

THE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT

The Downtown Development Corporation has worked toward making downtown more profitable and pleasant through the creation of a strong voice that speaks for the needs and interests of downtown businesses.

Utilizing the National Main Street Program, professional staff resources and hours of individual commitment, the DDC has launched an impressive effort to initiate a comprehensive downtown improvement program.

The DDC is now proposing to consolidate and expand these efforts into a stable, long-term program that is dedicated exclusively toward making our downtown a more viable commercial and activity center. Like all major projects, we need a legal mechanism which will provide the funding to accomplish the goals we want to achieve.

South Dakota state law has provided the framework to make this possible. It is called a BUSINESS IMPROVEMENT DISTRICT (BID). The BID is simply a special benefit district created by businesses within a defined geographic area who join together to assess themselves for physical improvements, marketing programs, and other activities. Control of all funds is directed by a board of directors comprised of downtown business people and all funds are earmarked specifically for use within the BID.

Following are some commonly asked questions and their answers, designed to help you understand the BID.

Q. What would be the geographic boundaries of the BID?

A: The district is a physical area — it must have specific geographical limits. The BID includes the basic 40 square block area 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.

Q. Does every business participate?

A: Yes. South Dakota law provides for the creation and establishment of BIDs. Once a BID is legally in place, all businesses must pay the annual assessments.

Q. Who will collect the BID funds?

A: The assessments will be collected by the City through an annual billing process. ALL funds are then redistributed back to the Downtown Development Corporation for use as prescribed in an annual plan, ONLY FOR PURPOSES WITHIN THE DOWNTOWN BID.

Q. Who decides how much the assessments will be?

A: The Downtown Development Board of Directors recommends the assessment formula to the Common Council for final approval.

Q. How much is an annual assessment?

A: Assessments will be calculated by a formula that is based upon 75% of the square footage you occupy or rent. There is a minimum of \$100.00 and maximum of \$5,000.00 per occupant. The average assessment is \$575.00 per year, or about \$1.57 per day. For that, occupants will receive parking improvements, a low-interest loan fund, a professional promotion and marketing campaign, regular district maintenance, full-time district management and other benefits.

Q. Why don't you assess based on annual receipts or some other criteria?

A: The DDC looked at a number of alternatives to basing the assessments on square feet. Many were just not possible. Where, for example, would you get the information on everyone's annual receipts? With square footage, there can be no dispute, either it exists or it doesn't. If you have space downtown, you should be encouraged to put it to its most profitable use. That does not mean ignoring empty buildings or vacant second floors that should be put into productivity.

Q. What will be the total annual budget of the BID?

A: The BID will generate approximately \$280,000.00 annually. In the first year it will be slightly more because of precommitted funds. In the future, additional monies will be generated by successful promotions and through the pursuit of progressive programs such as contracting with the City to manage the downtown parking program.

Q. Will my assessment increase every year?

A: NO. By state law the assessment rate cannot be changed unless the BID is basically abolished and re-created. A number of lengthy public hearings would have to be held by both the DDC Board and the Common Council. A new plan for the use of any new monies would also have to be adopted. If a majority of the assessed occupants petitioned against the increase, the Council would be forced, by law, to disapprove any raise in the assessment amount. The DDC Board has set the initial assessment formula at an amount that is short of largess, yet with enough flexibility to handle current plans as well as expenses for the long term future.

Q: Who serves on the Downtown Development Board?

A: Those eligible are anyone with a business or property interest in the downtown area, or an employee or representative of such an entity. By statute, the Mayor appoints new members each year from a list of DDC nominations, who must then be confirmed by the Common Council. These people will direct the DDC staff in accordance with the wishes of the overall downtown constituency.

Q: What type of services could be provided through a BID?

A: South Dakota state law has one of the better BID statutes in the country. It allows for projects both capital and non-capital in nature, as well as management of facilities (such as a parking ramp), recruiting tenants to fill vacant buildings, improvements to any public place, maintenance programs, construction of public restrooms, sidewalk repair, promotions and basically any project for the betterment of the district.

Q: Why should we put all this money into landscaping downtown?

A: Actually, only 1/8th of the program is dedicated to landscaping improvements. Much of the total beautification on Main and St. Joe will be accomplished as part of the planned street reconstruction. By having an effective organization to help plan those improvements, we can accomplish them at a fraction of normal expenses of undertaking the projects ourselves.

Q: How will my BID contributions be spent?

A: The DDC Board has outlined a number of priority projects that downtown business owners and consumers have indicated they would like to see accomplished. These ideas have been grouped into 8 major programs. The programs are distributed across the district geographically in an effort to spread the benefits evenly. However, during the remainder of the BID approval process we want occupant's input into finalizing development plans. BID funds will then be used to undertake the tasks downtown people want to see accomplished.

Q: What about the annual dues to the Downtown Association?

A: Following consultation and agreement with Downtown Association's Directors and Membership, the DTA will merge into the Downtown Development Corporation where they will comprise the DDC's Promotion Committee. They will work with staff to execute a well organized, professional promotion calendar which will be funded by the DDC as part of the BID funding, thereby eliminating the need for DTA membership dues.

Q: Exactly how is the BID created?

A: State law requires that a very specific set of procedures be followed in the establishment of a BID. There are numerous public hearings which must be held over a period of time. The geographic boundaries are set, the Board of Directors appointed, the plan reviewed, and the assessment formula contemplated, and so on, with each step requiring a separate public hearing in front of the Common Council.

Q: When will my first assessment payment be due?

A: The plan calls for the BID to become operational in calendar year 1990. A firm assessment date has not yet been established, but it will most likely be in early 1990.

FOR QUESTIONS CONTACT: Downtown Development Corporation 394-6036

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