Special BID election divides downtown

Paulette Tobin
Staff Writer

A special election on whether to repeal Rapid City's downtown Business Improvement District is just days away, and the fervor of the BID opposition is expressed succinctly by a billboard on Main Street.

The billboard shows a toilet with an arrow pointing toward it and the words: "Deposit BID Taxes Here."

The Business Improvement District, proposed as a way to revitalize the downtown, has become one of the hot issues in Rapid City — at least to the people who do business downtown.

Whether the rest of the city feels so strongly about the BID remains to be seen. Many expect a low turnout for the special election next Tuesday.

The BID, enacted last summer by the Common Council, assesses downtown businesses, tenants and property owners 10 cents per square foot based on 100 percent of their structural space, with a $2,000 cap. The BID is expected to raise about $185,000 a year.

The money will be used to pay for an office and staff, plan retail promotions, attract new businesses and help existing businesses expand.

The debate over the BID has divided not only the downtown merchants and the Common Council but also the board elected to administer the BID. That board, the Downtown Development Commission, has several members vehemently opposed to the BID.

BID opponents say the BID is unfair, unneeded and unwanted. The citywide election has come about because they initiated measures to repeal the BID ordinances.

The $2,000 cap on BID assessments, opponents say, favors large businesses and penalizes the little guy. BID supporters argue it was the small business representatives on an interim BID committee who favored the cap, but opponents remain unmoved.

If the BID borrows money to pay for downtown projects, the BID cannot be dissolved until the debt is repaid, said Walt Bradsky, a member of the anti-BID Committee For Fairness.

"If an occupant is assessed a sizable amount, he is going to be moving out," Bradsky said. "And then the landlord is going to be stuck."

To John Brewer, the president of the elected BID board, the BID is an opportunity for Rapid City to improve sagging downtown property values, fill vacant storefronts and increase profits.

Downtown Rapid City, including the historic Buell Building, has been the center of controversy over the proposed Business Improvement District. (Staff photo by Jim Holland)

‘Maybe’ not on ballot

Yes means no, and no means yes, at least on Tuesday’s Business Improvement District election ballot.

If you vote yes Tuesday, you will be saying no to the Business Improvement District (BID). If you vote no, you will be saying yes to the BID.

When you go to the polls, remember: A yes vote is a vote to abolish the BID by repealing the two ordinances that established the district and set the assessment rate.

A no vote is a vote to allow the BID to continue.

An explanation of what the yes and no votes mean will be included on the ballot just above the area to be marked by the voter.

The Business Improvement District includes the downtown area south of Omaha Street, north of Kansas City Street, east of West Boulevard and west of East Boulevard.

Downtown BID battle

Editor’s note: The controversial downtown Business Improvement District faces a repeal election Tuesday. In a series of articles today and Sunday, the Journal examines the BID and its tumultuous history. Tomorrow: How the BID works.

"We've got something down there that is a huge engine," Brewer said. "It just needs to be gassed up and rejuvenated."

Brewer said downtown Rapid City takes second place to the Rushmore Mall in the minds of many shoppers.

"Should we be happy with this image? What is the alternative? Let it dry up and go to tumbleweeds? Not with the investment I have. Not with the investment that a number of other people who own property downtown have."

He said merchants who had been doing business downtown for 20 years and more believed the BID could make a difference in traffic and parking problems and the quality and variety of retail businesses and property.

The BID also will pay for a professional staff to promote downtown and act as its advocate at city hall, Brewer said.

But many BID opponents are not impressed with that argument.

"I think you have to look at the track record," Bradsky said. "They had the Mainstreet program that received money from the government. They have had BID in existence for a few months, which was in essence a continuation (of Mainstreet), and nothing has really happened. A lot of money has been spent for no results or few results."

Many anti-BID merchants are passionate in their opposition to the BID. Some say they have been threatened with loss of business for not supporting the BID. They say some downtown people are concerned about the future of downtown Rapid City and believe the BID will improve the downtown area. They say the BID will make downtown Rapid City a more attractive place to shop and spend money.

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BID election splits downtown

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town neighbors are so angry about the BID, they won't speak with each other or do business with each other.

"It is the worst thing that has ever happened downtown," said businessman Jack Brand.

But Brand said it was not the anti-BID Committee For Fairness that put up the toilet billboard. That was paid for by Dorrance Dusel, a member of the Committee For Fairness and the elected BID board, who was acting on his own, Brand said.

Brand said he and other hard-core opponents had spent much more money fighting the BID than they had to pay in BID taxes. Why? Brand said they didn't like having the BID forced on them.

But BID supporters say BID wasn't forced on anyone. It was enacted according to South Dakota law, by convincing the majority of Common Council it was a worthwhile idea.

BID supporters say, too, they are tired of the flak over the BID. Bryan Schnell, the executive director for the Downtown Development Corp. and later the BID, was a special target for angry BID opponents. He received letters and phone calls, telling him to "get a real job!" and threatening him personally. Schnell resigned in August.

The Downtown Development Corp., a private organization looking for ways to improve downtown, proposed the BID in June 1989.

The DDC presented its plan at public meetings where ideas for improvements were sought. But what came out of the meetings was mostly a storm of protest.

Despite some revisions to the original BID plan, and an interim committee of supporters and opponents who unanimously recommended the revised BID plan, the opposition did not go away.

Bradsky said the BID controversy had been good in a way because it made some people realize that "maybe something is necessary" to improve the downtown, "but not the present ordinances."

But BID supporters say nothing ever will be done without an organization like the BID to lead the way. Brewer said he wondered where downtown's leadership would come from if the BID was repealed on Tuesday.

Bradsky said he wasn't worried.

"I think there will be another organization that is going to be born out of this mess, another volunteer group or something," he said.