Downtown struggles to fill buildings

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Staff Writer

After almost three years in the state Main Street program, the forerunner of the Business Improvement District (BID), downtown Rapid City still is struggling to fill vacant buildings.

In its application to the Main Street program, city officials listed a 95 percent downtown occupancy rate by January 1991 as one of its primary goals. At the time, the “program area,” a 14-block area in the center of downtown, had a vacancy rate of about 20 percent.

Paid for through a tax increment district, private funds and Community Development Block Grants, the three-year Main Street program began in Rapid City in January 1988. Self-sufficiency by January 1991 was part of the plan. That is why the controversial BID was formed.

Since the inception of the BID, the district expanded to include a 40-block area bounded by East and West boulevards and Omaha and Kansas City streets.

According to the Downtown Development Commission (DDC), the area has 479 separate stores, offices and suites — 82 of them empty. That is a vacancy rate of 17.1 percent.

At one point, downtown officials estimated occupancy was as high as 92 percent, before Computerland moved out of downtown and Independence One, the Elks Theater and others closed.

But Lon Rempher, DDC interim director, said progress had been made. He lists 50 businesses that have either started in or moved to downtown. More recent additions include Babyland Diaper Service, Downtown Arcade, Everybody's Books and Something Special, a new luncheon counter and gift shop on St. Joseph Street.

When measured in terms of square feet, only 8.9 percent of the district is vacant, said Lon Rempher, DDC interim director. Downtown has 2,295 million square feet of space, and 204,855 square feet is not used.

Rempher hinted that the former Gambles building at Fifth and Main, once the home to Michigan National Bank, soon might become occupied. Without elaborating, he said a non-retail company was looking seriously at buying the building.

That building represents nearly a third of the vacant downtown space, Rempher said.

Rempher, who took over the DDC position in September, has been working on a brochure he hopes will lure new businesses to downtown Rapid City. Scheduled for printing this week, 3,000 brochures will be sent to ERA real estate agencies throughout the United States, he said. ERA Raben Real Estate in Rapid City is the brochure's sponsor.

Copies also will be sent to the Rapid City Area Chamber of Commerce and other chambers of commerce, the Governor's Office of Economic Development, and various real estate agents and firms that may have leads on new businesses.

Rempher said the next step was to compile a profile of businesses that could prosper in downtown Rapid City.

"We'll try to pull together information about ... businesses that will complement, profit and not compete," he said.

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