New tax mulled for vehicles retailed in Cook County

Most new and used vehicles retailed in Cook County would face a new $100 flat tax, under a Cook County Board measure intended to help stanch the county’s estimated $284 million budget shortfall.

Dealers in Cook County would have to charge the tax to all Illinoisans but not to residents of other states. The tax would not be subject to private sales.

Commissioners plan to vote on the plan Friday, Feb. 29, the deadline to pass this year’s budget.

Lobbyists for the CATA are working to turn back the tax plan, and dealers are urged to oppose the plan to Cook County commissioners. A list of the commissioners and a map of their districts is at www.co.cook.il.us/commissioners.htm.

Cook County Commissioner Roberto Maldonado, a Democrat from the county’s 8th District on Chicago’s Near West Side, wants to add a weight tax of $100 on vehicles with a curb weight above 3,300 pounds, among other measures to generate $95 million for the county coffers. He introduced his proposal at the county board’s Feb. 20 meeting.

The 3,300 pound threshold would ensnare most vehicles. For example, the curb weight of a Ford Mustang is 3,352 pounds.

Maldonado’s motor vehicle weight tax ordinance would spare hybrid and alternative fuel vehicles, and commercial vehicles, which operate to transport persons or property “in the furtherance of business,” according to the proposed ordinance.

Other items proposed by Maldonado to face tax hikes include alcohol, hotel stays and aviation vehicle fuel.

The Cook County Board has been haggling since last autumn over ways to close its fiscal budget gap. Board President Todd Stroger continues to boost the county sales tax from 0.75 percent to 2 percent.

CATA expands charitable help with new care-giving program

Stereotypes can be difficult to overcome. The tired notion that car dealers are tight-fisted is one the CATA consistently fights to reverse.

Most dealers are a benevolent lot, donating both money and time to causes that help their communities. And the unjust image of uncharitable car dealers is about to get another repudiation in the form of Chicagoland Dealers Care, a new program by the CATA to help dealers support local causes.

Chicagoland Dealers Care will provide up to $5,000 in matching grants for a dealer’s contributions to local charities. See the flyer in this newsletter for full details.

Grant requests can be for a variety of causes: academic programs, cultural arts, performing arts, medical research, and even humanitarian.

100th Chicago Auto Show

Bellwether of better times ahead?

Show attendance up from 2007

The nation’s economic forecast is gray; the national sentiment indicates this country is on the verge of a recession. Or several months into a recession.

But for 10 cold days this month, the public streamed to McCormick Place for the 2008 Chicago Auto Show, spinning the turnstiles slightly more than they did in 2007. The show succeeded in bringing new vehicles, new displays and new attractions to its audience. By one count, the floor included 14 world introductions, 18 concept vehicles and prototypes, and 34 all-new production vehicles.

The 2008 show also marked the event’s 100th edition—the world’s first auto show to reach the centennial mark. A special display presented vintage vehicles and photographs and artifacts of...
Auto show

Continued from Page 1

Chicago Auto Shows over the years. At the first edition—March 23-30, 1901—exhibits in the center of the arena of the Coliseum (Wabash Street at 14th Street) were surrounded by a wooden track to demonstrate the new “horseless carriages” in motion.

Notable events included a number of special presentations geared to women on Women’s Day, Feb. 12, when women admission was half price; the opportunity to speak to U.S. soldiers stationed in Iraq in real time, via video conferencing technology provided by the Freedom Calls Foundation, Feb. 16 at the Dodge display; and even a Valentine’s Day wedding on Feb. 14, also in the Dodge display.

‘Best of Show’ winners

Consumer voters identified their Chicago Auto Show favorites in five categories, in the show’s third annual Best of Show balloting.

Winners in the contest’s five categories were:
- Best All-New Production Vehicle: Dodge Challenger (30% of vote)
- Best Concept Vehicle: Cadillac CTS Coupe (19% of vote)
- Best Chicago Auto Show World Introduction: Dodge Challenger (56% of vote)
- Best Exhibit: Chevrolet (25% of vote)
- Vehicle I’d most like to have in my driveway: Chevrolet Camaro Bumblebee (8% of vote)

Nine finalists in four categories were selected by a panel of elite automotive journalists. The fifth category, “Vehicle I’d Most Like to Have in My Driveway,” allowed voters to choose from any vehicle on the show floor for their write-in pick.

According to the results, nearly one-third of the voters considered the Dodge Challenger the Best All-New Production Vehicle on display at the 2008 Chicago Auto Show. It was followed by the Shelby GT500KR with 18 percent of the vote. Just two years ago, the Challenger won the Best Concept category in the inaugural Best of Show voting, making it a great example of how quickly concepts can move to production.

In the Best of Show’s tightest race, 4 percentage points separated the top four finishers in “Vehicle I’d most like to have in my driveway.” The Chevrolet Camaro Bumblebee gathered 8 percent of the vote, followed closely by the Dodge Challenger, Chevrolet Corvette ZR1, and Nissan GT-R. Proving that star power still counts, the yellow and black Camaro Bumblebee concept car was featured in the live-action-adventure film, “Transformers.”

