BULLETINN colorado automobile dealers association

Denver Auto Show APRIL 4-7, 2024

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About Our Association

Representing the franchised new car dealers of Colorado

The Colorado Automobile Dealers Association (CADA) is the voice of the automotive retail industry throughout the state. As the automobile dealer trade association, CADA advocates issues of importance to the auto industry, Colorado auto dealers and Colorado's driving public.

The Denver Automobile Dealers Association started in 1914 to operate the annual Denver Auto Show which dates to back 1902. Colorado Automobile Dealers Association soon followed and both associations operated together with shared staff and a headquarters building. In 2010, after almost eight decades together, the two associations became one. The history now dates over 108 years of high level automotive and mobility impact.

Today, our dealers range from small family-owned dealerships, to nationally operated, multiple franchise corporations. CADA represents a united front for over 300 new car, truck, motorcycle and RV dealers. From local, state and federal policymakers, to the public and the media, CADA is the voice for Colorado's auto industry.



Halfway Through the Colorado Legislative Session: Key Bills for Auto Dealers

The Colorado General Assembly is now roughly halfway through its 2024 session, which began on January 10th and is scheduled to adjourn on May 8th. As of February 19th, over 500 bills have been introduced, with hundreds still actively making their way through the legislative process.

Budget negotiations, transportation infrastructure improvements, healthcare access, and environmental regulations are some of the themes shaping the current legislative landscape. Many key legislative priorities are still making their way through committees, including bills on residential tenant protections, tax credits, infrastructure developments, education funding, and more.

Despite the differences in party perspectives, several bills have emerged with potential for bipartisan support. Initiatives focused on workforce development, affordable housing, and rural broadband access could see broad backing, demonstrating a willingness to find common ground.

Although this session has been marked with protests and outbursts from certain legislators, the people's work continues, and CADA remains committed to monitoring all bills that could impact our franchise dealers. Of the 500+ bills introduced; a handful of specific bills have caught our attention. We believe these bills to be directly relevant to you, your dealership, your employees, and your community.

SB24-036: Vulnerable Road User Protection Enterprise

This bill aims to put dedicated registration fees on vehicles in order to help fund enhanced pedestrian and bicycling infrastructure. These additional fees are variable, based on the vehicle's overall weight and fees would only be imposed on vehicles in Colorado's most populous counties (Denver, El Paso, Arapahoe, Jefferson, Adams, Boulder, Larimer, Douglas, Weld, Pueblo).

On Monday, February 5th, CADA President Matthew Groves testified as "neutral" to the Colorado Senate Transportation Committee on this bill. Matthew encouraged other methods of funding and driver representation on the enterprise board for accountability. SB24-036 passed the Senate Transportation Committee on a mainly party-line vote and heads to the Senate Finance Committee on February 27th where it is anticipated to pass.

SB24-159: Colorado's Energy Independence

This bill is comprised of three main components: the cessation of new oil & gas permits in the State of Colorado by 2030, sunsetting current oil & gas permits to expire by 2033, and expanding the definition of a "responsible party" as it relates it expanding environmental mitigation factors.

This legislation, sponsored by Senators Priola and Jaquez Lewis and Representatives Boesenecker and Marvin, would severely limit the state's energy independence and its ability to produce or create energy reserves. Several counties across the state rely heavily on oil and gas for their local economies to survive. In addition to 40+ other organizations and entities, CADA has signed a letter to Governor Polis opposing this legislation.

HB24-1036: Adjusting Certain Tax Expenditures

This bill aims to repeal and/or modify 26 separate tax credit expenditures. Repealed credits include credits for the Colorado Works program employer, low-emitting vehicles used in interstate commerce sales, biotechnology sales, and more. Credit repeals/ modifications would occur on and after the January 1, 2024 tax filing year.

SB24-123: Waste Tire Management Enterprise

This bill creates the waste tire management enterprise and shifts all responsibilities of waste tire collection from the Department of Public Health and Environment (CDPHE) to the newly created enterprise. This enterprise would be responsible for waste tire fee collection, waste tire administration and enforcement, rebates, and cleanup funds. This bill would also extend the amount of time that the fee may be collected, from December 31, 2025, until December 31, 2040.

