



ANNUAL REPORT 2018-19

The Huntington Beach
Auto Dealers Association

2017: ANOTHER RECORD YEAR

**HB Auto Dealers Broke the \$1.025 Billion level Total Sales!
And donated over \$600,000 to Local Charities...**



INTRODUCTION

Total parts, service and vehicle sales increased a record breaking \$109 million since 2013 with the renovation of the Digital Reader Board Sign effort and permission to operate our digital sign on the 405.

Total parts, service and vehicle sales grew an unprecedented \$37 million over calendar year 2015. Reader Board Sign results go deeper than just gross sales. Total Taxes Paid or collected grew from \$51.26 million in 2013 to a staggering \$62.12 million in 2017; these 10 New Car Dealers grew in total taxes paid \$10.86 million alone.

The Huntington Beach Auto Dealers Association was formed on August 15, 1990 out of the desire to bring new car dealers on Beach Blvd. to join forces, develop a cooperative community and execute effective marketing plans that better serve their industry and the City of Huntington Beach.



26th Annual Celebration

On September 8, 1992 the Huntington Beach City Council approved ordinance no. 3175 establishing the Huntington Beach Auto Dealers Business Improvement District (BID) as a method of financing and maintaining their then state-of-the-art digital reader board sign. This year, 2017, marks the 27th anniversary of the Association and our effort to create a 21st century and beyond spectacular new digital reader board sign for the community!

With the dedication of our, 85 foot tall, wedge shaped, two sided, 1,200 square foot digital faced sign, the Auto Dealers Association is able to dedicate new and greatly needed revenue to further merchandise the business and financial interest of both the Beach Blvd. of Cars and the City of Huntington Beach. The Reader Board Sign also allows us to significantly support nonprofits throughout our community.

Total Revenue for the reader board sign is dedicated to marketing and advertising in promotion of all ten dealers. We are experiencing significant new sales and sales tax generation as a result of the joint effort between the city and the dealer network. The ten dealer network dots the landscape along 3 miles of Beach Blvd., Surf City, USA. These components have worked together to insure all parties continuity of message supporting a unified organization working together with common goals. Our reader board sign adds strength, beauty and character to our message and helps increase business for all parties involved, particularly in the absence of us not having an auto mall.

MISSION STATEMENT

The Huntington Beach Auto Dealers Association is dedicated to serving the New Car Dealer Members located on Beach Blvd.

We strive to promote our collective business success, provide an effective marketing message, and assist with common issues by providing the community we serve with a variety of meaningful programs. Our Association works to protect and expand our business segment in order to be able to provide leadership and focus so that both the members we serve and our community remain healthy, prosperous and above all competitive with the many auto malls in our region.

Our Family Facts: Orange County Dealers - HB Auto Dealers WE MAKE A DIFFERENCE EVERYWHERE

120 Total Dealerships
\$12.3 Billion in Sales 2016
212,160 Vehicles Sold
12,300 Employees
\$735 Million Payroll
\$735 Million Sales Tax

13 Dealerships
\$1 Billion + in Sales 2016
24,800 Vehicles Sold
1,000 + Employees
\$82.9 Million Payroll
\$62.1 Million Sales Tax

Every Car Sold In HB generates an average of \$3,244.35/ vehicle of Total Tax Revenue
Every Car Sold in HB generates an average of \$306/ vehicle of Tax Revenue for HB!



A NOSTALGIC PAST

Mustangs, Corvettes, Chargers, Continentals, Lincoln, Malibu, Thunderbird, Hummers, Plymouth, Honda, Toyota and even the Dodge Dart dotted the early Beach Blvd. landscape. Names like Cal Worthington, Groth, Terry York, Gustafson, Bill Maxey took the Blvd. through much of its growth during the 1960's, '70's and '80's. A number of dealers still remain family owned. They are local people serving local people from the same locations in Huntington Beach for well over 40 Years.



OVER \$33 MILLION IN NEW CONSTRUCTION AND GROWING

Welcome Subaru as part of the McKenna Volkswagen location and welcome their addition this year (under construction) our newest franchise- Audi! With the completion of the Digital Reader Board Sign (\$1.5 million capital cost), the complete rebuild of the Toyota of Huntington Beach franchise (\$18 million), the significant expansion of the Norm Reeves Honda Superstore location (\$4.7million), the recent rebuild of the OC Mazda (HB Mazda) store (\$2.2 million), the recently complete rebuild of the Surf City Nissan Store (\$2 million), the renovated DeLillo Chevrolet Store (\$1 million), the major renovation at the Huntington Beach Ford Store (\$1.5 million +) and the complete rebuild of the new combined Chrysler, Dodge, Jeep/Ram facility (some \$1.5 million) - these significant and on-going financial commitments further demonstrate the continuing confidence in the automotive industry held by our members.

