

# 99 percent of property owners pay BID tax

By Barbara Soderlin  
Journal staff

The owners of all but three downtown properties out of 334 met Saturday's final deadline for paying the downtown Business Improvement District tax.

The two owners of the three properties are now delinquent on the tax. The city will continue to pursue the payments until September, when it will turn over delinquent accounts to the county.

The owners are Lakota Building, LLC, an Aventura, Fla., company that owns the property also called the Buell Building at Seventh and St. Joseph streets, and Rose Building Inc., the company owned by Carol Ann Veldhuizen that owns two buildings at Mount Rushmore Road and St. Joseph Street.

Rapid City residents approved the special assessment in a citywide vote last June after

opponents gathered enough signatures to trigger a referendum. BID assessments initially will provide \$176,660 to support the operation and maintenance of Main Street Square, the public plaza under construction at Sixth and Main streets.

Veldhuizen said she thought the tax was due May 6. She said she intends to pay this week, although she opposes the assessment.

"I'm not reaping any of the benefits," she said, whether it's a future increase in business traffic from the Main Street Square, or downtown improvements made by Destination Rapid City, the economic development group that was behind the effort to create the tax.

Veldhuizen said the group's "clean team" that does light cleaning and landscaping work does not come by her buildings.

"I'm sure there's somebody sweeping downtown, but it's not

on my corner," she said.

Veldhuizen said the tax will force her to raise rent and that it's unfair that only downtown property owners must pay.

"If we want to improve downtown Rapid City, everybody should pitch in, not just six blocks," she said. Destination Rapid City president Dan Senftner said the clean team does cover the length of St. Joseph Street from West Boulevard to East Boulevard, including the block where Veldhuizen's buildings are, and that people who want more cleaning done can call and request it.

"They should contact our office because we'll make sure to make an extra effort, because it is hard for them to cover everything that's needed all the time," he said.

Senftner has said he is pleased with the number of property owners who paid on time.

"Not everybody did agree, but more than the majority

did," he said.

The investment in downtown is already paying off with entrepreneurs opening new businesses and remodeling buildings, Senftner said.

He also said he no longer hears complaints about the tax.

"I think we've got so much support right now, there's so much community involvement," he said.

The delinquent payments totaled \$2,438, or \$2,524 with interest, city finance office staff said. The original deadline to pay the tax without interest was Sept. 16, and the owners of all but 60 properties met that deadline.

Some property owners who opposed the new taxing district had threatened not to pay the tax. But most ultimately wrote a check.

"Well, I finally did," said Bruce Meister, a BID opponent who owns the 902 Main St. building that has been a pizza restaurant

and a sandwich shop but is now empty.

He and others last year threatened a lawsuit over the BID, but it never materialized.

Meister said he is still unhappy about the tax. He owed \$166.

Properties were taxed at two different rates, depending on their proximity to the core of downtown. Taxes were capped at \$3,000 per property in the first year.

Properties in Zone 1, which includes all commercial properties bordered by Mount Rushmore Road, Omaha Street, Fifth Street and Kansas City Street, paid \$1.50 per \$1,000 assessed value.

Properties in Zone 2, which includes all commercial properties outside those boundaries between West Boulevard, East Boulevard and Columbus Street, paid 75 cents per \$1,000 assessed value.

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