

City still upbeat about future

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City officials and members of Watsonville's business community said this morning they were concerned about Ford's department store, which filed for bankruptcy Friday afternoon, but remained optimistic about the city's economic recovery even if the store eventually closes.

"I hope that we will see a reorganization happen, as opposed to a closure," said Bob Dwyer, executive director of the Pajaro Valley Chamber of Commerce. "I think a closure at this point, psychologically and practically, will be a real blow."

Ford's has filed for Chapter 11 protection, which means that it

can continue to operate while attempting to reorganize.

Dwyer noted that it was ironic that the news should hit near the third anniversary of the Loma Prieta earthquake. Ford's, which was heavily damaged by the quake, reopened this time last year amid much hope that it would provide an "anchor" that would attract other businesses to relocate or reopen downtown.

Should the store close, Dwyer said, "I just have to continue to have faith in the community, in the energy I see here, in the resourcefulness I see here, in the tenacity I see here ... I believe this will set us back, but I don't think, in some doomsayer's fashion, it indicates the demise of

downtown Watsonville."

"We're still seeing the place as an anchor," said Mayor Oscar Rios, who telephoned from a California League of Cities conference in Los Angeles this morning. Rios said he believes other businesses will be interested in moving into the building should Ford's close.

Carl Blanke, of Hirsch & Associates, agreed.

Blanke, who has been working with the city on locating tenants for commercial buildings, including the new parking structure and the old post office, said a Ford's closure is "obviously not what we want to see ... (but) I don't think it's overwhelming; frankly ... I personally have several other people who are interested in those facili-

ties."

Ned Madonia, the city's housing and economic development director, also said that while a closure would be a blow, it could be "an opportunity, too."

"You don't have any one facility downtown with that square footage," Madonia explained. "There are a number of companies who would very much like to be in our marketplace" but can't find a building large enough, he said.

"I don't want to minimize it," he said, "but I don't think it's the end of the world, either."

Madonia said the city will obtain a copy of Ford's reorganization plan to keep an eye on how things are going.

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Everyone interviewed this morning pointed to the amount of construction going on downtown, to the reorganization and revitalization of downtown business groups and to increased cooperation between the city and the business community as evidence that, with or without Ford's, the city will move ahead.

"All those things are really positive steps - in this economic chaos, in the worst economic crisis California has seen," Rios said. "I give credit to the people and the city and the staff for that."

City Manager Steve Salomon, who also called from Los Angeles, said the news was "obviously disturbing."

Salomon said he is hoping to meet with Ford's general manager Jack Kenney and to talk to the Small Business Administration and Rep. Leon Panetta on Ford's behalf, "but at some point, there's only so much (Panetta) can do."

Ford's has been attempting to get a bridge loan from the SBA to help it get through the tough times. So far, negotiations between Ford's, Panetta and the SBA haven't produced a solution.