

RAPID CITY HOTEL  
**BUSINESS IMPROVEMENT DISTRICT**

**MINUTES FOR THE BOARD OF DIRECTORS MEETING**  
THURSDAY, JANUARY 26, 2017  
11:00 a.m. – 12:00 p.m.  
CHAMBER BOARD ROOM

**PRESENT**

**ABSENT**

***VOTING MEMBERS***

T. Johnson  
C. Connelly (video conference)  
G. Fawbush  
K. Knutson  
C. Arceneaux  
M. Gustafson  
M. Lamphere

***VOTING MEMBERS***

***NON-VOTING LIAISONS***

J. Salamun  
J. Jensen

***NON-VOTING LIAISONS***

Mayor Allender

***CVB BOARD MEMBERS:*** Chris Johnson

***CVB STAFF:*** Carol Bancroft, Todd Tucker, Julie Jones-Whitcher, Stacie Granum, Lisa Storms, Ally Formanek

**Call to Order**

M. Lamphere called the BID Board meeting to order at 11:12 AM in the Chamber Board Room.

**Approval of Agenda**

C. Arceneaux made a motion to approve the agenda. K. Knutson seconded motion. Motion carried.

**Approval of Minutes**

C. Connelly made a motion to approve the December 15 and December 27 meeting minutes as submitted. K. Knutson seconded motion. Motion carried.

**Financial Statements**

C. Bancroft reported cash on hand balance of \$835,574. Bancroft clarified the high cash amount reflects year-end deposits from the City of Rapid City. For the month of January, deposits have totaled approximately \$4,000. Bancroft informed the board of two major office supply purchases: new server and phone system, both of which were budgeted for.

According to the dashboard as of the end of November the BBB Tax Receipts are 1.8% greater year-over-year, while the BID Tax Receipts saw a decrease of 0.96%. Bancroft shared BID Tax Receipts were collected from the Comfort Inn for the months of July and August 2016.

Bancroft clarified JackRabbit, the online hotel booking agent used on the CVB website, is paid annually.

G. Fawbush made a motion to approve the December Financial Statement as submitted. T. Johnson seconded motion. Motion carried.

## **City of Rapid City**

J. Salamun shared the space at the corner of 6<sup>th</sup> Street and St. Joseph Street is currently under discussion. City Council is hoping development will begin in the near future.

A discussion began regarding the safety of downtown Rapid City and how it affects Rapid City tourism. The board agreed everyone should be welcome to be in the downtown area, but crime should not be tolerated. Lamphere stated crime and panhandling does not only happen in the downtown area, but other areas in Rapid City as well. Jensen questioned the board on how CVB staff should react if approached about the topic. The board agreed CVB staff should highlight the positive aspects of Rapid City. In the future, the BID Board may draft a letter to City Council addressing the concern in the entire city, not just downtown.

## **Board Business**

### *Legislation Discussion*

Jensen shared David Lust is the prime sponsor of the bill, along with Alan Solano. The bill number is H.B. 1085.

Jensen explained the Sioux Falls BID Board is voicing opposition to the legislation, but has yet to take a vote.

Lamphere presented an amendment to the bill, brought forth by a South Dakota Hotel & Lodging Association board member, which states a majority of hotel owners must petition the City to make the change from \$2 per night to up to 3% per night. She explained support is not guaranteed by the South Dakota Hotel & Lodging Association if the amendment is approved. A discussion began regarding the proposed amendment.

G. Fawbush made a motion to approve H.B. 1085 as originally drafted. T. Johnson seconded motion. Motion carried.

After a phone conversation with Dean Krogman, lobbyist for the Rapid City Hotel BID Board, the board was informed H.B. 1085 will be placed in the Local Government Committee of the House. Krogman will contact Jensen if and when the board needs to provide testimony in Pierre.

K. Knutson made a motion to approve the amendment as written, with the addition of the words "Hotel BID." T. Johnson seconded motion. Motion carried.

C. Johnson, CVB Board Vice Chair, will present to the South Dakota Retailers Association the bill as approved by the Rapid City BID Board. Johnson is uncertain if the Association will take a stance on the issue.

T. Johnson shared \$15,500 has been raised from outside sources to fund the BID Board lobbyist, Dean Krogman. Jensen will create an invoice for Destination Rapid City to gain additional funding. Liv Hospitality, Howard Johnson, Sleep Inn & Suites, Baymont Inn & Suites, Days Inn West, Destination Rapid City, Grandstay Suites, and Jensen have been contributors towards the \$15,500. Approximately \$5,800 additional is needed for payment to Krogman. Lamphere will reach out to Casey Thompson, Holiday Inn Express, while Arceneaux contacts Deadwood properties for additional funding.

Jensen shared the CVB could contribute some of the remaining funds, if needed. It could come from non-city tax revenue. Jensen will administer an email vote to the CVB Board on Monday, February 6. Before the

vote, members of the BID Board and CVB Staff will contact members of the CVB Board to explain the email vote will be sent on Monday and educate them on the legislation.

**Executive Director Report**

Jensen shared the CVB Board voted to change “Rapid City Convention & Visitors Bureau” to “Visit Rapid City” when the entity separation takes place, as well as changing fiscal year dates from September through August to January through December to correlate with the City of Rapid City and the calendar year.

**Adjournment**

There being no further business to come before the Board, C. Arceneaux moved to adjourn at 1:10 PM. Motion was seconded by G. Fawbush. Motion carried. Meeting adjourned.

Respectfully submitted,  
Ally Formanek, Administrative Executive Assistant