

Preservation dreams fade



DAN COYRO/SENTINEL

The Redman-Hirahara Foundation has defaulted on a \$1.5 million loan from GreenFarm and the property is in foreclosure. With the GreenFarm partnership now owning the historic Redman-Hirahara house just off Highway 1 at Riverside Drive in Watsonville, its future is uncertain.

Despite foreclosure, Redman-Hirahara Foundation hopesful Highway 1 mansion can be saved

Historic Houses - South County

By DONNA JONES

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WATSONVILLE — A more than decade-old dream of restoring a historic Pajaro Valley home and turning the property into an agricultural showcase is fading now that project backers have lost control of the Redman-Hirahara House through foreclosure.

Though the Redman-Hirahara Foundation vows to fight on to preserve the ramshackle Queen Anne mansion that sits near Highway 1, its future is unclear.

"We spent 12 years trying to make this thing happen for this county, one of the best things we could do to show off the agriculture of this area," said Geoff Scurfield, foundation chairman. "We just couldn't raise enough money."

'People looked at this and said, "You guys bit off more than you can chew."'

GEOFF SCURFIELD, chairman,
Redman-Hirahara Foundation

The foundation tried to stave off foreclosure by filing for bankruptcy in March and negotiating with the mortgage holders and sellers, GreenFarm LP, a Santa Cruz-based real estate development company operated by partners Richard Kelley and Owen Lawlor. But GreenFarm rejected two offers of \$700,000, and in September a bankruptcy judge lifted a stay on foreclosure.

Scurfield said with the \$100,000 paid in interest and the \$200,000 down payment, the total offer was

more like \$1 million.

"I still feel deep in my heart that Rich Kelley will come to his senses," Scurfield said.

Scurfield said the fundraising was much more difficult than foundation leaders had anticipated, in part because of the mortgage.

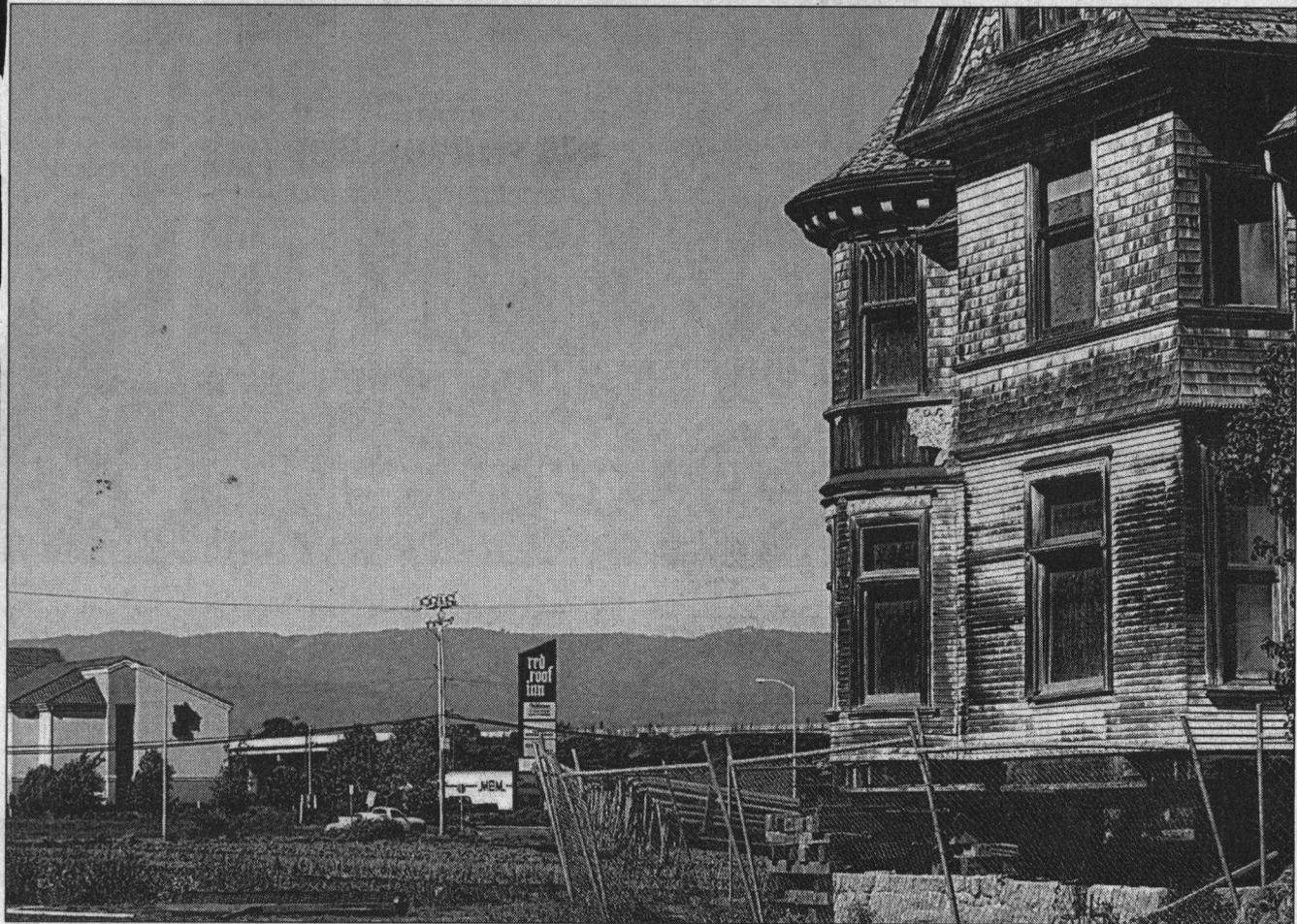
"People looked at this and said, 'You guys bit off more than you can chew,'" he said.

