

Darryl Holter Historian-Songwriter- Developer Leads Revival of Legendary L.A. Auto Row

"Historically, Figueroa was auto row. It was auto row in the beginning because it was the main drag, and you wanted to be on the main drag," says Darryl Holter, head of L.A.'s Shammass Automotive Group.

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DARRYL HOLTER LOS ANGELES -- On a mile-long stretch of Figueroa Street just south of downtown, a former history professor is rebuilding part of Los Angeles' automotive heritage.

Long before L.A. became a skein of freeways, Figueroa was the city's Automobile Row. As far back as the mid-1920s, the street was chockablock with dealerships for such brands as Dodge Bros., Buick, Flint Motors and Hupmobile.

Nearly a century later, Darryl Holter, the onetime academic who heads L.A.'s Shammass Automotive Group, is putting the finishing touches on a \$30 million overhaul of his Downtown L.A. Motors Mercedes-Benz store. The new building is the latest in a series of dealership projects that will total nearly \$80 million and will have helped re-establish Figueroa as an auto row in the heart of Los Angeles.

Since the plan got under way in 2004, Holter estimates the group's sales have grown from about 250 a month to a record of more than 1,700 new vehicles in March. The project also has yielded new or renovated facilities for Holter's Volks-wagen, Porsche, Audi, Nissan and Chevrolet dealerships.

Next up: a new \$20 million dealership one block away for the Toyota franchise recently awarded to the Shammass group. "That's the last parcel that we have that isn't fully utilized," Darryl Holter says. "In that sense, I'll feel that I've satisfied my goal."

Yet at age 66, the CEO shows no signs of slowing down. He is chairman of the California New Car Dealers Association, where he's lobbying for legislation to help clarify state franchise laws and help dealers handle factory-set performance standards. He's also an adjunct professor and occasional lecturer at the University of Southern California and a singer-songwriter who has released three albums. In his latest project, Holter is writing the music for a collection of song lyrics written by Woody Guthrie in the late 1930s.

No matter what happens, he says, "it's not like I'm going to sit around and do nothing."

Shammass Automotive Group's projects on Figueroa Street include, from left, new homes for its Porsche and Audi stores and an overhaul of its Mercedes-Benz store, expected to be completed next year. Its dealership projects will total almost \$80 million.

Holter, a former labor activist and academic with a Ph.D. in history from the University of Wisconsin-Madison, came to California in the early 1990s, never intending to be in the car business.

He was working as a history professor at the University of California, Los Angeles, when his father-in-law, Nick Shammass, asked him to help the family business figure out how to revive its struggling dealerships. In the aftermath of the 1992 riots, which accelerated the area's decay, customers were avoiding the neighborhood, he says, and Shammass was considering shutting down.

"You can't close the dealerships," Holter recalls telling Shammass.

Holter took a leave of absence from UCLA and joined the dealership group. By 1995, he had succeeded his father-in-law as CEO and begun evaluating the condition of the dealerships. He soon concluded that it would take more than cost controls and sales growth to turn them around.

The neighborhood was a wreck. Weekly security reports on the block turned up a litany of inner-city ills: drug deals, gang activity, littering, vandalism and theft. Conditions were so bad that General Motors wanted Shammass to relocate the Felix Chevrolet store, a fixture at the corner of Figueroa and Jefferson Boulevard since the late 1950s, Holter says.

"It became clear that while the dealerships were functioning, they weren't functioning as well as they could," Holter says. "It was also clear that the whole neighborhood was in such shape that unless you figured out a way to make it better, you weren't going to go anywhere anyway."

USC to Malibu?

Shammass Automotive Group wasn't the only neighborhood stakeholder feeling the pressure. Kitty-corner to Felix Chevrolet, USC was hearing from alumni who were put off by the neighborhood and reluctant to send their children to the university.

"I got a letter from General Motors saying we should close Felix Chevrolet because the neighborhood's so bad and that we should move to the suburbs," Holter recalls telling Steven Sample, president of USC, in a late-1990s lunch meeting. "He says, 'Yeah, I've got

trustees saying we should move USC to Malibu."

