

# City moves forward with BID tax plan

**DOWNTOWN:** The special tax district would provide funding for a public plaza and future projects

By Emilie Rusch *02.23.10*  
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## Show of support

Destination Rapid City and dozens of supporters presented a vision for downtown Monday that begins with Main Street Square and they say ends with a vibrant, cohesive city center that stretches from the West Boulevard Historic District to the South Dakota School of Mines and Technology.

After a nearly three-hour public hearing attended by more than 100 residents, the Rapid City Council agreed.

Aldermen voted unanimously to move forward with the creation of a special downtown tax district that would provide the funding mechanism for the public plaza at Sixth and Main streets and future downtown projects.

The council must still officially approve the ordinance

More than 100 people packed the council chambers Monday, overflowing into a third-floor conference room, to share their thoughts about the proposed district. Supporters, many of whom wore blue "I support the DID" stickers, outnumbered detractors about 2 to 1.

**BID: More than 100 people attended the council meeting.**

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establishing the Business Improvement District, but Monday's vote was the first step toward a goal downtown leaders have been working toward for more than a year.

Property owners, assessed based on their proximity to the core of downtown, would generate about \$173,693 a year in revenue for Main Street Square operations, with the goal of the plaza eventually becoming self-sustaining.

"This is just the start," said Dan Senftner, interim president of Destination Rapid City. "Main Street Square is the beginning."

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Representatives of many community organizations, including the Rapid City Convention & Visitors Bureau, Summer Nights, Rapid City Downtown Association, Mount Rushmore Road Group, Rapid City Area Chamber of Commerce, Rapid City Economic Development Partnership and the St. Joe Investment Group, spoke in favor of the district.

Doug Morrison of Ponderosa Sportswear said no business could buy advertising as effective as foot traffic from the downtown events the plaza would host. Ponderosa leases its building on St. Joseph Street.

"A lot of people in our own community don't know what we have downtown," Morrison said.

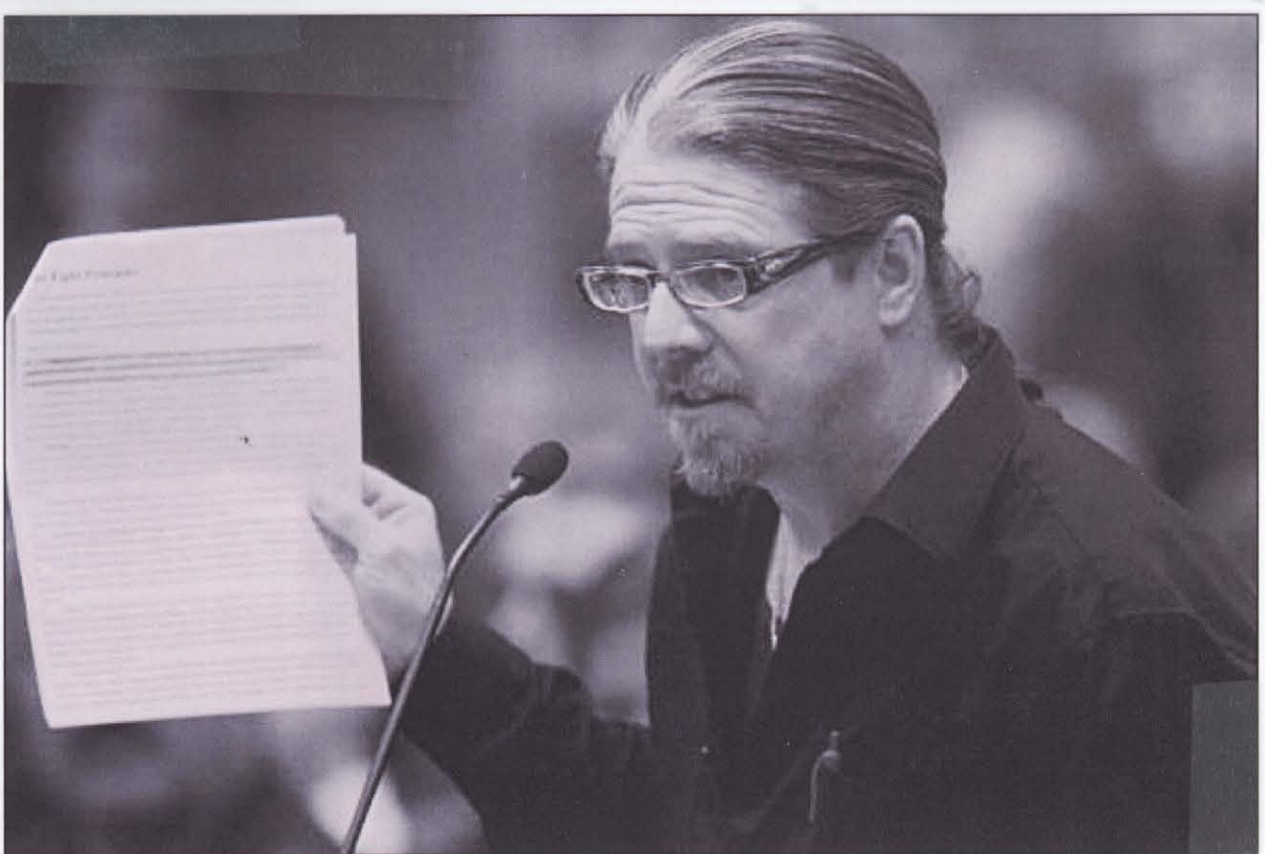
M.J. Adams, owner of The Corn Exchange, said in her 13 years downtown, there has never been a revitalization plan as good as Destination Rapid City's.

