BID foes criticize assessments

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Another round in the fight over the downtown Business Improvement District (BID) unfolded Wednesday as opponents claimed the assessment notices they had received were illegal.

Supporters of the BID responded by saying the criticism came from a handful of dissidents who would not give the BID a chance to work.

"Some people are very vocal and emotionally opposed to this," Jas Taylor told the Rapid City Common Council's Legal and Finance Committee.

"But I want to make the point that I believe personally that most people are for it. Most people are looking for this to benefit the development of downtown Rapid City."

But BID opponents said an election would prove most people were against the BID.

Opponents currently are circulating petitions to initiate a vote on the BID.

They tried to refer the BID ordinance to a vote earlier this summer, but the petitions were challenged and then thrown out by a 7th Circuit Court judge.

The BID was created by the Rapid City Common Council and assesses downtown business and property owners based on the square footage of their buildings.

The assessments were expected to total about $185,000, and the money would be used for downtown improvements and promotions.

Assessment notices for July 1-Dec. 31 were mailed recently and must be paid next month.

Opponents of the BID protested the assessment notices at Wednesday's committee meeting.

After discussion, the committee took no action on the protests.

"We ask this assembly here to direct the city to withdraw these illegal tax bills," Richard Hoff said.

The opponents said the tax bills were coming from the Downtown Development Corp., the group which first proposed creating the BID, and they said state law made it illegal for a private organization to levy a tax.

But city officials and BID supporters said the Downtown Development Corp. no longer existed.

(The secretary of state has not recorded the dissolution of the organization.)

They said it was replaced by an elected BID board, which had been created by city ordinance and was part of city government.

Some people may be confused because the BID board now calls itself the Downtown Development Commission, some BID supporters said.

City officials said the city levied the BID assessments but had a verbal agreement with the BID board for them to calculate the assessments and send the tax notices.

BID board member Fred Whiting said BID records were open for inspection.

"There's nothing magic or hidden about this," Whiting said.

But Hoff said the statement was "a rather crude attempt to cover somebody's butt after the fact."

In the past, the Downtown Development Corp. had refused to open its documents to the public, Hoff said.

BID supporter Lee Geiger said several years of arguing about the BID showed that BID opponents would use any issue they could to challenge the BID.

In the beginning, opponents said city government would have too much power over the BID and said government could not be trusted, Geiger said.

Now that the BID is part of the city government, opponents say the city doesn't have enough control over the BID board and the assessment process, he said.

Geiger said BID supporters were tired of having to defend the BID against "a handful of dissidents that simply look for every opportunity to destroy the effort that has not yet had the chance to be tested and proven."