

RAPID CITY HOTEL
BUSINESS IMPROVEMENT DISTRICT

MINUTES FOR THE BOARD OF DIRECTORS MEETING

THURSDAY, December 20, 2018

11:00 a.m. – 12:00 p.m.

The Rushmore Hotel Washington Room

PRESENT

ABSENT

VOTING MEMBERS

S. Hull
H. Christianson
G. Fawbush
L. Steffens
M. Gustafson
M. Lamphere

VOTING MEMBERS

C. Thompson

NON-VOTING LIAISONS

D. Drew
J. Jensen
W. Rencountre

NON-VOTING LIAISONS

Mayor Allender

VRC STAFF: Carol Bancroft, Stacie Granum, Julie Jones Witcher, and Ally Formanek

SPECIAL GUESTS: Scott Mueller; Rapid City Rush

Call to Order

G. Fawbush called the BID Board meeting to order at 11:10 a.m. in The Rushmore Hotel Washington Room.

Approval of Agenda

H. Christianson made a motion to approve the agenda as submitted with the addition of a discussion regarding AirBnB. L. Steffens seconded the motion. Motion carried.

Approval of Minutes

M. Lamphere made a motion to approve the November minutes as submitted. S. Hull seconded the motion. Motion carried.

Financial Statements

Steffens reported cash on hand balance of \$721,012. The Board Restricted Reserves and CDARS remain constant at \$200,000 and \$126,713 respectively. The Board Unrestricted Reserves have increased due to interest accrual to \$1,214.

Steffens shared 92% of the calendar year is complete. Visit Rapid City has received 91% of income expected and expended 87.5%. Steffens reported BBB Tax income through October saw a 0.85% increase year over year and BID Tax income through October was at 1.5% year over year.

M. Lamphere made a motion to approve the November Financial Statements as submitted. S. Hull seconded the motion. Motion carried.

Board Business

Rush Hockey Discussion

S. Mueller reported the Rapid City Rush has recently let their General Manager go from the organization.

H. Christianson shared the Hotel BID Board is interested in partnering with the team in the future. Mueller stated hotel/ticket packages would be a simple way to begin the partnership. The BID Board agreed to meet with the Rapid City Rush marketing team in the near future to brainstorm possible marketing options.

Croell Mining Issue

Jensen reported Croell, Inc. has applied for a Construction and Mining Permit(s) to operate the active Perli Quarry as a rock quarry on property zoned General Agriculture District/Highway Service District located at 13840 S. Highway 16. Jensen shared public hearings have been scheduled for the Planning Commission and the Board of County Commissioners. Hearing dates are set for January 8, 9, 16, and 17.

Jensen reminded the Board this topic was brought before the County Commission approximately 3 years ago. At that time, the Hotel BID Board took a position against allowing the rock quarry to operate along Highway 16 due to safety and aesthetic concerns impacting the visitor industry. Jensen reported the VRC Board voted to have VRC Staff prepare a position paper to be reviewed and approved by the VRC Executive Committee. The position paper will be focused on visitor industry issues related to the mining.

Christianson expressed his hesitancy regarding the Hotel BID Board taking a position with it being a body politic. D. Drew shared the Rapid City City Council will not be taking a position regarding the issue.

H. Christianson made a motion to support the Visit Rapid City Board in all efforts regarding the Croell Mining permit application. M. Lamphere seconded the motion. Motion carried.

AirBnB

Jensen shared South Dakota Tourism has begun collecting BBB Tax from AirBnB's operating in South Dakota. J. Whitcher was approached by an AirBnB owner with properties in the city limits of Rapid City who wishes to be listed in the Rapid City Visitor Guide. A discussion began regarding adding AirBnB properties to the Rapid City Visitor Guide. The Board agreed to create a Rapid City AirBnB landing page on VisitRapidCity.com to include only Rapid City properties. The landing page web address will also be in the Rapid City Visitor Guide.

President's Report

2019 Board Meetings

Jensen suggested the BID Board consider meeting quarterly instead of monthly.

H. Christianson made a motion for the Hotel BID Board to continue to meet on a monthly basis through 2019. S. Hull seconded the motion. Motion carried.

Sports Update

Whitcher reported the Rocky Mountain National Wrestling Tournament being held in Rapid City has changed dates and will now be held June 11-14.

Airport Grant

Jensen reminded the Board it was approved to fund the Rapid City Regional Airport grant for \$25,000 in 2018. However, the money still has not been distributed and will only be paid if the load factors on flights from Phoenix, AZ are below a certain level. All of this depends on negotiations between American Airlines and Rapid City Regional Airport.

City Council Liaison Report

D. Drew shared a Junior Hockey team is interested in relocating to Rapid City from Niagara Falls.

Drew reported multiple water-related fees have recently increased and Vision Fund Hearings are currently taking place.

Passing of the Gavel

G. Fawbush passed the gavel to the upcoming 2019 Hotel BID Board Chair, L. Steffens.

Adjournment

There being no further business to come before the Board, H. Christianson moved to adjourn at 12:14 p.m.
M. Lamphere seconded the motion. Motion carried. Meeting adjourned.

Respectfully submitted,
Ally Formanek, Manager of Finance & Operations
Visit Rapid City