

Ricart dealin' to buy Capital
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By Kathy Showalter

Guitar-strumming automobile dealer Fred Ricart may need to learn to cover Bob Seger's "Like a Rock" tune if his latest deal goes through.

Ricart and brother Rhett have signed a letter of intent to purchase Capital Chevrolet in Columbus from Charlotte, N.C.-based Sonic Automotive Inc.

The purchase price for the South Hamilton Road dealership, which once operated as Bill Swad Chevrolet, isn't being disclosed.

General Motors Corp., which produces the Chevrolet vehicle line, must sign off on the deal, but the brothers' Ricart Automotive is expected to take control of the east-side showroom in June.

If the transaction is approved, it would mark Ricart Automotive's first partnership with GM, the nation's largest automaker. The deal would add to Ricart's retail lines - they include Ford, Lincoln-Mercury, Mitsubishi, Hyundai, Kia, Mazda, Nissan, Isuzu, Chrysler and Jeep - that are hawked primarily from the company's 66-acre dealership in southeast Columbus.

The Ricart operation began with a Canal Winchester-based Ford franchise that Fred and Rhett's father, Paul, bought in 1953.

"We have wanted a Chevy store for a long time," said Greg Dryden, Ricart's chief operating officer. "We just hadn't had an opportunity to buy one before. We think (Chevrolet) fits our demographic and our customer base."

A car dealership typically finds most of its customers within 10 miles of its showroom, but Ricart sells almost half of its vehicles to customers who live beyond Columbus.

Aggressive merchants

The deal could provide expanded opportunities for Ricart Automotive.

"This gets us into the General Motors' family," Dryden said. "Up to now, we weren't on their horizon. ... We had no track record with them. This opens us up for (other) GM lines."

Other General Motors domestic vehicle badges include Cadillac, Buick, Pontiac, Oldsmobile, Saturn, Hummer and GMC Trucks.

Two years ago, Ricart Automotive acquired Ford and Lincoln-Mercury dealerships in Delaware County and Chillicothe from the Nourse Family of Dealerships. That

acquisition brought the company its first Lincoln and Mercury franchises and gave the company a foothold outside of the immediate Columbus area.

In addition to new-car franchises, the company sells airplanes, campers and vans. It owns and operates its own finance company, Central Ohio Credit Corp., and a separate used-car business, Paydays, in Columbus and other Ohio cities.

Ricart phased out its home mortgage financing business this year and is winding down its aviation sales so it can concentrate on the auto business. Its property and casualty insurance company, Tracir, does not solicit business outside the Ricart enterprise, though Tracir still writes policies for the Ricart organization.

On the auto side, Ricart operates the 66-acre Mega Mall, Ricart Chrysler-Plymouth, Ricart Jeep and Ricart Vanland RV Sales on South Hamilton Road, where Capital Chevrolet is also located.

Under-performing dealership?

Sonic Automotive Group is the third-largest dealer group in the nation, based on 2002 new-vehicle sales of \$6.5 billion, said trade publication Automotive News. The publicly traded corporation operated 186 new-car franchises from 139 dealerships at the end of 2002.

Sonic ventured into Columbus in 1998 when it acquired the west-side retail operations built by long-time auto dealers Bud and Dan Hatfield. Three years later, Sonic bought the former Swad dealership - an operation that B. Scott Smith, Sonic's vice chairman and chief strategy officer, had called an underperforming dealership.

Sonic renamed the dealership Capital Chevrolet.

But it appears Sonic was unable to turn sales around at the dealership. Dryden said.

Capital Chevrolet sold 788 new cars last year, well below the 1,017 new-vehicle sales that Automotive News says that Sonic averages at its dealerships.

David Cole, director of the Center for Automotive Research in Ann Arbor, Mich., says publicly traded auto dealers like Sonic Automotive need to offer a variety of vehicle lines to weather sales dips in a particular line or type.

"These big groups, by in large, are trying to keep a diversified mix of vehicles in their portfolio," Cole said.

An analyst who follows Sonic Automotive said the company is buying more foreign and domestic luxury-brand dealerships, where margins and customer retention rates are higher.

Ricart sells an average of 2,746 new cars per dealership, Automotive News reports. It ranked Ricart as the 63rd-largest American dealership group based on its 2002 new-car sales.

Ricart Ford continues to rank among the nation's largest dealerships in new and used vehicle sales and revenue.