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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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.

"It's one of the most important parts of the city's job development," DeMersseman said. "Now we can attract new companies and create new jobs and opportunities."

Quality jobs have ripple effects, DeMersseman said.

Jobs will lead to less crime, retail sales, services and a broader tax base.

The Rapid Fund can become one more piece of economic "bread" to lure quality jobs to Rapid 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 these products, and it doesn't take a racetrack 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 high manufacturing businesses.

"There are a lot of other economic development organizations are wooing fewer relocating companies. According to a major relocation consulting firm, 17 of 1,000 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. "It's about everybody being 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."