Dodge Challenger easily took Best Chicago Auto Show World Introduction. The GMC Denali XT concept hybrid pickup truck finished second in voting.

Gathering 19 percent of the vote, the angular Cadillac CTS Coupe squeaked out a victory as the Best Concept Car of the 2008 Chicago Auto Show. The sporty Dodge Zeo finished a close second with 16 percent of the vote.

Chevrolet wrested the crown of Best Exhibit away from Jeep’s two-year stranglehold on the award. The Bow-Tie brand grabbed 25 percent of the vote versus Jeep’s 22 percent. Of note, the Chevrolet exhibit was part of a massive General Motors display that was the largest the U.S. automaker has ever assembled, anywhere.

Food drive nets 10+ tons

Late weekday crowds benefited the Chicago Christian Industrial League by contributing more than 21,000 pounds of canned foods. The CATA extends a $5 discount off regular adult admission to those who bring three cans of food Wednesday though Friday at the show.

Chrysler LLC, which sponsored the food drive, also donated $7,000 to the Chicago Christian Industrial League.

$37,300 disbursed in ACE awards

Effective salespeople in the displays netted a combined $37,300 under the Award for Customer Excellence (ACE) program.

Salespeople from area dealerships who worked in the manufacturer displays were evaluated each day by incognito judges who rated the salespeople using various criteria to award prizes of $150 on weekdays and $200 on weekends. Several salespeople won an ACE prize twice, and five won the award three times during the 10-day show:
- Segundo Armendariz, Elgin Toyota
- Ian O’Donohue, The Saab Exchange
- Paul Price, Mercedes-Benz of Chicago
- Luis Ramos, Castle Honda
- Miguel A. Sanchez, Marquardt of Barrington

Congratulations to all the winners!
EPA angers Congress with denial of California waiver request

By Ray Scarpelli Sr.
Metro Chicago NADA Director

The administrator of the Environmental Protection Agency on Jan. 24 defended his decision to reject California’s attempt to set tough limits on global-warming pollutants from cars and trucks, saying the state was not suffering from “compelling and extraordinary” problems because of its emissions. As expected, his decision is facing strong congressional opposition.

The NADA supports the national 35 mpg standard increase signed into law by President Bush and the EPA’s decision to deny California’s attempt to implement its own emissions rules. The NADA also opposes any effort to overturn the EPA’s decision, which would undermine the new fuel economy increase. Approval of the California waiver could lead to a patchwork of state environmental regulations that would threaten vehicle availability, affordability, safety and the ability of dealers to engage in interstate vehicle sales and trades.

Johnson’s decision blocked California from forcing automakers to meet a fuel economy standard of about 40.5 mpg on vehicles under 3,750 pounds by 2016. Fourteen other states have adopted California’s proposed law, and four others are considering it.

This is the first-ever waiver request that involves greenhouse gases; all previous waivers addressed atmospheric pollutants that created local and regional air quality concerns. But greenhouse gases are a global concern. Furthermore, California’s overly aggressive mandate and its short lead time would have resulted in the manufacture of vehicles that consumers either would not want or could not afford to buy. That’s why this request required a fundamentally different analysis and a fundamentally different approach. It’s also why a solution must be addressed at the national level.

An aggressive and achievable federal fuel economy standard, according to the NADA, is the approach that is most likely to provide the most benefit to the greatest number of people, and that’s precisely what the Energy Bill establishes.

In other NADA news . . .

• NADA Used Car Guide, the industry standard in used-vehicle valuation and information, celebrates its 75th anniversary with a new logo marking its proud heritage and a host of innovative products for today’s rapidly changing automotive marketplace. “The NADA has provided the industry’s most comprehensive and market-reflective vehicle valuation information for 75 years, and we’re proud of our accomplishment,” said Mike Stanton, vice president and chief operating officer of NADA Used Car Guide. “We’re also moving to build on our successful history by offering our customers new products and services that will help them make better decisions in today’s highly competitive market.”

In today’s volatile market, government, insurance, banking, OEMs, dealers and consumers look to the NADA for its values provided in guidebooks, CDs and Web-based products. Recently expanded products and services include:

• NADA B2B Online — The world’s most comprehensive online database of values for a wide array of used cars, trucks, boats, motorcycles, recreation vehicles, farm equipment and more.

• NADAguides.com — A leading consumer vehicle valuation and information site providing pricing information, research tools, products and services, and attracting more than 6.5 million visitors monthly.

• AuctionNet — An industry-unique wholesale auction data network in partnership with the National Auto Auction Association (NAAA), representing more than 80 percent of total auction transactions.

The NADA continues to enhance its full product and service lineup to deliver information that empowers users to make educated business decisions. Its dedicated mission for 75 years continues in 2008 with the planned introductions of new online and mobile products, as well as additional consulting and analytical services.

Outgoing NADA Chairman Dale Willey said auto dealers and manufacturers will have to carefully manage their businesses and work together more closely if they are to survive in the current economic climate.

