

A Proposal for Change

Advancing economic growth and viability in the Downtown
Historic District through modification of parking regulations in
Rapid City, South Dakota

Submitted to Mayor Jim Shaw and the members of the City Council
by Dennis and Chelly Halterman
on behalf of The St. Joe Street Factory, Inc.
May 5, 2003

TABLE OF CONTENTS

I. <u>Review of Current Challenge</u>	1
II. <u>Underlying Themes Important to the Parking Issue</u>	2
III. <u>Economic Themes and Realities In Reference to Parking in Commercial Districts</u>	3
a. General Themes With Commercial Parking	3
b. Themes Specific to Downtown Rapid City	4
IV. <u>Parking Validation: A Win-Win Solution</u>	5
a. Definition and Explanation of Validation System	5
b. Three Illustrative Cases	5
c. How a Validation System Would Operate Under the Case Scenarios	7
d. Benefits of Adding a Validation System	7
V. <u>Conclusion</u>	8

I. Review of Current Challenge

It comes as no news to anyone involved in city government that parking is a perennial challenge. This is so much the case that it is easy to empathize with the way the Mayor, the members of the City Council, and all others City employees involved with the issue must feel each time the issue is raised. This proposal is not designed to request the Mayor, City Council members or anyone else to once again bang their heads against the wall that has been fortified over years by the consistent clamor, complaints and gripes over parking. The intent is to take a fresh look at the needs of all sides, and search out a "win-win" solution that is derived out of the consensus of the alternating sides of the issue.

The challenge faced is in finding a solution to the varying interests of the parties involved, as noted below:

1. The City's responsibility for regulating parking, and legitimate need to acquire revenue.
2. Downtown business owner's desire to have parking available for both employees and customers.
3. The need of the citizens of Rapid City to be able to have parking available when doing business in the downtown historic district.

Currently, parking downtown is limited to two hours. Parking enforcement officers do an outstanding job in monitoring same, and issuing violations for any infraction of the current rules and regulations. It goes without much explanation that the issuance of parking tickets leads to difficulties on all sides.

II. Underlying Themes Important to the Parking Issue

Rapid City is indeed one of our Country's jewels. Most who visit draw direct comparisons to such well know and esteemed towns such as Sante Fe, New Mexico; Jackson Hole, Wyoming; Breckenridge, Vail, Aspen etc., Colorado; and Missoula, Montana among others. Geographic location and history have synergized with our culture and our citizenry to make Rapid City one of the best places to live in America. This does not mean that we do not have our challenges, because we do. It does, however, provide us certain opportunity which other towns not as fortunate as us do not have, and will never have (e.g., there is only one Mount Rushmore, Crazy Horse mountain, Bear Butte and Sturgis Rally).

Listed among our Crown Jewels is our Downtown Historic District. This is the case on multiple levels. There are many important reasons that it behooves us to recognize this area is not only an attraction in and of itself (the same manner as the downtown districts in the other elite small towns listed above), but also one of the entities that makes our quality of life in the Black Hills so superior to other areas, two of which I will mention and briefly discuss.

First, the numerous historical buildings which have more or less remained intact over the years, can never be replaced. Beautiful buildings are built across the nation everyday, but no matter how beautiful they are, they are not one hundred (plus, in many cases) year old buildings which reflect the materials, craftsmanship, needs and indeed culture of the times they were built. Our downtown has a story to tell that, in fact, defines the history of the settlement of the United States from the late nineteenth century through today. It is a sui generis history that can be found few other places, and is indeed the hub of the entire Black Hills region.

Second, our downtown is largely made up of small businesses, which are only found here

in Rapid City. Many of these shops are incredibly special and unique in their own right. As opposed to larger, corporate businesses - which also necessarily make up our community - our attraction to tourists and our citizens alike is that downtown is a plethora of unique shops and experiences that they can find nowhere else. It is largely our downtown area which sets our City apart, and indeed makes us different from every other town in the United States. The flavor, character and culture it adds to our community is invaluable.