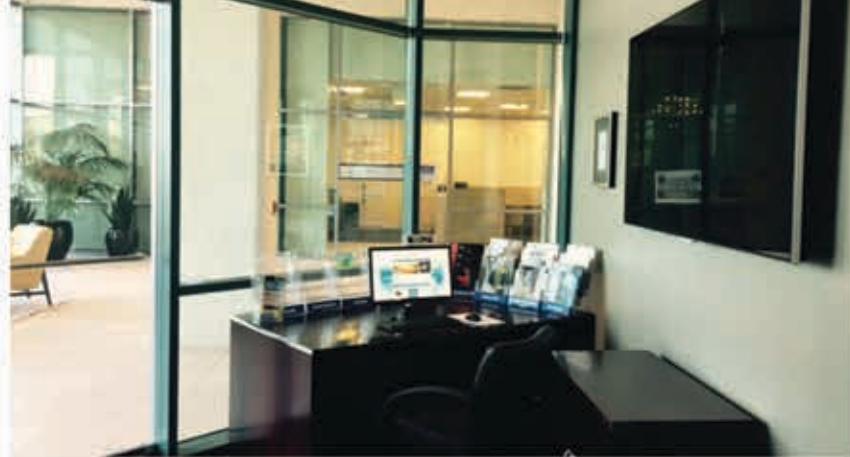


Despite fairly harsh economic downturn in the national, regional and local economy this group of 10 entrepreneurs have pushed forward to protect, expand and retain their business interest in Huntington Beach, Surf City, USA. Welcome Westbrook Automotive Group and their exceptional new design on Beach Blvd. Our dealers have continually led in their make and model franchise areas. Ford's growth is monumental since they opened five years ago, Kia continues to break records even during their inaugural and subsequent year with the Beach Blvd of Cars. Chrysler has locked down statewide and national awards for sales performance over a long period of time and the other brands win industry awards, sales performance awards and customer satisfaction achievements regularly. Imagine in the entire State of California the #1 Chrysler Dealer is in Huntington Beach. Several times in 2015 they were the #1 Chrysler dealer in the entire United States. This year they will brake off JEEP into a separate dealership.

Hands-on and bottom-line local business leadership models combined with a level of community consciousness and a spirit of giving back form the best description of these ten business owners and their managers. We are: Ten New Car Dealers acting as one when it comes to marketing, community and investment.



BLVD. OF CARS STORE 7TH YEAR



New look, new location...It is our 8th year with our Car Store, now at Charter Center, a highly visible and major intersection on the corner of Beach Blvd. and Warner Ave. Our all glass, highly visible lobby floor office will help serve the economic interest of our community and serve as our hub for our Huntington Beach Auto Dealers Community Foundation. This represents our continuing partnership with the business community and the City.

The Huntington Beach Auto Dealers Association's Reader Board Sign facilitated the opening of a "retail" presence in the then existing Redevelopment area. At significant expense (details in financial report), the Association employs representatives with payroll, workers comp, insurance considerations, site signage, equipment, etc. Currently, labor, rent and office operation represents almost 40% of the total BID Annual Budget.

The Blvd of Cars Store plays a dual role; host to the community for important and sought after information and customer visitors looking for a broad variety of questions. At the Car Store, the association operates a facility that cultivates interest in transportation products offered by the Member Dealers. This includes electronic hook up to each dealer member through the Internet and web sites. Staff also deals with walk-up clients wanting automotive or transportation information. Literature for each Dealer is on display, telephone lines exist for instant access to individual dealers for any client questions or needs.

CURRENT DEALER MEMBERS

The Board of Directors meet on the 3rd Wednesday of each month at the Waterfront Hilton Beach Resort. Check marquis for meeting room assignment each month. 8:30 am Breakfast meeting.