HB24-1173: Electric Vehicle Charging System Permits

This bill establishes an expedited permitting process for the approval of electric vehicle (EV) charging systems for counties and municipalities. This bill mandates a permit decision within 30 days of a complete application for less than 13 charging stations, or 60 days for more than 13 charging stations. This bill also instructs the Colorado Energy Office to develop a model code regarding the approval of EV charger permits and provide counties and municipalities with technical assistance in developing and administering the expedited EV charger permitting process.

Lemon Law:

As you may know, Colorado has one of the most lax Lemon Laws in the nation. The Attorney General has formed a committee to examine the state's current lemon laws and to see where lemon laws could expand. Both CADA and the Alliance have submitted detailed feedback on the Attorney General's proposal to lengthen lemon law claims and extend them to used vehicles. CADA believes the AG's Office is open to our feedback. At the crux of this issue, however, we appear poised to keep dealers out of the lemon law process. While no bill has been brought forward yet, we do anticipate legislation later this session on enhancing lemon law claims.

Wrapping Up:

With several months remaining in the session, the Colorado General Assembly is poised for continued activity. CADA is committed to monitoring these bills and others as they work their way through the legislative process. Stay tuned for further updates on bills impacting the auto industry and small businesses in the coming weeks.



Fine Tuning Fixed Ops

As fixed operations continue to evolve, Ally offers their expertise to help dealers maximize potential and profits. Two of Ally's leading Fixed Operations experts, Jim Stewart, National Fixed Operations Consulting & Training Manager and Robert Brooks, National Fixed Operations Product Manager have their pulse on the industry and offer key insights on the areas of focus that can help dealers drive results.

With over 40 years of combined experience working in dealerships, both Jim and Robert agree that the biggest change they've seen in the industry is longer maintenance intervals and technology advancements. According to Stewart, "with oil change and other kinds of maintenance intervals being much longer, and technology allowing vehicles to be updated remotely, it changes the ability for the fixed operations departments to see their customers as often to make recommendations and offer additional services."

To help keep pace with evolution, Ally has assembled a team of eleven experts that form its fixed operations consulting team that fields continual, tough questions from dealerships and believe that regular maintenance is essential to keeping fixed operations running smoothly – just like vehicles entering the service drive.

One of Ally's specialties in the fixed operations arena is to train service advisors and dealership professionals who interact with customers more than anyone at the store according to both Stewart and Brooks. "Advisors don't need to know as much about the cars, but more importantly, how to take care of customers and make them feel like the most important person in the dealership. Exceptional customer service is the building block for everything and the cornerstone of our training" says Brooks.

We understand that fixed operations training is not one-size-fits-all. According to Brooks, "one of the things about our consulting program – and we did this intentionally when we built the program – is that we adjust what we do to meet the dealer's needs. Each dealer is its own unique entity."



While what we teach is 'best practices,' every time we visit a store, we learn and take something away with us. "If we see an opportunity to implement something successful that we learned somewhere else, we can make those recommendations and help dealers create a process" says Brooks.

To help dealers get started, dealers can connect with Ally's Fixed Operations Consulting by:

Website: allyfixedops.com Toll freephone number/voicemail: 1-(833)304-2559 Email: fixedops@ally.com



COLORADO AUTOMOTIVE HALL OF FAME DENVER AUTO SHOW OPENING GALA

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Reinforcing Our Commitment to a Great Customer Experience

A Letter from the Board Chair of the CADA

Dear Members of the Colorado Auto Dealers Association,

This month, we're diving into the shifting landscape of the automotive industry. Amidst the fluctuations of the market, it is essential that we remain vigilant in prioritizing the customer experience. As inventory levels increase and service bays fill up, we have a unique opportunity to reinforce our commitment to customer satisfaction and long-term relationships.

Long-term relationships are the key to the success of each of our retailers. Alongside our sales departments, our robust service departments play a vital role in achieving this goal. They work tirelessly, providing essential maintenance and repairs, ensuring our customers' vehicles are maintained to the highest standards.

