Downtown Business Improvement District is unfair

Jim Kurtz is a member of the Commission for Fairness and a downtown businessman and property owner in Rapid City.

Jim Kurtz

The Committee for Fairness believes the ordinances establishing and implementing the BID must be repealed by the special election on December 4. We favor improving downtown Rapid City as long as there is fairness, cooperation, combined effort and leadership representing all business owners. This has not been the case; therefore, we oppose the existing ordinances.

An occupation BID tax was created in the manner of funding the Downtown Development Corporation (DDC). They chose this method of funding after meeting privately for almost 18 months. A small group set a plan in place and then began forcing their plan by encouraging the Rapid City Common Council to pass City Ordinance 2919. The facts presented by the Downtown Development Corporation were not always accurate. Such terms as “a small group of business owners” was not used, which was incorrect. A petition was presented to the city council showing approximately 260 signatures in opposition to the downtown district opposed to the BID plan. At that time, there were reportedly 357 occupants in the downtown area. As one can see, the majority of the people were opposed to the BID as planned by the DDC. This petition was presented to the city council. However, it was ignored by the council and was misplaced by one of the city council persons.

Since its beginning, the Downtown Development Corporation has been solidly against any type of vote on the BID that they were setting up. The issue was becoming so volatile during the spring of 1999 that it was decided to go along with a “non-sanctioned election,” which was scheduled to be held in March. The DDC printed up ballots that were mailed to all businesses in the affected BID area. This ballot required that you print your own name, address, etc., and sign it if you wished to be counted. Here, finally, was a way for the DDC to see exactly who opposed the BID.

Some people were intimidated, and some did not want to vote at all, while some voted in favor of BID out of fear of reprimand. A committee had been established to count the votes on the last day of the election, which was Tuesday, March 27. According to the DDC’s records, ballots must be submitted by 5:30 p.m. on the 27th at one of the six polling places. Serving on the election committee were Randy Hiltbrunter, Paul Strassler, Lee Geiger and Bryan Schnell. Polling places opened on Thursday, March 22. Schnell picked up the ballots on Friday, Saturday, Monday and Tuesday mornings. He returned the ballots before any of the election committee arrived. After counting, verifying and tabulating the votes, it was obvious that BID had been defeated by a single vote. An animated discussion then took place between members of the election committee and the other officers of the DDC. The result of the discussion was that they would wait until the next day to see if any more ballots showed up in the mail. We have here is a significant change in the rules. The rules stated that the ballots must be submitted to one of the official polling places no later than 5:30 p.m. on Tuesday, March 27, 1990. When the ballots which were received after poll closing were included in the count, the tabulation was 138 votes in favor of BID and 128 opposing BID. Isn’t that interesting?

Some say we should give BID a try for a year or so and see what develops. We must keep in mind that the state statute allows BID districts to bond projects. Once a project is bonded, the BID cannot legally bond until the bond indebtedness is paid in full by the district. State statute also states that the decision as to what projects will be undertaken with the bond money is to be determined by the majority of the users of the foot traffic occupied in the district. For example, in Rapid City approximately six of the larger businesses could always determine what projects would be undertaken. How unfair to small businesses in the district! The small businesses would have to ante up with little voice in what took place and yet pay a larger percentage of the bill. With the present cap of $2,000, some of the larger businesses pay were little as 2 cents per square foot while smaller businesses pay 10 cents per square foot. The Constitution of the state of South Dakota states that all taxes should be uniform and equitable.

The Committee for Fairness is asking the citizens of Rapid City to help us defend ourselves against this unconstitutional intrusion. We need leaders who understand the value of cooperation and who are willing to represent all the people in the downtown district. The Committee for Fairness needs your help. Vote “yes” twice on Dec. 4 to repeal City Ordinances 2821 and 2825.

Downtown BID offers chance to improve city's center

John Brewer is president of Rushmore State Bank, and chairman of the Rapid City Downtown Development Commission.

John Brewer

A visitor to Rapid City recently observed that “people in this area are really optimistic about the past.” Although said with tongue in cheek, his comment contains an element of truth.

Sometimes change and progress in Rapid City come slowly and painfully. The Business Improvement District in downtown is such a change.

It’s a change that requires all businesses to put something back into their business community. It is a change that helps Rapid City’s downtown back up and turn around a trend that has been fatal to downtown business districts across the nation. It is a change for downtown business owners who have passed the buck to a few businesses who must then devote a disproportionate amount of time and money for the benefits and services enjoyed by all in the downtown district.

As a tool for commercial district revitalization, one of the greatest strengths of a business improvement district is that it addresses the “free rider” probelm endemic to voluntary associations. It is a change recommended by the Community Leadership Retreat of September 1983 as a priority on building Rapid City in the 1990s and the next century. That priority set the creation of a district and the need to establish a new policy for the core area in downtown development in Rapid City.

It is a positive change for those of us who have worked through this process and have supported a proposal in hopes that the Rapid City Business Improvement District would become an effective tool for redevelopment in downtown. It is a change that has resulted in a comprehensive market study to reduce vacancies by recruiting new users to the downtown.

It is a positive change to reverse the trend of declining property values downtown.

In testimony before the Common Council, Doug Köppmann has this to say about declining property values, “I have been concerned about the property values in the downtown area decreasing because of the deterioration and loss of business as well as my own paper loss in value of 20 percent in the past four years.”

It is a change that will be a positive vehicle in solving parking and transit problems for our citizens who come downtown.

It will be a change that enhances the downtown area as a retail center, a place to do business and trade for all businesses downtown and to enhance the professional, service capacities, service capacities or retail sales. The BID is a marketing plan and funding mechanism aimed at revitalizing downtown Rapid City. Economically, socially and culturally all should benefit.

The Business Improvement District creates an advocacy, organization of the downtown occupants to improve the climate. The BID will do something for everybody. Not only will it increase sales, solve parking and transit problems, but it will keep the district store fronts full of good and useful businesses providing services not available elsewhere to the citizens of Rapid City.

So the question is raised: What is the cost of change? The cost of change is assessments that range from as little as 4 cents per day for the small businesses up to $5 per day for the largest businesses — Darlene’s Fashions pays 89 cents per day; Rushmore State Bank pays $1.04 per day; Under King pays 33 cents per day; Days In Prints pays $0.48 per day; In Stitches pays 28 cents per day; and Seeley’s Mens Wear pays $1.37 per day. It is less than it takes to operate our car each day.

The Business Improvement District assessment is fair. It’s fair because the smaller businesses pay less, and the larger businesses pay more. It’s not really fair, and if it is, it’s an overwhelming 76 percent of downtown business operators voted on the proposal in March, and a majority voted in favor of BID! Seeley’s Mens Wear is asking the disidents are needlessly causing the city (the taxpayers) to spend $10,000 for a redundant election! The citizens of Rapid City are now asked to do the poles and determine whether the established Business Improvement District should remain or go.

Rapid City, the decision is in your hands. The future of Rapid City’s progress rests with you in the voting booth.

Rapid City, the BID Program is working. And, citizens of Rapid City, unless you own a business downtown, you do not pay this tax. This is your only opportunity to vote for a tax that the other guy pays.

For the hundreds of business people downtown who have worked on this proposal since 1985, please help us out. Vote yes on the BID project with your "no" vote on initiatives 1 and 2 Tuesday, Dec. 4.