21100 PACIFIC COAST HWY,HUNTINGTON BEACH,CALIFORNIA,92648

The election certified Executive Committee of the Board of Directors of the Association also sit as the BID Board Members and they are:

Pete Shaver
(Huntington Beach Chrysler, Jeep, Dodge, Ram)
acts as President

Paul Conant
(Norm Reeves Honda Superstore)
acts as Vice President)

Bill Demarest
(DeLillo Chevrolet) acts as CFO

Darrel Whitehead
CPA - Financial

David Garofalo
Business Manager
Administration



The Huntington Beach Auto Dealers Association acting as Managers of The Huntington Beach Auto Dealers Business Improvement District include:

**HB Dodge, Chrysler
Jeep Ram**
714-841-3999
www.hbchryslerjeep.com

**Huntington Beach
Hyundai**
888-436-3920
www.huntingtonbeachhyundai.com

**Norm Reeves Honda
Superstore**
714-842-5431
www.normreeveshb.com

Huntington Beach Mazda
714-848-7739
www.ocmazda.com

**Surf City Nissan of
Huntington Beach**
714-500-6000
www.surfcitynissan.com

DeLillo Chevrolet
714-847-6087
www.delillo.com

Huntington Beach Surf City Ford
714-842-6611
www.huntingtonbeachford.com

**McKenna VW / Subaru / Audi
Huntington Beach**
866-925-0602
www.mckennavolkswagen.com

Toyota of Huntington Beach
714-847-8555
www.toyotaofhb.com

Car Pros Kia of Huntington Beach
(714) 274-6176
www.orangecountykia.com

OUT WITH THE OLD IN WITH THE NEW



Like many makes and models of cars over the past 100 years...they were designed for the times, met the needs of the people they served and performed well for the level of technology developed to that stage in the personal transportation industry. No different is the story with Digital Reader Board Signs.

Then and now, the Edsel, the Cobra, the Nova, the Camaro, etc. no different in the relationship between what the Auto Dealers pioneered 20 years ago or the super spectacular statement they make today with the Digital Reader Board technology launched in 2010 adjacent to Bella Terra on the 405 near Beach Blvd.



COMMUNITY OUTREACH

**HB Auto Dealers Commitment to Community
Outreach Using Sign to Promote Local Nonprofits**



AND THE COMMUNITY WE SERVE



Huntington Beach Auto Dealers Association Performance:

Category	Total All HB Dealers 2013	Total / HB Dealers 2014	Total/ HB Dealers 2015	Total/ HB Dealers 2016	Total/ HB Dealers 2017	Average/ HB Dealers 2017
New Vehicle Sales	\$530,160,000	\$583,000,000	\$651,000,000	\$658,800,000	\$664,000,000	\$66,400,000
Used Vehicle Sales	\$170,860,000	\$180,670,000	\$192,240,000	\$198,160,000	\$208,030,000	\$20,803,000
Service and Parts Dept. Sales	\$105,260,000	\$107,600,000	\$111,600,000	\$112,400,000	\$115,100,000	\$11,510,000
Other Departments	\$30,530,000	\$33,600,000	\$35,110,000	\$36,900,000	\$39,800,000	\$3,980,000
Total Dollar Sales	\$836,810,000	\$904,870,000	\$989,950,000	\$1,006,260,000	\$1,026,930,000	\$102,693,000
Total New Units	15,540	16,280	17,700	17,700	17,680	1,768
Total Used Units	6,460	6,290	6,500	6,670	7,120	712
Total Vehicles Sold	22,000	22,570	24,250	24,250	24,800	2,480
Total Full Time Employees	910	920	940	950	980	98
Total Part Time Employees	60	60	60	50	50	5
Total Employees	970	980	1,000	1,000	1,030	103
Total Wages	\$51,230,000	\$53,540,000	\$54,990,000	\$57,460,000	\$61,250,000	\$6,125,000
Advertising	\$9,500,000	\$10,050,000	\$10,300,000	\$10,400,000	\$10,200,000	\$1,020,000
Other Products & Services from CA Business	\$17,700,000	\$18,000,000	\$18,500,000	\$18,900,000	\$18,850,000	\$1,885,000
Total Local and Statewide Expenses	\$27,200,000	\$28,050,000	\$28,800,000	\$29,300,000	\$29,050,000	\$2,905,000
Total State Payroll Taxes	\$3,070,000	\$3,210,000	\$3,300,000	\$3,450,000	\$3,610,000	\$361,000
Total Federal Payroll Taxes	\$13,680,000	\$14,350,000	\$14,850,000	\$15,920,000	\$17,210,000	\$1,721,000
Total Employee Taxes	\$16,750,000	\$17,560,000	\$18,150,000	\$19,370,000	\$20,820,000	\$2,082,000
Sales Tax Collected	\$50,210,000	\$54,290,000	\$59,370,000	\$60,330,000	\$60,590,000	\$6,059,000
Real Estate Taxes	\$1,410,000	\$1,440,000	\$1,500,000	\$1,510,000	\$1,530,000	\$153,000
Total Taxes (Paid or Collected)	\$51,620,000	\$55,730,000	\$60,870,000	\$61,840,000	\$62,120,000	\$6,184,000
Total Tax Revenue fr Dealers in HB	\$68,370,000	\$73,290,000	\$79,020,000	\$81,210,000	\$82,940,000	\$8,294,000
Total Tax Revenue To Huntington Beach	\$6,273,000	\$6,786,250	\$7,421,250	\$7,541,250	\$7,573,750	\$757,375
State and Local Business Taxes and Fees	\$450,000	\$460,000	\$550,000		\$660,00	\$66,000
Charitable Contributions	\$380,000	\$460,000	\$590,000	\$575,000	\$575,000	\$57,600

