

Bank of America land-swap deal OK'd by judge

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SACRAMENTO — As expected, a Superior Court judge here Monday approved a \$27.6-million settlement between the state and Bank of America, which brings 2,900 acres owned by Pelican Timber Co. next to Nisene Marks State Park into state ownership.

The settlement was lauded by Assemblyman Sam Farr, D-Monterey, who had pressed to have the land preserved. He said it was the first case in the U.S. where a settlement was done in land and not money.

The settlement was prompted by a 13-year legal battle between BofA

and the state over the bank's dormant accounts policy.

Monday's approved settlement involves the purchase of more than 38,000 acres of undeveloped land in Northern California by BofA which, in turn, will be transferred to the state. The deal includes 2,900 acres owned by Pelican Timber Co. located north and west of Nisene Marks State Park.

The 2,900 acres make up the major portion of the Palo Alto-based timber company's 4,360 acres in Aptos. At one point in 1986, Pelican held permit approvals to log 1,350 acres, which resulted in an uprising of opposition from locals.

The local acreage will be left in

open space or used for recreation, as determined by the Nature Conservancy, which will manage it. The Nature Conservancy is a private foundation dedicated to the preservation of undeveloped land.

After two hours of testimony Monday detailing the complex land-swap agreement, Sacramento Superior Court Judge A. Richard Bachus ruled that the state would benefit from the acquisition of land.

In addition to the \$6.4 million worth of open land, BofA agreed to pay \$21.1 million in cash to the state in what could be the country's largest unclaimed property account settlement.

Bachus said the cash would be

sufficient to settle any additional claims by the bank's dormant-account holders.

The legal battle involved the bank's dormant-account policy that did little to try to locate former account holders. BofA also would levy service charges and not pay interest on those accounts.

BofA already has paid \$25.4 million to partially offset depositors' losses. The new settlement brings the bank's total to \$53 million.

Kirk Smith, chairman of the Nisene Marks Citizens Advisory Committee, lauded the state's — and, particularly, Farr's — never-give-up efforts.

"We're absolutely delighted," he said, noting that the 2,900 acres will not only be used as a "buffer" from future development to Nisene Marks, but also will probably mean future recreational uses that are restricted by deed in Nisene Marks.

While those future recreational uses will be up to the Nature Conservancy and a still-to-be-formulated committee, Smith said the new acreage might be used for such things as horseback riding, mountain bike riding and car camping.

"There are no limits to the amount of recreational benefits that can come from this," said Farr.