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Buyer waiting RP p.1  
in the wings for  
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Ford's building

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There may be a buyer in the works for the former Ford's department store in Watsonville.

The Watsonville Planning Commission was told last night by city Redevelopment Director Ned Madonna that the property was in a 45-day escrow period.

Real estate agent Chuck Allen this morning told members of the Main Street Watsonville board of directors that a group of investors is ready to buy the property but that Small Business Administration officials in San Francisco, which holds a \$21.7 million note on the bankrupt company's assets,

and Charles Ford Co. stockholders are holding up the sale.

The SBA, under strong pressure from then-Congressman Leon Panetta, financed the rebuilding of the Watsonville store and warehouse following the 1989 Loma Prieta earthquake. The loan was the second-largest ever guaranteed by the SBA.

SBA spokesman Tom McKenzie took exception this morning to Allen's remarks.

"Basically, what SBA is doing is working out the technical details," McKenzie said. "The activities are not up for public review at this time."

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McKenzie said the SBA will not release any information about negotiations, including price, until deals are completed.

Allen would only partially confirm Madonna's information about the escrow, saying there was no time period set for the escrow to close.

Reportedly, the SBA is seeking \$3.5 million for the property, which includes the 79,000-square-foot, two-story department store at Main and Beach streets and the partially finished 35,000-square-foot distribution center on Beach Street, behind the store.

The property has been on the market since Ford's closed in February 1993.

Ford's also owned property in Pacific Grove, Half Moon Bay and King City.

Those properties have either been sold, as in the case of the Pacific Grove store which was once Holman's Department Store, or have sales pending, Allen said this morning.

Allen was reticent to say much about the sale but did succeed in getting the Main Street board to send a letter to the SBA in San Francisco, urging the agency to approve the sale as soon as possible.

Allen's group is still looking for

tenants for the property. Allen said there will probably be no one tenant.

"It will be dry goods, furniture, appliances, maybe an indoor flea market," he said.

The suggestion of expanding or copying the flea market that now operates in the old Dick Bruhn building at Beach and Rodriguez streets was booed by the Main Street members at the meeting.

But there are constraints on what uses the property can be put to, Allen said. Some of those restrictions date back to a 1970s agreement between Ford's and Long's drug store. The drug chain extracted some limitations on the types of business that Ford's could conduct before building the store at 490 Rodriguez St. That agreement gave Long's the right to joint use of the Ford's parking lot.