Rapid City cancels BID hearing; delay doesn’t worry proponents

Business improvement district

The downtown business improvement district would be divided into two zones taxed at different rates based on the properties’ proximity to the core of downtown. Zone 1 would include all properties bordered by Mount Rushmore Road, Omaha Street, Fifth Street and Kansas City Street. Zone 2 includes all commercial properties outside those boundaries between West Boulevard, Columbus Street and East Boulevard.

Downtown property owners will have to wait at least another month to argue the merits of a proposed business improvement district before the Rapid City Council.

The city has canceled the Jan. 11 public hearing to consider the special tax on downtown properties after city officials realized not enough signatures had been turned in to request the hearing.

But BID proponents said Tuesday the delay should not hurt their efforts to get the special tax district approved and begin the major downtown project the new revenue source would fund.

“The bottom line is we want to do it right,” said John Brewer, president of Destination Rapid City. “This isn’t something we’re trying to push through on people. It’s something that needs to be supported. The extra time just gives us more time to talk to more people.”

Brewer said the source of the problem was eight signatures that were either in the wrong place or missing from the original petition. In at least one case, a property owner with multiple parcels downtown did not sign for each individual parcel he owned, which meant they couldn’t all be counted toward the grand total, Brewer said.

State law requires the petition to include signatures representing at least 50 percent plus one of assessable front footage in the proposed district.

Destination Rapid City has since turned in new petitions that fix the problem — but not in time to keep the Jan. 11 hearing date, City Attorney Jason Green said.

The council will have to reschedule the public hearing at its next meeting Jan. 19 and re-issue the 30-day notice to all affected property owners, pushing the hearing into late February, at the earliest, Green said.

City Finance Officer Jim Preston said the discrepancy became apparent over the holidays as he and his staff were reviewing the petitions. Their calculation showed Brewer and Destination Rapid City had only gathered signatures representing 45.4 percent of assessable front footage.

But Preston anticipates receiving more petitions in the coming days.

“There’s no reason I would doubt they have 50 percent,” he said.

Brewer said having more signatures than required could play in supporters’ favor at the rescheduled public hearing.

The tax district would finance the operation of the proposed Main Street Square plaza, a $6.5 million project Destination Rapid City plans to pitch for Vision 2012 funding in the coming months.

“Instead of just meeting the legal requirement, we can now use it as a compelling sign of support,” Brewer said. “We’re ready to go forward. Council will be happy to know we’re not just there — we’re well past it.”

At the hearing, it will be up to the council to decide whether it wants to pursue creating the special tax district.

An ordinance would require two readings at city council, a process that would take about a month, Green said. If approved, the tax district would go into effect 20 days after the ordinance’s publication, which typically occurs the weekend after the council meeting.

When the extra assessment could show up on downtown property owners’ tax bills, though, has yet to be determined, Green said.

“It’s a practical question — are these going to be treated as a special assessment or assessments that are calculated by the county as part of the regular tax bill?” Green said.

“We have to figure out exactly what process we have to use.”

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