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DLA Piper close to returning to downtown after eight years

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One of Austin's marquee law firms is heading downtown.

DLA Piper is close to signing a lease for 35,000 square feet in the Frost Bank Tower, previously occupied by defunct law firm *Jenkins & Gilchrist*, which closed in 2007. DLA will occupy the entire 25th floor and over half the 26th floor with an option to fill the rest of it. It plans to move in April 2009 but could do so sooner if it finds a sublessor for its current space.

The firm has narrowed down several prospective tenants for its nearly 60,000 square feet in Three Barton Skyway on South MoPac Expressway. That lease, for the third and fourth floors, will expire in May 2011. DLA occupies about 40,000 square feet on the fourth floor, where it has been for more than seven years since moving out of 100 Congress Ave. The remaining space is subleased to several organizations, including the Lance Armstrong Foundation.

Britt Reed with Transwestern Austin is brokering the Frost Bank deal and the Barton Skyway sublease.

DLA Piper, which has 30 lawyers and about 65 employees in Austin, is one of the largest firms in the world, with more than 3,700 lawyers in 25 countries. The firm is a product of the three-way merger in 2005 between London-based DLA, Silicon

Valley-based intellectual property law firm *Gray Cary Ware & Freidenrich LLP* and Baltimore's *Piper Rudnick LLP*.

The tech-heavy firm, which started as *Gray Cary* in Austin in 1998, has diversified and become a more full-service firm here, branching into areas like real estate and commercial banking, says *Jim Montgomery*, managing partner of the firm's Austin office. Although most of the firm's clients, which continue to be tech companies, remain outside the urban core, being downtown will help with recruiting and allow lawyers more interaction with clients, he says.

"Downtown is a very vibrant community now. When we moved out eight years ago, there was so much construction downtown, we wanted to get out of [there]," Montgomery says. "It's not that it's going to be any better now, but [employees] miss being part of the community there."

Montgomery says the firm's move reflects downtown's maturity as the center of business, where many of DLA's clients -- including Computer Sciences Corp., Austin Ventures and Silicon Labs -- reside. Practices like real estate and government regulatory affairs, in particular, will benefit from being downtown. The firm expects to add several attorneys by the end of the year.

DLA Piper is one of several law firms that moved from downtown to Southwest Austin in the earlier part of the decade. Vinson & Elkins LLP is also on the heavily tech corridor of South MoPac Expressway, and Wilson Sonsini Goodrich & Rosati PC, another tech-centered firm, is on North Capital of Texas Highway.

Some of those moves occurred when downtown was perceived as unattractive and lacking amenities and housing, says Russell Young, executive vice president at Commercial Texas LLC.

"Downtown has completely changed and is really a much more exciting place for businesses to be right now. ... We anticipate more moves like this from not only other law firms but other businesses," Young says.