

Ford's celebrates rebuilding loan

Earthquake - Watsonville Rebuilding

Officials mark 10 months since quake

By JAMIE MARKS
Sentinel staff writer

8-19-90

WATSONVILLE — Against a backdrop of crystal blue skies and mariachi music, Ford's Department store celebrated its plans Friday to rebuild in downtown Watsonville, 10 months to the day after the earthquake destroyed three Ford's stores.

Backed by the second largest loan in the history of the Small Business Administration, Ford's Vice President Hal Hyde hailed the \$24.1 million SBA package as signaling "the start of the rebuilding of our town."

A bevy of media swarmed around government officials and Ford's employees to chronicle the recovery of this agricultural town, which was so severely damaged in the Oct. 17 earthquake.

For many, Ford's epitomizes the downtown itself. Ford's is the oldest department store chain in the state, with the Watsonville store having opened its doors in 1852. The company employed nearly 700 people throughout the Central Coast region before the earthquake.

"It's not only a part of our collective history, but a part of our personal history," said Mayor Todd McFarren, recalling his wife's childhood routine of going to church on Sunday, then to Ford's. "It's a venerable icon that transcends sales-tax revenues."

Time and again, speakers told of the perseverance and cooperative effort that resulted in the comeback of one of Watsonville's major employers.

"Ten months ago a tremendous amount of destruction took place," said Rep. Leon Panetta, D-Monterey. "Today, we see the beginning, the rebirth of this community. It has not been an easy road and it's taken a tremendous amount of effort from a number of individuals."

The Rev. Mike Miller started his invocation by saying, "We figure St. Patrick's Church and Ford's are two of the oldest families in Watsonville. They share a common misfortune and maybe a common resurrection."

St. Patrick's church is on the verge of beginning reconstruction.

Even the SBA officials sang praises.

The SBA loan to Ford's was granted under the major employer disaster program. The 30-year loan carries a 4-percent interest rate, which is significantly lower than the prevailing rate of 10 percent or more.

It will allow Ford's to pay off its \$7.1 million debt to Wells Fargo bank, replace \$3.3 million in lost inventory and fixtures, and take out a construction loan of \$11.5 million to build a new store in Watsonville, and a service center here. Some \$2.2 million is also available should the company decide to rebuild in Santa Cruz.

Ford's board of directors hasn't yet decided whether to rebuild the Santa Cruz store.



Americans must cut back on consumption, Rep. Leon Panetta said Friday.

Bill Lovejoy/Sentinel