Buy or Lease a New Car from one of the Ten New Car Dealers (HB Auto Dealers Association) and receive a **FREE** Annual HB Parking Pass \$150 value Purchase any previously owned vehicle valued at over \$20,000 and qualify for the same valuable Beach Parking Space!

The Annual Beach Parking Pass allows you to park in all beach parking lots from Beach Boulevard to the pier, the Pier Plaza “Pay & Display” lots, meter lots between Goldenwest Street and Seapoint Street, meters along Pacific Coast Highway, the lot adjacent to the Warner Avenue Fire Station, where the boat ramp is located, and at the Main Promenade Parking Structure (200 Main Street). Annual Beach Pass not good at the Strand Parking Structure.

General passes may be purchased at Beach Division Headquarters: 103 Pacific Coast Highway and the Community Services Department, 5th Floor at City Hall, 2000 Main Street. Please bring your license plate number. The rate is \$150.00 for the General Pass.

Senior Citizen passes may be purchased at Beach Division Headquarters, 103 Pacific Coast Highway and the Community Services Department, 5th Floor at City Hall, 2000 Main Street. To qualify for a senior discount the senior must be present with a valid California Drivers’ License showing a minimum age of 62 at the time of purchase and must present the Vehicle Registration. The vehicle must be present at the time of purchase. The rate is \$50.00 for Senior Citizens Pass.

Visa, Master Card, and Discover Cards are welcome.

Passes sold only to vehicles less than 20 ft. in length.

The pass does not allow parking on Main Street, at residential or business meters, nor in Duke’s Valet designated areas. Obey posted signs at the valet parking area near Duke’s Restaurant. Main Promenade Parking Structure has entrances on Walnut and Olive Streets. You must pull a ticket to enter the parking structure and the ticket must be given back to the attendant upon exit from the structure.

The Annual Beach Parking Pass is valid at the following locations:

- City beach parking lots from Beach Boulevard to 6th Street
- Parking meters along Pacific Coast Highway and Beach Boulevard
- Metered parking lots between Goldenwest Street and Seapoint Street “Dog Beach” area
- Parking lot adjacent to the Warner Avenue Fire Station and boat launch

1. The parking pass must be permanently affixed using provide adhesive to the window on the vehicle for which it was purchased on the inside, lower left corner of the front windshield (driver’s side). The pass is non-transferable.

2. If you purchase a different vehicle or replace your windshield during the year, bring the pass in and it will be replaced for \$10.00. If you do not bring in the pass you must pay the full price.

3. Passes are valid for 1 year after the date of purchase and may be purchased at any time.

4. Passes are VOID on vehicles over 20 feet (including overhang).

5. Vehicles over 20 feet, including overhangs, are prohibited from parking in the Pier Plaza lots and the Main Promenade Parking Structure due to size limitations. However, parking is available at the Beach Blvd. entrance of the City beach parking lot.

6. The city is not responsible for lost, stolen, or misplaced passes. Another pass can be purchased at the current price.

7. Possession of this pass does not guarantee a parking space. Parking is on a first-come, first-served basis.

8. You may be restricted from parking in certain areas of the lots during Sunset Vista Camping Season (October 1 – May 31) and during selected Specific Events.

Auto Dealers Go "Green" with New Reader Board

Sign proposal including: (Partial List)

- New Huntington Beach Auto Dealers Reader Board Sign is fully integrated into the existing Bella Terra landscape including colors, materials, and environmental elements.
- New 20mm LED pixels are 87% more energy-efficient than the original 33mm LED pixels.
- Original Overall Sign Square Footage = 1679 sf
- New Overall Sign Square Footage = 1679 sf
- Original Reader Board Sign at 85' Overall Height.
- New Reader Board Sign at 85' Overall Height.
- Aluminum components use in construction of the New Sign - very environmentally friendly .090 gauge



ANNUAL REPORT 2018-19

The Huntington Beach
Auto Dealers Association



www.BeachBlvdofCars.com
MainStreetWest@aol.com