Ballot demanded on downtown plan

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When a businessman took a seat to attend Monday’s meeting about a business improvement district for downtown, he asked over his shoulder if there was going to be a riot.

There was no riot. But many people at a meeting called by the Downtown Development Corp. (DDC) made themselves heard clearly.

They don’t want the Rapid City Common Council alone to decide whether to approve DDC’s idea to set up a legal entity that would raise money for downtown improvements by assessing themselves or their tenants.

They want to vote themselves.

“Let him talk! Let him talk!” people yelled at Cris Palmer, DDC chairman, when Palmer suggested businessman Jim Kurtz confine himself to questions about the DDC’s proposed Business Improvement District.

Kurtz is an organizer of a petition that is asking for a vote on an improvement district.

“I want this to be an open format, not speeches,” said Palmer.

“May I ask another question?” responded Kurtz, an insurance agent and owner of a building that would be in the BID.

“You certainly may,” said Palmer.

Kurtz, addressing the crowd of about 110 people, asked, “Do you want to hear the rest of the story?”

Loud “yeahs” and applause followed.

Kurtz charged the DDC board with improperly following the procedure because the law says: “Owners of 55 percent of the assessable front footage in a business area or the users of 55 percent of space in a business may, by petition, direct the governing body (the council) to hold a hearing to create a district.”

But DDC members indicated no desire to have a vote.

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Petitions and public meetings "can give us a sense whether we're representative," said Lee Gieger, a DDC member.

Kurtz said, "They didn't do it properly. They haven't got a petition out to get 55 percent of the property. They've already set the boundary."

Randy Hildebrant, a downtown businessman and proponent of a vote, said petitioners should not have to ask for a vote. Rather, DDC should have to petition for a vote.

“Our petition is not to oppose them. I think what they’re doing is commendable,” Hildebrant said. “Our petition is to bring it for a vote.”

He later said between 125 and 150 signatures had been obtained as of Sunday from owners or tenants.

The district would assess tenants (or landowners) 20 cents per square foot every year for a non-determined number of years beginning next year.

The district would affect most businesses south of Omaha Street, north of Kansas City Street, east of West Boulevard and west of East Boulevard.

DDC scheduled Monday’s meeting as a way to get information before asking the common council to write an ordinance setting up the improvement district.

Another meeting is scheduled at noon today at the Elks Theater.

Mayor Keith Carlyle said the improvement district was “the right direction.” He asked businessmen to allow it to be in effect for six months and then judge it.

“We should give it a chance.”

He also said he supported “you voting on it.”

Palmer described the district as a “management tool” and said, “Everybody is going to participate; everyone is going to benefit.”

Tom Lee, a DDC member, said in support of the improvement district, “In our town, rugged individualism will kill us and it is killing us.”

When a businesswoman asked why she should have to pay the minimum of $100 a year when her assessment would actually be $50, Lee said an improvement district would be able to deliver 27 cents a day in value to businesspeople.

When the owner of a business at Second and Main streets questioned the district’s value to an auto body shop there, Lee said, “We see the major development downtown at the east end simply because there’s more land there.”

To critics who questioned the wisdom of spending one third of the estimated $290,000 on administration costs, Lee said, “It seems to be a very tight budget for what we’re going to get done.”

And he explained that the proposal called for hotels and motels to be assessed at 50 percent of occupancy in an effort to win hotel proprietors’ support.

Under the improvement district, the most any owner or tenant would pay, such as Hotel Alex Johnson and the Hilton Inn, is $5,000 a year, according to the proposal.

Gieger said, “At $5,000, we keep the big ones in. We need them in. We all need them in. That's the reason why there's a maximum.”

Palmer told the crowd information from landowners and tenants was needed to determine exact assessments.