Should Rapid City voters approve downtown BID?

Yes: Downtown needs BID to survive, improve

J.C. Brand

The "Committee for Fairness" is a group of downtown business owners or operators that have banded together to protect themselves against the unfairness and inequities generated by the Business Improvement District 1, which is focalized on them.

The Committee for Fairness circulated petitions to bring this "BID" issue to a city-wide vote after being virtually ignored during the entire BID planning process. The Committee for Fairness would like to sincerely thank all those petition signers who helped get this placed on the ballot for July 24.

As a downtown businessman, it has been extremely interesting to watch a small group of downtown people operating as the Downtown Development Corporation (DDC), which is supported by your tax dollars, orchestrate an annexation of the greater downtown area so they could tax these people/businesses for paying for things they have determined would be good for us, not what we determined.

The people making up the DDC would have the public believe that BID is an idea dreamed up by cooperatives of downtown businesses. Not so! The BID is the brainchild of the DDC, a group of 17 people, of whom only a third are private business owners.

The DDC is advised by five ex officio directors, none of whom are private business persons. Two are government employees working out of City Hall, one is a Rapid City Common Council person, one is the representative for the Black Hills Council of Local Government, while the other is employed by the Convention Visitor's Bureau.

Does this sound like cooperating downtown businesses? It seems more like a group of corporate employees conspiring with a group of bureaucrats to establish yet another layer of bureaucracy which will be financed by a very unfair and inequitable tax on small business.

The general feeling of this organization is that we are not against "pulling ourselves up by our bootstraps," to quote a recent advertisement by our opponents, but rather we object to having all of the downtown businesses pulling themselves up by everyone else's bootstraps.

BID proponents have consistently stated verbally and in print that the majority of the affected businesses support this plan. Nothing could be further from the truth. The results of the only vote—a straw vote—taken to determine the views of businesses involved showed that 138 of approximately 360 businesses that would be involved in the BID favored the proposal.

This works out to approximately 38 percent, certainly not major by any stretch of the imagination. This is simply one example of the disinformation that has been inflicted since the birth of the BID idea.

Another extremely interesting point of the BID is that taxes are not assessed equally on all businesses.

Larger businesses are partially exempted because of a $2,000 limit on the amount of tax any one business must pay. For example, a business occupying 100,000 square feet will pay $2,000, while a neighbor occupying 20,000 square feet will also pay $2,000. Notice—100,000 square feet is five times as large as the second example, yet they pay the same taxes.

It should also be noted that the voting power the businesses held under BID is by square foot and not a one-business-one-vote situation that one would normally expect under our form of government. This virtually gives total control as to what improvements are to be made and which businesses are to be taxed, to a few large businesses. These same ones are already paying less than their fair share.

State law charges the governing body, which in this case means the Rapid City Common Council, with assuring that the BID assessment is "fair and equitable." Has this been the case? I think not. How about you? Is any of this fair?

Looking at the projected BID budget as recommended by the Technology and Economic Improvement Board, I find that, of the total of $185,500 to be expended during the first five years, $90,500 is for organization, salaries and office overhead. Doesn't this seem a bit too heavy to you? I guess this is what our opponents mean by "pulling ourselves up by our bootstraps."

In closing, I want the public to know that we worked very hard to get our referendum petitions filled in. I would like to point out that the same argument used as the garbage can issue thus saving taxpayers the cost of an additional election.

I feel that the average voter can readily see the unfairness of the ordinance establishing the Business Improvement District and will demonstrate this by backing the Committee for Fairness at the special election to be held in Rapid City on Tuesday, July 24.

J.C. Brand is a member of the Committee for Fairness.

John Brewer

It's time we all faced reality. There is downtown business people who repeatedly claim that they are "realistic for improving downtown," but just not under the current plan. Those of us trying to pull ourselves up by our own boot straps wonder what plan Business Improvement District (BID) opponents are ever support where it involves actually "chipping in" to be part of the fort.

Recent history bears this out.

After announcing the first BID in June 1988, we had several public meetings, took some heavy criticism, met with opponents and (although the opponents offered no substantive suggestions in writing) changed the plan. When the second plan came out in November 1989, it was a little better, but still found lacking by opponents — but still no specific offers to make the proposal acceptable. In December, many downtown business people resigned from the existing committee to make room for opponents who, appointed by the mayor and city council, continued in an initially divided, bipartisan effort. Thus, a third effort was underway.

While the mayor's BID committee labored away, meeting weekly for over three months, some opponents headed for Pierre and the 1990 Legislature. Their goal was to have the state law enabling creating these self-help districts virtually gutted by South Dakota statutes.

Fortunately, the democratic process prevailed. Remember now, these people have been "realistic" for improving the downtown.

By mid-March of 1990, the mayor's BID committee of proponents and opponents had studied downtown problems in detail and surprise: They offered up a third BID plan, backed by an unanimous vote of the bipartisan group. One caveat: They agreed to hold a straw poll of downtowners to vote where the majority stood. Result: 78 percent voter turnout of the downtown business people with a majority supporting the BID. In our community, where a 20 percent voter turnout is about the norm, a 78 percent turnout indicates the vast majority had spoken, regardless of the polling methodology which was neither required or officially sanctioned.

From that point the BID proposal went through the Rapid City Common Council where it was extensively discussed and debated. By June of 1990, over the objections of only a handful of opponents, the council overwhelmingly approved the measure.

The newest objection to the BID is that the assessment is capped at $2,000, and therefore this is unfair to selected small businesses. It is worthy of note that the group that devised this plan was comprised of 19 small businesses and only two large businesses that would qualify for the $2,000 limit. So in effect, small businesses created the cap on the assessment as a self-help concept. Of the two South Dakota cities that have BIDs, Yankton and Sioux Falls, both cap their assessments at an amount lower than ours.

In fact, in many BID communities the cap is seen as a protection against increasing assessments.

The Rapid City community has to ask itself: Is downtown worth improving? If so, who should pay? As a BID opponent, I advocate for the downtown businesses carrying their own fair share in the proposition.

Do you see opponents putting forth one idea to improve our city? It is the proponents who have organized, planned, and tried to compromise at every turn. The opponents have said, "we agree in concept, but not the method." On an ever-shrinking list of objections, why is it that the last item is always the only acceptable position.

Main and St. Joseph Streets are going to be reconstructed soon. How will we be ready to best take on that public-private partnership? Without the BID it will only be a public partnership — that's capital P taxpayers. That a few businesses feel they can't contribute to what works out to be pennies a day for an improved business climate and solid economic future is just incomprehensible. But it's the crux of this issue.

Downtown must learn to work together if it is to survive. We have settled the issue among ourselves by answering the question: Do you want it or not? More said yes than no. Settled downtown, we ought to be settled, using the principles the opponents so dearly cling to. The majority rules, as it should.

Note there is no cost to the taxpayers under this scenario.

Downtown businesses that benefit from improvements pay for them.

The Business Improvement District is a combination of private and public and the perfect way to let those who need help do it themselves.

John Brewer is chairman of the Business Improvement District and one of the original petition signers.