Instead, and with USC's support, Holter in 1998 rallied property holders and local officials in the area to form the Figueroa Corridor Partnership, a business improvement district that he led until last year. The partnership hired cleaning teams to keep the streets free of trash -- and scrub more than an acre's worth of graffiti -- and private security firms to patrol the neighborhood in cooperation with police, among other activities.

The resulting transformation has helped pave the way for more than 40 projects, including those under way, accounting for more than \$1.5 billion in investment, according to the partnership's Web site.

"In a lot of ways, it was a forgotten area of the city," says David Galaviz, executive director of local government relations for USC. "There was no reason for anybody to come down here. Today, that's changed, and a lot of that is due to Darryl's leadership."

A fixture on Figueroa

Shammas Automotive Group CEO Darryl Holter, who oversees 6 new-car stores — and soon a 7th — on Figueroa Street in Los Angeles, has worn many hats. Here are some of them.

- Founding chairman of the Figueroa Corridor Partnership, 1998-2012
- Chairman of the California New Car Dealers Association, current
- Adjunct professor of history at the University of Southern California, 2003-present
- Singer-songwriter, with 3 albums: "Darryl Holter" (self-titled), 2008; "West Bank Gone," 2010; "Crooked Hearts," 2012

Shammas Automotive Group is putting the finishing touches on a \$30 million overhaul of Downtown L.A. Motors Mercedes-Benz. A

rendering is shown.

Next challenge

As the neighborhood's revitalization -- along with a broader downtown rebound -- helped stabilize the dealerships over the next several years, Holter turned to his next challenge: what to do with 27 acres of property that Shammass controlled on Figueroa Street south of Interstate 10. The properties included an Office Depot, a fast-food restaurant, vacant storefronts, a historic building, apartments and seven new-car franchises spread across three parcels.

"Basically what I came up with was 'What are we going to do in the future?'" he said as he pulled the original plans from a shelf in his office in the historic Petroleum Building downtown.

After analyzing the holdings, their prime location near two freeways and the area's changing demographics -- including an influx of more-affluent residents to downtown -- Holter decided to expand the dealership operations to turn the corridor into an auto retailing center, as it had been for much of the 20th century.

"Historically, Figueroa was auto row," Holter says. "It was auto row in the beginning because it was the main drag, and you wanted to be on the main drag."

The effort would require millions of dollars of investment to build dealerships and refurbish ones that were dated, crowded or out of place. Holter's Volkswagen, Audi and Porsche operations, for example, were shoehorned into a single 153,000-square-foot parcel, along with the used-car department of Felix Chevrolet and a collision center.

In 2006, Shammass invested a total of \$20 million to give the German brands their own showrooms up the street, while service and parts departments were consolidated into an adjacent 40,000-square-foot shared space.

Shammass tore down the old Porsche-Audi-Volkswagen building to make way for University Gateway, a 1,400-unit apartment development occupied mostly by USC students. That brought a new core of residents to the block, and customers to support a growing crop of new businesses.

"The most important thing down in this area was the University of Southern California," Holter says, "and the biggest need of the University of Southern California as far as I could tell was appropriate student housing."

Across from USC, Shammass last year completed a \$2 million renovation of Felix Chevrolet, following new building guidelines from GM but leaving in place the playful vintage sign atop the building. Shammass' Nissan store got a \$5 million makeover.

The redo of the Mercedes-Benz dealership is expected to be completed next year, with the new Toyota building coming afterward.

It's not just Holter's stores that line the street. A 189,000-square-foot building with a glass tower overlooking the I-110 freeway houses Motor Village L.A., a Chrysler-Dodge-Jeep-Fiat dealership that opened in 2011. The street is also home to Kia and Honda dealerships.

Once the Toyota project is done, Holter says he may consider retiring but isn't likely to do so. After all, he says, his 92-year-old mother-in-law "still comes in and reads the mail every day." She also attends

the weekly meeting of dealership general managers.

"In this family," he says, "it seems like you work until you die."