Forum on BID sparks debate

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"Tremendous" and "nasty" were used at a public forum Wednesday to describe a proposed downtown Business Improvement District (BID) and the voting process that will figure in its fate.

Supporters said they liked the BID because it created an organization that would focus on the needs of businesses in the area.

Opponents said the proposed tax was unfair to small operations. They pointed out a newly revised state law allows using bonds for expensive projects, thus perpetuating a system that may grow unpopular.

Near the end of the 90-minute session, the chairman of the 21-member board observed: "If this gets voted down, there will be no BID ..."

Paul Strassels said the Rapid City Common Council would have the final say on the issue.

The council appointed the board in December with the directive of developing a proposal and recommendations.

That proposal is now before affected business owners. Information packets were made available last week and ballots were mailed Tuesday.

Building owners and appointed business officials have until 5:30 p.m. Tuesday to file their ballots, with results of the straw poll given to the council.

"It's their decision, not ours," Strassels said of the BID board, which unanimously backs the plan to assess downtown business operators 10 cents per square foot, up to $2,000.

Non-profit organizations would pay $50 a year, while warehouses and "inaccessible upper floors" would be assessed a nickel per square foot.

Homes in the area will not pay the tax. The BID zone is defined as the area between East and West boulevards, south of Omaha Street and north of Kansas City Street.

The tax is expected to raise $185,500 a year, and would be spent on the following "core" programs:

- $25,000 for recruitment, marketing and retention. The goal is to fill vacant offices with businesses that complement existing operations, to strengthen those firms and to identify creative uses for aging and underutilized buildings.
- $90,500 to cover organization costs. Salaries, benefits and taxes for a full-time director and one clerical person account for $58,500; rent and utilities $9,000; office expenses, including legal costs, assessment coll.

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BID committee member

lection costs and contingency, $13,000.

The BID board also will consider, but has not identified funding for low-interest loans, Omaha Street beautification, parking, traffic, streetscape and incremental maintenance.

Possible funding sources include city sales tax, the parking lot and area fund, grants and donations.

Jim Gabel of In Stitches said the BID board's initial approval, also could borrow money by using bonds to fund "big ticket items."

Once such a project started, the BID would have to continue even if the majority of those involved opposed the system, he said.

Although future boards may think differently, committee member Randy Hildebrandt said, "I don't think you'll find anybody on this board who has the guts to go out and start anything big to start with."

Initially against the BID, Hildebrandt said: "It's still scary to me at this point, but I don't see it as something that can get out of hand."

Dick Hoff of the Missing Link objected to the assessment formula, saying a $2,000 cap favored large operations. He also criticized the requirement to sign the ballot.

"It's a nasty operation, you guys, and you know it," said Hoff. "I say this thing is coercive and it has no value. You're using it to beat up on those who oppose it."

Strassels said a signature was a protective measure for the businesses. There are approximately 350 business operations downtown.