In this light it can be seen that the current parking situation may well be a hindrance to the economic viability and vast potential of the heartbeat of our community. Two hour parking, indeed, sends a message to our citizens and tourist visitors that we discourage extensive trade in our beautiful, historic downtown.

III. Economic Themes and Realities In Reference to Parking in Commercial Districts

a. General Themes With Commercial Parking

Obviously, or perhaps not so obviously, parking is not "free" in any commercial setting. The land upon which parking lots sit have initial and extensive capital outlays, building parking lots cost money, maintenance of same costs money, property tax on same costs money. Private enterprises, however, are able to operate in a different manner than cities. The costs attendant with the parking facilities, at a mall, for instance, are factored into the rent each business pays, which is in turn factored into the cost of the items sold. It gives the illusion to the customer that they are parking for free, but in fact the cost of their parking is simply hidden somewhere in the cost of their purchase.

City streets, however, can not operate under the same principles as private enterprise,

even though there are similarly enormous costs associated with building and maintaining city streets. In addition, it is a legitimate source of revenue, as practical, for cities which do not operate for free, but which cost a great deal to function.

Due to the physical layout of downtown, then, there becomes competing interests between business owners, who need places for their customers and employees alike to park their vehicles, and the city which needs funds to maintain the public right of way.

b. Themes Specific to Downtown Rapid City

In a nutshell, here is the challenge: how can necessary revenue be derived by the City to maintain the streets downtown, and still recognize the need to have abundant "free" parking to encourage the economic growth of Rapid City's cultural hub?

There are other specific challenges which should also be recognized. Business owners often do not have adequate parking for their employees around their businesses, and fail to provide same in the City's available parking lot and garage. This leads to many people who are employed downtown taking up street parking, and moving their vehicles every two hours to avoid tickets. Downtown business owners do need to take responsibility for this challenge. In actuality, the time and productivity lost by employers for employees who leave every two hours to move their vehicles is more than made up by the simple purchase of a monthly parking permit, particularly when the actual received tickets by the employee for going over the two hours is factored into the equation (not to even mention the loss of customer revenue by the employee being out of the business, and taking up a potential customers space on the street)

Additionally, there are a number of apartment facilities in the downtown historic district which are not able to provide adequate off street parking for their tenants. Similar to employees,

some of these individuals choose to park in the street and move their vehicles every two hours to avoid getting a ticket.

Parking is, by the geographical confines of a city, limited. Thus, the need to find a viable solution becomes even more critical.

IV. Parking Validation: A Win-Win Solution

a. Definition and Explanation of Validation System

Simply put, a validation system would leave in place any existing parking regulations, adding only a way for business owners to be able to - at their discretion - provide unlimited free parking for people who are doing business downtown. The system could be set up in a variety of ways, but the basic component is that merchants would have a method of stamping, or “validating” parking violations that are received by their customers. Validation systems are currently in place in many cities in the United States, including Des Moines, Iowa, and the Plaza area of Kansas City, Kansas.

b. Three Illustrative Cases

On a nice spring day three citizens of Rapid City decide that they wish to meet downtown for lunch, and shopping. They all three arrive just before noon, and park someplace downtown. They meet at Prairie Edge, and browse for thirty or forty minutes. From there they go to Botticelli for a nice, leisurely lunch, (another hour and a half, which would pass over the two hour limit under the current system and likely result in ticket number one). After lunch they decide to browse in the various shops along Main and St. Joseph Streets, where they purchase a number of items, two more hours. Before heading home, they decide to stop and have coffee at The Main

Street Market, thirty more minutes.

The total time spent downtown, under this scenario, would be four and a half hours or so. Under the current system all three of these individuals would return to their vehicles and find two pink parking violations on their windshields. Obviously this would lead to not only additional expense to these three people for their participation in keeping the heartbeat of Rapid City alive, but that annoyance, anger and frustration that one feels when finding a parking ticket on their car. The message: don't do commerce downtown, meet somewhere else for lunch and shopping.

