Council sets BID hearing

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A public hearing on creating a downtown Rapid City Business Improvement District (BID) has been set for April 16, but critics of the plan say that, despite revisions, BID still is unfair.

“I honestly don’t see how this council could find that tax fair and equitable with the exemptions and the reduced taxes for the large businesses,” downtown businessman Dick Hoff told the Rapid City Common Council Monday night.

Paul Strassels, chairman of the Business Improvement Board, said BID was not perfect but that it was a workable plan for improving Rapid City’s downtown.

“It is a plan as fair as a cross section of business operators in downtown Rapid City can make it,” Strassels said. “Are there inequities in it? Yes. There are inequities in it. There are things in it that I’m not particularly fond of. But is it a bad plan? I don’t think so.”

The proposed BID, as recommended by the committee Strassels chaired, would assess downtown businesses 10 cents per square foot based on 100 percent of each business’ square footage, with a $2,000 cap on what a business would pay.

Strassels said the committee wanted the money raised—an estimated $185,000 annually—to pay for promotions, recruitment of new businesses and an organization to spearhead downtown efforts.

Attorney Walter Bradsky said all the tenants in the downtown building he owned opposed the BID as just another tax. Some indicated they would move out if their expenses became too high because of it, he said.

Hoff said it was misleading to say that a majority of businesses could dissolve the BID. He said defining a majority would not be based on “one person, one vote.” Rather, voting would be based on who had the bigger business and building, he said. And the majority would then have to petition the common council to dissolve the BID, he said.

Bradsky, like Hoff, objected to the $2,000 cap as favoring big businesses. They also criticized the voting in a recent straw poll that showed that of 76 percent of eligible downtown voters, 138 favored bid and 128 opposed it. They said it should have been done by secret ballot.

But Randy Hildebrant, a member of the Business Improvement Board, said: “I remember when one of our biggest concerns was that we didn’t get to vote. Now that we do, and did, the critics and the criticism have been on how we got to vote.”

Hildebrant, a vocal opponent of the original BID proposal, said some critics of BID “say I have sold out.”

“Others think there was a political ploy to make the opposition change their mind. You’re entitled to your opinion, but the facts show different,” he said. “If there was no concern for the opponents’ point of view, I doubt if you would have gotten to vote (in the recent straw poll.) There were many compromises to the original proposal, and to suggest that the old opponents (on the Business Improvement Board) were brainwashed is not a fair assumption.”

Hildebrant said he called more than 100 cities that had or had tried BIDs. In the cities that had BIDs, none said it had become “a nightmare.” And even in the cities where BIDs failed, people spoke highly of the attempt to do something positive, he said.