

Historic home in foreclosure



Tarmo Hannula/Register-Pajaronian

ABOVE: The historic Redman-Hirahara property on Lee Road in Watsonville is in foreclosure. BELOW: The Redman-Hirahara house stands atop steel and wood cribbing from Fresno House Movers.

Redman-Hirahara House enters a new chapter

By JON CHOWN

OF THE REGISTER-PAJARONIAN

Time appears to be running short for the Redman-Hirahara Foundation as a stay of foreclosure has been lifted on the Redman-Hirahara House and surrounding property. The future of the historic structure is hard to guess, though, as legal strings tie the owner, GreenFarm LP, from developing it and the foundation still hopes to somehow get it back and finish its ambitious project.

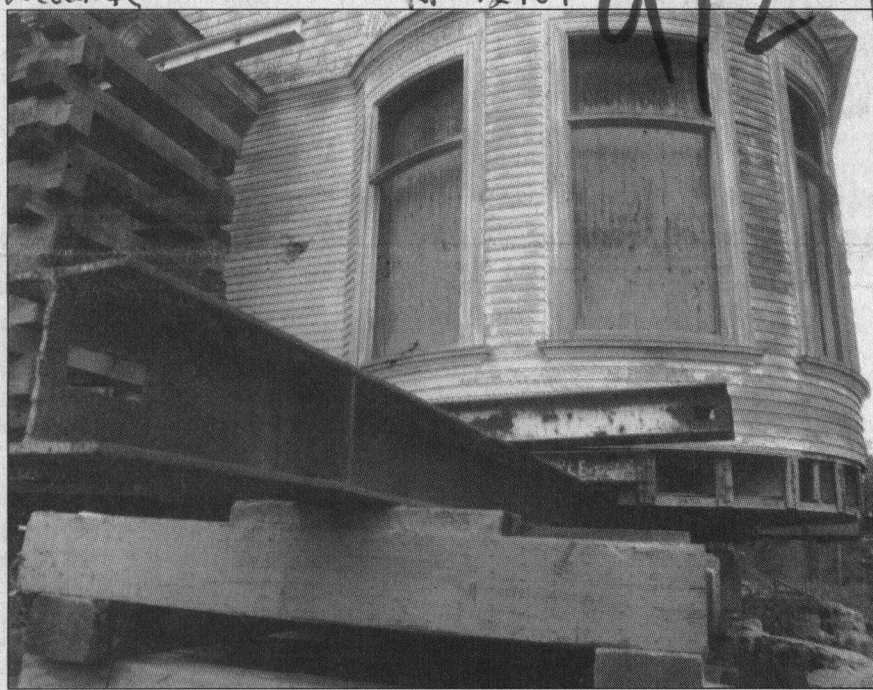
On Monday, Owen Lawlor, a land-use consultant for GreenFarm, confirmed the foreclosure process had advanced through the court system. The Redman-Hirahara Foundation purchased the home in 2004 for \$1.9 million. Of that, \$1.5 million was owed to GreenFarm LP. The rest was split between Mark Fredrickson, who owned Sterling Pacific Financial in Watsonville and loaned the foundation \$200,000, and Bill and Lupe Burgstrom, who hold a \$200,000 note on the property that was assumed by the foundation. The foundation still basically owes all the money, having been forced to spend the bulk of what it raised over the years on interest payments.

"We're really kind of heartbroken to go through this process," Lawlor said. "We tried to work it out with the foundation and figure out how it could work. But it became clear it wasn't going to."

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Historic home's future

Lawlor said GreenFarm's plan for the property is still being considered. The home has been listed as a historic struc-



ture and cannot be torn down. The land, which is outside Watsonville city limits and west of Highway 1, will be difficult to develop. County of Santa Cruz principal planner Mark Deming said two months ago that he didn't believe commercial development at the site would ever be allowed. It would take approval from not the only county, but also from the Santa Cruz Local Agency Formation Commission and the California Coastal Commission.

"And I don't see that happening," he said.

Lawlor said he hoped officials would look at the site with an open mind.

"I think this is a new world and I think

everything should be on the table. Given the economics the city and county are facing, we just want political players to look at the site with fresh eyes," he said. "I understand the county recently approved a major remodel of the gas station on Lee Road, so things that might have seemed impossible years ago, maybe aren't so impossible. ... The current plan, to do something creative with the site, has not worked and we need to look at other solutions. And whatever that solution is, it has to be consistent with the desires of the community."