Speaking at the 2008 Automotive News World Congress on Jan. 23, Willey said the decline in U.S. consumer confidence, warnings of an economic downturn, and increased government regulations on the auto industry and dealers mean there’s little room for error for dealers.

“We need to be spot-on in that we align customers with the right vehicles,” he said. Manufacturers should also consult with dealers more on future products because the dealers are on “the front lines” and know which products and features sell. Willey called for manufacturers to treat all dealers fairly when it comes to incentives. He said if manufacturers allow some dealers to offer better deals than others, the result is customer confusion. “Confusion can corrode the brand,” Willey said.
April 1 tax hike no April Fool’s joke

The general sales tax increases by a quarter-cent per dollar in Cook County and twice that in the five collar counties on April 1, following January maneuvering by Illinois legislators and the governor to fund Chicago’s ailing mass transit system.

The $530 million bailout of the Chicago Transit Authority brings sales tax rates to the following levels, with percentage point increases in parentheses:

- Chicago, 9.25% (+ .25)
- Cook County, 8.0% (+ .25)
- Lake County, 7.0% (+ .5)
- DuPage County, 7.25% (+ .5)
- McHenry County, 7.0% (+ .5)
- Kane County, 7.0% (+ .5)
- Will County, 7.0% (+ .5)

Municipalities with home rule authority can layer additional taxes on top of those figures, making the patchwork of sales-tax rates in Illinois even more complicated.

DriveChicago, auto show Web links increase dealers’ inventory visibility

For two months of the year, ChicagoAutoShow.com is one of the most visited Web sites in the Chicago market, garnering more than 6 million page views in that period. This year, DriveChicago partnered with ChicagoAutoShow.com to provide dealer inventory on each Vehicle on Display page of the auto show Web site.

“The result was fabulous,” says Mark Bilek, general manager of DriveChicago. “We garnered more than 500,000 inventory impressions on ChicagoAutoShow.com and doubled the amount of leads supplied to CATA dealers.”

Said Jerry Cizek, CATA president: “The Chicago Auto Show is all about selling cars. Using DriveChicago to extend the reach of the Chicago Auto Show into the online community is a natural extension of the services provided by the CATA.”

The syndication worked by randomly listing five vehicles from CATA dealers’ inventories on each Vehicle on Display page of ChicagoAutoShow.com. So, if a visitor was interested enough to research a vehicle on ChicagoAutoShow.com, they could click directly into a dealer’s stock using the DriveChicago inventory.

DriveChicago also syndicates dealer inventory to the Chicago Sun-Times and the Northwest News Group; and to radio stations WGCJ-FM, KissFM, WLIT-FM The Lite, WNUA, V103, and WGN-AM. Syndication is just one way that this free service of the CATA works for member dealers to increase inventory visibility and showroom traffic.

Shake the cold at CATA-IADA conference in Arizona, April 2-6

The winter’s snow and numbing temperatures are taking a toll. And with two more cold surges forecast in the next two weeks, the desired relief may only come from a trip to Scottsdale, Ariz., where the 2nd annual CATA-IADA dealer conference is April 2-6.

The Westin Kierland Resort & Spa hosts the getaway excursion that features speakers, workshops and line or ad group meetings as requested, plus golf outings, banquets, and other events at or near the desert oasis.

“We’re very excited,” said CATA Chairman Mark Scarpelli, “to collaborate with the IADA on an event that combines work with special interaction.”

Most of the resort’s 732 spacious guest rooms feature a private balcony or terrace with views of golf courses or the nearby McDowell Mountains.

See the flyer in this newsletter for conference registration and transportation costs. Important, the fees indicated on the flyer DO NOT include airfare; a group flight was not arranged.

Sponsorship opportunities also exist for dealership vendor companies. Call the IADA’s Mike Healey, 217-953-0220.

Dealers care

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Dealers won’t be solicited to sustain the operating budget for Chicagoland Dealers Care. Instead, the program will be funded by the CATA.

Chicagoland Dealers Care operates under the First Look for Charity Foundation, which has raised more than $26 million for Chicago area charities since the Chicago Auto Show’s black-tie event began in 1992. The event this month raised $2.8 million. In its 17 years, the event has raised a record sum every year.

“First Look for Charity is a night for the CATA and its new-car dealer members to shine. It is a night in which we can all take pride,” said CATA Chairman Mark Scarpelli. “If there is one weakness of the event, it’s that it lasts only one night.

“We want to extend some of that luster throughout the year.”

The CATA also is embarking on a partnership with NBC5 Chicago to spotlight the positive things that new-car dealers do regularly in their communities.

Some examples will be developed into 15-second spots that will be broadcast on NBC5, and all will be trumpeted on the CATA’s weekly radio show, “Drive Chicago,” 8 a.m. Saturdays on WLS 890 AM; and on the association’s Web site, DriveChicago.com.

To discuss that program, contact the CATA’s Dave Sloan at 630-424-6055 or dsloan@drivechicago.com.