Let us remember that how our customers perceive us through our team's seamless dedication and passion across departments is vital for a lasting impact on our businesses' overall loyalty and satisfaction. This marathon has just begun, don't forget to take a moment to celebrate the teams that drive our success collectively. Thank you to everyone who actively joined and participated in our first board meeting of 2024. This meeting was a testament to our collective commitment to excellence, and I encourage each of you to reach out if you are passionate about any issue affecting your stores as we move forward. Whether through a call, email, or in-person conversation, your input is invaluable as we navigate the opportunities of this next month together.

Also, mark your calendars and save the date for the upcoming events:

Colorado Automotive Hall of Fame: Save the Date! On Thursday, April 4th, 2024, we will host a black-tie event the Colorado Automotive Hall of Fame—at the exquisite Colorado Convention Center. This exclusive gathering, now a stand-alone event, will take place in the newly unveiled Bluebird Ballroom, offering breathtaking views of the mountains and cityscape. Please note that attendance is by invitation only.

Opening Gala: Following the Hall of Fame induction ceremony, join us for the Opening Gala of the Denver Auto Show on the same evening, Thursday, April 4th, 2024, from 7:00 to 10:00 PM, at the Colorado Convention Center. This lively event is open to the public, providing an opportunity for all to celebrate and connect. Don't miss out on this unforgettable evening of entertainment and networking. For more information and to view past Hall of Fame inductees, please visit our website: <u>Hall of Fame and</u> <u>Opening Gala Details</u>.

Denver Auto Show Details: Mark your calendars for the highly anticipated Denver Auto Show, taking place **April 4th – 7th, 2024, at the Colorado Convention Center.**

This year's theme, "Gearing Up For Adventure," promises an exhilarating showcase of the latest automotive innovations and trends. We are thrilled to announce that this year's show will be larger than ever, with the majority of major manufacturers in attendance. And back by popular demand, don't miss the opportunity to test drive the latest models from leading manufacturers.

Join us as we celebrate innovation, excellence, and the thrill of the open road.

Sincerely,

Rob Edwards CADA Board Chair

COLORADO AUTOMOTIVE HALL OF FAME & DENVER AUTO SHOW OPENING GALA

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T's Almost Leve

DON'T MISS THIS LAVISH CELEBRATION

Space is limited and time is running out! This momentous occasion will be an evening you won't want to miss.

Colorado's automotive event of the year is almost here. This double-feature evening will be an eloquent night of celebration including cocktails, dinner, and entertainment against the backdrop of an exclusive first look at the Denver Auto Show floor.

Presented by CADA, don't miss this celebration alongside Colorado's dealership owners, regional executives, general managers, sales managers, finance directors, service managers, and industry suppliers in support of the Clear the Air Foundation.



Safety Training Resources and HR Support at Your Fingertips

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ASSOCIATION MEMBER YEARS AN BENEFIT FOR 119 DIRECT, LOCAL MARKETING REPRESENTATIVES AUTO SELF-INSURED PROPERTY RETENTION AND CASUALTY POLICYHOLDER SURPLUS LIVE VOICE CUSTOMER SERVICE MYSHIELD[®] TAILORED, **INDUSTRY-SPECIFIC** COVERAGE BUSINESS SUCCESSION AND ESTATE PLANNING STABLE FACE-TO-FACE RELATIONSHIPS FINANCIAL STRENGTH MUTUAL COMPANY DIRECT CLAIMS REPRESENTATIVES EXCLUSIVE ASSOCIATION 500+ RECOMMENDATIONS ESTATE PLANNING ATTORNEY NETWORK ANNUITIES

IT'S OUR BUSINESS TO PROTECT CADA MEMBERS

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Clear the Air Foundation Begins 2024 with Best Month in History

The Clear the Air Foundation closed out 2023 as the third-best year in its history and has now begun the year with the best month in its history totaling over 180 donations for January. The VXC program brought in 151 donations, which alone would have set a record! The foundation is required to set aside 35% of VXC proceeds for scholarships, and so far, we've delivered. The following scholarship recipients all elected to receive tools for their award, effectively doubling the \$2,500 which, combined with the student discount programs offered by Matco and Snap-on Tools, equals around \$5,000 worth of tools. That equates to \$45,000 worth of tools, and this is just for the first quarter. I've received numerous applications, and the next round of scholarships will take place in April, once this quarter ends.

