

Parking remains downtown problem

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Business Editor

11-18-84

Just five days before the biggest retail day of the year, the day after Thanksgiving, about 8 percent of the storefronts in the heart of downtown Rapid City stand empty.

Meanwhile, Rushmore Mall, for the first time in its five years, has no more space to lease; Baken Park, on the city's west side, has more lookers than space; and other retail clusters away from downtown are growing stronger.

A furniture row, of sorts, has developed on Main Street, west of the Gap. The Bridal Village, with four stores and room for more, opened in September in the old Jack 'n' Jill Grocery on North Maple. And merchants along Canyon Lake Drive and Deadwood Avenue are now promoting themselves.

The heart of downtown Rapid City, the six-block area from Fifth and Eight streets between Main and St. Joseph, has about 100 storefronts. Eight are empty.

The core has many healthy retail businesses, but has grown little. New money isn't coming downtown. The city's center is in transition this Christmas season. And fighting back.

"Downtown has a very stable base, the problem is there wasn't any growth," said Frank Gengler, who closed his downtown Neugebauer Jewelry store three months ago and opened a gift shop in the Rushmore Mall.

"There is no new money in the downtown area and that isn't all that good," said Tom Vucurevich of the

United Corp., which manages and owns downtown property.

A perennial problem — parking — is the convenient culprit for the empty retail spaces.

Arlene Holcomb, co-owner of Forever Yours Originals in the new Bridal Village, says customers tell her they were "going downtown to look but couldn't find a place to park."

Peg Sampson moved her Plantation Country Store from downtown to Baken Park this summer. She says downtown retailers exacerbate the problem by parking "in front of their own stores down there. And there's no way to embarrass them out of it."

Ken Simpson of Tower Real Estate is trying to rent two of the empty storefronts on St. Joseph. Prospective tenants are hesitant to lease in downtown because they're not sure what City Hall is going to do about the parking crunch, he said.

Nearly a year ago, voters approved a half-cent sales tax to build a parking ramp, city hall and airport terminal, but the ramp and its location remain uncertain. Not a spade of dirt has been turned.

Convenience is drawing retail customers elsewhere. Retailers who have moved from downtown or rejected a downtown site, say the lack of parking is one of the primary reasons.

But interest rates between 13 and 14.5 percent and low inflation are also making it tougher for cash-poor entrepreneurs, who are naturally drawn to downtown's lower rents, said Ron

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Brue, president of First Bank Rapid City.

Five years ago, with interest rates much lower, a bank would most likely finance all of a new store's inventory, Brue said. Today the new retailer must be able to buy 20 or 30 percent of the stock to get a loan for the rest, he said.

Double digit inflation in the 1970s "allowed a marginal operator to stay in business. The good operators were making a very nice profit, the marginal operators were staying alive. Now the good managers are still making money and the marginal operators are gone," he said. Inflation driven profit is gone.

Moreover, downtown's evolution toward a financial center is clear. Most activity downtown in the past year has been in the brokerage business, with the four downtown houses moving into larger, remodeled quarters.

"My feeling is good about downtown, but it's becoming more of financial center," said Bob Mudlin, manager of Lariat Clothiers, which is closing its downtown store after 33 years.

To survive, and thrive, the downtown merchant is going to have to attract the financial worker, said Brue. "I continue to think downtown is a viable marketplace. I don't think we have a dying downtown."

The downtown retailer must carry a product that "appeals to the downtown workforce. If a business tried sell to the

(general) Rapid City trade area it may have a tougher go."

Anna Marie Thatcher, president of the Downtown Association, agrees the city's center is in transition to specialty shops and services attractive to downtown workers.

Thatcher, owner of Anakota Arts Ltd., said there's a new resolve among downtown merchants to halt retail flight and attract new businesses. Attendance is up at the association's strategy meetings and there's more cooperation in promotion among retailers, she said.

To alleviate the parking crunch this Christmas season, the association is trying to move 200 employee cars a day from downtown lots and streets.

For two hours each morning and evening, from Nov. 25 to Dec. 27, buses will shuttle downtown workers from Rushmore Plaza Civic Center parking lots to downtown, Thatcher said. The merchants are trying to get commitments of cooperation from downtown offices whose employees work 6-8 hours a day.

This Christmas season about 30 percent of the downtown merchants will remain open until 8 p.m. Monday through Thursday, Thatcher said. They will also be open Sunday afternoons.

And the Association will have night parade that busiest of Christmas shopping days, Friday, Nov. 23.

"We have to face the fact we can't sit around and bitch anymore," Thatcher said. "We have to act offensively, not defensively."