Downtown district foes circulate petitions

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The same day that the Rapid City Area Chamber of Commerce endorsed a special assessment for downtown tenants and owners of empty buildings, some property owners started to circulate petitions against the idea.

The chamber on Wednesday "fully" endorsed the proposal of the Downtown Development Corp. to create a Business Improvement District (BID). As proposed, it would be financed basically by a 20-cent per year charge on each square foot of property within 40 square blocks of downtown, beginning next year.

But Jim Kurtz, owner of a 7,000-square-foot building at 916 Main St. where he operates an insurance business, opposes the district. He wants the Rapid City Common Council to put the proposal to a vote.

"My opposition stems from the fact that we basically as a property owner don't have much to say about it," Kurtz said Thursday. "It's up to the city council as to whether or not they are going to pass this ordinance. I can't vote on it ... they are not going to have an election."

Kurtz, who is not a member of the chamber, said he also was opposed because "they are going to spend 30 percent of the proposed budget on administrative costs."

Chamber President John Schmit said Wednesday that the chamber "has always been supportive of a strong core area and views this latest effort as having the support of the majority of chamber business members affected by the creation of this new district."

"The chamber took a lead role in the establishment of the Main Street program for Rapid City, along with such improvements as the Omaha beautification plan, downtown Christmas decorations and flags on corner nodules," said Schmit. "The new (BID) will be a further extension of the positive effort to revitalize the 'heart of our city.'"

The plan was proposed last Thursday by the Downtown Development Corp., a non-profit group. The idea is to raise

See Property on page A2
Property owners start drive

Continued from page A1

$290,000 a year through assessments of about 500 downtown tenants and landowners. Average daily cost would be $1.57.

The area would be bounded by the east side of West Boulevard, the west side of East Boulevard, the north side of Kansas City Street, and the south side of Omaha Street. Cris Palmer, Downtown Development Corp. chairman, had said money would be used to improve parking and landscaping, hire a full-time maintenance crew, organize professional promotions, create a low-interest loan fund for downtown building improvements, begin work on Omaha Street’s beautification plan, pursue economic development and finance administration.

Bryan Schnell, current director of the development corporation, would manage the improvement district, which would be an entity created by state law. Schnell said proposed administrative costs for the first year would be $82,000 for salaries for five full-time people—a director, a secretary, two maintenance crew workers, and a promotional director—plus rent and operating costs.

To opponents questioning administrative costs, Schnell asked, “Let’s see your plan for administrative costs.”

Kurtz said, “I’m not opposed to them doing something downtown but I would like to have some idea as to what they are going to spend this money for. So far their plans show nothing concrete. It’s all speculation.”

When asked how many years of assessment would be needed to achieve the project’s grandest goals, Schnell said: “It isn’t a five-year project. It is an enduring, comprehensive management project for downtown perpetuity.

“Exactly and specifically, how much and whatever? — we are waiting for these public meetings so that people can give us input and tell us how this money could be best spent.”

Meetings will be held at noon at the Elks Theater on both Monday and Tuesday and at 5:30 p.m. Wednesday at the City/School Administration Center.

Kurtz said opponents would try to gather as many signatures as possible by Monday.

Kurtz said other objections to the proposal listed on the petition include:

○ It will cause more vacancies and less income to property owners because of an exorbitant assessment.

He said other opposition organizers included Randy Hildebrant.

Roughly the same area of downtown was formed in March 1978 to raise money for public parking. The district had 10 annual installments, the last one being last year. It was designed to raise $500,00. The money was used to finance and develop public parking, said Colleen Schmidt, assistant city finance officer.

The downtown area in 1985 also became part of a tax increment district, a district designed differently from the proposed business improvement district. The tax increment district raised $30,000 last year and will raise $30,000 in each of the next two years to help finance the Main Street Project, said Schnell.

According to Schnell, the proposed improvement district could be defeated by a vote of the council or by a petition signed by occupants or landowners who represent more than 55 percent of the square footage in the district.

Schnell expects the council to consider creating the district on July 17 and expects a first hearing on July 24.