As you've heard over the last couple of months, The Clear the Air Foundation is experiencing a huge boom in donations and therefore has an increased capacity to provide scholarships. We could not be more honored to support students in the auto industry and we are thrilled about the tangible benefits this offers our dealerships.

January Scholarship Recipients

RECIPIENT	SCHOOL	EMPLOYER
Nicolas Hammer	Front Range Community College	Mike Maroone Ford Longmont
Saad Kahil	N/A	Mountain States Toyota
Dominic Sewell	Arapahoe Community College	Schomp BMW
Jesus Lopez Rodriguez	Lincoln Tech	Johnson Auto Plaza
Preston Brantmeyer	Aims Community College	Dellenbach Chevrolet
Veronica Cowgar	Front Range Community College	Markley Motors
Adam Orifici	Belvidere N HS	Mike Maroone Chevrolet North
Isabelle Covington	N/A	Schomp Subaru
Julius Amaya	Aims Community College	Loveland Ford

Clear the Air Foundation's January 2024 Donations Recap

DEALER DONOR	TOTAL	VXC
Celebration Chevrolet	10	10
Fowler Chevrolet	9	9
Boulder Nissan	6	6
Emich Chevrolet	5	5
Mike Maroone Chevrolet South	5	0
Mountain States Toyota	5	0
Emich Volkswagen of Boulder	3	3
Schomp Ford	3	3
Dellenbach Motors	3	1
Groove Toyota	3	0
The Faricy Boys	3	0
Arapahoe Hyundai	2	2
AutoNation Toyota Arapahoe	2	2

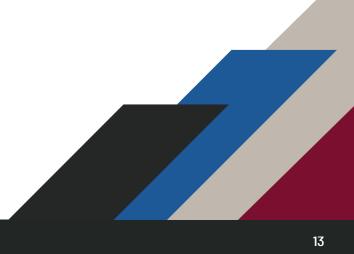
Bozarth Chevrolet	2	2
Emich Kia	2	2
Emich Volkswagen	2	2
McDonald Volvo	2	2
Pedersen Toyota	2	2
Red Rock Nissan	2	2
Tynan's Nissan	2	2
Tynan's Volkswagen	2	2
Mountain Chevrolet	2	1
Markley Motors	2	0
Mile High Honda	2	0
Phil Long Subaru	2	0
Bighorn Toyota	1	1
Crossroads Hyundai	1	1

Clear the Air Foundation's January 2024 Donations Recap

Davidson Gebhardt Chevrolet	1	1
Foundation Hyundai	1	1
Greeley Nissan	1	1
Larry H Miller Nissan 104th	1	1
McDonald Volkswagen	1	1
Peak Kia	1	1
Phil Long Ford of Chapel Hills	1	1
Phil Long Hyundai of Motor City	1	1
Red Rock Hyundai	1	1
Schomp Hyundai	1	1
Schomp Mazda	1	1
Schomp MINI	1	1
Schomp Nissan	1	1
Valley Mitsubishi	1	1
Valley Nissan	1	1
AutoNation Chrysler Jeep Broad- way	1	0
Emich Automotive	1	0
Johnson Auto Plaza	1	0
Pueblo Dodge Chrysler Jeep Ram	1	0
DEALER TOTAL	104	75

NON-DEALER DONOR	TOTAL	VXC
Tesla Aurora	37	37
Tesla Loveland	22	22
Tesla Colorado Springs	9	9
Boulder Hybrids	2	2
Cherry Creek Automotive	2	2
SRT	2	2
Discount Motors	1	1
Tesla Gypsum	1	1
Jon Jorgenson Insurance, Inc.	1	0
NON-DEALER TOTAL	77	76

GRAND TOTAL 2023	181	151
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Making the Auto Show Central to Denver's Identity

Invariably, over the past 18 years, you've heard the story of the Denver Auto Show: "1902. Second oldest show in America. Predates CADA as an association." So, in this 122nd year of Auto Show history, how do we create a production that evolves quickly enough to capture the imagination of a city that – is itself – rapt with change?

