Coeur d’Alene’s BID is working

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12-2-90

Rapid City and Coeur d’Alene, Idaho, have a lot in common, including a vacant J.C. Penney building as a downtown centerpiece.

Both cities have taken an almost identical approach to battle the flow of businesses from downtown to malls and shopping centers on the edge of town.

Coeur d’Alene, on the north shore of Lake Coeur d’Alene 30 miles east of Spokane, Wash., has come to depend on summer tourism as logging and mining decline.

Practically borrowing blueprints from Rapid City, Coeur d’Alene last spring revamped its downtown. Wide, brick-paved gathering places at every corner are connected by shade trees and decorative street lights.

And both cities formed business improvement districts (BID) last summer. Officials say Coeur d’Alene’s BID is humming along smoothly with its $54,000 annual budget and big plans for Christmas.

The jury is still out in Rapid City. Merchants have been fighting over the BID in city hall, in court and now at the ballot box. Voters will decide Tuesday whether to kill the special tax district.

Why has Coeur d’Alene’s BID been more successful? Partly because it replaces a volunteer organization that enjoyed strong membership, according to Bruce Winters, president of the local downtown association.

The Coeur d’Alene downtown association already was paying for its own Christmas lights, putting on entertainment for summer tourists, regularly lobbying city hall for a variety of things and, in some cases, hiring crews to remove snow from nearby city parking lots.

The volunteer group was more than willing to turn those duties over to a paid manager. Coeur d’Alene’s first-year BID budget is roughly $54,000, enough to hire one staff person to manage the 22-block district for about 275 businesses.

BID taxes were meant to replace dues for the downtown association, in effect making membership mandatory. Some non-member merchants balked. Others, who never considered themselves downtown merchants, suddenly found themselves within the boundaries of the BID.

“(The association) lacked cohesion — read ‘financing’ — and there was resentment about free-loading,” Winters said.

Also, BID assessments are broken down into 11 different categories, which means ground-floor Main Street merchants pay more per square foot than second-floor attorneys or retailers off the beaten path. Rapid City’s BID assesses a flat square-foot rate for all businesses in a 40-block area, with a controversial $2,000 cap.