

Downtown to feel loss of major stores but merchants optimistic about future

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"It only hurts for a little while."

That seems to be the theme of some of the downtown Rapid City merchants as JC Penney Co. and Sears, Roebuck & Co. relocate to the new Rushmore Mall.

Reaction from several businessmen was generally the same: "Oh, we'll feel it for awhile, but the downtown will come back!"

Nathan Horwitz of Crown Clothing, who also has retail stores in Sioux Falls, said, "There's no question the two largest department stores leaving the downtown area will have an effect.

"It's going to be a serious loss, which then makes it all the more imperative that the city and the downtown group go forward for additional offstreet parking along with beautification and other improvements.

"If we are successful in carrying out our plans to make the downtown an attractive place (to shop) then property values will be maintained and the city won't sustain a property tax loss that we otherwise would experience.

"As the population increases, I look for the downtown to start coming back," said Horwitz, a former member of the city planning commission.

Ron Stephenson of Stephenson Music Co. and chairman of the county board

of commissioners, said he is trying to maintain a positive approach but feels that some businesses "will feel the pinch. It will be up to them to innovate and specialize and merchandise their products and services."

He noted the new shopping mall being built by General Growth Development of Des Moines, Iowa, will bring shoppers in from farther out and some of them are bound to visit and shop in the downtown area.

A county commissioner, Stephenson, called attention to the anticipated increase in the real property tax base with the addition of the largest covered shopping mall in western South Dakota.

"In a rough way, it looks like General Growth will be paying about \$800,000 a year in property taxes, "and that does not include the increased inventories of the more than 80 shops renting space there.

"That will go either a long way toward reducing taxes for everyone else, or it will give us the money to do the things that need to be done," said Stephenson.

Wayne Adamy, manager of the Montgomery Ward catalogue store, said the move "is just one of those evolutionary things. We're going to hurt for awhile, but someone will come along and make something out of the loss.

"I certainly don't blame Sears for deciding to move. I think it will be good

for them," he said. "But Wards likes Rapid City's downtown."

George Johnson, manager of Woolworth's, said, "It might slow things up for awhile, but we are looking for the downtown to come back. Our store is staying downtown."

Jeffrey Foss of General Growth Development said it has been his firm's experience that a void is created when key stores move from the downtown, but this is soon filled and business comes back.

Mayor Art LaCroix was concerned about the loss of two large businesses from the downtown, but commented the city will move ahead aggressively with the urban renewal redevelopment and revitalization in the 600 and 700 blocks on the north side of Main.

"We also will continue to work with the downtown people. We do have a very viable shopping center in the center of our city. It is one of the best in the state.

"Our people should also realize the downtown is still the heart of our city with its fine arts building, library, financial and professional office center and the many outstanding specialty shops.

The mayor said he still has confidence in the Genge Consultants economic study which indicates Rapid City's downtown area has a great potential for greater economic development.