Admittingly, my base of auto show knowledge is smaller than most of yours. I have seen two other cities' shows outside of Denver's. Been to a conference or two on how they should theoretically run. Hired a new show producer this year in whom I have immense confidence. Attended countless meetings touting the merits of auto shows in response to attacks from one of our primary trade publications.

Here's what I've noticed: everyone thinks shows are still about the cars. If you attended Los Angeles, Chicago, or even the Consumer Electronics Show in Las Vegas, plan to be at the New York Auto Forum or Jeep week in Utah or were invited to any OEMspecific event this spring, you've already seen the 2024 line of cars. The cars are not what will set Denver apart.

Rather, what will encourage people to attend regardless of what they have seen elsewhere, is that cars and trucks are still central to the character of Denver. Denver is a city built on freedom and mobility. The freedom to chart your own path. Drive up to the mountains or have fun in the city. Living in and traveling to Denver will always necessitate cars. A thriving Denver is dependent on cars and on a thriving dealer body in Colorado. But, if you've been downtown, you have observed what no politician wants to admit. The city is languishing around 65% of its usual daily capacity. Shuttering businesses are now openly blaming the city's policies and its inability to attract people. While the Nuggets still pull a sold-out audience, our championship-sized crowds are regressing to the mean. The daily paper might have you believe that the only industry that hasn't lost a step is the protest du jour at the state Capitol.

What isn't languishing is auto sales. Our registered fleet is over 6.12 million vehicles, for a state whose population is 5.7 million. Denverites love their cars. We have over 100 listed enthusiast groups on social media, including our partners with the Colorado Classic Car Collectors. Niche trade shows like the Concours d'Elegance and Overland draw thousands of people to the suburbs to admire the evolution of their particular areas of interest.

But there is only one show in downtown Denver. Only one that attracts almost 20,000 people on average per day. Only one that brings in government agencies (both city and state) to tout all that Colorado is doing to get new vehicles on the road. To unify the community behind this dealer body which has underpinned the city's growth and maturation of the newest generation of drivers.

We have spent the last decade developing thematic mottos and graphics trying to identify what makes Colorado unique. Each time, we've glossed over the fact that it is our dealer body and its unwavering commitment to the community. Denver continues to stand because you all prop it up, even those of you outside its boundaries.





presented by Colorado Automobile Dealers Association

From the 44,000 people our industry employs to the nearly \$900 million tax dollars we collect or the \$300 million we donate to local organizations; this dealer body breathes life into Denver.

This year's show will be a testament to the powerful bond between cars and community. We have extended an invitation to our new mayor to give him a private look at what this show, and this industry, could mean for the future of Denver. Not only in commerce, but in the development of the city's future workforce. We will have representatives from all levels of government advertising what they believe is the future of transportation.

Even though this vision attempts to raise non-vehicle forms of transportation, they understand that it is flatly unachievable without the continued growth of our franchised dealers. Our EV Ride and Drive will be staffed by local Colorado advocates knowledgeable and willing to help buyers take advantage of the various incentives to find a new vehicle – or trade an old one.

This show will be about the journey from now until 2035. Regardless of where it lands us, this year's Auto Show will help Denver understand that the journey, and the city's future, is not possible with each of you.

APRIL 4-7 COLORADO CONVENTION CENTER

BUY TICKETS NOW



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The State of Colorado's Vehicle Exchange Colorado (VXC) program continues to accept automobile dealer registrations on a rolling basis.

The VXC program helps income-qualified Coloradans recycle and replace their old or high-emitting vehicles with electric vehicles (EVs) by providing approved applicants with a discount on the upfront cost of an EV purchased or leased at an authorized automobile dealer.

Please <u>visit the VXC website</u> to learn more about the program (see the "Participating Automobile Dealers" section). If you are interested in preregistering your automobile dealer for this program, you may do so at this link. Following completion of your preregistration, a VXC program representative will contact you regarding next steps.





