ORDINANCE NO. 5591

AN ORDINANCE ESTABLISHING THE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT BY ADDING CHAPTER 3.25 TO THE RAPID CITY MUNICIPAL CODE.

WHEREAS, the owners of a majority of the assessable front footage in the proposed business area petitioned the Rapid City Common Council to hold a hearing to create a business improvement district pursuant to SDCL § 9-55-9; and

WHEREAS, the Rapid City Common Council approved a resolution of intent to establish a business improvement district at its November 16, 2009, meeting; and

WHEREAS, the Rapid City Common Council held a public hearing on February 22, 2010, to consider the establishment of the proposed business improvement district; and

WHEREAS, the Rapid City Common Council finds that the creation of the proposed business improvement district will generate revenue to develop facilities and promote events in the district area and will further fund other services necessary and proper to carry out the purposes of SDCL Chapter 9-55; and

WHEREAS, the Rapid City Common Council finds that the public facilities of the business improvement district will provide a special benefit to each property located in the district; and

WHEREAS, the Rapid City Common Council finds that the special benefit provided to the properties located in the core of the business area closest to the facilities to be constructed and supported by the business improvement district will be greater than the special benefit provided to those properties located on the periphery of the business area; and

WHEREAS, the Rapid City Common Council finds that the best way to fairly address this difference in special benefit is the establishment of zones within the business improvement district that will divide the district based upon the amount of special benefit provided to the properties therein; and

WHEREAS, the Rapid City Common Council finds that the special benefit provided to any one property in the district will not exceed $3,000 in 2010, but that such benefit will increase each year as the business improvement district’s facilities are constructed and programs are supported; and

WHEREAS, the Rapid City Common Council deems it to be in the City’s best interests to establish the Downtown Business Improvement District.

NOW THEREFORE, BE IT ORDAINED by the City of Rapid City, that Chapter 3.25 be added to the Rapid City Municipal Code to read as follows:
3.25.010 Establishment of district.
   Pursuant to the provisions of SDCL Chapter 9-55, the Downtown Business Improvement District of the City of Rapid City is hereby created. Resolution 2009-149 entitled “A Resolution of Intent to Establish the Downtown Business Improvement District” was adopted by the Common Council of Rapid City on the 16th day of November, 2009. The public hearing on creation of the district was held in the City Council Chambers, located at 300 Sixth Street, Rapid City, South Dakota, at 7:00 p.m. on the 22nd day of February, 2010.

3.25.020 Boundaries of district.
A. The Downtown Business Improvement District shall include the following property:

1. Property located east of North Mount Rushmore Road and west of 5th Street, bounded on the north by North Street and bounded on the south by Omaha Street;
2. Property located east of West Boulevard and west of East Boulevard, bounded on the north by Omaha Street and on the south by Kansas City Street;
3. Property located east of Mount Rushmore Road and west of 4th Street, bounded on the north by Kansas City Street and on the south by Columbus Street;
4. Property located east of West Boulevard and west of Mount Rushmore Road, bounded on the north by Kansas City Street and on the south by Quincy Street;
5. Block 124 & Vacated Alley and ½ Vacated 6th Street, Lots 1-24 & Vacated Alley & ½ Vacated 6th Street of Block 125, Original Town of Rapid City;
7. Lots 1-8 & adjoining 40’ of Vacated Rapid Street and Lots 21-32 Less RR ROW of Block 5, Riverside Subdivision;
8. Units 1-4 and Common Areas of First Western Gateway Condos;

B. The Downtown Business Improvement District shall be divided into two zones as follows:

1. Zone 1 shall include the following property:
   a. Property located east of Mount Rushmore Road and west of 5th Street, bounded on the north by Omaha Street and bounded on the south by the alley located between Kansas City Street and Quincy Street, excepting therefrom the S 45’ of Lots 15-16 of Block 103, Original Town of Rapid City and S 50’ of Lots 1-2 of Block 105, Original Town of Rapid City.
   b. Lot 2 Less Lot H1 of the Madera Subdivision
c. E 450' of Tract A of Blocks 71-72, Lots 25-32, Lots 33-34, a subdivision of the S 56.6’ of Lots 1-6, & Vacated Alley of Block 72, Original Town of Rapid City

d. Lots 1-6 & E 2’ of Lot 7, Block 82, Original Town of Rapid City

e. N 65’ of Lots 30-32 of Block 82, Original Town of Rapid City

f. E 14‘2¾” of S 78’4” of Lot 28 & E 21’13¾” of the N 61’8” of Lot 28 & All of Lot 29 & S 75’ of Lots 30-32, Block 82, Original Town of Rapid City

