

Half-cent sales tax could lure good jobs to city

Editor's note: This is the last in a series of stories about projects and programs that would be funded by the proposed continuation of a half-cent Rapid City sales tax. Voters will decide whether to continue the tax at a special election Tuesday.

By Hugh O'Gara
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Bob DeMersseman wants to throw half a penny into Rapid City's job pool.

The Rapid City Area Chamber of Commerce's economic development director said adding half-

cent sales tax money to the city's Rapid Fund to attract companies to the city will be felt throughout the community.

"In most people's eyes, it is for job development," DeMersseman said. "How are we going to create these jobs and new wealth?"

Quality jobs have a ripple effect, DeMersseman said. Jobs lead to houses, retail sales, services and a broader tax base.

The Rapid Fund can become one more piece of economic "bait" to lure quality jobs to Rapid



DeMersseman

City. Quality jobs mean long-term jobs that pay above-average wages with fringe benefits and appropriate working conditions, he said.

DeMersseman says the city is trying to attract companies of the caliber of Magnum Diamond or Custom Packaging Systems. "There is high value in those products, and it doesn't take a railroad car to ship," he said.

The city hopes to use half-cent sales tax money to put together \$3 million to \$5 million to match with state, federal and other funds to attract new businesses by offering loans at below-market interest rates. Officials will be looking especially for light manufacturing businesses.

Others are looking, too.

More economic development organizations are

wooing fewer relocating companies. According to a major relocation consulting firm, in 1970 6,000 economic development groups chased 4,000 relocating companies. Today, 10,000 groups try to attract 2,000 relocating companies annually.

"If we're to remain competitive, we've got to have this fund," DeMersseman said. "Just about anybody that is active in economic development has this war chest to expand local industry."

Rapid Fund will be a revolving discretionary loan fund overseen by a seven-member board of directors.

"It's an issue of jobs," DeMersseman said. "I want my kids to stay here. It's not the case now. People have to leave out of necessity."



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