BID issue could be referred to public vote

EXTRA TAX: Opponents of the downtown district are circulating a petition to get issue on June 8 ballot.

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The fate of the downtown Business Improvement District could be in the hands of Rapid City voters.

Opponents of the district are circulating petitions to refer the issue to a public vote.

Under the district, which the Rapid City Council unanimously approved April 5, the city would collect an extra tax from downtown property owners and use it for maintenance and programming at the proposed Main Street Square public plaza at Sixth and Main streets.

Opponents say their businesses would see no direct benefit from the park and that the city as a whole, not just downtown, should pay for something everyone will use.

“The thing that frustrates most of us more than anything is people not understanding that if I pay $100 more in property taxes, that’s $100 less I have to spend downtown or anywhere,” said Mary Renka, office manager at Black Hills Psychiatry Associates, at 528 Quincy St.

“In this economy, it just doesn’t make any sense to most of us to increase property taxes if you want us to spend more.”

The district would be divided into two zones, with businesses in Zone 1 paying $1.50 per $1,000 assessed value and business in Zone 2 paying $0.75 per $1,000 assessed value. 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.

City attorney Jason Green said the opponents would need signatures from 5 percent of the registered voters in the city on the day the petition is filed. That would be an estimated 2,077 signatures, said Lori Severson with the Pennington County Auditor’s Office.

Renka said they are aiming for 3,000 signatures to be on the safe side.

Organizers have until April 30 to turn in the signatures, which is 20 days after the ordinance was published. The city council would then have 10 days to decide whether to hold a special election, since the deadline for the June 8 ballot has passed.

“It’s not for or against,” Renka said of the petition. “It’s just to put it on the ballot so the whole city can vote on it.”

Of course, she said, “I’m hoping the city voters will say this is not a good tax.”

That’s what happened in 1990, when voters repealed a Business Improvement District measure 2,633-1,676.

That BID, established in 1989, had only lukewarm support from the city council at the time. The money then was designated for business promotions, efforts to recruit and retain businesses and for organizational expenses.

Dan Semtner, president of the Destination Rapid City downtown organization behind the latest BID, said supporters of the district and the Main Street Square have known a public referendum was possible.

But, he said: “I believe this time is completely different than it was 20 years ago. There’s a lot more momentum downtown; there’s a lot more interest in downtown; things have been proven to be working. Before, when this was done, there wasn’t near the energy or the momentum we have today.”

He said Destination Rapid City will keep moving forward with its plans to develop the public plaza.

“We’re not stopping at this point for anything,” he said. “We’re continuing with our ongoing plans. We believe it’s positive for our community, and we believe the community will believe that, also.”

Renka said she and other BID opponents do support downtown and want to see it thrive. But she said she disagrees that the Main Street Square and the new tax are the way to make that happen.

“We’ve been in the downtown area for over 30 years,” she said.

“It’s a wonderful area. But we’ve got so many buildings that are already empty and for sale. I don’t think this tax is going to make it any easier to see those buildings or fill them up.”