g. Lots 1-2 & Tract B of Lot 3, Block 92, Original Town of Rapid City

h. W 20’ of Lot 10; Lots 11-32, Block 92, Original Town of Rapid City

i. Lots 17-24 of Block 96, Original Town of Rapid City

j. Lots 9-16 of Block 96, Original Town of Rapid City

k. S 70’ of Lots 17-19 of Block 86, Original Town of Rapid City

l. N 70’ of Lots 17-19 of Block 86, Original Town of Rapid City

m. Lots 9-16 of Block 86, Original Town of Rapid City

n. Lots 17-23 of Block 76, Original Town of Rapid City

o. Units 1 & 2 and Common Area, Aby’s Feed & Seed Condominiums

p. Lot 1 of Dan’s Supermarket Tract Revised Less Lot H1, Block 66, Original Town of Rapid City

q. Tract NW 66 Less Lot H1 & Lot H2, Balance of Lots 12-16 Less Lot H1 of Lot 16, N 10’ Vacated Alley adjacent to Lots 12-16 Less Lot H1, Block 66, Original Town of Rapid City

2. Zone 2 shall include all other property within the boundaries of the District.

3.25.030 Purpose of district.

The Downtown Business Improvement District is created for the purpose of funding a portion or all of the future proposed public activities, facilities and improvements along with the costs of acquisition, construction, maintenance, operation and repair of such improvements, facilities or activities:
A. Construction, operation, management, maintenance, repair, marketing, promotion, programming and success of the Main Street Square Plaza.

B. Projects allowed by SDCL ch. 9-55 that encourage economic development within the district.

3.25.040 Special assessments.
A. The real property in the district shall be subject to an annual special assessment based upon the special benefit to the property within the district as authorized by SDCL § 9-55-2. The special assessment shall be fair and equitable as required by SDCL § 9-55-7. The rate of each special assessment shall be determined pursuant to SDCL § 9-55-13 based upon the following formula:

1. For property in Zone 1, an assessment of One Dollar Fifty Cents ($1.50) per One Thousand Dollars ($1,000.00) of assessed valuation of property.

2. For property in Zone 2, an assessment of Seventy-five Cents ($0.75) per One Thousand Dollars ($1,000.00) of assessed valuation of property.

3. The maximum assessment on each property shall be capped at Three Thousand Dollars ($3,000.00) for the year 2010, and such cap shall be increased each year thereafter by three and one-half percent (3.5%).

B. The assessments shall be subject to adjustment by the Rapid City Common Council by resolution as provided in SDCL ch. 9-55.

3.25.050 Exemptions.
The following real property is exempt from taxation or assessment under this chapter:
A. All real property which is exempt from taxation under SDCL ch. 10-4.
B. Owner occupied residential property.

3.25.060 Downtown Business Improvement Board.
There is hereby created a Downtown Business Improvement Board.
A. Composition. The board shall consist of ten owners of property within the business area, who shall be appointed by the Mayor with the approval of the Common Council. Of the ten, six shall own property within Zone 1 and four shall own property within Zone 2. A single property owner who owns property in both zones may be appointed to represent either zone. For purposes of this Section, a property owner includes the following:
   1. An officer or director of a corporate property owner;
   2. A manager or member of a limited liability company that owns property; or
   3. A partner of a partnership that owns property.
B. Terms. Upon initial appointment, one-half of the members representing each zone shall be appointed for two-year terms, and one-half shall be appointed for one-year terms. Thereafter,
all members of the board shall be appointed to serve a two-year term. A member of the board may serve more than one term.

C. **Vacancies.** The Mayor, with the approval of the Common Council, shall fill any vacancy for the remainder of the term vacated.

D. **Officers.** The board shall annually select from its members a chair, vice chair, and secretary.

E. **Compensation.** All members of the board shall serve as such without compensation, except for actual expenses, which shall be subject to approval of the Common Council.

### 3.25.070 Duties of the Board.

The Downtown Business Improvement Board shall oversee the administration of the district, the construction and maintenance of facilities, the establishment of programs, and supervise the completion of the district’s projects. The Board shall have the power to contract for all services necessary for carrying out its duties. The Board shall annually determine the amount needed to achieve the purposes of the district for the following calendar year. This amount, along with a proposed assessment role shall be forwarded to the Common Council as a recommendation for the special assessments to be assessed pursuant to this chapter. The Board’s recommendation shall be made no later than June 15 of each year.

CITY OF RAPID CITY

__________________________________________
Mayor

ATTEST:

__________________________________________
Finance Officer

(SEAL)

First Reading: March 15, 2010
Second Reading: April 5, 2010
Published: April 10, 2010
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