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# Revival at Scotts Valley's old Borland campus

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When Jeremy Almond moved his startup, PayStand, into the old Borland campus in Scotts Valley, the halls were so empty “it was almost like a zombie apocalypse,” he said.

Fast forward a year or so, and PayStand is about to more than double its footprint in the 370,000-square-foot project now known as Enterprise Technology Center, to roughly 8,000 square feet. “Now we’re really seeing an energy there,” Almond said. “There’s a handful of really cool technology companies besides us.”



VICKI THOMPSON

PayStand, led by CEO Jeremy Almond, is based out of the former Borland campus. Now called... more

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That’s a big turnaround from about 18 months ago, when a Chinese investor acquired the lush campus – complete with pools, tennis and basketball courts, and ornate water features – for a bargain-basement price of \$12 million. It was essentially empty.

The project is now roughly 30 percent leased, after signing leases with about a dozen tenants ranging in size from just a few thousand square feet to 15,000 square feet, brokers said. Earlier this year, U.C. Santa Cruz disclosed that it was in talks to consolidate nonacademic staff currently housed on the west side of Santa Cruz. No lease is signed, but industry sources say a deal is close.

“We’ll probably be at 75 percent occupied before January. It’s just rocking,” said Jim Wiseman of Sheldon Wiseman Commercial Real Estate in Santa Cruz, which is handling leasing with Drew Arvay of DTZ in San Jose. Activity is so good that the asking rent of \$2 per square foot, full service, is going up soon.

The change in fortune has to do with a flexible approach to leasing after the previous owner, special servicer LNR, was holding out for a corporate owner-user who never showed up.

“We can do deals from 1,238 square feet to 175,000 square feet,” Wiseman said.

For PayStand, an online B2B payment platform, the project was a big switch from its first office in downtown Santa Cruz. A key attraction: Big Tech perks without the price tag.

“We can do Google-like amenities without Google-like costs,” Almond said.

“You’re normally looking at Class B, scrappy type space to fit within your range,” he added. “Unless you want to really open up the bank account, you ought not to be spending for Class A space at our size. We got to have the best of both worlds.”

The location also allows PayStand to recruit employees in Santa Cruz and Silicon Valley, he said.

The campus is somewhat of an island, but that will soon change. Developer City Ventures has proposed a 55-unit condo project, along with a 128-room hotel, on a parcel next to the campus.

“Everyone who has toured the space wants exactly that – a hotel with residential on the site next door,” Wiseman said. “That would benefit us and we would in turn benefit it.”

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