Downtown group wants an added tax

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Staff Writer

A group of downtown merchants wants to raise money to improve Rapid City's downtown by creating a special assessment district to tax downtown businesses. A proposed business improvement district could generate about $300,000 a year to be used to improve downtown parking, extend landscaping and organize promotions, said Cris Palmer, chairman of the Downtown Development Corp.

“We feel this is a very important positive opportunity for downtown Rapid City, one of the best we've ever had,” Palmer said Thursday during a news conference in front of the Buell Building. “We view this as the ultimate, pull-your-selves-up-by-the-bootstrap proposition.”

If the business improvement district was created, each of the 500 or more businesses downtown would be assessed on a square-foot basis. Residences, churches and government buildings would be exempt, but all other buildings would be assessed.

“The beauty of this project is that, once it's approved, 100 percent of the businesses in the district must contribute and participate in the program pursuant to the ordinance we contemplate being drafted,” Palmer said.

Under state law, the Rapid City Common Council would have to establish a business improvement district by ordinance. The proposed district would include the area south of Omaha Street, north of Kansas City Street, east of West Boulevard and west of East Boulevard, Palmer said.

The district would be managed by a statutory board. Bryan Schnell, currently director of the Downtown Development Corp., would be the district's executive director.

The assessment paid by each business would be determined by the square footage of the building it occupied, with a maximum of $5,000 and a minimum of $100. The basic annual assessment is 20 cents per square foot, Schnell said. Landlords or owners of vacant space also will be assessed.

Palmer said the money raised by the district would go to eight areas: improving parking; extending landscaping; hiring a full-time maintenance crew; organizing professional promotions; creating a low-interest loan fund for downtown building improvements; beginning work on the Omaha Street beautification plan; pursuing downtown economic development; and funding administration to oversee all activities.

Members of the Downtown Development Corp. board of directors will visit downtown businesses next week to discuss the proposed assessment district, Palmer said. Also, three meetings — June 26 and June 27 at noon at Elks Theater and June 28 at 5:30 p.m. at the City/School Administration Center — will be held to hear comments on the proposal.

“We want them to learn more about the proposal and we hope they will give it a fair chance and a fair hearing before they form their thoughts and opinions,” Palmer said.

Palmer and about 50 other merchants and city officials gathered in front of the Buell Building Thursday for the news conference.

Other Downtown Development Corp. board members are Ellie Potts, Tom Lee, Jim Scull, Pat Wyss, Dan Sefter, Roger Heacock, Lee Geiger, John Brewer, Jerry Hauck, Dick Frederick, Tom Didier, Karen Bulman, Gary Ebel, Fred Thurston and Barry Martin.