



La Habra Chevrolet dealership has chance for new life, new sales

By Ryan Carter Staff Writer

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LA HABRA - A nearly 60-year-old local auto dealership is on the verge - its owners hope - of a second chance. It all depends on whether General Motors allows Don Steves Chevrolet to reinstate its franchise agreement.

If it does, it would mean the La Habra dealership could continue selling new GM cars and trucks - continuing a business tradition that has lasted three generations in Whittier and La Habra.

The Steves applied to get on the reinstatement list after GM told them and a reported 2,000 dealerships last year that their franchise agreements would be revoked as the fresh-from-bankruptcy automaker restructured.

It was a blow to a family business and its base of loyal customers who bought their products.

General Manager Donald Steves put it bluntly: "We were frustrated," he said.

But hope in a second chance came last week, when GM executives said that about 600 dealerships out of the 1,100 seeking to stay with the restructured company will receive letters

giving them the option to remain with the automaker.

"We are eager to restore relationships with our dealers, and get back to doing what we do best - selling cars and taking care of customers," said Mark Reuss, president of GM North America.

That chance would mean Donald, his father, Tom, and the rest of the Steves family could continue selling new GM products.

A GM representative will visit later this week to review and tour the business, Donald Steves said.

While he said reinstatement is not a done deal, Donald Steves has high hopes that the representative will like what he sees.

"It's not for sure," he said. "We are one of the ones they are definitely thinking about reinstating. It's looking very positive."

That confidence comes from knowledge that even in their part of La Habra, where the nearest freeway is about three miles away - relatively distant compared to other dealers - the business has done well for GM, Donald Steves said.

"Our numbers are up there... we beat out a lot of dealers in Southern California," he said.

Indeed. The Steves dealership is among the survivors in the area. As the recession has sucked up demand, Whittier and La Habra auto

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dealerships have taken severe blows.

Whittier has lost five dealerships in the last three years. Cadillac of Whittier closed in December, Whittier Chrysler Jeep and Dodge closed in June 2008, and Board Ford shut its doors in December 2007.

In addition, Marty Burch and his family closed 70-year-old La Habra's Burch Ford last year. Regionally, other closures included El Monte Chrysler Jeep Dodge.

While the effect of these closures is not huge on county or statewide basis - say in comparison to the construction industry - it does affect smaller cities like Whittier, said Manfred Keil, professor of economics at the Robert Day School of Economics and Finance at Claremont McKenna College.

"It is true in smaller cities that auto dealerships provide a large part of the revenue," Keil said.

In Whittier, annual sales tax revenue from new-car dealers has plunged from more than \$2 million to an estimated \$500,000 following the loss of five dealerships in the past three years.

At Steves, the economic downturn took its toll.

"We made some choices where we had to cut down on employees," Donald Steves said.

Workers with 20 to 40 years with the business were forced to go, shrinking a business that once

employed 90 to what at one point last year was nearly half of that. The family worked double-time - all the way down to co-owners' Tom and Linda Steves' grandkids, who about once a month were out at Whittier and Harbor Boulevard with signs directing people to the showroom.

After all that, if they aren't reinstated, the Steves have a plan to keep the business going.

They will sell and service used vehicles, and even use their space to store RVs, they said.

"We're definitely here to stay, and will always be here - hopefully for another 57 years."

Staff Writer Mike Sprague contributed to the story

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