

# Watsonville Ford's store could get new life

By GREG BEEBE

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WATSONVILLE — Several parties, including a large, undisclosed retailer, are interested in setting up shop in the former Ford's Department Store building on Main Street.

Two members of a committee formed last January in an effort to save the 140-year-old downtown institution said Tuesday that a large retailer is among the businesses interested in occupying the now-vacant store at the corner of Main and Beach streets.

Jerry Hernandez, executive director of the Main Street Watsonville revitalization program, said "two or three parties" are interested in the Ford's site, including one company eyeing former Ford's stores in both Watsonville and Pacific Grove for

"department store-type uses that would fit very well with the concept of the old Ford's."

Though the prospective tenant is "not a chain-type retailer," Hernandez said its presence downtown would fill the void left by the demise of Ford's, a Pajaro Valley fixture since 1852.

"If it works out, it would be a very good use for the downtown and it would make many individuals very happy," said Hernandez.

Another two unnamed investors are interested in purchasing the building and then leasing it, said real estate investment specialist Carl Blanke, another member of the committee.

"The real hiccup is the administration of the transaction," he said.

The once-proud chain of Charles Ford

Co. and Riley's department stores declared bankruptcy in October, the victim of the 1989 Loma Prieta earthquake and tough economic times. The flagship Watsonville store closed its doors on Feb. 14.

Ford's bankruptcy papers listed assets of \$22.7 million against debts of \$30.7 million; the Small Business Administration is the company's biggest creditor, thanks to a \$24 million disaster assistance loan to help the company rebuild from the quake.

But the SBA has not officially foreclosed, and former store sites in Santa Cruz, Gilroy, Hollister, Pacific Grove and Watsonville are technically in the hands of the Ford Co. and Kenney & Associates, the firm it hired to turn around the company's fortunes last August.

Though Ford's owns the buildings, it needs federal bankruptcy court approval

to sell. Talks with prospective buyers, consequently, have been clouded by uncertainty about the SBA's plans for the building, said Hernandez.

"We wanted to try to get a better handle on the SBA side and there have been prospective tenants who have actually tried to communicate with the SBA and they haven't had too much results," he said.

Committee member and real estate agent Bill Burgstrom said any deal for a new occupant in the Ford's building is "stymied" until the kinks can be worked out with the SBA.

"It's a fine building and the parking situation is well in hand," said Burgstrom, citing the city's new four-story garage across the street from the store. "It's just a matter of somebody generating enough business to carry that overhead, and un-

fortunately they don't know what that overhead figure is right now."

SBA spokeswoman Gloria Minarik said the status of Ford's assets is "kind of in limbo right now."

The SBA has not yet officially foreclosed on the loan for downtown Ford's building, despite the company's estimated \$20 million debt, said Minarik.

"They're still in bankruptcy and the building is still in possession of the owner," she said.

Although the committee — a group of 22 business people who sought to save Ford's from extinction — ceased meeting formally a few months ago, Blanke said there are "still conversations every day between people who know people."