HOUSE

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Barbara Powell, secretary-treasurer of the Redman Foundation, said her group has not given up on its plan to turn the site into an educational and cultural center that would highlight what the Pajaro Valley has to offer to the millions of people who drive by on Highway 1 every year.

"The foreclosure of the property is just another unfortunate setback we have experienced on this project over the past 10 years," she said.

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Missed opportunities

Powell said the biggest setback was Measure U not including the Redman-Hirahara House in the plans for future annexation into Watsonville. If the property were to become part of Watsonville, it would become eligible for redevelopment funds from the city, and Powell felt that Watsonville city leaders had a better understanding of the project's potential and how it could benefit Watsonville than county officials did.

"We could have been annexed and could have overcome the county's complete lack of interest in developing the project," she said.

Lawlor also said it was unfortunate the property was not included for annexation.

"Personally, I do think that was an oversight, but I won't be second-guess anybody," he said.

And, looking further back, Powell said the project may have been doomed from the time the foundation purchased the property. The foundation contends that the purchase price, \$1.9 million, was far too high because the appraisal used during the sale counted on the land being rezoned to commercial use, which appears unlikely

to happen. If appraised as just agricultural land, the value would be closer to \$1 million or possibly less.

Powell said two different parties, one of which was Fredrickson, have offered GreenFarm \$700,000 for the property, but both offers were rejected by the firm.

Powell said the debt that the purchase placed on the foundation became too much of a weight. The foundation couldn't raise enough money to pay off the loan, make headway on the mortgage and show enough progress on the restoration effort to keep the community interested in its progress. The foundation tried to get Proposition 40 funds — money earmarked for restoration of California's historic buildings — but was turned down twice and its mortgage debt was listed as the reason.

"All the obstacles thrown down in front of us made it really difficult," Powell said. "Our outlook is that the foreclosure puts the physical restoration of the Redman House in a holding pattern until another buyer purchases the property from GreenFarm and agrees to lease the unfarmable four acres back to the Redman-Hirahara Foundation. We do not plan to liquidate or close down our organization. There are historical projects in progress by Sandy Lydon and other background research and planning that will continue."

Lydon is heading up a project to research the Japanese history of the house. The Hiraharas were forced to leave the house when Japanese-Americans and Japanese living in California were sent to internment camps after Japan bombed Pearl Harbor on Dec. 7, 1941. But the house was kept safe and when the Hiraharas returned, the house and barn were used to house other Japanese-Americans left homeless

by the ordeal.

"We are grateful to the people who have supported this project over the years and hope they will remember each time they pass the Redman House that the dream lives on," Powell said.

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Unresolved issues

Beyond the future of the project, there are other issues with the property.

Steve Pederson and Jeanne Byrne, owners of High Ground Organics, have been farming the land surrounding the house for several years and operate a produce stand at the edge of the property. Pederson had a lease with the Redman Foundation, but now its future is uncertain.

"For the time being, Steve Pederson is there and we don't see any reason he shouldn't continue, at least for a little while," Lawlor said.

Pederson said that GreenFarm had indicated Monday it wanted to extend the lease for a year and possibly more.

"But it sounds like they have hit some sort of hitch regarding a potential lien on the house," he said.

The lien is the result of a more complicated issue — the cribbing holding the house up. Ron Campbell of Fresno House Movers excavated the earth under the house and placed the supports there. He had been leasing the equipment, worth about \$40,000, to the Redman Foundation and had already placed a lien on the house for the \$65,000 the foundation owed him. Now, he is in court trying to have that lien transferred to GreenFarm.

"We're asking the court to recognize a couple of things, but primarily that my equipment is essential to the house and removing it would destroy it," he said. "I can't leave my equipment there and I can't take it out. I'm between a rock and a

hard spot."

Campbell said he had no ill feelings toward the Redman-Hirahara Foundation members, but felt they paid too much for the home and wished GreenFarm would look at reasonable offers to sell.

Lawlor said he couldn't comment on the lawsuit, but said GreenFarm is working with local officials on a solution.

"Unfortunately, the foundation left a lot of debt — not only to us. So we're just trying to sort it out," Lawlor said. "We're open to hearing from people in the community on what their thoughts are. We're working with elected officials and I still think there is an opportunity to find a solution."