A second illustration is also helpful. From out of town a family comes to visit the Black Hills for the first time. It goes without saying that they are impressed with the area and its sights. Noticing the quaint downtown, they decide to spend a day walking around, looking in shops, making various purchases. They spend the day from starting out the day eating breakfast at Tally's, to lunch at the Firehouse, a matinee at the historic Elk's theater to dinner at The Corn Exchange. When they arrive back at their car where it has been parked all day, they find no less than five tickets on their vehicle. Their message to friends, neighbors and relatives when they get back home: the Black Hills are beautiful and there is a lot to see, but don't spend much time in downtown Rapid City. Better yet, go to Jackson Hole, parking downtown is "free" there.

Finally, a regional business organization wishes to hold a conference in the Black Hills. The first factor is deciding location. Rapid City's downtown parking ticket violation reputation proceeds it, and so downtown Rapid City is automatically excluded from the list. The best case scenario is that the organization decides to keep Rapid City as its conference location, but the message is clear: Rapid City discourages commerce in the heart of its historic downtown. The worst case scenario is that the organizers decide on another location outside of Rapid City.

c. How a Validation System Would Operate Under the Case Scenario

In all three examples above, the vehicles would still receive tickets. However, it would be noted on the ticket that Rapid City appreciates their business, and if they have been downtown doing business, the ticket could be validated at anywhere they made a purchase. If, as noted above, the tickets were received by downtown employees, validation would not be available (oversight of this would be simple with a variety of easy to implement checks and balances). Likewise if the ticket was received by someone who lives downtown and fails to provide for themselves adequate parking, validation would not be available.

Could there be abuse under this system? Certainly. No system is full-proof against those who wish to abuse and disregard their simple rights and responsibilities as a citizen. However, as outlined below, overall this system would have tremendous benefits.

d. Benefits of Adding a Validation System

First of all, and of importance to the City, is that parking has long been a bone of contention between the City, the citizens and the Downtown business owners. It is a recurrent rift between the City and the citizens. All sides have valid needs and concerns which need to be respected and can be met. Finding a solution would certainly be an accomplishment for any administration.

Second, it seems to be a pivotal moment in the history of downtown Rapid City. There is a large number of new, innovative businesses planting roots and growing, making Rapid City just that much more legitimately referred to in the same breath as the elite towns mentioned above, such as Sante Fe, Jackson Hole and Missoula. There is a number of individuals who have tremendous vision and boundless energy who are coming together to re-invigorate the heart of

our wonderful town. It is a perfect time to send out a new message loud and clear: the leaders of Rapid City recognize what a jewel we have in our Downtown Historic District and are being proactive to help it prosper and grow. This solution would go a long way to bringing the powers in City Government and the ground floor business owners together in a way that would build synergy among them, and position Rapid City very well for an exiting and prosperous future.

Finally, this would bring a very positive message to the citizens of Rapid City, that in fact the City is empathetic to their plight, and proactive to their needs. What pride we can have as citizens of Rapid City to be able to recognize our historic downtown for the prize that it is, and together as a community watch it grow, prosper, add to our quality of living, and continue to impress our fellow Americans who come to our wonderful part of the world to visit.

e. Practical Economic Considerations for the City

One of the practical consideration for the City has to do with simple economics. Visibly, as this is more of a preliminary document than anything else, the actual economic mathematics are outside of its scope. However, the genesis of any validation system is grounded in a similar vein to the way commercial establishments which provide parking recognizes there is an attendant cost, and meet that cost, but find a manner which is much easier to digest than the negative emotion associated with parking tickets. There is no doubt that the economic necessities of Rapid City can be met with the addition of this system. In fact, it would seem entirely possible that the same or more revenue could possibly be generated with such a system.

V. Conclusion

There is no question that this has been a perennial difficult issue. The solution lies in

tailoring a validation system in which all can come to consensus. More importantly, this is the correct time to be proactive to this need, as Rapid City itself is in the beginning of an extremely prosperous period, as is downtown proper. The vision among the citizens is to bring Rapid City to an entire new level of existence only hinted at by our past. Now is an opportune time for the City leaders to come together with this very clear message: we recognize our historic downtown as one of Rapid City's Crown Jewels, and we support its growth and prosperity.