

Deal brewing for BofA building

Pacific Ave.

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■ **Sale in escrow:** S.J. developer plans to convert historic structure to retail stores.

The historic Bank of America building in downtown Santa Cruz, mostly vacant since 1988, is being sold to a prominent San Jose developer who plans to fill it with retail stores.

Barry Swenson, who rebuilt Santa Cruz's earthquake-damaged St. George Hotel on Pacific Avenue where Bookshop Santa Cruz is located, has entered a deal to buy the bank building for

\$1.45 million, said his project manager, Lisa Bullen. Escrow closes at the end of the month.

A number of companies have lined up to move in, including some interested in renting the entire building at the corner of Pacific and Soquel avenues, but leases have not yet been signed, Bullen said.

"There's been a terrific amount of interest, and we're real confi-

dent we'll be able to do something nice there," Bullen said. She would not name the potential tenants.

Merchants said the news is a pleasant surprise and a boost in Santa Cruz's ongoing recovery from the 1989 Loma Prieta earthquake, which destroyed nearly half of the downtown shopping district.

"We love it when Barry Swen-

son buys a building," said Linda Steinau, director of the Downtown Association of Santa Cruz. Swenson "put up the St. George in record time" and also is building the Kinko's Copies center at Laurel and Front streets, she said.

Suellen Elm, co-owner of Elected, the property's only live tenant (there is also a Bank of America automated teller machine),

agreed. Swenson, she said, should be lauded for developing property while many neighboring downtown lots still are vacant.

"He should be named honorary mayor," Elm said. "You look next door and it's just a vacant lot."

The main bank building, an ornate concrete structure with a red-tiled roof that occupies the corner lot, was built by the Bank of Italy in 1929 and acquired by

Bank of America for its main Santa Cruz branch in the 1930s. The company bought the parking lot behind the building, a former gas station, in 1967 and the adjacent office buildings along Pacific Avenue in 1978.

The bank buildings, totaling 13,400 square feet of the 38,900-square-foot property, were designated historic structures by the city in 1976, meaning any significant changes to their exteriors re-

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quire a permit. Swenson plans to retain the buildings' historic features, as he did with the St. George and numerous developments in San Jose, Bullen said.

Bank of America abandoned the buildings in 1988, leaving only the ATM machine, and moved its main Santa Cruz branch to 1414 Soquel Ave. The vacant bank building survived the 1989 earthquake unscathed, and the company opened it up to

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seven displaced merchants for that year's Christmas shopping season.

The Cultural Council of Santa Cruz County later proposed turning the bank buildings and adjacent Del Mar movie theater into a

performing arts complex. The bank was willing to go along, but United Artists, the Colorado-based chain that owns the theater, never responded, and the project died.

Pollution from the old gas station and the bank building's historic status stymied efforts to sell the property, broker Lee Slaff said. The bank cleaned up the site but could not get a deal for its asking price of \$2.1 million. Swenson, who had been interested in the property, agreed to buy this year after the company dropped its price, Bullen said.