Rivian CT Service Center Moving Forward

Photo above is a Rivian R1S from the EV Club EV Showcase Event at the Hotel Marcel in New Haven

Rivian Fends Off Dealership Lawsuit

The electric vehicle manufacturer, Rivian, which currently produces the fully electric R1T pickup truck and R1S sport utility vehicle, is finally able to move forward with its proposed Connecticut service center. The Town of Shelton originally granted Rivian an approval to build a service and delivery center at 2 Mountain View Drive in October 2022. T D Properties, owner of 329 Bridgeport Avenue, Shelton, along with Mario D'Addario Buick, Inc., a dealership that does business from that premises, sued Shelton to stop the service center.

The Usual Dealership Obstruction Playbook

We've seen this movie before. When a company that employs a direct sales model seeks to open a service center, the dealerships do all they can, including going to court, to obstruct it. Direct sales is not legal in CT and the dealers further attempt to make it as inconvenient to service the vehicles as it is to buy them. In so doing, the dealers seek to restrict competition and consumer choice.

In the case of East Hartford, the dealers successfully bullied the city into rescinding an already granted permit for Tesla to build a service center. The dealers showed up in force for a hearing regarding a proposed Tesla service center in South Windsor, and the town did not grant the permit. (Tesla is now building a large sales and service center just over the state line in MA, and is building a sales and delivery center on tribal land in Uncasville.)

Shelton and Rivian fought the lawsuit and won every ruling. The case has been extensively litigated with numerous motions filed, along with an appeal. The court gave a final ruling denying the plaintiff's appeal on October 18th. This is the case detail page of the <u>court docket</u>.

Under Construction

Rivian has moved quickly to break ground. Originally, it had hoped to open its doors in the summer of this year. Starting around now, an optimistic time frame would be the second quarter of 2024. When we have more definitive information, we will provide an update.

We look forward to welcoming Rivian to Connecticut!

Legal Battle Over Proposed Shelton Rivian Service Center Continues

Court Rules in Favor of Rivian's Motion to Dismiss; Plaintiffs File Motion to Reargue

Note: For those following this case, the docket number is AAN

CV 22-6049137 in Superior Court, J/D of Ansonia, Milford. This is the link.

Update: Hearing scheduled for June 20 regarding plaintiffs motion.

June 20 Update: Court denies plaintiff motion for re-argument and sustains Rivian's objection to plaintiff's motion.

Rivian needs a license from DMV. Should they get that, and if there are no further appeals, they should then be in a position to begin renovating the site. The plaintiff has 20 days from June 20 to file an appeal if they so choose.

Rivian seeks to open a service center in Shelton, though they also want to deliver new vehicles at the location. There would be no showroom and no sales activity. Shelton granted an approval for a facility to be located at 2 Mountain View Drive. Mario D'Addario Buick, along with TD Properties, the owner of the D'Addario property, filed a lawsuit to force the Town to rescind the approval.

On May 16, the court ruled in favor of a motion filed by Rivian to have the lawsuit dismissed. The court ruled that the plaintiffs lacked standing due to their arguments not being a zoning issue but rather a licensing issue, which is the province of the Department of Motor Vehicles. Zoning regulations are meant to protect the public interest and are not intended to address business competition. Furthermore, Rivian acknowledged that it cannot carry out any activities that may require a license until it obtains such a license.

On June 5, the plaintiffs filed a Motion for Reconsideration and Reargument. They contend that since D'Addario has a new car dealer license and Rivian does not, they are a protected class of business in this licentiate, and this amounts to

illegal competition.

This is not a legal blog and we don't know whether DMV will get involved or where this will go. This is an earlier post from when the initial lawsuit was filed. Our opinion, in general, is that the dealerships are trying to make it as difficult as possible for direct sales companies to open servicing facilities. We have seen this with Tesla in East Hartford and South Windsor, and now this episode with Rivian.