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Money Store moves

Last employees heading to Roseville office

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The last employees of The Money Store still working in its old headquarters, the ziggurat on the West Sacramento riverfront, will move to Roseville by the end of July.

The 280 employees of First Union Small Business Capital, formerly part of The Money Store's Small Business Administration lending unit, are moving to a new office in Olympus Point just off the booming Douglas Boulevard corridor.

They're leaving to make room for 1,500 employees of the state Department of General Services, which has leased the 400,000-square-foot golden pyramid and a nearby parking garage for the next 15 years for \$170 million, starting Aug. 1.

The move to Roseville also signals that First Union Corp. of Charlotte, N.C., which bought the Money Store for \$2.1 billion in 1998 only to shut most of it down amid huge losses a year ago, plans to keep the small-business division going.

The small-business unit, on the second floor of the ziggurat, handles centralized loan processing and underwriting of SBA loan paperwork as well as smaller credits for the bank. Government-guaranteed loan underwriting is a specialty, and the Money Store -- and the Sacramento area in general -- has built up a large, well-trained SBA loan workforce.

Where they're going: The division is moving into 70,000 square feet of a 101,000-square-foot building at East Roseville Parkway and Lead Hill Road. The L-shaped, two-story building is the largest of four buildings in the Parkway Corporate Plaza.

Urban Realty Partners of Phoenix, Ariz., built the 287,000 square-foot office project on speculation last year. The office park sprawls 28 acres from Lead Hill Boulevard to Olympus Drive.

The First Union division will move in three phases by the end of July, confirmed Karen Kitzmiller, spokesperson for First Union.

The ziggurat was built for The Money Store when it was Sacramento's largest publicly traded company. Soon after completing the building in May 1998, Money Store sold the building for \$87 million. Part of the sale included a 21-year leaseback agreement with Bentley Forbes Group of Los Angeles.

The entire company, which specialized in home-equity loans, was sold a month later, right as the market for The Money Store's main product was going sour. After bleeding oceans of red ink and struggling to integrate Money Store's home equity operation, First Union shut most of its acquisition at a cost of \$1.7 billion.

First Union is the nation's sixth-largest bank. It has been trying to get a tenant in the mostly empty building for some time.

First Union's lease negotiation in Roseville was represented by James Macdonell, director of real estate services in the Sacramento office of United Systems Integrators Corp. Urban Realty Partners was represented by Kevin Sheehan of CB Richard Ellis.

"They are growing the operation," said Terry M. Purvis, owner of a national SBA recruiting company based in Roseville. He has recruited for Money Store, and still recruits SBA talent for First Union.

"They have gotten leaner and they have gone back to the basics of selling some core products and doing it profitably, and that is what the program is all about," Purvis said. The staff has seen some turnover, both from people let go and others leaving.

"This is no longer the Money Store. It is a different business," he said. "It is First Union Small Business Capital, and they operate it like a bank."

First Union merges again: Meanwhile, First Union continues to announce plans to grow -- and cut jobs. Last week it announced plans to buy Wachovia Corp. bank of Winston-Salem, N.C., for \$13 billion in stock, creating the nation's fourth-biggest banking company.

The merger would cut 7,000 jobs from the banks' combined payroll. Half of the cuts would come through attrition, but the companies said they also plan to close 250 to 300 branches, or about 8 percent to 10 percent of their current total.

The banks expect to save about \$890 million a year through the merger, with half coming from lower personnel costs.

First Union reported a net income of \$584 million or 59 cents per share in the first quarter. In

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2000 it earned a net income of \$92 million on revenue of \$24.25 billion.

Center is two-thirds full: The lease means the Parkway Corporate Plaza is about 65 percent occupied, said Margaret Mullen, president of Urban Realty Partners. A 55,765 square-foot building remains vacant, as do some smaller office spaces. Other tenants in the center include Q Logic and two divisions of General Motors Acceptance Corp.

The office buildings were completed last May.

The complex has found tenants at a respectable rate, Mullen said, but more slowly than developments in Arizona have. The company typically leases to national companies with high credit ratings on long-term leases, so it can take longer to find tenants.

Roseville, enjoying relatively low and stable electricity rates this summer through the city's municipal electric utility, has some advantages over other California developments. But Mullen said she's not emboldened to invest any more in California right now.

"We're going to wait and see," she said. "With the economy and electricity, there are just too many issues."

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