

Gottschalks store will move into former Ford's spot

By **MARIANNE BIASOTTI**

Sentinel staff writer

WATSONVILLE — The name that made Watsonville smile Thursday is already well-known throughout the county: Gottschalks.

The privately owned department-store chain announced the fall opening of its new Watsonville store in the former Ford's building. It will be one of two Gottschalks stores in the county — the other is in Capitola Mall. Two smaller Gottschalks "specialty stores" are in Aptos and Scotts Valley.

The new store should open by the end of August and bring 100 jobs to Watsonville, said Gottschalks Chairman Joe Levy. That is especially good news in an area with a 25 percent unemployment rate.

Steve Borasi, who manages the Capitola store and oversees the two smaller stores in the county, said his store will be directly involved with helping the Watsonville store open.

Downtown Watsonville merchants, thirsty for news of a Ford's

tenant since the downtown landmark went belly-up in 1992, were giddy with delight when they heard the news.

And for many, the news wasn't only a boost to the local economy, but to Watsonville's spirit.

"I feel like a sense of community has come back," said longtime Watsonville resident Peter Kovacich, "and what I said about community means everything to me."

Kovacich, who has owned the popular Del Monte Cafe on West Beach Street for 28 years, said he prefers spending his dollars locally and welcomes a quality department store in a town that lacks places to shop. Kovacich said he even bought Christmas presents at Ford's in 1992 from a picked-over selection as the store prepared to close. Since then, he said, he's been forced to shop in Capitola.

Olga Santana, owner of Rico Pollo taqueria one block from the old Ford's store, said she hopes the new store will bring in hungry customers. She said she's sure Gottschalks will get good business, at-

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tracting many Latino families who don't have cars and must take buses to shop in other parts of the county.

For lifelong Watsonville resident Ed Pio, the news was an unexpected gift on his 63rd birthday.

"If you said what were the chances of a major department store coming in here, I would have said nothing," said Pio, manager of the well-known Watsonville Band. "That has got to be the best news for Watsonville since 1989."

The buyer of the Ford's store, William Hansen of Hansen Insurance in Watsonville, said he became interested in the building in October 1993, when the federal Small Business Administration foreclosed on a \$22.5 million loan to the Charles Ford Co. and took over title on the building. Because Ford's was now owned by the federal government, Hansen said, he could negotiate directly with the owners instead of with a third-party trustee named to sell the building.

The SBA said it could recoup \$6 million of the loan, but Hansen would not reveal the sale price Thursday.

Hansen, who also is president of Pacific Coast Development, said he contacted Gottschalks officials in December and they agreed to meet with him two days later.

As for the secrecy and confidentiality agreement signed by Hansen, Gottschalks, SBA officials and the city, Hansen said: "I didn't want to be the one labeled to announce something if it didn't follow through — when I start a project I like to follow through and I didn't want to get the community's hopes up."

In May 1994, hopes rose briefly when an unnamed buyer opened escrow on the building, but the plans fell through. Since then, rumors have been circulating about various stores moving into the building, including Montgomery Ward, Mervyn's and Target, and even of a multi-store marketplace supported by Main Street Watsonville director Jerry Hernandez.

Levy said he and other Gottschalks officials have made several visits to Watsonville to get to know the area, and will not make the same mistake as Ford's when it reopened after the earthquake in 1990.

"When they reopened that store ... they changed the direction 180 degrees and wanted to become the Nordstrom's of Santa Cruz County," Levy said. "We want to be the Ford's of Santa Cruz County for Watsonville, going back to when it was a highly-successful hometown store."

That means hiring local, bilingual "associates" — the word Gottschalks uses instead of "employees" because "we all work together, not for anybody," Levy said.

Also, it means patterning merchandise and marketing after the local community, which may mean lengthening weekend store hours or bringing in different types of merchandise than what is sold in Capitola. The store is expected to continue to feature clothing, home furnishings, cosmetics, jewelry, gifts, shoes and accessories.

"The customer is most important to us, because without customers you don't stay in business," Levy said. "Our stores are not cookie-cutters. ... We will alter it to fit the people in the Watsonville area."

The 32-store Gottschalks chain,

with all but three stores in California, already has experience running successful stores in mostly Latino areas, Levy said, including Santa Maria, Hanford, San Bernardino and Fresno — the company's home office.

As for remodeling the building, Levy said the store will look much the same. The interior, even the carpets, still look brand new because the store was only used for 18 months after it was rebuilt.

"They spent more money building that store than with any other store that size in the whole country," Levy said. "If you want to go to a store that's safe (from an earthquake) in this country. ... California could fall off and that store would still be there."