Downtown plan hinges on vote of businesses

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Staff Writer

Supporters of a proposed downtown Rapid City Business Improvement District said Wednesday that they would drop the proposal if an upcoming straw vote shows that most businesses in the district oppose it.

A committee of downtown merchants — including supporters and opponents of the Business Improve-

BID was the assessment ratio.

The original proposal was to assess businesses 20 cents per square foot on 75 percent of their structural space, with a $5,000 cap per business. That was expected to raise $294,000 a year.

The new proposal is to assess 10 cents per square foot based on 100 percent of the structural space, with a $2,000 cap. Annual revenue projections for that plan were about $185,000, he said.

Schnell said several variables to the formula which addressed off-premise warehouse property, inaccessible vacant upper-floor space, non-profit organizations and a three-year phase-in for vacant property, all of which were in the old proposal, remain in the new proposal.

The committee wants the money to be spent on business promotions; for a marketing retention and recruitment program to bring new businesses downtown; and for organization expenses, to keep a downtown office open, add a clerical person and a promotion director, Schnell said.

Later this month, downtown businesses and property owners that would be assessed under the plan will receive a copy of the plan, and a time will be set for a public meeting to discuss the BID. A straw vote will be taken later. The chief corporate officer of each business or property owner — or his designate — will vote.

Strassels said early committee meetings sometimes were tense because of previous fights and accusations over the BID proposal.

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"The way (the committee) worked was to let everybody have their uninterrupted say, using parliamentary procedure," Strassels said. "And over a period of time, they came from very old school view to one that compromised to achieve a goal that was best for Rapid City, rather than their own individual agenda."

Schnell said the meetings helped opponents see that a voluntary program for downtown improvements would work.

"It's just like the people who came to this meeting," Schnell said. "A lot of them came religiously. A few came interminently, and a couple never came. It kind of showed the picture of a voluntary program."

Randy Hildebrant, who began as a leading opponent, said he now supported the proposal. He said the turning point for compromise came during a BID committee meeting three weeks ago, when one of the BID supporters moved to put the BID proposal to a vote. The motion passed unanimously.

"The original proposal was given to us as, 'This is it. The bill will be in the mail.' A lot of us were threatened — not physically threatened — in different ways not to fight it or speak against it," Hildebrant said. "This meeting process got us to lower the defensive posture and would say they compromised on every issue we had a problem with."

Hildebrant said he would not go to other opponents of the BID and try to change their minds about it because the meetings had dispelled all his misgivings.

"I think the blood that was spilled in the beginning doesn't just disappear in three months of meetings. But I think you see more of an optimistic look by the opponents, with a little bit of wariness," Hildebrant said.

Hildebrant said he wanted "to make sure this is what it's cracked up to be. And you won't know that until you try it."

Gary Ebel, a committee member who supported BID from the beginning, said downtown merchants would support the BID in the straw vote. "I see that the program has been changed."

"We will work with those people as much as possible and work things out," he said. "There will be those people who will just refuse. That's a part of life in any change situation."

Schnell said he was "not real optimistic" about the outcome of the vote.

"I'm concerned that it boils down to a tax issue here and if the people will read and understand the program, the vast majority will support it," he said. "I am afraid a lot of the people who vote will be philosophically opposed to it."

If the proposal is approved, it still would require approval by the Rapid City Common Council.