

# Ford's tenant found

4/27/95

Watsonville - General - 1090

## Buyer mum about site in downtown Watsonville

By **MARIANNE BIASOTTI**

Sentinel staff writer

**WATSONVILLE** — The former Ford's department store building, vacant for two years, is being sold to Watsonville insurance agent William Hansen, who will lease the site to a tenant he plans to name today.

Hansen and city officials remained tight-lipped about details of the sale of the 76,000-square-foot building.

"Yes, I've been negotiating with several people," Hansen said Wednesday. "It appears something is close."

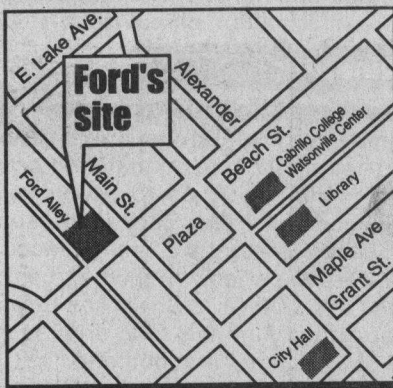
The price for the building has not been disclosed, and other details with the tenant are being worked out, said Hansen, who added he could not elaborate because of a confidentiality agreement.

"Everything looks fine, but they're trying to finalize everything with the tenant ... I think we're just trying to get rid of the kinks," said Robert Teffeteller of the federal Small Business Administration. The SBA loaned Ford's \$22.5 million to rebuild after the 1989 earthquake, but foreclosed on the loan and took title to the building in September 1994.

"As far as the SBA is concerned, everything is closing out and we hope we can close the deal," said Teffeteller. The building has been in escrow since February, he said.

To help encourage the sale and put a retail magnet downtown again, the city paid a consultant to find a buyer. City Manager Steve Salomon said SBA's ownership of the building for the past seven months "was clearly a factor" in leasing the main Ford's building at 407 Main Street. Prospective tenants found it harder to negotiate a sale with the trustee appointed after the department store chain went bankrupt in 1992, Salomon said.

Hansen, 33, a 14-year Watsonville resident, also owns the Plaza Hotel on the corner of East Beach and Alexander streets. The building houses Youth Services and a small market on the first floor. On the second



## Ford's tenant located

*Continued from Page A1*

floor is a single-room hotel.

Many downtown merchants and city leaders say reopening the Ford's building is key to pumping life into the downtown shopping area and attracting other retailers to vacant storefronts.

The 141-year-old landmark closed in 1993 after the Charles Ford Co.'s bankruptcy, and downtown merchants have complained ever since of dwindling numbers of shoppers.

Meanwhile, many shoppers are being lured to other commercial areas in town like the Crossroads, Kmart and Watsonville Square shopping centers, which have been developed or added stores since 1989.

A tenant in the Ford's building is good news for downtown, merchants say. "We'll be thrilled," said Don Henrichsen, owner of John's Shoes, a downtown fixture since 1918. "They were a very strong, viable entity for the downtown and we miss them. (Two years) seems like a very long time."

Henrichsen said business has been down since Ford's left, and he'd like to see a business "that draws people to Watsonville like Ford's did. It's hurt downtown considerably."

Henrichsen and others say the demise of the store came after it was rebuilt after the 1989 earthquake and patterned after Nordstrom's department store, a higher-end retail strategy that didn't play well in

Watsonville, where the unemployment rate reaches 25 percent.

Once the building is sold, only \$6 million of the original loan will probably be recovered by the SBA, said Teffeteller.

"Because Ford's was an integral part of the communities it sat in, it was in the interest of the government to help them survive," said Teffeteller. He said the new store failed in part because "it's a tough market down there. Watsonville's still got it tough. And look at the flooding that just happened ... God, when do you get back on your feet?"

Henrichsen and other merchants hope reopening the Ford's building will be the first step.

Salomon noted several other buildings rebuilt or reoccupied after the earthquake that he said will help strengthen the downtown economy, including the newly refurbished Helig Meyer furniture store on Main Street.

The city can now concentrate on two other vacant parcels downtown: the Jefsen building on the 500 block of Main Street and the vacant lots on the 200 block of Main Street.

"If it goes the way that we hope it's going to go, it's a major plus," said Salomon. The recent addition of some 100,000 square feet of retail stores "doesn't happen very often in older downtowns anymore in these types of communities."