"This is the best plan anyone has come up with yet. It can actually get done," Adams said. "No plan will please everybody, but this plan will move the downtown forward."

Dennis Halterman, owner of The Factory Salon, said Destination Rapid City's plans are still too limited to benefit all of downtown. Halterman formed a second group, Citizens United for a Better Idea, a month ago to promote an alternative plan he said would be more comprehensive.

"Everyone agrees on the same thing. We want progress for our community. But we want big progress for our community — not just on one corner," Halterman said.

Jan Theberge, owner of



Photos by Toby Brusseau/Journal staff

Dennis Halterman, owner of a downtown salon, speaks out Monday against the Business Improvement District tax during the Rapid City Council meeting.

**BID support**

State law requires any group proposing a business improvement district to have the support of at least 50 percent plus one of all assessable front footage in the proposed district to trigger city consideration. Destination Rapid City, according to numbers provided to the Rapid City Council, has gained majority support in front footage and other categories:

Front footage (official measure)		
	Footage	Percent
For	31,768.6	67.4%
Against/neutral/unknown	15,351	32.6%
Assessable BID tax		
	Value	Percent
For	\$132,643	76.4%
Against	\$10,428	6%
Neutral	\$15,897	9.1%
Unknown	\$14,725	8.5%
Parcels/properties		
	Parcels	Percent
For	211	59.9%
Against	44	12.5%
Neutral	42	11.9%
Unknown	55	15.7%
Property owners		
	Owners	Percent
For	113	53.6%
Against	29	13.7%
Neutral	26	12.3%
Unknown	43	20.4%

Source: Destination Rapid City

two properties downtown, questioned why property owners should have to foot the bill.

"The whole DID is unfair," Theberge said. "If you're going to tax someone to build something, you have to tax the whole Rapid City, just like you did with Canyon Lake Park, or when we built the pool?"

Aldermen had few questions about the tax district, Main Street Square or its operations.

The council could approve the ordinance as early as April 5, with the tax district going into effect May 1.

Destination Rapid City is spearheading private fundraising efforts to raise \$3 million toward the \$6.5 million construction costs of Main Street Square. The non-profit organization intends to seek Vision 2012 funding from the city to make up the difference.

Contact Emille Rusch at 394-8453 or emille.rusch@rapidcityjournal.com.



Above, Jan Theberge speaks out Monday against the Business Improvement District tax during the meeting. Below, city council members Aaron Costello, left, and Sam Kookier listen to members of the audience.