Some think the problem was that the \$1.9 million purchase price in 2005 was too high.

"That land never had the value they paid for it," said Bill Ringe, a real estate agent with strong ties to the agricultural community.

Ringe said top Pajaro Valley farmland goes for \$50,000 an acre, which would make the property

SEE HOUSE ON A2



DAN COYRO/SENTINEL

The historic Redman-Hirahara house is sitting on blocks just off Highway 1 near the Red Roof Inn. Plans to preserve the house are on hold after the nonprofit that bought it defaulted on its loans.

HOUSE

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worth about \$700,000. The problem, he said, is that the foundation paid for development rights on a property that may never be developed.

Santa Cruz County officials have resisted attempts to develop Pajaro Valley land west of Highway 1, and the property would have to be rezoned from commercial agriculture. Supervisor Ellen Pirie said chances of that are slim.

"I certainly wouldn't hold my breath," Pirie said.

GreenFarm partner and land-use consultant Lawlor said there are no plans to develop the property, though he pointed to its "unique characteristics."

The 14-acre site on Highway 1 just north of the Riverside Drive exit abuts a Chevron station. A closed aluminum extrusion plant sits across Lee Road and its neighbors across Beach Road include a frozen food packer, a cold storage facility and a hotel.

"There's lots of good agricultural land that needs to be protected, but very little land with freeway frontage by Watsonville," Lawlor said, adding

the community should decide the best use for the property.

"I've always wanted to save the house," Lawlor said. "We wanted the Redman Foundation to proceed. ... It just didn't work out."

Paying GreenFarm the \$1.5 million it was owed was the start of the foundation's financial problems. The purchase price also included assuming a \$200,000 note on the property, which is unpaid. The foundation also borrowed \$200,000 for the down payment, again unpaid.

In addition, Fresno House Movers, which jacked up the house in preparation for a new foundation, is owed \$65,000 and has a lien on the property. The house sits on blocks, equipment owned by the house moving company.

Then there's the \$68,000 in back taxes.

The foundation's only steady stream of income came from a lease to High Ground Organics, which farms the land.

High Ground Organics owner Stephen Pedersen could not be reached to comment Wednesday, but Lawlor said GreenFarm wants him to continue farming there "until we can figure out our next step."

The Redman-Hirahara House is named for the sugar beet grower who

had the home built from a design by architect William Weeks in 1897 and for the Japanese immigrant family that bought it in the 1930s. The Japanese ties are especially important, said local historian Sandy Lydon. The Hiraharas were a working-class family. They were interned during World War II, but returned afterward and helped other Japanese internees get back on their feet. Though the family sold the property in the mid-1980s to GreenFarm, a life tenancy clause kept the matriarch in the house until it was red-tagged due to damage in the 1989 Loma Prieta earthquake.

Lydon said it would be impossible to find a house better situated to serve as an icon for the region's ethnic and agricultural history. Years before the house was built, Chinese immigrants drained the land, transforming swamps into agricultural fields. Italian and Croatian immigrants grew crops nearby.

Lydon said he's optimistic the community will find a way to save the house.

"Even if people (driving by) don't look at it, it sneaks into your vision. It has a way of being imprinted onto your consciousness," he said. "It could be a beacon for really telling the story of the Pajaro Valley."