

Anti-BID activists seek audit of taxes

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Members of a group that successfully led a drive to abolish Rapid City's downtown Business Improvement District want a report of how much money the BID collected, how much was spent and on what.

Attorney Kenneth "Chuck" Jasper, speaking for the Committee for Fairness Wednesday, told city aldermen his group had heard various rumors, including that the BID was broke and that there was money left over.

The city finance officer said the city already was planning a detailed audit of the BID.

Still, the Rapid City Common Council's Legal and Finance Committee formally requested an audit.

The council earlier this year passed two ordinances that created the BID, giving it authority to assess taxes on downtown property.

The money was to be used to improve the downtown.

But BID opponents initiated two measures that led to a special city-wide election Dec. 4 in which the BID was repealed.

The city had collected about \$60,000 in taxes on behalf of the BID, city Finance Officer Richard Wahlstrom said after the council committee meeting Wednesday.

About \$56,000 had been turned over to the Downtown Development Commission, the body elected to administer the BID.

As of Dec. 7, the Downtown Development Commission had spent about \$52,000, Wahlstrom said.

"There may yet be some bills outstanding which have not yet been received," he said.

"But we do not expect those to appreciably alter the balance between receipts and disbursements."

Wahlstrom said those numbers were preliminary, unaudited and subject to adjustment.

The BID office was closed Tuesday and the office's checkbook and other financial records turned over to the

city, he said.

After a "very detailed" examination by the city finance office, the BID will be audited as part of the city's regular annual audit by an outside auditor, Wahlstrom said.

But he said that audit would not focus on the BID.

Walter Bradsky, another attorney associated with the anti-BID group, said the Committee for Fairness might want another outside audit of the BID, depending on what the city's report showed.

"If they want that outside auditor, they pay for it themselves," Alderman Gale Holbrook said.

Chuck Jasper said one of the reasons members of his group wanted an audit was because they had been asked what their plan was to improve the downtown.

He said they could not answer that question until they saw what had been done.

Holbrook and Alderman Carole Hillard asked the anti-BID group if they had any plans to try to improve downtown or serve as advocates for the downtown.

But BID opponent Jim Kurtz said such questions were unfair.

Kurtz said some aldermen were "demanding" the anti-BID group come up with a plan to improve the downtown when the BID election was barely over.

On the other hand, the council had let the then-private Downtown Development Corp. meet privately for more than a year to formulate the original BID, Kurtz said.

"Did you hear me demand anything?" Holbrook asked. "I did not demand anything."

Alderman Bob Fischer suggested that the council committee move on to the next agenda item, since aldermen already had approved the requested audit and there was no motion on the floor.

Fischer said discussion of the BID could continue "several months down the road when it is not so heated."