Downtown in period of transition, says Downtown Association President Thatcher

by Darrell Shoemaker

Reasons for the perceived demise of the Rapid City downtown area are as varied as the solutions to change those perceptions in the minds of the consumers and media.

Short and simple, the downtown area is in a period of transition and not of economic downfall—that, according to Anna Marie Thatcher, president of the Rapid City Downtown Association. She says comparing the downtown area with other retail centers in the community is like comparing apples to oranges.

Chamber official shares views on situation

There needs to be more analysis to determine the status of the downtown situation, according to Wes Shelton, director of the Chamber of Commerce’s Economic Development.

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“There’s no comparison,” says Thatcher, who owns and operates a local business in the downtown area. “The downtown area is not just a shopping center. It is comprised of retail businesses, financial services, medical and law services, churches, schools and other service outlets.

Thatcher says the area has a much larger diversity than areas that are just shopping centers. She says the downtown area is the historical and cultural center of town and “has things to offer that no other area of town can offer.”

“It (the downtown area) isn’t, nor ever will be just a retail center. It’s like comparing apples to oranges. If we’re going to be compared to something, compare the downtown area with the downtown area of Sioux Falls or Billings.”

Thatcher explains the area is in a period of transition based on several factors:

a) Thatcher says that many of the businesses in the downtown area have been in operation for less than five years;

b) There are a considerable amount of ‘second-generation’ businesses in the area, with younger blood involved in management or the children of original owners and managers now old enough to take over;

c) There are more specialty shops opening up in the downtown area and, d) A large percentage of the new businesses are in the downtown area, which is a good sign for the future.
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The factors that affect the buying and selling of property in the downtown area include the asking price and the characteristics of the building. For example, the old J.C. Penney’s building is a larger building than most businesses want downtown. Shelton added, "It will be difficult to move until the parking situation is solved."

Shelton said there are three businesses planning to move into the downtown area. Cummins Financial, the credit service department of Cummins Engine, is setting up an office in a downtown building. This business is indicative of those moving into the downtown area in that it does not seek publicity as other businesses might, according to Shelton.

A business will seek a downtown location for any number of reasons. It may be easier to operate downtown if they need to interact with banking, lawyers or accountants. There are many facilities located downtown that make it handy and convenient to be there. It may be a company’s tradition to be located in the center of town. Shelton finished his list with the statement that property is generally less expensive in an area than getting a new building in a different area.

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a) Thatcher says that many of the businesses in the downtown area have been in operation for less than five years; b) There are a considerable amount of ‘second-generation’ businesses in the area, with younger blood involved in management or the children of original owners and managers now old enough to take over;

c) There are more specialty shops opening up in the downtown area; and,

d) A large percentage of the new businesses are either owned or managed by women.

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Thatcher says this period of transition should produce good results for the consumers, but emphasizes the makeup of the area will always be different from other areas in the city.

Thatcher says the advantage to shopping in the downtown area is the wide variety of services offered. She says the parking problem perceived by the media and many consumers is "not all that bad."

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“It (the parking problem) is just as much a perceived problem as a real one,” says Thatcher. “That is not to say we don’t need the parking ramp, but there needs to be cooperation from businesses, and more specifically the management personnel from those businesses.”

Some suggestions offered by Thatcher for the parking situation is for employees to park in the Civic Center parking area and take a shuttle bus to work. However, “there needs to be management participation. If the management doesn’t park at a central location or fails to use the ramp when it is completed, you can’t expect to gain the participation of the employees and you’ll still have a parking problem.”

Thatcher claims that if one employee from each business in the downtown area would agree to park in a central location, between 100 and 200 cars can be taken off the main streets in the city.

The media also needs to revise its coverage of the downtown area, according to Thatcher. She says that if the media is going to report to viewers, readers and listeners when a business closes in the downtown area, the same treatment should be given to businesses that close in other areas of the community.

“When a business closes, it doesn’t necessarily mean that the economic climate determined that business went under,” she charged. “There are various reasons why a business may close, including lack of enthusiasm, bad management, selling problems, retirement or moving to another city.”

Thatcher says the reason many smaller businesses locate in the downtown area is to provide a quiet environment for the shopper, so that employees can take more time with each customer, and achieve personal interaction with each consumer.

Such activities as the Christmas parade in downtown Rapid City last Friday is one example of what Thatcher calls, “beefing up our image in the eyes of the consumer and the media”. She says the Association is planning several future events to “push” the cultural and historical aspects of the downtown area.

“It appears that in the minds of some people, they want us to fail,” Thatcher concluded. “But we aren’t going to.”