

Stacy to redevelop BofA building

Center has not undergone major renovation since opening in 1970s

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A company known for helping revitalize older properties in Austin's urban core now has its sights set on downtown's Bank of America Center.

Austin-based T. Stacy & Associates Inc. has 501 and 515 Congress Ave. under contract, real estate sources say. President Tom Stacy, who has a reputation for bringing new life to older properties, couldn't be reached for comment.

Houston-based Hines Interests LP has confirmed the two buildings -- at the southeast corner of Sixth Street and Congress Avenue -- have been on the market since early September. The 26-story and three-story buildings comprise about 345,000 square feet. Their total assessed value is nearly \$25 million, according to the Travis Central Appraisal District. Hines built the complex in 1974 and had a minority interest. It bought the majority interest from Bank of America in 1999. Major tenants include Bank of America and ACS State & Local Solutions Inc., a unit of Affiliated Computer Services Inc.

The property is being marketed for sale by Mark McAllister in the Austin office of CB Richard Ellis Inc., who couldn't be

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reached for comment.

Hines declines to comment on any potential agreement with T. Stacy.

"Until we have a signed agreement, we don't give out any information," says Kim Jagger, a Hines spokeswoman.

Austin-based commercial real estate company Commercial Texas LLC handles leasing at

Bank of America Center.

Michael Kennedy, president of Commercial Texas, says the sale will mark Hines' exit from the Austin market. Kennedy confirms T. Stacy has put the buildings under contract.

"As a tenant of 10 years in the building and somebody who's worked with the tenants ... we certainly look forward to continuing the same building quality and services has Hines as provided here for the last 30 years," Kennedy says.

Others in real estate speculate T. Stacy will revamp the 30-year-old property.

"I think it's a long-term landmark on the skyline and has served the downtown business community very well over the years," says Bryce Miller, a principal at Austin-based Endeavor Real Estate Group LLC.

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renovation or repositioning."

Stacy has indicated the renovation process can take on a life of its own.

"You ... have to have a lot of guts, money or time," Stacy said in April. "Hopefully, we have more guts and money than time, because time can kill you and everything is harder than you think it's going to be."

Miller says buildings generally are due for makeovers -- involving more than just updated paint and carpet -- every 15 to 20 years.

T. Stacy has a history of buying distressed buildings in Austin's Central Business District, improving them and raising occupancy rates.

Others in its holdings have included Austin Centre, 823 Congress, the Littlefield complex and the Scarbrough Building. It managed the Perry-Brooks Building during a two-year, \$10 million renovation.

In 2002, T. Stacy purchased the 210,000-square-foot Park 22 office building on RM 2222 in far Northwest Austin.

At the time, Park 22 was just 35 percent occupied. As of April, it was 84 percent occupied.

The company describes itself as "a 'value-add' or 'opportunity fund' type buyer, typically pursuing well-located properties that have upside through