

# BofA to revamp local operations

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SANTA CRUZ — Bank of America is in the process of rearranging its Santa Cruz operations, although the bank's financial problems may be delaying plans.

Officials of BankAmerica Corp., parent company of Bank of America, have yet to publicly reveal their exact proposals.

There are three branch offices in Santa Cruz. The bank plans to occupy a new building on Soquel Avenue, although that move has been delayed because of the bank's financial problems, according to the developers of the proposed building. Under that plan, the East Santa Cruz branch on

Soquel Avenue apparently will be closed.

Jim Hunsaker, manager of the downtown Bank of America branch, said the downtown branch office would not be closing. "We are not abandoning customers. We would never leave the downtown area."

He said one plan the bank is considering entails selling the property on which the downtown and eastside branches stand and then leasing back the downtown building, plus leasing the new Soquel Avenue site. Such a plan would reduce costs, he said.

Hunsaker reiterated that it was "not really a true statement" that the downtown branch would be moving.

Hunsaker did confirm there is

"consideration" of relocating the eastside branch at 1214 Soquel Ave. to a planned building at 1414 Soquel Ave., across from Liquor Barn.

The possible relocation has been discussed in the past, Hunsaker said, but recently has been put "back on the burner. It's on warm, but isn't a blazing fire."

Hunsaker said the cost of remodeling or adding to the downtown building would be "prohibitive" due to the structure's size and age, but he said the bank may "redo the configuration" of the branch.

According to Sal Maleti, a partner in Charles Perry Real Estate Co., developers of the Soquel Avenue site, he is "99.9 percent sure" the bank will be the project's major tenant

when the 25,000-square-foot building is completed.

The projected completion date, however, was pushed back at least two months because of the continuing financial troubles of BankAmerica, Maleti said.

The bank announced last month a \$640 million loss for the second quarter of this year. Previously, BankAmerica reported a \$338 million loss in the second quarter of 1985.

Recent reports have stated Bank of America is seeking an infusion of outside capital, with a Japanese investment group mentioned as a possible source.

BankAmerica President Samuel Armacost, on announcing the latest

losses, noted the bank had cut 1,200 jobs this year and that a total of 5,000 workers would lose their jobs by the end of 1986. Approximately 100 people are employed in the two Santa Cruz branches.

Maleti said discussions and meetings with Bank of America have taken place since the latter part of 1985 regarding the move. He said the bank brought in its own architect to assist in the re-design of the project.

Bank of America officials have said they would like the new bank to be open for business by the end of February 1987, Maleti said. He added he hopes to break ground on the project in several weeks, depending on whether the bank signs a lease.

"We're keeping them in the city," Maleti said. "It's a perfect move for them. It's just bad timing because of their losses."

Maleti said he has no other major tenant under consideration for the two-story building.

Bank of America spokesman Don Kingdon concurred with Hunsaker's assessment of BofA's local plans. He reiterated the downtown branch would not be closing. A number of small branches in the state had been scheduled for closing, Kingdon said, but that plan is currently on hold.

The downtown branch was opened in 1927 as the Bank of Italy. The East Santa Cruz branch was opened the same year. The name was changed to Bank of America in 1930.