

Ford's approved for loan to rebuild local stores

By EMILIO ALVARADO
Staff writer

Ford's Department Store has been approved for a \$22.5 million federal loan to be used to rebuild its stores in Watsonville and Santa Cruz.

The news was made public Saturday in Watsonville at a meeting of the state's Assembly Select Committee on Small Business. Bob Hodgman, a representative for the Small Business Administration, told the three committee members that Ford's has been granted a 30-year loan at 4 percent interest.

Ford's senior vice president Hal Hyde said company officials have been working with SBA representatives for months to process the application, but the announcement made by Hodgman at the meeting was the first time an SBA official has said the loan had been approved.

"We are obviously pleased," Hyde said, but he added that the loan had to receive final approval from top SBA offi-

cials.

Hodgman said the money has been set aside for the company, but Ford's still has to submit a plan for rebuilding its stores.

"Release of the money is contingent upon the SBA getting detailed plans from Ford's," he said.

Ford's has not sent any plans to the SBA. Hyde said the company is still working on completing the application process.

Once the application has been completed, which is expected to take four to six weeks, the company can start drawing up construction plans.

Hyde said the new store in Watsonville will probably be built on or near its site before the Oct. 17 earthquake. The store in Santa Cruz on the Pacific Garden Mall will probably include a complex that could include a set of stores and even a theater. Hyde said.

Hyde would not elaborate on the plans for either site, since company officials have yet to hire an architect to start preliminary plans for construction. But he said the new store in Watsonville would probably be about the same size.

Ford's currently has a store in the old Dick Bruhn building in Watsonville, which it opened after the quake. The company has a three-year lease on the store, which has 32,000 square feet. The old store had 110,000 square feet of space.

Hyde said he hoped the new stores will be completed by the time the lease runs out, but he does not know when construction could start on the new stores.

The meeting on Saturday, which was held at the Watsonville Chamber of Commerce office, was the first in a series of public hearings the committee has scheduled in

See FORD'S page 12

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FORD'S

RP 4/23/90
the earthquake-damaged area. The next one is set for next month in San Francisco.

The committee was formed after the earthquake to review how quake relief for small businesses was being handled by state and federal agencies. Most of the business people and city and county officials who testified before the committee blasted agencies like SBA and the Federal

Emergency Relief Agency for poorly implementing relief efforts.

In some cases, businesses ran out of money before state and federal help in the form of loans arrived. Hodgman defended the SBA, saying that the agency must abide by long established regulations that must be strictly followed.

Committee chairwoman Jackie Speier told Hodgman that the agency must be more flexible in emergency cases where help is needed immediately.