Downtown plan gets mixed response in second meeting

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The proposal for a downtown business improvement district got mixed reviews again Tuesday, but the public meeting on the plan, the second of three scheduled this week, was more subdued than Monday’s raucous session.

From the audience of 90 or so people, members of the Downtown Development Corp. heard praise for their efforts and, in general, interest in ensuring fair representation on a Business Improvement District (BID) board for the 500 or so business people that would be affected by the district.

Two people stated opinions in favor of a BID, five stated opinions against a BID and seven fell in the “maybe” category.

The meeting produced three definitive requests for a vote on whether to create a BID. Other people supported a BID but wondered if it could be done by other methods or done less expensively.

William Eilers, a downtown businessman, suggested the development corporation persuade the Rapid City Common Council to give up the fund that takes in revenues from parking meters and rental of parking spaces downtown and use the money to improve downtown.

That Parking Lot and Area Fund had an encumbered balance of $213,000 for the first five months of the year, said the city finance office.

Instead of charging the proposed 20 cents a square foot each year for the improvement district, Eilers suggested charging “everybody a penny” a square foot and combining it with the parking fund to raise about $250,000 a year.

Bryan Schnell, Downtown Development Corp. director, outlined challenges facing downtown and the goals for the BID.

- On parking, Schnell said Main and St. Joseph streets would be rebuilt with concrete in a few years. “What are we going to do with this opportunity to change the personality of downtown?” Schnell asked.
- Of the need for landscaping, Schnell said it could dovetail with street reconstruction.
- Of a full-time maintenance crew, Schnell asked, “How many chances do you get to make a first impression? You get one.”
- Of a full-time promotional director, Schnell said that person would do advertising and events.
- Of the so-called Omaha Street beautification plan, he said downtown businesspeople should fix up the south side of Omaha and persuade the city to fix up the north side east of Hubbard Milling Co.
- Of low-interest loans, he said a BID would “buy down” interest rates for businesses needing money for building improvements.
- On recruiting new tenants, he said a BID would obtain total market information to try to find tenants for the JC Penney Co. building and for Robbins & Stearns’ former property, among others.
- Of a full-time administrator, he said that person might be able to manage parking lots and meters. He also said, “Whether it’s me or somebody else; I’m not going to be here forever.”

The development corporation proposes a BID that would comprise 40 square blocks bounded by the north side of Kansas City Street, the south side of Omaha Street, the east side of West Boulevard and the west side of East Boulevard.

The BID would assess downtown tenants and landowners without tenants an average of $1.57 a day to raise about $290,000 a year for an undetermined number of years beginning next year, according to the development corporation.

The BID would be authorized by the council. BID board members would be appointed by the mayor and approved by the council.

Tuesday’s audience was told that Yankton was the only city in South Dakota with a BID. Development corporation members said Yankton’s assessment of 4 cents a square foot raised enough money for its director and little else.

Some people suggested businessespeople be able to nominate BID board members on an equal basis, giving the businessperson paying the least assessment the same vote as the highest paying business.

The proposal calls for assessing a minimum of $100 a year and a maximum of $5,000 a year from all affected businesses.

Tom Lee, a development corporation member, said it would be ideal if it “could put together a large group of people who were smaller property lessors who were in favor of it and then we could bring along” the larger ones. “Reality has dictated we must get the large players on the team,” he said.

Tom Didier, an owner of the Hotel Alex Johnson, said he had no problem having the same vote weight as a smaller business. (The hotel would pay $5,000 a year; without a maximum the hotel would pay about $17,600 a year on its 88,000 square feet.)

Jim Kurtz, who is petitioning downtown business people to put the BID to a vote, asked if the development corporation had decided to do so.

Cris Palmer, development corporation chairman, said, “I’m not certain whose responsibility it is to have a vote.”