

RAPID CITY HOTEL
BUSINESS IMPROVEMENT DISTRICT

MINUTES FOR THE BOARD OF DIRECTORS MEETING
THURSDAY, MARCH 2, 2017
10:00 a.m. – 11:00 a.m.
CHAMBER BOARD ROOM

PRESENT

VOTING MEMBERS

T. Johnson
G. Fawbush
K. Knutson
C. Arceneaux
M. Lamphere

ABSENT

VOTING MEMBERS

C. Connelly
M. Gustafson

NON-VOTING LIAISONS

J. Salamun
J. Jensen

NON-VOTING LIAISONS

Mayor Allender

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 10:08 a.m. in the Chamber Board Room.

Approval of Agenda

K. Knutson made a motion to approve the agenda. G. Fawbush seconded motion. Motion carried.

Approval of Minutes

T. Johnson made a motion to approve the January meeting minutes as submitted. G. Fawbush seconded motion. Motion carried.

Financial Statements

C. Bancroft reported cash on hand balance of \$602,146. The CDARS and Board Restricted Reserves remain unchanged, with \$84,000 not restricted.

Bancroft shared due to the high year-end BBB and BID tax deposits, no monies were received in the month of January. Monies will be received in February. The CVB has received 53% revenue and expended 39% thus far in FY17. J. Jensen shared large payments will be made towards peak season marketing efforts in the near future. Jensen clarified the SD Sculpture Trail sponsorship will be paid annually, which promotes a state-wide sculpture trail.

Bancroft reported the BID Tax Receipt data does not include the Quality Inn, which continues to have an outstanding balance since August 2016.

C. Arceneaux made a motion to approve the January Financial Statements as submitted. K. Knutson seconded motion. Motion carried.

City of Rapid City

J. Salamun shared the Civic Center Task Force will be putting forth their recommendation to City Council in the near future. Salamun recommended the BID Board take a stance regarding the expansion of the Civic Center, with facts and data to back it up. T. Tucker shared information from an editorial from the Mitchell Daily Republic comparing the Barnett Arena to the Denny Sanford Premier Center in Sioux Falls. A discussion began regarding the repercussions of not updating the Barnett Arena. Salamun will inform the BID Board when a date has been set for the recommendation.

Salamun explained Mayor Allender is putting together a task force regarding downtown safety in Rapid City. Salamun will be traveling to San Antonio, TX next week to learn about the Haven of Hope program and how it impacts their city. In the meantime, Police presence has been increased in the downtown area. Salamun encouraged all to send their thoughts on the topic to Mayor Allender.

Board Business

Sturgis Motorcycle Rally

The Board agreed most Rapid City businesses have done very little while reaping large benefits from the Sturgis Motorcycle Rally in the past 76 years. During the Sturgis Rally Marketing meeting, multiple people spoke on behalf of Sturgis, asking for funds to begin a digital marketing campaign. Lamphere explained no formal marketing plan has ever been in place to market the Sturgis Motorcycle Rally. The City of Sturgis has funded approximately \$200,000 per year for marketing the event. In 2017, total marketing spend will amount to \$291,000. For the first time, SD Tourism committed \$50,000 to help market the states' largest event. Lamphere shared the marketing campaign will highlight the area for the best ride, live music, and culinary scene.

A discussion began regarding how Rapid City businesses can ensure the growth of the Sturgis Motorcycle Rally in the future.

Jensen relayed she believes there is an obligation as a "good neighbor" to contribute to the 2017 Sturgis Rally marketing campaign, even though the Grant Application has not yet been completed. Jensen shared Jerry Cole and Daniel Ainslie would like \$10,000 from major cities in South Dakota, such as Rapid City and Sioux Falls. The board agreed, long-term, the funds given to Sturgis should be used through cooperative efforts with SD Tourism and a long-term marketing plan must be presented. If funds are donated, Stacie would be on a task force of marketing decision-makers for the Sturgis Rally. Jensen and Bancroft explained funds could be found within the budget for the donation.

T. Johnson made a motion to support the 2017 Sturgis Motorcycle Rally digital marketing campaign, "as a good neighbor," by donating up to \$10,000. G. Fawbush seconded motion. Motion carried.

HB 1085 Discussion

Jensen recapped the legislative process of HB 1085; from the unanimous win in the State Affairs Committee to the loss on the House floor. C. Arceneaux recommended engaging with a lobbyist and major industry players earlier rather than later.

Jensen suggested Dean Krogman, lobbyist for the BID Board, be present for the April board meeting to discuss HB 1085.

A discussion began regarding the opposition of the bill from Secretary Jim Hagen. Knutson suggested Jim Hagen be present for the May board meeting to discuss HB 1085 and to answer any questions from the board.

The board agreed an organized, educational document is necessary to educate the community and the state of South Dakota regarding the legislation. The board also agreed to visit multiple BID Boards across South Dakota, including Brookings, Watertown, and Aberdeen.

With the loss of HB 1085, more than likely, BID Tax Receipts will remain stagnant. To increase BID Tax Receipts, Knutson suggested marketing towards sporting events, such as wrestling and basketball, in the shoulder seasons.

Jensen recommended the board send thank you letters or emails to all House Representatives who voted yes, in favor of HB 1085.

CVB/BID Boards Strategic Planning Retreat

Jensen reminded the board ~~during~~ about the Strategic Planning Retreat on Thursday, March 16 at the Howard Johnson Hotel. From 9 a.m. – 12 p.m., the discussion will involve legal separation, business structure, purpose, and mission, while from 1 p.m. – 4 p.m., the discussion will pertain to how marketing dollars are to be spent. She strongly encouraged everyone's attendance.

During the Strategic Planning Retreat next Thursday, March 16, Knutson emphasized the importance of partnerships in the CVB's future.

Bancroft suggested revisiting the goals and objectives set by the BID Board in their last Strategic Planning Session after March 16. Once a top goal has been chosen, create an action plan on how to accomplish the goal. Jensen will email notes from the last Strategic Planning Session to all BID Board Members, along with the arguments and fact sheets regarding HB 1085.

Adjournment

There being no further business to come before the Board, T. Johnson moved to adjourn at 12:15 p.m. Motion was seconded by G. Fawbush. Motion carried. Meeting adjourned.

Respectfully submitted,
Ally Formanek, Administrative Executive Assistant