

In Austin, however, the heart of SPEC's business is in application-specific

chip design. Customers include Siemens in Munich, Germany, and Lockheed-Martin. Silva says the firm plans to expand its design services business here.

The owners of the Scarborough building are excited to sign on a tenant that brings a new element to the growing high tech community downtown, says Tom Stacy of T. Stacy & Associates.

Stacy and Highgate Holdings of Dallas and Vancouver, British Columbia, purchased the Scarborough in December. The partners also own the Littlefield and Perry-Brooks buildings, and the former Stephen F. Austin Hotel downtown.

"With the exception of the retail space, the building is 95 percent leased, which is incredible," Stacy says.

The Scarborough suffered from a lack of parking before the December pur-

chase and was only about 65 percent occupied at that time. The new owners quickly reserved existing parking in the nearby Littlefield garage for use by Scarborough tenants, and leasing picked up dramatically. Stacy says the maneuver shows downtown parking problems are more site-specific than general.

"We didn't add any parking to downtown," he says. "That building filled up because we matched that to existing parking."

Most of the remaining space available in the Scarborough is on the plaza level, below street level, and is earmarked for retail leasing. Stacy says the building owners plan to continue exterior improvements and are looking at ways to brighten the steel. Flag poles above the street, at first mistaken for black iron, are actually brass and will be polished, he says.

"We plan to make it as pristine and crisp as the Littlefield Building across the street," he says.

Stacy says the Scarborough will be able to provide expansion space for SPEC as other leases in the building expire.

Noster says his company plans to exercise expansion options over time.

"SPEC is growing," Noster says. "We're staffing aggressively in our chip design business and we're staffing aggressively in our information systems. We're always looking for talented physicists and chemists."

SPEC has approximately 75 employees; offices in O'Fallon, Ill. and Washington, D.C.; and a subsidiary, SPEC GMBH, in Munich.

The O'Fallon office provides research and development services to Scott Air Force Base.